



# Business Connection

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Southern California Edison Company  
 P.O. Box 800  
 2244 Walnut Grove Avenue  
 Rosemead, CA 91770  
 Atención: Comunicaciones Corporativas

**SOUTHERN CALIFORNIA EDISON'S (SCE)  
 NOTIFICATION OF TEST YEAR 2011 GENERAL RATE CASE (GRC)  
 APPLICATION FILING REGARDING PROPOSED INCREASE IN WATER RATES  
 APPLICATION NO. A.10-11-009**

In compliance with the California Public Utilities (CPUC or Commission) and Commission guidance, Southern California Edison Company (SCE) has filed a general rate case (GRC) application for a test year 2011 for an increase to rates for water service for Santa Catalina Island. The Application filing requests the Commission to authorize a water rate base revenue requirement of \$7.222 million, or 82.9 percent over the current total base rates. This represents an increase of \$3.274 million over current total rate base which, if approved by the CPUC, will be effective in rates January 1, 2011, or the date the Commission issues a resolution. Base rate revenues pay for the costs of owning and operating water distribution facilities on Santa Catalina Island. This application will also include a request for rate recovery for undercollected balances in the Purchased Power Expense and Catalina Water Alternate Rates for Energy (CARE) Memorandum Accounts totaling \$194,000 through September 30, 2010.

This Application is necessary to set authorized base revenues for services rendered beginning January 1, 2011. The substantive reasons supporting revenue levels SCE requests in its test year 2011 GRC Application are detailed in the prepared testimony and workpapers supporting this request. SCE has made this request to continue to provide safe and reliable service to its customers. Some of the key reasons for the requested revenue increase include:

1. SCE made substantial capital investments to replace aging and/or damaged water pumping, transmission, and distribution infrastructure.
2. SCE is facing increased operations and maintenance expenses related to maintaining the infrastructure of the Catalina water system, which is a complex system serving approximately 2,000 customers spread out all over the island.
3. SCE's request includes an allocation of a small percentage of SCE Administrative and General overhead to Catalina Water rates.

The proposed increased revenue requirement increase over currently authorized base revenues is \$3.274 million. The following table below (Table I) shows an itemization of the major components of SCE's request.

**Table I: 2011 Water GRC**

Line No.	Item	Retail At Present Rates	Retail At Proposed Rates	Change
01.	<b>TOTAL OPERATING REVENUES</b>	3,948	7,222	3,274
02.	<b>OPERATING EXPENSES:</b>			
03.	Production			
04.	Other	2,428	2,428	-
05.	Subtotal Production	2,428	2,428	-
06.	Uncollectibles 1/	9	17	7
07.	Administrative & General 2/	674	674	-
08.	Franchise Requirements 1/	39	72	33
09.	Revenue Credits	(154)	(154)	-
10.	Subtotal	2,996	3,036	40
11.	Escalation	157	157	-
12.	Depreciation	774	774	-
13.	Taxes Other Than On Income	282	282	-
14.	Taxes Based On Income	(462)	889	1,351
15.	Total Taxes	(180)	1,171	1,351
16.	<b>TOTAL OPERATING EXPENSES</b>	3,747	5,139	1,391
17.	<b>NET OPERATING REVENUE</b>	201	2,083	1,883
18.	<b>RATE BASE</b>	23,808	23,808	-
19.	<b>RATE OF RETURN</b>	0.84%	8.75%	

1/ SCE is requesting the Commission to adopt the currently authorized rate of 1% for Franchised Fees paid to the City of Avalon, and 0.229% for uncollectible expenses.  
 2/ Includes an allocation of administrative and general expenses from total SCE A&G expenses.

Date	Location	Topic	Table II: Proposed Rate Revenues									
August 12	AgTAC, Tulare	Intermediate eQUEST: "Detailed Design"	Proposed Rate Revenues (\$)									
		Meter / Pipe Size >>> 5/8 in.	3/4 in.	1 in.	1.5 in.	2 in.	3 in.	4 in.	6 in.	8 in.	Total	
August 17	AgTAC, Tulare	Lighting for Architecture and Interiors (New Class)	30,327	174,725	70,526	144,452	0	0	0	0	2,643,474	
	Residential-Dual		3,619	0	178,527	56,197	132,389	0	0	0	370,732	
	Residential-CARE		283,448	0	0	0	0	0	0	0	283,448	
August 24	CTAC, Inyokern	Overcoming Objections to Energy Efficiency Investments	902	0	1,803	0	0	0	0	0	2,705	
	Residential-Dual		3,008	0	3,077	0	0	0	0	0	62,485	
	Residential-Dual		0	0	2,119	0	0	0	0	0	2,119	
	Residential-Multi		7,809	0	154,367	113,968	140,620	0	0	0	416,765	
	Commercial		512,361	0	555,689	468,895	1,419,604	64,257	0	8,112	17,343	3,046,260
	Commercial-CARE		444	0	0	0	0	0	0	0	444	
	Irrigation		145,525	0	24,904	41,366	115,868	3,588	0	0	331,251	
	Private Fire Protection*		0	157	608	1,893	9,738	3,016	38,975	5,110	2,533	62,029
	<b>Total</b>		<b>3,236,960</b>	<b>30,485</b>	<b>1,095,819</b>	<b>752,845</b>	<b>1,962,670</b>	<b>70,860</b>	<b>38,975</b>	<b>13,221</b>	<b>19,876</b>	<b>7,221,712</b>

\* Private Fire Protection is based on pipe size.

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If the Commission were to allocate the increase in annual revenues shown in Table I on a System Average Percentage Change (SAPC) basis, the impact on each customer group would be as shown in Table III below.

**Table III: Average Bill Impact Analysis**

Current Rates Average Monthly Bill – \$										
Meter / Pipe Size >>>	5/8 in.	3/4 in.	1 in.	1.5 in.	2 in.	3 in.	4 in.	6 in.	8 in.	Total
Residential	68	134	167	625	563					77
Residential-Dual	65		132	290	800					207
Residential-CARE	62									62
Residential-CARE-Dual	34		72							53
Residential-DE	71		57							70
Residential-DE-Dual			82							82
Residential-MM	122		701	274	1,000					489
Commercial	149		530	1,510	1,723	1,042		401	865	594
Commercial-CARE	22									22
Irrigation	214		179	854	1,967	177				372
Private Fire Protection*			12	16	22	46	62	103		45
Average	81	120	297	735	1,077	478	62	171	488	170

Proposed Rates Average Monthly Bill – \$											
Meter / Pipe Size >>>	5/8 in.	3/4 in.	1 in.	1.5 in.	2 in.	3 in.	4 in.	6 in.	8 in.	Total	Percent Change
Residential	157	311	387	1,444	1,315					178	131%
Residential-Dual	148		281	658	1,808					453	119%
Residential-CARE	142									142	131%
Residential-CARE-Dual	74		148							111	109%
Residential-DE	168		126							165	135%
Residential-DE-Dual			174							174	112%
Residential-MM	320		1,807	718	2,880					1,313	168%
Commercial	268		817	2,102	2,387	1,512		764	1,633	877	48%
Commercial-CARE	42									42	94%
Irrigation	343		335	1,298	2,727	338				567	53%
Private Fire Protection*			17	23	30	63	85	142		62	37%
Average	176	278	546	1,191	1,645	701	85	284	879	312	83%

\* Private Fire Protection is based on pipe size.

**THE CPUC WELCOMES YOUR PARTICIPATION AND COMMENTS** The CPUC may hold evidentiary hearings whereby formal parties of record provide testimony and are subject to cross-examination before a CPUC Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record may participate. The CPUC has its own court reporters who will record the comments of those formal parties of record participating in the evidentiary hearings. After considering all proposals and evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision. When the CPUC issues a final decision on the application, it may adopt, amend, or modify all or part of the ALJ's proposed decision as written. The CPUC's decision may be different than SCE's request.

The Division of Ratepayer Advocates (DRA) is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state to obtain the lowest possible rates for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering.

**CPUC PROCESS** You may submit written comments to the CPUC's Public Advisor's Office at the address or e-mail shown below. Please state that you are writing concerning SCE's application A.10-11-009. Your comments will become a part of the formal correspondence file for public comment in this proceeding. The Public Advisor's Office will circulate your comments to the five Commissioners, the ALJ, DRA, and to CPUC staff assigned to this proceeding. You may also write to the CPUC if you need advice on how to participate in this proceeding, or would like to receive further notices regarding the date, time, and place of any hearing on SCE's Application. You may also review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770). Finally, you may also review a copy of this Application and related exhibits at the CPUC's main office in San Francisco, listed below.

The Public Advisor California Public Utilities Commission 320 West Fourth Street, Suite 500 Los Angeles, CA 90013 Or by e-mail: <a href="mailto:Public.Advisor.la@cpuc.ca.gov">Public.Advisor.la@cpuc.ca.gov</a>	California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102
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**FOR FURTHER INFORMATION FROM SCE** As noted above, you may review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770). You may also view these materials at the following SCE business offices:

1 Pebbly Beach Rd. Avalon, CA 90704	30553 Rimrock Rd. Barstow, CA 92311	374 Lagoon St. Bishop, CA 93514	505 W. 14th Ave. Blythe, CA 92225
3001 Chateau Rd. Mammoth Lakes, CA 93546	510 S. China Lake Blvd. Ridgecrest, CA 93555	26364 Pine Ave. Rimforest, CA 92378	41694 Dinkey Creek Rd. Shaver Lake, CA 93664
421 W. J St. Tehachapi, CA 93561	120 Woodland Dr. Wofford Heights, CA 93285	6999 Old Woman Springs Rd. Yucca Valley, CA 92284	

Customers with Internet access may view and download SCE's application and the papers supporting it on SCE's Web site, [www.sce.com/applications](http://www.sce.com/applications). Anyone who would like to obtain more information about the application, please write to:

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Attention: Case Administration

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