
May 12, 2006

ADVICE 1999-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revision to SCE's Direct Access Cost Responsibility Surcharge
Tracking Account in Accordance with Resolution
E-3990

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

In accordance with Resolution E-3990 this advice filing revises SCE's Preliminary Statement JJ, Direct Access Cost Responsibility Surcharge Tracking Account (DA CRSTA) by adding a new sub-account to track the difference between: 1. the City of Cerritos' (Cerritos) Community Aggregation (CA) customers' CRS obligation; and 2. CRS revenues collected from Cerritos' CA customers.

BACKGROUND

Assembly Bill (AB) 80¹ permits entities with entitlements to power from the Magnolia Power Project to act as community aggregators, and provide retail electric service to customers within each entity's jurisdiction. Cerritos is entitled to a share of the output from the Magnolia Power Project, thus qualifying to act as a community aggregator. In Decision (D.) 04-12-046 the California Public Utilities Commission (Commission) established an interim Community Choice Aggregation (CCA) CRS of 2.0 cents/kWh²,

¹ The Governor signed AB 80 on September 24, 2002, adding Section 366.1 to the California Public Utilities Code.

² In D.05-01-009, the Commission determined that the CRS responsibility of Cerritos' CA customers would be the same as established in Rulemaking (R.) 03-10-003 for CCA customers.

and determined that the 2.0 cents/kWh CRS is subject to a subsequent true-up if the actual CRS differs by at least 30%.

In Application No. (A.)04-08-019, SCE and Cerritos requested Commission approval of their joint proposal to implement AB 80. In D.05-01-009 (issued in A.04-08-019), the Commission authorized the SCE/Cerritos joint proposal to implement AB 80. Cerritos CA customers have been paying a 2.0 cents/kWh CRS through Rate Schedule CCA-CRS since July 2005 in accordance with D.05-01-009.

A "working group"³ was formed during 2005 in R.02-01-011 in order to recalculate the CRS obligations for Direct Access (DA) and Departing Load (DL) customers from 2003 through 2005. The working group's report was submitted to the Commission in January 2006. Though not formally adopted by the Commission, the report indicates that the 2006 CRS will likely be substantially less than the current CCA CRS of 2.0 cents/kWh.

In Advice 1975-E, SCE proposed to revise its Schedule CCA-CRS to temporarily suspend collection of the CRS from CA customers in Cerritos. In Resolution E-3990, the Commission approved SCE's request to temporarily suspend the CRS that has been collected via Schedule CCA-CRS from Cerritos' CA customers until the Commission issues a decision finalizing the CCA CRS true-up calculations, and authorizes SCE to establish a new sub-account in the DA CRSTA to track the Cerritos' CRS collections.

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

In accordance with the Resolution, this advice filing is effective April 27, 2006, the date Resolution E-3990 was issued.

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:

³ The working group consisted of Investor-Owned Utilities, DA, DL, and consumer protection parties in R.02-01-011.

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, Room 388N
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 service list and R.02-01-011. 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 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 Phillip Durgin at (626) 302-6344 or by electronic mail Phillip.Durgin@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:mm
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: <input checked="" type="checkbox"/> ELC <input type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> 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) #: 1999-E	
Subject of AL: Revision to SCE's Direct Access Cost Responsibility Surcharge Tracking Account in Accordance with Resolution E-3990	
Keywords (choose from CPUC listing): Compliance, Direct Access	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-3990	
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 AL ¹ : _____	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: 4/27/06 No. of tariff sheets: 5	
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 JJ and Table of Contents	
Service affected and changes proposed ¹ : _____	
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
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2244 Walnut Grove Avenue
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Bruce Foster
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Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
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Revised 40659-E Revised 40660-E	Table of Contents Table of Contents	Revised 40638-E Revised 40607-E

PRELIMINARY STATEMENT

Sheet 2

(Continued)

JJ. DIRECT ACCESS COST RESPONSIBILITY SURCHARGE TRACKING ACCOUNT
(Continued)

3. Definitions (Continued)

f. Ongoing Competition Transition Charge

As defined in Decision No. 02-11-022, SCE's Ongoing Competition Transition Charge (CTC) consists of: 1) Employee-related transition costs through December 31, 2006, 2) SONGS 2&3 ICIP through December 31, 2003, 3) Above-market costs of SCE's Utility Retained Generation (URG), including purchased power contracts.

g. Recorded DA CRS Revenue

Recorded DA CRS Revenue is defined as billed DA Customer revenue derived by multiplying the actual Commission authorized DA CRS charge by actual DA Customer consumption. Recorded DA CRS Revenue shall be determined for both Continuous and Non-Continuous DA Customers.

h. Core Customers

For purposes of allocating DA CRS under-collections only, Core Customers shall include electric rate schedules for: 1) residential and small commercial customers with loads less than 20 kW; and 2) all agricultural and street lighting customers regardless of kW load. The Core Customer classification is in accordance with D.03-07-030.

i. Non-Core Customers

For purposes of allocating DA CRS under-collections only, Non-Core Customers shall include electric rate schedules for customers with loads greater than 20 kW. The Non-Core Customer classification is in accordance with D.03-07-030.

4. Operation of the DACRSTA

Entries to the DACRSTA shall be made on a monthly basis as follows:

Core Sub-account

The purpose of the Core Sub-account is to track the debt owed by SCE's core DA customers to SCE's core bundled service customers.

- a. A debit entry equal to DA CRS Obligations of core DA customers;
- b. A credit entry equal to recorded DA CRS revenues of core DA customers;
- c. A credit entry equal to DA CRS make-up payments from core DA customers returning to bundled service;
- d. A debit entry equal to DA CRS uncollectible from core DA customers that default;

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(Continued)

(To be inserted by utility)
Advice 1999-E
Decision 04-12-046

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed May 12, 2006
Effective Apr 27, 2006
Resolution _____

PRELIMINARY STATEMENT

Sheet 3

(Continued)

JJ. DIRECT ACCESS COST RESPONSIBILITY SURCHARGE TRACKING ACCOUNT
(Continued)

4. Operation of the DACRSTA (Continued)

- e. A credit entry equal to litigation settlement proceeds as authorized by the Commission;
- f. Interest expense shall be calculated on the average balance of the Core Sub-account during the month, using the applicable before-tax interest rate.

(L)

Non-core Sub-account

The purpose of the Non-core Sub-account is to track the debt owed by SCE's non-core DA customers to SCE's non-core bundled service customers.

- a. A debit entry equal to DA CRS Obligations of non-core DA customers;
- b. A credit entry equal to recorded DA CRS revenues of non-core DA customers;
- c. A credit entry equal to DA CRS make-up payments made by non-core DA customers returning to bundled service;
- d. A debit entry equal to DA CRS uncollectible from non-core DA customers that default;
- e. A credit entry equal to litigation settlement proceeds as authorized by the Commission;
- f. Interest expense shall be calculated on the average balance of the Non-core Sub-account during the month, using the applicable after-tax interest rate.

Cerritos CRS Sub-account

The purpose of the Cerritos CRS Sub-account is to track the difference between: 1. Cerritos Community Aggregator (CA) customers' CRS obligations; and 2. CRS revenues collected from the City of Cerritos CA customers in accordance with Resolution E-3990.

- a. A debit entry equal to Cerritos CA customers' CRS obligations (the DWR Power Charge and the Competition Transition Charge);
- b. A credit entry equal to recorded CRS revenues of Cerritos CA customers;
- c. Interest expense shall be calculated on the average monthly balance of the Cerritos CRS Sub-account, using the applicable interest rate.

(N)

(N)

5. Disposition of Amounts Tracked in the DACRSTA

The Commission shall determine the ultimate disposition of amounts tracked in the DACRSTA.

(To be inserted by utility)
Advice 1999-E
Decision 04-12-046

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Vice President

(To be inserted by Cal. PUC)
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