

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



January 9, 2007

Advice Letter 137-G

Akbar Jazayeri
Director of Revenue and Tariffs
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

JAN 16 2006
REVENUE & TARIFFS DEPT.

Subject: Revision to Santa Catalina Island Gas Base Rates in Accordance with D.04-12-018

Dear Mr. Jazayeri:

Advice Letter 137-G is effective January 1, 2007. A copy of the advice letter is included herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division

November 30, 2006

ADVICE 137-G
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revision to Santa Catalina Island Gas Base Rates in
Accordance With Decision 04-12-018

In compliance with Ordering Paragraph No. 2 of Decision (D.) 04-12-018, Southern California Edison Company (SCE) hereby submits for filing the following changes to its filed rate schedules for gas customers on Santa Catalina Island (Catalina).

PURPOSE

The purpose of this advice filing is to implement 2007 Catalina gas base rates effective for service rendered on and after January 1, 2007, in accordance with Ordering Paragraph No. 2 of D.04-12-018.

BACKGROUND

In D.04-12-018, the California Public Utilities Commission (Commission) adopted a gas base rate revenue requirement of \$984,500 for the 2005 Test Year. The adopted Catalina gas base rate revenue requirement increase is spread over a very small number of gas customers.¹ In order to mitigate the “rate shock” of the adopted gas base rate revenue requirement increase, the Commission authorized SCE to phase-in the adopted increase in Catalina gas base rate revenue requirement over the period 2005, 2006, and 2007 with no carrying charges applied to the deferred revenue requirement. Thus, SCE will not fully recover its authorized 2005 Test Year gas base rate revenue requirement until 2007.

The gas base rates phase-in plan authorized in D.04-12-018 adopts a 39.4 percent rate increase in 2005, a 28.2 percent rate increase in 2006, and a 22.0 percent rate increase

¹ SCE serves approximately 1,335 commercial and residential gas customers on Catalina.

in 2007.² SCE filed Advice 130-G on February 3, 2005, to implement the 2005 gas base rate increase effective March 1, 2005. Ordering Paragraph No. 2 of D.04-12-018 authorizes SCE to file advice letters for the 2006 and 2007 gas base rate revenue increases no earlier than November 1 of the preceding year. In accordance with this authorization, SCE filed advice letter 133-G to implement the 2006 gas base rates effective January 1, 2006; and is now filing the 2007 gas base rates phase-in advice letter to implement the 2007 gas base rate revenue increase effective for service rendered on and after January 1, 2007.

RATE DESIGN

In D.87-07-019, the Commission adopted gas baseline quantities for gas residential customers at 60 percent of average residential quantities for summer usage, and 70 percent of average residential quantities for winter usage. In D.04-12-018, the Commission authorized: 1) the continuation of the existing baseline quantities for 2005, 2006, and 2007; and 2) the Catalina gas base rate revenue increase be allocated 15 percent to the fixed portion of the bill, and 85 percent to the volumetric portion of the bill. D.04-12-018 also approved a new discounted rate program for Catalina residential gas customers based on the California Alternate Rates for Energy (CARE) program for electric service. Catalina customers who qualify for the CARE program for electric service are enrolled automatically in the CARE rate schedule for gas service, Schedule G-CARE. In accordance with Conclusion of Law No. 9 of D.04-12-018, low-income customers on Catalina will receive a twenty (20) percent discount in gas service rates under the G-CARE rate schedule. The cost of the CARE discount is recovered from all non-CARE customers through a surcharge added to the base rate.

A summary of the 2007 base rates adopted in D.04-12-018, the currently effective Gas Cost Adjustment Clause (GCAC) rates, and a revised CARE surcharge applicable to non-exempt sales are shown in Appendix B. The CARE surcharge is being revised in accordance with D.04-12-018, and reflects a deficiency based on the adopted 2007 base rates and the currently effective GCAC rates.

No cost information is required for this advice filing.

EFFECTIVE DATE

In accordance with Ordering Paragraph No. 2 of D.04-12-018, the revised tariff schedules for SCE's 2007 gas base rates will be effective January 1, 2007.

² The rates adopted in D.04-12-018 for 2005, 2006, and 2007 (Appendix A to D.04-12-018) are included as Appendix A in this advice filing.

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 by the Energy Division and SCE 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: inj@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 GO 96-A and A.04-01-031 service lists. Address change requests to the attached GO 96-A service list should be directed to (626) 302-2930 or by electronic mail at AdviceTariffManager@sce.com. For changes to any other service list, 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/>

For questions, please contact Robert Thomas at (626) 302-3946 or Phillip Durgin at (626) 302-6344 or by electronic mail at Robert.Thomas@sce.com or Phillip.Durgin@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:iv:sq
Enclosures

APPENDIX A- D.04-12-018
SANTA CATALINA ISLAND GAS
SYSTEM

RATE DESIGN

ENERGY CHARGE (\$/Therm)

	2005		2006		2007	
	Baseline	Non-Baseline	Baseline	Non-Baseline	Baseline	Non-Baseline
RESIDENTIAL						
BASE	0.39744	0.72076	0.53239	0.87595	0.66482	1.02826
GCAC	0.84538	0.71395	1.77875	1.78197	1.77875	1.78197
PUCRF	0.00076	0.00076	0.00076	0.00076	0.00076	0.00076
TOTAL RESIDENTIAL	1.24358	1.43547	2.31190	2.65868	2.44433	2.81099
COMMERCIAL						
BASE	0.94040		1.19462		1.44506	
GCAC	0.97266		2.16275		2.16275	
PUCRF	0.00076		0.00076		0.00076	
TOTAL COMMERCIAL	1.91382		3.35813		3.60857	

MONTHLY SERVICE CHARGE (\$/Meter)

Meter Size	Phase in	Phase in		
		Y2005	Y2006	Y2007
175	cubic feet	\$ 5.46	\$ 6.83	\$ 8.20
305	cubic feet	\$ 9.51	\$ 11.91	\$ 14.29
400	cubic feet	\$ 12.48	\$ 15.61	\$ 18.73
675	cubic feet	\$ 21.06	\$ 26.36	\$ 31.62
1000	cubic feet	\$ 31.21	\$ 39.05	\$ 46.85
2000	cubic feet	\$ 62.21	\$ 77.84	\$ 93.40
3000	cubic feet	\$ 93.31	\$ 116.76	\$ 140.10
4000	cubic feet	\$ 124.42	\$ 155.68	\$ 186.80
5000	cubic feet	\$ 155.52	\$ 194.60	\$ 233.50

IMPACT ON AVERAGE CUSTOMER BILLS

	2006	2007	\$ Increase	% Increase
Residential	\$ 59.43	\$ 64.21	\$ 4.78	8.1%
Commercial	\$ 875.36	\$ 942.90	\$ 67.53	7.7%

(END OF APPENDIX A)

APPENDIX B Page 1
SOUTHERN CALIFORNIA EDISON
Catalina 2007 Authorized Base Rates
(Base Rates, per D.04-12-018)

Residential Rates (\$/Therm)		
Year 2007		
	Baseline	Non-Baseline
Authorized Base ¹	0.66482	1.02826
CARE Surcharge ²	0.03352	0.03352
Base Total	0.69834	1.06178
GCAC ³	1.77875	1.78197
PUCRF	0.00076	0.00076
Total	2.47785	2.84451

Commercial Rates (\$/Therm)	
Year 2007	
	Non-Baseline
Authorized Base ¹	1.44506
CARE Surcharge ²	0.03352
Base Total	1.47858
GCAC ³	2.16275
PUCRF	0.00076
Total	3.64209

Monthly Service Charge/Meter	
Meter Size	Y2007
175cfh	\$ 8.20
305cfh	\$ 14.29
400cfh	\$ 18.73
675cfh	\$ 31.62
1000cfh	\$ 46.85
2000cfh	\$ 93.40
3000cfh	\$ 140.10
4000cfh	\$ 186.80
5000cfh	\$ 233.50

Notes:

- 1/ Authorized Base Rates, per D.04-12-018
- 2/ 2007 CARE Surcharge is \$0.03352 (Per/Therm)
- 3/ 2007GRC Rate, Effective 9/1/06

APPENDIX B Page 2
SOUTHERN CALIFORNIA EDISON
Catalina GRC Rate Design
2007 CARE Deficiency Adder Calculation

DCARE Deficiency Calculations

Base	Determinants	Rates	Revenues
# of Customers	155	\$ 8.20	\$ 15,225
Baseline (Therms)	24,713	\$ 0.66482	\$ 16,430
Non-Baseline (Therms)	12,754	\$ 1.02826	\$ 13,114
Totals	37,467		\$ 44,770
GCAC			
Baseline (Therms)	24,713	\$ 1.77875	\$ 43,959
Non-Baseline (Therms)	12,754	\$ 1.78197	\$ 22,727
Totals	37,467		\$ 66,686
Total Revenue			\$ 111,456
CARE Deficiency @ (20%)			\$ 22,291
Non-Exempt Sales (Therms)			
Residential	267,710		
Commercial	397,326		
Total Non-Exempt Usage	665,036		
Total Deficiency Adder (\$/Therm)		\$ 0.03352	

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) #: 137-G

Subject of AL: Revision to Santa Catalina Island Gas Base Rates in Accordance With Decision 04-12-018

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

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.04-12-018

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: 1/1/07 No. of tariff sheets: -5-

Estimated system annual revenue effect (%): 8.2%

Estimated system average rate effect (%): 7.7%

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: Schedule G-1, Schedule G-1-CARE, Schedule G-2, 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
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

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 873-G Revised 874-G	Schedule G-1 Schedule G-1	Revised 859-G Revised 860-G
Revised 875-G	Schedule G-1-CARE	Revised 801-G**
Revised 876-G	Schedule G-2	Revised 861-G
Revised 877-G	Table of Contents	Revised 862-G



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	\$0.270	(I)
For 305 cubic feet per hour meter	\$0.470	
For 400 cubic feet per hour meter	\$0.616	
For 675 cubic feet per hour meter	\$1.040	
For 1,000 cubic feet per hour meter	\$1.540	
For 2,000 cubic feet per hour meter	\$3.071	
For 3,000 cubic feet per hour meter	\$4.606	
For 4,000 cubic feet per hour meter	\$6.141	
For 5,000 cubic feet per hour meter	\$7.677	
Energy Charge (To be added to Customer Charge):		
Baseline Service, per therm	\$2.47785	
Nonbaseline Service, per therm	\$2.84451	(I)

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

(Continued)

(To be inserted by utility)

Advice 137-G
Decision 04-12-018

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 30, 2006
Effective Jan 1, 2007
Resolution _____



Schedule G-1
SANTA CATALINA ISLAND
DOMESTIC SERVICE

Sheet 2

(Continued)

ENERGY CHARGE COMPONENTS

Base Rates:

Baseline Service, per therm	\$0.69834	(I)
Nonbaseline Service, per therm	\$1.06178	(I)

Adjustment Rates:

Gas Cost Adjustment Billing Factor:

Baseline Service, per therm	\$1.77875
Nonbaseline Service, per therm	\$1.78197

PUC Reimbursement Fee, per therm	\$0.00076
--	-----------

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 0.03352 per therm, for both Baseline and Nonbaseline Service. (R)

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)
Advice 137-G
Decision 04-12-018

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Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed Nov 30, 2006
Effective Jan 1, 2007
Resolution _____

Schedule G-1-CARE Sheet 1
SANTA CATALINA ISLAND CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE)
DOMESTIC SERVICE

APPLICABILITY

Applicable to domestic service to CARE households residing in a permanent single-family accommodation where a customer meets all the Special Conditions of this Schedule. Customers who receive gas service under Schedule G-1 are eligible for this Schedule.

TERRITORY

The City of Avalon, Santa Catalina Island.

RATES

The bill as determined under Schedule G-1 which would otherwise be applicable, minus the CARE surcharge, less a 20% discount excluding the PUCRF.

SPECIAL CONDITIONS

1. CARE Customers are exempt from a CARE Surcharge of \$0.03352/Therm for Baseline and Non-Baseline Service. The 20% discount applies to the Customer Charge and GCAC and base rate (excluding the CARE surcharge portion) charges only. The total Schedule G-1-CARE bill is thus equal to the Schedule G-1 bill, minus CARE surcharge, minus the 20% discount. (R)
2. CARE Household: A CARE Household is a household where the total gross income from all sources is less than shown on the table below based on the number of persons in the household. Total gross income shall include income from all sources, both taxable and nontaxable. Persons who are claimed as a dependent on another person's income tax return are not eligible.

<u>No. of Persons In Household</u>	<u>Total Gross Annual Income</u>
1-2	\$27,700
3	32,500
4	39,200
5	45,900
6	52,600

For Households with more than six persons, add \$6,700 annually for each additional person residing in the household.

3. Application and Eligibility Declaration: An application and eligibility declaration on a form authorized by the Commission is required for each request for service under this Schedule unless the Customer has completed an electric service application for CARE. If a customer qualifies for CARE as an electric service customer they are also eligible for Schedule G-1-CARE. Renewal of a customer's eligibility declaration will be required every two years and may be required on an annual basis. Customers are only eligible to receive service under this rate at one residential location at any one time and the rate applies only to a customer's permanent primary residence. This Schedule is not applicable where, in the opinion of SCE, either the accommodation or occupancy is transient.
4. Commencement of Rate: Eligible customer shall be billed on this Schedule commencing no later than one billing period after receipt and approval of the customer's application by SCE.
5. Verification: Information provided by the applicant is subject to verification by SCE. Refusal or failure of a customer to provide documentation of eligibility acceptable to SCE, upon request by SCE, shall result in removal from this Schedule.
6. Notice From Customer: It is the customer's responsibility to notify SCE if there is a change in his eligibility status.
7. Rebilling: Customers may be rebilled for periods of ineligibility under the applicable rate schedule. However, if SCE determines a customer does not qualify for the CARE discount, SCE will not rebill for the amount of the discount distributed from November 1, 2005 through April 30, 2006.

(To be inserted by utility)

Advice 137-G
Decision 04-12-018

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Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 30, 2006
Effective Jan 1, 2007
Resolution _____



Southern California Edison
Rosemead, California

Revised Cal. PUC Sheet No. 876-G
Cancelling Revised Cal. PUC Sheet No. 861-G

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	\$0.270	(I)
For 305 cubic feet per hour meter	\$0.470	
For 400 cubic feet per hour meter	\$0.616	
For 675 cubic feet per hour meter	\$1.040	
For 1,000 cubic feet per hour meter	\$1.540	
For 2,000 cubic feet per hour meter	\$3.071	
For 3,000 cubic feet per hour meter	\$4.606	
For 4,000 cubic feet per hour meter	\$6.141	
For 5,000 cubic feet per hour meter	\$7.677	(I)
Energy Charge (To be added to Customer Charge):		
All therms, per therm	\$3.64209	(I)

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

ENERGY CHARGE COMPONENTS

Base Rates:		
All Therms, per therm	\$1.47858	(I)
Adjustment Rates:		
Gas Cost Adjustment Billing Factor, per therm	\$2.16275	
PUC Reimbursement Fee, per therm	\$0.00076	

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 0.03352 per Therm. (R)

(Continued)

(To be inserted by utility)

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Decision 04-12-018

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Resolution _____



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RATE SCHEDULES

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LIST OF CONTRACTS AND DEVIATIONS

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

(Continued)

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