
March 23, 2000

ADVICE 1429-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revision to Schedule PX - Power Exchange Energy to Modify
the Power Exchange Energy Cost Calculation to Include
Enhancements to the Block-Forward Market - Supplemental

In compliance with Resolution E-3658, 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 revises Schedule PX, Power Exchange Energy, Section 1, PX Energy Cost, to include modifications authorized in Resolution E-3658.

BACKGROUND

On January 6, 2000, SCE filed Advice 1429-E requesting California Public Utilities Commission (Commission) authorization to participate in the expanded Block-Forward Market (BFM), when and if the Federal Energy Regulatory Commission (FERC) accepted the California Power Exchange Corporation's (PX) filing. In addition, Advice 1429-E requested authorization to include the cost of participation in the expanded BFM in the PX Energy Charge. SCE further proposed to expand the limits on the amount of load allowed for transaction in the BFM and to extend authorization for participation until March 31, 2002.

The Commission issued Resolution E-3658 on March 16, 2000. Among other things, the Commission finds that SCE should have the flexibility to participate in the enhanced BFM, which includes the option of contracting for Super Peak Energy and

Peak Shoulder Energy. In addition, Ordering Paragraph 1 approves Advice 1429-E with modifications.

In accordance with Findings No. 4, 5, and 6, this supplemental advice filing revises Schedule PX, Section 1 to modify the tariff language as follows: (1) SCE may recover the costs of BFM participation until the end of the rate freeze; and (2) because SCE has an incentive to achieve the lowest possible energy prices for customers, it should be able to insure against price risks and authorizes SCE to trade in the BFM an amount equal to its net-short position. These modifications are reflected in the attached tariff sheets.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule. No resolution is required for the approval of this filing.

EFFECTIVE DATE

In compliance with Resolution E-3658, the tariff changes requested in this advice filing will become effective upon filing.

NOTICE

Anyone wishing to protest this advice filing may do so by letter or facsimile and received by SCE no later than 20 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 sent 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. 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:1429ea.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 26983-E	Schedule PX	Revised 25879-E
Revised 26984-E Revised 26985E	Table of Contents Table of Contents	Revised 26964-E Revised 26965-E



Schedule PX
POWER EXCHANGE ENERGY

Sheet 1

APPLICABILITY

Applicable to all SCE Bundled Service Customers and Direct Access Customers in the calculation of the Averaged Power Exchange (PX) Energy Charge. The cost recovery mechanism reflected in this schedule will apply to Block-Forward Market trades delivered through the end of SCE's rate freeze period. SCE's Block-Forward Market participation and cost recovery beyond the end of SCE's rate freeze period are subject to the outcome of SCE's Post-Transition Ratemaking proceeding (A.99-01-034). (C)(D)
(C)
(T)

TERRITORY

Within the entire territory served.

RATES

All charges, terms, and conditions of the customer's otherwise applicable rate schedule, or contract rate shall apply, except that the customer's total bill shall be adjusted as follows:

1. PX Energy Cost

The PX Energy Cost shall equal SCE's total hourly cost of procuring energy from the PX. The PX Energy Cost shall be calculated for each hour as the sum of the weighted average PX price paid by SCE for energy trades in the Forward Markets which include the day-ahead market, day-of or hour-ahead market, and any other trades that have been authorized by the Commission in the California Trading Services (CTS) Block-Forward Market, plus the cost of settlements for imbalance energy, plus uplift charges paid to the PX or ISO by SCE on behalf of SCE Bundled Service Customers. (C)
(C)

a. Weighted Average of Forward Markets PX Prices

The weighted average of Forward Markets PX prices shall be calculated for each hour as the sum of the day-ahead PX price times the kWh purchased in the day-ahead energy market for that hour, plus the day-of or hour-ahead PX price times the kWh purchased in the day-of or hour-ahead energy market for that hour, plus the hourly net gain or loss on transactions for all products in the Block-Forward Market which SCE has been authorized to trade by the Commission, all divided by the total kWh purchased in all Forward Markets for that hour. SCE's Block-Forward Market trading shall be limited to 2,200 MW in the first and second quarters of the year, 5,200 MW in the third quarter, and 3,000 MW in the fourth quarter, and must be delivered through the day-ahead market. (C)
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(C)

b. Adjustment For Cost of Settlement For Imbalance Energy

An adjustment for settlement costs paid by SCE to the PX or ISO for imbalance energy shall be included in the hourly PX Energy Cost. Approximately 60 days following the date on which energy consumption occurs ("transaction date"), a per kWh adjustment amount will be calculated based on the settlement information provided by the PX or ISO for the transaction date. The settlement information will be used to re-calculate the weighted average PX price for each hour on the transaction date as the sum of the day-ahead PX price multiplied by the kWh purchased in the day-ahead energy market, the day-of or hour-ahead PX price multiplied by the kWh purchased in the day-of or hour-ahead energy market, the net gain or loss on transactions for all products in the Block-Forward Market which SCE has been authorized to trade by the Commission, and the imbalance energy price multiplied by the kWh purchased in the imbalance energy market, divided by the total kWh purchased of all Forward Markets, and imbalance energy markets for that hour. The adjustment for each hour will be calculated by subtracting the weighted average of Forward Markets PX prices determined according to Section 1.a (excluding settlement costs) from the weighted average PX price calculated including settlement costs. (C)
(C)
(T)

(Continued)

April 18, 2000

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Attn: Jerry Royer
Energy Division

Re: Substitute Sheets for Advice 1429-E-A

Dear Mr. Royer:

Enclosed are an original and six copies of Attachment A and substitute Sheet No. 26983-E**¹ for Advice 1429-E-A. The enclosed substitute sheet is necessary because it was not possible for SCE to anticipate with certainty the effective date of multiple Advice Letters affecting the same tariff sheet. Specifically, Sheet No. 26983-E** of Advice Letter 1429-E-A is revised to reflect it cancelled Sheet No. 26961-E* of Advice Letter 1427-E.

Please replace the enclosed sheets in your master Advice Letter 1429-E-A file. If you have any questions, please contact Reneé Vazquez at (626) 302-2077.

Sincerely,

Enclosures
1429-E-Sub.doc

¹ Asterisk denotes substituted sheet.

June 16, 2000

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Attn: Jerry Royer
Energy Division

Re: Substitute Sheets for Advice 1429-E-A

Dear Mr. Royer:

Enclosed is an original and six copies of Attachment A and substitute Sheet No. 26983-E***¹ for Advice 1429-E-A. The enclosed substitute sheet is necessary due to recent Power Exchange Credit calculation modifications approved in Advice 1427-E.² As a result of these modifications, changes proposed on Sheet No. 26983-E, Section 1.b of Advice 1429-E-A are no longer necessary. Section 1.b now reflects approved language from Advice 1427-E.

Please replace the enclosed sheet in your master Advice Letter 1429-E-A file. If you have any questions, please contact Reneé Vazquez at (626) 302-2077.

Sincerely,

Enclosures
1429-E-Asub2.doc

cc: Advice 1429-E-A Service List
Don Lafrenz, Energy Division

¹ Asterisk denotes substituted sheet.

² SCE revised Schedule PX in Advice 1427-E to modify the Power Exchange Credit calculation so that ex-post market costs, established in the Independent System Operator ISO/PX settlements process, are calculated using estimated energy purchase volumes and actual unit prices.