

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



December 27, 2010

Advice Letter 2524-E

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

**Subject: Revisions to SCE Company's Reliability Services
Balancing Account Adjustment Rates**

Dear Mr. Jazayeri:

Advice Letter 2524-E is effective January 1, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

November 10, 2010

ADVICE 2524-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Southern California Edison Company's
Reliability Services Balancing Account Adjustment Rates

PURPOSE

Southern California Edison Company (SCE) proposes to reflect an increase in its Transmission Rate Component, effective January 1, 2011, pursuant to SCE's Reliability Services Rate Revision Filing, filed with the Federal Energy Regulatory Commission (FERC) on October 28, 2010, in Docket No. ER11-1934-000.

This advice filing is made in compliance with the California Public Utilities Commission's (CPUC's) 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

Reliability Services are those services provided by the California Independent System Operator (CAISO) that are deemed necessary to maintain reliable electric service in the CAISO-Control Area. Through March of 2009, this included services obtained from Reliability Must Run (RMR) units, generators committed pursuant to the CAISO's must-offer requirements when the unit is committed for local reliability, and local out-of-market dispatch calls pursuant to Section 30.6 of the CAISO's FERC Tariff, when the costs were billed to a Participating Transmission Owner (PTO). In addition, Reliability Services also included service provided by the PTO as a result of implementing CAISO Operating Procedure M-438.

In April of 2009, the CAISO implemented its Market Redesign and Technology Upgrade (MRTU) and three categories of Reliability Services were discontinued; must-offer costs, local out-of-market dispatch calls, and the M-438 procedure. Another category,

Exceptional Dispatch pursuant to Section 34.9 of the CAISO Tariff, was added in April of 2009. Consequently, beginning in April of 2009, only two categories of Reliability Services costs remain: RMR costs and Exceptional Dispatch costs.

The Reliability Services Rate Schedule, Appendix VI to the Transmission Owner (TO) Tariff, along with the Reliability Services Balancing Account mechanism, ensures that SCE neither overcollects nor undercollects Reliability Services costs.

PROPOSED RATE CHANGE

Pursuant to its TO Tariff, SCE must revise its Reliability Services revenue requirement and Reliability Services Balancing Account Adjustment (RSBAA) rates annually through an update filing to be effective for service rendered on and after January 1 of each year. In Docket No. ER11-1934-000, filed at the FERC on October 28, 2010, SCE proposed that the FERC accept updates to the RSBAA rate for the various rate schedules to become effective for service rendered on and after January 1, 2011. The total RSBAA revenue requirement for retail service increased from negative \$3,998,656 to positive \$4,366,993. This new revenue requirement is allocated to retail rate groups based on the 12 months of coincident peak demand (12-CP) methodology. The allocated revenue requirement for each rate group is then divided by forecasted kWh sales for the rate group to arrive at the revised retail RSBAA rate. The revised retail RSBAA rates are shown below:

**2011 RELIABILITY SERVICES RATE REVISION FILING
PRESENT VS. PROPOSED RATES**

Retail Rate Group	Present Rate ¢/ kWh	Proposed Rate ¢/ kWh
Domestic	-0.005	0.006
GS-1	-0.005	0.006
GS-2	-0.005	0.005
TC-1	-0.003	0.004
TOU-GS-3	-0.005	0.005
TOU-8 Secondary	-0.004	0.005
TOU-8 Primary	-0.004	0.004
TOU-8 Subtransmission	-0.004	0.004
PA-1	-0.004	0.005
PA-2	-0.003	0.005
TOU-AG	-0.002	0.003
TOU-PA5	-0.004	0.010
Street Lighting	-0.002	0.003

SCE will combine the currently effective Transmission Access Charge Balancing Account Adjustment (TACBAA) rate with the proposed Transmission Revenue Balancing Account Adjustment (TRBAA) rate¹ and the proposed RSBAA rates to produce the Transmission Owners Tariff Charge Adjustment (TOTCA) rate component of the applicable tariffs effective January 1, 2011. SCE will consolidate the revised TOTCA rates in tariffs with other end-of-year rate changes to be proposed in subsequent advice filings, including the Schedule TOU-PA-ICE rate escalation, the California Department of Water Resources (DWR) Bond and Power Charges, and the California Public Utilities Commission Reimbursement Fee (PUCRF), if applicable. Consistent with past practice, SCE will include revised tariff sheets reflecting all January 1, 2011 rate changes with the latest of these advice filings prior to January 1, 2011.

TIER DESIGNATION

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

EFFECTIVE DATE

Assuming FERC acceptance of SCE's Reliability Services Rate Revision and pursuant to the TO Tariff which sets forth that the RSBAA rate changes shall become effective January 1 of each year, SCE requests that this advice filing become effective on January 1, 2011, concurrent with the effective date approved by the 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: 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:

¹ The TRBAA was updated on October 28, 2010, in FERC Docket No. ER11-1931-000, for an effective date of January 1, 2011. The revised TRBAA rate is being filed on November 10, 2010 in Advice 2523-E, for CPUC approval.

Akbar Jazayeri
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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 2030
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.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 CPUC'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 CPUC, 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) #: 2524-E Tier Designation: 1

Subject of AL: Revisions to Southern California Edison Company's Reliability Services Balancing Account Adjustment Rates

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: 1/1/11 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
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601 Van Ness Avenue, Suite 2030
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