

PRELIMINARY STATEMENT

Sheet 1

I. Charge Ready Program Balancing Account (CRPBA)

1. Purpose

The purpose of the Charge Ready Program Balancing Account (CRPBA) is to record the actual incremental operations and maintenance (O&M) expense and capital-related revenue requirements associated with Phase 1 and Bridge Funding of the Charge Ready Program (CRP) and Market Education Program. Pursuant to D.16-01-023 and D.18-12-006, separate sub-accounts are established in the CRPBA to ensure that SCE will only recover a Phase 1 revenue requirement associated with up to \$22 million (\$2014) and a Bridge Funding revenue requirement associated with up to \$22 million (\$2014) in direct capital expenditures and O&M in the CRPBA.

2. Operation of the CRPBA

Monthly entries to each of the CRPBA sub-accounts shall be determined as follows: (N)

Phase 1 Sub-Account (N)

a. A debit entry equal to SCE's recorded incremental O&M expenses associated with Phase 1 of the CRP. O&M expenses may include incremental SCE labor, Charge Ready Education & Outreach, Phase 1 Market Education and Transportation Electrification Advisory Services, and Charging Station rebates;

b. A debit entry equal to SCE's recorded incremental capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with Phase 1 of the CRP. Capital-related expenses may include utility and customer side installation costs, such as transformer upgrades, service drops, trenching and panel changes; and.

c. A credit entry to transfer the monthly balance to the distribution sub-account of the Base Revenue Requirement Balancing Account (BRRBA).

Bridge Funding Sub-Account:

a. A debit entry equal to SCE's recorded incremental O&M expenses associated with Bridge Funding of the CRP. O&M expenses may include incremental SCE labor, Charge Ready Education & Outreach, Phase 1 Market Education and Transportation Electrification Advisory Services, and Charging Station rebates;

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(To be inserted by utility)

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Issued by

Caroline Choi
Senior Vice President

(To be inserted by Cal. PUC)

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 Resolution _____

PRELIMINARY STATEMENT

Sheet 2

(Continued)

I. Charge Ready Program Balancing Account (CRPBA) (Continued)

- b. A debit entry equal to SCE's recorded incremental capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with Bridge Funding of the CRP. Capital-related expenses may include utility and customer side installation costs, such as transformer upgrades, service drops, trenching and panel changes; and (N)
- c. A credit entry to transfer the monthly balance to the distribution sub-account of the Base Revenue Requirement Balancing Account (BRRBA). (N)

The \$22 million Phase 1 and \$22 million Bridge Funding spending caps are based on 2014 direct capital expenditures and O&M expenses and refers to project-related spend, controllable by program managers. When recording the revenue requirements in the CRPBA, SCE will include provisions for overhead loadings on direct labor dollars to account for payroll taxes based on authorized 2015 GRC loading factor rates. However, Pensions, Post-Employment Benefits Other Than Pensions (PBOPs), and medical, dental and vision labor loadings will not be recorded in the CRPBA since these are recovered through separate balancing accounts. (L)(N)

3. Disposition

The CRPBA balance shall be transferred on a monthly basis to the distribution sub-account in the BRRBA. Interest expense shall not be recorded in the CRPBA since the monthly activity is transferred to the BRRBA. SCE will not record any revenue requirements related to the \$22 million (2014\$) Phase 1 and \$22 million Bridge Funding expenditures that may exceed those caps in the CRPBA. SCE is authorized to record in the CRPBA until its Phase 1 and Bridge Funding budgets, up to the caps, are expended. (N)

4. Review Procedures

SCE is authorized to fully recover in distribution rates the costs of Phase 1 and Bridge Funding of the Charge Ready Program, up to the \$22 million (2014\$) caps for each sub-account. As required by Ordering Paragraph No. 6 of D.16-01-023, the entries recorded in the CRPBA will be reviewed in SCE's annual April 1 ERRR Review proceeding to ensure the entries are stated correctly and are consistent with D.16-01-023. (N)

(Continued)

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