Decision 16-12-054 December 15, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) For Approval of Its Forecast 2017 ERRA Proceeding Revenue Requirement.	Application 16-05-001 (Filed May 2, 2016)

DECISION ADOPTING SOUTHERN CALIFORNIA EDISON COMPANY'S 2017 ENERGY RESOURCE RECOVERY ACCOUNT PROCEEDING REQUIREMENT FORECAST

Table of Contents

DECISION ADOPTING SOUTHERN CALIFORNIA EDISON COMPANY'S 2017 ENERGY RESOURCE RECOVERY ACCOUNT PROCEEDING REQUIREMENT FORECAST

Summary

This decision adopts Southern California Edison Company's (SCE) 2017 Energy Resource Recovery Account (ERRA) electric procurement cost revenue requirement forecast of $4.485 billion. The forecast of $4.485 billion is approximately $799.7 million higher than the $3.685 billion 2016 revenue requirement that is currently reflected in present rates.[1]

This decision authorizes $327.941 million in net GHG allowance revenues and a semi-annual residential climate credit of $31.00 per household in 2017.[2] We also approve SCE's 2017 forecast of participation in its Green Tariff Shared Renewables program.[3]

This proceeding shall remain open for a Phase 2 proceeding to address the Power Charge Indifference Adjustment applicable to pre-2009 vintaged direct access customers.

1. Application for Approval of 2017 ERRA Forecast Revenue Requirement

Southern California Edison Company (SCE) annually files an application to receive Commission approval of its Energy Resource Recovery Account

---

[1] The rates in effect today are based on the $3.783 billion revenue requirement in SCE's 2016 ERRA Forecast, approved by Decision (D.)15-12-033, decreased by a $7.771 million credit approved by D.15-11-021/Advice Letter 3314-E/E-A/E-B (SCE's 2015 General Rate Case (GRC)), and decreased by the disbursement of greenhouse gas (GHG) allowance revenues in October 2016 (*see* Exhibit SCE-05 - 2017 ERRA Forecast GHG Update Testimony).

[2] *See* Exhibit SCE-06 Updated Testimony ERRA 2017 Forecast of Operations dated November 10, 2016 (November Update) at 47.

[3] November Update at 33.

(ERRA) forecast for the following year. The ERRA application provides the basis to implement reasonable rate changes. The purpose of this year's proceeding is to determine whether the Commission should adopt SCE's May 2, 2016 Application for Approval of its 2017 ERRA Forecast Revenue Requirement (2017 Forecast Application).

SCE's 2017 Forecast Application requests approval of a total ERRA proceeding revenue requirement of $4.485 billion. The request is comprised of proposed fuel and purchased power costs of $4.584 billion, an undercollected balance in the New System Generation Balancing Account (NSGBA) of $8.896 million and an overcollected balance of $94.007 million in the ERRA Balancing Account.[4] SCE also forecasts greenhouse gas (GHG) Cap-and-Trade costs of $313.776 million offset by GHG allowance revenues of $327.941 million, which results in an overall reduction for GHG-related costs of $14.165 million.

The Commission scrutinizes the forecast to determine whether SCE's request, and the forecast and methods used to determine it, are reasonable and in compliance with all applicable rules, regulations, resolutions and prior Commission decisions. The 2017 Forecast Application will be approved if SCE's electric sales forecast, rate increase proposals and other inputs and calculations are reasonable.

In addition to this annual ERRA forecast proceeding, SCE undergoes an annual compliance proceeding to review the utility's compliance regarding energy resource contract administration, least cost dispatch, maintenance of

[4] *See* page 4, Table II-I of November Update.

utility owned generation, fuel procurement and entries made to the ERRA balancing account in the prior year.

1.1. Procedural Background

On May 2, 2016, SCE filed its *Application of Southern California Edison Company (U 338-E) in its Forecast 2017 Energy Resource Recovery Account (ERRA) Proceeding*.

On June 3, 2016, protests were filed by the Office of Ratepayers Advocates and the City of Lancaster (Lancaster). The Alliance for Retail Energy Markets and the Direct Access Customer Coalition (AReM-DACC) filed a joint response on June 3, 2016. On that same date, a separate response was filed by the Public Agency Coalition (PAC). SCE filed its reply to the responses and protests on June 13, 2016.

A prehearing conference was held on June 29, 2016 to establish the service list, discuss the scope, and develop a procedural timetable for the management of this proceeding. The City of Los Angeles filed a Motion for Party Status on July 5, 2016, which was granted. On August 5, 2016, the assigned Commissioner issued the Scoping Memo and Ruling which included an evidentiary hearing (EH) on October 21, 2016, as part of the proceeding schedule.[5]

SCE and Lancaster submitted a joint stipulation on September 16, 2016, which resolved issues between them concerning SCE's obligation to provide estimated rate information. During an all-party telephone conference on September 20, 2016, counsel for AReM-DACC informed the Administrative Law

---

[5] In an August 26, 2016 e-mail to the Administrative Law Judge, counsel for SCE advised that the parties had met/conferred and agreed that there was no longer need for EH. Thereafter, on September 26, 2016, the ALJ amended the procedural schedule to eliminate the EH.

Judge (ALJ) that AReM-DACC would be withdrawing its served expert testimony and would serve: (1) a set of stipulated facts with SCE concerning PCIA vintaging issues; and (2) opening and reply briefing pertaining to these issues. The parties agreed that the schedule should be changed to reflect the agreed submission dates for the briefing and to remove the EH.

On September 29, 2016, the parties filed a joint stipulation on the undisputed facts concerning the PCIA vintaging issues. On October 3, 2016, the parties filed their respective opening briefs on those issues.[6] On October 21, 2016, SCE filed an update of its 2017 GHG forecast and its November Update on November 10, 2016. SCE filed an Opening Brief on November 18, 2016. On November 28, 2016, SCE filed a Motion to Offer Prepared Testimony into Evidence and a Motion to Seal a Portion of the Evidentiary Record (Motion to Seal).

As further discussed in Section 4, the assigned Commissioner amended the scope of this proceeding on November 10, 2016 to create a Phase 2 proceeding to address pre-2009 vintage PCIA issues. Because these issues are deferred to Phase 2, this decision retains the rate treatment of costs for the PCIA as set forth in the 2017 Forecast Application as updated by the November Update.

---

[6] Reply briefs on the pre-2009 vintage PCIA issues were filed by SCE and AReM-DACC on October 14, 2016. As discussed in Section 4 below, the assigned Commissioner amended the scope of this proceeding on November 10, 2016, to create a Phase 2 proceeding to address the pre-2009 vintage PCIA issues applicable to all investor owned utilities (IOUs) within the state of California (IOUs).

2. Parties Positions

2.1. PAC

In its response to the 2017 Forecast Application, PAC[7] states that it has two concerns. The first is whether reopening the settlement agreement approved by the Commission in Decision (D.) 15-10-037, which resolved rate recovery issues following the premature shutdown of the San Onofre Nuclear Generation Station (SONGS) in 2012, will have any impact on SCE's 2017 ERRA forecast. The second concerns the redaction of certain cost information that PAC believes is essential to evaluate SCE's calculation of indifference amounts applicable to direct access customers.[8]

2.2. AReM/DACC

In its response to the 2017 Forecast Application, AReM[9] and DACC[10] state that their primary interest is the calculation and rate treatment of costs for the PCIA, Competition Transition Charge (CTC) and Cost Allocation Mechanism (CAM) charged to DA customers. AReM and DACC want to ensure that SCE's method of calculating the PCIA and CTC complies with D.11-12-018 and

---

[7] PAC is a regulatory coalition comprised of three public agencies that use direct access to provide community aggregation service: the cities of Cerritos and Corona, and the Eastside Power Authority. PAC represents that over half of its load serves agencies providing public functions such as schools, public buildings, street lights and water pumping facilities.

[8] June 3, 2016 Response of Public Agency Coalition at 3-5.

[9] AReM is a California mutual benefit corporation formed by Electric Service Providers that are active in California's Direct Access (DA) retail electric supply market.

[10] DACC is a regulatory advocacy group comprised of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements.

Resolution E-4475.[11] They also want to ensure that SCE's manner of calculating the non-bypassable CAM charge[12] is consistent with D.10-12-035.

2.3. ORA

In its protest to the 2017 Forecast Application, ORA indicates that it is concerned with the reasonableness of SCE's total 2017 revenue requirement, and will be investigating and analyzing the underlying natural gas prices, load and other cost inputs to the model SCE uses in determining the forecasted revenue requirement. ORA expresses the opinion that the scope of review of the 2017 Forecast Application should include consideration of the reasonableness of SCE's proposed revenue requirement, electric sales forecast and GHG revenue allowance forecast requirements.[13]

2.4. Lancaster

Lancaster is a community of approximately 160,000 residents located in northern Los Angeles County. The Lancaster City Council approved a Community Choice Aggregation program, known as Lancaster Choice Energy (LCE) which was certified by the Commission's Energy Division on October 16, 2014 and launched on May 1, 2015. LCE customers receive generation services from Lancaster, but receive transmission, distribution, billing and other services from SCE.[14]

---

[11] June 3, 2016 Response of AReM/DACC, at 1-2.

[12] The CAM charge exists for the purpose of recovering the net capacity costs of qualifying facilities and combined heat and power resources.

[13] June 3, 2016 Protest of ORA at 3.

[14] June 3, 2016 Protest of the City of Lancaster.

Lancaster's protest highlights three concerns. First, Lancaster protests that SCE's 2017 Forecast Application did not include estimated rate information organized by class and functional rate component as ordered by D.15-12-033.[15] Lancaster contends that it needs estimated rate information, and that this should have been provided with the application to permit adequate time to fully analyze SCE's assumptions and underlying data.[16] Lancaster desires that the Commission clarify that, for future ERRA forecast proceedings, SCE must provide estimated rate information organized by class and functional rate component with its application, and again with its November update.

Second, Lancaster protests that SCE redacted key information that Lancaster needs to evaluate the indifference rate components (applicable to departing customers) and to calculate costs associated with GHG emissions.[17]

Third, Lancaster protests that SCE has not provided information to permit evaluation of how SCE arrived at its estimate for Green Tariff Shared Renewables (GTSR) participation or to demonstrate that SCE correctly followed D.15-01-051.[18] Lancaster contends that this is essential to have to complete a reasonableness review of SCE's costs.

---

[15] *See* D.15-12-033, OP 4 at 20: "In future ERRA proceedings, Southern California Edison Company shall submit, as part of its Application or November Update material, estimated rate information organized by class and functional rate component, comparable to that provided to the City of Lancaster in Exhibit LCE-1." Lancaster contends that this language requires that the information be provided as part of both the Application and November Update data.

[16] Protest of Lancaster at 6.

[17] Protest of Lancaster at 8.

[18] D.15-01-051 requires IOUs to procure GTSR resources separately from its Renewables Portfolio Standard (RPS) requirements.

2.5. SCE Reply

In its Reply Briefing dated June 13, 2016, SCE indicates that it has no objections to the issues raised by AReM-DACC and ORA. SCE also concurs with PAC that the SONGS settlement agreement should not be reopened and that SCE would be submitting briefs to the Commission in support of its position.[19]

SCE initially disagreed with Lancaster's contention that SCE is required to provide estimated rate information organized by class and functional rate component before its November Update. SCE served supplemental testimony on June 29, 2016, which included a table illustrating average rates by function and component. SCE and Lancaster met and conferred on these issues in August 2016, and submitted a joint stipulation to the judge on September 16, 2016 agreeing that SCE would initially submit rate information categorized by function and component along with its future ERRA forecast filings, and again with its November update in subsequent years.[20]

In its reply, SCE also provided explanation about how it arrived at its estimate for GTSR participation, explaining that its estimate is based on a forecast of opt-in rates for participating customers blended with a split between the 100% green and 50% green energy options available under GTSR programs. This forecast is then multiplied by the assumed energy usage for those customers. SCE indicated that it would update its GTSR forecast in the November Update to its Application. However, SCE contends that issues of how

---

[19] *See* I.12-01-013. SCE filed a "Brief in Support of the SONGS Settlement Agreement as Adopted by the Commission in D.14-11-040" on July 7, 2016.

[20] *See* September 16, 2016 Joint Stipulation of Lancaster and SCE at 3. The joint stipulation also included the parties' proposal for language and rate table format, which they requested that the Commission include in its final decision.

it allocates costs between GTSR and RPS programs are not within the scope of this 2017 ERRA, but are being evaluated by the Commission in other proceedings.[21]

SCE contends that redacted information in its 2017 Forecast Application is confidential, and properly protected, by Commission precedent, from disclosure to market participants such as Lancaster. SCE suggests that it would have no objection to disclosure of financial information if Lancaster's experts were to sign a Commission approved nondisclosure agreement.

3. Deferral of the pre-2009 Vintage PCIA Issues

The parties submitted a joint stipulation regarding undisputed facts supporting the PCIA vintaging issues on September 29, 2016. The subsequent opening and reply briefing by AReM-DACC and SCE on the vintaging issues[22] reveals conflict between them about whether pre-2009 departing load customers should remain responsible for PCIA costs. AReM-DACC argues that the pre-2009 vintage PCIA should expire when the Department of Water Resources contracts, which were entered during the California Energy Crisis of 2000-2001, expire. SCE argues that pre-2009 vintaged DA customers should continue to be charged a PCIA into the future. These issues have also been placed at issue in the 2017 ERRA forecast proceedings for Pacific Gas and Electric Company (PG&E) in A.16-06-003 and for San Diego Gas & Electric Company (SDG&E) in A.16-04-018.

---

[21] GTSR and RPS cost sharing mechanisms for all IOUs are being evaluated by the Commission in proceeding R.15-02-020.

[22] *See* Footnote 6. The parties filed opening briefing on vintaging issues on October 3, 2016 and reply briefing on October 14, 2016.

The Commission is of the opinion that pre-2009 DA customers and their associated indifference amounts should be treated consistently, while taking into consideration the unique circumstances in territories served by each of the IOUs. In order to afford sufficient time to consider the issues related to the pre-2009 vintage PCIA applicable to direct access customers of all California IOUs, the Commission will reserve this limited issue to be addressed and resolved in the second phase of this proceeding in 2017.[23] Should we determine in the Phase 2 proceeding, that the pre-2009 vintage PCIA no longer applies to direct access customers, SCE will be ordered to refund to those customers, any such PCIA revenues collected on or after January 1, 2017.

4. SCE's November Update to its 2017 Forecast Application and Opening Briefing

SCE's November Update[24] revises the 2017 ERRA forecast revenue requirement of $4.149 billion in SCE's 2017 Forecast Application[25] to $4.485 billion, as a result of: (1) an increase of $271 million in estimated fuel and purchased power costs, (2) an increase of $34 million due to updated estimates of year end 2016 ERRA and New System Generation balancing account balances, and (3) an increase of $30 million for the net impact of updated GHG Cap-and-Trade Costs and GHG allowance revenues[26] SCE's November Update

---

[23] As noted in the November 10, 2016 "*Assigned Commissioner's Ruling Amending Scope by Creating a Second Phase,*" it is likely that the second phase of this proceeding will be consolidated with those of the other IOUs – PG&E and SDG&E.

[24] *See* SCE-06, "Updated Testimony ERRA 2017 Forecast of Operations dated November 10, 2016" (November Update).

[25] 2017 Forecast Application at 1.

[26] *See* November Update at 3.

includes a Table II-2 that compares the updated 2017 revenue requirements to the revenue requirement used to set rates presently in effect. The $4.485 billion total updated 2017 forecast is comprised of $4.584 billion for Fuel and Purchased Power costs (an increase of $247.5 million from 2016), a reduction of $94 million from an overcollected balance in the ERRA Balancing Account ($264.5 million higher than 2016), a zero balance in the Energy Settlements Memorandum Account (an increase of $1.1 million from 2016), an increase of $8.9 million to reflect the undercollected balance in the NSGBA ($166.8 million higher than 2016), $313.8 million for GHG Cap-and-Trade Costs (a decrease of $35 million since 2016) and $327.9 million in net GHG allowance revenues available for customers ($154.8 million more than 2016).

4.1. Greenhouse Gas Forecast

Since 2014 and the Commission's D.12-12-033, IOUs have been required to include a detailed accounting of GHG costs incurred for the previous year, and revenue distributed, including customer outreach and administrative costs. Any disparity between the forecast of GHG costs incorporated into rates and the actual GHG cost is captured as part of the ERRA balancing account true-up process where total forecast procurement costs are compared to total realized procurement costs. Any over- or under-collection of total actual procurement costs is then applied to the total ERRA revenue requirement for the following year. The Commission's Phase 2 decision D.14-10-033 requires utilities to include the accounting of GHG revenue and reconciliation within the annual ERRA

Forecast application. SCE describes, in detail, its methodology for calculation of its GHG forecasts[27]

SCE's initial testimony to its 2017 Forecast Application states that SCE expects to return a total of $353.282 million in GHG allowance revenues to eligible customers in 2017.[28] SCE's November Update reduces its forecast net available GHG allowance revenues return to eligible customers from $353.282 million to $327.941 million, resulting in the reduction of the semi-annual California Climate Credit from $35.00 to $31.00 per household in 2017,[29] as summarized below:

SUMMARY OF SCE'S 2017 FORECAST GHG PROCEEDS	
Allowance Revenue Balance from Prior Years	$ 30,396,659
Allowance Revenue Forecast for 2017	($362,460,584)
Interest, Franchise Fees and Uncollectibles	($ 4,207,516)
Outreach and Administrative Expenses	$ 252,902
Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs	$ 5,040,278
Net GHG Proceeds Available for Customers in Forecast Year	**($327,941,316)**
EITE revenue returns	$ 26,673,763
Small Business Volumetric Return	$ 21,725,095
Proceeds Available for Climate Credit	($279,542,458)

---

27 *See* SCE-01, Section VII at 59-87 and SCE-05, Section VII at 47-58.

28 SCE initially forecast that this would result in a semiannual California Climate Credit of $35.00 on customers' bills in 2017.

29 *See* November Update at 47. SCE estimated GHG allowance revenues available for return to customers is net of administrative and customer outreach costs, Assembly Bill (AB) 693 mandated set asides for the multifamily affordable housing solar roofs program, emissions-intensive trade-exposed (EITE) revenue returns, and small business customer volumetric returns. For purposes of this decision, the amount of GHG allowance revenue forecast to be used for the multifamily affordable housing solar roofs program in 2017 responds to the March 18, 2016 ALJ ruling in R.14-07-002.

Number of Households Eligible for California Climate Credit	**4,522,905**
Per Household Semi-Annual Climate Credit	**$31**

In its Opening Briefing dated November 18, 2016, SCE notes that that there are no objections[30] to the accuracy of SCE's electric sales forecasts or its proposed ratemaking treatment of GHG costs and allowances, and requests that the Commission: (1) find that its electric sales forecast is reasonable; (2) find that its forecasts of GHG costs and revenues are reasonable; and (3) adopt its 2017 ERRA revenue requirement of $4.485 billion, as updated.

5. Admittance of Testimony and Exhibits into the Evidentiary Record

Rule 13.8(d) of the Commission's Rules of Practice and Procedure allows testimony to be offered into evidence when evidentiary hearings are not held. Evidentiary hearings were not held in this proceeding, therefore, testimony and exhibits are being admitted into the record pursuant to rulings issued by the assigned Commissioner within the Scoping Memo following the PHC, and by the assigned ALJ in the proposed decision.

We therefore receive both the public and confidential versions of SCE's 2017 Forecast Application and testimony into evidence.[31] SCE filed an Exhibit 04

---

[30] As previously noted, the objections to SCE's forecast concern the pre-2009 vintage PCIA issues, which are deferred to a Phase 2 of this proceeding.

[31] SCE filed a November 28, 2016 motion to admit the following exhibits and testimony into the record: Exhibit SCE-01 - ERRA 2017 Forecast of Operations Testimony (public and confidential versions); Exhibit SCE-02 – ERRA 2017 Forecast of Operations Witness Qualifications and Declarations re: Confidentiality; Exhibit SCE-03 - ERRA 2017 Forecast of Operations Supplemental Testimony (public and confidential versions); Exhibit SCE-05 - ERRA 2017 Forecast of Operations Greenhouse Gas (GHG) Update (public and confidential versions); Exhibit SCE-06 - ERRA 2016 Forecast of Operations, Updated Testimony ERRA 2017 Forecast of Operations(public and confidential versions).

(titled ERRA 2017 Forecast of Operations Rebuttal Testimony), however, it is not being admitted into the record pursuant to the September 16, 2016 joint stipulation between SCE and Lancaster.

6. SCE Motion to Treat Confidentially and Seal a Portion of the Evidentiary Record

SCE filed declarations in support of its request to treat as confidential and seal portions of the evidentiary record in this proceeding pursuant to Rule 11.5. SCE states that certain of its Exhibits contain confidential, market sensitive information.[32] We have granted similar requests for confidential treatment in the past and do so again here. Pursuant to Rule 11.5, we seal the confidential portions of the evidentiary record, and pursuant to D.06-06-066, authorize the confidential treatment of those exhibits as set forth in the ordering paragraphs of this decision.

7. Discussion and Conclusion

As discussed in Section 4 above, the issues related to the pre-2009 vintage PCIA, and the effect on calculation of the indifference rates and its subparts, will be addressed in the second phase of this proceeding. There are no remaining objections to SCE's proposed 2017 forecast ERRA, as other contested issues have been satisfactorily resolved by the parties in their stipulations or have been addressed within SCE's November Update. The Commission finds that SCE's electric sales forecast is reasonable, its forecasts of GHG costs and revenues, as well as its estimate for GTSR participation, are reasonable, and that the

---

[32] In its Motion to Seal, SCE requests confidential treatment of shaded information in confidential versions of the following Exhibits: Exhibit SCE-01C – ERRA 2017 Forecast of Operations; Exhibit SCE-05C – ERRA 2017 Forecast of Operations Greenhouse Gas (GHG) Update; Exhibit SCE-06C – Updated Testimony ERRA 2017 Forecast of Operations.

Commission should adopt SCE's 2017 ERRA forecast revenue requirement of $4.485 billion.

8. Compliance with the Authority Granted Herein

Within 30 days of the effective date of this decision, SCE shall submit a Tier 1 Advice Letter with the Commission's Energy Division to implement the rate changes authorized by this decision.

9. Safety Considerations

The health and safety impacts of GHGs are among the many reasons that the Legislature enacted AB 32. Specifically, the Legislature found and declared that global warming caused by GHGs "poses a serious threat to the economic well-being, public health, natural resources, and the environment of California. This decision approves SCE's forecast of GHG costs and allocation of GHG allowance proceeds to maintain a key aspect of the GHG reduction program envisioned by AB 32 and Public Utilities Code Section 748.5 and, as a result, will improve the health and safety of California residents.

10. Categorization and Need for Hearings

In Resolution ALJ-176-3377 dated May 12, 2016, the Commission preliminarily categorized this application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require hearings. A prehearing conference was held on June 29, 2016; however, the parties thereafter agreed that evidentiary hearings were not necessary for Phase 1. The determination of the Commission as to the categorization of this proceeding is affirmed.

11. Reduction of Comment Period

The proposed decision of ALJ Miles in this matter was mailed to the parties on November 29, 2016 in accordance with Section 311 of the Public Utilities Code. Pursuant to Rule 14.6(b) of the Commission's Rules of Practice and Procedure, all parties stipulated to reduce the 30-day public review and comment period required by Section 311 of the Public Utilities Code to 10 days. Comments on the Proposed Decision were filed by SCE on December 5, 2016. None of the other parties filed comments. This decision incorporates the comments made by SCE.

12. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and Patricia B. Miles is the assigned ALJ in this proceeding.

Findings of Fact

1. On May 2, 2016, SCE filed A.16-05-001, in which SCE requested that the Commission adopt a forecasted 2017 ERRA revenue requirement of $4.149 billion.

2. By Resolution ALJ 176-3377, dated May 12, 2016, A.16-05-001 was categorized as ratesetting with hearings needed.

3. Protests/responses to the application were filed by the ORA, PAC, Lancaster and AReM-DACC.

4. A prehearing conference was held on June 29, 2016 and the Scoping Memo and Ruling of the Assigned Commissioner dated August 5, 2016 set EH on October 21, 2016.

5. During an all-party telephone conference on September 20, 2016 with the assigned ALJ, the parties agreed that there was no need for EH.

6. On November 10, 2016, the assigned Commissioner issued a ruling amending the scope of the proceeding to create a second phase to address issues related to the PCIA applicable to pre-2009 vintaged direct access customers.

7. On November 10, 2016, SCE also served its November Update, in which it requested that the Commission adopt an updated 2017 revenue requirement forecast of $4.485 billion.

8. SCE's updated forecast includes 2016 GHG allowance revenues of $327.941 million available to be returned to eligible customers in 2017 in the form of a semi-annual per household residential California Climate Credit of $31.00.

9. SCE's GTSR forecast is reasonable, however, issues of how SCE allocates costs between GTSR and RPS programs are not within the scope of this 2017 ERRA.

10. SCE has provided estimated rate information, organized by class and functional rate component, which addresses concerns raised by the City of Lancaster and satisfies D.15-12-033.

11. No party has objected to SCE's proposed electric sales forecast, forecasted rates or 2017 forecast of SCE's ERRA, CAM and fuel and purchased power expenses.

12. Motions have been filed by SCE to have exhibits received into evidence and to seal a portion of the evidentiary record.

13. Rule 11.4 addresses a request to seal documents that have been filed.

14. Rule 11.5 addresses sealing all or part of an evidentiary record.

15. General Order (GO) 66-C provides definitions and guidance regarding public and confidential records provided to and requested from the Commission.

16. By D.06-06-066, we implemented Senate Bill 1488 which required that we examine our practices regarding confidential information, as it applies to the confidentiality of electric procurement data (that may be market sensitive) submitted to the Commission.

17. SCE requests that selected exhibits be given confidential treatment pursuant to GO 66-C and D.06-06-066.

18. We have granted similar requests for confidential treatment in the past.

19. SCE requests that the confidential Testimony and certain Exhibits included with its 2017 Forecast Application and November Update, be filed under seal pursuant to Rule 11.4.

Conclusions of Law

1. The Commission should find reasonable and adopt SCE's Updated 2017 ERRA forecast revenue requirement of $4.485 billion.

2. SCE's proposed electric sales forecast, forecasted rates and calculation of the 2017 ERRA, CAM and fuel and purchased power expenses are reasonable and in compliance with applicable Commission decisions and requirements.

3. SCE's request that the public and confidential versions of its Testimony and Exhibits included with its Application and Update be received into evidence should be granted.

4. SCE's request for confidential treatment of redacted versions of SCE's Testimony and Exhibits included with its Application and Update, should be granted pursuant to Rule 11.5, GO 66-C and D.06-06-066.

5. The September 16, 2016 stipulation between SCE and Lancaster should be approved as part of this decision. Under the terms of the stipulation, SCE should provide estimated rate information, organized by class and functional rate component, showing the average rate applicable to each combination of class and functional rate component. The estimated rate information should be provided in testimony served concurrently with SCE's initial application as well as with SCE's November Update filings in future Energy Resource Recovery Account

Forecast proceedings. The rate information shall be provided in the form of the example attached to the stipulation as Exhibit A.

7. SCE should be authorized to modify its tariffs to reflect its forecast 2017 ERRA and GHG allowance revenues as specified in its November Updated Testimony.

8. Advice Letters to implement changed tariff sheets in accordance with this Decision should be filed as Tier 1 Advice Letters.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company is authorized to recover a total 2017 Energy Resource Recovery Account electric procurement cost revenue requirement forecast of $ 4.485 billion.

2. Southern California Edison Company's Greenhouse Gas forecasts are approved.

3. Southern California Edison Company's forecasts under its Green Tariff Shared Renewable Program are approved.

4. Southern California Edison Company (SCE) shall provide estimated rate information, organized by class and functional rate component, showing the average rate applicable to each combination of class and functional rate component. The estimated rate information will be provided in testimony served concurrently with SCE's initial application filings as well as with SCE's November Update filings in future Energy Resource Recovery Account Forecast proceedings.

5. Southern California Edison Company's (SCE's) request to treat as confidential, its Exhibits SCE-01C, SCE-05C, and, SCE-06C, is granted for a

period of three years from the date of this order. During this three-year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If SCE believes that it is necessary for this information to remain under seal for longer than three years, it may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

6. Southern California Edison Company shall file a Tier 1 Advice Letter and revised tariff sheets within 30 days of the issuance of this decision to implement the rate changes authorized by this decision.

7. Application 16-05-001 shall remain open for the sole purpose of addressing the Power Charge Indifference Adjustment applicable to pre-2009 vintaged direct access customers in a Phase 2 proceeding.

This order is effective today.

Dated December 15, 2016, at San Francisco, California.

MICHAEL PICKER
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
LIANE M. RANDOLPH
Commissioners