



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

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In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Modification of Decision 05-09-018 to Extend EDR-Retention Rates.

Application No. 09-10-012
(Filed October 13, 2009)

AMENDED APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY
(U 338-E) FOR MODIFICATION OF DECISION 05-09-018 TO EXTEND
EDR-RETENTION RATES

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Dated: **February 3, 2010**

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I.

INTRODUCTION

Pursuant to Section 701 of the Public Utilities Code and Rule 2.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission) and Administrative Law Judge (ALJ) Wilson's ruling at the January 29, 2010 prehearing conference (PHC), Southern California Edison Company (SCE) submits this Amended Application to modify Decision (D.) 05-09-018, as modified by D.07-09-016 and D.07-11-052 (the Decision). As described in A.09-10-012, SCE seeks to modify the way it calculates the floor for its EDR-Retention tariff and to extend its EDR-Retention tariff to December 31, 2012. SCE now amends A.09-10-012 to add a new request for authorization to increase the cap on the program from 100 MW to 250 MW.

On December 9, 2009, the Executive Director of the Commission granted SCE authority to continue offering Economic Development Rates (EDR) under the current program until the

Commission issues its final decision in this proceeding. Expedited review of this amended application continues to be required to establish final program parameters and to enable SCE to offer the rate to potential customers in SCE's service territories soon as possible during these difficult economic times. TAMCO has become a party to the proceeding because of its desire to see the cap increased. Without the approval of SCE's application and an increase in the cap, TAMCO will not be able to take service under SCE's EDR program.

SCE supports TAMCO's request for party status and an increase in program cap and likewise supports Pacific Gas and Electric Company's (PG&E's) amended application to increase the MW cap for its program.

Finally, although SCE's application was brought more than one year since the Decision, SCE could not have brought it sooner. First, there were two modifications regarding the floor price two years after D.05-09-018 was issued,¹ lowering the discount and making it harder for new customers to qualify for the rate. SCE's 2009 compliance filing for the 2008 program year was the first in which there was no EDR activity to report.² Current economic conditions and recently completed analysis and customer requests, as described below, are the reason that SCE petitioned in October 2009 to modify the Decision and extend the EDR-R rates. As a result of TAMCO's motion for party status filed on January 22, 2010, SCE's analysis in response to the ALJ's Ruling Requiring Applicant and Parties to File Information regarding the megawatt cap, and the ALJ's ruling at the PHC, SCE now files this Amended Application seeking to increase the MW cap on participation in the EDR program.

II.

BACKGROUND

In April 2004, SCE proposed EDR schedules modeled on those the Commission first authorized in D.96-08-025. In September 2005, the Commission approved three types of EDR

¹ D.07-09-016, p. 36 and D.07-11-052, pp. 2-3.

² SCE's 2008 Annual Report in Compliance with D.05-09-018 filed February 13, 2009, p. 2.

tariffs to offer incentives to customers who would otherwise not retain or locate their load in California.³ Those three rates were: (1) The Economic Development Rate-Attraction (EDR-A); (2) The Economic Development Rate-Expansion (EDR-E); and (3) The Economic Development Rate-Retention (EDR-R). EDR-A is for new customers with new load coming to the state (Attraction customers). EDR-E is for existing customers expanding their business with new load (Expansion customers). EDR-R is for existing customers who would otherwise leave the state or close down their operations (Retention customers). The Commission adopted a sunset date of December 31, 2009 for the EDR programs of PG&E and SCE.⁴

III.

CURRENT EDR PROGRAM

Under the existing program, SCE is allowed to enroll EDR customers until the end of 2009, up to a program limit of 100 MW. Each EDR provides participating customers a discount beginning at a maximum of 25 percent, and declining 5 percent each year over a five-year term. To be eligible, customers are required to sign an affidavit declaring that “but for” the discount, they would locate or relocate outside of California, not add incremental load or close.

The EDR floor price is currently based on the marginal costs in effect at the time the customer enters into an EDR contract, up to the customer’s otherwise applicable tariff. SCE arrives at the marginal cost of serving the customer by taking the rate class average marginal costs adopted in its most recent General Rate Case (GRC) multiplied by the customer’s billing determinants. Specifically, the floor price is defined as the sum of the transmission charge, public purpose program charge, nuclear decommissioning charge, DWR Bond charge, Competition Transition Charge, and marginal cost of distribution.⁵ For bundled service customers, the floor price also includes marginal costs of generation.⁶ The floor price limits the

³ D.05-09-018, pp. 2-3.

⁴ D.05-09-018, p. 25.

⁵ See D.07-09-016, p. 36 and D.07-11-052, pp. 2-3. The marginal costs used for the EDR floor price calculations have been stipulated to as part of SCE’s 2003, 2006, and 2009 GRC Rate Design (Phase 2) proceedings.

⁶ *Id.*

available discount such that all EDR customers pay at least the marginal cost of providing service to them.

A. Economic Development Rates Benefit the State

SCE currently has 15 customers with 22 service accounts on the EDR schedules, representing 47.5 MW, 385 GWh, and 4,525 direct jobs. SCE's EDR customers have an estimated impact on the region of over \$1.4 billion in total economic output, pay over \$460 million in total wages, retain and expand over 7,000 total jobs and produce over \$37 million in total state, county, and city revenues.

The economic impact of the customers currently on EDR schedules was estimated using SCE's Economic Impact Analysis model (ECIA).⁷ SCE's ECIA uses the 2006 Regional Input-Output Modeling System (RIMS II) multipliers,⁸ and other region and project-specific inputs to determine direct, indirect and induced impacts. It is similar to other generally accepted economic impact models such as those developed by Minnesota IMPLAN Group, Inc. and the Regional Economic Models, Inc.

ECIA estimates regional impacts in terms of three basic measures: economic output, earnings, and job creation. In addition to the direct impacts of SCE's EDR customers, the ECIA also calculates the indirect⁹ and induced¹⁰ impacts. The induced impact includes not only the end-use consumer products but also any locally purchased intermediate products that were used in producing the consumer goods and services. SCE estimates fiscal impacts such as public revenues that are generated by a particular economic activity using the ECIA. The primary revenue sources (i.e. taxes and fees) of local, county, and state governments are determined in

⁷ SCE's ECIA was described in SCE's 2009 General Rate Case, A.07-11-011, at Exhibit SCE04, p. 48.

⁸ The RIMS II multipliers, created by the U.S. Department of Commerce, Bureau of Economic Analysis, are used by federal, state, and local governments and private sector institutions to demonstrate inter-industry economic impacts.

⁹ Indirect impacts are new jobs, output and income that will be generated by industries that supply goods and services directly to the EDR customers.

¹⁰ Induced impacts consist of the jobs, output and personal income in industries that serve the direct and indirect employees and their families.

order to examine how an activity may affect the various jurisdictions. Fiscal impacts also occur as a result of spending by workers directly or indirectly supported by the company. For instance, counties and cities benefit from the spending of employees on housing and retail goods and services.

The table below summarizes the estimated aggregate economic impact of SCE’s current EDR customers in terms of jobs, economic output and revenues to city, county and state governments.

***Table III-1
Economic Impact Totals for Current EDR’s (\$ in Millions)***

Total Jobs (Direct, Indirect, Induced)	Total Wages (Direct, Indirect, Induced)	Total Output (Direct, Indirect, Induced)	Total State Revenues (Direct, Indirect, Induced)	Total County Revenues (Direct, Indirect, Induced)	Total City Revenues (Direct, Indirect,
7,357	\$461.70	\$1,461.70	\$33.80	\$3.60	\$0.90

B. Economic Development Rates Benefit Ratepayers

In addition to the economic and fiscal impacts shown above, SCE’s billed revenues from EDR customers place a downward pressure on rates for all other ratepayers by providing a contribution to SCE’s fixed costs reflected in its revenue requirement. Since D.05-09-018, EDR customers have been billed \$75.8 million including approximately \$12.6 million in contribution toward fixed costs that would otherwise have been borne by other ratepayers. This amount is expected to grow because, on average, SCE’s EDR customers have been billed for 34 months out of their 60 month EDR contract term, with an average of 26 months remaining on their contracts. The total contribution to fixed cost recovery will more than double by the end of the various contract terms as a result of the declining discount over the term of each contract.

All 22 EDR contracts were signed prior to September 6, 2007 when D.07-09-016 revised the floor prices to include non-bypassable charges. In compliance with D.07-09-016 and D.06-06-067 (in SCE’s 2006 GRC Phase 2), the EDR floor price increased, thereby reducing the available discount for EDR customers. The increased floor price reflected the increased marginal costs for energy and distribution adopted in D.06-06-067 and the inclusion of non-

bypassable charges as required by D.07-09-016. The increase in EDR floor price caused the available EDR discounts to fall to between 0%-5% of the otherwise applicable tariff. This significantly smaller available discount made it difficult or impossible for potential new EDR customers to demonstrate that “but for” the discount, they would leave the state or close. As a result, new customer enrollment in EDR contracts ceased.

California Business Investment Services (CalBIS), our third-party reviewer, has also indicated that under the current economic conditions, small incentives are just as helpful in favorably influencing a customer’s decision to remain in California or keep their operations open. CalBIS collaborates with SCE to identify, refer, evaluate, and provide additional support to struggling customers.

IV.

THE IMPORTANCE OF EXTENDING THE EDR-RETENTION RATE

All three of the current EDR schedules approved by D.05-09-018¹¹ were to close to new customers on December 31, 2009 even though economic conditions in the state are worse than when the Commission approved the current schedules.¹² In addition to the direct benefit of assisting the customers served under the EDR schedule, in D.05-09-018, the Commission found that: 1) Electricity is a major cost of doing business in California;¹³ 2) EDRs lower rates for all ratepayers by increasing or retaining revenues that contribute to utilities’ fixed costs;¹⁴ and 3) EDRs provide indirect benefits to ratepayers by increasing local employment opportunities and economic vitality.¹⁵ Although D.05-09-018 was modified to include non-bypassable charges in the EDRs floor price,¹⁶ the Commission’s rationale for approving the EDR tariffs remains

¹¹ D.05-09-018 was modified by D.07-09-016 to include non bypassable charges in the EDRs’ floor price, and D.07-11-052 which corrected an error in the calculation of the Floor Price in D.07-09-016.

¹² On December 21, 2009, SCE wrote to Executive Director of the Commission requesting an extension of the ED rate until the Commission issues its decision on A.09-10-012. On December 23, 2009, the Executive Director granted SCE’s request.

¹³ D.05-09-018, p. 27; Findings of Fact No. 1.

¹⁴ D.05-09-018, p. 27; Findings of Fact No. 2.

¹⁵ D.05-09-018, p. 27; Findings of Fact No. 3.

¹⁶ D.07-09-016, p. 36 and D.07-11-052, pp. 2-3.

unchanged.¹⁷ Given the challenges facing California's economy, the need for the EDR-R tariff is even greater today.

California is suffering though a recession that began in December 2007 and is facing tremendous economic challenges. Job losses have far outpaced job creation. Over 900,000 jobs have been lost in the state since December 2007 when the recession first began¹⁸ (see Figure IV-1) with approximately 48% of the job losses occurring in SCE's service territory.¹⁹ While the U.S. unemployment was 9.6% in August of 2009,²⁰ the unemployment rate in California grew to 12.2%,²¹ its highest level since World War II.²² In some areas served by SCE, unemployment rates are even higher. For example, in the Riverside-San Bernardino-Ontario metropolitan area the unemployment rate in August 2009 was 14.5%.²³

¹⁷ D.07-09-016, p. 31.

¹⁸ Wall St. J. Staff, *NBER Makes It Official: Recession Started in December 2007*, Wall St. J. Blogs, Real Time Econ., Dec. 1, 2008, <http://blogs.wsj.com/economics/2008/12/01/nber-makes-it-official-recession-started-in-december-2007/> (last visited Oct. 9, 2009) and Bus. Cycle Dating Comm., *Determination of the Dec. 2007 Peak in Econ. Activity*, Nat'l Bureau of Econ. Research, Dec. 11, 2008, <http://www.nber.org/dec2008.html> (last visited Oct. 9, 2009).

¹⁹ Service territory employment data shown in this petition is estimated by SCE using the most recent county data from August, 2009 from the Labor Market Information System from California's Employment Development Department and 2002 Economic Census data for cities and census defined places. Cities not served by SCE were excluded.

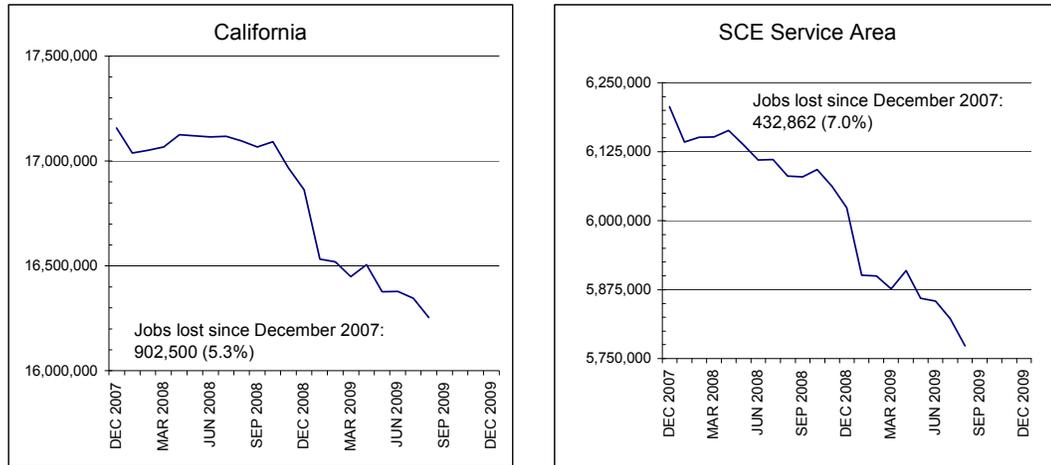
²⁰ U.S. Dept. of Labor, Bureau of Labor Statistics, *Metropolitan Area Employment and Unemployment Summary-Aug. 2009*, Sept. 30, 2009, <http://www.bls.gov/news.release/pdf/metro.pdf> (last visited Oct. 9, 2009).

²¹ Cal. Employment Dev. Dep't, *Cal.'s Unemployment Rate Increases To 12.2 Percent*, Sept. 18, 2009, http://www.edd.ca.gov/About_EDD/pdf/urate200909.pdf (last visited Oct. 9, 2009).

²² Alana Semuels, *State Jobless Rate Highest Since WWII; The Figure Rises to 11.9%, a Sign of Continuing Weakness Despite Hints of a Recovery Nationwide*, Los Angeles Times, Aug. 22, 2009, at A.1.

²³ *Id.*

Figure IV-1
California and SCE Service Area Employment Trends in Current Recession



In this dire economic environment, there have been several recent reports of out-of-state economic development agencies actively targeting California businesses with promises of lower operating costs.²⁴ Though there are signs of recovery from the current recession, most experts agree that growth will be moderate at best, when the economic recovery finally begins.²⁵ In the press release for its third quarterly report for 2009, the UCLA Anderson School economic forecast stated:

²⁴ Michael Volpe, *Printer Shutting Down in Costa Mesa, Moving to Vegas*, Orange County Bus. J., July 15, 2009, and D. Kasler, *Rival States Hope Cal.'s Econ. Woes Will Send Business Their Way*, Sacramento Bee, July 2, 2009.

²⁵ Los Angeles County Econ. Dev. Corp., *2009-2010 Mid-Year Update: Econ. Forecast and Econ. Outlook*, July 2009, <http://www.laedc.org/reports/Forecast-2009-07.pdf> (last visited Oct. 9, 2009) at p. 18.

. . . No dramatic events have occurred to change the general nature of the forecast. On an annual basis, employment is forecast to contract -3.7% in 2009 and will barely grow at a 0.2% rate in 2010. The unemployment rate will grow to a high of 12.2% for 4th quarter 2009 and will average 11.6% for the year. Though the state economy will be growing by 2011, it will not produce enough jobs to get the unemployment rate below double digits until the end of that year.²⁶

Thus, although growth is hoped for in 2010, the unemployment rate is higher in California and in parts of SCE's service territory than the rest of the country, and will likely remain in double digits.

The manufacturing sector in California has been one of the industries to suffer most in the current recession²⁷ with over 120,000 jobs lost since the beginning of the current economic downturn. Southern California, one of the United States' largest manufacturing centers²⁸ providing approximately 447,000 jobs, has been particularly hard hit with over 44,000 jobs lost in the current recession. Retaining the manufacturing sector in SCE's service area is particularly important because, in general, the industry pays higher wages and has a higher economic multiplier than other sectors. For every dollar in final sales of a manufactured product, \$1.37 is supported in other sectors of the economy.²⁹ The average manufacturing salary of \$53,840 within the counties served by SCE³⁰ is more than twice that of the non-professional, service sector jobs with an average salary of \$24,642.

²⁶ UCLA Anderson Forecast, *Worst National Recession in Seven Years Likely Ended this Quarter, but Remains Impactful for the Rest of the Decade*, Sept. 16, 2009, http://www.uclaforecast.com/contents/archive/2009/media_91609_1.asp (last visited Oct. 9, 2009).

²⁷ Los Angeles County Econ. Dev. Corp., *2009-2010 Mid-Year Update: Econ. Forecast and Econ. Outlook*, July 2009, <http://www.laedc.org/reports/Forecast-2009-07.pdf> (last visited Oct. 9, 2009).

²⁸ See Los Angeles County Econ. Dev. Corp.'s profiles for Los Angeles, Orange, San Diego, and Riverside-San Bernardino counties, <http://www.laedc.org/reports/index.html#laoverview> (last visited Oct. 9, 2009).

²⁹ Nat'l Ass'n of Manufacturers, *Manufacturing's Multiplier Effect is Stronger Than Other Sectors*, http://www.nam.org/~media/Files/s_nam/docs/237700/237698.pdf.ashx (last visited Oct. 9, 2009), referenced by U.S. Dep't of Commerce, 2004 Annual Input-Output Tables.

³⁰ Cal. Employment Dev. Dep't, *Quarterly Census of Employment and Wages Annual Data (2008)*, <http://www.labormarketinfo.edd.ca.gov/?pageid=1016> (last visited Oct. 9, 2009). Information was collected from the following counties: Kern, Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, Tulare, and Ventura.

In April 2009, SCE conducted informal discussions and reviews of 46 large industrial customers who were identified as being at risk based upon low Dunn and Bradstreet scores, discussions with SCE account representatives, or prior interest in the EDR-R rate. Table IV-2 summarizes these customers’ demand, usage and direct employment. SCE determined that all of these customers – accounting for 37 MW of load, 156 GWh of usage and approximately 7,300 direct jobs – would likely qualify for the EDR-R tariff under the guidelines proposed in Section V.³¹

***Table IV-2
Potential Retention Customers Reviewed by SCE***

Potential Customer Type	Count	Annual kW	Annual kWh	FTE
Pending Business Case	14	13,091	53,991,875	3,091
Letter of Intent Submitted	9	5,749	28,424,943	1,223
Interviewed by SCE Representative	23	17,909	73,161,502	2,941
TOTALS:	46	36,749	155,578,320	7,255

In addition to the economic benefits associated with retaining these customers described above, EDR customers have also been active participants in SCE’s Energy Efficiency and Demand Response Programs, both of which are major components of the State Energy Action Plan. The table below summarizes the results of participation of these EDR customers in these programs in years 2006-2008.³²

³¹ Existing customers with demands of at least 200 kW may apply for EDR-R. The customer must demonstrate to the satisfaction of SCE that relocation of its entire operations or a qualified portion of its operations to a site outside of California is a viable alternative or that closure of the customer’s existing facilities is otherwise eminent. The customer must also sign an affidavit attesting to the fact that “but for” this discount, the customer would not be able to retain the identified load within the State of California.

³² The results for Energy Efficiency came from participation in Express Efficiency, Standard Performance Contract, Savings By Design, Industrial Energy Efficiency Program, and Heating, Ventilation, and Air Conditioning programs. The results for Demand Response came from participation in Capacity Based and Price Based Programs, including: Base Interruptible Program, Critical Peak Pricing, and Demand Bidding Program.

Table IV-3
Program Activity for Current EDR-R Customers

Energy Efficiency Results		
Year	kW Savings	kWh Savings
2006	1,816	15,772,863
2007	2,172	18,663,113
2008	1,505	12,415,590
Totals		46,851,566
Demand Response Results		
Year	kW Result	
2006	9,386	
2007	9,903	
2008	8,482	

The retention tariff, EDR-R, is the most utilized EDR rate – all but one of SCE’s 22 existing EDR customers receive service on this schedule. In this economic environment, few businesses are expanding or relocating to California so retaining existing businesses is critically important. Extending the EDR-R tariff will provide SCE a vital tool to assist and ultimately retain struggling businesses in its service territory.

V.

SCE’S PROPOSED MODIFICATIONS TO EXTEND EDR-R

A. Summary of SCE’s Proposal to Extend EDR-R

SCE’s proposal has three modifications. First, due to the poor economic conditions cited above, SCE proposes to extend the sunset date of schedule EDR-R for three years, from December 31, 2009 to December 31, 2012. SCE will continue to provide EDR reports on an annual basis.

Second, SCE’s current program uses the same marginal distribution cost for all three EDR rates – EDR-R, EDR-A and EDR-E. However, because SCE’s proposed modification will

extend only the EDR-R Schedule, SCE proposes to modify its current process slightly. Specifically, SCE will assess the impact that retaining an applicant will have on the distribution capital investments to reflect the fact that, while Attraction and Expansion customers may require investment in new distribution assets, Retention customers use assets that are already in place.

SCE will accomplish this analysis by adding one step to the existing affidavit process for EDR applicants. The current affidavit process was tailored to address two concerns. First, it required the applicant under penalty of law to assert that but-for the EDR discount, it would have failed to expand, relocate or maintain its load in the State of California.³³ Second, by requiring the applicant and the utility to consider load management measures, the affidavit process addressed the concern of expanding or retaining demand on an already-overburdened utility system.³⁴

As a new step in the qualification process, SCE's Engineering and Technical Services Division will determine whether the circuit serving the EDR-R applicant has sufficient capacity to serve the existing customers, including any forecast load growth, without upgrades during the latest Distribution Substation Planning cycle. If the circuit serving the applicant does not have adequate capacity, the EDR-R application will be charged the full marginal distribution cost component.³⁵

Consistent with the current practice, SCE will bill future EDR-R customers based on the marginal cost of serving them, established at the beginning of their contract. If SCE finds that retaining the EDR-R applicant will not require distribution upgrades, the marginal distribution cost component of the floor price will be set at zero. This treatment of distribution marginal cost for EDR-R versus EDR-A or EDR-E customers is consistent with prior treatment, as agreed to by the Commission under decisions D. 96-08-025, D. 04-07-022, and D.06-05-016, regarding the

³³ D.05-09-018, at p. 17.

³⁴ *Id.*

³⁵ See clarification in SCE's Reply to Protests, filed Nov. 30, 2009, at p.3, fn 4.

specific use of SCE's Ratepayer Impact Measure (RIM) test. This methodology would align SCE's practice with what PG&E currently does.

Third, SCE proposes an increase to the program cap from 100 MW to 250 MW. SCE currently has 47 MW already enrolled in the program. TAMCO, by its own motion, asserts that it is a 90 MW customer. In response to the ALJ's Ruling on January 22, 2010, SCE found 182 MW of load on its potential customer list, including TAMCO. This would bring SCE's total expected EDR participation to 229 MW, leaving 21 MW of load for additional customers in subsequent years of the program.

B. Proposed Language Modifications Under Rule 16.4(b)

SCE proposes the following specific wording to carry out the requested modifications to D.05-09-018, as modified by D.07-09-016 and D.07-11-052, pursuant to Rule 16.4(b).

- On page 6, replace sunset date of "December 31, 2009" with "December 31, 2012."
- On page 22, delete "of 2009" from the sentence: "For this reason, starting in 2006 and stretching until the program's sunset date ~~of 2009~~, we will ask the utilities to provide the Commission with an annual compliance report detailing all EDR applicants, the contents of the CalBIS and BTH review for these applicants, and the utilities final selection of EDR candidates."
- On page 25, replace program cap amount of "100 MW" with "250 MW."
- On page 29 of D.05-09-018, Ordering paragraph 2, delete "2009."

SCE proposes adding the following language to show that the EDR-R has been extended and to clarify the process that will be used under the extended EDR-R schedule:

- On page 4, before the heading "B. Pacific Gas and Electric Company," add: "On October 9, 2009, SCE filed a petition to modify this decision seeking to extend schedule EDR-R through 2012."
- On page 25 of the row titled "Sunset date" add: "SCE's EDR-R will continue through December 31, 2012."

- On page 28, add to the Findings of Fact: “10. The marginal distribution cost for some EDR-R applicants is zero and in those instances will be reflected in the customer’s floor price.”
- On page 28, add to the Conclusions of Law: “3. SCE’s October 9, 2009 application to extend EDR-R through 2012 is in accord with legislation and necessary due to economic circumstances.”
- On page 29, add to the Ordering paragraphs: “2. SCE’s Application filed on October 9, 2009 and amended on February 3, 2010 is approved. EDR-R is extended through 2012.”

VI.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory and Other Authority

SCE files this Amended Application pursuant to the provisions of Public Utilities Code § 701, the Commission’s Rules of Practice and Procedure, and prior orders and resolutions of the Commission. It was initially filed as a Petition for Modification on October 9, 2009, but at the request of the Docket Office, was refiled as an application.

B. Legal Name and Principal Place of Business

The applicant is Southern California Edison Company, an electric public utility organized and existing under the laws of the State of California. The location of SCE’s principal place of business is 2244 Walnut Grove Avenue, Post Office Box 800, Rosemead, California 91770.

C. Correspondence or Communications

Please address correspondence or communications in regard to this application to:

R. Olivia Samad
Southern California Edison Company
Post Office Box 800
Rosemead, California 91770

Telephone: (626) 302-3477
Facsimile: (626) 302-7740
E-mail: case.admin@sce.com

D. Categorization, Hearings and Issues to be Considered

1. Proposed Category

SCE proposes that this proceeding be categorized as “ratesetting.”³⁶ In addition, Rule 7.1(e)(2) provides that if a proceeding does not clearly fit within one of the three established categories, the proceeding generally should be conducted under the rules for ratesetting proceedings.

2. Need for Hearings

This Amended Application and the testimony submitted contain sufficient information and constitute a sufficient record for the Commission to rule on the Application in accordance with Public Utilities Code § 701 without the need for evidentiary hearings. It was originally filed as a Petition for Modification of the Decision on October 9, 2009.

3. Proposed Schedule

SCE proposed the following schedule:

Application Filed	10/13/09
PHC	1/29/10
Amended Application filed	2/3/10
Protests and Responses Due	2/10/10
Reply to Protests and Responses Due ³⁷	2/16/10
PHC	3/3/10
Opening Briefs	3/24/10
Reply Briefs	4/7/10

³⁶ See Rule 1.3(e) of the Commission’s Rules of Practice and Procedure.

³⁷ At the PHC, the parties agreed to 2/15/10, however, that is a Commission holiday.

4. Issues to be Considered

The issues to be considered in connection with this Amended Application are whether to approve the modified EDR-R floor price rate calculation, extend it through December 31, 2012 and increase the program cap from 100 MW to 250 MW.

E. Articles of Incorporation

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and as presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020³⁸, and is by referenced made a part hereof.

F. Service

SCE has served a copy of this Application and the redacted public version of its supporting testimony on all parties to Application (A), A.04-04-008, A.04-06-018, and A.05-10-010.

VII.

CONCLUSION

For all the foregoing reasons, the Decision should be modified as set forth above. SCE requests the Commission to issue a decision that will:

1. Extend the sunset date for EDR-R from December 31, 2009 to December 31, 2012.
2. Adopt a program cap of 250 MW for SCE's economic development rate program.
3. Grant such other authority and relief as the Commission deems appropriate.

³⁸ A.06-03-020, filed on March 14, 2006, addresses early transfer of Anaheim's share of SONGS 2&3 to SCE.

Respectfully submitted,

JENNIFER TSAO SHIGEKAWA
R. OLIVIA SAMAD

/s/ R. Olivia Samad

By: R. Olivia Samad

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

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February 3, 2010

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this **3rd day of February, 2010**, at Rosemead, California.

/s/ Akbar Jazayeri

Akbar Jazayeri

Vice President, Regulatory Operations

SOUTHERN CALIFORNIA EDISON COMPANY

**Affidavit in Support of Amended Application for Modification of Decision 05-09-018
to Extend the Economic Development Rate**

I, Maryann Reyes, swear or affirm as follows:

1. I am currently the Manager of Economic Development Services at Southern California Edison (SCE). I assumed this role in January 2010. I am a Senior Manager, responsible for all aspects of the Economic Development Services Department. SCE's Economic Development Services Department is part of the Customer Service Business Unit. Its primary purpose is to support the regional economy and create benefit for SCE customers by retaining and expanding at-risk customers; attracting businesses in growth industries; providing leadership on initiatives strengthening California's business infrastructure; and advancing key existing and emerging industries.

2. I began my career at SCE in 1996, serving in the company's public affairs department as a project manager, Director of Public Affairs for Los Angeles County and City, then Region Director for Metro Los Angeles region, leading a team of 15 representing 60 cities in Los Angeles County.

3. In 1986, I received my Bachelors of Science degree in Economics from University of California Santa Cruz. I completed graduate work towards a master's degree in public affairs and education at the University of Washington and Cal State Los Angeles respectively.

4. I have personal knowledge of the facts and discussion regarding SCE's Economic Development Rate schedules and program, SCE's current EDR customers, and the reasons for extending the rate and increasing the MW cap in the Amended Application for Modification of Decision 05-09-018 to Extend the Economic Development Rate. If called as a witness, I could and would competently testify thereto.

5. Insofar as the tables and discussion referenced are factual in nature, I believe them to be correct.

6. Insofar as the tables and discussion are in the nature of opinion or judgment, it represents my best judgment.

Executed in Irwindale, California on February 3, 2010.

/s/ Maryann Reyes
Maryann Reyes

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commissioner's Rules of Practice and Procedure, I have this day served a true copy of Amended Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR MODIFICATION OF DECISION 05-09-018 TO EXTEND EDR-RETENTION RATES on all parties identified in the attached service list(s).

Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.

Executed this **3rd day of February, 2010**, at Rosemead, California.

/s/ Melissa Schary
Melissa Schary
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Ave.
Post Office Box 800
Rosemead, California 91770



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