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

Application of Southern California Edison Company (U 338-E) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2018 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for net Refund of \$22.150 Million Recorded in Five Accounts.

Application No. 19-04-\_\_\_\_\_

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)**  
**IN ITS 2018 RECORD PERIOD ANNUAL ENERGY RESOURCE**  
**RECOVERY ACCOUNT (ERRA) REVIEW PROCEEDING**

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Dated: **April 1, 2019**

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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, 2018 (the “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-01, SCE-02, SCE-03, and SCE-04. Certain volumes of testimony also have confidential versions. SCE requests that the Commission find that during the Record Period: (1) SCE’s 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 ERRA 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 ERRA 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.

Pursuant to D.02-10-062, SCE is required to set forth the entries recorded in the ERRA Balancing Account (BA) for review. These entries, along with entries recorded in the Base Revenue Requirement Balancing Account, the Nuclear Decommissioning Adjustment Mechanism, the Public Purpose Programs Adjustment Mechanism, the California Alternate Rates for Energy Balancing Account, and the New System Generation Balancing Account, are supported in Exhibit SCE-02, Section B of Chapter XI.<sup>1</sup> Sections C through E of Chapter XI support the 2018 operations of 21 accounts.<sup>2</sup> Chapter XII of Exhibit SCE-02 supports the 2018 operations of the Pole Loading and Deteriorated Pole Programs Balancing Account.

## II.

### **SUMMARY OF RATEMAKING ACCOUNTS**

In this Application and supporting testimony, SCE sets forth for Commission review the operation of various regulatory accounts (*i.e.*, balancing and memorandum accounts).<sup>3</sup> The majority of

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<sup>1</sup> SCE’s preliminary statements require that the recorded entries be reviewed in SCE’s annual April ERRA Review proceedings.

<sup>2</sup> See Table XI-12, lines 7-26 for a list of these accounts. SCE’s preliminary statements require that these accounts be reviewed in SCE’s annual April ERRA Review proceeding.

<sup>3</sup> The detailed monthly operation for each account is included in the workpapers supporting this chapter.

these accounts, such as the ERRA BA, are audited by the Commission to ensure that recorded entries are accurate and consistent with Commission decisions. In this Application, SCE is not seeking to recover the amounts recorded in these accounts since the review is being performed on an after-the-fact basis (*i.e.*, SCE has already been authorized to recover these expenses). SCE requests the Commission to find that it appropriately operated these accounts during the Record Period, and that its recorded entries in these accounts are appropriate, correctly stated, and in compliance with Commission decisions. Upon a Commission finding in this proceeding that the costs recorded in these accounts are reasonable, SCE will return the net over-collected ending balance to customers.<sup>4</sup>

Collectively, SCE is requesting a revenue requirement decrease of \$22.150 million in 2020, including FF&U expenses, associated with five accounts. A summary of this requested decrease is shown in Table II-1 below.

***Table II-1***  
***Summary of 2020 Revenue Requirement Change***  
***(\$000)***

Balancing/Memorandum Accounts	Revenue Change
Agricultural Account Aggregation Study MA	78
Aliso Canyon Demand Response Program BA	(2,331)
Building Benchmarking Data MA	564
Department of Energy Litigation MA	(34,339)
Residential Rate Implementation MA	14,132
Net Over-Collected Balance:	(21,896)
FF&U:	(254)
Total Revenue Requirement Change:	\$ (22,150)

Therefore, SCE requests a net revenue requirement decrease of \$22.150 million (including Franchise Fees & Uncollectibles) in 2019 rate levels upon a Commission finding in this proceeding that the balances in the five accounts, shown above and in Table XI-11 of Exhibit SCE-02, are reasonable

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<sup>4</sup> In SCE's 2018 GRC (A.16-09-001), SCE proposed to eliminate the Project Development Division Memorandum Account (PDDMA) and it was not contested by any party. As such, this account will not be included in SCE's 2018 ERRA Review.

and appropriately recorded in compliance with applicable Commission decisions and resolutions. For illustrative purposes, if total rates were to change as requested, it would result in approximately a \$0.03 per kilowatt-hour reduction to customers' rates, or a 0.2% system average rate decrease in 2020. If total rates change as requested, an average residential customer using 550 kilowatt-hours (kWh) per month would see a decrease of \$0.20 per month, from \$110.12 to \$109.92.

The following table shows an estimate of proposed revenue and rate changes by customer group:

***Current Rates Compared to the Proposed Revenue  
and Rate Changes by Customer Group***

Customer Group	Bundled Average Rates			
	Current Rates (¢/kWh)	Rate Change (¢/kWh)	Proposed Rates (¢/kWh)	% Change over current
Residential	18.00	-0.04	17.96	-0.2%
Lighting - Small and Medium Power	16.82	-0.03	16.79	-0.2%
Large Power	11.90	-0.03	11.87	-0.2%
Agricultural and Pumping	13.12	-0.03	13.09	-0.2%
Street and Area Lighting	18.48	-0.02	18.46	-0.1%
Standby	9.86	-0.02	9.83	-0.3%
<b>TOTAL</b>	<b>15.91</b>	<b>-0.03</b>	<b>15.87</b>	<b>-0.2%</b>

	Current	Proposed	% Change
Non-CARE residential bill	\$ 110.12	\$ 109.92	-0.2%
CARE residential bill	\$ 74.46	\$ 74.33	-0.2%

### III.

#### **SUMMARY OF SUPPORTING EXHIBITS**

Exhibits SCE-1 through SCE-4 are organized as follows:

Exhibit SCE-01

Chapter I – Introduction

Chapter II – Least-Cost Dispatch

Chapter III – Hydroelectric Generation

Chapter IV – Natural Gas Generation

Chapter V – Other Generation

Chapter VI – Nuclear Generation and Fuel

Chapter VII – Contract Administration and Costs

Exhibit SCE-02

Chapter VIII – Natural Gas Procurement

Chapter IX – Inventory and GHG Carrying Cost Rates, Collateral Costs, Security and Performance Assurance

Chapter X – California Independent System Operator (CAISO) - Related Costs

Chapter XI – Operation of Ratemaking Accounts

Chapter XII – Pole Loading and Deteriorated Pole Programs Balancing Account

Chapter XIII – 2018 ERRA Review – Related Audit Testimony

Chapter XIV – Greenhouse Gas Compliance Instrument Procurement

Chapter XV – Tehachapi Storage Project

Exhibit SCE-03

Witness Qualifications and Confidentiality Declarations

Exhibit SCE-04

Acronyms

Appendices for SCE-01 and SCE-02.

**IV.**

**REQUESTED RELIEF**

SCE requests that the Commission find that during the Record Period: (1) SCE’s 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 ERRRA Review proceeding complied with applicable Commission decisions and resolutions.

## V

### **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:

- (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:

- (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 filing documents, and 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, and Rules 2.2 and 3.2, set forth further requirements 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, which are substantially within the State of California, primarily consist of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in its business.

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

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

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

SCE’s attorneys in this matter are Janet S. Combs and Mario E. Dominguez. Correspondence or communications regarding this application should be addressed to:

Mario E. Dominguez  
Attorney, Law Department  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, CA 91770  
Telephone: (626) 302-6522  
e-mail: [Mario.E.Dominguez@sce.com](mailto:Mario.E.Dominguez@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](mailto: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 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 largely 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 Considerations**

The issues to be considered are discussed in Section I above and in more detail in SCE's prepared, direct testimony served concurrently with this filing of this Application. 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 this schedule:

Application filed:	April 1, 2019
Protests / Responses Due	May 3, 2019
Reply to Protests:	May 13, 2019
Pre-Hearing Conference:	May 2018
ORA/Intervenor Testimony due:	September 6, 2019
SCE Rebuttal Testimony due:	October 18, 2019
Hearings held (if needed):	November 2019
Concurrent Opening Briefs:	November 29, 2019
Concurrent Reply Briefs:	December 13, 2019
Proposed Decision:	January 2020
Comments on Proposed Decision:	January 31, 2020
Replies to Comments:	February 7, 2020
Final Commission Decision:	March 2020

## **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, was filed with the Commission on April 1, 2016, in connection with Application No. 16-04-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with Application No. 17-06-030, and is 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 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 3.2<sup>5</sup>**

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

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

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<sup>5</sup> Rule 3.2 only applies to applications to increase rates, but SCE is providing this information for completeness.

**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 as described in Section I herein.

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

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE's summary of earnings, updated in December 31, 2018, 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 Public Advocates Office, as well as the service lists established by the Commission for A.18-03-016<sup>6</sup> and A.18-05-003.<sup>7</sup>

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<sup>6</sup> This is the service list for SCE's previous ERRR Review Application, filed March 29, 2017, for the Record Period January 1 through December 31, 2017.

<sup>7</sup> This is the service list for SCE's previous ERRR Forecast Application, filed May 1, 2018.

**VI.**

**CONCLUSION**

SCE has included herein all of the data required to support its Application, and will provide orally or in writing any other information the Commission finds necessary to act on it. SCE respectfully requests that the Commission review and approve this Application in its totality according to the schedule proposed above.

Respectfully submitted,

JANET S. COMBS  
MARIO E. DOMINGUEZ

*/s/ Mario E. Dominguez*

By: Mario. E. Dominguez

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

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**April 1, 2019**

## 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 **March 29, 2019**, at Rosemead, California.

*/s/ Colin E. Cushnie*

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By: Colin E. Cushnie  
VP Power Supply  
Southern California Edison Company

**Appendix A**

**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, 2018

(In millions)

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

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
DECEMBER 31, 2018  
ASSETS  
(in millions)

## UTILITY PLANT:

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

## OTHER PROPERTY AND INVESTMENTS:

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

## CURRENT ASSETS:

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

## DEFERRED CHARGES:

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

SOUTHERN CALIFORNIA EDISON COMPANY

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

## CAPITALIZATION:

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

## CURRENT LIABILITIES:

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

## DEFERRED CREDITS:

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

**Appendix B**

**SCE'S Summary of Earnings**

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

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

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

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

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

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