
March 8, 2000

ADVICE 1421-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Advice 1421-E, Revision to the Transition
Cost Balancing Account

In compliance with Resolution E-3655, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing supplements Advice 1421-E and revises SCE's Preliminary Statement, Part JJ, Transition Cost Balancing Account (TCBA), to reflect the changes ordered in Resolution E-3655.

BACKGROUND

In Ordering Paragraph 7 of Resolution E-3633,¹ the California Public Utilities Commission (Commission) ordered SCE to file an advice letter revising its TCBA tariffs regarding transaction costs to conform with the greater detail contained in the tariffs of Pacific Gas & Electric as well as the guidance on appropriate transaction costs contained in Resolution E-3633. SCE filed Advice 1421-E on December 3, 1999, revising Preliminary Statement, Part JJ, to reflect the changes ordered in Resolution E-3633.

¹ Adopted by the Commission on November 4, 1999.

On February 17, 2000, the Commission issued Resolution E-3655 approving Advice 1421-E with one modification. This supplemental advice letter conforms with the Resolution by modifying Section 6(g)(4)(a) of SCE's Preliminary Statement, Part JJ, to state that transaction costs from the market valuation must be found reasonable by the Commission before they can be recovered in rates. This filing replaces only Tariff Sheet No. 26848-E as originally filed in Advice 1421-E; all other tariff sheets filed in Advice 1421-E are not provided again in this filing.

No cost information is required for this advice filing.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

EFFECTIVE DATE

Pursuant to Ordering Paragraph 3 of Resolution E-3655, this advice filing shall become effective upon receipt by the Commission.

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. 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:eml:1421EA.DOC
Enclosures

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal. P.U.C. Sheet No.</u>
Revised 26844-E	Preliminary Statement, Part JJ	Original 23245-E*
Revised 26845-E	Preliminary Statement, Part JJ	Revised 24207-E
Revised 26846-E	Preliminary Statement, Part JJ	Original 23248-E*
		Revised 24207-E
Revised 26847-E	Preliminary Statement, Part JJ	Revised 26326-E
		Original 23248-E*
Revised 26848-E	Preliminary Statement, Part JJ	Original 23288-E*
Revised 26849-E	Preliminary Statement, Part JJ	Original 23289-E
		Original 23288-E*
Revised 26850-E	Preliminary Statement, Part JJ	Original 23300-E
Revised 26851-E	Table of Contents	Revised 26602-E
Revised 26852-E	Table of Contents	Revised 26834-E



PRELIMINARY STATEMENT
(Continued)

JJ. TRANSITION COST BALANCING ACCOUNT (Continued)

6. Current Costs (Category 1) Account (Continued)

g. Fossil Sunk Costs Subaccount (The Effective Date through December 31, 2001)
(Continued)

(3) Subaccount Entries Prior to Market Valuation: (Continued)

(g) Plus: The applicable amount of Commission approved costs transferred from the Divestiture of Fossil Generation ("DFG") Memorandum Account, Section 21 of Part N of Edison's Preliminary Statement;

(h) Plus: The amount of Commission approved return differential transferred from the Increased Return on Equity On Divestiture Memorandum Account;

(i) The sum of items "(a)" through "(h)" multiplied by the CPUC Jurisdictional Factor;

(j) Plus: The Amortization Amount for the Regulatory Receivable for property related flowthrough taxes as recorded during the month.

A true up shall be made to this subaccount for actual decommissioning work and revised decommissioning studies.

(4) Subaccount Entries At the Time of Sale:

Entries associated with the market valuation of fossil generation assets through a method other than a sale to a third party shall be made to the Revenue Account of the TCBA in accordance with Resolution E-3633. (N)

Commencing on the Effective Date, for each fossil generating facility that has been subject to sale, Edison shall make entries to the Current Costs (Category I) - Fossil Sunk Costs Subaccount determined from the following calculations: (N)

(a) The market value of the plant (including Construction Work In Progress (CWIP) decommissioning, and environmental compliance obligations) and other assets.

For purposes of this section, market value shall mean the net market value after deducting all transaction and valuation expenses authorized for recovery by the Commission from the gross valuation amount. In accordance with Resolution E-3633 only costs associated with SCE's role as an impartial seller or valuer of its generation assets should be included as transaction costs. (N)

(Continued)

(N)
|
(N)
|
(N)
|
(L)