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C1606006

# Exhibit 1

# **Braun Blaising McLaughlin & Smith P.C.**

Attorneys at Law

October 13, 2015

## **Via Email**

Ms. Janet Combs  
Director & Managing Attorney  
Southern California Edison Company

**Re: Request to Meet and Confer Regarding Discriminatory Treatment of Lancaster  
Community Choice Aggregation Net Energy Metering Customers**

Dear Ms. Combs:

The City of Lancaster ("Lancaster") has learned from Southern California Edison Company ("SCE") that SCE is engaging in discriminatory treatment of Net Energy Metering ("NEM") customers participating in Lancaster's Community Choice Aggregation ("CCA") program. While SCE's NEM customers are able to count bill credits against various charges, including the Department of Water Resources ("DWR") Bond charge, Lancaster's NEM customers are unable to do so, and they must pay the DWR bond charge, and potentially other charges, regardless of the amount of their bill credits. Because the disparate treatment has the effect of driving up Lancaster's NEM customer bills relative to SCE's NEM customer bills, all else equal, Lancaster is requesting to meet and confer with SCE on this matter and will file a formal complaint with the California Public Utilities Commission ("Commission") if this matter cannot be resolved. At a minimum, this discriminatory treatment violates the Commission's directives regarding NEM service as it applies to CCA programs, and may violate the law and other Commission orders.

## **Background**

Lancaster is in the middle of launching a CCA program, known as Lancaster Choice Energy ("LCE"), that is expected to serve the vast majority of electricity customers in the City. The Lancaster City Council approved a CCA Implementation Plan, which was certified by the Commission's Energy Division on October 16, 2014. A revised CCA Implementation Plan was filed at the Commission and certified by the Energy Division on March 13, 2015. Lancaster's CCA program launched in May 2015 by enrolling municipal accounts and a limited number of residential and commercial accounts on a pre-enrollment basis, and will complete the launch for all other customer classes in October 2015, when it will enroll approximately 55,000 customers. Lancaster has made the deployment of solar resources, including distributed generation, a top priority, and expects to enroll over 2,700 NEM customers in the coming weeks.

After Lancaster pre-enrolled residential accounts, it learned from participating NEM customers that SCE had reclassified the DWR bond charge under the Cost Responsibility Surcharge ("CRS") category of their bills. After inquiries were made, Lancaster learned from SCE personnel that while

SCE's bundled service customers are able to net their bill credits against the DWR Bond charge, CCA customers are unable to net their bill credits against the same charge.<sup>1</sup> This disparate treatment may apply to other charges, as well.

**Southern California Edison's Rate and Billing Practices Discriminate against Lancaster's NEM Customers and Have Resulted in Customer Confusion**

The Commission adopted Decision ("D.") 08-02-002 on February 14, 2008, and instructed the Investor-Owned Utilities ("IOUs") to modify their tariffs to provide NEM to CCA customers.<sup>2</sup> As part of that decision, the Commission also instructed the IOUs "to offer CCA customer-generators the same NEM service it offers its own customers, with the utility providing the transmission and distribution credit to eligible CCA NEM customers and the CCA offering the generation credit to eligible CCA NEM customers."<sup>3</sup> The decision orders the IOUs to provide service that is "consistent with NEM service to utility customer-generators and consistent with CCA rules as described in Rule 23 for SCE  
...<sup>4</sup>

SCE's discriminatory treatment appears on two fronts. First, as emphasized below, different components are used as the basis for determining bill credits for SCE NEM customers and CCA NEM customers. Second, SCE employs different billing calculations for SCE NEM customers than it does for CCA NEM customers. The use of different components to calculate bill credits and different billing calculations in this fashion does not reflect CCA NEM service that is the "same" or "consistent" with SCE's NEM service.

For background purposes, SCE's Schedule NEM: Net Energy Metering ("NEM Schedule") provides as follows:<sup>5</sup>

As determined in each billing period, when a Customer is a net consumer of energy,  $E_s$  is greater than  $E_f$ , where  $E_s$  is energy supplied by SCE and  $E_f$  is energy generated by the Customers' Renewable Electrical Generating Facility and exported into SCE's electrical system, the resulting net consumed energy will be used in the calculation of all applicable energy charges, *calculated by 1) multiplying the Customer's net consumed kWh by the applicable energy rate components of the Customer's OAT, in each Time-Of-Use (TOU) period when applicable, for Bundled Service Customers, or 2) multiplying the Customer's net consumed kWh by the applicable Delivery Service rate components of the Customer's OAT, in each TOU period when applicable, for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy charges).*

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<sup>1</sup> See Email Correspondence Between Lancaster and SCE, August 25, 2015 - August 31, 2015 (attached hereto as Attachment 1 ("SCE E-mail Response")).

<sup>2</sup> D. 08-02-002 at 6.

<sup>3</sup> D. 08-02-002 at 6.

<sup>4</sup> D. 08-02-002 at Ordering Paragraph 1.

<sup>5</sup> Southern California Edison, Schedule NEM: Net Energy Metering, Revised Cal. PUC Sheet No. 55662-E, October 23, 2014 at 3 (italics and emphasis added) ("NEM Schedule").

The upshot is that the rate calculation for an SCE NEM net consumer relies on different components than the calculation used for a CCA NEM net consumer. The rate calculation for net surplus consumers also reflects the use of a different approach for CCA NEM customers.<sup>6</sup>

In addition, SCE's NEM Schedule distinguishes between billing calculations used for SCE NEM customers and the calculations used for CCA NEM customers. For residential and small commercial bundled customers who did not choose to be billed monthly, SCE subtracts "all monthly valued accrued energy credits from all accrued energy charges ..." For CCA customers, on the other hand, SCE subtracts "all monthly valued accrued Delivery Service energy credits from all accrued Delivery Service energy charges" and charges the customer accordingly.<sup>7</sup> While the Commission has endorsed different billing calculations for bundled NEM customers and CCA NEM customers, it is essential that the components of each relevant category be properly categorized to provide CCA NEM service that is consistent with SCE's service.

When Lancaster's staff raised the issue with SCE, they were told that for purposes of NEM, SCE distinguishes between "Tracked Charges" and "Non-Tracked Charges."<sup>8</sup> As SCE personnel explained, Non-Tracked Charges are due and payable each month, regardless of customer usage, and regardless of whether the customer is consuming or generating. Typically these include customer charges, basic charges, and other non-energy related items. Tracked charges are the remainder of the charges, typically energy related. During the course of the year, the customer may consume or generate, and the tracked charges are subtotaled on a rolling basis. At the end of the relevant period, a true-up bill is sent for any remaining tracked charge amounts that have not been paid.

SCE also informed Lancaster that based on its reading of the NEM tariff, the DWR Bond charge is not one of the CRS charges for bundled customers, and so *it is tracked and subject to the true-up process*.<sup>9</sup> For CCA Customers, however, the DWR Bond charge is one of the CRS charges, and *is not tracked and not subject to the true-up process*.<sup>10</sup> Given this information, Lancaster is understandably concerned about how the NEM tariff is being administered with respect to the DWR Bond charge and potentially other charges.

Lancaster recognizes that it is appropriate for SCE to use rate and billing practices for SCE NEM customers that may be different than the practices used for CCA NEM customers. However, the Commission has made clear that SCE's administration of the NEM tariff should provide "consistent" treatment between bundled and CCA NEM customers. Given the legal and practical parameters in place, SCE NEM customers should not be permitted to net bill credits against the DWR Bond charge while Lancaster NEM customers are unable to do so. SCE NEM customers are reaping a benefit that is unavailable to Lancaster's NEM customers. Such discrimination is unacceptable and violates the Commission's directive in D.08-02-002.

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<sup>6</sup> SCE NEM Schedule at 3.

<sup>7</sup> SCE NEM Schedule at 3.

<sup>8</sup> See SCE Email Response.

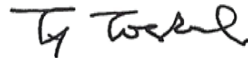
<sup>9</sup> See SCE Email Response.

<sup>10</sup> See SCE Email Response.

## Conclusion

Under D.08-02-002, Lancaster's NEM customers deserve consistent treatment in the administration of SCE's NEM tariff. Because Lancaster's NEM customers are being subjected to discriminatory treatment by SCE, Lancaster requests to meet and confer with SCE regarding this matter. Should this discriminatory treatment remain unresolved, Lancaster plans to file a formal complaint with the Commission.

Sincerely,



Ty Tosdal, *Of Counsel*  
BRAUN BLAISING McLAUGHLIN & SMITH, P.C.  
915 L Street, Suite 1270  
Sacramento, California 95814  
Telephone: (858) 704-4711  
E-mail: [ty@tosdallaw.com](mailto:ty@tosdallaw.com)

Counsel for the City of Lancaster

Copy via Email: Robert Thomas, Principal Manager, SCE  
Martha Dobbler, Project Manager, SCE  
Barbara Boswell, City of Lancaster  
Cathy DeFalco, City of Lancaster  
Scott Blaising, Braun Blaising McLaughlin & Smith

**Attachment 1 – Email Correspondence between Lancaster and  
SCE August 25, 2015 - August 31, 2015**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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**From:** Martha Dobler [mailto:Martha.Dobler@sce.com]  
**Sent:** Monday, August 31, 2015 12:55 PM  
**To:** Boswell, Barbara; Wells, Kathy  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I'm forwarding the clarification I've received from our Regulatory team regarding your inquiry. I hope this information provides the clarification you are looking for.

=====

For DA/CCA NEM, SCE only allows applicable delivery service energy credits to offset delivery service energy charges – these then become what we refer to internally as the “tracked charges.” We don’t track the DA/CCA CRS charges because they aren’t part of the customer’s OAT total delivery charges\* but rather reflect charges that are due based on the customer being subject to the DA/CCA CRS rate schedules.

See the Rates section of Schedule NEM:

## RATES

As determined in each billing period, when a Customer is a net consumer of energy,  $E_s$  is greater than  $E_F$ , where  $E_s$  is energy supplied by SCE and  $E_F$  is energy generated by the Customers' Renewable Electrical Generating Facility and exported into SCE's electrical system, the resulting net consumed energy will be used in the calculation of all applicable energy charges, calculated by 1) multiplying the Customer's net consumed kWh by the applicable energy rate components of the Customer's OAT, in each Time-Of-Use (TOU) period when applicable, for Bundled Service Customers, or 2) multiplying the Customer's net consumed kWh by the applicable Delivery Service rate components of the Customer's OAT, in each TOU period when applicable, for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy charges).

As determined in each billing period, when a Customer is a net producer of energy,  $E_F$  is greater than  $E_s$ , where  $E_s$  is energy supplied by SCE and  $E_F$  is energy generated by the Customer's Renewable Electrical Generating Facility, the resulting net produced energy will be used in the calculation of energy credits, calculated by 1) multiplying the Customer's net produced kWh by the applicable energy rate components of the Customer's OAT, in each TOU period when applicable, for Bundled Service Customers, or 2) multiplying the Customer's net produced kWh by the applicable Delivery Service rate components of the customer's OAT, in each TOU period when applicable, for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy credits).

For DA and CCA Service Customers, generation credits, if any, do not reduce the charges owed to SCE for energy supplied to such customer, and Delivery Service credits, if any, do not reduce the charges owed to the ESP or Community Choice Aggregator for energy supplied to such customer.

Special Condition 3 then speaks to how we bill the energy and non-energy charges.

- c. For all Customers who meet the definition of a Residential or Small Commercial Customer (as defined in SCE's Rule 1), the monthly valued energy related charges and credits are accumulated until the end of a Relevant Period. However, upon a Customer's request, SCE shall permit a Residential or Small Commercial Customer to pay all applicable energy charges monthly. The request must be made by the Customer upon initiation of service under this Schedule or upon written notice to SCE no later than thirty (30) days prior to the end of a Relevant Period, whichever applies.



- 1) For all Customers who meet the definition of a Residential or Small Commercial Customer who did not choose to be billed monthly for their energy related charges, SCE will 1) subtract all monthly valued accrued energy credits from all accrued energy charges from Bundled Service Customers, or 2) subtract all monthly valued accrued Delivery Service energy credits from all accrued Delivery Service energy charges from DA and CCA Service Customers. If this calculation results in monies owed to SCE, such energy charges shall be due and payable in accordance with the Customer's OAT. However, if this calculation results in an excess energy credit, SCE shall neither pay the Customer for any unused energy credit nor carry forward any unused energy credit. The unused energy credit shall be zeroed out and a new Relevant Period shall commence. Eligible Customers electing Net Surplus Compensation as provided for in part h.3 of this Special Condition may receive additional credit or compensation. Additionally, Special Condition 9 may apply for Residential Customers. For CCA Service Customers, SCE and the Community Choice Aggregator shall complete an annual true-up of all charges and credits calculated monthly, consistent with the provisions set forth under this Schedule. Credits and charges related to the Community Choice Aggregator's generation services shall be based on the information provided by the Community Choice Aggregator to SCE. Any net balance related to generation charges that are collected from an eligible NEM CCA Service customer-generator will be paid annually by SCE to the Community Choice Aggregator as set forth in Rule 23, Section Q, which describes the payment and collection terms between the SCE and a CCA Service Customer. For DA Customers, separate annual true-ups of all charges and credits, consistent with the provisions set forth under this Schedule, will be calculated by SCE for the applicable SCE charges and credits, and by the ESP for the applicable ESP charges and credits. Any net balance related to generation charges that are collected from an eligible DA Customer will be paid annually by SCE to the ESP as set forth in Rule 22, Section L.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center  
6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Martha Dobler

**Sent:** Friday, August 28, 2015 10:15 AM

**To:** 'Boswell, Barbara'; Wells, Kathy

**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos

**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I am working with our Regulatory department on this issue, Barbara. I may not hear back from them until next week with any solid information.

I appreciate your patience while I continue to investigate on Lancaster's behalf.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center

6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Boswell, Barbara [<mailto:bboswell@cityoflancasterca.org>]  
**Sent:** Thursday, August 27, 2015 12:47 PM  
**To:** Martha Dobler; Wells, Kathy  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

Martha,

I have reviewed the tariff below and I'm not finding the section that discusses the tracked vs. non-tracked charges, or where it indicates that CRS charges are considered non-tracked. Can you point me to the applicable section? Or maybe point me to the person at SCE that can answer my question?

Thanks.

Barbara

---

**From:** Martha Dobler [<mailto:Martha.Dobler@sce.com>]  
**Sent:** Thursday, August 27, 2015 10:33 AM  
**To:** Boswell, Barbara; Wells, Kathy  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I've been advised to refer you to SCE's Schedule NEM, Special Condition 3. The link to Schedule NEM is included below:

<https://www.sce.com/NR/sc3/tm2/pdf/ce158-12.pdf>

Thank you.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center  
6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Boswell, Barbara [<mailto:bboswell@cityoflancasterca.org>]  
**Sent:** Thursday, August 27, 2015 9:54 AM  
**To:** Martha Dobler; Wells, Kathy; Kathryn Anderson  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

Thank you Martha. Can you point us to the tariff that establishes the tracked vs non-tracked DWRBC for unbundled NEM customers?

Barbara

---

**From:** Martha Dobler [<mailto:Martha.Dobler@sce.com>]  
**Sent:** Wednesday, August 26, 2015 12:35 PM  
**To:** Wells, Kathy; Kathryn Anderson  
**Cc:** Boswell, Barbara; Garibay, Patricia; DeFalco, Cathy; Chris Tran  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I been informed that DWRBC is not one of the CRS charges when the customer is on bundled service and is, therefore, tracked. When the customer is on CCA service DWRBC is one of the CRS charges and is, therefore, not-tracked.

The following information was also provided to me:

Assuming a Residential customer on the Annual Billing option.....

“Non-Tracked charges” are charges that are due and payable each month, regardless of customer’s usage (whether consuming or generating). Typically these include customer charges, basic charges, and other non-energy related items. These will be on the first page of the bill’s detail pages.

“Tracked charges” are the remainder of the charges, typically energy related.

During the course of the year, the customer may consume or generate, and the tracked charges are subtotaled on a rolling basis. At the end of the relevant period, a true-up bill is sent for any remaining tracked charge amounts that have not been paid.

I hope this answers your question.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center  
6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Wells, Kathy [<mailto:kwells@cityoflancasterca.org>]  
**Sent:** Tuesday, August 25, 2015 2:25 PM  
**To:** Martha Dobler; Kathryn Anderson  
**Cc:** Boswell, Barbara; Garibay, Patricia; DeFalco, Cathy; Chris Tran  
**Subject:** Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

Good Afternoon,

I am reviewing a bill for one of our Phase I NEM customers, and noticed that the DWR Bond charge being shown under the “non-tracked charges” portion of the SCE bill, which is included with the monthly charges due.

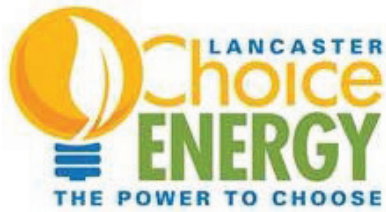
On her prior billings (NEM customer with SCE), the DWRBC was included in the “tracked charges” portion of the bill – meaning the charges were aggregated and the cumulative delivery charges were trued up at the end of the relevant period.

Would you please explain the difference between the “non-tracked charges” and “tracked charges” for NEM customers?

*Kathy Wells*

*Projects Assistant*

Phone: 661.723.6051 ■ Fax: 661.723.5858



[www.lancasterchoiceenergy.com](http://www.lancasterchoiceenergy.com)   [www.cityoflancasterca.org](http://www.cityoflancasterca.org)

**Has a City employee made your day memorable by providing you with exceptional service? Nominate these individuals for "SABER Points!" It is as easy as clicking on the link below:**

<http://www.cityoflancasterca.org/index.aspx?recordid=15&page=667>

## Exhibit 2

**From:** [Janet Combs](#)  
**To:** [Ty Tosdal](#); [Scott Blasing](#); [bboswell@cityoflancasterca.org](mailto:bboswell@cityoflancasterca.org); [cdefalco@cityoflancasterca.org](mailto:cdefalco@cityoflancasterca.org); [kwells@cityoflancasterca.org](mailto:kwells@cityoflancasterca.org); [pgaribay@cityoflancasterca.org](mailto:pgaribay@cityoflancasterca.org); [psoco@noblesolutions.com](mailto:psoco@noblesolutions.com)  
**Cc:** [Martha Dobler](#); [James Navarrete](#); [Erin Pulgar](#); [Robert A Thomas](#); [Darrah Morgan](#); [Janet Combs](#)  
**Subject:** FOR PROMPT REVIEW: NEM Meet and Confer  
**Date:** Thursday, October 22, 2015 11:15:24 AM  
**Importance:** High

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Good morning, Mr. Tosdal:

We have more than 10 people scheduled to participate in the meet and confer this afternoon. I thought I would try to save us all some time and resources by updating you on where SCE is at with respect to your inquiry, and if you are satisfied, then hopefully we can dispense with this afternoon's meeting.

Your letter dated October 13, 2015 expressed concern that SCE's NEM tariff does not allow Departing Load (DL) customers, such as CCA customers, to net the DWR Bond Charge against any net generation during their Relevant Periods. SCE has reviewed the matter with respect to the Bond Charge and other Cost Responsibility Surcharges (CRS), and the following summarizes our conclusions and planned next steps.

- The issue is isolated to months where a DL NEM customer net produces overall and would have received a "CRS credit" for the net generation, because SCE only applies CRS to a DL NEM customer's net consumption (as opposed to gross consumption) in months when the customer is an overall net consumer.
- SCE has complied with its NEM tariff, which expressly limits NEM credits to Delivery Charges, which do not include CRS.
- The treatment of CRS appears to have resulted from the NEM tariff's limitation that only those rate components of a customer's Otherwise Applicable Tariff (OAT) would be netted – SCE's CRS schedules make clear that CRS is not part of a customer's OAT.
- SCE agrees that it is reasonable to allow DL NEM customers to net CRS credits that result from net generation against CRS charges that result from net consumption.
- SCE proposes to file an advice letter by no later than Nov 13, 2015 requesting approval of changes to its tariffs to net credits against CRS. We would propose to do so for all current Relevant Periods, meaning some retroactive application of the change back to the start of each current Relevant Period, and prospectively on an ongoing basis.

If you find SCE's proposed next steps satisfactory, I propose we dispense with today's meeting and allow SCE to begin crafting the advice letter request.

Thanks,

Janet S. Combs  
Director and Managing Attorney  
Customer & Tariffs  
Southern California Edison Company  
626/302-1524

**PLEASE WORK SAFELY**

**B**ECAUSE YOU ARE WORTH IT

## Exhibit 3



# SCE Bundled Customer



P.O. Box 600  
Rosemead, CA  
91771-0001  
www.sce.com

## Your electricity bill

/ Page 1 of 6

For billing and service inquiries call 1-800-684-8123,  
24 hrs a day, 7 days a week

Date bill prepared: Apr 25 '15

Customer account 2-11-

Service account 3-027-  
LANCASTER, CA 93536

Rotating outage Group N001

## PAST DUE

### Your account summary

Amount of your last bill	\$166.68
SCE's online payment we received on Mar 28 '15 - thank you	\$98.68
Payment extension amount	\$80.00
Your new charges	\$70.65
Late payment charge	\$0.64
<b>Total amount you owe</b>	<b>\$151.29</b>

In order to pay your total payment extension balance of \$80.00 on time, you will need to pay by May 1 '15. Your total new charges of \$71.29 are due by May 14 '15. Your payment extension will be cancelled if we do not receive your payment by 5 p.m. on the date specified and your service may be disconnected without further notice.

### You Received a California Climate Credit

California is fighting climate change and so can you! Your bill includes a Climate Credit from a state program to cut carbon pollution while also reducing your energy costs. Find out how at [EnergyUpgradeCA.org/credit](http://EnergyUpgradeCA.org/credit).

### Compare the electricity you are using

For meter 222013-415507 from Mar 25 '15 to Apr 24 '15  
Total electricity you used this month in kWh

543

Your next billing cycle will end on or about May 26 '15.

Please return the payment stub below with your payment and make your check payable to Southern California Edison.  
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at [www.sce.com](http://www.sce.com).

Tear here



Customer account 2-11-685-  
Please write this number on your check. Make your  
check payable to Southern California Edison.

Payment extension - pay by May 1 '15 \$80.00  
New charges - pay by May 14 '15 \$71.29  
**Total amount you owe \$151.29**

Amount enclosed \$

STMT 04252015 P2

LANCASTER, CA 93536-3789

P.O. BOX 600  
ROSEMEAD, CA 91771-0001

11 685 1510 00000023 00000800000007129000015129

# LCE Customer



P.O. Box 300  
Rosemead, CA  
91772-0001  
www.sce.com

## Your electricity bill

/ Page 1 of 6

For billing and service inquiries call 1-800-974-2356,

Customer account 2-11-68

Date bill prepared: Mar 29 '16

LANCASTER, CA 93536-3789

## PAST DUE

### Your account summary

Previous Balance	\$80.46
Past due amount	\$80.46
Your new charges	\$42.21
Late payment charge	\$0.40

**Total amount you owe \$123.07**

Your bill includes a past due balance. To avoid disconnection of your utility service, please pay the past due amount of \$80.46 on or before Apr 18 '16. For assistance or to make a payment, please call Customer Service at 1-800-950-2356. If you are having difficulty paying your bill by the due date, please contact us to discuss an extension that will work with your income schedule. For more information on programs that can help you pay your bill, go to [www.sce.com/billhelper](http://www.sce.com/billhelper).

### Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-02		Feb 24 '16 to Mar 24 '16	D-SDP (CCA)	\$42.21
3-043			CCA	\$0.00
To be billed at a later date				

Request change to  
DOMESTIC (SCE)

Request change to  
DOMESTIC (LCE) \$42.21

Please return the payment stub below with your payment and make your check payable to Southern California Edison.  
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at [www.sce.com](http://www.sce.com).

Tear here



Customer account 2-11-68  
Please write this number on your check. Make your  
check payable to Southern California Edison.

Past due charges - pay by Apr 18 '16 \$80.46  
New charges - pay by Apr 18 '16 \$42.61  
**Total amount you owe \$123.07**

Amount enclosed \$

STMT 03292016 P4

LANCASTER, CA 93536-3789

P.O. BOX 300  
ROSEMEAD, CA 91772-0001

11 685 1510 00000026 00000804600004261000012307

# SCE Bundled Customer

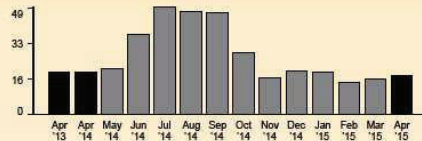
# LCE Customer



Page 3 of 6

## Your daily average electricity usage (kWh)

2 Years ago: 19.38 Last year: 19.90 This year: 18.10



## Details of your new charges

Your rate: D-SDP PTR  
Billing period: Mar 25 '15 to Apr 24 '15 (30 days)

### Delivery charges

Basic charge	30 days x \$0.03100	\$0.93
Energy-Winter		
Tier 1 (within baseline)	318 kWh x \$0.05313	\$16.90
Tier 2 (up to 30%)	95 kWh x \$0.09743	\$9.26
Tier 3 (31% to 100%)	130 kWh x \$0.14038	\$18.25
DWR bond charge	543 kWh x \$0.00526	\$2.86
CA Climate Credit		-\$29.00

### Generation charges

DWR		
DWR energy credit	543 kWh x -\$0.00172	-\$0.93
SCE		
Energy-Winter		
Tier 1 (within baseline)	318 kWh x \$0.09183	\$29.20
Tier 2 (up to 30%)	95 kWh x \$0.09183	\$8.72
Tier 3 (31% to 100%)	130 kWh x \$0.10998	\$14.30

Subtotal of your new charges		\$70.49
State tax	543 kWh x \$0.00029	\$0.16
<b>Your new charges</b>		<b>\$70.65</b>

### Your Delivery charges include:

- \$6.43 transmission charges
- \$40.12 distribution charges
- \$0.15 nuclear decommissioning charges
- -\$10.86 conservation incentive adjustment
- \$4.02 public purpose programs charge
- \$5.36 new system generation charge

### Your Generation charges include:

- -\$1.06 competition transition charge

### Your overall energy charges include:

- \$0.64 franchise fees

### Additional information:

- Service voltage: 240 volts
- Your winter baseline allowance: 318.0 kWh

Service account 2-037-0587-07  
Service address [REDACTED]  
LANCASTER, CA 93536

Rotating outage Group N001

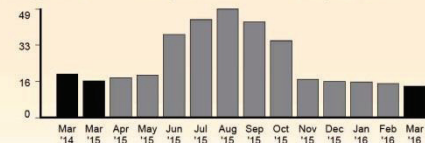
## Compare the electricity you are using

For meter 222013-415507 from Feb 24 '16 to Mar 24 '16  
Total electricity you used this month in kWh

Your next billing cycle will end on or about Apr 25 '16.  
411

## Your daily average electricity usage (kWh)

2 Years ago: 19.80 Last year: 16.69 This year: 14.17



## Details of your new charges

Your rate: D-SDP (CCA) Request to change to DOMESTIC (SCE)  
Billing period: Feb 24 '16 to Mar 24 '16 (29 days)

### Delivery charges

Basic charge	29 days x \$0.03100	\$0.90
Energy-Winter		
Tier 1 (within baseline)	307 kWh x \$0.07682	\$23.58
Tier 2 (up to 30%)	92 kWh x \$0.13461	\$12.38
Tier 3 (31% to 100%)	12 kWh x \$0.16890	\$2.03

### CCA cost responsibility surcharge

PCIA	411 kWh x \$0.00218	\$0.90
DWR Bond Charge	411 kWh x \$0.00539	\$2.22
CTC	411 kWh x -\$0.00015	-\$0.06

### Other charges or credits

Generation Municipal Surcharge		\$0.26
--------------------------------	--	--------

Subtotal of your new charges	\$42.21
<b>Your new charges</b>	<b>\$42.21</b>

### Your Delivery charges include:

- \$6.62 transmission charges
- \$35.81 distribution charges
- -\$0.35 nuclear decommissioning charges
- -\$12.63 conservation incentive adjustment
- \$7.27 public purpose programs charge
- \$2.03 new system generation charge

### Your overall energy charges include:

- \$0.38 franchise fees

### Additional information:

- Service voltage: 240 volts
- Your winter baseline allowance: 307.0 kWh
- Generation Municipal Surcharge (GMS) factor: 0.009095
- 2014 Vintage CRS

# SCE Bundled Customer

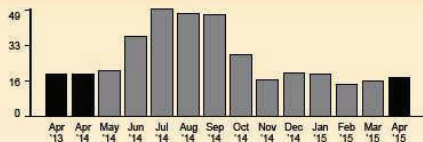
# LCE Customer



Page 3 of 6

## Your daily average electricity usage (kWh)

2 Years ago: 19.38 Last year: 19.90 This year: 18.10



## Details of your new charges

Your rate: D-SDP PTR

Billing period: Mar 25 '15 to Apr 24 '15 (30 days)

### Delivery charges

Basic charge	30 days x \$0.03100	\$0.93
Energy-Winter		
Tier 1 (within baseline)	318 kWh x \$0.05313	\$16.90
Tier 2 (up to 30%)	95 kWh x \$0.09743	\$9.26
Tier 3 (31% to 100%)	130 kWh x \$0.14038	\$18.25
DWR bond charge	543 kWh x \$0.00526	\$2.86
CA Climate Credit		-\$29.00

### Generation charges

DWR		
DWR energy credit	543 kWh x -\$0.00172	-\$0.93
SCE		
Energy-Winter		
Tier 1 (within baseline)	318 kWh x \$0.09183	\$29.20
Tier 2 (up to 30%)	95 kWh x \$0.09183	\$8.72
Tier 3 (31% to 100%)	130 kWh x \$0.10998	\$14.30

Subtotal of your new charges		\$70.49
State tax	543 kWh x \$0.00029	\$0.16
<b>Your new charges</b>		<b>\$70.65</b>

### Your Delivery charges include:

- \$6.43 transmission charges
- \$40.12 distribution charges
- \$0.15 nuclear decommissioning charges
- \$10.86 conservation incentive adjustment
- \$4.02 public purpose programs charge
- \$5.36 new system generation charge

### Your Generation charges include:

- \$1.06 competition transition charge
- \$0.64 franchise fees

### Additional information:

- Service voltage: 240 volts
- Your winter baseline allowance: 318.0 kWh



Page 5 of 6

Service account  
Service address

Rotating outage Group N001

## Details of your new charges

LANCASTER CHOICE ENERGY

Service Account: 3-043

Your rate: CCA

Billing period: Jan 25 '16 to Feb 24 '16 (30 days)

2	<b>Billing Summary</b>				
	CCA energy charge (1)		\$34.31	(1) GEN-460.33KWH@0.07454	7
	CCA energy charge (2)		-\$3.77	(2) 11% MARKET DEMAND ADJ	
3	CCA State Tax charge (3)		\$0.13	(3) ENERGY SURCHARGE	
	<b>Subtotal of LANCASTER CHOICE ENERGY charges</b>		<b>\$30.67</b>		
	<b>Your New Charges</b>		<b>\$30.67</b>		

## Things you should know

LCE rates have decreased, visit [www.lancasterchoicenergy.com](http://www.lancasterchoicenergy.com) for information.  
FOR MORE DETAIL ON YOUR LANCASTER CHOICE ENERGY BILL, CALL US AT 844-288-4523.

YOUR CURRENT LANCASTER CHOICE ENERGY RATE PLAN: DOMESTIC

- 1) Switch order Service Account and Your Rate
- 2) Change from Billing Summary to Generation Charges
- 3) Ability to customize Line Title via EDI
- 4) Change to Subtotal of LCE
- 5) Make additional lines available under billing summary
- 6) Increase line explanation character limit to 80 characters
- 7) Move line explanation from right side to middle between title and charges; keep fast lane available
- 8) Expand Things you should know section for LCE messages

## Exhibit 4

## Bill Format Agreed Changes

Today- Upgrade Fix	Mid-term Solution EDI Enhancements	Long-Term Design Request
<p><b>See SCE / LCE bill comparison</b></p> <ul style="list-style-type: none"><li>• Your Rate Domestic add SCE and LCE (pg. 1)</li><li>• Move Line Explanation from Right Column to middle of line between title and charges (pg. 5)</li></ul>	<p><b>See SCE / LCE bill comparison</b></p> <ul style="list-style-type: none"><li>• Your rate LCE- add actual rate ex. DOMESTIC, TOU-8-B (pg. 1)</li><li>• Increase the line explanation character limit to 80 characters (pg. 5)</li><li>• Switching the Service Account and Your Rate to mirror SCE (pg. 5)</li><li>• Changing Billing Summary to Generation Charges (pg. 5)</li><li>• Change subtotal of Lancaster Choice Energy charges to Subtotal of LCE Generation charges (pg. 5)</li><li>• Line Title customizable via EDI (pg. 5)</li><li>• Keep “Fast Lane” on right column matching same amount of characters as provided on pg. 3 for SCE Bundled Customers (pg. 5)</li><li>• Expand the things you should know section (pg. 5)</li><li>• Make additional lines available under billing summary (pg. 5)</li></ul>	<ul style="list-style-type: none"><li>• Revisit once new platform is designed</li><li>• Anything not accepted as part of the EDI project</li></ul>

## Exhibit 5

# **Braun Blaising McLaughlin & Smith P.C.**

Attorneys at Law

April 1, 2016

## **Via Email**

Ms. Janet Combs  
Director & Managing Attorney  
Southern California Edison Company

**RE: MEET AND CONFER REQUEST REGARDING DISCRIMINATORY TREATMENT OF LANCASTER CCA PROGRAM CUSTOMERS**

Dear Ms. Combs,

The City of Lancaster ("Lancaster" or "City") desires to meet and confer with Southern California Edison ("SCE") regarding SCE's violation of several Public Utilities Commission ("Commission") directives with respect to customer charges and billing for Lancaster Choice Energy ("LCE"), the City's Community Choice Aggregation ("CCA") program. Lancaster customers are not being charged or billed properly in at least two significant respects: (1) SCE is not providing Lancaster's Net Energy Metering ("NEM") customers with the same bill credits as SCE NEM customers, and their bills do not reflect those credits, contrary to SCE Advice Letter ("AL") 3308-E and Commission Decision ("D.") 08-02-002; and (2) SCE is not displaying usage and rate information for LCE's generation charges and other critical pricing details on Lancaster's customer bills in violation of SCE's Rule 23: Community Choice Aggregation ("Rule 23") and Commission Resolution E-4013, as further described below.

SCE has the statutory right and corresponding responsibility to provide billing services for CCA programs. Presently, these charge and billing issues are hampering Lancaster's ability to operate an effective CCA program, imposing unnecessary costs on Lancaster's customers, and exposing them to discriminatory treatment in violation of provisions in Assembly Bill ("AB") 117 and Senate Bill ("SB") 790, which are designed to promote fairness and competition. Because these problems have been formally and repeatedly raised with SCE's staff and have yet to be resolved, Lancaster is considering all available options. Lancaster requests a meeting no later than April 15, 2016, with a senior SCE representative with authority to commit SCE to specific corrective measures. Absent a satisfactory resolution that can be implemented in a timely and mutually acceptable fashion, Lancaster plans to file a formal complaint with the Public Utilities Commission.

## **BACKGROUND**

Lancaster is a community of approximately 160,000 residents located in northern Los Angeles County, in the High Desert region of the western Mojave Desert, which is rich in solar resources. Lancaster is pursuing alternative energy solutions, principally solar energy, in hopes of bettering the current and future environmental and economic conditions of its community and region. As a means of advancing these goals, the Lancaster City Council approved a CCA Implementation Plan, which was certified by the Commission's Energy Division on October 16, 2014. Subsequently, a revised CCA Implementation Plan was submitted to the Commission and certified by the Energy Division on May 13, 2015.



Lancaster launched LCE in May 2015 by enrolling municipal accounts and a limited number of residential and commercial accounts on a pre-enrollment basis. The City completed the launch for all other customer classes in October 2015, ultimately enrolling over 52,000 customers. Lancaster has made the deployment of solar resources, including distributed generation, a top priority, and has enrolled 3,317 NEM customers as of the date of this letter. Lancaster customers receive procurement services from LCE and billing and other services, including transmission and distribution services, from SCE.

Billing is important to Lancaster, as it is to all energy providers, not only for transactional purposes but also for building customer relationships, and it is one of the few ways that a new provider with limited resources like Lancaster can interact directly with its customers. Unfortunately, as explained in more detail below, since it launched, LCE has been saddled with billing problems that stem from SCE's limited technological capacity and particular deficiencies in its billing system. These limitations and deficiencies are no excuse for SCE's violation of Commission directives.

### **SCE'S TREATMENT OF LANCASTER'S NET ENERGY METERING CUSTOMERS IS DISCRIMINATORY, AND SCE HAS FAILED TO IMPLEMENT REMEDIAL MEASURES**

Lancaster first learned about problems related to its NEM customers shortly after it pre-enrolled residential accounts in May 2015. Participating NEM customers notified LCE that SCE had reclassified the DWR bond charge under the Cost Responsibility Surcharge ("CRS") category of their bills. After inquiries were made, Lancaster learned from SCE personnel that while SCE's bundled service customers are able to net their bill credits against the DWR Bond charge, CCA customers are unable to net their bill credits against the same charge. Lancaster promptly notified SCE in informal communications with LCE staff and then formally by letter on October 13, 2015.<sup>1</sup>

As Lancaster stated in the letter, SCE's administration and billing practices are discriminatory and violate D. 08-02-002. That decision instructed the Investor-Owned Utilities ("IOUs") to modify their tariffs to provide NEM to CCA customers and "to offer CCA customer-generators the same NEM service it offers its own customers, with the utility providing the transmission and distribution credit to eligible CCA NEM customers and the CCA offering the generation credit to eligible CCA NEM customers."<sup>2</sup> In addition, D.08-02-002 ordered the IOUs to provide service that is "consistent with NEM service to utility customer-generators and consistent with CCA rules as described in Rule 23 for SCE ...."<sup>3</sup> Lancaster's letter went on to explain in considerable detail the specific problems with SCE's administration and billing under the NEM tariff and the adverse effect on LCE customers.<sup>4</sup>

Following subsequent negotiations, SCE agreed to modify administration and billing for LCE's NEM customers and issued AL 3308-E on November 13, 2015.<sup>5</sup> AL 3308-E modified SCE's NEM tariffs to permit CCA customers to receive monthly CRS credits based on Schedule CCA CRS:

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<sup>1</sup> Attachment 1: City of Lancaster, Meet and Confer Letter Regarding Discriminatory Treatment of Lancaster Community Choice Aggregation Net Energy Metering Customers ("Lancaster's NEM Letter"), October 13, 2015.

<sup>2</sup> D.08-02-002 at 6.

<sup>3</sup> D.08-02-002 at Ordering Paragraph 1.

<sup>4</sup> Attachment 1: Lancaster's NEM Letter.

<sup>5</sup> Attachment 2: SCE Advice Letter 3308-E: Modifications to Southern California Edison Company's Net Energy Metering Tariffs to Allow for the Crediting and True Up of Certain Cost Responsibility Surcharge Components for Direct Access and Community Choice Aggregation Service Customer-Generators, November 13, 2015 ("SCE AL 3308-E").



Community Choice Aggregation Cost Responsibility Surcharge, when the CCA customers net generate to offset monthly CRS charges incurred over the course of an NEM Relevant Period (as defined in SCE's NEM tariffs). From Lancaster's perspective, AL 3308-E was a step in the right direction, and once implemented, would in all likelihood have resolved the problems that Lancaster's NEM customers had experienced.

The problem, however, is that SCE never implemented the changes described in AL 3308-E, and apparently will not be implementing them anytime soon. During a meeting on March 15, 2016, SCE personnel notified Lancaster that substantial billing system changes would be required to implement AL 3308-E and that their best estimate was that it may take an entire year to make the changes. Furthermore, SCE states in AL 3308-E that "changes to SCE's billing system are necessary to accommodate this change. Therefore, a rebill may be necessary once the system changes are complete."<sup>6</sup> Yet prior to the meeting on March 15, 2016, at no time did SCE communicate that billing system changes would be required to implement the modified NEM tariff in a timely manner.

The discriminatory treatment and the ensuing ongoing delay in modifying the NEM tariff have led to serious problems. Until SCE overhauls its billing system, Lancaster's NEM customers will be unable to obtain proper bill credits that they are entitled to receive under D.08-02-002 and AL 3308-E, and will continue to be treated in a discriminatory manner relative to SCE's NEM customers. Even if SCE eventually conducts a large scale rebill for these customers, as stated in AL 3308-E, it may simply be too late. At this critical time in Lancaster's CCA program, when the program is brand new and customers are switching to LCE, NEM customers that decide to go with Lancaster only to find that it is to their economic disadvantage may not forgive the offense, or forget it, even if the problem is eventually corrected. Customers may be lost to Lancaster as a result of shortcomings in SCE's billing system – shortcomings that only affect Lancaster's NEM customers, not SCE's NEM customers. Now, more than six months after Lancaster notified SCE by letter that SCE is engaged in discriminatory practices regarding NEM customers, the same problem persists.

### **SCE HAS NOT IMPLEMENTED BILL FORMAT CHANGES THAT INCORPORATE STANDARD USAGE AND RATE INFORMATION**

While Lancaster's customers receive procurement and other services from LCE, SCE has the exclusive right and corresponding obligation to provide billing services to Lancaster's customers, consistent with SCE's Rule 23 and Resolution E-4013. Billing is a service that LCE customers pay SCE for each month as part of their standard charges. Since Lancaster launched its CCA program, however, SCE has only included summary charges that reflect LCE's generation charges at the most general level. At the present time, Lancaster customers do not receive details about their electricity usage or LCE's generation charges on their monthly bills. This not only puts Lancaster's customers at a clear disadvantage relative to SCE's bundled customers, who receive billing detail about usage and SCE generation charges, it deprives Lancaster of an important opportunity to provide critical information to its customers about its product.

The general billing arrangement under SCE's Rule 23 is that SCE first collects customer usage data and makes it available to a CCA program like Lancaster.<sup>7</sup> Based on that data, a CCA program

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<sup>6</sup> Attachment 2: SCE AL 3308-E at 5.

<sup>7</sup> SCE Rule 23: Community Choice Aggregation, Section N.1.b., October 1, 2015 ("SCE Rule 23").

calculates its charges and sends customer billing information to SCE.<sup>8</sup> Subsequently, SCE must send a consolidated bill to the customer that contains both SCE and CCA charges.<sup>9</sup> Rule 23 states that SCE's billing to CCA customers "shall include a summary of the CCA charges and may provide any billing-related details of CCA charges ...."<sup>10</sup> Rule 23 also recognizes a process by which a CCA program may provide billing details to SCE, and obligates SCE to relay those details to CCA program customers as part of the customer's bill.<sup>11</sup>

The CCA shall provide SCE with a summary of CCA charges by electronic transmittal. *The CCA may provide billing-related details of CCA charges on a separate page which shall be included in the consolidated bill if transmitted with the summary charge.* CCA charges which are not transmitted as required shall not be included in the consolidated bill.

Rule 23 is clear about how CCA program billing should be conducted, and what is required as far as bill format.

Similarly, the time that SCE has (or had) to implement changes to its billing system to incorporate CCA-related charges is also clear and well established: An IOU has six months from the date that a CCA program files an implementation plan with the Commission to become system ready. Pursuant to Rulemaking ("R.") 03-10-003, the Commission adopted D.05-12-041 on December 15, 2005, which addressed issues related to transactions between CCA programs, the IOUs and CCA program customers under AB 117. That decision ordered the IOUs to file advice letters with revised CCA tariffs for the purpose of finalizing the implementation details of CCA programs, which the IOUs did on February 14, 2006.<sup>12</sup> Subsequently, the Commission issued Resolution E-4013 on November 9, 2006, addressing billing and other system changes.<sup>13</sup> In Resolution E-4013, the Commission stated the following:<sup>14</sup>

In response to the parties' comments and reply comments, the Energy Division herein clarifies that *the utilities have the sole responsibility for ensuring that their respective systems are ready for CCA implementation within six months from the date the first CCA files its Implementation Plan* with the CPUC or a mutually agreed upon date between the utility and the CCA. The CCAs cannot determine which changes will be required – *this is the utilities' responsibility.*

Again, the Commission's directive is clear regarding the timing of updates to IOU billing and other systems when a CCA program forms in an IOU's territory.

Despite these directives from the Commission, and unfortunately in Lancaster's case, SCE has not followed Rule 23 or Resolution E-4013. Ever since Lancaster's initial launch in May 2015, LCE

<sup>8</sup> SCE Rule 23, Section P.1.b.(1).

<sup>9</sup> SCE Rule 23, Section P.1.b.(1).

<sup>10</sup> SCE Rule 23, Section P.1.b.(2).

<sup>11</sup> SCE Rule 23, Section P.1.c.(3)(*italics added*).

<sup>12</sup> The IOUs filed the following advice letters on February 14, 2006: PG&E AL 2784-E, SCE AL 1965-E, and SDG&EAL 1773-E.

<sup>13</sup> Resolution E-4013: proposed tariffs filed by Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E), herein the "utilities," intended to implement the Community Choice Aggregation (CCA) Program are hereby adopted, as modified, November 9, 2006 ("Resolution E-4013").

<sup>14</sup> Resolution E-4013 at 7 (*italics added*).

customer bills have been devoid of electricity usage and generation charges and instead include only summary information about LCE program charges. This is the case even though Lancaster submits usage and rate information to SCE as required under Rule 23. Among other things, the lack of information provided to Lancaster's customers gives a false impression that Lancaster lacks sophistication and has turned a blind eye to customer engagement, and precludes Lancaster from providing meaningful information to its customers as part of the billing process.

Furthermore, the time has long passed for SCE to implement changes to its billing system. Lancaster's first implementation plan was certified by the Commission on October 16, 2014. SCE should have started the process of making changes to its internal systems at that time in order to meet the six-month deadline of April 16, 2015. Apparently, however, SCE did not begin the process, or if they did, they did not do so on a timetable that was adequate to meet the deadline.

These billing issues have been raised with SCE on repeated occasions, both verbally and in writing. Last year, SCE filed two advice letters – AL 3248-E and AL 3248-E-A – that address the timing and implementation of bill format changes.<sup>15</sup> SCE committed to making partial adjustments to billing format, but only for a subset of Lancaster customers. SCE now estimates that it will take until the second quarter of 2016 to implement *interim bill format changes* required under Rule 23.<sup>16</sup>

Lancaster filed a response to AL 3248-E-A on November 30, 2015, expressing its concern that the current billing system may “confuse customers and adversely affect customer perception of LCE” and stating its desire to work collaboratively with SCE to provide acceptable billing information to customers.<sup>17</sup> Although SCE has notified Lancaster that it is embarking on system changes, at this point in time, almost a year to the date after the deadline to make billing system changes established in Resolution E-4013, SCE continues to bill Lancaster customers with an outdated system that does not meet the basic requirements of Rule 23 and does not bill Lancaster's customers in a fashion that is comparable to the way SCE bills its own customers.

## CONCLUSION

For the reasons stated above, Lancaster requests that SCE meet and confer no later than April 15, 2016, regarding discriminatory charges and billing practices that LCE customers are experiencing. Because these issues have been raised repeatedly with SCE without satisfactory resolution, Lancaster is also requesting that the meeting include a senior SCE representative with authority to commit SCE to specific corrective measures. Should that effort fail, Lancaster plans to file a formal complaint with the Commission.

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<sup>15</sup> Attachment 3: SCE Advice Letter 3248-E: Modification of Various Gas and Electric Tariffs for Clarification Purposes, July 22, 2015 (“SCE AL 3248-E”); Attachment 4: SCE Advice Letter 3248-E-A: Supplemental to Advice 3248-E, Modification of Various Gas and Electric Tariffs for Clarification Purposes, November 16, 2015 (“SCE AL 3248-E-A”).

<sup>16</sup> Attachment 4: SCE AL 3248-E-A at 1.

<sup>17</sup> Attachment 5: City of Lancaster, Response of the City of Lancaster to Southern California Edison Company (“SCE”) Advice Letter 3248-E-A Modification of Various Gas and Electric Tariffs for Clarification Purposes, November 30, 2015, at 1.

Sincerely,



Ty Tosdal  
*Of Counsel*

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# Attachment1

# **Braun Blaising McLaughlin & Smith P.C.**

Attorneys at Law

October 13, 2015

## **Via Email**

Ms. Janet Combs  
Director & Managing Attorney  
Southern California Edison Company

**Re: Request to Meet and Confer Regarding Discriminatory Treatment of Lancaster  
Community Choice Aggregation Net Energy Metering Customers**

Dear Ms. Combs:

The City of Lancaster ("Lancaster") has learned from Southern California Edison Company ("SCE") that SCE is engaging in discriminatory treatment of Net Energy Metering ("NEM") customers participating in Lancaster's Community Choice Aggregation ("CCA") program. While SCE's NEM customers are able to count bill credits against various charges, including the Department of Water Resources ("DWR") Bond charge, Lancaster's NEM customers are unable to do so, and they must pay the DWR bond charge, and potentially other charges, regardless of the amount of their bill credits. Because the disparate treatment has the effect of driving up Lancaster's NEM customer bills relative to SCE's NEM customer bills, all else equal, Lancaster is requesting to meet and confer with SCE on this matter and will file a formal complaint with the California Public Utilities Commission ("Commission") if this matter cannot be resolved. At a minimum, this discriminatory treatment violates the Commission's directives regarding NEM service as it applies to CCA programs, and may violate the law and other Commission orders.

## **Background**

Lancaster is in the middle of launching a CCA program, known as Lancaster Choice Energy ("LCE"), that is expected to serve the vast majority of electricity customers in the City. The Lancaster City Council approved a CCA Implementation Plan, which was certified by the Commission's Energy Division on October 16, 2014. A revised CCA Implementation Plan was filed at the Commission and certified by the Energy Division on March 13, 2015. Lancaster's CCA program launched in May 2015 by enrolling municipal accounts and a limited number of residential and commercial accounts on a pre-enrollment basis, and will complete the launch for all other customer classes in October 2015, when it will enroll approximately 55,000 customers. Lancaster has made the deployment of solar resources, including distributed generation, a top priority, and expects to enroll over 2,700 NEM customers in the coming weeks.

After Lancaster pre-enrolled residential accounts, it learned from participating NEM customers that SCE had reclassified the DWR bond charge under the Cost Responsibility Surcharge ("CRS") category of their bills. After inquiries were made, Lancaster learned from SCE personnel that while

SCE's bundled service customers are able to net their bill credits against the DWR Bond charge, CCA customers are unable to net their bill credits against the same charge.<sup>1</sup> This disparate treatment may apply to other charges, as well.

**Southern California Edison's Rate and Billing Practices Discriminate against Lancaster's NEM Customers and Have Resulted in Customer Confusion**

The Commission adopted Decision ("D.") 08-02-002 on February 14, 2008, and instructed the Investor-Owned Utilities ("IOUs") to modify their tariffs to provide NEM to CCA customers.<sup>2</sup> As part of that decision, the Commission also instructed the IOUs "to offer CCA customer-generators the same NEM service it offers its own customers, with the utility providing the transmission and distribution credit to eligible CCA NEM customers and the CCA offering the generation credit to eligible CCA NEM customers."<sup>3</sup> The decision orders the IOUs to provide service that is "consistent with NEM service to utility customer-generators and consistent with CCA rules as described in Rule 23 for SCE

...<sup>4</sup>

SCE's discriminatory treatment appears on two fronts. First, as emphasized below, different components are used as the basis for determining bill credits for SCE NEM customers and CCA NEM customers. Second, SCE employs different billing calculations for SCE NEM customers than it does for CCA NEM customers. The use of different components to calculate bill credits and different billing calculations in this fashion does not reflect CCA NEM service that is the "same" or "consistent" with SCE's NEM service.

For background purposes, SCE's Schedule NEM: Net Energy Metering ("NEM Schedule") provides as follows:<sup>5</sup>

As determined in each billing period, when a Customer is a net consumer of energy,  $E_s$  is greater than  $E_f$ , where  $E_s$  is energy supplied by SCE and  $E_f$  is energy generated by the Customers' Renewable Electrical Generating Facility and exported into SCE's electrical system, the resulting net consumed energy will be used in the calculation of all applicable energy charges, *calculated by 1) multiplying the Customer's net consumed kWh by the applicable energy rate components of the Customer's OAT, in each Time-Of-Use (TOU) period when applicable, for Bundled Service Customers, or 2) multiplying the Customer's net consumed kWh by the applicable Delivery Service rate components of the Customer's OAT, in each TOU period when applicable, for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy charges).*

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<sup>1</sup> See Email Correspondence Between Lancaster and SCE, August 25, 2015 - August 31, 2015 (attached hereto as Attachment 1 ("SCE E-mail Response")).

<sup>2</sup> D. 08-02-002 at 6.

<sup>3</sup> D. 08-02-002 at 6.

<sup>4</sup> D. 08-02-002 at Ordering Paragraph 1.

<sup>5</sup> Southern California Edison, Schedule NEM: Net Energy Metering, Revised Cal. PUC Sheet No. 55662-E, October 23, 2014 at 3 (italics and emphasis added) ("NEM Schedule").



The upshot is that the rate calculation for an SCE NEM net consumer relies on different components than the calculation used for a CCA NEM net consumer. The rate calculation for net surplus consumers also reflects the use of a different approach for CCA NEM customers.<sup>6</sup>

In addition, SCE's NEM Schedule distinguishes between billing calculations used for SCE NEM customers and the calculations used for CCA NEM customers. For residential and small commercial bundled customers who did not choose to be billed monthly, SCE subtracts "all monthly valued accrued energy credits from all accrued energy charges ..." For CCA customers, on the other hand, SCE subtracts "all monthly valued accrued Delivery Service energy credits from all accrued Delivery Service energy charges" and charges the customer accordingly.<sup>7</sup> While the Commission has endorsed different billing calculations for bundled NEM customers and CCA NEM customers, it is essential that the components of each relevant category be properly categorized to provide CCA NEM service that is consistent with SCE's service.

When Lancaster's staff raised the issue with SCE, they were told that for purposes of NEM, SCE distinguishes between "Tracked Charges" and "Non-Tracked Charges."<sup>8</sup> As SCE personnel explained, Non-Tracked Charges are due and payable each month, regardless of customer usage, and regardless of whether the customer is consuming or generating. Typically these include customer charges, basic charges, and other non-energy related items. Tracked charges are the remainder of the charges, typically energy related. During the course of the year, the customer may consume or generate, and the tracked charges are subtotaled on a rolling basis. At the end of the relevant period, a true-up bill is sent for any remaining tracked charge amounts that have not been paid.

SCE also informed Lancaster that based on its reading of the NEM tariff, the DWR Bond charge is not one of the CRS charges for bundled customers, and so *it is tracked and subject to the true-up process*.<sup>9</sup> For CCA Customers, however, the DWR Bond charge is one of the CRS charges, and *is not tracked and not subject to the true-up process*.<sup>10</sup> Given this information, Lancaster is understandably concerned about how the NEM tariff is being administered with respect to the DWR Bond charge and potentially other charges.

Lancaster recognizes that it is appropriate for SCE to use rate and billing practices for SCE NEM customers that may be different than the practices used for CCA NEM customers. However, the Commission has made clear that SCE's administration of the NEM tariff should provide "consistent" treatment between bundled and CCA NEM customers. Given the legal and practical parameters in place, SCE NEM customers should not be permitted to net bill credits against the DWR Bond charge while Lancaster NEM customers are unable to do so. SCE NEM customers are reaping a benefit that is unavailable to Lancaster's NEM customers. Such discrimination is unacceptable and violates the Commission's directive in D.08-02-002.

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<sup>6</sup> SCE NEM Schedule at 3.

<sup>7</sup> SCE NEM Schedule at 3.

<sup>8</sup> See SCE Email Response.

<sup>9</sup> See SCE Email Response.

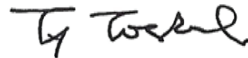
<sup>10</sup> See SCE Email Response.



## Conclusion

Under D.08-02-002, Lancaster's NEM customers deserve consistent treatment in the administration of SCE's NEM tariff. Because Lancaster's NEM customers are being subjected to discriminatory treatment by SCE, Lancaster requests to meet and confer with SCE regarding this matter. Should this discriminatory treatment remain unresolved, Lancaster plans to file a formal complaint with the Commission.

Sincerely,



Ty Tosdal, *Of Counsel*  
BRAUN BLAISING McLAUGHLIN & SMITH, P.C.  
915 L Street, Suite 1270  
Sacramento, California 95814  
Telephone: (858) 704-4711  
E-mail: [ty@tosdallaw.com](mailto:ty@tosdallaw.com)

Counsel for the City of Lancaster

Copy via Email: Robert Thomas, Principal Manager, SCE  
Martha Dobbler, Project Manager, SCE  
Barbara Boswell, City of Lancaster  
Cathy DeFalco, City of Lancaster  
Scott Blaising, Braun Blaising McLaughlin & Smith

**Attachment 1 – Email Correspondence between Lancaster and  
SCE August 25, 2015 - August 31, 2015**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

**From:** Martha Dobler [mailto:Martha.Dobler@sce.com]  
**Sent:** Monday, August 31, 2015 12:55 PM  
**To:** Boswell, Barbara; Wells, Kathy  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I'm forwarding the clarification I've received from our Regulatory team regarding your inquiry. I hope this information provides the clarification you are looking for.

=====

For DA/CCA NEM, SCE only allows applicable delivery service energy credits to offset delivery service energy charges – these then become what we refer to internally as the “tracked charges.” We don’t track the DA/CCA CRS charges because they aren’t part of the customer’s OAT total delivery charges\* but rather reflect charges that are due based on the customer being subject to the DA/CCA CRS rate schedules.

See the Rates section of Schedule NEM:

## RATES

As determined in each billing period, when a Customer is a net consumer of energy,  $E_s$  is greater than  $E_F$ , where  $E_s$  is energy supplied by SCE and  $E_F$  is energy generated by the Customers' Renewable Electrical Generating Facility and exported into SCE's electrical system, the resulting net consumed energy will be used in the calculation of all applicable energy charges, calculated by 1) multiplying the Customer's net consumed kWh by the applicable energy rate components of the Customer's OAT, in each Time-Of-Use (TOU) period when applicable, for Bundled Service Customers, or 2) multiplying the Customer's net consumed kWh by the applicable Delivery Service rate components of the Customer's OAT, in each TOU period when applicable, for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy charges).

As determined in each billing period, when a Customer is a net producer of energy,  $E_F$  is greater than  $E_s$ , where  $E_s$  is energy supplied by SCE and  $E_F$  is energy generated by the Customer's Renewable Electrical Generating Facility, the resulting net produced energy will be used in the calculation of energy credits, calculated by 1) multiplying the Customer's net produced kWh by the applicable energy rate components of the Customer's OAT, in each TOU period when applicable, for Bundled Service Customers, or 2) multiplying the Customer's net produced kWh by the applicable Delivery Service rate components of the customer's OAT, in each TOU period when applicable, for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy credits).

For DA and CCA Service Customers, generation credits, if any, do not reduce the charges owed to SCE for energy supplied to such customer, and Delivery Service credits, if any, do not reduce the charges owed to the ESP or Community Choice Aggregator for energy supplied to such customer.

Special Condition 3 then speaks to how we bill the energy and non-energy charges.

- c. For all Customers who meet the definition of a Residential or Small Commercial Customer (as defined in SCE's Rule 1), the monthly valued energy related charges and credits are accumulated until the end of a Relevant Period. However, upon a Customer's request, SCE shall permit a Residential or Small Commercial Customer to pay all applicable energy charges monthly. The request must be made by the Customer upon initiation of service under this Schedule or upon written notice to SCE no later than thirty (30) days prior to the end of a Relevant Period, whichever applies.

- 1) For all Customers who meet the definition of a Residential or Small Commercial Customer who did not choose to be billed monthly for their energy related charges, SCE will 1) subtract all monthly valued accrued energy credits from all accrued energy charges from Bundled Service Customers, or 2) subtract all monthly valued accrued Delivery Service energy credits from all accrued Delivery Service energy charges from DA and CCA Service Customers. If this calculation results in monies owed to SCE, such energy charges shall be due and payable in accordance with the Customer's OAT. However, if this calculation results in an excess energy credit, SCE shall neither pay the Customer for any unused energy credit nor carry forward any unused energy credit. The unused energy credit shall be zeroed out and a new Relevant Period shall commence. Eligible Customers electing Net Surplus Compensation as provided for in part h.3 of this Special Condition may receive additional credit or compensation. Additionally, Special Condition 9 may apply for Residential Customers. For CCA Service Customers, SCE and the Community Choice Aggregator shall complete an annual true-up of all charges and credits calculated monthly, consistent with the provisions set forth under this Schedule. Credits and charges related to the Community Choice Aggregator's generation services shall be based on the information provided by the Community Choice Aggregator to SCE. Any net balance related to generation charges that are collected from an eligible NEM CCA Service customer-generator will be paid annually by SCE to the Community Choice Aggregator as set forth in Rule 23, Section Q, which describes the payment and collection terms between the SCE and a CCA Service Customer. For DA Customers, separate annual true-ups of all charges and credits, consistent with the provisions set forth under this Schedule, will be calculated by SCE for the applicable SCE charges and credits, and by the ESP for the applicable ESP charges and credits. Any net balance related to generation charges that are collected from an eligible DA Customer will be paid annually by SCE to the ESP as set forth in Rule 22, Section L.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center  
6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Martha Dobler

**Sent:** Friday, August 28, 2015 10:15 AM

**To:** 'Boswell, Barbara'; Wells, Kathy

**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos

**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I am working with our Regulatory department on this issue, Barbara. I may not hear back from them until next week with any solid information.

I appreciate your patience while I continue to investigate on Lancaster's behalf.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center

6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
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Fax: 42562, (626) 812-7562

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**From:** Boswell, Barbara [<mailto:bboswell@cityoflancasterca.org>]  
**Sent:** Thursday, August 27, 2015 12:47 PM  
**To:** Martha Dobler; Wells, Kathy  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

Martha,

I have reviewed the tariff below and I'm not finding the section that discusses the tracked vs. non-tracked charges, or where it indicates that CRS charges are considered non-tracked. Can you point me to the applicable section? Or maybe point me to the person at SCE that can answer my question?

Thanks.

Barbara

---

**From:** Martha Dobler [<mailto:Martha.Dobler@sce.com>]  
**Sent:** Thursday, August 27, 2015 10:33 AM  
**To:** Boswell, Barbara; Wells, Kathy  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran; Kathryn Anderson; Estella Banuelos  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I've been advised to refer you to SCE's Schedule NEM, Special Condition 3. The link to Schedule NEM is included below:

<https://www.sce.com/NR/sc3/tm2/pdf/ce158-12.pdf>

Thank you.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center  
6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Boswell, Barbara [<mailto:bboswell@cityoflancasterca.org>]  
**Sent:** Thursday, August 27, 2015 9:54 AM  
**To:** Martha Dobler; Wells, Kathy; Kathryn Anderson  
**Cc:** Garibay, Patricia; DeFalco, Cathy; Chris Tran  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

Thank you Martha. Can you point us to the tariff that establishes the tracked vs non-tracked DWRBC for unbundled NEM customers?

Barbara

---

**From:** Martha Dobler [<mailto:Martha.Dobler@sce.com>]  
**Sent:** Wednesday, August 26, 2015 12:35 PM  
**To:** Wells, Kathy; Kathryn Anderson  
**Cc:** Boswell, Barbara; Garibay, Patricia; DeFalco, Cathy; Chris Tran  
**Subject:** RE: Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

I been informed that DWRBC is not one of the CRS charges when the customer is on bundled service and is, therefore, tracked. When the customer is on CCA service DWRBC is one of the CRS charges and is, therefore, not-tracked.

The following information was also provided to me:

Assuming a Residential customer on the Annual Billing option.....

“Non-Tracked charges” are charges that are due and payable each month, regardless of customer’s usage (whether consuming or generating). Typically these include customer charges, basic charges, and other non-energy related items. These will be on the first page of the bill’s detail pages.

“Tracked charges” are the remainder of the charges, typically energy related.

During the course of the year, the customer may consume or generate, and the tracked charges are subtotaled on a rolling basis. At the end of the relevant period, a true-up bill is sent for any remaining tracked charge amounts that have not been paid.

I hope this answers your question.

=====

*Martha Dobler*

Project Manager - Customer Choice Services  
Southern California Edison  
Gateway Business Center  
6020 N. Irwindale Avenue, Suite I, Irwindale, CA 91702  
Phone: 42116, (626) 633-7116  
Cell: (562) 505-5241  
Fax: 42562, (626) 812-7562

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**From:** Wells, Kathy [<mailto:kwells@cityoflancasterca.org>]  
**Sent:** Tuesday, August 25, 2015 2:25 PM  
**To:** Martha Dobler; Kathryn Anderson  
**Cc:** Boswell, Barbara; Garibay, Patricia; DeFalco, Cathy; Chris Tran  
**Subject:** Delivery Charges - Tracked vs. Non Tracked Charges for NEM customers

Good Afternoon,

I am reviewing a bill for one of our Phase I NEM customers, and noticed that the DWR Bond charge being shown under the “non-tracked charges” portion of the SCE bill, which is included with the monthly charges due.

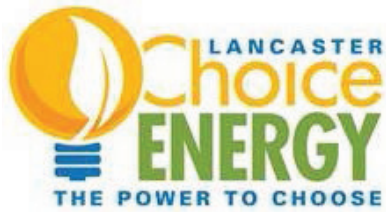
On her prior billings (NEM customer with SCE), the DWRBC was included in the “tracked charges” portion of the bill – meaning the charges were aggregated and the cumulative delivery charges were trued up at the end of the relevant period.

Would you please explain the difference between the “non-tracked charges” and “tracked charges” for NEM customers?

*Kathy Wells*

*Projects Assistant*

Phone: 661.723.6051 ■ Fax: 661.723.5858



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# Attachment 2

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 29, 2016

**Advice Letter 3308-E**

Russell G. Worden  
Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, CA 91770

**SUBJECT: Modifications to SCE's NEM Tariffs to Allow for the Crediting and True-Up of Certain Cost Responsibility Surcharge Components for Direct Access and CCA Service Customer-Generators**

Dear Mr. Worden:

Advice Letter 3308-E is effective as of December 13, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Director, Energy Division

**ADVICE LETTER (AL) SUSPENSION NOTICE**  
**ENERGY DIVISION**

Utility Name: SCE  
Utility No./Type: U338-E

Date Utility Notified: 1/15/2016      via: e-mail  
[ x ] E-Mail to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com);  
[Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

Advice Letter Nos.: 3308-E

Fax No.:

Date AL filed: 11/13/2015

ED Staff Contact: Elizabeth Curran

Utility Contact Person: Russell G. Wordon;  
Michael R. Hoover c/o Karyn Gansecki

**For Internal Purposes Only:**

Date Calendar Clerk Notified: \_\_\_\_/\_\_\_\_/\_\_\_\_

Date Commissioners/Advisors Notified: \_\_\_\_/\_\_\_\_/\_\_\_\_

**[X] INITIAL SUSPENSION (up to 120 DAYS)**

This is to notify that the above-indicated AL is suspended for up to 120 days beginning January 1, 2016, for the following reason(s) below. If the AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division extends beyond the expiration of the initial suspension period, the advice letter will be automatically suspended for up to 180 days beyond the initial suspension period.

[ ] Section 455 Hearing is Required. A Commission resolution may be required to address the advice letter.

[ ] Advice Letter Requests a Commission Order.

[X] Advice Letter Requires Staff Review

Expected duration of initial suspension period: 120 days.

**[ ] FURTHER SUSPENSION (up to 180 DAYS beyond initial suspension period)**

The AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division has extended beyond the expiration of the initial suspension period. The advice letter is suspended for up to 180 days beyond the initial suspension period.

---

If you have any questions regarding this matter, please contact Elizabeth Curran at (415) 703-1101 or via e-mail at [ec7@cpuc.ca.gov](mailto:ec7@cpuc.ca.gov).

cc: Sara Kamins, CPUC Energy Division  
Energy Division Tariff Unit

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November 13, 2015

**ADVICE 3308-E  
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Modifications to Southern California Edison Company's Net Energy Metering Tariffs to Allow for the Crediting and True Up of Certain Cost Responsibility Surcharge Components for Direct Access and Community Choice Aggregation Service Customer-Generators

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 letter is to modify SCE's Net Energy Meeting (NEM) tariffs, as outlined below, to allow Direct Access (DA) and Community Choice Aggregation (CCA) Service Eligible Customer-Generators (Customers) to receive monthly Cost Responsibility Surcharge (CRS) credits based on the applicable components of Schedule DA-CRS, *Direct Access Cost Responsibility Surcharge*, and Schedule CCA-CRS, *Community Choice Aggregation Cost Responsibility Surcharge*, when they net generate to offset monthly CRS charges incurred over the course of an NEM Relevant Period.

**BACKGROUND**

NEM is a billing mechanism that allows Eligible Customer-Generators to offset monthly energy charges for energy (kWh) consumed from the utility with monthly energy credits for energy (kWh) that is generated by the Eligible Customer-Generator's Renewable Electrical Generating Facility (REGF) and exported to the grid over a 12-month Relevant Period. These monthly energy credits are based on the full retail rate of the Eligible Customer-Generator's Otherwise Applicable Tariff (OAT), which is the regular rate schedule under which service is provided (e.g., Schedule D, Schedule TOU-GS-1).

On February 14, 2008, the California Public Utilities Commission (Commission or CPUC) adopted Decision (D.)08-02-002 (or the Decision), which ordered the Investor-Owned Utilities (IOUs)<sup>1</sup> to modify their tariffs in order to provide NEM service to CCA Service Customers, as follows:

“We herein direct the utilities to offer CCA customer-generators the same NEM service it offered its own customers, with the utility providing the transmission and distribution credit to eligible CCA NEM customers and the CCA offering the generation credit to eligible CCA NEM customers.”<sup>2</sup>

The Decision thereafter summarized the applicable CCA NEM credits and the provider thereof, as follows:<sup>3</sup>

<b>CCA NEM Generator</b>	<b>Transmission &amp; Distribution Credit</b>	<b>Generation Credit</b>
Solar up to 1 MW	Utility Provided	CCA
Wind up to 50 kW	Utility Provided	CCA
Wind 50 kW – 1 MW <sup>4</sup>	Not Provided	CCA
Biogas up to 1 MW <sup>5</sup>	Not Provided	CCA
Fuel Cell up to 1 MW <sup>6</sup>	Not Provided	CCA

To comply with D.08-02-002, SCE filed Advice 2222-E on March 5, 2008 to modify its tariffs to allow eligible CCA Service Customers to participate on NEM.<sup>7</sup> SCE’s advice letter and tariffs specified that SCE would provide the applicable Delivery Service energy charges or credits *based on the Customer’s OAT*,<sup>8</sup> while the Community Choice

<sup>1</sup> The IOUs include SCE, Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E).

<sup>2</sup> D.08-02-002 at p. 6.

<sup>3</sup> *Id.* at p. 8.

<sup>4</sup> In 2011, Senate Bill 489 (2011, Wolk) expanded the definition of an REGF to include generating facilities using wind, in addition to other technologies, up to 1 megawatt (MW). Therefore, the 50 kW demarcation noted in D.08-02-002 is no longer applicable under Schedule NEM, and all REGFs up to 1 MW are eligible for the full retail credit.

<sup>5</sup> This is for generating facilities served on Schedule BG-NEM, which was closed to new customers as of December 31, 2009.

<sup>6</sup> This is for generating facilities served on Schedule FC-NEM.

<sup>7</sup> The Commission’s Energy Division approved Advice 2222-E on September 22, 2008, with an April 4, 2008 effective date.

<sup>8</sup> This is consistent with the Decision, which specified on p. 2 that “[f]or solar generators up to 1 MW and wind generators up to 50 kW, the credit provided by the utility for customer-

Aggregator would be responsible for the applicable generation-related charges and credits.

On May 24, 2013, SCE filed Advice 2904-E to modify its tariffs to also allow DA Customers to participate on SCE's NEM rate schedules, and similarly proposed that SCE would provide the applicable Delivery Service energy charges or credits based on the Customer's OAT, while the Customer's Electric Service Provider (ESP) would be responsible for the generation-related charges and credits.<sup>9</sup> Therefore, SCE's treatment of both DA and CCA Service Customers is currently consistent.<sup>10</sup>

## **DISCUSSION**

In addition to their OATs, DA and CCA Service Customers are also subject to an additional CRS under Schedules DA-CRS and CCA-CRS. The components that comprise the CRS include the Department of Water Resources Bond Charge (DWRBC),<sup>11</sup> the ongoing Competition Transition Charge (CTC) and the Power Charge Indifference Adjustment (PCIA). These components are charged on a dollar per kilowatthour (\$/kWh) basis.

For DA and CCA Service Customers served on NEM,<sup>12</sup> SCE currently applies the CRS components to the Customer's net consumption. For example, if the Customer

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generators equals the bundled retail price of power. 'Bundled' service includes transmission, distribution and all other energy-related charges of the customer-generator's *otherwise applicable schedule*" (emphasis added).

<sup>9</sup> Advice 2904-E was approved by the Commission's Energy Division on July 2, 2013, with a June 23, 2013 effective date.

<sup>10</sup> The same treatment also applies to Community Aggregation (CA) Customers in Cerritos and Transitional Bundled Service (TBS) Customers, who are also subject to Schedules CCA-CRS or DA-CRS. The changes proposed herein for DA and CCA Service Customers will also apply to CA and TBS Customers.

<sup>11</sup> The DWRBC is also included in the Delivery Service portion of Customers' OATs. However, the Rates section of the OATs state that "Total Delivery Service rates are applicable to Bundled Service, Direct Access (DA) and Community Choice Aggregation (CCA) Service Customers, *except DA and CCA Service Customers are not subject to the DWRBC rate component of this [OAT] Schedule but instead pay the DWRBC as provided in Schedule DA-CRS or Schedule CCA-CRS*" (emphasis added).

<sup>12</sup> For the purpose of this advice letter, Customers who take service under Schedules NEM, MASH-VNM or NEM-V are considered as served on NEM. All three of these rate schedules are governed by Public Utilities (PU) Code Section 2827. Customers served on Schedules FC-NEM and BG-NEM are not included as part of this filing. Schedule FC-NEM is governed by PU Code Section 2827.10, and only allows for a generation credit on net produced kWh, exclusive of any surcharges. See PU Code Section 2827.10(e)(2)(A), in pertinent part, as follows: "When the eligible fuel cell customer-generator is a net generator during any discrete time-of-use period, the net kilowatthours produced shall be valued at the same price per kilowatthour as the electrical corporation would charge for retail kilowatthour sales for generation, *exclusive of any surcharges*, during the same time-of-use

consumes 300 kWh from SCE in one month and exports 100 kWh in that same month, SCE charges the CRS based on 200 kWh (300 kWh – 100 kWh). If the Customer net generates in a given month, SCE does not charge the Customer any components of the CRS for that month. For example, if the customer consumes 300 kWh from SCE and exports 400 kWh, the customer is charged \$0.00 for CRS charges based on the -100 kWh (300 kWh – 400 kWh) of net generation. CRS charges are due and payable in each regular billing period, and are not treated as part of the monthly tracked NEM energy charges and credits that are subject to true-up as they are not included as part of the Customer's OAT on which NEM charges and credits are currently calculated.

Recently, the City of Lancaster (Lancaster) questioned whether the DWRBC and potentially other components of the CRS that CCA Service Customers pay should be treated akin to the Delivery Service rate components of a Customer's OAT for NEM billing purposes. Under such an arrangement, in addition to basing the Customer's CRS charges on net consumption (which is done today), the Customer would be able to accumulate CRS credits in months where the Customer net generates. These CRS energy credits could then be used to offset CRS energy charges incurred throughout a Customer's Relevant Period. From an operational perspective, CRS energy charges and credits would be "tracked" and subject to a true-up at the end of the Customer's Relevant Period.<sup>13</sup> Absent such an arrangement, Lancaster is concerned for its CCA NEM customers because SCE's Bundled Service NEM customers are allowed to offset the DWRBC that results from net consumption with credits that result from net generation.

After reviewing the concerns expressed by Lancaster, SCE believes that it is reasonable to allow DA and CCA Service Customers to have their DWRBC CRS component treated consistent with how SCE bills this OAT component for Bundled Service NEM customers, even though the DWRBC is specifically not considered part of the DA or CCA Service Customer's OAT. Similarly, SCE also finds it reasonable to allow the remaining components of the CRS (i.e., the CTC and PCIA) to be billed consistent with how the Customer's Delivery Service OAT energy components are billed today – meaning that DA and CCA Service Customers will be able to receive CRS energy credits for months in which they net generate that can be used to offset CRS energy charges for months in which they net consume within a Relevant Period.<sup>14</sup>

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period" (emphasis added). The same wording was used in PU Code Section 2827.9 (which has since been repealed), which governed the BG-NEM tariff.

<sup>13</sup> SCE benchmarked with both PG&E and SDG&E on this issue, and it is SCE's understanding that both PG&E and SDG&E allow DA and CCA Service Customers to receive credits for the CRS components in months where they net generate that can be used to offset CRS charges incurred for net consumption within the same Relevant Period.

<sup>14</sup> Because the CTC is included in the generation energy component of the OAT, it is one of the components that is used in the calculation of monthly tracked energy charges and credits for Bundled Service NEM customers. Bundled Service customers are not subject to a PCIA charge, but rather pay the associated costs as part of their Bundled Service rates, so the PCIA charge is not a factor that is used in the calculation of monthly tracked energy charges and credits for Bundled Service NEM customers.



These CRS charges and credits will be tracked and subject to a true-up at the end of the Customer's Relevant Period.

### **PROPOSED TARIFF CHANGES**

SCE's current NEM tariffs do not allow for the treatment of CRS charges and credits as discussed herein for DA and CCA Service Customers, since the NEM tariffs only provide for NEM energy credits and charges based on a customer's OAT (and specifically the Delivery Service portion for DA and CCA Service Customers). Therefore, SCE is proposing modifications to its NEM tariffs, as outlined below, to allow the components of Schedules DA-CRS and CCA-CRS to be treated akin to how SCE bills the Delivery Service energy components of a Customer's OAT under NEM, which allows for monthly energy credits and a true-up at the end of the Customer's Relevant Period. SCE proposes to implement this change for all DA and CCA Service Customers with Relevant Periods that end on or after the effective date of this advice letter. However, changes to SCE's billing system are necessary to accommodate this change. Therefore, a rebill may be necessary once the system changes are complete.

#### **Schedule MASH-VNM, Multifamily Affordable Solar Housing Virtual Net Metering**

- Special Conditions 9.c. and 9.f. (*Billing Processes*) are modified to provide for the crediting and true-up of applicable CRS components for DA and CCA Service Customers as discussed above.

#### **Schedule NEM, Net Energy Metering**

- The *Rates* section is modified to specify that the applicable CRS components will be based on a DA or CCA Service Customer's net consumed kWh or net produced kWh.
- Special Conditions 3.g. and 3.h. (*Billing*) are modified to provide for the crediting and true-up of applicable CRS components for DA and CCA Service Customers as discussed above.

#### **Schedule NEM-V, Virtual Net Energy Metering for Multi-Tenant and Multi-Meter Properties**

- Special Conditions 9.c. and 9.f. (*Billing Process*) are modified to provide for the crediting and true-up of applicable CRS components for DA and CCA Service Customers as discussed above.

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.

## **EFFECTIVE DATE**

This advice filing will become effective on December 13, 2015, the 30<sup>th</sup> calendar day after the date filed.

## **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 mailed 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 shall be submitted expeditiously.

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 and R.14-07-002 service lists. 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) 302-4039. 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 Erin Pulgar at (626) 302-2509 or by electronic mail at [Erin.Pulgar@sce.com](mailto:Erin.Pulgar@sce.com).

**Southern California Edison Company**

/s/ Russell G. Worden  
Russell G. Worden

RGW:ep:jm  
Enclosures

# 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) #: 3308-E

Tier Designation: 2

Subject of AL: Modifications to Southern California Edison Company's Net Energy Metering Tariffs to Allow for the Crediting and True Up of Certain Cost Responsibility Surcharge Components for Direct Access and Community Choice Aggregation Service Customer-Generators

Keywords (choose from CPUC listing): Compliance, Metering, Surcharges

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other \_\_\_\_\_

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

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: 12/13/15      No. of tariff sheets: -11-

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: 3282-E

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

**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)

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 57741-E	Schedule MASH-VNM	Revised 55637-E
Revised 57742-E	Schedule NEM	Revised 57519-E
Revised 57743-E	Schedule NEM	Revised 57519-E
		Revised 56094-E
Revised 57744-E	Schedule NEM	Revised 57521-E
Revised 57745-E	Schedule NEM	Revised 55665-E
Revised 57746-E	Schedule NEM-V	Revised 50935-E
Revised 57747-E	Schedule NEM-V	Revised 55677-E
Revised 57748-E	Schedule NEM-V	Revised 55677-E
		Original 53582-E
Revised 57749-E	Table of Contents	Revised 57408-E
Revised 57750-E	Table of Contents	Revised 57409-E
Revised 57751-E	Table of Contents	Revised 57503-E

Schedule MASH-VNM  
Multifamily Affordable Solar Housing  
Virtual Net Metering  
(Continued)

Sheet 8

SPECIAL CONDITIONS (Continued)

9. Billing Process: (Continued)

- c. Qualified Customer Bill: Qualified Customers served under this Schedule are responsible for all charges of their OAT. Each month, Allocated Credits, in kWhs, are subtracted from the metered usage, in kWhs. Charges are applied to the resulting kWh difference according to the provisions of the Qualified Customer's OAT. For DA and CCA Service Qualified Customers, applicable components of the Cost Responsibility Surcharge (CRS) are also applied to the resulting kWh difference according to the provisions of Schedule DA-CRS or Schedule CCA-CRS. The bill may therefore reflect either a charge or a credit. (N)

For DA and CCA Service Qualified Customers, the ESP or Community Choice Aggregator is responsible for providing the applicable generation-related energy charges or credits. Generation-related energy credits, if any, do not reduce the charges owed to SCE, and Delivery Service and/or CRS credits, if any, do not reduce the charges owed to the ESP or Community Choice Aggregator. (N)

- d. OAT with Baseline Rates: Allocated Credits are subtracted first from the non-baseline usage, if any, and then subtracted from baseline usage until credits are exhausted.

- e. OAT with TOU Rates: Allocated Credits for each TOU period are subtracted from the energy usage for that same TOU period.

- f. Bill Payment: Qualified Customers are required to pay their bill on a monthly basis. Excess credits, in dollars, are carried over to the following billing period, until the end of the Relevant Period. An annual true-up occurs at the end of the Relevant Period, pursuant to PU Code Section 2827(h). Upon completion of the annual true-up, any remaining credits will be retained by SCE and the Qualified Customer will not be entitled to any compensation unless the Owner or Operator has executed the Net Surplus Compensation Rate Selection Form (Form 14-906) to certify that the generating facility is a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 that is exempt from certification at the Federal Energy Regulatory Commission. If the Owner or Operator elects such compensation, the Common Area Service Accounts and the Tenant Service Accounts with Net Allocated Energy will receive NSC. Additionally, Special Condition 14 may apply for Residential Customers.

The Common Area Service Accounts and the Tenant Service Accounts will continue to receive such compensation for each Relevant Period following the execution of such election, unless the Owner or Operator affirmatively elects to end Net Surplus Energy compensation. The Owner or Operator is eligible to revise their Net Surplus Energy elections, annually, as provided under Rule 12.

For DA and CCA Service Qualified Customers, separate annual true-ups of all charges and credits, consistent with the provisions set forth under this Schedule, will be calculated 1) by SCE for the applicable SCE charges and credits and 2) by the ESP or Community Choice Aggregator for the applicable ESP and CCA charges and credits. Upon completion of the annual true-up, any remaining Delivery Service and/or CRS credits will be retained by SCE and the Qualified Customer will not be entitled to any compensation from SCE. DA and CCA Service Qualified Customers are not eligible to receive Net Surplus Compensation (NSC) from SCE. (N)

(Continued)

(To be inserted by utility)

Advice 3308-E

Decision \_\_\_\_\_

Issued by

R.O. Nichols

Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015

Effective Dec 13, 2015

Resolution \_\_\_\_\_

Schedule NEM  
NET ENERGY METERING

Sheet 3

(Continued)

TERRITORY

Within the entire territory served.

RATES

As determined in each billing period, when a Customer is a net consumer of energy,  $E_s$  is greater than  $E_F$ , where  $E_s$  is energy supplied by SCE and  $E_F$  is energy generated by the Customers' Renewable Electrical Generating Facility and exported into SCE's electrical system, the resulting net consumed energy will be used in the calculation of all applicable energy charges, calculated by 1) multiplying the Customer's net consumed kWh by the applicable energy rate components of the Customer's OAT, in each Time-Of-Use (TOU) period when applicable, for Bundled Service Customers, or 2) (a) multiplying the Customer's net consumed kWh by the applicable Delivery Service rate components of the Customer's OAT, in each TOU period when applicable, and (b) multiplying the Customer's net consumed kWh by the applicable Cost Responsibility Surcharge (CRS) rate components of Schedule DA-CRS or Schedule CCA-CRS for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy charges). (T) (N) | (N)

As determined in each billing period, when a Customer is a net producer of energy,  $E_F$  is greater than  $E_s$ , where  $E_s$  is energy supplied by SCE and  $E_F$  is energy generated by the Customer's Renewable Electrical Generating Facility, the resulting net produced energy will be used in the calculation of energy credits, calculated by 1) multiplying the Customer's net produced kWh by the applicable energy rate components of the Customer's OAT, in each TOU period when applicable, for Bundled Service Customers, or 2) (a) multiplying the Customer's net produced kWh by the applicable Delivery Service rate components of the customer's OAT, in each TOU period when applicable, and (b) multiplying the Customer's net produced kWh by the applicable CRS rate components of Schedule DA-CRS or Schedule CCA-CRS for DA and CCA Service Customers (the Customer's ESP or Community Choice Aggregator is responsible for providing the generation-related energy credits). (T) (N) (N)

For DA and CCA Service Customers, generation credits, if any, do not reduce the charges owed to SCE for energy supplied to such customer, and Delivery Service and/or CRS credits, if any, do not reduce the charges owed to the ESP or Community Choice Aggregator for energy supplied to such customer. (N)

For all customers served under this Schedule, Special Condition 3.h shall apply to any remaining energy credits at the end of each Relevant Period.

Net Surplus Compensation (NSC) is equal to the Net Surplus Compensation Rate (NSCR) multiplied by Net Surplus Energy. Pursuant to PU Code Section 2827(h)(5)(A), NSC is designed to compensate NEM customers for Net Surplus Energy they produced in excess of their on-site load over their Relevant Period. The NSCR is based on the default load aggregation point (DLAP) price. See Special Condition 3.h.6 for calculation of NSCR.

Renewable Energy Credits (RECs) are equal to Renewable Attribute Adder (RAA) multiplied by Net Surplus Energy. See Special Condition 3.h.7. (L)

(Continued)

(To be inserted by utility)

Advice 3308-E  
Decision \_\_\_\_\_

Issued by

R.O. Nichols  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015  
Effective Dec 13, 2015  
Resolution \_\_\_\_\_

Schedule NEM  
NET ENERGY METERING

Sheet 4

(Continued)

RATES (Continued)

For Customers defined in Special Condition 6.a.iii below, energy supplied by SCE (E<sub>S</sub>) shall be billed monthly based on the Customer's OAT and shall not be netted with energy generated by the Customer's Renewable Electrical Generating Facility that is exported to SCE's electrical system (E<sub>F</sub>). Any energy produced by the Customer's Renewable Electrical Generating Facility that is exported to SCE's electrical system (E<sub>F</sub>) is not eligible for compensation, including NSC, from SCE or any third-party. (L)

SPECIAL CONDITIONS

1. Required Application and Contract: An executed Net Energy Metering (NEM) Generating Facility Interconnection Application (Form 14-957) and an executed Net Energy Metering And Interconnection Agreement (Form 16-344 or Form 14-923) are required prior to receiving service under this Schedule. Customers electing to participate in NEM Aggregation pursuant to Special Condition 5 of this Schedule must also complete Form 14-937.

Eligible customers electing NSC must execute;

- a. A Net Surplus Compensation Rate and Renewable Energy Credits Compensation Selection Form (Form 14-906) to:

- 1a) Certify the Customer's generating facility is a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 that is exempt from certification at the Federal Energy Regulatory Commission (FERC), or

- 1b) Provide notice to SCE that the Customer self-certified its Renewable Electrical Generating Facility as a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 by properly completing and filing FERC Form No. 556 with the FERC. This requirement applies only to Eligible Customer-Generators as defined in Special Condition 6.a.ii below who interconnect a Renewable Electrical Generating Facility with a capacity greater than 1 MW, and is only required if the Customer elects to be eligible to receive NSC, in accordance with the provisions of Special Condition 3 of this Schedule; and

- 2) Select compensation in the form of either a check payment or a credit rollover.

Eligible customers must provide SCE all required forms in order to receive compensation.

- b. Renewable Energy Compensation Form (Form 14-935) at the end of each Relevant Period to receive Renewable Energy Compensation. See Special Condition 3.h.7.

(Continued)

(To be inserted by utility)

Advice 3308-E  
Decision \_\_\_\_\_

Issued by

R.O. Nichols  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015  
Effective Dec 13, 2015  
Resolution \_\_\_\_\_



Schedule NEM  
NET ENERGY METERING

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

## 3. Billing:

- a. SCE shall provide all Customers served under this Schedule with net energy consumption information and/or net energy export information with each monthly bill. For CCA Service Customers, the CCA is responsible for providing SCE the billing CCA generation charges or credits applicable to NEM CCA Service Customers. For DA Customers served under the Consolidated SCE Billing option, as defined in SCE's Rule 22, the ESP is responsible for providing SCE the generation-related energy charges or credits applicable to those DA Customers.
- b. For all Customers served under this Schedule, all applicable Monthly Customer Charges, Minimum Charges, Demand Charges, and/or other non-energy related charges, excluding any adjustments due to power factor provisions, as defined in the Customer's OAT, shall apply, when applicable, regardless of the Customer's monthly net energy consumption or export.
- c. For all Customers who meet the definition of a Residential or Small Commercial Customer (as defined in SCE's Rule 1), the monthly valued energy related charges and credits are accumulated until the end of a Relevant Period. However, upon a Customer's request, SCE shall permit a Residential or Small Commercial Customer to pay all applicable energy charges monthly. The request must be made by the Customer upon initiation of service under this Schedule or upon written notice to SCE no later than thirty (30) days prior to the end of a Relevant Period, whichever applies.
- d. For all Customers who do not meet the definition of a Residential or Small Commercial Customer, it is mandatory to pay all applicable charges, both energy and non-energy related, on a monthly basis, in accordance with the Customer's OAT.
- e. For all Customers who meet the definition of a Residential or Small Commercial Customer, the monthly bills shall show the accrued energy charges owed to SCE, or accrued energy credits for net energy exported, whichever applies, until the end of a Relevant Period.
- f. For all Customers served under this Schedule, the value of energy credits will be used to offset other time or TOU periods' and/or subsequent billing periods' energy related charges when they exist. However, at no time will energy credits be applied towards any non-energy related charges, and such credits cannot be carried over to a new Relevant Period except as provided in Special Condition 3.h.3.
- g. For DA and CCA Service Customers, SCE will provide the applicable Delivery Service and CRS charges or credits, and the Customer's ESP or Community Choice Aggregator (N) is responsible for providing the applicable generation charges or credits.

(Continued)

(To be inserted by utility)

Advice 3308-E  
Decision \_\_\_\_\_Issued by  
R.O. Nichols  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015  
Effective Dec 13, 2015  
Resolution \_\_\_\_\_

Schedule NEM  
NET ENERGY METERING

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

## 3. Billing: (Continued)

- h. At the end of each Relevant Period (as defined in Special Condition 6.g of this Schedule) following the Date of Parallel Operation of the Customer's generator(s) with SCE's electrical system, SCE shall proceed as follows:
- 1) For all Customers who meet the definition of a Residential or Small Commercial Customer who did not choose to be billed monthly for their energy related charges, SCE will 1) subtract all monthly valued accrued energy credits from all accrued energy charges from Bundled Service Customers, or 2) subtract all monthly valued accrued Delivery Service energy credits from all accrued Delivery Service energy charges and all monthly valued CRS energy credits from all accrued CRS energy charges from DA and CCA Service Customers. If this calculation results in monies owed to SCE, such energy charges shall be due and payable in accordance with the Customer's OAT. However, if this calculation results in an excess energy credit, SCE shall neither pay the Customer for any unused energy credit nor carry forward any unused energy credit. The unused energy credit shall be zeroed out and a new Relevant Period shall commence. Eligible Customers electing Net Surplus Compensation as provided for in part h.3 of this Special Condition may receive additional credit or compensation. Additionally, Special Condition 9 may apply for Residential Customers. For CCA Service Customers, SCE and the Community Choice Aggregator shall complete an annual true-up of all charges and credits calculated monthly, consistent with the provisions set forth under this Schedule. Credits and charges related to the Community Choice Aggregator's generation services shall be based on the information provided by the Community Choice Aggregator to SCE. Any net balance related to generation charges that are collected from an eligible NEM CCA Service customer-generator will be paid annually by SCE to the Community Choice Aggregator as set forth in Rule 23, Section Q, which describes the payment and collection terms between the SCE and a CCA Service Customer. For DA Customers, separate annual true-ups of all charges and credits, consistent with the provisions set forth under this Schedule, will be calculated by SCE for the applicable SCE charges and credits, and by the ESP for the applicable ESP charges and credits. Any net balance related to generation charges that are collected from an eligible DA Customer will be paid annually by SCE to the ESP as set forth in Rule 22, Section L. (N)
  - 2) For all Customers who do not meet the definition of a Residential or Small Commercial Customer, and all Residential and Small Commercial Customers who choose to be billed monthly for their energy related charges, an annual true-up occurs at the end of the Relevant Period. Upon completion of the annual true-up, any remaining credits will be zeroed out and a new Relevant Period shall commence. Eligible Customers electing Net Surplus Compensation as provided for in part h.3 of this Special Condition may receive additional credit or compensation. Additionally, Special Condition 9 may apply for Residential Customers. For DA and CCA Service Customers who are billed monthly for their energy-related charges, any unused Delivery Service or CRS energy credits shall not be carried forward to the start of a new Relevant Period; rather, the unused Delivery Service or CRS energy credits shall be zeroed out and a new Relevant Period will commence. DA and CCA Service Customers should look to their ESP or Community Choice Aggregator for the treatment of unused generation energy credits. (N)

(Continued)

(To be inserted by utility)

Advice 3308-E

Decision \_\_\_\_\_

Issued by

R.O. NicholsSenior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015Effective Dec 13, 2015

Resolution \_\_\_\_\_

Schedule NEM-V  
VIRTUAL NET ENERGY METERING  
FOR MULTI-TENANT AND MULTI-METER PROPERTIES  
(Continued)

Sheet 9

SPECIAL CONDITIONS (Continued)

9. Billing Process: (Continued)

b. Allocated Credits:

- (1) The Owner or Operator determines the percentage of Gross Credit that will be allocated to the individual Benefitting Account(s) on the Virtual Net Energy Metering For Multi-Tenant and Multi-Meter Properties Allocation Request Form (Form 14-910). The owner may designate in the same Allocation Request Form unallocated credit to either the Common Area Account or one Benefitting Account. This is credit that is allocated to a particular unit but not applied to a Qualified Customer's bill due to occupant nonparticipation or unit vacancy. These allocations will become effective on the next regularly scheduled meter read date following the date on which SCE provides the Owner or Operator with written approval to begin parallel operation of the Eligible Generator with the electric grid. If the Owner or Operator wishes to request a change in the allocation percentages, a charge will be assessed as reflected under the Rates section. Revised allocation percentages under this provision will become effective on the next regularly scheduled meter read date that is at least 30 days after SCE receives the allocation request form.
- (2) The individual allocation of kWhs to each Benefitting Account is calculated by multiplying the Gross Credit by the designated percentage allocation for each individual Benefitting Account.

- c. Qualified Customer Bill: Qualified Customers served under this Schedule are responsible for all charges of their OAT. Each billing cycle, Allocated Credits, in kWhs, are subtracted from the metered usage. Charges are applied to the resulting kWh according to the provisions of the Benefitting Account's OAT. The bill may therefore reflect either a charge or a credit.

For DA and CCA Service Qualified Customers, charges are applied to the resulting kWh difference according to the Delivery Service charge of the customer's OAT. Applicable components of the Cost Responsibility Surcharge (CRS) are also applied to the resulting kWh difference according to the provisions of Schedule DA-CRS or Schedule CCA-CRS. The bill may therefore reflect either a charge or a credit.

- d. Benefitting Account OAT with Baseline Rates: Allocated Credits are subtracted first from the non-baseline usage, if any, and then subtracted from baseline usage until credits are exhausted.
- e. Benefitting Account OAT with TOU Rates: Allocated Credits for each TOU period are subtracted from the energy usage for that same TOU period.

(Continued)

(To be inserted by utility)

Advice 3308-E

Decision \_\_\_\_\_

Issued by

R.O. Nichols  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015

Effective Dec 13, 2015

Resolution \_\_\_\_\_

Schedule NEM-V  
VIRTUAL NET ENERGY METERING  
FOR MULTI-TENANT AND MULTI-METER PROPERTIES

Sheet 10

(Continued)

SPECIAL CONDITIONS (Continued)

9. Billing Process: (Continued)

- f. Bill Payment: Qualified Customers are required to pay their bill on a monthly basis. Excess credits, in dollars, are carried over to the following billing period, until the end of the Relevant Period. An annual true-up occurs at the end of the Relevant Period, pursuant to PU Code Section 2827(h). Upon completion of the annual true-up, any remaining credits will be retained by SCE and the Qualified Customer will not be entitled to any compensation unless the Owner or Operator has executed the Net Surplus Compensation Rate Selection Form (Form 14-906) to certify that the generating facility is a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 that is exempt from certification at the Federal Energy Regulatory Commission. If the Owner or Operator elects such compensation, the Qualified Customer may receive credit or compensation based on a comparison of the Benefitting Accounts allocated energy and metered consumption at the conclusion of the relevant period. Additionally, Special Condition 14 may apply for Residential Customers.

The Qualified Customer will continue to receive such compensation for each Relevant Period following the execution of such election, unless the Owner or Operator affirmatively elects to end Net Surplus Energy compensation. The Owner or Operator is eligible to revise their Net Surplus Energy elections, annually, as provided under Rule 12.

For DA and CCA Service Qualified Customers, separate annual true-ups of all charges and credits, consistent with the provisions set forth under this Schedule, will be calculated 1) by SCE for the applicable SCE charges and credits and 2) by the ESP or Community Choice Aggregator for the applicable ESP and CCA charges and credits. Upon completion of the annual true-up, any remaining Delivery Service and/or CRS credits will be retained by SCE and the Qualified Customer will not be entitled to any compensation from SCE. DA and CCA Service Qualified Customers are not eligible to receive Net Surplus Compensation (NSC) from SCE.

(N)

- g. NSCR is equal to the simple rolling average of SCE hourly \$ per -kWh prices from Hour Ending 08 through Hour Ending 17 (7 a.m. to 5 p.m.) for each day for the 12 month period corresponding to the customer's 12 month Relevant Period. The rolling average is calculated on a monthly basis to be effective the first of each month and is applied to all customers with a Relevant Period ending in that month. SCE uses a full 12 months (365 days, or 366 days for leap years) of DLAP price, as published on the (20<sup>th</sup>) day of each month. SCE then calculates the NSCR within five days of the first of the month to allow the CASSO to finalize the day-ahead DLAP prices. This rate will be applied to all eligible net surplus generators, irrespective of their rate class. The NSCR will be posted on SCE's website and updated monthly.

(N)

(L)

(Continued)

(To be inserted by utility)

Advice 3308-E

Decision \_\_\_\_\_

Issued by

R.O. Nichols

Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015

Effective Dec 13, 2015

Resolution \_\_\_\_\_

Schedule NEM-V  
VIRTUAL NET ENERGY METERING  
FOR MULTI-TENANT AND MULTI-METER PROPERTIES

Sheet 11

(Continued)

SPECIAL CONDITIONS: (Continued)

9. Billing Process: (Continued)

- h. The California Energy Commission (CEC) has determined the eligibility of net energy metering customer facilities for the Renewables Portfolio Standard (RPS) and has developed an ownership verification, tracking and certification process for Renewable Energy Credits (RECs) created by net surplus generators, which is set forth in the CEC's RPS Eligibility Guidebook, available at:

<http://www.energy.ca.gov/renewables/documents/#rps>.

Pursuant to D.11-06-016, SCE will include a Renewable Attribute Adder (RAA) with the NSC rate if an eligible customer or the customer's aggregator provides a completed Form 14-935 to SCE (see Special Condition 3.e) verifying that the customer; (1) has registered the generation facility at the WREGIS system; (2) has obtained RPS ownership certification from the CEC for the customer's net surplus generation and provides this certification to SCE; and (3) allows for the ownership of the RECs associated with the customer's net surplus electricity to be transferred to SCE.

For details on the CEC and WREGIS certification process, refer to the CEC's RPS Eligibility Guidebook, which can be found at the link shown above.

The RAA will be calculated using the most recent Western Electricity Coordinating Council (WECC) average renewable premium, based on United States Department of Energy (DOE) published data. The RAA will only be paid to those net surplus generators who provide RECs to SCE.

Value of RECs = Net surplus kWhs x RAA. See RATES section.

At the conclusion of each Relevant Period, the eligible customer will notify SCE that the customer has transferred in WREGIS the RECs associated with the net surplus generation by completing Form 14-935 and will send the CEC RPS certificate with the form to SCE.

The RAA will be updated annually and is available at:

<https://www.sce.com/wps/portal/home/regulatory/tariff-books/rates-pricing-choices/renewable-energy-credit>

- i. Bill payments made by the Qualified Customer within the relevant period will continue to be applied to the Qualified Customer account.
- j. Billing information: SCE shall provide each Customer with its net energy consumption information with each regular bill. That information shall include the current monetary balance owed to SCE for the net energy consumed since the start of the current relevant period.

(Continued)

(To be inserted by utility)

Advice 3308-E

Decision \_\_\_\_\_

Issued by

R.O. Nichols

Senior Vice President

(To be inserted by Cal. PUC)

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(To be inserted by utility)

Advice 3308-E

Decision \_\_\_\_\_

Issued by

R.O. Nichols

Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 13, 2015

Effective Dec 13, 2015

Resolution \_\_\_\_\_



# Attachment 3

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 8, 2015

**Advice Letters: 203-G/3248-E & 3248-E-A**

Russell G. Worden  
Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770

**SUBJECT: Modification of Various Gas and Electric Tariffs for Clarification  
Purposes**

Dear Mr. Worden:

Advice Letters 203-G/3248-E & 3248-E-A are effective as of August 21, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph, Director  
Energy Division

**ADVICE LETTER (AL) SUSPENSION NOTICE**  
**ENERGY DIVISION**

Utility Name: Southern California Edison Co.    Date Utility Notified: August 12, 2015  
Utility No./Type: 338/Electric/Gas    ☒ E-Mail to: AdviceTariffManager@sce.com  
Advice Letter No. 203-G/3248-E    ☐ Fax No.: N/A  
Date AL filed: July 22, 2015    ED Staff Contact: David Zizmor  
Utility Contact Person: Darrah Morgan    ED Staff Phone No.: 415-703-1063  
Utility Phone No. 626-302-2086

**For Internal Purposes Only:**

Date Calendar Clerk Notified \_\_\_\_/\_\_\_\_/\_\_\_\_  
Date Commissioners/Advisors Notified \_\_\_\_/\_\_\_\_/\_\_\_\_

**☒ INITIAL SUSPENSION (up to 120 DAYS)**

This is to notify that the above-indicated AL is suspended for up to 120 days beginning August 22, 2015 for the following reason(s) below. If the AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division extends beyond the expiration of the initial suspension period, the advice letter will be automatically suspended for up to 180 days beyond the initial suspension period.

☐ A Commission Order may be required in a resolution to address the advice letter.

☐ Advice Letter Requests a Commission Order

☒ Advice Letter Requires Staff Review

Expected duration of initial suspension period: 120 days

**☐ FURTHER SUSPENSION (up to 180 DAYS beyond initial suspension period)**

The AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division have extended beyond the expiration of the initial suspension period. The advice letter is suspended for up to 180 days beyond the initial suspension period.

---

If you have any questions regarding this matter, please contact David Zizmor at (415) 703-1575 or David.Zizmor@cpuc.ca.gov:

cc: Energy Division Tariff Unit

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July 22, 2015

**ADVICE 203-G / 3248-E  
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Modification of Various Gas and Electric Tariffs for Clarification  
Purposes

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 letter is to: (1) modify tariff language contained within SCE's gas and electric Preliminary Statements Part F and Part H, *Baseline Service*; gas and electric Form 14-574 *Energy Statements*, electric Form 14-746 *Medical Baseline Allowance Application*, and electric Form 14-774 *Bill Calculation Service Agreement* and (2) withdraw from use obsolete gas and electric bill formats and filed forms.

**BACKGROUND**

SCE's tariffs reflect and represent the outcome of numerous California Public Utilities Commission (Commission) decisions, resolutions, rulings, general orders, code changes, laws, and policy changes that have occurred over the years. As a result, tariff language and/or conditions of service have expired or have become obsolete based on a number of factors. As such, SCE has prepared this advice letter for Commission approval to remove/revise tariff language that is obsolete, incorrect or unclear.

**PROPOSED TARIFF CHANGES**

I. Revisions of Tariffs

SCE is revising its electric Preliminary Statement Part H, Section 4.b., *Life-Support Devices*, to include the following clarifying words as shown in underlined text:

“...Life-support devices or equipment include, but are not limited to, the following:”

SCE is revising its electric Preliminary Statement Part H, Section 4.c. and renaming the section to Standard Medical Baseline Allocation. Additional language, consistent with the Medical Baseline Allowance Application, is included to denote that patients with a compromised immune system, life threatening illness, or any other condition which additional heating or cooling is medically necessary to sustain the patient’s life or prevent deterioration of the patient’s medical condition are eligible for a standard Medical Baseline Allocation.

SCE is also revising its gas Preliminary Statement Part F, Section 4.e., *Certification* and its electric Preliminary Statement Part H, Section 4.e., *Certification*, to be consistent with the intent of Public Utilities (PU) Code Section 739(c)(6). SCE is removing the wording requiring a “California” licensed medical doctor (MD) or doctor of osteopathic medicine (DO) to provide SCE with certification regarding the type of life-support device or medical condition of a particular patient. As such, any licensed physician is able to provide this information.<sup>1</sup> Therefore, both the gas and electric Preliminary Statement H, Section 4.e., *Certification*, are revised as follows:

The Customer shall have a licensed medical doctor or osteopath ~~licensed to practice medicine in the State of California~~ provide SCE with a certification letter acceptable to SCE.

Electric Form 14-746, *Medical Baseline Allowance Application*, is being updated with a corresponding change as well to remove the “California” reference within the section of the application where the MD or DO license number is required to be provided.

SCE is revising its Form 14-574, *Energy Statement*, to make several changes.<sup>2</sup> First, as part of an effort to identify best practices in billing presentation, SCE is requesting two modifications to customers’ Energy Statements, Form 14-574. Benchmarking of utilities deemed best in class for customer satisfaction has shown that these utilities tend to use similar bill terminology that is also more simplified. As such, within the “Your account summary” section of the gas and electric Energy Statement, language is modified to change the statement, “Amount of your last bill” to “Previous Balance.” In addition, language is modified to change the statement “Payment we received on Mmm dd ‘yy- thank you” to “Payment Received XX/XX.” These changes will go into effect as

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<sup>1</sup> PU Code Section 739(c)(6) states, “[t]he limited allowance specified in this subdivision shall also be made available to persons who are being treated for a life-threatening illness or have a compromised immune system, if a licensed physician and surgeon or a person licensed pursuant to the Osteopathic Initiative Act certifies in writing to the utility that the additional heating or cooling allowance, or both, is medically necessary to sustain the life of the person or prevent deterioration of the person’s medical condition.

<sup>2</sup> For all intents and purposes the Energy Statement is the customer’s bill.

soon as possible upon approval of this advice letter. Following is an illustrative sample of the changes being made to all associated gas and electric formats of Form 14-574:<sup>3</sup>

For billing and service inquiries call 1-800-884-8123 Date bill prepared: Mmm dd 'yy	Customer account 0-00-000-0000 Service account 0-000-0000-00 54321 STREET ADDRESS MONTEREY PARK, CA 91755 Rotating outage Group A123
<b>Your account summary</b>	
Previous BalanceAmount of your last bill	\$54.30
Payment we received on Mmm dd 'yy—thank you Received XX/XX	-\$54.30
Balance forward	\$0.00
Your new charges	\$64.49
<b>Total amount you owe by Mmm dd 'yy</b>	<b>\$64.49</b>

Second, the electric Direct Access format of Form 14-574.1, Formats A-L will continue to apply to Direct Access customers. However, it is now being utilized to also include billing services for Community Choice Aggregators (CCAs).

SCE performs billing services for the CCA and uses SCE's Consolidated Billing process described in SCE's Rule 23, Section P. The consolidated bill, containing both SCE and CCA charges, is identical to the Direct Access bill format in terms of layout and structure. Specific information applicable to the CCA and the CCA Customer will be provided within the *Details of your new charges* section consistent with a Direct Access bill. Following are samples of the relevant sections of the current CCA bill.

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<sup>3</sup> Form 14-574, is used for Bundled Service Customers. Formats ".S" and ".1" associated with Form 14-574 represent a Simplified bill and Direct Access bill, respectively. Form 14-574 Formats A through M are being modified herein for Bundled Service Customers, and for the Simplified and Direct Access bill.

For billing and service inquiries call 1-800-974-2356

Customer account 2-00-000-0000

Date bill prepared: Mmm dd 'yy

Service Address  
City CA 90000

---

**Your account summary**

Previous Balance Amount of your last bill	\$73.71
Payment we received on Mmm dd 'yy <del>thank you</del>	-\$73.71
Balance forward	\$0.00
Your new charges	\$95.13
<b>Total amount you owe by Mmm dd 'yy</b>	<b>\$95.13</b>

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**Summary of your billing detail**

Service account	Service address	Billing period	Your rate	New charges
3-000-0000-00	1234 STREET ADDRESS City CA 00000	Mmm dd 'yy to Mmm dd 'yy	DOMESTIC (CCA)	\$51.41
3-000-0000-00	1234 STREET ADDRESS City CA 00000	Mmm dd 'yy to Mmm dd 'yy	CCA	\$43.72
				<b>\$95.13</b>

**Details of your new charges**

Your rate: DOMESTIC (CCA)  
Billing period: May 6 '15 to Jun 1 '15 (26 days Winter Season)  
Jun 1 '15 to Jun 5 '15 (4 days Summer Season)

<b>Delivery charges</b>			<b>Your Delivery charges include:</b>
Basic charge	30 days x \$0.03100	\$0.93	• \$6.39 transmission charges
Energy-Winter			• \$40.32 distribution charges
Tier 1 (within baseline)	280 kWh x \$0.05313	\$14.88	• \$0.15 nuclear decommissioning charges
Tier 2 (up to 30%)	84 kWh x \$0.09743	\$8.18	• \$13.73 conservation incentive adjustment
Tier 3 (31% to 100%)	84 kWh x \$0.14038	\$11.79	• \$3.98 public purpose programs charge
Energy-Summer			• \$5.30 new system generation charge
Tier 1 (within baseline)	58 kWh x \$0.05346	\$3.10	
Tier 2 (up to 30%)	17 kWh x \$0.09786	\$1.66	
Tier 3 (31% to 100%)	14 kWh x \$0.14095	\$1.97	
<b>CCA cost responsibility surcharge</b>			<b>Your overall energy charges include:</b>
PCIA	537 kWh x \$0.01241	\$6.66	• \$0.46 franchise fees
DWR Bond Charge	537 kWh x \$0.00526	\$2.83	
CTC	537 kWh x -\$0.00195	-\$1.04	<b>Additional information:</b>
<b>Other charges or credits</b>			• Service voltage: 240 volts
Generation Municipal Surcharge		\$0.45	• Your winter baseline allowance: 280.0 kWh
<b>Subtotal of your new charges</b>		<b>\$51.41</b>	• Your summer baseline allowance: 58.0 kWh
<b>Your new charges</b>		<b>\$51.41</b>	• Generation Municipal Surcharge (GMS) factor: 0.009062
			• 2014 Vintage CRS

**Details of your new charges**

**LANCASTER CHOICE ENERGY**  
Service Account: 3-000-0000-00  
Your rate: CCA  
Billing period: May 6 '15 to Jun 4 '15 (29 days)

<b>Billing Summary</b>		
CCA energy charge (1)	\$25.91	(1) T1: 338 KWH @ 0.07674
CCA energy charge (2)	\$7.77	(2) T2: 101 KWH @ 0.07674
CCA energy charge (3)	\$9.88	(3) T3: 98 KWH @ 0.10031
CCA State Tax charge (4)	\$0.16	(4) ENERGY SURCHARGE
<b>Subtotal of LANCASTER CHOICE ENERGY charges</b>	<b>\$43.72</b>	
<b>Your New Charges</b>	<b>\$43.72</b>	

Following is a sample of the relevant section of the CCA bill that will be updated and implemented in November 2015:

Details of your new charges		
Lancaster Choice Energy		
Service Account: 3-000-0000-00		
Your rate: LCE-SMART CHOICE		
Billing period: May 6 '15 to Jun 4 '15 (29 days)		
Billing Summary		
CCA energy charge (1)	(1) T1: 338 KWH @ 0.07674	\$25.91
CCA energy charge (2)	(2) T2: 101 KWH @ 0.07674	\$7.77
CCA energy charge (3)	(3) T3: 98 KWH @ 0.10031	\$9.88
CCA State Tax charge (4)	(4) ENERGY SURCHARGE	\$0.16
Subtotal LANCASTER CHOICE ENERGY charges		\$43.72
Your new charges		\$43.72

Notwithstanding the other forms mentioned within this advice letter, SCE will not be submitting the actual copies of the 6-page bill format associated with Form 14-574 since the changes referenced above will be identical and will appear on each format.<sup>4</sup> Once all changes proposed to Form 14-574 are effective, SCE will post Form 14-574 and all relevant bill formats with sample copies of bills for illustrative purposes on [sce.com/tariffbooks](http://sce.com/tariffbooks).

SCE's electric Form 14-632, *Schedule LS-1 Differential Facilities Rate Agreement* is being revised to correct a reference in the opening paragraph. Special Condition 10, Differential Facilities Rate, is revised to Special Condition 11.

Additionally, SCE's electric Form 14-774, *Bill Calculation Service Agreement* is being revised on page 4 to update the SCE mailing address location where customers are to send their completed Agreements.

## II. Withdrawal of Tariffs

SCE is also withdrawing from use two gas-related bill formats that contain Level Pay Plan (LPP) information.<sup>5</sup> LPP information is now included within a customer's standard bill format, if applicable; thus, the following two gas bill formats are no longer necessary:

- Form 17-764G - *Catalina Gas LPP Settlement Sample*
- Form 14-765 - *Catalina Gas LPP Month #11 Sample*

The following electric forms are being withdrawn as they are no longer needed for the original purpose they were intended:

- Form 14-674 - *This is a Request to Pay a Competition Transition Charge Lump Sum Past Due*

<sup>4</sup> SCE will however be providing the regularly numbered tariff sheet showing the name of the form.

<sup>5</sup> SCE's LPP is an option for small commercial and lighting customers who are served by SCE on Schedule GS-1 and residential customers qualifying for Baseline allocations, who are served by SCE under Schedule D, D-CARE, D-FERA, TOU-D, TOU-D-T, or TOU-D-TEV, all of whom want to minimize variations in monthly bills. Customers can join the plan in any month of the year and the plan will extend for 12 subsequent months.



- Form 14-675 - *Competition Transition Charge Payment & Deposit for Failure to Notify*
- Form 14-676 - *Competition Transition Charge Payment & Notice of Deposit*
- Form 14-677 - *Departing Load Customer Competition Transition Charge Monthly Statement*
- Form 14-678 - *Departing Load Customer Competition Transition Charge Past Due Notice*
- Form 14-679 - *This is a Request to Pay a Competition Transition Charge Lump Sum*
- Form 14-680 - *Departing Load Competition Transition Charge Agreement*
- Form 14-681 - *Lump Sum Payment Arrangement for Departing Load Customers*
- Form 14-682 - *Amendment to the Departing Load Competition Transition Charge Agreement for Subsequently Obtained CTC Exemption*
- Form 14-712 - *Letter to Make Application and Establish Credit*

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.

### **EFFECTIVE DATE**

This advice filing will become effective on August 21, 2015, the 30<sup>th</sup> calendar day after the date filed.

### **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, R.12-02-009 and R.13-10-003 service lists. 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 Prabha Cadambi at (626) 302-8177 or by electronic mail at [prabha.cadambi@sce.com](mailto:prabha.cadambi@sce.com).

**Southern California Edison Company**

/s/ Russell G. Worden  
Russell G. Worden

RGW:pc:cm  
Enclosures

# 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) #: 203-G/3248-E

Tier Designation: 2

Subject of AL: Modification of Various Gas and Electric Tariffs for Clarification Purposes

Keywords (choose from CPUC listing): \_\_\_\_\_

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other \_\_\_\_\_

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

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<sup>1</sup>: \_\_\_\_\_

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: 8/21/15      No. of tariff sheets: -58-

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 Gas and Electric 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.

**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 Ave.,  
San Francisco, CA 94102  
[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) 929-5540  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

# Attachment 4

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 8, 2015

**Advice Letters: 203-G/3248-E & 3248-E-A**

Russell G. Worden  
Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770

**SUBJECT: Modification of Various Gas and Electric Tariffs for Clarification  
Purposes**

Dear Mr. Worden:

Advice Letters 203-G/3248-E & 3248-E-A are effective as of August 21, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph, Director  
Energy Division

---

November 16, 2015

**ADVICE 3248-E-A**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Supplemental to Advice 3248-E, Modification of Various Gas  
and Electric Tariffs for Clarification Purposes

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 sheets originally contained within Advice 203-G/3248-E filed on July 22, 2015. These changes are made in accordance with General Order (GO) 96-B, General Rules 7.5.1, which authorizes utilities to make additional changes to an advice filing through the filing of a supplemental advice letter.

This advice filing supplements in part and does not change the substance of the original Advice 203-G/3248-E.

**PROPOSED TARIFF CHANGES**

Upon further review, SCE has determined that Form 14-712, *Letter to Make Application and Establish Credit*, originally proposed to be withdrawn from use within Advice 3248-E may still be utilized upon occasion. Therefore, SCE no longer proposes to withdraw Form 14-712 from use and provides an updated Attachment A and Table of Contents page to reflect this change.

In addition, the following bill format change for Community Choice Aggregation Service Customers, also mentioned at the bottom of page 4 of Advice 203-G/3248-E and included below, was to be implemented in November 2015; however, due to SCE's Information Technology software enhancements and upgrades, this change will not be implemented until the second quarter of 2016.

Details of your new charges		
Lancaster Choice Energy Service Account: 3-000-0000-00 Your rate: LCE-SMART CHOICE Billing period: May 6 '15 to Jun 4 '15 (29 days)		
Billing Summary		
CCA energy charge (1)	(1) T1: 338 KWH @ 0.07674	\$25.91
CCA energy charge (2)	(2) T2: 101 KWH @ 0.07674	\$7.77
CCA energy charge (3)	(3) T3: 98 KWH @ 0.10031	\$9.88
CCA State Tax charge (4)	(4) ENERGY SURCHARGE	\$0.16
Subtotal LANCASTER CHOICE ENERGY charges		\$43.72
Your new charges		\$43.72

Moved from here to new location

(1) T1: 338 KWH @ 0.07674
(2) T2: 101 KWH @ 0.07674
(3) T3: 98 KWH @ 0.10031
(4) ENERGY SURCHARGE

No cost information is required for this advice filing.

Except as noted above, this filing will not increase any rate or charge, conflict with any other schedule or rule, or cause the withdrawal of service.

### **TIER DESIGNATION**

Pursuant to 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 203-G/3248-E.

### **EFFECTIVE DATE**

This supplemental advice filing will become effective on the same day as the original filing, Advice 203-G/3248-E, which is August 21, 2015.

### **PROTESTS**

SCE asks that the Commission, pursuant to GO 96-B, General Rule 7.5.1, maintain the original protest and comment period designated in Advice 203-G/3248-E and not reopen the protest period. The modifications included in this supplemental advice filing do not make substantive changes that would affect the overall evaluation of the filing.

### **NOTICE**

In accordance with Section 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B, R.12-02-009 and R.03-10-003 service lists. 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) 302-4039. 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 Prabha Cadambi at (626) 302-8177 or by electronic mail at [prabha.cadambi@sce.com](mailto:prabha.cadambi@sce.com).

**Southern California Edison Company**

/s/ Russell G. Worden  
Russell G. Worden

RGW:pc:jm  
Enclosures

# 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) #: 3248-E-A

Tier Designation: 2

Subject of AL: Supplement to Advice 3248-E, Modification of Various Gas and Electric Tariffs for Clarification Purposes

Keywords (choose from CPUC listing): \_\_\_\_\_

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other \_\_\_\_\_

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

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<sup>1</sup>: \_\_\_\_\_

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: 8/21/15

No. of tariff sheets: -0-

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: N/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.

**All other correspondence regarding this AL, unless otherwise authorized by the Commission, shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[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) 929-5540  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

# Attachment 5



LancasterChoiceEnergy.com

R. Rex Parris	Mayor
Marvin E. Crist	Vice Mayor
Ken Mann	Council Member
Angela E. Underwood-Jacobs	Council Member
Raj Malhi	Council Member
Mark V. Bozigian	City Manager

November 30, 2015

**Via Regular Mail and E-Mail**

Mr. Ed Randolph  
Director, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Re: Response of the City of Lancaster  
To Southern California Edison Company ("SCE") Advice Letter 3248-E-A  
Modification of Various Gas and Electric Tariffs for Clarification Purposes

Dear Mr. Randolph:

The city of Lancaster hereby submits this response to SCE Advice Letter ("AL") 3248-E-A. AL 3248-E-A supplements AL 3248-E filed on July 22, 2015. Among other things, AL 3248-E relates to bill format changes for Community Choice Aggregation ("CCA") Service Customers and was to be implemented in November 2015. AL 3248-E-A relates to the timing of the implementation of the bill format changes, which will now be implemented in the second quarter of 2016 due to SCE's Information Technology software enhancements and upgrades.

Lancaster is a community of approximately 160,000 residents located in northern Los Angeles County, in the High Desert region of the western Mojave Desert, rich in solar resources. Lancaster is aggressively pursuing alternative energy solutions, principally solar energy, in hopes of bettering the current and future environmental and economic conditions of its community and region. As a means of advancing these goals, the Lancaster City Council approved a Community Choice Aggregation Implementation Plan for Lancaster Choice Energy ("LCE"). The CCA Implementation Plan for LCE was certified by the Commission's Energy Division on October 16, 2014. LCE is now the third operational CCA program in California with its phase 1 launch in May 2015 (for municipal accounts) and its phase 2 launch in October 2015 (for residential, commercial and industrial accounts).

With LCE now in full operation, with approximately 52,000 accounts, Lancaster is particularly mindful of SCE's bill presentation of CCA information and how the current format and presentation may confuse customers and adversely affect customer perception of LCE. In

this regard, Lancaster desires to work collaboratively with SCE to ensure that LCE's customers have the same access to usage and rate detail regarding LCE's generation charges that is provided by SCE for its own generation charges.

Lancaster appreciates SCE's efforts in having found a temporary solution for some of LCE's customers until the implementation of the bill format changes in the second quarter of 2016. That fix is shown in the sample provided in SCE's supplemental advice letter which shows the usage and rate detail in the space to the right of the total charges. Unfortunately, SCE has advised Lancaster that because of space limitation, that solution is not available to all LCE customers. The permanent solution depicted in SCE's supplemental advice letter will be implemented for all LCE customers with the Information Technology enhancements and upgrades, now scheduled for the second quarter of 2016. However, until that implementation, the remainder of LCE customers will merely see a general description, as shown below.

---

### Details of your new charges

#### LANCASTER CHOICE ENERGY

Service Account: 3-043-6170-75

Your rate: CCA

Billing period: Jul 30 '15 to Aug 28 '15 (29 days)

#### Billing Summary

CCA energy charge (1)	\$3.62	(1) SMART CHOICE
CCA energy charge (2)	\$15.54	(2) OFF-PEAK SUMMER GEN.
CCA energy charge (3)	\$4.79	(3) MID-PEAK SUMMER GEN.
CCA energy charge (4)	\$0.42	(4) ON-PEAK SUMMER GEN.
CCA State Tax charge (5)	\$0.07	(5) ENERGY SURCHARGE
<b>Subtotal of LANCASTER CHOICE ENERGY charges</b>		<b>\$24.44</b>
<b>Your New Charges</b>		<b>\$24.44</b>

---

As shown above, there is no usage or rate information on the bill for LCE's generation charges. This is unfortunate. LCE respectfully requests SCE continue to work expeditiously toward finding a similar temporary solution for the remainder of LCE customers.

Lancaster commends SCE for working to refine its bill presentation. However, the issue described above is not Lancaster's only billing concern. For example, the bill is still missing specific rate classification information in the "Your rate:" section. As shown above, it currently only states "CCA." This is just one of several examples in which the bill format and detail for LCE's generation charges is different than, and inferior to, similar generation charges shown by SCE for its bundled service customers. Therefore, Lancaster respectfully requests an opportunity to work collaboratively with SCE to finalize and implement additional bill refinements that will ensure LCE's generation charges are shown on LCE customers' bills in a comparable manner to the way in which SCE's generation charges are shown on its customers' bills.


Mr. Ed Randolph  
November 30, 2015  
Page 3

Lancaster requests that it be added to the service list for this advice letter, and that it be notified of any protests or responses to AL 3248-E-A, and of the Energy Division's disposition of AL 3248-E-A. Contact information for Lancaster is as follows:

Cathy DeFalco  
Lancaster Choice Energy  
44933 Fern Avenue  
Lancaster, CA 93534  
(661) 723-6185  
(661) 723-5858 (facsimile)  
cdefalco@cityoflancasterca.org

Thank you in advance for your consideration of this response.

Respectfully,

  
for **Barbara Boswell**  
Lancaster Choice Energy Director

Copy (via e-mail): CPUC Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov)  
Russell G. Worden, SCE (AdviceTariffManager@sce.com )  
Michael R. Hoover, SCE (Karyn.Gansecki@sce.com)  
Prabha Cadambi, SCE (prabha.cadambi@sce.com)  
David Zizmor, CPUC Energy Division (david.zizmor@cpuc.ca.gov)

## Exhibit 6



April 15, 2016

Ty Tosdale, Esq.  
Braun Blasing McLaughlin & Smith, P.C.  
915 L Street, Suite 1480  
Sacramento, CA 95814

Re: Meet and Confer Request of City of Lancaster

Dear Mr. Tosdal:

Southern California Edison Company (SCE) is in receipt of your letter dated April 1, 2016, in which you raise, on behalf of the City of Lancaster, concerns about SCE's service to Lancaster Choice Energy (LCE), a Community Choice Aggregation (CCA) program in the City of Lancaster, and LCE's CCA customers. SCE takes these concerns very seriously. We want to maintain a good and productive working relationship with LCE. Therefore, I commit to working with you to identify options for meeting the needs of LCE and its customers.

Billing System Changes to Implement the NEM Tariff Changes Authorized in Advice Letter (AL) 3308-E

As you are aware, SCE filed AL 3308-E on November 13, 2015 to implement changes to its NEM tariffs based on concerns raised by LCE that Cost Responsibility Surcharges (CRS) of CCA and Direct Access (DA) customers should be tracked and netted under SCE's NEM tariffs for participating customers. At the time LCE raised the concern on behalf of its CCA customers – a matter not previously identified in the context of DA service – SCE was very responsive: it promptly reviewed the matter and agreed to modify its NEM tariffs, and collaborated with LCE on the timing and content of the necessary advice filing.

As you acknowledge in your letter, AL 3308-E explained that billing system changes would be necessary to accommodate the change in CRS billing for CCA and Direct Access NEM customers, and that rebills may be necessary once the system changes are complete. LCE reviewed and commented on this advice letter before it was filed. Therefore, it should not have been a surprise to LCE that billing system changes would be needed, and rebills may be necessary, to implement the NEM tariff changes.

The Commission approved AL 3308-E on February 29, 2016, and we promptly requested billing system changes. We prioritized these changes for compliance reasons; however, they still require a reasonable amount of time to complete, given all of SCE's other billing system changes/needs and the costs to complete the changes. Accordingly, SCE does require 7 – 9 months to complete the billing

system changes, at a cost of up to \$750,000. Any effort to accelerate is expected to increase the costs substantially and is not justified. If LCE is willing to pay for the costs to accelerate the effort, SCE can explore it further.

Otherwise, SCE expects to have the system changes complete before the end of 2016. At that point, we will adjust all impacted NEM customers' bills to net CRS against any generation credits. Those customers will be made whole, and their bills will reflect the tariff changes going forward. Concerns over "economic disadvantages" and impact to LCE's program should be tempered by the fact that CRS is a small component of NEM customers' bills: in the April 2016 bills, CRS amounted to less than 4% on average of NEM customers' total bills, with many residential customers paying less than 50 cents a month in CRS. The NEM tariff changes impact less than 3,400 service accounts in LCE's service area.

#### Billing System Changes to Enhance LCE Bill Presentment

As your letter makes clear, SCE's billing system is currently unable to accommodate the level of detail LCE has requested for the presentment of its generation charges. Currently, a summary of charges is provided, as shown in the example in Attachment A. This summary bill presentment has been long used in the context of DA service consolidated billing. However, SCE understands LCE's request to have generation charges presented in a manner more comparable to SCE's charges, as shown in the example in Attachment A. SCE also understands LCE's desire to have the changes happen as soon as possible. We are striving to make those changes in advance of our longer-term billing system platform refresh, which is anticipated for 2020, while taking into consideration the cost and resources needed to enhance or upgrade the existing system.

We plan to phase the changes in as follows. First, we have committed to enhancing the LCE bill presentment to include some additional detail as shown in Attachment B. This enhancement is already underway, and is expected to be completed in June 2016. As I understand, LCE has reviewed and approved this interim enhancement.

Second, we have requested an upgrade to our Electronic Data Interface (EDI), which will enable LCE (and other consolidated billing customers) to include up to 80 characters in their bill presentments, to enable additional detail and bill messaging. This upgrade is expected to require 5 - 9 months and cost up to \$750,000. The time required to complete this upgrade includes the EDI testing that SCE must do with each party (DA and CCA providers) impacted by the change.

As with the NEM changes discussed above, any effort to accelerate this upgrade is expected to increase the costs substantially. Because the current system will be superseded with the pending platform refresh, SCE cannot justify a substantial increase in EDI upgrade costs. If LCE is willing to fund the costs to accelerate the effort, SCE can explore it further.

Ty Tosdale, Esq.  
Braun Blaising McLaughlin & Smith, P.C.  
April 15, 2016  
Page 3

I look forward to discussing these matters with you and LCE. Please let me know when LCE representatives are available, so my office can arrange the meeting.

Best regards,

*/s/ Lisa Cagnolatti*

Lisa D. Cagnolatti  
Vice President  
Business Customer Division

cc: Barbara Boswell, LCE  
Cathy DeFalco, LCE  
Michelle Stark, SCE  
Martha Dobler, SCE  
Janet Combs, SCE

ATTACHMENT A



Original CCA Bill  
Mock Up LCE.pdf

ATTACHMENT B



CCA LCE Mock-Up 12  
02 15.pdf