

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



August 30, 2013

Advice Letter 2926-E

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

Subject: Withdrawal of SoCal Edison Advice Letter 2926-E – Notice of Energy Resource Recovery Account Trigger but Request No Rate Change in Compliance with Decision 06-06-051

Dear Mr. Jazayeri:

Advice Letter 2926-E is withdrawn as requested in your letter dated August 28, 2013.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

August 28, 2013

California Public Utilities Commission
Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

Re: Withdrawal of SCE's Advice 2926-E

Dear Energy Division Tariff Unit:

On July 25, 2013, Southern California Edison Company (SCE) filed Advice 2926-E, Notice of Energy Resource Recovery Account Trigger but Request No Rate Change in Compliance with Decision 06-06-051.

SCE is withdrawing Advice 2926-E and will be filing an Energy Resource Recovery Account (ERRA) Trigger Application to address the ERRA balance exceeding the Trigger Threshold. Recovery of SCE's ERRA balance as of July 31, 2013 is now subject to a Trigger application filed on August 28, 2013.

SCE submits this request for withdrawal pursuant to General Order 96-B, Section 5.3, and asks that a confirmation letter be returned regarding this withdrawal.

Should you have any questions, please contact me.

Sincerely,

/s/ Megan Scott-Kakures
Megan Scott-Kakures

cc: Don LaFrenz, CPUC Energy Division
All Parties to SCE Advice 2926-E

July 25, 2013

ADVICE 2926-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Notice of Energy Resource Recovery Account Trigger but
Request No Rate Change in Compliance with Decision
06-06-051

PURPOSE

The purpose of this Advice Letter is to notify the California Public Utilities Commission (Commission) that Southern California Edison Company's (SCE's) Energy Resource Recovery Account (ERRA) balance currently exceeds its 5 percent Trigger Threshold. However, as discussed below, SCE is not seeking to increase rates at this time in regards to this Advice Letter.

BACKGROUND

As a result of Public Utilities (PU) Code §454.5(d) (3), the Commission issued D.02-10-062 establishing an ERRA trigger mechanism that requires SCE to file an expedited application for Commission approval to adjust its rates within 60 days from the filing date whenever the ERRA balance reaches 4 percent of its prior year's recorded generation revenues, excluding revenues collected for the California Department of Water Resources (DWR), and is forecast to exceed 5 percent of such revenues.

In D.06-06-051, the trigger mechanism was modified to allow SCE to notify the Commission through advice letter filings instead of expedited applications when ERRA balances exceed the Trigger Point, but no changes are required in rates if the ERRA balance will self-correct below the trigger point within 120 days. Expedited applications shall continue to be used when rate changes are necessary to amortize ERRA balances.

STATUS OF ERRA BALANCE

SCE's recorded ERRA balance as of May 31, 2013 was an under-collection of \$321.3 million, and as of June 30, 2013 an under-collection of \$367.6 million. SCE's 5 percent Trigger Threshold for 2013 is \$279 million; thus, the Trigger Threshold has been exceeded.

It is important to note, that if SCE were requesting a rate change via a Trigger Application, the impact on customer's rates would be significantly greater than the \$367.6 million under-collection recorded in the ERRA as of June 30, 2013, due to the following: SCE seeks authority to amortize its balancing account balances each year in its ERRA Forecast Proceedings or, if necessary, through Trigger Applications. In D.12-07-007, the Commission authorized SCE to begin to amortize the recorded December 31, 2011 ERRA over-collected balance of \$426 million.¹ SCE began to refund this balance on August 1, 2012, and will complete it by August 1, 2013. Accordingly, the change in SCE's ERRA recorded balance between December 31, 2011 and June 30, 2013 is \$794 million (i.e., the \$367.6 million current under-collection plus the \$426 million amortized 2011 over-collection), and that would be an appropriate rate increase to seek through this Trigger filing. As explained below, SCE is not seeking a rate change through this filing.

NO TRIGGER RATE CHANGE AT THIS TIME

Although SCE's ERRA balance has exceeded the 5 percent Trigger Threshold, SCE is not requesting to amortize this ERRA under-collection in rates at this time for several reasons as described below.

First, one of the reasons for the ERRA under-collection is the impact of Greenhouse Gas (GHG) costs. The Commission in D.12-12-033 (GHG Revenue Rulemaking) has precluded the Investor-Owned Utilities (IOUs) from recovering GHG costs in rates until such time as the IOUs are authorized to return GHG cap-and-trade revenues to customers, which is expected to begin early in 2014. Accordingly, part of the under-collection recorded in the ERRA is associated with GHG costs that cannot be recovered at this time. In compliance with D.12-12-033, SCE established the GHG Revenue Balancing Account (GHGRBA), in which it currently is recording the GHG allowance proceeds received through California's cap-and-trade auction. The balance recorded in the GHGRBA as of June 30, 2013 is an over-collection of \$238 million. When considering both the recorded ERRA under-collection and the GHGRBA over-collection, the combined net under-collection is only \$130 million (\$368 million - \$238 million).²

¹ Balance amount before including authorized Franchise Fees and Uncollectibles.

² Note that these are separate accounts, and the respective revenues must be collected and returned to separate groups of customers.

Second, Commissioner Florio has expressed concerns about increasing ERRA rates and that SCE should address the ERRA under-collection before addressing the issue of a potential reduction in SCE's base rates related to the San Onofre Nuclear Generating Station (SONGS). The Commission is considering issues regarding base rates associated with SONGS in Investigation (I.)12-10-013 (the SONGS OII). On July 22, 2013, SCE submitted testimony and filed a motion in the SONGS OII setting forth a ratemaking proposal that attempts to address Commissioner Florio's concerns. That proposal, if accepted, is expected to help ameliorate the current ERRA under-collection.³

Third, on July 22, 2013, SCE filed a motion in Application (A.)12-08-001 (SCE's 2013 ERRA forecast proceeding) seeking an interim decision that would allow SCE to "turn-off" the amortized 2011 year-end ERRA over-collection (described above). If granted, SCE's total rates would increase by a net amount of \$211 million, \$432 million increase in ERRA rates and a \$221 million reduction in other rates (e.g., distribution and public purpose programs). If granted, the ERRA rate increase will help ameliorate the current ERRA under-collection.

Fourth, on August 1, 2013, SCE will file its 2014 ERRA Forecast application. Included in that application, will be a proposal to recover the December 31, 2013 balance recorded in the ERRA beginning in 2014.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this Advice Letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on August 24, 2013, the 30th calendar day after the date filed.

³ SCE expressly reserves the right to file future Trigger Applications to increase ERRA rates should such applications become necessary.

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: EDTariffUnit@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:

Megan Scott-Kakures
Vice President, Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President, Regulatory Policy & Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
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, A.13-04-001, and I.12-10-013 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) 302-2086. 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 at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Douglas Snow at (626) 302-2035 or by electronic mail at Douglas.Snow@sce.com.

Southern California Edison Company

Megan Scott-Kakures

MSK:ds:dm
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: Darrah.Morgan@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) #: 2926-E

Tier Designation: 2

Subject of AL: Notice of Energy Resource Recovery Account Trigger but Request No Rate Change in Compliance with Decision 06-06-051

Keywords (choose from CPUC listing): Compliance, ERRA, Balancing Account, Decrease Rates, Increase Rates,

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.06-06-051

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: 08-24-13 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: n/a

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: n/a

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
EDTariffUnit@cpuc.ca.gov

Megan Scott-Kakures
Vice President, Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President, Regulatory Policy & Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com