~~STATE OF CALIFORNIA~~ ~~GAVIN NEWSOM, *Governor*~~

~~PUBLIC UTILITIES COMMISSION~~
~~505 VAN NESS AVENUE~~
~~SAN FRANCISCO, CA 94102-3298~~

~~May 23, 2025~~

~~Agenda ID #23535~~
~~Ratesetting~~

~~TO PARTIES OF RECORD IN APPLICATION 23-10-001:~~

~~This is the proposed decision of Administrative Law Judge Regina DeAngelis. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's June 26, 2025, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.~~

~~Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.~~

~~The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).~~

~~/s/MICHELLE COOKE~~
~~Michelle Cooke~~
~~Chief Administrative Law Judge~~

~~MLC:asf~~
~~Attachment~~

Decision **PROPOSED DECISION OF ALJ DEANGELIS (Mailed ~~5/23/2025~~5/23/2025)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authorization to Recover 2022 Incremental Costs Related to Wildfire Mitigation and Vegetation Management.	Application 23-10-001

DECISION GRANTING, IN PART, REQUEST BY SOUTHERN CALIFORNIA EDISON COMPANY FOR 2022 WILDFIRE MITIGATION AND VEGETATION MANAGEMENT COSTS

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DECISION GRANTING, IN PART, REQUEST BY SOUTHERN CALIFORNIA EDISON COMPANY FOR 2022 WILDFIRE MITIGATION AND VEGETATION MANAGEMENT COSTS

Summary

This decision authorizes Southern California Edison Company (SCE) to increase rates by incorporating into revenue requirement $290.502 million in operations and maintenance expenses and $99.392 million in capital expenditures together with interest through customer distribution rates over 12 months for certain wildfire mitigation and vegetation management costs incurred in 2022. Of the total amount requested by SCE, this decision reduces the amount by $64.974 million in operations and maintenance expenses and $36.344 million in capital expenditures. SCE is authorized to collect $20.90 million in 2021 and $13.11 million in 2022 construction work in progress that transferred to capital additions. SCE is directed to update the amount of the revenue requirement via a Tier 2 Advice Letter to reflect the amount authorized, reduced by the amounts already collected in rates by SCE under the interim rate relief granted in Decision 24-07-012. The approved cost recovery is summarized at the Appendix.

The proceeding is closed.

1. Background

On October 3, 2023, Southern California Edison Company (SCE) filed Application (A.) 23-10-001, *Application of Southern California Edison Company (U338E) for Authorization to Recover 2022 Incremental Costs Related to Wildfire Mitigation and Vegetation Management* (Application). On October 3, 2023, SCE also filed a *Motion for Interim Rate Recovery*.[1] SCE submitted prepared direct testimony in support of the Application.[2]

Today's decision addresses SCE's request, as set forth in its Application, for a reasonableness review under Public Utilities Code (Pub. Util. Code) Section 451 and related authority for cost recovery of certain 2022 wildfire mitigation-related and vegetation management costs.[3] Specifically, these costs consist of operations and maintenance (O&M) expenses and capital expenditures incurred in 2022 and recorded in the Wildfire Mitigation Plan Memorandum Account (WMPMA)[4] and Fire Risk Mitigation Memorandum Account (FRMMA)[5] as well as costs above 115% of the authorized costs, pursuant to SCE's 2021 general rate case, incurred and recorded in its Vegetation Management Balancing Account

1 All pleadings filed in this proceeding are available on the Commission's website at *Docket Card* by searching *A2310001*.

2 The prepared testimony submitted by parties is available on the Commission's website at *Commission's E-Filed Documents Search Form* under the drop-down menu at *Supporting Document*. SCE submitted the following: Pre-Marked Exhibit SCE-01 (October 3, 2023) *Direct Testimony in Support of Southern California Edison Company's Application for Authorization to Recover 2022 Incremental Costs Related to Wildfire Mitigation and Vegetation Management*.

3 All section references are to the Pub. Util. Code, unless otherwise specified. Section 451 provides, in relevant part, as follows: "All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable."

4 SCE Opening Brief at 1 (fn. 1) stating, "Pursuant to Public Utilities Code § 8386.4(a), the purpose of the WMPMA is to track "costs incurred to implement SCE's Wildfire Mitigation Plan (WMP) that are not otherwise covered in SCE's revenue requirements or tracked in another ratemaking account."

5 SCE Opening Brief at 1 (fn. 2) stating, "Pursuant to Public Utilities Code § 8386.4(b)(1), the purpose of the FRMMA is to track 'costs incurred for fire risk mitigation that are not otherwise covered in [SCE's] revenue requirements.'"

(VMBA).[6] The total revenue requirement request associated with these costs is $382.9 million, amortized over 12 months.[7]

SCE explains that the total amount sought includes costs recorded in the WMPMA, FRMMA, and VMBA, as follows:

1. 2022 wildfire mitigation expenses of $112.914 million and capital expenditures of $135.736 million in the WMPMA and the FRMMA;
2. 2022 vegetation management expenses of $244.6 million recorded in the VMBA.[8]

The projected rate increase for average residential customers is 1.8% ($3.16 monthly) and for small commercial customers is 1.7%.[9]

On November 3, 2023, The Utility Reform Network (TURN) and Small Business Utility Advocates (SBUA) filed protests and responses in opposition to SCE's Application. On November 9, 2024, SCE filed a reply to the protests.

On November 2, 2023, the City of Rancho Palos Verdes filed a *Motion for Party Status*. This motion was granted on November 7, 2023. The City of Rancho Palos Verdes participated in the earlier part of the proceeding and opposed SCE's *Motion for Interim Rate Recovery.*

On October 30, 2023, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed a Motion for Party Status. This motion was granted on November 3, 2023.

6 SCE Application at 1-2; Decision (D.) 21-08-032, *Decision on Test Year 2021 General Rate Case for Southern California Edison Company* (August 19, 2021), which adopted a revenue requirement for years 2021, 2022, and 2023.

7 SCE Application at 2.

8 SCE Application at 2 and amounts updated at SCE Ex-01E at 116E.

9 SCE Application at 22.

On January 9, 2024, a prehearing conference was held to identify disputed issues of law and fact, determine the need for evidentiary hearings, set the schedule for resolving the matter, and address other matters as necessary.

On October 3, 2023, SCE filed a *Motion for Interim Rate Recovery* seeking 85% recovery of the $383.5 million sought in this proceeding.[10] On January 12, 2024, SCE filed a revised rate recovery proposal, *Supplemental Motion for Interim Rate Recovery* (January 12, 2024 Supplemental Motion).[11] SCE's January 12, 2024 Supplemental Motion presented an alternative rate proposal of no more than 55% interim rate recovery (approximately $210 million, including interest as of August 31, 2023) to be recovered over a period of 17 months, or longer, beginning March 1, 2024.

On February 15, 2024, Commissioner Douglas issued the *Assigned Commissioner's Scoping Memo and Ruling* (Assigned Commissioner's Scoping Memo), which set forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Pub. Util. Code Section 1701.1 and Article 7 of the Rules of Practice and Procedure (Rules).

On May 2, 2024, the Administrative Law Judge (ALJ) issued a ruling modifying the procedural schedule to provide additional time for the submission of prepared testimony.

[10] SCE reduced the total amount sought, which was initially approximately $383.5 million in revenue requirement, during the course of this proceeding, to approximately $382.25 million, but for purposes of the Motion of Interim Rate Recovery, the total amount was approximately $383.5 million.

[11] SCE January 12, 2024 Supplemental Motion at 1-2; SCE Ex-01E.

On July 12, 2024, the Commission issued D.24-07-012 granting, in part, SCE's January 12, 2024 Supplemental Motion for interim rate relief.[12] In D.24-07-012, the Commission approved of SCE's request for recovery of 55% over 17 months and denied SCE's request to recover additional amounts above the 55% or beyond the 17 month period as interim rates.[13] In D.24-07-012, the Commission made no determination on SCE's request set forth in this Application regarding, among other things, whether the costs, the approximately $383.5 million in revenue requirement (an amount which SCE later reduced to $382.25 million), requested by SCE are "just and reasonable" under Pub. Util. Code Section 451 and related authority.

On September 3, 2024, in accordance with the directive in the Assigned Commissioner's Scoping Memo, the Utility Audits Branch of the Commission's Utility Audits, Risk and Compliance Division issued a Performance Audit (CPUC UAB Audit Report).[14] The CPUC UAB Audit Report described the audit's objective, as follows:

> "Our audit objective was to determine whether SCE's capital expenditures and operations and maintenance (O&M) expenses incurred and recorded in the Wildfire Mitigation Plan Memorandum Account (WMPMA), Fire Risk Mitigation Memorandum Account (FRMMA), and Vegetation Management Balancing Account (VMBA) for the period of

~~12 D.24-07-012, *Decision Grantin*~~*g, in Part, Motion for Expedited Interim Rate Recovery for 2022 Wildfire Mitigation and Vegetation Management Costs* (July 11, 2024).

13 D.24-07-012, *Decision Granting, in Part, Motion for Expedited Interim Rate Recovery for 2022 Wildfire Mitigation and Vegetation Management Costs* (July 11, 2024) at 1-2.

14 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report. SCE offered comments on the draft audit. See, Cover Letter to CPUC UAB Audit Report. No other party provided comments on the draft.

> January 1, 2022, through December 31, 2022, were incurred for allowable activities, properly supported, incremental, and completed and recorded accurately as claimed in SCE's A.23-10-001 and in compliance with applicable criteria."[15]

On September 6, 2024, the ALJ issued a ruling entering the audit into the record of the proceeding.[16]

On September 17, 2024, Cal Advocates and SBUA submitted prepared direct testimony.

On October 22, 2024, SCE and SBUA submitted prepared rebuttal testimony.

On November 14, 2024, a status conference was held to discuss the need for evidentiary hearings and other procedural matters. At the status conference, parties informed the ALJ that no cross examination was needed and, as a result, requested that the evidentiary hearings be removed from the calendar.

On November 18, 2024, the ALJ issued a ruling removing the evidentiary hearings from the calendar.

On November 22, 2024, SCE, Cal Advocates, and SBUA filed a *Joint Stipulation Regarding Entry of Exhibits into the Record* (Joint Stipulation).

On December 4, 2024, the ALJ issued a ruling granting the Joint Stipulation and entering the exhibits into the evidentiary record.

On December 17, 2024, SCE, Cal Advocates, and SBUA filed opening briefs.

15 ~~September 6, 2024 ALJ~~ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report.

16 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record.*

On December 31, 2024, SCE filed a *Motion to Strike Portions of the Opening Brief of Small Business Utility Advocates.* The ALJ issued a ruling on January 7, 2025 denying this motion.

On January 14, 2025, SCE and Cal Advocates filed reply briefs. SBUA filed a reply brief on January 15, 2025, upon receipt of permission to late-file from the ALJ.

On March 13, 2025, the Commission extended the statutory deadline for this proceeding under Pub. Util. Code Section 1701.5(a) until October 8, 2025.[17]

2. Submission Date

This matter was submitted on January 15, 2025 upon the filing of reply briefs.

3. Standard of Review

Pub. Util. Code Section 451 provides, in relevant part, as follows: "All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable." Pursuant to Pub. Util. Code Section 454(a):

> "[A] public utility shall not change any rate or so alter any classification, contract, practice, or rule as to result in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified."

The Commission has longstanding requirements for a showing that the utility meets a prudent manager standard.[18] Under that standard, a utility has the burden to affirmatively prove that it reasonably and prudently operated and

[17] D.25-03-017, *Order Extending Statutory Deadline* (March 13, 2025).

[18] *See,* D.18-07-025, *Order Denying Rehearing of Decision (D.) 17-11-033* (July 12, 2018) at 4-6.

managed its system.[19] This means a utility must show that its actions, practices, methods, and decisions show reasonable judgment in light of what it knew or should have known at the time, and in the interest of achieving safety, reliability, and reasonable cost.[20]

4. Burden of Proof & Standard of Proof

In ratemaking applications, as presented here, the burden of proof is on the applicant utility,[21] thus SCE has the burden of affirmatively establishing the reasonableness of all aspects of its application.[22]

Although the utility bears the ultimate burden to prove the reasonableness of the relief it seeks and the costs it seeks to recover, the Commission has held that when other parties propose a different result, they too have a "burden of going forward" to produce evidence to support their position and raise a reasonable doubt as to the utility's request.[23]

The Commission has held that the standard of proof the applicant must meet in rate cases is that of a preponderance of the evidence.[24] Preponderance of the evidence usually is defined "in terms of probability of truth, *e.g.*, 'such

19 *See, e.g.*, D.87-06-021, 24 Cal. PUC 2d at 486.

20 *See, e.g.*, D.87-06-021, 24 Cal. PUC 2d at 486.

21 D.00-02-046, *Opinion on PG&E 1999 General Rate Case* (February 17, 2000) at 36, *citing to* D.87-12-067. *See also, Re Energy Cost Adjustment Clauses* (1980) 4 CPUC 2d 693, 701; D.83-05-036 ("Of course the burden of proof is on the utility applicant to establish the reasonableness . . . We expect a substantial affirmative showing by each utility with percipient witnesses in support of all elements of its application.")

22 D.09-03-025 at 8; D.06-05-016 at 7.

23 D.20-07-038 at 3-4; D.87-12-067 at 25-26 (1987 Cal. PUC LEXIS 424 *37).

24 D.19-05-020 at 7; D.15-11-021 at 8-9; D.14-08-032 at 17.

evidence as, when weighed with that opposed to it, has more convincing force and the greater probability of truth.'"[25]

5. Issues Before the Commission

The issues in the scope of this proceeding to be determined or otherwise considered are as follows:[26]

1. Whether the Commission should find the 2022 costs incurred and/or recorded in SCE's WMPMA, FRMMA, and VMBA incremental, just and reasonable, and properly recoverable as expense and capital in revenue requirement?
2. Whether the Commission should authorize SCE to recover capital expenditures that currently reside in construction-work-in-progress and whether to automatically transfer the capital-related revenue requirement when the capital expenditures, that have been found just and reasonable, close to plant?
3. Whether the Commission should authorize SCE to record and transfer the ongoing revenue requirement, as of each December 31, for the approved capital expenditures in this Application, from the WMPMA to the Base Revenue Requirement Balancing Account for recovery in distribution rates until the ongoing capital-related revenue requirement is included in general rate case base rates?
4. Whether the Commission should approve SCE's proposed method to recover the WMPMA, FRMMA, and VMBA revenue requirement, totaling approximately $383.5 million (the amount of SCE's initial request), in distribution rates, over a 12-month amortization period?
5. How to mitigate any identified impacts of SCE's Application on environmental and social justice

[25] D.08-12-058 at 19, *citing to* Witkin, Calif. Evidence, 4th Edition, Vol. 1 at 184.
[26] *Assigned Commissioner's Scoping Memo and Ruling* (February 15, 2024) at 6-7.

communities, including the extent to which any of SCE's proposals impact the achievement of any of the goals of the Commission's *Environmental and Social Justice Action Plan*?[27]

6. Whether SCE is required to comply with the affordability metrics pursuant to D.22-08-023, and, if so, whether SCE accurately and sufficiently demonstrated the effects of this application on the affordability metrics?

6. Audit Report by the Commission's Utility Audits Branch

In some instances, the utility will submit an independent audit together with and in support of this type of application. SCE did not submit an audit by an independent entity as part of its application. The Assigned Commissioner's Scoping Memo provided that the Commission's Utility Audits Branch perform an audit to examine, generally, the "costs SCE incurred in 2022 and recorded in the following accounts: (1) the Wildfire Mitigation Plan Memorandum Account, (2) Fire Risk Mitigation Memorandum Account, and (3) Vegetation Management Balancing Account related to SCE's incurred capital expenditures and operations and maintenance expenses associated with wildfire mitigation activities, as well as related general rate case accounts and other spending tracking mechanisms."[28]

In terms of the purpose of the audit, the Assigned Commissioner's Scoping Memo further provided that the Commission's Utility Audits Branch determine whether SCE's recorded costs in the above three accounts were (1) incurred for the activities allowable for corresponding account; (2) properly supported; (3) incremental; and (4) completed and recorded accurately, as claimed by SCE.[29]

27 ~~The Commission's *Environm*~~*ental and Social Justice Action Plan* is available on the Commission's website.

28 *Assigned Commissioner's Scoping Memo and Ruling* (February 15, 2024) at 8-9.

29 *Assigned Commissioner's Scoping Memo and Ruling* (February 15, 2024) at 8-9.

The CPUC UAB Audit Report was incorporated into the evidentiary record on September 6, 2024 by ALJ Ruling.[30]

The CPUC UAB Audit Report found that SCE's requested O&M expenses were "properly supported, incremental, and completed and recorded accurately" and concluded similarly with request to capital expenditures, with the exception of certain Construction Work in Progress (CWIP), as follows:[31]

> "... SCE requested to recover capital expenditures of $22,741,829 classified as CWIP and the associated capital related RR [revenue requirement]. However, the associated capital related RR is unsubstantiated because this amount will be determined once CWIP is transferred to Plant-in-Service as Capital Additions... As a result, we [UAB] determined that SCE's request to recover capital expenditures attributable to WMPMA for the period of January 1, 2022, through December 31, 2022, should be $112,994,607, as outlined in the table below:

WMPMA Capital Expenditures"[32]

2022	Amount
Requested	$135,736,436
Finding 1 – Audit Adjustment	(22,741,829)

30 ~~September 6, 2024 ALJ Ruling,~~ *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record*.

31 CWIP refers to *Construction Work in Progress*, a utility ratemaking term that refers to all funds used for construction projects, including the costs of construction itself and the costs of financing the construction, which are accumulated as CWIP. When a facility under construction is placed into operation, the account balance is transferred to the plant-in-service account and then, subject to review by the regulator, to be included in rate base.

32 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record,* at Attachment, CPUC UAB Audit Report at 1.

Updated Total	$112,994,607

In the discussion below, the Commission's analysis relies upon the findings of the CPUC UAB Audit Report.

7. Incrementality

SCE states that the costs it seeks to recover in this proceeding, as recorded in the WMPMA, FRMMA, and VMBA, are incremental. In describing the concept of "incrementality," as applied to costs, the Commission recently explained, as follows: "Generally, costs are incremental if, in addition to completing the planned work that underlies the authorized costs, the utility had to procure additional resources, be they in labor or materials, to complete the new activity. The existence and completion of a new activity by itself does not prove the cost was incremental. If a new activity is completed by redirecting existing resources in a related work category, no incremental cost was incurred, despite the activity itself being 'incremental.'"[33]

To decide whether the costs at issue in this proceeding are incremental, the Commission starts its analysis with a review of how balancing accounts and memorandum accounts are used within the context of utility ratemaking, generally, and how SCE's specific accounts presented here, the WMPMA, FRMMA, and VMBA, function. With this background on SCE's accounts, the Commission will address the question of incrementality.

The resolution of this question is a prerequisite to the Commission's reasonableness review of SCE's request to recover the cost recorded in the

[33] D.23-02-017, *Decision Approving Settlement* [PG&E] (February 2, 2023) at 27, *rehearing denied*, D.23-10-025.

WMPMA, FRMMA, and VMBA for wildfire mitigation-related and vegetation management activities in 2022.

7.1. Balancing Accounts - SCE VMBA

SCE's VMBA is a balancing account, which is a regulatory accounting method used to ensure the recovery in rates of specified expenditures authorized by the Commission.[34] A balancing account tracks the difference between actual expenditures associated with the balancing account and authorized for recovery by the Commission, and the revenues collected within customer rates to cover those specific expenses.[35] A purpose of a balancing account is to review the actual costs incurred by the utility and provide the utility with the opportunity to request recovery from ratepayers for a given program or function.[36]

SCE's VMBA is a balancing account with some unique characteristics, and it operates pursuant to a directive in D.21-08-036 (SCE's 2021–2023 GRC).[37] Pursuant to D.21-08-036, SCE is seeking recovery of O&M expenses recorded in the VMBA above 115% of the forecasted authorized amount for 2022 vegetation

34 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record,* at Attachment, CPUC UAB Audit Report at 4.

35 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report at 4.

36 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report at 4.

37 D.21-08-036, *Decision on Test Year 2021 General Rate Case for Southern California Edison Company* (August 19, 2021) at 185-186 and Ordering Paragraph 14 at 680: "Within 30 days of the issuance of this decision, Southern California Edison Company (SCE) shall file a Tier 1 advice letter to create a two-way Vegetation Management Balancing Account to track the difference between the expenses for vegetation management authorized in this decision and SCE's recorded expenses for these activities. Recovery of any undercollection that is less than 115 percent of the authorized amount as well as the refund of any overcollection, shall be filed via a Tier 2 advice letter. Recovery of costs in excess of 115 percent of the authorized amount for Vegetation Management shall be made by application."

management. This 115% authorized amount is $209.821 million, as set forth in D.21-08-036. In this proceeding, SCE seeks to recover $244.6 million, which is the amount above the 115% threshold of $209.821 million.

In D.21-08-036, the Commission further provided that no reasonableness review was necessarily required on amounts between 100% and 115%.[38] On June 14, 2023, SCE submitted Advice Letter 5049-E to recover 2022 vegetation management costs between 100% and 115% of the authorized amount in accordance with D.21-08-036 (SCE's 2021–2023 GRC).[39] The Commission granted this Advice Letter and, thereby, approved of SCE's collection of this amount in rates.[40]

Additional details regarding the VMBA are provided in the chart below, at Section 8.1.

7.2. Memorandum Accounts - SCE WMPMA and FRMMA

The WMPMA and FRMMA are both memorandum accounts authorized by statute in Pub. Util. Code Sections 8386.4(a) and (b). Those provisions allow SCE to record various wildfire mitigation expenses it incurs while carrying out its Wildfire Mitigation Plan, subject to later reasonableness review.[41] The utility company may later seek authorization from the Commission to recover the

38 D.21-08-036, *Decision on Test Year 2021 General Rate Case for Southern California Edison Company* (August 19, 2021) at 186, Ordering Paragraph 14 at 680, "For costs between 100 percent and 115 percent of the authorized amount, cost recovery may be made by a Tier 2 advice letter."

39 SCE Ex-01 at 156.

40 SCE Ex-01 at 156 (fn. 136), stating: "On July 24, 2023, the Commission's Energy Division approved Advice 5049-E with an effective date of July 14, 2023."

41 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report at 4.

recorded amounts by passing the costs on to consumers in rates.[42] The establishment of a memorandum account does not guarantee that the utility will recoup the tracked amount, but a utility may be precluded from recovering amounts not booked to a memorandum account under the prohibition of retroactive ratemaking.[43]

The WMPMA and FRMMA were established pursuant to Pub. Util. Code Sections 8386.4. The WMPMA and FRMMA are both memorandum accounts and operate consistent with the above general description.

Additional details are provided in the chart below, at Section 8.1.

8. Whether SCE Demonstrates Incrementality

In this proceeding, SCE claims that the entire amount it seeks to recover reflects "incremental" costs for 2022 wildfire mitigation and vegetation management activities, as recorded in the WMPMA, FRMMA, and VMBA.[44]

One way SCE describes its incremental costs is as revenue requirement, stating that it seeks a "total initial revenue requirement of $382.25 million."[45] SCE also describes the incremental amount sought here in terms of type of costs, meaning O&M expense (approximately $358.543 million) and capital expenditures (approximately $135.736 million). Elsewhere, SCE describes the

42 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report at 4.

43 September 6, 2024 ALJ Ruling, *Email Ruling Entering Utility Audits Branch of the Commission's Performance Audit into the Record* at Attachment, CPUC UAB Audit Report at 4.

44 For example, SCE Ex-01 at 146, stating "Incrementality for SCE's wildfire mitigation activities is assessed at the wildfire mitigation portfolio level and is determined by reviewing total recorded 2022 spend for the wildfire mitigation activities and comparing that to the total dollars authorized for 2022 for wildfire mitigation related activities." *See, also,* D.21-08-036, *Decision on Test Year 2021 General Rate Case for Southern California Edison Company* (August 19, 2021).

45 SCE Ex-01E at 5E.

incremental amount by pointing to the balances in the separate accounts, the WMPMA (approximately $90.193 million O&M expense and $135.736 million in capital expenditures), the FRMMA (approximately $23.18 million O&M expense), and the VMBA (approximately $244.6 million O&M expense).[46]

SCE uses a methodology it refers to as the "portfolio approach" to determine what costs are incremental. SCE explains that it is able to accurately track "incremental" cost under a "but for" test and that this process is enhanced by SCE's use of wildfire-specific work orders in its accounting system to ensure that the recorded costs would not have been incurred "but for" wildfire mitigation.[47] Once costs exceed total GRC-authorized amounts (and the 115% threshold provided for the VMBA in the 2021–2023 GRC) based on these wildfire-specific work orders, SCE explains it records costs into the memorandum and balancing accounts.[48] In this respect, SCE states that it relies on the cost authorized and the approved revenue requirement for 2022 for SCE's GRC for the time period at issue here, the year 2022, D.21-08-036 (SCE 2021–2023 GRC). In D.21-08-036, the Commission addressed the year 2022 and adopted a revenue requirement of approximately $7.28 billion.[49]

46 ~~SCE Ex-01 at 145-147. The a~~mount presented for O&M expense includes $2.5 million that SCE states are a PSPS disallowance and SCE requests it be removed from recovery in this proceeding.

47 SCE Ex-01 at 145-146.

48 SCE Ex-01 at 145-146.

49 D.21-08-036, *Decision on Test Year 2021 General Rate Case for Southern California Edison Company* (August 19, 2021). The CPUC UAB Audit Report at 3 describes that the Commission addressed SCE's most recent general rate case for years 2021, 2022, and 2023 in A.19-08-013 filed on August 30, 2019. The Commission resolved this proceeding on August 20, 2021, when the Commission issued D.21-08-036 authorizing the $6.899 billion revenue requirement for 2021. In D.21-08-036, the Commission also authorized an increase in the revenue requirement of $382

Footnote continued on next page.

SCE further supports the use of the "portfolio approach" to determine its incremental costs because, according to SCE, this approach reflects adherence to Pub. Util. Code Section 8386.3.[50] According to SCE, under the portfolio approach, the amounts can be accounted for consistent with Pub. Util. Code Section 8386.3, which states that "[a]n electrical corporation shall not divert revenues authorized by the Commission to implement the wildfire mitigation plan to any activities or investments outside of the plan."

Cal Advocates and SBUA oppose SCE's method of determining the incremental amount presented here and, more specifically, oppose SCE's reliance on the portfolio approach. In response to SCE's reliance on the portfolio approach to calculate incrementality, Cal Advocates and SBUA argue that the Commission should instead rely on what they refer to as an "activity-by-activity approach" for calculating incrementality and for determining what expenses are subject to review here.[51] Under the activity-by-activity approach, Cal Advocates explains that the analysis shifts to whether the costs for a particular activity were already approved by the Commission as forecasted costs in D.21-08-036 (SCE 2021–2023 GRC) and incorporated into the current revenue requirement.[52] Cal Advocates describes the activity-by-activity analysis as essentially including two parts; first, SCE must isolate the costs as beyond the forecasted GRC-authorized

~~million for 2022. The amo~~unts authorized in the GRC serve as the basis for SCE's determination of incremental cost, which can be claimed for recovery between GRC cycles.

~~50 SCE Ex-01 at 5-6.~~

51 Cal Advocates Opening Brief at 6-7; SBUA Opening Brief at 3.

52 Cal Advocates Opening Brief at 15-16.

cost threshold and, second, SCE must document that the specific cost is not included within GRC forecast, stating as follows:

> "[Costs] are not incremental costs unless a utility provides sufficient documentation to demonstrate the requested recovery costs are above what was already funded in the GRC. SCE has not provided documentation to verify and substantiate the costs as incremental to costs already authorized in its GRC."[53]

In addition, Cal Advocates and SBUA oppose reliance on the portfolio approach on the basis that the portfolio approach fails to show which costs are incremental from an accounting perspective, meaning that any line-item cost that is specifically identified as a "recorded cost" must be compared to the forecasted amount authorized in D.21-08-036 (SCE 2021–2023 GRC).[54] Cal Advocates and SBUA state that SCE fails to provide such an evidentiary showing and, accordingly, argue that all or part of SCE's request must be denied based on SCE's failure to offer sufficient evidence in the form of the activity-by-activity approach.[55]

The Commission finds that all the approaches for determining "incremental" costs, as suggested by SBUA, Cal Advocates, and SCE, have merit but, in this instance, SCE's presentation of the amount identified as "incremental" and subject to reasonableness review is persuasive. In making this finding, the Commission in this instance considers all of the following, as presented by SCE in this proceeding: (1) in the recent past the Commission has

53 Cal Advocates Opening Brief at 16.

54 Cal Advocates Opening Brief at 6.

55 Cal Advocates Opening Brief at 6-7; SBUA Opening Brief at 3-4.

relied upon the portfolio approach to establish the incremental amount, e.g., D.24-03-008, (2) SCE persuasively establishes that these costs are for wildfire mitigation activities and are not duplicative, and (3) the CPUC UAB Audit Report supports this outcome.

Regarding past decisions, the Commission recently relied on the portfolio approach in D.24-03-008, which resolved SCE's analogous request for 2021 wildfire mitigation-related and vegetation management costs.[56] Notably, in D.24-03-008, the Commission found that SCE's portfolio approach can be applied in a manner consistent with prospective ratemaking policy to determine incrementality, stating as follows:

> "Determining incrementality using a portfolio approach, which considers all 2021 wildfire mitigation costs collectively as compared to all wildfire mitigation costs approved in D.21-08-036, and which considers all 2021 VMBA costs collectively as compared to vegetation management costs approved in D.21-08-036, is consistent with established prospective ratemaking principles."[57]

In addition, the Commission finds that SCE persuasively establishes that the costs are incremental because it states that these costs would not have been incurred "but for" SCE's wildfire mitigation efforts; that it tracks costs by creating wildfire-specific work orders in its accounting system to ensure that the costs of these activities are separately tracked from SCE's other activities; and

[56] D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024); as affirmed on rehearing in D.24-06-026.

[57] D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) Conclusion of Law 5 at 93; D.24-06-025, *Order Modifying Decision 24-03-008 and Denying Rehearing, as Modified* (June 20, 2024) at 9.

that the portfolio method serves to ensure its compliance with Section 8386.3.

The Commission also finds that reliance on the findings of the UAB Audit Report is reasonable. The UAB Audit Report found that SCE's costs are neither "duplicative" or "inappropriate."[58]

Importantly, the finding that costs are "incremental" in this proceeding does not limit the ability of the Commission to further review and even disallow these costs based on reasonableness. As SCE states, the use of the portfolio approach to establish incrementality does not inhibit the Commission's review of reasonableness of any specific costs presented by SCE.[59] In other words, simply because the Commission finds an amount "incremental" does not mean that the specific cost is also reasonable. Reasonableness is a separate and independent analysis. Moreover, today's decision does not preclude reliance on other methods of determining incrementality in the future.

For all these reasons, the Commission finds the amounts presented by SCE under the portfolio approach are incremental in this instance.

8.1. Relevant Charts - Incremental Amounts and SCE Portfolio Approach

As explained in the tables below from SCE's prepared testimony, the incremental amount presented by SCE is based on the Commission-authorized 2022 forecasts in D.21-08-036 (SCE 2021–2023 GRC) regarding vegetation management and wildfire mitigation:[60]

58 D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 18.

59 SCE Opening Brief at 7 (fn. 25).

60 SCE Ex-01 at 148 (Table IV-33) and 145 (IV-31 and IV-32).

~~Summary~~Summar' of Recorded and Incremental 2022 Vegetation Management O&M Expenses by Activity

(~~S~~$ in millions)

2022 ~~Vegetation Marugement~~VegMation Martmornent O&M ~~Expense,~~Expente)										
Reference to Testimony	O&M Recorded ~~IIA~~(A)		~~FERC~~DEAD Jurisdictional ~~,~~(B)		~~GRC Authorixed~~CRC Aothod zed With ~~Threshold ' IC)~~Ilueshold ² C		~~Mon-Incremental Cost.~~ Non.incrementa Costs ID)		Incremental ~~Costa CA-R-C~~ Cost (3460 0~~)~~	~~BalandnOMernorandum~~ Bawd ryaMemotand um Account
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' $2.26MGRCAuth0tited for activities under Environmental Environmental Support to Yegetetion Management is not port of VMDA but i the amount .) uthorize el lot environmental support re laced to lint Bearing Programs.

~~'$2.25%4 GR2 AutPlorti red for Environmental Support to Vegetation Management is not part of VMBA but is the amount authorized for environmental support related to line d ear ing xtir itiel unde r Enil- ronme ntal Programs.~~

Summary of Recorded and Incremental 2022 Wildfire Mitigation O&M Expenses

(S in millions)

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Fire Science & Advanced ~~Medellin~~Molding	~~S~~ $	7.482									~~11.11P3a.~~WMPMA
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Public Safety Power ~~Staloff~~ SllanT(~~PSP5~~PSPS)	~~5~~ S	46.038									~~1-VMP.:..LA~~WMPMA
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Summary of Recorded and Incremental
2022 ~~Ifildjire~~Wildfire Mitigation Capital Expenditures
~~6~~(S in millions)

	~~2022 Vadfire~~2012 Wildfire Capital ~~El palliate.;~~Expendinues				
Reference to ~~Testimony~~Testimon y	Recorded Capital (A)	~~FERC Jursidictional~~IERC Anskfictional ~~(B~~03)	GRC ~~Autlioruecd~~Authorized (C)	Incremental Costs (A-B-C)	~~3.1ernorandim i~~Memorandum Account
~~Ftirinced.~~Enhanced Operational Practices	~~S~~				~~'3.2v1PMA~~WMPMA
Enhanced Situational Awareness	S 3.51				~~WMPMA~~MINA
Fire Science and ~~AcIrarreclMode_ling~~Advanced Modeling	S 0.76	$ ~~1.3 D6~~1.30	S 89.55	S ~~135_736~~135.73	~~13.7vIPMA~~WMPMA
Grid Hardening	$ 64.98				~~W1v1PMA~~WMPMA
~~Piklic Safrt~~Pttlic Safety Power Shutoff (PSPS)	$ 19.14				~~1113/TPMA~~WMPMA
Total	~~S~~ ~~226.601~~	~~$~~S 1.3	~~S~~	~~S~~	

8.2. Refinements - SCE Portfolio Approach

Referring to discovery delays pertaining to a request Cal Advocates sent on February 21, 2024 and SCE responded to on June 28, 2024, Cal Advocates requests that the Commission direct SCE to provide a more detailed level of information for review, including line-item detail identifying each specific recorded cost associated with its recovery request, including the date the cost was recorded, the vendor who performed the work, and the memorandum or balancing account that the cost was recorded in. SCE states that Cal Advocates' request is "incredibly burdensome."[61]

The Commission finds that SCE's response time was not reasonable but, at the same time, requiring SCE to provide potentially voluminous amounts of data in the future that might not be needed is not an efficient use of resources or time.

Accordingly, to promote greater efficiency in the exchange of relevant information with respect to these three accounts, WMPMA, FRMMA, and VMBA, Cal Advocates may, consistent with relevant authority, advise the Commission of delays in future proceedings.

Lastly, the Commission finds that the amounts presented in these cases, which include costs recorded in WMPMA, FRMMA, and VMBA for wildfire mitigation-related and vegetation management activities or similar accounts, should be declining since these costs are by definition one-time expenses to mitigate wildfires or amounts that reflect new longer-term work that must on an ongoing basis be incorporated, as a forecasted cost, into the electric utility's revenue requirement in its next general rate case. As such, the costs recorded in these accounts should decline.

~~61 SCE Reply Brief at 2-4.~~

Accordingly, SCE should consider including in future cases involving these accounts and in its general rate cases, historical data illustrating the trend, starting from the first use of these accounts to the present so that the Commission can quickly assess whether the trend is increasing or decreasing, as expected, over time and take any action that might be needed to review these costs in greater depth, if needed.

9. Reasonableness Review of SCE's Request

Section 451 provides, in relevant part, as follows: "All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable." This standard is set forth in detail above, at Section 3. SCE is only permitted to recover costs deemed reasonable under the law. The Commission reviews the costs presented here for reasonableness. A determination of reasonableness requires analysis of whether SCE acted in accordance with the prudent manager standard.

9.1. Vegetation Management Activities - VMBA and FRMMA

For 2022, SCE recorded a total of $465.823 for O&M expenses for Commission-jurisdictional vegetation management (authorized plus balancing account).[62] Of this amount, SCE seeks recovery in this proceeding of approximately $268million for O&M expenses incurred in 2022 related to vegetation management, which SCE recorded in both the VMBA and the

[62] ~~SCE Ex-01 at 4-5 and 116-117~~; SCE Ex-01 at 116E. (SCE has made minor adjustments to total amounts during this proceeding. Final amounts are found in rebuttal testimony, errata testimony, and briefs.)

FRMMA.[63] According to SCE, it incurred $244.6 million in costs related to vegetation management activities above the 115% threshold of $207.558 million for the VMBA set forth in D.21-08-036 (SCE 2021–2023 GRC).[64] SCE refers to the total amount requested here, approximately $268 million as incremental, and as discussed above. A chart illustrating these amounts in the VMBA and FRMMA is set forth above at Section 8.1.

SCE's 2022 vegetation management costs, as recorded in the VMBA and FRMMA, are associated with five activities: (1) Distribution Routine Vegetation Management; (2) Transmission Routine Vegetation Management; (3) Fire Hazard Prevention; (4) Dead, Dying, and Diseased Tree Removal; and (5) Wildfire Vegetation Management.[65] SCE's largest program by volume and cost within these categories is Routine Line Clearing.[66] The Routine Line Clearing Program is addressed below.

9.1.1. Routine Line Clearing Program

Routine Line Clearing consists primarily of compliance-based ground inspections, trimming and removal mitigation activities across SCE's transmission and distribution networks.[67]

SCE requests recovery of costs for O&M expense for Routine Line Clearing (inspection and mitigation). Cal Advocates recommends a reduction of $~~52.050~~18.140

[63] SCE Ex-01 at 4-5 and 116-117. Of this amount, SCE recorded $23.18 million above the GRC-authorized in the FRMMA. SCE did not record any capital expenditures for vegetation management in the accounts presented here.

[64] SCE Ex-01 at 4-5 and 116-117.

[65] Cal Advocates Opening Brief at 13 (fn.40), *citing to* CA Ex-02C at 6 (fn. 23).

[66] SCE Ex-01 at 119.

[67] SCE Ex-01 at 119; Cal Advocates Opening Brief at 12.

million to SCE's vegetation management O&M expenses for Routine Line Clearing (inspection and mitigation).[68] ~~The reduction recommended by Cal Advocates applies to amounts recorded in both the VMBA and FRMMA and includes activities, labor and overhead.[69]~~ Cal Advocates claims that SCE fails to adequately substantiate its request with reasonable documentation.~~[70]~~[69] For example, Cal Advocates requested separate accounting for tree trims versus the cost of removal.~~[71]~~[70] In response, Cal Advocates states that SCE was unable to provide this breakdown because it tracks "total mitigations, which includes both trims and removals."~~[72]~~[71] SBUA also recommends a substantial reduction to SCE's request.~~[73]~~[72] SBUA claims that "SCE provides generalized contentions that do not allow the Commission to determine that the actual level of costs incurred were reasonable."~~[74]~~[73]

In response, SCE states it established the reasonableness of the costs incurred in 2022 for vegetation management for Routine Line Clearing by providing information. SCE describes cost information in its Request for Proposals, which explains that contractor rates increased for pre-inspections and mitigation. SCE provides details about the contract negotiations to support this increase and specific explanations regarding rate increases for arborist inspections (approximately 28%) and standard maintenance trim rates (approximately 16%).[74] SCE states it also provided all these details to support the increased costs in 2022 related to its vegetation management vendors as well as

68 Cal Advocates Opening Brief at 9.

69 Cal Advocates Opening Brief at ~~9~~12.

~~70 Cal Advocates Opening Brief at 12.~~

~~71~~ Cal Advocates Opening Brief at 13, *citing to* CA Ex-02C, at 6, fn. 23.

~~72~~ 71 Cal Advocates Opening Brief at 13, *citing to* CA Ex-02C, at 6, fn. 23.

~~73~~ 72 SBUA Opening Brief at 4.

~~74~~73 SBUA Opening Brief at 5.

74 SCE Reply Brief at 7-8.

~~(approximately 16%).[75] SCE states it also provided all these details to support the increased costs in 2022 related to its vegetation management vendors as well as~~ copies of change orders to show the percentage of the rate increases and explanations of the reasons for the increase in the costs.[~~76~~75]

After reviewing all the relevant evidence identified above, including cost information and Request for Proposals related to 2022, the Commission finds that SCE provides persuasive evidence supporting its claimed vegetation management costs (mitigation and inspection) for Routine Line Clearing and adequately refutes the arguments presented by Cal Advocates and SBUA.

Accordingly, the Commission denies the request by Cal Advocates for a $~~52.050~~18.140 million reduction to the 2022 costs for routine line clearing activities (inspection and mitigation), as recorded in the VMBA and FRMMA. Similarly, the Commission denies the request by SBUA for a more substantial reduction to SCE's costs for activities related to routine line clearing.

9.1.2. Environmental Support - Tree Removal

SCE recorded costs of $29.003 million in O&M expenses related to the Dead, Dying, and Diseased Tree Removal program in 2022 in the VMBA. SCE indicates that the GRC-authorized amount for this program was $42.135 million. SBUA recommends a reduction of approximately $4.5 million to SCE's cost recovery request for activities related to the Dead, Dying, and Diseased Tree Removal program in 2022. SBUA states that this reduction is needed to properly reflect "underspend" in the same category of activities.

~~75 SCE Reply Brief at 7-8.~~
~~76 SCE Reply Brief at 8-10.~~

In response, SCE concedes that an underspend of approximately $13 million exists in the Dead, Dying, and Diseased Tree Removal program, with the 2022 GRC-authorized amount at $42.135 million and the 2022 recorded amount at $29.003 million, but that this underspend amount is reflected in the reduced

[75] SCE Reply Brief at 8-10.

overall incremental amount requested here and, as a result, no reduction is warranted.

The Commission finds that SCE has established by the preponderance of evidence that the cost reduction proposed by SBUA related to the Dead, Dying, and Diseased Tree Removal program is not warranted in this instance because the underspend of approximately $13 million is reflected in a reduction to the total amount that SCE requests in this proceeding: "the remaining underspend (-$13 million) helps to reduce the overall costs recorded in the VMBA for 2022."

Accordingly, the Commission denies SBUA's recommended reduction of approximately $13 million to the Dead, Dying, and Diseased Tree Removal program.

9.1.3. Environmental Review – Routine Line Clearing

In 2022, SCE incurred $27.471 million for environmental review support in O&M expenses related to Routine Line Clearing.[~~77~~76] SBUA recommends a reduction of $10.771 million for environmental review support because, according to SBUA, SCE fails to prove that any additional amounts above the amounts approved for 2021 of $16.7 million are warranted.[~~78~~77] SBUA recommends a reduction based on the difference between the two years ($27.471 million (2022) - $16.7 million (2021) = $10.771 million reduction).[78] In support of this reduction,

[~~77~~76] SCE Ex-01 at 140.

[77] SBUA Opening Brief at 9; D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 60.

[78] SBUA Opening Brief at 9; D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 60.

~~a reduction based on the difference between the two years ($27.471 million (2022) – $16.7 million (2021) = $10.771 million reduction).[79] In support of this reduction,~~ SBUA states that, while SCE provided qualitative factors to support this increase, such as more work in certain areas, new review policies, and new permits, SCE fails to sufficiently explain the increase from 2021 to 2022 by breaking down the specific impact of each of these elements.[~~80~~79]

In response, SCE states that the costs differences between 2021 and 2022, although lower than estimated by SBUA, are primarily due to a "significant rise" in the volume of work points requiring field support (e.g., surveys and monitoring).[~~81~~80] SCE also explains that methods associated to typical forecasting of cost have not been useful in this context because, starting in 2020, the amount of work in this area has dramatically risen, labor costs have been very high, and SCE incurred new costs related to this work.[~~82~~81]

The Commission finds that SCE has established by the preponderance of evidence that the cost reduction of $10.771 million proposed by SBUA related to 2022 environmental review support O&M expenses related to Routine Line Clearing is not warranted in this instance because of the significant rise in the volume of work points that require field support.

~~79 SBUA Opening Brief at 9; D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 60.~~

~~80 SBUA Opening Brief at 9.~~

~~81 SCE Reply Brief at 14-15, *citing to* SCE Ex-01 at 139, 141; SCE Ex-03 at 31 and 38-39.~~

~~82 SCE Ex-03 at 31-25.~~

Accordingly, the Commission denies SBUA's recommended reduction of $10.771 million related to 2022 environmental review support O&M expenses related to Routine Line Clearing.

79 SBUA Opening Brief at 9.

80 SCE Reply Brief at 14-15, *citing to* SCE Ex-01 at 139, 141; SCE Ex-03 at 31 and 38-39.

81 SCE Ex-03 at 31-25.

9.1.4. Environmental Review – Structure Brushing

The Structure Brushing program removes vegetation at the base of select sub-transmission and distribution structures to reduce the chance of ignition due to a spark or contact with failed equipment.~~[83]~~[82]

SBUA recommends a reduction of $1.473 million to environmental support costs for Structure Brushing on the basis that SCE should not recover more than its 2021 authorized costs because SCE has provided "no quantification in workpapers or elsewhere of the direct permit and mitigation fees paid, confirmation that the work for which fees were paid was actually able to be completed or how much of the cost was paid to outside consultants or internal staffing."~~[84]~~[83] In 2021, the Commission approved recovery of $3.9 million in environmental support costs for Structure Brushing.~~[85]~~[84] SCE recorded $5.373 million in environmental support costs in ~~2022.[86]~~2022.[85] SBUA proposes a reduction of $1.473 million based on the difference between the two years ($5.373 million (2022) - $3.9 million (2021) = $1.473 million).~~[87]~~[86]

In response, SCE states that costs increased in 2022 for this particular activity, environmental support costs for Structure Brushing because, for example, environmental permitting, mitigation costs, and related fees increased,

~~83~~82 SCE Ex-01 at 132.

~~84~~83 SBUA Opening Brief at 9-10.

~~85~~84 SCE Reply Brief at 18, *citing to* D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 60 and 65.

~~86~~85 SCE Reply Brief at 18-19; SCE Ex-01 at 142.

~~87~~86 SBUA Opening Brief at10; SCE Reply Brief at 18-19.

~~In response, SCE states that costs increased in 2022 for this particular activity, environmental support costs for Structure Brushing because, for example, environmental permitting, mitigation costs, and related fees increased,~~ which are often required as part of the brushing activities.[~~88~~87] SCE further states that endangered or threatened species designations broadened in 2022, which resulted in more structures being included in environmental review.[~~89~~88] SCE also states that the volume of certain reviews related to brushing increased together with the necessary volume of field support, which resulted in cost increases. SCE claims that SBUA failed to consider these differences between 2021 and ~~2022.~~[~~90~~]2022.[89]

The Commission finds that SCE has established by the preponderance of evidence that the cost reduction proposed by SBUA related to the environmental support for Structure Brushing is not warranted in this instance by explaining the costs in 2021 are not predictive of 2022 and that costs have increased in 2022 due to additional work requirements. Accordingly, the Commission denies SBUA's recommended reduction of $1.473 million related to environmental support for Structure Brushing.

9.1.5. Hazard Tree Management Program

In this proceeding, SCE does not request an amount for its 2022 Hazard Tree Management Program (HTMP). However, SBUA recommends a reduction to SCE's request in this proceeding equal to the difference between SCE recorded costs in 2022 for the 2022 HTMP and the "already-allocated GRC-approved

~~88 SCE Reply Brief at 18-19.~~
~~89 SCE Reply Brief at 18-19.~~
~~90 SCE Reply Brief at 19.~~

level."~~[91]~~[90] In support of this reduction, SBUA argues that SCE failed to accomplish the amount of work that it projected for 2022 and, as a result, a reduction in this

[87] SCE Reply Brief at 18-19.
[88] SCE Reply Brief at 18-19.
[89] SCE Reply Brief at 19.
[90] SBUA Opening Brief at 7.

proceeding is warranted because its 2022 recorded costs were less than the GRC-authorized amount.~~[92]~~[91]

The GRC-authorized amount for 2022 Wildfire Vegetation Management, which is the cost category within which HTMP costs are recorded, is approximately $28.7 million in O&M expenses.~~[93]~~[92] SCE concedes it spent approximately $8 million less on the 2022 HTMP than authorized in SCE's 2021–2023 GRC.~~[94]~~[93] SCE explains why its 2022 forecast was inaccurate by explaining that the HTMP was a new activity and, as such, the forecast for the 2021–2023 GRC was developed before SCE had inventoried its hazard trees, which led to inaccurate estimates of the number of trees and remediations.~~[95]~~[94] SCE also explains that risks and targeted areas changed throughout each year, as do the number of tree removals, trims, and projected workload.~~[96]~~[95] Based on this explanation, SCE submits that the recorded costs in 2022 were lower than forecasted in the GRC but that alone is not a basis for reducing SCE's request here because those costs were designated for other activities that were recorded elsewhere.~~[97]~~[96] For example,

~~91 SBUA Opening Brief at 7.~~

~~92 SBUA Opening Brief at 7.~~

~~93 SCE Reply Brief at 21.~~

~~94 SCE Reply Brief at 21.~~

~~95 SCE Reply Brief at 21-22.~~

~~96 SCE Reply Brief at 21-22.~~

~~97 SCE Reply Brief at 22.~~

SCE estimates it incurred approximately $150,000 in tree replacement costs in ~~2022.[98]~~ 2022.[97]

The Commission finds that SCE establishes by the preponderance of evidence that the HTMP work performed and the GRC-authorized amount for ~~the~~

[91] SBUA Opening Brief at 7.

[92] SCE Reply Brief at 21.

[93] SCE Reply Brief at 21.

[94] SCE Reply Brief at 21-22.

[95] SCE Reply Brief at 21-22.

[96] SCE Reply Brief at 22.

[97] SCE Reply Brief at 22.

the cost category of Wildfire Vegetation Management are reasonable even if SCE recorded less in 2022 for HTMP than authorized for the broader cost category of Wildfire Vegetation Management. Accordingly, the Commission denies SBUA's recommended reduction of approximately $8 million in O&M expenses to SCE's request in this proceeding.

9.1.6. Weed Abatement

SCE requests $4.26 million in O&M expenses for the Weed Abatement program in ~~2022.[99]~~2022.[98] SBUA recommends that SCE's cost recovery request for weed abatement activities be denied.~~[100]~~[99] In support of this reduction, SBUA states that SCE fails to establish a connection between the increased costs for tree removal contracts due to SB 247 and SCE's cost increases for work related to weed abatement activities.~~[101]~~[100] SBUA claims that no connection exists, stating, "Any claimed weed abatement costs sought in this Application are unsupported and must be denied."~~[102]~~[101]

~~[98] SCE Reply Brief at 22.~~

In response, SCE explains that SBUA's recommendation is based on the level of costs in prior years but, in this instance, the costs in prior years are not reflective of the cost incurred in 2022.[102] SCE explains that, generally, weed abatement costs fluctuate yearly due to a number of factors, including lease

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~~99~~98 SCE Reply Brief at 23; SCE Ex-01 at 135.

~~100~~99 SBUA Opening Brief at 8.

~~101~~100 SBUA Opening Brief at 8; SCE Ex-01 at 117, stating: "SB 247 became effective on January 1, 2020 and specifies qualifications for electrical line clearance tree trimmers performing work to comply with the vegetation management requirements in an electrical corporation's wildfire mitigation plan and requires that qualified line clearance tree trimmers be paid no less than a specified prevailing wage rate."

~~102~~101 SBUA Opening Brief at 8.

102 SCE Reply Brief at 23-24.

~~In response, SCE explains that SBUA's recommendation is based on the level of costs in prior years but, in this instance, the costs in prior years are not reflective of the cost incurred in 2022.[103] SCE explains that, generally, weed abatement costs fluctuate yearly due to a number of factors, including lease~~ status of the relevant land areas, weather variables, vegetation growth rates, agency requirements, customer notifications, and environmental constraints.~~[104]~~[103] In addition, SCE explains that, while the costs in 2022 were not directly impacted by SB 247, the costs were indirectly impacted, resulting in increased labor costs.~~[105]~~[104] SCE further explains that the labor market for vegetation management workers closely overlaps with the labor market for weed abatement activities.~~[106]~~[105] Overall, SCE describes its 2022 costs for the Weed Abatement program as "reasonable, modest, and adequately supported."~~[107]~~[106]

The Commission finds that SCE has established by the preponderance of evidence that the $4.26 million reduction recommended by SBUA for the Weed Abatement program is not warranted in this instance because weed abatement activities vary year-to-year and, as a result, the 2021 costs are not necessarily predictive of the 2022 costs and, in addition, costs likely increased in 2022 due to the indirect impact of SB 247 on the broader labor market related to vegetation management, which impacts weed abatement labor costs. Accordingly, the

~~103 SCE Reply Brief at 23-24.~~
~~104 SCE Reply Brief at 23-24.~~
~~105 SCE Reply Brief at 23-24.~~
~~106 SCE Reply Brief at 23-24.~~
~~107 SCE Reply Brief at 24.~~

Commission denies SBUA's recommendation to reduce by $4.26 million SCE's request for O&M expenses related to the Weed Abatement program in 2022.

SCE requests $4.26 million in O&M expenses for the Weed Abatement program in ~~2022.[108]~~2022.[107] SBUA recommends that SCE's cost recovery request for

[103] SCE Reply Brief at 23-24.

[104] SCE Reply Brief at 23-24.

[105] SCE Reply Brief at 23-24.

[106] SCE Reply Brief at 24.

[107] SCE Reply Brief at 23; SCE Ex-01 at 135.

weed abatement activities be denied.~~[109]~~[108] In support of this reduction, SBUA states that SCE fails to establish a connection between the increased costs for tree removal contracts due to SB 247 and SCE's cost increases for work related to weed abatement activities.~~[110]~~[109] SBUA claims that no connection exists, stating, "Any claimed weed abatement costs sought in this Application are unsupported and must be denied."~~[111]~~[110]

In response, SCE explains that SBUA's recommendation is based on the level of costs in prior years but, in this instance, the costs in prior years are not reflective of the cost incurred in ~~2022.[112]~~2022.[111] SCE explains that, generally, weed ~~abatement costs fluctuate~~ yearly due to a number of factors, including lease status of the relevant land areas, weather variables, vegetation growth rates, agency requirements, customer notifications, and environmental constraints.~~[113]~~[112] In addition, SCE explains that, while the costs in 2022 were not directly impacted by SB 247, the costs were indirectly impacted, resulting in increased labor costs.[113]

SCE further explains that the labor market for vegetation management workers closely overlaps with the labor market for weed abatement activities.[114]

~~108 SCE Reply Brief at 23; SCE Ex-01 at 135.~~

~~109~~108 SBUA Opening Brief at 8.

~~110~~109 SBUA Opening Brief at 8; SCE Ex-01 at 117, stating: "SB 247 became effective on January 1, 2020 and specifies qualifications for electrical line clearance tree trimmers performing work to comply with the vegetation management requirements in an electrical corporation's wildfire mitigation plan and requires that qualified line clearance tree trimmers be paid no less than a specified prevailing wage rate."

~~111~~110 SBUA Opening Brief at 8.

111 SCE Reply Brief at 23-24.

112 SCE Reply Brief at 23-24.

113 SCE Reply Brief at 23-24.

114 SCE Reply Brief at 23-24.

~~by SB 247, the costs were indirectly impacted, resulting in increased labor costs.~~[~~114~~] ~~SCE further explains that the labor market for vegetation management workers closely overlaps with the labor market for weed abatement activities.~~[~~115~~] Overall, SCE describes its 2022 costs for the Weed Abatement program as "reasonable, modest, and adequately supported."[~~116~~][115]

The Commission finds that SCE has established by the preponderance of evidence that the $4.26 million reduction recommended by SBUA for the Weed Abatement program is not warranted in this instance because weed abatement activities vary year-to-year and, as a result, the 2021 costs are not necessarily predictive of the 2022 costs and, in addition, costs likely increased in 2022 due to the indirect impact of SB 247 on the broader labor market related to vegetation management, which impacts weed abatement labor costs. Accordingly, the Commission denies SBUA's recommendation to reduce by $4.26 million SCE's request for O&M expenses related to the Weed Abatement program in 2022.

9.1.7. Labor and Overhead

SCE requests to recover $47.683 million in O&M expenses for Labor and Overhead costs related to 2022 vegetation management recorded in the VMBA and FRMMA as O&M.[~~117~~][116] Cal Advocates recommends a reduction of $33.910 million for Labor and Overhead expenses ($9.835 million in Labor and $24.076 million in Overhead).[~~118~~][117]

~~114 SCE Reply Brief at 23-24.~~

~~115 SCE Reply Brief at 23-24.~~

~~116 SCE Reply Brief at 24.~~

~~117 Cal Advocates Opening Brief at 10 and 15-21.~~

~~118 Cal Advocates Opening Brief at 15.~~

9.1.8. Labor

Regarding Straight Time Labor for 2022 vegetation management, SCE requests $9.835 million, which includes $9.430 million recorded in the VMBA and $404,000 in the FRMMA.~~[119]~~[118] Cal Advocates asserts that these amounts are not

[115] SCE Reply Brief at 24.

[116] Cal Advocates Opening Brief at 10 and 15-21.

[117] Cal Advocates Opening Brief at 15.

[118] Cal Advocates Opening Brief at 10 (fn. 31).

reasonable because SCE fails to provide sufficient evidence to demonstrate the Straight Time Labor expenses were not previously included in the forecast approved in D.21-08-036, SCE's 2021–2023 GRC.~~[120]~~[119] Cal Advocates essentially argues that the costs are not reasonable because SCE fails to explain why these labor activities are not reflected in the costs included in SCE's 2022 authorized revenue requirement, as follows: The costs cited by SCE are "associated with work performed by employees whose salaries are already funded through existing rates in the 2021 GRC Decision [D.21-08-036]."~~[121]~~[120] Cal Advocates explains that "just because SCE redirected work on vegetation management" is not sufficient to prove reasonableness. ~~[122]~~[121] "SCE provides no evidence that it hired new employees or can identify the number of employees hired after its 2021 GRC Decision for vegetation management."~~[123]~~[122] Regarding the evidence, Cal Advocates further states that:

> "SCE did not provide the hire dates for SCE's 2022 recorded straight-time labor costs. SCE also has not demonstrated that it requires additional funding for Vegetation Management labor expenses. In its 2021 GRC, SCE forecasted $14.307 million in labor expenses for Vegetation Management. SCE's forecast is $4.472

~~119 Cal Advocates Opening Brief at 10 (fn. 31).~~

~~120 Cal Advocates Opening Brief at 15-17.~~

~~121 Cal Advocates Opening Brief at 16.~~

~~122 Cal Advocates Opening Brief at 17-18.~~

~~123 Cal Advocates Opening Brief at 17-18.~~

million higher than SCE's 2022 recorded labor expenses of $9.835 million. SCE states that it incurred lower labor costs in 2022 than it forecasted in its 2021 GRC because "when SCE filed its 2021 GRC application, SCE was anticipating organizational changes that did not materialize in 2022." With SCE's higher forecasted labor expenses in its 2021 GRC than it actually recorded in 2022, SCE

119 Cal Advocates Opening Brief at 15-17.
120 Cal Advocates Opening Brief at 16.
121 Cal Advocates Opening Brief at 17-18.
122 Cal Advocates Opening Brief at 17-18.

demonstrates it does not require additional funding for its 2022 labor expenses."~~[124]~~[123]

In response, SCE states that the Commission should approve the Straight Time Labor for 2022 vegetation management. SCE characterizes Cal Advocates' arguments as not challenging reasonableness or prudency.~~[125]~~[124] As such, SCE does not directly address the reasonableness of these costs and instead focuses on the concept of incrementality.~~[126]~~[125] SCE cites prior cases to support its position for approval, including D.22-06-032 and D.~~24-03-008.~~~~[127]~~24-03-008.[126]

The Commission finds that SCE has failed to establish by the preponderance of evidence that the requested $9.835 million related to Straight Time Labor for vegetation management is reasonable. SCE points to prior cases to support its position. While these cases address the same type of costs presented here, i.e., vegetation management costs recorded in balancing accounts, these cases are not dispositive.

In D.22-06-032, the Commission found that SCE provided specific evidence to support a finding that the costs were not included in the general rate case

~~[124] Cal Advocates Opening Brief at 18 (footnotes omitted).~~

~~[125] SCE Reply Brief at 4-5.~~

~~[126] SCE Reply Brief at 4-7.~~

~~[127] SCE Reply Brief at 4 (fn. 14).~~

revenue requirement.~~[128]~~[127] As Cal Advocates persuasively argues here, no such evidence was provided by SCE in this proceeding. In the other case relied upon by SCE, D.24-03-008, the Commission did not directly address cost recovery of ~~the~~

123 Cal Advocates Opening Brief at 18 (footnotes omitted).

124 SCE Reply Brief at 4-5.

125 SCE Reply Brief at 4-7.

126 SCE Reply Brief at 4 (fn. 14).

127 D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022) at 34-35, which addressed wildfire related costs in the years 2018–2020.

the type presented here, a point that SCE concedes.~~[129]~~[128] In fact, in D.24-03-008 the Commission does not identify any types of evidence that might be relied upon here to support approval of the amounts presented. Therefore, these two cases are not determinative.

Furthermore, the Commission disagrees with SCE's argument that because it has established that the costs are related to vegetation management, these costs must be approved. SCE must demonstrate reasonableness. While no specific type of documentation is required to demonstrate reasonableness, a requirement that SCE claims would be burdensome, SCE could explain how it determined that the specific labor amount requested exceeds the amounts authorized in the GRC. Such evidence could include an audit, comparison charts, citations to the GRC decision or evidence and comparison to the evidence in this case, or other detail. SCE presents no such evidence here.

Based on the evidence presented, it does not appear SCE performed an analysis to establish whether the requested Straight Time Labor costs for vegetation management were reflected in the 2022 revenue requirement. This constitutes a failure by SCE to meet its burden of proof and renders the reasonableness of these costs questionable. SCE necessarily relied on some sort of methodology to measure excess activities and costs beyond forecasted in the general rate case for expected planning, hiring, and work activities in 2022. Without a baseline or a method for projecting future need, which SCE appears to

~~128 D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022) at 3435, which addressed wildfire related costs in the years 2018–2020.~~

~~129~~128 SCE Reply Brief at 4 (fn. 14) stating "*see also generally* D.24-03-008 (approving the entirety of SCE's requested costs, implicitly including straight-time labor and DOH which were not directly challenged)"; D.24-03-008, *Decision Addressing Southern California Edison Company's*

Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances (March 7, 2024).

~~constitutes a failure by SCE to meet its burden of proof and renders the reasonableness of these costs questionable. SCE necessarily relied on some sort of methodology to measure excess activities and costs beyond forecasted in the general rate case for expected planning, hiring, and work activities in 2022. Without a baseline or a method for projecting future need, which SCE appears to~~ claim does not exist, the possibility that SCE established a reasonable level of additional Straight Time Labor for 2022 vegetation management is unpersuasive.

Accordingly, ~~SCE's~~SCE fails to establish that the Straight Time Labor for 2022 vegetation management of $9.835 million ($9.430 million recorded in the VMBA and $404,000 in the FRMMA in 2022) is justified.

9.1.9. Overhead

Regarding Overhead, SCE requests recovery of $37.847 million for 2022 vegetation management. Cal Advocates recommends a reduction of $24.076 million in 2022 O&M expense in the following Overhead categories: Labor Normal Time, Paid Time Off, and Fleet.[~~130~~129] SCE recorded the amount in the VMBA.[~~131~~130] Cal Advocates argues that SCE fails to provide any evidence that SCE performed an analysis to distinguish between the amount requested here for 2022 vegetation management Overhead and the amounts authorized in the 2021 GRC Decision.[~~132~~131]

In support of SCE's requests to recover $37.847 million, SCE presents similar arguments used to support its request for 2022 vegetation management, ~~Labor costs. To summarize,~~ SCE states that these costs supported activities related to vegetation management, were recorded in the VMBA, and therefore should be authorized for recovery without evidence showing that the Overhead costs exceed amounts in the prior general rate case.[132]

~~130~~129 Cal Advocates Opening Brief at 19. Cal Advocates does not recommend a reduction related to Labor Premium Time, Material, Contract regarding Overhead recorded in the VMBA related to vegetation management.

~~131~~130 Cal Advocates Opening Brief at 20.

~~132~~131 Cal Advocates Opening Brief at 20.

132 SCE Reply Brief at 4-7.

~~Labor costs. To summarize, SCE states that these costs supported activities related to vegetation management, were recorded in the VMBA, and therefore should be authorized for recovery without evidence showing that the Overhead costs exceed amounts in the prior general rate case.~~[133]

The Commission finds that SCE fails to establish by the preponderance of evidence that the requested amount for Overhead for vegetation management is reasonable and further finds that the $24.076 million reduction, recommended by Cal Advocates, is reasonable. As a result, the Commission authorizes recovery of $13.771 in this proceeding for 2022 vegetation management Overhead. While these costs, as SCE points out, are "incremental" in this instance, SCE must establish reasonableness. SCE fails to provide persuasive evidence on reasonableness. To establish the reasonableness of these costs, SCE could, in this instance, provide documentation to verify and substantiate that the costs were not embedded in existing rates. This evidence would be important because Overhead costs are funded through the existing rates authorized in D.21-08-036, SCE's 2021–2023 GRC.

Accordingly, SCE's request for 2022 Overhead for vegetation management of $37.847 million is reduced by $24.076 million in O&M expenses, and the authorized amount is $13.771 million.

For the reasons set forth above, the Commission finds that the O&M expense for 2022 vegetation management as recorded in the VMBA and FRMMA of approximately $235 million is reasonable.

~~133 SCE Reply Brief at 4-7.~~

9.2. Wildfire Mitigation-Related Activities – WMPMA and FRMMA

9.2.1. Aerial Suppression

SCE seeks recovery of approximately $18.2 million in O&M expenses used to fund the 2022 operations of critical aerial fire suppression resources, known as the Quick Reaction Force (QRF).~~[134]~~[133] SCE states it created the QRF in 2019 when it

[133] SCE Reply Brief at 25; SCE Ex-01 at 112.

began to partner with local county firefighting agencies by providing funding to support aerial firefighting resources.[~~135~~134] SCE describes QRF, as follows:

> "The QRF is composed of four aerial firefighting helicopters (three helitankers and one intelligence and reconnaissance aircraft), support personnel, and equipment to bolster firefighting capabilities. These resources are capable of being rapidly deployed virtually anywhere in SCE's service area, either individually or as a fleet."[~~136~~135]

SCE further states that in 2022, the QRF responded to 27 unique fires within SCE's service area.[~~137~~136] According to SCE, these activities are critical to its fire mitigation efforts, stating "While aerial suppression resources will not always be able to stop a fire at the onset, aerial resources help reduce the area burned and number of structures damaged or destroyed."[~~138~~137] In further support of its cost recovery request, SCE points to the Commission's consistent approval of these type of expenses in recent decisions.[~~139~~138]

Cal Advocates recommends reducing by $5.515 million the QRF costs.[139] Cal Advocates argues a reasonable cost recovery amount is $12.68 million, which

[134] SCE ~~Reply Brief at 25; SCE~~ Ex-01 at ~~112~~111.

[135] SCE Ex-01 at 111.

[136] SCE Ex-01 at ~~111~~112.

[137] SCE Ex-01 at 112.

~~[138] SCE Ex-01 at 112.~~

[~~139~~138] SCE Reply Brief at 27 (fn. 106.), stating: "*See, e.g.,* D.19-09-051, p. 249 (approving SDG&E's forecast to lease, year-round, a helitanker to fight wildfires); D.20-12-005, p. 217 (approving PG&E's forecast to purchase four firefighting helicopters as "necessary and reasonable"); D.24-03-008, pp. 40-42 (approving SCE's 2021 aerial suppression costs as just and reasonable). Less than a month ago, the Commission augmented this long line of precedent in re-approving SDG&E's aerial suppression program in the Sempra Utilities' Test Year 2024 GRC. *See* D.24-12-074, p. 494 (aerial suppression costs are included in the "Grid Operations and Operating Protocols" GRC activity)."

~~*Footnote continued on next page*~~[139] Cal Advocates Opening Brief at 38.

~~Cal Advocates recommends reducing by $5.515 million the QRF costs.~~[140] ~~Cal Advocates argues a reasonable cost recovery amount is $12.68 million, which~~ reflects only the days the helicopters were not deployed, and asserts that, according to relevant contracts, SCE's customers are only responsible for the fixed stand-by lease costs.~~[141]~~[140] Cal Advocates states that, based on the review of the contracts between SCE and the counties of Los Angeles, Ventura, and Orange, SCE is only legally responsible under the county contracts for the number of days the helicopters are on standby, meaning only pay for the number of days that the helicopters are on stand-by, not the day when the helicopters are deployed in ~~2022.~~[142]2022.[141] Cal Advocates claims that SCE confirms that its cost recovery request here includes costs associated with the number of days the helicopters were deployed in ~~2022.~~[143]2022.[142]

SBUA recommends the denial of the entire $18.2 million in SCE's 2022 aerial suppression QRF costs.~~[144]~~[143] SBUA states that "general firefighting activities are not traditional utility company activities" and suggests that the general public, rather than the utility customer, is a more reasonable source of revenue to

~~PG&E's forecast to purchase four firefighting helicopters as "necessary and reasonable"); D.24-03-008, pp. 40-42 (approving SCE's 2021 aerial suppression costs as just and reasonable). Less than a month ago, the Commission augmented this long line of precedent in re-approving SDG&E's aerial suppression program in the Sempra Utilities' Test Year 2024 GRC. *See* D.24-12-074, p. 494 (aerial suppression costs are included in the "Grid Operations and Operating Protocols" GRC activity)."~~

[140] ~~Cal Advocates Opening Brief at 38.~~

[141] ~~Cal Advocates Opening Brief at 38-39.~~

[142] ~~Cal Advocates Opening Brief at 38 (fn. 131) - 40.~~

[143] ~~Cal Advocates Opening Brief at 38 (fn. 131) *citing to* SCE's response to Cal Advocates data request PubAdv-SCE-005-RA6, Q2d.~~

[144] ~~SBUA Opening Brief at 11-12.~~

cover the cost, stating "It is indistinguishable from conventional public safety service provided to the public at large from taxes and bond sources. Given customers' affordability crisis, utilities must demonstrate that outside fundings sources are unavailable for a non-core program before using their monopoly status to burden captive customers."~~[145]~~[144]

[140] Cal Advocates Opening Brief at 38-39.

[141] Cal Advocates Opening Brief at 38 (fn. 131) - 40.

[142] Cal Advocates Opening Brief at 38 (fn. 131) *citing to* SCE's response to Cal Advocates data request PubAdv-SCE-005-RA6, Q2d.

[143] SBUA Opening Brief at 11-12.

[144] SBUA Opening Brief at 11-12.

The Commission finds that, after taking into consideration the arguments presented by Cal Advocates and SBUA for a reduction, SCE has established by the preponderance of evidence that, in this instance, its aerial fire suppression resources, known as the QRF, are a critical part of SCE's wildfire mitigation efforts and, therefore, the recovery request of $18.2 million in O&M expenses to fund the 2022 operations of the QRF is reasonable. The Commission also considers recent past decisions upholding the reasonableness of these costs, including most recently, D.24-06-025, where the Commission affirmed on rehearing recovery of aerial suppression costs as a valid use of ratepayer funds.~~[146]~~[145] The arguments presented by Cal Advocates and SBUA are not consistent with the Commission's policy of approving these costs in recent years.

Accordingly, the Commission approves, without reductions, SCE's request to recover $18.2 million in O&M expenses used to fund the 2022 operations of the critical aerial fire suppression resources, known as the QRF, related to aerial suppression activities. The recoverability of costs for suppression of or other attempt to extinguish or prevent spread of an existing wildfire requires a case by

145 ~~SBUA Opening Brief at 11-12.~~

146 ~~D.24-06-025, *Order Modifying Decision 24-03-008 and Denying Rehearing, as Modified* (June 20, 2024) at 3-6.~~

case analysis and nothing in this decision should be construed to set policy in the future on this matter.

9.2.2. Targeted Undergrounding

SCE seeks recovery of $29.587 million in Targeted Undergrounding costs for ~~2022.[147]~~2022.[146] SCE's Targeted Undergrounding expenditures are part of the grid hardening activities "to reduce the ignition risks associated with SCE's

145 D.24-06-025, *Order Modifying Decision 24-03-008 and Denying Rehearing, as Modified* (June 20, 2024) at 3-6.

146 SCE Reply Brief at 30 (fn. 19), *citing to* SCE Ex-01 at 9, Table II-2 at 15-20.

infrastructure" in High Fire Risk Areas.~~[148]~~[147] SCE states that the requested cost recovery relates to capital expenditures for the completion of approximately 15 miles of Target Undergrounding in 2022 as well as material and design/planning costs for plan years 2023 to ~~2024.~~~~[149]~~2024.[148]

SBUA recommends a reduction of $1.6 million on the basis that SCE failed to establish reasonableness of the request to recover $1.6 million for Target Undergrounding activities that relate to capital expenditures for "material and design/planning costs for plan years 2023 to 2024."~~[150]~~[149] According to SBUA, no benefit to customers has been established to justify rate recovery.~~[151]~~[150]

In response, SCE acknowledges that SBUA's recommendation may have merit but explains that, during the pendency of this proceeding, $1.29 million of the $1.6 million moved to plant-in-service as a capital addition as "used and useful assets for the benefit of customers" and that SCE substantiated this change in its rebuttal testimony.~~[152]~~[151] On this basis, SCE requests that the Commission

~~147 SCE Reply Brief at 30 (fn. 19), *citing to* SCE Ex-01 at 9, Table II-2 at 15-20.~~

~~148 SCE Ex-01 at 9 and 15.~~

~~149 SCE Ex-01 at 15 and 20.~~

~~150 SBUA Opening Brief at 11 and SBUA Ex-01 at 15.~~

~~151 SBUA Opening Brief at 11 and SBUA Ex-01 at 15.~~

~~152 SCE Reply Brief at 30-31.~~

approve as reasonable the amount of $29.27 million, which reflects a reduction of $0.31 million that has not yet been transferred to plant-in-service as a capital addition.~~[153]~~[152]

The Commission finds that SCE has established by the preponderance of evidence that a cost recovery of $29.27 million for Targeted Undergrounding

[147] SCE Ex-01 at 9 and 15.

[148] SCE Ex-01 at 15 and 20.

[149] SBUA Opening Brief at 11 and SBUA Ex-01 at 15.

[150] SBUA Opening Brief at 11 and SBUA Ex-01 at 15.

[151] SCE Reply Brief at 30-31.

[152] SCE Reply Brief at 31.

activities is reasonable based on SCE's rebuttal testimony, which acknowledges the merits of SBUA's position regarding the $1.6 million related to capital expenditures for material and design/planning costs for 2023 to 2024 that had not yet moved to plant-in-service as a capital addition at the time SCE filed its application but now $1.29 million of the $1.6 million has transferred to plant-in-service.

Accordingly, the Commission authorizes the recovery of $29.27 million for Targeted Underground activities and notes that $0.31 million of expenses related to Targeted Underground activities has not yet been moved to plant-in-service as a capital addition.

9.2.3. Priority 2 Remediation Work

Cal Advocates recommends a reduction of $4.672 million in capital expenditures and $1.474 million in O&M expenses (total of $6.146 million) that SCE seeks to recover for Priority 2 remediation work, which includes, for example, crossarm replacements, bird guard replacements, pole anchor repairs, conductor repairs, pole hardware replacements, and pole replacements.[~~154~~153]

SCE explains that it performs a range of activities, referred to as "remediation activities" to identify safety issues in High Fire Risk Areas that

153 ~~SCE Reply Brief at 31.~~

154 ~~SCE Ex-01 at 55; Cal Advocates Opening Brief at 31; CA Ex-03 at 11.~~

must be resolved based on inspections and these inspection-related safety issues are subsequently prioritized as follows: Priority 1 (condition must be made safe within 24 hours...); Priority 2 (address within 6 to 12 months depending on other factors....); and Priority 3 (address within 5 years)."~~155~~[154] In some instances, SCE states that it performs lower priority work together with higher priority work to

[153] SCE Ex-01 at 55; Cal Advocates Opening Brief at 31; CA Ex-03 at 11.
[154] SCE Ex-01 at 50-51 (Table II-5).

gain efficiencies and, at times, this results in completing lower priority work during a different year than forecasted.~~[156]~~[155] SCE refers to this situation as "work bundling" and describes how it might result in the completion of work on a different timeline than originally projected, as follows:

> "SCE continues to bundle the work at the structure and circuit segment levels to the extent feasible for economic efficiency and to minimize the impact of remediation work on customers, as well as to reduce the volume of repeat outages, road closures and traffic restrictions. In certain cases, this resulted in future-year scope being accelerated in advance of the established compliance due date (i.e., pole replacement being accelerated from a future year to align with a crossarm replacement due in the current year)."~~[157]~~[156]

In support of a reduction, Cal Advocates states that a decrease of $6.146 million related to distribution remediation contractor costs is warranted because SCE fails to establish that the work performed in 2022 was for "high risk issues pos[ing] an immediate threat to vulnerable areas for costs recovery" and that this work was not included in the forecasted costs in SCE's 2021 GRC.~~[158]~~[157] As such,

~~155 SCE Ex-01 at 50-51 (Table II-5).~~

~~156 SCE Ex-01 at 53.~~

~~157 SCE Ex-01 at 53.~~

~~158 Cal Advocates Opening Brief at 31.~~

according to Cal Advocates, SCE fails to prove that performing "future year" Priority 2 remediations was necessary for economic efficiency.~~[159]~~[158]

In response, SCE explains that its practice of sometimes addressing Priority 2 remediations before the projected date of resolution is efficient and cost effective.~~[160]~~[159] SCE concedes that it performs some Priority 2 remediations sooner

[155] SCE Ex-01 at 53.

[156] SCE Ex-01 at 53.

[157] Cal Advocates Opening Brief at 31.

[158] Cal Advocates Opening Brief at 32.

[159] SCE Opening Brief at 50.

than a "due date," including, for example, completing work in the year presented here, 2022, that was "due" in ~~2023.[161]~~ 2023.[160] SCE explains that Priority 2 remediation involves mitigating ignition risk as well and, importantly, by doing this mitigation work in 2022, SCE avoided doing this work (and the associated costs for customers) in ~~2023.[162]~~ 2023.[161]

The Commission finds that SCE has established by a preponderance of evidence that SCE's decision to perform some Priority 2 remediations sooner than the due date, resulted in remediating an ignition risk in an efficient and cost-effective manner.

Accordingly, the Commission denies Cal Advocates' recommended reduction of $6.146 million in cost recovery related to Priority 2 remediation work.

9.2.4. Priority 3 Remediation Work

Cal Advocates recommends a reduction in the costs that SCE seeks to recover for Priority 3 remediation work. Specifically, Cal Advocates recommends a reduction of $18.068 million ($10.744 million of capital expenditures and $7.324

~~159 Cal Advocates Opening Brief at 32.~~

~~160 SCE Opening Brief at 50.~~

~~161 SCE Opening Brief at 50.~~

~~162 SCE Opening Brief at 50.~~

million in O&M expense) for both distribution and transmission contractor costs.~~[163]~~[162] Cal Advocates supports this reduction because, according to Cal Advocates, Priority 3 work is routine work.~~[164]~~[163] Cal Advocates explains that "Priority 3 notification does not require a near-term remediation."~~[165]~~[164] SCE has up

[160] SCE Opening Brief at 50.

[161] SCE Opening Brief at 50.
[162] Cal Advocates Opening Brief at 27.
[163] Cal Advocates Opening Brief at 28.
[164] Cal Advocates Opening Brief at 28.

to 5 years to remediate a Priority 3 notification because it does not pose an immediate, material threat, nor fire risks.~~[166]~~[165] In terms of cost recovery, Cal Advocates concludes that, based on D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs), costs for routine work should be recovered as part of the general rate case process, rather than through a memorandum account reserved for tracking expenses for wildfire mitigation work activities.~~[167]~~[166] In D.22-06-032, the Commission addressed SCE's cost recovery request for 2020 wildfire-related expenses, including the reasonableness of bundling Priority 3 work.~~[168]~~[167] Cal Advocates concludes that, contrary to D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs), SCE improperly bundled work to justify its request to recover Priority 3 costs, meaning that SCE bundled Priority 3 routine work with higher priority wildfire-related work, which is Priority 2 or Priority 1.[168]

~~163 Cal Advocates Opening Brief at 27.~~

~~164 Cal Advocates Opening Brief at 28.~~

165 Cal Advocates Opening Brief at 28.

166 Cal Advocates Opening Brief at 28~~.~~

~~167 Cal Advocates Opening Brief at 28~~, *citing to* D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022) (referred to herein as "2018–2020 Wildfire Mitigation-Related Costs") at 40. In D.22-06-032, the Commission resolved Track 3 of SCE's GRC for years 2021, 2022, and 2023 in A.19-08-013. The Commission described Track 3 as follows: "SCE's Track 3 Request seeks two forms of relief. First, SCE requests the Commission find just and reasonable total incremental spending of approximately $679 million in capital expenditures and approximately $476 million in Operations & Maintenance (O&M) expense that reflect: (1) costs incurred from 2018–2020 in addition to the Commission-approved amounts from SCE's Grid Safety and Resiliency Program (GSRP) application, A.18-09-002, recorded in the GSRPBA; and (2) other wildfire mitigation costs SCE incurred in 2020 and recorded in WMPMA, FRMMA, and FHPMA that are incremental to SCE's 2018 GRC-authorized costs. Second, SCE requests authority to recover a portion of those costs in rates, equal to $497 million expressed as a revenue requirement, amortized over twelve months." D.22-06-032 at 5-6.

~~168~~167 D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022).

168 Cal Advocates Opening Brief at 28.

~~Advocates concludes that, contrary to D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs), SCE improperly bundled work to justify its request to recover Priority 3 costs, meaning that SCE bundled Priority 3 routine work with higher priority wildfire-related work, which is Priority 2 or Priority 1.~~[169]

In response, SCE concedes that "[f]or 2022, the majority of P3 [Priority 3] notifications were completed by bundling work with other HFRA activities and treated as opportunity maintenance."~~[170]~~[169] SCE also agrees that the Commission determined in D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs) that Priority 3 work is routine and, therefore, should be recovered through the GRC process but SCE relies on a statement by the Commission in D.22-06-032 that is broadly permission of bundling the Priority 3 work, in certain circumstances: "We do not take issue with SCE bundling this work with higher priority notifications where it is efficient and cost-effective to do so."~~[171]~~[170] In addition, SCE clarifies that, while Priority 3 remediations are lower risk, ignition risk still exists, which implies that safety considerations are addressed sooner.~~[172]~~[171] With regard to the Priority 3 expenses, SCE clarifies that the Priority 3 work here was part of the forecasted costs in D.21-08-036 (SCE 2021–2023 GRC) but, contrary to Cal Advocates' analysis, Priority 3 remediation work that is bundled with wildfire specific Priority 1 and/or Priority 2 work in High Fire Risk Areas, as presented here, should be considered within the context of the 2021 GRC, rather than the 2018 GRC, because the 2021 GRC SCE separately forecast remediation costs, including Priority 3 remediations, that were specifically for wildfire mitigation work presented.[172] For this reason, SCE claims the costs for the Priority 3 work

~~[169] Cal Advocates Opening Brief at 28.~~

~~170~~169 SCE Ex-01 at 52 (fn. 43).

~~171~~170 SCE Ex-03 at 61 (fn. 157), *citing to* D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022) at 40.

~~172~~171 SCE Ex-03 at 62.

172 SCE Ex-03 at 67-69, stating "SCE's 2020 P3 remediation costs, ... were based on the 2018 GRC, where remediation costs were not separated out as wildfire and routine. In other words, for

Footnote continued on next page.

~~2018 GRC, because the 2021 GRC SCE separately forecast remediation costs, including Priority 3 remediations, that were specifically for wildfire mitigation work presented.[173] For this reason, SCE claims the costs for the Priority 3 work~~

presented here are "unmistakenly" not part of the "normal [non-wildfire] GRC process."~~[174]~~[173]

Relying on the outcome in D.22-06-032, the Commission finds that SCE has not established by the preponderance of evidence that this proceeding is the appropriate forum for SCE's recovery of Priority 3 remediation costs and, as such, grants the reduction recommended by Cal Advocates to the costs presented here related to Priority 3 remediation work. As the Commission stated in D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs), bundling is appropriate when cost-effective but the Commission also stated that, because Priority 3 work is routine work, it is not appropriate for recovery via the WMPMA.~~[175]~~[174] The Commission found:

> "The purpose of the WMPMA is to track costs incurred to implement SCE's approved WMP, *i.e.*, wildfire mitigation work activities. As defined by SCE, P3 notifications "do not pose material, safety, reliability, or fire risks" and there is no indication this work was conducted to implement SCE's approved WMP. We do not take issue with SCE bundling this work with higher priority notifications where it is efficient and cost-effective to do so. However, the costs for this routine work ~~should be recovered~~ as part of the GRC process, rather than through a memorandum account reserved for tracking expenses for wildfire mitigation work activities."[175]

~~[173] SCE Ex-03 at 67-69, stating "SCE's 2020 P3 remediation costs, ... were based on the 2018 GRC, where remediation costs were not separated out as wildfire and routine. In other words, for~~

2022, P3 remediation work that is bundled with wildfire specific P1/P2 work in the HFRA (as is the case here) should not be considered as "part of the [non-wildfire] GRC process."

~~174~~173 SCE Ex-03 at 70.

~~175~~174 D.22-06-032 at 39.

175 D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022) at 39-40.

~~than through a memorandum account reserved for tracking expenses for wildfire mitigation work activities."[176]~~

Based on the evidence presented and the Commission's findings in D.22-06-032, while it may be reasonable to bundle the higher priority work with Priority 3 remediations, the costs for Priority 3 work are routine and should be included in the normal recovery of costs through the GRC. ~~Accordingly,~~ In comments to the proposed decision, SCE states that a smaller reduction, i.e., a 5% reduction, to the contested Priority 3 costs would be more appropriate and consistent with the reduction methodology relied upon by the Commission in D.22-06-032 but, as Cal Advocates states, the facts are different in this proceeding, including that the number of Priority 3 remediations was substantially different between the two proceedings.[176] As a result, the 5% reduction adopted in D.22-06-032 is not necessarily applicable.

Accordingly, the Commission reduces SCE's requested amount consistent with Cal Advocates' recommended reduction of $18.068 million ($10.744 million of capital expenditures and $7.324 million in O&M expense) related to SCE's bundling of Priority 3 remediation work.

9.2.5. Shared Testing of Covered Conductor

SCE requests recovery of $1.154 million in O&M expense, reflecting the total costs for the joint utility testing of covered conductor.[177] SCE states that it ~~has been benchmarking and testing covered conductor effectiveness since the inception of the program, and as part of a continual enhancement effort, SCE conducted the joint utility covered conductor testing using an independent third-party, in collaboration with Pacific Gas and Electric Company (PG&E) and San~~

~~176 D.22-06-032, *Decision Addressing Southern California Edison Company's Track 3 Request for Recovery of Wildfire Mitigation Memorandum and Balancing Account Balances* (June 23, 2022) at 3940.~~

176 SCE Opening Comments (June 12, 2025) at 12-13; Cal Advocates Reply Comments (June 17, 2025) at 5, stating "[T]he Track 3 decision [D.22-06-032] adopted a 5% disallowance for Priority 3 remediation contractor costs based on volumes of P3 work performed in 2020 and is no longer representative. In 2022, SCE completed more than 51,700 Priority 3 remediations, over five times the number performed in 2020."

177 SCE Ex-01 at 61. SCE describes the joint utility testing of covered conductor, in part, as follows: "SCE has been benchmarking and testing covered conductor effectiveness since the inception of the program. As part of a continual enhancement effort, which also aligns with Energy Safety's Areas for Continued Improvement regarding SCE's 2022 WMP, SCE conducted the joint IOU CC testing with Exponent, Incorporated (herein referred to as Exponent), an ~~independent third-party, with collaboration with PG&E and SDG&E, to further understand the effectiveness of covered conductor to mitigate wildfire risk at the driver level and to reduce PSPS impacts." (Footnotes omitted.)~~

Footnote continued on next page.

has been benchmarking and testing covered conductor effectiveness since the inception of the program, and as part of a continual enhancement effort, SCE conducted the joint utility covered conductor testing using an independent third-party, in collaboration with Pacific Gas and Electric Company (PG&E) and San Diego Gas and Electric (SDG&E).[178] SCE's requested cost recovery of $1.154 million for the joint utility testing of covered conductor is recorded within the Enhanced Operational Practices activity.[179] SCE states that it incurred this total amount and, therefore, recorded this total amount in the WMPMA but that the three large electric utilities agreed to share these costs. [180] SCE states that it has requested reimbursement from SDG&E and PG&E.[181] According to SCE, when it receives reimbursement, it will credit the appropriate memorandum account.[182]

Cal Advocates recommends decreasing SCE's recovery by $0.770 million, which reflects 2/3 of the total amount, which SCE will receive from PG&E and SDG&E for their portion of costs related to the joint utility testing of covered conductor and which SCE has recorded for 2022 in the WMPMA.[183] Cal~~-~~ ~~Advocates explains that its recommended adjustment serves to remove costs that SCE did not incur for its own customers.[184]~~

~~In response, SCE indicates that during the pendency of this proceeding, SCE received reimbursement from the joint utilities in the amount of $0.692 million.[185] SCE indicates that it would be appropriate to remove this amount~~

independent third-party, with collaboration with PG&E and SDG&E, to further understand the effectiveness of covered conductor to mitigate wildfire risk at the driver level and to reduce PSPS impacts." (Footnotes omitted.)

178 SCE Ex-03 at 76.

179 SCE Opening Brief at 66.

180 SCE Ex-01 at 61.

181 Cal Advocates Opening Brief at 33 and fn. 110, *citing to* SCE response to data request. Cal Advocates describes the SCE response, as follows: "When the reimbursement is received, it will offset the appropriate balancing account and SCE will return funds to ratepayers. SCE's response to Cal Advocates' data request PubAdv-SCE-024-RA6, Q.6b."

182 Cal Advocates Opening Brief at 33 and fn. 110.

183 Cal Advocates Opening Brief at 33-34.

~~184 Cal Advocates Opening Brief at 33.~~

~~185 SCE Reply Brief at 34-35 and fn. 142.~~

Advocates explains that its recommended adjustment serves to remove costs that SCE did not incur for its own customers.[184]

In response, SCE indicates that during the pendency of this proceeding, SCE received reimbursement from the joint utilities in the amount of $0.692 million.[185] SCE indicates that it would be appropriate to remove this amount from its request.[186] SCE further explains that the remaining amount, $0.462 million, is more than 1/3 of the total costs but accurately reflects costs incurred on behalf of SCE customers, and not the other utilities, since the amount includes approximately $0.116 million in costs for work "focused solely on SCE's needs that benefit only SCE's customers" and that a "separate scope" of work was developed for SCE related to these costs.[187]

The Commission finds persuasive the recommendation by Cal Advocates to reduce SCE's request by $0.692 million to reflect the amount that SCE was reimbursed from the joint utilities as their shared costs relating to the joint testing of covered conductors and, in addition, SCE agreed to this reduction during the proceeding. Moreover, the Commission finds reasonable SCE's request to recover $0.462 million, even if this amount is more than 1/3 of the total costs because SCE has established by the preponderance of evidence that the additional amount, $0.116 million, is for the sole benefit of SCE's customers and based on a separate scope of work.

184 ~~Cal Advocates Opening Brief~~ at 33.
185 SCE Reply Brief at 34-35 and fn. 142.
186 SCE Reply Brief at 34-35 and fn. 142.
187 SCE Opening Brief at 67.

Accordingly, SCE's request to recover $1.154 million of O&M expense for the joint utility testing of covered conductor within Enhanced Operational Practices is reduced by $0.692 million to reflect the costs that are the responsibility of other joint utilities.

9.2.6. Mobile Devices

In 2022, SCE recorded $7.125 million in capital expenditures for technology solutions to support the Hazard Tree Management Program. As a subset of this amount, SCE requests recovery of $1.570 million of capital expenditures recorded

[186] ~~SCE Reply Brief at 34-35 and fn. 142.~~
[187] ~~SCE Opening Brief at 67.~~

in 2022 for the purchase and deployment of iPads to field workers. SCE states that these iPads were purchased for its inspection field workers as part of the Hazard Tree Program, Routine Line Clearing, and vegetation management emergent work and to "aid in the implementation of new technology solutions to improve the efficiency and productivity" of its Enhanced Operational Practices inspection process. SCE recorded these costs in the WMPMA.

Cal Advocates recommends reducing SCE's request by the entire $1.570 million in capital expenditures for the purchase of the following: (1) 1,200 Apple 11-inch iPads, (2) 1,200 rugged iPad cases, (3) 1,200 AppleCare services, and (4) 1,200 iPad Anti-Glare Screens. According to Cal Advocates, the reduction is reasonable because, among other things, SCE failed to justify that these iPads were specifically used for Enhanced Operational Practices activities. Cal Advocates also states that SCE did not address why it was unable to reallocate and utilize mobile device funds authorized in its 2021 GRC for these purchases.

The Commission finds that SCE fails to establish by the preponderance of evidence that $1.570 million in capital expenditures costs is reasonable because the Commission recently provided funding for iPads in D.21-08-036 (SCE 2021–

2023 GRC). As stated by Cal Advocates, SCE offers no adequate explanation as to why that funding was not sufficient. SCE describes ongoing implementation of its effort to rely on new technologies for the Enhanced Operational Practices but identifies nothing new related to the identified iPads that required the purchase.

Accordingly, the Commission reduces SCE's request for recovery by $1.570 million in capital expenditures related to the iPad purchase and deployment.

9.2.7. PSPS Event Customer Notification

SCE requests $13.176 million in O&M expenses and $19.142 million in capital expenditures related to Public Safety Power Shutoff (PSPS) activities.[188] This amount includes costs related to PSPS Event Customer Notifications. SCE requests recovery of approximately $5.665 million in O&M expenses and $13.21 million in capital expenditures in 2022 above the GRC-authorized forecasted amounts for PSPS Event Customer Notifications.[189]

Cal Advocates recommends denying the entire O&M amount, $5.665 million, for PSPS Events Customer Notification activities.[190] (Cal Advocates recommends a reduction of $7.85 million for O&M Labor & Overhead, which is addressed separately below).[191] Regarding the recommended O&M reduction of $5.665 million for PSPS Event Customer Notification, Cal Advocates states this amount is unreasonable because SCE incurred these costs in a manner that did not comply with the PSPS notifications processes, in violation of D.19-05-042 and ~~other Commission directives.[192] According to Cal Advocates, "[d]uring the 2022 PSPS events, SCE failed to send out notifications to many affected customers."[193] As such, Cal Advocates states this reduction is reasonable based on SCE's failure~~

188 SCE Ex-01 at 87.

189 SCE Opening Brief at 62, describes the components at issue: "PSPS Event Customer Notifications O&M costs are made up of Emergency Outage Notification System (EONS) costs of $4.253 million and IMT Customer Notifications costs of $1.412 million."

190 Cal Advocates Opening Brief at 35.

191 Cal Advocates Opening Brief at 35 and fn. 120.

~~192 Cal Advocates Opening Brief at 38.~~

~~193 Cal Advocates Opening Brief at 35-36.~~

other Commission directives.[192] According to Cal Advocates, "[d]uring the 2022 PSPS events, SCE failed to send out notifications to many affected customers."[193] As such, Cal Advocates states this reduction is reasonable based on SCE's failure to act in a manner consistent with relevant Commission directives on PSPS customer notice.[194]

In response, SCE agrees that "SCE is required to provide customer notifications for PSPS events but states it did so in 2022 and that the costs at issue here were necessarily incurred to provide those notifications."[195] Regarding the basis for Cal Advocates' reduction, SCE states that this proceeding is narrowly addressing the reasonableness of the costs incurred and not SCE's compliance or non-compliance with PSPS notification directives.[196] Rather, according to SCE, regardless of the evidence presented on compliance or non-compliance, Cal Advocates fails to present evidence that the costs were unreasonable based on the prudent manager standard.[197] SCE does not suggest that compliance matters are resolved but, instead, suggests that 2022 compliance matters are appropriately addressed in a different forum.[198]

SCE relies upon D.24-03-008, which resolved SCE's analogous request for 2021 wildfire mitigation-related and vegetation management costs, as affirmed on rehearing in D.24-06-026. According to SCE, D.24-03-008 supports its position

~~192 Cal Advocates Opening Brief~~ at 38.

193 Cal Advocates Opening Brief at 35-36.

194 Cal Advocates Opening Brief at 38.

195 SCE Opening Brief at 64.

196 SCE Opening Brief at 64.

197 SCE Opening Brief at 62-65.

198 SCE Opening Brief at 64-65.

that Cal Advocates is presenting this argument in the incorrect forum because the Commission in D.24-03-008 found that a cost recovery proceeding, such as this proceeding, is not an appropriate forum for evaluating compliance/~~non-~~

non-compliance [194] ~~Cal Advocates Opening Brief at 38.~~

[195] ~~SCE Opening Brief at 64.~~

[196] ~~SCE Opening Brief at 64.~~

[197] ~~SCE Opening Brief at 62-65.~~

[198] ~~SCE Opening Brief at 64-65.~~

~~compliance~~ with PSPS rules and guidelines.[199] In D.24-03-008, the PSPS activities at-issue were the PSPS post-event reports, and the Commission found that the cost proceeding was "not the appropriate venue to litigate the quality of SCE's PSPS post-event reports."[200]

The Commission finds that the reasonableness of SCE's cost recovery will be made under the prudent manager standard, which requires that the Commission review the reasonableness of expenditures based on what the utility "... knew or should have known at the time, and in the interest of achieving safety, reliability and reasonable cost."[201] From the evidence presented by Cal Advocates, the manner in which SCE spent the funds may not have been effective in providing PSPS notice consistent with existing Commission directives. Even taking into account that possibility, SCE's 2022 spending can still be reasonable based on what SCE knew or should have known in 2022. We find that SCE's request for the costs associated with PSPS Event Customer Notifications, $5.665 million, is reasonable based on the preponderance of evidence, as presented by SCE, regarding what SCE knew or should have known in 2022 when making the decision to spend those funds. No decision is made on ~~the reasonableness of SCE's implementation of PSPS notification process or SCE's compliance or non-compliance with PSPS notification rules, and nothing in this decision should be construed to affect any Commission action regarding the~~

199 SCE Opening Brief at 64-65 and fn. 255, *citing to* D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 35.

200 SCE Opening Brief at 65 *citing to* D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 35.

201 *See, e.g.*, D.87-06-021, 24 Cal. PUC 2d at 486.

the reasonableness of SCE's implementation of PSPS notification process or SCE's compliance or non-compliance with PSPS notification rules, and nothing in this decision should be construed to affect any Commission action regarding the adequacy of SCE's compliance with PSPS requirements. Accordingly, the

Commission denies the recommendation by Cal Advocates to reduce SCE's O&M cost recovery for PSPS Events Customer Notification activities by $5.665 million.

9.2.8. Labor and Overhead Costs

SCE requests recovery of $41.575 million for 2022 Labor and Overhead costs recorded in the WMPMA and FRMMA as O&M expense and capital expenditures.[202] The $41.575 million includes $33.717 million for EOP activities and $7.858 million for PSPS activities.[203] Cal Advocates recommends a reduction of $19.385 million in Labor and $22.190 million in Overhead.[204]

9.2.9. Labor

Regarding Labor, Cal Advocates opposes SCE's request to recover costs recorded in these memorandum accounts related to Labor Normal Time and Paid Time Off, totaling $19.385 million.[205] Cal Advocates explains that SCE fails to provide sufficient evidence to demonstrate that these specific Labor Normal

~~Time costs were not previously included in the forecast approved in D.21-08-036, SCE's 2021–2023 GRC, as follows:~~[206]

> ~~"SCE's 2021 GRC decision already authorized straight-time labor costs for existing full-time employees for 2022.... SCE~~

[202] Cal Advocates Opening Brief at 41 (fn. 145), providing: "This $41.575 million includes $33.717 million for EOP activities and $7.858 million for PSPS activities from SCE's response to

Cal Advocates data request PubAdv-SCE-029-RA6, Q6, SCE's response to Cal Advocates data request PubAdv-SCE-002-RA6-RYD, from SCE's response to Cal Advocates data request PubAdv-SCE-013-RA6, Q1 and Q2."

203 Cal Advocates Opening Brief at 41 (fn. 145).

204 Cal Advocates Opening Brief at 41.

205 Cal Advocates Opening Brief at 43.

~~206 Cal Advocates Opening Brief at 43.~~

Time costs were not previously included in the forecast approved in D.21-08-036, SCE's 2021–2023 GRC, as follows:[206]

> "SCE's 2021 GRC decision already authorized straight-time labor costs for existing full-time employees for 2022.... SCE has failed to provide the number of new employees hired, the number of employees hired after the 2021 GRC Decision for wildfire mitigation, or the hire dates for SCE's 2022 recorded straight-time labor costs."[207]

Cal Advocates states it requested but did not receive any analysis by SCE that the costs it seeks here are not included in the labor costs for wildfire mitigation activities already included in existing rates.[208]

In response, SCE states that the labor costs are "directly related to wildfire mitigation and vegetation management activities."[209] SCE clarifies that, in its opinion, it can rely on internal SCE resources or contract resources for its wildfire-related activities.[210] SCE states, "The Commission has approved an authorized amount to perform wildfire mitigation and vegetation management-related ***activities***, regardless of whether SCE or contract resources are used."[211] In further support of the sufficiency of its evidentiary showing, SCE states:

> "[I]ncreased work necessitates additional resources to carry out essential wildfire mitigation and vegetation management ***activities***. The Commission does not approve a head count in the GRC; rather, it approves a revenue requirement necessary to effectively carry out the work activities. While the

206 ~~Cal Advocates Opening Brief~~ at 43.

207 Cal Advocates Opening Brief at 43-44.

208 Cal Advocates Opening Brief at 43-44.

209 SCE Opening Brief at 13.

210 SCE Opening Brief at 13.

211 SCE Opening Brief at 13 (emphasis in original).

Commission has approved these ***activities,*** the utility has the flexibility to perform the required work, through whatever reasonable means it deems necessary and appropriate. These staffing assessments consider factors such as the duration of

the [207] ~~Cal Advocates Opening Brief at 43-44.~~

[208] ~~Cal Advocates Opening Brief at 43-44.~~

[209] ~~SCE Opening Brief at 13.~~

[210] ~~SCE Opening Brief at 13.~~

[211] ~~SCE Opening Brief at 13 (emphasis in original).~~

> ~~the~~ task, immediate versus long-term need, cost considerations, and resource availability."[212]

The Commission finds that SCE has failed to establish by the preponderance of evidence that the requested \$19.385 million related to Labor Normal Time and Paid Time Labor is reasonable. SCE is correct that the Commission does not direct the utility to use internal or contract labor, and the Commission agrees that the costs presented here are related to wildfire mitigation activities. On the other hand, the information provided by Cal Advocates, that SCE did not perform any analysis to establish whether these specific Labor activities were reflected in the 2022 revenue requirement, constitutes a failure by SCE to meet its burden of proof and renders the reasonableness of these costs questionable. SCE could have, for example, presented its method for determining what activities exceed the existing revenue requirement. SCE necessarily relied on some sort of methodology to measure excess activities beyond forecasted in 2021 for expected planning, hiring, and work activities in 2022. Without a baseline or a method for projecting future need, which SCE appears to claim does not exist, the possibility that SCE established a reasonable level of additional Labor is unpersuasive.

Accordingly, SCE's request related to Labor Normal Time and Paid Time is reduced by \$19.385 million.

212 SCE Opening Brief at 14 (emphasis in original).

9.2.10. Overhead

Regarding Overhead, Cal Advocates recommends a reduction of $22.190 million ($10.658 million O&M expenses and $11.532 million capital

~~212 SCE Opening Brief at 14 (emphasis in original).~~

expenditures).[213] SCE recorded these costs in the WMPMA.[214] Cal Advocates argues that SCE fails to show that the requested costs for 2022 wildfire mitigation overhead-related costs, such as "labor, paid time off, material, contracts, fleet, and other charges" were not already reflected in activities account for in the authorized 2022 GRC revenue requirement.[215] Cal Advocates states that, in response to its specific inquiries, SCE fails to demonstrate that SCE performed analysis to determine whether the recorded costs for overhead reflect costs for wildfire related-activities already contained in the 2022 revenue requirement.[216]

In response, SCE presents similar arguments used to support Labor costs to support these Overhead costs. To summarize, SCE states that the Commission makes no distinction between cost categories when authorizing the utility to record incurred wildfire-related costs and then seek recovery.[217] SCE also relies on an argument about the definition of "incrementality" and the approved "portfolio approach."[218]

The Commission finds that SCE fails to establish by the preponderance of evidence that its requested 2022 Overhead costs of $22.190 million ($10.658 million O&M expenses and $11.532 million capital expenditures) are reasonable. ~~While these costs, as SCE points out, are "incremental" in this instance, SCE must still establish reasonableness. SCE fails to provide persuasive evidence on~~

213 Cal Advocates Opening Brief at 44 (fn. 157).
214 Cal Advocates Opening Brief at 44 (fn. 157).
215 Cal Advocates Opening Brief at 45.
216 Cal Advocates Opening Brief at 45.
217 SCE Opening Brief at 18-21.
218 SCE Opening Brief at 18-21.

While these costs, as SCE points out, are "incremental" in this instance, SCE must still establish reasonableness. SCE fails to provide persuasive evidence on reasonableness. To establish the reasonableness of these costs, SCE could, in this instance, provide documentation to verify and substantiate that the costs were not embedded in existing rates. This evidence would be important because straight-time labor and overhead costs are funded through the existing rates authorized in D.21-08-036, SCE's 2021–2023 GRC.

Accordingly, SCE's request for 2022 Overhead is reduced by $22.190 million ($10.658 million O&M expenses and $11.532 million capital expenditures).

9.2.11. Fire Risk Modeling and Related Activities

Cal Advocates recommends a reduction of $5.503 million related to Labor and Overhead for the following programs and activities: Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental Remediation programs, grid hardening program, and Organizational Support costs.[219] According to Cal Advocates, SCE requests recovery of $31.222 million related to Labor and Overhead for these 2022 wildfire mitigation activities ($11.963 million for O&M expenses and $19.260 million of capital expenditures).[220] SCE recorded these costs in the WMPMA and the FRMMA.[221]

Regarding Labor costs, Cal Advocates recommends a reduction of $5.503 million ($1.623 million for O&M expenses and $3.880 million for capital expenditures) and states that this reduction is reasonable because SCE failed to ~~show that these activities, for the straight-time labor and paid time off components of Labor, were not already funded in SCE's 2022 GRC authorized~~

219 Cal Advocates Opening Brief at 47.

220 Cal Advocates Opening Brief at 48.

221 Cal Advocates Opening Brief at 48.

show that these activities, for the straight-time labor and paid time off components of Labor, were not already funded in SCE's 2022 GRC-authorized revenue requirement.[222] Cal Advocates explains that it asked SCE to provide evidence or an analysis to confirm that the straight-time labor and paid time off components of the requested Labor for these programs or activities were not authorized in the 2021 GRC proceeding and included in the revenue requirement, but that SCE provided no analysis in response.[223]

Regarding Overhead costs, Cal Advocates recommends a reduction of $581,000 ($154,000 for O&M expenses and $427,000 of capital expenditures) for straight time labor, paid time off, and fleet (i.e., vehicles or buildings).[224] Cal Advocates states that SCE fails to establish that these overhead costs for 2022 were not already funded in SCE's 2022 authorized GRC revenue requirement.[225] Cal Advocates cites to multiple requests for information, i.e., data requests, and states, as follows:

> "SCE's overhead cost elements include costs for existing assets such as fleet vehicles, straight-time labor overhead costs, and PTO related to the straight-time labor overhead. SCE did not provide any evidence that it performed any incremental analysis to identify and remove overhead costs that the Commission already authorized in its 2021 GRC Decision."[226]

~~In response, SCE states that the Commission has previously confirmed that Overhead costs necessarily fluctuate with changes in work loads, which are~~

222 Cal Advocates Opening Brief at 50.

223 Cal Advocates Opening Brief at 51.

224 Cal Advocates Opening Brief at 46 and 52.

225 Cal Advocates Opening Brief at 52.

226 Cal Advocates Opening Brief at 53 and fn. 196, *citing to* SCE's response to Cal Advocates data request PubAdv-SCE-028-CE3, Q5. (Quotation removed strikeout in the original.)

In response, SCE states that the Commission has previously confirmed that Overhead costs necessarily fluctuate with changes in work loads, which are expected as the utility addresses wildfire mitigation.[227] SCE references past cases, such as D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs) to support its conclusion that SCE has provided sufficient evidence here to establish recovery of the costs.[228]

The Commission finds SCE fails to establish by the preponderance of evidence the reasonableness of $5.503 million related to Labor and Overhead for the following programs and activities: Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental Remediation programs, grid hardening program, and Organizational Support costs. The Commission also agrees with SCE that D.22-06-032 (2018–2020 Wildfire Mitigation-Related Costs) addressed similar costs and may have even authorized recovery of similar costs but the excerpts cited by SCE in support of recovery of the $5.503 million address the question of incrementality, while the issue here is reasonableness. In the absence of an analysis showing that SCE has, for example, a baseline of Labor and Overhead costs for these programs as authorized in SCE's 2021–2023 GRC or elsewhere, SCE's claim of reasonableness on the basis that the specific costs presented here exceed the GRC-authorized amount is not persuasive.

Accordingly, SCE's request for Labor and Overhead related to Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, ~~Environmental Remediation programs, grid hardening program, and~~

[227] SCE Opening Brief at 18-20, *citing to* D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 84-85.

[228] SCE Reply Brief at 5 (fn. 14).

Environmental Remediation programs, grid hardening program, and Organizational Support is reduced by $5.503 million ($1.623 million for O&M expenses and $3.880 million for capital expenditures).

10. Cost Recovery Ratemaking

On June 14, 2023, the Commission issued Resolution ALJ-440, instituting a $6 million permanent disallowance of PSPS program-related costs in the settlement agreement to resolve all issues related to the Commission's Safety and Enforcement Division's investigation of SCE's 2020 PSPS events.[229] SCE agreed to permanently waive its right to seek cost recovery for $6 million of PSPS program-related O&M expenses focused on customer outreach, critical care backup batteries, and notification requirements that are eligible for tracking in the WMPMA and/or the FRMMA. Of the $6 million, $2.5 million of the disallowance is to apply to 2022 incremental costs and the remaining $3.5 million is to apply to 2023 incremental costs. As a result, SCE has reduced its cost recovery request in this Application by $2.5 million, as shown on Line 10 of Table V-34 of the Application, in compliance with the Resolution. The implementation of the reduction is authorized and further addressed below.

10.1. 2022 Capital and Operations & Maintenance

In this proceeding, SCE requests that the Commission find reasonable $135.736 million of capital expenditures incurred in 2022 as recorded to the WMPMA. Approximately $22.742 million of capital expenditures were classified as CWIP as of August 31, 2023. SBUA recommends that this amount not be included in revenue requirement until the CWIP is transferred to capital additions. SBUA refers to the Commission's findings in D.24-03-008 to support

[229] SCE Ex-01 at 157.

this recommendation. Similarly, the CPUC UAB Audit Report recommended a

[229] ~~SCE Ex-01 at 157.~~

reduction in SCE's requested 2022 capital expenditures by $22,741,829, stating as follows:

"SCE requested to recover capital expenditures of $22,741,829 classified as CWIP and the associated capital related RR [revenue requirement]. However, the associated capital related RR is unsubstantiated because this amount will be determined once CWIP is transferred to Plant-in-Service as Capital Additions... As a result, we [UAB] determined that SCE's request to recover capital expenditures attributable to WMPMA for the period of January 1, 2022, through December 31, 2022, should be $112,994,607...."

In response, SCE states that it does not record the revenue requirement associated with CWIP in the WMPMA until the assets are ready for service, at which time the classification of the assets changes from CWIP to capital additions. SCE seeks authority to recover certain amounts that have transferred from CWIP to plant-in-service as capital additions. SCE states that, during the pendency of this proceeding, about half of the capital expenditures that were classified as CWIP at the time SCE filed this Application have now transferred to plant-in-service as capital additions. SCE further states that it has demonstrated that $13.11 million (out of $22.742 million) of CWIP capital expenditures have closed to plant-in-service.

As such, SCE requests that this amount be authorized for recovery in this proceeding as the assets are now providing service to customers and the revenue requirement is sufficiently supported in SCE's WMPMA. With respect to the remaining amount, approximately $9.6 million, SCE requests the Commission to authorize SCE to further update the amount of CWIP that transferred to ~~plant-in-service via the advice letter when implementing the final decision in this~~plant-in-service via the advice letter when implementing the final decision in this proceeding, which would allow any additional amounts that record as a revenue requirement between now and a final decision to be recovered in customers' rates.

The Commission finds that SCE has demonstrated by the preponderance of evidence that $13.11 million of the $22.742 million presented as 2022 CWIP has transferred to plant-in-service and, as a result, it is consistent with the recommendations of the CPUC UAB Audit Report and SBUA, to find that SCE can recover the revenue requirement associated with the $13.11 million in capital expenditures. Regarding the remaining amount of approximately $9.6 million, SCE is directed to seek authority to incorporate the amount into revenue requirement in a future proceeding. Accordingly, SCE is authorized to recover the revenue requirement associated with the $13.11 million of the $22.742 million presented as 2022 CWIP, which has transferred to plant-in-service as capital addition.

For these reasons, the Commission finds reasonable $46.214 million in O&M expense and $111.430 million in capital expenditures recorded in the WMPMA and FRMMA. This amount reflects the reductions explained above of $41.479 million in O&M expense and $24.306 million in capital expenditures, as recorded in the WMPMA and FRMMA.

10.2. 2021 Capital Expenditures – Construction Work In-Progress

In D.24-03-008 (2021 wildfire mitigation-related and vegetation management costs), the Commission found that SCE had not described or provided evidence that the assets associated with $21.09 million in 2021 CWIP capital-related expenditures that SCE requested reasonableness review and authorization for recovery of had entered into service. The Commission directed

SCE to request reasonableness review and recovery of the 2021 CWIP in a later proceeding.[230] In this proceeding, SCE further substantiates the revenue requirement associated with 2021 CWIP capital expenditures that have since become capital additions.[231] SCE states that, as of September 30, 2024, $20.90 million of the $21.09 million had transferred to plant-in-service.[232] SCE requests that this amount be authorized for recovery in this proceeding as the assets are now in service and SCE states it has recorded the corresponding revenue requirement in the WMPMA.[233] SCE also requests that it be authorized to update the revenue requirement through advice letter for the remaining amount of this $21.09 million, approximately $0.19 million, when the assets transfer to plant-in-service.[234]

SCE's request is not opposed.

The Commission finds that, consistent with the directives in D.24-03-008, SCE has demonstrated by the preponderance of evidence that $20.90 million of the $21.09 million presented as 2021 CWIP has transferred to plant-in-service as capital additions and can be recovered in revenue requirement.

Accordingly, SCE is authorized to increase the revenue requirement as set forth in the WMPMA to reflect these capital additions. SCE is further authorized

230 D.24-03-008, *Decision Addressing Southern California Edison Company's Request for Recovery of 2021 Wildfire Mitigation and Vegetation Management Memorandum and Balancing Account Balances* (March 7, 2024) at 25-26 and Finding of Fact 11 and Conclusion of Law 10.

231 SCE Opening Brief at 94.

232 SCE Opening Brief at 94-95, *citing to* SCE Ex-03 at 105-107.

233 SCE Ex-03 at 107.

234 SCE Ex-03 (Rebuttal) at 107.

to seek authority via a Tier 2 advice letter to increase revenue requirement pertaining to the remaining 2021 CWIP of approximately $1.09 million.

10.3. WMPMA, FRMMA, and VMBA

SCE states that, effective upon a final Commission decision in this Application, SCE will transfer the remaining authorized revenue requirement after accounting for the collected amount under the interim rate authority, including any additional capital-related revenue requirement and interest that accrued to the WMPMA, FRMMA, and VMBA during the pendency of this proceeding, to the distribution subaccount of the Base Revenue Requirement Balancing Account (BRRBA) for recovery from customers over a 12-month period. In addition to the initial transfer, SCE states it will continue to transfer any ongoing revenue requirement associated with the capital expenditures eligible for recovery via the WMPMA to the distribution subaccount of BRRBA for recovery in rates, on an annual basis, until the ongoing revenue requirement is included in GRC-authorized base rates.

SCE's ratemaking request also includes implementation of a PSPS disallowance. SCE explains this disallowance as follows and provides the below explanatory chart:[235]

> "On June 14, 2023, the Commission issued Resolution ALJ-440, instituting a $6 million permanent disallowance of PSPS program-related costs in the settlement agreement to resolve all issues related to the Commission's Safety and Enforcement Division's investigation of SCE's 2020 PSPS events. SCE agreed to permanently waive its right to seek cost recovery for $6 million of PSPS program-related O&M expenses focused on customer outreach, critical care backup batteries, and
>
> notification requirements that are eligible for tracking in the

~~235 SCE Ex-01 at 160-161.~~

~~WMPMA and/or the FRMMA. Of the $6 million, $2.5 million of the disallowance is to apply to 2022 incremental costs and the remaining $3.5 million is to apply to 2023 incremental costs. As a result, SCE has reduced its cost recovery request in this Application by $2.5 million, ...”[236]~~

(Deleted)

No.	Item Description		Annual Summary[1]
1	**O&M Expense**	$	88.842
2	Capital Related Revenue Requirement		
3	Depreciation	$	5.241
4	Income Taxes	$	(3.599)
5	Property Taxes	$	0.210
6	Return	$	6.691
7	**Total Capital Related Revenue Requirement**	$	8.544
8	PSPS Disallowance	$	(2.500)
9	Interest	$	3.803

WMPMA and/or the FRMMA. Of the $6 million, $2.5 million of the disallowance is to apply to 2022 incremental costs and the remaining $3.5 million is to apply to 2023 incremental costs. As a result, SCE has reduced its cost recovery request in this Application by $2.5 million, ...”[236]

Wildfire Mitigation Plan Memorandum Account (WMPMA) for 2022
($ in millions)

Line No.	Item Description		Annual Summary[1]
1	**O&M Expense**	$	88.842
2	Capital Related Revenue Requirement		
3	Depreciation	$	5.241
4	Income Taxes	$	(3.599)
5	Property Taxes	$	0.210
6	Return	$	6.691
7	**Total Capital Related Revenue Requirement**	$	8.544
8	PSPS Disallowance	$	(2.500)
9	Interest	$	3.803
10	**Total Revenue Requirement**	$	**98.689**

[1] Excludes FF&U

No party opposes SCE’s request regarding ratemaking of the amount authorized herein. SCE’s request is consistent with prior requests, which have been authorized by the Commission, in similar proceedings pertaining to wildfire-related costs. Similarly, no party opposes SCE’s recommendation to implement the PSPS disallowance. The Commission finds SCE’s request

236 SCE Ex-01 at 160-161.

pertaining to the PSPS disallowance is an efficient means of implementing the disallowance and passing through the benefits to ratepayers.

As such, the Commission finds this approach consistent with past authorizations, efficient, and reasonable. Accordingly, SCE's ratemaking requests pertaining to the BRRBA and the PSPS disallowance are approved.

11. Affordability Metrics

On August 4, 2022, the Commission adopted D.22-08-023, which directs when and how the affordability metrics adopted in D.20-07-032 will be applied in Commission energy, water, and communications proceedings and further developed the tools and methodologies used to calculate the affordability metrics. D.22-08-023 requires that SCE include the affordability metrics in any initial filing of a proceeding with a revenue increase estimated to exceed one percent of currently authorized revenues systemwide for a single fuel. Because the revenue requirement requested in this Application exceeds one percent of SCE's currently authorized revenues (i.e., exceeds $174.291 million), SCE is required to introduce the Affordability Ratio 20 (AR 20) by climate zone, Affordability Ratio 50 (AR 50) by climate zone, and Hours-at-Minimum-Wage (HM) associated with revenues in effect at the time of the filing. SCE is also required to include essential usage bills by climate zone, underlying the affordability metrics associated with revenues in effect at the time of the filing; average usage bills by climate zone associated with revenues in effect at the time of the filing; and, for climate zones with Areas of Affordability Concern (AAC) as defined in the most recent annual Affordability Report, AR 20 by climate zones subdivided by Public Use Microdata Area. In addition, SCE must introduce the aforementioned metrics along with changes in the AR 20 by climate zone, AR 50 by climate zone, and HM associated with the proposed new revenue requested annually for each year in which the new revenues are proposed.

SCE provides evidence to meet the requirements in D.22-08-023. No party opposed the sufficiency of the showing.

As such, the Commission finds that SCE has complied with the requirement of D.22-08-023.

12. Summary of Public Comment

Rule 1.18 of the Commission's Rules of Practice and Procedure allows members of the public to submit written comments in a Commission proceeding in a number of different ways, including via the *Public Comment* tab, which is found at the online *Docket Card* on the Commission's website. Rule 1.18(b) requires that comments by the public submitted in a proceeding be summarized in the decision issued in that proceeding. The public comments submitted in this proceeding were received from customers across SCE's service territory. These comments generally state that the Commission should deny this request based on concerns regarding rate increases, including recent rate increases due to wildfire mitigation, and company profits. More information regarding the public comments is available on the Commission's website.

13. Procedural Matters

This decision affirms the rulings made by the Administrative Law Judge and the assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

14. Comments on Proposed Decision

The proposed decision of Administrative Law Judge Regina DeAngelis in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's

Rules of Practice and Procedure. Comments were filed on June 12, 2025 by SCE, Cal Advocates, and SBUA , and reply comments were filed on June 17, 2025 by SCE, Cal Advocates, and SBUA. In response to comments, the proposed decision has been revised consistent with the law. The proposed decision is revised to correct an error to an amount referenced regarding vegetation management expenses for Routine Line Clearing (inspection and mitigation). In addition, the proposed decision is revised to clarify the discussion regarding the adopted reduction to SCE's request related to Priority 3 remediations.

~~Rules of Practice and Procedure. Comments were filed on~~ __________ ~~by~~ __________ ~~, and reply comments were filed on~~ ____________ ~~by~~

~~.~~15. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Regina DeAngelis is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The costs presented are incremental in this instance because these costs would not have been incurred "but for" wildfire mitigation efforts.
2. SCE tracks costs by creating wildfire-specific work orders in its accounting system to ensure that the costs of these activities are separately tracked from SCE's other activities.
3. The portfolio method serves to ensure SCE's compliance with Section 8386.3.
4. The UAB Audit Report found that SCE's costs are neither "duplicative" nor "inappropriate," and reliance on the findings of the UAB Audit Report is reasonable.
5. The cost information provided by SCE and Request for Proposals related to 2022 support SCE's vegetation management costs for Routine Line Clearing

(inspection and mitigation) and refutes the recommended reductions presented by Cal Advocates and SBUA.

Vegetation Management - VMBA

6. SCE underspent approximately $13 million in the Dead, Dying, and Diseased Tree Removal program, the 2022 GRC-authorized amount is $42.135 million and the 2022 recorded amount is $29.003 million, and this difference is reflected in the overall incremental amount requested here.

7. In 2022, SCE experienced a significant rise in the volume of work points that required field support related to the 2022 Routine Line Clearing environmental review.

8. The costs incurred for 2021 environmental support related to Structure Brushing are not predictive of 2022 as costs have increased in 2022 due to additional work requirements.

9. SCE spent approximately $8 million less on the 2022 HTMP than authorized in SCE's 2021–2023 GRC.

10. SCE's HTMP 2022 forecast was inaccurate because the HTMP was a new activity and, as such, the forecast for the 2021–2023 GRC was developed before SCE had inventoried its hazard trees, which led to inaccurate estimates of the number of trees and remediations.

11. SCE's HTMP 2022 forecast was also inaccurate because risks and targeted areas changed throughout each year, as did the number of tree removals, trims, and projected workload.

12. The expenses for Weed Abatement in prior years are not reflective of the cost incurred in 2022 because costs fluctuate yearly due to a number of factors, including lease status of the relevant land areas, weather variables, vegetation growth rates, agency requirements, customer notifications, and environmental constraints.

13. While costs in 2022 for Weed Abatement were not directly impacted by SB 247, costs were indirectly impacted resulting in increased labor costs because the labor market for vegetation management workers closely overlaps with the labor market for weed abatement activities.

14. Based on the evidence presented, SCE fails to carry its burden of proof regarding the requested 2022 Straight Time Labor costs of $9.835 million for vegetation management because it does not appear SCE performed an analysis to establish whether the request is reflected in the 2022 revenue requirement.

15. Regarding 2022 Overhead for vegetation management, SCE points out that the costs are "incremental" but does not establish reasonableness and, as a result, a $24.076 million reduction, as recommended by Cal Advocates, is reasonable.

Wildfire Mitigation – WMPMA and FRMMA

16. In this instance, SCE's aerial fire suppression resources, known as the QRF, were a critical part of SCE's wildfire mitigation efforts.

17. During this proceeding, Target Undergrounding capital expenditures of $1.29 million out of the $1.6 million for material and design/planning costs for plan years 2023 to 2024 moved to plant-in-service as a capital addition ($0.31 million that has not yet been transferred to plant-in-service as a capital addition).

18. SCE's decision to perform some Priority 2 remediations sooner than the due date remediated ignition risk in an efficient and cost-effective manner.

19. Regarding 2022, SCE completed Priority 3 notifications sooner than scheduled by bundling work with other HFRA activities, and, as a result, treated them as opportunity maintenance.

20. While Priority 3 remediations are lower risk, ignition risk still exists, which implies that safety considerations should be addressed sooner.

21. Other utilities paid $0.692 million of the $1.154 million of expense for the joint utility testing of covered conductors that SCE requests here.

22. The Commission recently provided funding for iPads in D.21-08-036 (SCE 2021–2023 GRC) and SCE offers no adequate explanation as to why that funding was not sufficient.

23. SCE describes ongoing implementation of its efforts to rely on new technologies for the Enhanced Operational Practices but identifies nothing new related to the identified iPads that required the purchase.

24. The request to recover costs of $5.665 million associated with PSPS Event Customer Notifications is reasonable based on what SCE knew or should have known in 2022 when making the decision to spend those funds.

25. No determination is made here on whether SCE's 2022 notices were effective in providing PSPS notice consistent with existing Commission PSPS rules and guidelines.

26. SCE did not perform any analysis to establish whether the recorded Labor costs were reflected in the 2022 revenue requirement pursuant to D.21-08-036, SCE's 2021–2023 GRC.

27. The evidence fails to establish that the requested $19.385 million related to Labor Normal Time and Paid Time Labor is reasonable.

28. Regarding Overhead of $22.190 million ($10.658 million in O&M expenses and $11.532 million in capital expenditures) recorded in the WMPMA, SCE fails to show that the requested costs for 2022 wildfire mitigation overhead-related costs, such as labor, paid time off, material, contracts, fleet, and other charges were not already reflected in the authorized 2022 GRC revenue requirement.

29. SCE did not perform an analysis to determine whether the recorded costs for Overhead reflect costs for wildfire-related activities already contained in the 2022 revenue requirement, as authorized in D.21-08-036, SCE's 2021–2023 GRC.

30. Regarding Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental Remediation programs, grid hardening program, and Organizational Support, SCE did not provide evidence or an analysis to confirm that the straight-time labor and paid time off components of the requested Labor was not authorized in the revenue requirement authorized in D.21-08-036, SCE's 2021–2023 GRC.

Cost Recovery Ratemaking

31. As part of SCE's agreement to permanently waive the right to seek cost recovery for $6 million of PSPS program-related O&M expenses, as reflected in the Commission Resolution ALJ-440 (June 14, 2023), SCE reduced its cost recovery request in this Application by $2.5 million, as shown on Line 10 of Table V-34 of the Application in compliance with the Resolution. These costs were eligible for tracking in the WMPMA and/or FRMMA.

32. SCE does not record the revenue requirement associated with CWIP in the WMPMA until the assets are ready for service, at which time the classification of the assets changes from CWIP to capital additions.

33. During the proceeding, about half of the capital expenditures ($13.11 million out of $22.72 million) that were classified as 2022 CWIP at the time SCE filed this Application transferred to plant-in-service as capital additions.

34. Regarding the status of certain 2021 CWIP addressed in D.24-03-008 (2021 wildfire mitigation-related and vegetation management costs), as of September

30, 2024, $20.90 million of the $21.09 million in 2021 CWIP transferred to plant-in-service.

35. SCE's request to implement a $2.5 million PSPS disallowance, which is part of the $6 million disallowance under Resolution ALJ-440 (June 14, 2023), is

an efficient means of implementing the total disallowance and passing through the benefits to ratepayers. Implementation of $3.5 million remains to be addressed in the future.

Affordability Metrics

36. The requirements set forth in D.22-08-023 are met and no party opposed the sufficiency of SCE's showing.

Conclusions of Law

37. The finding that costs are "incremental" in this proceeding does not limit the ability of the Commission to further review and even disallow these costs based on reasonableness.

38. The use of the portfolio approach to establish incrementality does not inhibit the Commission's review of reasonableness of any specific costs presented by SCE.

39. If an amount is found to be "incremental," this does not mean does that the specific cost is also reasonable.

40. The reasonableness of the costs is a separate and independent analysis.

41. The Commission is not precluded from reliance on other methods of determining incrementality.

42. The 2022 amounts presented by SCE under the portfolio approach are incremental in this instance.

Vegetation Management - VMBA

43. SCE's cost recovery for Routine Line Clearing (inspection and mitigation), which consists primarily of compliance-based ground inspections, trimming and removal mitigation activities across SCE's transmission and distribution networks, is reasonable.

44. The request by Cal Advocates for a $~~52.050~~18.140 million reduction to the 2022 costs for routine line clearing activities, as recorded in the VMBA and FRMMA, should be denied.

45. The request by SBUA for a reduction to SCE's costs for activities related to routine line clearing should be denied.

46. The cost reduction proposed by SBUA related to the Dead, Dying, and Diseased Tree Removal program should be denied in this instance because the underspend of approximately $13 million is reflected in a reduction to the total amount that SCE requests in this proceeding.

47. The cost reduction of $10.771 million proposed by SBUA related to 2022 environmental review support O&M expenses is not warranted in this instance because of the significant rise in the volume of work points that require field support.

48. SBUA's recommended reduction of $10.771 million, related to 2022 environmental review support O&M expenses related to Routine Line Clearing, should be denied.

49. Because 2021 environmental support costs for Structure Brushing are not predictive of 2022 and costs increased in 2022 due to additional work requirements, SBUA's recommended reduction of $1.473 million related to environmental support for Structure Brushing should be denied.

50. The HTMP work performed by SCE in 2022 and the GRC-authorized amount for the cost category of Wildfire Vegetation Management are reasonable even if SCE recorded less in 2022 for HTMP than authorized for the broader cost category of Wildfire Vegetation Management.

51. SBUA's recommended reduction of approximately $8 million in O&M expenses to SCE's HTWP work should be denied.

52. The $4.26 million reduction recommended by SBUA for the 2022 Weed Abatement program is not warranted in this instance because weed abatement activities vary year-to-year and, as a result, the 2021 costs are not necessarily predictive of the 2022 costs and, in addition, costs likely increased in 2022 due to the indirect impact of SB 247 on the broader labor market related to vegetation management, which impacts weed abatement labor costs.

53. SBUA's recommendation to reduce by $4.26 million SCE's request for O&M expenses related to the Weed Abatement program in 2022 should be denied.

54. Because SCE fails to establish that the Straight Time Labor for vegetation management of $9.835 million ($9.430 million recorded in the VMBA and $404,000 in the FRMMA in 2022) is justified, SCE's request should be reduced by this amount. Because SCE fails to establish that $24.076 million of the requested Overhead for vegetation management is justified, SCE's request of $37.847 million should be reduced by this amount.

55. Based on the preponderance of evidence, SCE's request to recover in rates approximately $268 million for O&M expenses incurred in 2022 related to vegetation management, which SCE recorded in both the VMBA and the

FRMMA, should be reduced to reflect removal of certain Labor ($9.835 million) and Overhead ($24.076 million).

56. The O&M expense for 2022 vegetation management as recorded in the VMBA and FRMMA of approximately $235 million should be found reasonable. No capital expenditures were requested.

Wildfire Mitigation – WMPMA and FRMMA

57. In this instance, SCE's 2022 aerial fire suppression resources, known as the QRF, are a critical part of SCE's wildfire mitigation efforts and, as such, SCE's request to recover $18.2 million in O&M expenses to fund the 2022 operations of the QRF is reasonable.

58. The recoverability of costs for suppression of or other attempt to extinguish or prevent spread of an existing wildfire requires a case by case analysis and nothing in this decision should be construed to set policy in the future on this matter.

59. Recovery of $29.27 million for Targeted Undergrounding activities is reasonable because SCE demonstrated, via its rebuttal testimony, that $1.29 million of the disputed $1.6 million related to capital expenditures for material and design/planning costs for 2023 to 2024 moved to plant-in-service as a capital addition during the proceeding, which reflects a reduction of $0.31 million that has not transferred to plant-in-service as a capital addition.

60. Cal Advocates' recommended reduction of $6.146 million in cost recovery related to Priority 2 remediation work should be denied.

61. Relying on the outcome in D.22-06-032, this proceeding is not the appropriate forum for SCE's recovery of Priority 3 costs.

62. While it may be reasonable to bundle the higher priority work with Priority 3 remediations, the costs for Priority 3 remediation work remain routine and should be included in the normal recovery of costs through the general rate case process, consistent with D.22-06-032.

63. Cal Advocates' recommended reduction of $18.068 million ($10.744 million of capital expenditures and $7.324 million in O&M expense) related to SCE's bundling of Priority 3 contractor work is reasonable.

64. Recovery of $0.462 million for the joint utility testing of covered conductor within Enhanced Operational Practices, which reflects a reduction of $0.692 million to reflect the costs paid by the other joint utilities, is reasonable.

65. It is reasonable to reduce SCE's request for recovery of $7.125 million in capital expenditures for technology solutions to support the Hazard Tree Management Program by $1.570 million in capital expenditures to remove iPad purchase and deployment because no convincing need for the expenditure was established.

66. The recommendation by Cal Advocates to reduce SCE's O&M cost recovery for PSPS Events Customer Notification activities by $5.665 million should be denied.

67. The request for expenses related to Labor Normal Time and Paid Time should be reduced by $19.385 million for failure to establish reasonableness.

68. SCE fails to establish that the Overhead costs of $22.190 million ($10.658 million in O&M expenses and $11.532 million in capital expenditures) are reasonable.

69. Regarding the Labor cost for Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental Remediation

programs, grid hardening program, and Organizational Support recorded in the WMPMA and the FRMMA, a reduction of $5.503 million ($1.623 million in O&M expenses and $3.880 million in capital expenditures) is reasonable because SCE fails to show that the activities for the straight-time labor and paid time off components of Labor were not already funded in SCE's 2022 GRC-authorized revenue requirement.

70. Regarding wildfire mitigation-related activities presented here for activities in 2022 recorded in the WMPMA and FRMMA, $46.214 million in O&M expense and $111.430 million in capital are reasonable.

Cost Recovery Ratemaking

71. SCE should be authorized to implement the disallowance reflected in the Commission Resolution ALJ-440 (June 14, 2023) pertaining to PSPS program-related O&M expenses in the manner shown on Line 10 of Table V-34 of the Application.

72. The evidence establishes that $13.11 million of the $22.72 million that SCE presented in the Application as 2022 CWIP transferred to plant-in-service and, as a result, it is reasonable to find that SCE should recover the revenue requirement associated with the $13.11 million in capital expenditures.

73. Consistent with D.24-03-008, the evidence establishes that $20.90 million of the $21.09 million presented as 2021 CWIP transferred to plant-in-service as capital additions and can be recovered in revenue requirement.

74. The ratemaking request pertaining to the BRRBA and the $2.25 million of the $6 million PSPS disallowance in Resolution ALJ-440 is reasonable and should be approved. Implementation of the remaining $3.5 million should be addressed in the future.

Affordability Metrics

75. SCE has complied with the requirement of D.22-08-023 (Affordability Metrics).

Procedural Matters

76. The rulings made by the assigned ALJ and the assigned Commissioner in this proceeding are affirmed. All motions not ruled on are deemed denied.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company is authorized to recover the 2022 costs recorded in the Wildfire Mitigation Plan Memorandum Account (WMPMA), Fire Risk Mitigation Memorandum Account (FRMMA), and Vegetation Management Balancing Account (VMBA) to the extent set forth herein, and, accordingly, to increase distribution rates through revenue requirement over a 12 month amortization period, together with interest accrued during the pendency of the proceeding, by $290.502 million in operation and maintenance expenses and $99.392 million in capital expenditures. The approved cost recovery is summarized at the Appendix.

2. Southern California Edison Company is authorized to collect $20.90 million in 2021 construction work in progress (CWIP) and $13.11 million in 2022 CWIP that have transferred to capital additions, as described herein.

3. Southern California Edison Company is authorized to seek authority via a Tier 2 advice letter for authority to increase revenue requirement pertaining to the remaining 2021 construction work in progress of approximately $1.09 million.

4. Southern California Edison Company (SCE) is directed to update the amount of the revenue requirement via a Tier 2 Advice Letter to reflect the amounts authorized in Ordering Paragraph 1 and 2 and the amounts already

collected in rates by SCE under the interim rate relief granted in Decision 24-07012.

5. Southern California Edison Company is authorized to transfer the authorized revenue requirement, including interest, to the distribution subaccount of the Base Revenue Requirement Balancing Account for recovery from customers, amortized over a 12 month period, starting with the next regularly scheduled consolidated revenue requirement and rate change following issuance of this decision or as soon as practicable.

6. Southern California Edison Company is authorized to record and transfer the ongoing revenue requirement, as of each December 31, for the 2022 capital expenditure amount approved in this decision from the Wildfire Mitigation Plan Memorandum Account to the distribution subaccount of the Base Revenue Requirement Balancing Account for recovery in distribution rates via the year end consolidated revenue requirement and rate change advice letter process until the ongoing revenue requirement is included in general rate case authorized base rates.

7. Application 23-10-001 is closed.

This order is effective today.

Dated______, at Sacramento, California

APPENDIX A

Chart Summarizing Amounts Approved

	Total Costs in Millions of $						
Title/Activity	SCE Request under		Reductions		Authorized Amount		Disputed Issue
	O&M	Capital	O&M	Capital	O&M	Capital	
VMBA							
Dead, Dying, and Diseased Tree Removal	14.458	-					
Distribution Routine Vegetation Management	210.731	-					Routine Line Clearing
Fire Hazard Prevention	0.455	-					
Transmission Routine Vegetation Management	5.516	-					
Wildfire Vegetation Management	13.44	-					
Labor and Overhead Disallowance, per Cal Advocates			9.43				Straight-Time Labor
			24.076				Overhead
Section Total	244.6	-	33.506		211.094		
WMPMA							
Aerial Suppression	16.543	-					Aerial Suppression Activity
Enhanced Operational Practices	37.739	79.71	7.324	10.744			Priority 3 Remediation Contractor
							Future-Year Notification Contractor
			0.692				IOUs' Testing of Covered Conductor
				1.57			Mobile Devices
Enhanced Situational Awareness	2.808	1.213					
Fire Science and Advanced Modeling	2.375	0.6					
Grid Hardening	0.793	43.66					
~~Organizational Support~~	~~3.049~~	~~-~~					
~~PSPS~~	~~23.4~~	~~10.554~~					~~PSPS Customer Notifications~~

~~Wildfire Mitigation Training &~~	~~0.098~~	~~-~~					
			~~12.235~~	~~12.071~~			~~Labor Costs~~

237 CA Ex-02, Appendix A at A-4, A-6, A-8, and A-10.

Organizational Support	3.049	-					
PSPS	23.4	10.554					PSPS Customer Notifications
Wildfire Mitigation Training &	0.098	-					
Labor and Overhead Disallowance, per Cal Advocates	~~10.812~~		12.235	12.071			Labor Costs
	~~11.959~~		10.812	11.959			Overhead Costs
2021 CWIP Addition		20.9					
2022 CWIP Reduction				9.632			
Section Total (Excluding CWIP Adjustments)	86.804	135.736	31.063	36.344	55.741	99.392	
FRMMA							
Enhanced Operational Practices	0.001	-					
Organizational Support	0.888	-					
Vegetation Management	23.183	-	0.405				Labor Costs
Section Total	24.072	-	0.405		23.667		
***GRAND TOTAL (Excluding CWIP Adjustments)**	**355.476**	**135.736**	**64.974**	**36.344**	**290.502**	**99.392**	
GRAND TOTAL (Both O&M and CapEx Excluding CWIP	**491.212**				**389.894**		

(END OF APPENDIX A)

Summary report: **Litera Compare for Word 11.6.0.100 Document comparison done on 6/23/2025 1:21:44 PM**	
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Modified filename: [Rev. 1] A.23-10-001 SOCAL Edison 2022 Wildfire Mitigation.pdf	
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Move To	0
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Table moves to	0
~~Table moves from~~	0
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Embedded Excel	0
Format changes	0
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