

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 15, 2006

JUN 22 2006
REVENUE & TARIFFS DEPT.

Advice Letter 2015-E

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

Reference: Disposition of the December 31, 2005 Balance Recorded in the Family Electric Rate Assistance Balancing Account (FERABA) and Modification of the FERABA

Dear Mr. Jazayeri:

Advice Letter 2015-E is effective June 12, 2006. A copy of the advice letter is sent herewith for your records.

Sincerely,

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

Sean H. Gallagher
Director
Energy Division

June 12, 2006

ADVICE 2015-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Disposition of the December 31, 2005 Balance Recorded in the Family Electric Rate Assistance Balancing Account (FERABA) and Modification of the FERABA

In compliance with Decision (D.) 04-02-057, 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

Pursuant to D.04-02-057 and as set forth in SCE's Preliminary Statement, Part Z, Family Electric Rate Assistance Balancing Account (FERABA), this filing: 1) sets forth the monthly entries recorded in the FERABA during calendar year 2005 for review; 2) requests the California Public Utilities Commission's (Commission) authorization to recover the amounts recorded in the FERABA through generation rate levels; and 3) modifies Preliminary Statement, Part Z, FERABA.

On January 20, 2006, SCE requested an extension of time to file its annual compliance advice letter from January 31, 2006, the due date set forth in SCE's tariffs, until 30 days after a final decision in SCE's 2006 General Rate Case (GRC) (A.04-12-014).¹ On May 11, 2006, the Commission issued a final decision in SCE's 2006 GRC Phase 1 proceeding (D.06-05-016).

BACKGROUND

In compliance with D.04-02-057, SCE established the FERABA to record FERA-related program costs and related revenue shortfalls that result from charging FERA-eligible

¹ SCE's request for extension was granted by letter dated January 23, 2006 from the Commission's Executive Director.

customers Tier 2 electricity rates for their Tier 3 usage.² Revenue shortfalls were recorded in the FERABA only until implementation of SCE's 2003 GRC Phase 2 rate levels, effective April 14, 2005, when rates were designed such that these revenue shortfalls were recovered from non-FERA eligible customers. FERA-related Operation and Maintenance (O&M) costs were to be recorded in the FERABA until such amounts were recovered through SCE's authorized 2006 GRC revenue requirement. On May 11, 2006, the Commission issued a final 2006 GRC Phase 1 decision. In review of this decision, SCE verified that no amounts associated with the FERA-related O&M costs were included in SCE's authorized revenue requirement. Therefore, SCE will continue to record the incremental FERA-related O&M costs associated with the FERA program in the FERABA and has modified the Preliminary Statement, Part Z, accordingly.

RECORDED 2005 OPERATION OF THE FERABA

Attachment B contains the operation of the FERABA for the period January 1, 2005 through December 31, 2005. As shown on Attachment B, the balance recorded in the FERABA as of December 31, 2005 is \$227,000. Pursuant to Preliminary Statement, Part Z, FERABA, this amount was transferred to the Energy Resource Recovery Account (ERRA) on January 1, 2006, and as such, will be recovered through future generation rate levels.

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

This advice filing is effective upon filing, subject to the review and approval of the Energy Division.

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:

² SCE filed Advice 1792-E on April 26, 2004 establishing the FERABA in compliance with D.04-02-057. SCE filed Advice 1857-E on January 28, 2005 related to 2004 costs.

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.02-01-011. 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 Debbie Nunes at (626) 302-1717 or by electronic mail at Debra.Nunes@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:dn: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) #: 2015-E

Subject of AL: Disposition of the December 31, 2005 Balance Recorded in the Family Electric Rate Assistance Balancing Account (FERABA) and Modification of the FERABA

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

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.04-02-057

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: 6/12/06 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: Preliminary Statement Part Z, 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 40984-E	Preliminary Statement Part Z	Original 36373-E
Revised 40985-E	Table of Contents	Revised 40973-E
Revised 40986-E	Table of Contents	Revised 40948-E

PRELIMINARY STATEMENT

Sheet 1

Z. Family Energy Rate Assistance Balancing Account (FERABA)

1. Purpose

Pursuant to D.04-02-057, the purpose of the Family Electric Rate Assistance Balancing Account (FERABA) is to record FERA-related program O&M costs and revenue shortfalls that will result from charging FERA eligible customers Tier 2 electricity rates for their Tier 3 usage. Revenue shortfalls shall be recorded in the FERABA until implementation of General Rate Case (GRC) Phase II rate levels that include the recovery of FERA-related revenue shortfalls on a prospective basis. (D)

2. Definitions

a. Franchise Fees and Uncollectibles:

Franchise Fees and Uncollectibles (FF&U) expense shall be calculated using the factors most recently authorized by the CPUC.

b. FERA-Related Revenue Shortfall:

The revenue shortfall that results from billing FERA eligible customers Tier 2 energy rates for Tier 3 kWh usage, reduced by a provision for FF&U.

c. FERA-Related Program Costs:

Incremental operation and maintenance expenses incurred as the result of the administration of the FERA program authorized in D.04-02-057.

d. Interest Rate:

The Interest Rate shall be the most recent monthly interest rate on Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, three months) be discontinued, interest shall so accrue at the rate of the most recent annual interest rate on Commercial Paper that most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release H.15, or its successor publication.

(Continued)

(To be inserted by utility)

Advice 2015-E
Decision 04-02-057

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

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



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(To be inserted by utility)
Advice 2015-E
Decision 04-02-057

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed Jun 12, 2006
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(To be inserted by utility)

Advice 2015-E
Decision 04-02-057

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

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

ATTACHMENT B
Family Electric Rate Assistance Balancing Account (FERABA)
2005
(\$000)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning Balance	-	15	31	58	109	137	161	159	181	198	214	219	-
2. Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Adjusted Beginning Balance	-	15	31	58	109	137	161	159	181	198	214	219	-
4. <i>Revenue:</i>													
5. Discount Provided 2/	11	9	13	12	-	-	-	-	-	-	-	-	46
6. Less: FF&U	0	0	0	0	-	-	-	-	-	-	-	-	1
7. Discount w/o FF&U	11	9	13	12	-	-	-	-	-	-	-	-	45
8. <i>Program Costs:</i>													
9. Expenses	5	7	14	38	28	24	(2)	21	17	15	4	8	177
10. (Over)/Under Collection	15	16	27	50	28	24	(2)	21	17	15	4	8	223
11. Interest	0	0	0	0	0	0	0	0	1	1	1	1	5
12. Ending Balance	15	31	58	109	137	161	159	181	198	214	219	227	227 1/
13. Interest Rates	2.34%	2.53%	2.68%	2.82%	2.97%	3.09%	3.27%	3.47%	3.64%	3.72%	4.01%	4.23%	

1/ Transferred balance to ERRA.

2/ Effective April 14, 2005 (See Advice 1886-E). Due to implementation of 2003 GRC Phase 2 rates, discounts were no longer recorded in account.