

Decision 23-11-089 November 30, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authorization to Recover Costs Related to 2019-2020 Drought, 2018-2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020 COVID-19 Recorded in the Catastrophic Event Memorandum Account and Costs Related to Wildfire Property Insurance Recorded in the Wildfire Expense Memorandum Account.

Application 21-09-019

DECISION APPROVING SOUTHERN CALIFORNIA EDISON COMPANY'S APPLICATION FOR AUTHORIZATION TO RECOVER COSTS RELATED TO 2019-2020 DROUGHT, 2018-2019 FIRESTORMS, 2019 EARTHQUAKE AND WINDSTORMS, AND 2020 COVID-19 RECORDED IN ITS CATASTROPHIC EVENT MEMORANDUM ACCOUNT AND COSTS RELATED TO WILDFIRE PROPERTY INSURANCE RECORDED IN ITS WILDFIRE EXPENSE MEMORANDUM ACCOUNT

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**DECISION APPROVING SOUTHERN CALIFORNIA EDISON COMPANY'S
APPLICATION FOR AUTHORIZATION TO RECOVER COSTS
RELATED TO 2019-2020 DROUGHT, 2018-2019 FIRESTORMS,
2019 EARTHQUAKE AND WINDSTORMS, AND 2020 COVID-19
RECORDED IN ITS CATASTROPHIC EVENT MEMORANDUM ACCOUNT
AND COSTS RELATED TO WILDFIRE PROPERTY INSURANCE
RECORDED IN ITS WILDFIRE EXPENSE MEMORANDUM ACCOUNT**

Summary

This decision authorizes as reasonable Southern California Edison Company's (SCE) proposed cost recovery request totaling \$132.148 million in revenue requirements, including \$127.261 million associated with the drought, firestorms, earthquakes, and the COVID-19 global pandemic recorded in its Catastrophic Event Memorandum Account (CEMA) subaccounts and \$4.887 million associated with incremental costs for property insurance against wildfire in its Wildfire Expense Memorandum Account (WEMA). SCE is authorized to amortize the CEMA revenue requirement of \$127.261 million and WEMA revenue requirement of \$4.887 million over a 12-month period.

We decline to adopt a new rule in this application regarding affirmative declarations regarding the status of wildfire investigations to govern future applications as The Utility Reform Network proposes. We note, however, that an Administrative Law Judge may require such a declaration if warranted.

This proceeding is closed.

1. Background

Southern California Edison Company's (SCE) Catastrophic Event Memorandum Account (CEMA) was authorized by Resolution (Res.) E-3238, on July 24, 1991. Res. E-3238 authorized each public utility as defined under Section 216 of the Public Utilities (Pub. Util.) Code to establish a CEMA to record the cost of: (a) restoring utility service to its customers; (b) repairing, replacing,

or restoring damaged utility facilities; and (c) complying with government agency orders resulting from declared disasters. A catastrophic event is defined, in the Resolution, as one which results in the official declaration of a disaster by competent state or federal authority.¹

Pursuant to Application (A.) 18-04-001, SCE requested and was also granted authority to establish a Wildfire Expense Memorandum Account (WEMA) to track amounts paid by SCE that are the result of a wildfire, including incremental unreimbursed wildfire insurance liability-related costs.² The WEMA tracks amounts paid by SCE that were not previously authorized in SCE's General Rate Case (GRC) (*see* Decision (D.) 18-11-051).³

In this Application SCE is requesting authorization to recover expenses for the following CEMA events:⁴

- 2019-2020 Drought
- 2018 Cranston Firestorm
- 2018 Holy Firestorm
- 2018 Hill Firestorm
- 2019 Sandalwood Firestorm
- 2019 Tick Firestorm
- 2019 Hill Firestorm

¹ Res. E-3238, July 24, 1991, at 4.

² D.18-11-051, Decision Authorizing Southern California [Edison] Company to Establish a Wildfire Expense Memorandum Account, December 3, 2018, at 1.

³ Application of Southern California Edison Company for Authorization to Recover Costs Related to 2019-2020 Drought, 2018-2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020 COVID-19 Recorded in the Catastrophic Event Memorandum Account and Costs Related to Wildfire Property Insurance Recorded in the Wildfire Expense Memorandum Account (SCE Application), September 30, 2021, at 19.

⁴ *Id.*, at 1-2.

- 2019 Hillside Firestorm
- 2019 Ridgecrest Earthquakes
- 2019 Windstorm
- 2020 COVID-19 Pandemic

According to SCE, the costs related to the catastrophic events listed above require a revenue requirement totaling \$127.261 million. SCE also requested recovery of costs recorded in its WEMA for the incremental property insurance,⁵ with a revenue requirement of \$4.887 million.⁶ SCE's Application requests that it be authorized to amortize the CEMA and WEMA revenue requirements, totaling \$132.148 million, over a 12-month period.

On November 10, 2021, the assigned Administrative Law Judge (ALJ) issued a ruling setting a prehearing conference (PHC) for November 18, 2021. On November 12, 2021, The Utility Reform Network (TURN) and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) both filed protests against SCE's Application. On November 17, 2021, SCE responded to each protest.

On November 22, 2021, SCE filed an amendment to its originally filed Application to address typographical errors and to include the Declaration of Robert Ramos, SCE Director of Risk and Claims Management, in support of SCE's Application. The Declaration included an affirmative statement that, with respect to the seven firestorms included in the Application, Mr. Ramos was not aware of any local, state, or federal agency of competent jurisdiction that is

⁵ Specifically, insurance associated with increased wildfire risk covered by a property insurance policy that covers both wildfire and non-wildfire perils.

⁶ SCE Application, at 4.

currently investigating whether SCE's equipment or facilities are a potential cause of the ignition of the firestorm(s).⁷

On December 3, 2021, SCE timely filed a compliance document in accordance with Rule 3.2 of the California Public Utilities Commission's (Commission or CPUC) Rules of Practice and Procedure (Rules). On January 24, 2022, the assigned Commissioner issued a scoping memo for this proceeding.

On July 30, 2022, Cal Advocates issued an audit report. On September 22, 2022, a status conference was held. On October 20, 2022, SCE filed a motion for the admission of testimony into the record as evidence. SCE's motion is hereby granted. Both TURN and SCE filed briefs on October 20, 2022, and reply briefs on November 10, 2022. The briefs presented differing perspectives on TURN's recommendation that SCE should be directed to include a declaration in future CEMA Applications which affirmatively states that the utility is not aware of any local, state, or federal agency investigations into whether SCE's equipment or facilities are a potential cause of the ignition of firestorms addressed in its Application.

On March 16, 2023, the Commission adopted D.23-03-014 which extended the statutory deadline for this proceeding to October 2, 2023. On September 21, 2023, the Commission adopted D.23-09-013 which extended the statutory deadline to January 31, 2024. The matter was submitted on August 7, 2023, upon response to an ALJ ruling.

⁷ Amendments to the Application of Southern California Edison Company for Authorization to Recover Costs Related to 2019-2020 Drought, 2018-2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020 COVID-19 Recorded in the Catastrophic Event Memorandum Account and Costs Related to Wildfire Property Insurance Recorded in the Wildfire Expense Memorandum Account (November 22, 2021) at Appendix 2, at 2.

2. Issues Before the Commission

The issues outlined in the scoping memo for this proceeding, dated January 24, 2022, include the following:

1. Are the costs recorded in SCE's CEMA, for the events included in the Application, incremental, reasonable, and properly recoverable?
2. Are the wildfire insurance costs recorded in WEMA incremental, reasonable, and properly recoverable?
3. Are there any impacts on Environmental and Social Justice (ESJ) communities, including the extent to which [action] impacts achievement of any of the nine goals of the Commission's ESJ Action Plan?

3. Standards for Reasonableness and Incrementality

The appropriate standard in a ratesetting matter is preponderance of the evidence.⁸ Pub. Util. Code Section 454.9(b) lays out the Commission's standard for cost recovery of CEMA events as follows:

The costs, including capital costs, recorded in the (catastrophic event memorandum) accounts set forth in subdivision (a) shall be recoverable in rates following a request by the affected utility, a commission finding of their reasonableness and approval by the commission.⁹

This means that SCE must meet its burden of proof and demonstrate that in fact, its responses to the 11 CEMA events and WEMA insurance expenses were consistent with the Commission's standard for prudent managerial action.

The Commission has provided the following previous guidance about the reasonableness of utility practices:

Utilities are held to a standard of reasonableness based upon the facts that are known or should be known at the time.

⁸ D.16-12-063, at 9, citing D.12-12-030, at 44.

⁹ Pub. Util. Code § 454.9 (b).

While this reasonableness standard can be clarified through the adoption of guidelines, the utilities should be aware that guidelines are only advisory in nature and do not relieve the utility of its burden to show that its actions were reasonable in light of circumstances existent at the time.¹⁰

In this proceeding, SCE must also establish that the costs for which it seeks recovery are incremental. Incremental costs are those costs that would not have been incurred if the CEMA did not take place and were over and above what was previously approved and funded through rates in SCE's most recent GRC.

4. 2019-2020 Drought

The 2019-2020 Drought included in SCE's Application extends further back to a historic five-year drought that ranged from 2012 through 2016.¹¹ In response to the 2012 through 2016 drought, California Governor Jerry Brown declared the first State of Emergency on January 17, 2014.¹² Six months later, on June 12, 2014, the Commission approved Res. ESRB-4. Res. ESRB-4, still in force, directed California investor-owned utilities (IOU) to take practical measures to reduce the likelihood of firestorms associated with their facilities. The Resolution also outlined that "to the extent that additional funding is reasonable, and not already included or recoverable in the IOUs' accounts, incremental cost recovery through

¹⁰ D.05-08-037, Opinion of the Reasonableness of San Diego Gas and Electric Company's Response to the 2003 Wildfires, at 9-10.

¹¹ Prepared Testimony in Support of Southern California Edison Company's Application for Authorization to Recover Costs Related to 2019-2020 Drought. 2018-2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020 COVID-19 Recorded in the Catastrophic Memorandum Account and Costs Related to Wildfire Property Insurance Recorded in the Wildfire Expense Memorandum Account (Exhibit SCE-01) (September 30, 2021), at 4.

¹² *Ibid.*

the CEMA may be sought pursuant to a February 18, 2018, letter from the Commission's Safety Enforcement Division (SED)."¹³

On April 1, 2015, Governor Brown issued Executive Order B-29-15 continuing the 2014 State of Emergency.¹⁴ On October 30, 2015, Governor Brown proclaimed a State of Emergency related to "record drought conditions" and "epidemic infestations of native bark beetles."¹⁵ On April 7, 2017, Governor Brown issued Executive Order B-40-17 lifting the drought state of emergency, including provisions in Executive Order B-29-15, excluding the counties of Fresno, Kings, Tulare, and Tuolumne. On August 31, 2017, Governor Brown issued Executive Order B-42-17 concerning the tree mortality resulting from the drought and bark-beetle infestations throughout the state. Executive Order B-42-17 ordered the provisions of the prior October 30, 2015, Emergency Proclamation into full force and effect.¹⁶ The impacts of the earlier drought combined with a tree-beetle infestation led to tree mortality that contributed to later firestorms statewide.

The 2019-2020 drought conditions contributed to vast numbers of dead, dying, or diseased trees throughout the state.¹⁷ Inspectors for SCE identified approximately 25,456 dead trees that needed to be removed from its service territory.¹⁸ SCE is requesting recovery of incremental costs incurred because of

¹³ *Id.*, at 6-8.

¹⁴ *Id.*, at 6.

¹⁵ *Ibid.*

¹⁶ *Id.*, at 7.

¹⁷ *Id.*, at 26.

¹⁸ *Id.*, at 27.

its 2019-2020 drought mitigation efforts.¹⁹ SCE asserts that the drought-related costs are incremental to SCE's ongoing vegetation management activities.²⁰ According to SCE, its drought related activities during the 2019-2020 period were new and different from its routine vegetation program and not included in the 2018 GRC.²¹ SCE claims to have incurred \$65.055 million in Operation and Maintenance (O&M) expenses related to activities during the 2019-2020 drought.²² The expenses cover labor, contractor, equipment and transportation, and other costs such as meals lodging and other miscellaneous costs. SCE has included another \$3.623 million for Franchise Fees and Uncollectibles (FF&U),²³ bringing the total revenue requirement for the 2019-2020 Drought to \$68.677 million.

4.1. Discussion of 2019-2020 Drought

SCE has stated in its testimony²⁴ that O&M costs in its drought related CEMA filing include two components, costs determined to be CPUC non-incremental²⁵ and costs that are incremental.²⁶ SCE's testimony provides a number for the total O&M costs related to drought for 2019 and 2020, along with a number identified as CPUC Non-Incremental Costs (*see* Table 1 below).

¹⁹*Id.*, at 42.

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Id.*, at 46.

²³ FF&U include the fees charged by a city for the use of the public right-of-way and unpaid customer bills and are a component of calculating revenue requirement.

²⁴ Exhibit SCE-01, at 46.

²⁵ Costs associated with a previous Commission GRC decision, Resolution, or another Commission instrument.

²⁶ Costs associated with Res. ESRB-4's directive to reduce fires and restore service.

Table 1. 2019-2020 Recorded Drought Expenses
CPUC – Jurisdictional Incremental O&M (\$000)

Line No.	Item Description	2019	2020	Total O&M
1	Total Costs	\$ 33,164	\$ 37,606	\$ 70,770
2	Less – CPUC Non-Incremental Costs	\$ 2,670	\$ 3,045	\$ 5,715
3	Total CPUC Incremental Drought O&M Expense	\$ 30,494	\$ 34,561	\$ 65,055

SCE subtracted CPUC Non-Incremental Costs from total drought costs to determine the total CPUC incremental drought O&M expense included in its revenue requirement for 2019 and 2020. However, SCE did not provide any footnotes or references in its testimony for this chart to clearly show how the number(s) for CPUC Non-Incremental Costs in 2019 and 2020 were determined.

The assigned ALJ issued a Ruling to get additional information about how SCE determined the CPUC Non-Incremental Costs in Table 1 above. In its response to the Ruling, SCE clarified that another table in its testimony, identified below as Table 2,²⁷ provided, in aggregate for 2019 and 2020, the individual accounting categories for non-incremental drought O&M costs totaling \$5,715,000 (or \$2,670,000 plus \$3,045,000 in Table 1 above).

Table 2. Southern California Edison Company 2019-2020 Drought O&M Expenses Removal of Non-Incremental O&M (Nominal \$000)

Line No.	O&M Expense	Total O&M Expenses (A)	Total Non-Incremental (B)	Total Incremental (A-B)
1	Internal Labor			
2	SCE Labor	\$ 293	\$ 206	\$ 87
3	Employee Benefits	\$ 47	\$ 45	\$ 2

²⁷ Southern California Edison Company's Response to the Administrative Law Judges' Ruling Requesting Additional Information, August 7, 2023 (SCE July 31, 2023, Ruling Response), at 5.

Line No.	O&M Expense	Total O&M Expenses (A)	Total Non-Incremental (B)	Total Incremental (A-B)
4	<i>Total Internal Labor</i>	\$ 340	\$ 252	\$ 88
5	External Support			
6	Contractors	\$ 62,110	\$ 0	\$ 62,110
7	<i>Total External Support</i>	\$ 62,110	\$ 0	\$ 62,110
8	Equipment & Transportation			
9	Equipment & Transportation	\$ 31	\$ 31	\$ 0
10	<i>Total Equipment & Transportation</i>	\$ 31	\$ 31	\$ 0
11	Materials, Supplies and Tools	\$ 0	\$ 0	\$ 0
12	Materials	\$ 0	\$ 0	\$ 0
13	Supplies	\$ 0	\$ 0	\$ 0
14	Tools	\$ 0	\$ 0	\$ 0
15	<i>Total Materials, Supplies, Tools</i>	\$ 0	\$ 0	\$ 0
16	Other			
17	Contributions	\$ 0	\$ 0	\$ 0
18	Employee Travel, Meals & Lodging	\$ 4	\$ 0	\$ 4
19	Other Employee-Related Costs	\$ 0	\$ 0	\$ 0
20	Facility Operating Costs, IMM ²⁸ & Chargebacks	\$ 0	\$ 0	\$ 0
21	Rents, Leases, Licensing & Fees	\$ 0	\$ 0	\$ 0
22	Overheads	\$ 5,052	\$ 5,052	\$ 0
23	Miscellaneous	\$ 3,231	\$ 380	\$ 2,851
24	<i>Total Other</i>	\$ 8,288	\$ 5,432	\$ 2,856
25	Total O&M Expense	\$ 70,770	\$ 5,715	\$ 65,055

Using Line 23 (miscellaneous costs) in Table 2 above as an example, SCE explained that the \$0.380 million number for this O&M category was derived by

²⁸ Internal Market Mechanism-.

adding \$0.294 million for supply chain management IMM and \$0.086 million for accrued costs. This clear breakdown should have been provided in SCE's application and testimony or revealed by Cal Advocates' audit for every line item.

SCE's Response to the ALJ's July 31, 2023, Ruling also included an explanation at Line 9 in Table III-7 of their response.²⁹ SCE clarified that it has an automated process that allocates vehicle and transportation costs across operating units. SCE further explained that the costs in Line 9 are deemed non-incremental because they were requested and approved in SCE's 2018 GRC in D.19-05-020.³⁰ SCE's Ruling response also stated that operating costs are charged back to other SCE operating units and that SCE has an automated division overhead (Line 22 in Table 2) allocation process, which was reviewed and approved in SCE's 2009 GRC (A.07-11-011 and D.09-03-025 at 376 (Conclusion of Law 86)).³¹

The drought-related activities and O&M costs that SCE undertook during the 2019-2020 period were linked to previous Governor declarations and activities associated with the Commission's Res. ESRB-4 and therefore properly recoverable. The reasonableness of SCE's drought O&M expenses is supported by its testimony and uncontested by parties. The SCE July 31, 2023, Ruling Response provides more clarity about how it established the numbers that represent its CPUC jurisdictional and incremental drought O&M expenses. As a result of climate change, this CEMA proceeding is taking place in an

²⁹ Southern California Edison Company's Response to the Administrative Law Judges' Ruling Requesting Additional Information, August 7, 2023 (SCE July 31, 2023, Ruling Response), at 5.

³⁰ *Id.*, at 6.

³¹ *Ibid.*

environment of upward pressure on energy rate affordability for SCE's customers. Similarly, SCE has upward pressure to provide clear detail, in its applications, to justify the increased rates imposed on its customers because of CEMA events. In its future CEMA applications and testimony, SCE should provide clearer documentation, including internal reports identifying specific operating units and costs, to support O&M costs that are CPUC jurisdictional versus incremental. In addition, Cal Advocates' audit should include clearer documentation and analysis citing back to the relevant GRC account category to support whether and how O&M costs are CPUC jurisdictional or incremental.

5. 2018-2019 Catastrophic Event Memorandum Account Events

SCE has identified seven separate firestorm events in this Application, as well as a windstorm and two earthquakes. Three firestorms took place in 2018 and four took place in 2019. The windstorm and earthquakes took place in 2019.

SCE applied the following criteria for the costs associated with the events below. The costs had to be:

- CPUC jurisdictional;
- Incremental to costs already authorized in a GRC;
- Associated with emergency Proclamations at the State or Federal level; and
- Determined to be reasonable (by the Commission).³²

According to SCE, it applied the current standard of reasonableness for utilities to these events. SCE's testimony included information on reasonableness for CEMA events based on D.05-08-037. As noted above in Section 2, the standard of reasonableness is based on the facts that are known or

³² Exhibit SCE-01, at 21.

should have been known at the time of the events, the reasonableness of management actions and decisions, demonstration that the management decisions resulted in the lowest cost consistent with good utility practices, that management decisions included a spectrum of options consistent with utility system's needs, ratepayer interests and Commission requirements, and a demonstration that management decisions followed sound reasoning and logic even if those decisions did not lead to the best possible outcome.³³ The following are brief descriptions of the events that SCE categorized as CEMA events during the 2018-2019 period.

5.1. 2018 Firestorms

During July 2018, several firestorms of varying sizes took place in SCE's service territory. The firestorms being considered in this Application took place in Riverside, Orange, and Ventura counties. The firestorms took place in areas covered by the State Emergency Proclamations and affected over 10,265 customers.³⁴

The following State of Emergency Proclamations are associated with the 2018 firestorms:

On July 25, 2018, Governor Brown issued an Emergency Proclamation for Riverside County because of the Cranston firestorm.

³³ *Id.*, at 24-25.

³⁴ *Id.*, at 8.

On July 25, 2018, the Cranston firestorm started in Riverside County and lasted 16 days before it was contained. The firestorm burned 13,139 acres and destroyed 12 structures.³⁵

On August 9, 2018, Governor Brown issued an Emergency Proclamation for Orange and Riverside Counties because of the Holy firestorm.

On August 6, 2018, the Holy firestorm started, in Orange County and was contained on September 13, 2018. The fire consumed 23,136 acres and destroyed 18 structures.

On November 9, 2018, Acting Governor Newsom issued an Emergency Proclamation for Ventura County because of the Hill firestorm.³⁶

On November 8, 2018, the Hill fire started in Ventura County and was fully contained on November 15, 2018. The firestorm consumed 4,531 acres and destroyed four structures.

5.2. 2019 Firestorms

During 2019 there were multiple firestorms throughout SCE's service territory. The firestorms being considered in this Application took place in Los Angeles, Riverside, Ventura, and San Bernardino counties.

On October 11, 2019, Governor Gavin Newsom issued an Emergency Proclamation for Los Angeles and Riverside counties because of the Sandalwood firestorm.³⁷ The Sandalwood firestorm started on October 10, 2019, and was

³⁵ *Id.*, at 9.

³⁶ *Ibid.*

³⁷ *Id.*, at 13-14.

contained as of October 14, 2019. The firestorm consumed 1,011 acres, destroyed 74 structures, and damaged 16 structures.³⁸

On October 25, 2019, Governor Newsom issued an Emergency Proclamation for Los Angeles County because of the Tick firestorm.³⁹ The Tick firestorm started on October 24, 2019, and was contained as of October 31, 2019. The firestorm consumed 4,615 acres and destroyed 22 structures while damaging 27 structures.

On October 27, 2019, Governor Newsom issued an Emergency Proclamation across the areas in California affected by the Hill and Hillside firestorms.

On October 30, 2019, the Hill firestorm started and was fully contained on November 2, 2019. The firestorm destroyed 494 acres and damaged two structures. The Hillside firestorm started on October 31, 2019, predominantly affecting neighborhoods in San Bernardino, and was contained on November 5, 2019, after burning 200 acres.⁴⁰

5.3. 2019 Windstorms

During early October 2019, concurrent with the firestorms that were already burning, California also experienced high winds which contributed to expansion of the areas impacted by firestorms. On October 27, 2019, Governor Newsom issued an Emergency Proclamation across California because of unprecedented high-wind events which influenced the expansion of the Easy, Hill and Hillside firestorms.⁴¹

³⁸ *Ibid.*

³⁹ *Id.*, at 13.

⁴⁰ *Id.*, at 15-16.

⁴¹ *Id.*, at 17-18.

5.4. 2019 Earthquakes

On July 4, 2019, Governor Newsom issued an Emergency Proclamation for Kern County due to a 6.4 magnitude earthquake. On July 5, 2019, Governor Newsom issued an Emergency Declaration for San Bernardino County because of two separate earthquakes with 5.4 and 7.1 magnitudes. The earthquakes caused power outages.⁴²

5.5. Discussion of 2018-2019 Catastrophic Event Memorandum Account Events Costs

The costs for the 2018 and 2019 firestorms and the 2019 windstorm and earthquakes were recorded at \$8.375 million in incremental capital expenditures and \$0.492 million in O&M expenses for all the CEMA subaccounts during the 2018-2019 period. SCE was able to cover the costs of the firestorms, windstorm, and earthquake events during 2018-2019 using funds already authorized in rates. Therefore, SCE is using \$8.867 million (\$8.375 million plus \$0.492 million) as the basis for the FF&U revenue requirement for these CEMA events. SCE is requesting that the Commission authorize it to recover \$0.980 million in interest plus FF&U based on the \$8.867 million identified for the 2018-2019 CEMA events.

The text above in Sections 4.1-4.4 identifies that the 2018-2019 CEMA events were linked to state level emergency declarations. The costs associated with the events are reasonable because they comply with the purpose for the CEMA articulated in the background section above, namely: (a) restoring utility service to its customers; (b) repairing, replacing, or restoring damaged utility facilities; and (c) complying with government agency orders resulting from declared disasters. Cal Advocates' audit supports that this request is properly

⁴² *Id.*, at 17.

recoverable. Specifically, the audit report “identified no adjustments after examining SCE’s costs associated with its CEMA identified in this Application.”⁴³

6. 2020 COVID-19 Pandemic

At the end of 2019 there were increasing documented infections of the COVID-19 virus. By the end of February 2020, the rate of infections had expanded worldwide. This respiratory illness was spread through human contact. Because the pandemic posed a severe threat to Californians Governor Newsom and national leaders issued the following proclamations and declarations:

- On March 4, 2020, Governor Newsom issued an Emergency Proclamation across California because of the novel coronavirus as part of the state’s response to address the global COVID-19 outbreak.⁴⁴
- On March 13, 2020, the President of the United States declared a National Emergency concerning the Novel Coronavirus Disease (COVID-19).⁴⁵
- On March 19, 2020, a California Executive Order and a Public Health Order instructed all Californians to stay-at-home except for essential jobs or to shop for essential needs such as food and/or medicine (Stay Home Order).⁴⁶

The pandemic set off a series of events for SCE because “both the State and Federal Government have expressly recognized and provided direction

⁴³ Public Advocates Office Prepared Direct Testimony and Audit Results for Southern California Edison Company 2019-2020 Drought, 2018-2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020 COVID-19 Recorded in the Catastrophic Event Memorandum Account and Costs Related to Wildfire Property Insurance Recorded in the Wildfire Expense Memorandum Account (Cal Advocates-01), at 2.

⁴⁴ Exhibit SCE-01, at 18.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

concerning the need for continuation of electric service during the course of the pandemic.”⁴⁷ “County-wide case rates (for COVID-19), in SCE’s service area across 15 counties, were drivers for how SCE made policy decisions on providing critical electrical service to customers, while keeping customers safe,” according to testimony in Exhibit SCE-01.⁴⁸ SCE’s response to COVID-19 also included, among other activities, a telework policy for the majority of the workforce, developing facility cleaning and decontamination policies, developing crew policies to limit COVID-19 exposure among field workers, tracking employee COVID-19 cases, developing sequestration and quarantine protocols, establishing a company hotline to address employee concerns, and hiring outside experts and medical advisors among other activities.⁴⁹

6.1. Discussion of 2020 COVID-19 Pandemic

In response to the COVID-19 pandemic, SCE submitted 31 categories of expenses. COVID-19 related O&M expenses were spread across various GRC activities. For COVID-19 activities that matched with a comparable GRC funding category, if the recorded COVID-19 spend for that GRC funding category was less than the GRC authorized amount, SCE used the remaining GRC funding to offset the COVID-19 related expense. This approach ensured that only the costs sought in this Application are those that exceeded the GRC authorized spend⁵⁰ as follows:

⁴⁷ *Id.*, at 54.

⁴⁸ *Id.*, at 55.

⁴⁹ *Id.*, at 57-59.

⁵⁰ *Id.*, at 134.

Table 3. SCE COVID-19 Pandemic 2020 Incremental O&M Expenses

Line No.	COVID Activity	CEMA Recorded
1	Customer Communications	\$ 2,710,356
2	Ice for Customers During Outages	\$ 376,762
3	IMT Dashboard	\$ 115,029
4	First Call Intact Crew With 2 Hour Double Time Stipend	\$ 18,725,450
5	Portable Restrooms and Wash Stations	\$ 1,054,512
6	Single Vehicle Occupancy	\$ 88,889
7	Vehicle Enhanced Cleaning and Disinfecting Measures	\$ 134,713
8	Future Planning Cell Consulting	\$ 2,640, 119
9	Generator Rentals for Generation and Distribution	\$ 746,723
10	IMT Team Expenses	\$ 4,877,414
11	Consumables & Personal Protective Equipment	\$ 1,533,501
12	Employee Testing	\$ 251,273
13	Public Health Expert Advisors	\$ 72, 573
14	Response Team Case Mangers	\$ 286,194
15	Telecommuting Ergo Equipment	\$ 2,309,705
16	Essential Employee Sequestration Non-San Onofre Nuclear Generating Station	\$ 17,266,803
17	Critical Outages Ad Campaign	\$ 1,712,804
18	Legal Fees	\$ 205,919
19	7 Days On/Off Shift for Substations	\$ 1,113,570
20	Stress Counselors for Webinar	\$ 18,782
21	Telecommuting Internet Expense	\$ 1,506,728
22	Levi Ray RDAR ⁵¹ PDF ⁵² Solutions	\$ 14,257

⁵¹ Report Data Archive Retrieval.

⁵² Portable Document Format.

Line No.	COVID Activity	CEMA Recorded
23	Outage Management System Outage and Reports	\$ 847,836
24	Telecommuting IT ⁵³ Equipment – Deployment of RSA ⁵⁴ Tokens (VPN ⁵⁵) & Licenses for Telecommuting	\$ 288,384
25	Wellness Application Development	\$ 156,719
26	Data Center Deep Cleaning	\$ 119,144
27	Telecommuting IT Equipment – Headsets	\$ 37,995
28	Telecommuting IT Equipment – Laptop Refurbishment	\$ 167,154
29	First Call Intact Crew with 2 Hour Double Time Stipend (Transmission)	\$ 5,593,921
30	Payroll Taxes	\$ 2,806,477
31	O&M Reductions – Employee Related Expenses	\$ (10,839,147)
	Total	\$ 56,940,561

SCE’s testimony⁵⁶ reviews the activities and related regulations for each of the 31 categories of COVID-19 related costs. SCE is also requesting \$0.663 million in FF&U expenses related to its 2020 COVID-19 response-related costs, bringing SCE’s 2020 COVID-19 response-related costs to \$57.604 million (\$56.941 million plus \$0.663 million). Cal Advocates’ audit report finds that the COVID-19 request is properly recoverable. Specifically, the audit report “identified no adjustments after examining SCE’s costs associated with the 2020 COVID-19 CEMA event identified in this Application.”⁵⁷

⁵³ Information technology.

⁵⁴ Rivest-Shamir-Adleman, a public key cryptosystem.

⁵⁵ Virtual Private Network.

⁵⁶ Exhibit SCE-01, at 53-131.

⁵⁷ Cal Advocates-01, at 2.

Table 4 below describes how SCE established the split between the authorized GRC O&M expense accounts and CEMA O&M expense accounts.

Table 4. 2020 Recorded COVID-19 CPUC – Jurisdictional Incremental O&M (\$000)

Line No.	Item Description	Total O&M
1	Total COVID-19 O&M Expenses	\$ 81,024
2	Less – Employee Expense Savings	(\$ 10,839)
3	Less – FERC Jurisdictional Costs	(\$ 8,726)
4	Less – COVID Non incremental	(\$ 4,519)
5	Total CPUC Incremental COVID-19 O&M Expenses	\$ 56,941

As mentioned above in Section 4.1, the assigned ALJ issued a Ruling requesting additional information. Question 2 asked about how the numbers included in Lines 2-4 in Table 4 were determined. In its response to the Ruling SCE clarified as follows:

- a. For the number associated with Line 2, because of compliance requirements of the 2020 Stay Home Order, it incurred lower employee expenses due to cancelled business trips, conferences, and the switch to virtual meetings previously requiring travel.⁵⁸ SCE stated that it reduced its COVID related incremental cost recovery request by \$10.839 million, because GRC-funded employee expenses were not incurred as a direct result of the COVID pandemic.⁵⁹
- b. To determine the number for Line 3, SCE clarified that as part of each GRC it analyzes transmission and distribution forecast by cost center to determine the allocation of the costs between CPUC and FERC customers (for transmission facilities). After all cost centers have been

⁵⁸ SCE July 31, 2023, Ruling Response, at 11.

⁵⁹ *Ibid.*

allocated between CPUC and FERC, SCE divides the CPUC jurisdictional O&M expense by total company O&M expense to determine an aggregate CPUC jurisdictional factor for transmission O&M and distribution O&M. The table below illustrates how this factor was applied to determine the FERC jurisdictional costs.

Table 5. Identification of Incremental COVID-19 O&M Expenses CPUC – Jurisdictional (\$000)

GRC Activity	COVID Cost (\$000)	CPUC %	COVID FERC (\$000)
Customer Communications, Education and Outreach	3,087	100%	-
Digital and Process Transformation	122	93.9%	7
Distribution Preventative and Breakdown O&M Maintenance	8,285	99.3%	58
Distribution Support Activities	8,281	97.6%	200
Patrolling and Locating Trouble	3,672	99.3%	26
Transmission Support Activities	9,812	53.4%	4,572
Emergency Preparedness and Response	8,800	93.9%	536
Employee and Contractor Safety	4,742	93.9%	289
External Communications	1,823	94.0%	110
Law – Outside Counsel	219	93.9%	13
Monitoring and Operating Substations	1,444	79.9%	290
Organizational Unit Support Services	1,624	93.9%	99
Software Maintenance and Replacement	1,392	93.9%	84
Technology Infrastructure Maintenance and Replacement	345	93.9%	21
Telecommunication Inspection and Maintenance	686	52.8%	324
Facility and Land Operations	3,519	91.4%	-
Monitoring Bulk Power Systems	697	86.2%	-
Fixed Price Technology and Maintenance	303	93.9%	-

GRC Activity	COVID Cost (\$000)	CPUC %	COVID FERC (\$000)
Essential Employee Sequestration	19,363	89.2%	2,096
Payroll Taxes	2,806	100%	-
Total	81,024		8,726

- c. To determine the number at Line 4 of Table 4, SCE tracked costs directly linked to COVID-19 activities. These costs were aggregated and summarized and then matched against related GRC activities.⁶⁰ Next, the total recorded costs for each GRC activity were compared with the total authorized costs for that activity.⁶¹ If the total recorded costs in a GRC activity were below the total authorized costs for that GRC activity, then the entire GRC activity, including the COVID-19 cost in that GRC activity, was deemed to be non-incremental funding because funding was available from SCE's GRC.⁶² SCE identified three GRC activities in which COVID-19 activity costs were excluded as non-incremental: Facility and Land Operations (\$3.5 million), Fixed Price Technology and Maintenance (\$0.3 million), and Monitoring Bulk Power System (\$0.7 million).⁶³

The activities that SCE undertook during the COVID-19 pandemic were linked to state and federal emergency mandates and declarations. The expenses were related to: (a) restoring utility service to its customers; (b) repairing, replacing, or restoring damaged utility facilities; and (c) complying with government agency orders resulting from declared disasters. Therefore, we consider SCE's COVID-19 expenses incremental, reasonable, and properly

⁶⁰ SCE July 31, 2023, Ruling Response, at 8.

⁶¹ *Ibid.*

⁶² *Ibid.*

⁶³ *Ibid.*

recoverable. However, as noted in Section 4, climate change is exerting upward pressure on energy rate affordability for SCE's customers because of more frequent CEMA events. Similarly, SCE has upward pressure to provide clear detail, in its applications, to justify the increased rates imposed on its customers because of CEMA events. In its future CEMA applications and testimony, SCE should include clearer documentation to support O&M costs that are CPUC jurisdictional and incremental. In addition, Cal Advocates' audit should include clearer documentation and analysis citing back to the relevant GRC account category to support whether and how O&M costs are CPUC jurisdictional and incremental.

7. Wildfire Expense Memorandum Account Wildfire Property Insurance Costs

SCE is requesting Commission authorization for recovery of \$4.887 million in costs (including FF&U) recorded in SCE's WEMA for the incremental costs of property insurance associated with increased wildfire risk covered by a property insurance policy that covers both wildfire and non-wildfire perils.⁶⁴ According to SCE, the Insurance WEMA revenue requirement is driven by cost increases SCE experienced after certain 2020 wildfires in its service area caused material damage to SCE facilities.⁶⁵

Cal Advocates' audit report supports the conclusion that this request is properly recoverable. Specifically, the audit report "identified no adjustments after examining SCE's costs associated with its WEMA identified in this Application."⁶⁶ The insurance costs are reasonable in that they supported SCE's

⁶⁴ SCE Application, at 2.

⁶⁵ *Id.*, at 19.

⁶⁶ Cal Advocates-01, at 2.

efforts for: (a) restoring utility service to its customers; (b) repairing, replacing, or restoring damaged utility facilities; and (c) complying with government agency orders resulting from declared disasters. Further, the property insurance costs are incremental because they occurred as a result of 2020 wildfires that were not considered in SCE's most recent GRC.

8. 2018-2020 Catastrophic Event Memorandum Account and Wildfire Expense Memorandum Account Audit Report

Cal Advocates examined the costs associated with SCE's total revenue requirement of \$132.148 million consisting of \$127.261 million for CEMA events and \$4.887 million for WEMA.⁶⁷ The purpose of Cal Advocates' audit was to determine the following:

- (i) Whether SCE's proposed recovery related to the 11 CEMA events pertained to a catastrophic event which is defined as resulting from the official declaration of a disaster by competent State and Federal authorities.
- (ii) Whether SCE's total cost recovery amounting to \$132.148 million in revenue requirement is incremental, reasonable, and recoverable.
- (iii) Whether the amounts requested are properly recorded and supported.⁶⁸

The scope of Cal Advocates' review included incremental O&M expenses, capital expenditures and capital-related expenses incurred in the 2019-2020 Drought, 2018-2019 Firestorms, 2019 Ridgecrest earthquakes, 2019 Windstorms, 2020 COVID-19, and WEMA expenses during the November 2020-October 2021 period.⁶⁹

⁶⁷ *Ibid.*

⁶⁸ *Id.*, at 3.

⁶⁹ *Ibid.*

Specifically, the focus of Cal Advocates' review for the CEMA events was to determine whether SCE's costs for each event were incremental to amounts previously authorized to be recovered in rates, authorized to be recovered under State Emergency Proclamations (Executive Order B-29-15 and Executive Order B-42-17), and compliant with Commission Res. ESRB-4 and Res. E-3238.⁷⁰

For WEMA the focus of Cal Advocates' review was whether the wildfire insurance costs from November 2020-October 2021 are eligible incremental costs with increased wildfire risk above the GRC authorized amounts.⁷¹ For SCE's 2020 COVID-19 related costs, Cal Advocates' review focused on whether the costs were properly recorded and whether SCE's \$57.604 million request was incremental to authorized GRC amounts and compliant with Res. M-4842.⁷²

The reasonableness of SCE's COVID-19 expenses is supported by the activities outlined in its testimony.⁷³ These costs included, but were not limited to, ergonomic equipment to enable telecommute work for its employees and new virtual payment options for customers.

Cal Advocates identified no adjustments after examining SCE's costs associated with its CEMA and WEMA costs in this Application.⁷⁴ On September 22, 2022, the assigned ALJ held a status conference hearing. During the hearing the ALJ confirmed Cal Advocates' audit report finding that there were no adjustments for the recorded costs related to CEMA and WEMA in the

⁷⁰ *Ibid.*

⁷¹ *Ibid.*

⁷² Res. M-4842, April 17, 2020, directed utilities to implement emergency customer protections to support California customers during the COVID-19 Pandemic.

⁷³ Exhibit SCE-01, at 53-131.

⁷⁴ *Ibid.*

Application. Representatives for Cal Advocates, TURN, and SCE all signaled agreement with the audit report finding.⁷⁵ Therefore, there was no dispute among parties that the CEMA and WEMA expenses in SCE's Application were reasonable, incremental, properly recorded, aligned with State and Federal emergency declarations and compliant with Commission Resolutions.

9. The Utility Reform Network Request for Declaration in Future Southern California Edison Company Catastrophic Event Memorandum Account Applications

During the PHC, TURN's representative argued that any recovery pursuant to Res. ESRB-4 must be accompanied by an independent audit.⁷⁶ The Commission can hire an auditor to conduct an audit or the utility can hire an auditor.⁷⁷ According to TURN, the Commission has determined that if Cal Advocates conducts the audit, the task can be deemed satisfactory as an independent audit.⁷⁸ Cal Advocates responded that they did not have staffing resources available in the short term, but if provided more time would be able to complete an audit by the end of July 2022.

TURN's representative also stated, during the PHC, that SCE should formally attest that, to its knowledge, SCE and its equipment and facilities are not being investigated for causing any event included in this Application.⁷⁹ SCE filed an amended Application on November 22, 2022, that included the affirmative declaration and corrected text in several areas of its Application

⁷⁵ Telephonic Proceeding, Reporter's Transcript Vol. 1, September 28, 2022, at 5.

⁷⁶ Telephonic Proceeding, Reporter's Transcript Vol. 1, November 30, 2021, at 8.

⁷⁷ *Id.*, at 9.

⁷⁸ *Ibid.*

⁷⁹ *Id.*, at 7.

removing language that seemed to pre-determine that all requested recovery costs were reasonable.

TURN's October 20, 2022, Opening Brief recommended that SCE should be directed to include a declaration in future CEMA applications affirmatively stating that the utility is not aware of any local, state, or federal agency investigations into whether SCE's equipment or facilities are a potential cause of the ignition of the firestorms addressed in the application.⁸⁰ TURN supported its recommendation by pointing out that SCE may be sidestepping a recent Commission decision (D.21-08-024) that prevents a utility from seeking recovery of costs for firestorm events before CalFire or another agency has completed its investigation.⁸¹

SCE's October 20, 2022, Opening Brief responded to TURN's recommendation, arguing that the recommendation is outside the scope of the proceeding, is not supported by the fact that the Commission was still able to determine the reasonableness of the events in D.21-08-024 without information about the cause of the event, and does not take Assembly Bill 1054 into account which allows SCE a rebuttable presumption once it has a valid safety certification at the time of the ignition of a firestorm event. Moreover, SCE asserts that TURN's recommendation will cause unnecessary delay, is overly prescriptive, and contravenes the CEMA statute.⁸²

Each CEMA application is unique, and the circumstances for each emergency event should be examined to determine whether a declaration, as TURN suggests, is appropriate. If the Commission were to mandate affirmative

⁸⁰ Opening Brief of The Utility Reform Network, October 20, 2022, at 1.

⁸¹ *Ibid.*

⁸² Southern California Edison Company's Opening Brief, October 20, 2022, at 13-14.

declarations regarding utility equipment in emergency events, all utilities should be required to make such declarations in their respective future applications. We decline to adopt a new rule regarding affirmative declarations about the status of wildfire investigations to govern future applications as TURN proposes. We note, however, that the ALJ may require such a declaration if warranted.

10. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the “Public Comment” tab of the online Docket Card for that proceeding on the Commission’s website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

Members of the public commented that SCE should stop its rate hikes and find other internal sources to cover the expenses for which SCE seeks rate increases in this proceeding.

11. Conclusion

After reviewing SCE’s request for authorization to recover a total of \$132.148 million, Cal Advocates’ audit has endorsed all the component costs as properly recorded. These expenses are aligned with the standard for reasonableness in Section 3 and supported by SCE testimony. The \$132.148 million amount is determined by adding together:

Drought related expenses plus FF&U	\$	68.677 million
Interest and FF&U 2018-2019 CEMA events	\$	0.980 million
COVID-19 related expenses plus FF&U	\$	57.604 million
WEMA insurance expenses	\$	4.887 million
<hr/> Total	\$	132.148 million

SCE's revenue requirement request of \$132.148 million is reasonable and should be approved.

The evidence in this proceeding did not reveal negative impacts on ESJ communities. SCE's efforts to restore service after CEMA events supported all communities. In doing so this application supports the goals in the Commission's ESJ Action Plan.

12. Comments on Proposed Decision

The proposed decision of ALJ Hazlyn Fortune in this matter was mailed to the parties in accordance with Pub. Util. Code Section 311 and comments were allowed under Rule 14.3. No opening or reply comments were filed.

13. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Hazlyn Fortune is the assigned ALJ in this proceeding.

Findings of Fact

1. Governor Brown declared the first drought-related State of Emergency on January 17, 2014.
2. On June 12, 2014, the Commission approved Res. ESRB-4 directing California IOUs to take practical measures to reduce the likelihood of firestorms associated with their facilities.
3. The Commission's Safety Enforcement Division sent a February 18, 2018, letter clarifying that incremental cost recovery through the CEMA may be sought pursuant to Res. ESRB-4.
4. Governor Brown issued Executive Order B-29-15 continuing the 2014 State of Emergency on April 1, 2015.

5. Governor Brown proclaimed a State of Emergency related to “record drought conditions” and “epidemic infestations of native bark beetles” on October 30, 2015.

6. Governor Brown issued Executive Order B-40-17 lifting the drought state of emergency, including provisions in Executive Order B-29-15, excluding the counties of Fresno, Kings, Tulare, and Tuolumne, on April 7, 2017.

7. Governor Brown issued Executive Order B-42-17 concerning the tree mortality resulting from the drought and bark-beetle infestations throughout the State, extending the provisions of the prior October 30, 2015, Emergency Proclamation into full force and effect, on August 31, 2017.

8. Governor Brown issued an Emergency Proclamation for Riverside County because of the Cranston firestorm on July 25, 2018.

9. Governor Brown issued an Emergency Proclamation for Orange and Riverside Counties because of the Holy firestorm on August 9, 2018.

10. Governor Brown issued an Emergency Proclamation for Ventura County because of the Hill firestorm on November 9, 2018.

11. Governor Newsom issued an Emergency Proclamation for Los Angeles and Riverside counties because of the Sandalwood firestorm on October 11, 2019.

12. Governor Newsom issued an Emergency Proclamation for Los Angeles County because of the Tick firestorm on October 25, 2019.

13. Governor Newsom issued an Emergency Proclamation across California because of the Hill and Hillside firestorms on October 27, 2019.

14. Governor Newsom issued an Emergency Proclamation across California because of unprecedented high-wind events on October 27, 2019.

15. Governor Newsom issued an Emergency Proclamation for Kern County due to a 6.4 magnitude earthquake in Kern County on July 4, 2019.

16. Governor Newsom issued an Emergency Declaration for San Bernardino County because of two separate earthquakes on July 5, 2019.

17. Governor Newsom issued an Emergency Proclamation across California because of the novel coronavirus as part of the state's response to address the global COVID-19 outbreak on March 4, 2020.

18. The President of the United States declared a National Emergency concerning the Novel Coronavirus Disease (COVID-19) on March 13, 2020.

19. Governor Newsom issued a California Executive Order and a Public Health Order instructing all Californians to stay-at-home except for essential jobs or to shop for essential needs such as food and/or medicine (Stay Home Order) on March 19, 2020.

20. Cal Advocates identified no adjustments after examining SCE's costs associated with its CEMA and WEMA costs in this Application.

Conclusions of Law

1. For costs to be found reasonable, the utility must prove that they were prudently incurred by competent management exercising the best practices of the era, and using well-trained, well-informed, and conscientious employees who perform their jobs properly.

2. As required by Pub. Util. Code Section 451, all rates and charges collected by a public utility must be "just and reasonable."

3. The burden of proof is on SCE to demonstrate that it is entitled to the relief sought in this proceeding, including affirmatively establishing the reasonableness of all aspects of its application.

4. The standard of proof that SCE must meet is that of a preponderance of evidence, which means the evidence presented by SCE must be more convincing

and have a greater probability of truth when weighed against opposing evidence.

5. The Commission should support Cal Advocates' audit report determination that the WEMA insurance costs presented in this proceeding are incremental and reasonable.

6. A total revenue requirement of \$132.148 million should be authorized for recovery by SCE in this decision because the O&M expenses and capital expenditures on which that revenue requirement is based were reasonable, incremental, and recoverable.

7. The total revenue requirement of \$132.148 million authorized in this decision should be amortized over a 12-month period.

8. Application 21-09-019 should close.

9. This decision should be effective on the day it is adopted.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company is authorized to recover a Drought Catastrophic Event Memorandum Account (CEMA) revenue requirement estimated at \$68.677 million (inclusive of Franchise Fees and Uncollectibles) over a 12-month period and shall transfer the recorded balance in the Drought CEMA Operation and Maintenance account to the distribution sub-account of the Base Revenue Requirement Balancing Account upon the effective date of this decision.

2. Southern California Edison Company is authorized to record the monthly capital-related revenue requirement, including depreciation expense, return on rate base, and related taxes, in the 2018-2019 Catastrophic Event Memorandum Account events subaccounts and shall transfer the recorded balance of Operations & Maintenance expenses and capital expenditures, including interest

plus Franchise Fees and Uncollectibles, at \$0.980 million, to the distribution sub-account of the Base Revenue Requirement Balancing Account upon the effective date of this decision.

3. Southern California Edison Company is authorized to recover a 2020 COVID-19 Catastrophic Event Memorandum Account revenue requirement at \$57.604 million (inclusive of Franchise Fees and Uncollectibles (FF&U)) over a 12-month period and shall transfer the recorded balance of Operation & Maintenance expenses and capital expenditures, including interest plus FF&U, to the distribution sub-account of the Base Revenue Requirement Balancing Account upon the effective date of this decision.

4. Southern California Edison Company is authorized to recover a Wildfire Expense Memorandum Account revenue requirement of \$4.887 million, including interest and Franchise Fees and Uncollectibles expense and transfer the recorded balance to the distribution sub-account of the Base Revenue Requirement Balancing Account over a 12-month period.

5. Southern California Edison Company is authorized to record and transfer the annual ongoing revenue requirement, as of each December 31, for the approved capital expenditures from the Catastrophic Event Memorandum Account to the distribution subaccount of the Base Revenue Requirement Balancing Account until the ongoing revenue requirement is included in General Rate Case authorized rates.

6. Application 21-09-019 is closed.

This order is effective today.

Dated November 30, 2023, at Sacramento, California.

ALICE REYNOLDS

President

GENEVIEVE SHIROMA

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners