

SOUTHERN CALIFORNIA EDISON COMPANY'S (SCE)

**NOTICE OF TWO APPLICATIONS:
FOR AUTHORIZATION TO RECOVER COSTS RELATED TO 2018-2020 WILDFIRE INSURANCE PREMIUMS RECORDED
IN ITS WILDFIRE EXPENSE MEMORANDUM ACCOUNT
APPLICATION NO. 19-07-020
REQUEST TO INCREASE RATES FOR THE CATASTROPHIC
EVENT MEMORANDUM ACCOUNT
APPLICATION NO. A.19-07-021**

1. APPLICATION FOR PROPOSED RATE INCREASE FOR WILDLIFE INSURANCE COST RECOVERY

SUMMARY

On July 31, 2019, Southern California Edison Company (SCE) filed its Wildfire Insurance Cost Recovery Application No. A.19-07-020 with the California Public Utilities Commission (CPUC). In this application, SCE requests authorization to recover costs that are associated with payments made for wildfire insurance and tracked in SCE's Wildfire Insurance Expense Memorandum Account (WEMA).

The total revenue requirement SCE seeks to collect from customers is approximately \$505.97 million (Insurance WEMA Balance). If the CPUC approves this application, SCE will be able to do the following:

- Recover 50% of Insurance WEMA Balance in customer rates commencing on October 1, 2019, and the other 50% commencing on October 1, 2020
- Reduce customer bill volatility by spreading the revenue recovery period over two years

ESTIMATED IMPACT ON ELECTRIC RATES

If the CPUC approves SCE's proposed rate increase, the average non-CARE residential customer using 1 kWh per month could see a monthly bill increase by an average of \$2.66 or 2.4%, from an average current monthly bill of \$110.79 to \$113.45.

The following table is representative of the estimated rate increase by customer group if this application is approved by the CPUC.

Customer Group	Current Rates	SCE's Interim Rate Recovery Proposal			Rates without Interim Rate Recovery		
		Proposed Increase	Proposed Rates	% Increase	Proposed Increase	Proposed Rates	% Increase
Residential	18.3	0.5	18.7	2.6%	0.9	19.2	5.2%
Lighting - Small and Medium Power	16.7	0.3	17.1	1.9%	0.6	17.4	3.8%
Large Power	12.1	0.2	12.3	1.4%	0.3	12.4	2.7%
Agricultural and Pumping	13.4	0.2	13.7	1.8%	0.5	13.9	3.6%
Street and Area Lighting	18.9	0.1	19.0	0.6%	0.2	19.1	1.2%
Standby	10.5	0.1	10.6	0.9%	0.2	10.7	1.8%
Total	15.9	0.3	16.2	2.1%	0.7	16.6	4.1%

Residential Bill Impact

Description	Current	SCE's Interim Rate Recovery Proposal			Residential Bill without Interim Rate Recovery		
		Proposed Increase	Proposed	% Increase	Proposed Increase	Proposed	% Increase
Non-CARE Residential Bill	\$110.79	\$2.66	\$113.45	2.4%	\$5.32	\$116.11	4.8%
CARE Residential Bill	\$74.82	\$1.80	\$76.61	2.4%	\$3.59	\$78.41	4.8%

Assumptions:

- Current rate based on

July 2019

- Based on

July 2019

- Residential bill impact is calculated for non-CARE customers and CARE customers with average usage of 550 kWh per month
- Residential bill calculated using baseline region 9 allocation

2. APPLICATION TO REQUEST TO INCREASE RATES FOR THE CATASTROPHIC EVENT MEMORANDUM ACCOUNT

SUMMARY

On July 31, 2019, SCE filed an application with the CPUC for approval to increase rates for the recovery of costs recorded to the Catastrophic Event Memorandum Account (CEMA). This application seeks to recover certain costs associated with the 2017-2018 drought and six 2017 firestorms.¹ SCE requests a one-time increase in its revenue requirement of approximately \$88.44 million. The costs which SCE seeks to recover in the application are not a part of SCE's normal business, and therefore are not funded through existing rates. If the CPUC approves this application, SCE anticipates including the revenue requirement in 2021 rate levels.

BACKGROUND

The CEMA is used to record unexpected costs incurred as a result of events that have been declared disasters by state or federal authorities. The CEMA records the costs of:

- (a) Safely restoring utility services to customers during declared disasters;
- (b) Repairing, replacing or restoring damaged utility facilities; and
- (c) Complying with governmental agency orders.

Consistent with CPUC guidelines, SCE is requesting to recover costs incurred to reduce the likelihood of fires associated with its electric facilities due to the effects of the recent historic drought as ordered by the CPUC in Resolution ESRB-4.

ESTIMATED IMPACT ON ELECTRIC RATE

If the CPUC approves SCE's proposed rate increase, the average non-CARE residential customer using 1 kWh per month could see a monthly bill increase by an average of \$0.94 or 0.8%, from an average current monthly bill of \$110.79 to \$111.72.

The following table is representative of the estimated rate increase by customer group if this application is approved by the CPUC.

Customer Group	Current Rates	Proposed Increase	Proposed Rates	% Increase
Lighting - Small and Medium Power	16.7	0.3	17.1	1.9%
Large Power	12.1	0.2	12.3	1.4%
Agricultural and Pumping	13.4	0.2	13.7	1.8%
Street and Area Lighting	18.9	0.1	19.0	0.6%
Standby	10.5	0.1	10.6	0.9%
Total	15.9	0.3	16.2	2.1%

Residential Bill Impact

Description	Current	Proposed Increase	Proposed	% Increase
CARE Residential Bill	\$74.82	\$1.80	\$76.62	2.4%

Assumptions:

- Current rate based on

July 2019

- Based on

July 2019

- Residential bill impact is calculated for non-CARE customers and CARE customers with average usage of 550 kWh per month
- Residential bill calculated using baseline region 9 allocation

FOR FURTHER INFORMATION ABOUT SCE'S APPLICATIONS

You may review a copy of SCE's applications and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770).

Customers with Internet access may view and download SCE's applications and related exhibits on SCE's website at <https://on.sce.com/2MBKdXZ> for A.19-07-020 and <https://on.sce.com/2yx7pvH> for A.19-07-021, or by visiting www.sce.com/applications, typing "A.19-07-020" or "A.19-07-021", into the Search box, and clicking "Go." If you have technical issues accessing the documents through the website, please e-mail case_admin@sce.com for assistance (be sure to reference proceeding A.19-07-020 or A.19-07-021, in your e-mail).

To request a hard copy of SCE's applications and related exhibits, or to obtain more information about these applications from SCE, please write to:

Southern California Edison Company A.19-07-020 – SCE's Wildfire Insurance Cost Recovery Application P.O. Box 800 Rosemead, CA 91770 Attention: Case Administration	Southern California Edison Company A.19-07-021 – CEMA Application P.O. Box 800 Rosemead, CA 91770 Attention: Case Administration
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In addition, a copy of this application may be reviewed at the CPUC's Central Files Office, located in San Francisco, CA, by appointment. For more information, please contact the CPUC at ajlcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

Each one of these applications will be assigned to an Administrative Law Judges (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decisions. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing processes, the assigned Judge will issue a proposed decision which may adopt SCE's application as proposed, modify, or deny them. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled public CPUC Voting Meeting.

The Public Advocates Office (CalPA) may review these applications on behalf of SCE's customers. CalPA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. CalPA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about CalPA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit CalPA's website at <http://www.publicadvocates.cpuc.ca.gov/>.

STAY INFORMED

If you would like to follow these proceedings, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments about the application, or if you have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at www.cpuc.ca.gov/pao/. You may also contact the PAO as follows:

- Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
- TTY: 1-866-836-7825 (toll-free) or 1-415-703-5282
- Or write to: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
- Email: public.advisor@cpuc.ca.gov

Please reference application number **SCE Wildfire Insurance Cost Recovery Application No. A.19-07-020** or **CEMA Application No. A.19-07-021** in any communications you have with the CPUC regarding these matters. All public comments will become part of the public correspondence files for these proceedings and made available for review for the assigned Judge(s), the Commissioners, and appropriate CPUC staff.

¹ This CEMA application also covers six catastrophic fires occurring in 2017: the Pier Fire, the Canyon 1 Fire, the Canyon 2 Fire, the Thomas Fire, the Creek Fire, and the Rye Fire.