

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 16, 2009

Akbar Jazayeri  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, CA 91770

Dear Mr. Jazayeri:

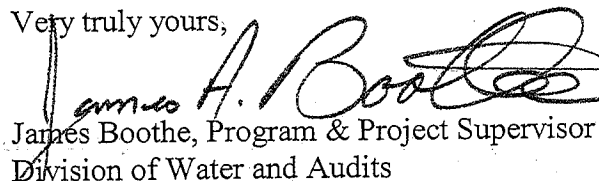
Please be advised that the Water and Sewer Advisory Branch of the Division of Water and Audits (DWA) is rejecting Southern California Edison Company's (SCE) Advice Letter (AL) No. 73-W filed on December 8, 2009.

In AL No. 73-W, SCE requests Commission approval to increase its general rates for service provided to Santa Catalina Island water customers. SCE incorrectly filed Advice Letter No. 73-W at variance to guidance found in General Order (GO) 96-B, Rule 7.3.1. This section defines the Tier 1 designation for advice letter approval, which includes a decrease in rates, an escalation filing, compliance with a resolution, and etc. SCE's AL No. 73-W does not fall under any of these categories and is rejected on this procedural ground.

SCE proposes to increase rates by adopting a water sales forecast of 121,473,000 gallons for 2010. This forecast was not previously adopted by the Commission in Resolution W-4665 in SCE's last general rate case for Santa Catalina Island. Resolution W-4665 only approved adopted quantities for test year 2008 and makes no mention of changing sales forecast in subsequent years. Proposing a new sales forecast occurs as part of a general rate case in order to generate a rate design to set new rates. A Tier 1 advice letter is not the appropriate procedural vehicle to increase rates. Thus, SCE should file a general rate case through either an application or a Tier 3 advice letter in order to properly increase its rates.

Enclosed is a copy of the rejected advice letter for the utility's files. As a reminder, in accordance with General Order 96-B, advice letter numbers of rejected filings shall not be reused. If you have any questions regarding the above, please contact Terence Shia at (415) 703-2213.

Very truly yours,

  
James Boothe, Program & Project Supervisor  
Division of Water and Audits

Enclosures

EXCEPTION MAIL

DEC 21 2009

✓ Cc: Michael Parise, Southern California Edison Company

CASE ADMINISTRATION  
SCE LAW DEPARTMENT

**PUBLIC UTILITIES COMMISSION**

**STATE OF CALIFORNIA ■ 505 VAN NESS AVENUE  
■ SAN FRANCISCO CALIFORNIA ■ 94102-3298**



02 1M \$ 00.41<sup>4</sup>  
0004217491 DEC 16 2009  
MAILED FROM ZIP CODE 94102

X12/17/09XPRET FCM

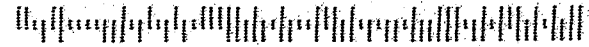
Michael Parise  
Southern California Edison Company  
2244 Walnut Grove Ave.  
Rosemead, CA 91770

**EXCEPTION MAIL**

DEC 21 2009

**CASE ADMINISTRATION  
SCE LAW DEPARTMENT**

91770 11 11 09



---

December 8, 2009

**ADVICE 73-W**  
**(U 338-W)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
WATER DIVISION

**SUBJECT:** General Rate Increase for Service Provided to Santa Catalina  
Island Water Customers

In compliance with Resolution W-4665 (the Resolution), Southern California Edison Company (SCE) hereby submits the following changes to its tariff schedule for water service. Revised tariff sheets are listed on Attachment A and are attached hereto.

**PURPOSE**

SCE requests California Public Utilities Commission (Commission) approval of SCE's revised water rate Schedule W-1 as authorized for 2010 pursuant to the Resolution.

**BACKGROUND**

SCE's Catalina Island water service operation is classified as a Class C water utility serving approximately 1,556 residential and 393 non-residential customers on 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.

Pursuant to Ordering Paragraph 10 in the Resolution, SCE is authorized to file an advice letter to increase rates for 2010.

The Resolution also authorized SCE to establish the Deferred Revenue Requirement Tracking Account (DRRTA) to track the annual deferred revenue that results from the rate increase phase-in plan. The purpose of the DRRTA is to track that portion of SCE's authorized 2007 and 2008 Catalina Island water revenue requirement that is deferred until such deferred revenue is recovered.

**2010 Catalina Water Revenue Requirement**

Pursuant to Resolution W-4665, SCE's authorized 2010 Catalina Island water revenue requirement includes the final amount of SCE's deferred 2007 and 2008 revenue as shown in Table 1. The revenue requirement for 2010 represents no increase over the amount authorized for 2009.<sup>1</sup>

**Table 1**

2010 Revenue Requirements	\$4,559,000
2007 Deferred Revenue	65,889
2008 Deferred Revenue	354,500
Total 2010 Revenue Requirements	\$4,979,389

SCE has also updated the DRRTA for the 2010 revenue requirement. The DRRTA and the revenue phase-in are shown in Attachment B.

Although the revenue requirement for 2010 is not increasing relative to 2009, water rates are changing due to SCE's updated Catalina Island water 2010 sales forecast. This forecast is used to develop SCE's revised water rates reflected in Schedule W-1. The sales forecast is shown in Attachment C.

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

**TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Rule 7.3.1, this advice letter is submitted with a Tier 1 designation.

**EFFECTIVE DATE**

SCE requests that this advice letter become effective on January 1, 2010.

---

<sup>1</sup> SCE's 2009 revenue requirement of \$4,979,389 and rates were adopted in Advice 69-W.

**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: [waterdivision@cpuc.ca.gov](mailto:waterdivision@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](mailto: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](mailto: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 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](mailto: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](mailto: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 Dan Tang at (626) 302-4133, or by electronic mail at [Michael.Parise@sce.com](mailto:Michael.Parise@sce.com) or [Dan.Tang@sce.com](mailto:Dan.Tang@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ:mjp:sq  
Enclosures

<b>CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS Advice Letter Cover Sheet</b>	(Date Filed / Received Stamp by CPUC)
--	---------------------------------------

<b>AL #</b> 73-W	<b>Date Mailed to Service List:</b> 12/8/09	<b>Requested Effective Date:</b> 01/01/10	<b>Requested Tier:</b> <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3
---------------------	--	--	--

<b>Replacing AL#:</b>	<b>Authorization for Filing:</b> Resolution W-4665	<b>Compliance Filing?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Revenue Impact</b>	\$	\$557,643
				%	12.6%

<b><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></b>	Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102
---	--

<b><u>and if you have email capability, also email to:</u></b>	<a href="mailto:water_division@cpuc.ca.gov">water_division@cpuc.ca.gov</a>
--	--

<b><u>Your protest also must be served on the Utility</u></b>	(see attached advice letter for more information and grounds for protest)
---	---

<b>Company Name:</b> Southern California Edison Company	<b>CPUC Utility Number:</b>
<b>Address:</b> 2244 Walnut Grove Avenue	WTA _____
<b>City, State, Zip:</b> 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 7.3.1
2. Describe service affected and how it is affected: General Rate Increase for Service Provided to Santa Catalina Island Water Customers
3. Describe differences from related Advice Letters (Similar service, replacement filing): N/A

(FOR CPUC USE ONLY)

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

**Attachment A**

**Schedule W-1**

**General Metered Fresh Water Service**



Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 570-W	Schedule W-1	Revised 527-W
Revised 571-W	Table of Contents	Revised 541-W



Schedule W-1  
GENERAL METERED FRESH WATER SERVICE

Sheet 1

APPLICABILITY

Applicable to all metered fresh water service.

TERRITORY

Santa Catalina Island, Los Angeles County.

RATES

	<u>Per Meter Per Month</u>	
	Summer Season May through <u>September</u>	Winter Season October through <u>April</u>
<b>Quantity Rates:</b>		
First 2,500 gallons, per 1,000 gallons .....	\$13.00 (I)	\$11.58(I)
Between 2,501 and 10,000 gallons, per 1,000 gallons	34.94 (I)	26.46 (I)
Over 10,000 Gallons, Per 1,000 gallons .....	47.82 (I)	35.62 (I)
<b>Service Charge:</b>		
For 5/8 x 3/4-inch meter .....	26.51 (I)	26.51 (I)
For 3/4-inch meter .....	37.16 (I)	37.16 (I)
For 1-inch meter .....	47.80 (I)	47.80 (I)
For 1-1/2-inch meter .....	63.84 (I)	63.84 (I)
For 2-inch meter .....	85.12 (I)	85.12 (I)
For 3-inch meter .....	177.94 (I)	177.94 (I)
For 4-inch meter .....	242.08 (I)	242.08 (I)
For 6-inch meter .....	402.01 (I)	402.01 (I)
For 8-inch meter .....	597.96 (I)	597.96 (I)

The Service Charge is a readiness-to-serve charge applicable to all metered service which is added to the quantity charge computed at the Quantity Rates.

SPECIAL CONDITION

Service to customers shall be on an annual basis only with an annual service charge equating to twelve times the monthly service charge, payable at the monthly service charged rates.

(To be inserted by utility)  
 Advice 73-W  
 Decision \_\_\_\_\_

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Dec 8, 2009  
 Effective Dec 16, 2009  
 Resolution W-4665



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.  
 Sheet No.

TITLE PAGE .....	92-W	
TABLE OF CONTENTS - RATE SCHEDULES .....	571-W	(T)
TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS .....	571-W	(T)
TABLE OF CONTENTS - RULES .....	516-W	
TABLE OF CONTENTS - SAMPLE FORMS .....	516-W	

PRELIMINARY STATEMENT:

A. Territory Served by the Utility .....	283-W
B. Types and Classes of Service .....	283-W
C. Description of Service .....	283-W
D. Procedure to Obtain Service .....	283-W
E. Symbols .....	284-W
F. Income Tax Component of Contributions Provision .....	309-310-W
G. Tax and Depreciation Change (TDC) Memorandum Account . . .	330-331-W
H. Water Related Costs and Fees (WRCF) Memorandum Account . . .	337-338-W
I. Water Contamination Litigation Expense Memorandum Account .....	351-W
J. Water Quality Balancing Account.....	466-467-W
K. Office of Drinking Water User Fees Balancing Account.....	468-469-W
L. Deferred Revenue Requirement Tracking Account (DRRTA) .....	418-W
M. Purchased Power Expenses Memorandum Account (PPEMA) .....	425-W
N. Catalina Water CARE Memorandum Account.....	437-W

SERVICE AREA MAP .....	3-W
------------------------	-----

RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>
DE	Residential Service to Utility Employees .....	90-W
FWY	Fresh Water Yield .....	287-W
TRA-W	Tax Reform Act of 1986, Surcharge Credit .....	255-W
UF-W	Surcharge to Fund Public Utilities Commission Reimbursement Fee .....	402-W
W-1	General Metered Fresh Water Service .....	570-W
W-1-CARE	Santa Catalina Island California Alternate Rates For Energy (CARE).....	539-540-W
W-SE	Service Establishment Charge .....	189-W

LIST OF CONTRACTS AND DEVIATIONS

.....	<u>Cal. P.U.C. Sheet No.</u>
List of Contracts and Deviations .....	6-W

(Continued)

(To be inserted by utility)  
 Advice 73-W  
 Decision \_\_\_\_\_

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Dec 8, 2009  
 Effective Dec 16, 2009  
 Resolution W-4665

**Attachment B**

**Revenue Phase-in and Deferred Revenue Requirement**

**Southern California Edison Company  
Catalina Island Water System**

**Revenue Phase-in Plan**

2007 revenue requirements	\$	4,619,000
2007 recommended phase-in revenue	\$	3,000,000
2007 deferred revenue <sup>(1)</sup>	\$	197,667
<b>2007 total revenue collections</b>	<b>\$</b>	<b>3,000,000</b>
2008 revenue requirements	\$	4,559,000
2008 recommended phase-in revenue	\$	3,850,000
2008 deferred revenue	\$	709,000
2008 collection of 2007 deferred revenue	\$	65,889
<b>2008 total revenue collections</b>	<b>\$</b>	<b>3,915,889</b>
2009 revenue requirements	\$	4,559,000
2009 deferred revenue	\$	-
2009 collection of 2007 deferred revenue	\$	65,889
2009 collection of 2008 deferred revenue	\$	354,500
<b>2009 total revenue collections</b>	<b>\$</b>	<b>4,979,389</b>
2010 revenue requirements	\$	4,559,000
2010 deferred revenue	\$	-
2010 collection of 2007 deferred revenue	\$	65,889
2010 collection of 2008 deferred revenue	\$	354,500
<b>2010 total revenue collections</b>	<b>\$</b>	<b>4,979,389</b>

Catalina Water Deferred Revenue Requirement Tracking Account

		2008	2009	2010	Total
2007 Deferred Revenue Requirement	197,667	65,889	65,889	65,889	197,667
2008 Deferred Revenue Requirement	709,000		354,500	354,500	709,000
	Collections through December 2010	65,889	420,389	420,389	906,667

**Attachment C**

**Water Sales Forecast**

**Southern California Edison Company  
Santa Catalina Island Water Operations  
Sales Forecast for 2010**

	<b>Gallons</b>
1. Residential	56,191,000
2. Nonresidential	<u>65,282,000</u>
3. Total Sales Forecast for 2010	<u><u>121,473,000</u></u>