



FILED
11-10-16
02:20 PM

MF1/vm1 11/10/2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) For Approval of Its Forecast 2017 ERRA Proceeding Revenue Requirement.

Application 16-05-001
(Filed May 2, 2016)

**ASSIGNED COMMISSIONER'S RULING AMENDING
SCOPE BY CREATING A SECOND PHASE**

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure, a Scoping Memo and Ruling was issued on August 5, 2016. It is necessary to amend the scope of the proceeding to create a second phase in order to determine whether Southern California Edison Company properly calculated the Power Charge Indifference Adjustment charge for pre-2009 vintage Direct Access customers. The changes to the scope of the proceeding are set forth below. All other aspects of the original Scoping Memo and Ruling, including the Administrative Law Judge's September 26, 2016 modification to the proceeding schedule, remain unchanged.

1. Background

On May 2, 2016, Southern California Edison Company (SCE) filed its *Application of Southern California Edison Company (U 338-E) in its Forecast 2017 Energy Resource Recovery Account (ERRA) Proceeding* (Application).

On May 12, 2016, Resolution ALJ-176-3377 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary.

The Office of Ratepayers Advocates and the City of Lancaster (Lancaster) filed protests on June 3, 2016. The Alliance for Retail Energy Markets and the Direct Access Customer Coalition (AReM-DACC) filed a joint response on June 3, 2016. On that same date, a separate response was filed by the Public Agency Coalition. SCE filed its reply to the responses and protests on June 13, 2016.

A prehearing conference was held on June 29, 2016 in order to establish the service list, discuss the scope, and develop a procedural timetable for the management of this proceeding. The City of Los Angeles filed a Motion for Party Status on July 5, 2016, which was granted. On August 5, 2016, the assigned Commissioner issued the Scoping Memo and Ruling which included an evidentiary hearing on October 21, 2016, as part of the proceeding schedule.

In an August 26, 2016 e-mail to the Administrative Law Judge (ALJ), counsel for SCE advised that the parties had met and conferred and agreed that there was no longer need for evidentiary hearing. On September 16, 2016, SCE and Lancaster submitted a joint stipulation which resolved issues between them concerning SCE's obligation to provide estimated rate information.

Thereafter, the ALJ had a telephone conference with all parties on September 20, 2016 to discuss the proceeding schedule. During the teleconference, counsel for AReM-DACC informed the ALJ that testimony served on behalf of his client would be withdrawn. Instead, AReM-DACC, Lancaster and SCE would serve: 1) a set of stipulated facts concerning Power Charge Indifference Adjustment (PCIA) vintaging issues; and 2) opening and reply briefing pertaining to these issues. The parties agreed that the proceeding schedule should be changed to reflect the agreed submission dates for the briefing and to remove the evidentiary hearings. The ALJ issued a ruling to

modify the proceeding schedule which removed the evidentiary hearing dates and to permit the parties to submit a stipulation as well as opening and reply briefing on the PCIA vintaging issues.

AReM-DACC, Lancaster and SCE filed a Joint Stipulation setting forth agreed/undisputed facts supporting PCIA vintaging on September 29, 2016. On October 3, 2016, AReM-DACC and SCE filed opening briefs on the vintaging issues.¹ On October 14, 2016, AReM-DACC and SCE filed reply briefs.

The briefing by AReM-DACC and SCE on the vintaging issues reveals that there is a conflict between them about whether pre-2009 departing load customers should remain responsible for PCIA costs. The direct access customers argue that the negative indifference requirement should expire when Department of Water Resources contracts, which were entered during the California Energy Crisis of 2000-2001, expire. SCE argues that pre-2009 vintaged DA customers should continue to be charged a PCIA into the future. This question has also been placed at issue in the 2017 ERRR forecast proceedings for Pacific Gas and Electric Company in A.16-06-003 and for San Diego Gas & Electric Company in A.16-04-018.

2. Discussion

The Commission is of the opinion that pre-2009 DA customers and their associated indifference amounts should be treated consistently, while taking into consideration the unique circumstances in each investor-owned utilities' (IOUs) territory. However, the timely issuance of decisions in ERRR forecast

¹ Lancaster and Public Agency Coalition informed the ALJ that they would not be filing opening briefs on the issue.

proceedings must not be delayed to address these important pre-2009 indifference amount issues.

In order to afford sufficient time to consider the issues related to the negative indifference amounts associated with pre-2009 DA customers, we will reserve this limited issue to be resolved in a second phase of this proceeding. The Commission anticipates that the issues related to the pre-2009 PCIA vintage and the associated negative indifference applicable to direct access customers of all California IOUs will be addressed in a consolidated proceeding in 2017.

IT IS RULED that:

1. The issue of whether pre-2009 vintaged direct access customers should continue to be charged a power charge indifference adjustment upon expiration of Department of Water Resources contracts is reserved for Commission resolution in a second phase of this proceeding.
2. All other aspects of the original Scoping Memo and Ruling issued on August 5, 2016 Scoping Memo and Ruling, as modified by the September 26, 2016 ruling by the Administrative Law Judge, remain unchanged.

Dated November 10, 2016, at San Francisco, California.

/s/ MICHEL PETER FLORIO

Michel Peter Florio
Assigned Commissioner