

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



March 18, 2011

Advice Letter 2546-E

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

**Subject: Disposition of the December 31, 2010 Electric Deferred
Refund Account Balance**

Dear Mr. Jazayeri:

Advice Letter 2546-E is effective February 26, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

January 27, 2011

ADVICE 2546-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Disposition of the December 31, 2010 Electric Deferred Refund
Account Balance

PURPOSE

In compliance with Resolution E-4364, Decision (D.)96-12-025, Resolution E-3525 and D.05-03-022, Southern California Edison Company (SCE) hereby submits for filing the disposition of the accumulated balance recorded as of December 31, 2010, in SCE's Electric Deferred Refund Account (EDRA), Preliminary Statement, Part EE.

BACKGROUND

The EDRA was established to record credits for electric disallowances ordered by the California Public Utilities Commission (Commission), Utility Electric Generation (UEG) shares of gas disallowances ordered by the Federal Energy Regulatory Commission (FERC), and electric and UEG amounts resulting from the settlement of reasonableness disputes at the Commission or FERC.¹ In addition, the December 31 balance in the Gross Revenue Sharing Tracking Account (GRSTA) is also transferred to the EDRA.² SCE is required to provide a refund to customers of the amounts accumulated in the EDRA based on each customer's average monthly energy usage for each calendar-year period, and to file a refund plan for such amounts on or before January 31 of the succeeding year.³

¹ Pursuant to Ordering Paragraphs 2 and 5 of D.96-12-025, SCE established the EDRA effective December 20, 1996.

² The purpose of the GRSTA is to record the customers' share of certain Other Operating Revenues (OOR) pursuant to D.99-09-070.

³ Ordering Paragraph 4 of D.96-12-025.

In Phase 2 of SCE's 2003 General Rate Case (Application 02-05-004), SCE reached a settlement with the active parties (Settlement Agreement) which included the following provision associated with prospective EDRA bill credits.

"The use of the bill credit refund method to provide customer refunds for amounts accrued in the EDRA shall be limited to instances when the annual amount to be refunded exceeds \$25 million. If the annual amount to be refunded does not meet this threshold value, SCE shall amortize the EDRA balance in future rates through an appropriate annual rate adjustment proceeding."⁴

On March 17, 2005, the Commission adopted the Settlement Agreement in Ordering Paragraph 1 of D.05-03-022.

The credit balance recorded in the EDRA as of December 31, 2010, is \$6.955 million,⁵ and pursuant to D.05-03-002, SCE will refund the \$6.955 million to all customers by transferring the December 31, 2010 balance in the EDRA to the distribution subaccount of its Base Revenue Requirement Balancing Account (BRRBA).

2010 EDRA ACTIVITY

On December 31, 2009, consistent with Preliminary Statement, Part G, Gross Revenue Sharing Mechanism (GRSM), SCE transferred a balance of \$9.504 million recorded in the GRSTA to the EDRA. As of January 1, 2010, the beginning balance recorded in the EDRA was \$9.504 million. SCE filed Advice 2427-E on January 25, 2010, to have the Commission review the entries that support the over-collection of \$9.504 million, and requested approval to refund this amount to customers. Advice 2427-E was protested by The Utility Reform Network (TURN). On December 16, 2010, the Commission issued Resolution E-4364 approving SCE's request in Advice 2427-E with a modification requiring SCE to record a credit adjustment of \$0.551 million. Therefore, in compliance with Resolution E-4364, SCE transferred \$10.076 million (i.e., \$9.504 million plus \$0.551 million adjustment, and \$0.022 million of interest) recorded in the EDRA to the distribution subaccount of BRRBA to be refunded to customers in 2011. (See Attachment A.)

In addition, consistent with Preliminary Statement, Part G, GRSM, SCE transferred the December 31, 2010 over-collected ending balance of \$6.955 million recorded in the GRSTA to the EDRA. This balance consisted of a net Customer's Share of OOR of \$8.067 million with prior period debit adjustments totaling \$1.118 million, plus interest of \$0.06 million. (See Attachment B.)

⁴ Section 6.c(1)g of the Settlement Agreement.

⁵ The balance in the EDRA is related to the annual transfer from SCE's GRSTA.

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

SCE requests that this advice letter become effective on February 26, 2011, the 30th day 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 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 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 Patrick Ott at (626) 302-3133 or by electronic mail at Patrick.Ott@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:po: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) #: 2546-E

Tier Designation: 2

Subject of AL: Disposition of the December 31, 2010 Electric Deferred Refund Account Balance

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

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.96-12-025, D.05-03-022, Resolution E-4364, and Resolution E-3525

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: 2/26/11

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

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 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

ATTACHMENT A
2010
ELECTRIC DEFERRED REVENUE ACCOUNT (P9048)
Recorded in Thousands of Dollars

No.	Item	Recorded January	Recorded February	Recorded March	Recorded April	Recorded May	Recorded June	Recorded July	Recorded August	Recorded September	Recorded October	Recorded November	Recorded December	Annual Summary
1.	BEGINNING BALANCE:		(7,837)	(7,838)	(7,839)	(7,840)	(7,841)	(7,843)	(7,845)	(7,847)	(7,849)	(7,850)	(7,852)	0
2.	Transfer from GRSTM	(9,504)	0	0	0	0	0	0	0	0	0	0	0	(9,504)
3.	Transfer from GRSTMA for FERC Settlement Adjust 1/	1,667	0	0	0	0	0	0	0	0	0	0	0	1,667
4.	Associated Interest	2	0	0	0	0	0	0	0	0	0	0	0	2
5.	Reversal of Jan transfer for FERC adjust. per Res. E-4364 2/	0	0	0	0	0	0	0	0	0	0	0	(1,667)	(1,667)
6.	Associated Interest	0	0	0	0	0	0	0	0	0	0	0	(5)	(5)
7.	Transfer from GRSTMA per Res. E-4364 3/	0	0	0	0	0	0	0	0	0	0	0	(551)	(551)
8.	Associated Interest	0	0	0	0	0	0	0	0	0	0	0	(2)	(2)
9.	Transfer to BRRBA as of 12/31/09 4/ 5/ 6/	0	0	0	0	0	0	0	0	0	0	0	10,048	10,048
10.	Associated Interest	0	0	0	0	0	0	0	0	0	0	0	29	29
11.	Adjusted Beginning Balance	(7,836)	(7,837)	(7,838)	(7,839)	(7,840)	(7,841)	(7,843)	(7,845)	(7,847)	(7,849)	(7,850)	(0)	16
12.	<u>MONTHLY ACTIVITY:</u>													
13.	Bill Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
14.	Refund Amounts	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	UNDER/(OVER) COLLECTION	0	0	0	0	0	0	0	0	0	0	0	0	0
20.	INTEREST	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(0)	(16)
21.	Transfer from GRSTM	0	0	0	0	0	0	0	0	0	0	0	(6,955)	(6,955)
22.	ENDING BALANCE	(7,837)	(7,838)	(7,839)	(7,840)	(7,841)	(7,843)	(7,845)	(7,847)	(7,849)	(7,850)	(7,852)	(6,955)	(6,955)
23.	Interest Rates	0.16%	0.13%	0.15%	0.20%	0.23%	0.28%	0.32%	0.27%	0.25%	0.24%	0.23%	0.23%	

1/ Jan: transfer from GRSTM per FERC Rate Case Settlement - for Transmission Revenue Distribution to \$5MM annually from \$3MM annually (for 3/09 - 12/09), and related interest.

2/ Dec: Reversal of Jan FERC adjustment - to be carried over to the 2010 EDRA Advice Letter filing per Res. E-4364 (pg. 11)

3/ Dec: per Res E-4364 to reverse the transfer of the Mar 2009 adjust for deferred rent revenue offsets

4/ Dec: per OP #1 of Res E-4364 AL 2427-E to transfer the EDRA Dec 31, 2009 Ending Balance to the BRRBA

5/ Dec: per OP #1 of Res E-4364 - to effect a deletion of the Mar '09 adjustment amount and transfer it to the BRRBA

6/ Dec: per Res E-4364 transfer to BRRBA of the '09 Ending Balance; plus the Deferred Rent Rev adjustment amount from Mar '09, and related interest.

Summary of Transfer to BRRBA:	Principal	Interest	Total
Ending Balance from 12/31/09 transferred from BRRBA	(9,497,199)	(6,573)	(9,503,772)
Related Interest from 1/10 -11/10		(19,501)	(19,501)
Adjustment to delete March 2009 Adjustment	(550,693)	(132)	(550,825)
Related Interest from 1/10 -11/10		(2,360)	(2,360)
	(10,047,892)	(28,566)	(10,076,458)

ATTACHMENT B
2010
Gross Revenue Sharing Tracking Mechanism (P9023)
(Thousands of Dollars)

Line No.	Item	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Annual Summary	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
1.	BEGINNING BALANCE:	-	417	833	370	(444)	(1,291)	(2,272)	(3,015)	(4,051)	(4,908)	(5,799)	(6,597)	-
2.	Provision Adjustment 1/	1,667												1,667
3.	Related Interest	2												2
4.	Transfer Adjust Amt to EDRA 2/	(1,667)	0	0	0	0	0	0	0	0	0	0	0	(1,667)
5.	Related Interest	(2)	0	0	0	0	0	0	0	0	0	0	0	(2)
6.	Reversal of Transfer in 1/2010 3/												1,667	1,667
7.	Related Interest												5	5
8.	Correction to 3/2009 Adjust to Gross Rev 4/		0	0	0	0	0	0	0	0	0	0	(1,101)	(1,101)
9.	Related Interest												(5)	(5)
10.	Transfer to EDRA per Res E-4364 5/												551	551
11.	Related Interest												2	2
12.	Adjusted Beginning Balance	0	417	833	370	(444)	(1,291)	(2,272)	(3,015)	(4,051)	(4,908)	(5,799)	(5,479)	1,118
13.	Customer's Share of OOR	0	0	(880)	(1,230)	(1,264)	(1,397)	(1,159)	(1,452)	(1,273)	(1,307)	(1,214)	(1,891)	(13,067)
14.	Trans Revenue Mo. Dist Amount	417	417	417	417	417	417	417	417	417	417	417	417	5,000
15.	UNDER/(OVER) COLLECTION	417	417	(464)	(813)	(848)	(981)	(742)	(1,035)	(856)	(890)	(797)	(1,475)	(8,067)
16.	INTEREST	0	0	0	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(6)
17.	Interest Rates	0.16%	0.13%	0.15%	0.20%	0.23%	0.28%	0.32%	0.27%	0.25%	0.24%	0.23%	0.23%	
18.	ENDING BALANCE	417	833	370	(444)	(1,291)	(2,272)	(3,015)	(4,051)	(4,908)	(5,799)	(6,597)	(6,955)	(6,955)
19.	Transfer to EDRA												6,955	6,955
20.	ADJUSTED ENDING BALANCE												0	0

1/ Jan: to adjust for FERC Rate Case settlement - for Trans Rev Dist Amt to \$5MM/yr from \$3MM/yr for period of 3/09 - 12/09, and related interest.

2/ Jan: to transfer FERC related adjust to EDRA, and related interest.

3/ Dec: per Res E-4364 (p 11) to reverse amount transferred to EDRA in Jan, to carry over the adjustment to the 2010 EDRA AL filing.

4/ Dec: to reverse amount recorded Sep - Dec 2008 in Acct 4184518 - Def'd Operating Land/Facil Rent Rev - which should be excluded from OOR, plus related interest from 9/08 - 11/10.

5/ Dec: to reverse adjustment of Mar 2009 per Res E-4364; OP #1 (p 17) requires SCE to "delete" the Mar 09 adjustment for deferred rent revenue.



James W. Yee
Supervisor of Advice Letters
James.Yee@sce.com

January 28, 2011

California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Attn: Honesto Gatchalian
Energy Division

Re: Substitute Sheet for Southern California Edison
Company's Advice 2546-E

Dear Mr. Gatchalian:

Enclosed are the original and four copies of a substitute sheet for Southern California Edison Company's (SCE's) Advice 2546-E, Disposition of the December 31, 2010 Electric Deferred Refund Account Balance.

A typographical error in the last paragraph on page 2 of the advice letter is corrected as follows:

In addition, consistent with Preliminary Statement, Part G, GRSM, SCE transferred the December 31, 2010 over-collected ending balance of ~~\$6.995~~ 6.955 million recorded in the GRSTA to the EDRA.

Please include this substitute sheet in your master file for Advice 2546-E and distribute the copies to the appropriate people reviewing Advice 2546-E.

Should you have any questions, please contact me at (626) 302-2509.

Sincerely,

James W. Yee

JWY:sq
Enclosures

cc: Don Lafrenz, Energy Division
Maria Salinas, Energy Division
Parties on SCE's GO 96-B and A.07-11-011 service lists