

Application No.: A.23-05-010
Exhibit No.: SCE-07 Vol. 01E
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ERRATA

(U 338-E)

2025 General Rate Case

| *Results of Operations*

Before the

Public Utilities Commission of the State of California

Rosemead, California
May 12, 2023

1 **b) Establishment of the NextGen ERP SAP Memorandum Account (NGESMA)**

2 SCE’s core business data and functions – including its financial operations,
3 human resources, asset and work management, and supply chains – run or flow through SAP. As the
4 SAP Business Suite Enterprise Resource Planning (ERP) Platform reaches the end of its life cycle, SCE
5 faces increasing risk that added complexity and customizations, with the emergence of new
6 technological advancements, will not be supported by the current platform. To help mitigate this risk,
7 SCE plans to replace its current SAP with newer SAP technology to broaden its digital capabilities
8 across its business data and function.

9 In this proceeding, SCE intends to file a motion to establish a new memorandum
10 account, the NextGen ERP SAP Memorandum Account (NGESMA), with a January 1, 2024 effective
11 date, to record the revenue requirements associated with O&M expenses and capital expenditures for
12 activities related to the implementation phase of the NextGen ERP project as discussed in Exhibit SCE-
13 06, Vol. 02.⁶⁸ SCE proposes to address the reasonableness and recovery approach for the amounts
14 recorded in the NGESMA in its forthcoming 2024 NextGen ERP standalone application. Upon a finding
15 of reasonableness by the Commission, SCE proposes to transfer the balance in the NGESMA, including
16 accrued interest, to the distribution sub-account of the BRRBA to be recovered in customers’
17 distribution rates, or to a NextGen ERP-related balancing account and then to BRRBA, depending on
18 the cost recovery framework included in the standalone NextGen ERP application.

19 **c) Establishment of the Advanced Metering Infrastructure 2.0 Memorandum**
20 **Account (AMIMA)**

and post-
implementation phase

21 As discussed in Exhibit SCE-02, Vol. 03, by 2028 approximately 80 percent of
22 SCE’s existing Advanced Metering Infrastructure (AMI) meters will have been installed in the field for
23 more than 15 years. As SCE’s meter fleet has aged, SCE has been experiencing an increase in failures
24 year-over-year. This increasing failure rate impacts SCE’s ability to provide its customers reliable,
25 timely, and accurate billing and results in higher manual billing costs, and increased costs for personnel
26 to troubleshoot and replace failed meters. The AMI 1.0-meter population is also experiencing
27 technology obsolescence. Given the increasing meter failures, the risk of meter obsolescence, and
28 inability to update the associated and necessary software, it is imperative that SCE begins the

⁶⁸ Given the anticipated project size, these costs may also include facility-related costs associated with modifying existing SCE workspaces to accommodate the collaboration efforts of the project teams.

1 2024 (after which time the ongoing capital-related revenue requirement associated with approved Track
2 2 capital expenditures is included in the 2025 ADBRR). The Track 2 Decision also authorized SCE to
3 seek review and recovery of the post-Track 2 2022 through 2024 CSRPA costs and reimbursable benefits
4 in this Application.⁷⁶

5 In Exhibit SCE-03, Vol. 01, SCE sets forth an estimate of the remaining capital
6 expenditures and O&M costs and reimbursable benefits that have been or are expected to be incurred or
7 realized from January 2022 through December 2024. As described in Chapter V.B.5 below, SCE sets
8 forth the estimated revenue requirement associated with this spend for recovery in this proceeding.

9 Because SCE is including all 2025 and forward costs in its forecast ADBRR, SCE
10 proposes to close and eliminate the CSRPA once the final amounts recorded in the CSRPA have
11 been transferred to the distribution subaccount of the BRRBA for recovery in customers' rates.⁷⁷
12 Beginning with the 2025 GRC cycle, the ongoing revenue requirement associated with all approved
13 CSRPA spend will be included in the ADBRR.

14 **d) Seismic Retrofit for Non-Electric Facilities Memorandum Account**
15 **(SRNEFMA)**

16 In the 2021 GRC Decision,⁷⁸ the Commission authorized the establishment of the
17 Seismic Retrofit for Non-Electric Facilities Memorandum Account (SRNEFMA), effective January 1,
18 2021. In Advice 4586-E, SCE established Preliminary Statement Part N.37, SRNEFMA, which records
19 incremental capital-related revenue requirements above those authorized in Track 1 of SCE's 2021 GRC
20 associated with seismic retrofits of SCE's non-electric facilities for future cost recovery in SCE's next
21 GRC. In Chapter V.B.5 below, SCE seeks recovery of the incremental capital-related revenue
22 requirements recorded in the SRNEFMA over the 2021 GRC cycle, which are discussed more fully in
23 Exhibit ~~SCE-06, Vol. 07~~. Any ongoing capital-related revenue requirement associated with the work
24 completed in the 2021 GRC cycle (including 2024) and all additional amounts for SCE's seismic work
25 on non-electric facilities is included in SCE's 2025 ADBRR.

 SCE-04, Vol.01

⁷⁶ See D.23-03-019, OP 2.

⁷⁷ The final transfer of the Track 1 and Track 2-related revenue requirements from the CSRPA to BRRBA-D will occur on December 31, 2024. The revenue requirements associated with the 2022 through 2024 spend will record in the CSRPA through December 31, 2024 and then transfer to BRRBA-D upon the issuance of a final decision in this proceeding.

⁷⁸ D.21-08-036.