

COM/KDL/vhj 4/2/2026



FILED

04/02/26

2:14 PM

A2512002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authorization to Recover Incremental Costs Related to Wildfire Mitigation and Catastrophic Events.

Application 25-12-002

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 December 4, 2025, Southern California Edison Company (SCE) filed Application (A.) 25-12-002, *Application of Southern California Edison Company (U 338-E) for Authorization to Recover Incremental Costs Related to Wildfire Mitigation and Catastrophic Events* (Application).² In support of its Application, SCE submitted prepared opening testimony.³

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 A2512002.

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*.

SCE's Application requests that the 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).⁴ In addition, SCE requests that the Commission find the 2022 capital expenditures that the Commission did not approve for recovery in Decision (D.) 25-06-051 or D.25-09-030 as just and reasonable and authorize SCE to include those amounts in base rates as part of SCE's 2025 general rate case post-test year ratemaking mechanism.⁵ 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. 898.⁶

SCE presents the operations and maintenance (O&M) and capital costs eligible for recovery in these accounts for which SCE seeks reasonableness review in the table, below, which can be found at page 2 of its Application. The table also provides the revenue requirements associated with these costs as of September 30, 2025, totaling \$47.707 million, which is referred to as the "initial" revenue requirement.

⁴ SCE Application at 1.

⁵ SCE Application at 1; D.25-06-051, *Decision Granting, in Part, Request by Southern California Edison Company for 2022 Wildfire Mitigation and Vegetation Management Costs (June 30, 2025)* and D.25-09-030, *Decision on Test Year 2025 General Rate Case for Southern California Edison Company (September 23, 2025)*.

⁶ SCE Application at 1.

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

SCE 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.⁷ PwC issued a *Report of Independent Accountants* on November 19, 2025, stating that, in its opinion, SCE’s costs are accurate.⁸ SCE included PwC’s report as part of its prepared opening testimony at Exhibit SCE-06.⁹

On January 7, 2026 Public Advocates Office at the California Public Utilities Commission (Cal Advocates) and The Utility Reform Network (TURN) filed protests in opposition to the Application.

On January 20, 2026, SCE filed a reply to the protests.

⁷ SCE Application at 7.

⁸ SCE Application at 7, stating that SCE submits the PwC report in a manner consistent with how the PwC report was submitted in A.24-04-005, a proceeding in which SCE sought recover of, among other things, incremental 2023 WMPMA and FRMMA costs.

⁹ SCE Application at 7, stating that SCE submits the PwC report in a manner consistent with how the PwC report was submitted in A.24-04-005, a proceeding in which SCE sought recover of, among other things, incremental 2023 WMPMA and FRMMA costs.

A prehearing conference was held on March 4, 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 March 4, 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 as follows:

1. Whether the Commission should find SCE's requested cost recovery of approximately \$48.51 million in operations and maintenance expenses and approximately \$62.22 in capital, mostly in 2024, recorded in SCE's WMPMA and of \$0.01 million of 2024 O&M expenses recorded in SCE's FRMMA incremental, just and reasonable, and properly recoverable, plus accrued interest as of September 30, 2025, as expense and capital in revenue requirement?¹⁰

¹⁰ SCE Application at 16, SCE provides the following procedural context. 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 a 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 D.25-01-042. According to SCE, this amount is net of the Shareholder Contribution Adjustment - Thomas Fire Settlement credit of \$10 million, department overheads (DOH) Adjustment 2019-2024 credit of \$3.333 million, and the Joint IOU CC Testing debit of \$0.693 million) 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 for recovery in customers' distribution rates over a 12-month period. SCE submitted Advice Letter 5561-E on June 6, 2025 to effectuate the \$10 million shareholder-funded reduction to 2024 recorded costs in the WMPMA. Advice Letter 5561-E was approved by Energy Division on July 6, 2025.

2. Should the Commission authorize SCE to submit a Tier 2 advice letter within 30 days of the decision in this proceeding and annually thereafter, as necessary, to substantiate the amount of construction-work-in-progress (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?
3. Should the Commission order that upon approval of these Tier 2 advice letters, SCE is authorized to transfer the capital-related revenue requirement from the WMPMA to the distribution subaccount of the Base Revenue Requirement Balancing Account (BRRBA) for recovery in rates until the ongoing capital-related revenue requirement is included in base rates?
4. Are the costs recorded in the CEMA sub-accounts of \$15.635 million of capital expenditures and \$6.615 million of operations and maintenance expense, plus interest, in connection with the CEMA Events (2017 Rye Fire, 2018 Holiday Fire, 2020 Blue Ridge Fire, 2021 French Fire) sought for recovery in this proceeding incremental, reasonable, and properly recoverable in revenue requirement?¹¹
5. Should the Commission address any amounts currently under review in SCE's rehearing application of D.25-06-051 and, in addition, if the pending rehearing of D.25-06-051 is resolved in favor of SCE, should the Commission find that the \$36.344 million in 2022 capital expenditures not approved for recovery in D.25-06-051 (A.23-10-001) is just and reasonable, and authorize SCE to include the amounts in base rates as part of SCE's 2025 general rate case post-test year ratemaking mechanism or otherwise?

¹¹ SCE Application at 6, SCE states it 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.

6. Should the Commission authorize SCE's request to establish a memorandum account to track the monetary impacts of FERC Order No. 898, which changed the category of certain costs from CPUC-jurisdictional rates to FERC-jurisdictional rates?

Regarding some of the above dollar figures, SCE states that when placed into rates SCE will gross up the amount to recover franchise fees and uncollectibles (FF&U) based on the then-current rates adopted in SCE's general rate case.

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

The issues raised by TURN and Cal Advocates are subsumed in the above issues, as indicated at the prehearing conference.¹²

3. Need for Evidentiary Hearing and Schedule

The above issues may include contested, material issues of fact. SCE requests that the procedural schedule include time for hearings, should they be required, and states that the need for hearings will depend on the degree that parties dispute the request.¹³

Accordingly, the schedule adopted herein, as set forth below, includes evidentiary hearings but the schedule may be modified by the Administrative Law Judge (ALJ) in any manner required to promote the efficient and fair resolution of this proceeding:

¹² Reporter's Transcript (March 4, 2026 Prehearing Conference) at 6, 9, and 10.

¹³ SCE Application at 9.

Schedule for A.25-12-002

Event	Date
SCE Application filed and Prepared Direct Testimony served	December 4, 2025
Prehearing Conference	March 4, 2026
Intervenor Prepared direct testimony served	June 23, 2026
All Parties Prepared rebuttal testimony served	July 17, 2026
Status conference	July 27, 2026
Evidentiary hearing (if needed)	July 28 & 29, 2026
Opening briefs	August 31, 2026
Reply briefs <i>[matter submitted]</i>	September 8, 2026
Proposed Decision <i>[no later than 90 days after submission]</i>	1st Quarter 2027
Commission Agenda <i>[no sooner than 30 days after the proposed decision]</i>	1st Quarter 2027

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 July 27, 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.

According to the adopted schedule, the proceeding will stand submitted upon the filing of reply briefs or as otherwise identified by the ALJ.

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-185.¹⁴

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-176-3575 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.

6. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission

¹⁴ This document can be found on the Commission website at: <https://www.cpuc.ca.gov/PUC/adr/>.

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 1.4.¹⁵

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 process_office@cpuc.ca.gov to request addition to the Information Only category of the official service list pursuant to Rule 1.9(f).

¹⁵ The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

The Commission also offers a subscription service for those who seek. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

12. Assignment of Proceeding

Commissioner Karen Douglas is the assigned Commissioner and Regina DeAngelis is the assigned ALJ for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is needed, unless determined otherwise by the Administrative Law Judge.
4. The presiding officer is the Administrative Law Judge.
5. The category of the proceeding is ratesetting.

Dated April 2, 2026 at San Francisco, California.

/s/ KAREN DOUGLAS

Karen Douglas
Assigned Commissioner