

Docket	:	<u>A.25-12-002</u>
Exhibit Number	:	<u>CA-01</u>
Commissioner	:	<u>K. Douglas</u>
Admin Law Judge	:	<u>R. DeAngelis</u>
Witness	:	<u>S. Hunter</u>



PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

**Report on the Results of Operations
for
Southern California Edison Company
2025 Wildfire Mitigation and
Catastrophic Events**

Executive Summary

San Francisco, California
June 23, 2026

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TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. SUMMARY OF RECOMMENDATIONS	2
III. OVERVIEW OF CAL ADVOCATES' ANALYSES	4
IV. PROCEDURAL BACKGROUND AND SCHEDULE	5
V. ORGANIZATION OF CAL ADVOCATES' SHOWING / SUMMARY OF DIFFERENCES	6
A. Organization of Cal Advocates' Exhibits	7
B. Summary of Cal Advocates' Recommendations	7
VI. STATEMENT OF QUALIFICATION – STACEY HUNTER	9

EXECUTIVE SUMMARY

I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits its reports and exhibits in response to Application (A.) 25-12-002 of Southern California Edison Company's (SCE) request for recovery of incremental costs incurred for wildfire mitigation activities¹ and for incremental storm-related costs associated with four catastrophic firestorm events: the 2017 Rye Fire, the 2018 Holiday Fire, the 2020 Blue Ridge Fire, and the 2021 French Fire.²

SCE fails to justify approximately 61.36% of its Operations and Maintenance (O&M) request related to the Wildfire Mitigation Plan Memorandum Account (WMPMA), about 30.26% of its Capital Expenditures (CapEx) request related to the WMPMA, and about 21.89% of its request related to the Catastrophic Events Memorandum Account (CEMA).³ The California Public Utilities Commission (CPUC) should limit its approval to \$79.533 million for costs associated with the WMPMA, FRMMA, and CEMA as discussed in Exhibits CA-02, CA-03, and CA-04.

SCE also requests authorization to establish a memorandum account to record, as a credit, the revenue requirement associated with the Federal Energy Regulatory Commission's (FERC) Order No. 898.⁴ Cal Advocates does not oppose this request.

In its application, SCE requests a revenue requirement of approximately \$47.707 million as shown in Table 1-1 below:

¹ Southern California Edison's (SCE) Application, p. 1.

² SCE's Prepared Testimony, Exhibit (Ex.) SCE-02, p. 1.

³ Cal Advocates does not oppose SCE's request for rate recovery related to the Fire Risk Mitigation Memorandum Account.

⁴ Ex. SCE-03.

Table 1-1
Total Incremental O&M Expenses and Capital Expenditures
and SCE's Initial Revenue Requirement
(\$ in Thousands)

	Incremental Recovery Request		
	O&M	Capital	Rev Req
WMPMA	\$48,512	\$62,225	\$33,609
FRMMA	\$10	\$0	\$10
CEMA	\$6,615	\$15,635	\$14,080
Total	\$55,137	\$77,860	\$47,707

Source: Application (A.) 25-12-002. p. 2, Table I-1.

II. SUMMARY OF RECOMMENDATIONS

This section provides an overview and summary of SCE's request and Cal Advocates' recommendations. SCE seeks recovery of \$48.512 million of expenses for 2024 wildfire mitigation and vegetation management activities recorded in the WMPMA.⁵ In contrast, Cal Advocates recommends recovery of \$18.746 million for expenses recorded in the WMPMA.

SCE seeks recovery of \$62.226 million of capital expenditures for 2024 wildfire mitigation and vegetation management activities recorded in the WMPMA.⁶ In contrast, Cal Advocates recommends recovery of \$43.397 million for capital expenditures recorded in the WMPMA.

SCE seeks recovery of \$0.010 million of expenses for 2024 wildfire mitigation and vegetation management activities recorded in the FRMMA.⁷ Cal Advocates does not oppose this request.

SCE seeks recovery of \$6.615 million of expenses and \$15.635 million of capital expenditures for firestorm-related activities recorded in the CEMA.⁸ In contrast, Cal

⁵ Ex. SCE-01, p. 5, Table I-1.

⁶ Ex. SCE-01, p. 5, Table I-1.

⁷ Ex. SCE-01, p. 5, Table I-1.

⁸ Ex. SCE-02, p. 1.

Advocates recommends recovery of \$4.210 million for expenses and \$13.170 million of capital expenditures recorded in the CEMA.

Table 1-2 and Table 1-3 compare Cal Advocates' recommendation and SCE's O&M and CapEx cost requests.

Table 1-2
Incremental O&M Expenses recorded in WMPMA, FRMMA, and CEMA
(\$ Thousands)

Description (a)	SCE Proposed ⁹ (b)	Cal Advocates Recommended (c)	Amount SCE>Cal Advocates (d=b-c)
WMPMA	\$48,512	\$18,746	\$29,766
FRMMA	\$10	\$10	\$0
CEMA	\$6,615	\$4,210	\$2,405
Total O&M Expenses	\$55,137	\$22,966	\$32,171

Table 1-3
Incremental CapEx Recorded in WMPMA and CEMA
(\$ in Thousands)

Description (a)	SCE Proposed ¹⁰ (b)	Cal Advocates Recommended (c)	Amount SCE>Cal Advocates (d=b-c)
WMPMA	\$62,226	\$43,397	\$18,828
CEMA	\$15,635	\$13,170	\$2,465
Total Capital Expenditures	\$77,860	\$56,567	\$21,293

SCE seeks authorization for recovery of \$47.707 million in revenue requirement associated with the O&M and capital costs incurred for wildfire mitigation and vegetation management activities.¹¹ The revenue requirement amount includes \$10 million in

⁹ Ex. SCE-01, p. 5, Table I-1, and Ex. SCE-02, p. 1.

¹⁰ Ex. SCE-01, p. 5, Table I-1, and Ex. SCE-02, p. 1.

¹¹ SCE's Application, p. 2, Table I-1.

1 shareholder funding for the Thomas Fire pursuant to Decision (D.) 25-01-042, and
2 \$2.640 million in corrections and adjustments¹² which Cal Advocates does not oppose.

3 Cal Advocates recommends that SCE recover a revenue requirement of
4 approximately \$29.869 million for its O&M and capital costs recorded in the WMPMA
5 and FRMMA.¹³ Cal Advocates' recommendation is approximately \$17.838 million less
6 than SCE's \$47.707 million request.

7 **III. OVERVIEW OF CAL ADVOCATES' ANALYSES**

8 Cal Advocates submits Exhibits CA-02, CA-03, and CA-04 in support of its
9 recommendations.

10 Cal Advocates thoroughly investigated and analyzed SCE's 2024 recorded costs
11 it included in its recovery request. This includes whether these costs are reasonable
12 and justified. If SCE does not adequately support and/or justify the reasonableness of
13 its request or the costs are incremental to those previously authorized for revenue
14 recovery by the Commission, then Cal Advocates may recommend that the Commission
15 reject SCE's request for recovery of costs. If Cal Advocates cannot verify and
16 determine the reasonableness of, and/or the justification for, a particular O&M expense,
17 the Commission should reject recovery of such costs.

18 During review and analysis of SCE's recovery request, Cal Advocates discovered
19 that there were several line items included in the memorandum accounts related to
20 O&M and capital costs that lacked adequate justification or information for the specific
21 work performed, and/or the calculation and support for the recorded amounts.

22 Regarding the evaluation, determination, and authorization of costs in
23 reasonableness reviews, the Commission requires that a utility's costs not only be
24 prudent, but also verifiable for reasonableness before it can recover the costs. In
25 D.12-01-032, the Commission stated:

¹² Ex. SCE-01, p. 5, Table I-1.

¹³ Cal Advocates' revenue requirement is an approximation as it was not developed utilizing a Results of Operation (RO) Model.

1 “...to recover reasonable costs prudently incurred to comply with the
2 changes to the Commission’s rules adopted today. To be clear, we do not
3 find today that all costs incurred to comply with the revised rules will be
4 automatically assumed to be reasonable but that, after the Commission
5 verifies the reasonableness of costs, recovery will be permitted.”¹⁴

6
7 Regarding situations where a utility fails to maintain or provide detailed records
8 for the Commission’s review to determine reasonableness and prudence of costs,
9 Public Utilities Code section 463(b) states:

10 “Whenever an electrical or gas corporation fails to prepare or maintain
11 records sufficient to enable the commission to completely evaluate any
12 relevant or potentially relevant issue related to the reasonableness and
13 prudence of any expense relating to the planning, construction, or
14 operation of the corporation’s plant, the commission shall disallow that
15 expense for purposes of establishing rates for the corporation.”

16
17 The Commission has also explained that incrementality and reasonableness are
18 separate issues,¹⁵ and that once costs are determined to be incremental, the utility still
19 must show that the costs were just and reasonable.¹⁶ The Commission has held that
20 the standard of proof the applicant must meet in rate cases is that of a preponderance
21 of the evidence.¹⁷ In this proceeding, as documented in Cal Advocates’ testimony
22 exhibits, SCE has failed to properly support its claims that the costs incurred in the
23 WMPMA and CEMA were just and reasonable in addition to being incremental.

24 **IV. PROCEDURAL BACKGROUND AND SCHEDULE**

25 On December 4, 2025, SCE filed its 2025 WMCE Application. Cal Advocates
26 filed a timely protest on January 7, 2026. On March 4, 2026, the Commission held a
27 virtual prehearing conference (PHC.) The Assigned Commissioner’s Scoping Memo
28 and Ruling (Memo/Ruling) issued on April 2, 2026, established the procedural schedule

¹⁴ D.12-01-032, p. 151.

¹⁵ D.25-06-051, pp. 22-23.

¹⁶ D.25-06-051, p. 67.

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

for SCE's 2025 Wildfire Mitigation and Catastrophic Events (WMCE) Application. The Scoping Memo's procedural schedule for SCE's 2025 WMCE Application is shown in Table 1-4.

Table 1-4
Procedural Schedule for SCE's 2025 WMCE Application

Event	Date
Application Filed	December 4, 2025
Prehearing Conference	March 4, 2026
Cal Advocates and Intervenor Testimony	June 23, 2026
Rebuttal Testimony	July 17, 2026
Evidentiary Hearings (if necessary)	July 28 & 29, 2026
Opening Briefs	August 31, 2026
Reply Briefs	September 8, 2026
ALJ Proposed Decision	<i>1st Quarter 2027</i>
Commission Agenda <i>[no sooner than 30 days after the proposed decision]</i>	<i>1st Quarter 2027</i>

The procedural schedule requires intervenors to serve their testimony by June 23, 2026. Cal Advocates fulfills the requirement by serving its testimony today.

V. ORGANIZATION OF CAL ADVOCATES' SHOWING / SUMMARY OF DIFFERENCES

This section: (A) indicates how Cal Advocates' exhibits are organized; and (B) briefly highlights the major differences between Cal Advocates and SCE with respect to the cost recovery of incremental O&M and capital costs tracked in SCE's wildfire mitigation and catastrophic events memorandum accounts.

A. Organization of Cal Advocates' Exhibits

Table 1-5 shows the specific exhibits and subject matters for which each Cal Advocates witness is responsible.

**Table 1-5
Cal Advocates' Exhibits**

Exhibit No.	Subject	Witness
CA-01	Executive Summary	Stacey Hunter
CA-02	Operations and Maintenance Costs Recorded in the Wildfire Mitigation Plan Memorandum Account	Maya Kang
CA-03	Capital Expenditures Recorded in the Wildfire Mitigation Plan Memorandum Account	Amrisha Banarsee
CA-04	Catastrophic Events Memorandum Account and Fire Risk Mitigation Memorandum Account	Bibi Benitez

B. Summary of Cal Advocates' Recommendations

The following summarizes the recommendations contained within each of Cal Advocates' exhibits that address SCE's application.

<i>Exhibit CA-01 Executive Summary</i>
This exhibit provides a brief overview of SCE's request; presents the overall organization of Cal Advocates' exhibits; and summarizes the differences between Cal Advocates' and SCE's incremental O&M and capital costs recorded in SCE's WMPMA and FRMMA for 2024, and in CEMA for four firestorm events. • Cal Advocates does not oppose SCE's request to establish a memorandum account to record, as a credit, the revenue requirement associated with the Federal Energy Regulatory Commission's (FERC) Order No. 898.

Exhibit CA-02
Operations and Maintenance Costs Recorded in the
Wildfire Mitigation Plan Memorandum Account

This exhibit presents Cal Advocates' analyses and recommendations regarding SCE's 2024 O&M expenses recorded in the WMPMA for wildfire mitigation activities.

- Cal Advocates recommends recovery of \$18.746 million for SCE's wildfire mitigation O&M expenses recorded in the WMPMA, which is \$29.766 million less than SCE's request of \$48.512 million.

Exhibit CA-03
Capital Expenditures Recorded in the
Wildfire Mitigation Plan Memorandum Account

This exhibit presents Cal Advocates' analyses and recommendations regarding SCE's 2024 capital costs recorded in the WMPMA for wildfire mitigation activities.

- Cal Advocates recommends recovery of \$43.397 million for capital expenditures recorded in the WMPMA, which is \$18.828 million less than SCE's request of \$62.226 million.

Exhibit CA-04
Catastrophic Events Memorandum Account and
Fire Risk Mitigation Memorandum Account

This exhibit presents Cal Advocates' analyses and recommendations regarding SCE's O&M and capital costs recorded in the CEMA for four firestorm events between 2017 and 2021, and for O&M costs in the FRMMA for fire risk mitigation activities.

- Cal Advocates recommends cost recovery of \$4.210 million for O&M expenses recorded in the CEMA for costs to restore service to customers and to repair, replace, and restore damaged facilities, which is \$2.405 million less than SCE's request of \$6.625 million.
- Cal Advocates recommends cost recovery of \$13.170 million for capital expenditures recorded in the CEMA for costs to restore service to customers and to repair, replace, and restore damaged facilities, which is \$2.465 million less than SCE's request of \$15.635 million.
- Cal Advocates does not oppose SCE's request for recovery of \$0.010 million for O&M costs in the FRMMA for fire risk mitigation activities.

1 **VI. STATEMENT OF QUALIFICATION – STACEY HUNTER**

2 My name is Stacey Hunter. My business address is 505 Van Ness Avenue, San
3 Francisco, California San Francisco, California. I am employed by the Public Advocates
4 Office at the California Public Utilities Commission (Cal Advocates) as a Program and
5 Project Supervisor in the Energy Cost of Service and Natural Gas Branch.

6 I have a Bachelor of Science degree in Accounting from Golden Gate University.
7 Since joining Cal Advocates in 2003, I prepared Human Resources testimony in several
8 Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas
9 & Electric Company, and Southern California Edison Company General Rate Cases. I
10 have also prepared other cost analysis testimony in many other proceedings, including
11 SCE's 2023 Wildfire Mitigation and Vegetation Management proceeding.

12 I have also served as project coordinator for the Sempra 2022 GRC, Southwest
13 Gas Company GRC, Bear Valley Electric Service GRC, and for several non-GRC
14 proceedings, and I have testified numerous times before the California Public Utilities
15 Commission.

16 This completes my prepared testimony.