

Application No.: A.25-04-001  
Exhibit No.: SCE-07  
Witnesses: E. Lee



(U 338-E)

***Supplemental Testimony  
Energy Resource Recovery Account (ERRA)  
Review of Operations, 2024***

Before the

**Public Utilities Commission of the State of California**

Rosemead, California  
November 18, 2025

**SCE-07: Supplemental Testimony Energy Resource Recovery Account (ERRA)**  
**Review of Operations, 2024**

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I.

**NOTIFICATION TO PARTIES OF AN ISSUE IMPACTING 2024 YEAR-END BALANCES**

On April 1, 2025, Southern California Edison Company (SCE) submitted its annual Energy Resource Recovery Account (ERRA) Review Application (A.25-04-001) for procurement-related operations in the record period of January 1, 2024 through December 31, 2024. On May 15, 2025, SCE filed its Application (A.25-05-008) for Approval of its annual ERRA Forecast of Operations for 2026, with updated testimony (October Update) submitted on October 15, 2025. After the October Update, SCE discovered certain errors within its testimony that were corrected in an Amended October Update testimony filed on October 27, 2025. SCE is providing this supplemental testimony in the 2024 ERRA Review because one of the issues discovered in the 2026 ERRA Forecast impacts the 2024 year-end balances of the ERRA Balancing Account (ERRA BA), the Portfolio Allocation Balancing Account (PABA), and, to a much smaller extent, the generation subaccount of the Base Revenue Requirement Balancing Account (BRRBA-G). The 2024 year-end balances are not changing and the necessary corrections have been made in October 2025.

SCE discovered an unintentional error within its Billed Revenue Allocation Table (BRAT), which is used to determine how applicable customer revenues are distributed to the generation-related balancing accounts (BAs), including ERRA BA, PABA, and BRRBA-G. The BRAT is not used to calculate customers' bills; rather it is used to determine how the revenues received from customers are allocated to the various BAs after the customers' payment. The BRAT is also used in the forecast of customer revenues for the impacted BAs, which was used in December 2024 to set rates for January 1, 2025. The discovered error was the omission of the General Rate Case (GRC) authorized generation base revenue requirement from the calculation of the BRAT percentages. It was limited to the allocation of generation revenues received from SCE's bundled service customers.

The issue began with the BRAT as of January 1, 2024 and carried through subsequent updates made to reflect generation-related rate changes. As a result, the amount of bundled service customer generation revenues recorded in the ERRA BA and BRRBA-G (both recorded as a credit) and PABA

(recorded as a debit due to mostly negative Power Charge Indifference Adjustment rates) was overstated.

To remedy the issue, SCE: (1) submitted Supplemental Advice 5643-E-A on October 22, 2025 to provide the latest version of the corrected BRAT; (2) made adjustments to the ERRA BA,<sup>1</sup> PABA, and BRRBA-G in October 2025 that corrected the recorded bundled customer revenues for both 2024 and 2025; and (3) updated its forecasted November through December 2025 bundled customer revenues in the impacted BAs to reflect the corrected BRAT percentages. When all the corrections in the impacted BAs are netted, the overall impact is zero.<sup>2</sup> Because the adjustments were made in October 2025, there are no changes to the ending balances in this Application. However, this issue will also be discussed in the 2025 ERRA Review Application to be filed on April 1, 2026.

To prevent this issue from recurring, SCE established additional internal controls on the BRAT to confirm it is incorporating the total revenue requirement in the calculations. Specifically, SCE added an additional check into the BRAT workpaper to confirm that the entire generation revenue requirement is captured within the “Authorized Revenue Requirement” row, and SCE is also implementing an additional confirmation at the beginning of each year to compare the forecast of the customer revenue requirement against the indifference amount from the Power Charge Indifference Adjustment workpaper that implemented the ERRA Forecast for that year. This comparison would inform SCE if there is a mismatch between expected customer revenue for the year versus the total PCIA indifference amount and help to identify any errors earlier in the year.

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<sup>1</sup> Because the ending balance in the ERRA BA transfers at the end of each year to the latest subaccount of PABA, the 2024 adjustment to the ERRA BA was made in the 2024 subaccount of PABA.

<sup>2</sup> Due to some rounding, the total corrections sum to \$0.02.