



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

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Order Instituting Investigation on the Commission's Own Motion Into the Operations and Practices of Southern California Edison Company; Notice of Opportunity For Hearing; and Order to Show Cause Why the Commission Should Not Impose Fines and Sanctions for Major Power Outages In the City of Long Beach on July 15 to July 20, 2015, and on July 30 to August 3, 2015.

Investigation 16-07-007
(Filed July 14, 2016)

**RESPONSE OF SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) TO
PRELIMINARY SCOPING MEMO**

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Dated: **July 27, 2016**

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Order Instituting Investigation on the Commission's Own Motion Into the Operations and Practices of Southern California Edison Company; Notice of Opportunity For Hearing; and Order to Show Cause Why the Commission Should Not Impose Fines and Sanctions for Major Power Outages In the City of Long Beach on July 15 to July 20, 2015, and on July 30 to August 3, 2015.

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**RESPONSE OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO
PRELIMINARY SCOPING MEMO**

Southern California Edison Company (SCE) hereby responds to the Preliminary Scoping Memo (PSM) contained in the Order Instituting Investigation, Order To Show Cause And Notice Of Hearing (OII) issued by the California Public Utilities Commission (CPUC or Commission) on July 18, 2016.

At the time these outages occurred – now a year ago – SCE immediately recognized the important operational and incident response issues they posed. For that reason, SCE conducted its own root cause evaluation of the Long Beach secondary network outages contained in a 121-page report. In addition, SCE retained Davies Consulting (Davies) to prepare an independent report addressing the root cause of the outages and SCE's response to them. Davies completed its 98-page report in November 2015. Both the SCE and Davies reports were provided to the Commission's Safety and Enforcement

Division (SED). SED’s report, which is the basis of this OII, states that SED “agrees with Davies’ recommendations” and “generally agrees with SCE internal recommendations” from its report.¹

SCE has no objection to the issues enumerated in the PSM.² However, the PSM also states that “[t]he scope of this proceeding may include, but will not be limited to” the specified issues.³ SCE has no additional issues to suggest and reserves the right to object to any new issues that may be offered by others in response to this PSM. Further, when the Final Scoping Memo is issued, it should describe clearly and limit the issues to be covered in this OII.

SCE agrees with the PSM that this is an adjudicatory proceeding. Therefore, no ex parte communications by SCE, SED or intervenors are permitted.

SCE agrees that hearings will be required in this matter unless it can be resolved earlier by a settlement approved by the Commission.

Finally, SCE notes that Ordering Paragraph 4 states: “The Commission may also require payment of remedies to repair any damage to property in the Long Beach territory that resulted from the SCE Long Beach outages in July and August of 2015.”⁴ If this is intended to mean that the Commission may compel SCE to compensate customers or others who assert that they have been damaged as a result of the outages, such provision would violate Public Utilities Code section 2106.⁵ That section leaves actions for damages as a result of utility conduct to “any court of competent jurisdiction.” The Commission itself has often stated that it does not have statutory authority to award damages. *See, e.g., Thomas W. Fenholt and Isabella M. Fenholt v. So. Calif. Edison Co.*, D.14-03-032, 2014 Cal. PUC

¹ SED Report at 33. The SED Report includes both the Davies and SCE recommendations as appendices.

² These 6 specified issues are marked with bullet points in the OII at page 8.

³ *Id.*

⁴ *Id.* at 11.

⁵ Such an action would also be unnecessary. SCE has already issued over 6,000 \$100 bill credits and paid over 2,000 customer claims. SED Report at 40.

LEXIS 151 * 10 (“it is not within the Commission’s power to grant the requested compensatory damages”). The Final Scoping Memo should strike or clarify this sentence to conform with the governing law.

Respectfully submitted,

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