November 18, 2009

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

Subject: Establishment of the Fire Hazard Prevention Memorandum Account in Compliance with D.09-08-029

Dear Mr. Jazayeri:

Advice Letter 2387-E is effective August 20, 2009.

Sincerely,

Julie A. Fitch, Director  
Energy Division
October 1, 2009

ADVICE 2387-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Establishment of the Fire Hazard Prevention Memorandum Account in Compliance With Decision No. 09-08-029

In compliance with the California Public Utilities Commission (Commission or CPUC) Decision No. (D.)09-08-029, 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 Ordering Paragraph 7 of D.09-08-029, this advice filing modifies Preliminary Statement, Part N, Memorandum Accounts, to establish the Fire Hazard Prevention Memorandum Account (FHPMA) to record costs related to fire safety and to implement fire prevention corrective action measures in extreme and very high fire threat areas. SCE will record the difference between all fire hazard prevention costs related to activities necessary to implement the requirements of D.09-08-029 and the amounts previously authorized in its 2009 General Rate Case (GRC) in the FHPMA.

BACKGROUND

The Commission initiated Order Instituting Rulemaking (R.)08-11-005 on November 13, 2008, to consider revising and clarifying its regulations designed to protect the public from potential hazards, including fires, which may be caused by electric transmission or distribution lines, or communication infrastructure providers’ facilities in proximity to the electric overhead transmission or distribution lines. The initial scope included six areas for consideration: 1) immediate reporting of fire-related incidents and full cooperation with Commission staff; 2) applying General Order (GO) 165 or similar maintenance and inspection requirements to all electric transmission and communication infrastructure providers’ facilities located on poles owned by publicly-owned utilities; 3) overloading of utility poles; 4) prompt reporting and resolution of hazards and violations that one pole
occupant may observe in another pole occupant’s facilities; 5) vegetation management in high risk fire areas; and 6) mitigation of fire hazards in high speed wind areas.

D.09-08-029 primarily addresses measures to reduce fire hazards in California before the 2009 fall fire season. The decision also adopted statewide measures to be initiated before the 2009 fall fire season starts. Additionally, this decision found that cost-of-service regulated utilities are entitled to recover reasonable costs prudently incurred in compliance with D.09-08-029. These costs may include: 1) expenses associated with vegetation management activities to reduce risk of fires; 2) increased expenses related to the maintenance program, inspection, and patrolling requirements,¹ 3) expenses incurred in designing, constructing, and maintaining facilities to mitigate fire hazards in high speed wind areas, and 4) other expenses incurred in implementing D.09-08-029. R.08-11-005 remains open to address other issues in Phase 2.

**PROPOSED TARIFF CHANGES**

In Ordering Paragraph No. 7 of D.09-08-029, the Commission directs each cost-of-service regulated utility to record in a memorandum account its prudently incurred and reasonable costs to comply with the rule changes adopted in the decision to avoid retroactive ratemaking.² The Commission will determine the proceeding for recovery of these costs in Phase 2 of R.08-11-005.

To implement this approved ratemaking, Preliminary Statement, Part N, is being modified to add the FHPMA, which is included in Attachment A.

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.

**TIER DESIGNATION**

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

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¹ D.09-08-029 adopts changes to GO 165 for patrol inspections in rural areas by increasing those inspections to once per year in Extreme and Very High Fire Threat Zones in certain counties as defined by the California Department of Forestry and Fire Protection’s Fire and Resource Assessment Program (FRAP) Fire Threat Map. SCE’s Patrol Inspection Program currently follows this practice; therefore, funding was previously authorized in SCE’s 2009 GRC.

² SCE will not record expenses in the FHPMA related to the annual patrol inspections in rural areas unless the Commission changes the frequency of patrol inspections or the FRAP Fire Threat Map is revised. Additionally, SCE will not record expenses for joint pole activities unless the Commission changes GO 165.
EFFECTIVE DATE

This advice filing is requested to become effective August 20, 2009, the date D.09-08-029 became effective.

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 R.08-11-005 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 Doug Snow at (626) 302-2035 or by electronic mail at Douglas.Snow@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:ds:sq
Enclosures
CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

<table>
<thead>
<tr>
<th>Company name/CPUC Utility No.:</th>
<th>Southern California Edison Company (U 338-E)</th>
</tr>
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<tbody>
<tr>
<td>Utility type:</td>
<td>Contact Person: James Yee</td>
</tr>
<tr>
<td>☑ ELC</td>
<td>Phone #: (626) 302-2509</td>
</tr>
<tr>
<td>☐ GAS</td>
<td>E-mail: <a href="mailto:James.Yee@sce.com">James.Yee@sce.com</a></td>
</tr>
<tr>
<td>☐ PLC</td>
<td>E-mail Disposition Notice to: <a href="mailto:AdviceTariffManager@sce.com">AdviceTariffManager@sce.com</a></td>
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<tr>
<td>☐ HEAT</td>
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<td>☐ WATER</td>
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EXPLANATION OF UTILITY TYPE

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<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
<th>PLC = Pipeline</th>
<th>HEAT = Heat</th>
<th>WATER = Water</th>
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<tr>
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<td>If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.09-08-029</td>
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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? ☑ 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? ☑ No |

Requested effective date: 8/20/09 |

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 N and Table of Contents |

Service affected and changes proposed1: |

Pending advice letters that revise the same tariff sheets: |

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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
jnijcpuc.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
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<td>Revised 44946-E</td>
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<td>Original 45907-E**</td>
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N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

d. Specified Project (Continued)

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<td>Department of Energy Litigation Memorandum Account</td>
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<td>Nuclear Decommissioning Memorandum Account (NDTMA)</td>
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<td>Cut-Over Date of Delay Memorandum Account (CODDMA)</td>
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<td>Solar Photovoltaic Program (SPVP) Memorandum Account</td>
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<td>(49)</td>
<td>Clean Hydrogen Power Generation Plant Feasibility (CHPGPF) Memorandum Account</td>
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<td>Carbon Sequestration Evaluation Memorandum Account (CSEMA)</td>
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<td>Long-Term Procurement Plan Technical Assistance Memorandum Account (LTAMA)</td>
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<td>(52)</td>
<td>Non-Discretionary Service Costs Memorandum Account (NDSCMA)</td>
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<td>(53)</td>
<td>Fire Hazard Prevention Memorandum Account (FHPMA)</td>
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* Interest shall accrue monthly to interest-bearing Memorandum Accounts by applying the Interest Rate to the average of the beginning and ending balance.
N. MEMORANDUM ACCOUNTS (Continued)

53. Fire Hazard Prevention Memorandum Account

a. Purpose

The purpose of the Fire Hazard Prevention Memorandum Account (FHPMA) is to record the increase in costs incurred related to fire hazard prevention in compliance with Commission Decision No. (D.)09-08-029. These costs may include the following expenses:

(1) vegetation management activities to reduce risk of fires;

(2) cost of vegetation maintenance program, inspection, and patrolling requirements;

(3) costs associated with designing, constructing, and maintaining facilities to mitigate fire hazards in high speed wind areas; and

(4) other costs as required in order to implement D.09-08-029.

b. Definitions:

Interest Rate

The Interest Rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H. 15 (expressed as an annual rate). If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.
PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

53. Fire Hazard Prevention Memorandum Account (Continued)

c. Operation of the FHPMA

SCE shall maintain the FHPMA by making monthly entries as follows:

(1) Monthly debit entries associated with the costs described in parts a(1) – a(4) above CPUC jurisdictionalized.

(2) Interest shall accrue monthly to the FHPMA by applying the Interest Rate to the average of the beginning-of-the-month and end-of-the-month balances in the FHPMA.

d. Disposition of the FHPMA Balance

The disposition of the FHPMA balance will be determined in Phase 2 of Rulemaking 08-11-005.
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<td>G. Gross Revenue Sharing Mechanism</td>
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<td>H. Baseline Service</td>
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<td>I. Advanced Metering Infrastructure Balancing Account</td>
<td>42811-42812-E</td>
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<td>J. Palo Verde Balancing Account</td>
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<td>K. Nuclear Decommissioning Adjustment Mechanism</td>
<td>36582-36583-E</td>
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<td>L. Purchase Agreement Administrative Costs Balancing Account</td>
<td>44041-44042-E</td>
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<td>M. Income Tax Component of Contributions</td>
<td>44770-27632-E</td>
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<td>O. California Alternate Rates for Energy (CARE) Adjustment Clause</td>
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<td>P. Optional Pricing Adjustment Clause (OPAC)</td>
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(Continued)
October 23, 2009

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA  94102

Attn: Honesto Gatchalian
Energy Division

Re: Substitute Sheets for Advice 2387-E

Dear Mr. Gatchalian:

Enclosed are an original and four copies of Attachment A and Substitute Sheet Nos. 45906-E* and 45907-E* for Advice 2387-E. These substitute sheets are necessary to provide clarifying information within subsections b. (1) and c. (2) through (4) of the Fire Hazard Prevention Memorandum Account. Also, the Section number of this Memorandum Account has been revised from Section 52 to Section 53.

Please include the enclosed Substitute Sheets in your master Advice 2387-E and distribute copies to the appropriate people reviewing this Advice Letter. If you have any questions, please contact Betty Bell at (626) 302-4858.

Sincerely,

Lisa Vellanoweth

Enclosures
2387-ESub.doc
November 6, 2009

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA  94102

Attn:  Honesto Gatchalian
       Energy Division

Re:  Substitute Sheets for Advice 2387-E

Dear Mr. Gatchalian:

Enclosed are an original and four copies of Attachment A and Substitute Sheet Nos. 45906-E** and 45907-E** for Advice 2387-E.  Per the request of the Energy Division, Preliminary Statement N, sections 53.b(1), 53.b(3), 53.c(1), 53.c(3), and 53.c(4) were deleted.

Please include the enclosed Substitute Sheets in your master Advice 2387-E and distribute copies to the appropriate people reviewing this Advice Letter.  If you have any questions, please contact Lisa Foulds at (626) 302-2010.

Sincerely,

Lisa Vellanoweth

Enclosures
2387-ESub2.doc