

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298

EXCEPTION MAIL

MAR 08 2004

CASE ADMINISTRATION
SCE LAW DEPARTMENT

MAR 08 2004

REVENUE & TARIFFS DEPT.

Advice Letter 1772-E



March 2, 2004

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

Reference: Year 2003 Refund Plan for December 31, 2003 Electric Deferred Refund
Account (EDRA) Balance

Dear Mr. Jazayeri:

Advice Letter 1772-E is effective March 8, 2004. A copy of the advice letter is sent herewith
for your records.

Sincerely,

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

Director
Energy Division

January 28, 2004

ADVICE 1772-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Year 2003 Refund Plan For December 31, 2003 Electric Deferred
Refund Account (EDRA) Balance

PURPOSE

In compliance with Decision (D.) 96-12-025, and Resolution E-3525, Southern California Edison Company (SCE) hereby submits SCE's plan for the refund of the accumulated balance recorded as of December 31, 2003, in SCE's Electric Deferred Refund Account (EDRA), Preliminary Statement, Part EE.

BACKGROUND

Pursuant to Ordering Paragraphs 2 and 5 of D.96-12-025, effective December 20, 1996 SCE established an EDRA to record credits for electric disallowances ordered by the California Public Utilities Commission (Commission), Utility Electric Generation (UEG) shares of gas disallowances ordered by the Federal Energy Regulatory Commission (FERC), and electric and UEG amounts resulting from the settlement of reasonableness disputes at the Commission or FERC. Ordering Paragraph 4 of D.96-12-025 required SCE to provide a refund to customers of the amounts accumulated in the EDRA based on each customer's average monthly energy usage for each calendar-year period and to file a refund plan for such amounts on or before January 31 of the succeeding year.

In Resolution E-3525, dated March 12, 1998, the Commission ordered SCE to, among other things; (1) use the class average refund allocation method; and (2) not provide any EDRA refunds to special contract customers who are supplied with electricity at other than tariffed rates.

2003 EDRA ACTIVITY

On January 31, 2003, SCE filed Advice 1682-E, which set forth SCE's Refund Plan to refund the December 31, 2002 EDRA balance during 2003. Pursuant to the EDRA Refund Plan adopted in Advice 1682-E, customers received refunds during 2003.

In compliance with D.99-09-070, in December 31, 2003, SCE transferred the balance in the Gross Revenue Sharing Tracking Account (GRSTA) to the EDRA in the amount of \$8.236 million. Attachment A shows the operation of the GRSTA during 2003.

Attachment B shows the operation of the EDRA during 2003. The balance in the EDRA as of December 31, 2003 is \$ 8.412 million.

REFUND PLAN

SCE proposes to refund the December 31, 2003 EDRA balance of \$8.412 million plus \$0.095 million for Franchise Fees & Uncollectibles (FF&U) in accordance with the following Refund Plan:

- An Eligible Customer is a retail customer of record on January 1, 2004 and who was also an SCE customer during 2003.
- SCE shall determine the total average monthly kilowatt hours billed (average kWh billed) to Eligible Customers in 2003, adjusted for the discounts to SCE employees and California Alternate Rates for Energy (CARE) customers.
- SCE shall use the class average allocation methodology to allocate the refund amount to customer classes based on annual 2003 recorded revenues, per Resolution E-3525.
- SCE shall, in this EDRA refund, exclude special contract customers, per Resolution E-3525. This would exclude Self-Generation Deferral Rate eligible, and Edwards Western Area Power Administration energy credit.
- SCE shall divide the allocated refund amount by customer class by its respective average 2003 monthly kWh to obtain the refund factors by customer class.
- SCE shall determine each Eligible Customer's refund amount by multiplying the applicable refund factor by the average monthly kWhs billed to the Eligible Customer during 2003. If necessary, SCE shall prorate the Eligible Customer's January 2004 bill and January 2003 bill to eliminate 2002 and 2004 usage. SCE shall also adjust the average monthly kWhs billed to its DE and CARE customers by the percentage of the discounts received in 2003.
- For active accounts, the refund shall be provided as a credit on an Eligible Customer's bill beginning within 30 days following Commission approval of this refund plan, or as soon as possible thereafter. If the Eligible Customer terminates service before exhausting the credit, SCE shall make a reasonable effort to locate other active service accounts of the Eligible Customer in which to apply the refund credit. If a credit balance remains in the account balance after applying the refund credit and no other active service accounts exist in which to

apply the credit balance, a refund check shall be issued if the credit balance is greater than \$10.00.

- For closed accounts that are also Eligible Customers, SCE shall make a reasonable effort to locate the Eligible Customer who may have other active service accounts in which to apply the refund credit as soon as reasonably possible following Commission approval of this refund plan. If a credit balance remains in the account balance after applying the refund credit and no other active service accounts exist in which to apply the credit balance, a refund check shall be issued if the credit balance is greater than \$10.00.
- Any uncashed refund check returned to SCE and remaining refund amounts of less than \$10.00 shall be escheated to the State of California consistent with current California statutes governing unclaimed property. (See California Code Civil Procedure Section 1500 et. seq.)

The total refund amount, including FF&U plus applicable interest recorded through December 31, 2003 to be refunded to customers is \$8.507 million (see Attachment B).

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

In accordance with the provisions of its EDRA, SCE requests Commission authority to make refunds to customers as provided by this refund plan and to debit the EDRA at the time such refunds are made.

EFFECTIVE DATE

This refund plan shall become effective upon Commission approval.

NOTICE

Anyone wishing to protest this advice filing may do so by letter or facsimile which must be received by no later than 20 days after the date of this advice filing. Protests should be mailed to:

IMC Program Manager
Energy Division
c/o Jerry Royer
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 sent 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 and 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 mailing 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 by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4039.

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> and choose Regulatory Info Center/Advice Letters.

For questions, please contact Jill Holmes at (626) 302-4962 or Jill.Holmes@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:mm
Enclosures

ATTACHMENT A
2003
Gross Revenue Sharing Tracking Mechanism (GRSTM)
(Thousands of Dollars)

Line No.	Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Summary
1.	BEGINNING BALANCE:	0	249	469	713	(180)	(826)	(3,127)	(4,045)	(4,832)	(5,572)	(6,394)	(7,304)	0
2.	Provision Adjustment	0	0	(3)	0	(0)	0	0	0	0	0	0	0	0
3.	Interest Adjustment	0	0	0	0	(0)	0	0	0	0	0	0	0	0
4.	Non-Provision Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	Adjusted Beginning Balance	0	249	466	713	(180)	(826)	(3,127)	(4,045)	(4,832)	(5,572)	(6,394)	(7,304)	0
6.	Customer's Share of OOR	0	0	0	(1,115)	(879)	(2,558)	(1,176)	(1,083)	(1,008)	(1,084)	(1,145)	(1,155)	(11,203)
7.	FERC Transmission Revenue 1/	249	219	246	222	234	258	261	300	273	267	240	231	3,000
8.	UNDER/(OVER) COLLECTION	249	219	246	(893)	(645)	(2,300)	(915)	(783)	(735)	(817)	(905)	(924)	(8,203)
9.	INTEREST	0	0	1	0	(1)	(2)	(3)	(4)	(5)	(5)	(6)	(7)	(30)
10.	Recorded Interest Rates	1.31%	1.26%	1.26%	1.19%	1.20%	1.19%	1.01%	1.01%	1.04%	1.04%	1.05%	1.06%	0
11.	ENDING BALANCE	249	469	713	(180)	(826)	(3,127)	(4,045)	(4,832)	(5,572)	(6,394)	(7,304)	(8,236)	(8,233)
12.	Transfer to EDRRA												<u>8,236</u>	0

1/ Reflects the amount of OOR provided to customers through FERC authorized Transmission rate levels.

