

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



FEB 17 2006

February 10, 2006

REVENUE & TARIFFS DEPT. Advice Letter 1915-E

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

Reference: Modifications to Preliminary Statement Part N, 33, Residential Generation Revenue
Shortfall Memorandum Account

Dear Mr. Jazayeri:

Advice Letter 1915-E is withdrawn by your letter dated February 8, 2006. A copy of the advice letter is included herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division

jjr

September 14 , 2005

ADVICE 1915-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Modifications to Preliminary Statement, Part N, 33,
Residential Generation Revenue Shortfall Memorandum
Account (RGRSMA)

In accordance with Decision No. (D.) 05-08-036 dated August 25, 2005, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff schedules are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing modifies SCE's Preliminary Statement, Part N, 33, Residential Generation Revenue Shortfall Memorandum Account (RGRSMA) to eliminate the sub-account of the RGRSMA established in compliance with Resolution E-3895.

BACKGROUND

SCE established the RGRSMA pursuant to Ordering Paragraph No. 5 of Resolution E-3897 to record the generation revenue shortfall caused by Assembly Bill (AB) 1X limitations on Tier 1 and 2 rates of residential Non-CARE customers. Due to AB1X limitations, increases made to Tier 1 and Tier 2 residential Non-CARE rate levels, as a result of increasing FERC-jurisdictional transmission rates, were offset by decreases in Tier 1 and Tier 2 generation rate levels. In compliance with Resolution E-3895, SCE modified the RGRSMA to add a sub-account to track the generation revenue shortfall recovered through increased Tier 3 and Tier 4 residential rates due to the implementation of SCE's 2005 consolidated rate increase.

Pursuant to Resolution E-3895, SCE filed Application 05-03-025 on March 28, 2005 seeking approval of its proposed methodology for allocating the generation revenue shortfall resulting from AB1X limitations. D.05-08-036 approved SCE's methodology for

allocating its AB1X generation revenue shortfall such that Tier 1 and Tier 2 energy rates for residential customers should be set at the maximum level allowed by AB1X when rate changes are authorized and Tier 3 and Tier 4 rates should be designed to recover the remaining revenues allocated to residential customers.

RATEMAKING

D.05-08-036 approves the elimination of the tracking sub-account of the RGRSMA established in compliance with Resolution E-3895.¹ In addition, D.05-08-036 requires SCE to continue recording the revenue shortfall from residential Non-CARE customers created in compliance with Resolution E-3897 in the RGRSMA until SCE's next consolidated rate change.² At that time, SCE will assign the balance in the RGRSMA to the residential Non-CARE customers to be recovered along with other revenue allocation changes to these customers.³ Therefore, SCE is modifying Preliminary Statement, Part N, 33, Residential Generation Revenue Shortfall Memorandum Account to 1) remove the tracking sub-account that is no longer needed and 2) add account disposition language consistent with D.05-08-036.

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

In accordance with D.05-08-036, SCE requests that this advice filing become effective on August 25, 2005 subject to review and approval by the Commission's Energy Division.

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:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

¹ D.05-08-036, Finding of Fact 4.

² SCE's next consolidated rate change is anticipated in early 2006.

³ D.05-08-036, Finding of Fact 5.

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
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: 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 accordance with Section III, Paragraph G, of General Order No. 96-A, SCE is furnishing copies of this advice filing to the interested parties shown on the attached GO 96-A, A.02-05-004, and A.04-12-014 service lists. Address change requests to the GO 96-A service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-2930. For changes to all other service lists, 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://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact John Montanye at (626) 302-2308 or by electronic mail at John.Montanye@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:jm:sq
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)	
Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)	
Utility type: <input checked="" type="checkbox"/> ELC <input type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: James Yee Phone #: (626) 302-2509 E-mail: James.Yee@sce.com
EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <u>1915-E</u>	
Subject of AL: <u>Modifications to Preliminary Statement, Part N, 33, Residential Generation Revenue Shortfall Memorandum Account (RGRSMA)</u>	
Keywords (choose from CPUC listing): <u>Compliance, Memorandum Account</u>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other _____	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: <p style="text-align: center;">D.05-08-036</p>	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____	
Summarize differences between the AL and the prior withdrawn or rejected AL ¹ : _____	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <u>8/25/05</u>	No. of tariff sheets: <u>-2-</u>
Estimated system annual revenue effect (%): _____	
Estimated system average rate effect (%): _____	
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).	
Tariff schedules affected: <u>Preliminary Statement Part N, Table of Contents</u>	
Service affected and changes proposed ¹ : _____	
Pending advice letters that revise the same tariff sheets: _____	

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Akbar Jazayeri
Director of Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue
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: Karyn.Gansecki@sce.com

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 39095-E	Preliminary Statement Part N	Revised 37829-E
Revised 39096-E	Table of Contents	Revised 37276-E

PRELIMINARY STATEMENT

Sheet 48

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

33. Residential Generation Revenue Shortfall Memorandum Account (RGRSMA)

The purpose of the RGRSMA is to record the residential generation revenue shortfall caused by maintaining the AB1X mandated limitations on tiers 1 and 2 of residential Non-CARE rates. Pursuant to Resolution E-3897, increases in the tier 1 and 2 Transmission rate components must be offset by equal decreases in the tier 1 and 2 Generation rate components which creates a shortfall in generation revenues. Likewise, to the extent the RGRSMA is undercollected, decreases in the tier 1 and 2 Transmission rate components will be offset by an increase in the tier 1 and 2 Generation rate components.

(D)

SCE shall maintain the RGRSMA by making monthly entries as follows:

- a. Debit entry equal to the recorded shortfall in residential generation revenues for tier 1 and 2.
- b. Credit entry equal to the recorded surplus in residential generation revenues for tier 1 and 2.
- c. An entry equal to accrued interest calculated by applying the Interest Rate to the average of the beginning of month and end of month account balances.

Disposition

(C)

Pursuant to D.05-08-036 the balance in this account shall be disposed of in SCE's 2006 Rate Consolidation by assigning it to residential non-CARE customers to be recovered along with other revenue allocation changes to these customers. At the time new consolidated rates go into effect, SCE shall transfer the balance recorded in the RGRSMA to the ERRRA and eliminate the RGRSMA.

(C)

(D)

(Continued)

(To be inserted by utility)

Advice 1915-E
Decision 05-08-036

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 14, 2005
Effective _____
Resolution _____



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.
Sheet No.

TITLE PAGE 11431-E

TABLE OF CONTENTS - RATE SCHEDULES37276-38226-38657-38857-38858-38886-38661-E (T)

TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS 38661-E

TABLE OF CONTENTS - RULES 37277-E (T)

TABLE OF CONTENTS - BASELINE REGIONS 38663-E

TABLE OF CONTENTS - SAMPLE FORMS38859-38860-37804-36443-35196-36853-38887-E

PRELIMINARY STATEMENT:

A. Territory Served 22909-E

B. Description of Service 22909-E

C. Procedure to Obtain Service 22909-E

D. Establishment of Credit and Deposits 22909-E

E. General 22909-27629-2763038292-E

F. Symbols 27630-E

G. Gross Revenue Sharing Mechanism26584-26585-26586-26587-27195-27196-27197-E
..... 27198-27199-27200-27201-E

H. Baseline Service11457-31455-11880-11881-31679-E

I. NOT IN USE-E

J. Employee-Related Balancing Account..... 36295-E

K. Nuclear Decommissioning Adjustment Mechanism..... 36582-36583-E

L. Other Distribution Adjustment Mechanism.....3443738293-36584-36585-36297-E

M. Income Tax Component of Contributions Provision.....34071-27632-E

N. Memorandum Accounts.....21344-37769-38871-37828-37770-31526-36784-36506-34416-E
..... 36507-34418-36526-37771-37772-37773-37774-37775-37776-27542-26595-27643-27644-E
..... 27645-27646-27647-27648-27649-27650-27651-27652-27653-27654-27655-27656-31327-E
..... 26596-36797-21960-34441-34442-22546-27658-23703-27829-29774-29775-29776-29777-E
..... 27663-36590-36591-30057-30058-30059-30060-26484-26485-23212-28280-24197-29470-E
..... 26486-29471-24199-29472-23221-23222-23223-24200-26487-29473-23227-37099-38872-E
..... 36592-24477-24812-223,80-28283-22621-36593-24272-27015-30234-27476-26007-26757-E
..... 26996-26735-33597-27500-27424-27425-27477-29778-28408-29789-29488-36594-35952-E
..... 36595-32988-33085-36596-34420-31665-31936-32936-33531-37830-E

O. California Alternative Rates for Energy (CARE) Adjustment Clause
..... 34705-36471-36472-38847-38848-38294-E

P. Optional Pricing Adjustment Clause (OPAC)27670-27671-27672-27673-27674-E

(Continued)

(To be inserted by utility)
Advice 1915-E
Decision 05-08-036

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Senior Vice President

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