

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



July 31, 2002

Advice Letter: 1583-E/
1583-E-A/1583-E-B/1583-E-C

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

AUG 05 2002

REVENUE & TARIFFS DEPT.

Reference: Implementation of Decision 01-09-012 relating to the demand reduction and self-generation programs

Dear Mr. Jazayeri:

Advice Letter 1583-E, 1583-E-A, 1583-E-B and 1583-E-C is effective March 8, 2002. 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

jjr

June 3, 2002

ADVICE 1583-E-C
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to the Establishment of the Demand Reduction
And Self-Generation Program Incremental Cost
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 revises Preliminary Statement, Part N, Memorandum Accounts, Demand Reduction and Self-Generation Program Incremental Cost (DRSGPIC) Memorandum Account as authorized in Decision (D.) 01-09-012 to reflect the elimination of the Transition Revenue Account (TRA) mechanism and establish the Performance-Based Ratemaking Exclusions Distribution Adjustment Mechanism (PBR EDAM) as the appropriate vehicle for the recovery of the California Public Utilities Commission (Commission) authorized revenue requirement associated with the Demand Reduction and Self-Generation Programs. This advice filing supplements in part Advice 1583-E, Advice 1583-E-A, and Advice 1583-E-B.

BACKGROUND

On October 15, 2001, SCE filed Advice 1583-E to: (1) eliminate the Demand Reduction and Self-Generation Program Incremental Cost (DRSGPIC) Balancing Account previously authorized in D.01-07-028; and (2) establish the DRSGPIC Memorandum Account as authorized in D.01-09-012.

On December 24, 2001, SCE filed Advice 1583-E-A to: (1) clarify that the entries to the DRSGPIC Memorandum Account are to reflect the actual incremental program expenditures associated with the Demand Reduction and Self-Generation Programs

not to exceed the Commission authorized dollar limits on an annual basis; (2) clarify that the entries to the TRA are to reflect amortization of the authorized distribution revenue requirement associated with the Demand Reduction and Self-Generation Programs; and (3) correct minor typographical errors. These tariff modifications were a result of discussions between SCE and the Commission's Energy Division in order to clarify the Commission's intent in D.01-09-012.

On March 8, 2002, SCE filed Advice 1583-E-B pursuant to D.02-02-026 which clarified that the utilities should carry over any unused funding from one year to the next during the four-year program period, and may borrow against the annual budget of a subsequent year if program participation is larger than anticipated in the current year by filing an advice letter. This advice filing modifies SCE's DRSGPIC Memorandum Account to reflect the four-year program funding limit authorized by D.01-03-073.

On March 11, 2002, SCE received notice of the Commission acceptance of SCE's Advice 1586-E-A which was filed to establish the Procurement Related Obligations Account (PROACT) and related ratemaking structures in accordance with Resolution E-3765. Advice 1586-E-A, among other things, eliminated the TRA mechanism and established the PBR EDAM as the appropriate vehicle for the recovery of the Commission authorized revenue requirement associated with the Demand Reduction and Self-Generation Programs. For this reason, the tariff for the DRSGPIC Memorandum Account contained in Advice 1583-E-B where reference was made to TRA recovery must now be revised to reflect PBR EDAM as the appropriate mechanism for recovery of the authorized revenue requirement associated with these programs.

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

SCE requests that this advice filing become effective March 8, 2002, the filing date ordered by the Commission in Ordering Paragraph 6 of D.02-02-026.

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
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
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
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.98-07-037. 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 the R.98-07-037 Service List, please contact 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 Jim Yee at (626) 302-2509 or by electronic mail at James.Yee@SCE.com.

Southern California Edison Company

Akbar Jazayeri

AJ:yj
Enclosures

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 30084-E	Preliminary Statement Part N	Revised 28274-E
Revised 30085-E	Preliminary Statement Part N	Revised 28276-E
Revised 30086-E	Preliminary Statement Part R	Revised 29838-E*
Withdrawn Original 29839-E	Preliminary Statement Part AA	
Revised 30087-E	Table of Contents	Revised 29925-E
Revised 30088-E	Table of Contents	Revised 29926-E

PRELIMINARY STATEMENT

Sheet 5

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

e. Catastrophic Event:

A Catastrophic Event is an event which is declared a disaster by competent state or federal authorities.

3. Demand Reduction and Self-Generation Program Incremental Cost (DRSGPIC) Memorandum Account

The purpose of the DRSGPIC Memorandum Account is to track the recorded incremental program costs and distribution revenue requirement recorded in the Performance-Based Ratemaking Exclusion Distribution Adjustment Mechanism (PBR EDAM) associated with SCE's Small Commercial Demand Responsiveness Pilot Program and the Self-Generation Pilot Program authorized by the Commission in Decision No. 01-03-073 and Decision No. 01-09-012. The recorded incremental program costs and distribution revenue requirement associated with these programs shall be allocated to the appropriate customer classes. Sub-accounts within the DRSGPIC Memorandum Account shall be maintained for each of the above programs. (T)

Entries to the DRSGPIC Memorandum Account shall be determined as follows:

- a. A debit entry to reflect actual incremental program costs associated with the Small Commercial Demand Responsiveness Pilot Program and the Self-Generation Pilot Program not to exceed the authorized four year funding levels for the programs authorized by D.01-03-073; and
- b. A credit entry to record the authorized distribution revenue requirement recorded in the PBR EDAM associated with the Small Commercial Demand Responsiveness Pilot Program and the Self-Generation Pilot Program (T)

Interest shall accrue to the DRSGPIC Memorandum Account by applying the three-month commercial paper rate (as published in the Federal Reserve Statistical Release, G.13, or its successor publication) to the average of the beginning and ending account balance.

The Company may request disposition of any balance in the DRSGPIC Memorandum Account in the annual Revenue Adjustment Proceeding, or any other proceeding authorized by the Commission.

(Continued)

(To be inserted by utility)

Advice 1583-E-C
Decision 02-02-026

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 3, 2002
Effective Mar 8, 2002
Resolution _____