

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

December 15, 2008

FILED12-15-08
11:26 AM**Agenda ID #8191**
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 08-09-019

This is the proposed decision of Administrative Law Judge (ALJ) Barnett. It will not appear on the Commission's agenda for at least 30 days after the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at www.cpuc.ca.gov. Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed either electronically pursuant to Resolution ALJ-188 or with the Commission's Docket Office. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Barnett at rab@cpuc.ca.gov and the assigned Commissioner. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ ANGELA K. MINKIN
Angela K. Minkin, Chief
Administrative Law Judge

ANG:avs

Attachment

Decision PROPOSED DECISION OF ALJ BARNETT (Mailed 12/15/2008)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), for Authority to, Among Other Things, Increase its Authorized Revenues for Gas Service for Santa Catalina Island in 2009, and to Reflect that Increase in Rates.

Application 08-09-019
(Filed September 23, 2008)

DECISION AUTHORIZING A MEMORANDUM ACCOUNT

Southern California Edison Company (SCE) filed this application for a Test Year 2009 General Rate Case (GRC) for its Santa Catalina Island gas service. SCE seeks a gas base revenue requirement of \$1.654 million, which represents a \$0.751 million increase over 2009 estimated present rate revenues. SCE requests that the proposed gas base rate increase be fully reflected in gas customers' rates effective January 1, 2009.

SCE's Notice of Intent (NOI) to file this gas service application was accepted and served on November 6, 2007 to correspond with SCE's filing of its Test Year 2009 electric GRC. The Division of Ratepayer Advocates (DRA) asked and SCE agreed to delay the filing of SCE's 2009 Catalina gas GRC application so that all parties could focus on SCE's electric GRC. Now that SCE's electric GRC is nearing its conclusion, SCE filed this application. Due to the late filing of this application, SCE moves to establish a memorandum account to record the difference between the revenues at the higher proposed rate and the present rate revenues beginning January 1, 2009 until a final decision is issued in this GRC.

DRA does not object to the establishing of the memorandum account, but will oppose any attempt by SCE recover the money recorded in the account.

The Commission has sometimes established memorandum accounts and allowed recovery of amounts included therein to allow GRC decisions delayed past the start of the test year to be effective as if the decisions had not been delayed. Such memorandum accounts were implemented in the last GRC for each of the major California energy utilities. Decision (D.) 02-12-073 authorized a memorandum account for recovery of Pacific Gas and Electric Company Test Year 2003 revenue requirement. In SCE's last GRC, D.03-05-076, granting a memorandum account to track the eventual decision that had been delayed in that proceeding. Finally, in San Diego Gas & Electric Company's and Southern California Gas Company's last consolidated GRC, Applications (A.) 02-12-027 and A.02-12-028, D.03-12-057 authorized a memorandum account.

Because SCE agreed to delay the filing of this application for over a year to accommodate DRA, we will authorize SCE to establish a memorandum account to record the difference between the revenues at the higher proposed rates and the present rate revenues beginning on the effective date of this decision until a final decision is issued. Establishing the memorandum account does not ensure recovery of the amounts recorded in the account, or any portion of the amounts.

Comments on Proposed Decision

The proposed decision of the Administrative Law Judge in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

Assignment of Proceeding

John A. Bohn is the assigned Commissioner and Robert Barnett is the assigned Administrative Law Judge in this proceeding.

Finding of Fact

1. The filing of this application was delayed at DRA's request to allow parties to focus on SCE's Test Year 2009 electric GRC.
2. A final decision in this gas GRC will not be issued prior to January 1, 2009.
3. No party objects to establishing a memorandum accounts as requested by SCE.

Conclusions of Law

1. It is reasonable to establish a memorandum account as described to process this matter without harm to any party due to the timing of a final decision.
2. The creation of the memorandum account does not, by itself, ensure recovery of any specific amount.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company is authorized to establish a memorandum account to track the change in the revenue requirement adopted in this general rate case during the period between the date of this decision, and the effective date of the final decision.
2. The establishment of this memorandum account does not predetermine that recovery of any of the amounts included in the memorandum account is reasonable or recoverable from ratepayers.

3. The Commission will address the disposition of the memorandum account in the final decision in this proceeding.

4. Application 08-09-019 remains open.

This order is effective today.

Dated _____, at San Francisco, California.

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated December 15, 2008, 2008, at San Francisco, California.

/s/ Antonina V. Swansen

Antonina V. Swansen

***** PARTIES *****

***** SERVICE LIST *****

Last Updated on 01-DEC-2008 by: JVG
A0809019 LIST

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