

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



August 3, 2010

**Advice Letters 2363-E and 2363-E-A**

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

**Subject: Establishment of Solar Photovoltaic Program Balancing Account  
and Transfer of the Solar Photovoltaic Program Memorandum  
Account Pursuant to D.09-06-049 and Supplemental Filing**

Dear Mr. Jazayeri:

Advice Letters 2363-E and 2363-E-A are effective June 18, 2009.

Sincerely,

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

Julie A. Fitch, Director  
Energy Division

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 3, 2010

Advice Letter 2363-E-A

Bruce Foster  
Senior Vice President, Regulatory Affairs  
c/o Karyn Ganescki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102

**Subject:** Southern California Edison Company's Supplemental Advice Letter 2363-E-A regarding the establishment of Solar Photovoltaic Program Balancing Account and Transfer of the Solar Photovoltaic Program Memorandum Account Balance Pursuant to Decision 09-06-049.

Dear Mr. Foster:

The Energy Division has determined that SCE's Advice Letter (AL) 2363-E-A is in compliance with Decision (D.)09-06-049 and is effective June 18, 2009.

D.09-06-049 adopted a five-year, solar photovoltaic program (SPVP), which in part authorized SCE to build, own and operate up to develop up to 250 megawatts of rooftop solar photovoltaic systems. SCE filed AL 2363-E to establish its Solar Photovoltaic Program Balancing Account (SPVPBA) and to transfer the Solar Photovoltaic Program Memorandum Account (SPVPMA) balance to the SPVPBA, pursuant to D.09-06-049. On August 10, 2009, the Division of Ratepayer Advocates (DRA) submitted a protest to AL 2363-E. On June 25, 2010, SCE submitted supplemental AL 2363-E-A to modify its proposed preliminary statement language for the SPVPBA to address clarifications sought by DRA in its protest. SCE's AL 2363-E-A requests the following relief:

- To establish Preliminary Statement, Part UU, SPVPBA to record SCE's actual operations and maintenance and capital-related revenue requirement associated with the SPVP. The balance in the SPVPBA will be transferred on a monthly basis to the Generation Sub-account of the Base Revenue Requirement Balancing Account (BRRBA) where the actual revenue requirement will be compared with SPVP-related revenues.
- To transfer the balance in the SPVPMA to the SPVPBA for future rate recovery after Commission review in an Energy Resource Recovery Account reasonableness proceeding.

Letter to Bruce Foster  
August 3, 2010  
Page 2

The requested relief sought in AL 2363-E-A complies with D.09-06-049 and sufficiently addresses concerns raised by DRA in its protest to AL 2363-E. Accordingly, DRA's protest is denied without prejudice. In the protest, DRA primarily sought clarification on two issues, which are discussed below.

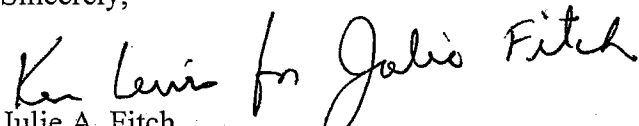
The first issue raised by DRA in its protest was to seek clarification that capital-related costs of SPVP that are found to be unreasonable are removed from SCE's rate base and refunded to SCE's ratepayers. The clarification requested in this protest is reflected in the modifications submitted in AL 2363-E-A and is otherwise consistent with traditional cost-of-service ratemaking.

DRA also requested that capital expenditures included in SCE's SPVPMA be reviewed in SCE's General Rate Case (GRC) or alternatively, the Commission should limit the capital expenditures to be reviewed in SCE's Energy Resource Recovery Account (ERRA) to those originally recorded in the SPVPMA and require all other capital expenditures for the SPVP, going forward, be reviewed in SCE's next GRC. The DRA's alternative request is consistent with AL 2363-E-A, D.09-06-049 and SCE's recent actions seeking cost recovery for SPVP-related expenditures in their current ERRA proceeding (A.10-04-002). Therefore, no further action is required on the Commission's behalf.

D.09-06-049 is the Commission's decision on SCE's Application (A.)08-03-015 that adopted the SPVP and its related cost-recovery mechanisms. The Energy Division has determined that SCE's AL 2363-E-A is in compliance with D.09-06-049 and is effective June 18, 2009.

Please contact Sean Simon of the Energy Division staff at 415-703-3791 ([svn@cpuc.ca.gov](mailto:svn@cpuc.ca.gov)) if you have any questions.

Sincerely,

  
Julie A. Fitch  
Director, Energy Division

cc: Cynthia Walker, Program Manager  
Division of Ratepayer Advocates

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June 25, 2010

**ADVICE 2363-E-A**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Supplement to the Establishment of Solar Photovoltaic Program Balancing Account and Transfer of the Solar Photovoltaic Program Memorandum Account Balance Pursuant to Decision 09-06-049

On July 20, 2009, Southern California Edison Company (SCE) filed Advice Letter 2363-E in compliance with Decision (D.) 09-06-049 to establish the Solar Photovoltaic Program Balancing Account (SPVPBA) and Transfer the balance in the Solar Photovoltaic Program Memorandum Account (SPVPMA) to SPVPBA. The revised tariff sheets are listed on Attachment A and are attached hereto.

**PURPOSE**

The purpose of this advice letter filing is to supplement Advice Letter 2363-E, in part, to propose additional revisions to Preliminary Statement, Part UU, SPVPBA.

**BACKGROUND**

On August 10, 2009, DRA filed its Protest to Advice Letter 2363-E. No other protests to the advice letter were filed.

DRA's protest essentially sought clarification with respect to two aspects of the review of the Solar Photovoltaic Program (SPVP) costs. First, DRA requests that the Commission specifically state in the resolution approving Advice Letter 2363-E that if recovery of capital expenditures are disallowed, SCE should make the appropriate adjustment to the SPVPBA so that customers are not charged for the disallowed capital. Second, DRA asserts that all capital expenditures for the SPVP should be reviewed in SCE's next General Rate Case (GRC).

SCE filed its Response to DRA's protest on August 17, 2009. In the Response, SCE explained that if the Commission were to find any costs unreasonable, SCE would record the appropriate entries to the SPVPBA to remove those costs. In addition, SCE explained that D.09-06-049 does require a review of the entries recorded in the SPVPMA in an Energy Resource Recovery Account Review Proceeding before the balance recorded in the SPVPMA can be transferred to the SPVPBA and acknowledged that D.09-06-049 required review of all capital costs in SCE's GRC.

### **PROPOSED TARIFF REVISIONS**

Based on DRA's concerns, SCE is revising its Preliminary Statement, Part UU, SPVPBA to provide clarification of the review procedures for costs recorded in both the SPVPMA and the SPVPBA. In addition, SCE has included language in the Preliminary Statement that states any costs the Commission finds not to be reasonable in the GRC proceeding will be removed from the SPVPBA and will not be recovered from SCE's customers.

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.

### **TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.3, this advice letter is submitted with a Tier 1 designation (effective after Commission approval).

### **EFFECTIVE DATE**

This advice filing will become effective on June 18, 2009, the date of the Decision, as proposed in Advice 2363-E.

### **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](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@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 of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto: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) 929-5540  
E-mail: [Karyn.Gansecki@sce.com](mailto: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 GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.08-03-015 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-4039. 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](mailto: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 Angelica Morales at (626) 302-6160 or by electronic mail at [angelica.morales@sce.com](mailto:angelica.morales@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ:am: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](mailto:James.Yee@sce.com)

E-mail Disposition Notice to: [AdviceTariffManager@sce.com](mailto: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) #: 2363-E-A

Tier Designation: 1

Subject of AL: Supplement to the Establishment of Solar Photovoltaic Program Balancing Account and Transfer of the Solar Photovoltaic Program Memorandum Account Balance Pursuant to Decision 09-06-049

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

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

D.09-06-049

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<sup>1</sup>: \_\_\_\_\_

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: 6/18/09      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 UU and Table of Contents

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: None

<sup>1</sup> 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](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Akbar Jazayeri  
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Southern California Edison Company  
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E-mail: [AdviceTariffManager@sce.com](mailto: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](mailto:Karyn.Gansecki@sce.com)

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 45458-E	Preliminary Statement Part UU	
Revised 45459-E	Table of Contents	Revised 47117-E
Revised 45460-E	Table of Contents	Revised 46926-E

PRELIMINARY STATEMENT

Sheet 1

## UU. Solar PV Program Balancing Account (SPVPBA)

## 1. Purpose

Pursuant to Decision D.09-06-049, the purpose of the Solar PV Program Balancing Account (SPVPBA) is to record the actual incremental O&M and capital-related revenue requirement (i.e. depreciation, return on rate base, and applicable taxes) associated with the SPVP.

## 2. Operation of the SPVPBA

Monthly entries to the SPVPBA shall be determined as follows:

- a. A debit entry equal to SCE's recorded incremental O&M expenses associated with the SPVP.
- b. A debit entry equal to SCE's recorded incremental capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with the SPVP.
- c. A debit entry associated with the transfer of the balance recorded in the Solar PV Program Memorandum Account (SPVPMA) after the Commission's review of the balance in an Energy Resource Recovery Account (ERRA) Reasonableness proceeding.

## 3. Disposition

The SPVPBA balance shall be transferred on a monthly basis to the Generation Subaccount in the BRRBA. Interest expense shall not be recorded in the SPVPBA because the monthly activity is transferred to the BRRBA.

## 4. Review Procedures

As required by Ordering Paragraph No. 3 of D.09-06-049, the entries recorded in the Solar PV Program Memorandum Account will be reviewed in an annual ERRA Reasonableness proceeding. Upon such review and a determination that these costs were incurred as a result of the SPVP, SCE will transfer the balance recorded in the SPVPMA to the SPVPBA. As also required by Conclusion of Law No. 9 of D.09-06-049, all SPV program costs, including O&M costs, and including the amounts recorded in the SPVPMA will be reviewed for reasonableness in SCE's GRC. Only capital costs in excess of the annual \$/W threshold contained in SCE's Solar PV testimony and as adopted in D.09-06-049 will be subject to a reasonableness review. Any amount that the Commission finds not to be reasonable in the GRC will be removed from the SPVPBA and will not be recovered from SCE's customers.

(To be inserted by utility)

Advice 2363-E-A  
Decision 09-06-046

Issued by

Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 25, 2010  
Effective Jun 18, 2009  
Resolution \_\_\_\_\_



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.  
 Sheet No.

TITLE PAGE .....11431-E

TABLE OF CONTENTS - RATE SCHEDULES .... 45459-45460-47118-46910-46911-46912-46913-E (T)

TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS .....46913-E

TABLE OF CONTENTS - RULES .....47054-E

TABLE OF CONTENTS - BASELINE REGIONS .....45888-E

TABLE OF CONTENTS - SAMPLE FORMS .....47119-47120-45890-47056-47057-46049-E  
 .....46050-E

PRELIMINARY STATEMENT:

A. Territory Served .....22909-E

B. Description of Service .....22909-E

C. Procedure to Obtain Service .....22909-E

D. Establishment of Credit and Deposits .....22909-E

E. General..... 45178-45179-45180-45181-45182-E

F. Symbols .....37168-E

G. Gross Revenue Sharing Mechanism ..... 26584-26585-26586-26587-27195-27196-27197-E  
 .....27198-27199-27200-27201-E

H. Baseline Service ..... 45183-45598-11880-11881-31679-E

I. Advanced Metering Infrastructure Balancing Account ..... 42811-42812-E

J. Palo Verde Balancing Account..... 44942-44943-44944-E

K. Nuclear Decommissioning Adjustment Mechanism ..... 36582-36583-E

L. Purchase Agreement Administrative Costs Balancing Account ..... 44041-44042-E

M. Income Tax Component of Contributions ..... 46229-27632-E

N. Memorandum Accounts..... 21344-46512-47097-42035-42036-41775-44428-44429-44947-E  
 ..... 42840-42841-42842-44948-44949-44950-44951-44952-44953-42849-42850-42851-E  
 ..... 41717-46513-44297-42855-42856-44341-45252-44955-42860-42861-42862-42863-E  
 ..... 42864-42921-42922-44956-44957-45185-42870-42871-42872-42873-42874-46539-E  
 ..... 42876-42877-42878-42879-42880-42881-42882-42883-44958-42885-44959-42887-E  
 ..... 42888-44960-47098-42891-42892-39861-43806-43889-43890-43891-43892-44029-44133-E  
 .....45906-45097-E

O. California Alternate Rates for Energy (CARE) Adjustment Clause  
 ..... 34705-41902-36472-38847-46843-E

P. Optional Pricing Adjustment Clause (OPAC) ..... 27670-27671-27672-27673-27674-E

(Continued)

(To be inserted by utility)  
 Advice 2363-E-A  
 Decision 09-06-046

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Jun 25, 2010  
 Effective Jun 18, 2009  
 Resolution \_\_\_\_\_



TABLE OF CONTENTS

Sheet 2

(Continued)

Cal. P.U.C.  
Sheet No.

PRELIMINARY STATEMENT: (Cont'd)

Q.	Demand Side Management Adjustment Clause .....	24255-21355-20380-E
	.....20381-22167-20383-21356-30264-20386-E	
R.	NOT IN USE .....	42955-E
S.	Procurement Energy Efficiency Balancing Account .....	44342-E
T.	Electric and Magnetic Fields Measurement Program.....	18319-18320-18321-E
U.	California Solar Initiative Program Balancing Account.....	44471-44472-42039-E
V.	Hazardous Substance Cleanup Cost Recovery Mechanism .....	18853-22174-E
	.....27264-46002-31527-31528-18857-22175-18859-27681-27682-27683-18863-E	
W.	Departing Load and Customer Generation Departing Load Cost Responsibility .....	45966-39862-33560-39863-33562-E
	.....42772-33564-33565-33566-33567-33568-33569-33570-33571-33572-33573-33574-33575-E	
X.	Research, Development and Demonstration Adjustment Clause.....	45962-44963-E
Y.	Demand Response Program Balancing Account.....	44596-44597-40392-45503-E
	.....40394-40395-E	
Z.	Songs 2&3 Steam Generator Replacement Balancing Account.....	45399-45400-45401-45402-E
	.....45403-E	
AA.	California Alternate Rates for Energy (CARE) Balancing Account .....	44454-44455-44456-E
BB.	PBR Distribution Revenue Requirement Adjustment Factor .....	31330-31331-31332-31333-35496-31335-31336-31337-E
CC.	PBR Distribution Performance Mechanism .....	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 .....	31356-35497-31358-35498-31360-E
EE.	Electric Deferred Refund Account .....	21212-26600-E
FF.	Public Purpose Programs Adjustment Mechanism .....	44928-46924-40525-44457-40527-E
	.....46566-46567-E	
GG.	Energy Efficiency Program Adjustment Mechanism .....	40530-E
HH.	Low Income Energy Efficiency Program Adjustment Mechanism .....	44459-44460-E
II.	Bond Charge Balancing Account .....	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 .....	46160-46161-46162-46163-46164-46165-E
MM.	Community Choice Aggregation Balancing Account.....	44964-E
NN.	Mohave Balancing Account.....	45963-44966-40718-E
OO.	Pension Costs Balancing Account .....	45964-44968-44969-E
PP.	Post Employment Benefits Other Than Pensions Costs Balancing Account.....	45965-44971-44972-E
QQ.	Edison SmartConnect™ Balancing Account.....	44310-44973-44312-44313-E
RR.	New System Generation Balancing Account .....	46525-44975-44976-E
SS.	Songs 2&3 Steam Generator Removal And Disposal Balancing Account.....	45404-45405-E
	.....45406-45407-E	
TT.	NOT IN USE .....	-E
UU.	Solar PV Program Balancing Account (SPVPBA).....	45458-E
VV.	Medical Programs Balancing Account.....	44977-44978-44979-E
WW.	Community Choice Aggregation Cost Responsibility .....	37950-E
	Surcharge Tracking Account .....	43893-E
XX.	Clean Technology Generation Balancing Account.....	45967-45968-45969-45970-E
YY.	Base Revenue Requirement Balancing Account .....	45971-45972-45973-45974-45975-45976-45977-45978-45979-E
ZZ.	Energy Resource Recovery Account .....	43213-40740-34480-45186-45187-46569-46570-E
	.....46571-46572-46573-E	
AAA.	Post Test Year Ratemaking Mechanism. ....	44986-45188-40745-40746-E
	.....36622-36623-36624-36625-36626-E	
BBB.	Employee Safety and Distribution Reliability Performance Incentive Mechanism .....	36627-36628-36629-E
CCC.	Cost of Capital Mechanism.....	44218-44219-E

(T)

(Continued)

(To be inserted by utility)

Advice 2363-E-A  
Decision 09-06-046

Issued by

Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 25, 2010  
Effective Jun 18, 2009  
Resolution \_\_\_\_\_