

February 6, 2006

Docket Clerk
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: R.04-03-017

Dear Docket Clerk:

Enclosed for filing with the Commission are the original and five copies of the **COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE DRAFT DECISION DENYING THE PETITION OF TECOGEN, INC. FOR MODIFICATION OF DECISION 04-12-045** in the above-referenced proceeding.

We request that a copy of this document be file-stamped and returned for our records. A self-addressed, stamped envelope is enclosed for your convenience.

Your courtesy in this matter is appreciated.

Very truly yours,

Amber E. Dean

AD:as:LAW-#1269015.DOC
Enclosures

cc: All Parties of Record
(U 338-E)

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Polices,)	
Procedures and Incentives for Distributed)	Rulemaking 04-03-017
Generation and Distributed Energy Resources.)	(Filed March 16, 2004)
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**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE
DRAFT DECISION DENYING THE PETITION OF TECOGEN, INC. FOR
MODIFICATION OF DECISION 04-12-045**

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Dated: **February 6, 2006**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies,)	
Procedures and Incentives for Distributed)	Rulemaking 04-03-017
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**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE
DRAFT DECISION DENYING THE PETITION OF TECOGEN, INC. FOR
MODIFICATION OF DECISION 04-12-045**

Pursuant to Article 19 of the California Public Utilities Commission Rules of Practice and Procedure, Southern California Edison Company (SCE) respectfully submits these comments on the Draft Opinion Denying the Petition of Tecogen, Inc. for Modification of Decision 04-12-045 (“Draft Opinion”).

SCE fully supports the Draft Opinion’s findings. In particular, the Draft Opinion correctly found that:

- Increases in natural gas prices do not warrant increased incentives;
- More stringent emissions requirements do not warrant increased incentives;
- Tecogen has presented no evidence to suggest that a 20% increase in incentives is required to maximize cost-effective investments in Level 3 projects.

SCE urges the Commission to adopt the Draft Opinion.

Respectfully submitted,

MICHAEL D. MONTOYA
AMBER E. DEAN

By: Amber E. Dean

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February 6, 2006

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of **COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE DRAFT DECISION DENYING THE PETITION OF TECOGEN, INC. FOR MODIFICATION OF DECISION 04-12-045** on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s).
- Placing copies in properly addressed sealed envelopes and depositing such copies in the United States mail with first-class postage prepaid to all parties.
- Directing Prographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this **6th day of February, 2006**, at Rosemead, California.

Vicki Carr-Donerson
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

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