ALJ/ADR/smt **Date of Issuance 5/24/2022**

Decision 22-05-020 May 19, 2022

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

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| Application of Southern California Edison Company (U338E) for Authorization to Recover Costs Related to July 2020- December 31, 2020 Wildfire Insurance Premiums Recorded in its Wildfire Expense Memorandum Account. | Application 20-12-010 |

**ORDER EXTENDING STATUTORY DEADLINE**

**Summary**

This decision extends the statutory deadline for completion of

Application 20-12-010 until October 21, 2022.

1. **Background**

Public Utilities (Pub. Util) Code Section 1701.5(a) provides that the Commission shall resolve the issues raised in the scoping memo of a ratesetting proceeding within 18 months of the date the proceeding is initiated, unless the Commission makes a written determination that the deadline cannot be met and issues an order extending that deadline. The current deadline for completion of Application (A.) 20-12-010 is June 17, 2022.

Applicant Southern California Edison Company (SCE) is an investor‑owned utility 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. SCE is regulated by this California Public Utilities Commission (Commission), License No. U338E.

Pursuant to California Public Utilities (Pub. Util.) Code Section 454, Commission Decision (D.) 18-11-051 and D.20-09-024, SCE filed a December 17, 2020 application seeking authority to recover fifty percent (50%) of the costs incurred for wildfire liability insurance premiums for the 2020-2021 policy year period (July 2020 – June 2021), approximately six (6) months of the year 2020 from its Wildfire Expense Memorandum Account (WEMA). SCE’s Application also seeks to re-allocate approximately $9 million in insurance costs, including approximately $7.2 million Commission jurisdictional, related to the 2019-2020 policy year for the San Onofre Nuclear Generating Station (SONG).[[1]](#footnote-2)

The relief sought is collectively a $214.5 million revenue requirement for

1) incremental wildfire insurance ($204.6 million), 2) adjustment to a prior period revenue requirement ($7.2 million/SONG), 3) financing costs ($0.2 million),

4) memorandum account interest ($0.1 million), and franchise fees and uncollectibles ($2.4 million).[[2]](#footnote-3) Concurrent with its December 17, 2020 application, SCE served *Direct Testimony In Support of Southern California Edison Company’s Request For Authorization To Recover Costs Related to July 2020 – December 31, 2020 Wildfire Insurance Premiums Recorded in its Wildfire Expense Memorandum Account* (SCE Direct Testimony).

Prior Commission President Marybel Batjer and current Administrative Law Judge (ALJ) Andrea D. McGary were assigned to A.20-12-010 on

December 29, 2020. [[3]](#footnote-4)

A protest was filed by the Public Advocates Office of the California Public Utilities Commission (Cal Advocates) on January 20, 2021, asserting concerns as to the reasonableness and accuracy of the cost calculations related to SCE’s asserted insurance premiums (Protest). Cal Advocates requested sufficient time to conduct a WEMA Audit.[[4]](#footnote-5)

SCE’s reply to Cal Advocates’ Protest was filed on February 1, 2021. Thereafter, a prehearing conference was held on February 25, 2021 to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

*Assigned Commissioner’s Scoping Memo and Ruling* was issued by former Commissioner Marybel Batjer on July 13, 2021 to set the issues and schedule of the proceeding. Evidentiary hearing was by a document only process. The proceeding is currently fully briefed and the record on which the proposed final decision will be based is closed.[[5]](#footnote-6)

On March 9, 2022, proceeding A.20-12-010 was reassigned from past Commission President Marybel Batjer to current Commission President

Alice Reynolds.

The deadline established by Pub. Util. Code § 1701.5 for resolution of this consolidated proceeding is currently June 17, 2022. Due to resource constraints, including multiple staffing changes, it will not be possible to complete this proceeding by the previously scheduled deadline. It is expected that a proposed decision addressing the issues in this proceeding will be issued in the near future. With that expectation, we find that an extension of at least 120 days beyond the current June 17, 2022 deadline, is necessary to afford the Commission adequate time to thoughtfully deliberate and issues its final decision. The statutory deadline for this proceeding is therefore extended to October 21, 2022.

# Waiver of Comment Period

Under Rule 14.6(c)(4) of the Commission’s Rules of Practice and Procedure, the Commission may waive the otherwise applicable 30-day period for public review and comment on a decision extending the deadline for resolving the issues in a ratesetting proceeding set forth in Pub. Util. Code Section 1701.5. Under the circumstances of A.20-12-010, it is appropriate to waive the 30-day period for public review and comment.

# Assignment of Proceeding

President Alice Reynolds is the assigned Commissioner and Andrea D. McGary is the assigned ALJ in this proceeding.

Findings of Fact

1. A.20-12-010 was filed with the Commission on December 17, 2020.
2. The Assigned Commissioner’s Scoping Memo and Ruling was issued on July 13, 2021.
3. The current statutory deadline for resolving ratesetting proceeding

A.20-12-010 is June 17, 2022.

1. A statutory extension until October 21, 2022 is reasonable and necessary to allow time for resolution of all issues identified in the Scoping Memo and entry of a final decision.

Conclusion of Law

Pursuant to the authority granted to the Commission under Pub. Util. Code Section 1701.5(a), the statutory deadline should be extended to

October 21, 2022.

**IT IS ORDERED** that:

1. The statutory deadline for completion of this proceeding is extended until October 21, 2022.
2. The thirty (30) day period for review and comment on this Order is waived.
3. This proceeding shall remain open.

This order is effective today.

Dated May 19, 2022, at Sacramento, California.

ALICE REYNOLDS

President

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE L. HOUCK

JOHN R.D. REYNOLDS

Commissioners

1. *See* A.19-07-020: D.20-09-024 (September 24, 2020); *Application of Southern California Edison Company (U 338-E) For Authorization To Recover Costs Related to 2018-2020 Wildfire Insurance Premiums Recorded in Its Wildfire Expanse Memorandum Account* (July 31, 2019) [↑](#footnote-ref-2)
2. Application at 2, 8-9. [↑](#footnote-ref-3)
3. Resolution ALJ-176. [↑](#footnote-ref-4)
4. *See* Cal Advocates Protest at 2-3. Cal Advocate’s WEMA Audit Report was completed and served to the official service list on May 21, 2021. SCE served rebuttal testimony as to the WEMA Audit Report on June 28, 2021. [↑](#footnote-ref-5)
5. *See* August 6, 2021 *Administrative Law Judge’s Email Ruling Regarding Evidentiary Hearing, Document Only Evidence Process, and Briefing Schedule*. [↑](#footnote-ref-6)