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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Woolsey Fire Recovery Bond Financing Order Pursuant to Public Utilities Code Section 850 et seq.

Application 26-01-007

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code (Pub. Util. Code) Section 1701.1 and Article 7 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission).¹

1. Procedural Background

On January 14, 2026, Southern California Edison Company (SCE) filed the *Application for Woolsey Fire Recovery Bond Financing Order Pursuant to Public Utilities Code Section 850 et seq. and Request for Expedited Schedule Under Rule 2.9*.² In support of its Application, SCE submitted prepared opening testimony.³ SCE filed this Application pursuant to Pub. Util. Code Section 850(a)(2).⁴

¹ All Section references are to the Pub. Util. Code, unless otherwise indicated.

² All documents filed in this proceeding are available on the Commission's website at *Docket Card* by searching A2601007.

³ The prepared testimony submitted by parties is available on the Commission's website at *Commission's E-Filed Documents Search Form* under the drop-down menu at *supporting documents*.

⁴ SCE Application at 1-2, *citing to* Pub. Util. Code Section 850(a)(2), providing that "If an electrical corporation submits an application for recovery of costs and expenses related to

Footnote continued on next page.

SCE's Application requests that the Commission issue a financing order for Recovery Bonds, as defined in SCE's prepared testimony, pursuant to Section 850 *et seq.* for costs recently approved in Decision 25-12-023 (Woolsey Settlement Decision).⁵ According to SCE, the proposed financing transaction will allow SCE to finance at a lower cost to customers the \$1.951 billion in Wildfire Expense Memorandum Account (WEMA) costs related to the 2018 Woolsey Fire, including associated financing costs.⁶ These costs were approved for recovery from ratepayers in Woolsey Settlement Decision.⁷

On January 15, 2026, SCE filed a motion to shorten the time for protests and the time for reply to any such protest, citing Pub. Util. Code Section 850.1(g), which provides that the Commission issue a decision of the application for a financing order under Section 850.1 within 120 days of the filing of such application.

On January 27, 2026, the Administrative Law Judge (ALJ) issued a ruling denying SCE's motion.

catastrophic wildfires, including fire risk mitigation capital expenditures identified in subdivision (e) of Section 8386.3, in a proceeding to recover costs and expenses in rates and the commission finds that some or all of the costs and expenses identified in the electrical corporation's application are just and reasonable pursuant to Section 451, the electrical corporation may file an application requesting the commission to issue a financing order to authorize the recovery of those just and reasonable costs and expenses by means of a financing order, with those costs and expenses being recovered through a fixed charge pursuant to this article. This paragraph does not apply for costs and expenses incurred by the electrical corporation after December 31, 2035."

⁵ D.25-12-023, *Decision Adopting Settlement on the Request by Southern California Edison Company for Cost Recovery Related to the 2018 Woolsey Fire Recorded in the Wildfire Expense Memorandum Account and Catastrophic Event Memorandum Account* (December 18, 2025) at 43 (approving the Settlement Agreement between SCE, the Public Advocates Office at the Commission, Energy Producers and Users Coalition, and Small Business Utility Advocates.)

⁶ SCE Application at 1.

⁷ SCE Application at 2.

On February 17, 2026, the Public Advocates Office at the Commission (Cal Advocates) filed the *Protest to the Application of Southern California Edison Company for Woolsey Fire Recovery Bond Financing Order*, which states, among other things, that it is currently conducting discovery and anticipates additional recommendations after further review and analysis.

A prehearing conference was held on February 19, 2026, to identify disputed issues of law and fact, determine the need for evidentiary hearings, set the schedule for resolving the matter, and address other matters as necessary.

After considering all relevant pleadings and the discussion at the February 19, 2026 prehearing conference, I have determined the issues and schedule of the proceeding, as set forth below.

2. Issues

The issues to be determined or otherwise considered are:

1. Have the costs that SCE seeks to collect been found just and reasonable, in compliance with Pub. Util. Code § 850.1(a)(1)(A)(i)?
2. Are the proposed Recovery Bonds just and reasonable, in compliance with Pub. Util. Code § 850.1(a)(1)(A)(ii)(I)?
3. Are the proposed Recovery Bonds consistent with the public interest, in compliance with Pub. Util. Code § 850.1(a)(1)(A)(ii)(II)?
4. Whether the public interest is served by Commission authorization of a financing order pursuant to Pub. Util. Code Section 850 *et seq.* for SCE to issue \$1.951 billion in Recovery Bonds?
5. Whether SCE's request for a financing order to securitize a Recovery Bond issuance of \$1.951 billion under Pub. Util. Code Section 850 *et seq.* promotes affordability for its ratepayers and is consistent with a strategy to equitably minimize customer rates and bills?
6. Would the proposed Recovery Bonds reduce consumer rates to the maximum extent possible compared to

- traditional utility financing mechanisms, in compliance with Pub. Util. Code § 850.1(a)(1)(A)(ii)(III)?
7. If SCE is eligible for financing under Pub. Util. Code Section 850 *et seq.*, what is the appropriate customer allocation for implementing a fixed recovery charge and the adjustment to SCE’s authorized revenue requirements, and should those adjustments be reflected in any calculation of customer rate impact?
 8. What are the required contents of a financing order?
 9. What continued reporting compliance is required?

I have determined that no environmental and social justice issues have been raised at this time.

3. Need for Evidentiary Hearing

The above issues appear to be contested, material issues of fact. Accordingly, we will allow parties to present evidence on these issues, and evidentiary hearings are needed. The schedule below includes the resolution of this proceeding within 120 days and relies upon Pub. Util. Code Section 850.1(g) for this timeline.

This schedule may be modified by the ALJ in any manner required to promote the efficient and fair resolution of this proceeding:

Schedule for A.26-01-007

Event	Date
SCE Application filed and Prepared Direct Testimony served	January 14, 2026
Prehearing Conference	February 19, 2026
Intervenor Prepared direct testimony served	March 4, 2026
All Parties Prepared rebuttal testimony served	March 6, 2026
Status conference	March 6, 2026
Evidentiary hearing (if needed)	March 9, 2026

Opening briefs	March 16, 2026
Reply briefs <i>[matter submitted]</i>	March 23, 2026
Motions for Oral Argument - Deadline for Requesting	March 24, 2026
Proposed Decision <i>[no later than 90 days after submission]</i>	<i>April 2026</i>
Opening Comments Under Section 311 <i>[shortened time period agreed to by all parties]</i>	<i>Within 7 days of publication date of proposed decision</i>
Reply Comments Under Section <i>[shortened time period agreed to by all parties]</i>	<i>Within 14 days of publication date of proposed decision</i>
Commission vote <i>[no sooner than 30 days after the proposed decision]</i>	<i>May 2026</i>

The proceeding will be resolved within the statutory deadline of 18 months set forth in Pub. Util. Code Section 1701.5.

The purpose of the March 6, 2026 status conference is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties' resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

At the prehearing conference, all parties agree that a shortened comment period under Pub. Util. Code Section 311 may be necessary to accommodate the 120-day timeline for resolution of this proceeding under Pub. Util. Code Section

850.1(g).⁸ The proceeding will stand submitted upon the filing of reply briefs or other event identified event.

4. Alternative Dispute Resolution Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website and Resolution ALJ-185.⁹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

5. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination in Resolution ALJ-176-3576 that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

⁸ Reporter's Transcript (February 19, 2026 Prehearing Conference) at 23.

⁹ This document can be found on the Commission website at: <https://www.cpuc.ca.gov/PUC/adr/>.

6. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's Daily Calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

7. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days after the prehearing conference.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the *Add Public Comment* button on the *Public Comment* tab of the online docket card for the proceeding.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The Commission's official service list is posted on the Commission's website. This service list is updated during the proceeding, as needed. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.¹⁰

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, transmitted no later than 5:00 p.m., on the date scheduled for service to occur.

While Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, no paper copies should be provided to the ALJ in this proceeding, unless instructed otherwise. The electronic copy is sufficient.

When serving documents on Commissioners or their advisor staff, whether or not they are on the official service list, only provide electronic service. Parties must not send paper copies of documents to Commissioners or their advisor staff, unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at

¹⁰ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

