

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298

NOV 15 2005



CASE ADMINISTRATION
SCE LAW DEPARTMENT

NOV 15 2005
REVENUE & TARIFFS DEPT.

Advice Letter 1763-E/1763-E-A

November 4, 2005

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

Reference: Establishment of the annual earnings assessment proceeding memorandum account to track earnings claims from Low-Income Energy Efficiency program years 1999-2001 and modification of the other distribution adjustment mechanism

Dear Mr. Jazayeri:

Advice Letter 1763-E/1763-E-A is withdrawn by your letter dated November 2, 2005. A copy of the advice is included herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

April 5, 2004

ADVICE 1763-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Advice 1763-E, Establishment of the Annual Earnings Assessment Proceeding Memorandum Account to Track Earnings Claims from Low-Income Energy Efficiency Program Years 1999-2001 and Modification of the Other Distribution Adjustment Mechanism

In compliance with Decision (D.)03-08-028, 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. Pursuant to the California Public Utilities Commission (CPUC) request of April 1, 2004, this advice filing supplements and replaces Advice 1763-E in its entirety, and reflects actual interest through December 2003.

PURPOSE

This advice filing is made in compliance with D.03-08-028, which ordered the utilities to establish a memorandum account to track their Low Income Energy Efficiency (LIEE) earnings claims for Program Year (PY) 1999, PY 2000, and PY 2001 until the Energy Division completes a verification of the installations for PY 2000 and the expenditure data for each of these program years. This filing revises SCE's Preliminary Statement Part L, Other Distribution Adjustment Mechanism (ODAM), and Part N, Memorandum Accounts, and establishes the Annual Earnings Assessment Proceeding Memorandum Account (AEAPMA) to track SCE's LIEE earning claims in accordance with the Decision.

BACKGROUND

Pursuant to D.03-08-028, the Commission authorized the recovery of the utilities' second-year earnings claims for PY 1998 LIEE activities. SCE's authorized amount is \$143,886 (\$121,500 earnings claim plus interest and

Franchise Fees and Uncollectables (FF&U)). The Decision directed the utilities to fund the PY 1998 second-year claims associated with the electric LIEE program expenditures out of their annual public goods charge (PGC) LIEE budgets. In compliance with this Decision, SCE proposes to debit \$121,500 plus interest to the LIEE Balancing Account.

The Decision further ordered the utilities to track the LIEE earnings claims for PY 1999, PY 2000, and PY 2001 in a memorandum account until the Energy Division completes a verification of the installations for PY 2000 and the expenditure data for each of these program years. As shown in Appendix A, SCE's earnings claims for PY 1999, PY 2000, and PY 2001 amount to \$1.065 million, before FF&U and interest. SCE will record \$1.065 million plus associated interest into the AEAPMA. As these earnings claims are authorized for recovery by the Commission, SCE will transfer the earnings for PY 1999 and PY 2000, including interest, into the ODAM for recovery through rates. Earnings authorized for recovery for PY 2001, including interest, will be transferred to the LIEE balancing account for recovery through the PGC LIEE budget.

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 will become effective on the 40th calendar day after the date Advice 1763-E was filed, which is January 17, 2004.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received 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 or electronically to the attention of:

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

Bruce Foster
Vice President of Regulatory Operations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karen.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 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 A.00-05-002. Address change requests to the attached GO 96-A Service List should be directed to AdviceTariffManager@sce.com (626) 302-3636. For changes to any other Service List, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@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://sce.com/adviceletters>.

For questions, please contact Jill Holmes at (626) 302-4962 or by electronic mail at Jill.Holmes@sce.com

Southern California Edison Company

Akbar Jazayeri

AJ:pf

Enclosures

APPENDIX A

<u>Program Year</u>	<u>Earnings</u>	<u>Interest 1/</u>	<u>FF&U</u>	<u>Total</u>	<u>Account Transfer 2/</u>
1998 2nd Claim	121,500	20,772	1,614	143,886	LIEEBA
1999 1st Claim	170,212	18,067	2,136	190,415	AEAPMA
2nd Claim	170,212	7,543	2,016	179,771	AEAPMA
2000 1st Claim	171,940	7,618	2,037	181,595	AEAPMA
2nd Claim	171,940	3,413	1,989	177,342	AEAPMA
2001 1st Claim	190,516	3,782	2,204	196,502	AEAPMA
2nd Claim	<u>190,516</u>	2,172	2,186	194,874	AEAPMA
Total AEAPMA	<u>1,065,336</u>				

1/ Interest is recorded through December 2003.

2/ All amounts tracked in the AEAPMA will be transferred to the appropriate balancing account(s) upon the Energy Division's review.

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 35597-E*	Preliminary Statement Part L	Original 34439-E*
Revised 35598-E Revised 35599-E	Preliminary Statement Part N Preliminary Statement Part N	Revised 34412-E Revised 34416-E
Revised 35600-E	Table of Contents	Revised 35483-E

PRELIMINARY STATEMENT

Sheet 2

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

d. Specified Project (Continued)

Section No.	Specified Project	Interest Bearing Memorandum Account*	
(1)	Not Used		
(2)	Not Used		
(3)	Demand Reduction and Self-Generation Program Incremental Cost (DRSGPIC) Memorandum Account	Yes	
(4)	Catastrophic Event	Yes	
(5)	Not Used		
(6)	Local Area Revenue Mechanism	Yes	
(7)	Not Used		
(8)	Annual Earnings Assessment Proceeding Memorandum Account (AEAPMA)	Yes	(N) (N)
(9)	Not Used		
(10)	Research, Development, and Demonstration Royalties	Yes	
(11)	Not Used		
(12)	Advanced Metering and Demand Response	Yes	
(13)	Not Used		
(14)	Income Tax Component of Contribution Memorandum Account	Yes	
(15)	Demand Side Management Earnings Memorandum Account	Yes	
(16)	Not Used		
(17)	Electric Vehicle Memorandum Account	Yes	
(18)	Independent System Operator Memorandum Account (ISO Memorandum Account)	Yes	
(19)	Power Exchange Memorandum Account (PX Memorandum Account)	Yes	
(20)	Transition Cost Audit Memorandum Account (TCA Memorandum Account)	Yes	
(21)	Divestiture of Fossil Generation Memorandum Account (DFG Memorandum Account)	Yes	
(22)	Telecommunication Lease Revenue Memorandum Account (TLR Memorandum Account)	Yes	
(23)	Competition Transition Charge Exemption Memorandum Account (CTCE Memorandum Account)	Yes	
(24)	Industry Restructuring Memorandum Account (IR Memorandum Account)	Yes	
(25)	PBR Distribution Revenue Sharing Memorandum Account	Yes	
(26)	PBR Distribution Rate Performance Memorandum Account (PDRPMA)	Yes	
(27)	Secondary Land Use Revenue Memorandum Account (SLUR Memorandum Account)	Yes	
(28)	Not Used		
(29)	Reduced Return On Equity Memorandum Account (RROE Memorandum Account)	Yes	
(30)	Rate Reduction Bond Memorandum Account (RRB Memorandum Account)	Yes	
(31)	Risk Management Tools Memorandum Account (RMTMA Memorandum Account)	Yes	
(32)	Flexible Pricing Options (FPO)/Competition Transition Charge (CTC) Memorandum Account (FPO/CTC Memorandum Account)	Yes	
(33)	Not Used		

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

(Continued)

(To be inserted by utility)

Advice 1763-E-A
Decision 03-08-028

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Apr 5, 2004
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PRELIMINARY STATEMENT

Sheet 9

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

8. Annual Earnings Assessment Proceeding Memorandum Account (AEAPMA) (N)

As authorized by the Commission Decision No. 03-08-028, SCE shall establish and maintain the AEAPMA. The purpose of the AEAPMA is to track SCE's earnings claims for Low Income Energy Efficiency (LIEE) Program Years (PY) 1999 through 2001 until the Energy Division completes a verification of the installations for PY2000 and expenditure data for PY1999, PY2000, and PY2001, and the Commission authorizes recovery of the LIEE earnings claims.

Entries to the AEAPMA shall be made at the end of each month. The monthly entry shall be equal to:

- a. A debit entry equal to SCE's earnings claims pending Commission verification of program expenditures and program participation.
- b. A debit entry equal to the interest by applying the Interest Rate to the average of the beginning and ending balances in the account.

Upon the Energy Division's verification of program expenditures and program participation, SCE shall transfer the amount recorded in the AEAPMA for PY1999 and 2000 to the Other Distribution Adjustment Mechanism for recovery. SCE will transfer verified program expenditure for PY2001 to the Low Income Energy Efficiency Program balancing account (LIEEPBA). (N)

(Continued)

(To be inserted by utility)

Advice 1763-E-A
Decision 03-08-028

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Apr 5, 2004
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PRELIMINARY STATEMENT

Sheet 3

(Continued)

L. OTHER DISTRIBUTION ADJUSTMENT MECHANISM

3. Operation of the ODAM

Entries to the ODAM shall be made on a monthly basis from the following calculations (excluding FF&U):

- a. Credit entry equal to the recorded ODAM Revenue;
- b. Credit entry equal to the monthly amount recorded in the Rate Reduction Bond (RRB) Memorandum Account;^{1/}
- c. Debit entry equal to Reduced Cost Recovery Amount (RCRA) revenue requirement (the annual CPUC-authorized amount, divided by twelve);
- d. Debit entry equal to Demand Responsiveness revenue requirement (the annual CPUC-authorized amount, divided by twelve);
- e. Credit entry equal to recorded Non-Utility Affiliate credits;
- f. Debit entry equal to recorded restructuring implementation costs;
- g. Debit entry equal to authorized DSM Earnings amounts as approved by the Commission, and amortized in the DSM Earnings Memorandum Account;^{1/}
- h. Debit entry equal to the authorized Low Income Energy Efficiency Program amounts for Program Years 1999–2001 transferred from the Annual Earnings Assessment Proceeding Memorandum Account (AEAPMA). (N)
- i. Debit entry equal to the transfers from the following, subsequent to CPUC approval. (N)
 - (1) PBR Distribution Rate Performance Memorandum Account (PDRPMA);^{2/}
 - (2) Catastrophic Event Memorandum Account (CEMA);^{2/}
 - (3) PBR Distribution Revenue Sharing Memo Account;^{2/}
 - (4) Optional Pricing Adjustment Clause (OPAC) Balancing Account.^{2/}
 - (5) Hazardous Substance Cleanup and Litigation Cost Recovery Mechanism;^{2/} and
 - (6) Affiliate Transfer Fee Memorandum Account.^{2/}
 - (7) Demand Reduction and Self-Generation Program Incremental Cost Memorandum Account
- j. Debit or credit equal to other amounts as authorized by the CPUC. (T)

The sum of (a) through (j) equals the activity recorded in the ODAM each month. (T)

Interest shall accrue monthly to the ODAM by applying the Interest Rate to the average of the beginning and ending monthly ODAM balances.

^{1/} Refer to Preliminary Statement, Part N, Rate Reduction Bond Memorandum Account to see how this amount is calculated. The RRB credit included in rate levels applies to only residential and Small Commercial Customers as stated in the tariff.
^{2/} Disposition of these balances is pending in Application 00-03-047, Regulatory Account Balance Transfer Proceeding.

(Continued)

(To be inserted by utility)

Advice 1763-E-A
Decision 03-08-028

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Apr 5, 2004
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(To be inserted by utility)
Advice 1763-E-A
Decision 03-08-028

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John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)
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Resolution _____

November 08, 2004

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Attn: Jerry Royer
Energy Division

Re: Substitute Sheets for Advice 1763-E-A

Dear Mr. Royer:

Enclosed are an original and six copies of Attachment A and Substitute Sheet No. 35597-E* for Advice 1763-E-A. This Substitute Sheet is necessary to modify Preliminary Statement L. Other Distribution Adjustment Mechanism, Part 3, Section h. to correct an error in years "1999-2000" to read "1999-2001" and to correct wording in Section h. to more clearly describe the addition of Section h, the debit entry for the Low Income Energy Efficiency Program (LIEE) transfer amounts from the Annual Earnings Assessment Proceeding Memorandum Account (AEAPMA) for Program Years 1999-2001.

Please replace the enclosed sheets in your master Advice 1763-E-A file and distribute copies to the appropriate people reviewing the Advice Letter. If you have any questions, please contact Ruby Galvan at (626) 302-2010.

Sincerely,

cc: Ivy Walker

Enclosures
1763-E-ASub.doc