

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

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Application of Southern California Edison)
Company (U 338-E) for a Commission Finding) A1604001 Application No. 16-04-____
that its Procurement-Related and Other)
Operations for the Record Period January 1)
Through December 31, 2015 Complied with its)
Adopted Procurement Plan; for Verification of its)
Entries in the Energy Resource Recovery)
Account and Other Regulatory Accounts; and for)
Refund of \$0.082 Million Recorded in Two)
Memorandum Accounts.)
_____)

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN ITS 2015
RECORD PERIOD ANNUAL ENERGY RESOURCE RECOVERY ACCOUNT (ERRA)
REVIEW PROCEEDING**

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Dated: **April 1, 2016**

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STATE OF CALIFORNIA**

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I.

DESCRIPTION OF APPLICATION AND SUMMARY OF REQUEST

In compliance with Decision (“D.”) 02-10-062, D.03-07-029, and D.04-01-048, and pursuant to Rule 2.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”), Southern California Edison Company (“SCE”) is submitting its annual Energy Resource Recovery Account (“ERRA”) review application (“ERRA Review”). This application sets forth SCE’s procurement-related operations for January 1 through December 31, 2015 (“Record Period”). Concurrent with the filing of this application, SCE is serving four volumes of supporting prepared testimony on Commission staff members and interested parties, preliminarily designated as Exhibits SCE-1, SCE-2, SCE-3, and SCE-4. Certain volumes of testimony also have confidential

versions. SCE requests that the Commission find that during the Record Period: (1) its fuel and purchased power expenses complied with SCE's Commission-approved procurement plan and were recorded accurately; (2) its contract administration, management of utility-retained generation ("URG"), dispatch of generation resources, and related spot market transactions complied with Standard of Conduct Four ("SOC 4") in SCE's procurement plan; and (3) all other SCE activities subject to Commission review in this ERRR Review proceeding complied with applicable Commission decisions and resolutions.

In D.02-10-062 and D.02-12-074, the Commission determined that certain procurement-related operations should be reviewed annually in the ERRR proceeding. This review includes URG fuel expenses, SCE's administration of existing qualifying facility ("QF") contracts, bilateral contracts, inter-utility power contracts, renewable resource contracts, and natural gas tolling agreements. In addition, the Commission requires SCE to demonstrate that its least-cost dispatch operations and related spot market transactions during the Record Period complied with SOC 4 in its Commission-approved procurement plan, as clarified in D.05-01-054.

D.02-10-062 also requires SCE to set forth the entries recorded in the ERRR Balancing Account and other regulatory accounts for review. These accounts are discussed in Exhibit SCE-2 of the testimony supporting this application. As explained therein, in this application SCE is requesting approval to refund to customers approximately \$0.082 million due to a net over-collection in two of those regulatory accounts during the Record Period (the Renewables Portfolio Standard Costs Memorandum Account and the Project Development Division Memorandum Account). In addition, in this application SCE seeks Commission review of the operation of the Pole Loading and Deteriorated Pole Programs Balancing Account ("PLDPBA") for the 2015 Record Period.¹

¹ See pending Advice 3314-E (as modified by 3314-E-C) to implement D.15-11-021 (SCE's 2015 GRC final decision).

Compared to revenue at present rates, this application requests a revenue decrease of \$0.082 million (including franchise fees and uncollectibles). If total rates were to change as requested, an average residential customer's bill would not be materially affected.

II.

STATUTORY AND REGULATORY REQUIREMENTS

A. Statutory and Other Authority – Rule 2.1

SCE makes this Application pursuant to the Commission's Rules of Practice and Procedure, California Public Utilities ("P.U.") Code § 454, and Commission Decision Nos. 02-10-062, 02-12-074, 03-07-029, 04-01-048, 15-05-007, 15-11-011, 15-11-021, and 16-01-017.

P.U. Code § 454(a) provides in pertinent part:

- (a) Except as provided in Section 455, no public utility shall change any rate or so alter any classification, contract, practice, or rule as to reflect in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified.

P.U. Code § 454(b) provides in pertinent part:

- (b) The commission may adopt rules it considers reasonable and proper for each class of public utility providing for the nature of the showing required to be made in support of proposed rate changes, the form and manner of the presentation of the showing, with or without a hearing, and the procedure to be followed in the consideration thereof.

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

Rule 2.1 of the Commission's Rules of Practice and Procedure 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.

The relief being sought is summarized in Section I above, and is further described in the SCE's supporting testimony served concurrently with this application.

This application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

The remainder of Rule 2.1, as well as Rules 2.2 and 3.2, set forth further requirements that are addressed separately below.

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

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

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

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

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

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

SCE's attorneys in this matter are Janet Combs and Russell Archer. Correspondence or communications regarding this application should be addressed to:

Russell A. Archer
Senior Attorney
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (626) 302-2865
e-mail: russell.archer@sce.com

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

C. Proposed Categorization, Need for Hearings, Issues To Be Considered, Proposed Schedule, and Relevant Safety Considerations — Rule 2.1(c)

Commission Rule 2.1(c) requires that all applications shall state “the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule.”

1. Proposed Category

Rule 1.3(e) of the Commission's Rules of Practice and Procedure defines “ratesetting” proceedings as “proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities).” This application includes SCE's proposal for a decrease in its revenue requirement, resulting in a decrease in rates. Therefore, for purposes of Rule 2.1, SCE proposes that this proceeding be categorized as ratesetting.

2. Need for Hearings

The need for hearings in this proceeding, and the issues to be considered in such hearings, will depend in large part on the degree to which other parties contest SCE's requests. The need for hearings will ultimately be determined by the assigned Administrative Law Judge(s).

3. Issues to Be Considered Including Relevant Safety Considerations²

In general, the issues to be considered are discussed in Section I above and in more detail in SCE's prepared, direct testimony. Relevant safety considerations are discussed in Exhibit SCE-01, in Chapters I and VII.

4. Procedural Schedule

To allow the Commission to issue a timely final decision in this proceeding, SCE requests the Commission to process the present application according to the following schedule:

| | |
|--------------------------------|-------------------|
| Application filed: | April 1, 2016 |
| Protests Due: | May 1, 2016 |
| Reply to Protests: | May 11, 2016 |
| Pre-Hearing Conference: | May 2016 |
| ORA/Intervenor Testimony due: | September 1, 2016 |
| SCE Rebuttal Testimony due: | October 16, 2016 |
| Hearings held (if needed): | November 2016 |
| Concurrent Opening Briefs: | December 1, 2016 |
| Concurrent Reply Briefs: | December 15, 2016 |
| Proposed Decision: | January 2017 |
| Comments on Proposed Decision: | February 1, 2017 |
| Replies to Comments: | February 6, 2017 |
| Final Commission Decision: | March 2017 |
| | |

² Pursuant to D.16-01-017, the Commission has revised Rule 2.1(c) to include relevant safety considerations, and expects the revised rule to be effective as of July 1, 2016.

D. Organization and Qualification to Transact Business– Rule 2.2

Rule 2.2 requires the applicant to submit a copy of its organizing documents and evidence of its qualification to transact business in California, or to refer to that documentation if previously filed with the Commission.

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020, and is 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, both presently in effect and 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.

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

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

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock, filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, is being filed with the Commission in connection with this application, and is attached as Appendix A hereto.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934, and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 18, 2016, pursuant to Commission General Order Nos. 65-A and 104-A.

E. Authority to Increase Rates — Rule 3.2³

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

In compliance with Rule 3.2(a)(1), Appendix B hereto contains copies of SCE's balance sheet as of December 31, 2015, and income statement for the period ended December 31, 2015, the most recent period available.

³ Rule 3.2 only applies to applications to increase rates, but SCE is providing this information for completeness purposes.

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

SCE is not requesting a rate increase, but rather is requesting a rate decrease.

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

In compliance with Rule 3.2(a)(5), Appendix C hereto contains a copy of SCE's summary of earnings, updated in December 2015, the most recent period available.

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

Rule 3.2(a)(10) 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 requests recovery of amounts in certain memorandum accounts, which are traditional "pass through" costs to customers.

5. Notice – California Public Utilities Code Section 454

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

Because this application does not request authority to increase rates or to implement changes that would result in increased rates, the notice requirements of Rule 3.2(b), (c), and (d) of the Commission's Rules of Practice and Procedure are not applicable.

6. Service

The official service list has not yet been established in this proceeding. SCE is serving this application and supporting testimony on the Commission's Office of Ratepayer Advocates, as well as the service lists established by the Commission for A.15-04-002⁴ and A.15-05-007.⁵

⁴ This is the service list for SCE's ERRR Review Application, filed April 1, 2015, for the Record Period January 1 through December 31, 2014.

⁵ This is the service list for SCE's previous ERRR Forecast Application, filed May 1, 2015.

III.

CONCLUSION

SCE respectfully requests that the Commission approve SCE's application in total.

Respectfully submitted,

JANET S. COMBS
RUSSELL A. ARCHER

/s/ Russell A. Archer

By: _____
Russell A. Archer

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

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April 1, 2016

VERIFICATION

(See Rule 1.11)

Southern California Edison Company

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to the matters that are herein stated on information and belief, and as to those matters, I believe them to be true.

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

Executed this **1st day of April, 2016**, at Rosemead, California.

/s/ Caroline Choi

By: Caroline Choi
Vice President of Energy and Environmental
Policy
Southern California Edison Company

Appendix A

Certificate of Determination of Preferences of SCE's Series K Preference Stock

SCE's Income Statement and Balance Sheet

A0781492

FILED

Secretary of State
State of California

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**CERTIFICATE OF DETERMINATION OF PREFERENCES OF THE
SERIES K PREFERENCE STOCK**

SOUTHERN CALIFORNIA EDISON COMPANY

We, the undersigned, being the Vice President and the Assistant Treasurer, respectively, of Southern California Edison Company (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the laws of the State of California, DO HEREBY CERTIFY:

FIRST: The Restated Articles of Incorporation, as amended (the "Articles"), authorize the issuance of 50,000,000 shares of Preference Stock which may be issued from time to time in one or more series, and authorize the Board of Directors of the Corporation to (i) fix the number of shares of any series of Preference Stock and to determine the designation of any such series, (ii) to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preference Stock, including but not limited to rights, preferences, privileges and restrictions regarding dividends (including provisions specifying dividends at a floating or variable rate or dividends to be determined by reference to an index, formula, auction, bid or other objectively ascertainable criterion), liquidation, conversion, redemption and voting (including provisions specifying no general voting rights or voting rights of more than one vote per share), and, (iii) within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series.

SECOND: Acting pursuant to the authority delegated by the Board of Directors of the Corporation, the Pricing Committee of the Board of Directors did duly adopt on March 1, 2016, the following resolutions authorizing and providing for the creation of a series of said shares of Preference Stock to be known as Series K Preference Stock, consisting of 120,004 shares, none of the shares of such series having been issued:

"NOW, THEREFORE, BE IT RESOLVED, that 120,004 shares of the presently authorized but unissued Preference Stock, no par value, be and hereby determined to be and shall be of a series of said Preference Stock hereby designated as the "Series K Preference Stock" (the "Series K Shares"); and

BE IT FURTHER RESOLVED, that the rights, preferences, privileges and restrictions of Series K Shares of such series be and the same are hereby fixed, respectively, as follows:

1. Dividends

(a) The holders of record of the Series K Shares (each individually a "Holder," or collectively the "Holders") will be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or duly authorized committee thereof (the "Board"), in its sole discretion out of funds legally available therefor, cumulative quarterly cash dividends at an annual rate equal to (1) 5.45% of the Liquidation Preference for each Dividend Period (as defined below) from, and including, the issue date of the Series K Shares to, but excluding, March 15, 2026 (the "Fixed Rate Period"), and (2) the three-month LIBOR rate plus 3.79% of the Liquidation Preference, for each Dividend Period from, and including, March 15, 2026 through, but excluding, the redemption date of the Series K Shares, if any (the "Floating Rate Period"). When, as and if declared by the Board, we will pay dividends on the Series K Shares quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year (each, a "Dividend Payment Date"), commencing June 15, 2016. Such dividends shall be cumulative from the date of issue whether or not earned or declared, and no interest, dividends or sum in lieu thereof shall be payable in respect of the amount of any dividend on the Series K Shares not paid on a Dividend Payment Date and accrued. If a Dividend Payment Date during the Fixed Rate Period is not a Business Day (as defined below), the related dividend (if declared) will be paid on the next succeeding Business Day with the same force and effect as though paid on the Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. If any Dividend Payment Date during the Floating Rate Period is not a Business Day, the related dividend (if declared) will be payable on the next succeeding Business Day unless that day falls in the next calendar month, in which case the Dividend Payment Date will be the immediately preceding Business Day. Dividends payable on the Series K Shares for any period from but including a Dividend Payment Date to but excluding the next succeeding Dividend Payment Date (a "Dividend Period") during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months; *provided however* that Dividends payable on the Series K Shares for the initial Dividend Period and any period shorter than a full Dividend Period will be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the period using 30-day months. Dividends payable on the Series K Shares for any Dividend Period during the Floating Rate Period will be computed based on the actual number of days in a Dividend Period and a 360-day year. "Liquidation Preference" means \$2,500.00 per share of the Series K Shares. "Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York or Los Angeles, California are closed.

(i) The dividend rate for each Dividend Period in the Floating Rate Period will be determined by the Calculation Agent (as defined below) using three-month LIBOR as in effect on the second London Business Day (as defined below) prior to the beginning of the applicable Dividend Period, which date is the "Dividend Determination Date" for the Dividend Period. The Calculation Agent then will add 3.79% to three-

month LIBOR as determined on the Dividend Determination Date. Absent manifest error, the Calculation Agent's determination of the dividend rate for a Dividend Period in the Floating Rate Period for the Series K Shares will be binding and conclusive.

(ii) The term "three-month LIBOR" means (a) the offered quotation for three-month dollar deposits as such rate appears: (i) on Reuters screen page LIBOR01 (or a successor page on such service) or (ii) if such rate is not available, on such other information system that provides such information, in each case as of 11:00 a.m. (London time) on the Dividend Determination Date, (b) if no such rate is so published, then the rate for the Dividend Determination Date shall be the arithmetic mean (rounded to five decimal places, with 0.000005 being rounded upwards) of the rates for three-month dollar deposits quoted to the Calculation Agent as of 11:00 a.m. (London time) on the Dividend Determination Date; it being understood that at least two such quotes must have been so provided to the Calculation Agent, or (c) if LIBOR cannot be determined on the Dividend Determination Date using the foregoing methods, then the LIBOR for the relevant dividend period shall be LIBOR as determined using the foregoing methods for the first day before the Dividend Determination Date on which LIBOR can be so determined. "Reuters screen page LIBOR01" means the display designated on page "LIBOR01" on Reuters (or such other page as may replace the LIBOR01 page on that service or any successor service for the purpose of displaying London interbank offered rates for U.S. dollar deposits of major banks). "London Business Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market. "Calculation Agent" means Wells Fargo Bank, N.A., or another firm appointed by the Corporation, acting as Calculation Agent

(iii) All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

(b) Dividends will be payable to Holders as of the applicable record date, which record date shall be fixed by the Board and shall be a date not exceeding 60 days before the applicable payment date. Dividends not declared with respect to a specific Dividend Payment Date shall be payable to the Holders as of the record date fixed with respect to such dividends when so declared.

(c) So long as any Series K Shares shall be outstanding, no dividend (other than dividends or distributions paid in shares of, or options, warrants or rights to

subscribe for or purchase shares of, the common stock of the Corporation (the "Common Stock") or any other stock of the Corporation ranking, as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the Corporation, junior to the Series K Shares), whether in cash or property, may be paid or declared or set apart, nor may any distribution be made on the Common Stock or such other stock, nor may any shares of Common Stock or such other stock be purchased, redeemed or otherwise acquired for value by the Corporation, unless all dividends on the Series K Shares for the then-current quarterly Dividend Period and all past quarterly Dividend Periods shall have been declared and paid or set apart.

(d) The Board may, in its discretion, choose to pay dividends on the Series K Shares without the payment of any dividends on the Common Stock (or any other stock of the Corporation ranking, as to the payment of dividends, junior to the Series K Shares).

(e) No full dividends shall be declared or paid or set apart for payment on any stock of the Corporation ranking, as to the payment of dividends, equally with the Series K Shares for any period unless full dividends have been declared and paid or set apart for payment on the Series K Shares for the then-current quarterly Dividend Period and all past quarterly Dividend Periods. When dividends are not paid in full upon the Series K Shares and all other classes or series of stock of the Corporation, if any, ranking, as to the payment of dividends, equally with the Series K Shares, all dividends declared upon the Series K Shares and all such other stock of the Corporation will be declared *pro rata* so that the amount of dividends declared for the Series K Shares and all such other stock will in all cases bear to each other the same ratio that accrued dividends for the Series K Shares and for all such other stock bear to each other (but without, in the case of non-cumulative shares of such other stock, accumulation of unpaid dividends for prior Dividend Periods).

(f) No dividends may be declared or paid or set apart for payment on any Series K Shares if at the same time any arrears exist or default exists in the payment of dividends on any outstanding class or series of stock of the Corporation ranking, as to the payment of dividends, senior to the Series K Shares.

(g) The Holders will not be entitled to any dividends, whether payable in cash or property, other than as herein provided and will not be entitled to interest or dividends, or any sum in lieu thereof, on or in respect of any dividend payment or other payment on the Series K Shares which may be in arrears.

2. Liquidation Rights

(a) Upon any voluntary or involuntary dissolution, liquidation or winding up of the Corporation, after payment or provision for the liabilities of the Corporation and the expenses of such dissolution, liquidation or winding up, the Holders of outstanding Series K Shares will be entitled to receive out of the assets of the Corporation or proceeds thereof available for distribution to shareholders, before any payment or distribution of assets is made to holders of the Common Stock (or any other stock of the Corporation ranking, as to the distribution of assets upon dissolution, liquidation or winding up of the Corporation, junior to the Series K Shares), the Liquidation Preference per Share plus an amount equal to the accrued and unpaid dividend (whether or not declared) for the then-current quarterly Dividend Period accrued to but excluding the date of such liquidation payment, plus unpaid dividends on the Series K Shares for all past quarterly Dividend Periods, if any.

(b) If the assets of the Corporation available for distribution in such event are insufficient to pay in full the aggregate amount payable to Holders of Series K Shares and holders of all other classes or series of stock of the Corporation, if any, ranking, as to the distribution of assets upon dissolution, liquidation or winding up of the Corporation, equally with the Series K Shares, the assets will be distributed to the Holders of Series K Shares and holders of all such other stock *pro rata*, based on the full respective preferential amounts to which they are entitled (but without, in the case of any non-cumulative shares, accumulation of unpaid dividends for prior dividend periods).

(c) Notwithstanding the foregoing, Holders of Series K Shares will not be entitled to be paid any amount in respect of a dissolution, liquidation or winding up of the Corporation until holders of any classes or series of stock of the Corporation ranking, as to the distribution of assets upon dissolution, liquidation or winding up of the Corporation, senior to the Series K Shares have been paid all amounts to which such classes or series are entitled.

(d) Neither the sale, lease nor exchange (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation, nor the merger, consolidation or combination of the Corporation into or with any other corporation or the merger, consolidation or combination of any other corporation or entity into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 2.

(e) After payment to the Holders of Series K Shares of the full amount of the distribution of assets upon dissolution, liquidation or winding up of the Corporation to which they are entitled pursuant to this Section 2, such Holders will not be entitled to any further participation in any distribution of assets by the Corporation.

3. Voting Rights

The Series K Shares shall have no voting rights except as set forth in this Section 3 or as otherwise provided by California law:

(a) So long as any Series K Shares are outstanding, the consent of the Holders of at least a majority of the Series K Shares at the time outstanding, voting as a single class, or voting as a single class together with the holders of any other series of Preference Stock (i) upon which like voting or consent rights have been conferred and (ii) which are similarly affected by the matter to be voted upon, given in person or by proxy, either in writing or by vote at any meeting called for the purpose, shall be necessary for effecting or validating any one or more of the following:

(i) any amendment of the Corporation's Restated Articles of Incorporation which would adversely affect the rights, preferences, privileges or restrictions of the Series K Shares; or

(ii) the authorization or creation, or the increase in the authorized amount, of any stock of any class or any security convertible into stock of any class, ranking senior to the Series K Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation.

provided, however, that no such consent of the Holders of Series K Shares shall be required if, at or prior to the time when such amendment is to take effect or when the authorization, creation or increase in the authorized amount of any such senior stock or convertible security is to be made, as the case may be, provision is to be made for the redemption of all Series K Shares at the time outstanding.

(b) On matters requiring their consent, the Holders will be entitled to one vote per Share.

4. Redemption

(a) The Series K Shares shall be redeemable (i) at the option of the Corporation at any time or from time to time on or after March 15, 2026 (an "Optional Redemption") and (ii) at the option of the Corporation exercisable prior to March 15, 2026, if the Holder of all the Series K Shares is SCE Trust V or another Delaware statutory trust in which the Corporation owns all of the securities thereof designated as common securities, at any time within 90 days after an Investment Company Event or a Tax Event (each, a "Special Event Redemption"). Subject to the notice provisions set forth in Section 4(b) below and subject to any further limitations which may be imposed by law, the Corporation (y) may redeem the Series K Shares, in whole or in part, in the event of an Optional Redemption and (z) may redeem the Series K Shares in whole but not in part upon occurrence of a Special Event Redemption, in each case out of funds

legally available therefor, at a redemption price equal to the Liquidation Preference per Share plus an amount equal to the amount of the accrued and unpaid dividend (whether or not declared) for the then-current quarterly Dividend Period to but excluding the redemption date, plus unpaid dividends on the Series K Shares for all past quarterly Dividend Periods, if any. If less than all of the outstanding Series K Shares are to be redeemed in an Optional Redemption, the Corporation will select the Series K Shares to be redeemed from the outstanding Series K Shares not previously called for redemption by lot or *pro rata*.

(b) In the event the Corporation shall redeem any or all of the Series K Shares as aforesaid, the Corporation will give notice of any such redemption to Holders neither more than 60 nor less than 30 days prior to the date fixed by the Board for such redemption. Failure to give notice to any Holder shall not affect the validity of the proceedings for the redemption of Series K Shares of any other Holder being redeemed.

(c) Notice having been given as herein provided, from and after the redemption date, dividends on the Series K Shares called for redemption shall cease to accrue and such Series K Shares called for redemption will no longer be deemed outstanding, and all rights of the Holders thereof will cease.

(d) The Series K Shares will not be subject to any mandatory redemption, sinking fund or other similar provisions. In addition, Holders will have no right to require redemption of any Series K Shares.

(e) Any Series K Shares which are converted, redeemed or retired shall thereafter have the status of authorized but unissued shares of Preference Stock of the Corporation undesignated as to series, and may thereafter be reissued by the Board in the same manner as any other authorized and unissued shares of Preference Stock.

(f) If the Corporation shall deposit on or prior to any date fixed for redemption of the Series K Shares, with any bank or trust company having a capital, surplus and undivided profits aggregating at least five million dollars (\$5,000,000), as a trust fund, funds sufficient to redeem the Series K Shares called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board may determine, to the respective Holders of such Series K Shares, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series K Shares so called shall be deemed to be redeemed and dividends thereon shall cease to accrue from and after said date fixed for redemption and such deposit shall be deemed to constitute full payment of said Series K Shares to the Holders thereof and thereafter said Series K Shares shall no longer be deemed to be outstanding, and the Holders thereof shall cease to be shareholders with respect to such Series K Shares, and shall have no rights with respect thereto except only the right to receive from said bank or trust company payment of the redemption price of such Series K Shares without interest.

(g) Any moneys deposited by the Corporation pursuant to Section 4(f) which shall not be required for the redemption because of the exercise of any such right of conversion or exchange subsequent to the date of the deposit shall be repaid to the Corporation forthwith.

(h) For purposes of this Certificate of Determination of Preferences, "Investment Company Event" and "Tax Event" shall have the meanings ascribed to such terms in the Amended and Restated Declaration of Trust of SCE Trust V, a Delaware statutory trust (the "Trust"), to be dated as of March 8, 2016, by and among Southern California Edison Company, as Sponsor, the Trustees identified therein and the holders, from time to time, of undivided beneficial interests in the assets of the Trust, as may be amended from time to time, a copy of which is available without charge upon request by writing or calling the Corporate Governance Department at the Corporation's principal place of business.

5. Rank

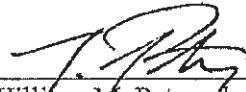
The Series K Shares shall rank, with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation:

(a) junior to the Cumulative Preferred Stock and the \$100 Cumulative Preferred Stock, and any other equity securities that the Corporation may later authorize or issue, the terms of which provide that such securities will rank senior to the Series K Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation;


(b) equally with any other shares of Preference Stock and any other equity securities that the Corporation may later authorize or issue, the terms of which provide that such shares or other securities will rank equally with the Series K Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation; and

(c) senior to the Common Stock, and any other equity securities that the Corporation may later authorize or issue, the terms of which provide that such securities will rank junior to the Series K Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Certificate
in Rosemead, California on March 2, 2016.

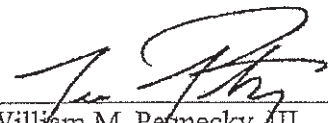


William M. Petnecky, III
Vice President

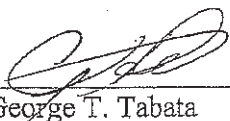


George T. Tabata
Assistant Treasurer

Each of the undersigned declares under penalty of perjury that the matters
contained in the foregoing certificate are true of their own knowledge. Executed in
Rosemead, California on March 2, 2016.



William M. Petnecky, III
Vice President



George T. Tabata
Assistant Treasurer



I hereby certify that the foregoing transcript of 4 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

MAR 03 2016

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

Appendix B

SCE's Income Statement and Balance Sheet

SOUTHERN CALIFORNIA EDISON COMPANY

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

STATEMENT OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2015

(In millions)

| | |
|--|----------------------|
| OPERATING REVENUE | <u>\$ 11,485</u> |
| OPERATING EXPENSES: | |
| Purchase power and fuel | 4,266 |
| Other operation and maintenance | 2,890 |
| Depreciation, decommissioning and amortization | 1,915 |
| Property and other taxes | 334 |
| Impairment and other charges | - |
| Total operating expenses | <u>9,405</u> |
| OPERATING INCOME | 2,080 |
| Interest and other income | 123 |
| Interest expense | (526) |
| Other expenses | (59) |
| INCOME BEFORE INCOME TAX | <u>1,618</u> |
| INCOME TAX | <u>507</u> |
| NET INCOME | <u>1,111</u> |
| Less: Preferred and preference stock dividend requirements | <u>113</u> |
| NET INCOME AVAILABLE FOR COMMON STOCK | <u><u>\$ 998</u></u> |

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2015
ASSETS
(in millions)

UTILITY PLANT:

| | |
|--|---------------|
| Utility plant, at original cost | \$ 40,144 |
| Less- accumulated provision for depreciation and decommissioning | 8,548 |
| | <u>31,596</u> |
| Construction work in progress | 3,218 |
| Nuclear fuel, at amortized cost | 131 |
| | <u>34,945</u> |

OTHER PROPERTY AND INVESTMENTS:

| | |
|---|--------------|
| Nonutility property - less accumulated depreciation of \$78 | 73 |
| Nuclear decommissioning trusts | 4,331 |
| Other investments | 168 |
| | <u>4,572</u> |

CURRENT ASSETS:

| | |
|---|--------------|
| Cash and equivalents | 26 |
| Receivables, less allowances of \$62 for uncollectible accounts | 724 |
| Accrued unbilled revenue | 564 |
| Inventory | 256 |
| Derivative assets | 79 |
| Regulatory assets | 560 |
| Other current assets | 234 |
| | <u>2,443</u> |

DEFERRED CHARGES:

| | |
|------------------------|------------------|
| Regulatory assets | 7,512 |
| Derivative assets | 84 |
| Other long-term assets | 316 |
| | <u>7,912</u> |
| | <u>\$ 49,872</u> |

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2015
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

| | |
|--------------------------------------|---------------|
| Common stock | \$ 2,168 |
| Additional paid-in capital | 652 |
| Accumulated other comprehensive loss | (22) |
| Retained earnings | 8,804 |
| Common shareholder's equity | <u>11,602</u> |
| Preferred and preference stock | 2,070 |
| Long-term debt | <u>10,537</u> |
| Total capitalization | <u>24,209</u> |

CURRENT LIABILITIES:

| | |
|-----------------------------------|--------------|
| Short-term debt | 49 |
| Current portion of long-term debt | 79 |
| Accounts payable | 1,299 |
| Accrued taxes | 46 |
| Customer deposits | 242 |
| Derivative liabilities | 218 |
| Regulatory liabilities | 1,128 |
| Other current liabilities | 760 |
| | <u>3,821</u> |

DEFERRED CREDITS:

| | |
|--|---------------|
| Deferred income taxes and credits | 9,073 |
| Derivative liabilities | 1,100 |
| Pensions and benefits | 1,284 |
| Asset retirement obligations | 2,762 |
| Regulatory liabilities | 5,676 |
| Other deferred credits and other long-term liabilities | 1,947 |
| | <u>21,842</u> |

\$ 49,872

Appendix C

SCE's Summary of Earnings

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

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