

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



February 5, 2010

Advice Letter 2407-E

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Withdrawal of SCE's AL 2407-E --
Revisions to SCE's Construction Work in Progress Transmission
Revenue Requirement**

Dear Mr. Jazayeri:

Advice Letter 2407-E is withdrawn as requested in your letter dated January 7, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

November 19, 2009

ADVICE 2407-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Southern California Edison Company's
Construction Work in Progress Transmission Revenue
Requirement

PURPOSE

Southern California Edison Company (SCE) proposes to reflect an increase in its Transmission Rate Component, effective January 1, 2010, pursuant to SCE's Transmission Owner (TO) Tariff Construction Work in Progress (CWIP) Rate Filing, filed with the Federal Energy Regulatory Commission (FERC) on October 30, 2009, in Docket No. ER10-160-000.

This advice filing is made in compliance with Resolution E-3930 which requires that when a utility files a revision in rates at the FERC, the utility must concurrently, or as soon as possible thereafter, file an advice letter with the California Public Utilities Commission (CPUC) seeking authorization to pass through the requested rates to retail customers. The rate changes proposed herein meet all requirements of the filing process established in Resolution E-3930 for approval by the Energy Division.

BACKGROUND

SCE's CWIP Ratemaking Mechanism, approved by the FERC on February 29, 2008, in Docket No. ER08-375, includes a formula rate that is used to calculate an incremental CWIP revenue requirement associated with expenditures on facilities and land acquired during the construction period for qualifying projects. The resulting incremental CWIP revenue requirement is added to the authorized Base Transmission Revenue Requirement (TRR). Therefore, SCE's TRR reflected in Transmission rates is comprised of the CWIP revenue requirement and SCE's authorized Base TRR.

SCE calculates its actual CWIP revenue requirement each month and compares it to the incremental CWIP revenues received from retail transmission customers. The difference between these two amounts is included in a balancing account. Interest is added to these account balances. The amounts recorded in the balancing account are flowed through to retail customers in transmission rates.

PROPOSED RATE CHANGE

In its Docket No. ER10-160-000 filing at the FERC, SCE proposed to increase the currently effective CWIP TRR applicable to retail customers from \$38.6 million to \$46.2 million. Effective January 1, 2010, the retail TRR would increase from \$486.6 million to \$494.2 million.

SCE allocates the authorized retail TRR to retail rate groups based on the 12 months of coincident peak demand (12-CP) methodology. Transmission rates are determined based on 2009 forecast monthly peak demand (kW) for demand-metered customers and forecast monthly energy (kWh) consumption for nondemand-metered customers. The revised retail rates are shown below:

**2010 CWIP TRANSMISSION RATE FILING
TRANSMISSION RATES
CURRENT VS. PROPOSED RATES**

Transmission Rates						
Current			Proposed			Change
Energy	Demand	Demand	Energy	Demand	Demand	
\$/kWh	\$/kW	\$/HP	\$/kWh	\$/kW	\$/HP	
DOMESTIC	0.00620		0.00629			1.6%
GS-1	0.00665		0.00675			1.6%
TC-1	0.00436		0.00443			1.6%
GS-2		1.85		1.88		1.6%
TOU-GS-3		1.97		2.00		1.6%
TOU-8-SEC		2.11		2.15		1.6%
TOU-8-PRI		2.10		2.13		1.6%
TOU-8-SUB		1.80		1.83		1.6%
TOU-8-220kV		0.55		0.56		1.6%
PA-1			0.26		0.26	1.6%
PA-2		0.92		0.94		1.6%
AG-TOU		0.83	0.62	0.84	0.63	1.6%
TOU-PA-5		1.74		1.76		1.6%
STREET LIGHTS	0.00280		0.00284			1.6%
STANDBY ^{/Stby}						
below 2 kV		1.15		1.17		1.6%
from 2 kV to 50 kV		0.69		0.71		1.6%
above 50 kV, but < 200kV		0.50		0.51		1.6%
>= 200kV		0.39		0.40		1.6%

Minimum Charge					
Current		Proposed		Change	
Summer	Winter	Summer	Winter	Summer	Winter

TOU-PA-5	1.67	1.71	1.70	1.73	1.6%	1.6%
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Transmission Revenue Requirement @ 2009 Sales			
Current	Proposed	Change	
(\$M)	(\$M)	(\$M)	%
486,617	494,196	7,579	1.6%

/Stby: Standby Charge is equal to the Minimum of Facility Demand Charge, or the Applicable Standby Charge.

SCE will consolidate the revised Transmission rates associated with the CWIP proposal and the revised Transmission Owners Tariff Charge Adjustment (TOTCA)¹ rate component with other end-of-year changes to be proposed in subsequent advice filings, including the Schedule TOU-PA-ICE rate escalation, the California Department of Water Resources (DWR) Bond and Power Charges, and the California Public Utilities Commission Reimbursement Fee (PUCRF), if applicable. Consistent with past practice, SCE will include revised tariff sheets reflecting all January 1, 2010 rate changes with the latest of these advice filings prior to January 1, 2010.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.1, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

Assuming FERC acceptance of SCE's CWIP proposal, SCE requests that this advice filing become effective on January 1, 2010, concurrent with the effective date approved by the FERC.

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: inj@cpuc.ca.gov and mas@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:

¹ SCE will combine the currently effective Transmission Access Charge Balancing Account Adjustment rate with the proposed Reliability Services Balancing Account Adjustment rates (filed with the CPUC on November 5, 2009, in Advice 2397-E) and the proposed Transmission Revenue Balancing Account Adjustment rate (filed with the CPUC on November 6, 2009, in Advice 2399-E) to produce the TOTCA rate component of the applicable tariffs effective January 1, 2010.

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 929-5540
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 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.07-11-011 service lists. Address change requests to the GO 96-B 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 CPUC'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 at SCE's corporate headquarters. To view other SCE advice letters filed with the CPUC, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact Robert Thomas at (626) 302-3946 or by electronic mail at Robert.Thomas@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:rt: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:

ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: AdviceTariffManager@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) #: 2407-E Tier Designation: 1

Subject of AL: Revisions to Southern California Edison Company's Construction Work in Progress Transmission Revenue Requirement

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

E-3930

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 AL¹: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 1/1/10 No. of tariff sheets: -0-

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: None

Service affected and changes proposed¹: _____

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
inj@cpuc.ca.gov and mas@cpuc.ca.gov

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