

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



November 7, 2002

Advice Letter: 1551-E/1551-E-A

CORRECTED

Akbar Jazayeri
Director of Revenue and Tariffs
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

NOV 13 2002
REVENUE & TARIFFS DEPT.

Reference: Tariff revisions in compliance with assigned commissioner's ruling on implementation of SB X1 28

Dear Mr. Jazayeri:

Advice Letter 1551-E/1551-E-A is effective May 22, 2001 by Resolution E-3778. A copy of the advice letter is included herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas Long".

Douglas Long
Energy Division

Filed: 6/11/01 ; 9/3/02
Effective: 5/22/02
Resolution E-3778

September 3, 2002

ADVICE 1551-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to the Tariff Revisions in Compliance with
Assigned Commissioner's Ruling on Implementation of
Senate Bill X1 28

In compliance with Resolution E-3778, 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 supplemental advice filing to Advice 1551-E further revises: (1) Preliminary Statement, Part N, Memorandum Accounts; and (2) Schedule S and the Rule 1 definition of Distributed Energy Resources Generation (DERG), as directed by Resolution E-3778.

BACKGROUND

On May 31, 2001, the Commission issued an Assigned Commissioner's Ruling (ACR) on the Implementation of SB X1 28. The ACR directed the utilities to submit pro forma tariffs to implement SB X1 28. Further, Section 353.3 of the Public Utilities (PU) Code required SCE to modify its Schedule S, Standby, and its Rule 1, Definitions, so that customers installing generation meeting the criteria of Section 353.1 of the PU Code will be served under rates, rules, and requirements identical to those customers that do not install new generation units. Section 353.9 required SCE to establish a memorandum account to act as a firewall to ensure that the costs avoided by the change to Schedule S, Standby by a customer class are recovered only from that customer class.

On June 11, 2001, SCE filed Advice 1551-E to: (1) add the definition of DERG to Rule 1, Definitions; (2) specify changes to Schedule S, Standby, to allow customers

that install DERG to be exempt from paying standby charges; and (3) establish the DERG Memorandum Account which would record and track the Standby and Generation Reservation Charges waived by the tariff changes to Schedule S.

On August 22, 2002, the Commission issued Resolution E-3778 which approves SCE's Advice 1551-E with certain modifications. In compliance with Resolution E-3778, SCE is revising its proposed memorandum account to rename it DERMA, which will record costs and benefits associated with the implementation of SBX1-28. Further, this supplemental filing also revises the Applicability Section of Schedule S, Standby and the Rule 1 definition of DERG to include the termination dates of the exemption from standby charges for DERG.

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

Pursuant to Resolution E-3778, Ordering Paragraph 1, this advice filing is to be effective as of May 22, 2001.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and 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
c/o Jerry Royer
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 or electronically to the attention of:

Akbar Jazayeri
Director of Revenue and Tariffs
Southern California Edison Company
c/o Emelyn Lawler
2244 Walnut Grove Avenue, Rm. 303
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: Emelyn.Lawler@sce.com

Bruce Foster
Vice President of Regulatory Operations
Southern California Edison Company
c/o Karyn.Gansecki
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@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, and R.99-10-025. Address change requests 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. For changes to all other service lists, please contact Maria Vengerova of the Commission's Process Office at (415) 703-2021 or by electronic mail at ven@cpuc.ca.gov.

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. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/> and choose Regulatory Info Center/Advice Letters.

For questions, please contact Pat Aldridge at 626-302-4617 or by electronic mail at Pat.Aldridge@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:eml
Enclosures

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 29487-E* Original 29488-E*	Preliminary Statement Part N Preliminary Statement Part N	
Revised 29489-E	Schedule S	Revised 26534-E
Revised 29490-E Revised 29491-E	Rule 1 Rule 1	Revised 27739-E Revised 27740-E
Revised 29492-E Revised 29493-E Revised 29494-E	Table of Contents Table of Contents Table of Contents	Revised 29374-E Revised 29375-E Revised 27975-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)	Distributed Energy Resources Memorandum Account (DERMA)	Yes	(N)

* 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 1551-E-A
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)
Date Filed Sep 3, 2002
Effective May 22, 2001
Resolution E-3778



PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

68. Distributed Energy Resources Memorandum Account (DERMA)

The purpose of the DERMA is to record the waived Standby Charges applicable to any customer billed on a time-of-use rate schedule using electric generation technology that meets the criteria as defined in Rule 1 for Distributed Energy Resources Generation as required by Senate Bill (SB) X1 28. In SB X1 28, certain provisions were added to the Public Utilities Code (PU) Code requiring tariff modifications which allow customers who install generation technology that meet the criteria set forth in Section 353.1 of the PU Code to be served under rates, rules, and requirements identical to those customers that do not install new generation units. This provision allows customers who use electric generation technology that meets the criteria as defined in Rule 1 to be exempt from applicable Standby and Generation Reservation Charges.

Subaccounts shall be maintained by customer class to record the waived Standby Charges. Amounts tracked in the subaccounts shall only be recovered from those customers in that customer class.

A debit entry shall be made to the applicable subaccount of the DERMA at the end of each month to record the waived Standby Charges for those customers who install generation technology that meet the criteria set forth in Section 353.1 of the PU Code.

A credit entry shall be made to the applicable subaccount of the DERMA at the end of each month to record any quantifiable benefits of Distributed Energy Resources Generation applicable to that customer class.

Interest shall accrue to the subaccounts of the DERMA 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 DERMA in its annual Revenue Adjustment Proceeding, or any other proceeding expressly authorized by the Commission.

(Continued)

(To be inserted by utility)

Advice 1551-E-A
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 3, 2002
Effective May 22, 2001
Resolution E-3778



Schedule S
STANDBY

Sheet 1

APPLICABILITY

Applicable to customers taking service under a regular service rate schedule and where a part or all of the electrical requirements of the customer can be supplied from a generating facility as defined, interconnected, and operated in accordance with Rule 21. A generating facility may be connected for: (1) parallel operation with the service of the Company; or (2) isolated operation with standby or breakdown service provided by the Company by means of a double throw switch. Any customer served under a time-of-use rate schedule using electric generation technology that meets the criteria as defined in Rule 1 for Distributed Energy Resources Generation is exempt from the otherwise applicable Standby and Generation Reservation Charges for the periods specified in such definition. (N)

TERRITORY

Within the entire territory served.

RATES

Standby Charge:	<u>Service Voltage</u>	<u>Per Meter Per Month</u>
All kW of Standby Demand, per kW	Below 2 kV	\$6.40
All kW of Standby Demand, per kW	2 kV to 50 kV	\$6.60
All kW of Standby Demand, per kW	Above 50 kV	\$0.65

Generation Reservation Charge (to be added to Standby Charge)

Applicable to customers newly taking service under this schedule as of May 1, 1996:

All kW of Standby Demand, per kW	Below 2 kV	\$0.37
All kW of Standby Demand, per kW	2 kV to 50 kV	\$0.36
All kW of Standby Demand, per kW	Above 50 kV	\$0.35

Applicable Schedule Charges (to be added to Standby Charge and Generation Reservation Charge):

The Facilities Related Component of the Demand Charges designated in the applicable regular service rate schedule shall be applied to all kW of Facilities Related Billing Demand in the current month less Standby Demand but in no case applied to a difference less than zero. All other charges including any minimum charges and provisions of the applicable regular service rate schedule designated in the Generation Agreement or the Contract for Electric Service shall apply.

For customers served under this schedule whose regular service rate is Schedule TOU-8, the Standby and Generation Reservation Charges are excluded from the Peak Period and Average Rate Limiter calculation provided in Schedule TOU-8.

The rate components used for customer billing are determined using the components shown in the Rate Components Section following the Special Conditions Section.

(Continued)

(To be inserted by utility)

Advice 1551-E-A
Decision _____

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 3, 2002
Effective May 22, 2001
Resolution E-3778

Rule 1
DEFINITIONS

Sheet 4

(Continued)

Departing Load: Departing Load is that portion of an SCE's customer's electric load for which the customer, on or after December 20, 1995:

1. discontinues or reduces its purchase of electricity supply and delivery services from SCE; and
2. purchases or consumes electricity supplied and delivered by sources other than SCE to replace such SCE purchases; and
3. remains physically located at the same location or within SCE's service area as it existed on December 20, 1995.

The definition of Departing Load specifically does not include:

1. a customer's load that moves to a new location outside SCE's service area as it existed on December 20, 1995;
2. a customer's load that is no longer served with electricity from any source; or
3. a new customer that, after January 1, 1998, locates new load in SCE's service territory, provided that it does not purchase electricity from SCE nor uses SCE's transmission or distribution system (either directly or indirectly through a third party) in any manner to supply electricity to its load, unless the load is served by transmission or distribution facilities which are owned or operated by a local publicly-owned electrical corporation formed after December 20, 1995 or were acquired from SCE by annexation by a local publicly-owned electrical corporation that was in existence as of December 20, 1995.
4. residential load served by a solar electrical generating facility with a capacity of not more than 10 kilowatts per California Public Utilities (PU) Code Sections 371 and 2827.

When an SCE retail customer that purchased electricity from SCE on or after December 20, 1995, subsequently replaces such SCE purchases with purchases from an entity that supplies such retail customer using SCE's transmission and/or distribution system (other than through a Direct Transaction), that load is classified as Departing Load for that portion of its requirements that are purchased through such an alternative supplier.

Direct Access: A service option where the customer obtains its electric power and ancillary services from an Energy Service Provider.

Direct Transaction: A contract between any one or more electric generators, marketers, or brokers of electric power and one or more End-Use Customers providing for the purchase and sale of electric power and ancillary services. Direct Transaction may also be referred to as Direct Access.

Distributed Energy Resources Generation (DERG): Includes any newly installed electric generation technology that meets all of the following criteria: (N)

1. commences initial operation between May 01, 2001 and June 01, 2003 or must commence operation no later than September 01, 2002 if gas-fired Distributed Energy Resources that are not operated in a combined heat and power application; and
2. is located within a single facility; and
3. is five megawatts or smaller in aggregate capacity; and
4. serves onsite loads or over-the-fence transactions allowed under PU Code Sections 216 and 218; and
5. is powered by any fuel other than diesel; and
6. complies with emission standards and guidance adopted by the State Air Resources Board pursuant to Sections 41514.9 and 41514.10 of the Health and Safety Code or emissions levels equivalent to nine parts per million oxides of nitrogen whichever standard is in effect at the time the Distributed Energy Resources generator is being used; and
7. units shall comply with the applicable best available control technology as determined by the air pollution control district or air quality management district in which they are located. (N)

(Continued)

(To be inserted by utility)

Advice 1551-E-A
Decision _____

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 3, 2002
Effective May 22, 2001
Resolution E-3778

Rule 1
DEFINITIONS

Sheet 5

(Continued)

Distributed Energy Resources Generation (DERG): (Continued)

A customer who has installed DERG will be subject to the same rates, rules, and requirements of those of a customer served under the same rate schedule who has not installed DERG only until June 1, 2006 when the DERG is not operated in a combined heat and power application or June 1, 2011 when the DERG is operated in a combined heat and power application.

Distribution Line Extension: New distribution facilities of SCE that is a continuation of, or branch from, the nearest available existing permanent Distribution Line (including any facility rearrangements and relocations necessary to accommodate the Distribution Line Extension) to the point of connection of the last service. SCE's Distribution Line Extension includes transmission underbuilds and converting an existing single-phase line to three-phase in order to furnish three-phase service to an Applicant, but excludes service transformers, meters and services.

Distribution Lines: Overhead and underground facilities which are operated at distribution voltages, and which are designed to supply two (2) or more services.

Distribution System: Those non-ISO transmission and distribution facilities owned, controlled, and operated by SCE that are used to provide distribution service under the tariffs.

Domestic Service: Service for residential use at a dwelling premises. Any service for other than residential use at a dwelling premises may be served through the domestic service meter only where such nondomestic connected load does not exceed 300 watts for lighting or 2 hp for power.

Domestic Farm Service: Single-phase service for light or power will be considered domestic farm service provided:

1. The service is furnished through the farm operator's domestic meter;
2. The service is used only for farming operations, in addition to domestic purposes, on the farm furnished the service;
3. Monthly billing: The total use on the domestic farm service meter does not exceed 2,500 kilowatthours per month in each of three consecutive months or a total of 20,000 kilowatthours in any twelve consecutive months;
4. Bimonthly billing: The total use through the domestic farm service meter does not exceed 10,000 kilowatthours in any two consecutive bimonthly periods or a total of 20,000 kilowatthours in any twelve consecutive months.

Domestic Heat Pump Customer: A domestic heat pump customer is one who has installed a central heat pump unit of not less than 3 hp (nameplate rating), which is used exclusively to heat and cool the domestic dwelling.

Edison: Southern California Edison (See Company, SCE or Utility)

Electric Service Provider: See Energy Service Provider.

Electric Supply: Electric energy or power.

Electronic Transfer: Paperless exchange of data and/or funds, usually involving computer and telecommunication technology.

Energy Service Provider (ESP): An entity that provides electric power and ancillary services (including, but not limited to, aggregators, brokers, and marketers, but excluding utilities) to an End-Use Customer. An End-Use Customer can act as its own ESP as long as it complies with all requirements of being an ESP. Also referred to as Electric Service Provider.

(Continued)

(To be inserted by utility)

Advice 1551-E-A
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 3, 2002
Effective May 22, 2001
Resolution E-3778

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.