



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

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Application Of Southern California Edison
Company (U 338-E) for Approval of its Energy
Savings Assistance (ESA) and California
Alternate Rates for Energy (CARE) Programs
and Family Electric Rate Assistance (FERA)
And Budgets for Program Years 2028-2033.

Application 26-01-XXX

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY
(U 338-E) FOR APPROVAL OF ITS ENERGY SAVINGS ASSISTANCE (ESA) AND
CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAMS AND
FAMILY ELECTRIC RATE ASSISTANCE (FERA) AND BUDGETS FOR PROGRAM
YEARS 2028-2033**

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ELECTRIC RATE ASSISTANCE (FERA) AND BUDGETS FOR PROGRAM YEARS 2028-2033**

I.

INTRODUCTION

Pursuant to Articles 1 and 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), the Commission Energy Division (ED) Staff Guidance Document (Guidance Document),¹ and February 21, 2025 email *Update on Income Qualified Program (CARE/FERA/ESA) Applications* (Updated Application Guidance),² Southern California Edison Company (SCE) respectfully submits this Application and requests that the Commission approve its Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Family Electric Rate Assistance (FERA) Budgets for Program years 2028 -2033. SCE's request consists of this Application, supporting testimony (preliminarily identified as Exhibits SCE-01, SCE-02, SCE-

¹ On October 31, 2024, ED Staff served its Guidance Document on service list A.19-11-003 et al.

² February 21, 2025, Email served on service lists for A.19-11-003 et al., *Update on Income Qualified Program (CARE/FERA/ESA) Applications*, with Attachment: ED Staff Guidance to IOUs on ESA-CARE-FERA-CAS_IOU_Revision_1_15_25.

03, SCE-04) and supporting material (Exhibit SCE-05) (Testimony). SCE's Testimony provides additional details regarding SCE's proposed ratemaking treatment for its request.

II.

BASIS FOR THE APPLICATION

SCE's CARE and ESA programs serve approximately 1.3 million income-qualified customers³ throughout SCE's service territory, through discounted energy rates, installation of no-cost energy-efficient equipment, information and education to promote energy efficient practices, and measures that provide for customer health, comfort, and safety. Additionally, there are approximately 350,000 customer accounts with slightly higher household incomes than CARE, but who are eligible to receive a discounted rate through FERA. Income Qualified Programs (IQP) are energy programs serving SCE's most vulnerable customers and are foundational to making low-income customer bills more affordable while enabling participation in the current clean energy transition, which SCE strongly supports.⁴

In the 2028-2033 cycle SCE envisions a significant change in the design and delivery of the IQP portfolio.

In this Application, SCE presents its proposed IQP portfolio for a six-year program cycle, from 2028 to 2033. SCE's proposed programs are a reasonable and balanced approach to what has historically been competing objectives including energy savings, bill savings, GHG reductions, and health, comfort, and safety improvements for eligible income-qualified customers. SCE's Application also considers affordability concerns, as increasing rates continue to impact the entire customer base. SCE's IQP portfolio continues to champion no-cost home upgrades including energy efficient appliances,

³ Income eligibility for the CARE and ESA programs is set at 200% or below of the Federal Poverty Guideline (FPG). Income eligibility for the FERA program is set at 250% of the FPG.

⁴ The following are examples of SCE work to support California's clean energy transition. SCE published Pathway 2045: <https://www.edison.com/clean-energy/pathway-2045>; Countdown 2045, available at <https://www.edison.com/clean-energy/countdown-to-2045>; and Reaching Net Zero whitepapers, available at <https://www.edison.com/clean-energy/reaching-net-zero>

, to develop road maps and identify gaps to close to meet California climate goals. SCE's Clean Energy Optimization Pilot, BE Pilot, SCE distributed energy resource programs, including SCE customer generation programs, and SCE transportation electrification programs all support California's climate goals.

weatherization, and bill discounts to address the basic energy needs of low-income customers that could otherwise be left behind due to real and accelerating financial instability. To continue funding for these critical programs, SCE seeks cost recovery approval of \$781.8 million through the existing balancing account cost recovery mechanisms for ESA, CARE, and FERA programs. This amount includes \$674.5 million for delivery of the ESA Program and \$107.3 million for CARE/FERA administration. The funding request supports important program enhancements for participating and non-participating customers, and general cost escalations.

III.

OVERVIEW OF SCE'S REQUEST FOR APPROVAL OF ITS 2028-2033 IQP BUDGETS

SCE submits this Application to request Commission authorization of SCE's Budget for its CARE, FERA, and ESA for Program Years 2028-2033. In the development of its budget proposal, SCE utilized the guiding principles of affordability and customer focus, which align with the principles outlined in the ED Guidance. In this Application, SCE forecasts approximately \$674.5 million funding need for the ESA Program and approximately \$107.3 million funding need for CARE and FERA for administrative costs over the six-year program period. Annualized, this amount is \$112.4 million for ESA and \$17.9 million for CARE and FERA. SCE plans to continue using the existing balancing account cost recovery mechanisms for ESA, CARE, and FERA. All budgetary requests are to meet IQP goals and objectives to serve eligible customers with beneficial measures and rates.

For the ESA Program, in the 2028-2033 cycle SCE proposes to serve nearly 387,000 homes and save more than 195.4 million kWh and 19,567 kW. The budget requests specified above will support SCE's IQP goals. For the 2028-2033 Program Cycle, SCE proposes to maintain a 92% goal for the CARE penetration rate, and to ramp up FERA participation to 30% in 2033.

Table III-1
2028-2033 Proposed ESA, CARE, and FERA Budget
(\$s in Thousands)

Description	2028	2029	2030	2031	2032	2033
ESA	\$104,794	\$107,699	\$110,868	\$113,892	\$116,968	\$120,311
CARE	\$14,792	\$18,688	\$12,442	\$12,744	\$13,163	\$14,766
FERA	\$3,397	\$3,785	\$3,146	\$3,261	\$3,429	\$3,686
Total	\$122,983	\$130,172	\$126,456	\$129,897	\$133,560	\$138,764

Note: Totals may not sum due to rounding.

Table III-2
2028-2033 Average Annual Budget for ESA, CARE and FERA
(\$s in Thousands)

Description	Average Annual Budget 2028-2033
ESA	\$112,422
CARE	\$14,432
FERA	\$3,451
Total	\$130,305

Note: Totals may not sum due to rounding.

A. ESA Program Goals and Budget

Summary of SCE Proposals

Key aspects of SCE's ESA Program proposal include the following:

1. SCE proposes to close the Building Electrification (BE) Pilot in 2027, transition the installation of BE measures to the ESA Program, and integrate all such offerings to all eligible single-family homes, mobile homes, and multifamily buildings.

2. SCE proposes to close the regionally administered Southern Multifamily Whole Building (MFWB or Southern MFWB) Program and transition all aspects of the multifamily ESA delivery to SCE's ESA Program.
3. SCE proposes to provide Heating, Ventilation, and Air Conditioning (HVAC) offerings to customers in additional climate zones, while also providing cooling measures for more customers.
4. SCE proposes to enhance coordination with other agencies and programs (e.g., California Energy Commission, TECH Clean California, and local governments) to maximize program impact, efficiency, and customer satisfaction by more effectively addressing their needs.
5. SCE proposes a supplemental solicitation approach that will allow SCE to pre-qualify additional vendors and expand access to contracting needs not initially identified at the beginning of the program cycle.

Goals

SCE proposes a total cycle savings goal of 195.4 GWh (approximately 36.7 GWh per program year), compared to 131.5 GWh (approximately 26.3 GWh per program year)⁵. This increase in program goals is primarily attributable to SCE's proposals described above (i.e., increased installation and adoption of electrification measures, increased participation of multifamily properties, and the anticipated provision of HVAC measures to additional climate zones).

Budget

To support its proposals and goals (described above and in this testimony), SCE proposes an average annual budget of approximately \$112.4 million. This represents an increase of approximately \$8 million annually (not including escalation). SCE's 2028-2033 proposed program cycle budget is \$674.5 million.

⁵ See, Decision (D). 21-06-015, Ordering Paragraph (OP) 75, p. 448.

Cost Effectiveness

SCE projects an Energy Savings Assistance Cost Effectiveness Test (ESACET) of 0.49. SCE recognizes that its forecast cost effectiveness is lower than the Commission's ESACET target of 0.7. This lower cost effectiveness is the result of several factors including: expansion of health, comfort, and safety measures; expansion of electrification measures, and lower CET values for measures such as lighting, which traditionally increased cost-effectiveness in prior program cycles.

B. CARE Goals and Budget

SCE proposes maintaining an annual enrollment goal of 92 percent of eligible customers for the upcoming program cycle. To support this goal, SCE requests cost recovery of approximately \$86.6 million (Table II-1) in CARE program expenses—an increase of approximately \$31 million compared to the total authorized CARE budget for years 2021 to 2026. This increase is primarily driven by two factors: the implementation of the new upfront eligibility process, which is central to SCE's affordability strategy, and the cumulative impact of inflation on program administration and outreach costs. Upfront eligibility is expected to improve program integrity and deliver approximately \$686 million in CARE rate subsidy reductions over the 2028-2033 cycle. A summary of the CARE budget is provided in Table II-1 below.⁶

⁶ Table II-1, found at SCE-03, p.13, with detailed budget categories available in SCE-03, Section III.G.

Table II-1
Proposed CARE Budget, 2028-2033
(\$s in Thousands)

Description	2028	2029	2030	2031	2032	2033	Total
CARE Administrative Budget	\$14,792	\$18,688	\$12,442	\$12,744	\$13,163	\$14,766	\$86,595
CARE Subsidy Budget	\$1,119,133	\$1,097,306	\$1,085,247	\$1,081,523	\$1,084,952	\$1,141,313	\$6,609,473
CARE Administrative + Subsidy Budget	\$1,133,925	\$1,115,994	\$1,097,689	\$1,094,266	\$1,098,115	\$1,156,079	\$6,696,068

Note: Totals may not sum due to rounding.

The projected CARE Subsidy Budget in Table II-1 represents the statutory discount of 32.5 percent that eligible customers receive on their energy bills. The effective CARE discount, as realized by customers, reflects the total bill relief experienced by CARE participants, including exemptions from certain charges and adjustments. Key drivers of the difference between statutory and effective discount include exemptions from certain charges, such as the Wildfire Fund Charge, Fixed Recovery Charge, and a reduced Base Services Charge (BSC).⁷

C. FERA Goals and Budget

For the 2028–2033 program cycle, SCE proposes an increase in the FERA participation goal—from 20 percent in 2028 to 30 percent by 2033 and is seeking to recover approximately \$20.7 million in program-related administrative expenses. This represents an increase of approximately \$12 million compared to the 2021–2026 budget. The FERA budget increase is driven by the expanded ME&O activities to support the larger eligible population under SB 1130 and anticipated growth in FERA enrollment. Additional contributing factors include inflationary impacts and the implementation of a new upfront eligibility process. A summary of the FERA budget is provided in the Table II-2 below.⁸

⁷ The effective CARE discount as of this filing reflects a 40 percent bill reduction for participating customers.

⁸ Table II-2 is found at Exhibit SCE-03, p. 14, with detailed budget categories available in Exhibit SCE-03, Section IV. F.

Table II-2
Proposed FERA Budget, 2028-2033
(\$s in Thousands)

Description	2028	2029	2030	2031	2032	2033	Total
FERA Administrative Budget	\$3,397	\$3,785	\$3,146	\$3,261	\$3,429	\$3,686	\$20,704
FERA Rate Subsidy Budget	\$35,741	\$41,372	\$46,824	\$52,156	\$57,421	\$65,140	\$298,655
FERA Administrative + Subsidy Budget	\$39,138	\$45,157	\$49,970	\$55,417	\$60,850	\$68,827	\$319,359

Note: Totals may not sum due to rounding.

D. SCE's Revenue Requirements and Cost Recovery and Rate Impact

In this Application, SCE is requesting the Commission adopt a total revenue requirement of \$781.8 million, representing a cumulative revenue requirement increase of \$130.3 million, to support the 2028-2033 Income Qualified Programs funding cycle.⁹ This represents an average annual revenue requirement increase of \$26.87 million relative to current rates as of October 1, 2025. As a result, this proposal would increase SCE's system average rate (SAR) by approximately 0.12 percent for bundled service customers compared to current rates. SCE's budget forecast does not include the use of unspent and uncommitted funds. SCE proposes that any unspent and uncommitted funds remaining at the end of 2027 be applied to the 2028-2033 program cycle.¹⁰

⁹ The requested \$781.8 million revenue requirement reflects a \$674.5 million revenue requirement request for the ESA Program and \$107.299 million request for the CARE and FERA programs. See SCE-02 at pp. 131-135 and Exhibit SCE-03 at pp. 107-112.

¹⁰ In A.25-06-025, SCE's Application for 2027 Income Qualified Program Bridge Funding, SCE requested unspent funds from the 2021-2026 program cycle be applied to the 2027 program budget.

Rate Impact

IQP Total Bundled Rate Increase Requested

Total Rate Increase			
Customer Class	Cumulative Bill \$	¢/kWh	%
Residential – Non-CARE	16	0.05	0.11%
Residential – CARE	10	0.03	0.14%
Residential – FERA	13	0.04	0.12%
Lighting, Small, & Medium Power	78	0.04	0.11%
Large Power	8,022	0.02	0.11%
Agriculture & Pumping	301	0.03	0.13%
Street & Area Lighting	27	0.05	0.13%
Standby	21,593	0.02	0.12%

A typical CARE residential customer using 500 kWh per month could see a monthly bill increase of \$0.14, representing a change of approximately 0.12 percent. Similarly, a typical non-CARE residential customer using 500 kWh per month could experience a monthly bill increase of \$0.22, which equates to approximately 0.12 percent.

CARE, FERA, and ESA Cost Recovery

SCE proposes to continue to recover its CARE, FERA and ESA program revenue requirements in accordance with their respective balancing accounts as described below.

a) California Alternative Rate For Energy Balancing Account

SCE will continue to recover its CARE program revenue requirements through the operation of the PPPAM. SCE's operation of the CARE Balancing Account (CBA) currently accounts for: 1) the recovery of the Commission-authorized CARE revenue requirement through the operation of the PPPAM; 2) the difference between CARE discounts provided to CARE-eligible customers and CARE surcharges billed to non-CARE customers; 3) the difference between the authorized CARE administrative costs and actual incurred CARE administrative expenses and; 4) recorded costs associated with the CARE automatic enrollment program; and 5) costs associated with the Energy Division's audit of the CBA. Consistent with D.06-12-038 and pursuant to Preliminary Statement Part AA, SCE is authorized to transfer the December 31st balance recorded in the CBA to the PPPAM to

either return or recover (over/under-collected) the CBA balance to/from customers through the operation of the PPPAM. The year-end PPPAM and CBA balances are presently consolidated within SCE's PPC revenue requirement and reflected in customer rates as part of the January 1 consolidated revenue requirement adjustment.

b) Family Electric Rate Assistance Balancing Account

SCE will continue to recover its FERA Program revenue requirements through the operation of the Base Revenue Requirement Balancing Account (BRBBA) and PPPAM. SCE's operation of the FERA Balancing Account (FERABA) currently accounts for: 1) the FERA discounts to FERA eligible customers recorded in the FERA Discount Sub-Account and 2) the difference between recovery of the Commission-authorized FERA administrative program funding recorded in the PPPAM and actual incurred FERA administrative expenses recorded in the FERA Administration Costs Sub-Account. In accordance with Preliminary Statement YYY, SCE transfers the December 31st balances recorded in the FERABA based on the following: 1) the balance recorded in the FERA Discount Sub-Account is transferred to the BRBBA to be recovered from Non-CARE residential customers through distribution rates and 2) the balance recorded in the FERA Administration Costs Sub-Account is transferred to the PPPAM to either return or recover (over/under-collected) the balances to/from customers. The year-end balances for BRBBA and PPPAM are incorporated into SCE's distribution and PPC revenue requirements, respectively, and are reflected in customer rates as part of the January 1 consolidated revenue requirement adjustment.

c) Energy Savings Assistance Balancing Account

SCE proposes to continue to recover ESA revenue requirements through the operation of the PPPAM. SCE proposes no change to the ESA ratemaking as previously authorized. SCE's current ratemaking associated with its ESA Program includes: 1) the recovery of the Commission-authorized ESA revenue requirement through the operation of the PPPAM; and 2) the comparison of the authorized ESA revenue requirements with actually incurred ESA expenses in the ESAPAM. The year-end PPPAM balances are currently consolidated in SCE's PPC revenue requirement and included in PPC rate levels in the subsequent year through the January 1 consolidated revenue requirement change.

IV.

ORGANIZATION OF SCE'S TESTIMONY

SCE's testimony is structured as follows. Each exhibit is organized as described below.

- **Exhibit SCE-01 – Policy Considerations for SCE's ESA, CARE and FERA Programs and Budgets for Program Years 2028-2033**

Exhibit SCE-01 provides a policy context and summary of SCE's IQP application. The exhibit outlines the application testimony structure. Exhibit SCE-01 concludes with a description of SCE's long-term vision and IQP tenets and a summary of policy requests and budgets.

- **Exhibit SCE-02 – ESA Program and Budget for Program Years 2028-2033**

Exhibit SCE-02 provides details on SCE's ESA Program proposals, including closing the Building Electrification (BE) Pilot, and transitioning the installation of BE measures to the ESA Program. In addition, SCE proposes to close MFWB program and transition all aspects of the MF ESA delivery to SCE's ESA program. SCE proposes to provide HVAC offerings to customers in additional climate zones, while also providing cooling measures for more customers. SCE also proposes to enhance its coordination with agencies and supplemental vendor solicitation.

- **Exhibit SCE-03 – CARE and FERA Programs and Budgets for the Program Years 2028-2044**

Exhibit SCE-03 provides details on SCE's CARE and FERA Program proposals, including goals and budgets, continued best practices, and innovations. This volume proposes a modernization of income procedures to streamline enrollment and maintenance with upfront eligibility verifications.

- **Exhibit SCE-04 – Cross Cutting Issues Impacting SCE's ESA, CARE, and FERA Programs**

Exhibit SCE-04 provides details on SCE's cross-cutting proposals, including studies, IQP reporting, technology opportunities, partnerships, and marketing and outreach.

This volume reflects a customer-centric approach to improving program integrity, administrative efficiency, and affordability. By aligning CARE and FERA with best practices in public benefit administration, SCE aims to support benefits reaching the households that are eligible, while maintaining public trust and regulatory compliance.

- **Exhibit SCE-05– Appendices and Witness Qualifications**

Exhibit SCE-05 provides several Appendices to the Testimony:

- Appendix A – Informal ED Guidance. Reference to where specific topics from the Informal ED Guidance Document are included in SCE’s testimony.
- Appendix B – ESA, CARE, FERA Attachment Tables
- Appendix C – Reconciliation of ESA Authorized Funding
- Appendix D – ESACET Discussion. Outlines SCE’s approach to developing its 2028–2033 ESA measure portfolio, emphasizing the balance between cost-effectiveness, electrification objectives, and electric savings goals in alignment with CPUC guidance and state climate priorities.
- Appendix E – Proposed IQP Compliance Requirements for Retirement
- Appendix F – Acronyms and Abbreviations
- Appendix G – Witness Qualifications

V.

STATUTORY AND PROCEDURAL REQUIREMENTS

E. 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 Section II (Basis for Application), Section III (Overview of SCE's Request for Approval of its 2028-2033 IQP Budgets), and is further described in SCE's supporting Testimony, preliminarily identified as Exhibits SCE-01, SCE-02, SCE-03, SCE-04, and SCE -05 accompanying this Application.

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.

F. 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.

G. Correspondence – Rule 2.1(b)

Correspondence or communication regarding this Application should be addressed to:

Angela Whatley Attorney for Southern California Edison Company Whatley Public Utilities Law 27 Carpenteria Irvine, CA 92602 Telephone: (562) 822-4247 Email: angela@whatleypul.com	Case Administration Southern California Edison Company 8631 Rush Street Rosemead, California 91770 Telephone: (626) 302-0449 E-mail: Case.Admin@sce.com
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H. 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, Issues to Be Considered, and Proposed Schedule

The need for hearings and the issues to be considered in such hearings will depend largely on the degree to which other parties contest SCE's request. SCE does not believe that evidentiary hearings will be required in this proceeding; however, SCE's proposed procedural schedule, below, includes time for hearings should the Commission determine hearings are necessary. In addition, SCE is informed that SoCalGas and SDG&E intend to file their applications on January 16, 2026. Since it is likely the Commission will consolidate the IOU applications into one proceeding, SCE proposes that the timing for protests and responses be calculated from the January 16, 2026, filing date rather than SCE's January 9, 2026, filing date. The primary issue for the Commission to consider here is the reasonableness of SCE's proposal for its ESA, CARE, and FERA programs and budgets for program years 2028-2033. SCE proposes a final decision by June 2027. SCE and the other IOUs have discussed the schedule for this

proceeding and are substantially aligned. Therefore, SCE proposes the following schedule:

Event	Schedule Date
Full Program Cycle Applications Filed	1/9/2026 (SCE &PGE) & 1/16/2026 (SoCalGas &SDG&E)
Protests/Responses to Application (within 30 days Daily Calendar Notice pursuant to Rule 2.6)	Approximately 2/23/2026
Reply to Protests and Responses (within 10 days, per Rule 2.6)	3/5/2026
Prehearing Conference (30 days from the date of preliminary categorization per Rule 2.9(d))	3/31/2026
Scoping Memo (45 days from the date of preliminary categorization per Rule 2.9(d))	May 2026
Intervenor Testimony	8/5/2026
Rebuttal Testimony	9/11/2026
Meet and Confer (10 days after Rebuttal)	9/22/2026
Evidentiary Hearings, if needed	10/5-10/6/2026 (1-2 days)
Concurrent Opening Briefs	Mid-November 2026
Concurrent Reply Briefs	Mid-December 2026
Proposed Decision	April 2027
Opening Comments	May 2027
Reply Comments	Late May 2027
Commission Decision	June 2027

I. 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.

J. Organization and Qualification to Transact Business – Rule 2.2

In compliance with Rule 2.2,¹¹ 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.

K. 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.

¹¹ 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.

L. 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 (Exhibits SCE-02 and SCE-03) 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 Exhibits SCE-02 and SCE-03. Overall, The proposed rates are illustrative and will be updated consistent with the Commission's final decision 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 letter filings pursuant to Commission General Order 96-A. SCE is not requesting a general revenue increase over 1 percent in this Application.

2. Estimated Impact of the Request on Customer Rates

Please refer to Section III.D SCE's Revenue Requirements and Cost Recovery and Rate Impact.

M. 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.

N. 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.

O. Depreciation – Rule 3.2(a)(7)

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

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

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

Q. 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.”

R. 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.

S. 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 :	Policy Considerations for SCE's ESA, CARE and FERA Programs and Budgets for Program Years 2028-2033
Exhibit SCE-02:	ESA Program and Budget for Program Years 2028-2033
Exhibit SCE-03 :	CARE and FERA Programs and Budgets for Program Years 2028-2033
Exhibit SCE-04 :	Cross Cutting Issues Impacting SCE's ESA, CARE, and FERA Programs
Exhibit SCE-05 :	Appendices and Witness Qualifications

T. 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 previous full cycle application, A.19-11-003, et al, and for SCE's pending bridge funding application, A.25-06-022, et al.

VI.

CONCLUSION

SCE respectfully requests that the Commission expeditiously approve this Application as filed.

Respectfully submitted,

ANGELA WHATLEY

/s/Angela Whatley
By: Angela Whatley

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E-mail: angela@whatleypul.com

Attorney for
SOUTHERN CALIFORNIA EDISON COMPANY

January 9, 2026

VERIFICATION

I, Larry Chung, declare and state:

I am an officer 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 January 9, 2026, at Irwindale, California.

/s/ Larry Chung
Larry Chung
Vice President, Customer Solutions
Southern California Edison Company

SOUTHERN CALIFORNIA EDISON
COMPANY
6020 Irwindale Ave., Suite A
Irwindale, California 91702

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	14,923
	<u>55,342</u>
Construction work in progress	6,117
Nuclear fuel - at amortized cost	129
	<u>61,588</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$107	191
Nuclear decommissioning trusts	4,475
Other investments	61
	<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	433
	<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	2,344
	<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

Southern California Edison
2025 GRC Summary of Earnings
AL 5642-E

Thousands of Dollars

Southern California Edison Summary of Earnings 2025 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	9,659,974
2.	Expenses:	
3.	Operation & Maintenance	3,012,408
4.	Depreciation	2,729,030
5.	Taxes	1,104,264
6.	Revenue Credits	(155,885)
7.	Total Expenses	6,689,817
8.	Net Operating Revenue	2,970,157
9.	Rate Base	38,840,289
10.	Rate of Return	7.65%

Southern California Edison
2025 GRC Summary of Earnings
AL 5725-E

Thousands of Dollars

Southern California Edison Summary of Earnings 2026 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	10,135,883
2.	Expenses:	
3.	Operation & Maintenance	3,075,529
4.	Depreciation	2,888,791
5.	Taxes	1,183,217
6.	Revenue Credits	(160,808)
7.	Total Expenses	6,986,727
8.	Net Operating Revenue	3,149,155
9.	Rate Base	41,574,812
10.	Rate of Return	7.57%

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	