
December 15, 2000

ADVICE 1507-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Establishment of Memorandum Account to Record Costs
Associated with Medium-Term Bilateral Contracts

Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing establishes a memorandum account that allows SCE to record the costs associated with medium-term bilateral purchases that are delivered between December 31, 2002 and December 31, 2005, where SCE has not sought COMMISSION preapproval.

MEMORANDUM ACCOUNT FOR MEDIUM-TERM BILATERAL PURCHASES

On July 21, 2000, SCE filed its "Emergency Motion Of Southern California Edison Company (U 338- E) For An Order Approving Bilateral Power Contract Transactions" (Emergency Motion). On August 3, 2000, the Commission issued D.00-08-023 which approved SCE's Emergency Motion with certain modifications. D.00-08-023 authorized SCE to enter into near-term and medium-term bilateral contracts that will expire on or before December 31, 2005, up to the previously-authorized limits for Block-Forward Market purchases through the Power Exchange.

In D.00-08-023, the Commission authorized SCE to enter into near-term bilateral contracts subject to a safe-harbor band and medium-term bilateral contracts, subject to a 30-day pre-approval process. For medium-term contracts where SCE

has received pre-approval, SCE will recover the costs in the Transition Revenue Account.

The purpose of this advice filing is to establish the Medium-Term Bilateral Contracts (MTBC) memorandum account to record the costs of medium-term bilateral contracts, that specify delivery between January 1, 2003 and December 31, 2005, where SCE has not sought Commission preapproval. These costs will be tracked in the MTBC memorandum account for later Commission review in the Annual Transition Cost Proceeding.

Establishment of the MTBC memorandum account would allow SCE the option of entering medium-term bilateral contracts where SCE has elected not to use the COMMISSION pre-approval process, and to enter these contracts, subject to *post hoc* reasonableness review in SCE's Annual Transition Cost Proceeding.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause withdrawal of service, or conflict with any schedule or rule.

EFFECTIVE DATE

SCE requests that the Commission approve this advice letter on or after the 20th day after the date filed, which is January 4, 2001. Otherwise, this advice filing will become effective on the 40th day after the date filed, which is January 24, 2001.

NOTICE

Anyone wishing to protest this advice filing may do so by sending a letter or facsimile to SCE and received by SCE no later than 20 days after the date of this advice filing. Protests should be mailed to:

IMC Program Manager
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile to the attention of:

Donald A. Fellows
Manager of Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue, Rm. 303
Rosemead, California 91770
Facsimile: (626) 302-4829
E-Mail: fellowda@sce.com

Bruce Foster
Vice President of Regulatory Operations
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-Mail: fosterbc@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section III, Paragraph G, of General Order No. 96-A, SCE is mailing copies of this advice filing to the interested parties shown on the attached service list and R.94-04-031/I.94-04-032. Address change requests to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or Emelyn.Lawler@sce.com.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing open for public inspection at SCE's corporate headquarters.

Southern California Edison Company

Donald A. Fellows, Jr.

DAF:jam/eml

Enclosures

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 28143-E* Original 28144-E	Preliminary Statement Part N Preliminary Statement Part N	Revised 27601-E
Revised 28146-E	Table of Contents	Revised 28130-E

PRELIMINARY STATEMENT

Sheet 3

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

d. Specified Project (Continued)

<u>Section No.</u>	<u>Specified Project</u>	<u>Interest Bearing Memorandum Account*</u>
(34)	SONGS 2&3 Permanent Closure Memorandum Account	Yes
(35)	SONGS 2&3 Property Tax Memorandum Account	Yes
(36)	Palo Verde Permanent Closure Memorandum Account	Yes
(37)	California Public Utilities (PU) CODE "SECTION 376" - CTC Displacement Tracking Memorandum Account	Yes
(38)	California Public Utilities (PU) CODE "SECTION 381 (d)" - Renewable Program Tracking Memorandum count	No
(39)	Rate Group Tracking Memorandum Account	No
(40)	Independent System Operator Revenue Memorandum Account	Yes**
(41)	Power Exchange Revenue Memorandum Account	Yes**
(42)	Unavoidable Fuel Contract Costs Memorandum	Yes
(43)	Hydro Generation Memorandum Account	Yes**
(44)	Increased Return on Equity on Divestiture Memorandum Account	Yes
(45)	Deemed Fossil Inventory Memorandum Account	Yes
(46)	Jurisdictional Allocation Memorandum Account	Yes
(47)	Non-nuclear Generation Capital Additions (NGCA) Memorandum Account	Yes
(48)	Transmission Revenue Requirement Reclassification Memorandum Account (TRRRMA)	Yes
(49)	Santa Catalina Island Diesel Fuel (SCIDF) Memorandum Account	Yes
(50)	Streamlining Residual Memorandum Account (SRA)	Yes
(51)	ISO/PX Implementation Delay Memorandum Account	Yes
(52)	Direct Access Discretionary Services Costs (DADSC) Memorandum Account (DADSC Memorandum Account)	Yes
(53)	Affiliate Transfer Fee Memorandum Account	Yes
(54)	Fuel Oil Inventory Memorandum Account (FOIMA)	Yes
(55)	Energy Efficiency DSM (EEDSM) Memorandum Account	Yes
(56)	Block-Forward Market Memorandum Account (BFMMA)	Yes
(57)	Power Exchange Credit Audit Memorandum Account (PXCA Memorandum Account)	Yes
(58)	Interim Power Exchange Market Clearing Price (IPXMCP) Memorandum Account	Yes
(59)	Hourly Pricing Implementation Cost (HPIC) Memorandum Account	Yes
(60)	Voluntary Power Reduction Credit Memorandum Account (VPRCMA)	Yes
(61)	Applicant Installed Trench Inspection Memorandum Account (AITIMA)	No
(62)	Air Conditioner Cycling Memorandum Account (ACCMA)	Yes
(63)	Short-Term Generation Capacity Memorandum Account (STGCMA)	Yes**
(64)	Near-Term Bilateral Contracts (NTBC) Memorandum Account	Yes
(65)	Nuclear Claims Memorandum Account (NCMA)	Yes
(66)	Medium-Term Bilateral Contracts (MTBC) Memorandum Account	Yes

(N)

* Interest shall accrue monthly to interest-bearing Memorandum Accounts by applying the Interest Rate to the average of the beginning and ending balance.

** Interest shall accrue monthly to credit balances only. See specific memorandum accounts for more information.

(Continued)

(To be inserted by utility)

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Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

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PRELIMINARY STATEMENT

Sheet 99

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

66. Medium-Term Bilateral Contracts (MTBC) Memorandum Account

The purpose of the MTBC Memorandum Account is to record the costs and revenues associated with SCE's participation in Medium-Term Bilateral Contracts. Medium-Term Bilateral Contracts are contracts under which all power delivery (energy and capacity) occurs after December 31, 2002 and where SCE has not sought Commission preapproval.

These costs and revenues are not reflected in presently effective rates.

A debit entry shall be made to the MTBC Memorandum Account in the month in which costs associated with the Medium-Term Bilateral Contracts are incurred. A credit entry shall be made to the MTBC Memorandum Account for the revenues received for the power delivered from the Medium-Term Bilateral Contracts during the month. The net amount of the above entries, plus accrued interest shall make up the balance in the MTBC Memorandum Account.

Interest shall accrue to the MTBC Memorandum Account by applying the Interest Rate to the average of the beginning and ending account balance.

A reasonableness review shall be required and will take place as part of SCE's Annual Transition Cost Proceeding.

SCE will request Commission approval for recovery of the costs and revenues plus interest recorded in the MTBC Memorandum Account that are deemed reasonable by the Commission in its annual Revenue Adjustment Proceeding (RAP), or any other proceeding authorized by the Commission. Any amounts authorized for recovery in the RAP, or any other proceeding authorized by the Commission, shall be included in the PX credit calculation.

(Continued)

(To be inserted by utility)

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Senior Vice President

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Sheet No.

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(Continued)

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