

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



November 6, 2009

Advice Letter 2384-E

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

**Subject: Revisions to SCE's Transmission Rate Component and
Proposal for a Refund Plan to Reflect the Settlement Rates
Approved in FERC Docket Nos. ER08-1343-000 et al**

Dear Mr. Jazayeri:

Advice Letter 2384-E is effective October 1, 2009.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

September 21, 2009

ADVICE 2384-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Southern California Edison Company's
Transmission Rate Component and Proposal for a Refund Plan
to Reflect the Settlement Rates Approved in FERC
Docket Nos. ER08-1343-000 et al.

PURPOSE

SCE proposes to implement settlement rates approved by the Federal Energy Regulatory Commission (FERC) effective March 1, 2009, pursuant to Southern California Edison Company's (SCE) Transmission Rate Case filing and consolidated proceedings in FERC Docket Nos. ER08-1343-000 et al. In addition, SCE submits its proposed refund plan to return to customers \$28.1 million associated with the overcollections accrued for the period March 1, 2009, through September 30, 2009. Resolution E-3930 requires that, "Where the FERC directs refunds of rates previously passed through to customers, the utility shall file, within 30 days of the FERC action, an advice letter proposing a method for these refunds to be passed through into retail rates."

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 Transmission Revenue Requirement (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 (FERC Order). The FERC Order accepted for filing SCE's proposed transmission rates in 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 the FERC 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 with the California Public Utilities Commission (CPUC) on November 7, 2008, to implement these changes in retail rates effective January 1, 2009.

SCE filed Advice 2283-E with the CPUC on November 3, 2008, reflecting the originally proposed increase in its Transmission Rate Component, effective March 1, 2009, pursuant to its Transmission Rate Case filing in Docket No. ER08-1343-000 and FERC's September 30, 2008, order accepting and suspending the proposed rates.

On December 22, 2008, in 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. ER08-1343-000, ER08-1353-000, ER09-187-000 and ER09-167-000. The FERC, on February 19, 2009, issued an order accepting the rate sheets and suspending them until March 1, 2009, subject to refund.

On February 3, 2009, SCE filed Advice 2283-E-A with the CPUC, supplementing and replacing Advice 2283-E in its entirety. Advice 2283-E-A reflected changes to SCE's TRR and associated transmission rates to become effective March 1, 2009, consistent with the December 22, 2008 rate consolidation filing in Docket No. ER09-446-000. Advice 2283-E-A was approved by the CPUC's Energy Division with an effective date of March 1, 2009.

On July 1, 2009, SCE filed an Explanatory Statement and Offer of Settlement (Settlement) with the FERC, resolving all outstanding issues set for hearing in Docket Nos. ER08-1343-000 et al. The Settlement included rates to replace those originally accepted by FERC in its February 19 order. By order dated September 11, 2009, the FERC approved the settlement rates effective March 1, 2009 leaving to the CPUC the determination of the treatment of refunds to retail customers necessitated by the Settlement.

FERC TRANSMISSION RATE DESIGN AND TARIFF CHANGES

In its FERC Settlement, SCE allocates the authorized retail Base TRR to retail rate groups based on the 12 months of coincident peak demand (12CP) methodology. Transmission rates are determined based on 2009 forecast monthly peak demand (kW) for demand-metered customers and forecast monthly energy (kWh) consumption for non-demand-metered customers. The proposed rates shown below in Table 1 reflect the TRR adopted in SCE’s Settlement in FERC Docket No. ER08-1343-000. SCE will consolidate implementation of the FERC Settlement rates on October 1, 2009, with the rates adopted in its 2009 General Rate Case (GRC) Phase 2.

Table 1

Rate Group	Base Transmission Rates					
	Current Rate			Settlement Rate		
	Energy \$/kWh	Facility Demand \$/kW	Standby Demand \$/kW	Energy \$/kWh	Facility Demand \$/kW	Standby Demand \$/kW
DOM	0.00724			0.00620		
GS-1	0.00776			0.00665		
TC-1	0.00509			0.00436		
GS-2		2.07	1.03		1.85	1.15
TOU-GS-3		2.30	1.03		1.97	1.15
TOU-8-Sec		2.47	1.03		2.11	1.15
TOU-8-PRI		2.45	0.87		2.10	0.69
TOU-8-Sub		2.06	0.65		1.80	0.50
TOU-8-220kV		2.06	0.65		0.55	0.39
PA-1		0.30	1.03		0.26	1.15
PA-2		1.08	1.03		0.92	1.15
AG-TOU		0.96	1.03		0.83	1.15
TOU-PA-5		2.03	1.03		1.74	1.15
St-Lighting	0.00327			0.00280		

The FERC Settlement also includes a revised TRBAA rate. SCE combines the currently effective Transmission Access Charge Balancing Account Adjustment (TACBAA) rate and Reliability Services Balancing Account (RSBAA) rate with the Settlement TRBAA rate to produce the Transmission Owners Tariff Charge Adjustment (TOTCA) rate component of the applicable tariffs, set forth in Table 2 below. The increase in the TRBAA from -\$0.00138 per kWh to -0.00103 per kWh is due to the removal of the ETC revenue credit that had been included in the TRBAA. As a result of the FERC Settlement, the ETC revenue credit was moved from the TRBAA to the Base TRR and, therefore, the TRBAA component of the TOTCA increased.

Table 2

Rate Group	Proposed TOTCA Rates - \$/kWh			
	RSBAA	TRBAA	TACBAA	TOTCA
	<i>Current</i>	<i>Settlement</i>	<i>Current</i>	<i>Proposed</i>
DOM	(0.00018)	(0.00103)	0.00088	(0.00033)
GS-1	(0.00019)	(0.00103)	0.00088	(0.00034)
TC-1	(0.00012)	(0.00103)	0.00088	(0.00027)
GS-2	(0.00017)	(0.00103)	0.00088	(0.00032)
TOU-GS-3	(0.00016)	(0.00103)	0.00088	(0.00031)
TOU-8-Sec	(0.00014)	(0.00103)	0.00088	(0.00029)
TOU-8-PRI	(0.00013)	(0.00103)	0.00088	(0.00028)
TOU-8-Sub	(0.00012)	(0.00103)	0.00088	(0.00027)
PA-1	(0.00013)	(0.00103)	0.00088	(0.00028)
PA-2	(0.00010)	(0.00103)	0.00088	(0.00025)
AG-TOU	(0.00008)	(0.00103)	0.00088	(0.00023)
TOU-PA-5	(0.00011)	(0.00103)	0.00088	(0.00026)
St-Lighting	(0.00008)	(0.00103)	0.00088	(0.00023)

PROPOSED REFUND PLAN

As a result of the reduced rate levels adopted in the FERC Settlement relative to those implemented on March 1, 2009, SCE will provide customer refunds for overcollections accrued between March 1, 2009, and September 30, 2009 (Refund Period). The refund reflects the difference between revenues billed under the March 1 rates and revenues that would have been billed had the FERC Settlement rates been in effect since March 1, 2009. As discussed above, both the Base Transmission and TRBAA rates were implemented on March 1, 2009, subject to refund. As a result of the FERC Settlement, the Base Transmission rates have been reduced from the Base Transmission rates implemented on March 1, 2009, and the TRBAA rates have been increased above the TRBAA rates implemented on March 1, 2009. SCE has calculated a refund of \$46.4 million, including interest, associated with the Base Transmission rates and an undercollection of \$18.3 million, including interest, associated with the TRBAA rates during the Refund Period. As a means to provide this net refund of \$28.1 million (i.e., \$46.4 million less \$18.3 million) to retail customers, SCE proposes to record the net refund of \$28.1 million in the Distribution sub-account of the Base Revenue Requirement Balancing Account (BRRBA). SCE proposes to include the net refund of \$28.1 million through reduced Distribution rate levels beginning on October 1, 2009, at the same time SCE will implement its 2009 GRC Phase 2 rate changes authorized in D.09-08-028. SCE will allocate the Base TRR amount of the refund to rate groups on the same basis as the Base TRR overcollection was accrued. Table 3 shows the Base TRR refund rates which will be reflected in the Base TRR rate for a

12-month period. The TRBAA undercollection revenue will be recovered on an equal \$/kWh basis.

Table 3

Rate Group	Refund Rates		
	Energy \$/kWh	Facility Demand \$/kW	Standby Demand \$/kW
DOM	(0.00064)		
GS-1	(0.00065)		
TC-1	(0.00048)		
GS-2		(0.14)	0.08
TOU-GS-3		(0.19)	0.08
TOU-8-Sec		(0.21)	0.08
TOU-8-PRI		(0.21)	(0.08)
TOU-8-Sub		(0.14)	(0.12)
TOU-8-220kV		(0.44)	(0.20)
PA-1		(0.03)	0.08
PA-2		(0.10)	0.08
AG-TOU		(0.09)	0.08
TOU-PA-5		(0.15)	0.08
St-Lighting	(0.00027)		

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.1(3), this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

SCE requests that this advice filing become effective on October 1, 2009. Revised tariff sheets are not included with this advice filing. SCE will consolidate the FERC-approved Settlement and refund rates with other rate changes to be submitted in SCE's advice letter implementing D.08-09-028, in SCE's 2009 GRC Phase 2.

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: inj@cpuc.ca.gov and 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

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

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 service list and A.07-11-011. 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 questions, please contact Robert Thomas at (626) 302-3946 or by electronic mail at Robert.Thomas@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:rt: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) #: 2384-E

Tier Designation: 1

Subject of AL: Revisions to Southern California Edison Company's Transmission Rate Component and Proposal for a Refund Plan to Reflect the Settlement Rates Approved in FERC Docket Nos. ER08-1343 et al.

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

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: 10/1/09 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
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E-mail: Karyn.Gansecki@sce.com