

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298

OCT 07 2005

REVENUE & TARIFFS DEPT.



September 30, 2005

Advice Letter 1908-E

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

Reference: Request to establish the Advanced Integrated Meter Memorandum Account

Dear Mr. Jazayeri:

Advice Letter 1908-E is effective September 1, 2005. A copy of the advice letter and resolution are included herewith for your records.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

jjr

August 2, 2005

ADVICE 1908-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Request to Establish the Advanced Integrated Meter
Memorandum Account (AIMMA)

Southern California Edison Company (SCE) hereby submits for approval the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing requests California Public Utilities Commission (Commission) approval of a modification to SCE's Preliminary Statement, Part N, Memorandum Accounts, to reflect the establishment of a new Advanced Integrated Meter Memorandum Account (AIMMA). The AIMMA will record incremental costs incurred as a result of Advanced Integrated Meter (AIM) development activities prior to the Commission's approval of SCE's Advanced Metering Infrastructure (AMI) Deployment Strategy and Cost Recovery Mechanism Application (A.) 05-03-026.

BACKGROUND

In its Order Instituting Rulemaking (R.) 02-06-001, the Commission began a process to assess ways to implement programs and tools to enable utilities to meet demand response targets. Pursuant to a July 21, 2004 ALJ Ruling, SCE filed its AMI preliminary business cases on October 22, 2004. A supplemental AMI preliminary analysis was filed on January 12, 2005. On March 30, 2005, SCE filed A.05-03-026 for approval of its AMI deployment strategy and cost recovery mechanism. In A.05-03-026, SCE concludes that given its operational starting point, an investment in currently-available AMI technology is not cost effective for SCE's customers. Instead, SCE proposes a fast-paced effort to develop and deploy an "advanced integrated meter" that will integrate additional technologies into the next generation of meters.

SCE is requesting Commission authority to establish the AIMMA to record all incremental SCE Operation and Maintenance (O&M) expenses, invoiced costs for Outside Services (e.g. consultants and vendors) and any capital-related costs incurred as a result of SCE's AIM development activities prior to Commission approval of SCE's ratemaking request in A.05-03-026. The establishment of the AIMMA is necessary in order to ensure that the AIM development can proceed without delay without precluding cost recovery at a future date. Similar to all Commission-approved memorandum accounts, the AIMMA will protect against retroactive ratemaking concerns, but will not guarantee recovery in rates of any of the recorded costs prior to Commission review and approval. SCE will request recovery of the balance in the AIMMA through the proposed AIM balancing account requested in A.05-03-026, or other mechanism as authorized by the Commission.

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 this advice filing become effective on the 30th calendar day after the date filed, which is September 1, 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:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: jjr@cpuc.ca.gov and jnj@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

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 serving copies of this advice filing to the interested parties shown on the attached GO 96-A and A.05-03-026 service lists. Address change requests to the GO 96-A service list should be directed to (626) 302-2930 or by electronic mail at AdviceTariffManager@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.

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>.

For questions, please contact Linda Letizia at (626) 302-3634 or by electronic mail at Linda.Letizia@SCE.com.

Southern California Edison Company

Akbar Jazayeri

AJ:ll:sq
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1908-E

Subject of AL: Request to Establish the Advanced Integrated Meter Memorandum Account (AIMMA)

Keywords (choose from CPUC listing): Memorandum Account, Metering

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹:

Resolution Required? Yes No

Requested effective date: 9/1/05 No. of tariff sheets: 3

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement Part N, Table of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

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

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

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 39056-E Revised 39057-E	Preliminary Statement Part N Preliminary Statement Part N	Revised 38871-E Revised 36590-E
Revised 39058-E	Table of Contents	Revised 38793-E

PRELIMINARY STATEMENT

Sheet 3

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)
2. Definitions. (Continued)
d. Specified Project (Continued)

Section No.	Specified Project	Interest Bearing Memorandum Account*	
(34)	SONGS 2&3 Permanent Closure Memorandum Account	Yes	
(35)	Advanced Integrated Meter Memorandum Account (AIMMA)	Yes	(N)
(36)	Palo Verde Permanent Closure Memorandum Account	Yes	
(37)	California Public Utilities (PU) CODE "SECTION 376" - CTC Displacement Tracking Memorandum Account	Yes	
(38)	California Public Utilities (PU) CODE "SECTION 381 (d)" - Renewable Program Tracking Memorandum Account	No	
(39)	Cool Center Program Memorandum Account	Yes	
(40)	Independent System Operator Revenue Memorandum Account	Yes**	
(41)	Power Exchange Revenue Memorandum Account	Yes**	
(42)	Unavoidable Fuel Contract Costs Memorandum	Yes	
(43)	Hydro Generation Memorandum Account	Yes**	
(44)	Increased Return on Equity on Divestiture Memorandum Account	Yes	
(45)	Antelope Transmission Projects Memorandum Account	Yes	
(46)	Agricultural Line Extension Costs Memorandum Account (ALECMA)	Yes	
(47)	Not Used		
(48)	Transmission Revenue Requirement Reclassification Memorandum Account (TRRRMA)	Yes	
(49)	Santa Catalina Island Diesel Fuel (SCIDF) Memorandum Account	Yes	
(50)	Streamlining Residual Memorandum Account (SRA)	Yes	
(51)	Not Used		
(52)	Not Used		
(53)	Affiliate Transfer Fee Memorandum Account	Yes	
(54)	Fuel Oil Inventory Memorandum Account (FOIMA)	Yes	
(55)	Energy Efficiency DSM (EEDSM) Memorandum Account	Yes	
(56)	Block-Forward Market Memorandum Account (BFMMA)	Yes	
(57)	Power Exchange Credit Audit Memorandum Account (PXCA Memorandum Account)	Yes	
(58)	Interim Power Exchange Market Clearing Price (IPXMCP) Memorandum Account	Yes	
(59)	Hourly Pricing Implementation Cost (HPIC) Memorandum Account	Yes	
(60)	Voluntary Power Reduction Credit Memorandum Account (VPRCMA)	Yes	
(61)	Not Used		
(62)	Air Conditioner Cycling Memorandum Account (ACCMA)	Yes	
(63)	Short-Term Generation Capacity Memorandum Account (STGCMA)	Yes**	
(64)	Near-Term Bilateral Contracts (NTBC) Memorandum Account	Yes	
(65)	Nuclear Claims Memorandum Account (NCMA)	Yes	
(66)	Interruptible Programs Excess Energy Charges (IPEECMA) Memorandum Account	Yes	
(67)	Interruptible Load Program (ILP) Memorandum Account	Yes	

* Interest shall accrue monthly to interest-bearing Memorandum Accounts by applying the Interest Rate to the average of the beginning and ending balance.

** Interest shall accrue monthly to credit balances only. See specific memorandum accounts for more information.

(Continued)

(To be inserted by utility)

Advice 1908-E
Decision _____

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Aug 2, 2005
Effective Sep 1, 2005
Resolution _____

PRELIMINARY STATEMENT

Sheet 54

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

35. Advanced Integrated Meter Memorandum Account (AIMMA) (N)

The purpose of the Advanced Integrated Meter Memorandum Account (AIMMA) is to record incremental costs related to the development of an Advanced Integrated Meter (AIM) prior to Commission approval of the ratemaking requested in SCE's Advanced Metering Infrastructure Deployment Strategy and Cost Recovery Mechanism Application (A.) 05-03-026.

Monthly entries to the AIMMA shall consist of recorded incremental SCE Operation and Maintenance (O&M) expenses, O&M expenses related to Outside Services (such as consultant and vendor costs) and any capital-related costs related, but not limited, to the following AIM development areas:

- a. development of detailed business and system requirements;
- b. conceptual and technical feasibility analyses;
- c. engineering specifications and preliminary design;
- d. development and testing of working prototypes;
- e. manufacturing design; and
- f. any other activities related to AIM development as authorized by the Commission.

Interest shall accrue to the AIMMA by applying one-twelfth of the three month Commercial Paper rate (expressed as an annual rate) as reported by the Federal Reserve to the average of the beginning and ending account balance.

Disposition of amounts recorded in the AIMMA shall be through the AIM Balancing Account (AIMBA) as proposed in A. 05-03-026, or any other mechanism as authorized by the Commission. (N)

(Continued)

(To be inserted by utility)

Advice 1908-E
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Aug 2, 2005
Effective Sep 1, 2005
Resolution _____



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(To be inserted by utility)
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Decision _____

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