

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



February 13, 2009

Advice Letter 2283-E-A

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Revisions to SCE Company's Transmission Rate Components
Proposed in FERC Docket Nos. ER08-1343-000 and ER09-446-000**

Dear Mr. Jazayeri:

Advice Letter 2283-E-A is effective March 1, 2009.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

February 3, 2009

ADVICE 2283-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Southern California Edison Company's
Transmission Rate Components Proposed in FERC
Docket Nos. ER08-1343-000 and ER09-446-000

PURPOSE

Southern California Edison Company (SCE) hereby submits for filing changes to its Transmission Revenue Requirement (TRR) and associated transmission rates to become effective March 1, 2009, consistent with SCE's rate consolidation filing with the Federal Energy Regulatory Commission (FERC) on December 22, 2008 in Docket No. ER09-446-000. This advice filing supplements and replaces Advice 2283-E in its entirety.

This advice filing is made in compliance with the California Public Utilities Commission's (Commission or CPUC) Resolution E-3930. The rate changes proposed herein meet all requirements of the filing process established in Resolution E-3930 for approval by the Energy Division.

BACKGROUND

On August 1, 2008, in FERC Docket No. ER08-1343-000, SCE filed proposed revisions to its Transmission Owner Tariff (TO Tariff) to reflect: 1) an increase in its retail and wholesale electric transmission rates resulting from a proposed increase in its TRR; 2) an increase in the rates of certain Existing Transmission Contracts (ETCs); and 3) a modification to the TO Tariff and the Transmission Revenue Balancing Account Adjustment (TRBAA) rate to flow through to transmission customers transmission service revenues associated with ETCs and to eliminate the ETC Cost Differential Surcharge applicable to both retail and wholesale customers.

Also on August 1, 2008, in FERC Docket No. ER08-1353-000, SCE proposed to revise its seven path-specific ETCs with various wholesale customers to transition the pricing under these ETCs to a postage stamp methodology and make such ETCs subject to the High Voltage Existing Contracts Access Charge as set forth in Docket No. ER08-1343-000.

On September 30, 2008, FERC issued its Order Accepting and Suspending Proposed Rates, Consolidating Proceedings, and Establishing Hearing and Settlement Judge Procedures. The order accepted for filing SCE's proposed transmission rates in FERC Docket Nos. ER08-1343-000 and ER08-1353-000, consolidated the dockets and suspended them for five months to become effective on March 1, 2009, subject to refund.

Subsequent to FERC's September 30, 2008 Order, SCE filed with the FERC changes to its TRBAA in Docket No. ER09-167-000, and a change to its TRR resulting from the operation of its Construction Work In Progress (CWIP) ratemaking mechanism in Docket No. ER09-187-000. The FERC approved the TRBAA and CWIP rate changes effective January 1, 2009. SCE filed Advice 2286-E on November 7, 2008 to implement these changes in retail rates effective January 1, 2009.

On December 22, 2008, in FERC Docket No. ER09-446-000, SCE tendered for filing revisions to its TO Tariff rate sheets to consolidate the rate changes accepted by the FERC in Docket Nos. ER08-1343, ER08-1353, ER09-187 and ER09-167. SCE also reflected the impact on the TRBAA of the recent FERC order accepting the termination of an ETC with the Imperial Irrigation District in Docket No. ER09-196, and the reduced TRR and associated cost of service reflected in SCE's August 1, 2008 filings in Docket Nos. ER08-1343 and ER08-1353, accepted by FERC to become effective on March 1, 2009.

FERC TRANSMISSION RATE DESIGN AND REVENUE CHANGE

The rates proposed and accepted by FERC in SCE's transmission rate case, Docket No. ER08-1343-000, result in a net \$129 million increase in its TRR, which reflects a \$218 million increase in Base TRR and a change in the TRBAA of -\$89 million.¹ The changes in Base TRR are driven largely by increases in capital investment and operating and maintenance expenses.

The proposed rates contained in this advice letter revise those originally filed in Advice 2283-E to reflect the TRR proposed in SCE's transmission rate consolidation filing, FERC Docket No. ER09-446-000. SCE has requested a net \$17 million decrease in its forecast annualized transmission revenues resulting from the consolidated implementation of the above-referenced dockets as compared to the revenues under the rates originally filed in Docket No. ER08-1343-000.

¹ Advice 2283-E, filed November 3, 2008.

Revised rates as proposed in this supplement are shown below in Table 1. SCE allocates the retail Base TRR to retail rate groups based on the 12 months of coincident peak demand (12 CP) methodology. Final rates were designed based on 2009 forecast monthly peak demand (kW) for demand-metered customers and forecast monthly energy (kWh) consumption for non-demand-metered customers. This approach is identical to that employed in the design of currently effective retail transmission rates (as filed in Advice 2019-E).

Table 1

Transmission Rates					
		Current*		Proposed	
		Energy	Demand	Energy	Demand
		\$/kWh	\$/kW	\$/kWh	\$/kW
DOMESTIC		0.00441		0.00724	
	GS-1	0.00489		0.00776	
	TC-1	0.00281		0.00509	
	GS-2		1.22		2.07
	TOU-GS-3		1.46		2.30
	TOU-8-SEC		1.44		2.47
	TOU-8-PRI		1.36		2.45
	TOU-8-SUB		1.44		2.06
	PA-1		0.22		0.30
	PA-2		0.73		1.08
	AG-TOU		0.54		0.96
	TOU-PA-5		1.25		2.03
STREET LIGHTS		0.00176		0.00327	
	STANDBY				
	below 2 kV		0.21		1.03
	from 2 kV to 50 kV		0.26		0.87
	above 50 kV		0.18		0.65

* Reflects rate change effective January 1, 2009 for CWIP accepted by FERC in Docket No. ER09-187-000.

IMPACT ON CPUC-JURISDICTIONAL RATE DESIGN

The Base Transmission and TRBAA rate components are recovered through the Transmission Rate Component of the CPUC-jurisdictional Delivery Service charge. With the exception of the Domestic rate group, FERC-approved transmission rates are

passed through to retail customers and directly impact the Delivery Service charges. Because Tier 1 and Tier 2 energy charges for Domestic service are limited by law to levels in effect in February 2001,² SCE will offset any increase resulting from the FERC-jurisdictional rates by reducing the SCE Generation component of Tier 1 and Tier 2 energy charges. Pursuant to Decision (D.) 05-08-036, SCE allocates the resulting generation revenue shortfall to Tiers 3, 4 and 5 energy charges for recovery from the Residential customers.

MARCH 1, 2009 RATE CHANGES

SCE will include tariff sheets reflecting the rate changes included herein with the advice letter filed in compliance with Commission D.09-01-010 resolving SCE's Energy Resource Recovery Account (ERRA) 2009 Forecast application.³ SCE will propose that the resulting rate changes become effective on March 1, 2009, consistent with FERC Docket No. ER09-446-000.

TIER DESIGNATION

Pursuant to D.07-01-024, Energy Industry Rule 5.1, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

Assuming FERC acceptance of Docket No ER09-446-000, SCE requests that this advice filing become effective on March 1, 2009, concurrent with the effective date approved by FERC.

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: ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

² Assembly Bill (AB) 1X limits rates for Domestic customers to those in effect on February 5, 2001 for consumption up to 130 percent of their baseline allowance. AB1X capped rate levels were increased in July of 2008 to recover California Solar Initiative costs for usage up to 130 percent of baseline allowance, as filed in Advice 2212-E-A.

³ D.09-01-010, Ordering Paragraph 2, requires that a compliance advice letter be filed by February 9, 2009.

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 of Regulatory Operations
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, Regulatory Affairs
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 4 of General Order No. (GO) 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.07-11-011 service lists. Address change requests to the GO 96-B 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 rate design questions, please contact Robert Thomas at (626) 302-3946 or by electronic mail at Robert.Thomas@sce.com or for technical issues please contact Dan Allstun at (626) 302-3385 or by electronic mail at Daniel.Allstun@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:rt/da: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

E-mail Disposition Notice to: AdviceTariffManager@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) #: 2283-E-A

Tier Designation: 1

Subject of AL: Revisions to Southern California Edison Company's Transmission Rate Components Proposed in FERC Docket Nos. ER08-1343-000 and ER09-446-000

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

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

E-3930

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: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 3/1/09

No. of tariff sheets: -0-

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: None

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
inj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
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, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
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