
August 25, 1999

ADVICE 1351-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplemental to Advice 1351-E, Establishment of the Fuel
Oil Inventory Memorandum Account

In compliance with Resolution E-3606 dated August 5, 1999, Southern California Edison Company (SCE) hereby transmits for filing the following changes to its tariff schedules. The revised tariff sheets highlighted on Attachment A are attached hereto.

PURPOSE

This advice filing supplements Advice 1351-E, Establishment of the Fuel Oil Inventory Memorandum Account (FOIMA) with the modifications outlined in Ordering Paragraphs 1 and 2 of Resolution E-3606.

BACKGROUND

SCE's Advice 1351-E, filed on November 20, 1998, requested the California Public Utilities Commission (Commission) to allow SCE to establish a new memorandum account, FOIMA, in SCE's Preliminary Statement Part N, Memorandum Accounts. The purpose of SCE's FOIMA is to record:

1. Fuel oil inventory carrying costs; and
2. Gains and losses on the sale of fuel oil inventory.

FOIMA MODIFICATIONS

Pursuant to Resolution E-3606, tariff modifications have been incorporated in SCE's FOIMA such that:

- Sections 48 (a.) and (b.) of Part N of SCE's Preliminary Statement has been changed to read: "a. Carrying costs, and b. Gains and losses on the sale of fuel oil inventory that were held by SCE in inventory as of December 31, 1997," and
- Language is added at the end of Section 48: "This memorandum account shall expire no later than January 31, 2000." (Because of this statement, the paragraph immediately following Section 48 (b.) has been removed.)

No cost information is required for this advice filing.

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

EFFECTIVE DATE

Pursuant to Resolution E-3606, it is requested that this advice filing become effective as of the date that the Commission approved this resolution, August 5, 1999, and shall terminate on January 31, 2000 unless extended by the Commission. Since this advice filing does not alter the nature of the FOIMA methodology, no resolution is required for this advice filing; therefore, approval of this item is not subject to the review and comment provisions of Senate Bill 779.

NOTICE

Anyone wishing to protest this advice filing may do so by sending a letter no later than twenty (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 to 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, as well as A.96-08-007/A.96-08-071. 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.

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Enclosures

Public Utilities Commission

1351-E-A

Attachment A

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal. P.U.C. Sheet No.</u>
Revised 25441-E Original 25442-E	Preliminary Statement, Part N Preliminary Statement, Part N	Original 23199-E* -----E
Revised 25443-E	Table of Contents	Revised 25431-E

PRELIMINARY STATEMENT
(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

48. Fuel Oil Inventory Memorandum Account

The Utility shall maintain a Fuel Oil Inventory Memorandum Account (FOIMA) as authorized by the Commission in Resolution E-3606. The purpose of the FOIMA is to record:

- a. Carrying costs; and
- b. Gains and losses on the sale of fuel oil inventory that were held by SCE in inventory as of December 31, 1997.

Amounts recorded in the FOIMA shall be on a CPUC-jurisdictional basis calculated in accordance with the Commission-authorized methodology used in SCE's Transition Cost Balancing Account (TCBA).

Entries to the FOIMA shall be made on a monthly basis, and shall be determined as follows:

- a. The average recorded fuel oil inventory value for the month, multiplied by the Interest Rate;
- b. Plus: Gains and losses on the sale of fuel oil inventory recorded during the month;
- c. The sum of "(a) and "(b)" multiplied by the applicable CPUC jurisdictional factor.

Interest shall accrue to the FOIMA on a monthly basis by applying the Interest Rate to the average of the beginning-of-month and the end-of-month balances.

The disposition of the balance in the FOIMA, subsequent to a determination by the ISO for the need for SCE's fuel oil facilities for system reliability, will be made after the Commission's review of the entries made to the FOIMA in the Annual Transition Cost Proceeding (ATCP).

This memorandum account shall expire no later than January 31, 2000.