

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Edison
Company (U 338-E) 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)

PROTEST OF THE DIVISION OF RATEPAYER ADVOCATES

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") hereby submits its Protest to the Application of Southern California Edison Company (U 338-E) for Authorization to Recover Costs Incurred in 2009, 2010, and 2011 and Recorded in the Bark Beetle Catastrophic Event Memorandum Account ("CEMA"). SCE filed this Application on May 1, 2012.

I. IDENTIFIED ISSUES

A. DRA Will Audit this Application for CEMA-Eligibility

DRA will audit this Application by:

- Reviewing the costs to determine whether they were related to CEMA-eligible events;
- Reviewing the costs to determine whether they were incurred in territories with competent disaster declarations, in a manner consistent with Commission precedent;
- Reviewing the accounting to determine whether the costs were to restore utility services to customers; to repair, replace, or restore damaged utility facilities; and/or were in compliance with governmental agency orders in connection with events declared disasters by competent state or federal authorities;
- Reviewing SCE's decision-making;

- Reviewing the accounting in order to ensure that the costs are incremental;
- Reviewing the accounting in order to determine the reasonableness of the costs;
- Reviewing other aspects of SCE’s requested relief for reasonableness; and
- Investigating any other issues that may arise in connection with this matter.

B. Specific Costs at Issue

In the Application, SCE requests that the Commission find reasonable \$11.697 million in Operations and Maintenance (“O&M”) expenses, which SCE asserts are incremental. SCE further asserts that the costs were recorded between January 1, 2009 and December 31, 2011. Specifically, SCE has identified \$1.416 million in costs associated with project management, \$9.979 million in costs associated with tree removal, \$0.301 million in “other operational” costs, and \$0.001 million in property owner reimbursement related costs. DRA is auditing the identified costs, as described above, in order to ascertain whether those costs are properly recoverable under CEMA. Thus, DRA’s audit will seek to ensure that the identified costs are compliant, incremental, and reasonable.

C. Specific Ratemaking Proposal

SCE further seeks authorization to transfer its December 31, 2011 balance in the Bark Beetle CEMA O&M Cost Subaccount of \$11.735 million, plus interest to the effective date of a final Commission decision in this proceeding, to the Distribution Subaccount of the Base Revenue Requirement Balancing Account (“BRRBA”) for recovery in rates. SCE notes that at the time that SCE includes this amount in rate levels, the appropriate amount of Franchise Fees and Uncollectibles (“FF&U”) will be added. The Application also identifies a customer group allocation.

DRA will examine the data and support for SCE’s proposal for compliance with the Commission’s policies and regulatory principles.

II. PROCEDURAL TOPICS

DRA agrees with SCE that this proceeding is most appropriately classified as ratesetting.

Evidentiary hearings may be necessary. The primary issues to be considered are those discussed in Section I, above, although additional issues may arise during discovery.

III. PROPOSED SCHEDULE

DRA reserves the right to propose a schedule at the upcoming PHC.

Respectfully submitted,

/s/ EDWARD MOLDAVSKY

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