PUBLIC UTILITIES COMMISSION OF THESTATE OF CALIFORNIA

Consumer Protection and Enforcement Division
Utility Enforcement Branch

Resolution UEB-011
August 25, 2022

R E S O L U T I O N

RESOLUTION UEB - 011 APPROVING ADMINISTRATIVE CONSENT ORDER AND SETTLEMENT AGREEMENT OF THE UTILITY ENFORCEMENT BRANCH AND SOUTHERN CALIFONIA EDISON COMPANY REGARDING CARE AND LPP COMMUNICATION REQUIREMENTS PURSUANT TO RESOLUTION M-4846.

SUMMARY

In this Resolution, the California Public Utilities Commission (Commission) approves an Administrative Consent Order (ACO) and Settlement Agreement (or Agreement) between the Commission's Utility Enforcement Branch (UEB) of the Consumer Protection and Enforcement Division (CPED) and Southern California Edison Company (SCE) to resolve alleged noncompliance with California Alternate Rates for Energy (CARE) and Level Payment Plan (LPP) communication requirements pursuant to California Public Utilities (PU) Code § 739.4 and Advice Letter (AL) 1566-E. SCE agrees to pay $2.5 million to the Energy Assistance Fund (EAF) and $0.5 million to the State of California General Fund (General Fund). In addition, SCE agrees to provide documentation of CARE and LPP communication compliance on a quarterly basis to UEB for a term of two years from the approval of this Resolution and accompanying ACO and Settlement Agreement.

BACKGROUND

PU Code §739.4 sets forth billing communication requirements relating to CARE program eligibility that must be included quarterly on residential customer bills. This CARE language must be provided on quarterly bills, in a conspicuous manner on a front facing page, and in both English and Spanish. Between January 2008 and September 2017, SCE met the CARE language compliance requirements for at least one quarter of each year through CARE language included with the CARE Annual Insert. However, SCE had compliance gaps for the other quarters (approximately 29) where SCE either met only a subset of the CARE language requirements or met none of the requirements.

AL 1566-E requires that SCE include information relating to LPP in payment arrangement and extension letters that SCE sends its customers who seek payment arrangements. For the period between 2015 through 2017, SCE estimates it did not include an LPP message on 131 payment arrangement letters. For the period between 2012 through 2014, SCE estimated that

approximately 132 letters were sent without the LPP messaging, for a total estimated 263 letters without messaging.

SCE discovered the CARE and LPP communication issues in late 2017, put measures in place to ensure ongoing compliance with the requirements of PU Code §739.4 and AL 1566-E, and notified Energy Division on January 25, 2018.

Resolution M-4846, issued November 2020, adopted the Commission Enforcement and Penalty Policy (Enforcement Policy or Policy) and authorized Commission staff to negotiate and propose an ACO to resolve an enforcement matter, subject to review and consideration by the Commission.

UEB and SCE executed the attached ACO and Agreement, pursuant to and consistent with the Enforcement Policy, which resolves all issues related to UEB's investigation into the alleged noncompliance related to the CARE and LPP communication requirements. In accordance with the Enforcement Policy, the proposed settlement between UEB and SCE (collectively, Parties or Settling Parties) is memorialized in the attached proposed ACO and Agreement.

The Enforcement Policy provides that the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review:

1. equitable factors;
2. mitigating circumstances;
3. evidentiary issues; and
4. other weaknesses in the enforcement action

As part of developing the Agreement, the Parties explicitly considered these factors in their confidential settlement communications under Rule 12.6 of the Commission's Rules of Practice and Procedure. UEB acknowledges that SCE fully cooperated with UEB on the negotiation of the ACO and Agreement, and that UEB explicitly considered a range of evidentiary and other matters, including all the factors set forth above, that would bear upon its pursuit of enforcement actions seeking penalties on disputed issues of fact and law. When taken as a whole, the Parties agree that the ACO amounts are within the range of reasonable outcomes had the matters proceeded to formal litigation.

PENALTY

Resolution M-4846 requires that any penalty assessed on a regulated entity using the Enforcement Policy must be calculated using their Penalty Assessment Methodology (Methodology). The Methodology sets forth factors to be considered when determining the amount of a penalty.

1. Severity or Gravity of the Offense

The first factor looks at the type of harm inflicted because of the violations of the utility. While there was no physical harm to people or property because of SCE's notification errors, there was potential financial harm. The purpose of both the CARE and LPP notification requirements is to inform customers of potential savings on their energy bill. The Commission requires the notifications to be presented in a way that maximizes outreach to customers who qualify for the programs. Failing to notify customers of these programs represents a financial harm to those customers who would otherwise qualify for the savings and remained unaware of the programs. Additionally, the number of violations and number of consumers affected are not trivial. SCE had consistent notification compliance gaps for the CARE program over the course of eleven years, only complying with one fourth of the bills that were sent out per year. This is a sizable number of customers who did not receive notifications over a long period of time. Lastly, it is also alarming that SCE was not able to detect its own non-compliance over that period. This poor compliance monitoring does harm to the Comission's regulatory role.

2. Conduct of the Regulated Entity

The second factor the Methodology requires is consideration of the conduct of the entity. We outlined above the internal compliance issues SCE had in catching its notification errors. But we must also acknowledge that they were extremely diligent in reporting and fixing the errors once they were discovered. They were transparent in reporting the errors to Commission staff and in rectifying the problems going forward.

3. Financial Resources of the Regulated Entity, Including the Size of the Business

The third factor under the Methodology is the financial resources of the utility. Here, the Commission must ensure against excessive fines or penalties while imposing an effective fine/penalty. An effective fine or penalty is one that reflects the severity of the harm and is also proportionate to the offending entity and those similarly situated to deter future similar offense of violations, without putting them out of business or otherwise impacting the entity in a catastrophic way.

Here, SCE is required to make a payment of $2,500,000, at its shareholders' expense, to its Energy Assistance Fund to provide direct benefits to its CARE customers needing financial assistance in paying their bills. Additionally, SCE will be required to pay $500,000 to the General Fund. SCE is one of the largest electric utilities in the state of California in terms of customers and revenues. These amounts are sufficient to emphasize the importance of the notification requirements, deter future wrongdoings of this nature, provide relief to customers the CARE program intends to serve, and are reasonable given SCE's financial resources.

4. Totality of the Circumstances in Furtherance of the Public Interest

The fourth factor under the Methodology is an evaluation of the penalty in the totality of the circumstances, with an emphasis on protecting the public interest. As described above, a settlement of $3,000,000 is reasonable under the circumstances and adequately reflects the seriousness of the public harm in violating Commission requirements relating to the CARE and LPP programs. It also provides benefits to CARE-eligible customers with a $2,500,000 payment to SCE's Energy Assistance Fund.

5. The Role of Precedent

The final factor is an examination of fines in other Commission Decisions with similar factual situations. This is the first implementation of monetary penalties for notification deficiencies under the CARE and LPP programs. We believe the $2,500,000 payment to the Energy Assistance Fund and $500,000 payment to the General Fund in this settlement agreement can serve as an adequate deterrence from notification violations under these programs and is reasonable and appropriate under Resolution M-4846.

COMMENTS ON DRAFT RESOLUTION

The Draft Resolution was served on SCE and other interested parties on July 22, 2022 in accordance with PU Code § 311(g). No Comments were received**.**

FINDINGS AND CONCLUSIONS

1. Resolution M-4846 authorized Commission staff to negotiate and propose an Administrative Consent Order to resolve an enforcement matter, subject to review and consideration by the Commission.
2. UEB and SCE have engaged in settlement negotiations and, consistent with Resolution M-4846 and the Enforcement Policy, have memorialized their proposed settlement in the attached ACO and Agreement.
3. UEB and SCE have agreed that the attached ACO and Agreement resolves all issues related to UEB's investigation of and any enforcement action UEB might have brought related to or arising from the alleged noncompliance related to CARE and LPP communication requirements.
4. The agreed-upon payment and fines and additional reporting requirements appropriately resolve all issues related to UEB's investigation and any enforcement action UEB might have brought, are reasonable in light of the circumstances, consistent with law, and in the public interest.

THEREFORE, IT IS ORDERED that:

1. The Administrative Consent Order and Agreement between UEB and SCE relating to CARE and LPP communication requirements addressed therein is adopted.
2. This Resolution is effective today.

I certify that the foregoing Resolution was adopted by the California Public Utilities Commission at its regular meeting on August 25, 2022, and the following Commissioners approved favorably thereon:

/s/ RACHEL PETERSON

_____

Rachel Peterson
Executive Director

ALICE REYNOLDS
President
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
DARCIE L. HOUCK
JOHN REYNOLDS
Commissioners

ATTACHMENTS

ADMINISTRATIVE CONSENT ORDER

SETTLEMENT AGREEMENT

CALIFORNIA PUBLIC UTILITIES COMISSIONS
OF THE STATE OF CALIFORNIA

In the matter of:

Southern California Edison Company – re CARE and LPP communication requirements

ADMINISTRATIVE CONSENT ORDER

I. INTRODUCTION

This proposed Administrative Consent Order (ACO) is agreed to by and between the California Public Utilities Commission's Utility Enforcement Branch (UEB) of the Consumer Protection and Enforcement Division (CPED) and Southern California Edison Company (SCE) (collectively the Parties). As a result of negotiations between UEB and SCE, this proposed ACO shall be presented to the authority of the Commission for adoption as a final Administrative Consent Order, pursuant to the authority in the Commission Enforcement Policy adopted by Resolution M-4846 (Enforcement Policy or Policy), dated November 5, 2020, titled *Resolution Adopting Commission Enforcement Policy*. Under the Policy, UEB may negotiate a proposed settlement with a regulated entity to resolve allegations of violations of law or Commission order, resolution, decision, or rule.

This ACO resolves SCE's alleged noncompliance relating to required California Alternate Rates for Energy (CARE) language requirements on billing statements and Level Payment Plan (LPP) communications on payment arrangement and extension letters, pursuant to the attached Settlement Agreement.

Specifically, Public Utilities (PU) Code §739.4 sets forth billing communication requirements relating to CARE program eligibility that must be included quarterly on residential customer bills. This CARE language must be provided on quarterly bills, in a conspicuous manner on a front facing page, in both English and Spanish. Between January 2008 and September 2017, SCE met the billing compliance requirements for at least one quarter annually with the CARE Annual Insert but had compliance gaps for other quarters (approximately 29) where SCE either met only a subset of the requirements or met none of the requirements.

AL 1566-E requires that SCE include information relating to LPP in payment arrangement and extension letters that SCE sends its customers who seek payment arrangements. Between 2015 through 2017, SCE did not include an LPP message on 131 payment arrangement letters. SCE estimated that between 2012-2014, approximately 132 letters were sent without the messaging, for a total estimated 263 letters without messaging.

The penalty amount in the Settlement Agreement was determined by factors including those set forth in the Policy's Penalty Assessment Methodology (Policy, Appendix I). UEB believes that a prompt, certain, and effective settlement of this matter is in the best interest of the people of the State of California. This ACO shall become final and effective upon its approval by the Commission.

II. RECITALS

The relevant factual background, the violations alleged by UEB, and SCE's responses to the alleged violations are set forth in the attached Settlement Agreement. Without waiving the protections of Rule 12.6 of the Commission's Rules of Practice and Procedure for the Parties' settlement communications that

resulted in the ACO and the Settlement Agreement, the attached Settlement Agreement addresses the elements required by Section III.A.7 of the Policy:

i. The law or Commission order, resolution, decision, or rule violated by the regulated entity;

ii. The facts that form the basis for each violation;

iii. The number of violations, including the dates on which violations occurred;

iv. Information related to the potential for additional or ongoing violations;

v. An agreement by the regulated entity to correct each violation;

vi. A date by which the regulated entity must certify it corrected all violations;

vii. An agreement by the regulated entity to pay any penalty by a date specified.

III. TERMS

The terms of this ACO are set forth in the attached Settlement Agreement.

Any penalty amounts that are agreed to be paid pursuant to this ACO shall be paid in a manner consistent with the attached Settlement Agreement. With respect to the payments to the State of California General Fund, agreed to pursuant to the Settlement Agreement, they shall be by check or money order and shall be made payable to the California Public Utilities Commission. SCE shall write on the face of the check or money order: "For deposit to the State of California General Fund," and should identify that it relates to this ACO regarding CARE and LPP communication requirements. SCE shall deliver payment to:

California Public Utilities Commission's
Fiscal Office
505 Van Ness Ave., Room 3000
San Francisco, CA 94102

If SCE becomes aware that it will be unable to perform any activity or submit any document within the time required under the attached Settlement Agreement, SCE shall promptly inform UEB. SCE and UEB may agree to an extension of time, to be memorialized in writing.

SCE is responsible for compliance with the obligations it has agreed to assume under the Settlement Agreement, as approved by this ACO, and for ensuring that its subsidiaries, employees, contractors, consultants, subcontractors and agents comply with such ACO.

If SCE fails to comply with the terms of this ACO, as reflected in the Settlement Agreement, nothing in this ACO or the Settlement Agreement limits the authority of UEB or the Commission to take any and all actions within their authority to ensure SCE's compliance.

Public Notice

The Parties understand that this ACO, including the attached Settlement Agreement, will be noticed for public review and comment prior to consideration by the Commission, consistent with the Public Utilities Code and the Commission's Rules of Practice and Procedure.

Regulatory Notice

The Parties agree to seek prompt Commission approval of this ACO, including the attached Settlement Agreement, without modification.

Dated: 6/1/2022

By: _____

Marc L. Ulrich, Vice President,
Operational Excellence.
Southern California Edison Company

Dated: 6/29/2022

By: _____

Jeanette Lo
Utilities Enforcement Branch, Chief
Consumer Protection and Enforcement Division

SETTLEMENT AGREEMENT BETWEEN SOUTHERN CALIFORNIA EDISON COMPANY AND THE CONSUMER PROTECTION AND ENFORCEMENT DIVISION OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION RESOLVING THE INVESTIGATION INTO SCE'S ALLEGED NONCOMPLIANCE OF CARE AND LPP COMMUNICATION REQUIREMENTS PURSUANT TO CALIFORNIA PUBLIC UTILITIES CODE SECTION §739.4 AND ADVICE LETTER ("AL") 1566-E (RESOLUTION M-4846)

Southern California Edison Company (SCE) and the Utility Enforcement Branch (UEB) of the Consumer Protection and Enforcement Division (CPED) of the California Public Utilities Commission CPUC or Commission) are hereinafter collectively referred to as the Settling Parties. On the following terms and conditions, the Settling Parties hereby agree to settle, resolve, and dispose of all claims, allegations, liabilities, and defenses within the scope of the investigation into California Alternate Rates for Energy (CARE) and Level Payment Plan (LPP) communication requirements.

This Settlement Agreement is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of an Order Instituting Investigation and/or other litigation. The Settling Parties agree to the following terms and conditions as a complete and final resolution of all claims that have been or could be made by UEB and all defenses that were or could have been raised by SCE related to alleged noncompliance with CARE and LPP communication requirements, as set forth herein and in the proposed Administrative Consent Order submitted herewith, pursuant to Public Utilities Code (PU) Code §739.4 and Advice Letter (AL)1566-E.

I. PARTIES

The parties of this Settlement Agreement are UEB and SCE.

A. CPED is a division of the Commission charged with enforcing compliance with the Public Utilities Code and other relevant utility laws and the Commission's rules, regulations, orders, and decisions.UEB is a branch of CPED.

B. SCE is a public utility, as defined by the California Public Utilities Code. It serves a population of approximately 15 million in a 50,000-square-mile service area across central, coastal and Southern California, excluding the City of Los Angeles and some other cities.

II. RECITALS

A. Stipulated Facts

The Settling Parties have stipulated to the facts set forth below for purposes of this Settlement Agreement. The facts are stipulated herein are solely for the purpose of reaching this Settlement Agreement and should the Settlement Agreement not be approved by the CPUC, the Parties hereby fully reserve their rights and remedies.

Background Information Relevant to the CARE and LPP Programs

1. PU Code §739.4 sets forth billing communication requirements relating to CARE program eligibility that must be included quarterly on residential customer bills. This CARE language must be provided on quarterly bills, in a conspicuous manner on a front facing page, in both English and Spanish.

2. The purpose of PU Code §739.4 billing requirements is to improve CARE program penetration rates. CARE billing messages required per §739.4 are sent to customers who are not currently enrolled in CARE.

3. SCE's CARE penetration rates between 2008-2017 were between 81% and 99%, with four years at or above 95% [1]

4. Between January 2008 and September 2017, SCE communicated about the CARE program to its customers in many different ways. From 2008-2017, SCE conducted multiple awareness campaigns supporting CARE enrollment efforts that targeted hard-to-reach audiences through broad coverage. This consisted of:

   - Print advertising in targeted publications
   - Face-to-face community events that reached approximately 75,000 customers
   - Digital advertising, including display, mobile, and search-engine-marketing on targeted websites and pages that resulted in more than 128 million digital impressions
   - Social media messages on Facebook, Twitter, and Instagram
   - Targeted direct mail and email to eligible customers brought in more than 75,000 new CARE enrollments from 2014-2017
   - Call Center Representatives who spoke to customers enrolled more than 267,000 households from 2014-2017
   - Capitation Agencies representing SCE in the community enrolled more than 2,500 households

5. Advice Letter 1566-E requires that SCE include information relating to Level Payment Plan (LPP) in payment arrangement and extension letters that SCE sends its customers who seek payment arrangements.

6. SCE has established several measures to track and ensure compliance relating to CARE and LPP communication requirements. In 2018, SCE's Quality Assurance (QA) team implemented the framework to validate adherence to the CSS and LPP messaging requirements. This framework remains in place:

   - LPP Message on Payment Arrangement and Extensions Letters

[1] SCE's Low Income Annual Reports for PYs 2008-2017.

- On a quarterly basis, the QA team determines the population of customers who should have received Payment and Extension Letters, selects a sample from the population, and verifies that the letters include required LPP messaging

- Quarterly CARE Bill Messages
  - The QA team obtains IT documentation for any changes to quarterly CARE bill message
  - the team verified that IT implemented the documentation change starting in Q2 2018, including testing and approvals
  - The QA team selects a sample from the population and validates that the bill has appropriate CARE Messaging placement and content
- Reporting Plan
  - The team communicates QA results to SCE management and presents any findings and/or recommendations.

B. Noncompliance Alleged by UEB

UEB alleges the following noncompliance resulting from its investigation into CARE and LPP communication requirements. As noted below, SCE's position is that due to mitigating factors, the alleged noncompliance with CARE and LPP communication requirements was unlikely to result in serious harm to a significant number of customers.

1. PU Code §739.4 - Between January 2008 and September 2017, SCE met the billing compliance requirements of PU Code §739.4 for at least one quarter annually with the CARE Annual Insert but had compliance gaps for other quarters (approximately 29) where SCE either met only a subset of the requirements or met none of the requirements.[2]

In reaching this Settlement Agreement, UEB has considered SCE's position that SCE has a strong commitment to the CARE program and any harm caused as a result of the alleged noncompliance was not likely to be significant, as demonstrated by the following facts: (1) SCE's CARE penetration rates remained high throughout this period, for example, penetration rates were between 95%-99% in some years; (2) SCE communicated about the CARE program to its customers in many different ways (e.g., email, social media, via community based organizations, etc.); (3) SCE disclosed its compliance issues to Energy Division of its own accord (SCE discovered the CARE and

[2] SCE also apprised UEB that SCE had a CARE billing noncompliance event in Q1 2021 as a result of system implementation issues. SCE reported the issue to the CPUC Energy Division and established an additional quality control measure to ensure ongoing compliance. SCE received a communication from Energy Division staff that, based on SCE's response, the matter was considered closed. The Parties agree that the matter is considered closed and does not require additional investigation or penalties.

LPP communication issues in late 2017 and notified Energy Division in early 2018), and (4) SCE has established several measures to track and ensure compliance.

2. AL 1566-E - Between 2015 through 2017, SCE did not include an LPP message on 131 payment arrangement letters required by AL 1566-E. SCE estimated that between 2012-2014, approximately 132 letters were sent without the messaging, for a total estimated 263 letters without messaging.

In reaching this Settlement Agreement, UEB has considered SCE's position that any harm resulting from letters sent without messaging was likely not significant as demonstrated by the following facts: (1) LPP information is made available to SCE customers in several ways (e.g., it's included in multiple languages on SCE.com for customers to learn about; Call Center representatives are available to answer questions regarding LPP, and LPP information is included in SCE's Community Resource Guide (also in multiple languages) and provided to SCE's community based organizations, including CARE capitation agencies, to share with their clients) and; (2) SCE established measures to track and ensure compliance.

III. AGREEMENT

To settle this investigation and resolve all matters pertaining to any omitted or missing CARE billing requirements and LPP communications, as set forth above, SCE shall pay a total of $3 million, with $2.5 million deposited in the Energy Assistance Fund (EAF) and $0.5 million going to the State of California General Fund (General Fund). In addition, SCE will also provide UEB with quarterly validation of CARE and LPP compliance for a period of two years after the Effective Date of the Settlement Agreement and ACO.

1. $3 Million Payment at Sharerholder Expense

SCE will provide $2.5 million to EAF to provide direct benefits to CARE customers needing financial assistance in paying their bills. Through EAF, a maximum of $100 is available once per 12 months to eligible CARE customers. In 2020, approximately 10,000 families received assistance through EAF. EAF is currently funded through voluntary donations from SCE employees, shareholders and customers. SCE will not incur additional administrative cost in distributing additional funds to customers resulting from this settlement. EAF would be able to help more customers as soon as the funds become available.

The amount of $2.5 million will be paid to the EAF within 30 days of the Effective Date of this Agreement, as defined in Section D below.

2. General Fund

SCE will pay $ 0.5 million to the General Fund. This amount will be paid within 30 days of the Effective Date of this Agreement, as defined in Section D below.

C. Additional Reporting Obligation

SCE will also provide UEB with results of SCE's quarterly validations of compliance with CARE billing requirements, including supporting documentation (e.g., bill and letter samples), for a period of two years after the Effective Date of this Settlement Agreement and ACO.

D. Effective Date

This Settlement Agreement shall become effective (Effective Date) upon final Commission Approval of the proposed Administrative Consent Order submitted by UEB pursuant to Resolution M-4846, as set forth in Section IV.A, below. The Commission Approval of the Administrative Consent Order shall be deemed final when the Administrative Consent Order approving the Settlement Agreement (either without modification or with modification ordered by the Commission and accepted by both Parties) shall no longer be subject to any challenge, appeal, review, or modification.

IV. Additional Terms

A. The Settling Parties agree to seek expeditious approval of this Settlement Agreement and the terms of the settlement, and to use their reasonable efforts to secure Commission approval of it without change, including by UEB submitting a proposed Resolution and Administrative Consent Order containing this Settlement Agreement as well as any other written filings, appearances, and other means as may be necessary to secure Commission Approval.

B. The Settling Parties agree to actively and mutually defend this Settlement Agreement if its adoption is opposed by any other party in proceedings before the Commission. In accordance with Rule 12.6 of the Commission's Rules of Practice and Procedure, if this Settlement Agreement is not adopted by the Commission, its terms are inadmissible in any evidentiary hearing unless their admission is agreed to by the Settling Parties. In the event the Commission rejects or proposes alternative terms to the Settlement Agreement, Settling Parties reserve all rights set forth in Rule 12.4 of the Rules of Practice and Procedure. The provisions of Paragraph IV. A and B shall impose obligations on the Settling Parties immediately upon the execution of this Settlement Agreement.

C. The Settling Parties agree to continue to abide by the confidentiality provisions and protections of Rule 12.6 of the Commission's Rules of Practice and Procedure, which governs the discussions, admissions, concessions and offers to settle that preceded the execution of the ACO and Settlement Agreement and that were exchanged in all efforts to support Commission approval. Those prior negotiations and communications shall remain confidential indefinitely, and the Settling Parties shall not disclose them without the consent of both Settling Parties.

D. UEB shall not assert or support any argument or assertions that any noncompliance or conduct underlying the alleged or identified noncompliance herein are or can be the basis for future disallowances, violations, or penalties.

E. UEB agrees to release and refrain from instituting, directing, or maintaining any noncompliance or enforcement proceedings against SCE related to the alleged noncompliance regarding the CARE and LPP communication requirements addressed herein based on the information: (a) known, or that could have been known, to UEB at the time that UEB executes this Settlement Agreement, or (b) substantially similar to the alleged SCE violations related to the alleged CARE and LPP noncompliance issues referenced in this Settlement Agreement.

F. Subject to Paragraph IV. E., nothing in this Settlement Agreement constitutes a waiver by UEB of its legal obligations, authority, or discretion to investigate and enforce applicable requirements (including, without limitation, PU Code §739.4 or AL 1566-E) as to other conduct by SCE unrelated to the alleged CARE and LPP noncompliance addressed herein that UEB may identify as the basis for any alleged violation(s). UEB shall retain such authority regardless of any factual or legal similarities that other SCE conduct, and any alleged violation(s), may have to SCE's alleged noncompliance related to the CARE and LPP programs addressed herein. Accordingly, any such similarities shall not preclude UEB from using other conduct and alleged violation(s) as a basis for seeking future disallowances.

G. The Settling Parties have bargained in good faith to reach this Settlement Agreement. The Settling Parties intend the Settlement Agreement to be interpreted as a unified, interrelated agreement. The Settling Parties agree that no provision of this Settlement Agreement shall be construed against any of them because a particular party or its counsel drafted the provision. The representatives of the Settling Parties signing this Settlement Agreement are fully authorized to enter into this Settlement Agreement.

H. The rights conferred and obligations imposed on any of the Settling Parties by this Settlement Agreement shall inure to the benefit of or be binding on that Settling Party's successors in interest or assignees as if such successor or assignee was itself a party to this Settlement Agreement.

I. Should any dispute arise between the Settling Parties regarding the manner inwhich this Settlement Agreement or any term shall be implemented, the Settling Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Settling Parties in entering into this Settlement Agreement.

J. This Settlement Agreement is not intended by the Settling Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Settling Parties have assented to the terms of this Settlement Agreement only for the purpose of arriving at the settlement embodied in this Settlement Agreement.

Each Settling Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that the Settlement Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Settlement Agreement, and the Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement should not be considered as a precedent for or against them.

K. Regarding any issue resolved in this Settlement Agreement, the Settling Parties are prohibited from filing a petition for modification or application for rehearing of a Commission decision that approves this Settlement Agreement without modification.

L. SCE's waiver of its due process rights to an evidentiary hearing on the matters set forth herein is conditioned on a final Commission resolution or order approving this ACO and Settlement Agreement without modification, or with modification(s) agreeable to the Settling Parties.

M. This Settlement Agreement may be executed in counterparts.

N. The Settling Parties hereby agree that this Settlement Agreement is entered into as a compromise of disputed violations and defenses in order to minimize the time, expense, and uncertainty of an Order Instituting Investigation and/or other litigation.

O. Nothing in this Settlement Agreement relieves SCE from any responsibilities imposed on it by law or Commission rules, orders, or decisions.

P. In reaching this Settlement Agreement, the Settling Parties expect and intend that neither the fact of this settlement nor any of its specific contents will be admissible as evidence of fault or liability in any other proceeding before the Commission, any other administrative body, or any court. In this regard, the Settling Parties are relying on Evidence Code Section 1152(a) and Public Utilities Code Section 315. Furthermore, such use of this Settlement Agreement or any of its contents in any other proceeding before the Commission, any other administrative body, or any court would frustrate and interfere with the Commission's stated policy preference for settlements rather than litigated outcomes. See Pub. Util. Code § 1759(a).

Q. This ACO and Settlement Agreement constitutes the entire agreement between the Settling Parties and supersedes all prior or contemporaneous agreements, negotiations, representations, warranties and understanding of the Parties with respect to the subject matter set forth.

IN WITNESS WHEREOF, the Settling Parties hereto have duly executed this Settlement Agreement.

[Signatures immediately follow this page]

Southern California Edison Company

Dated: 6/1/2022

By: _____

Marc L. Ulrich, Vice President,
Operational Excellence.
Southern California Edison Company

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Dated: 6/29/2022

By: _____

Jeanette Lo

Utilities Enforcement Branch, Chief

Consumer Protection and Enforcement Division

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