

## PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



July 16, 2003

Advice Letter: 1713-E

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

JUL 22 2003

REVENUE &amp; TARIFFS DEPT.

Reference: 2001 ATCP advice letter in compliance with Decision 03-06-031

Dear Mr. Jazayeri:

Advice Letter 1713-E is effective June 16, 2003. A copy of the advice letter is included herewith for your records.

Sincerely,

Handwritten signature of Paul Clanon in cursive.

Paul Clanon, Director  
Energy Division

Filed: 6/16/03  
Effective: 6/16/03

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June 16, 2003

**ADVICE 1713-E**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** 2001 ATCP Advice Letter in Compliance with Decision  
03-06-031

**PURPOSE**

This advice filing sets forth the adjustments made to Southern California Edison's (SCE) Settlement Rates Balancing Account (SRBA) and other generation-related memorandum accounts as required by Decision (D.) 03-06-031 in the 2001 Annual Transition Cost Proceeding (ATCP).

**BACKGROUND**

On September 4, 2001, SCE filed its 2001 ATCP, Application 01-09-004, for California Public Utilities Commission (Commission) review of entries in the Transition Cost Balancing Account (TCBA) from July 1, 2000 through June 30, 2001. On October 2, 2001, SCE and the Commission entered into a Settlement Agreement,<sup>1</sup> which, among other things, established Settlement Rates and new ratemaking mechanisms, specifically the Procurement Related Obligations Account (PROACT) and the SRBA,<sup>2</sup> that became effective as of September 1, 2001. On February 22, 2002, SCE filed an amended application and revised testimony and workpapers to be consistent with the terms of the Settlement Agreement. In this amended testimony, SCE requested recovery of the balances recorded in three memorandum accounts and the Palo Verde Nuclear Generating Station (Palo

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<sup>1</sup> SCE's Filed Rate Doctrine lawsuit filed in Federal District Court. See Southern California Edison Company vs. Lynch et al, Case No. 00-12056-RSWL, US Dist. Court, Central Dist. Of Cal., Western Div.

<sup>2</sup> On November 14, 2001, SCE filed Advice 1586-E, to establish the PROACT and other ratemaking mechanism needed to implement the Settlement Agreement. On January 23, 2002, the Commission issued Resolution E-3765 granting SCE's request in Advice 1586-E with several modifications. On February 4, 2002, SCE filed Advice 1586-E-A to make the modifications ordered by Resolution E-3765.

Verde) Nuclear Unit Incentive Procedure (NUIP) amount that had not been previously authorized for recovery through the TCBA.

On June 5, 2003, D.03-06-031 was issued in which the Commission ordered<sup>3</sup> SCE to transfer the balances/reward amounts in the following ratemaking mechanisms to the SRBA:

- 1) Fuel Oil Inventory Memorandum Account (FOIMA);
- 2) Increased Return on Equity on Divestiture Memorandum Account (IROEDMA);
- 3) Short-Term Generation Capacity Memorandum Account (STGCMA); and
- 4) Palo Verde Nuclear Unit Incentive Procedure (NUIP) rewards.

Upon May month-end PROACT closing, on June 6, 2003, SCE made the Commission-approved transfers to the SRBA in accordance with Ordering Paragraph 1 of D.03-06-031. The net amount that was transferred to the SRBA was \$19.781 million, plus accrued interest of \$0.944 million, for a grand total of \$20.725 million. The transfers associated with each ratemaking mechanism are summarized below.

- **Fuel Oil Inventory Memorandum Account (FOIMA)**

SCE transferred the June 30, 2001 debit balance of \$5.872 million (plus accrued interest of \$0.217 million from July 2001 through April 2003) in the FOIMA to the SRBA.

- **Increased Return on Equity on Divestiture Memorandum Account (IROEDMA)**

SCE transferred the June 30, 2001 debit balance of \$1.607 million (plus accrued interest of \$0.059 million from July 2001 through April 2003) in the IROEDMA to the SRBA.

- **Short-Term Generation Capacity Memorandum Account (STGCMA)**

SCE transferred the June 30, 2001 debit balance of \$0.633 million (plus accrued interest of \$0.24 million from July 2001 through April 2003) in the STGCMA to the SRBA.

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<sup>3</sup> D.03-06-031, Ordering Paragraph 1.

- **Palo Verde Nuclear Unit Incentive Procedure (NUIP)**

SCE recorded Palo Verde NUIP rewards of \$11.669 million (\$6.576 million for Fuel Cycle 9 of Unit No. 1, and \$5.093 million for Fuel Cycle No. 9 of Unit No. 2), plus accrued interest of \$0.644 million in the SRBA.

In accordance with Ordering Paragraph 2, SCE is making this advice filing within 10 days after complying with Ordering Paragraph 1.

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 Ordering Paragraph 2, this advice filing is effective upon filing, subject to review and approval by the Energy Division.

**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  
c/o Jerry Royer  
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](mailto: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  
c/o Emelyn Lawler  
Southern California Edison Company

2244 Walnut Grove Avenue, Quad 3D  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [Emelyn.Lawler@sce.com](mailto:Emelyn.Lawler@sce.com)

Bruce Foster  
Vice President of Regulatory Operations  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
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 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 and A.01-09-004. 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](mailto: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](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/adviceletters>.

For questions, please contact Debbie Nunes at (626) 302-1717 or by electronic mail at [Debra.Nunes@sce.com](mailto:Debra.Nunes@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

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Enclosures