

## PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



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March 22, 2006

REVENUE &amp; TARIFFS DEPT.

Advice Letter 1872-E

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

Reference: Implementation of Affiliate Transaction Rules with Respect to the Creation  
of Eight Affiliates

Dear Mr. Jazayeri:

Advice Letter 1872-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

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February 18, 2005

**ADVICE 1872-E**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:**       **Implementation of Affiliate Transaction Rules With Respect to the  
Creation of Eight Affiliates**

In accordance with Decision (D.) 97-12-088, Appendix A, Rule VI.B, adopted December 16, 1997, Southern California Edison Company (SCE) hereby submits this notice regarding implementation of the California Public Utilities Commission's (Commission) Affiliate Transaction Rules for the creation of eight affiliates: DanMar Transmission LLC (DanMar Transmission), West Pipestone Transmission LLC (West Pipestone Transmission), Stahl Wind Energy LLC (Stahl Wind Energy), Northern Lights Wind LLC (Northern Lights Wind), Lucky Wind LLC (Lucky Wind), Greenback Energy LLC (Greenback Energy), Carstensen Wind LLC (Carstensen Wind), and Mission Energy Singapore Pte. Ltd. (Mission Energy Singapore).

**PURPOSE**

This advice filing demonstrates how SCE will implement the Commission's Affiliate Transaction Rules, adopted in D.97-12-088 and modified by D.98-08-035, D.99-09-002, and D.02-02-046 (Rules), for these eight affiliates addressed by the Rules. This advice filing is made in compliance with Rule VI.B.

**BACKGROUND**

D.97-12-088 adopted rules governing the relationship between California's natural gas local distribution companies and electric utilities and certain of their affiliates. For purposes of an electric utility, the rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or services that relate to the use of electricity, unless otherwise exempted by the rules.

Rule VI.B pertains to compliance plans for new affiliates subject to the Rules:

“Upon the creation of a new affiliate which is addressed by these Rules, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission, served on the parties to this proceeding. The advice letter shall demonstrate how the utility will implement these Rules with respect to the new affiliate.”

DanMar Transmission, West Pipestone Transmission, Stahl Wind Energy, Northern Lights Wind, Lucky Wind, Greenback Energy, Carstensen Wind, are indirect subsidiaries of Edison Capital, a “Class B” affiliate (i.e., not subject to the Rules). These seven new affiliates will, however, be considered Class A affiliates of SCE, because they are engaged in the provision of products that use electricity or services that relate to the use of electricity as described below. Mission Energy Singapore a subsidiary of Edison Mission Energy (EME), is a “Class A” affiliate (i.e., subject to the Rules). This new affiliate is engaged in the provision of products that use electricity or services that relate to the use of electricity as described below. As required, SCE has previously notified the Commission and posted notice of the acquisition/creation of these eight new affiliates on SCE’s affiliate transaction Web site (<http://www.sceaffiliatebb.com/notice.htm>). This information can also be accessed on Edison International’s Web site (<http://www.edison.com>).

Commission Resolution E-3539, adopted September 17, 1998, specified that the following information be provided upon the creation of a new affiliate:

New Affiliate Name:	DanMar Transmission, LLC
Date Affiliate Acquired:	July 30, 2004
Headquarters:	520 5 <sup>th</sup> Avenue South Pipestone, MN 56164
Primary Officers:	Dan Juhl Randy Mann
Contact for CPUC:	Veronica Gutierrez, (626) 302-6710
Intended Function:	DanMar Transmission owns transmission and substation facilities in Minnesota.

New Affiliate Name:	West Pipestone Transmission, LLC
Date Affiliate Acquired:	December 23, 2004
Headquarters:	520 5 <sup>th</sup> Avenue South Pipestone, MN 56164
Primary Officers:	Douglas R. Muth Randy Mann
Contact for CPUC:	Veronica Gutierrez, (626) 302-6710

Intended Function: West Pipestone Transmission owns transmission and substation facilities in Minnesota.

New Affiliate Name: Stahl Wind Energy, LLC  
Date Affiliate Acquired: December 23, 2004  
Headquarters: 520 5<sup>th</sup> Avenue South  
Pipestone, MN 56164  
Primary Officers: Jacob M. Stahl  
Randy Mann  
Contact for CPUC: Veronica Gutierrez, (626) 302-6710  
Intended Function: Stahl Wind Energy owns a wind-driven electric generation facility in Minnesota.

New Affiliate Name: Northern Lights Wind, LLC  
Date Affiliate Acquired: December 23, 2004  
Headquarters: 520 5<sup>th</sup> Avenue South  
Pipestone, MN 56164  
Primary Officers: Brad J. Messerli  
Randy Mann  
Contact for CPUC: Veronica Gutierrez, (626) 302-6710  
Intended Function: Northern Lights Wind owns a wind-driven electric generation facility in Minnesota.

New Affiliate Name: Lucky Wind, LLC  
Date Affiliate Acquired: December 23, 2004  
Headquarters: 520 5<sup>th</sup> Avenue South  
Pipestone, MN 56164  
Primary Officers: Rebecca Walters  
Randy Mann  
Contact for CPUC: Veronica Gutierrez, (626) 302-6710  
Intended Function: Lucky Wind owns a wind-driven electric generation facility in Minnesota.

New Affiliate Name: Greenback Energy, LLC  
Date Affiliate Acquired: December 23, 2004  
Headquarters: 520 5<sup>th</sup> Avenue South  
Pipestone, MN 56164  
Primary Officers: Douglas R. Muth  
Randy Mann  
Contact for CPUC: Veronica Gutierrez, (626) 302-6710  
Intended Function: Greenback Energy owns a wind-driven electric generation facility in Minnesota.

New Affiliate Name: Carstensen Wind, LLC

Date Affiliate Acquired:	December 23, 2004
Headquarters:	520 5 <sup>th</sup> Avenue South Pipestone, MN 56164
Primary Officers:	Ricky P. Carstensen Randy Mann
Contact for CPUC:	Veronica Gutierrez, (626) 302-6710
Intended Function:	Carstensen Wind owns a wind-driven electric generation facility in Minnesota.
New Affiliate Name:	Mission Energy Singapore Pte. Ltd.
Date Affiliate Created:	November 24, 2004
Headquarters:	1 Robinson Road, #17-00 AIA Tower Singapore, 048542
Primary Officers:	William von Blasingame, Director; Steven Eisenberg, Director; Jim Lim Kheung Huat and Wendy Lee Su Lin, Secretaries
Contact for CPUC:	Veronica Gutierrez, (626) 302-6710
Intended Function:	Mission Energy Singapore is the assignee of an Offshore Services Agreement related to the Tri Energy Project. The agreement allows for the provision of various administrative services such as management, banking and finance, legal, tax, accounting, etc., however, it may also include the provision of other services including construction and O&M services.

Affiliate Transaction Rule VI.A requires SCE to file and maintain a compliance plan addressing implementation of the Rules with regard to its affiliates. The current documents guiding SCE's compliance with the affiliate transaction rules are the Modified Affiliate Transactions Compliance Plan (MCP), filed on December 12, 2001 (Advice 1278-E-F), the Compliance Plan Update 2002 (CP02), filed on December 12, 2002 (Advice 1278-E-G), the Compliance Plan Update 2003 (CP03), filed on December 22, 2003 (Advice 1278-E-H), and the Interim Update for 2004 (CP04-I), filed on February 20, 2004 (Advice 1278-E-I).

No unusual or unique circumstances exist that would require affiliate transaction rule implementation measures for DanMar Transmission, West Pipestone Transmission, Stahl Wind Energy, Northern Lights Wind, Lucky Wind, Greenback Energy, Carstensen Wind and Mission Energy Singapore that differ from those already identified for other affiliates. Therefore, SCE will apply the provisions of Advice 1278-E-F, Advice 1278-E-G, Advice 1278-E-H, and Advice 1278-E-I to all transactions with these new affiliates. If the Commission modifies or requires amendment of SCE's current and prevailing compliance plans, or in the event that SCE files a periodic update to its compliance plan, SCE will apply all such changes or the provisions of such amended plans to these new affiliates.

SCE acknowledges that, in regard to DanMar Transmission, West Pipestone Transmission, Stahl Wind Energy, Northern Lights Wind, Lucky Wind, Greenback Energy, Carstensen Wind, and Mission Energy Singapore, the rules and policies regarding nondiscrimination, disclosure of information, separation of systems and transfer pricing are particularly significant. Although all of the affiliate transaction rules apply to SCE's transactions with DanMar Transmission, West Pipestone Transmission, Stahl Wind Energy, Northern Lights Wind, Lucky Wind, Greenback Energy, Carstensen Wind, and Mission Energy Singapore, SCE notes in particular the compliance measures discussed in SCE's MCP, CP02, CP03 and/or CP04-I for Rules III.B-C, III.E, IV.A-B, IV.D, IV.F, V.C-E, and V.H in regard to these new affiliates. The volume and nature of transactions between SCE and these new affiliates, if any, cannot be predicted with certainty. If such transactions occur, they will be subject to the mechanisms and procedures identified in SCE's prevailing compliance plans, for the relevant Rules noted above.

DanMar Transmission, West Pipestone Transmission, Stahl Wind Energy, Northern Lights Wind, Lucky Wind, Greenback Energy, Carstensen Wind, and Mission Energy Singapore will determine their staffing needs independently of SCE. If DanMar Transmission, West Pipestone Transmission, Stahl Wind Energy, Northern Lights Wind, Lucky Wind, Greenback Energy, Carstensen Wind, and Mission Energy Singapore should employ any individuals currently employed by SCE, the provisions of Rule V.G will be followed in full.

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**

This advice filing is made in compliance with D.97-12-088 and will become effective on the 40<sup>th</sup> 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 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](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  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto: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](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 serving copies of this advice filing to the interested parties shown on the attached service list and on the R.97-04-011/I.97-04-012. Address change requests to SCE's GO 96-A Service List should be directed to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-4039. For changes to any other service lists, please contact the Commission's Process Office at (415) 703-2021 or [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 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 regarding this advice letter, please contact Melody Carriere at (626) 302-2011 or by electronic mail at [Melody.Carriere@sce.com](mailto:Melody.Carriere@sce.com).

**Southern California Edison Company**

Akbar Jazayeri