
January 11, 2001

ADVICE 1478-E-B
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: **Establishment of the Near-Term Bilateral Contract
Memorandum Account and Other Tariff Revisions**

In compliance with Decision No. 00-08-023 (D.00-08-023 or Decision) and Resolution E-3723, 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 SCE's Preliminary Statement, Part R, Transition Revenue Account (TRA), and Schedule PX to conform to the changes ordered in Resolution E-3723.

This advice filing supplements, in part, Advice 1478-E-A.

BACKGROUND

On August 3, 2000, the California Public Utilities Commission (Commission) issued D.00-08-023 which granted SCE the authority to enter into bilateral contracts for power. D.00-08-023, among other things, authorized the establishment of the Near-Term Bilateral Contract Memorandum Account. In addition, D.00-08-023 ordered SCE to file an advice letter informing the Commission of any markets in which its affiliates or subsidiaries operate and in which SCE intended to procure electricity or ancillary services.

On August 8, 2000, in compliance with D.00-08-023, SCE filed Advice 1478-E to provide the Commission with the information concerning markets in which SCE

affiliates or subsidiaries operate and in which SCE intends to procure electricity or ancillary services.

On August 14, 2000, SCE filed Advice 1478-E-A to establish the Near-Term Bilateral Contracts Memorandum Account. In addition, Advice 1478-E-A proposed to modify Preliminary Statement Part R, Transition Revenue Account (TRA) and Schedule PX, Power Exchange Energy.

Resolution E-3723, issued on December 21, 2000, approved SCE's Advice 1478-E, as filed and Advice 1478-E-A with minor modifications. The following modifications are made in compliance with Resolution E-3723, Ordering Paragraphs 3 and 4.

- Preliminary Statement, Part R Section 5.i is modified to read: "A debit entry equal to the amount recorded for all power obtained for Edison's customers as recorded in Schedule PX."
- For further clarification of the accounting for the bilateral costs in Schedule PX, Section 1.a is revised to include the costs of near-term and medium-term bilateral contracts.

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.

EFFECTIVE DATE

The changes in this advice filing were authorized by D.00-08-023 and are effective August 3, 2000, pursuant to Resolution E-3723, Ordering Paragraph 5.

NOTICE

Anyone wishing to protest this advice filing may do so by letter which must be received 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
E-mail: jjr@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 to the attention of:

Donald A. Fellows
Manager of Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue, Rm. 303
Rosemead, California 91770
Facsimile (626) 302-4829
E-Mail: fellowda@sce.com

Bruce Foster
Vice President of Regulatory Operations
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile (415) 673-1116
E-Mail: fosterbc@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 mailing copies of this advice filing to the interested parties shown on the attached service list, R.94-04-031/I.94-04-032, and A.99-01-016. Address change requests to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or Emelyn.Lawler@sce.com.

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.

For questions, please contact Jim Yee @ (626) 302-2509 (yeejw@sce.com).

Southern California Edison Company

Donald A. Fellows, Jr.

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 27475-E Revised 27476-E Original 27477-E	Preliminary Statement, Part N Preliminary Statement, Part N Preliminary Statement, Part N	Revised 27423-E* Revised 27236-E ----- -E
Revised 27478-E Revised 27479-E Revised 27480-E	Preliminary Statement, Part R Preliminary Statement, Part R Preliminary Statement, Part R	Revised 26489-E Revised 26490-E** Revised 26491-E* Revised 26490-E**
Revised 27481-E Revised 27482-E Revised 27483-E	Schedule PX Schedule PX Schedule PX	Revised 26736-E* Revised 26737-E* Revised 27000-E* 26737-E*
Revised 27484-E	Schedule PX	Revised 27001-E* 27000-E*
Revised 27485-E	Schedule PX	Revised 27002-E 27001-E*
Revised 27486-E	Schedule PX	Revised 27003-E 27002-E
Revised 27487-E Revised 27488-E Revised 27489-E	Table of Contents Table of Contents Table of Contents	Revised 27323-E Revised 27453-E Revised 27454-E

PRELIMINARY STATEMENT

Sheet 2

(Continued)

R. TRANSITION REVENUE ACCOUNT (TRA) (Continued)

5. Accounting Procedures:

Edison shall maintain the TRA by making entries to this account at the end of each month as follows:

- a. A debit entry equal to the recorded revenue from residential and Small Commercial customers from the Fixed Transition Amount Charge (FTAC), as provided for in Decision 97-09-056.
- b. A credit entry equal to the amount of total recorded CPUC-jurisdictional revenue from the sale and/or delivery of electricity during the month.
- c. A debit entry equal to the Transmission TRA Separated Revenues, based upon rates approved by the Federal Energy Regulatory Commission (FERC).^{1/}
- d. A debit entry equal to the Distribution PBR-related TRA Separated Revenues.^{1/}
- e. A debit entry equal to the annual applicable Distribution PBR Exclusions TRA Separated Revenue Requirement Amount divided by twelve. In determining this debit entry, the monthly billed revenue associated with both Distribution PBR Exclusions and the CARE discount provided to customers has been subtracted from total Distribution TRA Separated Revenues.
- f. A debit entry equal to the annual applicable Nuclear Decommissioning TRA Separated Revenue Requirement Amount divided by twelve.
- g. A debit entry equal to the annual applicable Public Purpose Programs TRA Separated Revenue Requirement Amount divided by twelve.
- h. A debit entry equal to the amount recorded for FERC-authorized ISO charges for transmission support, exclusive of charges in item c.
- i. A debit entry equal to the amount recorded for all power obtained for Edison's customers as reflected in Schedule PX.
- j. A credit entry equal to the amount of Shareholder Participation as defined in Section 6.

^{1/} Prior to the date the Commission or its delegate declares to be the start date for Direct Access, Edison shall combine the transmission and distribution rates for revenue recording purposes to revert back to a nongeneration rate.

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(To be inserted by utility)

Advice 1478-E-B
Decision 00-08-023

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Jan 11, 2001
Effective Aug 3, 2000
Resolution E-3723

PRELIMINARY STATEMENT

Sheet 3

(Continued)

R. TRANSITION REVENUE ACCOUNT (TRA) (Continued)

5. Accounting Procedures: (Continued)

- k. A debit entry equal to the internally managed costs subject to the cap limitations set forth in Decision Nos. 99-09-064 and 99-12-032 for electric industry restructuring and the dollar for dollar recovery of externally managed costs for electric industry restructuring.

Each month, if the sum of items 5.a through 5.k above, plus the cumulative balance in the TRA from the previous month result in (i) a net credit balance, then such credit balance shall be immediately transferred to the Revenue Account of the TCBA or (ii) a net debit balance, then such debit balance shall remain in the TRA and accrue interest. Interest shall accrue monthly to debit balances by applying the three month commercial paper rate to the average of the beginning and ending balance.

6. Shareholder Participation:

Decision 96-08-025 requires Edison's shareholders to share a portion of any Net Incremental Revenue Change associated with business attraction and expansion Flexible Pricing Options (FPOs) with ratepayers. Edison maintains the Optional Pricing Adjustment Clause (OPAC), as set forth in Part P of the Preliminary Statement associated with Commission approved FPOs. The OPAC Balancing Account balance shall be made available for Commission review in the annual Revenue Adjustment Proceeding (RAP). Upon Commission approval, Edison shall transfer the balance to the TRA (as identified in 5.j. above).

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(To be inserted by utility)

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Schedule PX
POWER EXCHANGE ENERGY

Sheet 1

APPLICABILITY

Applicable to all SCE Bundled Service Customers in the calculation of the Averaged Power Exchange (PX) Energy Charge and Direct Access Customers in the calculation of the PX Energy Credit. 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, and bilateral contracts delivered through December 31, 2005. 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).

The administrative costs and credit payments related to Schedule VPRC, Voluntary Power Reduction Credit, will be included in the cost recovery mechanism reflected in Schedule PX for the Summer period, June 1 through October 31, 2000.

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, any other trades that have been authorized by the Commission in the California Trading Services (CTS) Block-Forward Market, and bilateral contracts authorized by the Commission in Decision No. 00-08-023 (D.00-08-023) 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.

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 and the cost of Near-Term and Medium-Term bilateral contracts, all divided by the total kWh purchased in all Forward Markets for that hour. The sum of SCE's Block-Forward Market trading and bilateral contract purchases shall be limited to an amount equal to SCE's net short position of 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 Block-Forward Market trades and bilateral contract must be delivered through the day-ahead or day-of markets.

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