March 10, 2010

Advice Letter 2438-E

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

Subject: Revisions to Preliminary Statement RR, New Generation System Balancing Account (NGSBA)

Dear Mr. Jazayeri:

Advice Letter 2438-E is effective January 1, 2010.

Sincerely,

Julie A. Fitch, Director  
Energy Division
February 11, 2010

ADVICE 2438-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Preliminary Statement RR, New Generation System Balancing Account (NGSBA)

In accordance with California Public Utilities Commission (Commission) Decision No. (D.)09-03-025, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheet is listed on Attachment A and is attached hereto.

PURPOSE

The purpose of this advice filing is to revise Preliminary Statement RR, New System Generation Balancing Account (NSGBA), to include the revenue requirement for SCE’s four operating peakers and update the Monthly Distribution Percentages (MPDs) for New System Generation Charge (NSGC) revenues in compliance with D.09-03-025. This tariff modification was inadvertently omitted from Advice 2396-E-A where it would have typically been made.

BACKGROUND

On March 12, 2009, the Commission issued D.09-03-025 which, among other things, adopted a Post Test Year Ratemaking (PTYR) mechanism for SCE for the years 2010 and 2011. The adopted PTYR mechanism adjusts SCE’s base-related revenue requirements on an annual basis,\(^1\) between GRC Test Years, to provide SCE with additional revenues to cover its costs of doing business.

On December 9, 2009, SCE filed Advice 2396-E-A, 2010 CPUC General Rate Case (GRC) Post Test Year Revenue Requirement in Accordance With Decision No. 09-03-025. The filing was to implement the CPUC-authorized GRC revenue requirements and

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\(^1\) SCE’s base-related revenue requirements include the costs of operating, maintaining and investing in SCE’s generation, distribution, and general functions, and exclude costs such as fuel and power procurement costs.
included the revenue requirement for SCE’s four operating peakers. This advice letter filing was approved on January 21, 2010 with an effective date of January 1, 2010.

**PRELIMINARY STATEMENT MODIFICATION**

The advice letter revises:

- Preliminary Statement, Part RR, New System Generation Balancing Account (NSGBA), to include the 2010 authorized peaker generation revenue requirement of $66.348 million and update the MDPs for 2010.

**TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, SCE submits this advice filing with a Tier 2 designation.

**EFFECTIVE DATE**

This advice filing is made in compliance with D.09-03-025. Therefore, this advice letter shall become effective on January 1, 2010.

**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:

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2 Preliminary Statement YY, BRRBA, currently reflects the 2010 authorized peaker generation revenue requirement of $66.348 million filed in Advice 2396-E-A.
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 service list and A.07-11-011. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4039. 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 Karen Salvato at (626) 302-2504 or by electronic mail at Karen.Salvato@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:ks:jm  
Enclosures
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

Advice Letter (AL) #: 2438-E  Tier Designation: 2
Subject of AL: Revisions to Preliminary Statement RR, New Generation System Balancing Account (NGSBA)
Keywords (choose from CPUC listing): Compliance, Balancing Account
AL filing type: ☑ Monthly  ☐ Quarterly  ☐ Annual  ☑ One-Time  ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.09-03-025

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 AL:

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: 1/1/10  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 RR and Table of Contents
Service affected and changes proposed:
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
jnj@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) 673-1116
E-mail: Karyn.Gansecki@sce.com
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RR. NEW SYSTEM GENERATION BALANCING ACCOUNT (NSGBA)

The purpose of the New System Generation Balancing Account (NSGBA) is to record the benefits and costs of Power Purchase Agreements (PPAs) and SCE owned peaker generation unit associated with new generation resources pursuant to D.07-09-044, D.06-07-029, and D.09-03-031. Sub-accounts shall be established in the NSGBA for each PPA associated with a new generation resource.

1. Definitions:

a. Authorized Peaker Generation Revenue Requirement

   Total 2010 APGRR ($000): $66,348 (I) (T)
   Effective: January 1, 2010: $66,348 (I) (T)

b. Monthly Distribution Percentages (MDPs)

   MDPs are the estimated monthly billed and unbilled distribution rate revenues as a percentage of annual New System Generation Charge (NSGC) revenues.

   NSGC MDPs:

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>8.25% (I)</td>
</tr>
<tr>
<td>February</td>
<td>7.46% (I)</td>
</tr>
<tr>
<td>March</td>
<td>7.94% (I)</td>
</tr>
<tr>
<td>April</td>
<td>7.41% (R)</td>
</tr>
<tr>
<td>May</td>
<td>7.53% (R)</td>
</tr>
<tr>
<td>June</td>
<td>8.28% (R)</td>
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<tr>
<td>July</td>
<td>9.14% (R)</td>
</tr>
<tr>
<td>August</td>
<td>9.65% (R)</td>
</tr>
<tr>
<td>September</td>
<td>9.64% (R)</td>
</tr>
<tr>
<td>October</td>
<td>8.84% (R)</td>
</tr>
<tr>
<td>November</td>
<td>7.77% (R)</td>
</tr>
<tr>
<td>December</td>
<td>8.09% (R)</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
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