BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2015, And to Reflect That Increase In Rates.	)	A1311003

TEST YEAR 2015 GENERAL RATE CASE APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)

KRIS G. VYAS
JANE LEE COLE
GLORIA M. ING
ROBERT F. LeMOINE

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone:(626) 302-6613
Facsimile: (626) 302-6693
E-mail: scegrc@sce.com

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TEST YEAR 2015 GENERAL RATE CASE APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)

I.
INTRODUCTION

Southern California Edison Company (SCE or Company) respectfully files this application for a Test Year 2015 General Rate Case (GRC). In this application, SCE asks the California Public Utilities Commission (CPUC or Commission) to authorize a base revenue requirement (ABRR) of $6.462 billion to become effective January 1, 2015, and to reflect the ABRR in distribution and generation rates. Including sales growth and other offsets, our request represents a $206 million increase over currently authorized base revenues.

A. Summary OF Reasons For SCE's Request

The reasons supporting the revenue levels SCE requests in this application, which are discussed in further detail in the prepared testimony and supporting workpapers accompanying this filing, are chiefly the following:

1. We need to connect new customers to the system and respond to customer requests, such as undergrounding projects.[1]
2. We need to reinforce the system to accommodate load growth.[2]

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1 *See* Exhibit SCE-03, Volume 5.

2 *See* Exhibit SCE-03, Volume 3.

3. We need to make substantial capital investments to replace aging distribution infrastructure and business systems.[3]
4. We need to test, and replace where needed, over 1.4 million distribution poles.[4]
5. We need to increase depreciation rates to account for increases in cost of removal and other depreciation parameters, which the Commission held constant in our 2009 GRC.[5]

Table 1 summarizes SCE's requested ABRR and CPUC-jurisdictional base-rate revenue changes for Test Year 2015 and the two post-Test Years, 2016 and 2017.

[3] *See* Exhibit SCE-03, Volume 4.

[4] *See* Exhibit SCE-03, Volume 6, Part 2.

[5] *See* Exhibit SCE-10.

TABLE 1

2015 Summary of Earnings At Present and Proposed Rates

($000)

2015 GRC
Summary of Earnings
At Present and Proposed Rates

Line No.	Item	Recorded 2012	Estimated 2013	Estimated 2014	Estimated 2015	FERC 2015	CPUC-GRC 2015	CPUC-GRC 2016	CPUC-GRC 2017
	At Present Rates								
1.	**Authorized Base Revenue Requirement**	6,511,391	6,726,878	7,040,874	7,049,511	793,532	6,255,979	6,255,979	6,255,979
2.	**Expenses:**								
3.	Operation & Maintenance	2,410,178	2,528,147	2,530,158	2,522,348	163,854	2,358,494	2,432,986	2,497,775
4.	Depreciation	1,516,016	1,751,533	2,006,245	2,268,559	264,973	2,003,586	2,064,691	2,127,294
5.	Taxes	925,913	925,194	866,198	730,065	143,945	586,120	521,027	480,805
6.	Revenue Credits	(197,631)	(188,426)	(195,718)	(198,203)	(45,577)	(152,626)	(154,834)	(154,671)
7.	**Total Expense**	4,654,476	5,016,448	5,206,883	5,322,769	527,195	4,795,574	4,863,870	4,951,202
8.	**NET OPERATING REVENUE**	1,856,915	1,710,430	1,833,990	1,726,741	266,337	1,460,405	1,392,109	1,304,777
9.	**RATE BASE**	18,274,078	20,188,366	22,624,262	24,977,631	5,293,906	19,683,724	21,393,971	22,860,467
10.	**RATE OF RETURN**	10.16%	8.47%	8.11%	6.91%	5.03%	7.42%	6.51%	5.71%
	At Proposed Rates								
11.	**Authorized Base Revenue Requirement**						6,255,979	6,461,591	6,779,746
12.	Proposed Change						205,612	318,155	317,277
13.	**Total Proposed Revenue Requirement**						6,461,591	6,779,746	7,097,023
14.	**Expenses:**								
15.	Operation & Maintenance						2,360,373	2,438,491	2,506,900
16.	Depreciation						2,003,586	2,064,691	2,127,294
17.	Taxes						709,458	751,733	818,351
18.	Revenue Credits						(152,626)	(154,834)	(154,671)
19.	**Total Expense**						4,920,791	5,100,081	5,297,873
20.	**NET OPERATING REVENUE**						1,540,801	1,679,665	1,799,150
21.	**RATE BASE**						19,683,724	21,393,971	22,860,467
22.	**RATE OF RETURN**						7.83%	7.85%	7.87%
	Revenue Change								
23.	Residential Service Disconnection MA						14,655		
23.	GRC Revenue Growth						63,597	45,582	28,250
24.	GRC Revenue Change						156,670	272,572	289,027

B. Commission Jurisdictional Revenue Requirement

The expenses and capital expenditures presented in the prepared testimony accompanying this application include certain items that are subject to the ratemaking authority of the Federal Energy Regulatory Commission (FERC). To determine 2015-2017 Commission-jurisdictional revenue requirements, SCE must split those costs that are to be recovered through rates authorized by the Commission from those authorized by FERC. In D.04-07-022 (SCE's 2003 GRC), the Commission adopted SCE's proposed method for doing so. The Commission followed this same method in SCE's prior GRCs for 2006 (D.06-05-016), 2009 (D.09-03-025), and 2012 (D.12-11-051). SCE's 2015 GRC follows that same method. The revenue requirement presented herein has been calculated assuming SCE's recovery of its SONGS-related revenue requirement, including the Steam Generator Replacement (SGR) revenue requirement, is consistent with its proposal made in I.12-10-013 (SONGS OII).

C. Total Compensation Study

Total Compensation Studies have been an element of utility GRCs for over 20 years. In our 1992 GRC, the Commission directed that SCE and Commission staff "continue their joint studies on compensation."[6] In our 1995 GRC, the Commission ordered that in our next GRC we were to "present a [total compensation] study in which independent experts have undertaken all analysis with regard to benchmarks, job matching, and the selection of comparable firms."[7] SCE's next GRC was for Text Year 2003. In its decision on that 2003 GRC, the Commission found that the Total Compensation Study presented in that proceeding complied with that directive:

> In accordance with Commission direction in prior GRCs (D.87-12-066, D.91 12 076, and D.96-01-011), SCE and ORA jointly selected an independent expert, Hewitt Associates, to perform a total compensation study. SCE and ORA jointly managed the study.
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> …
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> The submission of the total compensation study comports with prior Commission directives. We appreciate SCE's and ORA's cooperative efforts in this respect.[8]

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6 *Re Southern California Edison Co*., D.91-12-076, 42 CPUC2d 645, 1991 Cal. PUC LEXIS 911.

7 *Re Southern California Edison Co*., D.96-01-011, 64 CPUC2d 241, 1996 Cal. PUC LEXIS 23.

8 *Re Southern California Edison Co*., D.04-07-022, 235 P.U.R 4th 1, 2004 Cal. PUC LEXIS 325.

SCE's 2006, 2009, and 2012 GRCs also included Total Compensation Studies performed by an independent expert jointly selected and managed by SCE and the Commission's Division of Ratepayer Advocates (DRA). For this 2015 GRC, SCE and DRA once again jointly selected an independent expert to perform a total compensation study. The study compares SCE's total compensation – salaries, benefits, and long- and short-term incentives – to compensation offered at other employers in the relevant labor markets. The results of that study were not available for SCE's Notice of Intent but are being reported in SCE's 2015 GRC application.

D. Previously Litigated Issues On Which The Commission Has Taken A Position

The cost estimates and requests included in SCE's Test Year 2015 GRC are consistent with applicable laws and Commission precedent. The Rate Case Plan also allows NOIs to include previously litigated issues on which the Commission has taken a position:

> The NOI may contain material such as previously litigated issues on which the Commission has taken a position. This material must be clearly identified and contain a complete justification for any policy change.[9]

SCE's requests include the following on which the Commission has previously taken a position and that SCE asks the Commission to reconsider in this proceeding:

1. Customer Deposits

When a new customer applies for utility service, SCE may, based on the customer's credit history, require that customer to deposit funds as a safeguard against failure to pay for service. This practice, which is widely followed by other utilities, protects other customers in the event the new customer defaults. In SCE's 2003 GRC the Commission decided to credit SCE's customer deposits balance against rate base, which has the effect of lowering the rate base on which SCE investors earn a rate of return. This ratemaking policy, which has so far only been applied to SCE and not the other California energy utilities, was reiterated in the Commission's decisions on SCE's 2006, 2009, and 2012 GRCs. In this 2015 GRC, SCE asks the Commission to correct this aberrant policy and return to the ratemaking practice followed for SCE prior to our 2003 GRC and still applied to the other California utilities. This ratemaking policy issue is discussed further in Exhibit SCE-10.

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9 *Order Instituting Rulemaking To Revise The Time Schedule For The Rate Case Plan,* D.89-01-040, Appendix B, p. B-9; D.07-07-004, Appendix A, p. A-19.

2. Long-Term Incentives, Executive Short-Term Incentives, And Executive Benefits

As mentioned above, in its 2009 and 2012 GRCs, SCE submitted the results of a Total Compensation Study performed by an independent expert under the joint management of SCE and the Commission staff. Those studies showed that SCE's total compensation – salaries, benefits, and short- and long-term incentives – were essentially at market levels. Despite that result, the Commission's decisions in the 2009 and 2012 GRCs rejected SCE's requests to recover the costs of long-term incentive pay, and allowed only partial recovery of short-term incentives and benefits. In this 2015 GRC, SCE asks the Commission to reconsider this categorical rejection of long-term incentives and its partial rejection of short-term incentives and benefits, because this result is fundamentally incompatible with cost-of-service ratemaking principles. These ratemaking policy issues are discussed in Exhibit SCE-06, Volume 2, Part 1.

3. Compensation for Non-Employee Directors

In its 2009 and 2012 GRCs, SCE sought recovery of supplemental benefits and stock-based compensation for non-employee directors, given that the law requires a corporate board and these expenses are typical and recurring costs of conducting business in the State of California.[10] However, the Commission has denied SCE's request on the grounds that such expenses are not necessary for the delivery of electrical service, similar to its decision in declining rate recovery for stock-based compensation for executives.[11] SCE respectfully notes that such expenses are indeed necessary; because SCE conducts business in the State of California, SCE is required by law to be overseen by a board of directors. Compensation to SCE's board is required, typical, and recurring.

E. Additional And Related Requests

In addition to the requests summarized above, SCE is also making several other requests, which are summarized below and explained in detail in the exhibits accompanying this application or in concurrently filed motions.

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[10] D.12-11-051, p. 494.

[11] *Id.*

1. SCE Proposes A Post-Test Year Ratemaking Mechanism For Years Between Test Year 2015 And SCE's Next GRC

In addition to addressing SCE's revenue requirement for Test Year 2015, this application also presents SCE's proposal for a Post-Test Year ratemaking mechanism, which would operate between 2015 and SCE's next GRC for Test Year 2018. The specifics of SCE's proposed Post-Test Year Ratemaking mechanism are addressed in Exhibit SCE-10. In that testimony, SCE asks the Commission to approve a mechanism that, coupled with the base rate increase proposed herein for test year 2015, would result in increases of $368 million in 2016 and $331 million in 2017.[12] As discussed in Exhibit SCE-10, SCE proposes to consolidate the rate changes adopted by the Commission in this proceeding with those adopted in the Energy Resource Recovery Account proceeding at the beginning of each year.

2. Recovery Of SCE's Share Of The Solar Photovoltaic Program Revenue Requirement

In A.08-03-015, SCE requested the Commission's authorization to own, install, operate and maintain 250 megawatts (MW) of distributed solar photovoltaic (PV) projects primarily in the one-to-two MW range to be located in SCE's service territory. Prior to a final decision in that application, the Commission granted SCE's request in Advice Letter 2226-E to establish the Solar PV Program Memorandum Account (SPVPMA) to begin recording the capital revenue requirement and incremental O&M expenses associated with the first $25 million of the program.

In D.09-06-049, the Commission authorized SCE to establish a Solar PV Program (SPVP) to install, operate, and maintain up to 250 MW of utility-owned solar PV generating facilities. The Commission also approved recovery of incremental O&M and up to $962.5 million of capital expenditures (an average of $3.85/Watt (W) over the 2009 through 2014 program period).[13] In addition, the Commission adopted SCE's request to include an estimated revenue requirement in generation rate levels each year and establish the Solar PV Program Balancing Account (SPVPBA) to record the incremental O&M and the capital revenue requirement on a going forward basis.[14] D.09-06-049 also

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[12] Net of sales growth.

[13] In D.09-06-049, the Commission doubled the size of the Solar PV program by adding an additional 250 MW Independent Power Producer (IPP) component, whereby SCE must hold an annual solicitation to procure up to 250 MW distributed generation bids from IPPs under power purchase agreements.

[14] On a monthly basis the balance recorded in the SPVPBA is transferred to the generation subaccount of the Base Revenue Requirement Balancing Account (BRRBA). In the BRRBA, the difference between the revenue resulting from the

(*Continued*)

allowed SCE to transfer the balance recorded in the SPVPMA to the SPVPBA after the SPVPBA is reviewed in an ERRA review proceeding.[15]

In D.09-06-049, the Commission also stated that the reasonableness review of the SPVP capital expenditures and O&M costs should be addressed in SCE's GRCs, just like other Utility Owned Generation (UOG) expenses.[16] SCE filed a Petition for Modification (PFM) of D.09-06-049 in which it requested that its 250 MW portion of the program be reduced to 125 MW. On February 23, 2012, in D.12-02-035, the Commission partially approved SCE's petition, primarily to reduce both the 250 MW UOG portion and the 250 MW IPP portion to no more than 125 MW each. SCE filed another PFM and in D.13-05-033, the Commission agreed to a further reduction in the utility-owned portion of the SPVP program, and thus established that the utility-owned portion of the SPVP program be capped at 91 MW. As well, the Commission made conforming changes to the O&M and capital estimates to reflect the program reduction. The reasonable cost estimates over the program period was reduced to approximately $15.037 million (2008 dollars) in O&M expenses, and $350.35 million (2008 dollars) in direct capital expenditures ($318.5 million direct capital plus a 10 percent contingency). These total costs continue to be based on $3.50/W ($3.85/W including contingency), with costs in excess of $3.85/W subject to a reasonableness review.

As discussed in Exhibit SCE-02, SCE is including in this GRC its estimates of O&M expenses and capital expenditures for the SPVP. The program's reduction to 91 MW will be accomplished in 2013 with the installation of the final solar rooftop project. Since construction of new facilities concludes in 2013, SCE's Test Year 2015 forecast includes the costs associated with ongoing O&M of the utility-owned solar fleet. Pursuant to D.09-06-049, only direct capital costs in excess of the annual $3.85/W threshold will be subject to reasonableness review. As discussed in Exhibit SCE-02, Vol. 10, the direct capital expenditures included in the calculation of the 2015 GRC revenue requirement are less than the adopted threshold.

Continued from the previous page

estimated revenue requirement included in generation rates and the actual SPVP revenue requirement is recorded. The year-end balance recorded in the BRRBA is included in rates annually.

15 SCE included the balance recorded in the SPVPMA for review in A.10-04-002, SCE's 2009 ERRA review proceeding, and the SPVPMA was eliminated.

16 D.09-06-049, (*mimeo*), p. 48 and p. 57, Conclusion of Law 9.

Because D.09-06-049 requires review of the SPVP costs in the GRC like other UOG costs, SCE has included the SPVP revenue requirement in the 2015, 2016, and 2017 Commission jurisdictional revenue requirement (ABRR). If SCE's SPVP revenue requirement proposal is adopted in this proceeding, then beginning on January 1, 2015, the SPVPBA will no longer be necessary, and Preliminary Statement Part UU, SPVPBA, will be eliminated from SCE's tariffs.

3. Recovery Of Market Redesign And Technology Upgrade Revenue Requirement

The Commission issued Resolution E-4087 on May 24, 2007, authorizing SCE to establish the Market Redesign and Technology Upgrade Memorandum Account (MRTUMA) to record the incremental O&M expenses and the revenue requirement on incremental capital additions associated with the California Independent System Operator's (CAISO) MRTU initiative. Resolution E-4087 requires that the costs of the MRTU implementation be found reasonable in SCE's ERRA review proceedings.

SCE's 2009 GRC requested authority to include recovery of the MRTU revenue requirement in the 2009 Test Year revenue requirement based on an estimate of the capital expenditures and O&M expenses for MRTU Release 1, 1A, and 2. The Commission's decision on SCE's 2009 GRC rejected this proposal because the estimated costs of Releases 1, 1A, and 2 were not yet known and the scope of the MRTU phases was evolving. SCE's 2012 GRC again requested authority to include recovery of the MRTU revenue requirement in its 2012 Test Year revenue requirement, which was partially declined by the Commission, since MRTU implementation was expected to be a multi-year process and CAISO had not yet determined all requirements for subsequent releases.

The Commission also stated in SCE's 2012 GRC decision that it did not envision the MRTUMA lasting in perpetuity, but that the lack of a reasonableness review for any post Release 1 costs reduced the value of terminating the account at that time. That is no longer the case. Recorded capital expenditures incurred through December 31, 2012 are now known, and are currently being reviewed in SCE's ERRA review proceedings.[17] To the extent any recorded MRTU capital costs are found unreasonable in an ERRA review proceeding, SCE will make the appropriate adjustment to reduce the 2015, 2016, and 2017 ABRR included in this Application. As shown in Exhibit SCE-02, Vol. 4, the O&M costs for operating the MRTU system are included in the overall cost forecast for the

[17] A.13-04-001. In addition, the balances for the 2006 through 2010 and 2011 Record Periods presented in SCE's ERRA Review applications, A.11-04-001 and A.12-04-001, are still pending before the Commission.

Power Procurement department. SCE's 2015 GRC forecast includes the Information Technology operating unit's MRTU-related O&M and capital expenditures in Exhibit SCE-05, Vol. 1 and 2, Part 1.

Once the Commission issues a final decision in this 2015 GRC and in the ERRA review proceedings, no additional amounts will be recorded in the MRTUMA and the recorded balance in the MRTUMA will be transferred to the generation subaccount of the BRRBA for recovery in rates. If SCE's MRTU revenue requirement proposal is adopted in this proceeding, beginning on January 1, 2015, the MRTUMA will no longer be necessary and Preliminary Statement Part N.41, MRTUMA, will be eliminated from SCE's tariffs.

4. Recovery Of The Project Development Division (PDD) Labor-Related Revenue Requirement And Modification Of The PDD Memorandum Account For Non-Labor-Related Revenue Requirement

SCE's 2006 GRC decision, D.06-05-016, established the Project Development Division Memorandum Account (PDDMA) to track the support costs incurred by SCE's Project Development Division (PDD). SCE can recover the PDD support costs recorded in the PDDMA after review in its annual ERRA review proceedings. The recorded costs in the PDDMA include, for example, support function costs related to identifying locations for new generation and evaluating generation technologies. Costs related to proposed project development are excluded from the PDDMA. The Commission required SCE to exclude the forecast of the PDD costs from its 2009 GRC and continued the authorization of the PDDMA. In its 2012 GRC decision, the Commission did include a forecast of PDD costs in the 2012 Test Year revenue requirement, but declined to eliminate the PDDMA, and stated SCE should continue to demonstrate that tracked expenses are associated only with authorized support functions.

As discussed in Exhibit SCE-09 of this 2015 GRC, SCE has included PDD support labor costs for the Generation Planning group (formerly known as the PDD) in its 2015, 2016, and 2017 ABRR since they are now steady and predictable. However, to eliminate forecast uncertainties, SCE proposes to continue recording non-labor PDD support costs, primarily associated with consultants involved in preliminary site studies, in the PDDMA. Non-labor related expenses are primarily dependent on the generation-related studies undertaken by generation planning or contracted to another party that year. If this proposal is approved in this proceeding, the advice letter to be filed in compliance with a final Commission 2015 GRC decision will modify Preliminary Statement, Part N.44, PDDMA, as required, to record non-labor PDD costs beginning on January 1, 2015. Balances recorded in the

PDDMA will continue to be reviewed in the annual ERRA review proceeding consistent with Preliminary Statement, Part N.44, and upon Commission approval, are transferred to the generation subaccount of the BRRBA to be recovered from customers.

5. Recovery Of Four Corners Revenue Requirement

As discussed in Exhibit SCE-02, SCE's participation in Four Corners will expire at the end of the current co-ownership agreements in July of 2016. To sustain plant safety, reliability, fuel efficiency, and regulatory compliance until SCE's share of the plant is either sold or permanently shut down and decommissioned, SCE must continue to make expenditures for regulatory changes and the adverse impacts of obsolescence, age, and severe service conditions. SCE has therefore forecast O&M expenses and capital expenditures for Four Corners into 2015.

In SCE's 2012 GRC, the Commission declined to authorize rate recovery for twelve months of Four Corners O&M because, at that time, a sale was expected to occur in October 2012. Instead, the Commission authorized O&M recovery for nine months of 2012 and no O&M cost recovery in 2013 or 2014, and also directed that SCE establish a memorandum account if completion of the sale was delayed.

On December 19, 2012, SCE filed Advice Letter 2826-E establishing the Four Corners Memorandum Account (FCMA), to track the O&M and capital revenue requirements for Four Corners incurred between October 1, 2012, and the delayed sale date. Beginning in 2014, SCE will include the revenue requirement in rates on a provisional basis.[18] Pending completion of the sale, alternate disposition of SCE ownership interest, or decommissioning of the plant, the Commission will review and approve the reasonableness of the costs tracked in the FCMA in the first ERRA review proceeding to occur after final disposition has been confirmed. To the extent any recorded Four Corners capital costs are found unreasonable in the ERRA review proceeding, SCE will make the appropriate adjustment to reduce the 2015, 2016, and 2017 GRC ABRR included in this Application.

If SCE's Four Corners revenue requirement proposal is adopted in this proceeding, beginning on January 1, 2015, the FCMA will no longer be required, and Preliminary Statement Part N.49, FCPMA, will be eliminated from SCE's tariffs.

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[18] Pursuant to Preliminary Statement Part N.49, FCMA, reasonableness of amounts recorded in the FCMA shall be determined in SCE's ERRA review proceedings and, beginning on January 1, 2014, SCE shall transfer any over/under collection in the FCMA on an annual basis to the generation subaccount of the BRRBA for recovery in rates.

6. Recovery Of Fuel Cell Program Revenue Requirement

In D.10-04-028, the Commission authorized SCE to install utility-owned fuel cells on three University of California and California State University campuses. That decision also authorized SCE to establish the Fuel Cell Program Memorandum Account (FCPMA) to record the actual capital revenue requirement and O&M expenses and recover those costs through a transfer of the monthly balance to the generation subaccount of the BRRBA, as long as the amounts are no higher than the estimates approved in D.10-04-028. The Commission authorized $19.1 million of direct capital costs, and total O&M costs of $8.9 million over the ten-year life of the fuel cells.

SCE's 2012 GRC requested authority to include cost recovery of the Fuel Cell Program (FCP) in the 2012 Test Year revenue requirement and eliminate the FCPMA. The Commission did include the FCP costs in the authorized 2012 Test Year revenue requirement, but declined to eliminate the FCPMA because the FCP had been delayed and modified, including the loss of one of the three projects.[19] SCE now has more experience with the program and its costs, having completed one fuel cell project, nearing completion of the second, and has entered into long-term service agreements for maintenance.

SCE's fuel cell project at University of California Santa Barbara (UCSB) was completed in 2012 and the project at California State University San Bernardino (CSUSB) is expected to be completed in 2013. Ordering Paragraph No. 4 of D.10-04-028 authorizes SCE to recover the revenue requirement of the FCP as long as the amounts do not exceed $10.6 million (2009$) of direct capital expenditures[20] and $8.9 million of O&M over the ten-year life of the program. Thereafter, costs are deemed reasonable. As discussed in Exhibit SCE-02, SCE has forecast the 2015 Test Year FCP O&M consistent with the requirements of D.10-04-028. SCE anticipates it will include the capital expenditures and associated capital revenue requirement for the FCP in its April 1, 2014 ERRA review proceeding and will demonstrate that the capital expenditures are consistent with the requirements of D.10-04-028. To the extent any recorded FCP capital costs are found unreasonable in the ERRA review proceeding, SCE will make the appropriate adjustment to reduce the 2015, 2016, and 2017 ABRR included in this Application.

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[19] The operation of the FCPMA was therefore modified to record the difference between the authorized and recorded FCP revenue requirements, with this difference transferred to the generation subaccount of the BRRBA, as long as recorded amounts do not exceed total authorized O&M and capital expenditure amounts.

[20] D.12-11-051, page 93.

If SCE's FCP revenue requirement proposal is adopted in this proceeding, beginning on January 1, 2015, SCE will no longer record the revenue requirement in the FCPMA, and Preliminary Statement Part N.43, FCPMA, will be eliminated from SCE's tariffs. Any remaining balance recorded in the FCPMA will be reviewed in the next ERRA review proceeding consistent with Preliminary Statement, Part N.43 and, upon Commission authorization, will be transferred to the generation subaccount of the BRRBA to be either recovered from or returned to customers.

7. Elimination Of The Mohave Balancing Account (MBA)

On December 31, 2005, the Mohave generating facility ceased operations and decommissioning activities began. In its decision on SCE's 2006 GRC, D.06-05-016, the Commission authorized SCE to establish the two-way MBA to record the difference between: (1) recorded capital-related revenue requirement, operating expenses and worker protection expenses associated with the Mohave generating station; and (2) the authorized Mohave revenue requirement adopted in D.06-05-016. Any over- or under-collection in the account is transferred on an annual basis to the BRRBA to be recovered from or returned to SCE's customers. SCE must support entries recorded in the MBA in its annual April ERRA review proceedings. In both D.09-03-025 (2009 GRC) and D.12-11-051 (2012 GRC), the Commission authorized continuation of the MBA.

As discussed in Exhibit SCE-02, SCE forecasts relatively minor capital expenditures on Mohave during 2013 and projects that decommissioning will be completed that year. SCE also anticipates that site oversight will continue to be required beyond 2015 for site security, minor maintenance activities, and landfill regulatory obligations (such as monitoring well testing and analysis and landfill inspections.) We therefore forecast 2015 Test Year O&M expense (SCE Share) for activities related to plant site management and closure.

SCE proposes to close the MBA, as the site closure and dispositioning activities are now concluding. The actual capital expenditures that were incurred through December 31, 2012 are currently being reviewed in SCE's ERRA review proceedings.[21] To the extent any recorded Mohave capital costs are found unreasonable in the ERRA review proceedings, SCE will make the appropriate adjustment to reduce the 2015, 2016, and 2017 GRC ABRR included in this Application.

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[21] A.13-01-004. In addition, the balances for the 2006 through 2010 and 2011 Record Periods presented in SCE's ERRA Review applications, A.11-04-001 and A.12-04-001, are still pending before the Commission.

SCE has included both the annual on-going capital revenue requirement associated with the recorded capital investment and the forecast annual O&M expenses in its 2015, 2016, and 2017 ABRR. If this proposal is adopted in this proceeding, beginning on January 1, 2015, SCE will no longer record the revenue requirement in the MBA.

8. Elimination Of The Edison SmartConnect Balancing Account (ESCBA)

SCE's Advanced Metering Infrastructure (AMI) project, also known as Edison SmartConnect (ESC), has resulted in the installation of about 4.95 million smart meters in households and businesses with a demand of less than 200 kW over the 2008-2012 period. SCE implemented the AMI project in three phases. SCE's costs associated with this project are reviewed in SCE's annual April ERRA Review proceedings.

The purpose of the ESCBA is to record the revenue requirement associated with Phase III costs incurred by SCE for deploying ESC meters. In D.08-09-039, the Commission approved Phase III funding for full deployment of ESC and authorized the establishment of the ESCBA to recover costs up to $1,633.5 million for AMI deployment activities over the 2008 – 2012 deployment period. In addition, the operation of the ESCBA recognizes ratepayer operational benefits associated with the ESC project. Specifically, SCE credits $1.4246 per meter of O&M operational benefits, per month, via the ESCBA beginning eight months after each meter is received and recorded in rate base.

In SCE's 2012 GRC, the Commission authorized SCE to continue the ESCBA in the 2012 GRC cycle to record only the expenses anticipated by D.08-09-039 for Home Area Network (HAN) and related programs for Programmable Communicating Thermostats (PCT) and In-Home Display (IHD) devices.[22] Such costs recorded in 2013 and 2014 in the ESCBA will continue to be reviewed in SCE's annual ERRA Review proceedings.[23]

As discussed in Exhibit SCE-04, Vol. 2, SCE has included ESC-related O&M and capital expenditures (including HAN-related activities) in the 2015 Test Year revenue requirement,[24] and,

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[22] In addition, SCE filed Advice Letter 2871-E on March 27, 2013 requesting Commission authorization to modify the ESCBA language to specifically state that actual 2013–2014 HAN capital-related revenue requirements may be recorded in the ESCBA.

[23] Each month, the ESCBA recorded balance is transferred to the distribution subaccount of the BRRBA for recovery in rates.

[24] This includes the on-going ESC capital-related revenue requirement associated with the deployment period capital expenditures.

therefore, the ESCBA is no longer required. Accordingly, beginning on January 1, 2015, SCE will no longer record any ESC-related revenue requirements in the ESCBA.

9. Recovery Of Edison SmartConnect Opt-Out Revenue Requirement

On April 30, 2012, the Commission issued D.12-04-018, requiring that SCE modify its SmartConnect program to include an opt-out option. D.12-04-018 established interim fees and ordered a Phase 2 of the proceeding to further consider costs, fees, and cost allocation. Pursuant to D.12-04-018, SCE established the Edison SmartConnect Opt-Out Memorandum Account (SOMA) to track the revenues received from interim opt-out fees and charges as adopted in the decision and the recorded costs associated with providing the opt-out option until a final decision on costs and cost allocation issues is issued. A Phase 2 decision is expected in 2013.

On August 10, 2012, SCE submitted its Opt-Out Phase 2 testimony. Consistent with D.12-04-018, SCE is requesting recovery of the SOMA balance in its Phase 2 proposal in that proceeding. SCE proposes to transfer the SOMA balance to a new Edison SmartConnect Opt-Out balancing account (SOBA) upon its effective date and, because the SOMA will no longer be necessary, proposes to eliminate the SOMA at that time from its tariffs. Opt out-related costs incurred after 2014 are to be addressed in SCE's 2015 GRC application. This includes the recovery of the on-going capital-related revenue requirements associated with 2012 through 2014 capital expenditures, as well as any adjustments that may need to be made to the opt-out fees and charges.

Consistent with SCE's Phase 2 proposal in the Opt-Out proceeding, as discussed in Exhibit SCE-04, Vol. 2, SCE has included forecast O&M and capital expenditures associated with on-going opt-out activities, as well as opt-out customer fees and charges (which are part of SCE's Other Operating Revenue (OOR) forecast), in its 2015, 2016, and 2017 ABRR. If SCE's opt-out revenue requirement proposal is adopted in this proceeding and assuming a Phase 2 decision adopts SCE's ratemaking proposal to establish the SOBA in 2013, then beginning January 1, 2015, SCE will no longer record the revenue requirement in the SOBA, and the SOBA will be eliminated from SCE's tariffs. SCE proposes to transfer the December 31, 2014 balance in the SOBA to the distribution subaccount of the BRRBA.[25]

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[25] The recorded operation of the BRRBA, which would include the SOBA transfer, would then be reviewed in SCE's April 2015 ERRA review proceeding.

10. Recovery Of The Residential Service Disconnection (RSD) OIR Recorded Costs And Elimination Of The RSD Memorandum Account

On February 5, 2010, the Commission issued Order Instituting Rulemaking 10-02-005 (Disconnect OIR) on its own motion to address the issue of customers' electric and natural gas service disconnection. This rulemaking directed the utilities to implement interim practices to achieve the objective of reducing residential service disconnections and authorized the establishment of memorandum accounts to record significant costs associated with complying with the new practices.

On February 11, 2010, SCE filed Advice Letter 2439-E establishing the Residential Service Disconnection Memorandum Account (RSDMA) to record O&M expenses associated with the implementation of the new practices and revenue shortfalls resulting from uncollectibles that are in excess of those authorized in SCE's last GRC. On July 30, 2010, the Commission issued D.10-07-048, which continued methods to decrease the number of disconnections and established a Phase 2 to address whether to extend any of the interim measures or take any additional steps to reduce the number of disconnections. D.10-07-048 also stated that Phase 2 should address the categories and significant costs associated with compliance with the practices established in the Disconnect OIR; however, memorandum account cost recovery is to be determined in the next GRC.

The Phase 2 Decision (D.12-03-054), issued on March 22, 2012, addressed required practices to be observed until December 31, 2013.[26] The Phase 2 Decision also reaffirmed the Commission's intent to review the reasonableness of the costs tracked in the memorandum accounts in the next GRC.

Exhibit SCE-04, Vol. 2 addresses the reasonableness of the $1.459 million recorded to-date necessary to implement the new practices and the reasonableness of the $7.709 million for the uncollectibles in excess of authorized that are attributable to the Disconnect OIR. Consistent with D.12-03-054, SCE will continue to incur RSDMA costs related to the Disconnect OIR practices throughout 2013. In addition, in 2014, SCE expects that it will also record in the RSDMA any uncollectibles in excess of authorized for the year 2013 that are attributable to the Disconnect OIR in addition to continuing costs related to implementing the new practices in 2013. SCE will provide the most recent RSDMA recorded activity in the Update Phase of this GRC proceeding.

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[26] With the exception that the requirement that customers are offered enrollment in CARE rates by telephone and the requirement for a pre-disconnection site visit for vulnerable customers do not expire.

Assuming SCE's RSDMA activities and costs are found reasonable in this proceeding, SCE would transfer the December 31, 2014 balance in the RSDMA to the distribution subaccount of the BRRBA. In addition, on January 1, 2015, Preliminary Statement Part N.37, RSDMA, will be eliminated from SCE's tariffs. The recorded operation of the BRRBA, which will include the RSDMA transfer, will be reviewed by the Commission in SCE's annual April ERRA Review proceeding to ensure that the entries made in the BRRBA are stated correctly and are consistent with Commission decisions.

As discussed in Exhibit SCE-04, Vol. 2, to avoid double-counting, the Disconnect OIR impacts were removed from derivation of SCE's proposed Uncollectible Factor (derived based on a five-year average) on the assumption that the Commission will authorize the recovery of the amounts recorded in the RSDMA. If the Commission were to deny RSDMA recovery (or portions thereof), then adjustments for the disallowed portion of the impact should be added to the five-year average used to forecast SCE's 2015 Test Year Uncollectible Factor.

11. Recovery Of On-Going Bark Beetle Catastrophic Event Memorandum Account (CEMA) Costs And Elimination Of The Bark Beetle CEMA

In Resolution E-3824, dated April 3, 2003, the Commission authorized SCE to activate its Bark Beetle CEMA in response to California Governor Davis' issuance of a State of Emergency Proclamation for Riverside, San Bernardino, and San Diego Counties.[27] The Bark Beetle CEMA has over the years included the recording of: (1) the incremental O&M expenditures associated with removing dead, dying, or diseased trees that may fall on or contact SCE's electrical facilities, (2) the revenue requirement on incremental capital additions associated with the installation of new poles and associated hardware resulting from removing trees that had electrical equipment attached to them, and (3) the reimbursements made to property owners for their costs of removing trees that could have impacted SCE's electrical facilities. In Ordering Paragraph No. 3 of Resolution E-3824, the Commission authorized SCE to seek recovery of bark beetle-related costs recorded in the CEMA.

On June 3, 2004, SCE submitted its first Bark Beetle CEMA Advice Letter, 1801-E, requesting recovery of its incremental O&M costs of $18.08 million for 2003. On September 23, 2004, the Commission issued Resolution E-3880, which approved Advice Letter 1801-E with modification. In

[27] Subsequently, on January 6, 2005, Governor Schwarzenegger issued a proclamation that extended the directions, orders, and authorities of the March 7, 2003 Emergency Proclamation to include affected areas of Los Angeles County. The emergency condition in Los Angeles County was later determined to have concluded. On May 18, 2011, Governor Brown issued a proclamation that ended the bark beetle emergency for Los Angeles County.

general, the Commission found the costs requested in Advice Letter 1801-E reasonable. The Commission reduced the $18.08 million request by $456,524 to reflect expenses associated with the side-trimming of trees that the Commission determined should have been covered by SCE's normal line clearing costs. Resolution E-3880 also ordered SCE to file an application (rather than an advice filing) for any future recovery of bark beetle-related costs recorded in the CEMA.

On December 16, 2005, SCE submitted its second Bark Beetle CEMA filing, A.05-12-018, to recover costs incurred in 2004 recorded in the Bark Beetle CEMA. On October 19, 2006, the Commission issued D.06-10-038, granting SCE recovery of its bark beetle incremental costs incurred in 2004 for the bark beetle infestation. D.06-10-038 found that SCE's request of $129.494 million of O&M costs was reasonable. In October 2006, SCE transferred this amount, plus interest, to the distribution subaccount of the BRRBA.

On June 5, 2007, SCE submitted its third Bark Beetle CEMA filing, A.07-06-008, to recover costs incurred in 2005 and 2006 that recorded in the Bark Beetle CEMA. On February 28, 2008, the Commission issued D.08-02-014, granting SCE recovery of its bark beetle incremental costs incurred in 2005 and 2006 for the bark beetle infestation. D.08-02-014 found that SCE's request of $42.160 million of O&M costs was reasonable. In February 2008, SCE transferred this amount, plus interest, to the distribution subaccount of the BRRBA.

On November 16, 2009, SCE submitted its fourth Bark Beetle CEMA filing, A.09-11-011, requesting recovery of $16.004 million of bark beetle related costs recorded in the Bark Beetle CEMA for 2007 and 2008. On May 20, 2010, the Commission issued D.10-05-032 stating that the $16.004 million was reasonable, and authorized the transfer of $16.428 million to the distribution subaccount of the BRRBA.

On May 1, 2012, SCE submitted its fifth Bark Beetle CEMA filing, A.12-05-003, to recover $11.697 million recorded during 2009 through 2011 in the Bark Beetle CEMA. On November 29, 2012, the Commission issued D.12-11-041, authorizing the transfer of $11.735 million plus interest on the effective date of the decision to the distribution subaccount of the BRRBA. SCE anticipates it will file an application requesting recovery of recorded 2012 through 2014 bark beetle related costs at an appropriate time in the future.

As discussed in Exhibit SCE-03, Vol. 6, SCE has included the on-going revenue requirement associated with bark beetle infestation in its 2015, 2016, and 2017 ABRR. Beginning in 2015, bark beetle-related costs should be steady and predictable, and recovery through the Bark Beetle

CEMA will no longer be necessary. If recovery of the bark beetle costs in this GRC application is adopted, SCE will discontinue recording any bark beetle related costs into the Bark Beetle CEMA as of January 1, 2015.

12. Continuation of the Fire Hazard Prevention Memorandum Account (FHPMA)

In D.09-08-029, the Commission found it reasonable for SCE to recover costs prudently incurred to comply with the vegetation management program changes as adopted in that decision. D.09-08-029 authorized SCE to establish the FHPMA. The Commission stated in that decision that the proper forum for recovery of costs recorded in the FHPMA would be Phase 2 of the OIR. In compliance with D.09-08-029, SCE submitted Advice Letter No. 2387-E on October 1, 2009 to establish the FHPMA.

SCE's ERRA Review application, A.12-04-001, requests recovery of $24.568 million of O&M costs incurred in 2009 through 2011 that recorded in the FHPMA. A Commission decision on that request is pending. Upon a Commission finding that these costs are reasonable, SCE will transfer the costs to the distribution subaccount of the BRRBA for recovery.

Phase 2 of R.08-11-005 directed SCE to seek approval of 2012 FHP expenses in its 2012 GRC. In SCE's 2012 GRC, the Commission authorized recovery of Phase 1 and 2 FHP costs in the adopted 2012 revenue requirement. The Commission declined SCE's proposal to eliminate the FHPMA. The FHPMA was modified to record the increase in costs incurred related to Phase 3 of R.08-11-005.

Decision 12-01-032 instituted Phase 3 of R.08-11-005 to develop and adopt new fire prevention methods. The decision set a preliminary deadline of 18 months for resolving Phase 3 issues with the final deadline to be set in a scoping memo to follow.[28] In D.12-01-032, the Commission also stated that recovery of costs for the FHPMA should occur by application until the first GRC that occurs after the close of the proceeding. At that time, the FHPMA will be closed and thereafter cost recovery is to occur through the GRC mechanism. On May 15, 2013, an Assigned Commissioner's Ruling amended the scope and schedule of a revised Phase 3, with the proceeding to conclude within 24 months from the date of the ruling.[29]

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[28] ALJ Scoping Memo, dated June 1, 2012, set forth that the proceeding is to conclude within 24 months of the ruling date, or mid-year 2014.

[29] "Assigned Commissioner's Amended Scoping Memo and Ruling for Track 3 Issues and Deferred Track 1 Issues," dated May 15, 2013, Ordering Paragraph No. 4.

As discussed in Exhibit SCE-03, Vol. 6, SCE has included a forecast of routine vegetation management activities, which have stabilized since 2010, in its 2015 Test Year request. However, consistent with the discussion above, SCE has excluded from its 2015, 2016, and 2017 ABRR any forecast of vegetation management costs related to Phase 3 that are expected to be recorded to the FHPMA. SCE will continue recording Phase 3 fire hazard prevention costs in the FHPMA over the 2015 GRC period and seek recovery of the balance in its 2018 GRC proceeding.

13. Continuation Of The Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)

The Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) records the difference between PBOP expenses authorized by the Commission and recorded PBOP expenses, after capitalization. The balance in the PBOPBA is carried forward each month through the end of each year. The balance recorded in the PBOPBA at the end of each year is then transferred to the BRRBA and consolidated into rate levels on an annual basis. Entries recorded in the PBOPBA in each calendar year are reviewed in SCE's ERRA review proceedings, filed on April 1st of each subsequent year. SCE asks the Commission to continue the PBOPBA during the 2015 GRC cycle. The advice letter to be filed in compliance with a final Commission decision in this proceeding would modify SCE's Preliminary Statement as required.

14. Continuation Of The Pensions Cost Balancing Account (PCBA)

The purpose of the Pension Cost Balancing Account (PCBA) is to record the difference between pension expenses authorized by the Commission and recorded pension expenses, after capitalization. The balance in the PCBA is carried forward each month through the end of each year, then transferred to the BRRBA and consolidated into rate levels on an annual basis. Entries recorded in the PCBA in each calendar year are reviewed in SCE's ERRA review proceedings, filed on April 1st of each subsequent year. SCE asks the Commission to continue the PCBA during the 2015 GRC cycle. If this proposal is approved in this proceeding, in the advice letter filed in compliance with a final Commission decision in this proceeding, SCE will modify the Preliminary Statement as necessary.

15. Continuation Of The Medical Programs Balancing Account (MPBA)

The purpose of the Medical Programs Balancing Account (MPBA) is to record the difference between authorized medical, dental, and vision expenses and recorded expenses, after capitalization. The balance in the MPBA is carried forward each month through the end of each year. The balance recorded in the MPBA at the end of each year is then transferred to the BRRBA and consolidated into rate levels on an annual basis. Entries recorded in the MPBA in each calendar year are reviewed in SCE's ERRA review proceedings filed on April 1st of each subsequent year. SCE asks the Commission to continue the MPBA during the 2015 GRC cycle. The advice letter filed in compliance with a final Commission decision in this proceeding would modify SCE's Preliminary Statement as required.

16. Continuation Of The Results Sharing Memorandum Account (RSMA)

The purpose of the Results Sharing Memorandum Account (RSMA) is to compare the authorized and actual Results Sharing expenses paid out, after capitalization. If authorized amounts exceed actual payout amounts (*i.e.*, over-collections), that over-collection is returned to customers through the BRRBA. If the recorded payout amounts exceed authorized amounts (*i.e.*, under-collections), that under-collection is not recoverable. Although the Commission found SCE's request for Results Sharing reasonable in D.09-03-025 and D.12-11-051 (with a 10% reduction in the 2012 Test Year forecast), it required SCE to continue to use the RSMA during both the 2009 and 2012 GRC periods. SCE proposes to continue the RSMA during the 2015 GRC cycle. The advice letter to be filed in compliance with a final Commission decision in this proceeding would modify SCE's Preliminary Statement as required.

17. Continuation Of Research, Development And Demonstration Adjustment Clause (RDDAC)

The purpose of the Research, Development And Demonstration Adjustment Clause (RDDAC) is to record the difference between authorized and recorded RD&D spending. Any unspent funds as of December 31st of each year are carried forward in the RDDAC to the subsequent year until the next GRC. SCE proposes to continue the one-way RDDAC balancing account to ensure that RD&D funds authorized in the GRC are spent on RD&D programs.[30]

As discussed in Exhibit SCE-03, Vol. 2, SCE is requesting RD&D funding consistent with the 2012 authorized level, increased for escalation. SCE notes that the Commission has established the Electric Program Investment Charge (EPIC).[31] If funding is approved for RD&D programs pursuant to EPIC, SCE will not continue to seek funding for RD&D in this GRC. SCE has filed an appellate

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30 The RDDAC was first established in D.87-12-066. The Commission in D.06-05-016, D.09-03-025, and D.12-11-051 allowed SCE to continue to use the RDDAC during the 2006, 2009, and 2012 GRC cycles.

31 D.12-05-037.

challenge testing the legality of EPIC. SCE's request for RD&D funding in this GRC is expressly conditioned on SCE succeeding in its appeal, or on EPIC being voided by some other judicial, regulatory, or legislative action.

18. Modification Of The Reliability Investment Incentive Mechanism (RIIM)

From 1997 through 2008, SCE operated with a form of reliability incentive mechanism in which it could earn rewards or suffer penalties based on its performance relative to benchmarks for frequency and duration of electric service interruptions. The first such mechanism was adopted for SCE in D.96-09-092. The Commission authorized a modified version of a distribution reliability mechanism in SCE's 2003 GRC, D.04-07-022.

In SCE's 2006 GRC, SCE, the Coalition of California Utility Employees (CUE), and The Utility Reform Network (TURN) entered into a stipulation asking for Commission approval to establish the RIIM. The RIIM replaced the benchmark-based reliability mechanism with a system focused on reliability-related capital expenditures and workforce increases. If SCE did not spend as much as authorized, or increase certain workforce categories consistent with RIIM targets, funds would be returned to customers at the end of the rate case cycle. The RIIM was based on SCE's priority system for capital expenditures, allowing funds to flow to higher priority requirements as circumstances dictated. The Commission approved that stipulation in D.06-05-016. In SCE's 2009 GRC, SCE and CUE served testimony recommending the Commission continue the RIIM, however each party proposed different modifications to the RIIM framework. In D.09-03-025, the Commission adopted a settlement between SCE and CUE. Resolution E-4313 implemented the RIIM to be in effect during the 2009 GRC cycle.[32]

In SCE's 2012 GRC, the Commission again adopted a settlement between SCE and CUE to continue the RIIM, with slight modifications, during the 2012 GRC cycle. In the 2012 GRC, the Commission also directed SCE to modify the mechanism to address the following specific areas: (1) choose work categories that impact both safety and reliability, not just the latter, (2) limit the categories identified as "RIIM eligible" to focus attention on specific programs, and (3) provide better means of linking expenditure and impact on long term reliability and safety.[33]

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32 Resolution E-4313 authorizes SCE to escalate the 2009 capital expenditures and additions by 4.25% to derive its 2010 capital expenditures and additions, and escalate the 2010 results by 4.35% for 2011.

33 Because the Commission and other parties retain concerns about the impact of the RIIM incentives, the Commission directed SCE to obtain an independent audit of the recorded 2009 – 2011 RIIM expenditures to identify authorized and

(*Continued*)

As discussed in Exhibit SCE-03, Vol. 1, SCE is proposing to retain the RIIM mechanism over the 2015 GRC cycle, with proposed modifications. As proposed by SCE, the 2015 to 2017 cumulative capital additions authorized for seven specified work categories and safety programs will be the RIIM capital target. If underspend in actual capital additions occurs in these programs during the same period, the amount underspent will be returned to customers. The expenditures in these programs will not be tracked individually for RIIM, to provide management flexibility to address emergent execution challenges.[34] In addition, SCE also proposes to maintain a level of 2,225 employees associated with the seven work categories and safety programs as described in Exhibit SCE-03, Vol. 1. If SCE does not maintain this level, it would refund $20,000 for each headcount shortfall, up to a shortfall of 50 employees, and refund $80,000 for each headcount shortfall thereafter.[35]

If this proposal to continue and modify the RIIM is adopted, SCE will update Preliminary Statement, Part LL, RIIM, to include the new authorized RIIM program capital expenditures and additions for 2015 through 2017, in addition to other necessary changes to the tariff.

19. Establishment Of the Pole Loading Program Balancing Account

As discussed in Exhibit SCE-03, SCE has designed a Pole Loading Program (PLP) that will inspect and assess over 1.4 million poles over a seven-year period to identify and then remediate those poles that do not meet the current standards.

The PLP will be a significant driver of pole replacements and maintenance expense as detailed in Exhibit SCE-03. However, the full magnitude of the program and the level of remediation required under the program are difficult to predict until SCE has more experience in the program. At the same time, SCE should replace non-compliant poles to protect system reliability and safety.

Therefore, in this GRC, SCE is proposing the establishment of a new two-way Pole Loading Program Balancing Account (PLPBA) to be effective on January 1, 2015. The purpose of the

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Continued from the previous page

recorded expenditures in each of the subaccounts and programs included in SCE's broad RIIM categories. SCE submitted the final audit report via advice filing (Advice 2934-E) on August 30, 2013.

[34] Also, if capital additions in customer-driven programs and storms turn out to be higher or lower than authorized, the target will be adjusted down or up by the difference between the authorized and the actual capital additions.

[35] Approximately a fifth of the RIIM workforce is in apprentice classifications that require extensive training. Therefore, any reductions in SCE's request for training expenses will limit its ability to maintain a proper SCE RIIM workforce. If authorized amounts for employee training are less than requested, SCE proposes reducing the target headcount by one-fifth of the percentage reduction from requested to authorized amounts.

PLPBA will be to record the difference between: (1) recorded O&M incurred for Pole Loading inspections and repairs identified as necessary by the PLP, and capital-related revenue requirements associated with replacement of poles and necessary system upgrades identified by PLP, and (2) the authorized PLP revenue requirement adopted in this GRC. Any over- or under-collection in the account will be transferred at the end of each year to the distribution subaccount of the BRRBA to be recovered from or returned to SCE's customers. The recorded operation of the BRRBA, which will include the PLPBA-related entries, will be reviewed by the Commission in SCE's annual ERRA Review applications to ensure the entries to the account are stated correctly and are consistent with Commission decisions. In addition, SCE proposes to include the recorded activity in the PLPBA in its 2018 GRC application which will include the cumulative spending in the PLPBA relative to the authorized amounts, and will also provide information on the number of repairs made and the number of poles replaced.

If this proposal to establish the PLPBA is adopted, SCE will include PLPBA Preliminary Statement language in its advice letter filing implementing the Commission's 2015 GRC decision.

20. Interaction of Existing SONGS Ratemaking Mechanisms and the GRC

As discussed in Exhibit SCE-01, both SONGS Units 2 & 3 have permanently ceased operations and will be placed in a SAFSTOR configuration. In a SAFSTOR configuration, all plant systems that are not required to directly or indirectly support the safe storage of the fuel assemblies in the unit's spent fuel pool are drained, de-energized, and abandoned in place until they are decommissioned. SCE estimates that 400 SONGS employees will be required to maintain SONGS Units 2 & 3 in SAFSTOR throughout the 2015 GRC cycle. In addition, SCE estimates that 40 contract workers would be required to support the maintenance of SONGS Units 2 & 3 in SAFSTOR. The revenue requirement requested in this application includes SONGS-related O&M consistent with the SAFSTOR configuration. The recovery of the SONGS-related capital investment is currently pending in the SONGS OII. The 2015, 2016, and 2017 revenue requirement requested in this application has been calculated in a manner consistent with SCE's recovery proposals in the SONGS OII. In addition, SCE is requesting approval to recover SONGS-related incremental capital in this application.

21. Employee Stock Option Plan Tax Memorandum Account

The Internal Revenue Code allows a tax deduction for dividends paid to an Employee Stock Ownership Plan (ESOP). For cost-of-service ratemaking, SCE has been giving ratepayers the benefit of the ESOP dividend deduction. However, the Internal Revenue Service has proposed a regulation that would limit the ESOP dividend deduction to the entity that owns the underlying stock. In SCE's case, this would mean that only its parent company, not SCE, would be allowed the deduction. This Commission has a long-standing policy of computing cost-of-service income taxes on a "stand-alone" or "separate return" basis. So, if this proposed regulation were to be adopted, SCE ratepayers would no longer get the benefit of the ESOP dividend deduction for cost-of-service purposes.

In D.09-03-025 (SCE's 2009 GRC), the Commission adopted SCE's proposal to establish the Employee Stock Ownership Plan Tax Memorandum Account (ESOPTMA) to record the revenue requirement impact of ESOP dividend deductions. In the 2012 GRC, the proposed regulation remained pending. SCE proposed to continue providing customers the projected tax benefit of the ESOP dividend deduction, while maintaining the ESOPTMA in the event the Treasury Regulations were enacted. The Commission accepted SCE's proposal to continue including the Schedule M dividends paid to ESOP participants in the GRC revenue requirement, but rejected SCE's proposal to continue the ESOPTMA because the proposed Treasury Regulations were stale and unlikely to be adopted or become effective in the 2012 GRC rate cycle.

SCE proposes to continue providing customers the projected tax benefit of the ESOP dividend deduction in this 2015 GRC, but also proposes to re-establish the ESOPTMA to track the revenue requirement associated with this ESOP tax deduction in the event the proposed regulations become final during the course of this 2015 GRC cycle.

22. Recovery of SCE's Customer Data Access Project Costs

In D.13-09-025, the Commission approved SCE's application to provide third-party access to customer usage data and to recover up to $7.588 million in pre-2012, 2012, 2013 and 2014 capital expenditures to develop its platform and an additional $1.512 million in incremental ongoing operations costs for 2013-2014. SCE is authorized to record capital-related revenue requirements and incremental operation and maintenance (O&M) costs associated with this new service in the distribution subaccount of the BRRBA for recovery. SCE's costs and revenue requirements associated with the CDA project beyond 2014 are to be considered in SCE's future GRC proceedings. Consistent with D.13-09-025, SCE has included the annual on-going capital revenue requirement associated with the CDA project's pre-2012 and 2012 recorded and 2013 – 2014 forecast capital investment in its 2015, 2016, and 2017 ABRR.

23. Ongoing Efforts Stemming From 2009 and 2012 GRC Settlements With Disability Rights Advocates

In SCE's 2009 and 2012 GRCs, the Commission approved settlements between SCE and the Disability Rights Advocates regarding issues of access by disabled customers. Since entering into that settlement, SCE and the Disability Rights Advocates (and its successor organization, the Center for Accessible Technology) have continued a dialogue to follow-up on those issues. In this 2015 GRC, SCE has identified further efforts to resolve accessibility issues, which are discussed in testimony developed jointly by SCE and the Center for Accessible Technology in Exhibit SCE-12.

24. SCE Asks The Commission To Protect Confidential Information As Set Forth In SCE's Motion For A Protective Order

SCE's Notice of Intent (NOI) is supported by thousands of pages of testimony and workpapers. In addition, as contemplated by the Commission's Rate Case Plan, concurrent with the NOI SCE provided the Division of Ratepayer responses to the Master Data Request. A small subset of the materials SCE will be submitting with this 2015 GRC (prepared testimony, workpapers, and responses to data requests) are confidential. Such materials would be provided to DRA subject to Public Utilities Code §583.

To provide a procedure by which other parties to this proceeding can review those confidential documents, while still maintaining their confidentiality, concurrent with its application, SCE will be filing a motion for protective order, which would govern access to the confidential materials SCE has produced (or will subsequently produce). The specifics of the proposed protective order and the reasons supporting it are discussed in that motion.

F. Exhibits Supporting SCE's Request

SCE's application is accompanied by the following separately numbered exhibits. SCE is ready to proceed with its showing on these exhibits according to the schedule shown in Section II.C, below.[36]

[36] In accordance with the RCP, as modified by D.93-07-030 and D.07-07-004, pricing exhibits and presently effective and proposed tariffs will be addressed in the pricing phase of this case.

2015 General Rate Case
Exhibit List

SCE-01
Policy
SCE-02 Generation
Volume 1, SONGS O&M
Volume 2, SONGS Capital
Volume 3, Palo Verde
Volume 4, Power Procurement,
Volume 5, Power Production Generation Policy
Volume 6, Part 1, Coal O&M
Volume 6, Part 2, Coal Capital
Volume 7, Part 1, Hydro O&M
Volume 7, Part 2, Hydro Capital
Volume 8C, Mountainview
Volume 8, Mountainview
Volume 9, Peakers
Volume 10, SPVP, Fuel Cell, Catalina
SCE-03 Transmission & Distribution (T&D)
Volume 1, Policy
Volume 2, Engineering and Grid Technology
Volume 3, System Planning Capital Projects
Volume 4, Infrastructure Replacement Programs
Volume 5, Customer Driven Programs and Distribution Construction
Volume 6, Part 1, Distribution Maintenance
Volume 6, Part 2, Pole Loading
Volume 7, Grid Operations
Volume 8, Transmission & Substation Maintenance
Volume 9, Safety, Training, and Environmental Programs
Volume 10, Other Costs and OOR
SCE-04 Customer Service
Volume 1, Policy
Volume 2, Customer Service Operations
Volume 3, Customer Service & Information Delivery
SCE-05 Information Technology (IT)
Volume 1, Overview, O&M and Capital
Volume 2, Part 1, Capitalized Software

Volume 2, Part 2, Capitalized Software
SCE-06 Human Resources (HR)
Volume 1, HR Department
Volume 2, Part 1, HR Benefits and Other Compensation
SCE-07 Safety, Security, & Compliance (SS&C)
Volume 1, Policy
Volume 2, Ethics & Compliance
Volume 3, Corporate EH&S
Volume 4, Corporate Security, and Business Resiliency
SCE-08 Financial, Legal, and Operational Services (FL&OS)
Volume 1, Part 1, Financial Services Department and Audit Services Department
Volume 1, Part 2, Property & Liability Insurance
Volume 1, Part 2C, Property & Liability Insurance
Volume 2, Law, Claims, and Worker's Compensation
Volume 3, Part 1, Operational Services - O&M
Volume 3, Part 2, Operational Services - Capital
SCE-09
External Relations
SCE-10 Results of Operations (RO)
Volume 1C, Requested Revenue Requirements, Ratemaking, Forecasts of Sales, Other Operating Revenue, Cost Escalation, Post-Year Ratemaking
Volume 1, Requested Revenue Requirements, Ratemaking, Forecasts of Sales, Other Operating Revenue, Cost Escalation, Post-Year Ratemaking
Volume 2C, Plant, Taxes, Depreciation Expense and Reserve, And Rate Base
Volume 2, Plant, Taxes, Depreciation Expense and Reserve, And Rate Base
Volume 3, SCE Asset Depreciation Rate Changes (Watson in Support of SCE)
SCE-11
Compliance
SCE-12
Testimony Regarding Accessibility Issues - Developed Jointly By SCE and Center for Accessible Technology
SCE-13
Differences Between NOI and Application

II.
STATUTORY AND REGULATORY REQUIREMENTS

A. Statutory And Other Authority – Rule 2.1

Rule 2.1 requires that all applications: (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 by the applicant. 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 Sections I (Summary of the Reasons for SCE's Request) and IV (Conclusion), and is further described in the testimony accompanying this application. The statutory and other authority under which this relief is being sought include California Public Utilities Code Sections 314.5, 377, 451, 454, 463, 463.5, 491, 701, 728, 728.1, 729, 740.1, 740.3, 740.4, 795, *et al*., the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission. This application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

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

Pursuant to Rules 2.1(a) and 2.1(b),[37] 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:

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[37] Rule 2.1(a) requires the application to state the exact legal name of the applicant and location of its principal place of business, and, if a corporation, the state under the laws of which the applicant was organized. Rule 2.1(b) requires the application to state the name, title, address, telephone number, facsimile transmission number, and e-mail address of the person to whom correspondence or communications in regard to the application are to be addressed.

Alejandra Arzola, Case Administrator
Southern California Edison Company
Post Office Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770
Telephone: (626) 302-3062
Facsimile: (626) 302-3119
e-mail: scegrc@sce.com

C. Proposed Categorization, Need For Hearings, Issues To Be Considered, 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."[38] SCE proposes this application be designated a "ratesetting" proceeding, as defined in California Public Utilities Code §1701.1(c)(3) and Rule 1.3(e).[39] 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.

SCE's proposed procedural schedule is based on that adopted in the Rate Case Plan, D.89-01-040, as modified in D.07-07-004, which assumes that evidentiary hearings will be held. To the Rate Case Plan schedule, SCE has added proposed dates for responses or protests to this application (Rule 2.6) and oral argument (Rule 13.13), procedures which were adopted subsequent to D.89-01-040 and not addressed in the modifications adopted in D.07-07-004. In addition, while the Rate Case Plan's schedule assumes evidentiary hearings and briefing, SCE hopes that at least some of the issues addressed in this application can be resolved through alternative dispute resolution, so SCE's proposed schedule provides for a settlement conference pursuant to Rule 12.1.[40]

Finally, while the Rate Case Plan provides for public participation hearings in the applicant utility's service territory, SCE requests that a portion of the evidentiary hearings for the 2015 GRC be

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

39 "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).

40 SCE's proposed schedule provides for a settlement conference following direct and rebuttal hearings and the submission of the comparison exhibit. However, whether and precisely when such a conference might take place cannot be determined at this time.

held in southern California. The Commission held two days of evidentiary hearings in southern California for both SCE's 2009 GRC (A.07-11-011) and SCE's 2012 GRC (A.10-11-015). The witnesses that sponsor SCE's proposals in this application reside in southern California. Travel to and from the Commission's San Francisco offices for those witnesses, plus SCE's attorneys and other support staff, is costly, both in terms of direct costs and time away from other duties, and those costs are ultimately passed on to SCE's ratepayers. SCE therefore requests that the Commission schedule at least a portion of the evidentiary hearings for this 2015 GRC application in southern California. Although there was no webcast of SCE's 2012 GRC, for the same reasons described above, SCE also requests that the evidentiary hearings in this case be webcast, as they were in SCE's 2009 GRC.

SCE 2015 General Rate Case

Proposed Schedule

	Event	Day	Date
1.	NOI Tendered to DRA	-120	Monday, July 15, 2013
2.	DRA Identifies Deficiencies	-95	Friday, August 09, 2013
3.	NOI Accepted and Served	-63	Tuesday, September 10, 2013
4.	GRC Application Filed	0	Tuesday, November 12, 2013
5.	Application Appears on CPUC Calendar	1	Wednesday, November 13, 2013
6.	Protests to Application Due	31	Friday, December 13, 2013
7.	Prehearing Conference Held	41	Monday, December 23, 2013
8.	Reply to Protests Due	41	Monday, December 23, 2013
9.	DRA Serves Testimony	87	Friday, February 07 , 2014
10.	Public Participation Hearings Begin	91	Tuesday, February 11, 2014
11.	Intervenors Submit Testimony	101	Friday, February 21, 2014
12.	All Parties Serve Rebuttal Testimony	139	Monday, March 31, 2014
13.	Combined Evidentiary Hearings Begin	149	Thursday, April 10, 2014
14.	Combined Evidentiary Hearings End	178	Friday, May 09, 2014
15.	Comparison Exhibit Served	185	Friday, May 16, 2014
16.	Settlement Conference	192	Friday, May 23, 2014
17.	Opening Briefs Filed	202	Monday, June 02, 2014
18.	Reply Briefs Filed	216	Monday, June 16, 2014
19.	Update Material Served	241	Friday, July 11, 2014
20.	Update Hearings Begin	254	Thursday, July 24, 2014
21.	Update Hearings End	258	Monday, July 28, 2014
22.	ALJ Proposed Decision	344	Wednesday, October 22, 2014
23.	Initial Comments on ALJ Proposed Decision Filed	365	Wednesday, November 12, 2014
24.	Reply Comments on ALJ Proposed Decision Filed	372	Wednesday, November 19, 2014
25.	Oral Argument on ALJ Proposed Decision	379	Wednesday, November 26, 2014
26.	Final Decision	387	Thursday, December 04, 2014

D. Organization And Qualification To Transact Business – Rule 2.2

In compliance with Rule 2.2,[41] 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,[42] 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.

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

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41 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.

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

with a letter of transmittal dated March 15, 2013, pursuant to General Order Nos. 65-A and 104-A of the Commission.

E. Balance Sheet And Income Statement – Rule 2.3(h) and Rule 3.2(a)(1)

Appendix A to this application 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.

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

The presently effective rates proposed to be changed, and the changes proposed to be made thereto are addressed in Exhibit SCE-10. Proposed tariff sheets reflecting our revenue allocation and rate design proposals will be addressed in Phase 2 of this proceeding, as discussed in Section II.N.1, above, consistent with the Rate Case Plan modifications adopted in D.93-07-030.

If the Commission were to allocate the increase in 2015 revenues shown in Table 1 to SCE's customer groups on a System Average Percentage Change (SAPC) basis, the impact on each customer group would be as shown in Table 2.

TABLE 2

Estimated Impact Of This Request On Customer Rates

	SYSTEM REVENUES ($000)			BUNDLED AVERAGE RATE (¢/kWh)	
	Total Revenues (June 2013)	2015 GRC Revenue Change	% Change over June 2013	June 2013 Average Rates	Proposed Average Rates
Domestic	5,001,005	124,382	2.5%	17.21	17.64
Lighting - Small and Medium Power	4,303,427	52,559	1.2%	16.50	16.62
Large Power	1,950,221	-12,490	-0.6%	11.78	11.55
Ag & Pumping	371,035	-25	0.0%	12.86	12.85
Streetlight	127,880	-1,548	-1.2%	17.78	17.56
Standby	261,426	-6,207	-2.4%	10.17	9.86
System	12,014,995	156,670	1.3%	15.55	15.70

The increases shown in Table 2 are illustrative only. As discussed in Section II.N.1 of this application, revenue allocation and rate design issues associated with this filing will be addressed in a separate phase.

G. Description Of SCE's Property And Equipment, Original Cost Thereof, And Depreciation Reserve – Rule 3.2(a)(4)

SCE's service territory is located throughout central and southern California, and includes approximately 200 incorporated communities as well as outlying rural territories. A list of the counties and municipalities served by SCE is attached hereto as Appendix B.

SCE is engaged in the business of generating, transmitting, and distributing electric energy in portions of central and southern California. In addition to its properties in California, SCE owns, jointly with others, facilities located in Arizona and New Mexico. SCE's share of these facilities produces electric energy for use by SCE customers in California.

SCE owns and operates 33 hydroelectric plants located throughout central and southern California, one combined-cycle gas plant with two units, five gas-fired peaker units, a diesel-driven electric generating plant, and 24 rooftop solar plants all located in southern California, as well as one ground-based solar plant located in central California. SCE has a 78.21% interest in San Onofre Nuclear Generating Station (SONGS) Units 2 and 3 located in southern California. SCE does not operate, but owns 15.8% interest in Palo Verde Nuclear Generating Station Units 1, 2, and 3 located in Arizona, and owns 48% interest in Four Corners Generating Station Units 4 and 5 located in New Mexico.

Pursuant to Commission Order in Decision No. 49665, dated February 16, 1954, SCE has, since 1954, used straight-line remaining life depreciation for computing book depreciation expense for accounting and ratemaking purposes. The original cost and depreciation reserve applicable to SCE's property and equipment are shown in the Balance Sheet attached as Appendix A of this application, and in the schedules included as Exhibit SCE-10 (Depreciation Study) of the testimony supporting this application.

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

A summary of earnings is shown in Table 1, above.

I. Tax Depreciation – Rule 3.2(a)(7)

Pursuant to Commission Decision No. 59926, dated April 12, 1960, SCE uses accelerated depreciation for income tax purposes and "flows through" reductions in income tax to ratepayers within the Commission's jurisdiction for property placed in service prior to 1981. Pursuant to Decision No. 93848 in Order Instituting Investigation (OII) No. 24, SCE uses the Accelerated Cost Recovery System (ACRS) in determining depreciation for federal income tax purposes and "normalizes" the depreciation timing differences to ratepayers for property placed in service after 1980 in compliance with the Economic Recovery Tax Act of 1981. Pursuant to Decision No. 86-01-061 in OII No. 86-11-019, Phase II, SCE uses the Modified Accelerated Cost Recovery System (MACRS) in determining depreciation for federal income tax purposes and, in compliance with the Tax Reform Act of 1986, continues to "normalize" depreciation timing differences to ratepayers for property placed in service after 1986.

J. Proxy Statement – Rule 3.2(a)(8)

Certain classes and series of SCE's and Edison International's (SCE's parent company) capital stock are listed on a "National Securities Exchange" as defined in the Securities Exchange Act of 1934.

Three copies of the 2013 Edison International and SCE joint proxy statement were provided to the Commission in compliance with Ordering Paragraph No. 1 of Decision No. 88-01-063, Condition No. 5d, by a letter of transmittal dated March 15, 2013.

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

Rule 3.2(a)(10)[43] 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 application includes a request for authorization to add various capital expenditures to rate base. These requested rate base additions would earn a return on, as well as a return of capital. In that sense, SCE's request in this proceeding is not limited to passing through to customers "only increased costs to the corporation for the services or commodities furnished by it."

L. 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 B. 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 this application is attached as Appendix B. Finally, pursuant to Rule 3.2(d), notice shall be furnished to customers affected by the proposed increase by

[43] Rule 3.2(a)(9) applies only to telephone utilities, so is not addressed in this application.

including such notice with the regular bills mailed to those customers. 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.

M. Compliance With Specific Commission Orders

The Commission's Rate Case Plan's "Standard Requirement List of Documentation Supporting an NOI" requires GRC applicants to submit "all studies and information required to be submitted in the rate case by the Commission in prior rate case decisions and subsequent policy statements or decisions."[44] As part of this application, SCE is submitting Exhibit SCE-11, entitled "Compliance," which lists the various information requirements from prior Commission decisions and how SCE has complied with them.

N. This Application Does Not Address Rate Design, Demand Side Management Cost-Effectiveness, Or Resource Plan Issues

In its present form, the Rate Case Plan (RCP) requires electric utility applicants to include testimony on various rate design issues, the cost-effectiveness of demand side management (DSM) programs, and the utility's resource plan.[45] As discussed below, these three requirements are vestiges of previous regulatory approaches and are no longer applicable in the context in which this application is being filed.

1. SCE Rate Design Issues Are To Be Addressed In Phase 2 Of This Proceeding

This application does not address various rate design issues specified in the Commission's Rate Case Plan, such as unit marginal costs, marginal cost revenue responsibility, revenue allocation, and other related rate design issues. On March 5, 1993, SCE filed a petition to modify the RCP, requesting that certain items scheduled to be addressed in Phase 1 of the GRC (unit marginal costs, marginal cost revenue responsibility, and revenue allocation) instead be addressed in the

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44 *Order Instituting Rulemaking To Revise The Time Schedule For The Rate Case Plan*, D.89-01-040, Appendix B; D.07-07-004, Appendix A.

45 These requirements are set forth in the "Standard Requirements List of Documentation Supporting an NOI," Appendix B of D.89-01-040 or Appendix A of the recently modified Rate Case Plan, D.07-07-004.

pricing phase (Phase 2) of our GRC. The Commission granted that request.[46] The Commission recently reiterated this procedure for Phase 2 of SCE's GRCs in D.07-07-004. Under the Rate Case Plan schedule, SCE expects to file its Phase 2 application within 90 days of filing this Test Year 2015 GRC Application.

2. DSM Issues Being Addressed In Another Proceeding Outside The GRC

This application does not include a showing on DSM cost-effectiveness, another of the items in the RCP's standard requirements list, because the GRC is no longer the docket in which the Commission reviews these issues. Before 1998, the funding and design of demand-side management programs (including cost-effectiveness) were addressed in the electric utilities' GRCs. Since 1998, however, energy efficiency program-related issues, including specific funding levels and program cost-effectiveness, have been addressed in separate filings (*i.e.*, outside the utilities' GRCs). This change was triggered by AB 1890. Concurrent with this change, the CPUC required utilities to request program and budget authorization in filings outside the GRC process.[47]

In D.04-07-022 (SCE's 2003 GRC Decision), the Commission ruled that DSM cost-effectiveness would not be addressed in the GRC. In accordance with that ruling, SCE's 2006 GRC application (A.04-12-014, which resulted in D.06-05-016) did not address energy efficiency program costs or program cost-effectiveness issues. Instead, consistent with Commission direction in D.05-09-043, D.05-11-011, and D.12-05-015 all issues related to energy efficiency policies, administration, programs and funding are examined through a separate application process. SCE's application to review energy efficiency program costs and cost-effectiveness was filed in 2008 for program years 2009-2011.[48] SCE also filed an application in July 2009 addressing the years 2010-2012, and an application in July 2012 addressing the years 2013-2014.

Similarly, in D.06-03-024, the Commission directed SCE to review its demand response programs and policies in an application to be filed by June 1, 2008 for program years 2009-2011. For 2012-2014, the Commission approved SCE's demand response program and policies in D.12-04-045. In

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[46] *Order Instituting Rulemaking To Revise The Time Schedule For The Rate Case Plan,* D.93-07-030, p. 2, Conclusion of Law No. 1, p. 6, and Appendix to D.93-07-030. See also D.07-07-004.

[47] *See*, D.97-09-117, Ordering Paragraph No. 5, (mimeo), p. 78. *See also*, ASSIGNED COMMISSIONER'S RULING, dated August 1, 1997, in R.94-04-031, I.94-04-032.

[48] *Assigned Commissioner's Scoping Memo and Ruling on Issues Relating To Future Savings, Goals, and Program Planning For 2009-2011 and Beyond*, p. 9, dated April 13, 2007.

addition, issues surrounding cost-effectiveness measurement and evaluation are being examined in R.07-01-041.

Consequently, as a result of the changes in Commission policy discussed above, SCE's 2015 GRC application does not address energy efficiency and demand response programs, program costs, program administration, or cost-effectiveness.

3. There Is No Longer Any Need To Address Resource Plan Issues In The GRC

This application does not include a resource plan, another of the items in the RCP's standard requirement list. The traditional type of resource plan, as mentioned in the RCP, identifies the need for the utility to add generation. In past GRCs, the resource plan was used to evaluate DSM cost-effectiveness and to determine generation marginal costs.[49]

In October 2001, the Commission commenced its Order Instituting Rulemaking to Establish Policies and Cost Recovery Mechanisms for Generation Procurement and Renewable Resource Development, R.01-10-024. Following this, AB 57 (codified as §454.5 of the California Public Utilities Code) required investor-owned utilities to file procurement plans. The Commission has since instituted five more procurement planning proceedings, R.04-04-003, R.06-02-013, R.08-02-007, R.10-05-006 and R.12-03-014. Policies regarding the future role of the utility in building new generation are addressed in the present Rulemaking, R.12-03-014. In this proceeding, the Commission is considering "issues related to the overall long-term need for new system and local reliability resources, including adoption of 'system' resource plans for each of these three utilities' service area that will inform the next available cycle of bundled procurement plans," which "will allow the Commission to comprehensively consider the impacts of state energy policies on the need for new resources."[50] Thus there is no longer any need to address resource plan issues in energy utility GRCs.

O. Service List

The official service list has not yet been established in this proceeding. SCE is thus serving this application on the service list established by the Commission in SCE's 2012 General Rate Case in A.10-11-015.

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[49] *Re Southern California Edison Co*., D.91-11-076, [*mimeo*], p. 131, and footnote 72.

[50] *Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans* (R,10-05-006), May 6, 2010 at pages 2-3.

III.
CONCLUSION

SCE respectfully asks the Commission to authorize the revenue adjustments and other requests included herein to become effective January 1, 2015, and to issue its decision:

1. Finding reasonable the requested ABRR and ordering that ABRR to be made effective January 1, 2015;
2. Ordering the concurrent withdrawal and cancellation of existing rates, charges, and classifications to be superseded by rates and other tariff changes that reflect the revenues requested herein;
3. Rendering Findings of Fact and Conclusions of Law, and issuing Orders consistent with the materials accompanying this filing; and,
4. Granting such other relief as the Commission finds to be just and reasonable.

Respectfully submitted,

SOUTHERN CALIFORNIA EDISON COMPANY

KRIS G. VYAS
JANE LEE COLE
GLORIA M. ING
ROBERT F. LeMOINE

/s/ Kris G. Vyas

By: Kris G. Vyas

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone:(626) 302-6613
Facsimile: (626) 302-6693
e-mail: scegrc@sce.com

DATE: November 12, 2013

Appendix A

Income Statement And Balance Sheet

SOUTHERN CALIFORNIA EDISON COMPANY
"FINANCIAL STATEMENT" AS DEFINED BY RULE 2.3, OF THE
RULES OF PROCEDURE GOVERNING FORMAL PROCEEDINGS BEFORE THE
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

June 30, 2013

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(a) Amount and kinds of stock authorized by articles of incorporation and amount outstanding.

	Number of Shares	Par Value Per Share
Amount and kinds of stock authorized:		
$25 Cumulative preferred	24,000,000	$25
$100 Cumulative preferred	12,000,000	$100
Preference	50,000,000	None
Common	560,000,000	None

	Number of Shares	Amount Outstanding (in millions)
Amounts and kinds of stock issued and outstanding:		
$25 Cumulative preferred:		
4.08% Series	650,000	$ 16
4.24% Series	1,200,000	30
4.32% Series	1,653,429	41
4.78% Series	1,296,769	33
$100 liquidation value, non-cumulative preference:		
Series A	3,250,000	325
$100 liquidation value, cumulative preference:		
Series D	1,250,000	125
$1,000 liquidation value, cumulative preference:		
Series E	350,000	350
$2,500 liquidation value, cumulative preference:		
Series F*	190,004	475
$2,500 liquidation value, cumulative preference:		
Series G**	160,004	400
Common Stock, no par value	434,888,104	2,168
Total		$ 3,963

* Issued to SCE Trust I in guarantee of an issue of Trust Preference Securities.

** Issued to SCE Trust II in guarantee of an issue of Trust Preference Securities.

(b) Terms of preference and preferred stock, whether cumulative or participating, or on dividends or assets, or otherwise.

Each share of Common Stock is entitled to one vote. Each share of Cumulative Preferred Stock, 4.08% Series, 4.24% Series, 4.32% Series and 4.78% Series, is entitled to six votes. Shares of Preference Stock are not entitled to vote. For terms of preference, etc., see Applicant's Restated Articles of Incorporation dated March 2, 2006 ("Articles"), filed March 14, 2006, with Application 06-03-020. The terms of the Cumulative Preferred Stock and Series A Preference Stock are set forth in the Articles. Terms of additional series of Preference Stock are set forth in Certificates of Determination of Preferences as follows: Series D Preference Stock, filed April 1, 2011, with Application 11-04-001; Series E Preference Stock and Increase in Authorized Shares of Series E Preference Stock, filed March 5, 2012, with Application 12-03-004; Series F Preference Stock, filed June 29, 2012, with Application 12-06-017; and Series G Preference Stock, filed January 13, 2013, with Application 13-01-016. All shares of Series B Preference Stock and Series C Preference Stock have been redeemed and are no longer outstanding.

(c) Brief description of each security agreement, mortgage and deed of trust upon applicant's property, showing date of execution, debtor and secured party, mortgagor and mortgagee, and trustor and beneficiary, amount of indebtedness authorized to be secured thereby, and amount of indebtedness actually secured, together with any sinking fund provisions.

Trustor, Southern California Edison Company; Trustee, The Bank of New York Mellon Trust Company, N.A., successor in 2005 to The Bank of New York, successor in 2000 to Harris Trust and Savings Bank, and Trustee, D.G. Donovan, successor in 1993 to R. G. Mason, successor in 1983 to Wells Fargo Bank, National Association, successor in 1970 to Security Pacific National Bank, successor by consolidation and merger in 1935 to Pacific-Southwest Trust and Savings Bank; bonds authorized and outstanding are as follows:

Series	Date of Issue	Due Date	Interest Rate	Principal Balance (in millions)
Tax-Exempt Indebtedness:				
Palo Verde Pollution Control Bonds:				
Maricopa County, AZ 2000 Series A and B	3/2/2009	6/1/2035	5.00%	$ 144
Four Corners Pollution Control Bonds:				
City of Farmington, NM 2005 Series A and B	3/24/2005	4/1/2029	2.875%	203
City of Farmington, NM 2011 Series	5/19/2011	4/1/2029	Variable	56
Mohave Pollution Control Bonds:				
Clark County, NV 2010 Series	12/16/2010	6/1/1931	Variable	75
SONGS Pollution Control:				
CPCFA 2011 Series	9/1/2011	9/1/2031	Variable	30
CSCDA 2010 Series A	9/21/2010	9/1/2029	4.50%	100
CSCDA 2006 Series A	4/12/2006	4/12/2028	1.38%	158
CSCDA 2006 Series B	4/12/2006	4/12/2028	1.90%	39
CSCDA 2006 Series C-D	4/12/2006	11/1/2033	4.25%	135
Taxable Indebtedness:				
Series 2004A	1/14/2004	1/15/2014	5.00%	300
Series 2004B	1/14/2004	1/15/2034	6.00%	525
Series 2004F	3/23/2004	4/01/2015	4.65%	300
Series 2004G	3/23/2004	4/01/2035	5.75%	350
Series 2005A	1/19/2005	1/15/2016	5.00%	400
Series 2005B	1/19/2005	1/15/2036	5.55%	250
Series 2005E	6/27/2005	7/15/2035	5.35%	350
Series 2006A	1/31/2006	2/1/2036	5.625%	350
Series 2006E	12/11/2006	1/15/2037	5.55%	400
Series 2008A	1/22/2008	2/01/2038	5.95%	600
Series 2008B	8/18/2008	8/15/2018	5.50%	400
Series 2008C	10/15/2008	3/15/2014	5.75%	500
Series 2009A	3/20/2009	3/15/2039	6.05%	500
Series 2009B	3/20/2009	9/15/2014	4.15%	250
Series 2010A	3/11/2010	3/15/2040	5.50%	500
Series 2010B	8/30/2010	9/1/2040	4.50%	500
Series 2011A	5/17/2011	6/1/2021	3.875%	500
Series 2011D	10/21/2011	9/15/2014	Variable	150
Series 2011E	11/22/2011	12/1/2041	3.90%	250
Series 2012A	3/12/2012	3/15/2042	4.05%	400
Series 2013A	3/7/2013	3/15/2043	3.90%	400
				9,114

(d) Amounts of bonds authorized and issued, giving name of the public utility which issued same, describing each class separately, and giving date of issue, par value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.

For the 12 months ended December 31, 2012, interest in the amount of $422 million was paid on all bonds issued and outstanding. For other data required by this subparagraph (d), see subparagraph (c).

(e) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.

For the 12 months ended December 31, 2012, interest in the amount of $20 million was paid on all notes issued and outstanding. For other data required by this subparagraph (e), see subparagraph (f).

(f) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by any person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

(1) Other Long-Term Debt	Date of Issue	Due Date	Interest Rate	Principal Balance (in millions)
Taxable Indebtedness (unsecured):				
1999 6.65% Notes, due 2029	4/1/1999	4/1/2029	6.65%	$ 300
5.06% Fort Irwin Acquisition Debt	9/1/2003	8/1/2053	5.06%	7
				307

SOUTHERN CALIFORNIA EDISON COMPANY

(2) Current Liabilities:	(in millions)	
Short-term debt	$ 828	
Current portion of long-term debt	800	
Accounts payable	1,264	
Accrued taxes	36	
Accrued interest	194	
Customer deposits	199	
Derivative liabilities	140	
Regulatory liabilities	493	
Deferred income taxes	79	
Other current liabilities	663	$ 4,696
(3) Deferred Credits:		
Deferred income taxes	6,819	
Deferred investment tax credits	102	
Customer advances	134	
Derivative liabilities	1,027	
Pensions and benefits	1,727	
Asset retirement obligations	3,322	
Regulatory liabilities	4,836	
Other deferred credits and other long-term liabilities	1,928	19,895
Total		$ 24,591

No security was given to cover above debts in items (2) and (3).
Interest, if any, will be paid when paying principal.

(g) Rate and amount of dividends paid during the five previous fiscal years, and the amount of capital stock on which dividends were paid each year.

Year Ending December 31, 2008

Class of Stock	Number of Shares Outstanding*	Dividends Paid	Dividend Rate Per Annum
Cumulative Preferred, Series 4.08%	650,000	$663,000.52	4.08%
Cumulative Preferred, Series 4.24%	1,200,000	$1,272,000.60	4.24%
Cumulative Preferred, Series 4.32%	1,653,429	$1,785,703.32	4.32%
Cumulative Preferred, Series 4.78%	1,296,769	$1,549,642.14	4.78%
Preference Stock, Series A	4,000,000	$21,396,000.00	5.349%
Preference Stock, Series B	2,000,000	$12,250,000.00	6.125%
Preference Stock, Series C	2,000,000	$12,000,000.00	6.000%

Year Ending December 31, 2009

Class of Stock	Number of Shares Outstanding*	Dividends Paid	Dividend Rate Per Annum
Cumulative Preferred, Series 4.08%	650,000	$663,000.52	4.08%
Cumulative Preferred, Series 4.24%	1,200,000	$1,272,000.59	4.24%
Cumulative Preferred, Series 4.32%	1,653,429	$1,785,703.32	4.32%
Cumulative Preferred, Series 4.78%	1,296,769	$1,549,642.02	4.78%
Preference Stock, Series A	4,000,000	$21,396,000.00	5.349%
Preference Stock, Series B	2,000,000	$12,250,000.00	6.125%
Preference Stock, Series C	2,000,000	$12,000,000.00	6.000%

Year Ending December 31, 2010

Class of Stock	Number of Shares Outstanding*	Dividends Paid	Dividend Rate Per Annum
Cum. Pfd. 4.08%	650,000	$663,000.50	4.08%
Cum. Pfd. 4.24%	1,200,000	$1,272,000.56	4.24%
Cum. Pfd. 4.32%	1,653,429	$1,785,703.32	4.32%
Cum. Pfd. 4.78%	1,296,769	$1,549,642.02	4.78%
Preference Stock. Series A	4,000,000	$22,278,000.00	Variable Rate
Preference Stock. Series B	2,000,000	$12,250,000.00	6.125%
Preference Stock. Series C	2,000,000	$12,000,000.00	6.000%

* Denotes maximum number of shares that were outstanding during the year.

SOUTHERN CALIFORNIA EDISON COMPANY

Year Ending December 31, 2011

Class of Stock	**Number of Shares Outstanding***	**Dividends Paid**	**Dividend Rate Per Annum**
Cum. Pfd. 4.08%	650,000	$663,000.49	4.08%
Cum. Pfd. 4.24%	1,200,000	$1,272,000.54	4.24%
Cum. Pfd. 4.32%	1,653,429	$1,785,703.32	4.32%
Cum. Pfd. 4.78%	1,296,769	$1,549,641.93	4.78%
Preference Stock. Series A	4,000,000	$23,100,000.00	Variable Rate
Preference Stock. Series B	2,000,000	$12,250,000.00	6.125%
Preference Stock. Series C	2,000,000	$12,000,000.00	6.000%
Preference Stock. Series D	1,250,000	$5,890,625.00	6.500%

Year Ending December 31, 2012

Class of Stock	**Number of Shares Outstanding***	**Dividends Paid**	**Dividend Rate Per Annum**
Cum. Pfd. 4.08%	650,000	$663,000.00	4.08%
Cum. Pfd. 4.24%	1,200,000	$1,272,000.00	4.24%
Cum. Pfd. 4.32%	1,653,429	$1,785,704.00	4.32%
Cum. Pfd. 4.78%	1,296,769	$1,549,640.00	4.78%
Preference Stock. Series A	3,250,000	$16,895,150.00	Variable Rate
Preference Stock. Series B	2,000,000	$12,250,000.00	6.125%
Preference Stock. Series C	2,000,000	$12,000,000.00	6.000%
Preference Stock. Series D	1,250,000	$8,125,000.00	6.500%
$1,000 Preference Stock. Series E	350,000	$11,788,194.00	6.250%
$2,500 Preference Stock. Series F	190,004	$15,512,045.00	5.625%

* Denotes maximum number of shares that were outstanding during the year.

SOUTHERN CALIFORNIA EDISON COMPANY

STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2013

(In millions)

OPERATING REVENUE	$ 9,631
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	8,385
OPERATING INCOME	1,246
Interest income	8
Other income	81
Interest expense	(384)
Other expenses	(38)
INCOME BEFORE INCOME TAX	913
INCOME TAX EXPENSE	196
NET INCOME	717
Less: Dividends on preferred and preference stock	75
NET INCOME AVAILABLE FOR COMMON STOCK	$ 642

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
	26,499
Construction work in progress	3,099
Nuclear fuel, at amortized cost	136
	29,734
OTHER PROPERTY AND INVESTMENTS:	
Nonutility property - less accumulated depreciation of $68	70
Nuclear decommissioning trusts	4,332
Other investments	130
	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
	3,461
DEFERRED CHARGES:	
Regulatory assets	8,015
Derivative assets	207
Other long-term assets	372
	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		10,196
Preferred and preference stock		1,795
Long-term debt		8,828
Total capitalization		20,819
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
		5,234
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
		20,268
	$	46,321

SOUTHERN CALIFORNIA EDISON COMPANY

DETAIL OF UTILITY PLANT AND ACCUMULATED PROVISION
FOR DEPRECIATION BY CLASS
JUNE 30, 2013

UTILITY PLANT
(in millions)

CLASS		
Production	$	3,313
Transmission		8,345
Distribution		17,399
General		2,380
Intangible		1,950
Other utility plant		32
Total utility plant, at original cost less contributions	$	33,419

ACCUMULATED PROVISION FOR DEPRECIATION
(in millions)

CLASS		
Production	$	1,197
Transmission		1,252
Distribution		4,000
General		784
Intangibles		741
Other utility plant		12
Retirement work in progress		(408)
Total accumulated provision for depreciation	$	7,578

Source: John McCarson

Appendix B

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	San Bernardino	Ventura
Kern	Mono	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.

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 12th day of November, 2013 at Rosemead, California.

__/s/ Stephen E. Pickett________________________

Stephen E. Pickett
Executive Vice President
SOUTHERN CALIFORNIA EDISON COMPANY

8631 Rush Street
Post Office Box 800
Rosemead, California 91770

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2015, And to Reflect That Increase In Rates.	))))))	Application __________________

SOUTHERN CALIFORNIA EDISON COMPANY (U338-E) NOTICE OF AVAILABILITY OF 2015 GENERAL RATE CASE PREPARED TESTIMONY

KRIS G. VYAS
JANE LEE COLE
GLORIA M. ING
ROBERT F. LeMOINE

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6613
Facsimile: (626) 302-6697
E-mail: kris.vyas@sce.com

Dated: November 12, 2013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2015, And to Reflect That Increase In Rates.	))))))	Application ______________

SOUTHERN CALIFORNIA EDISON COMPANY (U338-E)

NOTICE OF AVAILABILITY

OF 2015 GENERAL RATE CASE PREPARED TESTIMONY

SOUTHERN CALIFORNIA EDISON COMPANY (SCE) hereby provides this Notice of Availability of the prepared testimony that supports its application for a test year 2015 general rate case (GRC). Today, SCE filed its 2015 GRC application with the Commission and has served a copy of that application on all appearances to its 2012 GRC, A.10-11-015, *et al*. The prepared testimony that supports SCE's 2015 GRC application numbers over 4,200 pages and is organized into the separately bound exhibits shown below.

SEPARATE EXHIBITS	
SCE-01 – Policy	• Includes overall policy testimony on SCE's request • Provides an executive summary of the case and revenue requirement forecast • Explains the structure of the remaining exhibits
SCE-02 – Generation	• Includes testimony on all SCE-owned generation facilities • Describes power procurement activities for bundled customers
SCE-03 – Transmission & Distribution	• Includes testimony on Engineering, System Planning, Infrastructure Replacement, Customer Driven Programs, Distribution Construction & Maintenance, Maintenance & Inspection Programs, Pole Loading, Grid Operations, Transmission & Substation Maintenance, Safety, Training & Environmental Programs, and Other Operating Revenue

SCE-04 – Customer Service	• Includes testimony on Customer Services Operations and Customer Service & Information Delivery
SCE-05 – Information Technology	• Includes testimony on Capitalized Software projects, O&M to support those projects, and Cybersecurity
SCE-06 – Human Resources	• Includes testimony on Human Resources departmental costs, Human Resources Benefits and Compensation
SCE-07 – Safety, Security and Compliance	• Includes testimony on Ethics & Compliance, Corporate Environmental Health & Safety, Corporate Security, and Business Resiliency
SCE-08 – Financial, Legal, and Operational Services	• Includes testimony on Audits, Financial Services, Property & Liability Insurance, Law, Claims, Worker's Compensation, and Operational Services
SCE-09 – External Relations	• Includes testimony on Corporate Communications, Integrated Planning & Environmental Affairs, Regulatory Operations, Regulatory Policy & Affairs, and Local Public Affairs
SCE-10 – Results of Operations	• Includes testimony on Revenue Requirements, Ratemaking, Present Rate Revenues, Sales Forecast, Cost Escalation, Jurisdictionalization, Plant Depreciation Expense & Reserve, Working Capital, Rate Base, Taxes, Property and Ad Valorem Tax, Depreciation, Productivity, Post-Test Year Ratemaking
SCE-11 – Compliance Requirements	• Includes testimony on Compliance with Decisions and Settlements
SCE-12 – Joint SCE and Center for Accessible Technology Testimony	• Includes joint testimony between SCE and Center for Accessible Technology on Accessibility issues
SCE-13 – Differences	• Shows modifications to the NOI testimony

SCE's prepared testimony and supporting workpapers may be accessed through SCE's website electronically within one hour of this e-mail service. To access this testimony from SCE's website, go to the following URL:

1) Go to www.sce.com/applications

2) Scroll down to "2015 GRC" and click on the link.

3) The 2015 GRC application and testimony are presented in Adobe Acrobat (pdf) format and can be viewed online, printed, or saved to your hard drive.

The workpapers supporting SCE's prepared testimony can also be accessed by following the steps outlined above.

A few pages of SCE's prepared testimony are confidential. Also, a small subset of SCE's workpapers are confidential and were provided to the Commission's Division of Ratepayer Advocates pursuant to Public Utilities Code §583 and Commission General Order 66-C. SCE will be submitting a motion for protective order that addresses access to the confidential materials.

As an alternative to accessing SCE's testimony and workpapers on SCE's website, SCE will provide a print copy of its non-confidential prepared testimony and workpapers to any party upon request. To request a copy of these materials, please direct your request to SCE as follows:

Alejandra Arzola, Case Administrator
Southern California Edison Company
Post Office Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770
Telephone: (626) 302-3062
e-mail: alejandra.arzola@sce.com

Respectfully submitted,

KRIS G. VYAS
JANE LEE COLE
GLORIA M. ING
ROBERT F. LeMOINE

/s/Kris G. Vyas
By: Kris G. Vyas

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6613
Facsimile: (626) 302-6697
E-mail: kris.vyas@sce.com

DATE: November 12, 2013