
December 23, 1998

ADVICE 1359-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Preliminary Statement, Part W

In compliance with Decision No. 98-12-067 (D.98-12-067), dated December 17, 1998, 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 advice 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.

BACKGROUND

This advice filing revises Section 4.b.(1) of Preliminary Statement, Part W, to include language necessary to clarify 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, consistent with the language in Section 369 of the Public Utilities Code. If standby service is used, CTC applies to the standby power consumed. The criteria for a physical test is defined and established herein to determine whether a direct transaction otherwise requires the use of SCE's T&D systems.

Due to the inclusion of the clarifying language, repagination of text has occurred and all pages of Preliminary Statement, Part W, are included herein for

administrative ease. In addition, the reference "Edison" has been changed to "SCE."

No cost information is required for this advice filing.

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, SCE requests that this advice filing become effective on January 1, 1998.

NOTICE

Anyone wishing to protest this advice filing may do so by sending a letter no later than 10 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, 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.

DAF:jhm:PartW.doc
Enclosures

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

Public Utilities Commission

1359-E

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 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**
		23164-E
Revised 25678-E	Preliminary Statement, Part W	Original 23164-E
		23165-E
Revised 25679-E	Preliminary Statement, Part W	Original 23165-E
		Revised 24487-E
Revised 25680-E	Preliminary Statement, Part W	Revised 24487-E
		Original 23167-E*
Revised 25681-E	Preliminary Statement, Part W	Original 23167-E*
		23168-E*
Revised 25682-E	Preliminary Statement, Part W	Revised 23169-E*
Revised 25683-E	Preliminary Statement, Part W	Revised 23170-E*
Revised 25684-E	Preliminary Statement, Part W	Original 23171-E*
Revised 25685-E	Preliminary Statement, Part W	Original 23172-E*
Revised 25686-E	Preliminary Statement, Part W	Original 23173-E*
Revised 25687-E	Preliminary Statement, Part W	Revised 24640-E
Revised 25688-E	Table of Contents	Revised 25366-E
Revised 25689-E	Table of Contents	Revised 25650-E



PRELIMINARY STATEMENT
(Continued)

Sheet 1 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY

1. Purpose.

The Competition Transition Charge (CTC) shall apply to all existing and future SCE Bundled Service Customers, all Direct Access customers, and all Departing Load customers subject to the specific exemptions described in Section 4.b. below. It is designed to recover retail transition costs incurred as a result of the shift to a more competitive market structure adopted in D.95-12-063, as modified by D.96-01-009, and as codified by the California Legislature in Assembly Bill (AB) 1890 signed into law September 23, 1996. (T)

2. Definitions.

a. Departing Load: Departing Load is that portion of SCE's customer's electric load, subject to changes occurring in the normal course of business as verified pursuant to Part W, Section 5.b.(3), for which the customer, on or after December 20, 1995: (1) discontinues or reduces its purchases of electricity supply and delivery services from SCE; (2) purchases or consumes electricity supplied and delivered by sources other than SCE to replace such SCE purchases; and (3) remains physically located at the same location or within SCE's service area as it existed on December 20, 1995. Reduction in load qualifies as Departing Load only to the extent that such load is subsequently served with electricity from a source other than SCE and is not residential load served by a solar electrical generating facility with a capacity of not more than 10 kilowatts per California Public Utilities (PU) Code Sections 371 and 2827. (T)

The definition of Departing Load specifically does not include: (1) a customer's load that moves to a new location outside SCE's service area as it existed on December 20, 1995; (2) a customer's load that is no longer served with electricity from any source; or (3) a new customer that, after January 1, 1998, locates new load in SCE's service territory, provided such customer does not purchase electricity from SCE and does not use SCE's transmission or distribution system (either directly or indirectly through a third party) in any manner to supply electricity to its load. (T)

When an SCE retail customer that purchased electricity from SCE on or after December 20, 1995, subsequently replaces such SCE purchases with purchases from an entity that supplies such retail customer using SCE's transmission and/or distribution system (other than through a Direct Transaction), that load is classified as Departing Load for the portion of its requirements that are purchased through such an alternative supplier. (T)

(Continued)



PRELIMINARY STATEMENT
 (Continued)

Sheet 2 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

2. Definitions. (Continued)

- b. Direct Access (Direct Transaction): A contract between any one or more electric generators, marketers, or brokers of electric power and one or more retail customers providing for the purchase and sale of electric power or any ancillary services.
- c. SCE Bundled Service Customer: A customer who takes bundled services from SCE including all the customer's energy requirements purchased through the Power Exchange (PX) by SCE. (T)
|
(T)
- d. Reference Period Annual Bill: The customer's Reference Period Annual Bill will be calculated by multiplying the customer's applicable reference period billing determinants (as determined according to Part W, Section 5.b(3)) by those rates that are currently applicable (as of the customer's Notice Date) for bundled retail service under the customer's applicable rate schedule and service voltage options.

3. Applicability.

SCE's transition costs shall be recovered from all existing SCE Bundled Service Customers, future SCE Bundled Service Customers, Direct Access Customers, and Departing Load Customers who take or took retail service from SCE on or after December 20, 1995, and remain in the service territory in which SCE provided electricity services as of December 20, 1995, except as specifically provided for in PU Code Sections 369 and 371 to 374, inclusive. Application of certain exemptions established in the PU Code is clarified by Decision 97-06-060 and Decision 97-12-039. Remaining issues may be addressed in dispute resolution procedures for Bundled Service Customers and Direct Access Customers (Rule 10, Disputed Bills), and Departing Load Customers (Preliminary Statement Part W, Section 5.e.). (T)
|
(T)

4. CTC Calculation.

- a. AB 1890 codifies principles and procedures for implementing a CTC, including the kinds of customers which will be exempt from the CTC. The ultimate magnitude of the CTC, the appropriate mechanism for collection of the CTC, and the method of payment for customers are described in Schedule PX and Rule 22.

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 3 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)
4. CTC Calculation. (Continued)

b. As provided herein, the charges of SCE's rate schedules, contracts, or tariff options will contain a CTC component. Chapter 2.3, Electric Restructuring, in Part 1 of Division 1 of the PU Code provides that the CTC shall be applied to each customer based on the amount of the customer's electricity consumption (i.e., all generation-related billing determinants used to determine a customer's bill), which is subject to changes occurring in the normal course of business, whether such consumption is served by SCE or an alternate supplier of electricity. Pursuant to PU Code Section 371 of Chapter 2.3, changes occurring in the normal course of business are those resulting from changes in business cycles, termination of operations, departure from the utility service territory, weather, reduced production, modifications to production equipment or operations, changes in production or manufacturing processes, fuel switching, including installation of fuel cells, enhancement or increased efficiency of equipment or performance of existing self-cogeneration equipment, replacement of existing cogeneration equipment with new power generation equipment of similar size as described in Part W, Section 4.b.(2)(b), installation of demand-side management equipment or facilities, energy conservation efforts, or other similar factors. The CTC cannot be avoided through the formation of a local publicly-owned electric corporation on or after December 20, 1995, or by annexation of any portion of SCE's service territory by an existing local publicly-owned electric utility. (T)

The billed CTC will be based on metered consumption. Third party metering will be allowed subject to verification procedures sufficient to assure reliability of such consumption data and/or information. Meter reliability would be pursuant to SCE's Rule 17 or such other standards adopted by the Commission. Each party will be responsible for its own costs associated with the agreed upon verification process. If reliable metered consumption information is not made available to SCE, SCE will estimate the consumption based on that customer's historical load pursuant to Part W, Section 5.b.(3) at the time the customer discontinues or reduces its purchases from SCE. This estimated consumption will also be used as the basis for calculation of a Reference Period Annual Bill. (T)

The billed CTC will be determined on a residual basis as described in Schedule PX. The billed CTC for a billing period is the difference between Generation Revenue (which is determined by multiplying the Generation rates set forth in the Rate Components Section of the applicable rate schedule by the customer's consumption billing determinants) and the PX energy cost to serve the customer. The PX energy cost for the billing period is calculated based on the procedures set forth in Schedule PX. However, certain consumption, as defined in Section 369 through 374 of Chapter 2.3 of the PU Code and detailed as follows will not be included in the billed CTC calculation:

(Continued)

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 load can be effectively and continuously served while isolated from the power grid).

(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 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.

(b) The physical test for customers interconnected with SCE's T&D facilities for standby service will be performed once per year at SCE's discretion. Prior to the physical test, the owner/operator shall provide to SCE as-built electrical schematics and installation drawings which demonstrates the generator is capable of being completely isolated, without any connection to SCE's T&D facilities whatsoever. In addition, the owner/operator shall permit SCE to inspect the installation and operation of the generator. SCE will provide two (2) weeks notice of the impending test. Failure of the test or failure to permit the test will result in loss of the CTC exemption for the previous year, billing for the exempted Departing Load of the previous year, and continued billing for the Departing Load until the test is successfully completed.

(N)
(L)

(Continued)

PRELIMINARY STATEMENT
 (Continued)

Sheet 5 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

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

(b) The physical test shall be conducted as follows: (N)

(i) The generator will be turned off and shown that it is capable of being restarted and brought back to the power level consistent with the associated load without any connection to SCE's T&D facilities.

(ii) Several representative resistive and inductive loads of the Direct Transaction will be cycled off and on to demonstrate the isolated generator is stable through normal cycling of resistive and inductive loads.

(iii) The isolated generator will operate at least one (1) hour while under full and partial loads. (N)

(2) Consumption served by nonmobile self-cogeneration or cogeneration capacity existing as of December 20, 1995 per Section 372(a)(1): (L)

The billed CTC calculation shall not include consumption served by:

(a) nonmobile on-site or over-the-fence self-cogeneration capacity or cogeneration capacity that was operational on or before December 20, 1995; or (L)

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 6 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

(2) Consumption served by nonmobile self-cogeneration (Continued)

(b) increases in the capacity of such facilities constructed by an entity owning or operating the facility resulting from:

(i) the replacement of existing cogeneration equipment with new power generation equipment of a size which does not exceed 120 percent of the installed capacity as of December 20, 1995; or

(ii) the installation of new or additional generation equipment or facilities such that the total installed capacity does not exceed 120% of the installed capacity as of December 20, 1995.

However, all standby service is subject to CTC, including the standby service for the load served by such increase in capacity and such load is also subject to the provisions of Schedule S, Standby.

Such consumption must be served on-site or served through an over-the-fence arrangement between affiliated parties and be allowed under PU Code Section 218, as this Section existed on December 20, 1995 regardless of the date by which such over-the-fence arrangement was made. Pursuant to Section 372(a)(1) of Chapter 2.3 of the PU Code, "affiliated" means any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another specified entity.

Consumption served through unaffiliated transactions entered into on or before December 20, 1995 will not be included in the billed CTC calculation. However, the billed CTC calculation prior to June 30, 2000, shall include consumption served by over-the-fence arrangements entered into after December 20, 1995 between unaffiliated parties.

(3) Consumption served by nonmobile self-cogeneration or cogeneration capacity committed to construction as of December 20, 1995 per Section 372(a)(2):

The billed CTC calculation shall not include consumption served by:

(a) on-site or over-the-fence nonmobile self-cogeneration or cogeneration projects that were committed to construction as of December 20, 1995, and are substantially operational on or before January 1, 1998; or

(Continued)

(L)

PRELIMINARY STATEMENT
(Continued)

Sheet 7 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

(3) Consumption served by nonmobile self-cogeneration (Continued)

(b) increases in the capacity of such facilities constructed by an entity owning or operating the facility resulting from: (L)

(i) the replacement of existing cogeneration equipment with new power generation equipment of a size which does not exceed 120 percent of the installed capacity as of January 1, 1998; or

(ii) the installation of new or additional generation equipment or facilities such that the total installed capacity does not exceed 120% of the installed capacity as of January 1, 1998.

However, all standby service is subject to CTC, including the standby service for the load served by such increase in capacity and such load is also subject to the provisions of Schedule S, Standby. (L)

Such consumption must be served on-site or served through an over-the-fence arrangement between affiliated parties and be allowed under PU Code Section 218, as this Section existed on December 20, 1995. Pursuant to Section 372(a)(1) of Chapter 2.3 of the PU Code, "affiliated" means any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another specified entity.

However, the billed CTC calculation prior to June 30, 2000, shall include consumption served by over-the-fence arrangements entered into after December 20, 1995, between unaffiliated parties.

(4) Consumption served by nonmobile self-cogeneration or cogeneration facilities that became operational on or after December 20, 1995 per Sections 372(c)(1) and 372(c)(2).

Prior to June 30, 2000, at SCE's discretion, SCE and other interested parties may file applications to exempt load served onsite, or under an over the fence arrangement between unaffiliated parties, by a nonmobile self-cogeneration or cogeneration facility. This shall apply to those facilities that became operational on or after December 20, 1995, or over the fence arrangements between unaffiliated parties entered into, after December 20, 1995. (T)

(Continued)

(L)

PRELIMINARY STATEMENT
(Continued)

Sheet 8 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

(5) After June 30, 2000, consumption served by an on-site or over-the-fence nonmobile self-cogeneration or cogeneration facility is not subject to the billed CTC calculation per Section 372(a)(4). (L)

(6) Consumption served by emergency generation equipment per Section 372(a)(3):

The billed CTC calculation shall not include consumption served by existing, new, or portable emergency generation equipment used during periods when SCE's service is unavailable, provided such equipment is not operated in parallel with SCE's power grid except on a momentary basis for which a contract is required. (T)
(T)
(L)

(7) Existing Self-Generation Deferral (SGD) Agreements per Section 372(b)(2):

The billed CTC for the consumption that would have been served by a self-generation or cogeneration facility, were it not deferred under the SGD Agreement, will be adjusted to reflect the level of Generation revenue that is embedded in such customer's SGD discounted rate. If the Agreement expires or is terminated and the customer: (i) engages in a Direct Transaction; or (ii) constructs a self-generation or cogeneration facility of approximately the same capacity as the facility deferred; or (iii) takes bundled electric service from SCE at the rate and under terms and conditions of the SGD Agreement, such customer will continue to be billed under this provision. (T)

(8) SGD Agreements under negotiation as of December 20, 1995 per Section 372(b)(1):

When SCE executes a SGD Agreement with customers where negotiations with SCE for such Agreement were in progress on or before December 20, 1995, SCE and the customer executed a letter of intent or similar documentation, such customers shall have their CTC determined as described in Section 4.b.(7), above, provided that upon conclusion of the negotiations, the final Agreement is consistent with the letter of intent and the Commission approves the Agreement. (T)
(T)
(T)

(L)

(Continued)



PRELIMINARY STATEMENT
(Continued)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

4. CTC Calculation. (Continued)

b. (Continued)

- (9) Loads Served by a Qualifying Irrigation District, per Section 374(a)(1): (L)

In accordance with Section 374(a)(1) of the PU Code, 30 megawatts of loads previously served by SCE are to be exempted from paying CTC during the period prior to April 1, 2002. To receive the exemption, such load must be served by the district through distribution facilities owned by or leased to the district. Allocations to individual districts were assigned by the California Energy Commission on April 2, 1997 and January 21, 1998, and will be phased in over a five-year period beginning in 1997 such that one-fifth of the total allocation is allocated in each of the five years. Any unused allocation would be carried over and added to the next year's allocation for that district. These exemptions will not apply after March 31, 2002. Loads allocated pursuant to Section 374(a)(1) are to be located either within the boundaries of the affected irrigation district, or within the boundaries specified in an applicable service territory boundary agreement between SCE and the affected irrigation district. At least 50 percent of these allocations are to be applied to pumping load used for agricultural purposes. (T) (L)

- (10) Load served by the Eastside Power Authority (ESPA) per Section 374(a)(3):

Beginning January 1, 1997, pumping loads of irrigation districts, water districts, water storage districts, municipal utility districts and other water agencies who were members of the ESPA and owned the pumps being served as of December 20, 1995, are not subject to the CTC for the amount of such load used to pump water for district or agency purposes. This provision shall no longer apply after March 31, 2002. In addition, the provisions of Section 4.b.(9) above are not applicable to any members of ESPA (except Lower Tule River Irrigation District provided that Lower Tule River Irrigation District receives no direct or indirect benefit from its membership in the ESPA).

In the event the Commission authorizes a nonbypassable CTC prior to the implementation of an Independent System Operator and Power Exchange, Sections 4.b.(2) through 4.b.(10) shall apply.

(Continued)



PRELIMINARY STATEMENT
(Continued)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers.

a. Departing Load customers are obligated to make ongoing CTC payments to SCE in accordance with the following procedure. (L)

(1) Customer Notice to SCE: Customers shall notify SCE in writing or by reasonable means, through a designated SCE account representative authorized to receive such notification, of their intention to take steps that will qualify their load as Departing Load at least 30 days in advance of discontinuation or reduction of electric service from SCE. The customer shall specify in its notice the following: (T)
(T)

- (a) Date of the departure or reduction of load (Date of Departure);
- (b) Description of the load that will depart or be reduced;
- (c) Identification of any exemptions that the customer believes are applicable to the load pursuant to Sections 369, 372, or 374 of the PUC Code and as delineated in Part W, Sections 4.b.(1) to (10); and
- (d) Method by which the Departing Load consumption will be determined consistent with procedures outlined in Part W, Section 5.b.(3).

(2) The Failure to Provide Notice: If a customer does not provide notice of departure, such action will constitute a violation of this tariff and breach of the customer's obligation to SCE. Upon discovery of such violation and breach by a Departing Load customer, SCE will provide notice of the violation and breach to the customer. This notice provides 20 days in which the customer has the opportunity to cure the breach as defined in Preliminary Statement, Part W, Section 5.f. (L)
(T)
(T)

(3) Public Utilities Code Exemptions:

(a) Customers Claiming An Exemption Upon Departure:

A customer asserting an exemption per any applicable section of the PU Code should identify the nature of its prospective supply arrangement, and state which Code section it asserts is applicable. Over-the-fence supply arrangements should be identified as to whether the supplier is an "affiliated" or "unaffiliated" corporate entity, as specified in Section 372(a) of the PU Code. Loads that are prospectively to be served by a qualifying California irrigation district, per Section 374(a)(1) should identify the district that is to provide their service, and the number of kilowatts (customer's average billing demand for the last 12 months, per instructions issued by the California Energy Commission on December 24, 1996) of the district's assigned allocation that is to be applied to the customer's load.

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 11 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers. (Continued)

a. (Continued)

(3) Public Utilities Code Exemptions: (Continued)

(b) Customers Claiming An Exemption After Departure:

A customer who has already qualified its load as departing load and executed a Departing Load Competition Transition Charge Agreement may later assert an exemption per any applicable section of the PU Code. In order to do so, the customer should submit, in writing or by reasonable means through an SCE account representative authorized to receive such notification, a statement of exemption. By no later than 20 days after receipt from a customer of the statement of exemption, SCE shall mail or otherwise provide the customer with a confirmation or denial of the customer's CTC exemption claim. If SCE fails to respond, or if the customer is not satisfied with SCE's response, within 14 days of receiving SCE's response the customer shall notify SCE in writing or by reasonable means through a designated SCE account representative authorized to receive such notification that the customer wishes to pursue informal dispute resolution. If the customer makes a timely request for informal dispute resolution, SCE and the customer shall promptly seek assistance in reaching informal dispute resolution of any dispute over the applicability of the claimed exemption from the Commission's Energy Division, or shall seek mediation of any such dispute from the Commission's Administrative Law Judge Division. If the dispute is not resolved within 60 days of the customer's request to pursue informal dispute resolution, the customer may file a Complaint at the Commission within the next 20 days (SCE and the customer may also agree to extend this 20 day period, in order to allow for future negotiations or other resolution techniques). The Complaint shall state the facts supporting the customer's claimed CTC exemption. While the complaint is pending, the customer shall continue to be responsible for making the monthly CTC and other nonbypassable charge payments on a timely basis, with such payments subject to future refund or other adjustment as appropriate if the Commission determines the exemption to apply.

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 12 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers. (Continued)

a. (Continued)

(3) Public Utilities Code Exemptions: (Continued)

(b) Customers Claiming An Exemption After Departure:
(Continued)

If SCE agrees with the claim of exemption, or if the Commission determines the exemption to apply, then SCE and the customer shall execute an Amendment to Departing Load CTC Agreement approved by the Commission. An exemption obtained after departure shall become effective 30 days after receipt by SCE of the customer's statement of exemption, except in those situations where the statement of exemption is received by SCE more than 30 days before the exemption may legally be provided to the customer, in which case the exemption shall become effective on the date the exemption may legally be provided to the customer. (T) (T) (T) (T)

b. Departing Load CTC Statement:

(1) By no later than 20 days after receipt from a customer of notice, SCE shall mail or otherwise provide the customer with a Departing Load CTC Statement together with any applicable confirmation of the customer's CTC exemption claim. (T)

(2) If SCE fails to provide the customer with a Departing Load CTC Statement containing the billed CTC amount, the applicable rate schedule and the due date for the billed CTC within 20 days of SCE's receipt of the notice from the customer, then the customer's obligation to pay the Departing Load CTC Statement shall not commence until the later of the Date of Departure or 30 days from the customer's receipt of SCE's Departing Load CTC Statement. (T) (T) (T)

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 13 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers. (Continued)

b. Departing Load CTC Statement: (Continued)

(3) When the customer does not select third party metering subject to verification procedures pursuant to Part W, Section 4.b, the Departing Load customer's monthly consumption estimation will be based upon the customer's historical load at the time it discontinues or reduces retail service with SCE, using one of the two following options: (T)

(a) The customer's demand and energy usage over the 12 month period prior to the customer's submission of notice; or

(b) The customer's average 12 month demand and energy usage, with such average to be as measured over the prior 36 months of usage; or

In the event the 12-month average usage differs from the 36-month average by an amount greater than 25 percent, the 36-month average will be used unless there is substantial evidence to demonstrate that the more recent usage is the result of a persisting change in the customer's electric usage, and that the 12-month average will be more indicative of the customer's future electric requirements.

If the customer does not indicate its option in its notice, the default method will be the customer's demand and energy usage over the 12 month period prior to the customer's submission of notice.

In circumstances where the Departing Load has been reduced following departure from SCE due to use of energy efficiency equipment or for other reasons, the customer and SCE may agree in writing to use metered or other data on a prospective basis to verify such load reduction for the Departing Load. If a metering agreement is reached, SCE will adjust the calculation of CTC payments. (T)

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 14 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers. (Continued)

b. Departing Load CTC Statement: (Continued)

(3) (Continued)

If the customer has switched between applicable rate schedules or service voltages during the 36 month period prior to the Date of Departure, the Departing Load CTC Statement will be based on the customer's final applicable rate schedule and service voltage. Where a customer provides reliable third party metered consumption data, the rate schedules used for CTC purposes shall be consistent with that metered information.

c. Departing Load CTC Agreement: Departing Load customers shall execute a filed form Departing Load CTC Agreement with SCE at least five days before the Date of Departure. SCE shall provide the Departing Load CTC Agreement (suitable for execution) to the customer with the Departing Load CTC Statement. Whether a Departing Load customer signs the agreement or not, such customer will be deemed to have agreed to the terms of the Departing Load CTC Agreement by taking retail service on or after December 20, 1995. (T)

d. Customer Obligation to Make Departing Load CTC Payments: During the period between the Date of Departure and December 31, 2001 (or until such time as the CTC For Departing Load customers procedures are terminated by the Commission), SCE will issue monthly bills in accordance with the provisions of this tariff and the Departing Load CTC Statement. These ongoing monthly payments shall be as determined in accordance with Part W, Section 4.b. Customers shall pay to SCE, the monthly charge within 20 days of receipt of the bill. Failure to pay two consecutive monthly CTC payments constitutes a violation of this tariff and breach of the customer's obligation to SCE. Opportunity to Cure this breach is described in Preliminary Statement, Part W, Section 5.f. (T)

On March 31, 2002 (or at such time as determined by the Commission), the Departing Load customer's monthly CTC Payment obligation, as described above, will cease and be replaced by the option to meet post 2001 CTC obligations by making either a final lump sum payment amount or making other post 2001 periodic monthly payment arrangements as determined by a future Commission proceeding addressing post 2001 CTC responsibility.

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 15 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers. (Continued)

e. Dispute Resolution: If a customer believes that its Competition Transition Charge Statement does not comply with the terms and conditions provided for in this section, the customer must notify SCE of the basis for this disagreement in writing, within 20 days after receipt of the Departing Load CTC Statement provided by SCE. If SCE does not accept the customer's position, it will respond in writing within 5 days after receipt of such notice. If the customer is not satisfied with SCE's response, within 14 days of receiving SCE's response the customer shall notify SCE in writing or by reasonable means through a designated SCE account representative authorized to receive such notification that the customer wishes to pursue informal dispute resolution. If the customer makes a timely request for informal dispute resolution, SCE and the customer shall promptly seek assistance in reaching informal dispute resolution from the Commission's Energy Division, or shall seek mediation of the dispute from the Commission's Administrative Law Judge Division. If the dispute is not resolved within 60 days of the customer's request to pursue informal dispute resolution, the customer may file a complaint with the Commission within the next 20 days. (SCE and the customer may also agree to extend this 20 day period, in order to allow for further negotiations or other resolution techniques.) In such events, the customer shall continue to be responsible for making the monthly CTC and other nonbypassable charge payments on a timely basis, with such payments subject to future refund or other adjustment as appropriate if the Commission establishes that different information should have been used as the basis for the customer's Competition Transition Charge Statement. (T)

Failure to file a complaint with the Commission within the specified period shall constitute agreement with and acceptance of such Departing Load CTC Statement.

f. Opportunity to Cure: If a customer fails to provide notice of departure, or fails to make two Departing Load CTC Payments within the period specified in Part W, Section 5.d, then SCE shall send the customer a notice specifying its failure to comply with this tariff and providing the customer with 30 days from the date of the notice within which to take action curing its breach of its obligation to SCE. (T)

(Continued)

PRELIMINARY STATEMENT
(Continued)

Sheet 16 (T)

W. COMPETITION TRANSITION CHARGE RESPONSIBILITY (Continued)

5. CTC For Departing Load Customers. (Continued)

f. Opportunity to Cure: (Continued)

(1) If the breach was a failure to provide notice, to cure the breach the customer must provide the notice required, pay any amounts which would have been assessed had the customer provided SCE with a timely notice, and pay a Deposit equal to four (4) times the monthly CTC Payment. (T)

(2) If the breach was a failure to pay two consecutive monthly CTC Payments, to cure the breach the customer must pay all such delinquent monthly CTC Payments plus a Deposit equal to four (4) times the monthly CTC Payment.

g. Return of Deposit: SCE will apply the Deposit to outstanding Departing Load CTC at the end of the transition period and refund any remaining balance. (T)

Interest shall be paid on any amounts credited as defined in SCE's Rule 7, Sections C.1 and 2. (T)

h. Demand for Lump Sum Payment: If the customer does not cure the breach and pay the Deposit as described in Part W, Section 5.f, then SCE may issue a Demand for Lump Sum Payment of Default for Departing Load CTC responsibility. Such default Lump Sum CTC Payment shall be an amount equal to 0.8 times the Customer's annual billed Departing Load CTC, plus two percent of the Customer's annual billed Departing Load CTC multiplied by 1.1 and then by the number of whole months remaining between the date of the customer's first missed payment, or date of unnoticed departure, and December 31, 2001. The customer shall pay the Lump Sum CTC Payment as calculated in accordance with this Section within 30 days of receipt of the Demand for Lump Sum CTC Payment. The Demand for Lump Sum Payment will reflect the application of any Deposit to this final bill. (T)

i. Enforceability: Failure to make Departing Load CTC Payments or provide notice as specified herein constitute a breach of the customer's continuing legal obligations to SCE and a breach and violation of this tariff. After the customer has been given the opportunity to cure as specified in Part W, Section 5.f, and after expiration of the 30 day period specified therein, SCE may enforce this obligation by making a Demand for Lump Sum CTC Payment as described in Section h. If this Demand is not honored within 30 days of receipt of the Demand for Lump Sum CTC Payment, SCE may enforce this obligation by filing suit to enforce this tariff in any court of competent jurisdiction. (T)



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