MM. Mobilehome Park Master Meter Balancing Account (MM MBA)

1. Purpose
The purpose of the Mobilehome Park Master Meter Balancing Account (MM MBA) is to record actual incremental incurred costs of implementing the voluntary program to convert the electric master-meter/submeter service to direct service at Mobilehome Parks (MHP) and manufactured housing communities, pursuant to Decision (D.) 14-03-021. The costs associated with the entries in the MM MBA shall include incremental incurred expenses for both “to the meter” and “beyond the meter” capitalized costs and ongoing incremental Operation and Maintenance (O&M) expenses. Actual construction costs for each MHP conversion shall be entered into a balancing account and recovered in the year immediately following service cut over for that MHP. This account will remain open until all MHP conversion costs and associated revenue requirements are included in a GRC.

2. Operation of MM MBA

Entries to the MM MBA shall be made monthly, and shall be determined as follows:

a. A debit entry equal to the recorded incremental O&M expenses, including applicable payroll taxes and benefits on SCE labor;

b. A debit entry equal to the incremental capital-related revenue requirement, excluding associated Franchise Fees and Uncollectibles (FF&U) expenses related to the “to the meter” capital costs incurred. The capital-related revenue requirement shall include depreciation expense, return on rate base at the currently authorized rate of return on rate base and applicable taxes, such as income and ad valorem taxes;

c. A debit entry equal to the revenue requirement on the regulatory asset, excluding FF&U, related to the “beyond the meter” costs incurred. The revenue requirement shall include amortization expense, return on investment at the currently authorized rate of return on rate base, and applicable taxes, such as income and ad valorem taxes associated with the costs of installed equipment. The “beyond the meter” costs will be amortized over ten years;

d. A credit entry to transfer the December 31st balance to the distribution sub-account of the Base Revenue Requirement Balancing Account.

Interest shall accrue monthly to the MM MBA by applying the interest rate to the average of the beginning-of-month and end-of-month balances recorded in the MM MBA. The Interest Rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate-Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate). If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.
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3. Disposition

SCE will file an annual advice letter in December to recover the December 31st recorded balance through rates for completed conversions in the year immediately following the cut over of service.

4. Review

SCE is authorized to fully recover in distribution rates the costs of the conversion program, subject to reasonableness review. Review for reasonableness of “to the meter” costs and “beyond the meter costs” will occur in the first General Rate Case (GRC) proceeding where conversion costs are included into GRC rate base for the MHPs that have had service cut over completed.

Revenue requirements related to the MHP program costs will continue to be recorded in the MM MBA after December 31, 2021, for MHP conversions that commenced prior to December 31, 2021.