
May 24, 1999

ADVICE 1359-E-B
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Advice 1359-E-A, Revisions to Preliminary Statement, Part W

In compliance with Decision No. 98-12-067 (D.98-12-067), dated December 17, 1998, and Resolution E-3600, dated May 13, 1999, Southern California Edison Company (SCE) hereby transmits for filing the following changes in its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This supplemental filing revises Preliminary Statement, Part W, Competition Transition Charge (CTC) Responsibility with respect to CTC applicability to new or incremental load of a customer, where such load is being met through a direct transaction and the transaction does not otherwise require the use of SCE's Transmission or Distribution (T&D) facilities except for standby service.

BACKGROUND

On December 23, 1998, SCE filed Advice 1359-E, which revised Section 4.b.(1) of SCE's Preliminary Statement, Part W. Pursuant to Public Utilities Code § 369, as interpreted in D.98-12-067, Advice 1359-E provided that new or incremental customer load served by a direct transaction that does not otherwise require the use of SCE's T&D facilities may be connected to these facilities for standby service and still be exempt from CTC collection related to new or incremental load served by the direct transaction. Furthermore, Advice 1359-E provided that if standby service were used, CTC would apply to the standby power consumed. The criteria for a physical test to determine whether a direct transaction requires the use of SCE's T&D systems were defined and established in Advice 1359-E.

On January 5, 1999 and January 7, 1999, Enron and New Energy Ventures (NEV) both protested various aspects of SCE's Advice 1359-E. On January 12, 1999 and

January 14, 1999, SCE responded to those protests, agreeing to several of the changes suggested by Enron and NEV. Supplemental Advice 1359-E-A changed SCE's Preliminary Statement, Part W, Section 4.b.(1), CTC Calculation, to conform with the agreed upon changes. Advice 1359-E-A also changed Preliminary Statement, Part W, Section 5.e. to clarify that the disputed resolution process for Departing Load would also apply to new or incremental load.

On February 10, 1999, Enron protested Advice 1359-E-A requesting that the California Public Utilities Commission (Commission) allow for exceptions to the physical test. (This request was denied in Resolution E-3600) Enron also asked to strike the provisions in Advice 1359-E that third-party generators be required to submit as-built schematics prior to the physical. Resolution E-3600 granted this aspect of Enron's protest. Thus, this advice letter reflects the deletion of those provisions from SCE's Part W. However, as stated in Resolution E-3600, page 12, item 36, "this finding does not alter any existing tariff requirements". Thus, the as-built schematic requirement remains in SCE's Rule 21.

In Resolution E-3600, the Commission ruled on the disputed provisions in SCE's Advice 1359-E. First, the Commission ruled that only loads served by a Direct Transaction and seeking a CTC exemption should be subject to the physical test. (Resolution E-3600, p.17) To conform SCE's tariffs to this aspect of Resolution E-3600, this advice letter replaces the parenthetical sentence at the end of SCE's Part W.4.b.1. with the language adopted in Resolution E-3600.

Second, Resolution E-3600 held that subsequent physical tests after the initial test can occur no more often than once every 18 months. SCE's Advice 1359-E, Part W.4.b.(1).b, had stated that a physical test was to be conducted each year. The current Advice 1359-E-B modifies SCE's Part W.4.b. to reflect this change.

Other than the two changes discussed above, no further changes have been made to Advice 1359-E-A. Also, no cost information is required for this advice filing. Finally, this advice filing will not increase any rate or charge, cause withdrawal of service, or conflict with any other schedule or rule.

EFFECTIVE DATE

In accordance with D.98-12-067 and Resolution E-3600, SCE this advice filing is to become effective as of January 1, 1998. 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

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, including A.96-08-070. 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

cc: CPUC, SF - Attn: Elena Schmid, ORA

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 25672-E	Preliminary Statement, Part W	Revised 23160-E*
Revised 25673-E	Preliminary Statement, Part W	Revised 24638-E
Revised 25674-E	Preliminary Statement, Part W	Revised 24639-E
Revised 25675-E	Preliminary Statement, Part W	Original 23163-E**
Revised 25676-E	Preliminary Statement, Part W	Original 23163-E**
Revised 25677-E	Preliminary Statement, Part W	Original 23163-E**
Revised 25678-E	Preliminary Statement, Part W	Original 23163-E**
		23164-E
Revised 25679-E	Preliminary Statement, Part W	Original 23164-E
		23165-E
Revised 25680-E	Preliminary Statement, Part W	Original 23165-E
		Revised 24487-E
Revised 25681-E	Preliminary Statement, Part W	Revised 24487-E
		Original 23167-E*
Revised 25682-E	Preliminary Statement, Part W	Original 23167-E*
		23168-E*
Revised 25683-E	Preliminary Statement, Part W	Revised 23169-E*
Revised 25684-E	Preliminary Statement, Part W	Revised 23170-E*
Revised 25685-E	Preliminary Statement, Part W	Original 23171-E*
Revised 25686-E	Preliminary Statement, Part W	Original 23172-E*
Revised 25687-E	Preliminary Statement, Part W	Original 23173-E*
Revised 25688-E	Preliminary Statement, Part W	Revised 24640-E
Revised 25689-E	Table of Contents	Revised 25366-E
Revised 25690-E	Table of Contents	Revised 25650-E

PRELIMINARY STATEMENT
(Continued)

Sheet 4 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

(1) The billed CTC Calculation shall not include consumption resulting from new customer load or incremental load of an existing customer where such consumption is served through a Direct Transaction and such transaction does not otherwise require the use of SCE's transmission or distribution facilities. The parties to the Direct Transaction shall demonstrate through a physical test that such Direct Transaction can start and operate on an ongoing basis, without any of the parties to the direct transaction (i.e., the generator(s), the customer(s), or the third-party distribution provider(s)) being connected to SCE's Transmission and/or Distribution (T&D) facilities (i.e., the new or incremental customer load is able to be "islanded" to demonstrate that the direct transaction does not require the use of SCE's T&D facilities. Once this standard is met, conversion to the system is allowed without invalidating the CTC exemption).

(T)
(N)

(a) For customers interconnected with SCE's T&D facilities for standby service, SCE shall deem that new or incremental load can be served through a Direct Transaction while isolated from the power grid when a physical test of the generator providing electric power to the load demonstrates the following:

(i) The generator is a synchronous generator with permanent, on premises, black start capabilities, i.e., the synchronous generator starts without being connected to SCE's T&D facilities; and,

(ii) The ongoing physical (not contractual) flow of power for the Direct Transaction can be provided without being connected to SCE's T&D facilities.

(N)
(L)

(Continued)



PRELIMINARY STATEMENT

(Continued)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

(1) The billed CTC Calculation shall not include... (Continued)

(b) A physical test for customers interconnected with SCE's T&D facilities for standby service will be performed within three (3) weeks of an exemption being claimed by an owner/operator. The owner/operator shall permit SCE to inspect the installation and operation of the generator. Failure of the physical test or failure to permit the initial test on the date scheduled by SCE, or on a mutually agreeable alternative date, will result in loss of the CTC exemption from the date that the exemption was claimed and received, billing for the exempted Departing Load for the period in which the exemption was received, and continued billing for the Departing Load until a physical test is successfully completed. If a physical test is failed, the customer claiming that transition costs do not apply may request another opportunity to demonstrate that it can pass the physical test which SCE shall schedule within three (3) weeks of the request or at a mutually agreeable date. A customer which fails a physical test twice within a two (2) month period is not entitled to request another physical test for 12 months from the date of the latter of the failed tests.

To provide for ongoing compliance with D.98-12-067, SCE may conduct subsequent physical tests no more frequently than once every 18 months. Customers otherwise exempt from CTC after June 30, 2000 pursuant to Public Utilities Code Section 372 are under no obligation to undergo a subsequent physical test. The results of a subsequent physical test shall not affect a customer's CTC exemption status determined pursuant to the results of any prior physical test conducted not less than 18 months before the subsequent test.

The Dispute Resolution processes described in Section W.5.e. will apply to CTC responsibility for new or incremental load served by a Direct Transaction.

(N)

(N)

(L)

(Continued)