

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

MAR 26 2009

REVENUE & TARIFFS DEPT.



March 24, 2009

File No. 602-19

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

Dear Mr. Jazayeri

This letter is to inform you that we are rejecting Southern California Edison Company's Advice Letter (AL) No. 70-W, filed February 27, 2009 requesting recovery of Catalina Water Purchased Power Memorandum Account and CARE Memorandum Account for 2008.

AL No. 70-W is being rejected because it is not in conformance with Appendix D of our Standard Practice for Processing Consumer Price Index, Rate Base and Expense Offset Rate Increases and Amortizing Memorandum, Reserve and Balancing Accounts (Standard Practice U-27-W).

If you wish to file for recovery of the above accounts please follow Appendix D of our Standard Practice U-27-W and include any relevant supporting work papers. If you have any questions please contact Elena Perez at (415) 703-1300 or LEP@cpuc.ca.gov.

We are returning a copy of the advice letter and tariff sheets listed therein, with the date of rejection stamped thereon. In accordance with General Order 96-B, rejected tariff sheets shall be retained in the utility's file of cancelled and superseded sheets and sheet numbers and advice letter number of rejected filings shall not be reused.

Very truly yours,

A handwritten signature in black ink, appearing to read "Fred L. Curry".

FRED L. CURRY, Chief
Water and Sewer Advisory Branch
Division of Water and Audits

February 27, 2009

ADVICE 70-W
(U 338-W)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
WATER DIVISION

SUBJECT: Southern California Edison Company's 2008 Catalina Water Purchased Power Expenses Memorandum Account and CARE Memorandum Account for Service Provided to Santa Catalina Island Water Customers

In compliance with Resolution W-4665 (the Resolution)¹ and Southern California Edison Company (SCE) tariffs, SCE hereby submits its recorded 2008 Purchased Power Expenses Memorandum Account (PPEMA) and Catalina Water CARE² Memorandum Account (CWCMA) balances.³ They are shown in Attachments A and B to this advice letter.

PURPOSE

SCE requests that the California Public Utilities Commission (Commission) approve: (1) the 2008 balances recorded in the PPEMA and the CWCMA, and (2) allow recovery of the 2008 undercollected balances in 2010 rate levels.

BACKGROUND

SCE's Catalina water service operation is classified as a Class C water utility serving approximately 1,515 residential and 392 non-residential customers on

¹ In Ordering Paragraph (OP) No. 7, SCE's Catalina Island Water System is authorized to establish a memorandum account to track changes in purchased power expenses. Recovery of expenses may be requested by advice letter at any time. In OP No. 13, SCE's Catalina Island Water System is authorized to establish a memorandum account to track lost revenues arising from the 20 percent discount for low-income residential customers. Recovery of the lost revenues may be requested by advice letter.

² California Alternate Rates for Energy

³ SCE's Preliminary Statement Part M and Preliminary Statement Part N state that by March 1st of each year, SCE shall file an advice letter for the Commission to review the operation of the PPEMA and CWCMA and approve any undercollected balance to be included in water rates.

Catalina Island, which is located approximately 22 miles off the coast of southern California in Los Angeles County. Catalina Island's present rates became effective on January 1, 2009, in the third phase of the 2007 to 2010 four-year phase-in plan adopted in the Resolution resolving SCE's 2006 Water General Rate Case.⁴

The Resolution also authorized SCE to establish the PPEMA to track the difference between authorized and recorded purchased power expenses. On December 4, 2007, SCE filed Advice 61-W to establish Preliminary Statement Part M, Purchased Power Expenses Memorandum Account. The Water Division approved Advice 61-W effective January 3, 2008.

The Resolution also authorized SCE to establish the CWCMA to track lost revenues resulting from the 20 percent discount offered to low-income residential customers for water service. On May 22, 2008, SCE filed Advice 63-W-A to supplement and replace Advice 63-W in order to establish Preliminary Statement Part N, Catalina Water CARE Memorandum Account. The Water Division approved Advice 63-W-A effective April 29, 2008.

2008 PPEMA and CWCMA

Table 1 provides a summary of the undercollected balances recorded in the PPEMA and the CWCMA in 2008 that SCE is requesting to recover in rate levels in 2010. Before January 1, 2010, SCE will file an advice letter to include the PPEMA balance in volumetric charges, and a Catalina Water CARE Surcharge rate in 2010 to recover the 2008 CARE discount undercollection shown in Table 1.⁵

Table 1

PPEMA	\$ 45,000
CWCMA (without FF&U)	14,000
Total 2008	\$ 59,000

This advice filing will not cause the withdrawal of service, or conflict with any other schedule or rule.

TIER DESIGNATION

Pursuant to D.07-01-024, Water Industry Rule 7.3.2, this advice letter is submitted with a Tier 2 designation.

⁴ The Water Division approved Advice 69-W on December 31, 2008 effective January 1, 2009.

⁵ SCE will recover the 2008 recorded PPEMA and CWCMA balances as well as forecasted 2009 undercollected balances in the PPEMA and CWCMA in 2010 rate levels.

EFFECTIVE DATE

SCE requests that this advice letter become effective on March 29, 2009, the 30th calendar 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 by the Water Division and SCE no later than 20 days after the date of this advice filing. Protests should be mailed to:

Director, Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: water_division@cpuc.ca.gov

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) 673-1116
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 General Order No. (GO) 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and Resolution W-4665 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 Michael Parise at (626) 302-1888, or by electronic mail at Michael.Parise@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:mjp:sq
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS Advice Letter Cover Sheet	(Date Filed / Received Stamp by CPUC)
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AL # 70-W	Date Mailed to Service List: 2/27/09	Requested Effective Date: 3/29/09	Requested Tier: <input type="checkbox"/> Tier 1 <input checked="" type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3
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Replacing AL#: N/A	Authorization for Filing: Resolution W-4665	Compliance Filing? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Rate	\$	
			Impact	%	

<u>The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:</u>	Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102
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<u>and if you have email capability, also email to:</u>	water_division@cpuc.ca.gov
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<u>Your protest also must be served on the Utility</u>	(see attached advice letter for more information and grounds for protest)
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Company Name: Southern California Edison Company	CPUC Utility Number:
Address: 2244 Walnut Grove Avenue	WTA _____
City, State, Zip: Rosemead, CA 91770	WTB _____
	WTC <u>U 338-W</u>
	WTD _____
	SWR _____

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	James Yee	626-302-2509	626-302-4829	advicetariffmanager@sce.com
Alternate	Susan Quon	626-302-2930	626-302-4829	susan.quon@sce.com

Description:
In this space or on the back of this form:

1. Explain justification for requested Tier: Water Industry Rule 7.3.2
2. Describe service affected and how it is affected: Recovery of the PPEMA and CWCMA 2008 undercollected balances in 2010 rate levels.
3. Describe differences from related Advice Letters (Similar service, replacement filing): N/A

(FOR CPUC USE ONLY)

WTS Budget/Activity/Type _____/_____/_____	Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3
Project Manager: _____	20th Day <input type="text"/> 30th Day <input type="text"/>
Analyst: _____	Suspended on: _____
Due Date: _____	Extended on: _____
Completion Date: _____	Resolution No.: _____
	AL/Tariff Effective Date: _____

Attachment A

**Catalina Water Purchased Power Expenses
Memorandum Account**

Attachment B

Catalina Water CARE Memorandum Account

