RR.  NEW SYSTEM GENERATION BALANCING ACCOUNT (NSGBA)

The purpose of the New System Generation Balancing Account (NSGBA) is to record the benefits and costs of Power Purchase Agreements (PPAs) and SCE owned peaker generation unit associated with new generation resources pursuant to D. 07-09-044, D.06-07-029, and D.09-03-031, and the Sutter PPA pursuant to Resolution E-4471. Sub-accounts shall be established in the NSGBA for each PPA associated with a new generation resource.

1. Definitions:

a. Authorized Peaker Generation Revenue Requirement

2009 APGRR ($000): $63,643
Effective: January 1, 2009:

2010 APGRR ($000) $66,348
Effective January 1, 2010

2011 APGRR ($000) $69,234
Effective January 1, 2011

2012 APGRR ($000) $64,593
Effective January 1, 2012*

2013 APGRR ($000) $58,736
Effective January 1, 2013*

2014 APGRR ($000) $61,070
Effective January 1, 2014*

2014 APGRR ($000) $76,337
Effective July 1, 2014*

2015 APGRR ($000) $57,905
Effective January 1, 2015

2016 APGRR ($000) $57,635
Effective January 1, 2016

2017 APGRR ($000) $56,525
Effective January 1, 2017

2018 APGRR ($000) $56,938 (N)
Effective January 1, 2018

2019 APGRR ($000) $56,639 (N)
Effective January 1, 2019

*Revenue requirements before revision in August 2014 were $64,730 thousand for 2012, $58,838 thousand for 2013 and $ 61,054 thousand for 1/1/2014 and $76,318 thousand for 7/1/2014.
RR. NEW SYSTEM GENERATION BALANCING ACCOUNT (NSGBA) (CONTINUED)

1. Definitions:
   b. Monthly Distribution Percentages (MDPs)

   MDPs are the estimated monthly billed and unbilled distribution rate revenues as a percentage of annual New System Generation Charge (NSGC) revenues.

   NSGC MDPs:

<table>
<thead>
<tr>
<th>Month</th>
<th>MDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>8.25%</td>
</tr>
<tr>
<td>February</td>
<td>7.46%</td>
</tr>
<tr>
<td>March</td>
<td>7.94%</td>
</tr>
<tr>
<td>April</td>
<td>7.41%</td>
</tr>
<tr>
<td>May</td>
<td>7.53%</td>
</tr>
<tr>
<td>June</td>
<td>8.28%</td>
</tr>
<tr>
<td>July</td>
<td>9.14%</td>
</tr>
<tr>
<td>August</td>
<td>9.65%</td>
</tr>
<tr>
<td>September</td>
<td>9.64%</td>
</tr>
<tr>
<td>October</td>
<td>8.84%</td>
</tr>
<tr>
<td>November</td>
<td>7.77%</td>
</tr>
<tr>
<td>December</td>
<td>8.09%</td>
</tr>
</tbody>
</table>

   Total 100.00%

   c. Franchise Fees and Uncollectibles Accounts Expense:

   Franchise Fees and Uncollectibles Accounts Expense (FF&U) shall be the CPUC-authorized rate derived from SCE’s most recent General Rate Case (GRC) decision to provide for Franchise Fees and Uncollectibles accounts expense.
RR. NEW SYSTEM GENERATION BALANCING ACCOUNT (NSGBA) (Continued)

2. Entries to the NSGBA shall be made as follows:
   a. A debit entry equal to the monthly amount of the APGRR calculated by multiplying the applicable MDP (as determined above) to the annual APGRR, less a provision for FF&U.
   b. Credit and debit entries to record the net revenues associated with the SCE-owned peaker generation units, pursuant to D.06-07-029, D.07-09-044, D.09-03-031, and D.11-05-005, including:
      1. Debit entry to record the SCE-owned peaker generation units fuel costs;
      2. Credit entry to record the SCE-owned peaker generation units energy and ancillary service revenues; and
      3. Credit (or debit) entry to record the net revenues associated with the SCE-owned peaker generation units recorded in the NSGBA account and the net revenues as calculated using the Joint Party Proposal (JPP) Proxy method established in D.07-09-044.
   c. A debit entry to record costs associated with PPA contracts, including:
      1. Capacity and energy costs, including QF/CHP Program contracts that are eligible for net capacity cost recovery;
      2. Applicable energy and fuel costs, and
   d. Credit entries to record:
      1. Energy and ancillary service revenues during periods in which the generating facility is not subject to an energy auction contract; or
      2. Recorded billed and unbilled revenue from a non-bypassable wires charge applicable to all benefiting customers.¹
      3. Energy revenues for QF/CHP Program contracts that are eligible for net capacity cost recovery.
   e. One-time transfer of amounts recorded in the New System Generation Memorandum Account, consistent with Resolution E-4115.
   f. A debit or credit entry to record the monthly transfer from the NSG Sub-account of the Local Capacity Requirements Products Balancing Account (LCRPBA).
   g. A debit entry to record the annual December 31st transfer from the Aliso Canyon Energy Storage Balancing Account (ACESBA).
   h. A credit (or debit) entry to record the difference between the net capacity costs recorded in the NSGBA account and the net capacity costs as calculated using the Joint Party Proposal (JPP) Proxy method established in D.07-09-044.

¹ “Benefiting customers” are defined in D.06-07-029 as all Bundled Service Customers, Direct Access Customers, Community Choice Aggregation Customers, and customers who are located or locate within the distribution territory of an investor-owned utility but take service from a local publicly-owned utility subsequent to the date that the new generation goes into service.
RR. NEW SYSTEM GENERATION BALANCING ACCOUNT (Continued):

2. Entries to the NSGBA shall be made as follows: (Continued)
   
   h. A debit entry to record GHG-compliance and locational adder costs associated with
      PPA contracts procured under Assembly Bill 1613, pursuant to D.09-12-042. (N)
   
   i. A debit entry to record capacity replacement costs, pursuant to D.14-06-050. (N)

   Interest expense shall accrue monthly by applying an applicable interest rate to the average
   monthly NSGBA balance. (L)

   The interest rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper
   Rate – Non-financial, from the Federal Reserve Statistical Release H.15. If in any month a non-
   financial rate is not published, SCE shall use the Federal Reserve three-month Commercial
   Paper Rate – Financial. (L)

New System Generation Rate Level Changes:

SCE shall update its New System Generation rate levels to reflect the most current
Commission-adopted revenue requirements in its May Energy Resource Recovery Account
(ERRA) Forecast application. The balance forecast to be recorded in the NSGBA (either
over-collected or under-collected on December 31 of the current year), plus an amount for
Franchise Fees & Uncollectibles (FF&U), shall be included in the New System Generation
revenue requirement to either be returned to, or recovered from, SCE’s retail electric
customers in New System Generation rate levels. Prior to implementing consolidated
Commission-authorized revenue requirements and rate levels, the NSGBA balance will be
updated to reflect the latest recorded balance available.

Review Procedures:

The recorded operation of the NSGBA for the Record Period (previous calendar year 12-
month period) shall be reviewed by the Commission in SCE’s annual April(ERRA)
reasonableness application to ensure that the entries made in the NSGBA are stated correctly
and are consistent with Commission decisions.

SCE shall provide a monthly report showing the activity in the NSGBA to the Energy Division
within 30 days of the end of each month.