

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



October 21, 2003

Advice Letter: 1743-E-A

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

OCT 24 2003
REVENUE & TARIFFS DEPT.

Reference: Revision to the historical procurement charge balancing account

Dear Mr. Jazayeri:

Advice Letter 1743-E-A is effective September 14, 2003. A copy of the advice letter is included herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon, Director
Energy Division

Filed: 9/17/03
Effective: 9/14/03

jjr

September 17, 2003

ADVICE 1743-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to the Revision to Historical Procurement Charge
Balancing Account

In compliance with Decision (D.) 03-09-016, 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 revises Preliminary Statement, Part R, Historical Procurement Charge Balancing Account (HPCBA), to: (1) set the appropriate portion of SCE's Procurement Related Obligation Account (PROACT) balance to recover from Direct Access (DA) customers at \$473 million; and (2) revise the interest rate to state that the HPCBA shall accrue interest at a rate of 1% per month for the period September 1, 2001 through July 31, 2003.

This supplemental filing replaces Advice 1743-E in its entirety.

INFORMATION

SCE petitioned to modify D.02-07-032 to set the appropriate portion of SCE's PROACT balance to recover from DA customers at \$493 million, rather than \$391 million as adopted in D.02-07-032. On September 5, 2003, the California Public Utilities Commission (Commission) issued D.03-09-016 granting SCE's petition and authorized \$473 million to be collected from DA customers, and therefore, in compliance with D.03-09-016, SCE is revising its HPCBA to change the authorized amount of HPC recovery from \$391.0 million to \$473.0 million.

In addition, consistent with Finding of Fact No. 8 of D.03-09-016, the HPCBA shall accrue interest at a rate of 1% per month for the period September 1, 2001 through July 21, 2003.

Beginning August 1, 2003, the interest rate shall be the same as the rate adopted for the DA Cost Responsibility Surcharge (CRS) undercollections.¹

On September 9, 2003, SCE submitted Advice 1743-E to revise Preliminary Statement, Part R, Historical Procurement Charge Balancing Account, to set the appropriate portion of SCE's Procurement Related Obligation Account (PROACT) balance to collect from Direct Access (DA) customers at \$473 million. SCE inadvertently omitted revisions to the interest rate section of the tariff.

Therefore, SCE is supplementing Advice 1743-E to make the following modifications:

- Preliminary Statement, Part R, Historical Procurement Charge Balancing Account, to set the appropriate portion of SCE's PROACT balance to collect from DA customers at \$473 million;
- The effective date of the HPCBA is to be September 1, 2001, as required in order to appropriately record interest in the HPCBA; and
- Revise the definition of the applicable Interest Rate.

No cost information is required for this advice filing.

EFFECTIVE DATE

Pursuant to Ordering Paragraph 3 of D.03-09-016 and consistent with Advice 1743-E, this advice filing will become effective on September 14, 2003, subject to the Energy Division determining that SCE is in compliance with D.03-09-016.

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

¹ Pursuant to Ordering Paragraph Nos. 9 through 13 in D.03-07-030.

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, Quad 3D
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@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

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. Address change requests to the attached GO 96-A Service List should be directed to AdviceTariffManager@sce.com or (626) 302-3985. 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/adviceletters>.

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:el
Enclosures

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 35349-E	Preliminary Statement Part R	Revised 34443-E
Revised 35350-E	Table of Contents	Revised 35190-E
Revised 35351-E	Table of Contents	Revised 34699-E

PRELIMINARY STATEMENT

Sheet 1

R. HISTORICAL PROCUREMENT CHARGE BALANCING ACCOUNT

1. Purpose

As set forth in D.02-07-032 and as modified in D.03-09-016, the purpose of the Historical Procurement Charge Balancing Account (HPCBA) is to; 1) record the portion of the Procurement Related Obligation Account (PROACT) balance that Direct Access customers are responsible for paying, and 2) record HPC revenues. The balance in the HPCBA should be amortized to zero through the revenue realized from the nonbypassable HPC. This amortization period may extend beyond the PROACT recovery Period. (T)

2. Effective Date

The effective date of the HPCBA is September 1, 2001. (T)

3. Definitions

a. Interest Rate:

Pursuant to D.03-09-016, the HPCBA shall accrue interest at a rate of 1% per month for the period September 1, 2001 through July 31, 2003. Beginning August 1, 2003, the interest rate shall be the same as the rate adopted for the DA CRS undercollections, which is set forth in Ordering Paragraph Nos. 9 through 13 in D.03-07-030. (C)

b. Franchise Fees and Uncollectible Accounts Expense:

Franchise Fees and Uncollectible Accounts Expense (FF&U) shall be calculated using the factors most recently authorized by the CPUC.

4. Operation of HPCBA

Pursuant to D.03-09-016 (which modified Interim Decision 02-07-032), the beginning balance in the HPCBA shall be \$473.0 million (I)

Entries to the HPCBA shall be made on a monthly basis, and shall be calculated as follows:

- a. A debit entry in the amount of \$473.0 million as the beginning balance (one-time entry – September 1, 2001). (I)
- b. A credit entry equal to the amount of recorded HPC revenue (reduced by FF&U) beginning July 27, 2002. (T)

Interest shall accrue to the HPCBA on a monthly basis by applying the Interest Rate to the average of the beginning and ending HPCBA balances.

(To be inserted by utility)

Advice 1743-E-A
 Decision 03-09-016

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Sep 17, 2003
 Effective Sep 14, 2003
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(To be inserted by utility)
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Senior Vice President

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