

Decision 12-11-030 November 29, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Pacific Electric Company, LLC (U933E) for Authority to Among Other Things, Increase Its Authorized Revenues for Electric Service, Update Its Energy Cost Adjustment Clause Billing Factors, Establish Marginal Costs, Allocate Revenues, And Design Rates, as of January 1, 2013.

Application 12-02-014
(Filed February 17, 2012)

DECISION ADOPTING AN ALL-PARTY SETTLEMENT IN A 2013 GENERAL RATE CASE FOR CALIFORNIA PACIFIC ELECTRIC COMPANY LLC

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**DECISION ADOPTING AN ALL-PARTY SETTLEMENT IN A 2013
GENERAL RATE CASE FOR CALIFORNIA PACIFIC
ELECTRIC COMPANY LLC**

1. Summary

This decision adopts an all-party settlement for the test year 2013 general rate case filed by California Pacific Electric Company, LLC., (CalPeco) as well as a post-test year adjustment mechanism for 2014 and 2015. The settlement resolves all issues identified in the application by CalPeco, or raised by the Division of Ratepayer Advocates, The Utility Reform Network, and the A-3 Customer Coalition in their active participation.

This was the first general rate case for CalPeco as an independent company. The settlement results in a 4.6% increase over current rates for test year 2013 and provides for formulaic post-test year adjustments to rates in 2014 and 2015. This decision also adopts the first rate base calculation of \$119.181 million for 2013 for CalPeco as an independent company; and a test year capital structure with a weighted average cost of capital of 7.75% which includes a return on equity of 9.875%.

This proceeding is closed.

2. Background

California Pacific Electric Company, LLC., (CalPeco) serves approximately 49,000 electric customers in California, in and around the Lake Tahoe Basin. CalPeco's California service territory differs greatly from the three major electric utilities in California. It is geographically compact and generally encompasses the western portions of the Lake Tahoe basin. CalPeco's California customers are located in portions of Placer, El Dorado, Nevada, Sierra, Plumas, Mono, and

Alpine Counties. Almost 80% of CalPeco's customers are located in the Lake Tahoe Basin. The biggest population center is the City of South Lake Tahoe.

This is the first general rate case for CalPeco which previously was a portion of Sierra Pacific Power Company. On February 17, 2012, CalPeco filed for authority to increase its authorized revenues for electric service, update its energy cost adjustment clause billing factors, establish marginal costs, allocate revenues, and design rates, as of January 1, 2013. CalPeco amended its application on February 29, 2012.

In its Amended Application, CalPeco requested an overall rate increase of 10.02% over the rates in effect at the time of the filing of its General Rate Case application, i.e., a revenue increase of \$7.501 million annually, effective January 1, 2013. CalPeco requested an increase in general rates of \$12.933 million annually and an offsetting reduction in Energy Cost Adjustment rates of \$8.728 million annually. CalPeco also requested authority to include a new separate line item in its customers' bills to separately identify the costs CalPeco would spend on its vegetation management program. CalPeco requested an annual increase over this general rate case cycle of \$3.296 million for vegetation management.

3. Summary of Settlement Terms

This decision adopts an all-party settlement for the test year 2013 general rate case as well as a post-test year adjustment mechanism for 2014 and 2015. (Appendix A.) The settlement includes a combined increase in both base rates and the Energy Cost Adjustment Clause of \$3.747 million in 2013; a test year rate base of \$121.206 million; a 2013 return on equity of 9.875%, based upon a capital structure of 48.5% debt and 51.5% equity, using a long-term debt cost of 5.54% and resulting in an overall rate of return of 7.75%. (Motion for Adoption of

Settlement at 5.) The proposed settlement also provides for a separate line item on customers' bills for vegetation management costs of \$2.5 million annually subject to a one-way or capped balancing account.¹ (*Id.* at 7.)

CalPeco and the settling parties prepared and filed a summary of revenue impact after allowing for the 2012 post-test year change in base rates which was not included in the rate proposals at the time this general rate case was filed. After adjusting for the 2012 base rate change, the settlement increases rates by 47.2%. In addition, the settlement reduces revenues 18% for the Energy Cost Adjustment Clause (energy costs) and amortizing the outstanding balance in the account. The weighted effect of these changes is a 4.6% increase to revenue requirement.² (Appendix B.)

4. Standard of Proof

CalPeco bears the burden of proof to show that the regulatory relief it requests is just and reasonable. In order for the Commission to consider the proposed settlement in this proceeding as being in the public interest, the Commission must be convinced that the parties had a sound and thorough understanding of the underlying issues. Factual Record and Timing of Why There Was a Settlement

¹ A typical or full balancing account recovers all reasonable costs incurred so that over-collections are refunded and under-collections are recovered by the utility; whereas a "one-way" balancing account only allows a refund for over-collections when the authorized amount is not fully expended, and if the utility spends more than the authorized amount, it may not recover the excess spending.

² CalPeco has no large-value capital investments like a power plant, therefore its energy costs recovered through its Energy Cost Adjustment Clause are a very high percentage of total costs. The seemingly small reduction of 18% in energy cost-related rates in fact offsets a large portion of the 47.2% increase in non-energy or "base" rates which results in a net change to revenue requirement of only 4.6%.

This settlement comes before the Commission after service of testimony and rebuttal but before any evidentiary hearings. Based upon the intervening parties' discovery, review, and prepared testimony they were able to agree upon a settlement with CalPeco. Therefore we must rely on the settlement's factual recital by the settling parties of the circumstances which lead us to the findings in today's decision. Based on this recital, which, along with all filed and served documents, forms our factual record, we find the settlement is consistent with the facts as summarized in the testimony of the applicant and the intervenors. (Rule 12.1(d).)

5. Proposed Settlement is Reasonable

Based on our review of all filed information and a careful review of the proposed settlement between the parties, as discussed below, we find the proposed settlement was offered by competent and adequately prepared parties able to make informed choices in the settlement process. Nothing in the settlement violates any existing law or order of this Commission or precludes or limits in any way the Commission's ability to regulate the rates or terms and conditions of service by CalPeco now or in the future. No item settled in this proceeding is dispositive of the appropriate rate treatment in subsequent proceedings. (Rule 12.5.) We can find, as required by Rule 12.1 of the Commission's Rules of Practice and Procedure (Rules), the proposed settlement is reasonable in light of the whole record, consistent with law, and in the public interest.³ We therefore adopt the settlement.

³ This set of three factors, reasonable in light of the whole record, consistent with law, and in the public interest, is sometimes referred to as the "three-pronged test" for approving a settlement.

6. Vegetation Management

There was one new and unique request by CalPeco to establish a separate billing line item and rate for vegetation management costs. CalPeco proposed uniform cents per kWh rate for all classes of customers. As noted elsewhere, and shown in more detail in the Settlement (Section 4.14), the parties agreed to a uniform rate for all classes, except the A-3 class, which will pay a flat monthly charge.

By Ruling dated April 23, 2012, the assigned Administrative Law Judge (Judge) requested additional testimony and alternative scenarios for vegetation management cost recovery including a flat rate option for all customer classes. The underlying concern which led to the Ruling was that vegetation management appears not to be dependent upon consumption – i.e., customers do not require or consume more vegetation management services as their consumption rises – it could instead be a cost that results simply by having facilities in place ready to serve customers. Thus it could be viewed as a fixed charge.

The proposed settlement adopted herein does not address the nature of vegetation management costs, nor is a settlement precedential (Rule 12.5). Therefore, rather than disturb this settlement now we will instead only require that in the next general rate case CalPeco must provide an alternative for vegetation management costs which assigns costs to each customer class and develops a fixed or flat rate charge for each class. We note the settlement adopted a fixed charge for the A-3 customer class while leaving a volumetric rate in place for all other customer classes. We therefore do not disturb this settlement for the duration of this rate case cycle and have not modified the settlement (Rule 12.4).

In response to the additional testimony in this proceeding, the parties argued that any fixed charge for vegetation management would increase the total service charge to such an extent that it would exceed the percentage goals of the rate design split between fixed and volumetric rates. The parties erred in assuming the charge could only be incremental to any other fixed service charge. Therefore, in its next general rate case CalPeco must present the fixed charge option and assume it to be the first dollars in the service charge and not the last incremental dollars. This must be calculated as a fully allocated charge to all classes and thus not necessarily the identical fixed charge applied to all classes of customers. Thus the overall service charge in this required option must have two components: vegetation management and other fixed costs.

CalPeco may also file for any other preferred alternative form of rate recovery for vegetation management in addition to this required fixed charge option.

7. Procedural Background

After the application there were timely protests and a scoping memorandum was timely issued on April 19, 2012 after a prehearing conference on April 2, 2012. As a result of settlement there were no evidentiary hearings. Applicant timely held a settlement conference and in all ways complied with the Commission's settlement rules. The settlement was filed on September 28, 2012 and was unopposed. CalPeco filed a response to the request by the Judge for additional information regarding the settlement on October 4, 2012. This proceeding is completed within all statutory deadlines.

8. Reduction of Comment Period

Pursuant to Rule 14.6(b) of the Commission's Rules of Practice and Procedure, all parties stipulated to reduce the 30-day public review and

comment period required by Section 311 of the Public Utilities Code to 28 days. Pursuant to the parties' stipulation, timely comments were filed on November 14, 2012, by DRA, and no reply comments were filed on.

9. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and Douglas M. Long is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. There is an adequate record composed of all filed and served documents.
2. The all-party settlement is based on the record.
3. CalPeco proposed a new and unique separate bill line item and balancing account for vegetation management costs.
4. Vegetation management cost was not shown here to be either dependent upon consumption or a fixed cost as a part of standing ready to serve.

Conclusions of Law

1. Applicant bears the burden of proof to show that the proposed settlement is reasonable.
2. The proposed settlement is reasonable in light of the whole record, consistent with law, and in the public interest, therefore the Commission may adopt it. There was no need for a hearing on the unopposed settlement adopted in this decision.
3. The Commission has the discretion and authority to order additional specific testimony in the subsequent general rate case.

4. This decision should be effective today.
5. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The settlement between California Pacific Electric Company, LLC., (CalPeco) and the Division of Ratepayer Advocates, The Utility Reform Network, and the A-3 Customer Coalition is adopted. It is attached as Appendix A to this decision. CalPeco must file a tier 1 advice letter within 30 days of the effective date for today's decision to implement the adopted test year 2013 revenue requirement and rate design. CalPeco must also timely file tier 1 advice letters to implement its post-test year rate adjustments for 2014 and 2015.

2. California Pacific Electric Company, LLC., (CalPeco) must include in its next general rate case application a vegetation management rate proposal which is a fixed charge option. CalPeco must assume in this proposal the vegetation management charge to be the first dollars in the customer service charge and not the last incremental dollars. This fixed charge must be calculated as a fully allocated charge to all classes and thus not necessarily the identical fixed charge applied to all classes of customers. Therefore the overall service charge in this required option must have two components: vegetation management and other fixed costs. CalPeco may also file for any other preferred alternative form of rate

recovery for vegetation management in addition to this required fixed charge option.

Application 12-02-014 is closed.

This order is effective today.

Dated November 29, 2012, at San Francisco, California.

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
Commissioners

APPENDIX A

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of California Pacific Electric Company, LLC (U 933-E) for Authority to Among Other Things, Increase Its Authorized Revenues for Electric Service, Update Its Energy Cost Adjustment Clause Billing Factors, Establish Marginal Costs, Allocate Revenues, and Design Rates, as of January 1, 2013.

Application No. 12-02-014
(Filed February 27, 2012)

**ALL-PARTY SETTLEMENT AGREEMENT AMONG CALIFORNIA PACIFIC
ELECTRIC COMPANY, LLC (U-933-E); THE DIVISION OF RATEPAYER
ADVOCATES; THE UTILITY REFORM NETWORK; AND THE A-3 CUSTOMER
COALITION**

1. INTRODUCTION

- 1.1. In accordance with Rule 12.1, subdivision (a) of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rule”), the Settling Parties (as defined in section 2 below) enter into this settlement agreement (“Settlement”) for purposes of resolving this matter without having an evidentiary hearing.
- 1.2. The attached Settling Parties’ Motion for Commission Approval and Adoption of the All-Party Settlement (“Settlement Approval Motion”) sets forth the factual and legal bases of the Settlement; advises the Commission of its scope; and presents the grounds on which Commission approval and adoption are urged.
- 1.3. As the Settlement Approval Motion explains, the Settlement complies with Commission requirements for approval of settlements, because it is reasonable in light of the whole record, consistent with the law, and in the public interest. Accordingly, the Settling Parties respectfully urge the Commission to adopt and approve this Settlement.
- 1.4. The Settling Parties are entering into this Settlement to avoid the expense and uncertainty of an evidentiary hearing and to expedite Commission approval of tariffs consistent with this Settlement.
- 1.5. Since this Settlement represents a compromise by them, the Settling Parties have entered into each component of this Settlement on the basis that its approval by the Commission not be construed as an admission or concession by any Settling Party regarding any fact or matter of law in dispute in this proceeding or in any other proceeding before the Commission. Furthermore, the Settling Parties intend that the approval of this

Settlement by the Commission not be construed as a precedent or statement of policy of any kind for or against any Settling Party in any current or future proceeding.

- 1.6. All issues among and between the Settling Parties have been resolved.
- 1.7. The Settling Parties agree that new rates should go into effect January 1, 2013 either by the Commission issuing a decision granting the Settlement Approval Motion and approving the Settlement by no later than the Commission's decision conference on December 20, 2012, or through the Commission's approval by no later than the Commission's decision conference on December 20, 2012 for CalPeco to implement a general rate case memorandum account to be effective as of January 1, 2013. CalPeco requested that the general rate case memorandum account be established in its July 18, 2012 motion and no party objected to its establishment.
- 1.8. The Settling Parties agree that CalPeco will file its next general rate case application by no later than March 31, 2015 for Test Year 2016. CalPeco may request the Commission to change both the filing date of its next general rate case application and/or the Test Year through the appropriate pleading served on the service list for this general rate case application (Application 12-02-014).

2. DEFINITIONS

- 2.1. The term "CalPeco" means California Pacific Electric Company, LLC (U 933-E), the applicant in this proceeding.
- 2.2. The term "DRA" means the Division of Ratepayer Advocates.
- 2.3. The term "TURN" means The Utility Reform Network.
- 2.4. The term "Customer Coalition" means the A-3 Customer Coalition.
- 2.5. The term "Settling Parties" means collectively CalPeco, DRA, TURN, and the Customer Coalition.

3. EXHIBITS

- 3.1. CalPeco requests that its testimonies be marked as Exhibits (Ex.) CalPeco-1 through CalPeco-8, as follows, and admitted into the record:
 - 3.1.1. Ex. CalPeco-1: Summary of CalPeco's General Rate Case;
 - 3.1.2. Ex. CalPeco-2: Results of Operations;
 - 3.1.3. Ex. CalPeco-3: Cost of Capital, Return on Equity, and Rate of Return;
 - 3.1.4. Ex. CalPeco-4: Electric Distribution Programs;
 - 3.1.5. Ex. CalPeco-5: Post-Test Year Ratemaking;

- 3.1.6. Ex. CalPeco-6: Marginal Cost Study, Revenue Allocation, Rate Design;¹
 - 3.1.7. Ex. CalPeco-7: Supplemental Testimony in response to Administrative Law Judge's Ruling for Additional Testimony of April 23, 2012;² and
 - 3.1.8. Ex. CalPeco-8: Rebuttal Testimony.
- 3.2. DRA requests that its written direct testimonies, entitled "Report on the Results of Operations for California Pacific Electric Company, General Rate Case Test Year 2013" and served on July 27, 2012, be marked as follows, and admitted into the record:
- 3.2.1. Ex. DRA-1: Executive Summary, Energy Cost Adjustment Clause, Base Rate Revenue Requirement Mechanism, and Post-Test Year Ratemaking;
 - 3.2.2. Ex. DRA-2: Results of Operations, Cost Allocation, Unbundling and Taxes;
 - 3.2.3. Ex. DRA-3: Sales, Customers, Revenues and Depreciation;
 - 3.2.4. Ex. DRA-4: Distribution Operations and Maintenance/Vegetation Management;
 - 3.2.5. Ex. DRA-5: Customer Accounts, Customer Service and Information Expenses;
 - 3.2.6. Ex. DRA-6: Administrative and General Expenses;
 - 3.2.7. Ex. DRA-7: Plant and Rate Base;
 - 3.2.8. Ex. DRA-8: Cost of Capital;
 - 3.2.9. Ex. DRA-9: Results of Examination; and
 - 3.2.10. Ex. DRA-10: Cost Allocation and Rate Design.
- 3.3. TURN requests that its testimonies be marked as follows, and admitted into the record:
- 3.3.1. Ex. TURN-1: Testimony of William B. Marcus; and
 - 3.3.2. Ex. TURN-2: Rebuttal Testimony of William B. Marcus.
- 3.4. Customer Coalition requests its testimonies be marked as follows, and admitted into the record:
- 3.4.1. Ex. Customer Coalition-1: Prepared Direct Testimony of Geoffrey B. Inge; and
 - 3.4.2. Ex. Customer Coalition-2: Rebuttal Testimony of Geoffrey B. Inge.

¹ This volume was initially marked as Phase Two, Ex. 1.

² This volume was initially marked as Supplemental Testimony, Ex. 1.

4. TERMS AND CONDITIONS REGARDING REVENUE REQUIREMENT

- 4.1. **Overall Change in Rates.** The Settling Parties agree that the annual aggregate change in the Base Rate and Energy Cost Adjustment Clause revenue requirements will be an increase in the total amount of \$3.747 million. CalPeco had initially requested an overall annual increase of \$7.5 million.³ Attached as Exhibit A to this Settlement is a summary of the Results of Operations showing the increase in total revenue requirement as a result of this Settlement, a revenue comparison from revenues at filing to revenues at Settlement, and total revenues for Test Year 2013.
- 4.2. **Overall Base Rate Revenue Requirement.** The Settling Parties agree to an overall 2013 Commission-jurisdictional Base Rate revenue requirement increase in the total amount of \$12.475 million.⁴ CalPeco had initially requested an overall annual Base Rate increase of \$16.3 million and DRA had recommended an overall increase of \$9.7 million.⁵
- 4.3. **Overall Energy Cost Adjustment Clause Revenue Requirement.** The Settling Parties agree that CalPeco's projected over-collection in its Energy Cost Adjustment Clause balancing account will be amortized over a 3-year period corresponding to the general rate cycle and that the Energy Cost Adjustment Clause revenue requirement shall be reduced annually by \$8.728 million, as CalPeco initially requested.⁶ The Settling Parties also agree that CalPeco shall implement the revised schedule for Energy Cost Adjustment Clause filings that it had proposed in its Application.⁷ The Customer Coalition had recommended that over-collection in CalPeco's Energy Cost Adjustment Clause balancing account be refunded as soon as possible.⁸ The proposed revised Energy Cost Adjustment Clause tariff is attached as Exhibit B to this Settlement. The Energy Cost Adjustment Clause tariff, which the Commission is being asked to approve for CalPeco in accordance with this Settlement, shall remain effective in accordance with its terms unless and until the Commission approves a future modification or deletion of the tariff.

4.4. **Rate Base.** The Settling Parties agree to the following:⁹

4.4.1. CalPeco's total Rate Base of \$121.206 million;

³ Ex. DRA-1 at 1:5.

⁴ As set forth in Exhibit A, the \$12.475 million increase from the original revenues at filing to the revenues agreed upon as a result of this Settlement is comprised of a \$279,000 increase due to the Post-Test Year Adjustment Mechanism adjustment authorized in Decision 12-04-026 and a \$12.197 million increase over present day revenues.

⁵ *Id.* at 2:2–3.

⁶ Ex. CalPeco-2 at 2-5:9–2-6:6.

⁷ *Id.* at 2-4:14–19.

⁸ Ex. Customer Coalition-1 at 21.

⁹ DRA agreed to CalPeco's proposed Rate Base items and amounts. Ex. DRA-7 at 2:1–10. TURN had recommended a lower estimate of Rate Base based on a forecast of lower plant additions. Ex. TURN-1 at 8.

- 4.4.2. CalPeco's Test Year 2013 California Electric Gross Plant-In-Service estimated amount of \$223.828 million;
 - 4.4.3. CalPeco's net plant additions of distribution facilities in the amounts of \$4.507 million and \$7.825 million respectively for 2012 and 2013;
 - 4.4.4. CalPeco's net plant additions of production facilities in the amounts of \$0.111 million and \$0.438 million respectively for 2012 and 2013; and
 - 4.4.5. CalPeco's net plant additions of general electric facilities in the amounts of \$2.385 million and \$0.689 million respectively for 2012 and 2013.
- 4.5. **Return on Equity and Capitalization.** The Settling Parties agree to a return on equity of 9.875% and a capital structure of 48.5%/51.5% debt/equity. The Settling Parties also agree to a long-term debt cost of 5.54% and an overall rate of return of 7.75%. Attached as Exhibit C is a Cost of Capital table with the agreed-upon capital structure, debt and equity costs, and rate of return. CalPeco initially requested a return on equity of 10.5%¹⁰ and a capital structure of 45.01%/54.99% debt/equity.¹¹ DRA recommended a return on equity of 9.25%¹² and a capital structure of 49.29%/50.71% debt/equity.¹³ Customer Coalition recommended a capital structure of 54.02%/45.98% debt/equity.¹⁴
- 4.6. **Allowance for Funds Used During Construction.** For Settlement purposes, the Settling Parties agree that CalPeco may continue using the Allowance for Funds Used During Construction rate¹⁵ for the duration of this General Rate Case cycle.
- 4.7. **Taxes.** The Settling Parties agree on the federal and state tax rates used in CalPeco's testimony.¹⁶
- 4.8. **Depreciation.** The Settling Parties agree to CalPeco's proposed depreciation rates.¹⁷
- 4.9. **Forecasts of Sales and Energy Use Per Customer.** The Settling Parties agree to CalPeco's proposed electric sales and energy use per customer forecasts.¹⁸ DRA determined that "[a]djustments to CalPeco's electric sales and energy use per customer estimates ... did not achieve any materially different results."¹⁹
- 4.10. **Forecast of Monthly Customer Accounts.** The Settling Parties agree to use DRA's forecast of monthly residential customer accounts and CalPeco's forecast of customer

¹⁰ Ex. DRA-8 at 20 tbl.8-8.

¹¹ *Id.* at 2:3-4.

¹² *Id.* at 1:14.

¹³ *Id.* at 1:11-13.

¹⁴ Ex. Customer Coalition-1 at 9.

¹⁵ *See* Ex. DRA-9 at 4:21-31 (DRA's initial views of AFUDC).

¹⁶ Ex. DRA-2 at 1:13-15.

¹⁷ Ex. DRA-3 at 4:6-7.

¹⁸ Ex. CalPeco-2 at 6-2 - 6-3.

¹⁹ Ex. DRA-3 at 3:10-11.

accounts for all other classes. CalPeco had projected 503,988 monthly residential customer accounts and DRA had projected 466,387.²⁰ DRA found that “adjustments for other classes were not incorporated into DRA’s testimony as they did not achieve any materially different results.”²¹

4.11. **Operations and Maintenance Expenses.** The Settling Parties agree to Operations and Maintenance Expenses of \$6.057 million for Test Year 2013. In addition, the Settling Parties agree to a 0.24% Uncollectibles Rate. CalPeco had initially requested Operations and Maintenance expenses of \$7.005 million;²² DRA had recommended \$6.064 million.²³ CalPeco had initially requested an Uncollectibles Rate of 0.37%;²⁴ DRA recommended 0.11%.²⁵

4.12. **Administrative and General Expenses.** The Settling Parties agree to Administrative and General Expenses of \$5.984 million for Test Year 2013. CalPeco had initially requested \$7.351 million;²⁶ DRA had recommended \$5.123 million.²⁷ TURN had proposed that CalPeco’s request be reduced by \$644,000.²⁸ The agreed-upon level of Administrative and General Expenses reflects acceptance of most of TURN’s proposals to reduce Administrative and General Expenses,²⁹ including its proposal to reduce such expenses by \$194,180 and reclassify that amount to the appropriate balance sheet accounts (i.e., Plant-in-Service and/or Construction Work in Progress).³⁰ The Settling Parties also agree with CalPeco’s request to classify its incremental rate case costs captured in a Miscellaneous Deferred Debit (FERC Account 186) as a Regulatory Asset (FERC Account 182) and amortize those costs over a 3-year period as an adjustment to recorded Administrative and General Expenses.³¹

4.13. **Energy Efficiency.** The Settling Parties agree to energy efficiency expenditures for Test Year 2013 of \$364,799, with the 3-year aggregate authorization of \$1,094,397 subject to a “one-way” balancing account. CalPeco had initially requested \$400,000 annually³² and DRA had recommended \$329,598.³³ The proposed addition to CalPeco’s Preliminary Statement in its tariff to describe the Energy Efficiency Balancing Account is attached as Exhibit D to this Settlement. The Energy Efficiency Balancing Account tariff, which the Commission is being asked to approve for CalPeco in accordance with this Settlement,

²⁰ *Id.* at 1 tbl.3-1.

²¹ *Id.* at 3:8–10.

²² Ex. DRA-4 at 2:21 & n.2 (CalPeco work papers).

²³ *Id.* at 2:21–22.

²⁴ *Id.* at 5:10–12.

²⁵ *Id.* at 5:20–24.

²⁶ Ex. DRA-6 at 1:16.

²⁷ *Id.* at 1:17–18.

²⁸ Ex. TURN-1 at 3.

²⁹ *Id.* at 3–8.

³⁰ *Id.* at 6-7.

³¹ Ex. CalPeco-2 at 1-6:15–1-7:2.

³² Ex. DRA-5 at 5:12–13.

³³ *Id.* at 5:13–14.

shall remain effective in accordance with its terms unless and until the Commission approves a future modification or deletion of the tariff.

- 4.14. ***Vegetation Management.*** The Settling Parties agree to recovery of vegetation management program expenses of \$2.5 million annually. CalPeco accepts DRA’s proposal that the 3-year aggregate authorization of \$7.5 million shall be subject to a “one-way” balancing account.³⁴ The Settling Parties further agree that CalPeco shall identify the rates associated with its expenditures for the vegetation management program as a separate line item on the bill to customers.³⁵ CalPeco had initially requested vegetation management program expenses of \$3.296 million annually (and with no balancing account) and DRA recommended \$1.712 million.³⁶ The proposed addition to CalPeco’s Preliminary Statement in its tariff to describe the Vegetation Management Balancing Account tariff is attached as Exhibit E to this Settlement. The Vegetation Management Balancing Account tariff, which the Commission is being asked to approve for CalPeco in accordance with this Settlement, shall remain effective in accordance with its terms unless and until the Commission approves a future modification or deletion of the tariff.
- 4.15. ***Fire Hazard Prevention Memorandum Account.*** The Settling Parties agree that CalPeco should withdraw its request to close its Fire Hazard Prevention Memorandum Account. The June 1, 2012 Assigned Commissioner’s Ruling and Scoping Memo for Phase 3 of Rulemaking 08-11-005 necessitates CalPeco maintaining the memorandum account even after the issuance of Decision 12-01-032.³⁷
- 4.16. ***Base Revenue Requirement Adjustment Mechanism.*** The Settling Parties agree to the establishment of a Base Revenue Requirement Adjustment Mechanism as described in CalPeco’s testimony³⁸. However for purposes of determining the monthly revenue requirement for the Base Revenue Requirement Adjustment Mechanism, CalPeco shall use the “1/12th method” to record the monthly revenue requirement by adjusting the annual Base Revenue Requirement by 1/12 in contrast to the 5-year consumption method CalPeco proposed. Customer Coalition had initially opposed establishing a Base Revenue Requirement Adjustment Mechanism.³⁹ The proposed addition to CalPeco’s Preliminary Statement in its tariff to describe the Base Revenue Requirement Adjustment Mechanism tariff is attached as Exhibit F to this Settlement. The Base Revenue Requirement Mechanism tariff, which the Commission is being asked to approve for CalPeco in accordance with this Settlement, shall remain effective in accordance with its terms unless and until the Commission approves a future modification or deletion of the tariff.
- 4.17. ***Post-Test Year Adjustment Mechanism.*** The Settling Parties agree the current Post-Test Year Adjustment Mechanism shall be maintained with the exception that the triggering

³⁴ Ex. DRA-4 at 9:10–10:5.

³⁵ Ex. CalPeco-4 at 1-5:9–1-6:2.

³⁶ Ex. DRA-4 at 6:12–13.

³⁷ Ex. CalPeco-4 at 1-6:20 states: “CalPeco did not need to record any costs to that [Fire Hazard Prevention Memorandum] account.”

³⁸ Ex. CalPeco-5 at 2-1— 2-12.

³⁹ Ex. Customer Coalition-1 at 22.

level for the Major Plant Additions component will be reduced from \$20 million to \$4 million. CalPeco shall file a Tier 1 advice letter providing notice of a planned Major Plant Addition prior to seeking any Post-Test Year Adjustment Mechanism adjustment associated with that Major Plant Addition. Customer Coalition opposed continuance of CalPeco's Post-Test Year Adjustment Mechanism.⁴⁰ CalPeco had initially requested that the Major Plant Additions threshold be lowered from \$20 million to \$1.2 million.⁴¹ DRA proposed reducing the threshold to \$5 million.⁴²

The agreed-upon Post-Test Year Adjustment Mechanism shall retain the current productivity adjustment for increases in labor costs. CalPeco had proposed that the productivity adjustment for labor costs be deleted.⁴³ DRA proposed retention of the productivity adjustment for labor costs.⁴⁴ The proposed addition to CalPeco's Preliminary Statement in its tariff to describe the revised Post-Test Year Adjustment Mechanism tariff is attached as Exhibit G to this Settlement. The Post-Test Year Adjustment Mechanism tariff, which the Commission is being asked to approve for CalPeco in accordance with this Settlement, shall remain effective in accordance with its terms unless and until the Commission approves a future modification or deletion of the tariff.

- 4.18. **Resolution L-411A.** The Settling Parties agree that the Settlement Approval Motion will request that the Commission determine in what manner CalPeco should comply with Resolution L-411A. CalPeco requested that the Commission determine that CalPeco was exempt from Resolution L-411A.⁴⁵ DRA recommended:

[T]he Commission GRC decision in this proceeding [should] order CalPeco to address the disposition of amounts described in Ordering Paragraph 6 of Commission Resolution L-411A within the same filing (e.g. application) addressing recovery of recorded costs in its Vegetation Management Memorandum Account (VMMA) adopted in Resolution E-4464.⁴⁶

5. TERMS AND CONDITIONS REGARDING REVENUE ALLOCATION AND RATE DESIGN

- 5.1. **Marginal Cost Study.** CalPeco's revised Marginal Cost Study as described in CalPeco's Rebuttal Testimony⁴⁷ is being used for purposes of designing some of the rates adopted in this Settlement. CalPeco's Rebuttal Testimony included a correction in response to an

⁴⁰ *Id.* at 23.

⁴¹ Ex. DRA-1 at 10:1-4.

⁴² *Id.* at 12:6-8.

⁴³ *Id.* at 9:28.

⁴⁴ *Id.* at 11:5-13.

⁴⁵ *Id.* at 12:19-23.

⁴⁶ *Id.* at 12:29-13:4.

⁴⁷ Ex. CalPeco-8: tbl.14-1.

error in its original Marginal Cost Study which the Customer Coalition had identified.⁴⁸ DRA had initially proposed rejecting CalPeco's Marginal Cost Study.⁴⁹

5.2. **Revenue Allocation.** The Settling Parties agree to the following revenue allocation, excluding costs associated with the vegetation management program and pass-through revenues, such that each class or rate schedule receives the following percentage changes from present rate revenues: residential customers -- 1.07% increase; A-1 customers -- 7.66% increase; A-2 customers -- 0.5% decrease; A-3 customers -- 2.93% increase; Streetlight customers -- 1.52% increase; Outdoor Lighting customers -- 5.76% increase; and Interruptible Irrigation (PA schedule) customers -- 0.77% increase. CalPeco proposed reallocation of class revenue requirements based on Equal Percentage of Marginal Cost ("EPMC") constrained by a 5% increase (cap) above the overall percentage increase and a floor of a 0% decrease.⁵⁰ DRA proposed a reallocation of class revenue requirements based on System Average Percent.⁵¹ Customer Coalition supported rejecting DRA's System Average Percent cost allocation proposal.⁵² Attached is Exhibit H, which provides the settlement among the Settling Parties on revenue allocation.

5.3. **Revenue Allocation of Vegetation Management Program Expenses.** Exhibit I shows the results of the revenue allocation of the \$2.5 million agreed upon Vegetation Management Program expense based on a compromise among the Settling Parties. CalPeco initially proposed a separate allocation of the expenses associated with the Vegetation Management Program on an equal-cents-per-kilowatt-hour basis.⁵³ The Customer Coalition had opposed CalPeco's proposal to allocate cost responsibility for the Vegetation Management Program expenses based on an equal-cents-per-kilowatt-hour basis and proposed an alternative allocation of the Vegetation Management Program expenses based on "cost causation."⁵⁴ TURN recommended that the Commission either adopt CalPeco's equal-cents-per-kilowatt-hour method or assign Vegetation Management Program costs as demand-related distribution costs.⁵⁵

5.4. **Rate Design**

5.4.1. **Residential Customer Rates.** The rate design incorporates a residential customer charge of \$6.98 and maintenance of the 11% composite tier differential between the residential tiers. CalPeco proposed a customer charge of \$7.00 per month with a volumetric energy rate.⁵⁶ TURN proposed, among different alternatives, a moderate increase to CalPeco's residential customer charge while maintaining the existing

⁴⁸ *Id.* at 14-11:5-11 and Ex. Customer Coalition-1 at 10-12.

⁴⁹ Ex. DRA-10 at 4:13-18.

⁵⁰ Ex. CalPeco-6 at 2-2:3-5.

⁵¹ Ex. DRA-10 at 8:1-2.

⁵² Ex. Customer Coalition-2 at 1:11-12.

⁵³ Ex. CalPeco-6 at 2-3:12-18.

⁵⁴ Ex. Customer Coalition-1 at 15.

⁵⁵ Ex. TURN-2 at 3.

⁵⁶ Ex. CalPeco-6 at 3-5:10-3-6:10.

11% composite tier differential.⁵⁷ DRA proposed a residential customer charge of \$6.98.⁵⁸ This settlement position results in rates for residential customers as summarized in Exhibit J.

5.4.2. ***A-3 Customer Rates.*** Rate design for the A-3 customer class includes an increase in the customer charge and an increase in all demand charges, with the exception of a slight reduction to the summer on-peak demand charge, and a new distribution-based energy rate for all A-3 customers, which increases all A-3 total energy rates, except for a slight reduction to the off-peak winter total energy rate. Vegetation Management Program costs allocated to the A-3 customer class will be recovered through a fixed monthly per-customer charge. This settlement position results in rates for A-3 customers as summarized in Exhibit J.

5.4.3. ***All Other Rates.*** The Settling Parties agree to a rate design for all other customers as summarized in Exhibit J.

6. Other Terms and Conditions

6.1. ***Commission's Primary Jurisdiction.*** The Settling Parties agree that the Commission has primary jurisdiction over any interpretation, enforcement, or remedies regarding this Settlement. None of the Settling Parties may bring an action regarding this Settlement in any court or before another administrative agency without having first exhausted its administrative remedies at the Commission.

6.2. ***Further Actions.*** The Settling Parties acknowledge that this Settlement is subject to approval by the Commission. As soon as practicable after all the Settling Parties have signed the Settlement, the Settling Parties through their respective attorneys will prepare and file the Settlement Approval Motion. The Settling Parties will furnish such additional information, documents, or testimonies as the Commission may require for purposes of granting the Settlement Approval Motion and approving and adopting the Settlement.

6.3. ***No Personal Liability.*** None of the Settling Parties, or their respective employees, attorneys, or any other individual representative or agent, assumes any personal liability as a result of the Settling Parties signing this Settlement.

6.4. ***Non-Severability.*** The provisions of this Settlement are non-severable. If any of the Settling Parties fails to perform its respective obligations under this Settlement, the Settlement will be regarded as rescinded.

6.5. ***Voluntary and Knowing Acceptance.*** Each Settling Party hereto acknowledges and stipulates that it is agreeing to this Settlement freely, voluntarily, and without any fraud, duress, or undue influence by any other Settling Party. Each Settling Party has read and fully understands its rights, privileges, and duties under this Settlement, including its

⁵⁷ Ex. TURN-1 at 12.

⁵⁸ Ex. DRA-10 at 10 tbl.10.4.

right to discuss this Settlement with its legal counsel, which has been exercised to the extent deemed necessary.

- 6.6. **No Modification.** This Settlement constitutes the entire Settlement among the Settling Parties regarding the matters set forth herein, which may not be altered, amended, or modified in any respect except in writing and with the express written and signed consent of all the Settling Parties hereto. All prior settlements, agreements, or other understandings, whether oral or in writing, regarding the matters set forth in this Settlement are expressly waived and have no further force or effect.
- 6.7. **No Reliance.** None of the Settling Parties has relied or presently relies on any statement, promise, or representation by any other Settling Party, whether oral or written, except as specifically set forth in this Settlement. Each Settling Party expressly assumes the risk of any mistake of law or fact made by such Settling Party or its authorized representative.
- 6.8. **Counterparts.** This Settlement may be executed in separate counterparts by the different Settling Parties hereto and all so executed will be binding and have the same effect as if all the Settling Parties had signed one and the same document. All such counterparts will be deemed to be an original and together constitute one and the same Settlement, notwithstanding that the signatures of all the Settling Parties and/or of a Settling Party's attorney or other representative do not appear on the same page of this Settlement or the related Settlement Approval Motion.
- 6.9. **Binding upon Full Execution.** This Settlement will become effective and binding on each of the Settling Parties as of the date when it is fully executed. It will also be binding upon each of the Settling Parties' respective successors, subsidiaries, affiliates, representatives, agents, officers, directors, employees, and personal representatives, whether past, present, or future.
- 6.10. **Commission Adoption Not Precedential.** In accordance with Rule 12.5, the Settling Parties agree and acknowledge that unless the Commission expressly provides otherwise, its adoption of this Settlement does not constitute approval of or precedent regarding any principle or issue of law or fact in this or any other current or future proceeding.
- 6.11. **Enforceability.** The Settling Parties agree and acknowledge that after issuance of a Commission decision approving and adopting this Settlement, the Commission may reassert jurisdiction and reopen this proceeding to enforce the terms and conditions of this Settlement.
- 6.12. **Finality.** Once fully executed by the Settling Parties and adopted and approved by a Commission decision, this Settlement fully and finally settles any and all disputes among and between the Settling Parties in this proceeding, unless otherwise specifically provided in the Settlement.
- 6.13. **No Admission.** Nothing in this Settlement or related negotiations may be construed as an admission of any law or fact by any of the Settling Parties, or as precedential or binding

on any of the Settling Parties in any other proceeding, whether before the Commission, in any court, or in any other state or federal administrative agency. Further, unless expressly stated herein this Settlement does not constitute an acknowledgement, admission, or acceptance by any of the Settling Parties regarding any issue of law or fact in this matter, or the validity or invalidity of any particular method, theory, or principle of ratemaking or regulation in this or any other proceeding.

- 6.14. **Authority to Sign.** Each Settling Party who executes this Settlement represents and warrants to each other Settling Party that the individual signing this Settlement and the related Settlement Approval Motion has the legal authority to do so on behalf of the Settling Party.
- 6.15. **Limited Admissibility.** Each Settling Party signing this Settlement agrees and acknowledges that this Settlement will be admissible in any subsequent Commission proceeding for the sole purpose of enforcing the Terms and Conditions of this Settlement.
- 6.16. **Estoppel or Waiver.** Unless expressly stated herein, the Settling Parties' execution of this Settlement is not intended to provide any of the Settling Parties in any manner a basis of estoppel or waiver in this or any other proceeding.
- 6.17. **Rescission.** If the Commission, any court, or any other state or federal administrative agency, rejects or materially alters any provision of the Settlement, it will be deemed rescinded by the Settling Parties and of no legal effect as of the date of issuance of the Commission decision or final ruling, decision, or modification by any court or any other state or federal administrative agency, rejecting or materially altering the Settlement. The Settling Parties may negotiate in good faith regarding whether they want to accept the changes by the Commission, any court, or any other state or federal administrative agency, and resubmit a revised Settlement to the Commission.

7. Conclusion

- 7.1. Each of the Settling Parties has executed this Settlement as of the date appearing below their respective signatures.

[signatures page follows next]

IN WITNESS WHEREOF, the Settling Parties have executed this Settlement on September ____, 2012.

THE UTILITY REFORM NETWORK

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC

/s/

/s/

Michael R. Smart, President
Dated: _____

A-3 CUSTOMER COALITION

DIVISION OF RATEPAYER ADVOCATES

/s/

/s/

Joe Como, Acting Director
Dated: _____

EXHIBIT A

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
dba LIBERTY ENERGY
SUMMARY OF RESULTS OF OPERATIONS - TOTAL ELECTRIC (INCLUDES SETTLEMENT ADJUSTMENTS)
FOR THE FORECASTED TWELVE MONTHS ENDING DECEMBER 31, 2013
(IN THOUSANDS)

Ln. No.	(a) Development of Return	(b) Forecast Results of Operations (f)	(c) Less ECAC Components	(d) Forecast Results Ex ECAC {col. (a) - col. (c)}	(e) Additional Revenue Required	(f) General Rate Revenue Requirement {col. (d) + col. (e)}	(g) Plus ECAC & Vegetation Management	(h) Total Revenue Requirement {col. (f) + col. (g)}	Ln. No.
1	Operating Revenues								1
2	Sales Revenue	71,936 \$	(48,700) \$	23,236 \$	9,975 \$	33,211 \$	39,915 \$	73,126 \$	2
3	Other Operating Revenue	286	-	286	-	286	-	286	3
4	Revenue Credits	2,054	-	2,054	-	2,054	-	2,054	4
5	Vegetation Management	-	-	-	-	-	2,500	2,500	5
6	Total Operating Revenues	74,276	(48,700)	25,576	9,975	35,550	42,415	77,965	6
7									7
8	Operating Expenses								8
9	Fuel & Purchased Power	48,700	(48,700)	-	-	-	39,915	39,915	9
10	ECAC	-	-	-	-	-	-	-	10
11	Total Fuel & Purchased Power Expense	48,700	(48,700)	-	0	-	39,915	39,915	11
12	Vegetation Management	-	-	-	-	-	2,500	2,500	12
13	Other O&M Expense	13,714	-	13,714	4	13,718	-	13,718	13
14	Total Operation & Maintenance	62,414	(48,700)	13,714	4	13,718	42,415	56,133	14
15	Depr & Amort Expense	4,939	-	4,939	-	4,939	-	4,939	15
16	Taxes Other Than Income	3,056	-	3,056	112	3,168	-	3,168	16
17	Deferred Income Taxes	2,639	-	2,639	-	2,639	-	2,639	17
18	Amortization of ITC	-	-	-	-	-	-	-	18
19	Federal Income Tax	(1,816)	-	(1,816)	3,068	1,253	-	1,253	19
20	California Corporate Franchise Tax	(277)	-	(277)	875	598	-	598	20
21	Total Operating Expenses	70,956	(48,700)	22,256	4,059	26,315	42,415	68,730	21
22									22
23	Operating Income	\$ 3,320	\$ -	\$ 3,320	\$ 5,915	\$ 9,235	\$ -	\$ 9,235	23
24									24
25	Rate Base								25
26	Gross Plant in Service	\$ 223,366	\$ -	\$ 223,366	\$ -	\$ 223,366	\$ -	\$ 223,366	26
27	Accum Prov for Depr & Amort	(62,967)	-	(62,967)	-	(62,967)	-	(62,967)	27
28	Net Plant in Service	160,399	-	160,399	-	160,399	-	160,399	28
29									29
30	Additions								30
31	Construction Work In Progress	-	-	-	-	-	-	-	31
32	Materials & Supplies	2,319	-	2,319	-	2,319	-	2,319	32
33	Prepayments	664	-	664	-	664	-	664	33
34	Other Additions	-	-	-	-	-	-	-	34
35	Working Capital	1,494	-	1,494	(1,405)	89	-	89	35
36	Total Additions	4,476	-	4,476	(1,405)	3,072	-	3,072	36
37									37
38	Deductions								38
39	Customer Advances for Construction	(14,213)	-	(14,213)	-	(14,213)	-	(14,213)	39
40	Accumulated Deferred Income Tax	(8,271)	-	(8,271)	-	(8,271)	-	(8,271)	40
41	Other Deductions	(21,806)	-	(21,806)	-	(21,806)	-	(21,806)	41
42	Total Deductions	(44,290)	-	(44,290)	-	(44,290)	-	(44,290)	42
43									43
44	Rate Base	\$ 120,585	\$ -	\$ 120,585	\$ (1,405)	\$ 119,181	\$ -	\$ 119,181	44
45									45
46	Rate of Return (%)	2.75%		2.75%		7.75%		7.75%	46
47									47

(1) Sales Revenue per Exhibit H to Settlement Agreement and Other Operating Revenues and Revenue Credits noted on page 206 of 243, Phase I, Volume 2 of :

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 GENERAL RATE CASE - A.12-02-014
 REVENUE COMPARISON
 In 000's

Ln No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Ln No		
									Filing (1)	PTAM Increase
1	Total Revenues	\$74,276	\$279	\$74,555	\$	12,197	\$ (8,787)	\$	77,965	1
2										2
3										3
4										4
5										5
6	PTAM increase, column (c)		\$ 279							6
7	Base Rate Increase, column (e)		12,197							7
8			12,476							8
9	Rounding		(1)							9
10	Total		12,475							10
11										11
12										12
13										13
14										14
15	(1) Sales Revenue per Exhibit H to Settlement Agreement, and Other Operating Revenues and Revenue Credits noted on page 206 of 243, Phase I, Volume 2 of 3									15
16	(2) This amount reflects the error in A-2 Present Rate Revenues outlined in Phase II Testimony on page 29 of 57, Table 2.1 Supplemental. The PTAM increase was approved by the Commission in D. 12-04-026 effective April 24, 2012.									16
	(3) Includes Vegetation Management Program revenues									

EXHIBIT B

PRELIMINARY STATEMENT
(Continued)

5. GENERAL

A. Measurement

Measurement of Electric Energy: All electric energy as supplied by the California Pacific Electric Company, LLC to its customers shall be measured by means of suitable standard electric meters, except energy delivered under street lighting tariffs on a rate-per-lamp basis, and energy, estimated from load and operating time data, for highway sign lighting, traffic control, and other installations where metering is impractical.

B. Discounts

No discounts are allowed from bills, or minimum charges, except as specifically provided in certain schedules.

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC)

A. Purpose

The purpose of the Energy Cost Adjustment Clause (ECAC) is to reflect in rates: (1) the cost of fuel and purchased power, and (2) certain other energy-related costs.

B. Applicability

The Energy Cost Adjustment Clause is applicable to all rate schedules.

C. Revision Date

The Revision Date for calculating the Energy Cost Adjustment Clause Billing Factors (ECACBFs) will be January 1 following a calendar year in which the Company did not submit a General Rate Case application filing, or on such other dates as the Commission may authorize. In calendar years in which the Company files a General Rate Case application, CalPeco will revise the ECACBFs concurrently with, and as part of, revisions to Base Rates as a result of its General Rate Case application.

Applications for ECACBF revisions calculated in accordance with the provisions described herein shall be filed with the California Public Utilities Commission annually on July 1 in calendar years in which the Company is not submitting a General Rate Case application.

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Issued by

Michael Smart

Date Filed _____

Name

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PRELIMINARY STATEMENT

(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (continued)

C. Revision Date (continued)

In a calendar year in which the Company files a General Rate Case application, CalPeco shall propose revisions to the ECACBFs calculated in accordance with the provisions herein concurrently with, and as part of, its General Rate Case application.

In calendar years in which the Company does not file a General Rate Case application, the Company shall submit an application for changes to the ECACBFs only if a change to total ECAC revenues of +/-5 % occurs as a result of the combination of revisions to the:

- (1) Offset Rate based on the new fuel and purchased power forecast for the Forecast Period; and
- (2) Balancing Rate to amortize any projected over- or under-collection balance in the Energy Cost Adjustment Account as of the Revision Date.

The revised ECACBFs shall be applied to bills for service rendered on and after the Revision Date and shall continue thereafter until the next revised ECACBFs become effective.

D. Forecast Period

The Forecast Period for calculating the ECACBFs shall be the twelve calendar month period commencing with the Revision Date.

E. Interest Rate

The Interest Rate to be applied to the Energy Cost Adjustment Account shall be 1/12 of the interest rate on Commercial Paper, for the previous month as published in the Federal Reserve Statistical Release, H. 15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H. 15, or its successor publication.

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(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (continued)

F. Franchise Fees and Uncollectible Accounts Expense Factor

The Franchise Fees and Uncollectible Accounts Expense Factor shall be the rate derived from the Commission's decision in the Company's most recent General Rate Case proceeding to provide for Franchise Fees and Uncollectible Accounts Expense.

G. Energy Cost Adjustment Clause Billing Factor

The ECACBFs shall become effective for service on and after each Revision Date and continuing thereafter until the next ECACBFs become effective in accordance herewith. The ECACBF for each rate component provided in Section L shall be set in the amount of the algebraic sum of the Offset Rate and the Balancing Rate corresponding to that component, multiplied by the Franchise Fees and Uncollectible Accounts Expense Factor, and carried to the nearest \$0.00001 per kilowatthour.

- (1) The system Offset Rate is calculated based on dividing the Fuel and Purchased Power Cost by either the total system kilowatt-hours sales or the demand billing determinants, as appropriate, estimated for the Forecast Period. The Offset Rate for each applicable component varies according to legislative and CPUC requirements for CalPeco's tier structure and time-of-use considerations.
- (2) The Balancing Rate, as determined in Section I, shall be an amount per kilowatt-hour of sales necessary to amortize the accumulated balance in the Energy Cost Adjustment Account, included as a subaccount in CPUC Account Nos. 186 and 557 and maintained as described in Section J.

H. Fuel and Purchased Power Cost

- (1) The estimated Fuel and Purchased Power Cost shall be equal to:
 - (a) The volumes of diesel fuel to be used for electric generation during the Forecast Period expressed in gallons and multiplied by the Current Average Diesel Price as set forth in Section I.2, plus
 - (b) The total purchases of electric capacity, transmission services, and energy including variable wheeling, estimated to be made from each source during the Forecast Period multiplied by their respective latest tariff, contract, or delivered price forecasted to be in effect during the Forecast Period, plus

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PRELIMINARY STATEMENT

(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (continued)

H. Fuel and Purchased Power Cost (continued)

- (1) The estimated Fuel and Purchased Power Cost shall be equal to:
(continued)
 - (c) The carrying costs of fuel inventory equal to the product of the following estimated items for the Forecast Period: (1) the average monthly number of gallons of diesel fuel in inventory, (2) the average inventory price per gallon, and (3) the Interest Rate.
- (2) The Current Average Diesel Price shall be the estimated average cost in dollars per gallon from inventory computed at the end of each month of the Forecast Period, using estimated replacement price of such fuel for the Forecast Period and the estimated additions and withdrawals in each month.

I. Balancing Rate

The Balancing Rate shall be determined by dividing (1) the estimated balance in the Energy Cost Adjustment Account as of the Revision Date by (2) the estimated kilowatt-hour sales or demand billing determinants applicable to the amortization period set by the Commission in the decision approving the change in ECACBF.

J. Energy Cost Adjustment Account

The Company shall maintain an Energy Cost Adjustment Account. Entries shall be made to this account at the end of each month as follows:

- (1) A debit entry (credit entry, if negative) equal to:
 - (a) The recorded Fuel and Purchased Power Cost, less the cost of fuel for economy or surplus sales, for the month.
 - (b) Less the amount of recorded Offset Rate revenue during the month reduced by the Franchise Fees and Uncollectible Accounts Expense.

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Michael Smart

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PRELIMINARY STATEMENT

(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (continued)

J. Energy Cost Adjustment Account (continued)

- (2) A credit entry (debit entry, if negative) equal to the amount of recorded Balancing Rate revenue during the month reduced by the Franchise Fees and Uncollectible Accounts Expense.
- (3) A credit entry equal to the amount of any cash refunds, including associated interest, received from its fuel or purchased power suppliers on and after the Revision Date and applicable to retail energy sales.
- (4) A debit entry (credit entry, if negative) equal to the average of the beginning and ending balance multiplied by the Interest Rate.

K. Billing Factors

The following factors are in effect for the period shown:

Energy Cost Adjustment Clause Billing Factor \$/kWh

		Residential			
		D-1, DS-1, DM-1 Baseline	D-1, DS-1, DM-1 Excess		
Offset		0.06170	0.08692		
Balancing		<u>(0.00760)</u>	<u>(0.00760)</u>		
Total		0.05410	0.07932		
		Commerical			
		A-1	A-2 Winter	A-2 Summer	PA
Offset		0.08300	0.06863	0.10999	0.00443
Balancing		<u>(0.00760)</u>	<u>(0.00760)</u>	<u>(0.00760)</u>	<u>(0.00668)</u>
Total		0.07540	0.06103	0.10239	0.06162

PRELIMINARY STATEMENT

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Resolution No. _____

(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (continued)

K. Billing Factors (continued)

Commerical					
	A-3 On-Peak Winter	A-3 On-Peak Summer	A-3 Mid-Peak Winter	A-3 Off-Peak Winter	A-3 Off-Peak Summer
Offset	0.06766	0.06751	0.06896	0.05663	0.05291
Balancing	<u>(0.00760)</u>	<u>(0.00760)</u>	<u>(0.00760)</u>	<u>(0.00760)</u>	<u>(0.00760)</u>
Total	0.06006	0.05991	0.06136	0.04903	0.04531
Capacity	\$9.83/kW				

Commerical			
	SL (per bulb) 5,800 Lumens	SL (per bulb) 9,500 Lumens	SL (per bulb) 22,000 Lumens
Offset	2.98318	3.77572	6.66094
Balancing	<u>(0.20000)</u>	<u>(0.28000)</u>	<u>(0.52000)</u>
Total	2.78318	3.49572	6.14094

	OL (per bulb) 5,800 Lumens	OL (per bulb) 9,500 Lumens	OL (per bulb) 16,000 Lumens	OL (per bulb) 22,000 Lumens
Offset	2.57355	3.31266	4.89775	6.07321
Balancing	<u>(0.20000)</u>	<u>(0.28000)</u>	<u>(0.44000)</u>	<u>(0.56000)</u>
Total	2.37355	3.03266	4.45775	5.51321

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Date Filed February 29, 2012

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A.12-02-014 ALJ/DUG/sbf
CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
SOUTH LAKE TAHOE, CALIFORNIA

Canceling 2nd Revised
1st Revised

CPUC Sheet No. 22
CPUC Sheet No. 22

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Decision No.

President
Title

Effective

Resolution No.

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(D)

Advice Letter No. -

Decision No. _____

Issued by

Michael Smart

Name

President

Title

Date Filed February 29, 2012

Effective _____

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

EXHIBIT C

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
dba LIBERTY ENERGY
CORPORATE STRUCTURE
FORECASTED WEIGHTED COST OF CAPITAL
FOR THE FORECASTED PERIOD ENDED DECEMBER 31, 2013
(IN THOUSANDS)

Ln No	(a) Description	(b) Capital Amount	(c) Capital Ratio%	(d) Cost of Capital%	(e) Weighted Cost of Capital%	Ln No
1	Debt					1
2	Short-Term Debt	\$ -	0.00%	0.00%	0.00%	2
3	Customer Deposits (1)	745	0.51%	0.17%	0.00%	3
5	Long-Term Debt	70,000	47.99%	5.54%	2.66%	5
6						6
7	Total Debt	70,745	48.50%	5.71%	2.66%	7
8						8
9						9
10	Equity					10
11	Common Stock	1,268	0.87%	9.875% (2)	0.09%	11
12	Preferred Equity	-	0.00%	9.875% (2)	0.00%	12
13	Common Equity	73,850	50.63%	9.875% (2)	5.00%	13
14						14
15	Total Equity	75,118	51.50%	9.875%	5.09%	15
16						16
17						17
18	Total Capital	\$ 145,864	100.00%		7.75%	18
19						19
20						20
21						21
22						22
23						23

Notes:

¹ Commission approved deposit rate. CalPeco Tariff, Rule No. 7 (1st Revised CPUC Sheet No. 204).

² Per Settlement

EXHIBIT D

PRELIMINARY STATEMENT

(Continued)

18. ENERGY EFFICIENCY BALANCING ACCOUNT

California Pacific Electric Company, LLC (CalPeco) shall maintain the Energy Efficiency Balancing Account (EEBA).

A. Purpose

The purpose of the EEBA is to record the difference between the 3-year revenue requirement of \$1,094,397 for the energy efficiency programs expense the Commission authorized for CalPeco in its General Rate Case (GRC) Decision _____ and CalPeco's recorded energy efficiency programs expense.

B. Applicability

The EEBA is applicable to all rate schedules.

C. EEBA rates

The EEBA does not have a rate component.

D. Accounting Procedures

CalPeco shall maintain the EEBA by making entries at the end of each month as follows:

1. A debit entry equal to CalPeco's recorded energy efficiency programs expense for the month.
2. A credit entry of \$30,399.92, equal to the amount adopted in CalPeco's GRC Decision for energy efficiency programs expense divided by 36;
3. CalPeco shall apply interest to the average net balance in the EEBA account at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month as reported in the Federal Reserve Statistical Release, H.15, or its successor publication. Accumulated interest will be included in the amount on which interest is accrued, but will be identified as a separate component of the EEBA account.

E. Effective Date

The EEBA is effective January 1, 2013 and shall terminate in accordance with Section F.

F. Account Disposition

The EEBA is a one-way balancing account. CalPeco in its next GRC application shall include a summary of the entries to the EEBA and a proposal for the disposition of any credit balance in the account.

(N)

(N)

EXHIBIT E

PRELIMINARY STATEMENT

(Continued)

17. VEGETATION MANAGEMENT

A. Purpose

California Pacific Electric Company, LLC (CalPeco) shall maintain the Vegetation Management Balancing Account (“VMBA”) to record the difference between the 3-year revenue requirement of \$7.5 million for the vegetation management program expense the Commission authorized for CalPeco in its General Rate Case (GRC) Decision _____ and CalPeco’s recorded vegetation management program expense. CalPeco shall collect the following rates to recover the costs CalPeco incurs during calendar years 2013, 2014, and 2015 for its vegetation management program.

B. Applicability

The VMBA is applicable to all rate schedules.

C. VMBA Rates

The VMBA rates are as follows:

Residential (\$/kWh)	Commercial (\$/kWh)						
	A-1	A-2	A-3*	PA	SL	OL	
0.00443	0.00443	0.00513	N/A	0.00443	0.00614	0.00443	

*The A-3 VMBA rate will be collected as an additional \$698/month fixed charge from each A-3 customer.

These rates will be listed as a separate line-item on the bill.

D. Accounting Procedures

CalPeco shall maintain the VMBA by making entries at the end of each month up to and including December 2015 as follows:

1. A debit entry equal to CalPeco’s recorded vegetation management program expense for the month;
2. A credit entry of \$208,333.33, equal to the amount adopted in CalPeco’s GRC Decision for vegetation management expense divided by 36; and

PRELIMINARY STATEMENT
(Continued)

17. VEGETATION MANAGEMENT (continued)

D. Accounting Procedures (continued)

3. CalPeco shall apply interest to the average net balance in the VMBA account at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month as reported in the Federal Reserve Statistical Release, H.15, or its successor publication. Accumulated interest will be included in the amount on which interest is accrued, but will be identified as a separate component of the VMBA account.

E. Effective Date

The rates described in Section C and the VMBA are effective January 1, 2013 and will terminate in accordance with Section F.

F. Account Disposition

The VMBA is a one-way balancing account. CalPeco in its next General Rate Case application shall include a summary of the entries to the VMBA and a proposal for the disposition of any credit balance in the account. CalPeco will close the VMBA upon disposition of any balance in the account.

EXHIBIT F

PRELIMINARY STATEMENT
(Continued)

8. BASE REVENUE REQUIREMENT BALANCING ACCOUNT

California Pacific Electric Company, LLC (CalPeco) shall maintain the Base Revenue Requirement Balancing Account (BRRBA).

A. Purpose

The purpose of the BRRBA is to record the difference between CalPeco's authorized annual Base Rate revenue requirements and the annual recorded revenue from Base Rates.

B. Applicability

The BRRBA is applicable to all rate schedules.

C. Base Rates

Base Rates are electric rates and related adjustments. Adjustments are required to amortize under-collections or over-collections in the BRRBA authorized by the Commission from time to time.

D. Monthly Base Rate Revenue Requirement

CalPeco's annual authorized Base Rate revenue requirements shall be converted to monthly Base Rate revenue requirements by dividing the annual authorized Base Rate revenue requirement by 12.

E. Adjustments to the Annual Authorized Base Rate Revenue Requirement

The annual authorized Base Rate revenue requirement levels may be adjusted, if needed, by an update as a result of a Commission decision, order, or resolution that changes the annual Base Rate revenue requirement of CalPeco that:

- 1) has been issued regarding a CalPeco application or advice letter, or
- 2) has been issued in another Commission proceeding that establishes for CalPeco a new annual Base Rate revenue requirement or an addition to the annual Base Rate revenue requirement.

(N)

(N)

PRELIMINARY STATEMENT
(Continued)

8. BASE REVENUE REQUIREMENT BALANCING ACCOUNT (continued)

F. Accounting Procedures

CalPeco shall maintain the BRRBA by making entries at the end of each month as follows:

1. Base Rate revenues recorded during the month;
2. Monthly Base Rate revenue requirement as described in Section D;
3. Total net BRRBA balance equals (2) minus (1).
4. CalPeco shall apply interest to the average net balance in the BRRBA account at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month as reported in the Federal Reserve Statistical Release, H.15, or its successor publication. Accumulated interest will be included in the amount on which interest is accrued, but will be identified as a separate component of the BRRBA account.

G. Effective Date

The BRRBA is effective as of January 1, 2013.

H. Account Disposition

The disposition of the balance in the BRRBA on September 30, 2014 will be addressed by CalPeco in a Tier 2 Advice Letter filing to be made no later than October 31, 2014. Provided, however, CalPeco shall make such a Tier 2 Advice Letter filing only if the amount of the under- or over- collection in the BRRBA Account is +/-5% of the authorized Base Rate revenue requirement corresponding to the preceding fifteen months. Should such a trigger be met, CalPeco shall file the required Tier 2 Advice Letter filing and shall include in the filing the amortization rate to amortize the balance over the next twelve months beginning January 1, 2015.

The disposition of the balance in the BRRBA on September 30 of every subsequent calendar year will be addressed by CalPeco in a Tier 2 Advice Letter filing to be made no later than October 31 of that calendar year. Provided, however, CalPeco shall make such a Tier 2 Advice Letter filing only if the amount of the under- or over- collection in the BRRBA Account is +/- 5% of the authorized revenue requirement corresponding to the preceding twelve month period. Should such a trigger be met, CalPeco shall file the required Tier 2 Advice Letter filing and shall include in the filing the amortization rate to amortize the balance over the next twelve months beginning January 1 of each year.

Advice Letter No. _____ Issued by Michael R. Smart Date Filed _____
Name
Decision No. _____ President Effective _____
Title
Resolution No. _____

EXHIBIT G

PRELIMINARY STATEMENT
(Continued)

9. POST-TEST YEAR ADJUSTMENT MECHANISM (PTAM)

A. Purpose

The purpose of this mechanism is to revise Base Rates in any year in which new Base Rates do not become effective as result of a Commission decision in response to a CalPeco General Rate Case application.

B. Applicability

The PTAM is applicable to all rate schedules.

C. Attrition Rate Factor Component:

The Attrition Rate Factor will be based on the current year's September Global Insight U.S. Economic Outlook forecast for the Consumer Price Index, minus a 0.5% productivity factor (but will not be less than zero).

D. Major Plant Additions Component

For purposes of the PTAM, a "Major Plant Addition" includes any capital project closed to plant-in-service that exceeds \$4 million in a calendar year. The revenue requirement associated with a Major Plant Addition would also include the California portion of operation and maintenance expenses, depreciation and property taxes. CalPeco shall file a Tier 1 advice letter providing notice of a planned Major Plant Addition prior to seeking any PTAM adjustment as described in Section F associated with that Major Plant Addition.

E. Effective Date

The PTAM is effective as of January 1, 2013.

F. Revision Date

CalPeco shall file a Tier 2 advice letter containing the PTAM adjustment no later than October 15 of the calendar year prior to the calendar year CalPeco will be requesting that the new PTAM rates become effective. New PTAM rates will be effective January 1 of each calendar year following such an advice letter filing.

EXHIBIT H

EXHIBIT H
CALPECO SETTLEMENT REVENUE ALLOCATION.

	REVENUE ALLOCATION 2013*	% CHANGE FROM PRESENT POST-PTAM RATE REVENUES
Res.	\$ 38,489,880	1.07%
A-1	\$ 14,087,200	7.66%
A-2	\$ 7,644,344	-0.50%
A-3	\$ 13,155,177	2.93%
SL	\$ 119,145	1.52%
OLS	\$ 153,342	5.76%
PA	\$ 42,685	0.77%
Total	\$ 73,691,774	

* This allocation does not include Vegetation Management Program costs, pass through revenues, or California Alternate Rates for Energy Program Recovery Revenues (PPP-CARE)

EXHIBIT I

EXHIBIT I
 CALPECO SETTLEMENT REVENUE ALLOCATION OF VEGETATION MANAGEMENT PROGRAM COSTS - \$2.5 million

	PROPOSED Equal cents/kWh	FINAL Equal cents/kWh
Res.	\$1,264,218	\$1,264,218
A-1	\$430,520	\$430,520
A-2	\$288,954	\$335,248
A-3	\$507,961	\$460,961
SL	\$1,819	\$2,525
OLS	\$2,761	\$2,761
PA	\$2,177	\$2,177
Total	\$2,498,410	\$2,498,410

** The A-3 class revenue will be collected via a monthly fixed charge of \$698 from A-3 customers.

EXHIBIT J

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

3rd Revised
2nd Revised

CPUC Sheet No. 76
 CPUC Sheet No. 76

SCHEDULE NO. D-1
DOMESTIC SERVICE

APPLICABILITY

This rate schedule is applicable to all domestic power service to separately metered single family dwellings and individual living units of multi-unit complexes, where such units are metered by the Utility.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per month \$6.~~70~~98 (I)

Energy Charges

For Quantities up to and Including Baseline Quantities (See Special Condition 2)

						Total Energy Rate ⁶	
Per kWh,	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>		
per month	\$0. 0363 <u>74656</u>	\$0.00221	\$0.00024	\$0. 06999 <u>05899</u>	\$0.00029	\$0. 10940 <u>10829</u>	(I)

For Quantities in Excess of Baseline Quantities (See Special Condition 2):

Per kWh							
per month	\$0. 0363 <u>74656</u>	\$0.00221	\$0.00024	\$0. 0983 <u>108831</u>	\$0.00029	\$0. 13742 <u>13761</u>	(I)

1. Distrbtn – Distribution Charges.
2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities, and low income assistance programs.
3. PUCRF – Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate – Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges and Energy Commission Surcharges.

Late Charge

1% on any amount 45 days in arrears from previous billings

Minimum Charge

The per meter, per month Customer Charge

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name
President
 Title

Date Filed April 24, 2012

Decision No. 12-04-026

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA

Canceling 1st Revised
Original

CPUC Sheet No. 77
 CPUC Sheet No. 77

SCHEDULE NO. D-1
DOMESTIC SERVICE
 (Continued)

SPECIAL CONDITIONS

1. Service hereunder shall only be single-phase as described in Rule 2, Description of Service, and supplied to electric motors no larger than 10 horsepower.
2. Baseline Quantities. Each residential customer in a single-family dwelling consisting of a permanent residential unit is eligible for a baseline quantity of electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. Residential Customer means a customer who is eligible for service on a domestic service rate schedule, and excludes general, commercial, industrial, and every other category of customer.
 - A. Eligibility. Baseline quantities are available only to separately metered, permanent Residential Customers. Non-permanent Customers such as recreational or vacation home customers are not eligible. The Utility may require Customers to complete and file with it an appropriate Declaration of Eligibility for baseline quantities. The Utility may also require proof of permanent residency, such as voter registration or property tax exemption. The penalty for presenting false information in this declaration shall be any legal action which the Utility might elect to pursue.
 - B. Different Baseline Quantities. Different baseline quantities are established for a) basic use, and b) all-electric only or electric space heat or both, as follows:

kWh Per Day Quantity¹

<u>Season</u>	<u>Basic Use (E02, E06)</u>	<u>All-Electric Use (E04, E08)</u>
Summer ²	<u>42.913.8</u>	<u>45.617.9</u>
Winter ³	<u>47.718.4</u>	<u>30.733.1</u>

1. Per day baseline quantities for each monthly billing cycle shall be equal to the daily baseline quantities (including Medical Baseline Quantities as appropriate) multiplied by the number of days in the billing cycle.
2. Summer baseline quantities will be used for six consecutive billing periods beginning on or after May 1.
3. Winter baseline quantities will be used for six consecutive billing periods beginning on or after November 1.

(Continued)

Advice Letter No. 1-E

Issued by
Bob Dodds
 Name
President and CEO
 Title

Date Filed November 23, 2010

Decision No. 10-10-017

Effective January 1, 2011

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

4th Revised
3rd Revised

CPUC Sheet No. 80
 CPUC Sheet No. 80

SCHEDULE NO. TOU D-1
TIME-OF-USE DOMESTIC SERVICE

APPLICABILITY

This time-of-use rate schedule is optional for Customers for whom Schedule D-1 is applicable. Service under this schedule is subject to meter availability. Enrollment under Schedules TOU D-1 and TOU A-1 is limited to a cumulative of 1,500 meters.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per month \$7.0031 (I)

Energy Charges

Per kWh, per month

	Distrbtn ¹	PPPC ²	PUCRF ³	Gen ⁴	ECS ⁵	Total Energy Rate ⁶	
Summer On-peak	\$0.04585_03122	\$0.00221	\$0.00024	\$0.2944513401	\$0.00029	\$0.3430416797	(I)
Winter On-peak	\$0.40444_13178	\$0.00221	\$0.00024	\$0.0983208512	\$0.00029	\$0.2054721964	(I)
Summer/Winter Off-peak	\$0.02142_05691	\$0.00221	\$0.00024	\$0.0780403474	\$0.00029	\$0.40220_09439	(I)
Baseline Credit ⁷ -	(\$0.01044)						

1. Distrbtn – Distribution Charges.
2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities, and low income assistance programs.
3. PUCRF – Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate – Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges, and Energy Commission Surcharges.
7. This credit is multiplied by baseline amounts as described in Special Condition 2.

Late Charge

1% on any amount 45 days in arrears from previous billings

Minimum Charge

The per meter, per month Customer Charge

(Continued)

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Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name

Date Filed April 24, 2012

Decision No. 12-04-026

President
 Title

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA

Canceling 1st Revised CPUC Sheet No. 81
Original CPUC Sheet No. 81

SCHEDULE NO. TOU D-1
TIME-OF-USE DOMESTIC SERVICE
 (Continued)

SPECIAL CONDITIONS

1. Service hereunder shall only be as described in Rule 2, Description of Service.
2. Baseline Quantities. Each residential customer in a single-family dwelling consisting of a permanent residential unit is eligible for a baseline quantity of electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. Residential Customer means a customer who is eligible for service on a domestic service rate schedule, and excludes general, commercial, industrial, and every other category of customer.
 - A. Eligibility. Baseline quantities are available only to separately metered, permanent Residential Customers. Non-permanent Customers such as recreational or vacation home customers are not eligible. The Utility may require Customers to complete and file with it an appropriate Declaration of Eligibility for baseline quantities. The Utility may also require proof of permanent residency, such as voter registration or property tax exemption. The penalty for presenting false information in this declaration shall be any legal action which the Utility might elect to pursue.
 - B. Different Baseline Quantities. Different baseline quantities are established for a) basic use, and b) all-electric only or electric space heat or both, as follows:

kWh Per Day Quantity¹

<u>Season</u>	<u>Basic Use (E02, E06)</u>	<u>All-Electric Use (E04, E08)</u>
Summer ²	<u>42.913.8</u>	<u>45.617.9</u>
Winter ³	<u>47.718.4</u>	<u>30.733.1</u>

1. Per day baseline quantities for each monthly billing cycle shall be equal to the daily baseline quantities (including Medical Baseline Quantities as appropriate) multiplied by the number of days in the billing cycle.
2. Summer baseline quantities will be used for six consecutive billing periods beginning on or after May 1.
3. Winter baseline quantities will be used for six consecutive billing periods beginning on or after November 1.

(Continued)

Advice Letter No. 1-E

Issued by
Bob Dodds
 Name
President and CEO
 Title

Date Filed November 23, 2010

Decision No. 10-10-017

Effective January 1, 2011

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

4th Revised
3rd Revised

CPUC Sheet No. 84
 CPUC Sheet No. 84

SCHEDULE NO. CARE
CARE DOMESTIC SERVICE

APPLICABILITY

This rate schedule is applicable to all domestic power service to separately metered single family dwellings and individual living units of multi-unit complexes, where such units are metered by the Utility, and where the Customer is classified as a permanent Customer who meets the provisions of Special Condition 3 of this rate schedule.

TERRITORY

Entire California Service Area.

RATES

Customer Charge – Non TOU (Otherwise Applicable Schedule D-1)

Per meter, per month \$5.3658 (I)

Energy Charges – Non TOU

For Quantities up to and Including Baseline Quantities (See Special Condition 2)

Per kWh,	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	Total Energy Rate ⁶	
per month	\$0.0148802531	\$0.00108	\$0.00024	\$0.0699905899	\$0.00029	\$0.0864808591	(I)

For Quantities in Excess of Baseline Quantities (See Special Condition 2)

Per kWh	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	Total Energy Rate ⁶	
per month	\$0.0092201945	\$0.00108	\$0.00024	\$0.0983408831	\$0.00029	\$0.1094410937	(I)

Customer Charge – TOU (Otherwise Applicable Schedule TOU D-1)

Per meter, per month \$5.605.85 (I)

Energy Charges - TOU

Per kWh, per month

Per kWh,	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	Total Energy Rate ⁶	
Summer On-peak	(\$0.0464300183)	\$0.00108	\$0.00024	\$0.2944513401	\$0.00029	\$0.2496313379	(I)
Winter On-peak	\$0.0636608840	\$0.00108	\$0.00024	\$0.0983208512	\$0.00029	\$0.1635917513	(I)
Summer/Winter Off-peak	\$0.0043403858	\$0.00108	\$0.00024	\$0.0780403474	\$0.00029	\$0.0809607493	(I)

Baseline Adjustment⁷
 \$0.00209

(\$0.01044)

(\$0.00835)

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name

Date Filed April 24, 2012

Decision No. 12-04-026

President
 Title

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
SOUTH LAKE TAHOE, CALIFORNIA

Canceling 1st Revised
Original

CPUC Sheet No. 86
CPUC Sheet No. 86

SCHEDULE NO. CARE
CARE DOMESTIC SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. Baseline Quantities. (Continued)

B. Different Baseline Quantities. Different baseline quantities are established for a) basic use, and b) all-electric only or electric space heat or both, as follows:

kWh Per Day Quantity¹

Season	Basic Use (E42, E46)	All-Electric Use (E44, E48)
Summer ²	12.913.8	15.617.9
Winter ³	17.718.4	30.733.1

- Per day baseline quantities for each monthly billing cycle shall be equal to the daily baseline quantities (including Medical Baseline Quantities as appropriate) multiplied by the number of days in the billing cycle.
- Summer baseline quantities will be used for six consecutive billing periods beginning on or after May 1.
- Winter baseline quantities will be used for six consecutive billing periods beginning on or after November 1.

C. Standard Limited Quantity. A standard limited Medical Baseline Quantity in addition to those quantities listed in B. above of 16.5 kWh per day is available for Residential Customers who demonstrate that one of the following conditions exist: a) regular use in the Customer's residence of one or more medical life-support devices that is essential to maintain the life of a full-time resident of the household or b) there is a full-time resident of the household who is a paraplegic, hemiplegic, quadriplegic, multiple sclerosis, or scleroderma patient.

- A supplemental quantity of 16.5 kWh per day will be provided to multiple sclerosis patients for air conditioning during the six summer months of May 1 through October 31. Customer applications for this quantity must be accompanied by a licensed doctor's certification.
- Additional baseline quantities are available to Residential Customers who qualify for baseline usage, who require the use of a life support device (e.g., kidney dialysis machine or iron lung). Upon certification of need by the Customer, the Utility will estimate daily kWh for the life support device for inclusion in the total allowable baseline quantity.

(Continued)

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Advice Letter No. 1-E

Issued by
Bob Dodds
Name
President and CEO
Title

Date Filed November 23, 2010

Decision No. 10-10-017

Effective January 1, 2011

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
SOUTH LAKE TAHOE, CALIFORNIA

Canceling 1st Revised CPUC Sheet No. 91
Original CPUC Sheet No. 91

SCHEDULE NO. DS-1
MULTI-UNIT DOMESTIC SERVICE-SUBMETERED
(Continued)

RATES (Continued)

Sub-metering Discount

The monthly bill for service under this rate schedule shall be reduced by the sub-metering discount of ~~\$0.08733~~ 0.08777 per day per occupied accommodation.

Baseline Diversity Adjustment

The monthly bill for service under this rate schedule shall be increased by the daily baseline diversity adjustment of \$0.04942 per day per permanently occupied accommodation.

Minimum Charge

The Minimum Charge shall be the same as set forth in Schedule Nos. D-1 or CARE.

SPECIAL CONDITIONS

1. Seasonal Service. For customers who use service for only part of the year, this schedule is applicable only on an annual contract.
2. Notification. It is the responsibility of the Customer to advise the Utility within fifteen (15) days of any change in the number of single-family accommodations in a multifamily accommodation or Qualifying RV Units in a Qualifying RV Park that qualify for basic Baseline allocations, and any change in qualifications for other than Basic Baseline allocations.
3. Qualifying RV Park. An RV park which has at least 50% of its spaces on the same meter occupied at least nine months of the year by a tenant in a qualifying RV unit used as a permanent residence and renting on a month-to-month basis. Such meter shall not include non-domestic enterprises as described in Special Condition 6.
4. Qualifying RV Unit. An RV unit that is used as a permanent single-family residence at least nine months out of the year. Baseline allocations shall be based on the number of occupied units meeting this criterion.
5. Miscellaneous Loads. Miscellaneous electrical loads on the same meter such as general lighting, laundry rooms, general maintenance, and other similar usage incidental to the operation of a multifamily accommodation will be considered as domestic service.
6. Non-domestic Enterprises. Electric energy used for non-domestic enterprises such as offices, stores, shops, restaurants, service stations, and other similar usage incidental to the operation of a multifamily accommodation will be considered as domestic service.

(Continued)

Advice Letter No. 1-E

Issued by
Bob Dodds
Name

Date Filed November 23, 2010

Decision No. 10-10-017

President and CEO
Title

Effective January 1, 2011

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

2nd Revised
1st Revised

CPUC Sheet No. 107
 CPUC Sheet No. 107

SCHEDULE NO. A-1
SMALL GENERAL SERVICE

APPLICABILITY

This schedule is applicable to all non-domestic service where demand is less than fifty (50) kilowatts and no other schedule is specifically applicable. This schedule is applicable to service for agricultural irrigation (Schedule No. PA, Optional Interruptible Irrigation Service) for the billing periods December 1 through the end of February. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per month \$~~12.36~~13.22 (I)

Energy Charges

A. Rates that are applicable to Customers where demand has not exceeded twenty (20) kilowatts for any three (3) months during the preceding twelve (12) months. Applicability criteria are set forth in Special Condition 5.

Per kWh, per month	<u>Distrbtn</u> ¹	<u>PPPC</u> ²	<u>PUCRF</u> ³	<u>Gen</u> ⁴	<u>ECS</u> ⁵	Total Energy Rate ⁶	
	\$0. 031770 <u>5064</u>	\$0.00221	\$0.00024	\$0. 094730 <u>8565</u>	\$0.00029	\$0. 12924 <u>13903</u>	(I)

B. Rates that are applicable to all other Customers not meeting applicability criteria set forth in Special Condition 5.

Per kWh per month	\$0. 031770 <u>5064</u>	\$0.00221	\$0.00024	\$0. 094730 <u>8565</u>	\$0.00029	\$0. 12924 <u>13903</u>	(I)
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1. Distrbtn -Distribution Charges.
2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities and low income assistance programs.
3. PUCRF – Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate – Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges and Energy Commission Surcharges.

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name

Date Filed April 24, 2012

Decision No. 12-04-026

President
 Title

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

3rd Revised
2nd Revised

CPUC Sheet No. 110
 CPUC Sheet No. 110

SCHEDULE NO. TOU A-1
TIME-OF-USE SMALL GENERAL SERVICE

APPLICABILITY

This time-of-use rate schedule is optional for Customers for whom Schedule A-1 is applicable. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE. Service under this schedule is subject to meter availability. Enrollment under Schedules TOU A-1 and TOU D-1 is limited to a cumulative of 1,500 meters.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per month: \$12,841.03 (I)

Energy Charges

A. Rates that are applicable to Customers where demand has not exceeded twenty (20) kilowatts for any three (3) months during the preceding twelve (12) months. Applicability criteria are set forth in Special Condition 5.

Per kWh, per month:

	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	<u>Total Energy Rate⁶</u>	
Summer On-peak	<u>\$0.0464504553</u>	0.00221	\$0.00024	<u>\$0.2737510003</u>	\$0.00029	<u>\$0.2926414830</u>	(I)
Winter On-peak	<u>\$0.0624016388</u>	0.00221	\$0.00024	<u>\$0.0856807267</u>	\$0.00029	<u>\$0.4508223929</u>	(I)
Summer/Winter Off-peak	<u>\$0.0294907153</u>	0.00221	\$0.00024	<u>\$0.0646403769</u>	\$0.00029	<u>\$0.0935411196</u>	(I)
B. Rates that are applicable to all other Customers not meeting applicability criteria set forth in Special Condition 5.							
Summer On-peak	<u>\$0.0464504553</u>	0.00221	\$0.00024	<u>\$0.2737510003</u>	\$0.00029	<u>\$0.2926414830</u>	(I)
Winter On-peak	<u>\$0.0624016388</u>	0.00221	\$0.00024	<u>\$0.0856807267</u>	\$0.00029	<u>\$0.4508223929</u>	(I)
Summer/Winter Off-peak	<u>\$0.0294907153</u>	0.00221	\$0.00024	<u>\$0.0646403769</u>	\$0.00029	<u>\$0.0935411196</u>	(I)

5. Distrbtn -Distribution Charges.
6. PPPC – Public Purpose Programs Charge to fund energy efficiency activities and low income assistance programs.
7. PUCRF – Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
8. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate – Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges and Energy Commission Surcharges.

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name
President
 Title

Date Filed April 24, 2012

Decision No. 12-04-026

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

3rd Revised
2nd Revised

CPUC Sheet No. 113
 CPUC Sheet No. 113

SCHEDULE NO. A-2
MEDIUM GENERAL SERVICE

APPLICABILITY

This schedule is applicable to all service where maximum demand is between fifty (50) kilowatts and two hundred (200) kilowatts for any three months during the preceding twelve months and where another schedule is not specifically applicable. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per month \$~~400~~1991.00 (I)

Demand Charge

Per kW of Maximum Demand per month

	<u>Distrbtn Demand¹</u>	<u>Gen⁴ Demand</u>	<u>Total Demand Rate⁷</u>
Winter	\$ 7 <u>347.68</u>	\$ <u>1,330.00</u>	\$ 8,647.68 (I)
Summer	\$ 3 <u>970.00</u>	\$ <u>0.005.00</u>	\$ 3 <u>975.00</u> (I)

	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	<u>Total Energy Rate⁶</u>
Winter	\$ 0.00000 <u>0.1550</u>	\$0.00221	\$0.00024	\$ 0.97373 <u>0.6103</u>	\$0.00029	\$ 0.07647 <u>0.07927</u>
Summer	\$0.00000	\$0.00221	\$0.00024	\$ 0.42047 <u>1.1839</u>	\$0.00029	\$ 0.42294 <u>1.2113</u>

1. Distrbtn - Distribution Charges.
2. PPPC - Public Purpose Programs Charge to fund energy efficiency activities and low income assistance programs.
3. PUCRF - Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen - Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS - Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate - Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges and Energy Commission Surcharges.
7. Total Demand Rate - Sum of generation demand charges and distribution demand charges.

Late Charge

1% on any amount 45 days in arrears from previous billings

Minimum Charge

The per meter, per month Customer Charge

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name

Date Filed April 24, 2012

Decision No. 12-04-026

President
 Title

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

3rd Revised
2nd Revised

CPUC Sheet No. 117
 CPUC Sheet No. 117

SCHEDULE NO. TOU A-2
TIME-OF-USE MEDIUM GENERAL SERVICE

APPLICABILITY

This time-of-use rate schedule is optional for Customers for whom Schedule A-2 is applicable. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE. Service under this schedule is subject to meter availability.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per Billing Month \$~~226.56~~204.00 (I)

Facilities Charge

Per kW of Maximum Demand, per Billing Month \$~~2.597.27~~ (I)

Demand Charges

Per kW of Billing Demand for relevant time-of-use period, per Billing Month:

	<u>Distrbtn Demand¹</u>	<u>Gen⁴ Demand</u>	<u>Total Demand Rate⁷</u>	
Winter				
On-Peak	\$ 4.306.02	\$ 2.220.66	\$ 6.526.68	(I)
Mid-Peak	\$ 0.633.47	\$ 1.330.74	\$ 1.964.21	(I)
Summer				
On-Peak	\$ 1.870.00	\$ 11.2611.75	\$ 13.1311.75	(I)

Energy Charges

Per kWh, per month

	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	<u>Total Energy Rate⁶</u>	
Winter							
On-Peak	\$0.00000	\$0.00221	\$0.00024	\$ 0.0784206618	\$0.00029	\$ 0.0814606892	
Mid-Peak	\$0.00000	\$0.00221	\$0.00024	\$ 0.0782205694	\$0.00029	\$ 0.0809605968	
Off-Peak	\$0.00000	\$0.00221	\$0.00024	\$ 0.0687005154	\$0.00029	\$ 0.0744405428	
Summer							
On-Peak	\$0.00000	\$0.00221	\$0.00024	\$ 0.0780407178	\$0.00029	\$ 0.0807807452	
Off-Peak	\$0.00000	\$0.00221	\$0.00024	\$ 0.0657703546	\$0.00029	\$ 0.0685403820	

1. Distrbtn - Distribution Charges.
2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities and low income assistance programs.
3. PUCRF – Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate – Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges and Energy Commission Surcharges.
7. Total Demand Rate – Sum of generation and distribution demand charges.

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name

Date Filed April 24, 2012

Decision No. 12-04-026

President
 Title

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

4th Revised
3rd Revised

CPUC Sheet No. 120
 CPUC Sheet No. 120

SCHEDULE NO. A-3
LARGE GENERAL SERVICE

APPLICABILITY

This schedule is applicable to three-phase general service, including light and power. This schedule is mandatory for all customers whose monthly maximum demand exceeds two hundred (200) kilowatts for any three months during the preceding twelve months. Customer shall contract for service hereunder for a minimum term of not less than one (1) year. Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule EXPCARE.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per meter, per month \$~~581.84~~632.74 (I)

Facilities Charge

Per kW of Maximum Demand, per month \$3.2480 (I)

Demand Charges

Per kW of Billing Demand for relevant time-of-use period, per month (See Special Condition 6)

	<u>Distrbtn Demand¹</u>	<u>Gen⁴ Demand</u>	<u>Total Demand Rate⁷</u>	
Winter				
On-Peak	\$ <u>3.794.69</u>	\$ <u>1.921.53</u>	\$ <u>5.716.22</u>	(I)
Mid-Peak	\$ <u>0.901.40</u>	\$ <u>1.381.05</u>	\$ <u>2.282.45</u>	(I)
Summer				
On-Peak	\$ <u>2.642.61</u>	\$ <u>11.239.83</u>	\$ <u>13.8712.44</u>	(I)

Energy Charges

	<u>Distrbtn¹</u>	<u>PPPC²</u>	<u>PUCRF³</u>	<u>Gen⁴</u>	<u>ECS⁵</u>	<u>Total Energy Rate⁶</u>	
Winter							
On-Peak	\$0. <u>0000.0151</u>	\$0.0022	\$0.0002	\$0. <u>07264.0600</u>	\$0.0002	\$0. <u>07538.0779</u>	
Mid-Peak	\$0. <u>0000.0129</u>	\$0.0022	\$0.0002	\$0. <u>07410.0613</u>	\$0.0002	\$0. <u>07684.0770</u>	
Off-Peak	\$0. <u>0000.0068</u>	\$0.0022	\$0.0002	\$0. <u>06026.0490</u>	\$0.0002	\$0. <u>06209.0585</u>	
Summer							
On-Peak	\$0. <u>0000.0200</u>	\$0.0022	\$0.0002	\$0. <u>07247.0599</u>	\$0.0002	\$0. <u>07521.0826</u>	
Off-Peak	\$0. <u>0000.0108</u>	\$0.0022	\$0.0002	\$0. <u>05608.0453</u>	\$0.0002	\$0. <u>05882.0585</u>	

1. Distrbtn – Distribution Charges.
 2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities and low income assistance programs.

(Continued)

Advice Letter No. 16-E Issued by Michael R. Smart Date Filed April 24, 2012

Decision No. 12-04-026 Name President Effective April 24, 2012
 Title

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

3rd Revised
2nd Revised

CPUC Sheet No. 124
 CPUC Sheet No. 124

SCHEDULE NO. PA
OPTIONAL INTERRUPTIBLE IRRIGATION SERVICE

APPLICABILITY

This optional schedule is applicable to service for agricultural irrigation for the billing periods March 1 through November 30.

TERRITORY

Entire California Service Area.

RATES

Customer Charge

Per customer, per month \$~~12.36~~13.22(I)

Energy Charges

Per kWh, per month	<u>Distrbtn</u> ¹	<u>PPPC</u> ²	<u>PUCRF</u> ³	<u>Gen</u> ⁴	<u>ECS</u> ⁵	Total Energy Rate ⁶
	\$0. 09245 01064	\$0.00221	\$0.00024	\$0. 07994 07134	\$0.00029	\$0. 08540 08472 (I)

1. Distrbtn – Distribution Charges.
2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities, and low income assistance programs.
3. PUCRF – Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Energy Rate – Sum of distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges and Energy Commission Surcharges.

NOTE: For the billing periods December 1 through the end of February, the billing provisions of Schedule A-1 are applicable.

Late Charge

1% on any amount 45 days in arrears from previous billings.

Minimum Charge

The minimum charge shall be the customer charge

SPECIAL CONDITIONS

1. **Combined Meters.** Except where multiple metering points are provided at the Utility's convenience, meter readings shall not be combined for billing hereunder.
2. **Metering.** This schedule is applicable only to electricity used to pump water for agricultural irrigation, and service under this schedule must be separately metered from non-agricultural loads.
3. **Voltage.** Service hereunder shall be supplied at one standard secondary voltage.

(Continued)

Advice Letter No. 16-E

Issued by
Michael R. Smart
 Name
President
 Title

Date Filed April 24, 2012

Decision No. 12-04-026

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA
 U 933-E Canceling

3rd Revised
 2nd Revised

CPUC Sheet No. 126
 CPUC Sheet No. 126

SCHEDULE NO. ~~SL/OL/OL~~
STREET AND OUTDOOR AND OUTDOOR LIGHTING

APPLICABILITY

This rate is applicable to all classes of customers for lighting outdoor areas, streets, alleys, roads, and highways. Customer-owned lighting applications will be served under the appropriate residential or commercial metered accounts of customers owning their own lighting equipment.

TERRITORY

Entire California Service Area.

RATES

Energy Charges (per lamp per month)

Lamp Type/ Nominal Rating	kWh/ Month	Distrbtn ¹	PPPC ²	PUCRF ³	Gen ⁴	ECS ⁵	Total Rate ⁶
High Pressure Sodium Street Lights:							
5,800 Lumen	29	\$7.02	96068	\$0.06	\$0.0104	\$3.272	81318 \$0.01\$10.3785386 (I)
9,500 Lumen	41	\$7.04	98336	\$0.09	\$0.0104	\$4.133	54072 \$0.01\$11.2863408 (I)
22,000 Lumen	79	\$7.648	62974	\$0.18	\$0.0202	\$7.286	23094 \$0.02\$15.4408068 (I)
High Pressure Sodium Outdoor Lights:							
5,800 Lumen	29	\$5.456	37650	\$0.0606	0.01	\$2.842	42355 \$0.01\$8.348.88005 (I)
9,500 Lumen	41	\$5.586	52860	\$0.0909	0.01	\$3.643	10766 \$0.01\$9.309.74626 (I)
16,000 Lumen	67	\$5.846	79770	\$0.15	0.02	\$5.354	58275 \$0.02\$14.3511.57045 (I)
22,000 Lumen	85	\$6.497	24230	\$0.19	0.02	\$6.605	66321 \$0.02\$13.0213.13551 (I)

1. Distrbtn – Distribution Charges.
2. PPPC – Public Purpose Programs Charge to fund energy efficiency activities, and low income assistance programs.
3. PUCRF –Public Utilities Commission Reimbursement Surcharge that is described in Schedule No. RF.
4. Gen – Generation Charges which are applicable only to bundled service customers. Includes an Energy Cost Adjustment Clause billing factor that is described in Part 6 of the Preliminary Statement.
5. ECS – Energy Commission Surcharge that is established by the California Energy Commission.
6. Total Rate – Sum distribution charges, public purpose programs charges, PUC reimbursement surcharges, generation charges, and Energy Commission Surcharges.

Issued by
 Advice Letter No. 16-E Michael R. Smart Date Filed April 24, 2012
 Name
 Decision No. 12-04-026 President Effective April 24, 2012
 Title
 Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
SOUTH LAKE TAHOE, CALIFORNIA
U 933-E Canceling

3rd Revised
2nd Revised

CPUC Sheet No. 126
CPUC Sheet No. 126

Special Charges

In addition to the above energy charges, the following special charges are applicable per month:

Street Light

New Wood Pole	\$ <u>5.4753</u> Per Pole
New Metal Pole (under 22,000 Lumen)	<u>7.249</u> Per Pole
New Metal Pole (22,000 Lumen)	<u>7.6675</u> Per Pole
Underground Service	<u>3.740</u> Per Standard Installation of up to 130 ft.

Outdoor Light

<u>New Wood Pole</u>	<u>\$ 5.91 Per Pole</u>
<u>New Metal Pole (under 22,000 Lumen)</u>	<u>7.80 Per Pole</u>
<u>New Metal Pole (22,000 Lumen)</u>	<u>8.29 Per Pole</u>
<u>Underground Service</u>	<u>4.00 Per Standard Installation of up to 130 ft.</u>

(Continued)

Advice Letter No. 16-E Issued by Michael R. Smart
Name
Decision No. 12-04-026 President
Title

Date Filed April 24, 2012

Effective April 24, 2012

Resolution No. _____

CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
 SOUTH LAKE TAHOE, CALIFORNIA

Canceling 1st Revised CPUC Sheet No. 128
Original CPUC Sheet No. 128

SCHEDULE NO. SL/OL
STREET AND OUTDOORLIGHTING SCHEDULE NO. SL/OL
STREET AND OUTDOOR LIGHTING
 (Continued)

SPECIAL CONDITIONS

1. Service hereunder is for dusk-to-dawn burning hours of approximately four thousand one hundred (4,100) hours per year.
2. Utility shall not be required to make investments in new installations in excess of the following:

<u>Lamp Size</u>	<u>(a) Existing Pole</u>	<u>(b) New Wood Pole</u>	<u>(c) New Metal Pole</u>
5,800 Lumen	\$325	\$400	\$625
9,500 Lumen	350	450	650
22,000 Lumen	400	500	1,015

Costs in excess of the above amounts shall be paid by the customer on a non-refundable basis.

3. Relocation of existing lights will be done by the Utility upon customer's request provided the customer reimburses the Utility for net expenses incurred.
4. Billing.
 - A. Bundled Service Customers receive supply and delivery services solely from the Utility. The customer's bill is based on the Total Energy Rate set forth above. The energy supply component is determined by multiplying the offset rate for Schedule D-1 during the last month by the customer's total usage.
 - B. Direct Access Customers purchase energy from an energy service provider and continue receiving delivery services from CalPeco. The energy supply component is determined as specified for a Bundled Service Customer. The bill will be calculated as for a Bundled Service Customer, but the customer will receive a credit for the energy supply component. If the energy supply component is greater than the amount of the Bundled Service bill, the minimum bill for a Direct Access Customer is zero.

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Advice Letter No. 1-E Issued by Bob Dodds Date Filed November 23, 2010
Name
 Decision No. 10-10-017 President and CEO Effective January 1, 2011
Title
 Resolution No. _____

APPENDIX B

**CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
GENERAL RATE CASE - A.12-02-014
REVENUE COMPARISON
In \$ 000's**

Ln No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	Ln No
					Increase / (Decrease) from GRC Settlement					
			PTAM Impact Increase / (Decrease)	Present Rate Post-PTAM (b)+(c)	Base Rate (2)	ECAC	Net (e)+(f)	GRC Settlement	Percentage Change GRC Settlement to Present Post-PTAM (g)/(d)	
1	Base Revenues	\$ 25,576 (3)	\$ 279 (6)	\$ 25,855	\$ 12,197		\$ 12,197	\$ 38,050	47.2%	1
2										2
3	ECAC & ECAC Amortization Revenue	\$ 48,700 (4)		\$ 48,700		\$ (8,787)	\$ (8,787)	\$ 39,915 (7)	-18.0%	3
4										4
5	Total Operating Revenues	<u>\$ 74,276 (5)</u>	<u>\$ 279</u>	<u>\$ 74,555</u>	<u>\$ 12,197</u>	<u>\$ (8,787)</u>	<u>\$ 3,410</u>	<u>\$ 77,965 (8)</u>	<u>4.6%</u>	5
6										6
7										7
8										8
9	<u>Base Revenue Reconciliation</u>									
10										10
11	PTAM increase, column (c)			\$ 279						11
12	Base Rate Increase, column (e)			\$ 12,197						12
13				\$ 12,476						13
14	Rounding			(1)						14
15	Incremental Base Rate Revenue Increase from Filing			<u>\$ 12,475</u>						15
16										16
17										17
18	<u>ECAC & ECAC Amortization Revenue Reconciliation</u>									
19										19
20	Filing					\$ 48,700				20
21	GRC Settlement Decrease					\$ (8,787)				21
22	Rounding					2				22
23	GRC Settlement					<u>\$ 39,915</u>				23
24										24
25										25
26	(1) Sales Revenue per Exhibit H to Settlement agreement and Other Operating Revenues and Revenue Credits noted on page 206 of 243, Phase I, Volume 2 of 3									
27	(2) Includes Vegetation Management Program revenues									
28	(3) GRC Settlement Agreement, Exhibit A, page 1 Col (d), In 6									
29	(4) GRC Settlement Agreement, Exhibit A, page 1 Col (c), In 6									
30	(5) GRC Settlement Agreement, Exhibit A, page 1 Col (b), In 6									
31	(6) GRC Settlement Agreement, Exhibit A, page 2 Col (c), In 1; see also D.12-04-026, at 4.									
32	(7) GRC Settlement Agreement, Exhibit A, page 1 Col (g), In 2									
33	(8) GRC Settlement Agreement, Exhibit A, page 1 Col (h), In 6									