
July 24, 2001

ADVICE 1555-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Proposed Allocation of Senate Bill X1 5 (SBX1 5) Funding
for SCE's California Alternate Rates for Energy (CARE)
Program

In compliance with Decision (D.) 01-05-033 issued on May 3, 2001, Southern California Edison Company (SCE) hereby submits a proposed allocation of the \$85 million in SBX1 5 CARE funding among utilities to cover costs for the projected CARE rate subsidy in excess of authorized CARE funding currently in rates.

PURPOSE

This advice filing includes a proposal and information in support of SBX1 5 allocations for SCE's CARE program. This advice filing supplements and replaces Advice 1555-E in its entirety.

BACKGROUND

In D.01-05-033, Ordering Paragraph 8, the California Public Utilities Commission (Commission) directed SCE to submit an advice letter that includes: 1) authorized CARE funding currently in rates; 2) actual expenses to date for CARE administrative costs (including outreach), and subsidies/credits; 3) projections of CARE rate subsidy costs over the next 12 months, including projections of new enrollments; and 4) a proposed allocation of the \$85 million to cover those costs, based on need that cannot be covered with surcharge-generated revenues. In its original advice filing submitted on July 2, 2001, Advice 1555-E, SCE included a separate proposal to establish cool centers with SBX1 5 Low Income Energy Efficiency funding. The purpose of this supplemental advice filing is, at the

Commission's request, to remove the cool center proposal from Advice 1555-E. SCE's proposal for the allocation of SBX1 5 CARE funding remains unchanged.

SCE'S SBX1 5 CARE FUNDING PROPOSAL

SCE is currently authorized to recover \$50.680 million annually in rates for the CARE subsidy.¹ From January to May 2001, SCE's estimated CARE rate subsidy is \$20.331 million, and year-to-date administrative costs through May are \$0.359 million². SCE has provided Table 1 which illustrates the magnitude of SCE's CARE surcharge undercollection under various assumptions, including increasing the CARE discount from 15 percent to 20 percent, plus increased penetration due to the change in eligibility guidelines to 175 percent of the federal poverty level.

Table 1 – SCE CARE Data				
	Mar-01	Mar-01	Dec-01	Dec-01
Customers	587,696	587,696	690,000	750,000
Penetration Rate	69%	69%	69%	75%
Eligibility guidelines (% of poverty level)	150%	150%	175%	175%
CARE Discount %	15%	20%[1]	20%	20%
CARE Discount \$ (Millions)	60.06	80.15	94.10	102.29
Surcharge Recovered in Rates	50.68	50.68	50.68	50.68
Annual Shortfall \$ (Millions)	9.38	29.47	43.42	51.61

[1] Increasing the CARE discount to 20% alone while maintaining CARE enrollment at March 2001 levels increases the annual shortfall by around \$20 million to a total of around \$29.5 million.

SCE proposes the remaining \$85 million in SBX1 5 CARE funding be distributed among the utilities according to the current utility allocation that was adopted in Resolution E-3285.³ The Commission in D.01-05-033 established a precedent in allocating the remaining \$15 million in SBX1 5 CARE funds for outreach according to this formula. If the Commission were to allocate the full \$85 million to the four utilities according to the formula, SCE would receive 30%, or \$25.5 million. As indicated in Table 1, the \$25.5 million already falls short of fully supplementing

¹ SCE was authorized in D.00-07-020 to recover an additional \$1.264 million annually in public goods charge (PGC) funds to cover CARE program administrative costs. Subsequently, the Commission approved SCE's Advice 1484-E for LIEE and CARE Budget Augmentation (Attachment B Substitute Sheet), which increased the 2001 CARE administrative budget to \$1.321 million.

² SCE expects administrative costs to increase substantially as CARE outreach activities are expanded in response to D.01-05-033.

³ Resolution E-3585, Ordering Paragraph 1.d, dated December 17, 1998. The Commission has continued to use this allocation in numerous occasions, most recently in D.01-05-033, page 58. According to the allocation, SCE would receive 30% of funding, Pacific Gas and Electric would receive 30% of funding, Southern California Gas would receive 25%, and San Diego Gas and Electric would receive 15% of the funding.

SCE's annual shortfall if no additional customers were to sign up for CARE. SCE believes that the other utilities face similar circumstances, and thus, no useful purpose would be served in developing a revised scheme for allocating these funds, given that it is almost certain that the total undercollection for the four utilities will far exceed the available \$85 million. Within the context of current enrollment in the CARE program and the extensive outreach on a personal level that will be required to substantially increase CARE penetration, SCE believes the current utility allocation is the most fair approach for allocating SBX1 5 CARE dollars.

No cost information is required for this advice filing.

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

EFFECTIVE DATE

This advice filing is made in compliance with Commission D.01-05-033 and is effective upon filing. SCE respectfully requests that the Commission Rule expeditiously in order that any subsequent directives from the Commission can be incorporated in SCE's rapid deployment efforts.

NOTICE

In consideration of SCE's rapid deployment efforts, the fact that the proposal for the allocation of SBX1 5 CARE funding remains unchanged from that submitted on July 2, 2001, in Advice 1555-E, as well as because Advice 1555-E fulfilled the requirements of General Order 96-A for purpose of notice to customers, adjacent utilities, and the protest period requirements, SCE respectfully submits that by incorporating Advice 1555-E by reference herein, today's supplemental amendment, Advice 1555-E-A, need not have further protest period.

In accordance with Section III, Paragraph G, of General Order (GO) No. 96-A, SCE is mailing copies of this advice filing to the interested parties shown on the attached service list, A.00-11-009, et. al, and Rulemaking 98-07-037. Address change requests to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or by electronic mail at Emelyn.Lawler@sce.com. For changes to the A.00-11-009 and R.98-07-037 Service Lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at lpd@cpuc.ca.gov.

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. To view other advice letters, log on to SCE's web site at <http://www.sce.com/>, and choose the Regulatory Info Center/Advice Letters.

For questions, please contact John Fasana at (626) 302-8199 or by electronic mail at John.Fasana@SCE.com.

Southern California Edison Company

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