



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

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A2403019

Application of Southern California Edison
Company (U 338-E) to Establish Marginal
Costs, Allocate Revenues, and Design Rates.

Application 24-03-_____

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO
ESTABLISH MARGINAL COSTS, ALLOCATE REVENUES, AND DESIGN RATES**

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Dated: **March 29, 2024**

APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO ESTABLISH MARGINAL COSTS, ALLOCATE REVENUES, AND DESIGN RATES

Table Of Contents

	Section	Page
I.	INTRODUCTION	1
II.	PROCEDURAL BACKGROUND.....	1
III.	SUMMARY OF SCE’S PROPOSALS	2
A.	Marginal Costs	3
B.	Revenue Allocation.....	5
C.	Rate Design.....	6
IV.	PROCEDURAL REQUIREMENTS	9
A.	Statutory and Procedural Authority	9
B.	Legal Name and Correspondence—Rules 2.1(a) and 2.1(b)	10
C.	Proposed Categorization, Need for Hearings, Issues to be Considered, and Proposed Schedule – Rule 2.1(c).....	11
D.	Organization and Qualification to Transact Business—Rule 2.2	12
E.	Balance Sheet and Income Statement—Rules 2.3 and Rule 3.2(a)(1)	13
F.	Statement of Presently Effective and Proposed Rates—Rules 3.2(a)(2) and 3.2(a)(3)	13
G.	Description of SCE’s Service Territory and Utility System—Rule 3.2(a)(4)	13
H.	Summary of Earnings—Rule 3.2(a)(5).....	13
I.	Depreciation—Rule 3.2(a)(7)	13
J.	Capital Stock and Proxy Statement—Rule 3.2(a)(8).....	14
K.	Statement Pursuant to Rule 3.2(a)(10).....	14
L.	Service of Notice—Rule 3.2(b), (c), and (d)	14
M.	Appendices to This Application And Index Of Exhibits	14
N.	Service List	15

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO
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Table Of Contents (Continued)

Section		Page
V.	CONCLUSION.....	15
APPENDIX A SCE’S STATEMENT OF INCOME AND BALANCE SHEET		
APPENDIX B SCE’S SUMMARY OF EARNINGS		
APPENDIX C LIST OF CITIES AND COUNTIES IN WHICH THE PROPOSED INCREASE IS TO BE MADE EFFECTIVE		

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I.

INTRODUCTION

Pursuant to Rule 2.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission) and the Rate Case Plan (described below), Southern California Edison Company (SCE) files this Application to establish marginal costs, allocate revenues, and design rates that will ultimately be applied to SCE’s authorized revenue requirements. This request is related to SCE’s Application (A.) 23-05-010, commonly referred to as Phase 1 of SCE’s General Rate Case (GRC), which is SCE’s request to increase its Commission-authorized revenue requirement.

II.

PROCEDURAL BACKGROUND

Under the Rate Case Plan (RCP), SCE is required to file a complete electric rate design proposal (GRC Phase 2) and serve supporting testimony and exhibits ninety (90) days after the filing of its Application in Phase 1 of SCE’s GRC.¹ SCE filed its 2025 GRC Phase 1 Application on May 12, 2023 (A.23-05-010); thus, the deadline to file the GRC Phase 2 under the RCP was August 10, 2023.

¹ The Rate Case Plan was developed in Decision (D.) 89-01-040 and subsequently modified in D.93-07-030, D.07-07-004, D.14-12-025 and D.20-01-002. D.20-01-002, which established a four-year GRC cycle and required SCE to amend its 2021 GRC Phase 1 Application to include a fourth attrition year, proposed workshops to explore “whether to modify the filing requirements for Phase 2 applications” but held that the requirements, as provided for in D.07-07-004, remain in effect. (D.20-01-002, pp. 43-44.)

However, in March 15, 2023, SCE submitted a request, pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure, to defer the filing deadline for the GRC Phase 2 Application to March 29, 2024. That request was granted on April 24, 2023. Thus, this Application is timely filed.

III.

SUMMARY OF SCE'S PROPOSALS

The details of SCE's 2025 GRC Phase 2 proposals are set forth in four volumes of direct testimony exhibits supporting this Application. In Exhibit SCE-01, SCE describes the overall policy objectives for its rate proposals in this proceeding and how those proposals are coordinated with, inform, and are affected by numerous other rate design proceedings that have recently concluded or are pending at the Commission, including the two decisions issued in SCE's 2021 GRC Phase 2.² SCE also discusses the state of California's clean energy goals and SCE's Countdown to 2045 paper, and explains how its rate proposals support the State's clean energy goals. The exhibit also contains a summary of the revenue allocation and rate design proposals set forth in more detail in the other volumes.

Exhibit SCE-02 contains SCE's updated marginal cost studies and sales and billing determinant forecasts. The information in Exhibit SCE-02 is used as the basis to allocate SCE's overall revenue requirement to individual rate groups, as described in Exhibit SCE-03. After integrating the billing determinants with the corresponding unit marginal costs, scaling marginal cost revenue responsibility to the adopted revenue requirement, and accounting for policy considerations, SCE developed rate designs for its rate groups. SCE's specific rate design proposals are contained in Exhibit SCE-04.

Qualifications for SCE's witnesses are contained in Exhibit SCE-05. The exhibits are being made available via notice of availability along with this Application.

² D. 22-08-001, *Decision Adopting Five Uncontested Partial Settlements Resolving Most Issues for Southern California Edison's Phase 2 General Rate Case*; D.22-10-022, *Decision Resolving Litigated Issues for Southern California Edison Company's Phase 2 General Rate Case*. SCE's Application addresses each of the requirements from these two decisions with one exception: SCE is not proposing a California Independent System Operator (CAISO) -based real time pricing (RTP) offering. See D.22-10-022, p. 11. SCE requested an extension, pursuant to Rule 16.6, to submit the RTP proposal by January 1, 2025 so SCE could incorporate any direction provided by the Commission in its Demand Flexibility OIR regarding RTP offerings (Rulemaking 22-07-005). On February 2, 2024, the Executive Director of the Commission granted SCE's request for an extension.

One of the other proceedings that impacts SCE's Application is Rulemaking (R.)22-07-005, the Demand Flexibility (DFOIR). SCE anticipates the Commission will issue a final decision in Track A of the DFOIR by July 2024 that establishes fixed charges for residential customers. To address implementation of the fixed charge, SCE proposes to file supplemental testimony in this proceeding following issuance of the DFOIR final decision.

In Phase 2 of utility GRCs, the Commission addresses marginal cost, revenue allocation, and rate design issues. This Application does not request any changes in SCE's adopted revenue requirements. Rather, SCE requests that the Commission authorize SCE to revise its retail rates as authorized revenues change, in accordance with the principles discussed in the testimony supporting this Application. As such, the overall effect of SCE's proposals in this Application is revenue neutral; however, the results of the Commission's decision in this proceeding, when implemented, will be applied to SCE's then-current authorized revenues, incorporating any revenue changes adopted in Phase 1 of SCE's 2025 GRC and from other Commission or Federal Energy Regulatory Commission (FERC) proceedings. Thus, the application of the rate design methods ultimately approved in this proceeding to a changed revenue requirement will produce rates different from those that are shown for illustrative purposes in this Application.

SCE's primary objective in this proceeding is to continue the development of more efficient, cost-based, and equitable revenue allocations and rate designs, while keeping rates relatively stable and supporting the policy directives outlined by the State of California and SCE's Countdown to 2045 paper.

A. Marginal Costs

SCE discusses its specific marginal cost and sales forecasts in detail in Exhibit SCE-02. SCE has comprehensively reviewed its marginal generation, distribution, and customer costs, and has conducted load research studies to determine the marginal demand measures that can be used to accurately estimate each rate group's contribution to generation and distribution system costs. The primary drivers of marginal costs associated with the delivery system are electric usage, design demand (the amount of planned capacity that service planners determine to be necessary when planning

to serve the additional demand of a customer or group of customers), and the number of customers requiring interconnection with SCE's system and various customer services.

In this Application, SCE continues and refines the determination of marginal costs that it proposed in its previous GRC Phase 2 application, A.20-10-012. The increased procurement of renewables continues to result in higher marginal energy costs shifting to later in the day (*i.e.*, 4-9 p.m.) with low-cost periods during the middle of the day, especially in spring time when renewables production is high and load is relatively low. A new refinement in this Application is a proposal to base the value of marginal generation capacity on the Net Cost of New Entry (NetCONE) of a 6-hour hybrid solar plus storage resource. Prior to the 2021 GRC Phase 2 proceeding, methodologies for estimating marginal generation capacity assumed that new natural gas plants would be installed to meet future capacity needs. However, continuing to install new natural gas generation resources for peak needs would be antithetical to both SCE's clean energy goals and California's climate policy goals, hence, SCE proposes to estimate the GCMC using the NetCONE of a storage resource – a 6-hour hybrid PV+storage resource. This is a change from 2021 GRC Phase 2, in which SCE used a standalone 4-hour lithium ion battery as the proxy resource. The 6-hour hybrid resource is the appropriate proxy resource for this GRC Phase 2 because it is more effective at meeting the reliability needs of the current electrical system (and its lengthening peak period) and addresses the adequacy of energy to charge storage resources. Additionally, SCE has developed a new approach to identifying the hours that are most vulnerable to capacity shortfalls based on the CAISO system's implied market heat rate (IMHR), or the amount of fuel needed to generate the marginal unit of electricity, in each hour. This IMHR approach is based on analysis at the CAISO system, rather than the SCE Transmission Access Charge (TAC) level, and does not require any artificial adjustment/scaling of the load forecast. The IMHR approach is presented here for discussion and refinement with stakeholders in this proceeding.

For distribution design demand marginal costs, as in the 2021 GRC Phase 2, SCE proposes the following: (1) allocating design demand marginal costs between peak-capacity-related costs and grid-related costs, (2) deriving the time-differentiation of peak-capacity costs using the peak load risk factor (PLRF) methodology, and (3) utilizing the effective demand factor (EDF) methodology as a means to

allocate the grid-related costs. The impact of this proposal is that a certain portion of distribution costs can be recovered on a time-differentiated basis, allowing for rate designs that recover distribution costs through a combination of time-related demand charges, non-time-related demand charges and time-differentiated energy charges.

B. Revenue Allocation

SCE allocates the revenue requirements for generation, transmission, distribution, nuclear decommissioning, new system generation service, DWR wildfire fund charge, fixed recovery charge, and public purpose programs to rate groups based on established principles that are discussed in Exhibit SCE-03. SCE proposes to allocate its Commission-authorized distribution and generation revenue requirements to rate groups in accordance with the equal percent of marginal costs (EPMC) revenue allocation methodology. SCE proposes to use the marginal distribution and customer cost revenues in the calculation of the EPMC factors for allocation of the distribution revenue requirement to various rate groups. SCE proposes allocating generation revenues based on marginal generation cost revenues.

In this Application, SCE proposes to continue to use a methodology for determining distribution and generation marginal cost revenue responsibility (MCRR) that incorporates the marginal cost elements discussed in Exhibit SCE-02. For generation capacity, SCE utilizes a Capacity Allocation Tool for allocating annualized capacity marginal cost across hours of the year by determining a distribution of capacity shortfall events. For distribution revenue allocation, SCE proposes to continue to distinguish and split distribution design demand into two sub-components: a time-differentiated peak-capacity-related component and a grid-related component.

As noted above, this Application does not request any change in SCE's authorized revenue requirements. Thus, the rates presented by SCE illustrate the effect of SCE's marginal cost, revenue allocation, and rate design proposals, relative to rates in effect as of October 1, 2023. When rates are implemented based on the Commission's decision in this proceeding, they must ultimately reflect SCE's then-current authorized revenue requirements. Thus, revenue allocations and rate levels presented by SCE in this Application are illustrative only. Table III-1 summarizes the results of SCE's proposed

revenue allocation for bundled service customers and provides a comparison to system average rates (SAR).

Table III-1
Proposed Bundled Service – Average Rates
By Rate Group (¢/kWh)

	Current (¢/kWh)	% of SAR	Proposed (¢/kWh)	% of SAR	% Change
Total Domestic	32.6	118%	35.2	127%	8.0%
TOU-GS-1	29.0	105%	24.9	90%	-14.2%
TC-1	33.7	122%	29.0	105%	-14.1%
TOU-GS-2	31.6	114%	27.8	100%	-12.1%
TOU-GS-3	25.6	93%	24.9	90%	-3.0%
Total LSMP	29.3	106%	26.3	95%	-10.4%
TOU-8-Sec	23.5	85%	23.2	84%	-1.2%
TOU-8-Pri	22.0	79%	22.2	80%	1.0%
TOU-8-Sub	14.8	53%	16.2	58%	9.4%
Total Large Power	20.6	74%	20.9	75%	1.7%
TOU-PA-2	25.6	93%	23.7	85%	-7.5%
TOU-PA-3	21.3	77%	23.3	84%	9.1%
Total Ag.&Pumping	23.6	85%	23.5	85%	-0.4%
Total Street Lighting	30.5	110%	44.5	161%	45.7%
STANDBY/SEC	24.8	89%	23.4	84%	-5.7%
STANDBY/PRI	24.0	87%	23.5	85%	-2.3%
STANDBY/SUB	16.3	59%	17.6	63%	7.6%
Total Standby	17.9	65%	18.7	68%	4.7%
Total System	27.7	100%	27.7	100%	0.1%

C. Rate Design

SCE’s key rate design proposals are summarized below, and described in detail in Exhibit SCE-04. SCE puts forth five key *residential* rate design proposals:

1. *Baseline Allocation* – SCE proposes to maintain the baseline allocation, or the amount of electricity that is provided to households at a lower rate than electricity used above this threshold, for “basic” customers at the statutory maximum of 60 percent. SCE also proposes to maintain the all-electric baseline allocation, which is currently set at 60 percent for the summer and 70 percent for the winter.

2. *Heat Pump Water Heater (HPWH) Baseline Adjustment* – SCE proposes to maintain the HPWH adjustments at the levels adopted in the 2021 GRC Phase 2 proceeding.
Pursuant to a settlement approved in the 2021 GRC Phase 2, SCE considered an incremental baseline adjustment for customers who take service on either time-of-use (TOU)-D-4-9PM or TOU-D-5-8PM in an amount necessary to keep these customers' average rates approximately unchanged with the additional HPWH usage.
However, SCE found there is an insufficient level of participation in the rate to meaningfully evaluate adjustment levels at this time; in the 2029 GRC Phase 2, SCE will evaluate whether a sufficient level of participation exists to support an incremental baseline adjustment.
3. *TOU-D-PRIME Proposals* – SCE proposes a slight modification to increase seasonal rate differentials to align with the proposals made for TOU-D-4-9 and TOU-D-5-8. SCE also proposes a new rate option, a demand based variant of PRIME called PRIME PLUS, which is intended for larger electrification and energy storage customers that can demonstrate consistent shifting away from peak.
4. *Evaluation of Master Metered Rates* – SCE proposes to apply a diversity benefit adjustment to customers receiving service on DMS-3. SCE will be using the single-family underground customer marginal cost for the submetering discount.
5. *Seasonal Rate Differentials* – SCE proposes to shift seasonal revenue from winter back into summer by increasing the current difference between summer and winter residential rates from 1 cent per kWh to 4 cents per kWh for schedules TOU-D-4-9PM and TOU-D-5-8PM to better align rates with cost of service.

SCE also puts forth ten key *non-residential* rate design proposals in Exhibit SCE-04, as summarized below.

1. *Refined Single and Three Phase Customer Charges for TOU-GS-1 and TOU-GS-2 Customers* – SCE proposes TOU-GS-1 and TOU-GS-2 rates with distinct and separate customer charges differentiated by phase of service. The proposal is informed by a study

required by a settlement in the 2021 GRC Phase 2 proceeding to assess potential changes to the TOU-GS-1 classification. Through the study, SCE determined that differentiating customers by single phase or three phase service would more appropriately optimize the impact on customer bills for customers transitioning from TOU-GS-1 to TOU-GS-2.

2. *Option S Analysis* – SCE analyzed an Option S rate with a daily demand charge for storage customers and presents its findings in Exhibit SCE-04.
3. *DER Class Study Results* – SCE initiated a DER Class Study working group in September of 2022. SCE concluded that SCE should maintain its existing rate classes, rather than establish a separate class for DER customers, mainly due to current adoption levels of DER technologies being low across all rate groups. SCE presents its findings in Appendix I of Exhibit SCE-04.
4. *Demand Charges for TOU-EV-8 and TOU-EV-9* – SCE proposes to extend the energy only structure of these electric vehicle time-of-use rates and delay the introduction of demand charges through the end of 2029. Beginning on January 1, 2030, SCE will begin a five-year gradual phase-in of demand charges.
5. *Vehicle to Grid Export Resource (VGRP) Proposal* – SCE proposes to offer a new grid resiliency rate option that provides an energy export credit for vehicle to grid (V2G) applications. Eligible customers include non-lighting residential and commercial, industrial, and agricultural & pumping customers.
6. *Dimmable Streetlight Pilot Results* – In the 2021 GRC Phase 2, the Commission approved the Streetlight and Traffic Light Settlement Agreement, wherein the Settling Parties agreed on a two-phase pilot open to existing LS-1 customers with smart sensors deployed and LS-2 customers. SCE presents its findings from the pilot and recommendations in Exhibit SCE-04.
7. *Wireless Technology Rate (WTR) Evaluation* – SCE evaluated whether its billing practices should be modified to change the monthly customer charge from a per customer

to a per wireless communication device charge. Based on its evaluation, SCE proposes to maintain the current per customer charge.

8. *Discontinuance of Time Management Load Controller (TMLC) Devices* – SCE proposes to discontinue TMLC devices, and to disable active TMLC devices from their corresponding meters upon implementation of a final decision in this proceeding.
9. *Economic Development Rate (EDR) Program Proposal* – SCE proposes a new five-year cycle of SCE’s EDR program that includes a 20% discount to customers who meet the EDR requirements and can attest that “but for” the EDR rate discount, either on its own or in combination with a package of offerings, the business would not have remained or expanded its load within California or would not have chosen to locate to California.
10. *Discontinuance of Reporting of Zero-Emissions Vehicle Rate Participation* – SCE proposes to terminate its obligation to report on the relative participation levels for zero-emission vehicle loads on Option E rate schedules and EV specific rates, as the threshold has not been reached in the past five years and it appears unlikely the threshold will be reached.

IV.

PROCEDURAL REQUIREMENTS

A. Statutory and Procedural Authority

SCE makes this Application pursuant to D.89-01-040, D.93-07-030, D.07-07-004, D.16-03-030, and D.20-01-002; Rule 3.2 of the Commission’s Rules of Practice and Procedure; and Sections 451, 454, 454.3, 491, 701, 728 and 729 of the California Public Utilities Code. SCE’s request complies with the Commission’s Rules of Practice and Procedure Rules 1.5 through 1.11 and 1.13, which specify the procedures for, among other things, filing documents. In addition, this Application complies with Rules 2.1, 2.2 and 3.2. Rule 2.1 requires that all Applications: (1) clearly and concisely state the authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and; (3) be verified by the applicant. Rules 2.1(a), 2.1(b), and 2.1(c) set forth further requirements that are

addressed separately below. The relief being sought is summarized in Section III (Summary of SCE's Proposals) and is further described in the prepared direct testimony being served concurrently with this Application. This Application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

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

The legal name of the Applicant is Southern California Edison Company (SCE). 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 California Public Utilities Commission. SCE's properties, which are located primarily within the State of California, consist mainly 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

SCE's attorneys in this matter are Claire Torchia, Ryan Jerman and Ellen C. Kenney.

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C. Proposed Categorization, Need for Hearings, Issues to be Considered, and Proposed Schedule – Rule 2.1(c)

SCE proposes to categorize this proceeding as ratesetting, as defined in Rule 1.3(e) of the Commission’s Rules of Practice and Procedure and Public Utilities Code Section 1701.1(c)(3).³

The need for hearings and the issues to be considered in such hearings will depend in large part on the degree to which other parties contest SCE’s request. SCE’s proposed procedural schedule includes time allotted for evidentiary hearings should they be required.

The issues to be considered in this proceeding involve the methods of determining marginal costs and the marginal cost revenue responsibility for each rate group, the allocation of Commission-approved revenue requirements by function to each rate group, and a variety of issues related to rate design within each of SCE’s rate groups. Rule 2.1 also requires all applications to address relevant safety considerations. This Application does not involve safety issues. Various safety-related issues are addressed in SCE’s GRC Phase 1 Application.

³ Rule 1.3(e) of the Commission’s Rules of Practice and Procedure: “‘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).” California Public Utilities Code Section 1701.1(c)(3): “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.”

SCE proposes the following schedule for this proceeding:

SCE files Application	March 29, 2024
Protests/Responses to Application	30 days from the date the notice of the filing of the Application first appears in the Daily Calendar [approximately April 29, 2024]
Reply	10 days from the deadline for filing protests/responses [approximately May 9, 2024]
Prehearing Conference	To be determined by CPUC
Scoping Memo Issued	To be determined by CPUC
SCE Supplemental Testimony Addressing R.22-07-005	September 1, 2024
Public Advocates Office Testimony Due	September 23, 2024
Other Parties – Testimony Due	October 21, 2024
Settlement Discussions	November – December 2024
Rebuttal Testimony Due – All Parties (if necessary)	January 2025
Evidentiary Hearings (if necessary)	February 2025
Concurrent Opening Briefs	March 2025
Reply Briefs	April 2025
ALJ Proposed Decision (PD)	June 2025
Opening Comments on PD	20 days from issuance of PD [June/July 2025]
Reply Comments on PD	5 days after Opening Comments are filed [June/July 2025]
CPUC – Final Decision	July/August 2025

D. Organization and Qualification to Transact Business—Rule 2.2

In compliance with Rule 2.2,⁴ a copy of SCE’s Certificate of Amended and Restated Articles of Incorporation, effective on August 28, 2023, and presently in effect, certified by the California Secretary of State, was filed with the Commission on December 15, 2023, in connection with Application No. A.23-12-011, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission’s Rules of Practice and Procedure.

A copy of SCE’s Certificate of Determination of Preferences of the Series M Preference Stock filed with the California Secretary of State on November 17, 2023, and presently in effect, certified by

⁴ Rule 2.2 requires the applicant, in this case SCE, 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.

the California Secretary of State, was filed with the Commission on December 15, 2023, in connection with Application No. A.23-12-011, and is incorporated herein by this reference.

Copies of SCE's latest Annual Report to Shareholders and Edison International's latest proxy statement was sent to its stockholders and has been sent to the Commission with an Energy Division Central Files Document Coversheet dated March 17, 2024, pursuant to General Order Nos. 65-A and 104-A of the Commission.

E. Balance Sheet and Income Statement—Rules 2.3 and Rule 3.2(a)(1)

Appendix A to this Application contains copies of SCE's balance sheet as of December 31, 2023, and income statement for the period ended December 31, 2023, the most recent period available.

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

The presently effective rates and the changes proposed to be made thereto are listed in Appendix B of Exhibit SCE-04. The proposed rates are illustrative and will be updated consistent with the Commission's decision in this proceeding to reflect SCE's then-current authorized revenues when such rates are implemented.

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

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

H. Summary of Earnings—Rule 3.2(a)(5)

Rule 3.2(a)(5) requires:

A summary of earnings (rate of return summary) on a depreciated rate base for the test period or periods upon which applicant bases its justification for an increase.

In compliance with Rule 3.2(a)(5), Appendix B to this Application contains a copy of SCE's summary of earnings, updated in December 31, 2023, the most recent period available.

I. Depreciation—Rule 3.2(a)(7)

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

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

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

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 request in this Application does not seek recovery of any additional revenue requirements that have not been or will not be authorized in other Commission proceedings and, therefore, does not pass through to customers any “increased costs to the corporation for the services or commodities furnished by it.” The purpose of this Application is to establish SCE’s marginal costs, allocate revenues to rate groups, and design rates for rate schedules, but not to increase the overall level of SCE’s revenues.

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

As required by Rule 3.2(b) – 3.2(d), a notice of filing this Application will be (1) mailed to the designated officials of the state and the counties and cities listed in Appendix C hereto; (2) published in a newspaper of general circulation in each county in SCE’s service territory within which the rate changes would be effective; and (3) mailed or served electronically on all customers affected by the proposed rate changes.

M. Appendices to This Application And Index Of Exhibits

SCE’s submissions in support of this Application include the following, which are incorporated herein by reference:

<u>Appendices to Application</u>	
A	SCE’s Statement of Income and Balance Sheet
B	SCE’s Summary of Earnings (2021-2024)
C	List of Cities and Counties in which the Proposed Increase is to be Made Effective
<u>Exhibits to Application</u>	
SCE-01	Policy
SCE-02	Marginal Costs and Sales Forecast Proposals

SCE-03	Revenue Allocation Proposals
SCE-04	Rate Design Proposals
SCE-05	Witness Qualifications

N. Service List

This Application is being served on all parties on the official service list in Phase 2 of SCE's last GRC Application (A.23-05-010), SCE's 2022 Rate Design Window Application (A.22-12-004), the Advance Demand Flexibility Order Instituting Rulemaking (R.22-07-005), and the Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement (R.20-05-003). A list of the cities and counties affected by the proposals in this Application is attached hereto as Appendix C.

V.

CONCLUSION

SCE is now ready to proceed with its showing in support of this Application, and respectfully requests that the Commission review this Application and approve SCE's marginal costs, revenue allocation, and rate design proposals, as proposed herein.

Respectfully submitted,

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Dated: March 29, 2024

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.

Executed this 21st day of March, 2024, at Rosemead, California.

/s/ Michael Backstrom

By: Michael Backstrom
Vice President, Regulatory Affairs
Southern California Edison Company

Appendix A

SCE's Statement of Income 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, 2023

(In millions)

OPERATING REVENUE	<u>\$ 16,275</u>
OPERATING EXPENSES:	
Purchase power and fuel	5,486
Operation and maintenance	4,071
Wildfire-related claims, net of insurance recoveries	665
Wildfire insurance fund expense	213
Depreciation and amortization	2,633
Property and other taxes	566
Impairment, net of other operating income	<u>1</u>
Total operating expenses	<u>13,635</u>
OPERATING INCOME	2,640
Interest expense	(1,356)
Other income, net	<u>497</u>
INCOME BEFORE TAXES	1,781
Income tax expense	<u>184</u>
NET INCOME	1,597
Less: Preference stock dividend requirements	<u>123</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u>\$ 1,474</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2023
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 63,075
Less- accumulated provision for depreciation and amortization	12,910
	<u>50,165</u>
Construction work in progress	5,590
Nuclear fuel - at amortized cost	122
	<u>55,877</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$100	201
Nuclear decommissioning trusts	4,173
Other investments	38
	<u>4,412</u>

CURRENT ASSETS:

Cash and equivalents	214
Receivables, less allowances of \$360 for uncollectible accounts	1,981
Accrued unbilled revenue	741
Inventory	527
Prepaid expenses	111
Regulatory assets	2,524
Wildfire insurance fund contributions	204
Other current assets	331
	<u>6,633</u>

DEFERRED CHARGES:

Regulatory assets (Includes \$1,558 related to VIEs)	8,897
Wildfire insurance fund contributions	1,951
Operating lease right-of-use assets	1,214
Long-term insurance receivables	157
Long-term insurance receivables due from affiliate	355
Other long-term assets	1,987
	<u>14,561</u>
	<u>\$ 81,483</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2023
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	2,168
Additional paid-in capital	8,446
Accumulated other comprehensive loss	(12)
Retained earnings	8,307
Common shareholder's equity	18,909
Long-term debt (Includes \$1,515 related to VIEs)	26,297
Preferred stock	2,495
Total capitalization	47,701

CURRENT LIABILITIES:

Short-term debt	831
Current portion of long-term debt	2,197
Accounts payable	1,966
Wildfire-related claims	30
Customer deposits	177
Regulatory liabilities	763
Current portion of operating lease liabilities	118
Other current liabilities	1,713
	7,795

DEFERRED CREDITS:

Deferred income taxes and credits	8,126
Pensions and benefits	105
Asset retirement obligations	2,666
Regulatory liabilities	9,420
Operating lease liabilities	1,096
Wildfire-related claims	1,368
Other deferred credits and other long-term liabilities	3,206
	25,987

\$ 81,483

Appendix B

SCE's Summary of Earnings

Southern California Edison
2021 GRC Summary of Earnings
GRC Implementation (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
2021 GRC Summary of Earnings
PTYR 2022 (RO Model 6.2)
Thousands of Dollars

Southern California Edison Summary of Earnings 2022 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,259,220
2.	Expenses:	
3.	Operation & Maintenance	2,448,763
4.	Depreciation	2,011,669
5.	Taxes	663,739
6.	Revenue Credits	(163,462)
7.	Total Expenses	4,960,710
8.	Net Operating Revenue	2,298,511
9.	Rate Base	29,949,906
10.	Rate of Return	7.67%

Southern California Edison
2021 GRC Summary of Earnings
PTYR 2023 (RO Model 6.3)
Thousands of Dollars

Southern California Edison Summary of Earnings 2023 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,792,631
2.	Expenses:	
3.	Operation & Maintenance	2,603,404
4.	Depreciation	2,132,791
5.	Taxes	760,326
6.	Revenue Credits	(164,176)
7.	Total Expenses	5,332,345
8.	Net Operating Revenue	2,460,286
9.	Rate Base	32,052,516
10.	Rate of Return	7.68%

Southern California Edison
2021 GRC Summary of Earnings
2024 PTYR Application (RO Model 7.0)
Thousands of Dollars

Southern California Edison Summary of Earnings 2024 GRC Application Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	8,638,835
2.	Expenses:	
3.	Operation & Maintenance	3,007,132
4.	Depreciation	2,304,660
5.	Taxes	848,780
6.	Revenue Credits	(165,996)
7.	Total Expenses	5,994,575
8.	Net Operating Revenue	2,644,260
9.	Rate Base	34,444,200
10.	Rate of Return	7.68%

Appendix C

List of Cities and Counties in Which the Proposed Increase is to be Made Effective

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
Callimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yorba Linda
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucaipa
Canyon Lake	Glendora	Lakewood	Palm Dale	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	Hawallian 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	