



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

FILED

05/13/22

04:59 PM

A1908013

Application Of Southern California Edison
Company (U 338-E) For Authority To Increase
Its Authorized Revenues For Electric Service
In 2021, Among Other Things, And To Reflect
That Increase In Rates.

Application 19-08-013

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) 2021 GRC TRACK 4
REQUEST FOR 2024 REVENUE REQUIREMENT**

CLAIRE E. TORCHIA
RUSSELL A. ARCHER
RYAN JERMAN

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-2865
E-mail: Russell.Archer@sce.com

Dated: **May 13, 2022**

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) 2021 GRC TRACK 4
REQUEST FOR 2024 REVENUE REQUIREMENT**

Table of Contents

Section	Page
I. INTRODUCTION AND PROCEDURAL BACKGROUND.....	1
II. OVERVIEW OF REQUEST	2
A. Basis for SCE’s Track 4 Request.....	2
B. Major Drivers of Track 4 Requested Revenue Increase	4
1. Track 4 Escalation Proposal.....	5
2. Track 4 Vegetation Management and Wildfire Mitigation O&M and Capital Forecasts	6
3. Track 4 Miscellaneous True-ups and Adjustments.....	9
C. Ratemaking Proposals.....	9
III. TRACK 4 SUBMISSION.....	11
A. Summary of SCE’s Track 4 Direct Testimony	11
B. CPUC-Jurisdictional Revenue Requirement.....	13
C. Chief Executive Officer Certification.....	13
IV. STATUTORY AND REGULATORY REQUIREMENTS	14
A. Statutory And Other Authority – Rule 2.1	14
B. Legal Name and Correspondence – Rules 2.1(a) and 2.1(b)	14
C. Proposed Categorization, Need For Hearings, Issues To Be Considered, Schedule – Rule 2.1(c).....	15
D. Organization and Qualification to Transact Business – Rule 2.2	17
E. Balance Sheet and Income Statement – Rule 2.3(h) and Rule 3.2(a)(1)	18
F. Present and Proposed Rates – Rule 3.2(a)(2) and Rule 3.2(a)(3)	19
G. Description of SCE’s Property and Equipment, Original Cost Thereof, and Depreciation Reserve – Rule 3.2(a)(4)	20
H. Summary of Earnings – Rule 3.2(a)(5).....	20

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) 2021 GRC TRACK 4
REQUEST FOR 2024 REVENUE REQUIREMENT**

Table of Contents (Continued)

Section	Page
I. Tax Depreciation – Rule 3.2(a)(7)	21
J. Proxy Statement – Rule 3.2(a)(8)	21
K. Statement Pursuant To Rule 3.2(a)(10)	21
L. Service of Notice – Rules 3.2(b), 3.2(c), 3.2(d).....	22
M. Service List	22
V. CONCLUSION AND REQUEST FOR RELIEF	22
APPENDIX A FINANCIAL STATEMENTS, INCLUDING INCOME STATEMENT AND BALANCE SHEET	
APPENDIX B LIST OF CITIES AND COUNTIES	
APPENDIX C AB 1054 CERTIFICATION OF MR. STEVEN POWELL, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF SOUTHERN CALIFORNIA EDISON	

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

Application Of Southern California Edison
Company (U 338-E) For Authority To Increase
Its Authorized Revenues For Electric Service
In 2021, Among Other Things, And To Reflect
That Increase In Rates.

Application 19-08-013

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) 2021 GRC TRACK 4
REQUEST FOR 2024 REVENUE REQUIREMENT**

I.

INTRODUCTION AND PROCEDURAL BACKGROUND

In this Track 4 of SCE’s Test Year (TY) 2021 General Rate Case (GRC), Southern California Edison Company (SCE) requests the California Public Utilities Commission (CPUC or Commission) authorize a base revenue requirement (ABRR) of \$8.639 billion to become effective January 1, 2024, and to reflect the ABRR in distribution, generation and new system generation rates. SCE’s request represents a \$972 million increase over estimated 2023 authorized base rate revenues.¹ Track 4 was necessitated by Commission Decision (D.)20-01-002, which changed the GRC Rate Case Plan from its traditional three-year cycle to a four-year cycle. Because this Decision was issued subsequent to the filing of SCE’s Test Year 2021 GRC Application (A.)19-08-013, D.20-01-002 directed SCE to update its Application to add a third attrition year for 2024, following further direction from the assigned Commissioner or Administrative Law Judges (ALJs) in this proceeding. That direction came through the issuance of the April 17, 2020 Amended Scoping Memo and Ruling of Assigned Commissioner and Assigned Administrative Law Judges (Track 4 Scoping Memo). SCE respectfully submits this Track 4

¹ In accordance with D.21-08-036 Ordering Paragraph 3, the 2023 estimated authorized base revenue requirement amount of \$7.667 billion includes attrition year adjustments as specified in Advice Letters 4586-E and 4639-E. The final 2023 base revenue requirement will be set based on IHS Markit indices published in Q4 2022.

Request and supporting direct testimony pursuant to the guidance set forth in the Track 4 Scoping Memo. Table 1 summarizes SCE’s requested Track 4 ABRR and CPUC-jurisdictional base-rate revenue changes for post-Test Year 2024.

Table 1
2024 Revenue Requirement Change from Track 1 ABRR
(Thousands of Dollars)²

		CPUC
Line No.	Item	2024
1.	Authorized Base Revenue Requirement	7,667,490
2.	Proposed Change	971,344
3.	Total Proposed Revenue Requirement	8,638,835
4.	Expenses:	
5.	Operation & Maintenance	3,007,132
6.	Depreciation	2,304,660
7.	Taxes	848,780
8.	Revenue Credits	(165,996)
9.	Total Expense	5,994,575
10.	NET OPERATING REVENUE	2,644,260
11.	RATE BASE	34,444,200
12.	RATE OF RETURN	7.68%
13.	GRC Revenue Change	12.67%
14.	Total System Change	6.49%

II.

OVERVIEW OF REQUEST

A. Basis for SCE’s Track 4 Request

SCE views Track 4 as a “bridge funding” proceeding to provide the company with an appropriate and necessary forecast revenue requirement for 2024, until SCE submits its first four-year

² On April 20, 2022, SCE filed a cost of capital application for 2023-2025 (A.22-04-009) requesting a rate of return of 7.60%, which is lower than the value shown in Table 1. If that proposal is approved, it will have the effect of reducing the Track 4 revenue requirement as compared to the one proposed here.

forecast GRC funding proposals in its 2025 Test Year (TY) GRC (scheduled to be filed in May of 2023). SCE's 2025 GRC will determine the authorized GRC base revenue requirements for 2025-2028. SCE's funding proposals here for 2024 are grounded in the Amended Scoping Memo's guidance that "SCE's third attrition year request must be consistent with the general policy decisions reached by the Commission in Track 1 of this proceeding. The intent behind Track 4 is to allow SCE to update its spending budget, not relitigate policy determinations made in the Commission's Track 1 decision."³ The programs and policies set forth in the testimony supporting this Track 4 Request closely track those proposed and approved in Track 1 for years 2021-2023, and are appropriately focused on continued execution of SCE's core mission over the past 135 years: delivering safe, reliable, affordable and increasingly clean electricity for our customers.

That mission is not changing in 2024, and as the effects of the global climate crisis are being experienced in our region, SCE has provided and continues to provide the infrastructure and programs necessary to implement the State's ambitious public policy goals, including wildfire mitigation, decarbonization of the economy through electrification, and integration of distributed energy resources across a rapidly modernizing grid. The bulk of SCE's revenue requirement request in Track 4 relates to the foundational work that SCE has always performed to maintain and improve the grid and the support functions necessary to provide our services, while continuing the investments necessary to implement the State's primary policy objective to reduce greenhouse gas (GHG) emissions. SCE is dedicated to performing these crucial functions in a manner that is affordable for customers and is fundamentally committed to spending customer dollars prudently to provide commensurate value for the important services that we provide. SCE needs to continue to do the important work and make the investments that are crucial to fostering the health of the California economy. SCE's Track 4 requests are vital to that goal.

SCE's primary and foremost mission is the safety of the public, our customers, and our workers. SCE's fundamental mission to protect public safety underlies the work SCE is requesting the

³ April 17, 2020, Amended Scoping Memo and Ruling of Assigned Commissioner and Assigned Administrative Law Judges (Amended Scoping Memo) at p. 9.

Commission authorize during this Track 4 period. California’s residents, and the electric utilities that serve them, continue to be confronted with the substantial challenges posed by our global climate crisis. As SCE continues to take action in the coming years to dramatically reduce GHG emissions and improve air quality, the State is faced with immediate and unprecedented safety risks from catastrophic wildfires, the magnitude of which even one rate case cycle ago was unforeseeable. On March 22, 2019, Governor Newsom issued a State of Emergency proclamation because of the “conditions of extreme peril to the safety of persons and property [that] exist” related to wildfires across the state.

B. Major Drivers of Track 4 Requested Revenue Increase

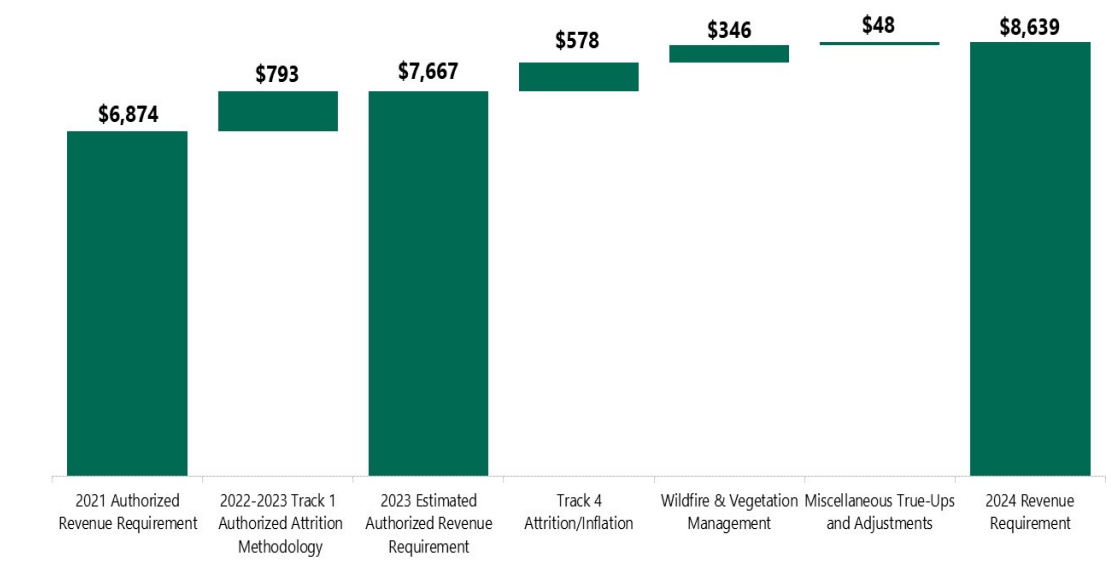
Although the majority of the work SCE will perform in 2024 remains the foundational and wildfire mitigation work discussed above, the main three drivers of the proposed revenue requirement increase in SCE’s Track 4 request are: (1) an updated funding mechanism for 2024 that not only takes into account the revenue requirement impact associated with work the Commission has already approved but also the impact of the historic inflation recently experienced in the economy that has materially increased many elements of SCE’s cost-of-service and which the Track 1 adopted attrition mechanism for 2022-23 did not anticipate (representing a \$578 million increase);⁴ (2) a forecast for vegetation management and wildfire mitigation Operations and Maintenance (O&M) expenses based on 2021 last year recorded data, which is a reasonable proxy for an “update of [SCE’s] spending budget” for 2024 (representing a \$349 million increase), as well as budget-based forecasts for wildfire mitigation/vegetation management and New Services Connections capital expenditures;⁵ and (3) a true-

⁴ Because the timeline for this Track 4 proceeding lasts for approximately 18-20 months from the date submitted until a Proposed Decision is expected to be issued, SCE is proposing to submit Track 4 Update Testimony in May 2023 based on known changes in cost of labor based on contract negotiations completed or known changes that result from updated data using the same indices used in the original presentation.

⁵ These forecasts are conservative, however, as SCE expects 2024 O&M costs in these categories to be higher than actual 2021 recorded costs. Because these costs are recorded in either balancing or memorandum accounts that will be reviewed in future proceedings if necessary, however, SCE proposes a 2024 revenue requirement based on 2021 last-year recorded data, a well-established forecasting methodology. SCE notes that it has the ability to seek future cost recovery of any under-collections in the relevant balancing and memorandum accounts where these costs are currently tracked at the appropriate time if necessary, consistent with the existing regulatory requirements for those cost-tracking accounts.

up of rate base for 2020 non-wildfire-mitigation-related recorded capital expenditures and an update to SCE's forecast customer deposits balance (representing a \$46 million increase).⁶ See Figure 1 below, which sets forth the incremental changes from the TY 2021 authorized revenue requirement to SCE's Track 4 proposed 2024 ABRR.

Figure 1
Change in Revenue Requirement from 2021 to 2024
(CPUC, in \$ millions)



1. Track 4 Escalation Proposal

SCE's 2024 Post-Test Year Ratemaking (PTYR) cost escalation proposal is designed to cover our costs of doing business in 2024 for capital additions and O&M. This Track 4 is a unique filing from a PTYR standpoint for several reasons. First, it covers only one year, 2024, a bridge year to SCE's 2025 GRC filing, which will be SCE's first four-year GRC cycle with a three-year PTYR mechanism. Second, SCE necessarily relied on 2021 as the Test Year, but 2021 was marked by the COVID-19

⁶ In addition, for wildfire mitigation-related capital expenditures, the Track 1 Final Decision specifically contemplates using a "budget-based" forecasting approach (*see* D.21-08-036 at p. 547 and Finding of Fact (FoF) 758), and SCE has done so in this Track 4 Request. The same is true for New Service Connections (*see* D.21-08-036 at p. 549 and FoF 768). Finally, as set forth in direct testimony, SCE has proposed the same ratemaking treatment for forecast vegetation management-related capital expenditures, which SCE expects to incur in 2024 in large part to support wildfire mitigation activities.

pandemic, which has had a significant, once-in-a-generation impact on the global economy.

The pandemic led to a significant increase in inflation in 2021 that could not have been foreseen when SCE filed its Track 1 Application. Consequently, actual escalation rates for 2021 and today far exceed the escalation rate forecasts made during the preparation of Track 1 of this GRC in 2019 and in the Update Testimony submitted in July 2020 that ultimately set the TY 2021 revenue requirement. For these reasons, SCE's proposed 2024 PTYR mechanism seeks to establish the 2024 revenue requirement and authorized capital additions at levels that accurately reflect the inflation impacting the utility-specific indices adopted in the Track 1 Final Decision that the economy has experienced since 2021.

2. Track 4 Vegetation Management and Wildfire Mitigation O&M and Capital Forecasts

SCE's proposed Track 4 revenue requirement for vegetation management and wildfire mitigation O&M is reasonably set at 2021 last-year recorded levels, which is a well-established mechanism for setting forecast GRC rates. Simply escalating the TY 2021 authorized amounts that were based on forecasts developed in 2019 would be woefully insufficient to cover SCE's actual forecast costs for 2024, particularly for these categories of vegetation management and wildfire mitigation costs which have evolved dynamically in recent years. Furthermore, simply escalating the TY 2021 authorized amounts would not be consistent with the Track 4 Scoping Memo's guidance to "update [SCE's] spending budget."

For vegetation management, in Track 1 the Commission denied SCE's Update Testimony request to include the statutorily mandated, pass-through costs of labor imposed by SB 247 on all California utilities, a law which became effective more than two years ago (and four years before the 2024 ABRR will be implemented), and other labor cost increases. In the Track 1 decision, the Commission indicated the update was beyond the limited changes appropriate for update testimony,

given the limited record on the issue at that time and the lack of confidence in the accuracy of the updated forecast.⁷

In part due to this regulatory deferral of cost recovery, in 2021 SCE accrued a material under-collection in the Vegetation Management Balancing Account (VMBA) and expects to do so again in 2022 and 2023. Setting a 2024 vegetation management-related revenue requirement based on 2021's artificially low amount would only compound this under-collection problem and will lead to a potentially avoidable future Application to recover these under-collected costs for calendar year 2024, well after these reasonable and unavoidable pass-through costs have been incurred. Continuing the deferral of recovery of these statutorily required costs (and other vegetation management cost-of-service expenses) is not only contrary to the regulatory compact, but also not in customers' best interests. Expenses prudently incurred for utility service should be expeditiously authorized for immediate recovery; deferral of recovery puts pressure on future customer rates and impairs utility financial health, which ultimately increases costs to customers. The Commission and parties have reviewed these costs for calendar year 2020 in Track 3 of this GRC and have the benefit of actual 2021 recorded data to inform the reasonableness of SCE's Track 4 forecast.

Regarding wildfire mitigation O&M, the Track 1 Final Decision denied SCE's request to track all wildfire mitigation costs in a two-way balancing account. Instead, for non-WCCP wildfire mitigation activities, the Commission held that because "[t]he projected scope of these activities are significantly less than that of SCE's WCCP," and "because SCE's Wildfire Mitigation Plan Memorandum Account allows SCE to track costs incurred to implement SCE's approved WMP," that "SCE has every opportunity to seek reasonableness review for any recorded costs in excess of the amounts approved in this decision."⁸ Pursuant to the Track 1 Final Decision, SCE has tracked non-WCCP wildfire mitigation costs above authorized levels in its existing fire mitigation memorandum accounts. That will necessitate

⁷ D.21-08-036, pp. 182-83.

⁸ D.21-08-036, pp. 250-51.

a reasonableness review in one or more future Applications for calendar years 2021-2023.² But because 2021 wildfire mitigation O&M recorded costs are now known, and because the scope of this work and its associated costs for 2024 is likely to be at least as much as was performed and incurred in 2021, it is appropriate to set the 2024 forecast at this level to help avoid a further under-collection, which would likely necessitate yet another future cost recovery Application. Finally, similar to vegetation management O&M expenses discussed above, deferral of recovery of prudently incurred costs for wildfire mitigation is not in the best interest of customers.

For wildfire mitigation-related capital expenditures, the Track 1 Final Decision specifically authorized a “budget-based” forecasting approach for the attrition years 2022-2023, which SCE has maintained in this Track 4 Request (with the addition of vegetation management capital expenditures, which is a sub-activity created after Track 1 and are also in large part driven by wildfire mitigation activities). To address the unacceptable level of absolute risk facing our customers and communities associated with wildfires, and pursuant to Senate Bill (SB) 901 and Assembly Bill (AB) 1054, beginning in 2018 SCE initiated an ambitious plan to significantly and materially harden our overhead electrical infrastructure to reduce ignitions associated with that infrastructure. Those efforts – effectuated through SCE’s Wildfire Covered Conductor Program (WCCP) – focused on replacing existing overhead bare wires with insulated wires, also known as “covered conductor.” In the Track 1 Final Decision (D.21-08-036) in this GRC, the Commission approved a substantial portion of SCE’s request for covered conductor installation: 4,500 circuit miles over the 2019-2023 period.

SCE is effectively executing on that authorized work, and SCE’s covered conductor installation to date has materially reduced ignition risk across the High Fire Risk Areas (HFRA) that we serve. But more needs to be done to protect customers. Accordingly, in Track 4 SCE is proposing an additional scope of 1,200 miles of covered conductor for completion in 2024. In addition, and as discussed in detail in the supporting direct testimony, recently it has become clear to SCE that for certain selected portions

² In Chapter II of SCE’s supporting direct testimony, SCE discusses its forthcoming Application that will seek reasonableness review and recovery of incremental wildfire costs above authorized levels for calendar year 2021.

of our service area there is a lack of available road capacity, which could prevent people from safely evacuating in the event of an approaching wildfire. Accordingly, and as previewed in SCE's 2022 Wildfire Mitigation Plan (WMP) Update, Track 4 sets forth SCE's new Integrated Grid Hardening Strategy (IGHS) – which includes the continuation of WCCP as well as the expansion of Targeted Undergrounding (TUG) – to help keep our customers and communities safe.¹⁰ IHGS also includes a suite of complementary mitigation measures for sections of our overhead distribution facilities where an ignition has the most potential of growing into a significant wildfire.

3. Track 4 Miscellaneous True-ups and Adjustments

In Track 4, SCE is also proposing to update its Customer Deposits (CDs) balance. CDs are funds collected from customers for security against non-payment that will be returned to those same customers or used as a credit against their bills in the event of non-payment. In accordance with D.20-06-003, SCE has continued to experience a decline in CDs during its 2021 GRC cycle and is therefore updating its forecast customer deposit balance to reflect this decline, utilizing a 12-month average. SCE is also proposing to true-up 2020 non-wildfire-related¹¹ recorded capital expenditures for 2020 and reflect that trued-up balance in rate base. Truing up last-year recorded capital expenditures is typical in forecast-based GRC proceedings.¹²

C. Ratemaking Proposals

SCE's Track 4 Request also proposes a continuation of its Track 1-authorized GRC-related balancing and memorandum accounts, including the various wildfire mitigation-related and vegetation management balancing and memorandum accounts through the end of 2024. For the Wildfire Risk Mitigation Balancing Account (WRMBA), SCE additionally proposes an expanded scope of covered

¹⁰ Because of the capital nature of the program, SCE's proposed grid hardening capital expenditures do not have a material impact on the proposed 2024 ABRR.

¹¹ SCE's capital-related revenue requirement for wildfire mitigation investments in 2020 is entirely excluded from our GRC request and the associated revenue requirement associated with the 2020 wildfire investment will be recovered through a separate securitization application without any equity return on rate base pursuant to AB 1054.

¹² SCE anticipates trueing up 2021 recorded capital expenditures in the TY 2025 GRC.

conductor installation for 2024 only. The Track 1 Final Decision authorized up to 4,500 miles of covered conductor in the WCCP for the period 2019-2023 (with the ability to seek cost recovery after a reasonableness review for expenditures above 110% of the authorized revenue requirement threshold), and SCE is not seeking to alter that determination in Track 4.¹³ In Track 4, SCE seeks authorization for 1,200 miles installed in calendar year 2024 (with the continued ability to seek cost recovery through a reasonableness review for costs above 110% of the authorized revenue requirement threshold for those authorized 1,200 miles, consistent with the ratemaking treatment for 2021-2023 WCCP costs). These 2024 miles would be tracked separately as a sub-account in the WRMBA, and the WRMBA's term would be extended through the end of 2024.

SCE also seeks continued authorization of the Wildfire Mitigation Plan Memorandum Account (WMPMA) and Fire Risk Reduction Memorandum Account (FRRMA) through the end of 2024 for tracking and recording non-WCCP wildfire mitigation-related costs, pursuant to the current substantive terms of the preliminary statements authorizing those accounts.¹⁴ Finally, SCE also proposes to set the 2024 forecast authorized revenues for vegetation management activities at the 2021 last year recorded amount and to maintain the existing Vegetation Management Balancing Account (VMBA) threshold on the revised amount as discussed in Exhibit SCE-02, Chapter VIII.¹⁵

¹³ See, e.g., D.21-08-036 at Conclusion of Law (CoL) 74. SCE has completed approximately 2,500 miles of covered conductor through the end of 2021 through WCCP and forecasts the completion of an additional 1,250 miles of WCCP installation in each of 2022 and 2023 (*i.e.*, approximately 5,000 miles total through YE 2023).

¹⁴ SCE may need to update the terms of those tariffs to extend their authorization through the end of 2024 and proposes doing so in an implementation advice letter pursuant to a final decision in Track 4.

¹⁵ SCE reserves the right to propose the extension, modification or elimination of the WRMBA, VMBA, WMPMA, and/or FRMMA in its forthcoming TY 2025 GRC Application.

III.

TRACK 4 SUBMISSION

A. Summary of SCE's Track 4 Direct Testimony

SCE is serving fourteen chapters of testimony concurrently with this Track 4 request, structured as follows:¹⁶

- **Chapter I – Introduction** – Provides the procedural history leading to this Track 4 as well as a summary of SCE's overall request.
- **Chapter II – Track 4 Integration** – Discusses the relationship between Track 4 and SCE's concurrently-filed 2022 Risk Assessment Mitigation Phase (RAMP) report, as well as between Track 4 and SCE's forthcoming application seeking recovery of incremental recorded wildfire mitigation and vegetation management costs in 2021.
- **Chapter III – Results of Operation** – Sets forth SCE's ratemaking and escalation proposals.
- **Chapter IV – Safety and Reliability Investment Incentive Mechanism (SRIIM)** – Discusses SCE's proposal to continue the existing SRIIM mechanism, consistent with the Track 1 Final Decision.
- **Chapter V – Grid Hardening** – Sets forth SCE's forecasts related to IGHS, including WCCP, TUG and additional wildfire mitigation technologies.
- **Chapter VI – Organizational Support** – Discusses SCE's need for continued internal and external labor resources to successfully execute on our wildfire mitigation programs and activities.
- **Chapter VII – Enhanced Operational Practices** – Sets forth the forecast for SCE's enhanced, comprehensive inspections program (and associated remediations) for our

¹⁶ Exhibit SCE-01 contains Chapters I-IV and Exhibit SCE-02 contains Chapters V-XIV.

overhead assets in HFRA (a successor to the Enhanced Overhead Inspections (EOI) program authorized in Track 1).

- **Chapter VIII – Vegetation Management** – Discusses the forecast for 2024 Vegetation Management O&M, including substantial costs directly resulting from the implementation of SB 247 in January of 2020.
- **Chapter IX – Public Safety Power Shutoff (PSPS)** – Sets forth SCE’s 2024 forecast for PSPS, which continues to be a wildfire mitigation tool of last resort.
- **Chapter X – Aerial Suppression** – Discusses SCE’s request for funding for up to five aerial firefighting helicopters to address the challenge of limited locally available aerial firefighting assets.
- **Chapter XI – Enhanced Situational Awareness** – Explains SCE’s comprehensive situational awareness approach for wildfire mitigation, including high definition cameras and weather stations.
- **Chapter XII – Fire Science and Weather and Fuels Monitoring** – Discusses SCE’s use of data derived from our weather stations and other sources in combination with fire science and weather and fuels modeling techniques to develop new predictive models that help us more effectively focus our wildfire mitigation efforts and strategies.
- **Chapter XIII – Environmental Remediation Liability Management Costs** – Sets forth the forecast for the annual fee required by SB 901 to fund State Water Resources Control Board work.
- **Chapter XIV – New Services Connections** – Proposes a budget-based forecast for new services connections capital expenditures, which is a continuation of the Track 1 Final Decision’s ratemaking treatment for this program.¹⁷

¹⁷ See D.21-08-036 at p. 549 and FoF 768.

B. CPUC-Jurisdictional Revenue Requirement

The expenses and capital expenditures presented in the prepared testimony accompanying this Track 4 submission include certain items that are subject to the ratemaking authority of the Federal Energy Regulatory Commission (FERC). To determine the appropriate CPUC-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 GRCs since 2006.¹⁸

C. Chief Executive Officer Certification

Section 8386.4 of the Public Utilities Code governs recovery for costs related to approved WMPs, and requires "[t]he chief executive officer of a corporation [to] certify in each general rate case application that the electrical corporation has not received authorization from the commission to recover the costs in a previous proceeding, including wildfire cost recovery applications."¹⁹ This provision is intended to bar double recovery of WMP-related costs that have already been approved elsewhere (*e.g.*, in previous proceedings). The "AB 1054 Certification of Mr. Steven Powell,"²⁰ which is attached hereto as Appendix C, so certifies.²¹

¹⁸ See D.06-05-016, D.09-03-025, D.12-11-051, D.15-11-021, D.19-05-020, D.21-08-036.

¹⁹ Cal. Pub. Util. Code §8386.4(b)(3).

²⁰ Mr. Powell has also executed the traditional required Rule 1.11 officer verification, which is attached to this Track 4 submittal.

²¹ That certification also covers Cal. Pub. Util. Code §451.3, added by AB 1054, which would permit (not require) the Commission to issue penalties if the utility re-requests previously authorized wildfire mitigation plan-related costs.

IV.

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 above and is further described in the accompanying Track 4 testimony. 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, 795, 850, 854, 3293, 8386, 8386.3, 8386.4, 8386.6 *et al.*, the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission, including D.17-12-024 and D.20-01-002. This Track 4 submission has been verified by an SCE officer consistent with Rule 1.11.

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

Pursuant to Rules 2.1(a) and 2.1(b),²² 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 Track 4 Request should be addressed to:

²² Rule 2.1(a) requires an 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. Although this Track 4 does not require a separate Application, SCE has included the accompanying information and verifications that would be included with a formal Application where applicable and available.

Case Administration
Southern California Edison Company
Post Office Box 800
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-1212
E-mail: scegrc@sce.com

C. Proposed Categorization, Need For Hearings, Issues To Be Considered, 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 including relevant safety considerations, and a proposed schedule.”²³ This Track 4 should continue to be designated as “ratesetting” pursuant to the Scoping Memo in this GRC.²⁴ The Track 4 Scoping Memo already contemplates stand-alone Track 4 hearings.

The Commission has already adopted a schedule for this Track 4, as set forth in the middle column below, and SCE is offering additional milestone dates in the last column:²⁵

²³ Title 20 Cal. Code Regs. Div. 1, Art. 2, §2.1(c).

²⁴ “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(d)(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(f).

²⁵ Please note that the Amended Scoping Memo’s adopted schedule includes dates relevant to SCE’s 2022 RAMP filing, but SCE has omitted those dates from the proposed schedule set forth herein.

Event	Amended Scoping Memo	Proposed Additional and Modified Dates
Track 4 Request Filed	5/13/2022	Same
Protests	N/A	~6/13/2022
Reply to Protests	N/A	~6/23/2022
Prehearing Conference	N/A	~7/11/2022 ²⁶
Intervenor Direct Testimony	2/15/2023	Same
SCE Rebuttal Testimony	3/31/2023	Same
Meet and Confer	N/A	6/12/2023 ²⁷
Update Testimony ²⁸	N/A	5/22/2023
Evidentiary Hearings	5/31/2023 – 6/2/2023	6/6/2023 – 6/8/2023 ²⁹
Opening Briefs	6/30/2023	Same
Reply Briefs	7/21/2023	Same
Proposed Decision	Q4 2023	Same

SCE urges the Commission to adhere to the Amended Scoping Memo’s adopted deadline for a Proposed Decision and respectfully requests that a Track 4 final decision be issued by the end of 2023, so that new rates *for* 2024 can be implemented *in* early 2024. In previous proceedings, SCE has stressed the importance of timely final decisions that impact revenue requirements. Decisions issued late (that is, after the start of the Test Year) erode the benefits of forecast-based ratemaking. Timely final decisions provide rate stability, foster utility operational planning, and help reinforce compensatory cost-of-service ratemaking principles, which in turn fosters the utility financial stability that ultimately redounds to customers’ benefit through lower financing costs. A timely Final Decision in Track 4 is especially important for the following reasons: (1) it will allow SCE to include the change in our regularly scheduled January rate change; (2) it will avoid an off-cycle (and potentially in the summer) rate change;

²⁶ For purposes of judicial economy, SCE has proposed a Track 4 Prehearing Conference date concurrent with the date proposed in SCE’s 2022 RAMP Application for that procedural milestone.

²⁷ Pursuant to Rule 13.9.

²⁸ See Footnote 4, *supra*, for a description of what will be covered in this Update Testimony.

²⁹ SCE is respectfully requesting a one-week delay to the Amended Scoping Memo’s evidentiary hearing dates because, pursuant to the Rate Case Plan, SCE’s TY 2025 GRC is due to be filed on May 15, 2023. There is significant overlap amongst the SCE personnel who will be responsible for filing the 2025 GRC and those who will be preparing for Track 4 evidentiary hearings. SCE believes that even with this modest postponement for evidentiary hearings the Amended Scoping Memo’s existing dates for briefing and a Proposed Decision remain realistic and achievable.

and (3) it will avoid potential rate changes close in time to the implementation of rates associated with SCE's upcoming TY 2025 GRC.

D. Organization and Qualification to Transact Business – Rule 2.2

In compliance with Rule 2.2,³⁰ 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. 06-03-020,³¹ and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and are incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 14, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the

³⁰ 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.

³¹ Application 06-03-020, *For Authority to Add City of Anaheim's Share of San Onofre Nuclear Generating Station Unit Nos. 2 & 3 (SONGS 2 & 3) to SCE's Rates and Associated Relief*.

California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, and is incorporated herein by this reference.

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

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

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

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

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, 2022, 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 Track 4 submission contains copies of SCE's balance sheet as of March 31, 2022, and income statement for the period ended March 31, 2022.

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 set forth below. Proposed tariff sheets reflecting SCE’s revenue allocation and rate design proposals are being addressed in Phase 2 of the 2021 GRC (*i.e.*, A.20-10-012).

If the Commission were to allocate the increase in revenues associated with this Track 4 to SCE’s customer groups, the impact on each customer group would be as shown in Table 2. This table isolates the impact of Track 4 proposed revenue requirement increases and is not inclusive of Tracks 3 or other pending requests.

Table 2
Estimated Impact of Track 4 Request on Customer Rates

Bundled Average Rates (¢/kWh)					
Customer Group	Current Rates		Proposed Increase	Proposed Rates	% Increase
Residential	25.66		1.75	27.41	6.81%
Lighting - Small and Medium Power	25.96		1.47	27.43	5.66%
Large Power	17.87		0.82	18.69	4.57%
Agricultural and Pumping	21.26		1.15	22.42	5.42%
Street and Area Lighting	27.22		0.89	28.10	3.26%
Standby	14.43		0.47	14.89	3.23%
Total	23.36		1.37	24.73	5.9%

Residential Bill Impact (\$/Month)					
Description	Current	Proposed Increase	Proposed	% Increase	
Non-CARE residential bill	\$ 150.15	\$ 9.38	\$ 159.54	6.2%	
CARE residential bill	\$ 101.60	\$ 6.34	\$ 107.95	6.2%	

The increases shown in Table 2, above, are illustrative only. As mentioned earlier, revenue allocation and rate design issues associated with this filing will be addressed in a separate proceeding (commonly known as a “GRC Phase 2”). In addition, the rates will be updated consistent with the Commission’s decision(s) in this proceeding to reflect SCE’s then-current authorized revenues when such rates are implemented. SCE’s current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letters pursuant to Commission General Order 96-B.

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, a facility located in Arizona.

SCE owns and operates 32 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 solar photovoltaic sites (rooftop solar plants 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 a 15.8% interest in Palo Verde Nuclear Generating Station Units 1, 2, and 3 located in Arizona.

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 were shown in the Balance Sheet attached as Appendix A to the Amended Application, and in the schedules included as Exhibit SCE-07, Volume 3 (Depreciation Study) of the testimony supporting it.

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

SCE has not included a summary of earnings that are isolated to Track 4 but one could be provided upon request.

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.

The 2020 Edison International and SCE’s joint proxy statement was provided to the Commission electronically in compliance with Ordering Paragraph 1 of Decision No. 88-01-063, Condition No. 5d, via email on March 13, 2020.

K. 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 Track 4 testimony 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)

SCE will mail a notice stating in general terms the proposed increases in rates to the designated officials of the state and the counties and cities listed in Appendix B. In addition, consistent with Rule 3.2(c), SCE will publish notice 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 Track 4 submission is attached as Appendix B. In its August 30, 2019 notice to customers in the above-captioned proceeding, SCE indicated that it would separately notice customers of the Track 4 costs once these costs are known. Pursuant to Rule 3.2(d), SCE will also furnish notice to customers affected by the proposed increase by including such notice with the regular bills mailed to those customers and by electronically linking to such notice for customers that receive their bills electronically.³² Finally, pursuant to Rule 3.2(e), SCE will submit a 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. Service List

SCE is serving this Track 4 Request on the current 2021 GRC service list as established and maintained by the Commission in this proceeding.

V.

CONCLUSION AND REQUEST FOR RELIEF

SCE respectfully asks the Commission to authorize the revenue adjustments and other requests included herein to become effective January 1, 2024 (or as soon thereafter as reasonably practicable), and to issue its decision by year-end 2023:

³² See Rule 3.2(d).

1. Finding reasonable the requested ABRR and ordering that ABRR to be made effective January 1, 2024 (or as soon thereafter as reasonably practicable);
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. Approve as just and reasonable SCE's forecast Track 4 revenue requirement pursuant to the Track 4 Scoping Memo's adopted Track 4 schedule (including SCE's additional proposed procedural milestones) and authorize those costs to be placed in customer rates;
4. Approve the Track 1-authorized GRC-related balancing and memorandum accounts, including the WRMBA, WMPMA, FRRMA, and VMBA through the end of 2024, consistent with SCE's proposals set forth herein;
5. Rendering Findings of Fact and Conclusions of Law, and issuing Orders consistent with the materials accompanying this filing; and,
6. Granting such other relief as the Commission finds to be just and reasonable.

Respectfully submitted,

CLAIRE E. TORCHIA
RUSSELL A. ARCHER
RYAN JERMAN

/s/ Russell A. Archer

By: Russell A. Archer

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-2865
E-mail: Russell.Archer@sce.com

May 13, 2022

Appendix A

Financial Statements,

Including 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
THREE MONTHS ENDED MARCH 31, 2022

(In millions)

OPERATING REVENUE	<u>\$ 3,961</u>
OPERATING EXPENSES:	
Purchase power and fuel	1,037
Operation and maintenance	1,466
Wildfire-related claims, net of insurance recoveries	425
Wildfire insurance fund expense	53
Depreciation and amortization	583
Property and other taxes	124
Other operating income	(2)
Total operating expenses	<u>3,686</u>
OPERATING INCOME	275
Interest expense	(213)
Other income	71
INCOME BEFORE TAXES	<u>133</u>
Income tax benefit	(40)
NET INCOME	<u>173</u>
Less: Preference stock dividend requirements	<u>26</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u>\$ 147</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
MARCH 31, 2022
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 58,116
Less- accumulated provision for depreciation and amortization	11,650
	<hr/> 46,466
Construction work in progress	4,200
Nuclear fuel - at amortized cost	127
	<hr/> 50,793

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$92	201
Nuclear decommissioning trusts	4,527
Other investments	39
	<hr/> 4,767

CURRENT ASSETS:

Cash and equivalents	119
Receivables, less allowances of \$253 for uncollectible accounts	1,305
Accrued unbilled revenue	743
Inventory	434
Prepaid expenses	256
Regulatory assets	1,961
Wildfire insurance fund contributions	204
Other current assets	123
	<hr/> 5,145

DEFERRED CHARGES:

Receivables, less allowance of \$99 for uncollectible accounts	66
Regulatory assets (Includes \$849 related to VIEs)	8,008
Wildfire insurance fund contributions	2,309
Operating lease right-of-use assets	1,842
Long-term insurance receivable	95
Long-term insurance receivable due from affiliate	76
Other long-term assets	1,432
	<hr/> 13,828
	<hr/> \$ 74,533

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
MARCH 31, 2022
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	2,168
Additional paid-in capital	7,028
Accumulated other comprehensive loss	(31)
Retained earnings	8,542
Common shareholder's equity	<u>17,707</u>
Long-term debt (Includes \$837 related to VIEs)	22,928
Preferred stock	1,945
Total capitalization	<u>42,580</u>

CURRENT LIABILITIES:

Short-term debt	2,049
Current portion of long-term debt	17
Accounts payable	1,974
Wildfire-related claims	137
Customer deposits	190
Regulatory liabilities	701
Current portion of operating lease liabilities	592
Other current liabilities	1,571
	<u>7,231</u>

DEFERRED CREDITS:

Deferred income taxes and credits	7,239
Pensions and benefits	110
Asset retirement obligations	2,839
Regulatory liabilities	8,867
Operating lease liabilities	1,250
Wildfire-related claims	1,531
Other deferred credits and other long-term liabilities	2,886
	<u>24,722</u>

\$ 74,533

Southern California Edison
2021 GRC Summary of Earnings
Final Decision (RO Model 6.1)

Thousands of Dollars

Southern California Edison Summary of Earnings 2021 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	6,874,110
2.	Expenses:	
3.	Operation & Maintenance	2,391,587
4.	Depreciation	1,902,940
5.	Taxes	595,277
6.	Revenue Credits	(162,794)
7.	Total Expenses	4,727,010
8.	Net Operating Revenue	2,147,100
9.	Rate Base	27,982,268
10.	Rate of Return	7.67%

Southern California Edison Summary of Earnings 2022 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,257,059
2.	Expenses:	
3.	Operation & Maintenance	2,445,365
4.	Depreciation	2,011,977
5.	Taxes	664,156
6.	Revenue Credits	(163,463)
7.	Total Expenses	4,958,036
8.	Net Operating Revenue	2,299,023
9.	Rate Base	29,956,578
10.	Rate of Return	7.67%

Southern California Edison Summary of Earnings 2023 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,694,731
2.	Expenses:	
3.	Operation & Maintenance	2,503,319
4.	Depreciation	2,133,629
5.	Taxes	760,267
6.	Revenue Credits	(164,174)
7.	Total Expenses	5,233,040
8.	Net Operating Revenue	2,461,691
9.	Rate Base	32,070,817
10.	Rate of Return	7.68%

Appendix B

List of Cities and Counties



SOUTHERN CALIFORNIA
EDISON
Energy for What's Ahead®

INCORPORATED CITIES AND COUNTIES SERVED BY SCE

COUNTIES

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

CITIES

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

Updated: 4/25/2019

Appendix C

AB 1054 Certification of Mr. Steven Powell,

President and Chief Executive Officer of Southern California Edison

AB 1054 CERTIFICATION (PUBLIC UTILITIES CODE SECTION 8386.4(b)(3))

1. I am the President and Chief Executive Officer of Southern California Edison Company (SCE).

2. Pursuant to Public Utilities Code Section 8386.4(b)(3), I hereby certify that SCE has not, in a previous proceeding, received authorization from the California Public Utilities Commission (Commission) to recover the Wildfire Mitigation Plan (WMP)-related costs sought in this Track 4 submission for activities described in SCE's approved wildfire mitigation plans.

3. In Track 4 of this GRC, SCE is seeking the review of a forecast 2024 revenue requirement for the third attrition year of the 2021 GRC. SCE's proposal includes a request for recovery – on a forecast basis – for costs of programs and activities that have been described in previous WMPs. However, the Commission has not authorized the recovery of the Track 4 forecast costs in any previous proceedings. Specifically, the Commission's Track 1 Final Decision (D.21-08-036) authorized cost recovery for the period 2021-2023. The Commission's Track 2 Final Decision (D.21-01-012) authorized cost recovery for recorded wildfire mitigation costs incremental to the 2018 GRC Final Decision (D.19-05-020)-authorized amounts for the period of 2018-2019. As of the time of this filing, the Commission has not yet issued a decision in Track 3 of this GRC, but when it does so that decision will cover wildfire mitigation recorded costs incremental to the 2018 GRC Final Decision's authorized amounts for 2020 as well as wildfire mitigation recorded costs incremental to the Grid Safety & Resiliency Program (GSRP) final Decision's (D.20-04-013) authorized amounts for the period 2018-2020. The cost forecasts set forth in Track 4 are distinct from all the previous tracks of this GRC and the GSRP proceeding.

Executed this 12th day of May 2022 at Rosemead, California.

/s/ Steven Powell
Steven Powell
President & CEO
SOUTHERN CALIFORNIA EDISON COMPANY
8631 Rush Street
Post Office Box 800
Rosemead, California 91770

RULE 1.11 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 May 2022 at Rosemead, California.

/s/ Steven Powell
Steven Powell
President & CEO
SOUTHERN CALIFORNIA EDISON COMPANY
8631 Rush Street
Post Office Box 800
Rosemead, California 91770