

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



September 9, 2010

**Advice Letter 166-G**

Akbar Jazayeri  
Vice President, Regulatory Operations  
Southern California Edison Company  
P O Box 800  
Rosemead, CA 91770

**Subject: Decrease in Santa Catalina Island Gas Cost Adjustment  
Billing Factors and the California Alternate Rates for  
Energy (CARE) Surcharge**

Dear Mr. Jazayeri:

Advice Letter 166-G is effective September 1, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division

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August 2, 2010

**ADVICE 166-G**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Decrease in Santa Catalina Island Gas Cost Adjustment  
Billing Factors and the California Alternate Rates for Energy  
(CARE) Surcharge

Southern California Edison Company (SCE) hereby transmits for filing the following changes to its gas tariff schedules applicable to Santa Catalina Island. The revised tariff sheets are listed on Attachment A and are attached hereto.

**PURPOSE**

This advice filing revises SCE's gas tariffs to reflect a decrease in the Santa Catalina Island Gas Cost Adjustment Billing Factors (GCABFs) and the CARE Surcharge component of base rates for non-CARE gas customers.

The revised GCABFs are calculated in accordance with the procedures set forth in Preliminary Statement, Part F, Santa Catalina Island Gas Cost Adjustment Clause (GCAC), of SCE's gas tariffs as authorized in California Public Utilities Commission (Commission) Decision (D.)82-04-010.

**BACKGROUND**

In D.82-04-010, Ordering Paragraph 2, the Commission authorized SCE to submit GCAC filings by advice letter for every six-month period with March 1 and September 1 as the regularly scheduled revision dates. SCE's GCABFs and CARE Surcharge were last revised effective March 1, 2010, as filed in Advice 163-G,<sup>1</sup> dated January 29, 2010.

The GCABFs established herein are based on the total GCAC revenue requirement which reflects: 1) gas expense for the Forecast Period of September 1, 2010, through August 31, 2011; and 2) amortization of the estimated September 1, 2010, balance in

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<sup>1</sup> Advice 163-G was approved by the Commission's Energy Division on April 13, 2010.

the GCAC balancing account over the Forecast Period. Table I (attached) sets forth the calculation of the GCAC balancing account revenue requirement and the fuel revenue requirement.

**PROPOSED TARIFF CHANGES**

SCE’s current and revised GCABFs and CARE Surcharge for Santa Catalina Island are listed below:

	<u>GCABFs Current \$/Therm</u>	<u>GCABFs Revised \$/Therm</u>
Domestic Baseline Service <sup>2</sup>	1.97579	1.77663
Domestic Non-Baseline Service	2.01843	1.78870
Other Than Domestic Service	2.37291	2.07911
CARE Surcharge	0.06587	0.06128

This advice filing allocates the revenue decrease to Domestic and General Service customers on a System Average Percentage Change (SAPC) basis. This is consistent with the allocation adopted by the Commission in SCE’s previous GCAC filings.

The decrease in annualized revenues resulting from these changes in rates, based on the therms estimated to be sold during the Forecast Period, is as follows:

<u>Rate Schedule</u>	Revised Revenue Change From Present Rates		
	<u>Forecasted Therms</u>	<u>Change in Total Revenue (\$ Thousands)</u>	<u>%</u>
Domestic	249,208	(50.6)	(5.4)
General Service	337,154	(100.6)	(6.2)
TOTAL	586,361	(151.2)	(5.9)

Ordering Paragraph 5 of D.82-04-010 requires SCE to show the method used to calculate the transportation charges for delivery of propane to Santa Catalina Island. SCE does not calculate this charge. All propane is purchased from the supplier freight on board (FOB) Santa Catalina Island, and as such, the transportation charge is included in the total cost of the propane. Table II (attached) sets forth the historical quantity and cost of propane to

<sup>2</sup> The GCABF rates, when combined with the base rates, are adjusted to maintain a total Non-Baseline to Baseline rate ratio of 1.15:1.

SCE for the 12-months ended June 2010, which includes transportation charges. The average price of propane is also shown by month and for the 12-month period.

Preliminary Statement, Part F, Section 8 of SCE's tariffs is also revised to reflect the GCABFs set forth on the applicable rate schedules in this advice filing.

### **TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

### **EFFECTIVE DATE**

This rate change is requested to be effective for service rendered on and after September 1, 2010, pursuant to D.82-04-010.

### **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 no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@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  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Senior Vice President, Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 929-5540  
E-mail: [Karyn.Gansecki@sce.com](mailto: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 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B service list. Address change requests should be directed to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-2930. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@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/AboutSCE/Regulatory/adviceletters>.

For questions, please contact John Montanye at (626) 302-2308 or [John.Montanye@sce.com](mailto:John.Montanye@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ:jm:sq  
Enclosures

TABLE I  
SOUTHERN CALIFORNIA EDISON COMPANY  
CALCULATION OF THE SANTA CATALINA ISLAND GCAC REVENUE REQUIREMENT  
FOR A SEPTEMBER 1, 2010 REVISION DATE 1/

Line No.	Component	Amount (\$)
1.	<u>GAS COST FORECAST</u>	
2.	Forecast Cost 2/	1,284,002
3.	Plus: 1.1% for Franchise Fees and Uncollectibles	
4.	Expense Allowance	<u>13,625</u>
5.	Forecast Gas Revenue Requirement	1,297,627
6.	<u>BALANCING ACCOUNT ESTIMATE</u>	
7.	Forecast Balance in the GCAC Balancing Account as of	
8.	September 1, 2010	(151,542)
9.	Plus: 1.1% for Franchise Fees and Uncollectibles	
10.	Expense Allowance	<u>(1,608)</u>
11.	GCAC Balancing Account Revenue Requirement	<u>(153,150)</u>
12.	GCAC Revenue Requirement	1,144,477
13.	(line 5 + line 11)	
<p>1/ Based on the 12-month Forecast Period beginning September 1, 2010 and a 12-month amortization of the estimated GCAC Balancing Account balance on September 1, 2010.</p> <p>2/ Based on an estimated usage of: 708,500 gallons</p>		

TABLE II  
SOUTHERN CALIFORNIA EDISON COMPANY  
SANTA CATALINA ISLAND GCAC  
RECORDED MONTHLY PURCHASES OF PROPANE FUEL AND TRANSPORTATION COSTS

Line No.	Month	Monthly Purchases of Propane (Gallons)	Propane Delivered Price, FOB Avalon, Catalina (\$/gallon) 1/	Total Cost (\$)
		(1)	(2)	(3)
	<b>2009</b>			
1.	JULY	51,669	1.280	66,134
2.	AUGUST	52,340	1.200	62,818
3.	SEPTEMBER	62,576	1.262	78,954
4.	OCTOBER	44,132	1.662	73,354
5.	NOVEMBER	54,111	1.933	104,603
6.	DECEMBER	62,147	2.127	132,215
	<b>2010</b>			
8.	JANUARY	64,636	2.306	149,070
9.	FEBRUARY	37,045	2.167	80,289
10.	MARCH	75,046	1.960	147,100
11.	APRIL	27,796	1.887	52,439
12.	MAY	35,100	1.966	69,008
13.	JUNE	72,685	1.878	136,477
14.	TOTAL - 12 Months			
15.	Ending June 30, 2010	639,283	1.803	1,152,460

1/ Price includes transportation charges. Sales not subject to California Sales Tax.

2/ Source: Monthly Fuel Commitment Statement.

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: [James.Yee@sce.com](mailto:James.Yee@sce.com)

E-mail Disposition Notice to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
 PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 166-G      Tier Designation: 2

Subject of AL: Decrease in Santa Catalina Island Gas Cost Adjustment Billing Factors and the California Alternate Rates For Energy Surcharge

Keywords (choose from CPUC listing): Compliance, Decrease Rates, Billings, Balancing Account, Surcharges

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other Semiannual

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:  
D.82-04-010

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.  
 Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required?  Yes  No

Requested effective date: 9/1/10      No. of tariff sheets: -5-

Estimated system annual revenue effect: (%): (5.9%)

Estimated system average rate effect (%): (5.9%)

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement Part F, Schedules G-1 and G-2, and Table of Contents

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: 165-G

<sup>1</sup> Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Akbar Jazayeri  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Senior Vice President, Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 929-5540  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 1267-G	Preliminary Statement Part F	Revised 1226-G
Revised 1268-G Revised 1269-G	Schedule G-1 Schedule G-1	Revised 1227-G Revised 1228-G
Revised 1270-G	Schedule G-2	Revised 1229-G
Revised 1271-G	Table of Contents	Revised 1242-G

PRELIMINARY STATEMENT

Sheet 4

(Continued)

F. SANTA CATALINA ISLAND GAS COST ADJUSTMENT CLAUSE (GCAC) (Continued)

8. Gas Cost Adjustment Billing Factors (GCABF) (Continued)

<u>Effective Date</u>	<u>Applicable to Baseline Service</u>	<u>Applicable to Nonbaseline Service</u>	<u>Applicable to General Service</u>	
March 1, 2000	\$0.64184	\$0.47969	\$0.71840	
September 1, 2000	\$0.80571	\$0.66814	\$0.92532	
March 1, 2001	\$1.05189	\$0.95125	\$1.23626	
September 1, 2001	\$1.22332	\$1.14840	\$1.45212	
March 1, 2002	\$0.94005	\$0.82264	\$1.09441	
September 1, 2002	\$0.47609	\$0.28907	\$0.50697	
March 1, 2003	\$0.80520	\$0.66774	\$0.92206	
September 1, 2003	\$0.84538	\$0.71395	\$0.97266	
March 1, 2004	\$0.98009	\$0.86868	\$1.14189	
September 1, 2004	\$0.79584	\$0.65680	\$0.91091	
March 1, 2005	\$1.42557	\$1.38088	\$1.70642	
September 1, 2005	\$1.53472	\$1.50123	\$1.84563	
March 1, 2006	\$1.61807	\$1.59707	\$1.95393	
September 1, 2006	\$1.77875	\$1.78197	\$2.16275	
March 1, 2007	\$1.81721	\$1.82619	\$2.21307	
September 1, 2007	\$1.88338	\$1.90226	\$2.29883	
March 1, 2008	\$2.08758	\$2.13710	\$2.56360	
September 1, 2008	\$2.52103	\$2.63559	\$3.11486	
March 1, 2009	\$2.65191	\$2.78599	\$3.28077	
September 1, 2009	\$1.66217	\$1.64778	\$2.02636	
March 1, 2010	\$1.97579	\$2.01843	\$2.37291	
September 1, 2010	\$1.77663	\$1.78870	\$2.07911	(N)

(Continued)

(To be inserted by utility)

Advice 166-G  
Decision 82-04-010

Issued by

Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)

Date Filed Aug 2, 2010  
Effective Sep 1, 2010  
Resolution \_\_\_\_\_



Schedule G-1  
SANTA CATALINA ISLAND  
DOMESTIC SERVICE

Sheet 1

APPLICABILITY

Applicable to domestic service of liquefied petroleum gas-air to a single-family accommodation or dwelling.

TERRITORY

The City of Avalon, and vicinity, Santa Catalina Island.

RATES

	<u>Per Meter</u>	
	<u>Per Day</u>	
<b>Customer Charge:</b>		
For 175 cubic feet per hour meter .....	\$0.358	
For 305 cubic feet per hour meter .....	\$0.624	
For 400 cubic feet per hour meter .....	\$0.818	
For 675 cubic feet per hour meter .....	\$1.381	
For 1,000 cubic feet per hour meter .....	\$2.045	
For 2,000 cubic feet per hour meter .....	\$4.078	
For 3,000 cubic feet per hour meter .....	\$6.115	
For 4,000 cubic feet per hour meter .....	\$8.153	
For 5,000 cubic feet per hour meter .....	\$10.193	
 <b>Energy Charge (To be added to Customer Charge):</b>		
Baseline Service, per therm .....	\$2.89963	(R)
Nonbaseline Service, per therm .....	\$3.33457	(R)

The rates above include Base Rates and the applicable Adjustment Rates as shown below:

(Continued)

(To be inserted by utility)  
 Advice 166-G  
 Decision 82-04-010

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Aug 2, 2010  
 Effective Sep 1, 2010  
 Resolution \_\_\_\_\_



Schedule G-1  
SANTA CATALINA ISLAND  
DOMESTIC SERVICE  
 (Continued)

Sheet 2

ENERGY CHARGE COMPONENTS

Base Rates\*:

Baseline Service, per therm .....	\$1.12232	(R)
Nonbaseline Service, per therm .....	\$1.54519	(R)

\* Base Rates include CARE Surcharge of 0.06128 per therm, for both Baseline and Nonbaseline Service. (R)

Adjustment Rates:

Gas Cost Adjustment Billing Factor:

Baseline Service, per therm .....	\$1.77663	(R)
Nonbaseline Service, per therm .....	\$1.78870	(R)

PUC Reimbursement Fee, per therm ..... \$0.00068

The Gas Cost Adjustment Rate is described in Part F of the Preliminary Statement.  
 The PUC Reimbursement Fee is described in Schedule No. RF-G.

SPECIAL CONDITIONS

1. Minimum Customer Charge: Service to customers shall be on an annual basis only with an annual Minimum Customer Charge of 365 times the applicable daily Customer Charge rate payable monthly, or as billed by the Company.
2. Seasonal Service: For summer cottage customers and others who normally require service for only part of the year, this schedule is applicable only on an annual contract.
3. Baseline Service: The rates above are subject to Baseline Service provisions which are described in Part E of the Preliminary Statement. The applicable baseline quantity of gas to be billed under rates designated as Applicable to Baseline Service shall be the total of any Medical Baseline Allocation permitted under Part E, Paragraph 4 of the Preliminary Statement, plus the applicable daily baseline allocation shown below by Season and Time Period.

<u>Season</u>	<u>Time Period</u>	<u>Therms Per Meter</u> <u>Day</u>
Winter	November 1 through April 30	1.348
Summer	May 1 through October 31	0.526

(Continued)

(To be inserted by utility)  
 Advice 166-G  
 Decision 82-04-010

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Aug 2, 2010  
 Effective Sep 1, 2010  
 Resolution \_\_\_\_\_



Schedule G-2  
SANTA CATALINA ISLAND  
GENERAL SERVICE

Sheet 1

APPLICABILITY

Applicable to general service of liquefied petroleum gas-air.

TERRITORY

The City of Avalon, and vicinity, Santa Catalina Island.

RATES

	<u>Per Meter</u>	
	<u>Per Day</u>	
Customer Charge:		
For 175 cubic feet per hour meter .....	\$0.358	
For 305 cubic feet per hour meter .....	\$0.624	
For 400 cubic feet per hour meter .....	\$0.818	
For 675 cubic feet per hour meter .....	\$1.381	
For 1,000 cubic feet per hour meter .....	\$2.045	
For 2,000 cubic feet per hour meter .....	\$4.078	
For 3,000 cubic feet per hour meter .....	\$6.115	
For 4,000 cubic feet per hour meter .....	\$8.153	
For 5,000 cubic feet per hour meter .....	\$10.193	
Energy Charge (To be added to Customer Charge):		
All therms, per therm .....	\$4.37241	(R)

The rates above include Base Rates and the applicable Adjustment Rates as shown below:

ENERGY CHARGE COMPONENTS

Base Rates*:		
All Therms, per therm .....	\$2.29262	(R)
* Base Rate includes CARE Surcharge of 0.06128 per Therm. (R)		
Adjustment Rates:		
Gas Cost Adjustment Billing Factor, per therm .....	\$2.07911	(R)
PUC Reimbursement Fee, per therm .....	\$0.00068	

The Gas Cost Adjustment Rate is described in Part F of the Preliminary Statement. The PUC Reimbursement Fee is described in Schedule No. RF-G.

(Continued)

(To be inserted by utility)  
 Advice 166-G  
 Decision 82-04-010

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Aug 2, 2010  
 Effective Sep 1, 2010  
 Resolution \_\_\_\_\_



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RATE SCHEDULES

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LIST OF CONTRACTS AND DEVIATIONS

	<u>Cal. P.U.C. Sheet No.</u>
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(Continued)

(To be inserted by utility)  
 Advice 166-G  
 Decision 82-04-010

Issued by  
Akbar Jazayeri  
 Vice President

(To be inserted by Cal. PUC)  
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 Resolution \_\_\_\_\_