



Southern California Edison Company

26100 MENIFEE ROAD
MENIFEE CA 92585

MENIFEE, CITY OF
29714 HAUN RD
MENIFEE CA 92586

Document #	7590576052
Invoice Date:	09/03/2024
SCE Contact:	John S. Bonds
Telephone:	(951)-928-8300
Install - Billing Option:	SCE INSTALL - DISCOUNT

Description	Amount
Service Request Number: 3605772 Project: LINE EXTENTION 30987 HAUN RD MENIFEE CA 92584 Invoice # 557258	
Item # 589541 Product: 2180442 - LINE EXTENSION Design #: 1665680 LINE EXTENTION	\$28,780.65
Previous Payment COMMENTS: * Effective July 1, 2024, through December 31, 2024, Mixed-Fuel new construction projects (gas or propane in addition to electricity) will not receive subsidies and will be priced as estimated cost. * Effective January 1, 2025, Mixed-Fuel new construction projects will not receive subsidies and will be priced as actual cost billing. * Enclosed are two copies of your invoice. Please return one copy of the invoice with your payment to Accounts Receivable in the enclosed return-addressed envelope. The other copy of the invoice is for your records. * All payments must be delivered by mail, an alternate postal method, or one of our electronic payment options. Walk-in payments are no longer accepted at any SCE location, including Accounts Receivable. * Please complete all applications and/or contracts and return to your planning office, using the enclosed return-addressed envelope. * For the Refundable and Discount Option appendices, choose only one option. Sign "Has Chosen" on the appropriate option and sign "Has Not Chosen" on the other option. Only sign each form once. Return both forms in the enclosed self-addressed envelope. * If a street light work order is associated with this project, contracts for that project will be enclosed. * Easement documents will be mailed directly to you from our Right of Way department. Please complete and return them as soon as possible, as we will not be able to proceed with the project without clearance * Call the Edison company at 1-800-655-4555 to make application for electrical service. * An Edison Inspector must approve all underground systems. Please call your designated inspector 48 hours prior to construction to schedule an inspection. * Final electrical inspection from the local governmental building and safety department must be received before we can energize your service. * By paying this invoice, customer acknowledges and agrees that if this project is canceled by customer for any reason or customer does not proceed with the project completion. * Any expense incurred by SCE, including, but not limited to, expenses related to engineering, inspection and construction, prior to the project cancellation or completion will be deducted from any applicable refund due to the customer. * To ensure worker and public safety, please maintain the appropriate clearance distance from utility infrastructure during your construction project to avoid encroachments that may result in serious injury or damage. * If relocation of existing utility infrastructure is pending, please adjust your work around the proposed relocation schedule as appropriate. If you have any questions, please contact the designated SCE representative assigned to your project.	\$0.00
TOTAL PROJECT INVOICE AMOUNT:	
\$ 28,780.65	



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Service Request Number: 3605772 Project: LINE EXTENTION	
30987 HAUN RD MENIFEE CA 92584	
Invoice # 557258	

ADDITIONAL PAYMENT INSTRUCTIONS:

If paying by check, please follow instructions on payment stub

Instructions for wire or ACH payments:

JP Morgan Chase Bank
New York, NY
ABA#: 021000021 - Acct#: 323-394434
SCE Taxpayer ID No. 95-1240335
SCE Contact: John S. Bonds
Document #: 7590576052

***** Failure to properly identify your document number and SCE contact may delay the application of funds and initiation of your project**

Special Instructions for overnight delivery methods:

Southern California Edison
Attn: Remittance Processing
G.O. 1 Ground Floor, Room G53
2244 Walnut Grove Ave.
Rosemead, CA 91770

Please detach and return payment stub with payment

**Payment
Stub**

Please pay total amount now due:

\$ 28,780.65

Document # 7590576052

MENIFEE, CITY OF
29714 HAUN RD
MENIFEE CA 92586

Thank you for paying promptly
Make check payable to Southern California Edison

ATTN: Remittance Processing
PO Box 800
Rosemead, CA 91771-001

**SOUTHERN CALIFORNIA EDISON ("SCE ")
DISTRIBUTION LINE AND/OR SERVICE EXTENSION
APPLICANT'S INSTALLATION OPTION AND
STATEMENT OF APPLICANT'S CONTRACT ANTICIPATED COSTS**

Applicant : CITY OF MENIFEE

Product Number : 2180442

Project Specific Location : 30987 HAUN RD CA 92584

1. INSTALLATION OPTIONS

Applicant understands that in accordance with SCE’s Rule 15 and/or Rule 16, Applicant can elect to have either SCE install the Distribution Line and/or Service Extension or a Qualified Contractor/Subcontractor install the Distribution Line and/or Service Extension.

2. SCE’S ESTIMATED REFUNDABLE COST INFORMATION

SCE’s estimated refundable costs are based on the work that SCE would normally perform that can be performed by a Qualified Contractor/Subcontractor under the provisions of the Applicant Installation Option, Rule 15, Section G, and in accordance with SCE’s Terms and Conditions Agreement for Installation of Distribution Line Extension by Applicant (Form 14-188).

SCE’s estimated refundable costs: * \$32,486.32

If applicable, other estimated cost information may be provided below. This could include the credit amount for Rule 16, street light, or other associated installation work.

SCE Rule 16 credit amount : * \$944.40

SCE street light credit amount : * \$0.00

SCE associated work credit amount : * \$0.00

3. APPLICANT SELECTION

Applicant understands the installation options under Section 1 above, and hereby elects the following installation option by **initialing** the appropriate selection below:

 X Installation by SCE
 Installation by Qualified Contractor/Subcontractor

Under installation by Qualified Contractor/Subcontractor, Applicant shall secure project specific bid information from Qualified Contractors/Subcontractors for the installation of the Distribution Line and/or Service extension. Applicant shall contribute or advance before the start of construction any refundable or non-refundable amounts as specified in Rules 15 and 16.

*Please refer to the specific contract, Appendix A, for detailed financial information.

4. APPLICANT'S CONTRACT ANTICIPATED COST INFORMATION (to be completed only if installation is performed by a Qualified Contractor/Subcontractor as selected in Section 3 above)

Applicant and/or Applicant's Qualified Contractor/Subcontractor understands that for the portion of the Electrical Distribution and/or Service Extension that SCE would normally install, in accordance with SCE's Rule's 15 and/or 16 and the Terms and Conditions Agreement for Installation of Distribution Line Extension by Applicant, the Applicant, prior to performing any work associated with the installation of these electrical facilities, and for the purpose of utility billing and accounting, shall elect one of the following options, and return this form to SCE prior to SCE proceeding with any further work on the Applicant's project.

Option 1 Applicant elects to provide SCE with the Applicants Contract Anticipated Costs, which are subject to refund, that are associated with that portion of the new Distribution Line and/or Service Extension normally installed by SCE, and understands that the lower of SCE's estimated refundable cost or the Applicant's Contract Anticipated Costs, which are subject to refund, as submitted below, shall apply to any applicable SCE refunds and allowances provided in accordance with Rule 15 and 16, 1

or

Option 2 Applicant elects not to provide SCE with the Applicants Contract Anticipated Costs, which are subject to refund. The Applicant understands that by selecting this option, the Applicant is directing SCE to use SCE's estimated refundable cost for all billing and accounting.

Applicant understands the Applicants Cost Information, as described above, and hereby elects the following by **initialing** the appropriate selection below :

_____ Option 1 - Applicants Contract Anticipated Costs \$ _____

_____ Option 2 - SCE's Estimated Refundable Costs \$ _____

5. ITCC

SCE shall value all trenching, conduit, backfill, street repair, substructures, and encasement, based on SCE's estimate of such items, for the purpose of collecting the applicable governmental taxes (ITCC) on contributions to SCE.

6. MIXED FUEL NEW CONSTRUCTION PROJECTS

Effective July 1, 2024, Allowances will not apply to Mixed-Fuel New Construction unless otherwise approved by the Commission in accordance with Decision 22-09-026. Effective January 1, 2025, any work performed associated with a Mixed-Fuel New Construction Distribution Line Extension² project will be based on actual installed cost. Estimated costs will initially apply with final actual costs due after project completion. When an Applicant selects the Applicant Installation Option within Rule 15, reimbursable credits for the value of the substructures installed by the Applicant and deeded to SCE will not apply.

7. UTILITY RESPONSIBILITIES

Upon receipt of this completed and signed form, SCE shall begin the process of producing the applicable contracts and forms based on the selection made by the Applicant.

¹Excludes the estimated costs of work the Applicant cannot perform, such as, work on or in proximity to, energized equipment.

² As defined in Rule 15, a Mixed-Fuel New Construction is a building that uses gas and/or propane in addition to electricity, and has never been used or occupied for any purpose

8. SIGNATURE CLAUSE

The signatory hereto represents that they have been appropriately authorized into this contract on behalf of the party for whom they sign.

I declare under penalty of perjury that the foregoing is true and correct

Applicant : City of Menifee

Corporation, Partnership, or DBA: _____

Name of Authorized Individual: Armando G. Villa

Applicant's signature: _____

Title: City Manager

Date: _____

Attest:

Stephanie Roseen, Acting City Clerk

Approved as to Form:

Jeffrey T. Melching, City Attorney

CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE
RULE 15

1. PARTIES

This Contract for Extension of Electric Distribution Line ("Contract") is issued this _____ day of
SEPTEMBER, 2024.

The Parties to this Contract are : CITY OF MENIFEE

("Applicant")

and Southern California Edison Company ("SCE"). Applicant and SCE are referred to individually as "Party" and collectively as "Parties".

2. RECITALS

Applicant has requested SCE, pursuant to SCE's Rule 15, Distribution Line Extensions, to install an electric Distribution Line Extension to the location or locations described as follows:

30987 HAUN RD MENIFEE CA 92584
(Hereinafter referred to as "Project")

3. AGREEMENT

3.1 Responsibilities of Applicant

Construction

Applicant shall, in accordance with SCE's specifications and timing requirements for the Project:

- o Perform route clearing, tree trimming, trenching, excavating, and backfilling and compacting;
- o Furnish imported backfill material and dispose of trench spoil as required;
- o Furnish, install and transfer ownership to SCE any substructures, conduit, and protective structures required;
- o Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have SCE perform any part of this work, Applicant shall pay to SCE, as specified herein and before the start of construction, SCE's estimated-installed costs thereof.

Beginning January 1, 2025, any work performed by SCE associated with a Mixed Fuel New Construction Distribution Line Extension¹ will be based on actual installed cost. Estimated costs will initially apply with final actual costs due after project completion.

¹ Defined in Rule 15 as, "A building that uses gas and/or propane in addition to electricity, and has never been used or occupied for any purpose."

Rights of Way

Applicant hereby grants to SCE the rights of way and easements for the Distribution Line Extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by SCE for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that SCE shall not be obligated to install the Distribution Line Extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to SCE, are granted to or obtained for SCE without cost to or condemnation by SCE.

Advances

Applicant shall contribute or advance, before the start of construction, the refundable and non-refundable amounts as set forth in Appendix A to this Contract. This includes the costs for substructures and conduits which SCE had previously installed at its expense in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by SCE.

All contributions and advances by Applicant are taxable and shall include an Income Tax Component of Contribution (ITCC) at the rate provided in SCE's Preliminary Statement. ITCC will be either refundable or non-refundable depending on whether the corresponding contribution or advance is refundable or non-refundable.

Joint Applicants. The total contribution or advance from joint Applicants will be apportioned by SCE among the members of the group in such manner as Applicants mutually agree.

Effective January 1, 2025, any work performed associated with a Mixed-Fuel New Construction Distribution Line Extension project will be based on actual installed cost. Estimated costs will initially apply with final actual costs due after project completion.

3.2 Responsibilities of SCE

Construction

SCE shall install, own, operate, and maintain the Distribution Line Extension to serve the Project. SCE will install only those facilities that, in SCE's judgment, will be used within a reasonable time to serve permanent loads.

Refunds

SCE shall make refunds to Applicant in accordance with the provisions of Rule 15.

Effective July 1, 2024, Applicants with Mixed-Fuel New Construction projects are not subject to refunds. Exceptions may apply to non-residential Mixed-Fuel New Construction projects if approved by the CPUC.

3.3 Ownership of Facilities

Title to and ownership of the Distribution Line Extension shall vest in SCE. Applicant does hereby agree that upon completion and acceptance by SCE of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to SCE free and clear of all liens and encumbrances.

3.4 Service Facilities

Service extensions shall be installed pursuant to SCE's Rule 16, Service Extensions.

3.5 Street Lighting Facilities

Street lighting and Distribution Line Extensions within the Project solely for service to street lighting equipment shall be installed in accordance with the appropriate street light tariff schedule. Street light revenues are not applicable toward allowances or refunds for Distribution Line Extensions. Electroliers shall be located at points determined by the governmental agency having jurisdiction over streets to be dedicated to that agency or by Applicant for privately owned and maintained streets open to and used by the general public.

3.6 Non-Refundable Discount Option

In lieu of contributing the total refundable amount, Applicant has the option of contributing, on a non-refundable basis, a percentage of such refundable amount as set forth in Appendix A to this Contract. Applicant has or has not chosen this option as indicated by signature on Appendix A.

Effective July 1, 2024, Applicants with Mixed-Fuel New Construction projects are not eligible for the Non-Refundable Discount Option. Exceptions may apply to non-residential Mixed-Fuel New Construction projects if approved by the CPUC.

3.7 Refunds

The total refundable amount shall be subject to refund, without interest, in accordance with the provisions of Rule 15, which include the following:

Residential. Refunds will be made on the basis of any new customer permanent load connected to the Distribution Line Extension which produces additional revenues to SCE. The refund will be deducted from the total refundable amount, and the remaining amount subject to refund will represent that portion of the Distribution Line Extension cost not supported by revenues.

Non-Residential. Refunds will be made on the basis of Applicant or any new customer permanent load connected to the Distribution Line Extension which produces additional revenues to SCE. SCE shall be responsible to review Applicant's actual net revenue for the first three years from the date SCE is first ready to serve. Applicant shall be responsible for notifying SCE if new, permanent load is added the fourth through tenth year from the date SCE is first ready to serve. Such review shall determine if additional net revenue justifies refunds to Applicant.

Unsupported Distribution Line Extension Cost. When any portion of a refundable amount has not qualified for a refund at the end of twelve (12) months from the date SCE is first ready to serve, Applicant will pay to SCE a Monthly Ownership Charge on the remaining refundable balance. The difference between the total refundable advance and any refunds made or

eligible to be made to Applicant shall serve as the basis of a monthly ownership charge ("base"). The Monthly Ownership Charge includes replacement for 60 years at no additional cost and is derived from the Customer-Financed With Replacement at Additional Cost Added Facilities rates determined in SCE's general rate case proceeding and/or periodic annual review. Monthly ownership charges are distinct from the refundable amount and will normally be accumulated and deducted from refunds due to Applicant. This provision does not apply to individual residential Applicants.

The Monthly Ownership Charge herein shall automatically increase or decrease if the California Public Utilities Commission should subsequently authorize a higher or lower percentage rate for the Monthly Ownership Charge, effective on the date of such authorization.

Refund Period. The total refundable amount is subject to refund for a period of ten (10) years after the Distribution Line Extension is first ready to serve. Any unrefunded amount remaining at the end of the ten-year period shall become property of SCE.

3.8 Payment Adjustments

Contract Compliance. If, after six (6) months following the date SCE is first ready to serve residential loads for which allowances were granted, one (1) year for non-residential loads, Applicant fails to take service, or fails to use the service contracted for, Applicant shall pay to SCE an additional contribution, based on the allowances for the revenue actually generated.

Excess Facilities. If the load information provided by Applicant results in SCE having installed facilities which are in excess of those needed to serve the actual loads, and SCE elects to reduce such excess facilities, Applicant shall pay to SCE its estimated total costs to remove, abandon, or replace the excess facilities, less the estimated salvage of any removed facilities.

Mixed-Fuel New Construction. Effective July 1, 2024, allowances will not be provided to Mixed-Fuel New Construction projects. Additionally, Effective January 1, 2025, any work performed associated with a Mixed-Fuel New Construction Distribution Line Extension project will be based on actual installed cost. Estimated costs will initially apply with final actual costs due after project completion.

Mixed-Fuel New Construction projects currently in the development process will receive applicable subsidies (e.g., Allowances, Refunds, Non-Refundable Discount Option) if said project meets all the criteria below. If the criteria below are not met, estimated costs will initially apply with final actual costs due after project completion:

- (1) The invoice has been paid to SCE as of July 1, 2024;
- (2) The applicable SCE contract(s) was signed and received by SCE as of July 1, 2024; and
- (3) The project(s) is field complete/energized no later than 12 months after July 1, 2024.

3.9 Reimbursement to Applicant

Where mutually agreed upon by SCE and Applicant, Applicant may perform SCE's work or install facilities normally installed by SCE. Such work shall be in accordance with SCE's specifications and timing requirements. SCE shall reimburse Applicant SCE's estimated installed cost of such facilities and work by applying a credit toward Applicant's advance. Any amount not so credited shall be reimbursed to Applicant upon acceptance of the work and

facilities by SCE.

3.10 Delays in Construction

Force Majeure. SCE shall not be responsible for any delay in the installation or completion of the facilities by SCE resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgements of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of SCE.

Resources. SCE shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond SCE's control.

Contract Revision. If Applicant does not commence installation of any facilities which are Applicant's responsibility or SCE is prevented from commencing the installation of the facilities for causes beyond its reasonable control within one year from the effective date of this Contract, SCE may, in its discretion, revise its cost estimate and recalculate the refundable and/or non-refundable amounts set forth herein. SCE will notify Applicant of such increased costs and give the option to either terminate this Contract or pay SCE the additional charges.

See Section 3.8 above for criteria and associated dates regarding Mixed-Fuel New Construction currently in the development process.

3.11 Contract Termination

If at any time during the term of this Contract, SCE is not the sole deliverer of electrical requirements for the Project, this Contract may be terminated. Upon termination of the Contract, Applicant agrees to forfeit that portion of the advance paid to SCE for its expenses covering any engineering, surveying, right of way acquisition and other associated work incurred by SCE. If such expenses are greater or less than the refundable and/or non-refundable advance, Applicant shall pay to SCE, or SCE shall refund the balance to Applicant, without interest, as the case may be.

3.12 Indemnification

Applicant shall, at its own cost, defend, indemnify, and hold harmless SCE, its officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Applicant or its contractor and employees, officers or agents of either Applicant or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this Contract.

3.13 Assignment of Contract

Applicant may assign this Contract, in whole or in part, only if SCE consents in writing and the party to whom the Contract is assigned agrees in writing, to perform the obligations of Applicant hereunder. Assignment of the Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided therein.

3.14 Joint and Several Liability

Where two or more individuals or entities are joint Applicants under this Contract, all Applicants shall be jointly and severally liable to comply with all terms and conditions herein.

3.15 Warranty

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by SCE and extend for one (1) year. Should the work develop defects during that period, SCE, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by SCE, shall promptly correct, to SCE's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

3.16 Contract Effective Date

This Contract shall not be effective unless it is (1) signed by SCE's authorized individual, (2) executed and delivered by Applicant to SCE together with payment required hereunder within ninety (90) days of the date in Paragraph 1 of this Contract and (3) accepted by SCE. This Contract shall then be effective on the date executed by SCE and shall take effect without further notice to Applicant.

3.17 Commission Jurisdiction

This Contract is subject to the applicable provisions of SCE's tariffs, including Rule 15, filed and authorized by the California Public Utilities Commission.

This Contract shall, at all times, be subject to such changes or modifications by the Public Utilities Commission of the State of California, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

3.18 Completion Date

The completion date requested by Applicant is _____.

4. SIGNATURE CLAUSE

The signatories hereto represent that they have been appropriately authorized to enter into this Contract on behalf of the party for whom they sign.

APPLICANT(S)

CORPORATION, PARTNERSHIP, OR DBA: City of Menifee

NAME OF AUTHORIZED INDIVIDUAL: Armando G. villa

SIGNATURE: _____

TITLE: City Manager

MAILING ADDRESS: 29844 Haun Road, Menifee, CA 92586

TELEPHONE: (951) 672-6777

ATTEST

NAME OF AUTHORIZED INDIVIDUAL: Stephanie Roseen

SIGNATURE: _____

TITLE: Acting City Clerk

APPROVED AS TO FORM:

NAME OF AUTHORIZED INDIVIDUAL: Jeffrey T. Melching

SIGNATURE: _____

TITLE: City Attorney

APPORTIONMENT OF ADVANCE AMONG JOINT APPLICANTS:

SOUTHERN CALIFORNIA EDISON COMPANY

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

DATE EXECUTED: _____

PRODUCT NO. 2180442

Frequently Asked Questions

About Rule 15 Contracts

This document was created to help answer some of the most frequently asked questions SCE has received related to Rule 15 contracts (formally called the Contract for Extension of Electric Distribution Line - Rule 15, Form No. 16-330).

This information is not intended to contradict any of the provisions contained within SCE's CPUC-approved tariff rules (specifically Rules 15 and 16) as found on sce.com/tariffbooks. If there are any conflicts between this information and the provisions of Rules 15 and 16, the rules' provisions will take precedence.

What is a Ready to Serve Date?

A Ready to Serve Date is the date when SCE is ready to provide electricity to your project.

Can the Ready to Serve Date be changed?

No. The Ready to Serve Date is the specific date that SCE's facilities are first energized and able to provide you with electricity, and is not influenced or defined by any other factors.

Why is my Ready to Serve Date important?

Your Ready to Serve Date is the date your contractual obligation period begins. For residential applicants, if you don't use the service you agreed to (referred to in Rule 15 as "fails to take service and/or fails to use the service contracted for") within six months of your Ready to Serve Date, you will be required to pay to SCE an additional amount (see "contractual obligation," questions) based on the allowance you were given. For commercial customers, the same requirement applies, though you have one year (as opposed to six months) from your Ready to Serve Date to use the service you agreed to.

What is my contractual obligation?

Your contractual obligation equals your Allowance (see allowances question) up to but not exceeding the Cost to Serve for your project. You are able to see your specific Cost to Serve and Allowance amounts on Appendix A (pricing sheets) of your signed Rule 15 contract. The Cost to Serve amount is the sum of lines 1A and 3A on the Appendix form. The Allowance amount is on line 2A. To meet your contractual obligation, residential applicants must have the required number of meters turned on and commercial applicants must generate the required amount of revenue within the time periods outlined above. If you do not meet the requirements within the required timeframes, you will be subject to deficiency billing, as discussed below.

What are allowances?

Allowances are a form of credit that reduce the amount you must pay SCE to complete your project (i.e., distribution line and/or service extension). For residential applicants, the allowance is a flat dollar amount per meter. For commercial applicants, the allowance is based on the electric load and associated distribution revenues that SCE estimates it will receive as a result of your project. SCE applies your allowance amount towards the applicable construction costs (e.g. labor and material) required to complete your project. When an allowance is given, it reduces the amount that you are required to pay. For example, if your Cost to Serve is estimated to be \$10,000 and you qualify for an allowance of \$6,000, you will be required to pay the \$4,000 difference in advance. In this example, your contractual obligation, as discussed above, is the \$6,000 allowance.

What is the contractual obligation period?

Residential: Six months from the Ready to Serve Date.

Commercial: One year from the Ready to Serve Date.

What must I do to meet my contractual obligation?

Residential: The required number of permanent meters must be turned on within the contractual obligation period.

Commercial: The required amount of revenue must be generated within the contractual obligation period.

What happens if I do not meet my contractual obligation?

SCE will bill you (referred to as "deficiency billing") for some or all of the allowance that was given.

Who is responsible for paying the deficiency bill?

The applicant who signed the Rule 15 Contract is responsible for paying the deficiency bill.

What is a refund?

There are two options for how to structure costs that are not covered by the allowance: (1) Refundable, and (2) Non-Refundable Discount. If you select Refundable, you have the opportunity to get back some or all of your refundable amount (line 4(A)3 of your Rule 15 Contract's Appendix) after your contractual obligation has been met. You have 10 years to turn on meters or generate revenue to qualify for refunds. If you select Non-Refundable Discount, you receive a 50% discount on the costs not covered by your allowance but you do not have the ability to get any of this amount refunded to you, regardless of whether you turn on additional meters or generate additional revenue. You may still get a deficiency bill if you do not meet your contractual obligations.

When do I get refunds?

After you have met your contractual obligations, you will receive refunds as you turn on meters or generate revenue. Starting in the 13th month from your Ready to Serve Date, Ownership Charges (see ownership charges question) will be deducted from refunds.

What are ownership charges?

If any refundable amount remains after 12 months from your Ready to Serve Date, you must pay a monthly ownership charge. This charge covers SCE's costs for maintaining infrastructure that is not fully utilized and therefore not generating enough revenue to cover SCE's maintenance costs. Ownership charges are in addition to the refundable amount and are accumulated and deducted from any refunds due.

What happens if I have not qualified for all of my refunds by the contract expiration date?

After 10 years, any remaining refundable amounts will be retained by SCE and your contract will be closed.

Where can I get more information?

If you have any questions, please contact our Distribution Construction Contract Management Help Desk at **1-866-353-3437** or email us at **DCCM@SCE.COM**

