

AUG 14 1992

Decision 92-08-042 August 11, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY)
(U 338-E) for Authority to Increase)
its Authorized Level of Base Rate)
Revenue Under the Electric Revenue)
Adjustment Mechanism for Service)
Rendered Beginning January 1, 1992)
and to Reflect this Increase in)
Rates.)

ORIGINAL

Application 90-12-018
(Filed December 7, 1990)

And Related Matters.)

I.89-12-025
(Filed December 18, 1989)

I.91-02-079
(Filed February 21, 1991)

ELEVENTH INTERIM OPINION: PHASE 1 PETITIONS FOR MODIFICATION

1. Summary of Decision

This decision addresses two petitions for modification of Decision (D.) 91-12-076, the Phase 1 order in the test year 1992 general rate case (GRC) of Southern California Edison Company (Edison). The petitions were filed by Edison and the Division of Ratepayer Advocates (DRA).

Edison's revenue requirement is reduced by \$9.8 million, to correct a calculation error in nuclear production expenses.

2. Petition by DRA

On January 31, 1992, DRA filed its petition for modification of D.91-12-076, seeking relief in five subject areas: Cost Containment savings; making rates subject to refund; additional testimony on capitalized software and research,

development, and demonstration (RD&D); nuclear production expenses; and clarification of RD&D language. On March 11, 1992, Edison responded to the petition, opposing DRA's requests in the first four subject areas.

2.1 Cost Containment Savings

Edison's Cost Containment program is a five-year, voluntary effort begun in 1988 and aimed at increasing productivity. DRA claimed that in D.91-12-076 the Commission neglected well-established ratemaking principles when it allocated Cost Containment savings between shareholders and ratepayers. According to DRA, D.91-12-076 unfairly gave 80% of the savings to shareholders and only 20% to ratepayers, contrary to the Commission's intent. DRA also argued that the adopted split of Cost Containment savings was a serious violation of due process rights, because the ratemaking treatment is novel, unanticipated, and unsupported, and because DRA had no opportunity to file testimony on the adopted method.

DRA requested that D.91-12-076 be modified to:

- (1) allocate all test year Cost Containment savings to ratepayers, providing a better balance of ratepayer savings in 1992 against 1988 through 1991 savings, which accrued to shareholders; and
- (2) split savings during attrition years 1993 and 1994 equally between shareholders and ratepayers. DRA believes this relief would reduce 1992 revenue requirement by \$37.4 million.

Edison opposed DRA's reasoning, arguing that:

- (1) several court cases demonstrate that the Commission did not violate due process; (2) authorized expenses levels are still lower than Edison's needs, as shown by recorded 1991 expenses; and
- (3) splitting future attrition year savings is contrary to Commission policy.

We are not persuaded by DRA's arguments. Our development of the Cost Containment adjustment appropriately removes excessive costs that are unnecessary for Edison's test year and attrition

year operations. Reducing Edison's operation and maintenance expenses by \$37.4 million to reflect Cost Containment is consistent with the goals Edison set for its program which it began in 1988. At the same time, we believe we adequately rewarded Edison for its aggressive cost cutting efforts.

Edison's Cost Containment goals are fully supported by the record in this proceeding, and this issue was exhaustively litigated. We, therefore, will maintain the Cost Containment adjustment previously adopted in D.91-12-076.

Our treatment of Cost Containment in this Edison rate case cycle reflects only the facts on Edison's achievements specifically related to its cost cutting program. To the extent Edison, and other utilities embarking on Cost Containment programs, are successful in reaching their goals, we will consider removing certain expenses above base year costs, to reflect Cost Containment achievements.

We agree with Edison that the treatments of Cost Containment savings in D.91-12-076 and in this decision do not deny DRA due process. In adopting Cost Containment savings as an element of revenue requirement, the Commission is not constrained to solutions provided by the parties, nor does novelty of the result demonstrate lack of due process. We have drawn our own conclusions regarding Cost Containment because the precise recommendations of the parties were inadequate to resolve the issues.

We give no weight to Edison's claim about recorded 1991 expenses, because the information is not in evidence. It was provided in Edison's comments to the Administrative Law Judge's proposed decision that preceded D.91-12-076.

2.2 Making Rates Subject to Refund

DRA requested that Edison's rates be made subject to refund in order to preserve the Commission's opportunities to adjust rates in response to disputes over Cost Containment savings

and DRA's proposed return on equity (ROE) penalty. (The Phase 1 record is held open to consider the proposed ROE penalty.) Without such an order, retroactive ratemaking considerations would prevent application of penalties over much of the test year. According to DRA, the order would protect ratepayers, but it would not harm Edison or its shareholders.

Edison opposed DRA's request. Edison claimed that protection regarding the ROE penalty is unnecessary because ROE issues are likely to be resolved by a pending settlement between Edison and DRA, and because any ROE penalty can be applied prospectively without limit to its duration. Time lost now can be made up in the future. Edison also argued that making rates subject to refund does harm the utility by clouding its financial standing.

We will deny DRA's request. Preservation of ratepayer opportunities for Cost Containment savings is mooted by this decision, and Edison's arguments concerning the recommended ROE penalty are correct.

2.3 Additional Testimony

D.91-12-076 authorized Edison to submit additional testimony on capitalized software and capitalized RD&D projects. DRA requested rescission of these authorizations, on the grounds that Edison already had ample opportunity to present its testimony during the Phase 1 hearings. According to DRA, allowing a second opportunity is a dangerous and unfair precedent, undermining the Commission's process by which the applicant has the burden of proving that its rate request is reasonable. To allow Edison to produce additional evidence simply because it failed to meet its burden of proof distorts the litigation process.

Edison opposed DRA, arguing that seeking additional information is well within the Commission's authority. Edison also claimed that DRA's objection to filing additional information regarding RD&D projects is now moot under the terms of D.92-02-002,

a February 3, 1992 order correcting minor errors in D.91-12-076. Edison did not address policy issues regarding the filing of additional testimony.

On March 17, 1992, DRA filed a motion for leave to reply to Edison's response concerning authorization of additional RD&D testimony. DRA attached its reply to the motion, claiming that the RD&D issues were not mooted by D.92-02-002. We agree that D.92-02-002 did not moot DRA's petition regarding an additional RD&D filing, and we will grant the motion.

Nonetheless, we will deny DRA's request to rescind Edison's authority to file additional testimony. DRA has not persuaded us to abandon our pursuit of additional information on capitalization.

2.4 Nuclear Production Expenses

In its petition, DRA claimed that the summary of earnings tables in Appendix D to D.91-12-076 are not consistent with the Commission's discussion of the scaling of expenses between San Onofre Nuclear Generating Station (SONGS) and Palo Verde Nuclear Generating Station (Palo Verde). The purpose of scaling is to adopt an expense level at Palo Verde that is proportional to expenses at SONGS, because Palo Verde expense data are limited. According to DRA, the adopted expenses in D.91-12-076 do not correctly include the adopted scaling factor of 1.131, which is the ratio of recorded 1988 expenses at Palo Verde to a three-year average of recorded expenses at SONGS. DRA believes that correction of this calculation error will reduce test year revenue requirement by \$8.35 million, plus allowances for jurisdictional factor, franchise fees, and uncollectibles.

Edison responded that a correction is necessary "only if the Commission intended to adopt a formula for nuclear [expenses], as opposed to a specific level." However, if the correction is made, Edison calculated the necessary reduction in revenue requirement to be \$2.9 million rather than DRA's \$8.35 million.

D.91-12-076 adopted nuclear production expenses capped at Edison's request for SONGS and Palo Verde combined. The expense reduction for Palo Verde that flowed from adoption of DRA's scaling factor was inadvertently offset by increased expenses at SONGS. This capping scheme was an incorrect interpretation of our intentions. In order to adopt DRA's scaling factor, the expense level at SONGS must be capped separately. We will make the necessary corrections and reduce Edison's revenue requirement as required to carry out our intentions.

Edison's distinction between adoption of a formula and adoption of a specific expense level is without merit. The adopted expense level must have a rational basis. It makes no sense to adopt an expense level that is calculated incorrectly, then ignore errors in the calculation.

The remaining question is how to correctly calculate the revenue requirement. The basis for DRA's recommended \$8.35 million is not on the record. Edison's calculation of \$2.9 million, which is attached to its response to DRA's petition, is unclear. We will rely on the Commission Advisory and Compliance Division (CACD), which produced Appendix D, to make the necessary calculations. According to CACD, the reduction to annual revenue requirement, including jurisdictional allocation, franchise fees, and uncollectibles, is approximately \$9.8 million. Again, Edison has already collected almost half of this amount in rates, but we cannot order refunds.

2.5 Clarification of RD&D Language

DRA has recommended two minor corrections to the discussion and orders in D.91-12-076 regarding RD&D. The first correction relates to uncertainty in Ordering Paragraph 20, a matter which has been resolved by D.92-02-002. The second correction relates to referral of RD&D funding ranges to Rulemaking 87-10-013. Edison did not comment on DRA's recommendation, and we will adopt the suggested language.

3. Petition by Edison

On March 3, 1992, Edison filed its petition for modification of D.91-12-076. The petition sought relief in four subject areas: Women and Minority Business Enterprise (WMBE) expenses; distinction between RD&D "programs" and "projects"; revised titles for RD&D projects; and clarification of RD&D audit language. On March 27, 1992, DRA responded to the petition, agreeing with the distinction between "programs" and "projects." DRA did not respond to Edison's other issues.

3.1 WMBE Expenses

Edison claimed that D.91-12-076 incorrectly assumed that WMBE clearinghouse expenses were included in adopted expense levels for Accounts 920 and 921, and the decision inappropriately closed Edison's WMBE memorandum account to new entries for clearinghouse expenses. Edison requested that D.91-12-076 be modified to allow continued memorandum account entries.

Edison's evidentiary showing on the reasonableness of its requested WMBE expenses is inadequate to approve the request. D.91-12-076 did incorrectly assume that clearinghouse expenses were included in Edison's request for Accounts 920 and 921, but that assumption was founded in the words of the Commission resolution which authorized the WMBE clearinghouse memorandum account:¹

"An interest-bearing memorandum account can be used to track the costs of new programs not previously contemplated in a GRC. A separate account is created to isolate such costs until the Commission can address them in the next scheduled GRC." (Emphasis added.)

¹ Resolution E-3133, March 22, 1989, p. 5.

The temporary nature of the memorandum account was made explicit in D.88-04-057, which authorized Edison to seek the memorandum account by advice filing:²

"Where the relief requested is of minor importance or temporary in nature, the utility may apply for such relief through an advice letter filing."

Edison should have included clearinghouse costs in its GRC application, as anticipated by the resolution.

As it now stands, the entire evidentiary record on the reasonableness of Edison's WMBE expense request is a one-page response to a DRA data request.³ The response states that Edison spent \$556,000 on WMBE program costs in 1988, apparently exclusive of an unknown amount of clearinghouse costs. In D.91-12-076 the Commission found that information to be skimpy, but coupled with the need for clearinghouse costs it was adequate to justify total costs of \$556,000, escalated to a test year amount.

Edison now informs us that it wants both the \$556,000 and continued memorandum account treatment of clearinghouse costs. The evidentiary record is inadequate to support the request. We will allow Edison to continue memorandum account treatment of WMBE clearinghouse expenses, but we must make the \$556,000 now in rates subject to refund, pending a reasonableness review of actual 1992 costs in the generic WMBE proceeding ordered in D.89-08-026:⁴

"An annual generic proceeding shall be the forum for parties to address WMBE policies, practices, procedures, and costs pursuant to [General Order] 156."

2 28 Cal. PUC 2d 36, 66 (1988).

3 Exhibit 137.

4 Ordering Paragraph 1; at mimeo., page 19.

The reasonableness review may result in a refund to ratepayers, but no 1992 costs in excess of \$556,000 shall be recovered in rates.

3.2 Distinction Between RD&D "Programs" and "Projects"

According to Edison, "programs" are general elements of its RD&D plan, and each program contains two or more smaller "projects." Edison petitioned that D.91-12-076 be revised so that its own RD&D terminology is consistent with terminology in the decision. A specific result of this revision would be that guidelines for shifting of RD&D funds would be set at the program level rather than the project level. Edison also requested that fund-shifting guidelines be specified as annual limits. DRA agreed with Edison's recommended changes.

We will adopt the requested language changes. Setting fund-shifting limits on an annual basis is consistent with an agreement between Edison and DRA.⁵

3.3 Revised RD&D Project Titles

Edison petitioned that the RD&D project titles in Table 5 in D.91-12-076 be revised to exactly match the titles that Edison uses. We will grant this request, as shown in Table 5 - Revised below, but we note that Table 5 is a summary table not available from Edison's testimony. The table was constructed from Edison's fragmented showing on ratemaking treatment of RD&D expenditures. In order to avoid these difficulties, Edison should clearly summarize its RD&D ratemaking requests in future GRCs.

⁵ Exhibit 112, paragraph 5.

TABLE 5 - REVISED
TEST YEAR ROAD EXPENDITURES

(Expenses in Thousands of 1988 \$, Capital in Thousands of 1988 \$)

LINE	PROJECT	EDISON REQUESTED				EXPENSES	
		EXPENSE (1)	CAPITAL (2)	1992 CAPITAL (3)	TOTAL (1)+(2) (4)	ORA (5)	ADOPTED (6)
	CUSTOMER ENERGY TECHNOLOGIES PROGRAM						
1	END-USE TECHNOLOGY	\$4,728	\$5,965	\$1,800	\$15,795	\$1,182	\$1,995
2	COMMERCIAL - INDUSTRIAL DEMONSTRATIONS		1,950	750			
3	ADVANCED BUILDINGS	4,643	3,152	700	4,643	0	0
4	TECHNOLOGY TRANSFER	1,600	0	0	1,600	0	1,600
5	CTAC	0	0	0	0	1,000	1,000
6	NON-ELECTRIC TECHNOLOGIES						
	CUSTOMER AIR QUALITY IMPROVEMENT PROGRAM						
7	ROG AND AIR TOXIC RULE COMPLIANCE	1,605	0	0	1,605	0	1,605
8	NEW AQMP REGULATIONS	1,563	0	0	1,563	0	1,563
9	NOX RULE COMPLIANCE	887	0	0	887	0	887
10	AIR QUALITY TECHNOLOGIES	0	0	0	0	600	0
	ELECTRIC AND COMMUNICATIONS SYSTEMS PROGRAM						
11	NETCOM COMMUNICATION NETWORK	7,180	6,093	1,500	13,273	7,180	8,680
12	T&D SYSTEMS TECHNOLOGY	4,051	232 (1)	80	4,220	4,051	4,201
13	DIGITAL PROTECTION		437 (1)	70			
14	ELECTRONIC CONTROLS AND DIAGNOSTICS	1,943	0	0	1,943	1,943	1,943
15	ADVANCED COMMUNICATIONS	1,689	1,200	500	2,889	1,489	2,189
16	ON-SITE GENERATION AND COGENERATION	1,099	5,002	800	6,101	1,099	1,899
17	T1/PV	0	10,877	2,700	10,877	0	0
18	ADVANCED ELECTRICAL CONCEPTS	762	0	0	762	762	762
19	DISTRIBUTION AUTOMATION	0	750	0	750	0	0
	SYSTEM ENERGY MANAGEMENT PROGRAM						
20	GENERATION IMPROVEMENT	3,545	6,800	0	10,345	3,545	3,545
21	EMISSION CONTROL	1,693	2,225	0	3,918	1,693	1,693
22	ENERGY STORAGE	593	573	50	1,166	593	643
23	ALTERNATIVE AND RENEWABLE	1,688	0	0	1,688	1,688	1,688
	ENVIRONMENTAL QUALITY IMPROVEMENT PROGRAM						
24	AIR QUALITY ENHANCEMENT	2,505	0	0	2,505	2,505	2,505
25	OCCUPATIONAL AND COMMUNITY HEALTH	1,788	0	0	1,788	1,788	1,788
26	NATURAL RESOURCES ASSESSMENT	1,427	0	0	1,427	1,427	1,427
27	URBAN INFLUENCES ON ENV. QUALITY	1,037	0	0	1,037	1,037	1,037
28	STRATEGIES TO IMPROVE ENV. QUALITY	844	0	0	844	844	844
	ELECTRIC TRANSPORTATION PROGRAM						
29	MASS TRANSIT	760	0	0	760	760	760
30	ELECTRIC VEHICLE TESTING	1,348	0	0	1,348	1,348	1,348
31	INFRASTRUCTURE		0	0			
32	BATTERY DEVELOPMENT		0	0			
33	PRIOR YEAR EXPENDITURES	0 (2)	7,379 (3)	0	7,379	7,379	0 (4)
	OTHER						
34	RESEARCH SUPPORT	3,062	0	0	3,062	3,062	3,062
35	COMPRESSED AIR	0	150	150	150	0	0
36	LABORATORY TOOLS	0	260	50	260	0	50
37	EPRI	N/A	0	0	N/A	4,018 (5)	0
38	TOTAL	\$52,040	\$53,045	\$9,150	\$105,085	\$50,793	\$48,714

- (1) EXHIBIT 278, PAGE 3-17A SHOWS \$1,419 FOR THE SUM OF THESE TWO AMOUNTS.
 (2) ASSUMING \$13,449 ALREADY RECOVERED IN RATES.
 (3) FROM EXHIBIT 112 AND EXHIBIT 278, PAGE 4-5. EDISON OPENING BRIEF AND EXHIBIT 285 SHOW \$10,082 FOR ELECTRIC TRANSPORTATION CAPITALIZED.
 (4) ALL REDIRECTED PRIOR YEAR EXPENDITURES EXCEEDING \$100,000 PER YEAR SHOULD BE CONSIDERED AS UNSPENT IN THE ONE WAY BALANCING ACCOUNT.
 (5) IF EDISON IS ORDERED TO JOIN EPRI.

3.4 RD&D Audit Language

Finally, Edison requested that Ordering Paragraph 27 of D.91-12-076 be modified to show explicitly that the required audit of RD&D activities is to be funded by redirecting authorized RD&D funds. This provision is already made clear in the discussion section of the decision, but we will modify the order to reassure Edison of our intentions.

4. Revisions to Decision Appendices

The modifications to D.91-12-076 ordered in this decision will affect the adopted test year results of operation, pro forma attrition tables, and marginal costs. Therefore, revised Appendices D, E, and F to D.91-12-076 are appended to this decision. The revisions arrive too late for incorporation into rates authorized in Phase 2 of Edison's GRC. Instead, we will order Edison to revise its Authorized Level of Base Rate Revenue (ALBRR). Disparities between rates and the revised ALBRR will be reconciled through the Electric Revenue Adjustment Mechanism (ERAM) balancing account.

Findings of Fact

1. On January 31, 1992, DRA filed a petition for modification of D.91-12-076, seeking relief in five subject areas. Edison opposed four of DRA's requests and did not respond to the other. No other party responded to the petition.

2. On March 3, 1992, Edison filed a petition for modification of D.91-12-076, seeking relief in four subject areas. DRA agreed with one of Edison's requests, and did not respond to the others. No other party responded to the petition.

3. The Cost Containment adjustment adopted in D.91-12-076 is reasonable.

4. Setting rates subject to refund to preserve opportunities to resolve disputes over Cost Containment savings and DRA's proposed ROE penalty is not necessary.

5. DRA's motion for leave to reply to Edison's response to DRA's petition for modification is reasonable and should be granted.

6. DRA's request to rescind Edison's authorization to file additional testimony on capitalized software and capitalized RD&D is unreasonable and should be denied.

7. The nuclear production expenses adopted in D.91-12-076 were incorrectly calculated.

8. Revisions to the nuclear production expenses in Appendix D to D.91-12-076, as set forth in Appendix D - Revised, are reasonable and should be adopted.

9. DRA's recommended clarifications to language in D.91-12-076 regarding RD&D are reasonable and should be adopted.

10. D.91-12-076 incorrectly assumed that WMBE clearinghouse expenses are included in Accounts 920 and 921.

11. Edison should have included WMBE clearinghouse expenses in its GRC application, as anticipated in Resolution E-3133.

12. The record is inadequate to support Edison's request for both \$556,000 (in 1988 dollars) of Account 920 and 921 WMBE expenses and continued memorandum account treatment of WMBE clearinghouse expenses.

13. It is reasonable to allow continued memorandum account treatment of WMBE clearinghouse expenses, but only if the Account 920 and 921 WMBE expenses now in rates are made subject to refund pending the outcome of a reasonableness review in the generic WMBE proceeding ordered in D.89-08-026.

14. Edison's recommended clarifications to language in D.91-12-076 regarding RD&D are reasonable and should be adopted, in order to: (1) clarify the distinction between RD&D "programs" and "projects," (2) revise the RD&D project titles in Table 5, and (3) revise Ordering Paragraph 27 regarding funding of the RD&D audit.

15. The modifications to D.91-12-076 ordered in this decision will affect adopted Cost Containment escalation factors (Appendix C), test year results of operation (Appendix D), pro forma attrition tables (Appendix E), and marginal costs (Appendix F). Revisions to the appendices are reasonable and should be adopted.

Conclusions of Law

1. The treatment of Cost Containment savings in D.91-12-076 did not deny DRA due process.

2. Resolution E-3133 authorized Edison to record WMBE clearinghouse expenses in a temporary memorandum account.

3. Revisions to D.91-12-076 as set forth in:
(1) Appendix D - Revised, (2) Appendix E - Revised, and
(3) Appendix F - Revised, should be adopted and should be incorporated into Edison's ALBRR.

4. Revisions to Edison's ALBRR should be made effective June 3, 1992, pursuant to D.92-06-026, which made the amounts in dispute subject to refund.

5. This decision should become effective today, so that the revenue requirement reduction can be adopted without delay.

ELEVENTH INTERIM ORDER

IT IS ORDERED that:

1. Southern California Edison Company (Edison) shall, within 5 days of the effective date of this decision, file with this Commission revised tariff sheets which revise its Authorized Level of Base Rate Revenue (ALBRR) as set forth in Appendix D - Revised, appended to this decision.

2. The revised tariff sheets shall become effective on the date they are filed and shall comply with General Order 96-A. The revised tariffs shall apply to service rendered on or after their effective date.

3. Edison shall incorporate the revised ALBRR into its next rate revision.

4. Edison shall adjust its Electric Revenue Adjustment Mechanism balancing account as necessary to make the revenue requirement reduction ordered in this decision effective June 3, 1992. Edison shall credit ratepayers for balancing account interest on the ALBRR reduction beginning June 3, 1992.

5. The results of operations tables set forth in Appendix D - Revised, appended to this decision, are adopted.

6. The estimated attrition revenue requirements set forth in Appendix E - Revised, appended to this decision, are adopted.

7. The test year marginal costs set forth in Appendix F - Revised, appended to this decision, are adopted, subject to revision for fuel prices adopted in other Commission proceedings.

8. All revenues recovered by Edison in 1992 rates for Women and Minority Business Enterprise program expenses are subject to refund, pending the outcome of a reasonableness review of those expenses in the generic proceeding ordered in D.89-08-026. The reasonableness review may result in a refund to ratepayers, but no 1992 costs in excess of the expense level included in the present Authorized Level of Base Rate Revenue shall be recovered in rates.

IT IS FURTHER ORDERED that:

9. On page 2 of Decision (D.) 91-12-076, the fourth sentence in the second paragraph is revised to read:

"The adopted ALBRR is \$4,002 million, which is 1.1% greater than Edison's present ALBRR and 4.0% less than the ALBRR requested by Edison."

The last sentence of the same paragraph is revised to read:

"The impact of this decision will be to increase Edison's rates overall rates by 0.6%."

10. On page 24 of D.91-12-076, the following sentence is appended to the second full paragraph:

"Authorized expenses for SONGS will be capped at the amount of Edison's request, to prevent calculation anomalies."

11. On page 26 of D.91-12-076, the figure "\$184.488" in the first sentence of the first full paragraph is revised to read "\$177.744." In the following sentence, the figure "\$77.8" is revised to read "\$73.27," and the figure "\$87.6" is revised to read "\$82.51."

12. On page 28 of D.91-12-076, in the first sentence of the second full paragraph, the figure "\$42.726" is revised to read "\$41.155," the figure "\$87.5" is revised to read "\$82.35," and the figure "\$67.1" is revised to read "\$63.20."

13. On page 45 of D.91-12-076, the first full paragraph is revised to read:

"We agree with Edison that it should have the opportunity to recover reasonable 1992 WMBE expenses. Edison requested forecast test year recovery of escalated expenses from 1988, plus continued memorandum account treatment of clearinghouse expenses, but Edison's evidentiary showing is inadequate to approve the request. The entire evidentiary record on the reasonableness of Edison's WMBE expenses is a one-page response to a DRA data request. The response states that Edison spent \$556,000 on WMBE program costs in 1988, apparently exclusive of an unknown amount of clearinghouse costs. Edison should have provided more support for the reasonableness of those costs and should have included clearinghouse costs in its GRC application, as anticipated by Resolution E-3133:

'An interest-bearing memorandum account can be used to track the costs of new programs not previously contemplated in a GRC. A separate account is created to isolate such costs until the Commission can address them in the next scheduled GRC.'
(p. 5, emphasis added.)

"We will allow Edison to continue memorandum account treatment of WMBE clearinghouse

expenses, and we will include the requested \$556,000 in test year rates, but we must make the amount in rates subject to refund, pending a reasonableness review of actual 1992 expenses in the generic proceeding ordered in D.89-08-026. The reasonableness review may result in a refund to ratepayers, but no 1992 costs in excess of \$556,000 shall be recovered in rates."

On the same page, the last two sentences of the second full paragraph are deleted.

14. On page 102 of D.91-12-076, continuing on page 103, the last paragraph is revised to read:

"Edison and DRA have agreed that, on an annual basis, any shifting of RD&D funds among authorized or new programs should be done by application if more than 50% of the funds are redirected, by advice letter if more than 20% but less than 50% of program funds are redirected, and at Edison's discretion if shifted funds are less than 20% of authorized program expense levels. We accept these limitations, but clarify that the percentages apply to both funding source and funding target programs. For example, if Program A is authorized at \$100,000 and Program B at \$1,000,000, then shifting of more than \$20,000 from Program B to Program A would require advice letter approval, and shifting of more than \$50,000 would require an application by Edison. According to this guideline an application would be required for any entirely new RD&D program."

15. On page 103 of D.91-12-076, the sixth sentence in the first full paragraph is revised to read:

"We defer the issue of how to calculate funding ranges to R.87-10-013, where all utilities can participate."

16. On page 106 of D.91-12-076, the term "Table 5" is revised to read "Table 5 - Revised."

17. On page 107 of D.91-12-076, the program and project titles on Table 5 are revised as shown on Table 5 - Revised in this decision.

18. On page 114 of D.91-12-076, the term "electric vehicle" on the second line is revised to read "electric transportation projects."

19. On page 123 of D.91-12-076, in the second paragraph, the term "Appendix D" is revised to read "Appendix D - Revised" in two places, and the term "Appendix E" is revised to read "Appendix E - Revised."

20. On page 123 of D.91-12-076, the figure "\$53.346" in the third paragraph is revised to read "\$43.498."

21. In Finding of Fact 95 in D.91-12-076, the term "forecast basis" is revised to read "forecast basis, subject to reasonableness review."

22. Finding of Fact 97 in D.91-12-076 is revised to read:

"Further expense debits into Edison's WMBE clearinghouse memorandum account are reasonable and should continue through the end of 1992."

23. In Finding of Fact 168 in D.91-12-076, the term "Appendix D" is revised to read "Appendix D - Revised."

24. In Finding of Fact 220 in D.91-12-076, the term "at Edison's expense" is revised to read "at Edison's expense, using funds redirected from the approved RD&D expenses."

25. In Finding of Fact 253 in D.91-12-076, the term "Appendix D" is revised to read "Appendix D - Revised."

26. In Finding of Fact 254 in D.91-12-076, the term "Appendix E" is revised to read "Appendix E - Revised."

27. Finding of Fact 255 in D.91-12-076 is revised to read:

"The ALBRR of \$4,002,104 million developed in Appendix D - Revised to this decision covers Phase 1 revenue requirement, is reasonable, and should be adopted."

28. In Finding of Fact 269 in D.91-12-076, the term "Appendix F" is revised to read "Appendix F - Revised."

29. In Conclusion of Law 39 in D.91-12-076, the term "at Edison's expense" is revised to read "at Edison's expense, using funds redirected from the approved RD&D expenses."

30. In Ordering Paragraph 8 of D.91-12-076, the term "Appendix F" is revised to read "Appendix F - Revised."

31. In Ordering Paragraph 10 of D.91-12-076, the term "Appendix E" is revised to read "Appendix E - Revised."

32. In Ordering Paragraph 16 of D.91-12-076, the term "shall cease" is revised to read "is authorized to continue."

33. In Ordering Paragraph 27 of D.91-12-076, the second sentence is revised to read:

"The audit shall be coordinated by the Commission Advisory and Compliance Division, at Edison's expense, using funds redirected from the approved research, development, and demonstration expenses."

34. Appendix D - Revised, appended to this decision, shall replace Appendix D to D.91-12-076.

35. Appendix E - Revised, appended to this decision, shall replace Appendix E to D.91-12-076.

36. Appendix F - Revised, appended to this decision, shall replace Appendix F to D.91-12-076.

IT IS FURTHER ORDERED that:

37. The motion for leave to reply filed by the Division of Ratepayer Advocates (DRA) on March 17, 1992 is granted.

38. Except as ordered herein, the petition for modification filed by DRA on January 31, 1992 is denied.

39. Except as ordered herein, the petition for modification filed by Edison on March 3, 1992 is denied.

This order is effective today.

Dated August 11, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.

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


NEAL J. STULMAN, Executive Director
NB

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

RESULTS OF OPERATION

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APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
CALCULATION OF FRANCHISE FEES AND UNCOLLECTIBLES

Description	Adopted
Uncollectibles	
Present Rate Revenues - Five Cust. Group	\$4,024,239
Uncollectible Rate	0.2080%
Total Uncollectibles	\$8,370
Franchise Requirements	
Present Rate Revenues - Five Cust. Group & Resales	\$4,029,254
Franchise Fee Rate	0.7877%
Total Franchise Fees	\$31,738

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992

TOTAL PRODUCTION EXPENSE

(Thousands Of 1988 Dollars Unless Otherwise Indicated)

Description	Adopted
-----	-----
Operation	

Steam	\$69,173
Nuclear	120,537
Hydroelectric	9,451
Other	4,463

Total Operation	\$203,624
Maintenance	

Steam	136,289
Nuclear	98,363
Hydroelectric	9,717
Other	13,585

Total Maintenance	\$257,954
TOTAL PRODUCTION (1988\$)	\$461,578
Escalation Amounts, 1988 to 1992 1/	
Labor	24,303
Non-Labor	28,623
Other 2/	(577)
Total	\$52,349

TOTAL PRODUCTION (1992\$)	\$513,927

1/ Including Cost Containment.
 2/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 STEAM PRODUCTION EXPENSE
 (Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
Operation		
500.0	Supervision and Engineering	\$8,443
501.0	Fuel Related Expenses	22,748
502.0	Steam Expenses	19,971
505.0	Electric Expenses	5,276
506.0	Misc. Steam Power Expenses	12,529
507.0	Rents	206
	Total Operation	\$69,173
Maintenance		
510.0	Supervision and Engineering	19,226
511.0	Structures	7,569
512.0	Boiler Plant	60,355
513.0	Electric Plant	34,635
514.0	Miscellaneous Steam Plant	14,504
	Total Maintenance	\$136,289
	TOTAL STEAM PRODUCTION (1988\$)	\$205,462
	Escalation Amounts, 1988 to 1992 1/	
	Labor	8,510
	Non-Labor	15,012
	Other 2/	(232)
	Total	\$23,290
	TOTAL STEAM PRODUCTION (1992\$)	\$228,752

1/ Including Cost Containment.
 2/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 NUCLEAR PRODUCTION EXPENSE
 (Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted 1/
Operation		
517.0	Supervision and Engineering	\$49,126
519.0	Coolants and Water	5,048
520.0	Steam Expenses	16,877
523.0	Electric Expenses	1,564
524.0	Misc. Nuclear Power Expenses	47,149
525.0	Rents	772
	Total Operation	\$120,537
Maintenance		
528.0	Supervision and Engineering	24,792
529.0	Structures	14,108
530.0	Reactor Plant Equipment	26,606
531.0	Electric Plant	14,099
532.0	Miscellaneous Nuclear Plant	18,757
	Total Maintenance	\$98,363
	TOTAL NUCLEAR PROD. (1988\$)	\$218,900
	Escalation Amounts, 1988 to 1992 2/	
	Labor	13,638
	Non-Labor	11,304
	Other 3/	(345)
	Total	\$24,597
	TOTAL NUCLEAR PROD. (1992\$)	\$243,497

- 1/ Reflects 2 refueling outages for SONGS, and 2 for Palo Verde for Test Year 1992. Adopted average costs per outage (1992\$) are \$15,053,000 for SONGS and \$3,507,000 for Palo Verde (see Appendix D, page 31).
- 2/ Including Cost Containment.
- 3/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
HYDROELECTRIC PRODUCTION EXPENSE
(Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
Operation		
535.0	Supervision and Engineering	\$2,379
536.0	Water for Power	1,199
537.0	Hydroelectric Expenses	1,536
538.0	Electric Expense	2,061
539.0	Misc. Hydro Expense Generation	1,634
540.0	Rents	642
Total Operation		\$9,451
Maintenance		
541.0	Supervision and Engineering	1,362
542.0	Structures	1,188
543.0	Reservoirs, Dams and Waterways	2,184
544.0	Maintenance of Electric Plant	3,445
545.0	Miscellaneous Hydroelectric Plant	1,538
Total Maintenance		\$9,717
TOTAL HYDRO PRODUCTION (1988\$)		\$19,168
Escalation Amounts, 1988 to 1992 1/		
	Labor	1,349
	Non-Labor	963
	Other 2/	0
	Total	\$2,312
TOTAL HYDRO PRODUCTION (1992\$)		\$21,480

1/ Including Cost Containment.
2/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992

OTHER POWER PRODUCTION EXPENSE

(Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
Operation		
546.0	Supervision and Engineering	\$1,097
548.0	Generation Expenses	2,495
549.0	Misc. Other Power Expenses	860
550.0	Rents	11
Total Operation		\$4,463
Maintenance		
551.0	Supervision and Engineering	1,201
552.0	Maintenance of Structures	856
553.0	Maintenance of Electric Plant	9,927
554.0	Misc. Other Power Gen. Plant	1,601
Total Maintenance		\$13,585
TOTAL OTHER PRODUCTION (1988\$)		\$18,048
Escalation Amounts, 1988 to 1992 1/		
	Labor	806
	Non-Labor	1,344
	Other 2/	0
	Total	\$2,150
TOTAL OTHER PRODUCTION (1992\$)		\$20,198

1/ Including Cost Containment.
 2/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
TRANSMISSION EXPENSE

(Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
Operation		
560.0	Supervision and Engineering	\$6,227
561.0	Load Dispatching	3,985
562.0	Station Expenses	15,678
563.0	Overhead Line Expenses	1,116
564.0	Underground Line Expenses	110
565.0	Trans. of Elect. By Others	8,928
566.0	Misc. Transmission Expenses	3,848
567.0	Rents	593
	Total Operation	\$40,485
Maintenance		
568.00	Supervision and Engineering	4,256
569.00	Structures	2,176
570.00	Station Equipment	9,563
571.00	Overhead Lines	9,956
572.00	Underground Lines	102
573.00	Misc. Transmission Plant	3,716
	Total Maintenance	\$29,769
	TOTAL TRANSMISSION (1988\$)	\$70,254
	Escalation Amounts, 1988 to 1992 1/	
	Labor	4,872
	Non-Labor	2,556
	Other 2/	(265)
	Total	\$7,163
	TOTAL TRANSMISSION (1992\$)	\$77,417

1/ Including Cost Containment.
2/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 DISTRIBUTION EXPENSE

(Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
Operation		
580.0	Supervision and Engineering	\$18,519
582.0	Station Expenses	10,120
583.0	Overhead Line Expenses	7,632
584.0	Underground Line Expenses	4,345
585.0	Street Lighting & Signal Sys.	954
586.0	Meter Expenses	13,760
587.0	Customer Installations	10,029
588.0	Misc. Distribution Expenses	15,802
589.0	Rents	2,194
Total Operation		\$83,355
Maintenance		
590.00	Supervision and Engineering	11,336
591.00	Structures	3,478
592.00	Station Equipment	7,150
593.00	Overhead Services	23,862
594.00	Underground Lines	8,658
595.00	Line Transformers	3,619
596.00	Street Lighting & Signal Sys.	2,053
597.00	Meters	1,976
598.00	Misc. Distribution Plant	15,088
Total Maintenance		\$77,220
TOTAL DISTRIBUTION (1988\$)		\$160,575
Escalation Amounts, 1988 to 1992 1/		
	Labor	11,982
	Non-Labor	7,423
	Other 2/	0
	Total	\$19,404
TOTAL DISTRIBUTION (1992\$)		\$179,979

1/ Including Cost Containment.
 2/ Cost Containment only.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992

CUSTOMER ACCOUNTS EXPENSE

(Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
901.0	Supervision	\$6,628
902.0	Meter Reading Expenses	26,140
903.0	Customer Records and Collectibles	73,949
904.0	Uncollectible Accounts	8,370
905.0	Misc. Customer Accounts Exp.	2,556
	TOTAL CUSTOMER ACCTS. (1988\$)	\$117,643
	Total (Less Uncollectibles)	\$109,273
	Escalation Amounts, 1988 to 1992 1/	
	Labor	8,738
	Non-Labor	2,796
	Other	0
	Total	\$11,534
	TOTAL CUSTOMER ACCTS. (1992\$)	\$129,178
	Total (Less Uncollectibles)	\$120,807

1/ Including Cost Containment except for postages and uncollectibles in Acct. 903 and 904.

APPENDIX D -- REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 CUSTOMER SERVICE AND INFORMATIONAL EXPENSES
 (Thousands Of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
	Residential & Non-Residential Conservation, Service Planning, and Load Management Expenses	
907.0	Supervision	\$2,641
908.0	Customer Assistance Expense	129,320
909.0	Informational & Instruct. Exp.	8,171
910.0	Miscellaneous	0
	TOTAL CUSTOMER SERVICES AND INFORMATIONAL (1988\$)	\$140,132
	Escalation Amounts, 1988 to 1992 1/	
	Labor	3,805
	Non-Labor	9,530
	Other	0
	Total	\$13,335
	TOTAL CUSTOMER SERVICES AND INFORMATIONAL (1992\$)	\$153,467

1/ Excluding Cost Containment.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 ADMINISTRATIVE & GENERAL EXPENSES
 (Thousands of 1988 Dollars Unless Otherwise Indicated)

Account No.	Description	Adopted
Operation		
920.0	Administrative & Gen. Salaries	\$116,220
921.0	Office Supplies and Expenses	28,588
922.0	Admin. & Gen. Transfer Credit	(28,643)
923.0	Outside Services Employed	5,734
924.0	Property Insurance	17,053
925.0	Injuries and Damages	27,137
926.0	Pensions and Benefits-Total	151,611
926.1	Pensions & Benefits-Health Care	\$85,942
926.2	Pensions & Benefits-Non-Health C.	65,668
927.0	Franchise Requirements	31,738
928.0	Regulatory Commission Expenses	2,655
930.0	Misc. General Expenses - Total	49,969
930.1	General Advt. Expense	501
930.2	Other Misc. General Expenses - RD&D	49,468 48,714
931.0	Rents	2,729
	Total Operation	\$404,791
Maintenance		
935.0	Maintenance of General Plant	13,528
	Total Maintenance	13,528
	TOTAL ADMIN. & GEN. (1988\$)	\$418,319
	Total (Less Franchise Req.)	\$386,580
	Escalation Amounts, 1988 to 1992 1/	
	Labor	14,845
	Non-Labor	13,657
	Other	(2,853)
	Total	\$25,648
	TOTAL ADMIN. & GEN. (1992\$)	\$443,967
	Total (Less Franchise Req.)	\$412,229

1/ Including Cost Containment except for Health Care, Franchise Fees, and RD&D.

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
EXPENSE SUMMARY

(Thousands of 1988 Dollars Unless Otherwise Indicated)

Description	Adopted
TOTAL NON-ESCALATED	
Steam Production	\$205,462
Nuclear Production	218,900
Hydroelectric Production	19,168
Other Production	18,048
Total Production	\$461,578
Transmission	70,254
Distribution	160,575
Customer Accounts	117,643
Customer Service & Informational	140,132
Administrative and General	418,319
Additional Productivity	0
Total Non-Escalated (1988\$)	\$1,368,501
TOTAL ESCALATED	
Steam Production	228,752
Nuclear Production	243,497
Hydroelectric Production	21,480
Other Production	20,198
Total Production	\$513,927
Transmission	77,417
Distribution	179,979
Customer Accounts	129,178
Customer Service & Informational	153,467
Administrative and General	443,967
Additional Productivity	0
Total Escalated (1992\$)	\$1,497,934
TOTAL ESCALATION (1988\$ to 1992\$)	
Steam Production	23,290
Nuclear Production	24,597
Hydroelectric Production	2,312
Other Production	2,150
Total Production	\$52,349
Transmission	7,163
Distribution	19,404
Customer Accounts	11,534
Customer Service & Informational	13,335
Administrative and General	25,648
Additional Productivity	0
Total Escalation	\$129,433

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
LABOR SUMMARY

(Thousands of 1988 Dollars Unless Otherwise Indicated)

Description		Adopted
<hr/>		
LABOR NON-ESCALATED (1988\$)		
<hr/>		
Steam Production	\$68,796	
Nuclear Production	110,247	
Hydroelectric Production	10,904	
Other Production	6,513	
Total Production		\$196,460
Transmission		39,384
Distribution		96,861
Customer Accounts		70,638
Customer Service & Informational		24,064
Administrative and General		116,772
Additional Productivity		0
		<hr/>
Total Non-Escalated Labor		\$544,179
LABOR ESCALATED (1992\$)		
<hr/>		
Steam Production	77,306	
Nuclear Production	123,885	
Hydroelectric Production	12,253	
Other Production	7,319	
Total Production		\$220,763
Transmission		44,256
Distribution		108,843
Customer Accounts		79,376
Customer Service & Informational		27,869
Administrative and General		131,617
Additional Productivity		0
		<hr/>
Total Escalated Labor		\$612,723
LABOR ESCALATION (1988\$ to 1992\$)		
<hr/>		
Steam Production	8,510	
Nuclear Production	13,638	
Hydroelectric Production	1,349	
Other Production	806	
Total Production		\$24,303
Transmission		4,872
Distribution		11,982
Customer Accounts		8,738
Customer Service & Informational		3,805
Administrative and General		14,845
Additional Productivity		0
		<hr/>
Total Labor Escalation		\$68,544

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
NON-LABOR SUMMARY
(Thousands of 1988 Dollars Unless Otherwise Indicated)

Description	Adopted
<hr/>	
NON-LABOR NON-ESCALATED (1988\$)	
<hr/>	
Steam Production	\$128,855
Nuclear Production	97,028
Hydroelectric Production	8,264
Other Production	11,535
Total Production	\$245,682
Transmission	21,942
Distribution	63,714
Customer Accounts	24,002
Customer Service & Informational	63,239
Administrative and General	102,131
Additional Productivity	0
	<hr/>
Total Non-Escalated Non-Labor	\$520,710
NON-LABOR ESCALATED (1992\$)	
<hr/>	
Steam Production	143,867
Nuclear Production	108,332
Hydroelectric Production	9,227
Other Production	12,879
Total Production	\$274,305
Transmission	24,498
Distribution	71,137
Customer Accounts	26,798
Customer Service & Informational	72,769
Administrative and General	115,788
Additional Productivity	0
	<hr/>
Total Escalated Non-Labor	\$585,295
NON-LABOR ESCALATION (1988\$ to 1992\$)	
<hr/>	
Steam Production	15,012
Nuclear Production	11,304
Hydroelectric Production	963
Other Production	1,344
Total Production	\$28,623
Transmission	2,556
Distribution	7,423
Customer Accounts	2,796
Customer Service & Informational	9,530
Administrative and General	13,657
Additional Productivity	0
	<hr/>
Total Non-Labor Escalation	\$64,585

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
OTHER SUMMARY

(Thousands of 1988 Dollars Unless Otherwise Indicated)

Description	Adopted
<hr/>	
OTHER NON-ESCALATED (1988\$)	
<hr/>	
Steam Production	\$7,811
Nuclear Production	11,625
Hydroelectric Production	0
Other Production	0
Total Production	\$19,436
Transmission	8,928
Distribution	0
Customer Accounts	23,003
Customer Service & Informational	52,829
Administrative and General	199,415
Additional Productivity	0
	<hr/>
Total Non-Escalated Other	\$303,612
OTHER ESCALATED (1992\$)	
<hr/>	
Steam Production	7,579
Nuclear Production	11,280
Hydroelectric Production	0
Other Production	0
Total Production	\$18,859
Transmission	8,663
Distribution	0
Customer Accounts	23,003
Customer Service & Informational	52,829
Administrative and General	196,562
Additional Productivity	0
	<hr/>
Total Escalated Other	\$299,917
OTHER ESCALATION (1988\$ to 1992\$)	
<hr/>	
Steam Production	(232)
Nuclear Production	(345)
Hydroelectric Production	0
Other Production	0
Total Production	(\$577)
Transmission	(265)
Distribution	0
Customer Accounts	0
Customer Service & Informational	0
Administrative and General	(2,853)
Additional Productivity	0
	<hr/>
Total Other Escalation	(\$3,695)

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
TAXES OTHER THAN ON INCOME
(Thousands of 1992 Dollars)

Description	Adopted

Ad Valorem Taxes	

Ca., Ariz., N.M., Nev. & D.C.	\$152,809

Total Ad Valorem Taxes	152,809
 Payroll Taxes	

Federal Insurance Contrib. Act (FICA)	44,395
Federal Unemployment Insurance	781
State Unemployment Insurance	639

Total Payroll Taxes	45,814
 Miscellaneous Taxes	

Superfund Tax	1,539
Miscellaneous Taxes	(399)

Total Miscellaneous Taxes	1,140

Total Taxes OTOI (1992\$)	\$199,764

 Superfund Tax Calculation	

Federal Taxable Income (excl. Superfund Tax)	\$966,147
Plus:	
ACE Adjustment	318,419
Tax Preferences	260

Alt. Min. Taxable Income	1,284,826
Superfund Exclusion	(2,000)

Superfund Taxable Income	\$1,282,826
Superfund Tax Rate	0.12%
Superfund Tax	\$1,539

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
INCOME TAX ADJUSTMENTS
(Thousands of 1992 Dollars)

Description	Adopted
California Income Tax Adjustments	
Tax Depreciation (liberalized)	\$725,993
Nuclear Fuel Amort. (liberalized)	(74,902)
Fuel Oil Transp. Fac. (liberalized)	(6,479)
Interest on Long-Term Debt	475,727
Interest on Accumulated ITC	(19,132)
CIAC Revenues	7,606
Non-Deductible Business Meals	(390)
Ad Valorem Lien Date Adjust.	2,252
Removal Costs	42,837
Right of Way Easement Amort.	1,565
Repair Allowance	26,685
Salvage Warehouse Exp.	468
ACE Limited Insurance	(903)
Superfund Tax (ACE)	(1,539)

	\$1,179,788
 Federal Income Tax Adjustments	
Tax Depreciation (liberalized)	876,147
Nuclear Fuel Amort. (liberalized)	(73,521)
Fuel Oil Transp. Fac. (liberalized)	(6,479)
Interest on Long-Term Debt	475,727
CIAC-Taxable Income	(42,552)
Non-Deductible Business Meals	(390)
Ad Valorem Lien Date Adjust.	2,252
Removal Costs	25,719
Right of Way Easement Amort.	1,545
Repair Allowance	17,325
Salvage Warehouse Exp.	468
ACE Limited Insurance	(903)
Preferred Dividend Credit	832

	\$1,276,171

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
TAXES ON INCOME - PRESENT RATES
(Thousands of 1992 Dollars)

Description -----	Adopted -----
California Corporation Franchise Tax -----	
Operating Revenues	\$4,136,966
Operating Expenses	1,499,745
Nuclear Decommissioning Exp. (Qualified)	83,883
Taxes Other Than on Income	199,764
State Income Tax Adjustments	1,179,788

California Taxable Income	\$1,173,787
CCFT Tax Rate	8.7251%

TOTAL CCFT	\$102,414
Federal Income Tax -----	
Operating Revenues	\$4,136,966
Operating Expenses	1,499,745
Nuclear Decommissioning Exp. (Qualified)	83,883
Taxes Other Than on Income	199,764
CCFT (1991)	110,452
State Income Tax (Ariz & NM)	2,344
Federal Income Tax Adjustments	1,276,171

Federal Taxable Income	\$964,608
FIT Tax Rate	34.00%

Federal Income Tax	\$327,967
Ariz. & NM State Income Tax -----	
California Taxable Income	\$1,173,787
Arizona Tax Rate	0.1641%
New Mexico Tax Rate	0.0356%

Total Rate	0.1997%
Ariz. & NM Income Tax	\$2,344
Income Tax Deferred	\$94,100
Investment Tax Credit - Deferred	(\$18,540)

Total Taxes on Income	\$508,285

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
DEPRECIATION EXPENSE
(Thousands of 1992 Dollars)

Description	Adopted

Depreciation Expense	

Steam Production	\$102,300
Nuclear Production	201,201
Hydroelectric Production	11,242
Other Production	11,973
Transmission	60,888
Distribution	202,754
General	52,220
Experimental Plant	5,688

Subtotal	\$648,266
Deferred Debit	3,369
Nuclear decommissioning	96,325
DSM Capital Program	43

Total Depreciation Expense	\$748,003

Depreciation Expense Charged to Other Accounts	

Other Depreciation (General)	1,761
Fuel Oil Transportation Facility	6,462

Total Depreciation Expense	\$8,223

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
DEPRECIATION RESERVE
(Thousands of 1992 Dollars)

Description	Adopted
----- Depreciation Reserve - Wtd. Avg. -----	
Steam Production	\$1,268,091
Nuclear Production	1,480,060
Hydroelectric Production	149,769
Other Production	239,270
Transmission	829,594
Distribution	1,783,770
General	250,350
Experimental Plant	18,929

	\$6,019,834
Retirement Work-in-Progress	(46,556)
Other Depreciable	
Other Depr. (General)	9,826
Fuel Oil Transp. Facilities	65,171

Total Depreciation Reserve: Wtd. Avg.	\$6,048,275

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
PLANT IN SERVICE - EOY
(Thousands of 1992 Dollars)

Description	Adopted
<hr/>	
Plant in Service - BOY	
<hr/>	
Intangible	\$113
Production Plant	
Steam	2,116,742
Nuclear	5,885,827
Hydroelectric	570,551
Other	401,616
	<hr/>
Total Production	\$8,974,736
Transmission Plant	2,542,896
Distribution Plant	5,452,556
General Plant	1,006,587
	<hr/>
Total Plant in Service : BOY	\$17,976,888
Plant in Service - Net Additions	
<hr/>	
Intangible	\$0
Production Plant	
Steam	78,820
Nuclear	75,825
Hydroelectric	7,682
Other	1,463
	<hr/>
Total Production	\$163,789
Transmission Plant	86,163
Distribution Plant	355,907
General Plant	75,043
	<hr/>
Total Net Additions	\$680,902
Plant in Service - EOY	
<hr/>	
Intangible	\$113
Production Plant	
Steam	2,195,562
Nuclear	5,961,652
Hydroelectric	578,233
Other	403,079
	<hr/>
Total Production	\$9,138,525
Transmission Plant	2,629,059
Distribution Plant	5,808,463
General Plant	1,081,630
	<hr/>
Total Plant in Service : EOY	\$18,657,790

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 PLANT IN SERVICE - Weighted Average
 (Thousands of 1992 Dollars)

Description	Adopted
<hr/>	
Plant in Service - BOY	
<hr/>	
Intangible	\$113
Production Plant	
Steam	2,116,742
Nuclear	5,885,827
Hydroelectric	570,551
Other	401,616
	<hr/>
Total Production	\$8,974,736
Transmission Plant	2,542,896
Distribution Plant	5,452,556
General Plant	1,006,587
	<hr/>
Total Plant in Service : BOY	\$17,976,888
Plant in Service - Weighted Average Net Additions	
<hr/>	
Intangible	\$0
Production Plant	
Steam	33,506
Nuclear	41,491
Hydroelectric	2,641
Other	948
	<hr/>
Total Production	\$78,587
Transmission Plant	38,084
Distribution Plant	176,233
General Plant	32,134
	<hr/>
Total Wtd. Avg. Net Additions	\$325,037
Total Plant in Service - Weighted Average	
<hr/>	
Intangible	\$113
Production Plant	
Steam	2,150,248
Nuclear	5,927,318
Hydroelectric	573,192
Other	402,564
	<hr/>
Total Production	\$9,053,323
Transmission Plant	2,580,980
Distribution Plant	5,628,789
General Plant	1,038,721
	<hr/>
Total Plant in Service : Wtd. Avg.	\$18,301,925

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992
 PLANT HELD FOR FUTURE USE
 (Thousands of 1992 Dollars)

Description -----	Adopted -----
Plant Held for Future Use - BOY -----	
Intangible	\$0
Production Plant	
Steam	0
Nuclear	688
Hydroelectric	842
Other	0

Total Production	\$1,530
Transmission Plant	18,810
Distribution Plant	12,723
General Plant	3,716

Total Plant Held for Future Use : BOY	\$36,779
 PHFU - Wtd. Avg. Net Additions -----	
Intangible	0
Production Plant	
Steam	0
Nuclear	0
Hydroelectric	0
Other	0

Total Production	\$0
Transmission Plant	169
Distribution Plant	239
General Plant	250

Total Wtd. Avg. Net Additions	\$659
 Plant Held for Future Use - Weighted Average -----	
Intangible	\$0
Production Plant	
Steam	0
Nuclear	0
Hydroelectric	688
Other	842

Total Production	\$1,530
Transmission Plant	18,979
Distribution Plant	12,962
General Plant	3,966

Total PHFU: Wtd. Avg.	\$37,438

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
RATE BASE
(Thousands of 1992 Dollars)

Description -----	Adopted -----
FIXED CAPITAL - Weighted Average -----	
Plant in Service	\$18,301,925
PHFU	37,438

Total Fixed Capital - Wtd. Avg.	\$18,339,363
 ADJUSTMENTS -----	
Deferred Debits	69,602
Cust. Adv. for Construction	(86,090)

Total Adjustments	(\$16,488)
 WORKING CAPITAL -----	
Materials & Supplies	102,037
Working Cash	36,108

Total Working Capital	\$138,145
 Tot. Before Ded. for Reserves	 \$18,461,020
 DEDUCTIONS FOR RESERVES -----	
Wtd. Avg. Depreciation Reserve	(6,048,275)
Taxes Def. - ACRS/MACRS	(1,393,277)
Taxes Def. - Capitalized Interest	17,368
Taxes Def. - CIAC	44,785
Unfunded Pension Reserve	(73,496)

Total Ded. for Reserves	(\$7,452,895)

Wtd. Avg. Depreciated Rate Base	\$11,008,125
Plus: DSM Amort. & Capital Program	29,633

Total Depreciated Rate Base: Wtd. Avg.	\$11,037,758

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
DETERMINATION OF AVERAGE AMOUNTS OF WORKING
CASH CAPITAL SUPPLIED BY INVESTORS
(Thousands of 1992 Dollars)

Description	Adopted
Operational Cash Requirements	
Cash	\$0
Special Deposits	320
Working Funds	2,772
Prepayments	12,910
Other Accounts Receivable	29,911
Total	\$45,913
Less: Amounts Not Supplied By Investors	
Accrued Vacation & Empl. Withholdings	48,841
Credit recd. for Capitalized Supplies	22,555
User Taxes	12,629
Total	\$84,025
Total Operational Cash Requirement	(\$38,112)
Plus: Average Amount Required	
Average Amount of Working Cash Capital Required as a Result of Paying Expenses in Advance of Collecting Revenues	74,220
Average Net Amount of Working Cash Capital Supplied by Investors	\$36,108

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
DEVELOPMENT OF AVERAGE LAG IN PAYMENT OF EXPENSES
(Thousands of 1992 Dollars)

Description	Expense	Average Lag Days	Product
	(A)	(B)	(C=AxB)
FUEL:			
Fuel Oil	\$52,532	24.67	1,295,964
Gas Purchase	598,143	38.69	23,142,153
Coal	129,744	32.49	4,215,383
Nuclear Fuel-Amt.	98,891	0.00	0
Nuclear Fuel-Other	22,368	75.60	1,691,021
Purchased Power	2,370,142	42.28	100,209,604
Subtotal	\$3,271,820	39.90	\$130,554,124
OTHER OPERATING EXP:			
Company Labor	612,723	12.00	7,352,676
Goods and Services	582,093	30.30	17,637,415
Materials From Storeroom	52,699	0.00	0
Property Insurance	43,649	0.00	0
Injuries and Damages	25,655	0.00	0
Pension Expense	142,817	0.00	0
Franchise Req't.	58,456	268.51	15,695,947
Subtotal	\$1,518,092	26.80	\$40,686,038
Depreciation	748,003	0.00	0
TAXES-OTHER THAN INCOME:			
Ad Valorem Tax - All	152,809	72.02	11,004,705
FICA	44,395	16.43	729,414
Unemp. Tax - Fed.	781	76.89	60,016
Unemp. Tax - Cal.	546	72.65	39,631
Misc. Taxes - Fed.	(818)	0.00	0
Misc. Taxes - Cal.	127	0.00	0
Misc. Local Tax	179	0.00	0
Hazardous Waste	1,720	181.50	312,114
Subtotal	\$199,738	60.81	\$12,145,880
TAXES-INCOME			
Fed. Income Tax	320,679	126.24	40,482,454
Income Tax Deferred	94,100	0.00	0
Investment Tax Credit	0	126.24	0
State Income Tax - Cal.	100,538	122.53	12,318,897
State Income Tax-Ari. & NM	2,301	84.44	194,306
Subtotal	\$517,618	102.38	\$52,995,657
TOTAL	\$6,255,270	37.79	\$236,381,698
Exp. Lag Days	37.79	= (C)/(A)	
Revenue Lag Days	42.12		
Adj. to Rate Base	74,220		
Rate Base Factor	10,963,538		
New Rate Base	\$11,037,758		

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
SUMMARY OF EARNINGS
AT PRESENT RATES - Total System
(Thousands of 1992 Dollars)

Description	Edison Estimated	DRA Estimated	Adopted
-----	-----	-----	-----
	(a)	(b)	(c)
Operating Revenues			

Present Rate Revenues	\$3,962,400	\$4,033,984	\$4,029,254
Operating Expenses			

Production	541,212	525,524	513,927
Transmission	81,369	80,169	77,417
Distribution	187,531	185,996	179,979
Customer Accounts	124,608	123,950	120,807
Uncollectibles	8,231	8,380	8,370
Customer Service & Information	157,209	136,248	153,467
Administrative & General	459,451	386,913	412,229
Franchise Requirements	31,212	31,776	31,738
Sales Tax Increase	1,927	1,927	1,811
Compensation Adjustment	0	(16,458)	0
Information Service Productivity	0	(11,211)	0
Cost Containment	0	(16,778)	0
Revenue Credits	(105,599)	(113,599)	(107,712)
-----	-----	-----	-----
Subtotal	\$1,487,150	\$1,322,839	\$1,392,033
Depreciation (Excl. Nucl. Decomm.)	670,368	650,231	651,678
Nuclear Decommissioning Exp.	97,104	96,325	96,325
Taxes Other Than On Income	202,956	196,142	199,764
Taxes On Income	428,895	546,439	508,285
-----	-----	-----	-----
Total Operating Expenses	\$2,886,473	\$2,811,976	\$2,848,085
Net Operating Income	\$1,075,927	\$1,222,008	\$1,181,169
DSM Incentive	0	0	0
-----	-----	-----	-----
Total Net Operating Revenues	\$1,075,927	\$1,222,008	\$1,181,169
Rate Base	\$11,198,043	\$10,888,415	\$11,037,758
Rate of Return	9.61%	11.22%	10.70%

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
SUMMARY OF EARNINGS
AT PRESENT RATES - CPUC Jurisdiction
(Thousands of 1992 Dollars)

Description	Edison Estimated	DRA Estimated	Adopted
-----	-----	-----	-----
	(a)	(b)	(c)
Operating Revenues			

Present Rate Revenues	\$3,957,387	\$4,028,969	\$4,024,239
Operating Expenses			

Production	539,659	524,041	512,475
Transmission	81,278	80,081	77,332
Distribution	187,411	185,876	179,863
Customer Accounts	124,586	123,928	120,785
Uncollectibles	8,231	8,380	8,370
Customer Service & Information	157,209	136,248	153,467
Administrative & General	458,766	386,349	411,625
Franchise Requirements	31,172	31,736	31,699
Sales Tax Increase	1,927	1,927	1,808
Compensation Adjustment	0	(16,434)	0
Information Service Productivity	0	(11,193)	
Cost Containment	0	(16,752)	
Revenue Credits	(105,517)	(113,510)	(107,628)

Subtotal	\$1,484,722	\$1,320,677	\$1,389,797
Depreciation (Excl. Nucl. Decomm.)	669,546	649,449	650,894
Nuclear Decommissioning Exp.	96,986	96,209	96,209
Taxes Other Than On Income	202,671	195,872	199,489
Taxes On Income	428,643	546,039	507,969

Total Operating Expenses	\$2,882,568	\$2,808,247	\$2,844,358
Net Operating Income	\$1,074,819	\$1,220,722	\$1,179,881
DSM Incentive	0	0	0

Total Net Operating Revenues	\$1,074,819	\$1,220,722	\$1,179,881
Rate Base	\$11,183,184	\$10,874,206	\$11,023,374
Rate of Return	9.61%	11.23%	10.70%

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
SUMMARY OF EARNINGS
AT ADOPTED RATES - Total System
(Thousands of 1992 Dollars)

Description	Edison Estimated	DRA Estimated	Adopted
-----	-----	-----	-----
	(a)	(b)	(c)
Operating Revenues			

Present Rate Revenues	\$3,962,400	\$4,033,984	\$4,029,254
Change in Revenues	217,202	(130,113)	(21,720)

Total Operating Revenues	\$4,179,602	\$3,903,871	\$4,007,534
Operating Expenses			

Production	541,212	525,524	513,927
Transmission	81,369	80,169	77,417
Distribution	187,531	185,996	179,979
Customer Accounts	124,608	123,950	120,807
Uncollectibles	8,681	8,109	8,336
Customer Service & Information	157,209	136,248	153,467
Administrative & General	459,451	386,913	412,229
Franchise Requirements	32,923	30,751	31,567
Compensation Adjustment	1,927	1,927	1,811
Information Service Productivity	0	(16,458)	0
Cost Containment	0	(11,211)	0
Sales Tax Increase	0	(16,778)	0
Revenue Credits	(105,599)	(113,599)	(107,712)

Subtotal	\$1,489,311	\$1,321,542	\$1,391,827
Depreciation (Excl. Nucl. Decomm.)	670,368	650,231	651,678
Nuclear Decommissioning Exp.	97,104	96,325	96,325
Taxes Other Than On Income	202,956	196,142	199,738
Taxes On Income	521,317	490,836	499,084

Total Operating Expenses	\$2,981,056	\$2,755,076	\$2,838,652
Net Operating Income	\$1,198,546	\$1,148,795	\$1,168,882
DSM Incentive	(786)	0	0

Total Net Operating Revenues	\$1,197,760	\$1,148,795	\$1,168,882
Rate Base	11,183,974	10,909,798	\$11,037,758
Rate of Return	10.71%	10.53%	10.59%
			1/

1/ As authorized in Edison's Cost of Capital application
(A.91-05-024).

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
SUMMARY OF EARNINGS
AT ADOPTED RATES - CPUC Jurisdiction
(Thousands of 1992 Dollars)

Description	Edison Estimated	DRA Estimated	Adopted
	(a)	(b)	(c)
Operating Revenues			
Present Rate Revenues	\$3,957,387	\$4,028,969	\$4,024,239
Change in Revenues	216,357	(130,494)	(22,135)
Total Operating Revenues (ALBRR)	\$4,173,744	\$3,898,475	\$4,002,104
Operating Expenses			
Production	539,659	524,041	512,475
Transmission	81,278	80,081	77,332
Distribution	187,411	185,876	179,863
Customer Accounts	124,586	123,928	120,785
Uncollectibles	8,681	8,109	8,324
Customer Service & Information	157,209	136,248	153,467
Administrative & General	458,766	386,349	411,625
Franchise Requirements	32,877	30,708	31,520
Sales Tax Increase	1,924	1,924	1,800
Compensation Adjustment	0	(16,434)	0
Information Service Productivity	0	(11,193)	0
Cost Containment	0	(16,752)	0
Revenue Credits	(105,517)	(113,510)	(107,628)
Subtotal	\$1,486,874	\$1,319,375	\$1,389,576
Depreciation (Excl. Nucl. Decomm.)	669,546	649,449	650,894
Nuclear Decommissioning Exp.	96,986	96,209	96,209
Taxes Other Than On Income	202,671	195,872	199,463
Taxes On Income	520,687	490,281	498,585
Total Operating Expenses	\$2,976,764	\$2,751,186	\$2,834,728
Net Operating Income	\$1,196,980	\$1,147,289	\$1,167,376
DSM Incentive	(786)	0	0
Total Net Operating Revenues	\$1,196,194	\$1,147,289	\$1,167,376
Rate Base	\$11,169,096	\$10,895,518	11,023,374
Rate of Return	10.71%	10.53%	10.59%

1/ As authorized in Edison's Cost of Capital application
(A.91-05-024).

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
SUMMARY OF NUCLEAR O&M EXPENSE - Edison's Share
(Thousands of 1992 Dollars)

Description	Adopted			
	Unit 1	Unit 2	Unit 3	Total
1. SONGS:				
Base	\$53,814	\$56,690	\$47,727	\$158,230
Refueling	15,053	0	15,053	30,106
NRC Fees	3,251	3,050	3,050	9,351
Subtotal	\$72,118	\$59,740	\$65,830	\$197,687
No. of Refueling Outages	1	0	1	2
Average Cost/Outage				\$15,053
2. Palo Verde: 1/				
Base	\$12,539	\$13,209	\$11,120	\$36,868
Refueling	3,507	1,754	1,754	7,015
NRC Fees	642	642	642	1,927
Subtotal	\$16,688	\$15,605	\$13,516	\$45,809
No. of Refueling Outages	1	1/2	1/2	2
Average Cost/Outage				\$3,507
Scaling Index	0.233	0.233	0.233	
Total Nuclear O&M Expenses				\$243,497

1/ Palo Verde base and refueling O&M expenses are derived from SONGS O&M multiplied by a scaling index. The scaling index is derived from the adopted scaling factor of 1.131 and Edison's share of SONGS and Palo Verde (1.131*0.158/0.767).

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

CPUC JURISDICTIONAL FACTORS

Description	Edison Estimate	DRA Estimate	Adopted
----- Operating Expenses -----			
Production	99.713%	99.718%	99.717%
Transmission	99.889%	99.891%	99.891%
Distribution	99.936%	99.935%	99.935%
Customer Accounts	99.982%	99.982%	99.982%
Cust. Serv. & Inform.	100.000%	100.000%	100.000%
Administrative & General	99.851%	99.854%	99.854%
Sales Tax Increase			99.844%
Compensation Adjustment			
Cost Containment			
Revenue Credits	99.922%	99.922%	99.922%
Depreciation	99.878%	99.880%	99.880%
Taxes Other Than On Income	99.860%	99.862%	99.862%
Taxes On Income	99.862%	99.862%	99.862%
Rate Base	99.867%	99.870%	99.870%

APPENDIX D - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
DEVELOPMENT OF NET-TO-GROSS MULTIPLIER

Description	Rate	Amount Applied	Total
-----	-----	-----	-----
	(A)	(B)	(C=A*B)
Gross Operating Revenues			100.0000
Less: Uncollectible	0.2080%	100.0000	0.2080
Subtotal			99.7920
Less: Franchise Fees	0.7877%	100.0000	0.7877
Subtotal			99.0043
Less: Arizona & New Mexico Income Tax	0.1997%	99.0043	0.1977
Subtotal			98.8066
Less: Superfund Tax	0.12%	98.8066	0.1186
Subtotal			98.6880
Less: S.I.T.	8.7251%	99.0043	8.6382
Subtotal			90.0498
Less: F.I.T.	34.00%	98.6880	33.5539
Net Operating Revenues			56.4959
Uncoll. & F.F. Factor			1.0101
State & Fed. Tax Factor			1.6473
N-T-G Multiplier			1.7700

(END OF APPENDIX D - REVISED)

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION REVENUE REQUIREMENT ESTIMATES

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APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION REVENUE REQUIREMENT ESTIMATES
- CPUC Jurisdiction
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	Incrmt. Attrition 1993	Attrition 1993	Incrmt. Attrition 1994	Attrition 1994
Operating Revenues	\$4,002,104	\$104,182	\$4,106,286	\$122,047	\$4,228,333
Operating Expenses					
Production	512,475	811	513,286	34,007	547,293
Transmission	77,332	2,269	79,601	2,544	82,145
Distribution	179,863	5,943	185,805	6,640	192,445
Customer Accounts	120,785	3,506	124,291	3,969	128,260
Uncollectibles	8,324	217	8,541	254	8,795
Cust. Serv. & Inform.	153,467	3,328	156,795	3,606	160,401
Administrative & Gen.	411,625	8,164	419,789	9,060	428,850
Franchise Requirements	31,525	821	32,345	961	33,307
Sales Tax Increase	1,808	30	1,838	74	1,912
Compensation Adjustment	0	0	0	0	0
Cost Containment	0	0	0	0	0
Revenue Credits	(107,628)	0	(107,628)	0	(107,628)
Subtotal	\$1,389,576	\$25,088	\$1,414,664	\$61,116	\$1,475,780
Depreciation (Excl. Nucl. Decomm.)	650,894	39,042	689,936	29,339	719,275
Nuclear Decomm. Exp.	96,209	(1,254)	94,955	0	94,955
Taxes Other Than On Income	199,463	2,419	201,882	1,508	203,390
Taxes On Income	498,585	28,947	527,532	15,834	543,366
Total Operating Expenses	\$2,834,728	\$94,242	\$2,928,970	\$107,796	\$3,036,766
Net Operating Income	\$1,167,376	9,940	\$1,177,316	14,251	\$1,191,567
DSM Incentive	0	0	0	0	0
Total Net Oper. Rev.	\$1,167,376	\$9,940	\$1,177,316	\$14,251	\$1,191,567
Rate Base	11,023,374	93,865	\$11,117,238	134,570	\$11,251,808
Rate of Return	10.59%		10.59%		10.59%

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
 Test Year 1992

SUMMARY OF ATTRITION INCREMENTAL REVENUE REQUIREMENTS
 - CPUC Jurisdiction
 (Thousands of Nominal Dollars)

Description	Incremental Attrition 1993	Incremental Attrition 1994
Operating Expenses		
O&M Expenses		
Labor	\$20,189	\$23,383
Nonlabor & Other	19,339	20,402
SONGS Refueling	(15,507)	16,042
Sales Tax Increase	30	74
Revenue Credits	0	0
Subtotal	\$24,051	\$59,901
Franchise Fees and Uncoll.	\$242	\$602
Total Expenses	\$24,293	\$60,503
Capital Related 1/		
Depreciation (Excl. Nucl. Decomm.)	\$69,106	\$51,931
Nuclear Decomm. Exp.	(2,220)	0
Ad Valorem Tax	2,444	1,523
Income Taxes	(3,960)	(12,726)
Rate Base	14,520	20,816
Total Cap. Related	\$79,889	\$61,544
Total Attrition Incremental Rev. Req.	\$104,182	\$122,047

1/ Incl. Franchise Fees, Uncollectibles and Income Taxes.

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ESCALATION RATES FOR ATTRITION YEARS 1/
(Base Year 1992)

Year	Labor		Nonlabor	
	Rate	Index	Rate	Index
1992	-	100.00	-	100.00
1993	3.30%	103.30	3.31%	103.31
1994	3.70%	107.12	3.38%	106.80

1/ Estimates from Exhibit 174. Actual escalation rates for Attrition Year 1993 & 1994 should be updated in Edison's Attrition filings.

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

CPUC JURISDICTIONAL FACTORS FOR ATTRITION YEARS

Description	Attrition 1993 & 1994 1/
Operating Expenses	
Production	99.717%
Transmission	99.891%
Distribution	99.935%
Customer Accounts	99.982%
Cust. Serv. & Inform.	100.000%
Administrative & General	99.854%
Sales Tax Increase	.
Compensation Adjustment	.
Cost Containment	99.922%
Revenue Credits	
Depreciation	99.880%
Taxes Other Than On Income	99.862%
Taxes On Income	99.862%
State	99.862%
Federal	99.862%
Rate Base	99.870%

1/ Test Year values from Appendix D, Page 32. Edison may revise the CPUC jurisdictional factors in its attrition filings as authorized in D. 85-12-076.

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION INCREMENTAL O&M EXPENSES
- CPUC Jurisdiction
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	CPUC Juri. 1992	Increment. Attrition 1993	Increment. Attrition 1994
Operating Expenses				
PRODUCTION		99.717%		
Labor	\$220,763	\$220,139	\$7,265	\$8,414
Nonlabor	274,305	273,530	9,054	9,551
Other	18,859	18,806	0	0
Total	\$513,927	\$512,475	\$16,318	\$17,965
Number of Refueling Outages (SONGS)	2		1	2
Refueling Outage for SONGS				
Labor	3,164	3,155	104	225
Nonlabor	11,889	11,855	392	806
Total	\$15,053	\$15,010	\$497	\$1,031
Total Production Adjustment			(3,259)	3,380
Labor			(12,248)	12,662
Nonlabor			(\$15,507)	\$16,042
Total				
TOTAL PRODUCTION			4,005	11,794
Labor			(3,194)	22,213
Nonlabor			0	0
Other			\$811	\$34,007
Total				
TRANSMISSION		99.891%		
Labor	44,256	44,208	1,459	1,690
Nonlabor	24,498	24,471	810	855
Other	8,663	8,654	0	0
Total	\$77,417	\$77,332	\$2,269	\$2,544
DISTRIBUTION		99.935%		
Labor	108,843	108,772	3,589	4,157
Nonlabor	71,137	71,091	2,353	2,482
Other	0	0	0	0
Total	\$179,979	\$179,863	\$5,943	\$6,640
CUSTOMER ACCOUNTS		99.982%		
Labor	79,376	79,362	2,619	3,033
Nonlabor	26,798	26,793	887	936
Other (Less Uncoll.)	14,633	14,630	0	0
Total	\$120,807	\$120,785	\$3,506	\$3,969
CUSTOMER SERV. & INFORM.		100.000%		
Labor	27,869	27,869	920	1,065
Nonlabor	72,769	72,769	2,409	2,541
Other	52,829	52,829	0	0
Total	\$153,467	\$153,467	\$3,328	\$3,606
(Incl. DSM Amort. Depr.)	\$12,606		\$0	\$0
ADMINISTRATIVE & GENERAL		99.854%		
Labor	131,617	131,424	4,337	5,023
Nonlabor	115,788	115,619	3,827	4,037
Other (Less ff)	164,824	164,583	0	0
Total	\$412,229	\$411,625	\$8,164	\$9,060
(Incl. Health Care & R&D)				
Labor	11,627	11,609	383	444
Nonlabor	51,417	51,342	1,699	1,793
Other	71,613	71,508	0	0
Total	\$134,656	\$134,459	\$2,083	\$2,237

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION INCREMENTAL O&M EXPENSES (Cont.)
- CPUC Jurisdiction
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	CPUC Juris. 1992	Increment. Attrition 1993	Increment. Attrition 1994
Operating Expenses				
(Unadjusted)				
Total Labor	612,723	611,773	20,189	23,383
Total Nonlabor	585,295	584,272	19,339	20,402
Total Other	259,808	259,501	0	0
Total Op. Exp.	\$1,457,826	\$1,455,547	\$39,528	\$43,785
SONGS Refueling				
Labor			(3,259)	3,380
Nonlabor			(12,248)	12,662
Total			(\$15,507)	\$16,042

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION INCREMENTAL CAPITAL RELATED
REVENUE REQUIREMENTS - TAXES OTHER THAN ON INCOME
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	Incremental Attrition 1993	Incremental Attrition 1994
TAXES OTHER THAN ON INCOME	(12/91)	(12/92)	(12/93)
Ad Valorem Taxes:			
Plant In Service	\$17,976,888	\$680,902	\$730,621
Depreciation Resv.	(5,773,616)	(588,743)	(557,507)
Net Change in HOLD Unitary Property	12,203,272	92,159	173,114
Assessed Value of Unitary Property-X of Hold	105.412%		
Assessed Value of Unitary Property		97,147	182,483
Tax Rate	1.080%	1,049	1,971
50% of :			
Previous Year		1,898	525
Current Year		525	985
Total Incr./ (Decr.) in Ad Valorem Taxes		\$2,423	\$1,510
CPUC Jurisdiction	99.862%	\$2,419	\$1,508
Franchise fees & Uncollectibles	0.9957%	24	15
Total Incr./ (Decr.) in Rev. Req.		\$2,444	\$1,523

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION INCREMENTAL CAPITAL RELATED
REVENUE REQUIREMENTS - TAXES ON INCOME
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	Increment. Attrition 1993	Increment. Attrition 1994
TAXES ON INCOME			
State Tax Depreciation:		\$22,946	\$15,237
Incr./Decr. in SIT (CA, AZ, & NM)	8.9248%	(2,048)	(1,360)
Incr./Decr. in FIT	34%	696	462
Total Incr./Decr. in Income Taxes		(1,352)	(898)
Net-To-Gross Multiplier	1.7700		
Incr./Decr. in Rev. Req.		(2,392)	(1,589)
CPUC Jurisdiction Factor	99.862%		
Total Incr./Decr. in Rev. Req.		(\$2,389)	(\$1,586)
Federal Tax Depreciation:		(\$62,959)	\$5,513
Incr./Decr. in FIT	34%	21,406	(1,874)
Net-To-Gross Multiplier	1.7700		
Incr./Decr. in Rev. Req.		37,890	(3,318)
CPUC Jurisdiction Factor	99.862%		
Total Incr./Decr. in Rev. Req.		\$37,837	(\$3,313)
Income Tax Deferred:		(22,442)	(4,438)
Net-To-Gross Multiplier	1.7700		
Incr./Decr. in Rev. Req.		(39,723)	(7,856)
CPUC Jurisdiction Factor	99.862%		
Total Incr./Decr. in Rev. Req.		(\$39,668)	(\$7,845)
Investment Tax Credit - Deferred:		\$214	\$57
Net-To-Gross Multiplier	1.7700		
Incr./Decr. in Rev. Req.		379	101
CPUC Jurisdiction Factor	99.862%		
Total Incr./Decr. in Rev. Req.		\$378	\$101
Avg. Accumd. Deferred ITC As A Reduction To Rate Base For CCFT Interest Ded.:		(\$26,295)	(\$18,286)
Weighted Cost for Long Term Debt	4.31%		
Incr./Decr. in CCFT Interest		1,133	788
Incr./Decr. in SIT (CA, AZ, & NM)	8.9248%	(101)	(70)
Incr./Decr. in FIT	34%	34	24
Total Incr./Decr. in Income Taxes		(67)	(46)
Net-To-Gross Multiplier	1.7700		
Incr./Decr. in Rev. Req.		(118)	(82)
CPUC Jurisdiction Factor	99.862%		
Total Incr./Decr. in Rev. Req.		(\$118)	(\$82)
Total Incr./Decr. in Rev. Req. - CPUC Jurisdiction		(\$3,960)	(\$12,726)

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION INCREMENTAL CAPITAL RELATED
REVENUE REQUIREMENTS + DEPRECIATION EXPENSE
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	Increment. Attrition 1993	Increment. Attrition 1994
DEPRECIATION EXPENSE			
Depreciation Expense:		\$39,089	\$29,374
CPUC Jurisdiction	99.880%	39,042	29,339
Net-To-Gross Multiplier	1.7700	\$69,106	\$51,931
Total Incr./((Decr.) In Rev. Req.			
Decommissioning Expense:		(1,256)	0
CPUC Jurisdiction	100.000%	(1,254)	0
Net-To-Gross Multiplier	1.7700	(\$2,220)	\$0
Total Incr./((Decr.) In Rev. Req. - CPUC Jurisdiction		\$66,885	\$51,931

APPENDIX E - REVISED

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992

ATTRITION INCREMENTAL CAPITAL RELATED
REVENUE REQUIREMENTS - RATE BASE
(Thousands of Nominal Dollars)

Description	GRC Adopted 1992	Incremental Attrition 1993	Incremental Attrition 1994
PLANT IN SERVICE - WTD. AVG.	\$18,301,925	\$718,601	\$766,155
Rate of Return	10.59%	76,100	81,136
Net-To-Gross Multiplier	1.4607	111,159	118,515
Incr./((Decr.) in Rev. Req.	99.870%	\$111,014	\$118,361
CPUC Jurisdiction factor			
Total Incr./((Decr.) in Rev. Req.			
DEFERRED DEBIT ACCOUNTS	\$69,602	\$3,783	\$958
Rate of Return	10.59%	401	101
Net-To-Gross Multiplier	1.4607	585	148
Incr./((Decr.) in Rev. Req.	99.870%	\$584	\$148
CPUC Jurisdiction factor			
Total Incr./((Decr.) in Rev. Req.			
DEPRECIATION RESERVE		(\$545,992)	(\$568,444)
Rate of Return	10.59%	(57,821)	(60,198)
Net-To-Gross Multiplier	1.4607	(84,459)	(87,932)
Incr./((Decr.) in Rev. Req.	99.870%	(\$84,348)	(\$87,817)
CPUC Jurisdiction factor			
Total Incr./((Decr.) in Rev. Req.			
DEFERRED TAXES - ACRS		(\$82,405)	(\$63,924)
Rate of Return	10.59%	(8,727)	(6,770)
Net-To-Gross Multiplier	1.4607	(12,747)	(9,888)
Incr./((Decr.) in Rev. Req.	99.870%	(\$12,730)	(\$9,875)
CPUC Jurisdiction factor			
Total Incr./((Decr.) in Rev. Req.			
Total Incr./((Decr.) in Rev. Req.		\$14,520	\$20,816
Total Incr./((Decr.) in Rate Base - Wtd. Avg.	99.870%	\$93,987	\$134,745
CPUC Jurisdiction		\$93,865	\$134,570

(END OF APPENDIX E - REVISED)

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
ADOPTED MARGINAL COSTS

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SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
ADOPTED MARGINAL CAPACITY COSTS

Line No.	Description	Cost per KW (\$/KW)	Comments
GENERATION:			
1.	Combustion Turbine (CT) Capital Cost	549.31	Exhibit 113, Joint Testimony on Marginal Costs.
2.	General Plant Loading	33.05	(Line 1) x General Plant Loading of 6.02%
3.	Working Capital	6.34	(Line 1 + Line 2) x Working Capital Factor of 1.09%
4.	Total CT Investment:	588.70	Subtotal (Line 1 + Line 2 + Line 3)
5.	Interconnection Plant (IP) Capital Cost	33.89	Exh. 113
6.	General Plant Loading	2.04	(Line 5) x General Plant Loading of 6.02%
7.	Working Capital	0.39	(Line 5 + Line 6) x Working Capital Factor of 1.09%
8.	Total IP Investment:	36.32	Subtotal (Line 5 + Line 6 + Line 7)
9.	Annual Combustion Turbine Cost (\$/KW/yr)	60.34	(Line 4) x Annual Cost factor of 10.25%
10.	Annual Interconnection Plant Cost (\$/KW/yr)	3.74	(Line 8) x Annual Cost factor of 10.31%
11.	Annual Carrying Cost of Fuel Inventory (\$/KW/yr)	1.12	Exh. 113
12.	Annual Demand-Related O&M Expense (\$/KW/yr)	16.95	Exh. 113, corrected from \$16.89
13.	Annual Marginal Generation Cost (\$/KW/yr):	82.15	(Line 9 + Line 10 + Line 11 + Line 12)
TRANSMISSION:			
14.	Transmission Investment per KW Change in Load	241.55	Exh. 113
15.	General Plant Loading	14.53	(Line 14) x General Plant Loading of 6.02%
16.	Working Capital	2.79	(Line 14 + Line 15) x Working Capital Factor of 1.09%
17.	Total Investment:	258.87	Subtotal (Line 14 + Line 15 + Line 16)
18.	Annual Cost (\$/KW/yr)	28.50	(Line 17) x Annual Cost factor of 11.01%
19.	Annual Demand-Related O&M Expense (\$/KW/yr)	4.80	Exh. 113, updated to reflect adopted Transmission O&M expenses
20.	Annual Marginal Transmission Cost (\$/KW/yr):	33.30	(Line 18 + Line 19)
DISTRIBUTION:			
21.	Distribution Investment per KW Change in Load	364.86	Exh. 113
22.	General Plant Loading	21.95	(Line 21) x General Plant Loading of 6.02%
23.	Working Capital	4.21	(Line 21 + Line 22) x Working Capital factor of 1.09%
24.	Total Investment:	391.02	Subtotal (Line 21 + Line 22 + Line 23)
25.	Annual Cost (\$/KW/yr)	40.74	(Line 24) x Annual Cost factor of 10.42%
26.	Annual Demand-Related O&M Expense (\$/KW/yr)	12.93	Exh. 113, updated to reflect adopted Distribution O&M expenses
27.	Annual Marginal Distribution Cost (\$/KW/yr):	53.68	(Line 25 + Line 26)

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
ADOPTED MARGINAL CUSTOMER COSTS

Line No. Cost Component Marginal Customer Cost (a)
(\$/Customer/Tr)

S U M M A R Y

1.	Domestic	62.41
2.	General Service - Small	126.69 (b)
3.	General Service - Large	922.40
4.	Agriculture and Pumping	536.27
5.	Time-of-Use - Secondary	3,217.04
6.	Time-of-Use - Primary	2,986.84
7.	Time-of-Use - Subtransmission	3,036.85

8.	DOMESTIC:	Single	Overhead	64.99
9.			Underground	66.49
10.		Multiple		56.77
11.	Domestic Average			62.41
12.	LSMP:	GS-1	Single Phase	123.10
13.			Three Phase	139.33
14.			Average GS-1	127.80
15.		TC-1		64.99
16.		GS-1 Group Average		126.69
17.		GS-2	Secondary	923.32
18.			Primary	602.08
19.			Average GS-2	922.37
20.		TOU-GS	Secondary	955.41
21.			Primary	634.17
22.			Average TOU-GS	940.20
23.		GS-2 Group Average		922.40
24.	AGRICULTURE:	PA-1		462.89
25.		PA-2	Secondary	967.28
26.			Primary	606.01
27.			Average PA-2	964.19
28.		TOU-PA	Secondary	999.70
29.			Primary	638.42
30.			Average TOU-PA	998.40
31.		PA-2 Group Average		986.80
32.	Agriculture Average			536.27
33.	INDUSTRIAL:	TOU-8	Secondary	3,217.04
34.			Primary	2,986.84
35.			Subtransmission	3,036.85

(a) Exhibit 113, Joint Exhibit on Marginal Costs, updated to reflect adopted results of operations.
(b) Exhibit 113 references Average GS-1 for General Service - Small value, while this table references GS-1 Group Average, which includes TC-1.

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
ADOPTED MARGINAL ENERGY COSTS

Line No.	Description	SUMMER			WINTER	
		On-Peak	Mid-Peak	Off-Peak	Mid-Peak	Off-Peak
1.	Incremental Energy Rate (Btu/kWh)	14,199	8,784	7,159	10,516	8,431
2.	Fuel Price (\$/MMBtu)	3.35	3.35	3.35	3.35	3.35
3.	Marginal Fuel Cost (\$/kWh)	0.048	0.029	0.024	0.035	0.028
4.	Variable O&M (\$/kWh)	0.003	0.003	0.003	0.003	0.003
5.	Generation-Level Marginal Energy Cost (\$/kWh)	0.051	0.032	0.027	0.038	0.031

- Line 1. Exhibit 113, Joint Testimony on Marginal Costs.
- Line 2. Fuel price to be adopted in ECAC proceedings adopted for this GRC cycle; \$3.35 per MMBtu is used here for illustrative purpose only.
- Line 3. (Line 1 x Line 2) / 1,000,000
- Line 4. Exhibit 113. Adopted for this GRC cycle.
- Line 5. (Line 3 + Line 4)

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
ADOPTED MARGINAL CUSTOMER COSTS FOR STREET LIGHTS

Line No.	Description	Marginal Customer Cost for Street Light (a)	
		\$/Meter/Year	\$/Lamp/Year
1.	LS-3 Primary (Series)	591.50	---
2.	LS-3 Secondary (Multiple)	93.18	---
3.	LS-1	---	3.64
4.	LS-2 Primary (Series)	---	5.14
5.	LS-2 Secondary (Multiple)	---	8.87
6.	OL-1	---	3.64
7.	DVL-A	---	3.64
8.	DVL-B	---	3.64
9.	DVL-C	---	0.00 (b)

- (a) Exhibit 117, Joint Exhibit on Marginal Street Light Costs, updated to reflect adopted results of operations.
- (b) Cost shown as zero because this schedule is no longer offered to new customers.

SOUTHERN CALIFORNIA EDISON COMPANY
Test Year 1992
ADOPTED MARGINAL STREET LIGHT COSTS
FOR HIGH PRESSURE SODIUM VAPOR (HPSV)

Line No.	Description	Marginal Street Light Costs for HPSV (a)						
		Luminaire Size (Lumens)						
		4000	5800	9500	1600	22000	27500	50000
1.	O&M COSTS:							
2.	Customer-Owned --							
3.	--Unmetered service, \$/Lamp/Month:							
4.	Other repair cost -							
5.	at Secondary	0.08	0.08	0.08	0.08	0.08	0.08	0.08
6.	at Primary	0.15	0.15	0.15	0.15	0.15	0.15	0.15
7.	Lamp replacement	0.35	0.35	0.35	0.35	0.35	0.35	0.35
8.	--Metered service, \$/Meter/Month:							
9.	Other repair cost -							
10.	at Secondary	0.14	0.14	0.14	0.14	0.14	0.14	0.14
12.	at Primary	5.46	5.46	5.46	5.46	5.46	5.46	5.46
13.	Lamp replacement	0.35	0.35	0.35	0.35	0.35	0.35	0.35
14.	Edison-Owned, \$/Lamp/Month:							
15.	Lamp replacement	0.35	0.35	0.35	0.35	0.35	0.35	0.35
16.	Night Patrol & Other Repair	0.39	0.39	0.39	0.39	0.39	0.39	0.39
17.	INVESTMENT COSTS:							
18.	Customer-Owned --							
19.	--Unmetered service, \$/Lamp/Month:							
20.	at Secondary	0.52	0.52	0.52	0.52	0.52	0.52	0.52
21.	at Primary	3.26	3.26	3.26	3.26	3.26	3.26	3.26
22.	--Metered service, \$/Meter/Month:							
23.	at Secondary	74.87	74.87	74.87	74.87	74.87	74.87	74.87
24.	at Primary	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25.	Edison-Owned, \$/Lamp/Month:							
26.	at Secondary	3.94	3.96	4.26	4.25	4.58	4.58	4.72

(a) Exhibit 117, Joint Exhibit on Marginal Street Light Costs, updated to reflect adopted results of operations.

(END OF APPENDIX F - REVISED)