

Decision 07-11-052 November 20, 2007

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Approval of Economic Development Rates.	Application 04-04-008 (Filed April 5, 2004) (Rehearing Granted May 25, 2006)
Application of Pacific Gas and Electric Company to Modify the Experimental Economic Development Rate (Schedule ED). (U 39 E)	Application 04-06-018 (Filed June 14, 2004) (Rehearing Granted May 25, 2006)
Application of Southern California Gas Company (U 904 G) for Approval of Long-Term Gas Transportation Agreement with Guardian Industries Corp.	Application 05-10-010 (Filed October 7, 2005) (Discount Issues)

ORDER CORRECTING ERROR IN DECISION (D.) 07-09-016

The Commission has been informed of an inadvertent error in D.07-09-016.

D.07-09-016 modified the economic development rates (EDR) approved in D.05-09-018, and adopted a new "Floor Price" below which an EDR cannot fall. The new Floor Price established by D.07-09-016 consists of: "transmission charges, public purpose program (PPP) charges, nuclear decommissioning (ND) charges, DWR Bond charges, Competition Transition Charge (CTC), marginal costs for transmission, distribution, and if a bundled-service customer, marginal costs for generation."

The error pertains to the inclusion of both transmission charges and marginal costs for transmission in the Floor Price. The Floor Price adopted in D.07-09-016 double-counts the marginal costs for transmission because these costs are included in transmission charges.

This decision corrects D.07-09-016 by removing from the Floor Price the marginal costs for transmission, as shown in Section 3.4.2 of the Discussion Section, Finding of Fact 6, and Ordering Paragraph 1.

Therefore, pursuant to Resolution A-4661,

IT IS ORDERED that:

1. The description of Floor Pricing and Marginal Costs shown in Section 3.4.2 of the Discussion Section in D.07-09-016 is revised as follows:

The new language is:

Limit the discount to ensure revenue does not fall below floor price, which consists of transmission charges, public purpose program (PPP) charges, nuclear decommissioning (ND) charges, DWR Bond charges, Competition Transition Charge (CTC), marginal costs for distribution, and, if a bundled-service customer, marginal costs for generation. Floor price to be based on customer-specific marginal costs, up to the OAT. Unit marginal costs to be established at beginning of customer contract.

2. Finding of Fact 6 of D.07-09-016 is revised as follows:

In the Amended Proposal in D.05-09-018, the description of Floor Pricing and Marginal Costs is modified to read:

Limit the discount to ensure revenue does not fall below floor price, which consists of transmission charges, PPP charges, ND charges, DWR Bond charges, CTC, marginal costs for distribution, and, if a bundled-service customer, marginal costs for generation. Floor price to be based on customer-specific marginal costs, up to the OAT. Unit marginal costs to be established at beginning of customer contract.

3. Ordering Paragraph 1 of D.07-09-016 is revised as follows:

The economic development rates approved in D.05-09-018 are modified as follows:

The description of Floor Pricing and Marginal Costs is:

Limit the discount to ensure revenue does not fall below floor price, which consists of transmission charges public purpose program (PPP) charges, nuclear decommissioning (ND) charges, DWR Bond charges, Competition Transition Charge (CTC), marginal costs for distribution, and, if a bundled-service customer, marginal costs for generation. Floor price to be based on customer-specific marginal costs, up to the OAT. Unit marginal costs to be established at beginning of customer contract.

This order is effective today.

Dated November 20, 2007, at San Francisco, California.

/s/ PAUL CLANON

Paul Clanon

Executive Director