



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

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Application of Southern California Edison
Company (U 338-E) for Authority To, Revise
and Increase the Safe Annual Yield, Revise
Rule 3, and Allocate Water Per a Special
Agreement for its Class C Water Utility

Application 26-04-_____

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
AUTHORITY TO REVISE AND INCREASE THE SAFE ANNUAL YIELD, REVISE
RULE 3, AND ALLOCATE WATER PER A SPECIAL AGREEMENT FOR ITS
CLASS C WATER UTILITY**

WILLIAM K. BRIGGS
KRIS G. VYAS

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6613
E-mail: Kris.Vyas@sce.com

Dated: **April 30, 2026**

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AUTHORITY TO REVISE AND INCREASE THE SAFE ANNUAL YIELD, REVISE RULE 3,
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UTILITY**

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I.

INTRODUCTION

Pursuant to the California Public Utilities Commission’s (Commission’s or CPUC’s) Rules of Practice and Procedure, including Rule 2,¹ applicable Commission decisions, and Tariff Rule 3, Southern California Edison Company (SCE) respectfully submits this *Application for Authority To Revise and Increase the Safe Annual Yield, Revise Rule 3, and Allocate Water Per a Special Agreement For Its Class C Water Utility* (Application).

A. Summary Of Request

SCE requests that the Commission approve the following as just and reasonable:

- (1) An increase of the MRAT Water System from 547.8 AFY to 558.8 AFY in Schedule FWY, because of:

¹ Unless otherwise specified, the use of the term “Rules” in this Application is intended to refer to the Commission’s Rules of Practice and Procedure.

- i. Desalination Treatment Facility yield increasing from 147.8 AFY to 229 AFY after SCE completed Desalination Plant 2 in 2016 and received the updated CDP in 2023;
- ii. Desalination Treatment Facility yield increasing from 229 AFY to 317.5 AFY (incremental 88.5 AFY), subject to confirmation from final completion, permitting, and testing of the Desalination Enhancements project, and the submittal of a Tier 1 Advice Letter (Desal Enhancements Advice Letter);
- iii. Middle Ranch Wells yield reducing from 372 AFY to 335 AFY after applying the separate system leakage variable to the individual groundwater supply variables;
- iv. Middle Ranch Wells yield reducing from 335 AFY to 233.4 AFY to increase the drought resiliency for the MRAT Water System, subject to the Desal Enhancements Advice Letter;
- v. Toyon Canyon Well yield reducing from 16 AFY to 14 AFY after applying the separate system leakage variable to the individual groundwater supply variables;
- vi. Toyon Canyon Well yield reducing from 14 AFY to 7.9 AFY to increase the drought resiliency for the MRAT Water System, subject to the Desal Enhancements Advice Letter;
- vii. Bullrush Well and Eagle's Nest Well yields reducing from 24 AFY and 32 AFY to 22 AFY and 29 AFY, respectively, after applying the separate system leakage variable to the individual groundwater supply variables; and
- viii. Removing Bullrush Well and Eagle's Nest Well yields of 22 AFY and 29 AFY, respectively, because these water sources no longer provide fresh water for the purposes of fresh water allocations or fresh water service.

(2) Approval of a water allocation to the SCICO of up to 10.96 AFY (or 8.58 AFY if the Commission approves SCE's proposed changes to the Rule 3 Water Requirement

Factors), based on a formula that will adjust in such a manner that the water allocation will be proportionate to the value of SCICo's contributions towards the capital cost of the Desal Enhancements project. The water allocation will be subject to submittal of the Desal Enhancements Advice Letter;

(3) Approval of the Special Agreement between SCE and the SCICo; and
Approval of SCE's proposed revisions to the Rule 3 Water Requirement Factors.

B. Background and Context for this Application

1. Fresh Water Yield on Catalina

SCE's Class C water utility serves approximately 1,900 customers on Santa Catalina Island (Catalina or Island). SCE is committed to ensuring safe, affordable, and sustainable water management for its water customers on Catalina. To manage water resources, assess the sustainability of its water systems, and allocate water for new and/or existing customers requesting additional water, SCE regularly monitors its water sources and production capabilities. The water resources' safe annual production yields (Safe Annual Yield or SAY) generally refer to the annual amount of water that can be withdrawn from a groundwater basin equal to the replenishment rate.² These safe annual production yields are reported to the Commission in Schedule FWY for the two major separately interconnected water systems.³ Figure I-1 below shows SCE's Integrated Fresh Water System on Catalina. The two major separately interconnected water systems are shaded in blue.

² For desalination, the Commission in Advice Letter 123-W-B adopted the permitted amount of the water production capacity of the desalination facilities as the safe annual production yield.

³ SCE also has two non-integrated, remote water systems referred to as the Blackjack (Airport) Water System and the White's Landing Water System. These water systems are shaded in yellow in Figure I-1. SCE refers to all water systems on Catalina as its Integrated Fresh Water System.

Figure I-1
SCE's Integrated Fresh Water System



Schedule FWY totals 547.8 acre-feet per year (AFY) for the Middle Ranch, Avalon, and Toyon Integrated Fresh Water System (MRAT Water System), which includes SCE's desalination facilities referred to as the "Desalination Treatment Facility," and 89 AFY for the Isthmus and West End Integrated Fresh Water System. Schedule FWY was established via Application (A.) 89-12-019⁴ that SCE submitted to (a) increase water system capacity with the addition of Desalination Plant 1 and the Toyon Canyon Well, and (b) revise the fresh water allocation procedures. On May 4, 1990, the Commission issued D.90-05-033, authorizing SCE to immediately increase the SAY of the Catalina water system to 515 AFY⁵ and subsequently

⁴ SCE's application is similar to A.89-12-019 and SCE's requests in this application follow several of SCE's proposals in the 1989 application and Commission orders in Decision (D.)90-05-033.

⁵ D.90-05-033, Ordering Paragraph (OP) 2.

increase the SAY to 600 AFY upon completion of the Desalination Plant 1 project.⁶ On May 14, 1990, SCE submitted Advice Letter 43-W to change its water tariffs pursuant to D.90-05-033. These changes included establishing Schedule FWY.

Schedule FWY was last updated in February 2021, via the Commission's approval of SCE's Advice Letter 123-W-B that proposed changes to Schedule FWY and an increase to the MRAT Water System SAY. In Advice Letter 123-W-B, SCE explained how it would be obtaining an amendment to the Coastal Development Permit (CDP) for the desalination facilities as a result of Desalination Plant 2 and the Desalination Enhancements Phase 1 (Desal Enhancements) project.⁷ Advice Letter 123-W-B authorizes the capacity of the Desalination Treatment Facility totaling 147.8 AFY.

Desalination Plant 2 was placed into service in April 2016, operating as an interim facility under an Immaterial Amendment to its CDP from the California Coastal Commission (CCC) that did not account for the updated production capacity of the Desalination Treatment Facility. In 2022, SCE filed an application to obtain a new CDP that considers the completed Desalination Plant 2 project and planned Desal Enhancements project, anticipated to be completed by the end of 2026, which the CCC granted in 2023.⁸ Specifically, the 2023 CDP authorizes an increase in the Desalination Treatment Facility's annual yield to 229 AFY with Desalination Plant 2 completed. We anticipate that upon completing the Desal Enhancements project, the Desalination Treatment Facility annual water production yield will total 317.5 AFY (an increase of 88.5 AFY above the 229 AFY).

⁶ D.90-05-033, OP 1; the agreement for the construction and installation of a desalination facility between SCE and Hamilton Cove Associates Limited Partnership referenced in D.90-05-033 was amended on March 30, 1992.

⁷ Advice Letter W-123-B, pp. 3-4.

⁸ SCE CDP No. 9-23-0055.

2. Special Agreement

On December 31, 2025, SCE entered into the Special Agreement pursuant to Rule 3, Section D.8 with SCICo, a property owner and developer on Catalina. The Special Agreement allows for a portion of the incremental water supply from the Desal Enhancements project, 10.96 AFY (or 8.58 AFY if SCE’s proposed revisions to the Rule 3 Water Requirement Factors are adopted), to be allocated to a portion of certain SCICo projects. While the Special Agreement provides options for multiple projects or switching out of projects, currently, to SCE’s current knowledge the only anticipated project is the “Mt. Ada Project.” This project is estimated at 14.38 AFY under the current Rule 3 Water Requirement Factors (or 8.58 AFY if SCE’s proposed revisions to the Rule 3 Water Requirement Factors are adopted). Any portion of the Mt. Ada Project not fulfilled by the Special Agreement allocation would receive water via the normal Rule 3 process. In exchange, SCICo is contributing up to \$500,000 towards the capital cost of the Desal Enhancements project and granting SCE certain temporary and permanent easement and access rights (valued at \$1,266,000 under the current Rule 3 Water Requirement Factors, or \$811,000 if the Commission approves SCE’s proposed changes to the Rule 3 Water Requirement Factors). These are easement and access rights to SCICo-owned real estate and are necessary to construct and operate the Desal Enhancements project. A significant portion of the Desal Enhancements project will be sited on SCICo property.

3. Rule 3 Tariff

Rule 3 provides the guidelines, requirements, and rules for customers to request water service. Rule 3 includes a first-come, first-served fresh water allocation process, water requirement factors, provisions for changes in use, transfers of fresh water allocations, public needs and necessities, and special agreements for development of fresh water resources, amongst other requirements. Through this application, SCE proposes revisions to the Rule 3 Water Requirement Factors that are based on recent historic water usage. The existing Water

Requirement Factors were developed as part of an independent study completed in 1979 and have not been modified since.

C. Exhibits Supporting SCE's Request

SCE's Application is accompanied by detailed supporting testimony. Among other subjects, the prepared testimony addresses the following:

- Revise and increase tariff Schedule FWY – Fresh Water Yield (Schedule FWY) pursuant to tariff Rule 3 – Application For Service (Rule 3), Section D.8 – Development of Fresh Water Resources;
- Allocate water per an Agreement for Desalination System Enhancements Between SCE And the Santa Catalina Island Company (SCICo) (Special Agreement) for its Class C water utility;
- Approve the Special Agreement between SCE and the SCICo; and
- Revise Rule 3, Section D.2.a – Water Requirement Factors.

II.

STATUTORY AND REGULATORY REQUIREMENTS

A. Statutory and Other Authority (Rule 2.1)

SCE files this Application pursuant to Rule 2 of the Commission's Rules of Practice and Procedure; prior decisions, orders and resolutions of the Commission, Tariff Rule 3, and other relevant authorities. This application has been verified by an SCE officer in conformance with Rules 1.11 and 2.1.

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

Rule 2.1(a) requires that all applications to state the exact legal name of each applicant and the location of principal place of business, and if an applicant is a corporation, trust,

association, or other organized group, the State under the laws of which such applicant was created or organized.

The full legal name of the applicant herein 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 Commission. SCE's properties, which are substantially within the State of California, primarily consist of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary for its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are as follows:

Southern California Edison Company
Post Office Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770
Telephone: (626) 302-1212

Rule 2.1(b) requires that all applications specify the name, title, address, telephone number, facsimile transmission number,² and e-mail address of the person to whom correspondence or communications regarding the application are to be addressed.

Communications regarding this Application are to be addressed to the attention of both of the following:

² SCE no longer uses facsimile transmittals in the ordinary course of its legal/regulatory affairs. A facsimile transmittal number can be provided if the Commission or any other stakeholder believe it is needed for purposes of communications in this proceeding.

<p>Kris G. Vyas Senior Attorney, Law Department Southern California Edison Company Post Office Box 800 2244 Walnut Grove Avenue Rosemead, CA 91770 Telephone: (626) 302-6613 Email: Kris.Vyas@sce.com</p>	<p>SCE Case Administration Southern California Edison Company 8631 Rush Street Rosemead, CA 91770 Telephone: (626) 302-0449 E-mail: Case.Admin@sce.com</p>
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C. 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 quasi-legislative proceeding pursuant to Commission Rules of Practice and Procedure 1.3(f), 7.1(a), and 7.5.

2. Need for Hearings

SCE currently does not believe that evidentiary hearings will be required in this matter. SCE requests that the presiding Administrative Law Judge and Assigned Commissioner for this proceeding make a finding at the appropriate time that evidentiary hearings are not necessary.

3. Safety Considerations – Rule 2.1(c)

While the activities that underlie this application have safety implications because they aid in the continued provision of safe and reliable service to Catalina water, the application itself does not directly concern safety matters.

4. Issues To Be Considered

The ultimate need for hearings and the issues to be considered in such hearings (if any) will depend in large part on the degree to which other parties contest SCE’s request and the

nature of their dispute with SCE’s positions. The principal issues presented in this Application are set forth in the testimony supporting this Application.

5. Procedural Schedule

SCE’s Proposed Schedule

Event	Date
Application Filed	April 30, 2026
Protests Filed	June 1, 2026
Reply to Protests	June 11, 2026
Prehearing Conference (PHC)	July 15, 2026
Scoping Memo	July 31, 2026
Water Division Report	August 28, 2026
Public Participation Hearings	September 8 – 11, 2026
Intervenor Testimony Served	October 2, 2026
Rebuttal Testimony Served	October 16, 2026
Evidentiary Hearings (If necessary)	Week of November 2-6, 2026
Rule 12.1 Settlement Conference	November 10, 2026
Concurrent Opening Briefs	November 20, 2026
Concurrent Reply Briefs	December 11, 2026
Proposed Decision	February 12, 2027
Comments on Proposed Decision	March 4, 2027
Reply Comments on Proposed	March 9, 2027
Final Decision	March 2027

D. Organization and Qualification to Transact Business - Rule 2.2

In compliance with Rule 2.2¹⁰ of the Commission’s Rules of Practice and Procedure, a copy of SCE’s Certificate of Restated Articles of Incorporation, effective on August 28, 2023, and presently in effect, certified by the California Secretary of State, was filed with the

¹⁰ Rule 2.2 mandates that the applicant, in this case SCE, 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.

Commission on December 15, 2023, in connection with Application No. 23-12-011, and is incorporated herein by this reference.

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 sent to its stockholders have been filed with the Commission with an Energy Division Central Files Document Coversheet dated March 13, 2026, pursuant to General Order Nos. 65-A and 104-A of the Commission.

E. Service List

The official service list has not yet been established in this proceeding. SCE is thus serving this Application on the service list established by the Commission in SCE's 2022 Test Year Water GRC (A.20-10-018) and the GO 96-B service list.

III.

CONCLUSION

For the reasons stated herein, SCE respectfully requests the Commission grant the request set forth in this Application and supported by the accompanying direct testimony.

Respectfully submitted,

WILLIAM K. BRIGGS
KRIS G. VYAS

/s/ Kris G. Vyas

By: Kris G. Vyas

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6613
E-mail: Kris.Vyas@sce.com

April 30, 2026

RULE 1.11 VERIFICATION

I am an officer of the applicant corporation herein and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

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

Executed this 30 day of April, 2026 at Rosemead, California.

/s/ Fred M. Bailly
Fred M. Bailly
Vice President, Generation & Chief Nuclear Officer

Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770