

Decision 91-09-076 September 25, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA)
EDISON COMPANY for an Order)
authorizing Edison to issue Debt)
Securities, and/or to guarantee the)
Debt Securities of an Edison)
affiliate, to finance its Fuel Oil,)
Nuclear Fuel, and Coal Inventories in)
an aggregate principal amount not to)
exceed \$900,000,000 (U 338-E))

ORIGINAL

Application 88-03-024
(Petition for Modification
filed June 10, 1991)

S U P P L E M E N T A L O P I N I O N

Summary of Decision

This decision grants Southern California Edison Company (Edison) the authority requested in its Petition for Modification of Decision (D.) 88-07-069, as modified by D.89-08-021.

Edison requests authority:

1. To modify the definition of Fuels to include natural gas inventories in order that it may finance natural gas inventories in the same manner as Fuels discussed in D.88-07-069;
2. To extend the authorization granted in D.88-07-069, as modified by D.89-08-021, to June 30, 1994.

Notice of the filing of the Petition for Modification appeared on the Commission's Daily Calendar of June 13, 1991. No protests have been received.

Modification Sought

By D.88-07-069, dated July 22, 1988, as modified by D.89-08-021, dated August 3, 1989, the Commission authorized Edison to issue certain types of Debt Securities and to guarantee

the Debt Securities of others in connection with financing Edison's fuel oil, nuclear fuel, and coal inventories (Fuels). The purpose of that authorization was to allow Edison to more closely match its actual fuels financing cost with the carrying cost authorized by the Commission. D.90-01-048, dated January 24, 1990, granted Edison authorization to record expenses associated with inventories of natural gas by recording 100% of its Pilot Gas Storage Program expenses in the Energy Cost Adjustment Clause (ECAC) balancing account, subject to refund if found to be unreasonable in the next ECAC proceeding. The Commission stated that, "In general, all fuel inventories should be treated in a manner consistent with all other fuel and energy expenses." Pursuant to D.90-01-048, Edison revised its tariffs, effective February 1, 1990, to include gas inventories in its ECAC balancing account.

Edison seeks to modify the definition of Fuels as defined in D.88-07-069 to include natural gas inventories in order that it may finance natural gas inventories in the same manner as Fuels. In addition, Edison seeks to extend the authorization granted in D.88-07-069, as modified by D.89-08-021, to June 30, 1994.

The Commission Advisory and Compliance Division (CACD) has analyzed the Petition for Modification and has concluded that the modification of the definition of Fuels to include natural gas inventories in order that Edison may finance natural gas inventories in the same manner as Fuels is for proper purposes and would not be adverse to the public interest.

CACD has also concluded that Edison's request to extend the authorization granted in D.88-07-069 to June 30, 1994, is for proper purposes and would not be adverse to the public interest. CACD recommends, and we concur, that Edison's Petition for Modification should be granted.

Findings of Fact

1. Edison, a California corporation, operates as a public utility subject to the jurisdiction of this Commission.
2. The proposed modification of D.88-07-069 to include natural gas inventories in the definition of Fuels in order that Edison may finance natural gas inventories in the same manner as Fuels is for proper purposes and would not be adverse to the public interest.
3. Edison's request for an extension of time to June 30, 1994, of the authorization granted in D.88-07-069 as modified by D.89-08-021, would be for proper purposes and would not be adverse to the public interest.
4. There is no known opposition to the proceeding and there is no reason to delay granting the authority requested.
5. A public hearing is not necessary.

Conclusions of Law

1. The petition for modification should be granted to the extent set forth in the supplemental order that follows.
2. The following supplemental order should be effective on the date of signature.

S U P P L E M E N T A L O R D E R

IT IS ORDERED that:

1. The definition of Fuels, as defined in Decision (D.) 88-07-069, as modified by D.89-08-021, is modified to include natural gas inventories.

2. The authority granted to Southern California Edison by D.88-07-069, as modified by D.89-08-021, is modified to extend the time period of authorization to June 30, 1994.

3. The petition for modification is granted as set forth above.

4. In all other respects, D.88-07-069, as modified by D.89-08-021, remains in full force and effect.

This supplemental order is effective today.

Dated September 25, 1991, at San Francisco, California.

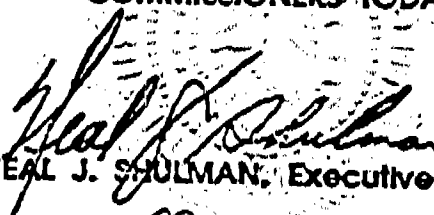
I abstain

G. MITCHELL WILK
Comissioner

PATRICIA M. ECKERT
President

JOHN B. OHANIAN
DANIEL Wm. Fessler
NORMAN D. SHUMWAY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SHULMAN, Executive Director