

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



May 26, 2010

Advice Letter 2459-E

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

**Subject: Tariff Revisions Necessary to Set Forth the 2010 Public Goods
Target Funding Levels and the 2010 Procurement Energy
Efficiency Program Funding Levels**

Dear Mr. Jazayeri:

Advice Letter 2459-E is effective May 1, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

ADVICE LETTER (AL) SUSPENSION NOTICE
ENERGY DIVISION

Utility Name: SCE
Utility No./Type U338-E
Advice Letter No. 2459-E
Date AL filed: April 1, 2010
Utility Contact Person: Jill Holmes
Utility Phone No. 626 302-2509

Date Utility Notified: 4/30/10 via: e-mail
[x] E-Mail to: James.Yee@sce.com
Fax No.: N/A
ED Staff Contact: Anne Premo

For Internal Purposes Only:

Date Calendar Clerk Notified: ____/____/____
Date Commissioners/Advisors Notified: ____/____/____

[x] INITIAL SUSPENSION (up to 120 DAYS)

This is to notify that the above-indicated AL is suspended for up to 120 days beginning April 30 2010 for the following reason(s) below. If the AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division extends beyond the expiration of the initial suspension period, the advice letter will be automatically suspended for up to 180 days beyond the initial suspension period.

[] Section 455 Hearing is Required. A Commission order may be required to address the advice letter.

[] Advice Letter Requests a Commission Order.

[X] Advice Letter Requires Staff Review

Expected duration of initial suspension period: 120 days.

[] FURTHER SUSPENSION (up to 180 DAYS beyond initial suspension period)

The AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division has extended beyond the expiration of the initial suspension period. The advice letter is suspended for up to 180 days beyond the initial suspension period.

If you have any questions regarding this matter, please contact Anne Premo at 916-324-8683 (awp@cpuc.ca.gov).

cc: Julie Fitch
Maria Salinas
Honesto Gatchalian

April 1, 2010

ADVICE 2459-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Tariff Revisions Necessary to Set Forth the 2010 Public Goods
Target Funding Levels and the 2010 Procurement Energy
Efficiency Program Funding Levels

In compliance with Public Utilities (P.U.) Code §399.8, Resolution E-3792, Senate Bill (SB) 1036, Resolution E-4160, Decision (D.)08-10-027, and its Preliminary Statement Part FF, Public Purpose Program Adjustment Mechanism (PPPAM), 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 P.U. Code §399.8 and Resolution E-3792, SCE is revising Preliminary Statement, Part FF, PPPAM, to establish Public Goods target funding amounts for 2010. SCE's Public Goods target funding is composed of three components: 1) Public Goods Charge (PGC)-related Energy Efficiency (EE); 2) California Energy Commission (CEC)-administered Research, Development and Demonstration (RD&D); and 3) CEC-administered Renewables. In addition, as set forth in Preliminary Statement, Part FF, PPPAM, SCE is revising the PPPAM to establish the 2010 annual authorized funding for Procurement EE. This funding is residually determined by subtracting the PGC-related EE funding (determined pursuant to P.U. Code §399.8 and Resolution E-3792) from the total annual EE funding levels adopted in D.09-09-047.

PROPOSED CHANGES

A. 2010 Public Goods Target Funding Adjustments

On December 17, 2002, the California Public Utilities Commission (Commission) issued Resolution E-3792 implementing P.U. Code §399.8. Resolution E-3792 established SCE Public Goods target amounts for 2002. In addition, Resolution E-3792 set forth a methodology for adjusting these target amounts each subsequent year. The Commission requires SCE to file its annual Public Goods target amounts on or by March 31 of each year through 2011.

Effective January 1, 2008, SB 1036 reduced the annual statewide funding level for renewable programs by approximately 50 percent. The Commission issued Resolution E-4160 to implement SB 1036 and allocate the new reduced statewide funding amount between Pacific Gas and Electric Company, SCE and San Diego Gas & Electric Company based on the annual 2007 funding amounts. As required by Resolution E-3792, and consistent with Ordering Paragraph No. 6 of Resolution E-4160, SCE must submit an advice letter by March 31 of each year to adjust the annual funding levels in accordance with Resolution E-3792.

The proposed 2010 Public Goods target funding amounts, based on the Commission-adopted adjustment methodology, as well as a comparison with the currently effective funding amounts, are shown below. This methodology mandates that if the lower of sales change and price change is negative in any one year, authorizations for the subsequent year shall remain constant. Since SCE’s sales change from 2008 to 2009 was negative and in absolute value lower than the price change, the 2010 Public Goods target funding amounts will remain constant.¹

Public Goods Target Funding Amounts²
(\$000)

	<u>Currently Effective</u>	<u>2010</u>	<u>Change</u>
EE	100,415	100,415	0
Renewables	29,924	29,924	0
RD&D	<u>28,563</u>	<u>28,563</u>	<u>0</u>
Total	158,902	158,902	0

¹ P.U. Code §399.8(d)(2) provides the [target funding] amounts shall be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator. Resolution E-3792 adds, “If the lower of sales change and price change is negative in any one year, authorizations for the subsequent year shall remain constant.”

² These Public Goods target funding amounts do not include an allowance for Franchise Fees and Uncollectibles.

Appendix A, attached hereto, supports SCE's determination of the 2010 Public Goods target funding amounts.

B. 2010-2012 EE Funding Levels and Residual Determination of the 2010 Procurement Energy Efficiency Balancing Account (PEEBA)-Authorized Revenue

SCE filed its original application for approval of its 2009-2011 EE program plans and PGC and Procurement funding on July 21, 2008. On March 2, 2009, SCE filed a revised application. In these applications, SCE requested the approval of its 2009-2011 EE program plans and funding, specifically requesting (1) funding of its existing EE-related PGC and (2) an increase in its Procurement EE funding.³

During the August 11, 2008 prehearing conference, in anticipation that the Commission's final decision on the Utilities' applications would not be issued before the end of 2008, the Administrative Law Judge directed the Utilities to submit proposals for 2009 funding until a final Commission decision could be issued. On August 18, 2008, the Utilities filed a joint proposal for bridge funding. On October 16, 2008, the Commission approved D.08-10-027, formally authorizing a bridge funding period for the Utilities beginning January 1, 2009.

D.09-09-047 established SCE's 2010-2012 EE funding levels and adopted the 2009 bridge funding authorized in D.08-10-027. On November 23, 2009, SCE filed Advice Letter 2410-E establishing the 2010-2012 authorized revenues and applicable tariffs.

The following table represents SCE's 2010-2012 EE funding levels including that for Evaluation, Measurement & Verification (EM&V).⁴

SCE's Authorized 2010-2012 EE Funding Levels⁵

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Authorized EE	\$397,666,667	\$397,666,667	\$397,666,667	\$1,193,000,000

Since the 2010-2012 EE authorized revenues include both the EE-related PGC and the PEEBA-related funding, Ordering Paragraph No. 4 of D.05-09-043 addresses how the total authorized revenue for EE programs will be allocated between the EE-related PGC and the Procurement-related EE funding. As established by Resolution E-3792, SCE

³ Both the PGC-related EE costs and the Procurement EE costs are recovered in SCE's Public Purpose Program Charge (PPPC).

⁴ D.09-09-047 and Advice 2410-E. The Commission, in D.09-09-047, authorized total EE funding of \$1.228 billion over the three-year period 2010 through 2012. When implementing D.09-09-047, SCE used \$35.0 million of unspent and uncommitted program funding from past EE portfolio periods and reduced the additional customer funding to \$1.193 billion over the three-year period.

⁵ These authorized 2010-2012 EE funding levels do not include an allowance for Franchise Fees and Uncollectibles.

will continue to file advice letters by March 31 of each year to establish and recover the authorized electric PGC, including the annual adjustment to the PGC-related EE funding. The remaining portion of the total authorized EE funding amount is Procurement-related funding, including funding for On-Bill Financing (OBF), and shall be collected as part of the PPPC.

Using the methodology described above and the 2010 EE Public Goods target funding amount of \$100,415,000 contained in Section A above, the 2010 PEEBA funding level is residually determined as follows:

	<u>2010</u>
Authorized EE Revenue	\$397,666,667
Less: EE Public Goods Funding	\$100,415,000
Less: OBF Funding	\$ 5,333,333
PEEBA	<u>\$291,918,334</u>

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on May 1, 2010, 30 calendar days after the date filed.

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 and A.08-07-021 et al. 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 P.U. Code §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 Jill Holmes at (626) 302-4962 or by electronic mail at Jill.Holmes@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:jh:sq
Enclosures

APPENDIX A

**Southern California Edison Company
Public Goods Charge Adjustment**

2010

Determination of Adjustment Percentage

Lessor of the following: 1/

I Actual percentage change in electric sales (GWhs):

2008	89,808
2009	85,850
% Change	-4.41% ✓

II GDP Deflator change for 2009 (as published by the U.S. Department of Commerce):

% Change	1.18%
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1/ PU Code Section 399.8(d)(2) provides the [target funding] amounts shall be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator. Resolution E-3792 adds "If the lower of sales change and price change is negative in any one year, authorizations for the subsequent year shall remain constant."

Adjusted PGC Target Funding Amounts (amounts are in thousands)

	Adopted in Advice 2335-E 2009	Adjustment	2010
Energy Efficiency	100,415	1.0000	100,415
Renewables	29,924	1.0000	29,924
RD&D	<u>28,563</u>	1.0000	<u>28,563</u>
Total	158,902		158,902

Gross Domestic Product: Implicit Price Deflator 2005=100, Seasonally Adjusted Source: U.S. Department of Commerce, Bureau of Economic Analysis			
	<u>DATE</u>	<u>GDPDEF</u>	<u>Change</u>
Release date: 2/28/2010	2008	108.483	1.0118
Release date: 2/28/2010	2009	109.761	
	% Change	1.18%	

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) #: 2459-E Tier Designation: 2

Subject of AL: Tariff Revisions Necessary to Set Forth the 2010 Public Goods Target Funding Levels and the 2010 Procurement Energy Efficiency Program Funding Levels

Keywords (choose from CPUC listing): Compliance, Energy Efficiency, Procurement

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.08-10-027, Resolutions E-3792, and E-4160

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: 5/1/10 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 FF and Table of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: 2410-E

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
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 46924-E	Preliminary Statement Part FF	Original 46180-E
Revised 46925-E	Table of Contents	Revised 46706-E
Revised 46926-E	Table of Contents	Revised 46707-E



PRELIMINARY STATEMENT

Sheet 2

(Continued)

FF. PUBLIC PURPOSE PROGRAMS ADJUSTMENT MECHANISM (Continued)

2. Definitions (Continued)

a. Authorized PGC-Related Expenses: (Continued)

	<u>01/01/2008</u>	<u>01/01/2009</u>
	(\$millions)	(\$millions)
Energy Efficiency (SCE Administered)	99.293	100.415
RD&D (CEC Administered)	28.244	28.563
Renewables (CEC Administered)	<u>29.590</u>	<u>29.924</u>
Total	157.127	158.902

	<u>01/01/2010</u>	
	(\$millions)	
Energy Efficiency (SCE Administered)	100.415	(l)
RD&D (CEC Administered)	28.563	
Renewables (CEC Administered)	<u>29.924</u>	
Total	158.902	(l)

b. Authorized Procurement Energy Efficiency Annual Funding Levels:

Pursuant to D.05-09-043, SCE shall subtract the annual Energy Efficiency PGC authorized funding amount as determined by the PGC Annual Adjustments in Section 4. and identified above, from the total annual authorized Energy Efficiency-related funding adopted by the Commission.

(Continued)

(To be inserted by utility)
 Advice 2459-E
 Decision 08-10-027

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
 Date Filed Apr 1, 2010
 Effective May 1, 2010
 Resolution E-3792, E-4160



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.
 Sheet No.

TITLE PAGE11431-E

TABLE OF CONTENTS - RATE SCHEDULES 46925-46926-46785-46786-46787-46788-46789-E (T)

TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS46789-E

TABLE OF CONTENTS - RULES46047-E

TABLE OF CONTENTS - BASELINE REGIONS45888-E

TABLE OF CONTENTS - SAMPLE FORMS46350-46398-45890-46420-46048-46049-E
46050-E

PRELIMINARY STATEMENT:

A. Territory Served22909-E

B. Description of Service22909-E

C. Procedure to Obtain Service22909-E

D. Establishment of Credit and Deposits22909-E

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

F. Symbols37168-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..... 21344-46512-46538-42035-42036-41775-44428-44429-44947-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
 42888-44960-43367-42891-42892-39861-43806-43889-43890-43891-43892-44029-44133-E
45906-45097-E

O. California Alternate Rates for Energy (CARE) Adjustment Clause
 34705-41902-36472-38847-46565-E

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

(Continued)

(To be inserted by utility)
 Advice 2459-E
 Decision 08-10-027

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 Date Filed Apr 1, 2010
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 Resolution E-3792, E-4160



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 Account44342-E

T. Electric and Magnetic Fields Measurement Program..... 18319-18320-18321-E

U. California Solar Initiative Program Balancing Account44471-44472-42039-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 Account21212-26600-E

FF. Public Purpose Programs Adjustment Mechanism 44928-46924-40525-44457-40527-E (T)
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 Mechanism46160-46161-46162-46163-46164-46165-E

MM. Community Choice Aggregation Balancing Account44964-E

NN. Mohave Balancing Account.....45963-44966-40718-E

OO. Pension Costs Balancing Account45964-44968-44969-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 Account46525-44975-44976-E

SS. Songs 2&3 Steam Generator Removal And Disposal Balancing Account 45404-45405-E
45406-45407-E

TT. NOT IN USE-E

UU. NOT IN USE-E

VV. Medical Programs Balancing Account 44977-44978-44979-E

WW. Community Choice Aggregation Cost Responsibility
 Surcharge Tracking Account..... 37950-E

XX. Clean Technology Generation Balancing Account 43893-E

YY. Base Revenue Requirement Balancing Account 45967-45968-45969-45970-E
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

(Continued)

(To be inserted by utility)

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