

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**

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A2305010

Application of Southern California Edison Company (U 338-E) for Authority to Increase its Authorized Revenues for Electric Service in 2025, Among Other Things, and to Reflect That Increase in Rates.

Application 23-05-010

**PROTEST  
OF THE PUBLIC ADVOCATES OFFICE**

**I. INTRODUCTION**

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this timely<sup>1</sup> Protest to the *Application of Southern California Edison Company for Authority to Increase its Authorized Revenues for Electric Service in 2025, Among Other Things, and to Reflect that Increase in Rates* (Application).

Southern California Edison Company (SCE) requests that the Commission authorize a base revenue requirement (BRR) of \$10.27 billion<sup>2</sup> to become effective on January 1, 2025, and to reflect the BRR in distribution, generation, and new system generation rates. SCE's request represents an increase in 2025 of \$1.9 billion, or 23 percent, over currently authorized base rates.<sup>3</sup>

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<sup>1</sup> SCE filed this Application on May 12, 2023, and it appeared on the Commission's Daily Calendar on May 15, 2023.

<sup>2</sup> *Application of Southern California Edison Company for Authority, to Increase its Authorized Revenues for Electric Service in 2025, Among Other Things, and to Reflect that Increase in Rates* (Application) at 6.

<sup>3</sup> Application, p. 7, Table 1; Exhibit SCE-07, Vol. 01, pp 5-8. SCE's request includes its sales forecast updates and \$95.57 million in one-time memorandum account recoveries (Application at 6).

SCE proposes a post-test year ratemaking mechanism to provide additional funds to cover the costs of doing business in 2026, 2027 and 2028 (attrition years).<sup>4</sup> SCE seeks Commission approval of a mechanism that, coupled with the requested BRR increases SCE proposes for TY 2025, would result in additional increases of \$373 million in 2026, \$477 million in 2027, and \$515 million in 2028.<sup>5</sup> This would result in a cumulative increase of \$10.168 billion over currently authorized revenues for years 2025 through 2028.

## II. ISSUES TO BE CONSIDERED

Cal Advocates is reviewing the Application and its associated workpapers. SCE did not provide all the documentation supporting the Application at the time of its filing and proposes updating and filing supplementary testimony and workpapers on July 14, 2023.<sup>6</sup> Cal Advocates received SCE's Results of Operations (RO) model nearly a month after its initial filing. Thus, Cal Advocates' identification of issues raised by the Application is ongoing and will continue as SCE supplements its Application with additional information. Cal Advocates will develop its own independent forecasts and make recommendations to the Commission as appropriate in its testimony.

Cal Advocates proposes that the following issues be identified and considered in this proceeding:

1. Whether SCE's request to increase its authorized revenues for electric service, which includes its forecasts of expenses, capital expenditures and rate base, effective January 1, 2025, for the 2025 Test Year is just and reasonable. This includes but is not limited to the following:
  - Grid Activities expense and capital cost forecasts;
  - Customer Interactions expense and capital cost forecasts;
  - Resiliency expense and capital cost forecasts;

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<sup>4</sup> SCE's post-test year proposal is based on the mechanisms approved in its last four GRCs, with modifications to the authorized Z-factor mechanism to include the Test Year (SCE-07, Vol. 04, at 22 and 26).

<sup>5</sup> SCE-07, Vol. 01, at 9.

<sup>6</sup> Application, p. 19 and Email response from SCE dated May 31, 2023, on status of supplemental testimony/errata.

- Generation and Energy Procurement expense and capital cost forecasts;
  - Enterprise Support expense and capital cost forecasts;
  - Asset Depreciation Study and Depreciation expenses;
  - Forecast, computation and deductions pertaining to federal, state and other taxes;
  - Forecasts for working cash, lead-lag study and other rate base items;
2. Whether the proposed post-test year ratemaking mechanisms and revenues for 2026, 2027, and 2028 are just and reasonable, and whether they should be adopted by the Commission;
  3. Whether SCE’s proposals to establish, modify, or eliminate various balancing and memorandum accounts should be approved or denied;
  4. Whether SCE’s proposal to find reasonable its request for recovery of certain memorandum accounts which includes recorded entries and forecasts for those accounts through December 31, 2024, is just and reasonable;
  5. Whether SCE’s proposals associated with various items identified as “Other Issues” in its Application are just and reasonable;
  6. Whether SCE’s safety and risk presentations, and various policy related proposals and goals are reasonable.

This list of issues is preliminary, and Cal Advocates reserves the right to address issues raised by SCE’s request in this proceeding as additional information becomes available.

### **III. CATEGORIZATION**

This proceeding has been preliminarily categorized as “ratesetting” consistent with SCE’s proposed designation.”<sup>2</sup> Cal Advocates agrees that this proceeding should be categorized as ratesetting.

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<sup>2</sup> Application at 40.

#### **IV. NEED FOR EVIDENTIARY HEARINGS AND PROCEEDING SCHEDULE**

Cal Advocates anticipates that hearings will be necessary to address some of the issues in this proceeding. Based on review of SCE’s Application and supporting testimony and workpapers, and on experience in prior GRCs, Cal Advocates recommends that evidentiary hearings be scheduled in this proceeding.

#### **V. PROPOSED SCHEDULE – Rule 2.1(c)**

Cal Advocates requests that the Commission adopt a schedule that provides all parties adequate time to evaluate SCE’s requests, conduct discovery, develop their own independent forecast and recommendations, and prepare reports and testimony on the issues raised by the Application. Cal Advocates opposes the December 15, 2023, date SCE proposes<sup>8</sup> for Cal Advocates to serve its prepared testimony. SCE’s proposal does not provide adequate time for Cal Advocates to prepare its testimony, especially in light of the fact that SCE intends to provide further supplements, errata, and updates.

The proposed SCE schedule does not allow time for Cal Advocates to thoroughly review and evaluate SCE’s Supplemental and Updated Testimony<sup>9</sup> before it serves its Testimony. SCE also states that it “anticipates submitting several iterations of corrections”<sup>10</sup> and time will be required to review and analyze this data and issue additional discovery.<sup>11</sup> Cal Advocates will be prepared to propose and discuss a schedule at the Pre-Hearing Conference (PHC) after further review of SCE’s exhibits and requests.

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<sup>8</sup> Application at 41.

<sup>9</sup> Application at 20-21.

<sup>10</sup> Application at 19.

<sup>11</sup> SCE’s forecast includes errors and because of this, “SCE has reflected a downward adjustment of \$20 million to its proposed 2025 revenue requirement, which is an estimated impact associated with a portion of known O&M-related errata. Note that an estimate or adjustment for known Capital-related errata was not performed by SCE. Again, SCE plans to submit “several iterations” of corrections in this proceeding (Application at 19).

## VI. CONCLUSION

Cal Advocates respectfully requests that the proceeding be categorized as ratesetting, the adopted procedural schedule provide adequate time for all parties to evaluate the utility's proposals and make their own recommendations, and the scope of the proceeding include the issues identified in this Protest.

Respectfully submitted,

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/s/ SELINA SHEK

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