



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

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Application of Southern California Edison
Company (U 338-E) for Approval of the
Results of Its 2018 Local Capacity
Requirements Request for Proposals.

Application No. 19-04-___

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) APPLICATION FOR
APPROVAL OF THE RESULTS OF ITS 2018 LOCAL CAPACITY REQUIREMENTS
REQUEST FOR PROPOSALS**

JANET S. COMBS
CRYSTAL NEEDHAM
TRISTAN REYES CLOSE

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-2883
E-mail: Tristan.ReyesClose@sce.com

Dated: **April 22, 2019**

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) APPLICATION FOR
APPROVAL OF THE RESULTS OF ITS 2018 LOCAL CAPACITY REQUIREMENTS
REQUEST FOR PROPOSALS**

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Pursuant to Articles 1 and 2 of the California Public Utilities Commission’s (“Commission” or “CPUC”) Rules of Practice and Procedure and Decision (“D.”) 13-02-015,¹ Southern California Edison Company (“SCE”) submits this Application for Approval of the results of its 2018 Local Capacity Requirement (“LCR”) Request for Proposals (“RFP”) (“Application”). Concurrently with the filing of this Application, SCE is serving Testimony in support of this Application (Exhibit SCE-01), including related appendices (Exhibit SCE-02).

**I.
EXECUTIVE SUMMARY**

On February 13, 2013, in the Long Term Procurement Plan (“LTPP”) proceeding, the Commission issued D.13-02-015 in which it authorized SCE to procure between 215 to 290 megawatts (“MW”) of electrical capacity in the Moorpark sub-area of the Big Creek/Ventura local reliability area to meet long-term local capacity requirements by 2021, largely due to the expected retirement of once-through-cooling (“OTC”) generation facilities.² To meet this need,

¹ D.13-02-015 at Ordering Paragraph 11.

² D.13-02-015 at 131 (Ordering Paragraph (“OP”) 2).

SCE issued the 2013 LCR request for offers (“RFO”) (“2013 LCR RFO”) seeking new resources in the Moorpark sub-area, including Preferred Resources,³ Energy Storage (“ES”) resources, and Natural Gas-Fired Generation (“GFG”). Through the 2013 LCR RFO, SCE contracted for 262 MW of GFG and approximately 12 MW of Preferred Resources that were subsequently approved by the Commission in D.16-05-050.⁴ However, only the 12 MW of Preferred Resources are, or will be, available to meet LCR needs due to events that transpired in 2017, which are explained in detail in SCE’s testimony in support of this Application. Thus, with a remaining 278 MW procurement authorization for the Moorpark sub-area (per D.13-02-015), on February 28, 2018, SCE launched the 2018 LCR Request for Proposals (“LCR RFP”) for additional new resources in the Moorpark sub-area to meet local reliability needs by June 2021. Through the 2018 LCR RFP, and consistent with the authority granted in D.13-02-015, SCE selected the Strata Saticoy, LLC (“Strata Saticoy”) 100 MW⁵/400 MWh in-front-of-the-meter (“IFOM”) energy storage project with a delivery period expected to begin on December 1, 2020.

In D.13-02-015, the Commission also ordered SCE to file an application for approval of all contracts entered into as a result of the LCR procurement process for new capacity in the Moorpark sub-area.⁶ In its testimony in support of this Application, SCE explains how it sought to procure additional resources to meet LCR needs in the Moorpark sub-area through the 2018

³ Preferred Resources are defined in the State’s Energy Action Plan II, at page 2, as follows: “The loading order identifies energy efficiency and demand response as the State’s preferred means of meeting growing energy needs. After cost-effective [energy] efficiency and demand response, we rely on renewable sources of power and distributed generation, such as combined heat and power applications. To the extent [energy] efficiency, demand response, renewable resources, and distributed generation are unable to satisfy increasing energy and capacity needs, we support clean and efficient fossil-fired generation. Concurrently, the bulk electricity transmission grid and distribution facility infrastructure must be improved to support growing demand centers and the interconnection of new generation, both on the utility and customer side of the meter.”

⁴ All of the contracts for incremental generation in the Moorpark sub-area were approved by the Commission with the exception of a 0.5 MW in-front-of-the-meter energy storage contract that was rejected due to its linkage to a contract for refurbishment of the 54 MW Ellwood GFG facility, which was also rejected by the Commission.

⁵ The MW quantity specified in a contract for a project may differ from the project’s LCR MW, which represents a resource’s contribution to the LCR need in June 2021.

⁶ D.13-02-015 at 135 (OP 11).

LCR RFP. Chapter II of the Application explains the basis for the LCR need. Chapter III provides background on resiliency considerations in the Goleta/Santa Barbara area of the Moorpark sub-area. Chapter IV summarizes the solicitation process, with details on: (1) the schedule and structure of the solicitation, (2) bidder requirements, (3) outreach efforts, (4) procurement challenges, (5) SCE’s consultation with the California Independent System Operator (“CAISO”), (6) the role of the Independent Evaluator (“IE”), and consultation with the Cost Allocation Mechanism (“CAM”) group.⁷ Chapter V provides an overview of bidder participation in the solicitation. Chapter VI explains the valuation and selection process, the intersection of the LCR RFP and SCE’s second Aliso Canyon Energy Storage (“ACES 2”) RFO, and how a portion of the Moorpark sub-area LCR needs are being met through resources procured through the ACES 2 RFO. Chapter VII includes a summary of the solicitation results. Chapter VIII provides SCE’s proposal for the allocation of benefits and costs. Finally, Chapter IX explains SCE’s proposal for recovering the costs of the LCR resources, ratemaking treatment and revenue allocation.

II. COST RECOVERY

SCE proposes recording the LCR resource costs to the existing LCR Products Balancing Account (“LCRPBA”), which was approved in D.16-05-050, after the resource comes online in 2020 and effective upon a Commission decision in this application proceeding. Each month, SCE will record the actual cost of the LCR RFP resource in the New System Generation (“NSG”) sub-account of the LCRPBA.

SCE proposes to transfer the balance of the NSG sub-account component of LCRPBA to the existing New System Generation Balancing Account (“NSGBA”) each month. In the

⁷ As required by the Commission, SCE conducts procurement reviews with one of two groups, its Procurement Review Group, or its CAM group, when appropriate. D.04-12-048 at 241 (OP 15); D.07-12-052 at 127-130, 301 (OP 8). The Procurement Review Group is consulted for procurement on behalf of bundled load while the CAM Group is consulted for procurement on behalf of all benefitting customers.

NSGBA, the cost of NSG LCR-related costs and all other NSG costs will be balanced with the recorded NSG-billed revenues each month. Any balance recorded in the NSGBA, either over- or under-collection, is included in the NSG rates in the following year.

D.13-02-015 ordered the procurement of the Strata Saticoy resource considered in this Application and SCE procured that resource pursuant to its Commission-adopted Moorpark LCR Procurement Plan. As such, if the Commission finds it reasonable for SCE to enter into the Strata Saticoy contract at issue in this Application, there is no further reasonableness review of SCE’s decision to enter into the contract. The only reasonableness issue remaining will be the reasonableness of SCE’s administration of the Strata Saticoy contract, which will be considered through SCE’s annual Energy Resource Recovery Account (“ERRA”) Review proceedings.

In SCE’s annual ERRA Review proceedings, SCE will include for Commission audit and review all of the entries recorded in the LCRPBA to ensure that such entries are accurate and compliant with the decision reached in this Application proceeding.

The following table compares SCE’s bundled average rates, by customer group, to an estimate of proposed average rates if SCE’s request for contract approval is approved by the Commission.

Bundled Average Rates			
Customer Group	Current Rates (¢/kWh)	Proposed Rates (¢/kWh)	% Change over current
Residential	18.13	18.14	0.1%
Lighting - Small and Medium Power	16.66	16.67	0.1%
Large Power	11.92	11.93	0.1%
Agricultural and Pumping	13.20	13.21	0.0%
Street and Area Lighting	18.51	18.52	0.0%
Standby	10.10	10.10	0.1%
Total	15.92	15.93	0.1%

	Current	Proposed	% Change
Non-CARE residential bill	\$ 110.04	\$ 110.10	0.1%
CARE residential bill	\$ 74.21	\$ 74.25	0.1%

**III.
SUMMARY OF REQUEST**

SCE requests Commission approval of one (1) contract selected through the LCR RFP process. SCE selected the Strata Saticoy 100 MW/400 MWh IFOM energy storage project with a delivery period expected to begin on December 1, 2020. SCE respectfully requests that the Commission approve the contract selected through the LCR RFP process as prudent and reasonable.

**IV.
ORGANIZATION OF SCE'S TESTIMONY**

Exhibit SCE-01, "Testimony of Southern California Edison Company in Support of its Application for Approval of the Results of Its 2018 Local Capacity Requirements Request for Proposals," is organized in a single volume with nine chapters as follows:

Chapter 1	Introduction and Background
Chapter 2	Basis for LCR Procurement need
Chapter 3	Unique and Localized Grid Resiliency Issue in the Santa Barbara/Goleta Area
Chapter 4	2018 LCR RFP Process Overview
Chapter 5	2018 LCR RFP Participation
Chapter 6	2018 LCR RFP Valuation Process
Chapter 7	2018 LCR RFP Solicitation Results
Chapter 8	Allocation of Benefits and Costs
Chapter 9	Cost Recovery and Revenue Allocation
Appendix A	Witness Qualifications (including Confidentiality Declarations)

Exhibit SCE-02 is comprised of the Appendices to the Testimony, and is organized as follows:

Appendix B	LCR RFP Strata Saticoy Contract
Appendix C	Independent Evaluator Report

- Appendix D 2018 LCR RFP Solicitation Materials
- Appendix E SCE's Moorpark Sub-Area LCR Procurement Plan
Submitted to Energy Division Pursuant to D.13-02-015
- Appendix F CAISO Documents
- Appendix G 2018 LCR RFP Workpapers

V.
STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory and Other Authority

SCE files this Application pursuant to D.13-02-015,⁸ the Commission's Rules of Practice and Procedure and the California Public Utilities Code.

As described above, D.13-02-015 requires SCE to file an application with the Commission for approval of all contracts entered into as a result of the LCR procurement process for new capacity in the Moorpark sub-area.

SCE's Application complies with the Commission's Rules of Practice and Procedure 1.5 through 1.11 and 1.13, which specify the procedures for, among other things, filing documents. In addition, this Application complies with Rules 2.1, 2.2 and 3.2.

Rule 2.1 requires that all applications: (1) clearly and concisely state the authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and (3) be verified by the applicant. Rule 2.1 sets forth further requirements that are addressed separately below.

The relief being sought is summarized above in Sections I (Executive Summary) and Section II (Summary of Request), and is further described in the testimony (Exhibit SCE-01) supporting this Application.

The statutory and other authority for this request includes, but is not limited to, California Public Utilities Code Sections 451, 454, 454.3, 491, 701, 702, 728, 729, Article 2 and Rule 3.2 of

⁸ D.13-02-015 at Ordering Paragraph 11.

the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission.

SCE's Application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

B. Legal Name, Principal Place of Business, and Correspondence or Communications

Rule 2.1(a) of the Commission's Rules of Practice and Procedure require all applications to state the exact legal name of each applicant and the location of principal place of business, and if an applicant is a corporation, trust, association, or other organized group, the State under the laws of which such applicant was created or organized

The full legal name of the applicant herein is Southern California Edison Company. SCE is a corporation organized and existing under the laws of the State of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing, and selling electric energy for light, heat, and power in portions of central and southern California as a public utility subject to the jurisdiction of the Commission. SCE's properties, which are substantially within the State of California, primarily consist of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are:

Southern California Edison Company
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1212

Rule 2.1(b) of the Commission's Rules of Practice and Procedure require all applications to state the name, title, address, telephone number, facsimile transmission number, and e-mail address of the person to whom correspondence or communications regarding the application are to be addressed.

SCE's attorneys in this matter are Janet S. Combs, Tristan Reyes Close and Crystal Needham. Correspondence or communications regarding this application should be addressed to:

Janet S. Combs
Directory and Managing Attorney
Law Department
P. O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (626) 302-1524
E-mail: janet.combs@sce.com

Crystal Needham
Attorney, Law Department
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (626) 302-6429
E-mail: crystal.needham@sce.com

SCE Case Administration
Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (626) 302-6509
E-mail: case.admin@sce.com

C. Categorization, Hearings, and Issues to be Considered Pursuant to 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.”

1. Proposed Category

Rule 1.3(e) of the Commission's Rules of Practice and Procedure defines “ratesetting” proceedings as “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).” This application will include the setting and investigation of rates, and includes SCE's proposal for a “mechanism” that will influence the setting of rates in future applications. Therefore, for purposes of Rule 2.1, SCE proposes that this proceeding be categorized as ratesetting.

2. Need for Hearings

SCE’s Application, supporting Testimony and appendices submitted herewith contain sufficient information and constitute a sufficient record for the Commission to rule on SCE’s Application without the need for evidentiary hearings. SCE submits that all interested parties can comment and express their views in writing through protests, comments and testimony. SCE’s proposed procedural schedule below assumes evidentiary hearings will not be held; however, the need for hearings will be determined by the assigned Administrative Law Judge(s).

3. Proposed Schedule

The primary issue to be considered in this proceeding is the reasonableness of the contract selected through SCE’s 2018 LCR RFP. The Strata Saticoy contract was selected to meet local reliability needs in the Moorpark sub-area in 2021. In order for the Strata Saticoy project to be online when it is needed for reliability purposes, SCE requests expedited consideration of this Application.

To allow the Commission to issue a timely final decision in this proceeding, SCE respectfully requests that the Commission process the Application according to one of the following schedules:

Schedule without Evidentiary Hearings

Application Filed	April 22, 2019
Daily Calendar Notice Appears	April 29, 2019
Protests and Responses Due	May 29, 2019
Reply to Protests and Responses Due	June 10, 2019
Prehearing Conference	July 10, 2019
Intervenor Testimony Due	August 5, 2019
Rebuttal Testimony Due	August 30, 2019
Concurrent Opening Briefs Due	September 30, 2019
Concurrent Reply Briefs Due	October 21, 2019
Proposed Decision Issued	December 20, 2019
Comments on Proposed Decision Due	January 9, 2020
Reply Comments on Proposed Decision Due	January 14, 2020

Commission Issues Final Decision	January 30, 2020
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Schedule with Evidentiary Hearings

Application Filed	April 22, 2019
Daily Calendar Notice Appears	April 29, 2019
Protests and Responses Due	May 29, 2019
Reply to Protests and Responses Due	June 10, 2019
Prehearing Conference	July 10, 2019
Intervenor Testimony Due	August 5, 2019
Rebuttal Testimony Due	August 30, 2019
Request Evidentiary Hearings	No later than September 9, 2019
Evidentiary Hearings	October 1-2, 2019
Concurrent Opening Briefs Due	November 4, 2019
Concurrent Reply Briefs Due	November 25, 2019
Proposed Decision Issued	January 20, 2020
Comments on Proposed Decision Due	February 10, 2020
Reply Comments on Proposed Decision Due	February 17, 2020
Commission Issues Final Decision	February 27, 2020

4. Issues to be Considered, Including Relevant Safety Considerations

The issues to be considered in connection with this Application are specified in SCE’s Testimony, the Summary of SCE’s Request in Section II above, and the Prayer for Relief set forth in Section VI below.

D.16-01-017 approved an amendment to Rule 2.1(c) of the Commission’s Rules of Practice and Procedure (Title 20, Division 1, of the California Code of Regulations) to require all applications to identify all relevant safety considerations implicated by the application. One of SCE’s core values is to protect public and employee safety. As such, procurement through the 2018 LCR RFP inherently assumes that all power providers are fully compliant with laws, rules, regulations and internally-managed controls to assure that their generating facilities are operated and maintained in a safe working condition. SCE’s testimony also includes a section on safety

that explains that among SCE's standard pro forma provisions, all purchase and sale agreements include safety-related provisions that require the seller's strict adherence to plan, construct, operate, and maintain the projects following professionally responsible practices that ensure safety throughout the life of a project. Further, and also as a standard pro forma provision, prior to the commencement of any construction activities, the seller is required to provide SCE with a report from an Independent Engineer (acceptable to both SCE and the seller) certifying that the seller has a written plan for the safe construction and operation of the project in accordance with Prudent Electrical Practices.

D. Organization, Qualification to Transact Business and Articles of Incorporation — Rule 2.2

Rule 2.2 requires the applicant 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.

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 Application No. 06-03-020, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

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 incorporated herein by this reference.

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 incorporated herein by this reference.

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 incorporated herein by this reference.

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 incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with Application No. 14-03-013, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State, was filed with the Commission on October 2, 2015, in connection with Application No. 15-10-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with Application No. 16-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with Application No. 17-06-030, and is incorporated herein by this reference.

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 16, 2018, pursuant to General Order Nos. 65-A and 104-A of the Commission.

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

In compliance with Rule 3.2(a)(1), Appendix A to this Application contains copies of SCE's balance sheet as of December 31, 2018, and income statement for the period ending December 31, 2018, the most recent period available.

F. Statement of Presently Effective and Proposed Rates – Rules 3.2(a)(2) and 3.2(a)(3)

The presently effective rates and the illustrative changes proposed to be made to those rates are discussed in Section II above and in SCE's supporting testimony (Exhibit SCE-01) served concurrently with this Application, and reflect rates as of April 12, 2019. 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. SCE's current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letter filings pursuant to Commission General Order 96-A. SCE is not requesting a general revenue increase of over one percent in this Application.

G. Description of SCE's Service Territory and Utility System – Rule 3.2(a)(4)

Because this Application is not a general rate case application, this requirement is not applicable.

H. Summary of Earnings – Rule 3.2(a)(5)

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE’s summary of earnings, authorized in SCE’s 2017 Post Test Year Advice Letter 3514-E, the most recent period available.

I. Depreciation

Because this Application is not a general rate case application, this requirement is not applicable.

J. Capital Stock and Proxy Statement – Rule 3.2(a)(8)

Because this Application is not a general rate case application, this requirement is not applicable.

K. Statement Pursuant to Rule 3.2(a)(10)

Rule 3.2(a)(10) requires the applicant to state whether its request is limited to passing through to customers “only increased costs to the corporation for the services or commodities furnished by it.”

This Application seeks only to pass through to SCE’s customers the costs incurred by SCE in connection with contracting for a new LCR resource beginning in 2020.

L. Service of Notice – Rule 3.2(b), (c) and (d)

As required by California Public Utilities Code Section 454, a notice stating in general terms the proposed change will be provided to customers in their monthly bills. SCE has reviewed a draft of its proposed customer notice with the Commission’s Public Advisor.

As required by Rule 3.2(b), a notice stating in general terms the proposed rate change will be mailed to the designated officials of the State of California, and the cities and counties affected by the rate increase proposed in this Application as listed in Appendix C hereto.

Pursuant to 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. The cities and counties affected by the rate increase proposed in this Application are shown in Appendix C hereto.

Finally, pursuant to Rule 3.2(d), notice will be furnished to customers affected by the potential rate changes proposed in this Application by including such notice with the regular bills mailed to those customers and by electronically linking to such notice for customer that receive their bills electronically.

M. Index of Exhibits and Appendices in This Application

SCE's submission in support of this Application includes the following, which are incorporated herein by reference:

Appendices to Application

- Appendix A: Balance Sheet and Income Statement
- Appendix B: Summary of Earnings
- Appendix C: List of Cities and Counties

Exhibits to Application

- Exhibit SCE-01 Testimony of Southern California Edison Company in Support of Its Application for Approval of the Results of Its 2018 Local Capacity Requirements Request for Proposals
- Exhibit SCE-02 Appendices B-G to Testimony of Southern California Edison Company in Support of Its Application for Approval of the Results of Its 2018 Local Capacity Requirements Request for Proposals

N. Service List

The official service list has not yet been established in this proceeding. SCE is serving this Application and supporting Testimony on the Commission's Public Advocates Office and on

the service lists established by the Commission for R.16-02-007 and A.14-11-016. SCE has also served a copy of this Application and its supporting testimony on the Commission.

**VI.
PRAYER FOR RELIEF**

SCE respectfully requests that the Commission:

1. Grant expedited consideration of this Application;
2. Approve the Application in its entirety;
3. Approve the 2018 LCR RFP, and SCE's conduct with respect to the 2018 LCR RFP, as reasonable;
4. Find that the Strata Saticoy contract entered into as a result of the 2018 LCR RFP is needed to meet long-term local capacity requirements;
5. Approve the Strata Saticoy contract entered into as a result of the 2018 LCR RFP as reasonable and prudent, and find that any payments to be made by SCE pursuant to the contract are recoverable in full by SCE through the ERRA proceeding, subject only to SCE's prudent administration of the contract;
6. Authorize SCE to allocate the benefits and costs of the contract entered into as a result of the 2018 LCR RFP to all benefitting customers in accordance with D.13-02-015 and D.14-03-004;

7. Approve SCE's plan for the allocation of costs and benefits to all benefitting customers set forth in Chapter 8 of Exhibit SCE-01; and
8. Grant such other and further relief as the Commission finds just and reasonable.

Respectfully submitted,

JANET S. COMBS
CRYSTAL NEEDHAM
TRISTAN REYES CLOSE

/s/ Tristan Reyes Close

By: Tristan Reyes Close

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-2883
E-mail: Tristan.ReyesClose@sce.com

April 22, 2019

VERIFICATION

I am an officer of the applicant corporation herein and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

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

Executed this 18th day of April 2019, at Rosemead, California.

/s/ Colin E. Cushnie

By: Colin E. Cushnie
Vice President-Power Supply
Southern California Edison Company
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770

Appendix A

Balance Sheet and Income Statement

SOUTHERN CALIFORNIA EDISON COMPANY

(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.

STATEMENT OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2018

(In millions)

OPERATING REVENUE	<u>\$ 12,611</u>
OPERATING EXPENSES:	
Purchase power and fuel	5,406
Other operation and maintenance	2,702
Wildfire-related claims, net of insurance recoveries	2,669
Depreciation and amortization	1,867
Property and other taxes	392
Impairment and other	(12)
Other operating income	<u>(7)</u>
Total operating expenses	<u>13,017</u>
OPERATING (LOSS)	(406)
Interest expense	(673)
Other income and (expense)	<u>194</u>
(LOSS) BEFORE INCOME TAX	(885)
INCOME TAX	<u>(696)</u>
NET (LOSS)	(189)
Less: Preferred and preference stock dividend requirements	<u>121</u>
NET(LOSS) AVAILABLE FOR COMMON STOCK	<u><u>\$ (310)</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2018
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 46,822
Less- accumulated provision for depreciation and decommissioning	9,566
	<u>37,256</u>
Construction work in progress	3,883
Nuclear fuel, at amortized cost	130
	<u>41,269</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$77	75
Nuclear decommissioning trusts	4,120
Other investments	45
	<u>4,240</u>

CURRENT ASSETS:

Cash and equivalents	21
Receivables, less allowances of \$51 for uncollectible accounts	711
Accrued unbilled revenue	482
Inventory	282
Income tax receivables	312
Prepaid expenses	144
Derivative assets	171
Regulatory assets	1,133
Other current assets	69
	<u>3,325</u>

DEFERRED CHARGES:

Regulatory assets	5,380
Long-term insurance receivable due from affiliate	1,000
Other long-term assets	1,360
	<u>7,740</u>
	<u>\$ 56,574</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2018
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	\$	2,168
Additional paid-in capital		680
Accumulated other comprehensive loss		(23)
Retained earnings		8,715
Common shareholder's equity		<u>11,540</u>
Preferred and preference stock		2,245
Long-term debt		<u>12,892</u>
Total capitalization		<u>26,677</u>

CURRENT LIABILITIES:

Short-term debt		720
Current portion of long-term debt		79
Accounts payable		1,519
Accrued taxes		22
Customer deposits		299
Regulatory liabilities		1,532
Other current liabilities		975
		<u>5,146</u>

DEFERRED CREDITS:

Deferred income taxes and credits		5,898
Pensions and benefits		433
Asset retirement obligations		3,031
Regulatory liabilities		8,329
Wildfire-related Claims		4,669
Other deferred credits and other long-term liabilities		2,391
		<u>24,751</u>
	\$	<u>56,574</u>

Appendix B

Summary of Earnings

**Southern California Edison
Summary of Earnings
2015 GRC Adopted Revenue Requirement
Thousands of Dollars**

Line No.	Item	Total
1.	Base Revenues	5,182,297
2.	Expenses:	
3.	Operation & Maintenance	1,984,387
4.	Depreciation	1,532,289
5.	Taxes	442,687
6.	Revenue Credits	(147,491)
7.	Total Expenses	3,811,871
8.	Net Operating Revenue	1,370,425
9.	Rate Base	17,375,834
10.	Rate of Return	7.89%

**Southern California Edison
Summary of Earnings
2016 GRC Adopted Revenue Requirement
Thousands of Dollars**

Line No.	Item	Total
1.	Base Revenues	5,385,537
2.	Expenses:	
3.	Operation & Maintenance	2,037,603
4.	Depreciation	1,546,128
5.	Taxes	474,761
6.	Revenue Credits	(149,196)
7.	Total Expenses	3,909,295
8.	Net Operating Revenue	1,476,242
9.	Rate Base	18,713,446
10.	Rate of Return	7.89%

**Southern California Edison
Summary of Earnings
2017 GRC Adopted Revenue Requirement
Thousands of Dollars**

Line No.	Item	Total
1.	Base Revenues	5,657,371
2.	Expenses:	
3.	Operation & Maintenance	2,096,676
4.	Depreciation	1,575,482
5.	Taxes	542,386
6.	Revenue Credits	(148,941)
7.	Total Expenses	4,065,603
8.	Net Operating Revenue	1,591,768
9.	Rate Base	20,175,800
10.	Rate of Return	7.89%

Appendix C

List of Cities and Counties

Incorporated Cities and Counties Served by SCE

COUNTIES

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

CITIES

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

Last Updated: 8/24/2018