

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



March 20, 2003

Advice Letter: 1688-E-A

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

APR 01 2003
REVENUE & TARIFFS DEPT.

Reference: Revisions to Tariffs to Reflect the Public Goods Charges Ratemaking Ordered by the Commission Pursuant PUC Code Sec. 39918

Dear Mr. Jazayeri:

Advice Letter 1688-E-A is effective April 6, 2003. A copy of the advice letter is included herewith for your records.

Sincerely,

Paul Clanon, Director
Energy Division

Filed: 3/12/03
Effective: 4/6/03

jjr

March 12, 2003

ADVICE 1688-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to SCE's Tariffs to Reflect the Public Goods
Charges Ratemaking Ordered by the Commission Pursuant
to Public Utilities Code Section 399.8

In compliance with Resolutions E-3792 and E-3807,¹ Southern California Edison Company 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

In accordance with Resolutions E-3792 and E-3807, this advice filing modifies Preliminary Statement, Part FF, Public Purpose Programs Adjustment Mechanism (PPPAM) to: 1) set forth SCE's allocated Public Goods Charge (PGC) funding amounts; 2) establish balancing accounts to be included in the PPPAM to track mandated program funding; and 3) include the annual PGC adjustment methodology.

This advice filing supplements and replaces Advice 1688-E in its entirety.

BACKGROUND

P.U. Code Section 399.8 requires the three Investor Owned Utilities (IOUs) to assess a PGC to customers in order to fund certain public interest programs. Section 399.8 specifies that beginning January 1, 2002, \$425.5 million is to be provided to these programs each year until January 1, 2012.

¹ Resolution E-3807 was issued to correct clerical errors in Resolution E-3792.

Resolution E-3792 allocates responsibility for funding the PGC to each IOU, and allocated \$170.9 million of the mandated funding to SCE for 2002. In addition, Resolution E-3792 describes the rate cap imposed by the Code Section, sets forth a methodology for annually adjusting the utility-specific PGC funding amounts, and requires the establishment of balancing accounts to track program funds, along with interest earned beginning January 1, 2002.

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

Consistent with Advice 1688-E, SCE requests that this advice filing become effective on April 6, 2003.

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, Quad 3D
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 furnishing copies of this advice filing to the interested parties shown on the attached service list, R.94-04-031/I.94-04-032, and R.01-08-028. 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 the Commission's Process Office at (415) 703-2021 or by electronic mail at 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/> and choose Regulatory Info Center/Advice Letters.

For questions, please contact Doug Snow at (626) 302-2035 or by electronic mail at Douglas.Snow@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:das
Enclosures

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 33002-E Revised 33003-E Revised 33004-E Original 33005-E	Preliminary Statement Part FF Preliminary Statement Part FF Preliminary Statement Part FF Preliminary Statement Part FF	Original 30275-E Original 30275-E Original 30276-E
Revised 33006-E Revised 33007-E	Table of Contents Table of Contents	Revised 32935-E Revised 32936-E



PRELIMINARY STATEMENT

Sheet 1

FF. PUBLIC PURPOSE PROGRAMS ADJUSTMENT MECHANISM

1. Purpose

The purpose of the Public Purpose Programs Adjustment Mechanism (PPPAM) is to (1) record Public Goods Charge expenses authorized in P.U. Code §399.8 and (2) record other CPUC authorized Public Purpose Program expenses. (T)

2. Definitions

a. Authorized Public Goods Charge-Related Expenses: (N)

Pursuant to Resolution E-3792, the CPUC has allocated the total statewide annual Public Goods Charge (PGC) funding of \$425.5 million mandated in P.U. Code §399.8 between the three Investor Owned Utilities. The CPUC allocated the following amounts to SCE effective January 1, 2002:

	2002	
	(\$millions)	
Energy Efficiency (SCE Administered)	90.0	
RD&D (CEC Administered)	25.6	
Renewables (CEC Administered)	55.3	
Total	170.9	(N)

b. Franchise Fees and Uncollectibles Accounts Expense: (T)

Franchise Fees and Uncollectibles Accounts Expense (FF&U) shall be the CPUC-authorized rate derived from SCE's most recent General Rate Case (GRC) decision to provide for Franchise Fees and Uncollectible accounts expense.

(L)

(Continued)

(To be inserted by utility)
Advice 1688-E-A
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)
Date Filed Mar 12, 2003
Effective Apr 6, 2003
Resolution E3792, E-3807

PRELIMINARY STATEMENT

Sheet 2

(Continued)

FF. PUBLIC PURPOSE PROGRAMS ADJUSTMENT MECHANISM

3. Operation of the PPPAM

SCE shall maintain the PPPAM commencing on the date authorized by the CPUC. Entries to the PPPAM shall be made on a monthly basis from the following calculations (excluding FF&U):

PGC Balancing Account (Legislatively Mandated)

(N)

Resolution E-3792 authorizes SCE to collect and track the program funds set forth in Section No. 2 (a), above, along with interest earned on collected funds, in separate balancing accounts. This tracking will begin with customer billings on January 1, 2002.

For the period of time in which SCE operates under the CPUC adopted PROACT ratemaking structure, including the operation of the PPPAM and the Settlement Rates Balancing Account (SRBA), any difference between authorized PGC revenue requirements and amounts billed will be reflected in the determination of Surplus each month. At such time as the CPUC implements post-PROACT ratemaking, SCE will modify the PPPAM to include the tracking of amounts to be either collected or returned to SCE customers as well as the disposition of the balances recorded in the PGC Balancing Accounts.

(N)

- a. Debit equal to Energy Efficiency revenue requirement (the annual authorized amount as set forth in Section 2.a. above, divided by twelve); (T)
- b. Debit equal to Research, Development and Demonstration (RD&D) costs revenue requirement (the annual authorized amount as set forth in Section 2.a. above, divided by twelve); (T)
(T)
- c. Debit equal to Renewables revenue requirement (the annual authorized amount as set forth in Section 2.a. above, divided by twelve); (T) (L)
(T)
- d. The sum of the items above shall be included in the calculation of Surplus as a Recoverable Cost in the SRBA. (N)

SCE shall make payments to the CEC at the end of each quarter equal to the annual authorized amount of RD&D and Renewables expenses as set forth in Section 2.a. above, divided by four. The payments to the CEC shall include interest earned on collected funds, consistent with the treatment of these funds in P.U. Code Section 381. Consistent with Resolution E-3769 and Resolution E-3792, the interest rate shall be the State Pooled Money Investment Rate and shall be provided to SCE by the CEC. Energy Efficiency programs shall continue to be administered by the CPUC.

(N)

(Continued)

(To be inserted by utility)

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Decision _____

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John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

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PRELIMINARY STATEMENT

Sheet 3

(Continued)

FF. PUBLIC PURPOSE PROGRAMS ADJUSTMENT MECHANISM

3. Operation of the PPPAM (Continued)

CPUC Public Purpose Programs Balancing Account (N)

- e. Debit equal to RD&D costs (programs administered by SCE) revenue requirement (the annual CPUC-authorized amount, divided by twelve); (T) (L)
- f. Debit equal to Low Income Energy Efficiency (LIEE) revenue requirement (the annual CPUC-authorized amount, divided by twelve); (T)
- g. Debit equal to California Alternate Rates for Energy (CARE) Administrative Costs revenue requirement (the annual CPUC-authorized amount, divided by twelve); (T)
- h. Debit equal to recorded monthly incremental administrative and general expenses associated with the CARE Program which are defined as costs, including labor overheads resulting from performing incremental activities which would not have been incurred absent the CARE Program. (T)
- i. Debit equal to recorded Intervenor Compensation costs, as authorized by the CPUC; (T)
- j. Debit equal to the annual transfers from the following: (T)
 - (1) RD&D Royalties Memorandum Account; ^{1/}
 - (2) Electric Vehicle Memorandum Account; ^{1/} and
 - (3) Electric Vehicle Adjustment Clause (EVAC). ^{1/}
 - (4) Energy Efficiency DSM Memorandum Account
- k. Debit equal to the transfers from the following, subsequent to CPUC approval; (T)
 - (1) Energy Efficiency Program Adjustment Mechanism (EEPAM);
 - (2) DSM Adjustment Clause (DSMAC);
 - (3) RD&D Adjustment Clause;
 - (4) Low Income Energy Efficiency Program Adjustment Mechanism;
 - (5) Economic Development Adjustment Clause (EDAC); and
 - (6) Invest^{SCE} Pilot Program Adjustment Mechanism
- l. Debit equal to other amounts as authorized by the CPUC; (T)
- m. The sum of the items above shall be included in the calculation of Surplus as a Recoverable Cost in the SRBA. (T)
(T)

Amounts recorded in the PPPAM shall be reviewed in a proceeding expressly authorized by the CPUC.

^{1/} Disposition of these balances are pending in Application 00-03-047, Regulatory Account Balance Transfer Proceeding.

(Continued)

(To be inserted by utility)

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PRELIMINARY STATEMENT

Sheet 4

(Continued)

FF. PUBLIC PURPOSE PROGRAMS ADJUSTMENT MECHANISM

4. PGC Annual Adjustments

Pursuant to Resolution E-3792 and consistent with P.U. Code §399.8, the SCE shall file an advice letter on or before March 31st of each year through 2011 to adjust the annual PGC authorized revenue requirements. The annual adjustment shall be determined as follows:

- a. Determine the actual percentage change in electric sales (based on quantity). For the first adjustment determination to be submitted in March, 2003, the actual percentage change shall be the change between 2001 and 2002;
- b. Determine the percentage change in prices as measured by the change in the GDP deflator, as published by the U.S. Department of Commerce. For the first adjustment determination, SCE shall use the change in the GDP deflator in 2002;
- c. The lower percentage amount determined in a and b, above, shall be used to adjust the authorized PGC revenue requirements.

If the lower of sales change and price change is negative in any one year, authorizations for the subsequent year shall remain constant. If the GDP deflator statistics for 2002 are not finalized by the U.S. Department of Commerce by March 31, 2003, or for any subsequent year, SCE should use the most recent published forecast for this advice letter filing and true-up the adjustment through an amended filing once the Department of Commerce publishes a final statistic.

(To be inserted by utility)

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Senior Vice President

(To be inserted by Cal. PUC)

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