



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE FILED**

05-14-12  
04:59 PM

**STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for )  
Approval of Modifications to its SmartMeter™ )  
Program and Increased Revenue Requirements to )  
Recover the Costs of the Modifications (U39M). )  
\_\_\_\_\_ )

A.11-03-014  
(Filed March 24, 2011)

Application of Utility Consumers' Action Network )  
for Modification of Decision 07-04-043 so as to Not )  
Force Residential Customers to Use Smart Meters. )  
\_\_\_\_\_ )

A.11-03-015  
(Filed March 24, 2011)

Application of Consumers Power Alliance, Public )  
Citizen, Coalition of Energy Users, Eagle Forum of )  
California, Neighborhood Defense League of )  
California, Santa Barbara Tea Party, Concerned )  
Citizens of La Quinta, Citizens Review Association, )  
Palm Springs Patriots Coalition Desert Valley Tea )  
Party, Menifee Tea Party-Hemet Tea Party- )  
Temecula Tea Party, Rove Enterprises, Inc., )  
Schooner Enterprises, Inc., Eagle Forum of San )  
Diego, Southern Californians For Wired Solutions )  
To Smart Meters, and Burbank Action For )  
Modification of D.08-09-039 and A Commission )  
Order Requiring Southern California Edison )  
Company (U338E) To File An Application For )  
Approval of A Smart Meter Opt-Out Plan. )  
\_\_\_\_\_ )

A.11-07-020  
(Filed July 26, 2011)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 388-E)**  
**PREHEARING CONFERENCE STATEMENT**

JANET S. COMBS  
SHARON YANG  
Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-6680  
Facsimile: (626) 302-3990  
E-mail: [Sharon.Yang@sce.com](mailto:Sharon.Yang@sce.com)

Dated: **May 14, 2012**

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

Application of Pacific Gas and Electric Company for Approval of Modifications to its SmartMeter™ Program and Increased Revenue Requirements to Recover the Costs of the Modifications (U39M).	)	A.11-03-014 (Filed March 24, 2011)
<hr/>		
Application of Utility Consumers' Action Network for Modification of Decision 07-04-043 so as to Not Force Residential Customers to Use Smart Meters.	)	A.11-03-015 (Filed March 24, 2011)
<hr/>		
Application of Consumers Power Alliance, Public Citizen, Coalition of Energy Users, Eagle Forum of California, Neighborhood Defense League of California, Santa Barbara Tea Party, Concerned Citizens of La Quinta, Citizens Review Association, Palm Springs Patriots Coalition Desert Valley Tea Party, Menifee Tea Party-Hemet Tea Party– Temecula Tea Party, Rove Enterprises, Inc., Schooner Enterprises, Inc., Eagle Forum of San Diego, Southern Californians For Wired Solutions To Smart Meters, and Burbank Action For Modification of D.08-09-039 and A Commission Order Requiring Southern California Edison Company (U338E) To File An Application For Approval of A Smart Meter Opt-Out Plan.	)	A.11-07-020 (Filed July 26, 2011)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 388-E)  
PREHEARING CONFERENCE STATEMENT**

**I.**

**INTRODUCTION**

Pursuant to Rule 7.2 of the California Public Utilities Commission's ("CPUC's" or "Commission's") Rules of Practice and Procedure and the Administrative Law Judge's April 24, 2012 Ruling Consolidating Proceedings ("ALJ Ruling") and Notice of Prehearing Conference ("PHC"), Southern California Edison Company ("SCE") submits this PHC Statement on the scope and schedule for Phase 2 of this proceeding.

## II.

### **PROCEDURAL BACKGROUND**

On April 30, 2012, the Commission issued Decision (“D.”)12-04-018, *Decision Modifying Decision 08-09-039 and Adopting an Opt-Out Program for Southern California Edison Company’s Edison SmartConnect Program*. In D.12-04-018, the Commission directed SCE to implement an opt-out program with interim fees, noting that a second phase of the proceeding would be established to consider program costs, cost allocation, and other issues. The Commission issued similar decisions ordering the implementation of opt-out programs for Pacific Gas and Electric Company (D.12-02-014) and San Diego Gas and Electric Company (D.12-04-019). On April 24, 2012, the ALJ Ruling consolidated the opt-out proceedings for the three Investor Owned Utilities (“IOUs”) and set a prehearing conference on May 16, 2012 to discuss the scope and procedural schedule for Phase 2 of the consolidated opt-out proceedings.

## III.

### **SCOPE OF PROCEEDING**

Pursuant to D.12-02-014, D.12-04-018, and D.12-04-019, the scope of Phase 2 of this proceeding should be limited to the following issues:

1. **Program Costs and Cost Recovery** – Cost and cost allocation issues, including the IOUs’ revenue requirements, balancing account mechanisms, revisions to the interim fees adopted in D.12-02-014, D.12-04-018, and D.12-04-019, and allocation of costs not recovered through the opt-out program fees, if any.
2. **Opt-Outs by Local Governments** – Whether local governments may opt out on behalf of the residents within the local government’s jurisdiction.

The Commission’s decision regarding program costs and cost recovery (Item 1 above) should focus on issues of fact and may require hearings. The issues regarding opt-outs by local governments (Item 2 above) on behalf of their residents are purely legal in nature and therefore

can be properly addressed through briefing and comments. SCE’s proposed schedule for Commission resolution of both issues is set forth in the following section.

**IV.**

**PROCEDURAL SCHEDULE**

With regard to program costs and cost recovery, SCE recommends that the Commission direct the three IOUs to file updated testimony and cost estimates for consideration in Phase 2. The testimony and cost estimates presented in Phase 2 should be informed by actual participation rates and incurred program costs. For SCE, this means filing its updated cost estimates in late September 2012. As SCE noted in its Comments to the March 15, 2012 Proposed Decision, this timeframe is necessary to allow SCE to gather and analyze several months of the operational data from its opt-out program that will inform the final program cost estimates for 2012-2014 and final fee structure to be adopted for its opt-out program.<sup>1</sup> As shown below, SCE recommends that the Commission issue a final decision no later than the end of the first quarter of 2013.

<b>Event</b>	<b>Date</b>
Scoping Memo	June 6
IOU Direct Testimony and Updated Workpapers	September 24
Intervenor Testimony	October 17
Rebuttal Testimony	October 31
Hearings	November 14-16
Opening Briefs	November 26
Reply Briefs	December 10
Proposed Decision	January 10
Comments	January 30
Reply Comments	February 6
Final Decision	Late February

---

<sup>1</sup> SCE’s Comments to the March 15, 2012 Proposed Decision, p. 4.

Regarding opt-outs by local governments, SCE recommends that the parties file opening and reply briefs to address the legal issues surrounding whether a local government may override an individual utility customer's opportunity to participate in certain public utility services or programs. The legal issues surrounding community opt-out are not dependent on the availability of program cost data and therefore can be filed according to the following schedule.

<b>Event</b>	<b>Date</b>
Scoping Memo	June 6
Opening Briefs	June 25
Reply Briefs	July 16
Proposed Decision	August 1
Comments	August 21
Reply Comments	August 26
Final Decision	September 27

**V.**

**CONCLUSION**

SCE appreciates the opportunity to submit this PHC statement and respectfully requests that SCE's recommendations for this proceeding's scope and schedule be adopted.

Respectfully submitted,

JANET S. COMBS  
SHARON YANG

/s/ SHARON YANG

By: Sharon Yang

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Rosemead, California 91770  
Telephone: (626) 302-6680  
Facsimile: (626) 302-3990  
E-mail: [Sharon.Yang@sce.com](mailto:Sharon.Yang@sce.com)

May 14, 2012