
May 25, 2001

ADVICE 1549-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Establishment of the Real Time Energy Metering (RTEM)
Memorandum Account

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 establishes the Real Time Energy Metering (RTEM) Memorandum Account in which SCE will record for future recovery the incremental costs associated with installing and operating RTEM equipment including any associated taxes, to the extent these costs exceed the funding provided by the California Energy Commission (CEC). SCE is not requesting actual recovery of the incremental RTEM costs at this time. It is only requesting authority to track those incremental costs in a memorandum account, allowing SCE an opportunity to request recovery of the costs at a later date.

BACKGROUND

On April 11, 2001, Governor Davis signed into law ABX1-29, which appropriated \$35 million for the CEC to fund RTEM installation, and SBX1-5, which appropriated \$35 million for the CEC to fund related infrastructure. The installation of these meters and related-infrastructure will facilitate energy conservation and help ameliorate the state's energy crisis by: (1) helping the state's largest electricity consumers manage their own demand and usage; 2) providing

customers with feedback on their electricity consumption in order to promote wide-scale participation in load curtailment programs; and 3) supporting the Real Time Pricing (RTP) of electricity.

SCE currently collects interval data on a 15-minute basis for its largest customers with demands of 500 kW or greater. However, SCE must visit these individual meters to collect this data and provide it to customers on a monthly basis. Customers need more timely access to their usage information to optimize their energy consumption. RTEM will provide these customers with relatively instantaneous usage information allowing them to better monitor their consumption and participate in RTP programs. RTEM will also facilitate their compliance with load reduction programs, such as the Voluntary Demand Reduction Program (VDRP) and the Independent System Operator's Demand Reduction Program, both of which are based on usage relative to a rolling average of recent hourly consumption.

Through the ABX1-29 and SBX1-5 appropriations, SCE expects to receive up to \$19 million from the CEC to install RTEM equipment and related infrastructure for its 12,000 bundled customers with demand of 200 kW or greater. However, SCE estimates it will cost an additional \$20 million plus any applicable tax to install and operate the metering and communication infrastructure necessary to make the RTEM system function through the end of 2002. The CEC has directed SCE to request the remaining funding from the Commission.

SCE can install all 12,000 RTEM meters between now and October 1, 2001. However, in order for these meters to offer real-time capabilities, SCE must have the RTEM communications infrastructure operational by August 1, 2001. Therefore, SCE needs to begin purchasing the necessary communication infrastructure and making the necessary programming modifications as soon as possible. Absent authorization of the RTEM Memorandum Account and assurance from the Commission that it will be able to seek recovery of its reasonably incurred costs, SCE cannot begin this work. The CEC will only release funding for meter installation as the meters are actually installed and, in its current financial state, SCE cannot underwrite the cost of installing and operating this infrastructure without assurance of the opportunity to seek cost recovery of amounts recorded in the RTEM Memorandum Account.

Specifically, SCE proposes to include revenue requirement associated with the following categories of capital and operation and maintenance (O&M) costs into the memorandum account:

Capital Costs

- Equipment and engineering/installation labor for meters and customer-site communications equipment (e.g. 2-way pagers with

antenna, Netcomm radio, or modem, depending on pager coverage and availability of telephone service);

- Servers, workstations, and infrastructure to initiate, process, and transfer daily/hourly meter reads via pager, telephone, and Netcomm networks;
- Application software to control the servers, interface with SCE's billing and customer usage systems, and interface with the customer-interface vendor;
- Purchased third-party software to provide the customer interface; this is a customer-specific website with their daily usage data (or hourly, during a curtailment event, for participating customers), which tracks participation in curtailment programs;

O&M Costs

- Payments to paging service vendors and telephone companies for installation and monthly communications fees;
- Software license renewals and server software;
- O&M for RTEM servers and applications programs;
- One-time costs for meter order processing during installation, customer training on web software, and initial billing; and
- Program operations and management costs for load curtailment programs.

Once the memorandum account is in place, SCE can begin recording the revenue requirement associated with these costs and will be permitted to file an application requesting recovery in rates of its reasonably incurred costs, in excess of the funding provided by the CEC.¹ SCE estimates the total capital costs will be approximately \$28 million, the total O&M expenditures (through December 31, 2002) will be approximately \$11 million and the potential associated taxes are \$5 million, the total funding including any applicable taxes provided by the CEC will be approximately \$19 million. The RTEM Memorandum Account will accrue the revenue requirement associated with these costs only until the effective date of SCE's next General Rate Case, at which time, SCE will begin recovering the RTEM infrastructure in distribution rates.

¹ SCE will record the O&M costs, plus depreciation, return and taxes associated with the capital costs.

On May 3, 2001 the Commission issued Decision No. 01-05-032 approving San Diego Gas & Electric Company's (SDG&E) application for a RTEM program.² In doing so the Commission found that:

“granting SDG&E authority to install RTEMs will help to correct potential supply and demand imbalances in the future, and accurately allows these participants in the energy marketplace to make informed decisions about their electric consumption.”

The Commission added that:

“large customers with RTEMs will either see immediate savings in their electric bills, or will have an opportunity and an impetus to reduce consumption during exceptionally high-cost periods. This will result in reducing peak load, which may prompt substantial savings to all California electricity users and will increase reliability. This is in the public interest.”

The Commission did not authorize the funding requested, but did authorize SDG&E to create a memorandum account in which to record the cost for recovery following a reasonableness review. SCE's request is consistent with the mechanism authorized for SDG&E.

As listed in Attachment A, the Preliminary Statement, Part N, Memorandum Accounts has been modified to reflect the establishment of the RTEM Memorandum Account.

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

EFFECTIVE DATE

SCE requests that the Commission approve this advice filing at its June 14, 2001 Commission Conference. As discussed above, absent such authorization, SCE will not be able to install the communication infrastructure enabling the RTEM system to function, which in turn, will cause the state to forgo the conservation benefits of RTEM during the summer and fall of 2001.

² SDG&E's RTEM program, proposed in Application No. 00-07-055, applies to customers with demands of 100 kW and greater. SCE's program is limited to customers with 200 kW of demand and greater. In authorizing the memorandum account, the Commission deferred consideration of other issues, such as whether RTEM meters should be mandatory and how the cost of the program would be allocated among customer groups.

Given the urgency of this request and in order to act by June 14, 2001, the Commission must reduce the notice period for consideration of the advice letter. General Order 96-A (GO 96-A) permits approval of advice letters on less than 40 days notice, provided the tariff changes do not result in a rate increase or decrease. In this instance, SCE is merely requesting approval of a memorandum account in which to track the incremental costs. Prior to recovering the costs in rates, SCE will submit an application making a formal showing as to the reasonableness of the costs and their recovery in rates. Authorizing the memorandum account will not result in any rate increase or decrease.

SCE proposes the following schedule:

Advice Letter Filed	May 25, 2001
Protests to Advice Letter Submitted	June 4, 2001
Reply to Protests Submitted	June 6, 2001
Draft Resolution Issued	June 11, 2001
Comments on Draft Resolution	June 12, 2001
Final Resolution Issued	June 14, 2001

GO 96-A provides that protests shall be submitted within 20 days of the filing. This schedule reduces that protest period of time to 10 days. As discussed below, SCE is serving this advice letter electronically to eliminate the delay associated with service via first-class mail. In addition, SCE will respond to any protest within 2 days, as opposed to 5 days, provided the protests are faxed or electronically mailed to SCE (service should be directed to the individuals specified below) by the close of business on June 4, 2001.

The schedule also shortens the time for filing comments on the draft resolution and eliminates written reply comments on the draft resolution. Rule 77.7(f)(9) permits the Commission to reduce the 30-day comment period due to public necessity.

NOTICE

To provide timely and adequate notice, SCE is serving this filing electronically on appearances of record in SCE Rate Stabilization Plan application, Application No. 00-11-038, *et al*, and its GO 96-A service list. (In those instances where SCE does not have an electronic-mail address for someone on the service list, it is serving a copy via facsimile or overnight mail.)

Anyone wishing to protest this advice filing may do so in writing, sent via U.S. Mail, facsimile, or electronically. Due to special circumstances, SCE is requesting that the Commission shorten the protest period for this advice letter from 20 days to 10 days. 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@Commission.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address as 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
Director of Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue, Rm. 303
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: lawlerem@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 as to 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 and A.00-11-038, *et al.* Requests for address changes to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or by electronic mail at 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 at (626) 302-2509 or by electronic mail at James.Yee@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:jps/eml
Attachments

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 29418-E** Original 29419-E	Preliminary Statement Part N Preliminary Statement Part N	Original 29487-E*
Revised 29420-E	Table of Contents	Revised 29391-E



PRELIMINARY STATEMENT

Sheet 4

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

Specified Project (Continued)

<u>Section No.</u>	<u>Specified Project</u>	<u>Interest Bearing Memorandum Account*</u>
(68)	Distribution Energy Resources Memorandum Account (DERMA)	Yes
(69)	Not In Use	
(70)	Not In Use	
(71)	Pending	
(72)	Real Time Energy Metering (RTEM) Memorandum Account	Yes

* Interest shall accrue monthly to interest-bearing Memorandum Accounts by applying the Interest Rate to the average of the beginning and ending balance.

** Interest shall accrue monthly to credit balances only. See specific memorandum accounts for more information.

(Continued)

(To be inserted by utility)

Advice 1549-E
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed May 25, 2001
Effective Jun 28, 2001
Resolution E-3746

PRELIMINARY STATEMENT

Sheet 102

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

72. Real Time Energy Metering (RTEM) Memorandum Account

The purpose of the RTEM Memorandum Account is to track and record incremental costs associated with the installation and operation of RTEM equipment to the extent these costs exceed the funding provided by the California Energy Commission (CEC). In ABXI-29 and SBX1-5 signed into law by Governor Davis, the CEC will provide certain funding for the purchase of real time meters and related infrastructure in order to facilitate energy conservation and help ameliorate the state energy crisis. Costs recorded in the RTEM Memorandum Account shall include operation and maintenance (O&M) costs and the capital-related revenue requirement associated with the real time energy meters. O&M costs shall include payments to paging service vendors and telephone companies for installation and communication fees, software license renewals and server software, O&M for RTEM servers and application programs, meter order processing costs during installation, customer training, initial billing, and program operations and management costs for load curtailment programs. Capital related costs shall include equipment and engineering/installation labor for meters and communications equipment, servers, workstations and infrastructure to initiate, process, and transfer meter reads, applications software, and purchased third-party software.

A debit entry shall be made to the RTEM Memorandum Account at the end of each month to record the O&M costs and revenue requirement associated with the Real Time Energy Meter capital related costs. Any time the CEC provides any contribution to SCE for its capital investment, a new capital-related revenue requirement will be calculated and reflected in this account. The RTEM Memorandum Account shall track O&M costs and net capital-related revenue requirement associated with Real Time Energy Meters until SCE's next General Rate Case, at which time, SCE will begin recovering the ongoing costs in its base rates.

Interest shall accrue to the RTEM Memorandum Account by applying the Interest Rate to the average of the beginning and ending account balances.

SCE will request Commission approval for recovery of the costs recorded in the RTEM Memorandum Account in its annual Revenue Adjustment Proceeding, or any other proceeding expressly authorized by the Commission.

(Continued)

(To be inserted by utility)

Advice 1549-E

Decision _____

Issued by

John R. FielderSenior Vice President

(To be inserted by Cal. PUC)

Date Filed May 25, 2001Effective Jun 28, 2001Resolution E-3746



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(To be inserted by utility)
Advice 1549-E
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)
Date Filed May 25, 2001
Effective Jun 28, 2001
Resolution E-3746

August 24, 2001

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

Attn: Jerry Royer
Energy Division

Re: Substitute Sheets for Advice 1549-E

Dear Mr. Royer:

Enclosed are an original and six copies of Attachment A and substitute Sheet No. 29418-E*¹ for Advice 1549-E. This substitute sheet is necessary to reflect that Sections (68) through (71) within Preliminary Statement, Part N, are being established by other advice letters and are denoted as "Pending" while waiting for Commission approval.²

Please replace the enclosed sheets in your master Advice 1549-E file. If you have any questions, please contact René Vazquez at (626) 302-2077.

Sincerely,

Enclosures

1549sub.doc

¹ Asterisk denotes a substituted sheet.

² Sections (68) through (71) were not originally reflected in Advice 1549-E.

November 25, 2002

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

Attn: Jerry Royer
Energy Division

Re: Substitute Sheet for Various Advice Filings

Dear Mr. Royer:

Enclosed is an original and six copies of the following Attachment As (in pertinent part) and substitute tariff sheets.

- Sheet Nos. 29487-E*¹, 29488-E* for Advice 1551-E-A,
- Sheet No. 29418-E** for Advice 1549-E,
- Sheet No. 30031-E** for Advice 1579-E,
- Sheet No. 31137-E* for Advice 1613-E,
- Sheet No. 31155-E* for Advice 1614-E,
- Sheet No. 31651-E** for Advice 1632-E,
- Sheet No. 31664-E* for Advice 1633-E, and
- Sheet No. 31935-E* for Advice 1651-E.

These substitute sheets are necessary to ensure that all appropriate, approved revisions are contained in affected tariff sheets. Specifically, Advice 1551-E/E-A revised Preliminary Statement, Part N, and established the Distributed Energy Resources Memorandum Account (DERMA) as Specified Project Section No. 73. Supplemental Advice 1551-E-A was approved with an effective date of May 22, 2001 (16 months prior to the supplemental filing date). As a result of this time differential, two events occurred: (1) Advice 1551-E-A's Specified Project Section No. 73 was renumbered to Section No. 68 and properly reflected in substitute Sheet Nos. 29487-E* and 29488-E* to Advice 1551-E/E-A, and (2) numerous succeeding Advice Letters were affected due to the inclusion of Advice 1551-E/E-A's Specified Project and its revised Section No. 68.

The changes contained herein are insignificant in impact in that only the approved Specified Project and its Section No. in Advice 1551-E-A are being reflected in the succeeding Advice Letters listed above.

Please replace the enclosed sheets in the appropriate master advice letter files. If you have any questions, please contact Reneé Vazquez at (626) 302-2077.

Sincerely,

Enclosures
VariousAL'ssub.doc

¹ Asterisk denotes a substituted sheet.