DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

I.D. # 8343

ENERGY DIVISION RESOLUTION G-3427

MAY 7, 2009

R E S O L U T I O N

Resolution G-3427 Southern California Edison (SCE) requests approval to establish its Credit/Debit Card Bill Payment Option and discontinue its Pay-by-Phone payment option. SCE's proposal to accept credit/debit cards in payment of customers' bills must be revised. SCE's proposal to discontinue its free Pay-by-Phone option is denied, and the transaction fee must be lowered.

By Advice Letters 152-G/2269-E and 67-W filed on September 22, 2008.

SUMMARY

This Resolution requires two significant modifications to SCE's request in Advice Letters (AL) 152-G/2269-E and 67-W to allow customers to pay their SCE bills with a credit or debit card and incur a $3.50 transaction fee when such payments are made. SCE's proposal must be modified to continue a free Pay-by-Phone option, and SCE must negotiate a lower transaction fee comparable to the level proposed by PG&E, SoCalGas and SDG&E and approved by the Commission. Main elements of this resolution are summarized as follows:

a. SCE must negotiate a lower transaction fee for a credit/debit card payment option, closer to the fees proposed by Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E) and PG&E, and approved by the Commission..
b. PG&E, SoCalGas, and SDG&E do not include Visa under their credit card payment option. Inclusion of Visa essentially raises the fee for use of other credit cards as well, because Visa requires a higher transaction fee and no other payment option in the same payment channel can have a lower transaction fee per the SCE agreement with the credit card companies.

c. SCE's proposal to discontinue its free Pay-by-Phone option is denied. SoCalGas and SDG&E have retained this free option while offering the fee-based credit card option. SCE should not take away this existing free option from customers.
d. The Commission would like to see SCE's customers have a credit/debit card payment option. Since SCE will likely need time to renegotiate a new credit/debit card option, we will deny the subject advice letters. Once SCE is able to renegotiate a new arrangement as directed here. SCE shall submit a new advice letter with its proposal for a credit/debit card payment option.

The Division of Ratepayer's Advocates (DRA) protest to continue the Pay-by-Phone option is granted.

BACKGROUND

The purpose of ALs 152-G/2269-E and 67-W is to request approval of SCE's Credit/Debit Card Bill Payment Option pursuant to Public Utilities (PU) Code Section 755. Additionally, SCE proposes to discontinue its Pay-by-Phone Option. SCE states that discontinuance of the free pay by phone option is necessary to comply with Visa contract requirements.

PU Code Section 755 allows electric, gas, and water utilities to charge a convenience fee for credit and debit card payments that recover the transaction costs from those customers who choose to pay their utility service bill by credit or debit card. PU code 755 requires that only those customers choosing to use the credit or debit card payment option shall incur the convenience fee, unless the Commission determines that the credit card payment option results in savings to ratepayers that exceed the net cost of accepting those cards. SCE proposes a convenience fee applicable to participating customers based on its agreement with the vendor who will process these credit card payments.

There is no significant difference between AL's 152-G/2269-E and 67-W.

SCE proposes to file, upon approval of these advice letters, a supplemental compliance advice letter revising numerous energy statements, deposit notices, and collection/disconnection notices and a withdrawal of one filed form as a result of this credit/debit card bill option.

Description of SCE's Proposed Credit/Debit Card Payment Option

SCE seeks authority to assess a convenience fee of $3.50 per transaction to those residential customers who choose the option to pay their monthly bill and/or pay their deposit for electric, gas, and water service (utility service) through use of a credit or debit card. Under this payment option, SCE will outsource the acceptance of Visa and MasterCard credit and debit cards and pinless debit cards (ATM cards) for payments using JP Morgan Chase (JPMC) as the vendor. This payment option will be available to customers taking utility service under SCE's residential rate schedules and is available to residential customers including those scheduled for disconnection or who have already been disconnected for nonpayment of their bills. Once a credit/debit card payment has been made, SCE will receive immediate notification from JPMC and a memo will be posted to the customer's account regarding receipt of his/her payment.

SCE's credit and debit card payment option will be available to the approximately 74 percent of SCE's residential customers who have either a Visa or MasterCard.[1] SCE stated that those utilities which accept multiple credit cards (including Visa) charge convenience fees ranging from $3.50 to $5.95 placing SCE's convenience fee at the lower end of the range. Customers using the credit/debit card option will pay the convenience fee directly to JPMC. SCE will not receive any portion of the convenience fee revenue.

Description of Credit Card Payment Option Process

Customers choosing to pay their utility service bills with a credit/debit card will call the vendor's Voice Response Unit (VRU) to make a credit/debit card or Automatic Teller Machine (ATM) debit card payment. Customers will be informed of the transaction fee as one of the initial steps in the payment process. At any time during the call, the customer can request the assistance of a JPMC English or Spanish-speaking customer service representative. JPMC would

[1] In its advice letter, SCE implied that about 90% of its customers have either a Visa or MasterCard. In its Reply to DRA's protest, SCE clarified that it estimates about 74% of its residential customers have either a MasterCard or Visa card.

assess the $3.50 convenience fee for each transaction (each time a credit or debit card is used to make a payment). If a residential customer has more than one customer account and desires to pay by credit or debit card, the customer must make a separate card transaction for each account. A separate convenience fee will be assessed for each transaction. The vendor will accept the customer's account information, validate data/customer eligibility, and provide customers with their current SCE account balances including any past due amounts. Upon completion of each payment transaction, the vendor will provide a confirmation number to the customer. Successful customers' payments will then be immediately noted on the customers' accounts and posted nightly (except for weekends and Federal holidays) to the customers' account(s) in SCE's Customer Service System.

SCE said in a data response that it would update costs of its payment options in each general rate case. SCE would also regularly monitor the performance of the credit card payment option to determine its effectiveness and to what extent the program should be enhanced to improve customer service.

SCE said it would make its residential customers aware of the new credit card and debit card payment option through the following means: bill statement, the SCE.com website, printed materials describing payment options, and through SCE's Call Centers.

Discontinuance of SCE's Pay-By-Phone Option

SCE established its Pay-By-Phone option in 1995. This option allows customers to pay their bills from their checking account using a touch tone telephone. Customers call an 800 number which dials into a Voice Response Unit (VRU) where the transaction is ultimately handled by a third-party vendor. SCE does not assess a convenience fee for this payment option. SCE reports 11,000 customers enrolled and active in the Pay-By-Phone program and SCE processes approximately 8,200 transactions per month, representing about 0.2 percent of the residential bills SCE renders each month. SCE said that at least 50 percent of the customers currently enrolled in Pay-By-Phone use other payment options at least once or more each year.

According to SCE, if Pay-By-Phone option were to be retained, JPMC the vendor who currently processes the free Pay-By-Phone payment option will need a new platform which would require a new contract and six to nine months to test and develop bill presentation. JPMC provided SCE notification of a change in the IT system platform used to handle Pay-By-Phone calls estimated to cost $1 million plus $1,200 per month for maintenance.[2] SCE stated in a data response that JPMC, the payment processing vendor, will retire the existing platform on February 28, 2009 and SCE is unable to get an extension for the current system.

SCE explained that the JPMC Visa and MasterCard contracts require that the convenience fee for other payment options in the same payment channel (such as phone and Internet) should be no lower than the fee charged Visa and MasterCard users. To comply with these contract terms, SCE would have to either: 1) decommission Pay-By-Phone altogether, or 2) charge a convenience fee of $3.50 or more for Pay-By-Phone transactions which are currently free.

In a data response Edison cited its Quickcheck payment option as an alternative to Pay-by-Phone which would allow the customer to pay via the telephone from their checking account. However, the Quickcheck payment option is not free. The charge for Quickcheck is $5.00 per transaction.

To comply with the Visa and MasterCard contract requirement, SCE has elected to discontinue enrollment in the Pay-By-Phone program and plans to decommission the Pay-By-Phone program contingent upon the Commission's approval of the credit and debit card payment option. SCE said it will work with the existing Pay-By-Phone customers to make them aware of alternative payment options.

Tariff Changes

SCE proposes to revise electric Rule 9, gas Rule 9 and water Rule 9 Rendering and Payment of Bills, to include credit/debit and "pinless" card transactions as an accepted method of payment. SCE also proposes to add a new section entitled Credit/Debit Card Payment Option which provides the terms and conditions of use and the $3.50 per transaction fee. SCE's Energy Statements and Deposit and Collection/Disconnection Notices will be modified in a subsequent

[2] In its advice letter, SCE stated that the cost would be $250,000 to $500,000. In a subsequent estimate provided to the Energy Division, SCE indicated that the cost could be as much as $1 Million.

compliance filing to include JPMC's toll-free telephone number on the second page of the customers' bills/notices under the heading "Options for Paying Your Bill."

NOTICE

Notice of AL 152-G/2269-E and AL 67-W was made by publication in the Commission's Daily Calendar. SCE states that copies of these Advice Letters were mailed and distributed in accordance with Section 3.14 of General Order 96-B.

PROTESTS

DRA's Protest

The Division of Ratepayer Advocates protested AL 153-G/2269-E for the following reasons:

- The fact that ninety percent of SCE's customers have a credit card is not sufficient to disband other less expensive payment options. DRA cites SCE's estimate of 400,000 residential customers that do not have the ability to pay by credit card.

- Expenses of $500,000 do not merit eliminating the existing free pay-by-phone option. SCE's proposal to discontinue the pay-by-phone option and charge at least $3.50 per transaction is unreasonable. DRA alleges that in light of SCE's reported 0.3% participation rate for pay-by-phone service, the $3.50 per transaction would allow SCE to recover the costs of its system upgrade within two years. Therefore, this fee is clearly structured to be comparable to the credit card payment fee, rather than to cover the upgrade expenses.

- Charging customers who choose to make walk-in payments $3.50 is not reasonable.

- SCE needs to clarify its definition of payment channel and state that payment by U.S. Postal Service remains unaffected.

DRA stated that residential customers should not have their payment options limited; severe credit crises and economic recession may make it more difficult for some SCE customers to qualify for credit cards; and this is not the time to disband economical payment methods.

DRA proposes to keep the pay-by-phone option intact, without any fees, and walk-in payments free of charges.

SCE's Response to DRA's Protest

SCE explained that the credit/debit card option will be available to customers taking service under SCE residential rate schedules and is available to all residential customers including those scheduled for disconnection or who have already been disconnected for nonpayment of electric service. SCE stated that its market research demonstrated that credit card acceptance as a form of payment is becoming a common practice in most service industries, including the utility industry. Most residential customers have come to expect that such a bill payment option will be available for their SCE utility service.

In response to DRA's request that SCE clarify the payment channel in the context of this new bill payment service SCE explained that customers can pay their electric bills through five payment channels (mail, in-person, phone, web and recurring[3]) using various payment methods (i.e. cash, check, and money order). The free Pay By Phone channel is the only payment channel that will be affected and eliminated. The JPMC Visa and MasterCard contracts require SCE to not charge a lower amount for payment methods in the same channel as their credit/debit card option. This requirement affects only SCE's phone payment channel, and specifically affects Pay-by-Phone (currently a free service and therefore less than the $3.50 charged for credit/debit card payment). No other channels are affected by the $3.50 charge.

SCE explained that it must comply with credit card companies' rules and standards that require other payment options in the same payment channel to

[3] The recurring payment option is available to customers who enroll in the Direct Payment program for automatic (recurring) monthly bill payment from their specified checking account. The customer continues to receive a monthly bill which indicates that the automatic monthly payment will be electronically deducted from their specified checking account 10 days after the billing date. Customers who use this payment option do not have to write a check and deliver it by mail or in person.

not be free or have a lower fee than the $3.50 fee that will be charged credit card customers.

SCE cites three reasons for discontinuing the Pay-by-Phone service:

- Significantly more customers would desire to use a credit/debit card payment option than currently desire to use the free Pay-by-Phone payment option
- Information Technology system development costs of $1 million [4] in capital expenditure is required to continue to offer the Pay-by-Phone payment option to a very small number of customers.
- If a convenience fee were imposed for the Pay-by-Phone payment option to comply with the credit card companies' rules, there would be an even smaller number of customers who would continue to use the Pay-by-Phone option.

SCE states that currently there are only 11,800 customers enrolled in the Pay-by-Phone program. On a monthly basis, about 25 percent of those enrolled Pay-by-Phone customers choose to pay their bill with a different payment option (e.g. U.S. mail or walk-in). **SCE concludes that on average only 8,200 or 0.2 percent of residential customers consistently use the Pay-by-Phone payment option each month.** SCE compares this customer usage with the forecast average customer usage of monthly card payments of 696,000 for the first year increasing to 1,331,000 by the third year of the program. SCE said that by offering the new credit and debit card program more customers have another payment option to use to meet their bill needs.

SCE estimates that, of its 4.2 million customers, 3.1 million hold either a Visa, MasterCard, or a debit card and could benefit from SCE's proposed program.

To conform with Visa/MasterCards' rules and standards, SCE said it must either discontinue the Pay-by-Phone option or incur the IT system development costs and assess each Pay-by-Phone transaction a convenience fee of not less than the $3.50 required for a card transaction in order to offer the credit card payment option customers expect.

---

[4] SCE provided an updated estimate of $1 million of capital requirements in a data response.

SCE clarified that walk-in payments at any of its 370 Authorized Payment Agency locations and payments sent by U.S. mail will continue to be free.

DISCUSSION

According to SCE, its proposal would allow about ¾ of its residential customers the option of paying their bills by Visa, MasterCard or pinless debit card. This option will also be available to avoid disconnection or to implement reconnection of service. In addition customers will be able to obtain real time account balance information and to access a JPMC's customer service representative

SCE should not eliminate the currently free Pay-By-Phone option when it offers the credit card payment option to customers.

SCE proposes to eliminate the currently free Pay-By-Phone option because it is in the same phone payment channel as the credit card payment option and the agreement with the credit card companies does not allow SCE to charge less than what the credit card option would cost for payment options in the same payment channel. According to SCE, 11,000 customers are currently enrolled in the Pay-by-Phone option and 8,200 customers regularly use this option. SCE does not currently charge for use of the Pay-by-Phone option. DRA has protested elimination of this free option.

Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) both continue to offer the free Pay-by-Phone option in addition to allowing a fee-based credit/debit card option. The level of payments made by credit card, debit card, and e-check to SoCalGas and SDG&E is larger than the number of payments made by Pay-by-Phone. It is unclear as to why SoCalGas and SDG&E were able to offer these options while SCE can't. Pacific Gas and Electric Company (PG&E) has been authorized by the Commission to offer a fee-based credit card payment option, but has not yet implemented the option. PG&E does not offer a free Pay-by-Phone option.

SCE states that JPMC will retire the existing Pay-by Phone platform on February 28, 2009 and SCE will not be able to get an extension. According to SCE, redeployment of the Pay-by-Phone option would cost an estimated $1 million and require 9 months to complete. Selection of a vendor other than JPMC would increase the time required to provide a Pay-by-Phone payment option with a new platform. To continue that option would require a new contract with JPMC or another vendor, some expenditure, and time to develop bill presentation and test the system. The costs potentially incurred by SCE to continue this option do not strike us as significant, and we believe that SCE should continue to offer a free Pay-by-Phone option.

We agree with DRA because the goal of introducing the credit card payment option is to enhance the menu of choices for customers, not to diminish them. Providing customers with reasonably convenient bill payment options is a key part of providing utility service. This element of service should not be compromised simply because credit card companies require that no other options in the same channel should be provided at a cost lower than the credit card option. SCE should upgrade the system if needed and should continue to make the free Pay-By-Phone option available.

SCE confirmed in response to DRA's protest that it does not propose to charge for walk-in or U.S. Postal service payments.

SoCalGas and SDG&E provide the credit card option at a fee of $1.50 per transaction. PG&E proposed and the Commission approved a credit card transaction charge of $1.45 per transaction. SCE's fee of $3.50 per transaction is too high.

SCE's fee is higher because apparently Visa requires a $3.50 per transaction fee as opposed to the $1.45 -$1.50 per transaction fee that PG&E and SoCalGas/SDG&E negotiated with Master Card (and Discover in PG&E's case). In addition, it appears that Visa and possibly other credit card companies require that the utility not charge a lower fee for any other payments made in the same payment channel. SCE states that since substantially more customers have a Visa card compared to a MasterCard or other credit cards, getting Visa on board is necessary to provide the credit card option to the vast majority of customers. Because of Visa's fee levels and its insistence that no other option in the same payment channel be provided at a lower rate, PG&E and SoCalGas/SDG&E apparently decided to go without including Visa in their credit card option. Because they have not included Visa, they can apparently offer the credit card option at the lower rate of $1.45 - $1.50 that MasterCard and Discover agreed to.

In its comments on the draft of this Resolution, SCE agreed that including Visa results in a higher transaction fee, but also asserted that there are other features of its payment option, not offered by PG&E and SDG&E, that contribute to a higher fee for SCE's program. We find SCE's arguments unpersuasive for several reasons. First, it is difficult to quantify the impact, if any, of those allegedly additional features on the level of the transaction fee. Second, the Energy Division requested that PG&E and SDG&E respond to SCE's assertions. According to the responses we received from PG&E and SDG&E, SCE's assertions are not accurate. Third, PG&E and/or SDG&E may offer features that SCE does not offer in its program.

Visa appears to be exercising its market power in insisting on high fees and requiring that customers cannot be charged less even if other credit card companies are willing to charge less.

In a data response to the Energy Division, SCE stated that Visa and MasterCard account for 90% of the U.S. cardholder market share, with 70% for Visa and 20% for MasterCard. SCE decided to include Visa in its credit card program because a larger share of residential customers would have the opportunity to take advantage of the credit card payment option. A credit card program without the Visa card brand would only be accessible to a much smaller percentage of SCE's residential customers.

The 70% market share that Visa has in the credit card market gives it the market power to insist on its rules. SCE has only two options: it can either agree to Visa's rules and fees or introduce the credit card option without including Visa as an option. SCE has chosen to include Visa whereas SoCalGas/SDG&E and PG&E have gone ahead with their credit/debit card payment option without Visa. We feel that Visa's high fees and restrictive rules reflect an exercise of market power that disadvantages SCE's customers wanting to use other credit cards with a lower fee.

While we appreciate SCE's efforts in developing its proposal, and we would like to see SCE's customers have the option to pay their bills with a credit or debit card, we require two modifications to SCE's request for authority to implement a Credit/Debit card payment option. SCE must lower its transaction charge, which is more than double the credit card fee charged PG&E and SoCalGas/SDG&E customers, and SCE must not eliminate the free Pay-by-Phone option. We understand that these requirements will likely necessitate renegotiation of a credit/debit card payment option. (In its comments on the draft of this resolution, SCE stated that if the pay-by-phone option was continued, SCE would not be able to offer the program as proposed and would need to propose a revised program.). Visa may not agree to a lower fee and both Visa and Master Card may not agree to be included in a credit card payment option if the free pay by phone option is retained in the same channel. In that case, SCE should explore other credit/debit options that will maintain a free Pay-by-Phone option and a lower transaction fee.

Since SCE will likely need some time to renegotiate the terms of a revised credit/debit card payment option, we will deny the subject advice letters, rather than keep the advice letters open, pending SCE's submittal of supplemental advice letters. Once SCE is ready with a new proposal, it shall submit new advice letters.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was first mailed to parties for comments on February 24, 2009. SCE and DRA submitted comments on March 16, 2009, and TURN submitted comments on March 17, 2009. Based on the comments, the Commission has modified its original draft resolution, and is allowing parties the opportunity to file supplemental comments that address the changes to the original draft resolution.

In its March 16th comments SCE opposed the continuation of the pay-by-phone option , and said that if the Draft Resolution is adopted, SCE will not be able to offer the credit/debit card program as proposed. SCE would need to propose a revised program, likely requiring a waiver of existing credit card company rules, in order to move forward with a credit and debit card payment option in conjunction with redeployment of the Pay by Phone (PbP) option.

SCE also said that use of the PbP option has declined because other payment options have more functionality, customers cannot use PbP in disconnect and reconnect situations, and the enrollment process can take up to two weeks to complete. PbP handles only 8,200 transactions/month according to SCE.

SCE further explained that because there are no enrollment requirements, customers will have the flexibility to select the credit or debit card that best fits their needs at the time of payment rather than proceeding through an enrollment process each time the customer desires to change an account.

SCE agrees that including Visa in its credit card program results in a higher convenience fee, but that is not the only reason for SCE's higher proposed fee. SCE contends that the Draft does not reflect the additional features that justify the difference between the convenience fee charged by SCE versus those charged by PG&E and SDG&E for their respective credit card offerings. SCE said that its credit card payment program contains the following customer-friendly features, some of which are not included in PG&E or SDG&E's offerings:

- Near real-time payment visibility at SCE's Call Center so that customers can use their card in a disconnection or reconnection situation;
- Real-time balance inquiry that allows the customers to know their balance that is due without having a copy of the bill;
- Vendor customer service representative assistance available 24 hours, seven days a week in English and Spanish to assist customers having problems making a credit card payment through the automated system;
- Specified service levels for customer service quality and response times;
- Pricing stability achieved through a three-year contract term with the vendor.

As noted earlier, we find it difficult at this point to attach any specific value to the additional reasons offered for Visa's higher convenience fee. In addition, the Energy Division contacted PG&E and SDG&E to determine if they agreed with SCE's assertions. PG&E and SDG&E either provide virtually the same services or something similar, or provide reasons why a different service is provided.

DRA's comments oppose the $3.50 transaction fee as being too high. DRA questions the degree to which Visa commands significantly greater market share than MasterCard, the relevance of Visa's market share in authorizing a higher transaction fee in any case, and whether the Visa card offers any significantly better benefits than MasterCard. DRA argues that there is no good reason to authorize the $3.50 transaction fee based simply on Visa's dominant position. On the contrary, DRA's argues that the Commission should not allow Visa to essentially require a higher credit card convenience fee from customers using another credit card that could require lower fees. DRA recommends that SCE pursue an arrangement similar to other utilities with a lower transaction fee.

TURN filed late comments, in opposition to the $3.50 transaction fee. Our cover letter to the draft resolution mailed on February 24th specifically stated that late comments will not be considered. In any case, TURN argued some of the same points as did DRA, and as noted above, supplemental comments will be allowed.

Upon consideration of SCE's and DRA's comments, we agree with DRA, and the draft resolution has been revised. We do not see enough significant reasons to justify a $3.50 transaction fee, when other utilities can offer the service at a lower fee.

Findings

1. SCE filed Advice Letters 152-G/2269-E and 67-W requesting authority to offer its customers a credit/debit card payment option and to discontinue its Pay-by-Phone Payment option.

2. DRA protested AL 152-G/2269-E recommending that the Pay-by-Phone option be left intact.

3. SCE proposes to outsource acceptance of Visa and MasterCard credit and debit cards and ATM debit cards to JP Morgan Chase.

4. The $3.50 fee proposed by SCE is higher than SoCalGas's, SDG&E's, and PG&E's fee mainly because Visa imposes a higher fee and no other payment option in the same payment channel can have a lower transaction fee. SoCalGas SDG&E, and PG&E do not include Visa in their credit card payment options and have lower fees.

5. SCE's proposed fee is higher than that charged by SoCalGas, SDG&E and PG&E because unlike those utilities SCE's proposal would accept both Visa and MasterCard credit cards.

6. SCE should maintain a free Pay-by-Phone bill payment option.

7. SCE should renegotiate its credit/debit card payment proposal to lower the transaction fee to the level offered by PG&E and SoCalGas/SDG&E.

8. SCE's credit/debit card proposal should be denied.

THEREFORE IT IS ORDERED THAT:

1. SCE's proposal to allow credit/debit card bill payments in ALs 152-G/2269-E and 67-W is denied. .

2. SCE's proposal to discontinue its Pay-by-Phone option is denied. SCE shall continue to offer the Pay-by-Phone option at no charge to its customers.

3. SCE shall revise its credit/debit card proposal to bring its credit card transaction fee closer to the fees approved by the Commission for SoCalGas, SDG&E and PG&E. SCE shall submit a new proposal as a Tier 2 advice letter, but that advice letter shall not go into effect until the Energy Division or the Commission has issued its approval of the advice letter.

4. DRA's recommendation to continue the free Pay-by-Phone option is granted.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on May 7, 2009 the following Commissioners voting favorably thereon:

Paul Clanon
Executive Director

STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

April 9, 2009

RESOLUTION G-3427
May 7, 2009 Commission Meeting
I.D.# 8343

TO: PARTIES TO SOUTHERN CALIFORNIA EDISON ADVICE LETTERS 152-G/2269-E AND 67-W

Enclosed is revised draft Resolution Number G-3427 of the Energy Division, issued in response to Southern California Edison (SCE) Advice Letter (AL) 152-G/2269-E and AL 67-W. The original draft resolution was mailed to parties for comments on February 24, 2009, and comments were received from several parties. The Energy Division has modified the draft resolution that was mailed to parties on February 24, 2009, and is allowing parties to provide additional comments on the revised draft resolution. The Energy Division expects that the draft resolution will appear on the agenda at the May 7, 2009 Commission meeting. The Commission may vote on this Resolution at that time or it may postpone a vote until a later meeting. When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Parties may submit comments on the draft Resolution. All comments on the draft Resolution must be received by the Energy Division by April 20, 2009.

An original and two copies of the comments, along with a certificate of service, shall be sent to:
Honesto Gatchalian
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Email: jnj@cpuc.ca.gov
FAX: 415-703-2200

A copy of the comments shall be submitted in electronic format to:

Maurice Monson and Richard Myers
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Email: mdm@cpuc.ca.gov and ram@cpuc.ca.gov

Those submitting comments on the draft Resolution must serve their comments on: 1) the entire service list attached to the draft Resolution, 2) all Commissioners, 3) the Director of the Energy Division, 4) the Chief Administrative Law Judge, and 5) the General Counsel on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to five pages in length and should list the recommended changes to the draft Resolution.

Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight.

Late submitted comments will not be considered. Reply comments will not be accepted.

Sincerely,

Richard Myers, Program and Project Supervisor
Energy Division

Enclosure: Service List
Certificate of Service

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution G-3427 on all parties or their attorneys as shown on the attached service list.

Dated April 9, 2009 at San Francisco, California.

Honesto Gatchalian

NOTICE

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

Parties to SCE Advice Letters 152-G/2269-E and Advice Letter 67-W

Abkar Jazayeri Vice President of Regulatory Operations Southern California Edison Company 2244 Walnut Grove Avenue Rosemead, California 91770 FAX: (415) 973-7226 Email: AdviceTariffManager@sce.com	
Bruce Foster Senior Vice President of Regulatory Operations c/o Kayrn Gansecki Southern California Edison Company 601 Van Ness Avenue, Suite 2040 San Francisco, California 94102 FAX: (415) 673-1116 Email: Karyn.Gansecki@sce.com	
Dana S. Appling Director, Division of Ratepayer Advocates 505 Van Ness Avenue San Francisco, CA 94102 FAX: (415) 703-2057 Email: DSA@cpuc.ca.gov	
TURN 711 Van Ness Ave., #350 San Francisco, CA 94102 Attn: Robert Finkelstein Legal Director Email: bfinkelstein@turn.org	