



SOUTHERN CALIFORNIA
EDISON

An EDISON INTERNATIONAL Company

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August 9, 2004

Jerry Royer
c/o Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

**Re: Comments of Southern California Edison Company on
Draft Resolution E-3885 on SCE Advice Letter 1806-E**

Dear Mr. Royer:

Attached please find Southern California Edison Company's (SCE's) Comments on Draft Resolution E-3885 of the Energy Division.

Very truly yours,

Akbar Jazayeri

cc: Attached Service List
President Michael Peevy
Commissioner Geoffrey Brown
Commissioner Susan Kennedy
Commissioner Loretta Lynch
Commissioner Carl Wood
Paul Clanon/Director, Energy Division
Don Lafrenz, Energy Division
Sarvjit Randhawa, Energy Division

AJ/LC:mm: E-3885 Comments Cover Letter.doc

Enclosure(s)

**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U
338-E) ON DRAFT RESOLUTION E-3885 IN SCE ADVICE LETTER
1806-E/SSR**

I.

INTRODUCTION

Pursuant to Rule 77.7 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure and Sections 11(g) of the Public Utilities Code, Southern California Edison Company (SCE) submits these Comments on Draft Resolution E-3885 on SCE's Advice Letter 1806-E, dated June 16, 2004.

II.

DISCUSSION

A. Background

SCE's Advice Letter 1806-E, dated June 16, 2004, proposes to establish Cool Centers for 2004 in SCE's hot desert climate zones. The 2004 Cool Center Project will allow targeted populations to visit Cool Centers, in lieu of their own homes. The funding source for the 2004 Cool Centers is to be determined in Program Year 2005 planning process, currently underway in Rulemaking (R.)04-01-006, Order Instituting Rulemaking on the Commission's proposed Policies and Programs Governing Post-2003 Low-Income Assistance Programs; SCE's Application (A.)04-07-012 Regarding Low-Income Assistance Programs for Program Year 2005.

B. The Commission Should Adopt Resolution E-3885

SCE supports the Draft Resolution E-3885, and urges the Commission to adopt it. SCE believes the Cool Centers provide a valuable service in hot climates and they assist residential customers, who utilize the facilities, in lowering their energy bills. The Cool Centers target low-income and elderly residents and provide

them a place to go where they can be comfortable, avoid cooling their homes, and receive educational information during the hot summer months.

C. SCE Would Suggests A Few Modifications To Draft Resolution E-3885

1. Coding

SCE already has in place a tracking and reporting system that utilizes "Source Codes" to identify CARE applications completed by different Capitation Contractors under our CARE program. A unique code is assigned to each contractor and applied to applications issued by that contractor so that enrollment can be tracked and contractors paid for each customer enrolled. SCE also utilizes this system to assign each Cool Center contractor a unique code for tracking Cool Center visitors who apply for CARE and of those, how many are enrolled onto the CARE program. SCE's use of these codes allows SCE to determine how many CARE applications and enrollees were obtained because of Cool Centers. SCE would suggest the Resolution simply require SCE to follow the same procedure already being used and discussed above. SCE should continue to provide a unique code for each Cool Center application such that SCE can determine who the Cool Center contractor was that generated the application and how many CARE applications Cool Centers generated in total. It would be redundant, expensive, and extremely time-consuming if SCE were required to reconfigure or modify its existing coding process. The Resolution should simply require SCE to code the application in such a way so as to be able to track the CARE applications received by SCE from contractors operating the Cool Centers.

Ordering Paragraph 7 should be deleted and Ordering Paragraph 6 should require SCE to file a report summarizing the contractors and Cool Center coding information, Ordering Paragraph 6 should read as follows:

SCE shall code all CARE applications provided at the Cool Centers and track successful new CARE enrollees resulting from this process. *SCE shall file a report summarizing CARE applications received from contractors operating the Cool Centers.*

2. CARE Cost Sharing

The Draft Resolution would prohibit SCE from charging the CARE Program for CARE outreach materials distributed at the Cool Centers. SCE believes this is a difficult, if not expensive task, since SCE's CARE outreach materials are prepared in bulk and are not Cool Center specific. In addition, this policy would be contrary to CARE literature distribution policy applied to similar agencies providing social services such as State Low-Income Home Energy Assistance Program contractors, community-based organizations and other similar institutions. The actual cost for outreach materials provided to Cool Centers would be insignificant. Such a method of tracking and allocating costs would, however, create substantial accounting issues and would end up costing both CARE and Cool Centers much more for accounting than for the outreach materials. If required, SCE could track costs for CARE outreach materials that would be specifically prepared and provided for the Cool Center Program.

Ordering Paragraph 9 should read as follows:

SCE shall not charge the CARE program for the ~~provision~~ *cost* of CARE outreach materials (costs such as, but not limited to, printing and distribution of CARE flyers, brochures, banners, and applications) *prepared specifically for at the Cool Centers. and instead they should be provided as part of the costs of the Cool Center Program. All CARE related materials produced specifically for Cool Center Activities will be funded by the Cool Center Program.*

3. **Budget**

SCE's Cool Center advice filing proposed a budget for the establishment and operation of the Cool Centers during the summer of 2004. The proposed budget did not provide funds for surveys, postage, etc. If the Resolution is to require surveys and mailings, then it should also provide an increase in the budget to pay for the survey, especially since the Draft Resolution provides a cap on the amount to be spent on Cool Centers.

Ordering Paragraph 5 should be modified as follows:

SCE, in consultation with Energy Division, shall design and distribute a usage survey at the Cool Centers for participants to fill out. This survey shall have prepaid postage to facilitate the participants' mailing the completed survey forms to SCE. *All costs incurred in this survey process shall be in addition to the budget established in paragraph 2 above, but shall also be subject to reasonableness review.*

4. **2004 Cool Center Cost Recovery**

SCE's Cool Center Advice Filing would establish a Memorandum Account and a recovery process which would provide SCE a known method of recovering the 2004 Cool Center costs. The Draft Resolution proposes cost recovery "pursuant to mechanisms adopted in Rulemaking 04-01-006 and SCE's Application 04-07-012."

SCE believes this approach is inappropriate since it puts all of SCE's 2004 Cool Center costs at risk and subject to a recovery methodology that is unknown and will be undefined at the time SCE must incur the 2004 costs. SCE believes its original proposal is the most appropriate for 2004 Cool Center cost recovery. SCE's proposal would have cost recovery reasonableness guidelines at the time SCE incurs the costs.

SCE would suggest that 2004 costs be recovered in SCE's April 1, 2005 ERRA Reasonableness proceeding. The Reasonableness review standards

would be: (1) recorded expenses do not exceed \$425,000; (2) recorded expenses are within the scope of work for the Cool Center Project; and (3) recorded expenses are a result of the implementation of the 2004 Cool Center Projects.

SCE would suggest modifying Finding Paragraph 6 and adding Finding Paragraph 7 as follows:

6. SCE's proposal to *record use* up to \$425,000 *in the Cool Center Program Memorandum Account of public funds to assist in funding* Cool Centers in SCE's desert communities during the summer of 2004 in order to provide a safe, cool place where residents with limited income living in isolated, extreme climate areas can gather during the hot summer months is reasonable, as a pilot program, and should provide us with valuable information for evaluating future cool center proposals.

7. *SCE's proposal to seek recovery of amounts recorded in the Cool Center Program Memorandum Account in SCE's April 1, 2005 ERRA Reasonableness proceeding is reasonable.*

SCE would also suggest modifying Ordering Paragraph 3 as follows:

3. The reasonableness of Cool Center-related costs incurred in 2004 and their recovery shall be determined *in SCE's April 1, 2005 ERRA Reasonableness proceeding pursuant to mechanisms adopted in Rulemaking 04-01-006 and SCE's Application 04-07-012 pursuant to the guidelines in SCE's Advice Filing 1806-E.*

III.

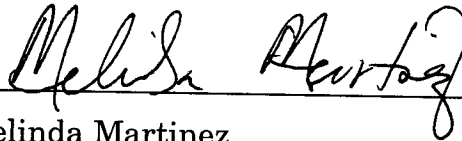
CONCLUSION

Based on the foregoing, SCE respectfully requests that the Commission adopt Resolution E-3885 with SCE's proposed modifications.

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedures, I have this day served a true copy of SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) Comments on Draft Resolution E-3885 concerning Advice 1806-E, to all parties listed of record in R.04-01-006.

Executed this 9th day of August 2004, at Rosemead, California.

A handwritten signature in cursive script, appearing to read "Melinda Martinez", is written over a horizontal line.

Melinda Martinez
Business Analyst

SOUTHERN CALIFORNIA EDISON COMPANY

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