
March 25, 2002

ADVICE 51-W
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
WATER DIVISION

SUBJECT: **Establishment of the Water Quality Memorandum Account,
and the Office of Drinking Water User Fee Memorandum
Account, in Accordance with Resolution W-4327**

In accordance with Resolution W-4327, dated March 6, 2002, Southern California Edison Company (SCE) hereby submits revised tariff schedules as listed on Attachment A and attached hereto.

PURPOSE

This advice filing establishes SCE's Preliminary Statement, Part J, Water Quality Memorandum Account (WQMA), and Part K, Office of Drinking Water (ODW) User Fee Memorandum Account (applicable to water service on Santa Catalina Island), as authorized in Resolution W-4327.

BACKGROUND

Resolution W-4327 updates and modifies Resolution W-4013 (dated December 20, 1996). SCE filed Advice 48-W on March 14, 1997, in compliance with Resolution W-4013, and established Part H, "Water Related Costs and Fees Memorandum Account." Entries to the Water Related Costs and Fees Memorandum Account terminated (other than accrued interest) effective January 1, 2002, pursuant to Resolution W-4013.

In accordance with Resolution W-4327, the newly established WQMA will record costs associated with water sampling, testing, and treatment for drinking water as required by the Environmental Protection Agency and the Department of Health Services. The newly established ODW User Fee Memorandum Account will record user fees assessed by the Office of Drinking Water.

Resolution W-4327 encourages utilities to file timely advice letter(s) requesting cost recovery of amounts recorded in the two newly established memorandum accounts. Cost recovery of amounts recorded more than 36 months prior to the date of filing such advice letter(s)^{1/} will not be permitted.

In addition, the two newly established memorandum accounts shall remain open until the Commission terminates them or January 1, 2008, whichever occurs first^{2/}.

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.

EFFECTIVE DATE

This advice filing is effective on March 6, 2002, which is the effective date of Resolution W-4327.

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 by the Water Division and SCE no later than 20 days after the date of this advice filing. Protests should be mailed to:

Water Division
Attn: J.R. Babaran
California Public Utilities Commission
505 Van Ness Avenue, Room 3106
San Francisco, California 94102
Facsimile: (415) 703-4426
E-mail: jrb@cpuc.ca.gov

Copies should also be mailed to the attention of the Chief, Small Water Division, Room 3106 (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/} Pursuant to Ordering Paragraph No. 3 of Resolution W-4327.

^{2/} Pursuant to Ordering Paragraph No. 5 of Resolution W-4327.

Akbar Jazayeri
Director of Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue, Rm. 303
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: Emelyn.Lawler@sce.com

Bruce Foster
Vice President of Regulatory Operations
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Bruce.Foster@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 III, Paragraph G, of General Order No. 96-A, SCE is mailing copies of this advice filing to the interested parties shown on the attached service list. Address change requests to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or by electronic mail at Emelyn.Lawler@sce.com.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing open for public inspection 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/> and choose Regulatory Info Center/Advice Letters.

For questions, please contact Phillip Durgin at (626) 302-6344 or by electronic mail at Phillip.Durgin@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:pd/eml
Enclosures

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|----------------------------------|--|-------------------------------------|
| Original 353-W Original 354-W | Preliminary Statement Part J Preliminary Statement Part J | |
| Original 355-W Original 356-W | Preliminary Statement Part K Preliminary Statement Part K | |
| Revised 357-W | Table of Contents ToFC | Revised 352-W* |

PRELIMINARY STATEMENT

Sheet 1

J. WATER QUALITY MEMORANDUM ACCOUNT

1. Purpose:

SCE shall maintain a Water Quality Memorandum Account (WQMA) for its Santa Catalina Island water operations in accordance with Resolution W-4327. The purpose of the WQMA is to record costs associated with complying with water quality-related rules and regulations promulgated by the Federal Environmental Protection Agency (EPA), and the California Department of Health Services (DHS).

Water quality-related costs include water sampling, testing, reporting and treatment. Amounts recorded in the WQMA shall only include those water quality-related costs in excess of those already authorized (if any) in the most recent general rate case for Santa Catalina Island water operations.

2. Definitions:

a. Interest Rate

The Interest Rate is one-twelfth of the most recent month's interest rate of Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, G.13. Should publication of such interest rate be discontinued, interest shall accrue at the rate of one-twelfth of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.

b. Termination Date

In accordance with Ordering Paragraph No. 5 of Resolution W-4327, the Termination Date of the WQMA is the date that the Commission cancels it, or January 1, 2008 – whichever occurs first.

3. Operation of the WQMA

Entries to the WQMA shall be made monthly (if applicable) as follows:

a. A debit entry equal to recorded water quality costs associated with complying with applicable EPA rules and regulations;

b. A debit entry equal to recorded water quality costs associated with complying with applicable DHS rules and regulations;

(Continued)

(To be inserted by utility)

Advice 51-W

Decision _____

Issued by

John R. Fielder

Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Mar 25, 2002

Effective Mar 6, 2002

Resolution W-4327



PRELIMINARY STATEMENT

Sheet 2

(Continued)

J. WATER QUALITY MEMORANDUM ACCOUNT (Continued)

3. Operation of the WQMA (Continued)

c. The sum of "a." and "b." above equals the total monthly amount to be debited to the WQMA.

Interest expense shall accrue monthly to the WQMA by application of the Interest Rate to the WQMA average monthly balance.

4. Disposition of Amounts Recorded in the WQMA

In accordance with Ordering Paragraph No. 3 of Resolution W-4327: (1) SCE shall file an advice letter to seek Commission approval for the cost recovery of amounts recorded in the WQMA; and (2) Water quality-related costs recorded prior to 36 months of the filing date of such an advice letter shall not be allowed for cost recovery purposes.

(To be inserted by utility)

Advice 51-W
Decision _____

2H8

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Mar 25, 2002
Effective Mar 6, 2002
Resolution W-4327

PRELIMINARY STATEMENT

Sheet 1

K. OFFICE OF DRINKING WATER USER FEES MEMORANDUM ACCOUNT

1. Purpose:

SCE shall maintain an Office of Drinking Water (ODW) User Fees Memorandum Account for its Santa Catalina Island water operations in accordance with Resolution W-4327. The purpose of the ODW User Fees Memorandum Account is to record fees billed to SCE by the State of California's Department of Health Services (DHS), as provided by Section 4019.10 of the Health and Safety Code.

The fees billed by the DHS to SCE represent actual operating costs incurred by the DHS for activities connected with: (1) the issuance of permits; (2) conducting inspections and surveillance; (3) taking enforcement actions, and (4) the costs of administering any contracts with local health officers.

2. Definitions:

a. Interest Rate

The Interest Rate is one-twelfth of the most recent month's interest rate of Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, G.13. Should publication of such interest rate be discontinued, interest shall accrue at the rate of one-twelfth of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.

b. Termination Date

In accordance with Ordering Paragraph No. 5 of Resolution W-4327, the Termination Date of the ODW User Fees Memorandum Account is the date that the Commission cancels it, or January 1, 2008 – whichever occurs first.

3. Operation of the ODW User Fees Memorandum Account

Entries to the ODW User Fees Memorandum Account shall be made monthly (if applicable) as follows:

a. A debit entry equal to fees billed to SCE by the DHS.

Interest expense shall accrue monthly to the ODW User Fees Memorandum Account by application of the Interest Rate to the average monthly balance of the ODW User Fees Memorandum Account.

(Continued)

(To be inserted by utility)

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Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Mar 25, 2002
Effective Mar 6, 2002
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PRELIMINARY STATEMENT

Sheet 2

(Continued)

K. OFFICE OF DRINKING WATER USER FEES MEMORANDUM ACCOUNT (Continued)

4. Disposition of Amounts Recorded in the ODW User Fees Memorandum Account

In accordance with Ordering Paragraph No. 3 of Resolution W-4327: (1) SCE shall file an advice letter to seek Commission approval for the cost recovery of amounts recorded in the ODW User Fees Memorandum Account; and (2) ODW user fees billed to SCE and recorded in the ODW User Fees Memorandum Account prior to 36 months of the filing date of such an advice letter shall not be allowed for cost recovery purposes.

(To be inserted by utility)

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Decision _____

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Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Mar 25, 2002
Effective Mar 6, 2002
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LIST OF CONTRACTS AND DEVIATIONS

..... Cal. P.U.C.
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List of Contracts and Deviations 6-W

(Continued)

(To be inserted by utility)
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Issued by
John R. Fielder
 Senior Vice President

(To be inserted by Cal. PUC)
 Date Filed Mar 25, 2002
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