

### **Business** Connection

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### Pump Test Results Get to Heart of Energy Savings for Tulare Farm

In 2011, SCE will mark 100 years of offering pump testing services to customers through one of the largest and longest-running pump-related energy efficiency programs in the nation. Benefits of SCE's pump testing services may include:

- Increased energy efficiency;
- Reduced costs; and
- Improved system efficiency.

Over the years, SCE's services have evolved to incorporate the latest in fluid flow and electronic measurement instrumentation to test thousands of pumps annually in conformance with pumping standards established by the American Water Works Association.

#### Pump Testing: A Money-Saving Solution

"Our pumps are as important to our farm as a heart is to a person. How we measure and monitor those is obviously very important. When you get a single pump test, it's one snapshot. What's essential is to test over time to see trends. That's helpful in diagnosing what might be wrong and how to fix it."

Mark Watte, owner/partner of the George Watte & Sons farm, speaks of the value of Southern California Edison's (SCE) free pump testing services. George Watte & Sons dates to the late 1950s, when Mark's father and uncle bought their first properties and began farming. In the mid-1980s, Mark, his brother, Brian, and their father formed a partnership to operate the farm together. A few years later, their father retired and the brothers took over the business.

Today the brothers own, lease and farm about 4,000 acres, plus harvest approximately 300 acres of trees, and milk about 1,800 cows in the farm's dairy. On average, Mark says, canal water meets about half of the crops' water needs, with the rest depending on water pumped from below ground. For those crops, the farm relies on 42 pumps, which Mark says probably account for about 90 percent of its energy use.

The farm uses SCE's pump testing services to check the efficiency of each of its pumps every other year. Though some utilities outsource this function, Mark values the availability of SCE's in-house services.

"I feel like SCE employees are much more thorough and caring about having it done right," he says. "It's expensive to pull pumps, and there's no opportunity for visual inspection. It's all about the measurements. When I get the results of an SCE pump test, I feel it's absolutely done right."

#### **Energy Savings of 30 Percent to 40 Percent**

Mark points to an example of a pump tested in 2006. The results showed an overall plant efficiency of 41.1 percent, with a kilowatt per acre-foot requirement of 309 and a gallons-per-minute production of 583. Based on the results, Mark discovered that the pump's bowl was worn out, so he replaced it.

SCE came back the following month to recheck the pump, and its efficiency had gone to 65.2 percent – generally in the range for a new, highly efficient pump – with a kilowatt per acre-foot requirement of 207. The pump's gallons-per-minute production had almost doubled to 1,117.

Mark estimates that the energy savings added up to about \$17 per acre-foot, or 30 percent to 40 percent. "The payback was right away," he says.

SCE's free pump testing services determine the overall "wire-to-water" efficiency of a pumping plant by analyzing the water level in a well during pumping, discharge flow rates, and power input to the pump motor. These measurements of pump performance in progress allow customers to track pumping plant efficiency and determine when maintenance or overhaul will be cost-effective.

To learn more about SCE's hydraulic pump test products and services, as well as other energy management solutions for agricultural properties, visit <a href="https://www.sce.com/emsagriculture">www.sce.com/emsagriculture</a>, contact your account representative or call one of the phone numbers below:

San Joaquin Valley – (800) 634-9175 Ventura/Antelope Valley – (800) 338-8502 Los Angeles – (909) 820-5333

To schedule a pump test, log onto www.sce.com/pumptest.

This case study is provided for your general information and is not intended to be a recommendation or endorsement of any particular product or company. Funding for this case study is provided by California utility customers and administered by SCE under the auspices of the California Public Utilities Commission.

#### Para solicitar una copia de esta notificación en español por favor escriba a la atención de Corporate Communications

Southern California Edison Company 2244 Walnut Grove Avenue Rosemead, CA 91770

# NOTICE OF SOUTHERN CALIFORNIA EDISON (SCE) COMPANY PROPOSED GENERAL RATE CASE APPLICATION FILING IMPORTANT INFORMATION ABOUT SCE'SPROPOSED RATE INCREASE Application (A.) 10-11-015

On November 23, 2010, Southern California Edison Company (SCE) filed a proposed General Rate Case (GRC) Application with the California Public Utilities Commission (CPUC) requesting authority to collect base rate (non-fuel) revenues of \$6.285 billion. The proposed application seeks authority to have the rates become effective January 1, 2012. Every three years, SCE is required to file a GRC in which the CPUC sets annual revenue levels. Annual revenue is the total amount of money a utility collects through rates in a given year for specific purposes. Base rate revenues pay for the costs of owning and operating electric distribution and generation facilities (excluding fuel and purchased power).

#### THE KEY REASONS FOR SCE'S PROPOSED INCREASE

SCE has made this request to continue providing safe and reliable service to its customers. The primary reasons for the requested revenue increase are:

- 1. To connect new customers to the system and respond to customer requests, such as undergrounding projects.
- 2. To reinforce and upgrade the electric system to accommodate load growth.
- 3. To continue SCE's multi-year capital investment program to replace aging distribution infrastructure and business systems.
- 4. To meet increased costs for Information Technology (IT) systems such as protection from cyber security threats to electric system assets.
- 5. To make a substantial contribution to the employee and retiree pension fund to address the losses in financial markets over the past few years.

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#### WHAT THIS PROPOSED GRC APPLICATION MEANS TO YOU

If the CPUC approves the application, SCE's request would result in a \$866 million, or 7.55 percent, increase over currently authorized total revenues (or a 16.19 percent increase in base rate revenues). SCE's application also proposes estimated base rate revenue increases of \$246 million in 2013 and \$527 million in 2014. The actual increases in 2013 and 2014 will be determined by the CPUC prior to the beginning of each year. SCE is making this request now because the CPUC requires utilities to file a GRC Application approximately one year before the effective date of the proposed rate change.

If SCE allocates this proposed increase in 2012 revenues based upon the most recent approved methodology, the impact on each customer group would be as shown in Table 1. below:

TABLE I: Estimated Impact of This Request on Customer Rates									
Customer/Rate Group	2010 Generation Allocator	2010 Distribution Allocator	PRR Total Revenue (\$000) w/2012 Sales Forecast	2011 Base Rate Revenues	2012 GRC Gen Rev. Change (\$000)	2012 GRC Dist Rev. Change (\$000)	2012 GRC Total Rev. Change (\$000)	Total 2012 Revenues (\$000)	% Increase over Total Revenues
Domestic Light-Small & Medium Pwr Large Power Agricultural & Pumping	21.6% 3.5%	11.6% 3.2%	4,276,459 2,195,789 398,103	2,076,631 1,994,502 1,024,096 185,672	68,248 11,054	17,730	393,146 308,663 131,941 28,785	4,585,122 2,327,730 426,887	8.83% 7.22% 6.01% 7.23%
Street and Area Lighting Total	0.6% 100.0%	0.3%	141,727 11,464,632	66,100 5,347,000	,	, -	3,356 865,890	145,083 12,330,522	2.37% 7.55%

EFFECTS OF SCE PROPOSALS ON BILLS OF TYPICAL RESIDENTIAL CUSTOMERS									
Customer Service	Average Monthly Usage	Current Proposed Monthly Bill Monthly Bill		Change in Bill	Percent Change				
Non-CARE	652 kWh	\$ 120.14	\$ 132.64	\$ 12.50	10.04%				
CARE	513 kWh	\$ 58.52	\$ 61.20	\$ 2.69	4.6%				
Total Residential	612 kWh	\$ 102.35	\$ 112.02	\$ 9.67	9.4%				

#### FOR FURTHER INFORMATION FROM SCE

You may also view a copy of the application at SCE's website: <a href="www.sce.com/grc">www.sce.com/grc</a>, or by writing to SCE at the Rosemead mailing address below. You may also review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770), at the Los Angeles Office of the CPUC at the address shown above, or at the following SCE business offices:

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

For further information from SCE regarding this Application, please write to: Southern California Edison Company

2244 Walnut Grove Avenue Rosemead, CA 91770 Attention: Russell G. Worden General Rate Case Project Manager

#### THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) will review this application. The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings whereby parties of record present their proposals in 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 parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of SCE's request, amend or modify it, or deny the application. The CPUC's final decision may be different from SCE's proposed application.

#### PUBLIC COMMENTS AND OPINIONS ARE IMPORTANT TO THE CPUC

As part of its decision-making process, the CPUC is interested in your public comments or opinions on any aspect of the company's operations, including proposed rates, service quality or any other issue of concern. If you are writing a letter or sending an e-mail to the Public Advisior's Office regarding this proposed application, please refer to the application number. All comments will be circulated to the Commissioners, the assigned ALJ, and other line Divisions working on this GRC. Please send all e-mails or written correspondence regarding your comments and opinions to the address listed below:

The Public Advisor's Office California Public Utilities Commission 320 West Fourth Street, Suite 500 Los Angeles, CA 90013

Or by E-mail: Public.Advisor.la@cpuc.ca.gov

All written correspondence and e-mails are provided to the assigned Administrative Law Judge, Commissioners, and other appropriate CPUC staff. All public comments are also provided to the CPUC's Formal Files Office as part of the formal public comment file for this proceeding.



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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.	TOTAL OPERATING REVENUES	3,948	7,222	3,274
02.	OPERATING EXPENSES:			
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.	TOTAL OPERATING EXPENSES	3,747	5,139	1,391
17.	NET OPERATING REVENUE	201	2,083	1,883
18.	RATE BASE	23,808	23,808	_
19.	RATE OF RETURN	0.84%	8.75%	

#### Table II: Proposed Rate Revenues

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.

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
Residential	2,223,443	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	0	370,732
Residential-CARE	283,448	0	0	0	0	0	0	0	0	283,448
Residential-CARE-Dual	902	0	1,803	0	0	0	0	0	0	2,705
Residential-DE	59,408	0	3,077	0	0	0	0	0	0	62,485
Residential-DE-Dual	0	0	2,119	0	0	0	0	0	0	2,119
Residential-Multifamily	7,809	0	154,367	113,968	140,620	0	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	0	444
Irrigation	145,525	0	24,904	41,366	115,868	3,588	0	0	0	331,251
Private Fire Protection*	0	157	608	1,893	9,738	3,016	38,975	5,110	2,533	62,029
Total	3,236,960	30,485	1,095,819	752,845	1,962,670	70,860	38,975	13,221	19,876	7,221,712

<sup>\*</sup> 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%

<sup>\*</sup> 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.

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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: Public.Advisor.la@cpuc.ca.gov California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

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:

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Avalon, CA 90704	Barstow, CA 92311	Bishop, CA 93514	Blythe, CA 92225	
3001 Chateau Rd. Mammoth	510 S. China Lake Blvd.	26364 Pine Ave.	41694 Dinkey Creek Rd.	
Lakes, CA 93546	Ridgecrest, CA 93555	Rimforest, CA 92378	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, <u>www.sce.com/applications</u>. Anyone who would like to obtain more information about the application, please write to:

Southern California Edison Company P.O. Box 800 2244 Walnut Grove Avenue Rosemead, CA 91770 Attention: Case Administration

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