



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking on the Commission's Own Motion To Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

R.12-06-013
(Filed June 21, 2012)

**PHASE ONE RATE CHANGE PROPOSAL OF SOUTHERN CALIFORNIA EDISON
COMPANY (U-338-E) FOR POST-2014 RESIDENTIAL RATES**

JANET S. COMBS
FADIA RAFEEDIE KHOURY

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6008
Facsimile: (626) 302-6693
E-mail: fadia.khoury@sce.com

Dated: **February 28, 2014**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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COMPANY (U-338-E)**

I.

INTRODUCTION

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC) and the *Assigned Commissioner’s Ruling Requiring Utilities To Submit Phase 1 Rate Change Proposals*, issued February 13, 2014 (ACR), Southern California Edison Company (SCE) files this rate change proposal (“Phase 1 Proposal”) to implement revised residential rate structures for the period from January 1, 2015 through December 31, 2018, for SCE’s residential customers consistent with the provisions of Assembly Bill (AB) 327 and the Commission’s guidelines and principles for residential rate design.

II.

BACKGROUND

This Order Instituting Rulemaking (Rulemaking or “R.12-06-013”) was initiated by the Commission in June 2012 in order to “to examine current residential electric rate design, including the tier structure in effect for residential customers, the state of time variant and dynamic pricing, potential pathways from tiers to time variant and dynamic pricing, and preferable residential rate design to be

implemented when statutory restrictions are lifted.”¹ On March 19, 2013, parties were invited to present policy-oriented rate design proposals that were premised in part on the lifting of statutory restrictions each party deemed necessary to accommodate its proposal.

During 2013, in parallel to this Rulemaking, the California Legislature considered potential statutory changes that would lift many of the statutory restrictions that had impeded the Commission’s ability to revise residential rate structures for more than a decade. After months of discussions, SCE, Pacific Gas and Electric Company (PG&E), and San Diego Gas and Electric Company (SDG&E) and a number of consumer groups, including the Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), the American Association of Retired Persons (now known as AARP), and the Greenlining Institute (Greenlining) supported residential rate reform legislation as proposed in AB 327 (Perea).² Governor Brown signed AB 327 into law on October 7, 2013.

An October 25, 2013 Assigned Commissioner’s Ruling created a ratesetting phase of the Rulemaking (Phase 2) and invited residential rate design proposals from the three investor-owned utilities (IOUs) that would be interim in nature and that could be implemented before summer 2014. SCE submitted its interim rate change proposal on November 22, 2013 and responded to protests and responses filed thereto. Then on January 24, 2014 (consistent with conclusions drawn at a prehearing conference held January 8, 2014), a Second Amended Scoping Memo and Ruling Of Assigned Commissioner and Assigned Administrative Law Judge (Second Amended Scoping Memo) was issued, in which the IOUs were instructed to serve “simplified” interim residential rate design proposals to supplement the testimony filed on November 22, 2014. SCE complied with the Second Amended Scoping Memo by serving testimony in support of a Simplified Residential Rate Design Proposal on January 28, 2015, which resulted in a settlement between SCE, The Utility Reform Network (TURN), the Office of Ratepayer Advocates (ORA), the Coalition of California Utility Employees (CUE), the Sierra Club and the Natural Resources Defense Council (NRDC), to be filed shortly.

¹ R.12-06-013, p. 1; March 19, 2013 ALJ’s Ruling Requesting Residential Rate Design Proposals, pp. 1-2.

² The scope of AB 327 includes significant statutory revisions to net energy metering provisions of the California Public Utilities (PU) Code. SCE’s Phase 1 Proposal addresses only changes to SCE’s residential rates.

On February 13, 2014, the ACR referenced in the Introduction above ordered SCE to file this Phase 1 Proposal. (A January 6, 2013 *Amended Scoping Memo and Ruling of Assigned Commissioner* had categorized Phase 1 as ratesetting.) In addition, the ACR provided that this Phase 1 Proposal should comply with the Commission's Rules that apply to a utility filing an application to increase rates as well as the related notice requirements. This Phase 1 Proposal is filed in accordance with the procedural schedule adopted in the ACR.³

As discussed below, SCE's Phase 1 Proposal requests authority to implement a revised residential rate structure that will comply with the requirements of AB 327. SCE's Phase 1 Proposal reasonably balances rate design principles, provides an appropriate and reasonable phase-in schedule for 2015-2018 for rate structures that will reduce inequitable intra-class subsidies, better align residential rates with the cost to serve, and facilitate the achievement of the Commission's goals that were expressed in the Rulemaking, while giving due consideration to customer bill impacts associated with the transition process. SCE requests that the Commission issue a decision in Phase 1 this proceeding so that revised rates can be implemented no later than January 1, 2015.

III.

SUMMARY OF SCE'S PROPOSAL

A. Historical Background

Prior to the energy crisis in 2001, SCE's default residential rate structure included baseline and nonbaseline rates separated by a 15% rate differential and a fixed customer charge.⁴ SCE's current residential rate structure has four usage blocks, known as tiers. Within each increasing usage block or tier, electricity is priced at higher rates per kilowatt-hour (kWh). Rates for usage up to 130% of the

³ An October 31, 2013 email from ALJ McKinney clarified that the Phase 2 Supplemental Filings were due on November 22, 2013, not November 29, 2013.

⁴ Senate Bill (SB) 987, enacted in 1988, added PU Code §739(d)(1), which requires gradual tier differentials. At that time, the tier differential was 60 percent for gas rate tiers. After the Commission implemented reductions in the differential between baseline and nonbaseline rates, D.96-04-050 established a tier differential of 15 percent between the nonbaseline and baseline rates for SCE.

baseline allocation in Tiers 1 and 2 are significantly lower than the rates for usage above 130% of baseline.

Assembly Bill (AB) 1X capped rates for Tiers 1 and 2 at February 2001 levels⁵ and that capping continued until January 1, 2010 for non-CARE Tier 1 and 2 rates.⁶ Thus, for nearly nine full years, all revenue requirement increases assigned to residential customers had to be recovered through increases to rates for Tiers 3 and above, which account for only about 30% of total residential usage. This resulted in an enormous disparity between rates paid for usage in Tiers 1 and 2 and rates paid for usage in Tiers 3 and above. Customers whose usage remained primarily in Tiers 1 and 2 have actually enjoyed declining real rates over the last 13 years, while higher-usage customers have endured significant rate increases. The current ratio of SCE's highest tiered rate, Tier 4, to the baseline rate (Tier 1) is 2.3 to 1.0.

There is no cost basis for rate differentials of this magnitude and they produce uneconomic outcomes. SCE estimates that there is currently an annual subsidy of over \$600 million paid by higher-usage to lower-usage residential customers. Moreover, the current tiered-rate differentials are inconsistent with the statutory requirement to provide an appropriate gradual differential between the rates for the respective blocks of usage.

B. Overview Of Phase 1 Proposal

The table below illustrates how SCE's Phase 1 Proposal will simplify residential rates and make them more in line with SCE's cost of serving residential customers by, among other things, reducing the number of tiers from four to two, and by decreasing over time the ratio of the higher-tiered rates to the Tier 1, baseline rate.

⁵ The baseline allocation was originally defined by the Commission as the quantity of energy necessary to supply the minimum energy needs of the average residential customer. It is now defined in PU Code §739(a)(1) as 50 to 60 percent of average residential consumption, except for all-electric customers. In D.13-03-031, SCE's baseline percentages were set at 53 percent of average consumption in each of SCE's climate zones.

⁶ CARE is an acronym for California Alternate Rates for Energy, which provides a discount to eligible, lower-income customers.

**Table III-1
Roadmap for SCE's Phase 1 Proposal**

	2015	2016	2017	2018
Tier Definitions, # of Tiers, & Rate Ratios	Three tiers (baseline, 101%-200% of B/L. and > 200% of B/L)	Three tiers (defined as in 2015)	Two tiers (defined as baseline and nonbaseline)	Two tiers (defined as in 2017)
Rate Ratios	2.0 and 1.5 to 1.0	1.6 and 1.3 to 1.0	1.3 to 1.0	1.2 to 1.0
Fixed Charge Non-CARE/CARE	\$5/\$2.50	\$7.50/\$3.75	\$10/\$5	\$10*/\$5*
Baseline	Retain current 53% baseline allowance for standard service in all climate zones	Reduce baseline allowance for standard service to 50% (statutory min)	Retain baseline allowance at 50%	Retain baseline allowance at 50%
CARE DISCOUNT	50% off fixed charge, 30% off non-CARE tiered rates	50% off fixed charge, 30% off non-CARE tiered rates	50% off fixed charge, 30% off non-CARE tiered rates	50% off fixed charge, 30% off non-CARE tiered rates
CARE Average Effective Discount without/with Climate Credit	31%/33%	32%/34%	32%/34%	32%/34%
TOU	Non-Tiered Revenue Neutral Opt-In TOU Available	Non-Tiered Revenue Neutral Opt-In TOU Available	Non-Tiered Revenue Neutral Opt-In TOU Available	Non-Tiered Revenue Neutral Opt-In TOU Available.
FERA	Discount of 10% off non-CARE bill	Discount of 10% off non-CARE bill	Discount of 10% off non-CARE bill	Discount of 10% off non-CARE bill
Minimum Bill	\$5	\$7.50	\$10	\$10

* PUC Section 739.9(f) provides that the Commission may authorize fixed charges of up to \$10 per month for non-CARE and \$5 per month for CARE customers beginning January 1, 2015. Beginning January 1, 2016, the "maximum allowable fixed charge" may be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year.

Additional details of SCE's Phase 1 Proposal are set forth in Exhibit SCE-5, which is being served concurrently with this Phase 1 Proposal. Exhibit SCE-5 begins with a four-page Executive Summary, and then the Chapters are organized as follows: Chapter I is an introduction. Chapter II

provides the historical context for SCE's proposed rate design changes and describes the current residential rate structure (taking into account SCE's interim rate design proposal that was served on January 28, 2014). Chapter III gives an overview of three sources on which SCE relied for guidance about its Phase 1 Proposal. Chapter IV contains a roadmap of the proposed rate design structures, together with illustrative rates. Chapter V explains in detail why SCE's Phase I proposal is reasonable (by topic). Chapters VI through IX outline the four-year roadmap year by year. Chapter X explains why SCE's phase-in plan provides reasonable and affordable bill impacts. Finally, Chapter XI offers a brief conclusion.

SCE's Phase 1 Proposal is intended to partially mitigate the large intra-class subsidies that exist in the current residential tiered rate structure by reducing and redefining the current usage blocks from four tiers to three tiers, reducing the rate differentials between the tiers, and ensuring that all residential customers contribute equitably to the recovery of SCE's costs, which are reviewed by the Commission in other proceedings. SCE's Phase 1 Proposal does not request any changes to SCE's adopted revenue requirements, but requests Commission authority to revise SCE's residential retail rates no later than January 1, 2015 in accordance with SCE's Phase 1 Proposal in Exhibit SCE-5. The overall effect of SCE's Phase 1 Proposal is revenue neutral, *i.e.*, it will only affect the way SCE's authorized revenues are allocated among residential customers. However, when the Commission's decision in Phase 1 of this proceeding is implemented, it will be applied to SCE's then-current authorized revenues, reflecting any intervening revenue changes adopted in other Commission or Federal Energy Regulatory Commission (FERC) proceedings. Application of the same rate design methods approved in this proceeding to a changed revenue requirement will produce rates different from those that are shown for illustrative purposes in this Phase 1 Proposal. Table III-2, below, illustrates the results of SCE's proposed residential rate design for bundled-service customers, relative to rates in effect as of January 1, 2014.

Table III-2
Illustrative Proposed Rates for SCE's Phase 1 Proposal
January 1, 2015 through 2018 (constant revenue requirements)

Non-CARE	January 2014	January 2015	January 2016	January 2017	January 2018
100% Baseline	13.2	13.9	15.0	15.5	16.2
101-130% Baseline	16.5	20.9	19.5	20.2	19.5
131-200% Baseline	27.4				
>200% Baseline	30.4				
Fixed Charge	0.94	5.00	7.50	10.00	10.00
CARE	January 2014	January 2015	January 2016	January 2017	January 2018
100% Baseline	8.8	9.8	10.5	10.9	11.4
101-130% Baseline	11.0	14.6	13.6	14.1	13.6
131-200% Baseline	20.0				
>200% Baseline		19.5	16.8		
Fixed Charge	0.73	2.50	3.75	5.00	5.00

* BL means baseline allowance which is differentiated by climate zones in SCE's service territory.

IV.

STATUTORY AND REGULATORY REQUIREMENTS

A. Statutory and Other Authority – Rule 2.1

This Phase 1 Proposal is made pursuant to the Commission's Rules of Practice and Procedure, the directives of the ACR, and the California Public Utilities Code. Rule 2.1 requires that all rate increase requests: (1) clearly and concisely state authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and, (3) be verified. Rules 2.1(a), 2.1(b), and 2.1(c) set forth further requirements that are addressed separately below. The relief being sought is summarized in Section III, above, and is further described in Exhibit SCE-5, which is incorporated by reference into

this Phase 1 Proposal. The statutory and other authority under which this relief is being sought include Sections 451, 454, 454.3, 491, 701, 728, 729, Article 2 and Rule 3.2 of the Commission’s Rules of Practice and Procedure, the ACR, and prior decisions, orders, and resolutions of this Commission.

B. Legal Name and Correspondence – Rules 2.1(a) and 2.1(b)

SCE is a public utility organized and existing under the laws of the State of California. The location of SCE's principal place of business is: 2244 Walnut Grove Avenue, Rosemead, California.

Correspondence or communications regarding this application should be addressed to:

Fadia Khoury
Senior Attorney
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: 626 302-6008
e-mail: fadia.khoury@sce.com

Janice Velarde, Case Administrator
Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (626) 302-3003
e-mail: case.admin@sce.com

C. Proposed Categorization, Need for Hearings, Issues To Be Considered, and Proposed Schedule — Rule 2.1(c)

Commission Rule 2.1(c) requires that all applications shall state “the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule.”⁷

1. Proposed Category

This Phase 1 Proposal is being made in R.12-06-013. Phase 1 of this proceeding has been categorized as ratesetting, as defined in the Commission’s Rules of Practice and Procedure, Rule 1.3(e) and PU Code §1701.1(c)(3).⁸

⁷ TITLE 20 CAL. CODE REGS. Div. 1, Art. 2, §2.1.

⁸ “Ratesetting cases, for purposes of this article, are cases in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.” CAL. PUB. UTIL. CODE §1701.1(c)(3). “‘Ratesetting’ proceedings are proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities).” TITLE 20 CAL. CODE REGS §1.3(e).

2. Need for Hearings

The need for hearings and the issues to be considered in such hearings will depend in large part on the degree to which other parties contest SCE's request, and the need for hearings will be determined by the assigned administrative law judge(s).

3. Issues to Be Considered

In general, the issues to be considered in Phase 1 of this proceeding involve the reasonableness of SCE's Phase 1 Proposal as a long-term rate structure for residential rates, as permitted under the provisions of AB 327, prior Commission decisions, and California law.

4. **Procedural Schedule**

The ACR adopted a preliminary schedule for this proceeding, as follows.

Activity	Proposed Schedule
Supplemental Filing containing Phase 1 Rate Change Proposal and utility testimony answers to ACR questions 1-25	February 28, 2014
Prehearing Conference (PHC) Statement Filed	March 10, 2014
PHC	March 14, 2014
Answers to ACR Questions 26-38 and any related testimony served	March 21, 2014
Phase 1 Scoping Memo Issued	March 31, 2014
Supplemental IOU Testimony served (if necessary)	April 11, 2014
Intervenor Testimony served	May 16, 2014
Rebuttal Testimony served	May 30, 2014
Evidentiary Hearings (EH) held	June/July 2014. Actual dates and number of days to be determined after PHC
Opening Briefs filed	August 15, 2014
Reply Briefs filed	August 29, 2014
Proposed Decision issued	October 21, 2014

D. **Organization and Qualification to Transact Business– Rule 2.2**

In compliance with Rule 2.2,⁹ a copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with A.06-03-020,¹⁰ and is by reference made a part hereof.

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 presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is by reference made a part hereof.

⁹ Rule 2.2 requires the applicant, in this case SCE, to submit a copy of its organizing documents and evidence of its qualification to transact business in California, or to refer to that documentation if previously filed with the Commission.

¹⁰ Application 06-03-020, *For Approval of Early Transfer of Anaheim's Share of SONGS 2&3 to SCE*.

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 a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and are by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, 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 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 15, 2013, pursuant to General Order Nos. 65-A and 104-A of the Commission.

E. Authority to Increase Rates — Rule 3.2

1. Balance Sheet and Income Statement – Rule 3.2(a)(1)

Appendix A contains copies of SCE's balance sheet as of September 30, 2013, and income statement for the period ended September 30, 2013, the most recent period available.

2. Present and Proposed Rates – Rule 3.2(a)(2) And Rule 3.2(a)(3)

The presently-effective rates and the illustrative changes proposed to be made to those rates are listed in Tables III-1 and III-2, above. The proposed rates are illustrative and will be updated consistent with the Commission’s decision in this proceeding to reflect SCE’s then-current authorized revenues when such rates are implemented.

3. Summary Of Earnings – Rule 3.2.(a)(5)

Rule 3.2(a)(5) requires:

A summary of earnings (rate of return summary) on a depreciated rate base for the test period or periods upon which applicant bases its justification for an increase.

SCE’s January 2014 Summary of Earnings is attached hereto as Appendix B.

4. Statement Pursuant To Rule 3.2(a)(10)

Rule 3.2(a)(10) requires that the “application of electrical ... corporations shall separately state whether or not the increase reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it.” SCE’s request does not seek recovery of any additional revenue requirements that have not been or will not be authorized in other Commission proceedings, and therefore, does not pass through to customers any “increased costs to the corporation for the services or commodities furnished by it.” The purpose of this request is to design rates for SCE’s residential rate schedules, but not to increase the overall level of SCE’s revenues.

5. Service of Notice – Rules 3.2(b), 3.2(c), 3.2(d)

As required by Rule 3.2(b), a notice stating in general terms the proposed increases in rates will be mailed to the designated officials of the state and the counties and cities listed in Appendix C. As required by Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE’s service territory within which the rate changes would be

effective. A list of the cities and counties affected by the increases proposed in the Phase 1 Proposal is attached as Appendix C. Pursuant to Rule 3.2(d), notice shall be furnished to customers affected by the proposed increase by including such notice with the regular bills mailed to those customers or it will be served electronically on all such customers affected by the proposed rate changes. Finally, pursuant to Rule 3.2(e), SCE will file proof of compliance with the notice requirements of Rule 3.2(b)-(d) within 20 days after compliance with the last of these subsections that is applicable.

F. Exhibits Served In Support of SCE's Phase 1 Proposal

This Phase 1 Proposal and Exhibit SCE-5 will be served on all parties on the official service list in R.12-06-013.

V.

CONCLUSION

SCE respectfully requests that the Commission approve SCE's Phase 1 Proposal.

Respectfully submitted,

JANET S. COMBS
FADIA RAFEEDIE KHOURY

/s/ Fadia R. Khoury

By: Fadia R. Khoury

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6008
Facsimile: (626) 302-6693
E-mail: fadia.khoury@sce.com

February 28, 2014

VERIFICATION

I am an officer of Southern California Edison Company, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I am informed and believe and on that ground allege that the matters stated in the document are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 28th day of February, 2014, at Rosemead, California.

/s/ Megan Scott Kakures
Megan Scott-Kakures
Vice President, Regulatory Operations
SOUTHERN CALIFORNIA EDISON COMPANY
8631 Rush Street
Post Office Box 800
Rosemead, California 91770

Appendix A

STATEMENT OF INCOME AND BALANCE SHEET

SOUTHERN CALIFORNIA EDISON COMPANY

STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2013

(In millions)

OPERATING REVENUE	<u>\$ 9,631</u>
OPERATING EXPENSES:	
Fuel	249
Purchased power	3,569
Other operation and maintenance	2,540
Depreciation, decommissioning and amortization	1,223
Property and other taxes	229
Asset impairment and others	575
Total operating expenses	<u>8,385</u>
OPERATING INCOME	1,246
Interest income	8
Other income	81
Interest expense	(384)
Other expenses	(38)
INCOME BEFORE INCOME TAX	<u>913</u>
INCOME TAX EXPENSE	<u>196</u>
NET INCOME	717
Less: Dividends on preferred and preference stock	<u>75</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 642</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET SEPTEMBER
30, 2013
ASSETS (in millions)

UTILITY PLANT:

Utility plant, at original cost *	\$ 34,316
Less- accumulated provision for depreciation and decommissioning *	7,817
	<hr/>
	26,499
Construction work in progress	3,099
Nuclear fuel, at amortized cost	136
	<hr/>
	29,734

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$68	70
Nuclear decommissioning trusts	4,332
Other investments	130
	<hr/>
	4,532

CURRENT ASSETS:

Cash and equivalents	522
Receivables, less allowances of \$72 for uncollectible accounts	1,127
Accrued unbilled revenue	798
Inventory	272
Prepaid taxes	22
Derivative assets	47
Regulatory assets	506
Other current assets	167
	<hr/>
	3,461

DEFERRED CHARGES:

Regulatory assets	8,015
Derivative assets	207
Other long-term assets	372
	<hr/>
	8,594

\$ 46,321

* Detailed by class on following pages.

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET SEPTEMBER
30, 2013
CAPITALIZATION AND LIABILITIES (in
millions)

CAPITALIZATION:

Common stock	\$ 2,168
Additional paid-in capital	589
Accumulated other comprehensive loss	(28)
Retained earnings	7,467
Common shareholder's equity	<u>10,196</u>
Preferred and preference stock	1,795
Long-term debt	<u>8,828</u>
Total capitalization	<u>20,819</u>

CURRENT LIABILITIES:

Short-term debt	1,354
Current portion of long-term debt	400
Accounts payable	1,228
Accrued taxes	148
Accrued interest	101
Customer deposits	199
Derivative liabilities	174
Regulatory liabilities	629
Deferred income taxes	159
Other current liabilities	842
	<u>5,234</u>

DEFERRED CREDITS:

Deferred income taxes	7,033
Deferred investment tax credits	106
Customer advances	132
Derivative liabilities	1,137
Pensions and benefits	1,726
Asset retirement obligations	3,371
Regulatory liabilities	4,989
Other deferred credits and other long-term liabilities	1,774
	<u>20,268</u>

\$ 46,321

Appendix B

SUMMARY OF EARNINGS

**Southern California Edison
 Summary of Earnings
 2014 GRC Adopted Revenue Requirement
 Thousands of Dollars**

Line No.	Item	Total
1.	Base Revenues	6,149,361
2.	Expenses:	
3.	Operation & Maintenance	2,511,482
4.	Depreciation	1,586,868
5.	Taxes	767,265
6.	Revenue Credits	(157,433)
7.	Total Expenses	4,708,181
8.	Net Operating Revenue	1,441,180
9.	Rate Base	18,292,195
10.	Rate of Return	7.88%

Appendix C

LIST OF CITIES AND COUNTIES

Citizens or some of the citizens of the following counties and municipal corporations will or may be affected by the changes in rates proposed herein.

COUNTIES

Fresno	Kings	Orange	Tuolumne*
Imperial	Los Angeles	Riverside	Tulare
Inyo	Madera Mono	San Bernardino	Ventura
Kern		Santa Barbara	

MUNICIPAL CORPORATIONS

Adelanto	Covina	Irwindale	Newport Beach	Santa Barbara
Agoura Hills	Cudahy	La Canada Flintridge	Norco	Santa Clarita
Alhambra	Culver City	La Habra	Norwalk	Santa Fe Springs
Aliso Viejo	Cypress	La Habra Heights	Ojai	Santa Monica
Apple Valley	Delano	La Mirada	Ontario	Santa Paula
Arcadia	Desert Hot Springs	La Palma	Orange	Seal Beach
Artesia	Diamond Bar	La Puente	Oxnard	Sierra Madre
Avalon	Downey	La Verne	Palm Desert	Signal Hill
Baldwin Park	Duarte	Laguna Beach	Palm Springs	Simi Valley
Barstow	Eastvale	Laguna Hills	Palmdale	South El Monte
Beaumont	El Monte	Laguna Niguel	Palos Verdes Estates	South Gate
Bell	El Segundo	Laguna Woods	Paramount	South Pasadena
Bell Gardens	Exeter	Lake Elsinore	Perris	Stanton
Bellflower	Farmersville	Lake Forest	Pico Rivera	Tehachapi
Beverly Hills	Fillmore	Lakewood	Placentia	Temecula
Bishop	Fontana	Lancaster	Pomona	Temple City
Blythe	Fountain Valley	Lawndale	Port Hueneme	Thousand Oaks
Bradbury	Fullerton	Lindsay	Porterville	Torrance
Brea	Garden Grove	Loma Linda	Rancho Cucamonga	Tulare
Buena Park	Gardena	Lomita	Rancho Mirage	Tustin
Calabasas	Glendora	Long Beach	Rancho Palos Verdes	Twentynine Palms
California City	Goleta	Los Alamitos	Rancho Santa Margarita	Upland
Calimesa	Grand Terrace	Lynwood	Redlands	Victorville
Camarillo	Hanford	Malibu	Redondo Beach	Villa Park
Canyon Lake	Hawaiian Gardens	Mammoth Lakes	Rialto	Visalia
Carpinteria	Hawthorne	Manhattan Beach	Ridgecrest	Walnut
Carson	Hemet	Maywood	Rolling Hills	West Covina
Cathedral City	Hermosa Beach	McFarland	Rolling Hills Estates	West Hollywood
Cerritos	Hesperia	Menifee	Rosemead	Westlake Village
Chino	Hidden Hills	Mission Viejo	San Bernardino	Westminster
Chino Hills	Highland	Monrovia	San Buenaventura	Whittier
Claremont	Huntington Beach	Montclair	San Dimas	Wildomar
Commerce	Huntington Park	Montebello	San Fernando	Woodlake
Compton	Indian Wells	Monterey Park	San Gabriel	Yorba Linda
Corona	Industry	Moorpark	San Jacinto	Yucaipa
Costa Mesa	Inglewood	Moreno Valley	San Marino	Yucca Valley
	Irvine	Murrieta	Santa Ana	

*SCE provides electric service to a small number of customer accounts in Tuolumne County and is not subject to franchise requirements