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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authority to Increase its Authorized Revenues for Electric Service in 2018, among other things, and to Reflect that increase in Rates.

Application 16-09-001
(Filed September 1, 2016)

SCOPING MEMO AND JOINT RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGES

Summary

This Scoping Memo and Ruling sets forth the category, issues, need for hearing, schedule, and other matters necessary to scope this proceeding pursuant to Public Utility Code § 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure.¹

1. Background

On September 1, 2016, Southern California Edison Company (SCE) filed an Application for authority to increase its authorized revenue, electric rates, and charges effective January 1, 2018.

This is the General Rate Case (GRC) Phase 1 application of SCE. In Phase 1 of a GRC proceeding, the Commission determines the utility applicant's electric system revenue requirements and addresses related issues. Phase 2 of the GRC is the subject of a separate application and addresses marginal cost, revenue allocation, and rate design matters. In this Phase 1 application, SCE requests an

¹ California Code of Regulations, Title 20, Division 1, Chapter 1; hereinafter, Rule or Rules.

authorized base revenue requirement of \$5.885 billion, effective January 1, 2018, representing an increase of \$221 million over currently authorized levels.² SCE requests further increases in 2019 and 2020 of \$533 and \$570 million, respectively.

SCE has identified five key strategic objectives supporting its application:

1. Be Safe in All We Do;
2. Reinforce Grid Reliability and Resiliency;
3. Integrate Distributed Energy Resources without Compromising Safety and Reliability;
4. Improve Service and Choices to Meet Evolving Customer Needs; and
5. Enhance Operational Efficiency and Effectiveness.

Protests or responses to SCE's application were filed by the Office of Ratepayer Advocates (ORA), Office of the Safety Advocate, The Utility Reform Network (TURN), Consumer Federation of California, National Diversity Coalition (NDC), Solar Energy Industries Association, City of Lancaster, and Alliance for Retail Energy Markets jointly with Direct Access Customer Coalition. Small Business Utility Advocates filed a motion for party status. Wald Street L.L.C., Tesla Business Center Owners Association, Inc., 38 Tesla, LLC, Mary Voo, David Voo, AKM Consulting Engineers, Inc., and Spyglass Tesla, LLC jointly filed a motion for party status. Each of these motions was granted by ruling. SCE filed a reply to the protests and responses on October 13, 2016.

² Due to expected sales reductions and \$48 million in other one-time balancing and memorandum account recoveries, SCE's request for 2018 represents a total revenue increase of \$313 million, 5.5 percent over currently authorized base rates.

KEZY, LLC, and Betmar, LLC, also filed a joint motion for party status. Prior to the prehearing conference (PHC), Pacific Gas and Electric Company filed a motion for party status. Each of these motions was granted at the PHC. Also during the PHC, party status was granted on oral motions of: California Street Light Association, Coalition of California Utility Employees, Vote Solar, Southern California Gas Company, and San Diego Gas & Electric Company.

PHC statements were filed on October 18, 2016. SCE and NDC separately filed statements. Wald Street L.L.C., Tesla Business Center Owners Association, Inc., 38 Tesla, LLC, Mary Voo, David Voo, AKM Consulting Engineers, Inc., Spyglass Tesla, LLC, KEZY, LLC, and Betmar, LLC, as the “Concerned Irvine Business Coalition” jointly filed a statement. We will recognize these parties collectively by that name. On October 25, 2016, the PHC was held to determine parties, discuss the scope, the schedule, and other procedural matters.

2. Scope

Based on the application, parties’ protests, responses, motions for party status, SCE’s reply, and PHC statements, and the discussion at the PHC, the following issues are within the scope of this proceeding:

a. Just and Reasonable Base Revenue Requirement

The principal scope of this proceeding is to establish a just and reasonable base revenue requirement for SCE in Test Year 2018. SCE requests increases in revenue requirements for its generation and distribution operations, encompassing both expenses and capital expenditures. SCE justifies these requested increases for a variety of reasons. In general, all matters raised by SCE’s application, or which may be reasonably inferred from the application, are within scope of this proceeding.

Therefore, the Commission will determine:

- 1) The just and reasonable test year revenue requirement for 2018 inclusive of all operating expenses and capital costs. This includes the costs of all operating or customer-related programs necessary to provide safe and reliable utility service in the test year.

b. SCE's Additional and Related Requests

SCE also makes additional related requests which we determine to be within the scope of this proceeding.

Therefore, the Commission will also consider:

- 2) Whether to adopt a post-test year ratemaking mechanism for years between 2018, and SCE's next GRC;
- 3) Establishment of the Distributed Energy Resources Deferred Project Memorandum Account;
- 4) Establishment of the PUC 706³ SCE Officer Compensation Memorandum Account;
- 5) Modification of the Pole Loading and Deteriorated Pole Programs Balancing Account;
- 6) Recovery of Residential Rate Implementation Recorded Costs and Modification of the Residential Rate Implementation Memorandum Account;
- 7) Modification of the Safety and Reliability Investment Incentive Mechanism;
- 8) Recovery of 2012-2014 Bark Beetle Catastrophic Event Management Account Costs; and
- 9) Elimination of the Project Development Division Memorandum Account.

³ Public Utilities Code section 706

- 10) Elimination of the Marine Corps Air Ground Combat Center Memorandum Account and Disposition of the After-Tax Gain On Sale;
- 11) Recovery of the Edison SmartConnect Opt-Out Revenue Requirement and Recorded Costs and Elimination of the Edison SmartConnect Opt-Out Balancing Account;
- 12) Elimination of the Residential Services Disconnection (RSD) Memorandum Account and Recovery of RSD Recorded Costs;
- 13) Elimination of the Energy Data Request Program (EDRP) Memorandum Account (EDRPMA) and Recovery of EDRP Recorded Costs;
- 14) Recovery of SCE's Customer Data Access Project Costs;
- 15) Continuation of the Tax Accounting Memorandum Account;
- 16) Continuation of the Post-Employment Benefit Other than Pensions Balancing Account;
- 17) Continuation of the Pension Cost Balancing Account;
- 18) Continuation of the Medical Programs Balancing Account;
- 19) Continuation of the Results Sharing Memorandum Account; and
- 20) Ongoing Efforts Stemming from 2009 and 2012 GRC Settlements with Disability Rights Advocates

c. Safety and Risk Management

In Decision (D.) 14-12-025, the Commission for the first time incorporated a risk-based decision-making framework into the Rate Case Plan (RCP) for the energy utilities' General Rate Cases.⁴ At the outset of that decision, the

⁴ The RCP was initially developed and adopted to guide the energy utilities on the type of information that is to be presented and the procedural schedule that is to be followed for addressing their revenue requirement requests in their GRCs.

Commission provides a simple summary of the changes it was adopting, which is repeated here:⁵

The framework and parameters that we adopt today will assist the utilities, interested parties and the Commission, in evaluating the various proposals that the energy utilities use for assessing their safety risks, and to manage, mitigate, and minimize such risks.

For the large energy utilities, this will take place through two new procedures, which feed into the GRC applications in which the utilities request funding for such safety-related activities. These two procedures are:

1. The filing of a Safety Model Assessment Proceeding (S-MAP) by each of the large energy utilities, which are to be consolidated; and
2. A subsequent Risk Assessment Mitigation Phase (RAMP) filing in an Order Instituting Investigation for the upcoming GRC wherein the large energy utility files its RAMP in the S-MAP reporting format describing how it plans to assess its risks, and to mitigate and minimize such risks.

The RAMP submission, as clarified or modified in the RAMP proceeding, will then be incorporated into the large energy utility's GRC filing. In addition, the large energy utilities will be required to file annual reports following their GRC decisions.

It is our intent that the adoption of these additional procedures will result in additional transparency and participation on how the safety risks for energy utilities are prioritized by the Commission and the energy utilities, and provide accountability for how these safety risks are managed, mitigated and minimized.

⁵ D.14-12-025 at 2-3.

The Commission's first S-MAP proceeding is currently underway. An interim decision, D.16-08-018, was issued August 29, 2016. Decision 16-08-018 directs utilities to "test drive" a multi-attribute approach toward more uniform and quantitative methods of risk management. It also adopts the Commission's Safety and Enforcement Division (SED) guidance for RAMP proceedings - with modifications - and requires RAMP filings include ten major components together with calculations of risk reduction and ranking of mitigations based on risk reduction per dollar spent. Phase Two of the proceeding has begun and is intended, in part, to implement a multi-attribute approach, develop comparable risk scores across utilities, and revisit RAMP filings and requirements.

With respect to the relationship of those proceedings to this GRC, SCE's first Risk Assessment and Mitigation Phase (RAMP) filing will not occur until November 2018, and the results of that proceeding are to be incorporated in SCE's next GRC filing in September 2019.

In the meantime, pursuant to D.14-12-025,

During the transition of fully implementing the S-MAP and RAMP procedures, all of the large energy utilities should include in all their future GRC applications thorough descriptions of the risk assessments and mitigation plans they plan to use in their GRC application filings.⁶

Accordingly, SCE's testimony states,

We present this material to demonstrate the progress that we have made towards complying with D.14-12-025 to evaluate safety and other risks, and manage and mitigate such risks by

⁶ D.14-12-025, Conclusion of Law 13 at 54.

implementing a risk-informed decision-making methodology.⁷

Furthermore, as has been the case in other recent GRC proceedings, SED shall act in an advisory capacity to the Commission and shall provide a report on safety and risk management aspects of SCE's Application. SED's report will help the Commission identify whether and how SCE is complying with the guidelines for risk management that were provided in D.14-12-025 and are currently being further developed in the S-MAP proceeding.

SED intends to submit its report by January 31, 2017. The report shall be made available to the parties by ALJ ruling in accordance with the schedule discussed below and as adopted by this Ruling. If requested by parties, a follow-up workshop may be scheduled in order to provide parties the opportunity to ask questions or seek clarifying information regarding the SED report. Finally, intervenors may comment on the report in their testimony, and SCE may comment on the report in its rebuttal testimony in accordance with the schedule discussed below and as adopted by this Ruling. It is not anticipated at this time that SED staff members will be subject to cross-examination during hearings, but this matter may be revisited by any party once they have reviewed SED's report.

In sum, the scope of this proceeding will include whether SCE's proposed risk management, safety culture, governance and policies, and investments will result in the safe and reliable operation of its facilities and services. This proceeding will document and review how SCE finances safety efforts, including evaluation of compensation of SCE's executive leadership around questions of safety and ensuring that SCE has appropriate security programs in place for

⁷ A.16-09-001, SCE-02, Vol. 1 at 23:10-12.

physical and cyber threats and/or attacks. The Commission has a significant tool at its disposal to ensure that the utility is operated in a safe and reliable manner: the alignment of the utility's financial interests with those of the public on safety matters.

Therefore, the scope of this proceeding will include,

- 21) Whether SCE's proposed risk management, safety culture, governance and policies, executive compensation, security programs, and investments will result in the safe and reliable operation of its facilities and services.

d. Additional Issues

The protests, responses, and motions for party status generally address specific issues which are recognized to be within the scope of this proceeding. TURN raises additional questions which drew reply from SCE and limited discussion at the PHC. TURN states, "SCE needs to rein itself in with regard to "grid modernization" in the name of DER [Distributed Energy Resources] integration."⁸ TURN then suggests

... at minimum the Commission should direct SCE to supplement its showing to identify the primary purpose of each specific program, and for those projects that primarily provide reliability benefits, present the types of cost-benefit analyses and evaluation of alternatives that the Commission has historically relied on for approving reliability investments.⁹

Ordering the supplemental showing sought by TURN would require we weigh the strength of SCE's support for its application. Absent a motion to dismiss, that would be premature at this stage of the proceeding. We do

⁸ TURN Protest, filed October 3, 2016, at 5.

⁹ *Id.*, at 6.

recognize that TURN's concerns with grid modernization and DER integration are firmly within the scope of this proceeding.

Similarly, TURN suggests we require additional information concerning pole loading and replacement. Again, we will not engage in premature weighing of SCE's testimony, but note SCE bears the burden of proof to establish the reasonableness of all its requests by a preponderance of the evidence.¹⁰ SCE suggests the issue may be resolved through a data request. We are inclined to agree, while mindful that "a party must place the full justification for a proposal in its written direct testimony, and may not wait until rebuttal to do so."¹¹

TURN also questions SCE's intention to submit an advice letter requesting Commission approval to close all 11 of its customer service offices. TURN recommends, instead, that SCE submit its proposal to close all of its customer service local offices using an application process, either by seeking leave to amend this GRC application to include that request or by filing a standalone application. SCE replies that its intention to follow the advice letter process is consistent with D.98-07-077, which directs SCE to obtain Commission approval through an advice letter process before closing any business offices. SCE's response is correct. If TURN disagrees with the Commission's direction to SCE in D.98-07-077, its recourse is a petition to modify that decision.¹²

¹⁰ D.15-11-021, at 8-9.

¹¹ D.07-11-037 at 116, citing D.04-07-022.

¹² We note that pursuant to D.98-07-077, as part of its advice letter filing SCE is required to describe the customer notice it provided regarding proposed closures, the service alternatives available to local customers, and the response it received from customers and local officials following its notice.

Lastly, TURN opposes inclusion in the scope of this proceeding issues that SCE has titled “Previously Litigated Issues on Which the Commission Has Taken a Position”.¹³ As was stated in the Scoping Memo for SCE’s 2015 Test Year GRC, “It would be inappropriate to reach any factual conclusions about whether or not SCE’s showing is or is not distinguishable from past showings at this time.” However, that Scoping Memo also advised SCE that to the extent that it asks the Commission to change previous rulings, “SCE must make a compelling case to do so based on changes in fact, law, or another relevant consideration.”¹⁴

e. Supplemental Testimony

During the recent PG&E GRC proceeding, A.15-09-001, the assigned Commissioner and ALJ requested additional testimony on several issues. In order to create a similar record in this proceeding, SCE shall provide the following supplemental testimony documenting:

i. Executive Compensation

- a. the structure of total compensation for SCE’s executives, including the role that safety plays in SCE’s at-risk compensation;
- b. how safety metrics included in that compensation are established and evaluated; and
- c. calculations showing the portion of total executive compensation that is included in SCE’s GRC request.

¹³ A.16-09-001, at 6.

¹⁴ A.13-11-003, Joint Scoping Memo and Ruling of Assigned Commissioner and assigned Administrative Law Judges, March 27, 2014 at 7.

ii. Safety-Related Spending

- a. actual and forecasted spending for SCE's safety programs for the 2015-2017 period. Where available, forecasts should be compared with actual recorded spending.

3. Categorization

The Commission in Resolution ALJ 176-3384, issued on September 15, 2016, preliminarily determined that the category of the proceeding is ratesetting.

This scoping memo confirms the categorization. Anyone who disagrees with this categorization must file an appeal of the categorization no later than 10 days after the date of this scoping ruling. (*See* Rule 7.6.)

4. Discovery Protocols

In the interests of efficiency and keeping the proceeding on schedule, parties are urged to engage in discovery as early as possible. Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Additionally, the following general discovery protocols shall apply. Any exceptions must be negotiated by the parties.

Electronic service under Rule 1.10 is sufficient, except Rule 1.10(e) does not apply to the service of discovery, and discovery shall not be served on the Administrative Law Judges.

When engaging in discovery the parties shall coordinate and cooperate in their efforts and analysis, if possible. Duplication of requests should be avoided.

Responses to discovery shall be due within 10 business days, subject to reasonable extensions. For post-rebuttal discovery, parties shall respond to rebuttal-related discovery requests within five days. If a longer response time is required, the party preparing the response shall notify the requesting party and

indicate when the response will be sent. Such notice should be provided as soon as possible but no later than 10 business days after receipt of the request. If a party's sole response to discovery is an objection (as opposed to an objection coupled with a substantive response), the party shall make objections to discovery requests within five business days.

As explained in SCE's PHC Statement, SCE maintains an extranet site (access available on request by e-mail to scegrc@sce.com) which makes available data requests and responses, excepting material designated as confidential.

Parties shall follow the procedures in Rule 11.3 to resolve discovery disputes, except that a party shall file a response to a discovery motion within three working days unless otherwise ruled by the ALJs. Parties are reminded Rule 11.3 requires parties meet and confer to resolve disputes informally before bringing a discovery dispute to the Commission.

During the PHC, it was suggested that at least one party may be interested in taking depositions. Although depositions may be uncommon in a ratesetting proceeding and may increase an expense ultimately borne by ratepayers, we expect the parties to be able resolve whether or not depositions are necessary without involvement of the ALJs.

5. Need for Hearing

The Commission in Resolution ALJ 176-3384 preliminarily determined that hearings are required. Based upon representations of the parties, 15 days of evidentiary hearings are scheduled.

We agree with the suggestion that two days of hearing in Southern California at the beginning of evidentiary hearings would be appropriate.

6. Hearing Ground Rules

Parties shall comply with the hearing ground rules in Appendix C of this Ruling. These ground rules are intended to promote fair and orderly hearings and efficient use of hearing time.

7. Case Management Statement

In order to facilitate the orderly scheduling of witnesses, a Case Management Statement (CMS) shall be filed and served by SCE on behalf of the parties five calendar days prior to hearings. The CMS shall include:

- The status of any ongoing settlement discussions.
- The order of witnesses for evidentiary hearings.
- Cross-examination times estimated by each of the parties and for each of the witnesses they wish to question.
- Identification of disputed issues and the witness thereto which will be the subject of cross-examination
- A list of witnesses for whom no cross-examination is estimated.
- Any other matters that the parties deem relevant.

All parties that submit written testimony and/or intend to cross examine witnesses shall jointly cooperate in providing pertinent information to SCE for preparation of the CMS. To the extent possible, parties should work collectively towards fitting cross-examination, redirect, and re-cross estimates within the 15 days of scheduled evidentiary hearings. For this purpose, parties should assume 4 ½ hours of hearing time per day, or a total of 67.5 hours of hearing time (=15 days * 4 ½ hours).

Parties planning on cross-examination shall provide to SCE their estimated time for cross examination per witness no less than seven calendar days prior to the start of hearings. In order to minimize the amount of cross-examination, and

when feasible, parties should seek to enter into stipulations of facts, or other dispute resolution, as conditions warrant.

We acknowledge the request for evidentiary hearing time to be allocated for limited direct examination of some witnesses who are not called for cross-examination. We do not consider the use of limited hearing time for direct examination to be necessary or warranted. The parties should be assured all testimony, whether direct or cross, will be considered and weighed. Similarly, so as to avoid the undue consumption of time and wasting limited resources, all parties should avoid presenting testimony which, when responding to or rebutting other testimony, repeats or summarizes that testimony at length. If testimony is responsive to earlier testimony, a brief introduction with page and line citation to the earlier testimony generally will be considered sufficient.

8. *Ex Parte* Communications

In a ratesetting proceeding such as this one, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors and the ALJ are only permitted as described at Public Utilities Code § 1701.3(c) and Article 8 of the Rules.

To avoid any question concerning the nature of a communication with the assigned Administrative Law Judges, all communications shall be either by formal filing with the Commission or, if non-substantive, via e-mail copied to the entire service list.

Responses, served on the service list, by a party to an inquiry made by an ALJ at a public hearing, workshop, or other public forum noticed by ruling or order are communications occurring in that public hearing, workshop, or other public forum and are not *ex parte* communications under Article 8 of the Rules.

9. Intervenor Compensation

Pursuant to Public Utilities Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by November 28, 2016, the first business day 30 days after the PHC.

10. Assigned Commissioner, Presiding Officer

President Michael Picker is the assigned Commissioner and Stephen C. Roscow and Eric Wildgrube are the assigned Administrative Law Judges (ALJs).

Pursuant to Public Utilities Code § 1701.3 and Rule 13.2 of the Commission's Rules of Practice and Procedure (Rule or Rules), Stephen Roscow and Eric Wildgrube are designated as the Presiding Officers.

11. Filing, Service and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website. E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: A.16-09-001 – SCE GRC. In addition, the party sending the e-mail should briefly describe the attached communication; for example, Brief.

This proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving

copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Additionally, Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

The Commission's website now allows electronic submittal of supporting documents (such as testimony and workpapers). The purpose of the supporting document feature is to make publicly available parties' testimony and workpapers and does not replace the requirement to serve documents to other parties in a proceeding. Therefore, parties shall submit copies of their testimony and workpapers in this proceeding through the "Supporting Documents" feature of the Commission's electronic filing system. Instructions for submitting supporting documents are provided in Appendix A of this ruling.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

12. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at

<http://consumers.cpuc.ca.gov/pao> or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

13. Public participation hearings

Public participation hearings (PPHs) will be scheduled in selected locations throughout the SCE service territory in order to provide an opportunity for SCE's customers to communicate directly with the Commission about how SCE's application, if granted, would impact them. A series of PPHs will be held in the period of time following the issuance of intervenor testimony and prior to evidentiary hearings.

The Commission's Public Advisor Office is instructed to convene a conference call with any interested parties to solicit suggestions regarding locations, dates, or other related issues relating to scheduling and conducting PPHs in this proceeding. A separate ruling will be issued providing further information regarding public notice and identifying the specific locations, dates and times for the PPHs.

14. Schedule

SCE's proposed schedule is consistent with the revised GRC "Rate Case Plan" (RCP) schedule adopted by the Commission in D.14-12-025. Consistent with SCE's suggestion and ORA's concurrence, we allow additional time for submission of ORA's testimony.

Therefore, we adopt the schedule set forth as Appendix B to this ruling.

The adopted schedule includes the possibility that parties may meet and discuss possible issues for settlement. This period falls between the service of intervenor testimony and the period reserved for hearings. While the Commission always encourages parties to pursue settlements of contested issues,

in this proceeding we note that the tight schedule suggests that the period identified in the schedule is the preferred time for parties to bring settled issues forward for consideration, rather than later in the proceeding. In the event that issues are settled, the assigned ALJs shall work with parties to determine the proper format for a comparison exhibit that will best assist the Commission in evaluating the merits of the settlement. The proceeding will be submitted upon the filing of reply briefs, unless the assigned Commissioner or the ALJs direct further evidence or argument.

The assigned Commissioner or assigned ALJs may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding.

It is the Commission's intent to complete this proceeding within 18 months of the date this Scoping Memo is filed. This deadline may be extended by order of the Commission. (Public Utilities Code § 1701.5(a).)

If there are any additional workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

15. Settlement and Alternative Dispute Resolution

While the schedule does not include specific dates for settlement conferences, it does not preclude parties from meeting at other times provided notice is given consistent with our Rules.

The Commission offers Alternative Dispute Resolution (ADR) services consisting of mediation, facilitation, or early neutral evaluation. Use of ADR services is voluntary, confidential, and at no cost to the parties. Trained ALJs

serve as neutrals. The parties are encouraged to visit the Commission's ADR webpage at <http://www.cpuc.ca.gov/adr/>, for more information.

If requested, the assigned ALJs will refer this proceeding, or a portion of it, to the Commission's ADR Coordinator. Alternatively, the parties may contact the ADR Coordinator directly at adr_program@cpuc.ca.gov. The parties will be notified as soon as a neutral has been assigned; thereafter, the neutral will contact the parties to make pertinent scheduling and process arrangements. Alternatively, and at their own expense, the parties may agree to use outside ADR services.

16. Final Oral Argument

A party in a ratesetting proceeding in which a hearing is held has the right to make a Final Oral Argument before the Commission, if the argument is requested within their Brief. (Rule 13.13.)

17. Phase 2 Filing

For the information of interested parties, SCE will file a separate Phase 2 application to address electric marginal costs, revenue allocation, and rate design. This treatment of Phase 2 issues as a separately filed application is consistent with the procedure followed in recent GRC proceedings, and consistent with the Commission's responsibility under Public Utilities Code § 1701.5 to complete ratemaking proceedings within 18 months.

IT IS RULED:

1. The category of this proceeding is ratesetting. Appeals as to category, if any, must be filed and served within 10 days from the date of this scoping memo.
2. Administrative Law Judges Stephen C. Roscow and Eric Wildgrube are designated as the Presiding Officers.

3. The scope of the issues for this proceeding is as stated in “Section 2. Scope” of this ruling.

4. Southern California Edison (SCE) shall serve the supplemental testimony identified in Section 2.e on or before January 6, 2017.

5. Evidentiary hearings are necessary.

6. Parties shall adhere to the instructions provided in Appendix A of this ruling for submitting supporting documents.

7. The schedule for the proceeding is set forth in Appendix B appended to this ruling. The assigned Commissioner or Presiding Officers may adjust this schedule as necessary for efficient management and fair resolution of this proceeding.

8. With limited exceptions that are subject to reporting requirements, *ex parte* communications are prohibited. (*See* Public Utilities Code § 1701.3(c); Article 8 of the Commission’s Rules of Practice and Procedure.) *Ex parte communications with the Administrative Law Judges are prohibited.*

9. Parties shall comply with the discovery protocols set forth in Section 4 of this ruling.

10. Southern California Edison (SCE) shall file and serve a Case Management Statement, on behalf of the parties, five calendar days prior to hearings as outlined in Section 7 above. Parties planning on cross-examination shall provide to SCE their estimated time for cross-examination per witness seven calendar days prior to the start of hearings.

11. Parties shall comply with the hearing ground rules set forth in Appendix C.

12. A party shall submit a request for Final Oral Argument in its briefs to be filed September 8, 2017, but the right to Final Oral Argument ceases to exist if hearing is not needed.

Dated December 2, 2016, at San Francisco, California.

/s/ MICHAEL PICKER
Michael Picker
Assigned Commissioner

/s/ STEPHEN C. ROSCOW
Stephen C. Roscow
Administrative Law Judge

/s/ ERIC WILDGRUBE
Eric Wildgrube
Administrative Law Judge

APPENDIX A

Electronic Submission and Format of Supporting Documents

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit copies their testimony or workpapers in this proceeding through the Commission's electronic filing system.¹⁵ Parties must adhere to the following:

- The Instructions for Using the "Supporting Documents" Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).
- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with

¹⁵ These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony. Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

Commissioners and advisors (i.e. “ex parte communications”) or other matters related to a proceeding.

- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the Administrative Law Judge), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the CPUC.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. “record”) unless accepted into the record by the Administrative Law Judge.

All documents submitted through the “Supporting Documents” Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security - PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention - The Commission is required by Resolution L-204, dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” will not appear on the “Docket Card”. In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “E-filed Documents”,
- Select “Supporting Document” as the document type, (do not choose testimony)
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams (kale.williams@cpuc.ca.gov) 415 703- 3251 and
- Ryan Cayabyab (ryan.cayabyab@cpuc.ca.gov) 415 703-5999

(End of Appendix A)

Appendix B
ADOPTED PROCEEDING SCHEDULE

EVENT	DATE
Utility Workshop pursuant to D.14-12-025	October 24, 2016
Prehearing Conference	October 25, 2016
Additional Workshops pursuant to D.14-12-025	November 2 and 3, 2016
SCE errata served (testimony and workpapers)	November 17, 2016
SCE Supplemental testimony served	January 6, 2017
SED report served	January 31, 2017
ORA testimony served	April 7, 2017
Intervenors testimony served	May 2, 2017
Settlement discussions	May - June 2017
Public Participation Hearings (Location to be determined)	To be determined
Concurrent rebuttal testimony served	June 16, 2017
Parties provide cross-examination estimates to SCE	7 days prior to evidentiary hearings
Case Management Statement served	5 days prior to evidentiary hearings
Evidentiary Hearings Commission Courtroom 320 W 4th Street, Los Angeles, CA 90013	July 13 and 14, 2017
Commission Courtroom 505 Van Ness Avenue San Francisco, California	July 17-21, 2017 July 24-28, 2017 July 31-August 2, 2017
Briefs	September 8, 2017
Request for Final Oral Argument	September 8, 2017
Reply Briefs/Record submitted	September 29, 2017

EVENT	DATE
Update testimony, if necessary	To be determined
Additional evidentiary hearing on update testimony, if necessary	To be determined
Proposed Decision	To be determined
Comments on Proposed Decision	Within 20 Days of Service of the Proposed Decision
Replies to Comments on Proposed Decision	Within 5 Days of Service of Comments
Oral Argument	On request
Anticipated Commission Meeting/Decision	30 Days after but no later than 60 days after the Proposed Decision

(End of Appendix B)

APPENDIX C

GROUND RULES FOR EVIDENTIARY HEARINGS

Exhibit Format

All exhibits must be a format consistent with Rule 13.7(a). Parties often fail to include a blank space two inches high by four inches wide to accommodate the Administrative Law Judge's exhibit stamp. If necessary, add a cover sheet to the front of the exhibit. The common practice of pre-printing the docket number, a blank line for the exhibit number, and witness names(s) is acceptable, but it is not a substitute for the required two by four inch blank space to accommodate the exhibit stamp.

In addition, all exhibits should be bound on the left side or upper left-hand corner. Rubber bands and paper clips are unacceptable. Excerpts from lengthy documents should include the title page and, if necessary for context, the table of contents of the document. Parties are asked to use a font size no smaller than 12 point wherever practicable.

SCE's application provides a "2018 General Rate Case Exhibit List". SCE utilized a numbering convention following a "SCE" prefix. For example, SCE's first volume of testimony has been labeled Exhibit No.: SCE-1. Similarly, workpapers for SCE-02, Vol 3R are labeled "SCE-02 T&D-Vol.03". SCE's labeling convention is accepted and will be utilized for purposes of identifying its exhibits during the evidentiary hearings. The parties are requested to use a similar convention.

SCE shall maintain a running list of all exhibits identified and received into evidence throughout the proceeding and shall provide an update to the list to the ALJs and interested parties at the start of each day of evidentiary hearings.

Exhibit Copies

In accordance with Rule 13.7(b), the original and one copy of each exhibit shall be furnished to each Presiding Officer and a copy shall be furnished to the reporter and to each party. The copies furnished to the Presiding Officers may be the mailed copy. Except for exhibits that are served prior to the hearing, parties are responsible for having sufficient copies available in the hearing room for the court reporter and each party in attendance.

Procedural Motions and Objections to Testimony

Parties should avoid bringing oral motions during evidentiary hearings that could have been made in writing, unless the objection or motion is in direct response to oral testimony or where an oral motion is likely to be unopposed and can be done expeditiously. To the extent that extenuating circumstances warrant other limited exceptions, the ALJ(s) may consider such limited exceptions as circumstances warrant.

Motions and objections should be brought before the ALJ(s) for disposition as early as reasonably possible. In the case of motions to strike direct testimony, motions should be filed no later than five business days before the start of hearings. Unwarranted delays in bringing motions to strike will be weighed as a factor in arriving at a ruling.

Deadlines for Providing Cross-Examination Exhibits

Allowing witnesses time to review new or unfamiliar documents can waste hearing time. A party who intends to introduce an exhibit during cross-examination should provide a copy to the witness and the witness' counsel before 5:00 p.m. of the day before the witness takes the stand to be cross examined on the exhibit.

Corrections to Exhibits

The practice of making extensive oral corrections to exhibits on the witness stand, requiring lengthy dictation exercises, causes unnecessary delays. To the extent possible, corrections to testimony should be provided in the form of errata exhibits pursuant to the adopted schedule.

Hearing Hours

Hearings will generally run from 9:00 a.m. to 12:00 p.m. with at least one morning break, and from 1:30 p.m. to 3:30 p.m. with one afternoon break. The hearing hours may be revised, as needed, by the assigned Administrative Law Judge.

Cross Examination Time

As set forth in Rule 13.5, parties are placed on notice that it may be necessary to limit and allocate time for cross-examination as well as time for redirect and re-cross-examination.

Rebuttal Testimony

Prepared rebuttal testimony should include appropriate reference to the testimony being rebutted. It is inappropriate, and a potential grounds for striking, for any party to withhold direct presentations for introduction in rebuttal testimony.

Court Reporters

Common courtesy should always be extended to the reporters. Counsel should wait for witnesses to finish their answers, and witnesses should likewise wait for the entire question to be asked before answering. Counsel shall refrain from simultaneous arguments on motions and objections; instead, all counsel statements shall be directed to the Presiding Officer. Conversations at the

counsel table or in the audience can be distracting to the reporter and other participants, including witnesses. Such distractions shall be avoided.

(End of Appendix C)