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

A1208001

Application Of Southern California Edison)
Company (U 338-E) For Approval Of Its Forecast)
2013 ERRR Proceeding Revenue Requirement.)
_____)

Application No. A.12-08-_____

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN ITS
FORECAST 2013 ENERGY RESOURCE RECOVERY ACCOUNT (ERRR)
PROCEEDING**

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Dated: **August 1, 2012**

As discussed in more detail in Section A of Chapter II, SCE's 2013 ERRRA proceeding revenue requirement of \$4.387 billion is an increase of \$506.6 million from the ERRRA revenue requirement included in its 2012 rate levels.¹ The increase in SCE's 2013 ERRRA proceeding revenue requirement is primarily due to higher purchased power costs due to lower utility-owned generation (UOG) forecast production in 2013 as compared to 2012,² the inclusion of SCE's estimated cap-and-trade-related greenhouse gas (GHG) emissions costs,³ forecast higher average on-peak power prices in 2013, and the inclusion of additional new generation capacity contracts that will be on-line in 2013. Moreover, as in 2012, SCE will be supplying 100% of bundled service customers' load requirements due to the termination in 2011 of the Department of Water Resources (DWR) power contracts signed during the Energy Crisis and allocated to SCE customers.

Compared to revenue at present rates as of June 1, 2012, this application requests a revenue increase of 4.42 percent, beginning in January 2013. The following table shows an estimate of proposed revenue changes by customer group if SCE's ERRRA rate change is approved as requested:

¹ This increase reflects and passes through to customers only increased costs to SCE for its services and commodities. (Rule 3.2 (a)(10))

² Correspondingly, SCE's fuel costs for UOG are forecast to decrease in 2013.

³ As discussed in testimony, SCE has not included any of the forecast cap-and-trade allowance revenues in these proposed rates, which would offset some of these costs.

Table I-1
2013 ERRA Proceeding Revenue Change

Customer Group	Revenue Change (\$000)	% Change	Present Rates ¢/kWh	Proposed Rates ¢/kWh
Residential	212,933	4.62%	15.84	16.57
Lighting - Small and Medium Power	170,269	4.30%	15.13	15.80
Large Power	84,261	4.37%	9.99	10.47
Agricultural and Pumping	15,075	4.48%	11.63	12.16
Street and Area Lighting	2,144	1.68%	17.74	18.04
TOTAL	484,683	4.42%	14.15	14.80

As in past ERRA forecast applications, SCE will update its 2013 ERRA forecast proceeding revenue requirement forecast in November 2012, so that the latest forecast assumptions can be incorporated into SCE's 2013 rates.

In addition to Chapter II discussing SCE's estimated 2013 revenue requirement and the resulting rate change, the following chapters and corresponding topics are included in Exhibit SCE-1:

- Chapter III, SCE's Load Forecast
- Chapter IV, Forecast Energy Production and Costs from SCE's Portfolio of Resources
- Chapter V, Financing Costs
- Chapter VI, Carrying Costs
- Chapter VII, 2013 Forecast Revenue Requirement and Ratemaking Issues
- Chapter VIII, Cost Responsibility Surcharges (Direct Access, Departing Load, and Community Choice Aggregation)
- Appendix A, Estimated December 31, 2012 Balancing Account Balances

II.

LEGAL AUTHORITY

SCE files this Application pursuant to Public Utilities Code Section 454, D.02-10-062, and the Commission's Rules of Practice and Procedure.

Section 454 (a) and (b) provides in pertinent part:

(a) Except as provided in Section 455, no public utility shall change any rate or so alter any classification, contract, practice, or rule as to reflect in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified.

(b) The commission may adopt rules it considers reasonable and proper for each class of public utility providing for the nature of the showing required to be made in support of proposed rate changes, the form and manner of the presentation of the showing, with or without a hearing, and the procedure to be followed in the consideration thereof.

III.

BALANCE SHEET, INCOME STATEMENT, AND SUMMARY OF EARNINGS

Pursuant to Rule 3.2 of the Commission's Rules of Practice and Procedure, SCE has attached hereto its most recent balance sheet and income statement as Appendix A and its most recent summary of earnings as Appendix B.

IV.

APPLICANT'S FULL NAME AND LEGAL STATUS

Pursuant to Rules 2.1 and 3.2 of the Commission's Rules of Practice and Procedure, the full legal name of the applicant is Southern California Edison Company. SCE is a public utility organized and existing under and by virtue of the laws of the State of California. SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, 91770. SCE's attorney in this matter is Russell Archer.

A copy of SCE's Certificate of Restated Articles of Incorporation, effective March 2, 2006 and presently in effect, certified by the California Secretary of State, was filed with the

Commission on March 14, 2006 in conjunction with Application No. 06-03-020, and is incorporated herein by reference pursuant to Rule 2.2.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and as presently in effect, certified by the California Secretary of State, was filed with the Commission in connection with SCE's Application No. 11-04-001 and is incorporated herein by reference. A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and as presently in effect, certified by the California Secretary of State, was filed with the Commission on March 5, 2012 in connection with Application No. 12-03-004, and is by reference made a part hereof. Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities and Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 16, 2012, pursuant to General Order Nos. 65-A and 104-A of the Commission.

Correspondence and written communications should be addressed to:

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V.

SB 960 REQUIREMENTS

The information below addresses the requirements of SB 960, as set forth in Rule 2.1 and 7.1 of the Commission's Rules of Practice and Procedure. For purposes of Rule 7.1, SCE proposes that this proceeding be categorized as ratesetting. SCE believes that no hearing is

required for this proceeding, and therefore proposes that the Application be considered and approved on an expedited basis. SCE requests the Commission to process the Application according to the following shortened schedule in order to issue a final Commission decision before January 1, 2013 and thereby implement 2013 rates on a timely basis.

Application filed:	August 1, 2012
Protests (if any) due:	September 3, 2012
Reply to Protests:	September 13, 2012
Pre-Hearing Conference:	September 28, 2012
DRA/Intervenor Testimony due:	October 1, 2012
SCE Rebuttal Testimony due:	October 17, 2012
Hearings (if needed):	October 25 and 26, 2012
Concurrent Briefs:	To Be Determined
Proposed Decision:	November 9, 2012
Comments on Proposed Decision:	December 10, 2012
Final Commission Decision:	December 17, 2012

VI.

SERVICE

SCE will serve this application and the supporting prepared testimony as required by the Public Utilities Code and the Commission's Rules of Practice and Procedure.

VII.

EXPEDITED TREATMENT

SCE has included in its prepared testimony all of the data required to support its application, and will provide orally or in writing any other information the Commission finds necessary to act on it. SCE respectfully requests that the Commission review and approve this application on an expedited basis, according to the schedule proposed above.

Respectfully submitted,

/s/ Russell Archer

By: Russell Archer

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

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August 1, 2012

VERIFICATION

(See Rule 2.1)

Southern California Edison Company

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to the matters, which are herein stated on information and belief, and as to those matters, I believe them to be true.

/s/ Akbar Jazayeri

Akbar Jazayeri

Vice President, Regulatory Operations

Date: August 1, 2012

At Rosemead, California

Appendix A

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET

MARCH 31, 2012

A S S E T S

(Unaudited)

(Millions of Dollars)

UTILITY PLANT:

Utility plant, at original cost	\$30,781
Less - Accumulated depreciation	(7,088)
	<u>23,693</u>
Construction work in progress	3,928
Nuclear fuel, at amortized cost	512
	<u>28,133</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$110	72
Nuclear decommissioning trusts	3,853
Other Investments	102
	<u>4,027</u>

CURRENT ASSETS:

Cash and cash equivalents	63
Receivables, less allowances of \$76 for uncollectible accounts	641
Accrued unbilled revenue	508
Inventory	340
Prepaid taxes	279
Derivative assets	51
Regulatory assets	692
Other current assets	188
	<u>2,762</u>

DEFERRED CHARGES:

Regulatory assets	6,124
Derivative assets	65
Other long-term assets	494
	<u>6,683</u>
	<u>\$41,605</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET

MARCH 31, 2012

CAPITALIZATION AND LIABILITIES

(Unaudited)

(Millions of Dollars)

CAPITALIZATION:

Common stock	\$2,168
Additional paid-in capital	600
Accumulated other comprehensive loss	(21)
Retained Earnings	6,221
Common shareholder's equity	<u>8,968</u>
Preferred and preference stock	1,395
Long-term debt	<u>8,827</u>
	<u>19,190</u>

CURRENT LIABILITIES:

Short-term debt	330
Accounts payable	994
Accrued taxes	111
Accrued interest	125
Customer deposits	195
Derivative liabilities	254
Regulatory liabilities	645
Other current liabilities	538
	<u>3,192</u>

DEFERRED CREDITS:

Deferred income taxes	6,166
Deferred investment tax credits	82
Customer advances	141
Derivative liabilities	1,135
Pensions and benefits	2,356
Asset retirement obligations	2,651
Regulatory liabilities	5,103
Other deferred credits and other long-term liabilities	1,589
	<u>19,223</u>
	<u>\$41,605</u>

SOUTHERN CALIFORNIA EDISON COMPANY

STATEMENT OF INCOME

3 MONTHS ENDED MARCH 31, 2012

(Millions of Dollars)

OPERATING REVENUE	<u>\$2,412</u>
OPERATING EXPENSES:	
Fuel	77
Purchased power	615
Operation and maintenance	851
Depreciation, decommissioning and amortization	389
Property and other taxes	83
Total operating expenses	<u>2,015</u>
OPERATING INCOME	397
Interest income	2
Other income	31
Interest expense	(121)
Other expenses	(9)
INCOME BEFORE INCOME TAX	<u>300</u>
INCOME TAX EXPENSE	99
NET INCOME	<u>201</u>
Less: Dividends on preferred and preference stock	<u>19</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$182</u></u>

Appendix B

Southern California Edison
 Summary of Earnings
 2009 - 2011 GRC-Related Revenue Requirement ^{1/}
 Thousands of Dollars

Appendix B

Line No.	Item	2009		2010		2011		Remove SONGS 2&3 Refueling & Maintenance Outage Rev. Req.	OOR Adjustment Rev. Req.	2011 Rev. Req.
		Rev. Req.		Multplier	Rev. Req.	Multplier	Rev. Req.			
1.	Base Revenues	4,829,742		1.0425	5,035,006	1.0435	5,254,029	(51,303)	(409)	5,202,317
2.	Expenses:									
3.	Operation & Maintenance	2,130,052								
4.	Depreciation	1,037,452								
5.	Taxes	723,783								
6.	Revenue Credits	(178,615)								
7.	Total Expenses	3,712,672								
8.	Net Operating Revenue	1,117,070								
9.	Rate Base	12,766,518								
10.	Rate of Return	8.75%								

^{1/} D.09-03-025

Includes one SONGS 2&3 refueling and maintenance outage for 2009 & 2010 and zero in 2011.