



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

FILED

12/04/25

04:59 PM

A2512002

Application of Southern California Edison
Company (U 338-E) for Authorization to Recover
Incremental Costs Related to Wildfire Mitigation
and Catastrophic Events

A.25-12-XXX

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
AUTHORIZATION TO RECOVER INCREMENTAL COSTS RELATED TO
WILDFIRE MITIGATION AND CATASTROPHIC EVENTS**

CLAIRE TORCHIA
NAYIRI K. PILIKYAN

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4838
E-mail: Nayiri.Pilikyan@sce.com

Dated: **December 4, 2025**

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

Application of Southern California Edison
Company (U 338-E) for Authorization to Recover
Incremental Costs Related to Wildfire Mitigation
and Catastrophic Events

A.25-12-XXX

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
AUTHORIZATION TO RECOVER INCREMENTAL COSTS RELATED TO
WILDFIRE MITIGATION AND CATASTROPHIC EVENTS**

I.

INTRODUCTION

In this Application, Southern California Edison Company (SCE) respectfully requests that the California Public Utilities Commission (CPUC or Commission) find the following costs just and reasonable: (1) wildfire mitigation expenditures recorded in the Wildfire Mitigation Plan Memorandum Account (WMPMA) and the Fire Risk Mitigation Memorandum Account (FRMMA) and (2) incremental storm-related costs associated with certain 2017, 2018, 2020, and 2021 firestorm events recorded in the Catastrophic Event Memorandum Account (CEMA). In addition, SCE requests that the Commission find the 2022 capital expenditures that were not approved for recovery in A.23-10-001 are just and reasonable, and authorize SCE to include the amounts in base rates as part of SCE's 2025 GRC Post Test Year Ratemaking mechanism. Finally, SCE requests authorization to establish a memorandum account to record, as a credit, the revenue requirement associated with the Federal Energy Regulatory Commission's (FERC) Order No. 898.

The incremental operations and maintenance (O&M) and capital costs eligible for recovery in these accounts for which SCE seeks reasonableness review are presented in the table

below. The table also provides the revenue requirements associated with these incremental costs as of September 30, 2025, totaling \$47.707 million, which is referred to as the “initial” revenue requirement.

Table I-1
Total Incremental O&M Expenses and Capital Expenditures
and SCE’s Initial Revenue Requirement

	Incremental Recovery Request (\$000)		
	O&M	Capital	Rev Req
WMPMA	\$ 48,512	\$ 62,225	\$ 33,609
FRMMA	\$ 10	\$ -	\$ 19
CEMA	\$ 6,615	\$ 15,635	\$ 14,080
Total (All)	\$ 55,137	\$ 77,860	\$ 47,707

II.

SUMMARY OF SCE’S REQUEST

SCE’s direct testimony in support of this Application is organized as follows:

Exhibit SCE-01 describes the scope and cost of work performed for SCE’s wildfire mitigation activities recorded in the WMPMA and FRMMA in 2024 (excluding the wildfire covered conductor program (WCCP)) for which SCE is seeking recovery of \$48.522 million of incremental O&M expenses and \$62.225 million of incremental capital expenditures, including separate sections focusing on: Enhanced Overhead Inspections and Remediations; Power Safety Power Shutoff (PSPS) Execution; PSPS Customer Support; Alternative Technologies (Emerging Technologies); Enhanced Situational Awareness; Fire Science and Advanced Modeling; Organizational Support; High Fire Risk Area (HFRA) Sectionalizing Devices; Distribution Fault Anticipation (DFA); Environmental Programs; Development and Management of Policies and Initiatives; Targeted Undergrounding; Training Delivery and Development—Transmission and Distribution; Training Seat-Time—Transmission and Distribution; and Asset Reliability Risk Analytics. Exhibit SCE-01 also includes a section discussing the methodology SCE used to determine incrementality for the 2024 wildfire mitigation costs at issue in this Application.

Additionally, Exhibit SCE-01 discusses the enhancements SCE has made to this Application in accordance with D.24-03-008, D.25-06-051 and D.25-06-017.

Exhibit SCE-02 describes the work SCE undertook and the incremental costs totaling \$6.615 million in O&M expenses and \$15.635 million in capital expenditures incurred to (1) restore service to customers, (2) repair, replace or restore damaged facilities, and/or (3) comply with governmental agency orders in connection with certain 2017, 2018, 2020, and 2021 firestorm events (CEMA Events) declared disasters by competent state or federal authorities following the four CEMA Events included in this Application.

Exhibit SCE-03 describes SCE's implementation of FERC Order No. 898 and the post implementation impacts of that Order. Exhibit SCE-03 also explains the need to establish a memorandum account to record, as a credit, the revenue requirement associated with FERC Order No. 898.

Exhibit SCE-04 describes SCE's ratemaking proposals for the recovery of the incremental amounts set forth for reasonableness review in Exhibits SCE-01 and SCE-02. In addition, Exhibit SCE-04 also explains the basis for SCE's request that the Commission find that the \$36.344 million in 2022 capital expenditures that were reduced from SCE's cost recovery request in A.23-10-001 are just and reasonable, and authorize SCE to include the amounts in base rates as part of SCE's 2025 GRC Post Test Year Ratemaking mechanism.

Exhibit SCE-05 contains witness qualifications and an Acronym List.

Exhibit SCE-06 includes PricewaterhouseCoopers (PwC), LLP's independent examination of the 2024 wildfire mitigation costs recorded in the WMPMA and FRMMA.

A. Wildfire Mitigation Costs

In both Track 1 and Track 4 of SCE's 2021 GRC, as well as in its approved 2023-2025 Wildfire Mitigation Plan (WMP), SCE set forth the measures it would implement to reduce wildfire risk and Public Safety Power Shutoff (PSPS)-related impacts to its customers and communities in High Fire Risk Areas (HFRA). During 2024, SCE made significant progress on

these measures, including grid hardening, enhanced operational practices and situational awareness, risk-informed inspections and remediations, and customer programs to minimize the impacts of PSPS to customers. As in previous years, SCE also partnered with fire agencies for aerial suppression resources.

These mitigation programs, undertaken in 2024, are consistent with Legislative directives and the express public policy of the Commission and the Office of Energy Infrastructure Safety (Energy Safety or OEIS). For 2024, the Commission authorized \$173.214 million in wildfire mitigation O&M expenses and \$172.254 million in non-WCCP wildfire mitigation capital expenditures and permitted SCE to seek after-the-fact reasonableness review of incurred costs over those authorized amounts.¹ In 2024, on a wildfire mitigation activity portfolio basis, SCE expended \$48.522 million in O&M expenses² and \$62.225 million in capital expenditures *above* 2024 GRC-authorized levels for this work.³ Overall, and as further described in Exhibit SCE-01 for each wildfire mitigation activity and program, this level of spending was necessary and prudent to execute the critical activities needed to protect public safety, adhere to regulatory requirements and statutes, and comply with SCE's approved WMP commitments.

Consistent with the approach used in A.22-06-003 (SCE's analogous proceeding for 2021 incremental wildfire mitigation costs) and adopted in D.24-03-008,⁴ A.23-10-001 (SCE's

¹ See Advice 5180-E, which implemented SCE's Track 4 GRC authorized amounts for 2024 ratemaking adopted in D.23-11-096. SCE's Appendix I submitted in this proceeding step through the calculation of the 2024 amounts in further detail.

² The \$48.522 million is calculated by summing the \$48.512 million recorded in the WMPMA and \$0.01 million recorded in the FRMMA.

³ The \$62.225 million of WMPMA-eligible incremental capital expenditures requested for recovery in this Application does not include construction-work-in-progress (CWIP). SCE recorded \$14.284 million of CWIP, as of September 30, 2025, that are not currently included in the \$47.707 million initial revenue requirement request. SCE's proposed recovery approach for the CWIP amounts is set forth in Exhibit SCE-04 of the supporting testimony.

⁴ D.24-03-008 explicitly approved the use of the portfolio approach to determine incrementality for the costs recorded in the WMPMA and FRMMA: "Determining incrementality using a portfolio approach, which considers all 2021 wildfire mitigation costs collectively as compared to all wildfire mitigation costs approved in D.21-08-036 [SCE's 2021 General Rate Case (GRC)] . . . is consistent with established prospective ratemaking principles." D.24-03-008, Conclusion of Law (CoL) 5.

analogous proceeding for 2022 costs) and adopted in D.25-06-051,⁵ and A.24-04-005 (SCE's analogous proceeding for 2023 costs) adopted in D.25-06-017, SCE uses a "portfolio" approach to determine incrementality for wildfire mitigation activities. The portfolio approach compares the total recorded costs across all the activities that SCE is permitted to record in the applicable memorandum accounts to the authorized amount for those activities, combined. With respect to the wildfire mitigation activities, in lieu of calculating incrementality based on each individual activity or sub-activity compared to the GRC-authorized amounts, SCE compared the collective recorded costs of those activities to the GRC-authorized amount for all the activities combined. This is consistent with Public Utilities Code §8386.3(c)(1), which provides that an electric utility "shall not divert revenues authorized by the Commission to implement the wildfire mitigation plan to any activities or investments outside of the plan."⁶

Additionally, in accordance with Ordering Paragraphs 5 and 6 of D.24-03-008, SCE also presents information comparing imputed GRC-authorized amounts to actual spending in 2024 at the GRC activity (or, where appropriate, sub-activity) level. In addition, SCE presents a comparison of imputed GRC-authorized amounts to actual spending in 2024 by two specific cost categories – straight-time labor (ST Labor) and department overheads (DOH) – to address the Commission's findings in D.25-06-051 that SCE had not provided sufficient evidence to demonstrate "that the specific labor amount requested exceeds the amounts authorized in the GRC."⁷

⁵ D.25-06-051 explicitly approved the use of the portfolio approach to determine incrementality for the costs recorded in the WMPMA and FRMMA: "The 2022 amounts presented by SCE under the portfolio approach are incremental in this instance." D.25-06-051, CoL 42.

⁶ The most effective and feasible way to effectuate this statutory requirement is to utilize a portfolio approach when determining incrementality. This is because a portfolio approach (1) directly ring fences amounts authorized for wildfire mitigation activity so there is no possibility that these amounts are inadvertently diverted to non-wildfire mitigation activities, (2) eliminates the scenario where SCE would have to somehow refund underspends of authorized amounts for a specific wildfire mitigation activity (and no such ratemaking mechanism is in place for SCE to do this) and then re-charge customers for that same refunded amount due to an overspend recorded in the memorandum account for a different wildfire mitigation activity, and (3) assuming all else being equal, mathematically results in the same outcome for customers.

⁷ D.25-06-051, p. 41.

B. CEMA Costs

In this Application, SCE requests that the Commission authorize SCE to recover costs recorded in SCE's Catastrophic Event Memorandum Account (CEMA) associated with the following four catastrophic events (CEMA Events):

- 2017 Rye Fire⁸
- 2018 Holiday Fire
- 2020 Blue Ridge Fire
- 2021 French Fire

Specifically, SCE seeks recovery of \$15.635 million of incremental capital expenditures and \$6.615 million of incremental O&M expense for the costs recorded in SCE's applicable 2017-2021 CEMA Event subaccounts to restore service to customers; repair, replace or restore damaged facilities; and/or comply with governmental agency orders in connection with events declared disasters by competent state or federal authorities.

C. FERC Order 898

In this Application, SCE is also requesting authorization to establish a FERC Order No. 898 Memorandum Account to record, as a credit, the revenue requirement associated with O&M expenses and capital expenditures that were already included in CPUC-jurisdictional rates but later included in FERC-jurisdictional transmission rates due to FERC Order No. 898 changes. The intent is to refund any excess revenue collection to CPUC customers. SCE proposes to seek reasonableness review for this memorandum account and to refund to customers' rates via its 2029 GRC application.

⁸ SCE previously submitted an Application (A.19-07-021) requesting cost recovery related to the 2017 Rye Fire, which was denied without prejudice in D.21-08-024.

III.

AUDIT OF INCREMENTAL COSTS RELATED TO WILDFIRE MITIGATION

SCE has engaged an independent auditor, PricewaterhouseCoopers, LLP (PwC), to conduct an audit of costs recorded to the WMPMA and FRMMA for which SCE seeks recovery in this Application. Specifically, PwC examined SCE's management assertion that the summary of wildfire mitigation costs includes O&M and capital costs that were: (i) incurred for the activities set forth in the corresponding, relevant CPUC-approved Preliminary Statements describing the contents of the applicable memorandum accounts; (ii) accurately recorded; and (iii) incremental (*i.e.*, in addition to and separate from) amounts previously authorized by the CPUC in D.23-11-096 (Track 4 of SCE's 2021 GRC). PwC issued its Report of Independent Accountants on November 19, 2025, stating that, in its opinion, SCE's costs are accurate. SCE included PwC's report in Exhibit SCE-06, consistent with how the analogous PwC report was submitted, pursuant to Commission direction, in A.24-04-005 (SCE's analogous proceeding that sought recovery of, among other things, incremental 2023 WMPMA and FRMMA costs).²

IV.

PROCEDURAL REQUIREMENTS

A. Statutory and Other Authority – Rule 2.1

Rule 2.1 requires that all applications: (1) clearly and concisely state the authorization or relief sought; (2) cite the statutory provision 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 this Application and is further described in:

² A.24-04-005, Assigned Commissioner's Scoping Memo and Ruling, pp. 5-6.

Exhibit SCE-01, entitled *Direct Testimony in Support of Southern California Edison Company's Application for Authorization to Recover 2024 Incremental Costs Related to Wildfire Mitigation*;

Exhibit SCE-02, entitled *Direct Testimony in Support of Southern California Edison Company's Application for Authorization to Recover Costs Related to 2017, 2018, 2020, and 2021 Events Recorded in the Catastrophic Event Memorandum Account*;

Exhibit SCE-03, entitled *FERC Order No. 898*;

Exhibit SCE-04, entitled *Direct Testimony in Support of Southern California Edison Company's Ratemaking Proposals*;

Exhibit SCE-05, entitled *Witness Qualifications and Acronyms*; and

Exhibit SCE-06, entitled *PricewaterhouseCoopers, LLP's Examination of Southern California Edison Company's 2024 Wildfire Mitigation Memorandum Account Expenditures*.

The statutory and other authority under which this relief is being sought include California Public Utilities Code Sections 451, 451.1, 454, 491, 701, 850, 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, but not limited to, D.17-12-024, D.21-08-036, D.24-03-008, D.25-06-051, and D.25-06-017. This Application has been verified by an SCE Officer, consistent with Rule 1.11 of the Commission's Rules of Practice and Procedure.

B. Legal Name and Principal Place of Business – Rule 2.1(a)

SCE's full legal name is Southern California Edison Company. SCE is a corporation organized and existing under the laws of the State of California and is primarily engaged in the business of generating, purchasing, transmitting, distributing, and selling electric energy for light, heat, and power in portions of central and southern California, as a public utility subject to the jurisdiction of the 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. The location of SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California 91770.

C. Correspondence – Rule 2.1(b)

Correspondence or communication regarding this Application should be addressed to:

Nayiri Pilikyan
Senior Attorney
Southern California Edison Company
Post Office Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770
Telephone: (626) 302-4383
E-mail: Nayiri.Pilikyan@sce.com

Case Administration
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-0449
E-mail: Case.Admin@sce.com

D. Proposed Categorization, Need for Hearings, Issues to Be Considered, Procedural Schedule – Rule 2.1(c)

1. Proposed Categorization

SCE proposes that this Application be categorized as a rate-setting proceeding pursuant to Commission Rules of Practice and Procedure 1.3(g) and 7.1(e)(2).

2. Need for Hearings

At this point, it is unclear if evidentiary hearings will be necessary. 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, and the need for hearings will ultimately be determined by the assigned Administrative Law Judge(s). SCE's proposed procedural schedule includes time allotted for evidentiary hearings, should they be required.

3. Issues to Be Considered

The issues presented in this Application include:

- Are the costs recorded in SCE's WMPMA, mostly in 2024, incremental, reasonable, and properly recoverable?
- Are the 2024 costs recorded in SCE's FRMMA incremental, reasonable, and properly recoverable?
- Should the Commission find reasonable SCE's recovery of \$35.872 million¹⁰ of 2024 incremental O&M expenses, plus accrued interest expense, recorded in the WMPMA as of September 30, 2025 and authorize SCE to transfer these amounts plus the additional interest expense that will accrue during the pendency of this proceeding from the WMPMA to the distribution subaccount of the Base Revenue Requirement Balancing Account (BRRBA) for recovery in customers' distribution rates over a 12-month period?¹¹
- Should the Commission find reasonable SCE's recovery of \$62.225 million of 2024 incremental capital expenditures eligible for recovery via the WMPMA and authorize SCE to recover an initial capital-related revenue requirement of (\$3.592) million as of September 30, 2025, plus accrued interest expense, and to transfer the initial capital-related revenue requirement plus the ongoing capital-related revenue requirement and interest expense that will record in the WMPMA during the pendency of this proceeding from the WMPMA to the distribution subaccount of the BRRBA for recovery in customers' distribution rates over a 12-month period?¹²
- Should the Commission authorize SCE to annually transfer, each December 31, the ongoing capital-related revenue requirement associated with the WMPMA-eligible approved capital expenditures from the WMPMA to the distribution subaccount of

¹⁰ This amount is net of the Shareholder Contribution Adjustment – Thomas Fire Settlement credit of \$10 million, DOH Adjustment 2019-2024 credit of \$3.333 million, and the Joint IOU CC Testing debit of \$0.693 million.

¹¹ When placed into rates, SCE will gross up this amount to recover franchise fees and uncollectibles (FF&U) based on the then-current rates adopted in SCE's GRC.

¹² When placed into rates, SCE will gross up this amount to recover FF&U based on the then-current rates adopted in SCE's GRC.

the BRRBA until the ongoing capital-related revenue requirement is included in GRC base rates?

- Should the Commission authorize SCE to submit a Tier 2 advice letter within 30 days of the final decision (and annually thereafter, as necessary) to substantiate the amount of CWIP eligible for recovery via the WMPMA that has closed to plant during the pendency of this proceeding (and after the conclusion of this proceeding) and to set forth the associated capital-related revenue requirement to be included in customers' distribution rates? Should the Commission order that upon approval of these Tier 2 advice letters, SCE will transfer the capital-related revenue requirement from the WMPMA to the distribution subaccount of the BRRBA for recovery in rates until the ongoing capital-related revenue requirement is included in GRC base rates?
- Should the Commission find reasonable SCE's recovery of \$0.01 million of 2024 incremental O&M expenses, plus accrued interest expense, recorded in the FRMMA as of September 30, 2025 and authorize SCE to transfer this amount plus the additional interest expense that will accrue during the pendency of this proceeding from the FRMMA to the distribution subaccount of the BRRBA for recovery in customers' distribution rates over a 12-month period?¹³
- Are the costs recorded in the CEMA sub-accounts in connection with the CEMA Events sought for recovery in this Application incremental, reasonable, and properly recoverable?
- Should the Commission find reasonable \$15.635 million of incremental capital expenditures and \$6.615 million of incremental O&M expense used as the basis for the revenue requirement recorded in SCE's applicable 2017-2021 CEMA Event subaccounts?

¹³ When placed into rates, SCE will gross up this amount to recover FF&U based on the then-current rates adopted in SCE's GRC.

- Should the Commission authorize SCE to recover the initial revenue requirement associated with the applicable 2017-2021 CEMA Events subaccounts and transfer the recorded balance (O&M and capital-related revenue requirement), including interest, currently estimated to be \$14.080 million, and any ongoing capital-related revenue requirement and interest expense that will record to the applicable 2017-2021 CEMA Event subaccounts during the pendency of this proceeding, to the distribution subaccount of the BRRBA for recovery in distribution rates upon a final decision in this proceeding?
- Should the Commission authorize SCE to recover the initial CEMA revenue requirements of \$14.080 million over a 12-month period?
- Should the Commission authorize SCE to record and transfer the annual ongoing capital-related revenue requirement, as of each December 31, for the approved capital expenditures in this Application from the applicable CEMA Event subaccounts to the distribution subaccount of the BRRBA for recovery in distribution rates until the ongoing capital-related revenue requirement is included in GRC base rates?
- Should the Commission find that the \$36.344 million in 2022 capital expenditures that were not approved for initial revenue requirement recovery in A.23-10-001 are just and reasonable, and authorize SCE to include the amounts in base rates as part of SCE's 2025 GRC Post Test Year Ratemaking mechanism?
- Should the Commission allow SCE to establish a memorandum account to track the monetary impacts of FERC Order No, 898?

4. Procedural Schedule – Rule 2.1(c)

SCE proposes the following procedural schedule, which provides for a proposed decision within 18 months of the filing date of the application, consistent with CPUC Rule 2.1(c).

Application Filed:	December 4, 2025
Protests and Responses:	January 5, 2026
Reply to Protests and Responses:	January 15, 2026
Prehearing Conference:	January 22, 2026
Public Advocates and Intervenor Testimony:	April 15, 2026
Rebuttal Testimony:	May 20, 2026
Evidentiary Hearings (if necessary):	June 3-5, 2026
Opening Briefs:	June 24, 2026
Reply Briefs:	July 23, 2026
ALJ Proposed Decision:	October 23, 2026
Opening Comments on Proposed Decision:	November 12, 2026
Reply Comments on Proposed Decision:	November 17, 2026
Commission Decision:	December 3, 2026

E. Safety – Rule 2.1(c)

Pursuant to Rule 2.1(c), this Application must address “relevant safety considerations.” SCE does not view this Application as presenting any safety considerations, as it requests only cost recovery associated with wildfire mitigation and restoration efforts. SCE notes that the wildfire mitigation efforts for which SCE seeks cost recovery are meant to address some of California’s foremost public safety issues – namely, wildfire risks – and utility efforts to respond to and address these public safety concerns are in the best interest of customers. This Application also demonstrates that the costs incurred to reconstruct SCE’s facilities and equipment following catastrophic events further addressed public safety concerns and will provide long-lasting safety benefits to customers.

F. Organization and Qualification to Transact Business – Rule 2.2

In compliance with Rule 2.2,¹⁴ 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 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.

A copy of SCE's Certificate of Determination of Preferences of the Series N Preference Stock filed with the California Secretary of State on May 8, 2024, and presently in effect, certified by the California Secretary of State, was filed with the Commission on May 15, 2024, in connection with Application No. A.24-05-007, 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 April 15, 2025, pursuant to General Order Nos. 65-A and 104-A of the Commission.

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

Appendix A to this Application contains copies of SCE's Balance Sheet and Income Statement for the period ending September 30, 2025, the most recent period available.

¹⁴ 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.

H. Statement of Presently Effective and Proposed Rates – Rules 3.2(a)(2) and 3.2(a)(3)

A statement of SCE's proposed ratemaking is included here and is found in the testimony served (Exhibit SCE-04) in support of this Application

1. Summary of Proposed Ratemaking

SCE's proposed ratemaking and cost recovery proposal associated with this Application is discussed in Exhibit SCE-04. Overall, SCE proposes to recover the initial revenue requirements – recorded as of September 30, 2025 – in customers' distribution rates over a 12-month period in the first regularly scheduled rate change that occurs after a final decision is issued in this proceeding, which is currently estimated to be SCE's January 1, 2027 rate change. In addition to the initial revenue requirements, SCE also proposes, at that time, to include in distribution rates the ongoing capital-related revenue requirement that has recorded in the WMPMA and CEMA, as of the date of the final decision associated with all approved incremental capital expenditures, as well as all interest expense that accrues in all of the referenced accounts over the pendency of this proceeding. Finally, SCE proposes to annually transfer, on December 31, the ongoing capital-related revenue requirement associated with the capital expenditures approved in this Application from the WMPMA and CEMA to the distribution subaccount of SCE's BRRBA until the ongoing capital-related revenue requirement is included in SCE's GRC base rates.

SCE's reasonableness review request includes capital expenditures eligible for recovery via the WMPMA that were in construction-work-in-progress (CWIP) status as of September 30, 2025. As more fully explained in Exhibit SCE-01, because CWIP assets have not yet been placed into service, there is no revenue requirement associated with CWIP recorded in the WMPMA as of September 30, 2025. SCE proposes an advice letter process that would allow SCE to recover the revenue requirement associated with the current CWIP assets as those assets are placed into service during the pendency of this proceeding and their associated revenue requirement begins

to record in the WMPMA. This approach is identical to the unopposed approach SCE proposed in A.23-10-001, which was approved by the Commission in D.25-06-051.¹⁵

On August 22, 2023, SCE filed A.23-08-013 for authority to recover in rates the costs recorded in SCE’s WEMA and CEMA related to the Thomas Fire and Montecito Debris Flows. On February 7, 2025, the Commission issued D.25-01-042, adopting the amended Settlement Agreement between SCE and Cal Advocates, resolving all issues in the proceeding. The Decision directs SCE to apply \$50 million in shareholder funds (at a rate of \$10 million per calendar year, via a Tier 2 Advice Letter) toward SCE’s wildfire mitigation costs recorded in its authorized wildfire memorandum accounts to be reviewed in SCE’s reasonable review application of wildfire mitigation costs for years 2014-2028.¹⁶ As such, SCE reduced its cost recovery request in this Application by \$10 million, in compliance with the Decision.

Table IV-2 provides a summary of the total initial revenue requirements (recorded as of September 30, 2025) sought for recovery in customers’ distribution rates by SCE through this Application.

Table IV-2
Summary of Initial Revenue Requirements as of September 30, 2025¹⁷
(\$ in thousands)

Account	Total Initial Revenue Requirement
Wildfire Mitigation Plan Memorandum Account (WMPMA)	\$ 33,609
Fire Risk Mitigation Memorandum Account (FRMMA)	\$ 19
Catastrophic Event Memorandum Account (CEMA)	\$ 14,080
TOTAL	\$ 47,707

¹⁵ D.25-06-051, p. CoL 72 and 73; OPs 2 and 3.

¹⁶ SCE submitted Advice 5561-E on June 6, 2025 to effectuate the \$10 million shareholder-funded reduction to 2024 recorded costs in the WMPMA. Advice 5561-E was approved by Energy Division on July 6, 2025.

¹⁷ The revenue requirement in this summary does not include any recovery of capital expenditures categorized as CWIP as of September 30, 2025.

2. Estimated Impact of the Request on Customer Rates

Table IV-3, below, represents the estimated rate and bill impacts associated with SCE's request.

Table IV-3
Bill Impact Table¹⁸

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Increase	Proposed Rates	Increase %
Residential	35.26	0.08	35.34	0.2%
Lighting - Small and Medium Power	32.18	0.15	32.34	0.5%
Large Power	21.27	0.05	21.32	0.2%
Agricultural and Pumping	25.38	0.06	25.44	0.2%
Street and Area Lighting	36.07	0.07	36.14	0.2%
Standby	17.99	0.01	18.00	0.1%
Total	30.16¢	0.09¢	30.25¢	0.3%

Residential Typical Bill Impact (\$/Month)					
Description	Average Usage	Current Bill	Proposed Increase	Proposed Bill	Increase %
Residential Non-CARE	500 kWh	\$193.22	\$0.41	\$193.64	0.2%
Residential CARE	500 kWh	\$122.31	\$0.26	\$122.57	0.2%

Small Business Typical Bill Impact (\$/Month)					
Description	Average Usage	Current Bill	Proposed Increase	Proposed Bill	Increase %
Lighting - Small and Medium Power Small Business (GS-1)					
Small Business	850 kWh	\$271.37	\$2.28	\$273.65	0.8%
NAICS 531	675 kWh	\$218.43	\$1.81	\$220.24	0.8%
NAICS 621	975 kWh	\$309.18	\$2.61	\$311.80	0.8%
NAICS 722	2,800 kWh	\$861.26	\$7.51	\$868.77	0.9%

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

Because this Application is not a GRC application, this requirement is not applicable.

¹⁸ In D.25-06-017 Decision Approving Settlement and Authorizing Southern California Edison Company to Recover Costs Related to Wildfire Mitigation, Vegetation Management, Catastrophic Events, and Other Costs, SCE is directed to identify (i) the forecasted average percentage and dollar bill impact for three National American Industry Classification System (NAICS) codes including Food Services and Drinking Places (NAICS 722), Ambulatory Health Care Service (NAICS 621), and Real Estate (Property Management, (NAICS 531), as well as for “small retail store” building types; and (ii) total anticipated bill changes to small business customers.

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

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE's summary of earnings for the periods upon which SCE bases its justification for an increase in rates.

K. Depreciation – Rule 3.2(a)(7)

Because this Application is not a GRC application, this requirement is not applicable.

L. Capital Stock and Proxy Statement – Rule 3.2(a)(8)

Because this Application is not a GRC application, this requirement is not applicable.

M. Statement Regarding Type of Increase – Rule 3.2(a)(10)

Rule 3.2(a)(10) requires a statement from SCE of "whether or not the increase [sought in the application] reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it." SCE's application requests authorization to recover certain O&M expenses and to add certain capital expenditures to rate base. With respect to the capital expenditures, the 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."

N. Service of Notice – Rule 3.2(b), (c), (d), and (e)

As required by Rule 3.2(b), a notice stating in general terms the proposed rate change will be mailed to the designated officials of the State of California, and the cities and counties affected by the rate increase proposed in this Application, as listed in Appendix C hereto.

Pursuant to Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE's service territory within which the rate changes would be effective.

A listing of the cities and counties affected by the rate increase proposed in this Application is shown in Appendix C hereto.

Finally, pursuant to Rule 3.2(d), notice will be furnished to customers affected by the potential rate changes proposed in this Application by including such notice with the regular bills mailed to those customers who receive paper bills and by electronically linking to such notice for customers that receive their bills electronically. SCE has reviewed a draft of its proposed customer notice with the Commission's Public Advisor's Office.

O. Index of Exhibits and Appendices to This Application

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

Appendices to Application

- Appendix A: Balance Sheet and Income Statement
- Appendix B: Summary of Earnings
- Appendix C: List of Cities and Counties

Exhibits to Application

- Exhibit SCE-01 : Direct Testimony in Support of Southern California Edison Company's Application for Authorization to Recover 2024 Incremental Costs Related to Wildfire Mitigation
- Exhibit SCE-02: Direct Testimony in Support of Southern California Edison Company's Application for Authorization to Recover Costs Related to 2017, 2018, 2020, and 2021 Events Recorded in the Catastrophic Event Memorandum Account
- Exhibit SCE-03 : FERC Order No. 898
- Exhibit SCE-04 : Direct Testimony in Support of Southern California Edison Company's Ratemaking Proposals
- Exhibit SCE-05 : Witness Qualifications and Acronym List
- Exhibit SCE-06 : PricewaterhouseCoopers, LLP's Examination of Southern California Edison Company's 2024 Wildfire Mitigation Memorandum Account Expenditures

P. Service List

The official service list has not yet been established in this new proceeding. SCE is serving this Application and supporting testimony on the service lists established by the Commission for SCE's 2021 Test Year GRC, A.19-08-013; SCE's 2025 Test Year GRC, A.23-05-010; SCE's 2021 Wildfire Mitigation and Vegetation Management Proceeding, A.22-06-003; SCE's 2022 Wildfire Mitigation and Vegetation Management proceeding, A.23-10-001; and SCE's 2023 Wildfire Mitigation, Vegetation Management, Catastrophic Events, and Other Cost proceeding, A.24-04-005.

V.

CONCLUSION AND REQUEST FOR RELIEF

SCE respectfully requests that the Commission approve SCE's requests as outlined in the Application and supporting testimony, and that the Commission render findings of fact and conclusions of law and issue orders consistent with the materials that accompany the Application. SCE respectfully asks the Commission to authorize the revenue requirements and other requests, included herein, to become effective in time for implementation in SCE's January 1, 2027 rate change, or as soon thereafter, as reasonably practicable

Respectfully submitted,

CLAIRE TORCHIA
NAYIRI K. PILIKYAN

/s/Nayiri Pilikyan

By: Nayiri Pilikyan
Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4838
E-mail: Nayiri.Pilikyan@sce.com

Dated: December 4, 2025

VERIFICATION

I, Connor Flanigan, declare and state:

I am an Officer and the Vice President of State Regulatory Operations for Southern California Edison Company. Pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC, I am authorized to make this Verification on its behalf. I am informed and believe that the matters stated in the foregoing pleading are true.

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

Executed on December 4, 2025 at Rosemead, California.

/s/ Connor Flanigan

Connor Flanigan
Vice President, State Regulatory Operations
Southern California Edison Company

Appendix A

Balance Sheet and Income Statement

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
NINE MONTHS ENDED SEPTEMBER 30, 2025

(In millions)

OPERATING REVENUE	<u>\$ 14,074</u>
OPERATING EXPENSES:	
Purchase pov A1	3,905
Operation and maintenance	3,668
Wildfire-related claims, net (recoveries)	(1,060)
Wildfire insurance fund expense	108
Depreciation and amortization	2,427
Property and other taxes	492
Asset impairment	<u>96</u>
Total operating expenses	<u>9,636</u>
OPERATING INCOME	4,438
Interest expense	(1,044)
Other income, net	<u>347</u>
INCOME BEFORE TAXES	3,741
Income tax expense	<u>705</u>
NET INCOME	3,036
Less: Preference stock dividend requirements	<u>101</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 2,935</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
SEPTEMBER 30, 2025
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 70,265
Less- accumulated provision for depreciation and amortization	<u>14,923</u>
	55,342
Construction work in progress	6,117
Nuclear fuel - at amortized cost	<u>129</u>
	<u>61,588</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$107	191
Nuclear decommissioning trusts	4,475
Other investments	<u>61</u>
	<u>4,727</u>

CURRENT ASSETS:

Cash and equivalents	305
Receivables, less allowances of \$321 for uncollectible accounts	2,281
Accrued unbilled revenue	1,156
Inventory	524
Prepaid expenses	115
Regulatory assets	2,703
Wildfire insurance fund contributions	138
Other current assets	<u>433</u>
	<u>7,655</u>

DEFERRED CHARGES:

Receivables, less allowance of \$41 for uncollectible accounts	50
Regulatory assets (Includes \$1,476 related to VIEs)	10,686
Wildfire insurance fund contributions	1,774
Operating lease right-of-use assets	1,174
Long-term insurance receivables	93
Long-term insurance receivables due from affiliate	226
Other long-term assets	<u>2,344</u>
	<u>16,347</u>
	<u>\$ 90,317</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
SEPTEMBER 30, 2025
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	2,168
Additional paid-in capital	8,949
Accumulated other comprehensive loss	(8)
Retained earnings	9,532
Common shareholder's equity	<u>20,641</u>
Long-term debt (Includes \$1,444 related to VIEs)	29,666
Preferred stock	<u>2,220</u>
Total capitalization	<u>52,527</u>

CURRENT LIABILITIES:

Short-term debt	1,219
Current portion of long-term debt	1,899
Accounts payable	2,350
Wildfire-related claims	98
Accrued interest	365
Regulatory liabilities	1,109
Current portion of operating lease liabilities	118
Other current liabilities	<u>2,095</u>
	<u>9,253</u>

DEFERRED CREDITS:

Deferred income taxes and credits	10,023
Pensions and benefits	86
Asset retirement obligations	2,540
Regulatory liabilities	10,736
Operating lease liabilities	1,056
Wildfire-related claims	456
Other deferred credits and other long-term liabilities	<u>3,640</u>
	<u>28,537</u>

\$ 90,317

Appendix B

Summary of Earnings 2022 through 2024

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

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	Yorba Linda
Calimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yucaipa
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucca Valley
Canyon Lake	Glendora	Lakewood	Palmdale	Seal Beach	
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	