

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 7, 2006

JUN 12 2006
REVENUE & TARIFFS DEPT.

Advice Letter 1953-E/1953-E-A

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

Reference: Establishment of the Mohave Interim Operation Memorandum Account and request for guidance regarding certain potential Mohave expenditures

Dear Mr. Jazayeri:

Advice Letter 1953-E/1953-E-A is effective April 13, 2006 by Resolution E-3977. 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

April 24, 2006

ADVICE 1953-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Advice 1953-E, Establishment of the Mohave
Interim Operation Effort Memorandum Account (MIOEMA)

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

The purpose of this filing is to supplement, in part, Advice 1953-E which established the Mohave Interim Operation Effort Memorandum Account (MIOEMA), to include tariff changes as identified in Ordering Paragraph 7 of Resolution E-3977, dated April 13, 2006.

BACKGROUND

On December 29, 2005, SCE filed Advice 1953-E, in compliance with Decision (D.) 04-12-016, to establish the MIOEMA to track and record costs that SCE may incur in order to seek modification of the December 1999 Mohave Consent Decree and to obtain any other applicable legal authorizations so that the Mohave Generating Station (Mohave) may continue operating with minimal interruption after December 31, 2005, prior to the installation of the pollution controls specified by the Consent Decree.

On April 13, 2006, the California Public Utilities Commission (Commission) issued Resolution E-3977, approving the establishment of the MIOEMA as requested in Advice 1953-E, with certain modifications. Consistent with Resolution E-3977, SCE is modifying Preliminary Statement, Part N.75, MIOEMA, to include the following language:

- SCE is authorized to record costs up to \$1.5 million in the MIOEMA;

- SCE may only seek recovery of expenses recorded in the MIOEMA if SCE is successful in modifying the Consent Decree;
- SCE shall file a formal application for Commission approval of any modification to the Consent Decree. The application shall include:
 - Modifications agreed to by all the parties;
 - Identification of regulatory and environmental permit requirements;
 - A schedule for obtaining the necessary permits and court approval; and
 - A cost estimate of the modifications.

With respect to the Ordering Paragraph 7 requirement that recovery through rates is subject to Commission review and approval in a formal proceeding, SCE has language in the last paragraph of the MIOEMA that states that the recorded operation of the MIOEMA shall be reviewed by the Commission in SCE's annual April Energy Resource Recovery Account (ERRA) application, which is a "formal proceeding."

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

Pursuant to Ordering Paragraph 10, SCE requests that this advice filing become effective on April 13, 2006 subject to Energy Division determination that this filing is in compliance with Resolution E-3977.

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:

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
Vice President, 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
Senior 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 GO 96-A and A.02-05-046 service lists. Address change requests to the attached 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 Debbie Nunes at (626) 302-1717 or by electronic mail at debra.nunes@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:dn:sq

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) #: 1953-E-A

Subject of AL: Supplement to Advice 1953-E, Establishment of the Mohave Interim Operation Effort Memorandum Account (MIOEMA)

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

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

Resolution E-3977

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: 4/13/06 No. of tariff sheets: -2-

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
Vice President, 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
Senior 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 39685-E	Preliminary Statement Part N	Revised 36596-E
Revised 39686-E	Table of Contents	Revised 39146-E

PRELIMINARY STATEMENT

Sheet 108

(Continued)

N. MEMORANDUM ACCOUNTS

75. Mohave Interim Operation Effort Memorandum Account (MIOEMA)

(N)

The purpose of the Mohave Interim Operation Effort Memorandum Account (MIOEMA) is to record certain costs that SCE may incur in efforts to minimize the period of the Mohave Generating Station (Mohave) inoperation, which if successful will minimize the associated negative impacts on SCE's customers, employees, the tribes and other stakeholders.

Monthly entries to the MIOEMA shall consist of costs incurred by SCE in order to seek modification of the December 1999 Mohave Consent Decree and to obtain any other applicable legal authorizations so that Mohave may continue operating with minimal interruption after December 31, 2005, prior to the installation of the pollution controls specified by the Consent Decree.

In accordance with Resolution E-3977, SCE is authorized to record costs up to \$1.5 million in the MIOEMA. SCE may only seek recovery of expenses recorded in the MIOEMA if SCE is successful in modifying the Consent Decree. SCE shall file a formal application for Commission approval of any modification to the Consent Decree.

The Mohave O&M and capital costs required for such continued interim operation, including plant staffing, are included in SCE's 2006 General Rate Case A. 04-12-014 request and are not to be recorded in the MIOEMA. All fuel-related costs will continue to be recorded in the Energy Resource Recovery Account (ERRA), including any costs of "standstill" arrangements with the coal mine and slurry pipeline to ensure that adequate staffing and equipment will be available to support interim Mohave operation, and are not to be recorded in the MIOEMA.

Interest shall accrue monthly to the MIOEMA 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 the amounts recorded in the MIOEMA shall be through the Mohave Balancing Account (MBA) as proposed in A. 04-12-014, the currently effective Energy Resource Recovery Account (ERRA), or any other mechanism as authorized by the Commission. The recorded operation of the MIOEMA shall be reviewed by the Commission in SCE's annual April ERRA application to ensure that the entries made in the MIOEMA are reasonable, stated correctly, and were incurred for the activities as set forth above.

(N)

(Continued)

(To be inserted by utility)

Advice 1953-E-A
Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Apr 24, 2006
Effective Apr 13, 2006
Resolution E-3977



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(To be inserted by utility)
Advice 1953-E-A
Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed Apr 24, 2006
Effective Apr 13, 2006
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