
June 7, 2006

ADVICE 2012-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Establishment of the Reliability Investment Incentive
Mechanism in Compliance with Decision 06-05-016

In compliance with the California Public Utilities Commission (Commission) Decision (D.) 06-05-016, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

Pursuant to Ordering Paragraph 26 of D.06-05-016, this advice filing establishes Preliminary Statement, Part LL, the Reliability Investment Incentive Mechanism (RIIM).

BACKGROUND

Since 1997, SCE has been subject to some form of reliability incentive mechanism under which it could earn rewards or suffer penalties based on its performance relative to benchmarks for frequency of electric service interruptions and duration of those interruptions. The first such mechanism was adopted for SCE in D.96-09-092. More recently, the Commission authorized a modified version of a distribution reliability mechanism in its decision in SCE's 2003 General Rate Case (GRC), D.04-07-022.

In SCE's 2006 GRC, SCE, the Coalition of California Utility Employees (CUE), The Utility Reform Network (TURN) and other parties made recommendations as to what action the Commission should take with respect to a distribution reliability incentive mechanism for 2006-2008.¹ SCE, CUE, TURN, and other parties engaged in discussions to resolve their differences regarding the distribution reliability incentive mechanism. On October 19, 2005, CUE and SCE agreed to a resolution of these

¹ Testimony on the reliability incentive mechanism issues was also submitted by the Office of Ratepayer Advocates, now the Division of Ratepayer Advocates (DRA), and the Aglet Consumer Alliance (Aglet).

issues and documented that agreement in a Memorandum of Understanding. A Settlement/Stipulation Conference was subsequently held on October 27, 2005 with representatives from SCE, CUE, TURN, DRA, Aglet, and San Diego Gas & Electric Company. Following the Settlement/Stipulation Conference, SCE and CUE engaged in further negotiations with TURN. On November 1, 2005, TURN agreed in principle to join in the Stipulation provided SCE and CUE agreed to certain terms which were reflected in the Stipulation. On November 2, 2005, SCE, CUE, and TURN filed a Joint Motion for the Commission to adopt the Stipulation on a new Reliability Investment Incentive Mechanism (RIIM) to provide appropriate incentives for long-term reliability.

STIPULATION

In D.06-05-016, the Commission adopted the Stipulation filed by SCE, CUE, and TURN. The RIIM is intended to replace the current Employee Safety and Distribution Reliability Performance Incentive Mechanism.²

- **CAPITAL**

The terms of the Stipulation identify certain categories of SCE's capital expenditure request that are particularly related to preserving long-term electric service reliability for SCE customers. Those certain categories will be tracked on a recorded basis from January 12, 2006, the effective date of the 2006 GRC Phase 1 decision, through December 31, 2008 and include: Distribution Infrastructure Replacement, including pole replacements; Preventative Maintenance; Load Growth; and Substation Infrastructure Replacement. The terms also identify high priority categories of capital expenditures related to New Service Connections, Storms, and Breakdown Replacement. Capital expenditures in these high priority categories are recognized as affecting expenditures in the reliability categories.³

- **O&M**

The Stipulation also states that adequate recruitment and retention of apprentice linemen/groundmen and their training is an important indicator of SCE's ability to preserve long-term electric system reliability. Towards that goal, SCE agrees to add a cumulative total of 600 apprentice linemen/groundmen to its workforce during the 2006-2008 period.

² SCE will record its outage information and tabulate System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and Momentary Average Interruption Frequency Index (MAIFI) values using both its existing Distribution Transmission Outage Menu (DTOM) system and its new Outage Database and Reliability Matrices (ODRM) system for the first six months of 2006.

³ Stipulation, Section 3.4.2 states that the Parties recognize that the Commission's decision in this GRC may adopt capital expenditures that differ from SCE's proposed amounts and, as such, that will change the amounts set forth in Attachment A and B of the Stipulation.

RIIM RATEMAKING

Pursuant to Ordering Paragraph 26 of D.06-05-016, SCE is establishing the RIIM to track the difference between the adjusted-recorded⁴ and authorized RIIM capital additions from 2006 through 2008, as well as the number of apprentice training linemen/groundmen positions.

The RIIM will track and determine the difference between: (1) adjusted-recorded reliability-related capital additions; and (2) the authorized level of reliability-related capital additions in D.06-05-016. The total reliability-related capital expenditures in the Stipulation is \$1.699 billion for the period 2006 through 2008. However, in D.06-05-016, the Commission disallowed \$86.6 million of reliability-related capital expenditures that were subject to the RIIM and disallowed \$7.2 million of 2006 high priority exception related capital expenditures. D.06-05-016 adopts a capital attrition methodology that escalates approved 2006 capital additions by a capital escalation factor of 2.5 percent for 2007, and then escalates the resulting 2007 capital additions by that same capital escalation factor of 2.5 percent to derive 2008 capital additions. Consistent with D.06-05-016, SCE has calculated the 2007 and 2008 adopted capital expenditures subject to RIIM by escalating the 2006 approved capital expenditures by the annual 2.5 percent capital escalation factor. The table below shows the authorized RIIM-related capital expenditures and the authorized high priority related expenditures for the period 2006-2008.

TABLE 1

<u>RIIM Capital Expenditures (In Millions of Dollars)</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
RIIM Expenditures	524.4	537.6	551.0	1,613.0
RIIM - High Priority Exception Expenditures	239.2	245.2	251.3	735.7

The corresponding authorized RIIM capital additions for Test Year 2006 was \$569.4 million and \$233 million for the RIIM high priority exceptions. In D.06-05-016, the Commission provides that 2007 and 2008 authorized plant additions be based on adopted 2006 test year plant additions (plus cost of removal) escalated by 2.5 percent for each year. This equates to total authorized capital additions for the period 2006-2008 of \$1.751 billion and \$716.6 million for RIIM and the high priority exceptions

⁴ The adjusted-recorded amount is the recorded RIIM-related capital additions increased or decreased by the High Priority Exception Capital Additions Adjustment. The High Priority Exception Capital Additions Adjustment is the difference between authorized and recorded High Priority Exception Capital Additions. If recorded High Priority Exception Capital Additions exceed amounts authorized by the Commission, recorded RIIM capital adjustments will be increased by that difference. If recorded High Priority Exception Capital Additions are less than the amounts authorized by the Commission, recorded RIIM capital additions will be decreased by the difference.

to RIIM, respectively. The table below shows the authorized RIIM-related capital additions (including cost of removal) and the authorized high priority related capital additions (including cost of removal) for the period 2006-2008.

TABLE 2

<u>RIIM Authorized Capital Additions:</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
RIIM Capital Additions	569.4	583.6	598.2	1,751.2
RIIM High Priority Exception Capital Additions	233.0	238.8	244.8	716.6

Additionally, the RIIM will track the increase in new linemen/groundmen employees. If by the end of 2008, SCE has fully implemented its reliability-related capital spending and added a total of 600 apprentice linemen/groundmen to its workforce no customer refunds shall be required.

The table below details the amount of O&M reductions SCE shall refund to customers if the actual increase in linemen/groundmen is less than 600 by the end of 2008.

TABLE 3

<u>Actual Number of Apprentices</u>	<u>O&M Reduction Calculation</u>
Increase in new apprentices is more than 500	= \$15 thousand multiplied by 600 less the number of new apprentices
Increase in new apprentices is less than 500	= \$1.5 ⁵ million plus \$70.5 ⁶ thousand multiplied by 500 less the number increased

If an overcollection in revenue requirement results from (1) the authorized reliability-related capital additions being greater than recorded adjusted capital additions or (2) from the actual number of new apprentices being less than 600, these amounts shall be refunded to customers.

EFFECTIVE DATE

Consistent with the effective date of the revenue requirement authorized in D.06-05-016, this advice filing is effective on January 12, 2006.

⁵ \$15,000 (nominal) multiplied by (600 less 500, or 100) = \$1.5 million.

⁶ In the Stipulation, the parties used an average of total compensation for one Lineman (\$85,355) and one Groundman (\$55,670), divided by two equals the \$70,500 per position.

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 jinj@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 A.04-12-014. 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 Karen Salvato at (626) 302-2504 or by electronic mail at Karen.Salvato@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:cmt: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: <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) #: <u>2012-E</u>	
Subject of AL: <u>Establishment of the Reliability Investment Incentive Mechanism in Compliance with Decision 06-05-016</u>	
Keywords (choose from CPUC listing): <u>Compliance, Reliability</u>	
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 #: <p style="text-align: center;">D.06-05-016</p>	
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: <u>6/12/06</u> No. of tariff sheets: <u>-8-</u>	
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: <u>Preliminary Statement Part LL, Table of Contents</u>	
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

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Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
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Original 40942-E	Preliminary Statement Part LL	
Original 40943-E	Preliminary Statement Part LL	
Original 40944-E	Preliminary Statement Part LL	
Original 40945-E	Preliminary Statement Part LL	
Original 40946-E	Preliminary Statement Part LL	
Revised 40947-E	Table of Contents	Revised 40929-E
Revised 40948-E	Table of Contents	Revised 40930-E

PRELIMINARY STATEMENT

Sheet 1

LL. Reliability Investment Incentive Mechanism (RIIM)

1. Purpose

The Reliability Investment Incentive Mechanism (RIIM) shall determine the difference between: (1) actual (recorded) reliability-related capital additions; and (2) the authorized level of reliability-related capital additions in D.06-05-016. Additionally, the RIIM will track the increase in new linemen/groundmen employees. If by the end of 2008, SCE has fully implemented its reliability-related capital spending and added a total of 600 apprentice linemen/groundmen to its workforce no customer refunds shall be required. If an overcollection in revenue requirement is determined (1) from the authorized reliability-related Capital Additions being greater than recorded adjusted Capital Additions or (2) from the actual number of new apprentices being less than 600, that revenue requirement shall be refunded to customers.

2. Definitions

a. RIIM Capital Additions

For purposes of recording entries in the RIIM, Capital Additions shall be defined as Gross Capital Additions plus associated Cost of Removal.

b. Authorized RIIM Reliability-Related Capital Expenditures and Capital Additions

The RIIM Reliability-Related Capital Expenditures, as outlined in Attachment A of the Stipulation with SCE, CCUE, and TURN (Stipulation) are the capital-related costs specifically identified in preserving long-term electric service reliability for customers. The Stipulation amounts are revised to reflect approved expenditures in D.06-05-016, as shown in Table A.

TABLE A - Authorized RIIM Expenditures

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
Distribution Infrastructure Replacement	190.6	195.4	200.2	586.2
Preventative Maintenance	62.7	64.3	65.9	192.9
Substation Infrastructure Replacement	90.2	92.5	94.8	277.5
Load Growth	<u>180.9</u>	<u>185.4</u>	<u>190.1</u>	<u>556.4</u>
Total Expenditures	524.4	537.6	551.0	1,613.0

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PRELIMINARY STATEMENT

Sheet 2

(Continued)

LL. Reliability Investment Incentive Mechanism (RIIM) (Continued)

2. Definitions (Continued)

The associated authorized capital additions including cost of removal are shown in Table B.

TABLE B - RIIM Authorized Capital Additions

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
Total RIIM Capital Additions	569.4	583.6	598.2	1,751.2

The capital expenditures identified in TABLE A and the associated cumulative capital additions forecast to be added to plant-in-service by December 31, 2008 (plus associated cost of removal) are subject to RIIM.

c. Authorized RIIM High Priority Exception Expenditures and Capital Additions

The High Priority Capital Expenditures, as outlined in Attachment B, of the stipulation, are expenditures identified as affecting the RIIM categories above (section 2.b). The High Priority capital additions are used to adjust the recorded RIIM Capital Additions.

The authorized RIIM High Priority Capital Expenditures and associated Capital Additions including cost of removal are shown in Tables C and D.

TABLE C - High Priority Exception Authorized Expenditures

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
New Service	173.0	177.3	181.8	532.1
Storms	22.1	22.7	23.2	68.0
Breakdown Replacement	<u>44.1</u>	<u>45.2</u>	<u>46.3</u>	<u>135.6</u>
Total Expenditures	239.2	245.2	251.3	735.7

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PRELIMINARY STATEMENT

Sheet 3

(Continued)

LL. Reliability Investment Incentive Mechanism (RIIM) (Continued)

2. Definitions (Continued)

TABLE D - High Priority Exception Authorized Capital Additions

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
Total High Priority Capital Additions	233.0	238.8	244.8	716.6

d. Recorded RIIM Capital Additions Adjustment

The difference between the authorized High Priority exception Capital Additions and recorded High Priority exception Capital Additions is used to increase or reduce the recorded RIIM Capital Additions. That is, if recorded High Priority Capital Additions exceed amounts authorized by the Commission, recorded RIIM Capital Additions will be increased by this amount. If recorded High Priority Capital Additions are less than the authorized High Priority Capital Additions, Recorded RIIM Capital Additions will be decreased by this amount.

e. Adjusted Recorded RIIM Capital Additions

Adjusted recorded RIIM Capital Additions shall be the sum of the Recorded RIIM Capital Additions (section 2a) and the Recorded RIIM Capital Additions Adjustment (section 2d)

f. Effective Date

The effective date of RIIM is January 12, 2006.

g. Cumulative Shortfall

1. The Capital Additions Cumulative Shortfall (if any) is the difference between the Authorized RIIM capital additions (including associated cost of removal) and the Adjusted Recorded RIIM Capital Additions from the effective date of the GRC decision through December 31, 2008. If there is a cumulative shortfall at the end of RIIM, SCE shall return to customers the accumulated capital-related revenue requirement plus interest.

2. Apprentice Training Cumulative Shortfall (if any) is the result of the actual number of new apprentices being less than 600 from the effective date of the GRC decision through December 31, 2008. If there is a cumulative shortfall at the end of RIIM, SCE shall return to customers the training costs related revenue requirement plus interest.

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PRELIMINARY STATEMENT

Sheet 4

(Continued)

LL. Reliability Investment Incentive Mechanism (RIIM) (Continued)

2. Definitions (Continued)

h. CPUC Jurisdictional Factor

1. The distribution Capital-related CPUC Jurisdictional Factor shall be the CPUC jurisdictional rate base factors reflected in the Settlement Agreement. That is 93 percent Commission Jurisdictional for RIIM Reliability Capital Expenditures and Additions and 99.9 percent for High Priority exception Capital Expenditures and Additions.
2. The distribution O&M-related CPUC jurisdictional factor reflected in D.06-05-016 is 98.87 percent.

i. Linemen/Groundmen Training Adjustment Factor^{1/}

The Linemen/Groundmen Training adjustment shall be \$15,000 per new employee.

If SCE's increase in apprentice Linemen/Groundmen is less than 600 but greater than 500, SCE will return \$15,000 per position under 600 to customers.

j. Linemen/Groundmen Training Additional Adjustment Factor^{1/}

If SCE's increase in apprentice Linemen/Groundmen is less than 500, an additional amount of \$70,500^{2/} for each position less than 500 will be returned to customers.

^{1/} Any current SCE employee who transfers from another department or business unit outside TDBU to the apprentice Linemen/Groundmen program will be included in SCE's calculation of new apprentice Linemen/Groundmen.

^{2/} In the Stipulation, the parties used an average of total compensation for one Lineman (\$85,355) and one Groundman (\$55,670), divided by two to equal the \$70,500 per position.

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PRELIMINARY STATEMENT

Sheet 5

(Continued)

LL. Reliability Investment Incentive Mechanism (RIIM) (Continued)

2. Definitions (Continued)

k. Interest Rate

The Interest Rate shall be the most recent annual interest rate on three month Financial or Non-financial Commercial Paper rate (prime, three months) published monthly in the Federal Reserve Statistical Release H.15, whichever is available on the first day of the month.

l. Revenue Requirement Multiplier

The Revenue Requirement Multipliers shall reflect SCE's most current Commission-authorized factors that are used in calculating a capital-related revenue requirement including depreciation rates, rate of return on rate base, and income tax rates.

For 2006, the annual Revenue Requirement Multiplier shall be set at 16.20%.

3. Determining a Capital Related RIIM Base Revenue Requirement Reduction Amount

If a calculation of 2006 – 2008 RIIM Capital Additions base revenue requirement reduction amount is necessary, that is if a Capital Additions cumulative shortfall exists, the base revenue requirement reduction amount shall be determined as follows:

- a. The 2006 – 2008 recorded adjusted RIIM Capital Additions under expenditure shall be allocated to each month during the period January 12, 2006 through December 31, 2008 evenly after it has been CPUC jurisdictionalized by applying the applicable distribution capital-related CPUC Jurisdictional Factor;
- b. A monthly revenue requirement balance shall be determined for each month during the period January 12, 2006 through December 31, 2008 by multiplying the monthly cumulative difference between the authorized and the adjusted recorded RIIM Capital Additions by the applicable monthly Revenue Requirement Multiplier;

If SCE's recorded 2006-2008 Capital Additions exceed authorized levels, SCE shall not recover from customers any additional base revenue requirement associated with its recorded 2006-2008 Capital Additions.
- c. Monthly interest shall be added by applying the Interest Rate to the average of the beginning and ending monthly revenue requirement balances;
- d. The Distribution-related revenue requirement shall be credited to the Distribution Sub-account of the BRRBA to be returned to customers.

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PRELIMINARY STATEMENT

Sheet 6

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LL. Reliability Investment Incentive Mechanism (RIIM) (Continued)

4. Determining an Apprentice Training related RIIM Base Revenue Reduction Amount

If a calculation of 2006 – 2008 Apprentice Training reduction is necessary, that is an Apprentice Training cumulative shortfall exists, the reduction amount shall be determined as follows:

- a. If apprentice training positions are greater than 500, multiply the difference between recorded positions and 600 by \$15,000.
- b. If apprentice training positions are less than 500, multiply the difference between recorded positions and 500 by \$70,500 plus \$1.5 million.
- c. The amount determined in (a) or (b) above shall be allocated each month during the period January 12, 2006 through December 31, 2008 evenly.
- d. The monthly revenue requirement amount shall be CPUC jurisdictionalized by applying the distribution O&M CPUC jurisdictional factor.
- e. Monthly interest shall be added by applying the Interest Rate to the average of the beginning and ending monthly revenue requirement balances;

5. RIIM Report

By March 6, 2009 SCE shall submit an advice letter to the Commission that reports SCE's adjusted recorded RIIM capital additions for calendar years 2006 through 2008 and includes support for the calculation of a base revenue requirement reduction amount (if any). The advice letter will include all necessary information and supporting workpapers for the Commission to review and approve SCE's post test year RIIM Capital Additions rate recovery. The advice letter will also include the recorded number of new apprentices for calendar years 2006 through 2008 and include support for the calculation of a reduction amount (if any). SCE will also include all necessary information and supporting workpapers for the Commission to review and approve.

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U.	California Solar Initiative Program Balancing Account (CSIPBA)	40361-40362-E	
V.	Hazardous Substance Cleanup Cost Recovery Mechanism	37646-22174-E	
	27264-31561-31527-31528-18857-22175-18859-18860-18861-18862-18863-E	
W.	Departing Load and Customer Generation Departing Load (CGDL) Cost Responsibility	33558-39862-33560-39863-33562-E	
	33563-33564-33565-33566-33567-33568-33569-33570-33571-33572-33573-33574-33575-E	
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Y.	Demand Response Program Balancing Account (DRPBA).....	40390-40715-40392-40393-E	
	40394-40395-E	
Z.	Family Energy Rate Associates Balancing Account.....	36373-36374-E	
AA.	California Alternate Rates for Energy (CARE) Balancing Account ...	39362-39363-34445-36298-E	
BB.	PBR Distribution Revenue Requirement Adjustment Factor (PDRRAD)	31330-31331-31332-31333-35496-31335-31336-31337-E	
CC.	PBR Distribution Performance Mechanism (PDPM)	32057-31339-32058-31341-31342-E	
	31343-32059-32060-32061-32062-32063-32064-32065-32066-32067-32068-32069-32070-E	
	32071-32072-E	
DD.	Cost Of Capital Trigger Mechanism	31356-35497-31358-32074-31360-E	
EE.	Electric Deferred Refund Account (EDRA)	21212-26600-E	
FF.	Public Purpose Programs Adjustment Mechanism	40523-40524-40525-40526-40527-E	
	40928-40529-E	
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GG.	Energy Efficiency Program Adjustment Mechanism (EEPAM)	40530-E	
HH.	Low Income Energy Efficiency Program Adjustment Mechanism (LIEEPAM).....	30278-24259-E	
II.	Bond Charge Balancing Account (BCBA).....	32855-32234-32235-E	
JJ.	Direct Access Cost Responsibility Surcharge Tracking Account.....	40656-40657-40658-E	
KK.	NOT IN USE	-E	
LL.	Reliability Investment Incentive Mechanism (RIIM)....	40941-40942-40943-40944-40945-40946-E	(N)
MM.	Community Choice Aggregation Implementation Cost Balancing Account.....	39864-E	
NN.	Mohave Balancing Account.....	40716-40717-40718-E	
OO.	Pension Costs Balancing Account	40719-40720-40721-E	
PP.	Post Employment Benefits Other Than Pensions (PBOP) Costs Balancing Account	40722-40723-40724-E	
QQ.	NOT IN USE	-E	
RR.	NOT IN USE	-E	
SS.	NOT IN USE	-E	
TT.	NOT IN USE	-E	
UU.	Late Payment Charge Revenue Balancing Account (LPCRBA).....	40725-40726-E	
VV.	NOT IN USE	-E	
WW.	Community Choice Aggregation Cost Responsibility		
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XX.	NOT IN USE	-E	
YY.	Base Revenue Requirement Balancing Account (BRRBA)	40727-40728-40729-40730-E	
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ZZ.	Energy Resource Recovery Account	40739-40740-34480-40577-39727-40741-40742-E	
AAA.	Post Test Year Ratemaking Mechanism (PTYR)	40743-40744-40745-40746-E	
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BBB.	Employee Safety and Distribution Reliability Performance Incentive Mechanism (SRPIM)	36627-36628-36629-E	

(Continued)

(To be inserted by utility)

Advice 2012-E
Decision 06-05-016

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 7, 2006
Effective Jan 12, 2006
Resolution _____



SOUTHERN CALIFORNIA
EDISON

An EDISON INTERNATIONAL Company

Lisa Vellanoweth
Manager of Tariffs

May 11, 2007

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

Attn: Honesto Gatchalian
Energy Division

Re: Substitute Sheets for Advice 2012-E

Dear Mr. Gatchalian:

Enclosed are an original and four copies of Attachment A, and Substitute Sheet No. 40941-E* for Advice 2012-E. This substitute sheet is necessary to correct an inadvertent error. Substation Infrastructure Replacement and Load Growth located in Table A within Section 2., Definitions, are being inverted to their correct location. This Substitute Sheet will ensure that all appropriate revisions are contained in the affected tariff sheet.

Please replace the enclosed sheets in your master Advice 2012-E and distribute them to the appropriate people reviewing this filing. If you have any questions, please contact Rosie Yocupicio at (626) 302-4858.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Vellanoweth".

Lisa Vellanoweth

Enclosures
2012-ESub.doc

cc: GO 96A
A.04-12-014