

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



JUL 20 2006

REVENUE & TARIFFS DEPT.

Advice Letter 1971-E/1971-E-A

July 18, 2006

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

Reference: Revisions to Rule 21, Generating Facility Interconnections in compliance with Resolution E-3996

Dear Mr. Jazayeri:

Advice Letter 1971-E/1971-E-A is effective June 26, 2006 by Resolution E-3996. 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

June 26, 2006

ADVICE 1971-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Rule 21, Generating Facility Interconnections in
Compliance with Resolution E-3996

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

This advice filing supplements Advice 1971-E, in part, and revises SCE's Rule 21, Generating Facility Interconnections, in compliance with Resolution E-3996 effective May 25, 2006.

BACKGROUND

On February 27, 2006 SCE filed Advice 1971-E which, in the opinion of SCE, was in compliance with Decision (D.) 05-08-013 issued August 25, 2005. SCE's Advice 1971-E and similar advice letters filed by Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) were all developed as consensus documents of the Rule 21 Working Group. D.05-08-013 adopted changes to rules governing interconnections between distribution systems of electric utilities and distributed generation (DG) facilities in areas such as metering requirements, interconnection fees and costs, and resolution of disputes between DG developers and utilities.

On March 23, 2006 the California Public Utilities Commission (Commission) notified SCE that Advice 1971-E was suspended for up to 120 days.

On April 17, 2006 Ken Lewis, Program Manager of the Commission's Energy Division, requested input from the utilities on Draft Resolution E-3996 which was to appear on the

Commission's agenda at its May 25 meeting. SCE's comments stated that while Resolution E-3996 approved the utilities filings, in part, it also ordered the utilities to make changes to Rule 21 that SCE felt were factually wrong, contrary to the consensus of the Rule 21 Working Group, and not in compliance with D.05-08-013. The comments of SCE and the other utilities were rejected and Resolution E-3996 was adopted on May 25, 2006.

Advice 1971-E-A modifies Advice 1971-E in the following areas: 1) Rule 21, Section C.1.d, Table C.1 is modified to remove the range of the per-hour charge for extraordinary visits to a "utility specific" per-hour charge; 2) the footnote on Table C.1 is revised to state that there may be additional costs for travel, lodging and meals; 3) in Section F.3, the reference to specific rules concerning subsidized generating facilities with regards to NGOM and its allowed alternates to obtaining generator data for tariff administration, CAISO reliability requirements and distribution system operation is deleted; and 4) Section F.3 is modified to specify that "cost effectiveness" when methods other than NGOM are used to provide generator output data is evaluated from the perspective of Producer/Customer of energy.

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 June 26, 2006, the date filed.

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
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 service list and R.04-03-017. Address change requests to the GO 96-A service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-2930. 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 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 Pat Aldridge at (626) 302-4617 or by electronic mail at Pat.Aldridge@sce.com, or George Coutts at (626) 302-6568 or by electronic mail at George.Coutts@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:pa: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) #: 1971-E-A

Subject of AL: Revisions to Rule 21, Generating Facility Interconnections in Compliance with Resolution E-3996

Keywords (choose from CPUC listing): Compliance, Rules

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
Resolution E-3996

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: 6/26/06 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: Rule 21

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 40112-E Revised 40116-E Original 40117-E*	Rules 21 Rules 21 Rules 21	Revised 36869-E* Revised 36880-E

Rule 21
GENERATING FACILITY INTERCONNECTIONS

Sheet 5

(Continued)

C. Application and Interconnection Process (Continued)

1. Application Process (Continued)

- d. When Required, Applicant and SCE Commit to Additional Interconnection Study Steps: When a Supplemental Review reveals that the proposed Generating Facility cannot be Interconnected to SCE's Distribution System by means of a Simplified Interconnection, or that significant Interconnection Facilities installed on SCE's system or Distribution System modifications will be needed to accommodate an Applicant's Generating Facility, SCE and Applicant shall enter into an agreement that provides for SCE to perform additional studies, facility design, and engineering and to provide detailed cost estimates for fixed price or actual cost billing to the Applicant, at the Applicant's expense. The Interconnection Study agreement shall set forth SCE's estimated schedule and charges for completing such work. Interconnection Study fees for solar Generating Facilities up to 1 megawatt (MW) that do not sell power to the grid will be waived up to the amount of \$5,000. Generating Facilities eligible for Net Energy Metering under Public Utilities Code Sections 2827, 2827.8, 2827.9, or 2827.10 are exempt from any costs associated with Interconnection Studies.

Table C.1 Summary of Fees and Exemptions

<u>Generating Facility Type</u>	<u>Initial Review Fee</u>	<u>Supplemental Review Fee</u>	<u>Interconnection Study Fees</u>	<u>Additional Commissioning Test Verification</u>
Non-Net Energy Metering	\$800*	\$600	As Specified by Utility	\$150/Person Hour**
Net Energy Metering (per Public Utilities Code Sections 2827, 2827.8, 2827.9, or 2827.10)	\$0	\$0	\$0	N/A
Solar 1MW or less that does not sell power to the grid (per D.01-07-027)		First \$5,000 of study fees waived		\$150/Person Hour**

*Subject to 50% refund pursuant to Section C.1.b.3
** Plus additional Costs for travel, lodging and meals.

2. Interconnection Process

- a. Applicant and SCE Enter Into an Interconnection Agreement and, Where Required, a Financing and Ownership Agreement for Interconnection Facilities or Distribution System Modifications: SCE shall provide the Applicant with an executable version of the Interconnection Agreement or Net Energy Metering Agreement appropriate for the Applicant's Generating Facility and desired mode of operation. Where the Supplemental Review or Interconnection Study performed by SCE has determined that modifications or additions to its Distribution System are required, or that additional Interconnection Facilities will be necessary to accommodate an Applicant's Generating Facility, SCE may also provide the Applicant with other Interconnection Facilities financing and ownership agreements. These agreements shall set forth SCE's and the Applicant's responsibilities, completion schedules, and fixed price or estimated costs for the required work.

(Continued)

(To be inserted by utility)

Advice 1971-E-A
Decision _____

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 26, 2006
Effective Jun 26, 2006
Resolution E-3996

Rule 21
GENERATING FACILITY INTERCONNECTIONS

Sheet 17

(Continued)

E. Interconnection Facility and Distribution System Improvement Ownership and Financing
(Continued)

3. Installation and Financing of Interconnection Facilities and Distribution System
Modifications (Continued)

d. Reservation of Unused Facilities: When a Producer wishes to reserve SCE-owned Interconnection Facilities or Distribution System modification installed and operated as Added Facilities for the Producer at Producer's expense, but idled by a change in the operation of the Producer's Generating Facility or otherwise, Producer may elect to abandon or reserve such facilities consistent with the terms of its agreement with SCE. If Producer elects to reserve idle Interconnection Facilities or Distribution System modifications, SCE shall be entitled to continue to charge Producer for the costs related to the ongoing operation and maintenance of the Added Facilities.

e. Refund of Salvage Value: When a Producer elects to abandon the Added Facilities for which it has either advanced the installed costs or constructed and transferred to SCE, the Producer shall, at a minimum, receive from SCE a credit for the net salvage value of the Added Facilities.

F. Metering, Monitoring and Telemetry

1. General Requirements: All Generating Facilities shall be metered in accordance with this Section F and shall meet all applicable standards of SCE contained in SCE's applicable tariffs and published SCE manuals dealing with Metering specifications.

2. Metering by Non-SCE Parties: The ownership, installation, operation, reading, and testing of revenue Metering Equipment for Generating Facilities shall be by SCE except to the extent that the Commission authorizes any or all these services be performed by others.

3. Net Generation Output Metering (NGOM): Generating Facility customers may be required to install NGOM for evaluation, monitoring, and verification purposes and to determine applicable standby and non-bypassable charges as defined in SCE's tariffs, to satisfy applicable California Independent System Operator (CAISO) reliability requirements, and for Distribution System planning and operations.

(L)
(N)
|
|
|
(N)

(Continued)

(To be inserted by utility)

Advice 1971-E-A
Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 26, 2006
Effective Jun 26, 2006
Resolution E-3996

Rule 21
GENERATING FACILITY INTERCONNECTIONS

Sheet 18

(Continued)

F. Metering, Monitoring and Telemetry (Continued)

3. Net Generation Output Metering (NGOM): (Continued)

(C)(L)

However, Generating Facility customers do not need to install NGOM where less intrusive and/or more cost effective options, for the Producer/Customer, are available for providing generator data to SCE. These Generating Facilities may opt to have SCE estimate load data in accordance with SCE's applicable tariffs to determine or meet applicable standby and non-bypassable and other applicable charges and tariff requirements. However, if a Generating Facility customer objects to SCE's estimate of the Generator(s) output, the customer may elect to install the NGOM, or have SCE install NGOM at the customer's expense.

(C)

All metering options available to the customer must conform to the requirements set forth in SCE's Rule 22. If SCE does not receive meter data in accordance with Rule 22, SCE shall have the right to install utility-owned NGOM at the customer's expense.

(L)

The relevant factors in determining the need for NGOM are as listed below:

- (a) Data requirements in proportion to need for information;
- (b) Producer's election to install equipment that adequately addresses SCE's operational requirements;
- (c) Accuracy and type of required Metering consistent with purposes of collecting data;
- (d) Cost of Metering relative to the need for and accuracy of the data;
- (e) The Generating Facility's size relative to the cost of the Metering/monitoring;
- (f) Other means of obtaining the data (e.g. Generating Facility logs, proxy data, etc.);
- (g) Requirements under any Interconnection Agreement with the Producer.

(L)

(Continued)

(To be inserted by utility)

Advice 1971-E-A
Decision _____

18H16

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 26, 2006
Effective Jun 26, 2006
Resolution E-3996



SOUTHERN CALIFORNIA
EDISON

An EDISON INTERNATIONAL Company

Lisa Vellanoweth
Manager of Tariffs

July 12, 2006

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Attn: Jerry Royer
Energy Division

Re: Substitute Sheets for Advice 1971-E-A

Dear Mr. Royer:

Enclosed are an original and four copies of Attachment A and Substitute Sheet No. 40117-E*. The text "that do not receive regulated subsidies" has been removed from the first sentence of paragraph two, section F.3 of tariff Rule 21. The removal of this language is the result of a conference call meeting held on July 12, 2006 with representatives from Southern California Edison, San Diego Gas and Electric, Pacific Gas and Electric, and the Energy Division.

Please include the enclosed sheet in your master Advice 1971-E-A file and distribute copies to the appropriate people reviewing the Advice Letter. If you have any questions, please contact Ruby Diaz at (626) 302-2010.

Sincerely,

A handwritten signature in cursive script, reading "Lisa Vellanoweth".

Enclosures
1971-E-A.doc