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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION E-4185**
July 31, 2008

R E S O L U T I O N

Resolution E-4185. Southern California Edison Company (SCE) requests the Commission's approval of its conformed 2006 Long Term Procurement Plan (LTPP).

By Advice Letter 2246-E filed on May 30, 2008

SUMMARY

This Resolution approves SCE's conformed 2006 Long Term Procurement Plan.

On December 20, 2007, the Commission adopted SCE's 2006 LTPP with modifications in D.07-12-052 and required SCE to file a conformed version of the 2006 LTPP within ninety days of the decision.[1] The decision stated that in addition to making all of the modifications to SCE's initial 2006 LTPP filing required in the decision, the Conformed 2006 LTPP should include all advice letter amendments made since the 2006 LTPP was filed and should be formatted with a tariff-like numbering system so that revisions could be easily tracked.[2]

On March 13, 2008, SCE requested an extension from the original filing deadline of March 19, 2008, to a new filing deadline of May 19, 2008. On May 14, 2008, SCE requested a second extension to a new filing deadline of May 30, 2008. Both of SCE's requests were granted by the Commission, and SCE filed its Conformed 2006 LTPP on May 30, 2008.

This Resolution approves SCE's Conformed 2006 LTPP.

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[1] D.07-12-052 at 193-194, Conclusion of Law 1and Ordering Paragraphs 1-2.

[2] *Id*. at 184.

BACKGROUND

Commission decision D.07-12-052 adopted SCE's 2006 LTPP with modifications and required SCE to file a conformed version of the 2006 LTPP within ninety days of the decision.

On December 20, 2007, the Commission adopted SCE's 2006 LTPP with modifications in D.07-12-052 and required SCE to file a conformed version of the 2006 LTPP within ninety days of the decision. The decision stated that the conformed version of its LTPP should:

1. Make all of the specific modifications to SCE's initial 2006 LTPP filing required in the decision;
2. Include all advice letter amendments made since the 2006 LTPP was filed; and
3. Utilize a tariff-like numbering system so that revisions can be easily tracked.

On May 30, 2008, SCE filed its Conformed 2006 LTPP via Advice Letter 2246-E. The Conformed LTPP updates the table, figures, and analyses provided in its original filing such that they conform with the assumptions provided in D.07-12-052 and program changes/other events that occurred subsequent to SCE's original LTPP filing.

To facilitate the review of the changes incorporated into the Conformed 2006 LTPP, SCE provided four versions of the Conformed 2006 LTPP – a redlined and a "clean" copy of a redacted version of the plan, and a redlined and a "clean" copy of the confidential version of the plan. In addition to providing redlined versions of the documents, SCE also included in its Advice Letter a description of the changes made to its original 2006 LTPP filing to comply with the requirements provided in D.07-12-052.

Decision D.07-12-052 did not approve SCE's risk management plan and recommended that "...ED, in concert with the PRG, address the issues of concern with the respective IOUs in future PRG meetings with each IOU, and that the IOUs submit revised risk management proposals via Advice Letter."

SCE has not yet revised its Electricity and Gas Hedging Plan in consultation with ED and its Procurement Review Group (PRG). Consequently, SCE will continue

to operate under its previously approved limits (provided in ALs 2049-E and 2076-E) until a revised Electricity and Gas Hedging Plan is developed and approved.

NOTICE

SCE states that in accordance with General Order 96-B, Section IV, public copies of Advice Letter 2246-E were sent electronically and via U.S. mail to parties on its GO 96-B and R.06-02-013 service lists. Non-market participants who are members of SCE's PRG and have signed appropriate Non-Disclosure Certificates also received the confidential attachments.

PROTESTS

Advice Letter 2246-E was not protested.

DISCUSSION

SCE's Conformed 2006 LTPP meets the requirements for the conformed plan compliance filing stipulated in D.07-12-052.

The Conformed 2006 LTPP SCE filed via Advice Letter 2246-E on May 30, 2008 meets the requirements for the conformed plan compliance filing stipulated in D.07-12-052. It includes the specific revisions to SCE's LTPP required in the decision, it incorporates the advice letter amendments made since SCE's initial 2006 LTPP was filed, and it develops a tariff sheet-like numbering system for tracking revisions to the document.

We provide the following clarifications associated with SCE's filing.

SCE shall consult with ED and its PRG prior to procuring a new, "non-standard product."

One of the clarifications identified by SCE in its original filing is the identification and procurement of "non-standard products" to satisfy a particular operational or procurement requirement that is not liquidly traded through exchanges or brokers. SCE will file an advice letter modifying its non-standard product list when it identifies the need for such a product. In the event that SCE identifies, prior to advice letter approval, an opportunity to procure a needed product of this

type that is beneficial to its customers, SCE shall consult with ED and its PRG prior to procuring this product.

SCE should use the approved Conformed 2006 LTPP to guide all future short- and long-term procurement practices, but all procurement requirements stipulated in previous Commission decisions (unless modified or nullified by subsequent decisions) remain in full force with the approval of the Conformed 2006 LTPP.

It is important to note that SCE's 2006 LTPP was not explicitly audited against past plans to ensure that each and every component of previous plans that responded to requirements from earlier Commission decisions was carried forward into its 2006 plan. Consequently, while SCE should use the approved Conformed 2006 LTPP to guide all future short- and long-term procurement practices, it remains the case that all procurement requirements stipulated in previous Commission decisions (unless modified or nullified by subsequent decisions) remain in full force with the approval of the Conformed 2006 LTPP, even if SCE omitted them from its 2006 LTPP filing.

COMMENTS

Public Utilities Code section 311(g)(1) provides that resolutions generally 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.

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. The Conformed 2006 LTPP SCE filed via Advice Letter 2246-E on May 30, 2008 meets the requirements for the conformed plan compliance filing stipulated in D.07-12-052.
2. SCE has not yet revised its Electricity and Gas Hedging Plan.

THEREFORE IT IS ORDERED THAT:

1. The Commission approves SCE's Conformed 2006 LTPP filed on May 30, 2008.
2. SCE should use the approved Conformed 2006 LTPP to guide all future short- and long-term procurement practices, but it remains the case that all procurement requirements stipulated in previous Commission decisions (unless modified or nullified by subsequent decisions) remain in full force with the approval of the Conformed 2006 LTPP, even if SCE omitted them from its 2006 LTPP filings.

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 July 31, 2008; the following Commissioners voting favorably thereon:

/s/ Paul Clanon
Paul Clanon
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners