

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



March 21, 2005

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REVENUE & TARIFFS DEPT.

Advice Letter 1871-E

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

Reference: Revenue Transfer Request for Certain FERC Revenues

Dear Mr. Jazayeri:

Advice Letter 1871-E is effective March 30, 2005. A copy of the advice letter is sent herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S H Gallagher".

Sean H. Gallagher
Director
Energy Division

February 18, 2005

ADVICE 1871-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revenue Transfer Request for Certain FERC Revenues

Southern California Edison Company (SCE) hereby requests Commission approval of a revenue transfer proposal associated with certain Federal Energy Regulatory Commission (FERC) revenue.

PURPOSE

The purpose of this Advice Filing is to request the Commission's approval of a revenue transfer proposal associated with SCE's FERC-related: 1) Transmission Revenue Balancing Account Adjustment (TRBAA) rate; and 2) Reliability Services Balancing Account Adjustment (RSBAA) rate.

BACKGROUND

On December 30, 2004, SCE filed Advice 1854-E in compliance with: 1) SCE's annual Transmission Revenue Balancing Account update for 2005 (FERC Docket No. ER05-207-000 filed with the FERC on November 12, 2004); and 2) SCE's Reliability Services Charge 2005 True-Up Filing (FERC Docket No. ER 05-410-000 filed on December 30, 2004). In Advice 1854-E, SCE submitted its annual change to the TRBAA rate and the RSBAA rate, and requested the advice filing become effective on January 1, 2005 (which is concurrent with the effective date proposed by SCE in its FERC filings pursuant to its Transmission Owners "TO" Tariff).

REVENUE TRANSFER PROPOSAL

Due to constraints in SCE's billing system, SCE was not able to reflect the required TRBAA and RSBAA rates in its customers' bills until February 4, 2005. Therefore, SCE requests Commission approval to make a ratemaking adjustment to reflect the proper recovery of FERC revenues applicable to the TRBAA and the RSBAA for the period from January 1, 2005, through February 3, 2005. If SCE's billing system could have accommodated revisions to reflect the revised

TRBAA rate and RSBA rate in its customers' bills effective January 1, 2005, SCE estimates that the revised January 1, 2005 TRBAA rate and RSBA rate would have produced approximately \$1.6 million less net revenues during the period January 1, 2005 through February 3, 2005 than the previously effective TRBAA rate and RSBA rate.

SCE proposes to transfer 1.6 million from its TRBAA and RSBA to its Base Revenue Requirement Balancing Account (BRRBA)¹ in order to fully reflect the net rate reduction proposed in SCE's annual Transmission Revenue Balancing Account filing for 2005 and the Reliability Services Charge True-Up filing for 2005. The revenue transfer will result in a properly stated TRBAA and RSBA (and FERC revenue recovery), and a decreased under-collection in the BRRBA. SCE's BRRBA balance will be amortized in future rate levels in a subsequent Commission-authorized revenue requirement consolidation proceeding.

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

SCE requests that this advice filing become effective on the 40th calendar day after the date filed, which is March 30, 2005.

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
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:

¹ SCE made a similar proposal in Advice 1848-E (filed on December 20, 2004) to transfer revenue from the BRRBA to the Reliability Service Balancing Account (RSBA). The Commission approved SCE's Advice 1848-E in a letter sent from the Energy Division to SCE dated January 5, 2005.

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
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 serving copies of this advice filing to the interested parties shown on the attached service list. Address change requests to the GO 96-A Service List should be directed to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to any other Service List, please contact the Commission's Process Office at (415) 703-2021 or 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/AboutSCE/Regulatory/adviceletters/> and choose Regulatory Info Center/Advice Letters.

For questions, please contact Phillip Durgin at (626) 302-6344 or by electronic mail Phillip.Durgin@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:pd:mm
Enclosures