



Donald A. Fellows, Jr.
Manager of Revenue and Tariffs

April 26, 2001

ADVICE 1538-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Distribution Revenue Requirement Adjustment For SCE's
Transmission Upgrade Projects Ordered In Decision
No. 01-03-077

PURPOSE

This advice filing sets forth Southern California Edison Company's (SCE) proposal with respect to the distribution revenue requirement adjustment required in Ordering Paragraph 3 of the California Public Utilities Commission (Commission) Decision No. 01-03-077 (Decision or D.01-03-077).

BACKGROUND

Assembly Bill (AB) 970 signed by Governor Davis on September 6, 2000, required the Commission, among other things, to "identify and undertake those actions necessary to reduce or remove constraints on the state's existing electrical transmission and distribution system, including, but not limited to, reconductoring of transmission lines, the addition of capacitors to increase voltage, the reinforcement of existing transmission capacity, and the installation of new transformer banks."

On November 2, 2000, the Commission issued an Order Instituting Investigation (OII 00-11-001) regarding the identification of electric transmission and distribution constraints, actions to resolve these constraints, and related matters affecting the reliability of electric supply.

On March 27, 2001, the Commission issued D.01-03-077 which directed Pacific Gas and Electric Company, San Diego Gas & Electric Company, and SCE, collectively referred to as the "utilities," to develop the transmission and distribution system projects recommended by the Commission staff as set forth in Table 2 of the Decision. Of the 31 projects identified, 3 were SCE projects.

Ordering Paragraph 3 of the Decision directed the utilities to increase the distribution revenue requirement to reflect the cost of the authorized upgrade projects while not increasing current rate levels. The three SCE projects are ISO approved transmission system related projects under the transmission ratemaking jurisdiction of the Federal Energy Regulatory Commission. Therefore, no distribution revenue requirement adjustment will be necessary for the costs associated with these projects.

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

EFFECTIVE DATE

This advice filing will become effective on the effective date of D.01-03-077, which is March 27, 2001.

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 and I.00-11-001. Address change requests should be directed to Emelyn Lawler at (626) 302-3985 (E-mail: 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 James W. Yee at (626) 302-2509 (e-mail: James.Yee@sce.com).

Southern California Edison Company

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DAF:jwy/eml
Enclosures