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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) For Approval of its Forecast 2012 ERRRA Proceeding Revenue Requirement.

Application 11-08-002
(Filed August 1, 2011)

ASSIGNED COMMISSIONER SCOPING MEMO AND RULING

1. Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on October 5, 2011.

2. Background

On August 1, 2011, Southern California Edison (SCE) filed Application (A.) 11-08-002, its *Application of Southern California Edison Company for Approval of its Forecast 2012 ERRRA Proceeding Revenue Requirement (Application)*, in which SCE requests that the Commission adopt its forecasted electric revenue requirement of \$4.081 billion to become effective in rates on January 1, 2012.

¹ All references to Rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at www.cpuc.ca.gov.

On August 18, 2011, Resolution ALJ-176-3279 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary.

On September 2, 2011, the Division of Ratepayer Advocates (DRA) filed a protest to the application. On September 15, 2011, a *Notice of Prehearing Conference* was issued by Chief Administrative Law Judge (ALJ) Clopton.

On October 5, 2011, a prehearing conference (PHC) took place in San Francisco to establish the service list for the proceeding, discuss the scope of the proceeding, and develop a procedural timetable for the management of the proceeding. The assigned ALJ granted party status at the PHC to the Alliance for Retail Energy Markets (AREM), the Direct Access Customer Coalition (DACC), Energy Producers and Users Coalition (EPUC), and California Large Energy Consumers Association.

3. Category, Need for Hearing, and *Ex Parte* Rules

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's preliminary categorization. This ruling affirms the preliminary categorization of ratesetting. This ruling as to category is appealable pursuant to Rule 7.6.

At the PHC, SCE and parties agreed that evidentiary hearings may be necessary. Therefore, as noted in the schedule below and in accordance with Rule 7.3(a), today's scoping memo adopts a procedural schedule that includes hearings. In a ratesetting proceeding, *ex parte* rules as set forth in Rules 8.1, 8.2, 8.3, 8.5, and Pub. Util. Code § 1701.3(c)² apply.

² All section references are to the Public Utilities Code.

4. Discovery

If parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the presiding officer, pursuant to Rule 11.3.

5. Scope of Proceeding

As has become typical in annual ERRA forecast proceedings, this proceeding will examine whether SCE's proposed revenue requirement and rates associated with its 2012 Energy Resource Recovery Account (ERRA) and Competition Transition Charge (CTC) forecast should be adopted, including examination of the cost inputs, methods, and assumptions used to determine the components of the ERRA, CTC, and Power Charge Indifference Adjustment (PCIA). In its protest, DRA identified two potential issues: SCE's projection of fuel costs and the impact of the expiration of the SCE-allocated DWR contracts. At the PHC, EPUC expressed its concern regarding the potential inclusion of greenhouse gas costs in the ERRA revenue requirement. Also at the PHC, AReM/DACC expressed their interest in reviewing any revisions that SCE makes to its 2012 PCIA calculation should that become necessary based on Commission actions in other proceedings. SCE's requests, and the issues identified by DRA, EPUC, and AReM/DACC are all within the scope of this proceeding.

At the PHC, the ALJ posed questions to SCE and DRA regarding previous ERRA proceedings and how they reviewed the sensitivity of SCE's natural gas price forecast. SCE agreed to provide additional information on its sensitivity methodology and its gas price forecast methodology at the time that it submits its November update to its Application. The schedule in this proceeding reserves a date for a workshop to further discuss SCE's forecast methodology.

6. Proceeding Schedule

Based on SCE's application, discussion at the Prehearing Conference, and past Commission practice in SCE ERRA forecast proceedings, the following schedule shall be adopted for this proceeding:

| EVENT | DATE |
|---|-------------------|
| SCE Update Served | November 10, 2011 |
| Interested Parties Testimony Served | November 17, 2011 |
| SCE Rebuttal Testimony Served | December 8, 2011 |
| Reserved for Workshop and Evidentiary Hearings 10:00 a.m. Commission Courtroom State office Building 505 Van Ness Avenue San Francisco, California | January 4, 2012 |
| Opening Briefs Filed; final date to file request for final oral argument | January 13, 2012 |
| Reply Briefs Filed | January 27, 2012 |

Consistent with Pub. Util. Code § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of this scoping memo.

7. Final Oral Argument

Pursuant to Rule 13.13, any requests for a final oral argument before the Commission must be filed and served at the same time as opening briefs. Final oral argument is available only if evidentiary hearings occur.

8. Intervenor Compensation

The PHC in this matter was held on October 5, 2011. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must have filed and served a notice of intent to claim compensation by November 4, 2011.

9. Presiding Officer

Pursuant to Rule 13.2, I designate ALJ Stephen C. Roscow as the Presiding Officer.

10. Filing, Service, and Service List

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Commission Rules or in response to rulings by either the assigned Commissioner or the assigned ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains all of the Commission's filing requirements. Parties must file and serve all pleadings and serve all testimony, as set forth in Article 1 of the Commission's Rules. Parties are encouraged to file and serve electronically, 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>.

This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the party 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. Concurrent e-mail service to all persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: A.11-08-002 - SCE's 2012 ERRRA and CTC Request. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Comments*. Both an electronic and a hard copy should be served on the ALJ.

The official service list for this proceeding is available on the Commission's web page. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process Office. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. 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.

IT IS RULED that:

1. The scope and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling of the Presiding Officer.
2. This proceeding is categorized as ratesetting. This ruling as to category is appealable pursuant to Rule 7.6.

3. This proceeding requires evidentiary hearings.
4. Any party requesting a final oral argument before the Commission shall file and serve such request on the same date that opening briefs are due.
5. *Ex parte* communications are subject to Rules 8.1, 8.2, 8.3, and 8.5 of the Commissions' Rules of Practice and Procedure, and Public Utilities Code Section 1701.3(c).
6. Pursuant to Rule 13.2, Administrative Law Judge Stephen C. Roscow is the Presiding Officer.

Dated December 2, 2011, at San Francisco, California.

/s/ Michel Peter Florio

Michel Peter Florio
Assigned Commissioner