
November 30, 1998

ADVICE 1255-E-B
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Advice 1255-E-A, Streamlining Tariffs

In compliance with Resolution E-3527, dated November 19, 1998, Southern California Edison Company (SCE) hereby transmits for filing the following changes in its tariff schedules. The revised tariffs are highlighted on Attachment A and are attached hereto.

PURPOSE

Advice 1255-E-B supplements, in part, Advice 1255-E-A filed December 24, 1997, and supplements only Preliminary Statement, Part R, Transition Revenue Account (TRA). In compliance with Ordering Paragraph No. 1 of Resolution E-3527, this advice filing will allow the transfer of only credit balances from the TRA to the Transition Cost Balancing Account (TCBA) and will allow the debit balances in the TRA to be carried forward in the TRA from month-to-month. In addition, SCE was ordered to further modify its TRA to bifurcate the debit entry related to the Distribution TRA Separated Revenue.

BACKGROUND

SCE was authorized by the California Public Utilities Commission (Commission) in Decision No. 97-10-057, dated October 28, 1997, to request the establishment of a TRA. The TRA provides for the monthly determination of residual revenues available for the recovery of transition costs. SCE filed Advice 1255-E on November 3, 1997 in order to, among other things, establish its proposed TRA to be effective January 1, 1998.

On December 16, 1997, the Commission's Energy Division issued Resolution E-3514, which authorized SCE to file tariffs to establish a TRA with certain modifications to SCE's proposed TRA tariff. On December 24, 1997, SCE filed Advice 1255-E-A, which supplemented and replaced the tariffs filed in Advice 1255-E, to incorporate changes required by Resolution E-3514.

In January, 1998, the Energy Division became aware of a problem relating to the TRA language which it had previously overlooked and believed was inconsistent with Section 367 of the Public Utilities Code. Subsequently, on June 26, 1998, the Energy Division issued the Proposed Resolution E-3527 soliciting comments from parties in the Restructuring proceeding (R.94-04-031/I.94-04-032). The Proposed Resolution recommended that credit only balances be transferred from the TRA into the TCBA. SCE provided comments to the Proposed Resolution regarding the issue of only transferring credit balances to the TCBA. In addition to those comments, SCE identified an additional oversight in Resolution E-3514 that would require an additional change to SCE's TRA. In its comments, SCE proposed to bifurcate the current debit entry related to Distribution TRA Separated Revenue into:

- A debit entry equal to the annual applicable Distribution PBR-related TRA Separated Revenues, and
- A debit entry equal to the annual applicable Distribution PBR exclusions TRA Separated Revenue Requirement amount divided by twelve.

The Commission in Resolution E-3527 found that SCE's bifurcation proposal was reasonable and adopted the proposal. Therefore, in compliance with Resolution E-3527, SCE, herein, modifies its TRA to include both the modification to clarify that only TRA credit balances shall be transferred to the TCBA, and to bifurcate the current debit entry related to Distribution TRA Separated Revenue.

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

EFFECTIVE DATE

This supplemental advice filing is made in compliance with Resolution E-3527. Pursuant to Ordering Paragraph No. 1 of Resolution E-3527, this supplemental advice filing: 1) is filed no later than November 30, 1998; and 2) shall be deemed effective January 1, 1998, after the Energy Division has reviewed it for compliance with this Resolution.

NOTICE

Anyone wishing to protest this advice filing may do so by sending a letter 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

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above), and Donald A. Fellows, Manager of Revenue and Tariffs, Southern California Edison Company, 2244 Walnut Grove Avenue, Rosemead, California 91770, Facsimile (626) 302-4829. 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 OIR 97-04-011/OII 97-04-012. Address change requests should be directed to Emelyn Lawler at (626) 302-3985.

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.

Southern California Edison Company

Donald A. Fellows, Jr.

Enclosures

cc: CPUC, SF - Attn: Elena Schmid, ORA
CPUC, SF - Attn: Don Lafrenz, Energy Division



PRELIMINARY STATEMENT

Sheet 1

R. TRANSITION REVENUE ACCOUNT (TRA)

1 Purpose:

The purpose of the Transition Revenue Account (TRA) is to match the amount of billed revenues against the amount of the separated revenue requirement and Commission-approved obligations. This matching process facilitates determination of billed Competition Transition Charge (CTC) revenues, which will be transferred to the Transition Cost Balancing Account (TCBA). Separated revenue requirement consists of transmission, distribution, public purpose programs, and nuclear decommissioning. Commission-approved obligations consist of Independent System Operator (ISO) charges, and Power Exchange (PX) charges. The purpose of the TRA is also to ensure dollar-for-dollar recovery of distribution PBR exclusions, nuclear decommissioning and public purpose program costs. The TRA will be in effect until the end of the rate freeze.

2. Applicability:

This TRA provision applies to all bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those specifically excluded by the Commission.

3. TRA Separated Revenue Requirement Amounts:

On January 1, 1998, the TRA Separated Revenue Requirement Amounts shall be as adopted in D.97-08-056.

4. Revision Dates:

The TRA Separated Revenue Requirement Amounts are revised annually on January 1, or as authorized by the Commission in a future Revenue Adjustment Proceeding (RAP).

5. Accounting Procedures:

Edison shall maintain the TRA by making entries to this account at the end of each month as follows:

- a. A debit entry equal to the recorded revenue from residential and Small Commercial customers from the Fixed Transition Amount Charge (FTAC), as provided for in Decision 97-09-056.
- b. A credit entry equal to the amount of total recorded CPUC-jurisdictional revenue from the sale and/or delivery of electricity during the month.
- c. A debit entry equal to the Transmission TRA Separated Revenues, based upon rates approved by the Federal Energy Regulatory Commission (FERC).

(Continued)

(To be inserted by utility)

Advice 1255-E-B
Decision 97-10-057

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 30, 1998
Effective Jan 1, 1998
Resolution E-3527

PRELIMINARY STATEMENT

Sheet 2

(Continued)

R. TRANSITION REVENUE ACCOUNT (TRA)

5. Accounting Procedures: (Continued)

- d. A debit entry equal to the Distribution PBR-related TRA Separated Revenues.
- e. A debit entry equal to the annual applicable Distribution PBR Exclusions TRA Separated Revenue Requirement Amount divided by twelve.
- f. A debit entry equal to the annual applicable Nuclear Decommissioning TRA Separated Revenue Requirement Amount divided by twelve.
- g. A debit entry equal to the annual applicable Public Purpose Programs TRA Separated Revenue Requirement Amount divided by twelve.
- h. A debit entry equal to the amount recorded for FERC-authorized ISO charges for transmission support, exclusive of charges in item c.
- i. A debit entry equal to the amount recorded for purchases from the PX for all power Edison's customers obtain from the PX.
- j. A credit entry equal to the amount of Shareholder Participation as defined in Section 6.

Each month, if the sum of items 5.a through 5.j above, plus the cumulative balance in the TRA from the previous month result in (i) a net credit balance, then such credit balance shall be immediately transferred to the Revenue Account of the TCBA or (ii) a net debit balance, then such debit balance shall remain in the TRA and accrue interest. Interest shall accrue monthly to debit balances by applying the three month commercial paper rate to the average of the beginning and ending balance.

6. Shareholder Participation:

Decision 96-08-025 requires Edison's shareholders to share a portion of any Net Incremental Revenue Change associated with business attraction and expansion Flexible Pricing Options (FPOs) with ratepayers. Edison maintains the Optional Pricing Adjustment Clause (OPAC), as set forth in Part P of the Preliminary Statement associated with Commission approved FPOs. The OPAC Balancing Account balance shall be made available for Commission review in the annual Revenue Adjustment Proceeding (RAP). Upon Commission approval, Edison shall transfer the balance to the TRA (as identified in 5.j. above).

(To be inserted by utility)

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