

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 23, 2009

Advice Letters 2319-E/2319-E-A

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

**Subject: Submission of Bilateral Agreement for Procurement of Renewable Energy
and Supplemental Filing**

Dear Mr. Jazayeri:

Advice Letters 2319-E and 2319-E-A are effective June 18, 2009 per Resolution E-4244.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

May 11, 2009

ADVICE 2319-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Submission of Bilateral Agreement for
Procurement of Renewable Energy

PURPOSE

Southern California Edison Company (“SCE”) is supplementing Advice 2319-E in order to inform parties about a settlement that was recently filed at the Federal Energy Regulatory Commission (“FERC”). Advice 2319-E was originally filed on February 9, 2009, and seeks California Public Utilities Commission (“CPUC”) approval of a renewables portfolio standard power purchase agreement between SCE and Puget Sound Energy, Inc. (the “Puget Contract”).

BACKGROUND

On February 9, 2009, SCE filed Advice 2319-E seeking CPUC approval of the Puget Contract. The effectiveness of the Puget Contract is conditioned upon, among other things, approval by the FERC and CPUC of a Settlement and Release of Claims Agreement resolving claims arising from events in the California and Western Energy Markets during the period January 1, 2000 to June 20, 2001 (the “Settlement Agreement”).

On or before May 8, 2009, Puget Sound Energy, Inc. and all of the “California Parties” except for the CPUC executed the Settlement Agreement.¹ The Settlement Agreement is subject to both FERC approval and the CPUC’s execution and approval of the

¹ The “California Parties” include SCE, Pacific Gas and Electric Company, San Diego Gas & Electric Company, the California Attorney General, the CPUC, and CERS (the California Department of Water Resources acting solely under the authority and powers created by California Assembly Bill 1 of the First Extraordinary Session of 2001-2002, codified in Sections 80000 through 80270 of the California Water Code, and not under its powers and responsibilities with respect to the State Water Resources Development System).

Settlement Agreement. The Settlement Agreement was filed for approval at the FERC on May 8, 2009. The Settlement Agreement is publicly available at the FERC in Docket Nos. EL00-95-000, EL00-98-000, EL01-10-000, IN03-10-000, PA02-2-000, EL03-137-000, *et al.*, EL03-180-000, *et al.*, ER03-746-000, EL02-71-000, and EL03-169-000.² The “Settlement Effective Date,” as defined in the Settlement Agreement, will not occur until, among other things, “all of the required approvals and certification set forth in the Renewable Power Agreement, including the independent approval of the Renewable Power Agreement by the CPUC through its advice letter process” have occurred.³ The Settlement Agreement further provides that:

The CPUC’s consideration and approval of this Agreement⁴ shall not in any way affect or limit the CPUC’s separate, independent review of the Renewable Power Agreement pursuant to the standards generally applicable to its review of renewable power agreements and nothing herein shall be viewed as a pre-judgment or pre-determination by the CPUC of the Renewable Power Agreement.

The Puget Contract’s pricing is not dependent on the Settlement Agreement and SCE would have chosen to enter into the Puget Contract independent of the Settlement Agreement. The Puget Contract should be evaluated on its own merits as a market transaction for the purchase of renewable energy, irrespective of the Settlement Agreement. For the reasons stated in Advice 2319-E, the CPUC should expeditiously approve the Puget Contract.

TIER DESIGNATION

Pursuant to D.07-01-024, Energy Industry Rule 5.3, SCE submits this advice filing with a Tier 3 designation (effective after CPUC approval).

EFFECTIVE DATE

For the reasons stated in Advice 2319-E, SCE requests that this advice filing become effective by June 18, 2009, subject to review and approval by the CPUC.

PROTESTS

CPUC staff has informed SCE that any protests or responses to this Advice 2319-E-A shall be filed no later than June 1, 2009, and any replies no later than June 5, 2009. Pursuant to General Order (“GO”) 96-B, Section 7.5.1, any protest or response shall be limited to the substance of the supplement.

² Documents filed at FERC are available at FERC’s eLibrary website: <<http://www.ferc.gov/docs-filing/elibrary.asp>>.

³ The Puget Contract is referred to as the “Renewable Power Agreement” in the Settlement Agreement.

⁴ The “Agreement” refers to the Settlement Agreement.

NOTICE

In accordance with Section 4 of GO 96-B, SCE is furnishing copies of this advice filing to the interested parties shown on the attached R.08-08-009, R.06-02-012, and GO 96-B service lists. Address change requests to the GO 96-B service list should be directed to AdviceTariffManager@sce.com or at (626) 302-2930. 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/>.

All questions concerning this advice filing should be directed to Cathy Karlstad at (626) 302-1096 (E-mail: Cathy.Karlstad@sce.com).

Southern California Edison Company

Akbar Jazayeri

AJ:ck:jm
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) #: 2319-E-A

Tier Designation: 3

Subject of AL: Supplement to Submission of Bilateral Agreement for Procurement of Renewable Energy

Keywords (choose from CPUC listing): Compliance, Contracts, Procurement

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

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

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:

Resolution Required? Yes No

Requested effective date: 6/18/09 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

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E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
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San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@sce.com

Stuart Hemphill
Vice President, Renewable and Alternative Power
c/o Mike Marelli
Southern California Edison Company
2244 Walnut Grove Avenue, Quad 4D
Rosemead, California 91770
Facsimile: (626) 302-1103
E-mail: Mike.Marelli@sce.com

With a copy to:

Cathy Karlstad
Attorney
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