
July 20, 2006

ADVICE 136-G
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Increase In Santa Catalina Island Gas Costs Adjustment Billing
Factors

Southern California Edison Company (SCE) hereby transmits for filing the following changes to its gas tariff schedules applicable to Santa Catalina Island. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing revises SCE's gas tariffs to reflect an increase in the Santa Catalina Island Gas Cost Adjustment Billing Factors (GCABFs) due to an increase in recorded and forecast cost of gas. The revised GCABFs are calculated in accordance with the procedures set forth in the Preliminary Statement, Part F, Santa Catalina Island Gas Cost Adjustment Clause (GCAC), of SCE's gas tariffs as authorized in California Public Utilities Commission (Commission) Decision (D.) 82-04-010.

INFORMATION

In D.82-04-010, Ordering Paragraph 2, the Commission authorized SCE to submit GCAC filings by advice letter every six-month period with March 1 and September 1 as the regularly scheduled revision dates. SCE's GCABFs were last revised effective March 1, 2006, as filed in Advice 134-G, dated January 20, 2006.

The GCABFs established herein are based on the total GCAC revenue requirement which reflects: 1) gas expense for the Forecast Period of September 1, 2006 through August 31, 2007 and 2) amortization of the estimated September 1, 2006 balance in the GCAC balancing account over the Forecast Period. Table 1 (attached) sets forth the calculation of the GCAC balancing account revenue requirement and the fuel revenue requirement.

SCE's current and revised GCABFs for Santa Catalina Island are listed below:

	<u>Current \$/Therm</u>	<u>Revised \$/Therm</u>
Domestic Baseline Service	1.61807	1.77875
Domestic Nonbaseline Service	1.59707	1.78197
Other Than Domestic Service	1.95393	2.16275

This advice filing allocates the revenue increase to Domestic and General Service customers on a System Average Percentage Change (SAPC) basis. This is consistent with the allocation adopted by the Commission in SCE's previous GCAC filings.

The increase in annualized revenues resulting from these changes in rates, based on the therms estimated to be sold during the Forecast Period, is as follows:

Revised Revenue Change From Present Rates			
<u>Rate Schedule</u>	<u>Therms</u>	<u>\$ Thousands</u>	<u>%</u>
Domestic	294,000	49.7	6.5
General Service	391,000	81.6	6.5
TOTAL	685,000	131.3	6.5

Ordering Paragraph 5 of D.82-04-010 requires SCE to show the method used to calculate the transportation charges for delivery of propane to Santa Catalina Island. SCE does not calculate this charge. All propane is purchased from the supplier freight on board (FOB) Santa Catalina Island, and as such, the transportation charge is included in the total cost of the propane. Table II (attached) sets forth the historical quantity and cost of propane to SCE for the 12-months ended June 2006, which includes transportation charges. The average price of propane is also shown by month, and for the 12-month period.

Section 8 of Part F in the Preliminary Statement of SCE's tariffs is also revised to reflect the GCABFs set forth on the applicable rate schedules in this advice filing.

This advice filing results in a price increase, but does not result in a withdrawal of service, or more restrictive conditions.

EFFECTIVE DATE

This rate change is requested to be effective for service rendered on and after September 1, 2006, pursuant to D.82-04-010.

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: jjr@cpuc.ca.gov and jnj@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:

Akbar Jazayeri
Vice President, Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President of Regulatory Operations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
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 III, Paragraph G, of General Order No. 96-A, SCE is serving copies of this advice filing to the interested parties shown on the attached service list. Address change requests should be directed to AdviceTariffManager@sce.com or at (626) 302-4039. 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 open for public inspection at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

Notice of this advice filing is being posted in SCE's Santa Catalina Island office and other conspicuous places in SCE's service territory on Santa Catalina Island. In addition, a notification will be published in the next issue of the Santa Catalina Island weekly newspaper.

For questions, please contact Jill Holmes at (626) 302-4962 or Jill.Holmes@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:jh:mm
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@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) #: 136-G

Subject of AL: Increase in Santa Catalina Island Gas Costs Adjustment Billing Factors

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

AL filing type: Monthly Quarterly Annual One-Time Other Semi-Annual

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

D.82-04-010

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: _____

Resolution Required? Yes No

Requested effective date: 9/1/06 No. of tariff sheets: 5

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: Preliminary Statement Part F, Schedules G-1, G-2 and Table of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

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
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Akbar Jazayeri
Vice President, Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President of Regulatory Operations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@sce.com

TABLE I		
SOUTHERN CALIFORNIA EDISON COMPANY		
CALCULATION OF THE SANTA CATALINA ISLAND GCAC REVENUE REQUIREMENT		
FOR A SEPTEMBER 1, 2006 REVISION DATE 1/		
Line No.	Component	Amount (\$)
1.	<u>GAS COST FORECAST</u>	
2.	Forecast Cost 2/	1,118,896
3.	Plus: 1.05% for Franchise Fees and Uncollectibles	<u>11,873</u>
4.	Expense Allowance	
5.	Forecast Gas Revenue Requirement	1,130,769
6.	<u>BALANCING ACCOUNT ESTIMATE</u>	
7.	Forecast Balance in the GCAC Balancing Account as of	
8.	September 1, 2006	235,638
9.	Plus: 1.05% for Franchise Fees and Uncollectibles	<u>2,500</u>
10.	Expense Allowance	
11.	GCAC Balancing Account Revenue Requirement	<u>238,138</u>
12.	GCAC Revenue Requirement	1,368,907
13.	(line 5 + line 11)	
1/ Based on the 12-month Forecast Period beginning September 1, 2006 and a 12-month amortization of the estimated GCAC Balancing Account balance on September 1, 2006.		
2/ Based on an estimated usage of: 820,185 gallons		

TABLE II				
SOUTHERN CALIFORNIA EDISON COMPANY				
SANTA CATALINA ISLAND GCAC				
RECORDED MONTHLY PURCHASES OF PROPANE FUEL AND TRANSPORTATION COSTS				
Line No.	Month	Monthly Purchases of Propane (Gallons)	Propane Delivered Price, FOB Avalon, Catalina (\$/gallon) 1/	Total Cost (\$)
		(1)	(2)	(3)
	2005			
1.	JULY	71,490	1.003	71,726
2.	AUGUST	91,559	1.082	99,092
3.	SEPTEMBER	89,342	1.289	115,182
4.	OCTOBER	87,311	1.507	131,600
5.	NOVEMBER	61,618	1.473	90,747
6.	DECEMBER	60,805	1.432	87,102
	2006			
8.	JANUARY	67,562	1.572	106,240
9.	FEBRUARY	68,626	1.412	96,869
10.	MARCH	94,183	1.390	130,885
11.	APRIL	60,994	1.460	89,052
12.	MAY	80,016	1.387	110,979
	JUNE	53,670	1.245	66,831
13.	TOTAL - 12 Months			
14.	Ending June 30, 2006	887,176	1.348	1,196,305

1/ Price includes transportation charges. Sales not subject to California Sales Tax.

2/ Source: Monthly Fuel Commitment Statement.

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 858-G	Preliminary Statement Part F	Revised 828-G
Revised 859-G Revised 860-G	Schedule G-1 Schedule G-1	Revised 843-G Revised 844-G
Revised 861-G	Schedule G-2	Revised 845-G
Revised 862-G	Table of Contents	Revised 847-G

PRELIMINARY STATEMENT

Sheet 6

(Continued)

F. SANTA CATALINA ISLAND GAS COST ADJUSTMENT CLAUSE (GCAC) (Continued)

8. Gas Cost Adjustment Billing Factors (GCABF). The Average Cost Adjustment Rate shall be adjusted so that increases or decreases in the rate are applied in an equitable manner to each type of service. The application of the GCABF to sales shall be as set forth on the applicable rate schedule. The GCABF listed below have been, or are, in effect for the period indicated:

Gas Cost Adjustment Billing Factors \$/Therm

Applicable to Domestic and General Service

<u>Effective Date</u>	<u>Applicable to Baseline Service</u>	<u>Applicable to Nonbaseline Service</u>	<u>Applicable to General Service</u>
September 1, 1987	\$0.4522	\$0.6331	\$0.6331
March 1, 1988	\$0.3478	\$0.4870	\$0.4870
September 1, 1988	\$0.4016	\$0.5598	\$0.5598
November 1, 1988	\$0.41415	\$0.53548	\$0.55980
March 1, 1989	\$0.41122	\$0.52908	\$0.55293
September 1, 1989	\$0.41122	\$0.43782	\$0.51398
March 1, 1990	\$0.43947	\$0.43782	\$0.53712
September 1, 1990	\$0.48063	\$0.44806	\$0.57525
March 1, 1991	\$0.54643	\$0.53688	\$0.66704
September 1, 1991	\$0.57293	\$0.50696	\$0.67608
March 1, 1992	\$0.58654	\$0.52430	\$0.69446
September 1, 1992	\$0.57377	\$0.41906	\$0.64018
March 1, 1993	\$0.44863	\$0.27259	\$0.47927
September 1, 1993	\$0.50413	\$0.33755	\$0.55012
March 1, 1994	\$0.55771	\$0.40026	\$0.61740
September 1, 1994	\$0.49525	\$0.31111	\$0.53251
March 1, 1995	\$0.47931	\$0.29279	\$0.51242
March 13, 1996	\$0.53620	\$0.35820	\$0.58408
September 1, 1996	\$0.59558	\$0.42649	\$0.65878
March 1, 1997	\$0.65353	\$0.49314	\$0.73173
September 1, 1997	\$0.70752	\$0.55522	\$0.79968
March 1, 1998	\$0.69115	\$0.53639	\$0.77903
September 1, 1998	\$0.54827	\$0.37209	\$0.59871
March 1, 1999	\$0.50562	\$0.32304	\$0.54503
September 1, 1999	\$0.49673	\$0.31281	\$0.53383
March 1, 2000	\$0.64184	\$0.47969	\$0.71840
September 1, 2000	\$0.80571	\$0.66814	\$0.92532
March 1, 2001	\$1.05189	\$0.95125	\$1.23626
September 1, 2001	\$1.22332	\$1.14840	\$1.45212
March 1, 2002	\$0.94005	\$0.82264	\$1.09441
September 1, 2002	\$0.47609	\$0.28907	\$0.50697
March 1, 2003	\$0.80520	\$0.66774	\$0.92206
September 1, 2003	\$0.84538	\$0.71395	\$0.97266
March 1, 2004	\$0.98009	\$0.86868	\$1.14189
September 1, 2004	\$0.79584	\$0.65680	\$0.91091
March 1, 2005	\$1.42557	\$1.38088	\$1.70642
September 1, 2005	\$1.53472	\$1.50123	\$1.84563
March 1, 2006	\$1.61807	\$1.59707	\$1.95393
September 1, 2006	\$1.77875	\$1.78197	\$2.16275 (N)

(Continued)

(To be inserted by utility)

Advice 136-G
Decision 82-04-040

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Jul 20, 2006
Effective Sep 1, 2006
Resolution _____



Schedule G-1
SANTA CATALINA ISLAND
DOMESTIC SERVICE

Sheet 1

APPLICABILITY

Applicable to domestic service of liquefied petroleum gas-air to a single-family accommodation or dwelling.

TERRITORY

The City of Avalon, and vicinity, Santa Catalina Island.

RATES

	<u>Per Meter</u>	
	<u>Per Day</u>	
Customer Charge:		
For 175 cubic feet per hour meter	\$0.225	
For 305 cubic feet per hour meter	\$0.391	
For 400 cubic feet per hour meter	\$0.513	
For 675 cubic feet per hour meter	\$0.866	
For 1,000 cubic feet per hour meter	\$1.284	
For 2,000 cubic feet per hour meter	\$2.559	
For 3,000 cubic feet per hour meter	\$3.839	
For 4,000 cubic feet per hour meter	\$5.118	
For 5,000 cubic feet per hour meter	\$6.398	
Energy Charge (To be added to Customer Charge):		
Baseline Service, per therm	\$2.35051	(I)
Nonbaseline Service, per therm	\$2.69729	(I)

The rates above include Base Rates and the applicable Adjustment Rates as shown below:

(Continued)

(To be inserted by utility)

Advice 136-G
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(To be inserted by Cal. PUC)

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Schedule G-1
SANTA CATALINA ISLAND
DOMESTIC SERVICE

Sheet 2

(Continued)

ENERGY CHARGE COMPONENTS

Base Rates:

Baseline Service, per therm	\$0.57100
Nonbaseline Service, per therm	\$0.91456

Adjustment Rates:

Gas Cost Adjustment Billing Factor:

Baseline Service, per therm	\$1.77875	(I)
Nonbaseline Service, per therm	\$1.78197	(I)

PUC Reimbursement Fee, per therm	\$0.00076
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The Gas Cost Adjustment Rate is described in Part F of the Preliminary Statement.

The PUC Reimbursement Fee is described in Schedule No. RF-G.

* Base Rates include CARE Surcharge of 0.03861 per therm, for both Baseline and Nonbaseline Service.

SPECIAL CONDITIONS

1. Minimum Customer Charge: Service to customers shall be on an annual basis only with an annual Minimum Customer Charge of 365 times the applicable daily Customer Charge rate payable monthly, or as billed by the Company.
2. Seasonal Service: For summer cottage customers and others who normally require service for only part of the year, this schedule is applicable only on an annual contract.
3. Baseline Service: The rates above are subject to Baseline Service provisions which are described in Part E of the Preliminary Statement. The applicable baseline quantity of gas to be billed under rates designated as Applicable to Baseline Service shall be the total of any Medical Baseline Allocation permitted under Part E, Paragraph 4 of the Preliminary Statement, plus the applicable daily baseline allocation shown below by Season and Time Period.

<u>Season</u>	<u>Time Period</u>	<u>Therms Per Meter</u> <u>Day</u>
Winter	November 1 through April 30	1.348
Summer	May 1 through October 31	0.526

(Continued)

(To be inserted by utility)
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Vice President

(To be inserted by Cal. PUC)
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Schedule G-2
SANTA CATALINA ISLAND
GENERAL SERVICE

Sheet 1

APPLICABILITY

Applicable to general service of liquefied petroleum gas-air.

TERRITORY

The City of Avalon, and vicinity, Santa Catalina Island.

RATES

	<u>Per Meter</u>	
	<u>Per Day</u>	
Customer Charge:		
For 175 cubic feet per hour meter	\$0.225	
For 305 cubic feet per hour meter	\$0.391	
For 400 cubic feet per hour meter	\$0.513	
For 675 cubic feet per hour meter	\$0.866	
For 1,000 cubic feet per hour meter	\$1.284	
For 2,000 cubic feet per hour meter	\$2.559	
For 3,000 cubic feet per hour meter	\$3.839	
For 4,000 cubic feet per hour meter	\$5.118	
For 5,000 cubic feet per hour meter	\$6.398	
Energy Charge (To be added to Customer Charge):		
All therms, per therm	\$3.39674	(l)

The rates above include Base Rates and the applicable Adjustment Rates as shown below:

ENERGY CHARGE COMPONENTS

Base Rates:

 All Therms, per therm

	\$1.23323	
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Adjustment Rates:

 Gas Cost Adjustment Billing Factor, per therm

	\$2.16275	(l)
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 PUC Reimbursement Fee, per therm

	\$0.00076	
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The Gas Cost Adjustment Rate is described in Part F of the Preliminary Statement. The PUC Reimbursement Fee is described in Schedule No. RF-G.

* Base Rate includes CARE Surcharge of 0.03861 per Therm.

(Continued)

(To be inserted by utility)

Advice 136-G
Decision 82-04-040

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Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Jul 20, 2006
Effective Sep 1, 2006
Resolution _____



TABLE OF CONTENTS

Sheet 1

	<u>Cal. P.U.C. Sheet No.</u>	
TITLE PAGE	131-G	
TABLE OF CONTENTS - RATE SCHEDULES	862-G	(T)
TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS	770-G	
TABLE OF CONTENTS - RULES	740-G	
TABLE OF CONTENTS - SAMPLE FORMS	740-G	
 PRELIMINARY STATEMENT:		
A. Territory Served by the Utility	162-G	
B. Types and Classes of Service	162-G	
C. Procedure to Obtain Service	162-G	
D. Symbols	162-G	
E. Baseline Service	371-372-G	
F. Santa Catalina Island Gas Cost Adjustment Clause (GCAC)	355-399-858-G	(T)
G. Income Tax Component of Contributions Provision	639-460-G	
 SERVICE AREA MAP	 3-G	

RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. No.</u>	
DE	Domestic Service to Utility Employees	123-G	
G-1	Domestic Service	859-860-G	(T)
G-1-CARE	Domestic Service	815-G	
G-2	General Service	861-429-G	(T)
GM	Domestic Service, Multifamily Accommodation	376-G	
G-SE	Service Establishment Charge	278-G	
RF-G	Surcharge to Fund Public Utilities Commission Reimbursement Fee	846-G	

LIST OF CONTRACTS AND DEVIATIONS

	<u>Cal. P.U.C. Sheet No.</u>
List of Contracts and Deviations	696-G

(Continued)

(To be inserted by utility)
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