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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authorization to Recover Costs Incurred in 2009, 2010, and 2011 and Recorded in the Bark Beetle Catastrophic Event Memorandum Account.

Application 12-05-003
(Filed May 1, 2012)

**SCOPING MEMO AND RULING OF ASSIGNED
COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

1. Summary

Pursuant to Rule 7.3,¹ this ruling and scoping memo determines the procedural schedule (with a proposed submission date), the category of the proceeding, the issues to be addressed, the designated presiding officer, and the need for hearing.

2. Background

Southern California Edison Company (SCE) filed this application on May 1, 2012 to recover costs incurred in removing trees infested with Bark Beetles from its rights of way and other property in the indicated years. SCE recorded the costs in a Catastrophic Events Memorandum Account (CEMA).

¹ All references to Rules and Articles are to the Commission's Rules of Practice and Procedure, unless otherwise indicated.

The Commission's Division of Ratepayer Advocates (DRA) filed a timely protest to the application.

In keeping with past Commission practice, DRA will audit the application to ensure that it complies with Commission rules and resolutions as well as orders issued by responsible state and federal agencies. In particular, DRA will seek to verify that all expenses recorded in the CEMA are authorized, necessary, and reasonable.

There are two specific requests set out in the application. SCE asks that we:

- a) Find reasonable the \$11.697 million of incremental Operations and Maintenance expenses recorded in the Bark Beetle CEMA for the period January 1, 2009 through December 31, 2011; and
- b) Authorize SCE to transfer its December 31, 2011 balance in the Bark Beetle CEMA Operations and Maintenance Cost Subaccount for the period July 1, 2009 through December 31, 2011 of \$11.735 million, plus interest, to the effective date of a final order in this proceeding, to the Distribution Subaccount of the Base Revenue Requirement Balancing Account (BRRBA) for recovery in rates.

3. Categorization, Need for Hearings, *Ex Parte* Communications Rules, and Designation of Presiding Officer

In Resolution ALJ 176-3293, issued May 10, 2012, this proceeding was preliminarily categorized as ratesetting with a need for evidentiary hearings. We affirm the categorization and the hearing determination. Assigned Commissioner Mark J. Ferron designates Administrative Law Judge (ALJ) Karl J. Bemesderfer as the presiding officer in this proceeding. The Commission's *ex parte* communication rules applicable to this proceeding are set forth in Rules 8.1 – 8.5. These rules apply to all parties of record and, more

broadly, to all persons with an interest in any substantive matter. The broad category of individuals subject to our *ex parte* communications rules is defined in Pub. Util. Code § 1701.1(c) (4) and Rule 8.1(d).

4. Scope of this Proceeding

We adopt the following scope for this proceeding:

- a) Are the costs recorded in SCE’s Bark Beetle CEMA account for the period January 1, 2009 through December 31, 2011 authorized, necessary and reasonable?
- b) Should SCE be authorized to transfer its December 31, 2011 balance in the Bark Beetle CEMA Operations and Maintenance Cost Subaccount for the period July 1, 2009 through December 31, 2011 of \$11.735 million, plus interest, to the effective date of a final order in this proceeding, to the Distribution Subaccount of the BRRBA for recovery in rates?

5. Procedural Schedule

We adopt the following procedural schedule for this proceeding:

Procedure/Location (if applicable):	Date/Time (if applicable):
DRA Testimony, served	September 14, 2012
Rebuttal Testimony, served	October 15, 2012
Evidentiary Hearings Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco CA 94102	October 31, 2012 at 10:00 a.m.
Submission Date	December 3, 2012
Opening Briefs, filed	November 16, 2012
Reply Briefs, filed	December 3, 2012
Proposed Decision	December 21, 2012
Comments on Proposed Decision	January 10, 2013

Reply Comments	January 15, 2013
Proposed Decision on Commission's agenda	February 2013

We anticipate the proceeding will proceed according to the above schedule. In any event, we anticipate this proceeding will be resolved within 18 months of the issuance of this Scoping Memo pursuant to Pub. Util. Code § 1705.5.

6. Filing and Service of Documents, Party Status and Service List

The official service list for this proceeding is attached to this ruling, and updates are maintained by the Commission's Process Office and accessible on our website at www.cpuc.ca.gov. Parties must file and serve all pleadings as set forth in Article 1.

Testimony must be served but not filed. Parties are encouraged to file electronically, pursuant to Rule 1.13, whenever possible as it speeds processing of the filings and allows them to be posted on the Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/PUC/efiling>. We will follow the electronic service protocols adopted by Rule 1.10 for all documents, whether formally filed or just served. This Rule allows for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. In this proceeding, we require concurrent e-mail service to ALL persons on the service list, including those listed under "Information Only." Parties are expected to provide paper copies of served documents upon request. The assigned Commissioner and ALJ should always be served a paper copy. E-mail communication about this case should include, at a minimum, the

following information on the subject line of the e-mail: Application 12-05-003. In addition, the party sending the e-mail should briefly describe the attached communication; for example, Brief. Paper format copies, in addition to electronic copies, shall be served on the assigned Commissioner and the ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list for Application 12-05-003. The list on the Commission's website meets that definition. Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at (866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov. We urge parties to work cooperatively to resolve any discovery issues. We expect parties to respond to data requests and other information requests in a timely fashion.

IT IS RULED that:

1. This proceeding is categorized as ratesetting. *Ex parte* Communications are permitted with restrictions, as set forth in Rules 8.2, 8.4, and 8.5, and are subject to the reporting requirements of Rule 8.3.
2. Evidentiary hearings are required.
3. Administrative Law Judge Karl J. Bemederfer is the presiding officer.
4. The scope of this proceeding is to determine:
 - (a) If amounts recorded in Southern California Edison's Bark Beetle Catastrophic Events Memorandum Account (CEMA) account for the period January 1, 2009 through December 31, 2011 are authorized, necessary and reasonable; and

(b) Whether Southern California Edison should be authorized to transfer its December 31, 2011 balance in the Bark Beetle CEMA Operations and Maintenance Cost Subaccount for the period July 1, 2009 through December 31, 2011 of \$11.735 million, plus interest, to the effective date of a final order in this proceeding, to the Distribution Subaccount of the Base Revenue Requirement Balancing Account for recovery in rates.

5. The hearing schedule and procedural process are as set forth in Section 5 of this ruling.

Dated July 5, 2012, at San Francisco, California.

/s/ MARK J. FERRON

Mark J. Ferron
Assigned Commissioner

/s/ KARL J. BEMESDERFER

Karl J. Bemederfer
Administrative Law Judge