

## PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



March 27, 2003

Advice Letter 1637-E

Mr. Akbar Jazayeri, Director  
Revenue and Tariffs  
Southern California Edison Company  
P O Box 800  
Rosemead, CA 91770

APR 01 2003  
REVENUE & TARIFFS DEPT.

Reference: Implementation of Affiliate Transaction Rules with Respect to a New Affiliate  
Created Through Acquisition, Coaltrade Services International Pte Ltd

Dear Mr. Jazayeri:

The Energy Division has received Advice Letter 1637-E filed on July 19, 2002. This advice letter is closed March 27, 2003. A copy of the advice letter is included herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clannon".

Director  
Energy Division

Filed: 7/19/02  
Effective: 8/28/02

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July 19, 2002

**ADVICE 1637-E**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Implementation of Affiliate Transaction Rules With Respect  
to a New Affiliate Created Through Acquisition, Coaltrade  
Services International Pte Ltd

In accordance with Affiliate Transaction Rule VI.B, Southern California Edison Company (SCE) hereby submits this notice regarding implementation of the California Public Utilities Commission's (Commission) Affiliate Transaction Rules for an affiliate created by acquisition: Coaltrade Services International Pte Ltd (Coaltrade).

**PURPOSE**

This advice filing demonstrates how SCE will implement the Commission's Affiliate Transaction Rules, adopted in Decision (D.) 97-12-088 and modified by D.98-08-035, D.99-09-002, and D.02-02-046 (Rules), for this affiliate addressed by the Rules. This advice filing is made in compliance with Rule VI.B.

**BACKGROUND**

D.97-12-088 adopted rules governing the relationship between California's natural gas local distribution companies and electric utilities and certain of their affiliates. For purposes of an electric utility, the rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or services that relate to the use of electricity, unless otherwise exempted by the Rules.

Rule VI.B pertains to compliance plans for new affiliates subject to the Rules:

“Upon the creation of a new affiliate which is addressed by these Rules, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission, served on the parties to this proceeding. The advice letter shall demonstrate how the utility will implement these Rules with respect to the new affiliate.”

Coaltrade, an indirect subsidiary of Edison Mission Energy (EME), is a “Class A” affiliate (i.e., subject to the Rules). Coaltrade’s immediate parent is Mauritius-based Vindoor Investments, an entity in which an indirect subsidiary of EME holds a 10% interest. This new affiliate is engaged in the provision of products that use electricity or services that relate to the use of electricity as described below. As required, SCE has previously notified the Commission and posted notice of the creation of this new affiliate on SCE’s affiliate transaction web site ([www.edison.com/corporate/affiliate\\_trans.asp](http://www.edison.com/corporate/affiliate_trans.asp)).

Commission Resolution E-3539, adopted September 17, 1998, specified that the following information be provided upon the creation of a new affiliate:

New Affiliate Name:	Coaltrade Services International Pte Ltd
Date This Affiliate Was Created:	December 19, 2000 (Acquired)
Headquarters:	10 Anson Road, #18-12 International Plaza, Singapore 079903
Primary Officers (Directors):	Peter Chong Siang and Anna Yeo Laychoo
Contact for CPUC:	James A. Kelly, (626) 302-2284
Intended Function:	This entity provides coal trading services to PT Adaro, which is located in Indonesia.

Affiliate Transaction Rule VI.A requires SCE to file and maintain a compliance plan addressing implementation of the Rules with regard to its affiliates. SCE filed its most recent compliance plan, titled the Modified Compliance Plan (MCP), on December 12, 2001 (Advice 1278-E-F). The MCP supersedes all previously filed plans. Pursuant to Rule VI.A, this advice letter is the current document guiding SCE’s compliance with the affiliate transaction rules. The Commission has not yet issued a determination regarding Advice 1278-E-F.

No unusual or unique circumstances exist that would require affiliate transaction rule implementation measures for Coaltrade that differ from those already identified for other affiliates. Therefore, SCE will apply the provisions of Advice 1278-E-F to all transactions with Coaltrade. If the Commission modifies or requires amendment of SCE’s MCP, or in the event that SCE files a periodic update to its

compliance plan, SCE will apply all such changes or the provisions of such amended plans to this new affiliate.

SCE acknowledges that, in regard to Coaltrade, the rules and policies regarding nondiscrimination, disclosure of information, and transfer pricing are particularly significant. Although all of the affiliate transaction rules apply to SCE's transactions with Coaltrade, SCE notes in particular the compliance measures discussed in SCE's MCP for Rules III.B, III.E, IV.B, IV.D, IV.F, V.F, V.G and V.H in regard to this new affiliate. The volume and nature of transactions between SCE and this new affiliate, if any, cannot be predicted with certainty. If such transactions occur, they will be subject to the mechanisms and procedures identified in SCE's prevailing compliance plan, for the relevant Rules noted above.

Coaltrade will determine its staffing needs independently of SCE. If Coaltrade should employ any individuals currently employed by SCE, the provisions of Rule V.G will be followed in full.

No cost information is required for this advice filing.

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

### **EFFECTIVE DATE**

This advice filing is made in compliance with D.97-12-088 and will become effective on the 40<sup>th</sup> calendar day after the date filed, which is August 28, 2002.

### **NOTICE**

Anyone wishing to protest this advice filing may do so by sending a letter which must be 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  
c/o Jerry Royer  
505 Van Ness Avenue, Room 4002  
San Francisco, CA 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address as 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:

Akbar Jazayeri  
Director of Revenue and Tariffs  
Southern California Edison Company  
c/o Emelyn Lawler  
2244 Walnut Grove Avenue, Rm. 303  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: Emelyn.Lawler@sce.com

Bruce Foster  
Vice President of Regulatory Operations  
Southern California Edison Company  
c/o Karyn Gansecki  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: Karyn.Gansecki@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 compliance with General Order No. 96-A, copies of this advice filing are being furnished to the attached service list, including Interested Parties in the OIR 97-04-011/OII 97-04-012. 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](mailto:Emelyn.Lawler@sce.com). For changes to the R.97-04-011/I.97-04-012 Service Lists, please contact the Commission's Process Office at (415) 703-2120 or by electronic mail at [ven@cpuc.ca.gov](mailto:ven@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 SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/> and choose Regulatory Info Center/Advice Letters.

For questions regarding this advice letter, please contact Melody Carriere at (626) 302-2011 or by electronic mail at [Melody.Carriere@sce.com](mailto:Melody.Carriere@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ:mac  
Enclosures