

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Investigation on the
Commission's Own Motion into the Rates,
Operations, Practices, Services and Facilities
of Southern California Edison Company and
San Diego Gas and Electric Company
Associated with the San Onofre Nuclear
Generating Station Units 2 and 3.

Investigation 12-10-013
(Filed October 25, 2012)

**DECLARATION OF MICHAEL J. AGUIRRE IN SUPPORT OF
PROTESTOR RUTH HENRICKS' MOTION FOR ORDER SETTING DEADLINE
FOR COST APPLICATION, ORDERING REASONABLENESS REVIEW,
AMENDING PHASE 1 SCHEDULE, TERMINATING SGRP COST COLLECTION,
AND ORDERING RATEPAYER REPARATIONS**

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Attorneys for:
RUTH HENRICKS

February 7, 2013

1. I am an attorney duly licensed to practice before all of the courts of the State of California, and I along with my partner Maria C. Severson with the law firm of Aguirre, Morris and Severson LLP, am one of the attorneys of record for Protestor Ruth Henricks in this action. Except where otherwise stated, I have personal knowledge of the matters stated herein and if sworn as a witness could and would testify competently thereto.

2. Attached as Exhibit 1 is a true and correct copy of the relevant pages of California Public Utilities Commission (PUC) Decision Decision 05-12-040, obtained by me from the official CPUC website and proceedings docket of online documents.

3. Attached as Exhibit 2 is a true and correct copy of Southern California Edison (SCE) Advice Letter 2521-E, obtained by me from the official CPUC website and proceedings docket of online documents.

4. Attached as Exhibit 3 is a true and correct copy of Southern California Edison (SCE) Advice Letter 2648-E, obtained by me from the official CPUC website and proceedings docket of online documents.

5. Attached as Exhibit 4 is a true and correct copy of Southern California Edison (SCE) Advice Letter 2834-E, obtained by me from the official CPUC website and proceedings docket of online documents.

6. Attached as Exhibit 5 is a true and correct copy of relevant pages of PUC Decision D.11-05-035, obtained by me from the official CPUC website and proceedings docket of online documents.

7. Attached as Exhibit 6 is a true and correct copy of a 5 February 2013, email exchange between Protestor Henricks' counsel and SCE.

8. Attached as Exhibit 7 is a true and correct copy of a 6 February 2013 letter written by Senator Barbara Boxer and Congressman Ed Markey obtained from Congressman Markey's office.

9. Exhibit 8 is a true and correct copy of relevant excerpts from Southern California Edison's 10K SEC filing of February 28, 2011.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct.

Executed this 7th day of February, 2013, at San Diego, CA.


MICHAEL J. AGUIRRE

EXHIBIT 1

Decision 05-12-040 December 15, 2005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Authorization: (1) to Replace San Onofre Nuclear Generating Station Unit Nos. 2 & 3 (SONGS 2 & 3) Steam Generators; (2) Establish Ratemaking for Cost Recovery; and (3) Address Other Related Steam Generator Replacement Issues.

Application 04-02-026
(Filed February 27, 2004)

Carol A. Schmid-Frazee, John W. Spiegel, Charles D. Siegal, and Martin D. Bern, Attorneys at Law, for Southern California Edison Company, applicant.

Paul Angelopulo, Attorney at Law, and Mark R. Loy, for the Office of Ratepayer Advocates; Matthew Freedman, Attorney at Law, for The Utility Reform Network; James Weil, for the Aglet Consumer Alliance; Alcantar & Kahl, LLP, by Michael Alcantar, Attorney at Law, for the Cogeneration Association of California; Ellison, Schneider & Harris, LLP, by Andrew B. Brown, Attorney at Law, for the Independent Energy Producers Association; Daniel W. Douglass, Attorney at Law, for the Western Power Trading Forum; Adams, Broadwell, Joseph & Cardozo, by Marc Joseph, Attorney at Law, for the Coalition of California Utility Employees; James F. Walsh, Attorney at Law, Amy Peters and Wendy Keilani, for San Diego Gas and Electric Company; Jennifer K. Post, Attorney at Law, for Pacific Gas and Electric Company; James Ross, for Chevron Texaco McKittrick Cogeneration Company; Alcantar & Kahl, LLP, by Nora Sheriff, Attorney at Law, for the Energy Producers and Users Coalition; Karen Tarranova, Attorney at Law, for THUMS Long Beach Company; Brian T. Cragg and Lucina Lea Moses, Attorneys at Law, for City of Anaheim; Ronald Liebert, Attorney at Law, for California Farm Bureau Federation; Sabrina Venskus, Attorney at Law, for California Earth Corps; interested parties.

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O P I N I O N

I. Summary

By this order, we present our findings as to the cost-effectiveness of the steam generator replacement program (SGRP) proposed by Southern California Edison Company (SCE) for San Onofre Nuclear Generating Station Units 2 & 3 (collectively SONGS, separately Unit 2 or Unit 3), and related matters.¹ Based on these findings, we approve the SGRP subject to the requirements imposed herein. In addition, we certify the Final Environmental Impact Report (Final EIR) as the Environmental Impact Report (EIR) for the SGRP pursuant to the California Environmental Quality Act (CEQA).

Based on our analysis of the SGRP as discussed herein, we find that:

- The SGRP is cost-effective.
- \$680 million (\$569 for replacement steam generator installation and \$111 million for removal and disposal of the original steam generators) is a reasonable estimate of the total SGRP cost, excluding accumulated Allowance for Funds Used During Construction (AFUDC).²
- We do not intend to conduct an after-the-fact reasonableness review if the SGRP cost does not exceed \$680 million.
- If the SGRP cost exceeds \$680 million, or the Commission later finds that it has reason to believe the costs may be unreasonable regardless of the amount, the entire SGRP cost shall be subject to a reasonableness review.

¹ San Onofre Nuclear Generating Station Unit 1 (Unit 1) is shut down and undergoing decommissioning.

² All dollar figures are in 2004 dollars unless otherwise specified.

- Parity of treatment with that accorded Pacific Gas and Electric Company in Decision 05-11-026³ provides an additional \$102 million above the estimated total costs to account for future cost uncertainties to result in a maximum allowable SGRP cost (cap) of \$782 million as adjusted for inflation and cost of capital.⁴ SCE will not be allowed to recover SGRP costs in excess of this amount.
- SCE may record in a balancing account the revenue requirement associated with the steam generator replacement for each unit as of the date of operation of each unit.
- SCE may record in a balancing account the revenue requirement associated with the removal and disposal of the original steam generators for each unit as of the date removal and disposal is completed.
- SCE may include the revenue requirement for steam generator replacement for each unit in rates on January 1 of the year following commercial operation of each unit. Implementation shall be by advice letter.
- SCE may include the revenue requirement for removal and disposal of the original steam generators for each unit in rates on January 1 of the year following completion of the removal and disposal of the original steam generators for each unit.⁵ Implementation shall be by advice letter.
- After completion of the SGRP, SCE will be required to file an application for inclusion of the costs thereof permanently in

³ Pursuant to Evidence Code Section 451 and Rule 73 of the Commission Rules of Practice and Procedure, we take official notice of Decision 05-11-026.

⁴ The \$782 million cap will be adjusted for actual inflation and cost of capital. All references to the cap are as adjusted for actual inflation and cost of capital.

⁵ The calculation of the amount to be included in rates shall recognize the recovery of 20% (\$22.2 million) of the costs of removal and disposal of the original steam generators for both units through depreciation over 2006-2011.

rates, regardless of whether the costs exceed \$680 million. If a reasonableness review is performed, it will be done in connection with the application. In the event the removal and disposal of the original steam generators is delayed significantly beyond the commercial operation dates of both units, it may be addressed in a subsequent application.

- SCE is authorized to recover through depreciation a total of 20% (\$22.2 million) of the estimated costs of removal and disposal of the original steam generators for both units over 2006-2011.
- In future ratemaking proceedings that determine the revenue requirement associated with SONGS operations and maintenance (O&M) costs and capital additions, the O&M costs and capital additions estimates shown in Attachment A maybe subject to change. We decline to place a cap on O&M costs and capital additions.
- The reasonableness of the transfer of all or part of SDG&E's ownership share to SCE will be addressed in SDG&E's future § 851 application, which we will require SDG&E to file within 120 days of adoption of this decision.

San Diego Gas & Electric Company (SDG&E), a co-owner of SONGS, has elected not to participate in the SGRP. Its participation is not addressed herein, and will be addressed in an application to be filed by SDG&E pursuant to § 851.⁶

The Commission retains the discretion to determine the appropriate ratemaking treatment, including the possibility of a reasonableness review of costs incurred, if the SGRP is cancelled for any reason.

⁶ All section references are to the Public Utilities Code unless otherwise specified.

II. Background

SONGS is currently in operation with a capacity of approximately 2,150 megawatts (MW). It is located on the California coast 62 miles southeast of Los Angeles, in San Diego County, near the City of San Clemente. The site is located within the boundaries of the Camp Pendleton Marine Corps Base. Each of the two units has two steam generators manufactured by Combustion Engineering, Inc. (CE). In each steam generator, the heat from water circulated through the reactor is used to turn another stream of water into steam to power turbines that turn electric generators.

SONGS is currently licensed by the Nuclear Regulatory Commission (NRC) to operate until 2022. SCE estimates that SONGS will likely be required to shut down because of the degradation of the steam generators in 2009. As a result, SCE is requesting approval of the SGRP in this application.

Hearings were held from January 30 through February 11, 2005. The application was submitted on June 21, 2005.

III. SCE's Request

In this application, SCE requests that the Commission approve the replacement of SONGS' steam generators. Specifically, SCE requests that the Commission:

- Find it reasonable to perform the SGRP.
- Provide for rate recovery of construction financing costs as they are incurred, subject to a reasonableness review.
- Provide for an increase in SONGS depreciation expense beginning in 2006 and ending in 2011 to provide for the removal and disposal of the original steam generators, subject to a reasonableness review.

- Provide for each unit's portion of the SGRP costs to receive ratebase recovery (not to exceed the estimate of reasonable costs) upon their completion, subject to a reasonableness review.
- Establish an estimate of the reasonable cost of \$569 million (total project), excluding construction financing costs, and removal and disposal costs for the original steam generators, subject to a reasonableness review.
- Find that the SGRP will have no significant immitigable potential environmental impact.
- Determine that the impact on SCE and its ratepayers of a reduction in SDG&E's ownership share will be addressed in SDG&E's § 851 application.

SCE requests that approval of the SGRP in this proceeding means that the Commission will not disallow SGRP costs on the basis that the decision to undertake the SGRP is unreasonable.

We note that in this proceeding, SCE provided a detailed explanation of its request along with substantial documentation. Therefore, we find that it presented a prima facie case. As a result, in this decision we will address only those areas where there are differences between SCE and one or more parties.

IV. SDG&E Participation in the SGRP

This application was filed by SCE alone. Pursuant to the operating agreement among the owners of SONGS, SDG&E has chosen not to participate in the SGRP. Therefore, we will analyze the SGRP for SCE assuming that SDG&E does not participate.

As a result of its decision not to participate in the SGRP, and pursuant to the operating agreement between the owners of SONGS, SDG&E's ownership share of SONGS will be reduced, and SCE's ownership share will be increased in the same amount if the SGRP is performed. The reasonableness of the transfer of all or part of SDG&E's ownership share to SCE will be addressed in SDG&E's

EXHIBIT 2

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



December 7, 2010

Advice Letter 2521-E

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Implementation of 2011 Steam Generator Replacement
Revenue Requirement Associated with San Onofre Nuclear
Generating Station Unit 2 in Compliance with D.05-12-040**

Dear Mr. Jazayeri:

Advice Letter 2521-E is effective December 1, 2010.

Sincerely,

A handwritten signature in cursive script, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

November 1, 2010

**ADVICE 2521-E
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Implementation of 2011 Steam Generator Replacement
Revenue Requirement associated with San Onofre Nuclear
Generating Station Unit 2 in Compliance With Decision
05-12-040

In compliance with Decision (D.) 05-12-040, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

The purpose of this advice filing is to implement the 2011 Forecast San Onofre Nuclear Generating Station (SONGS) Unit 2 Steam Generator Replacement (SGR) revenue requirement in rate levels on January 1, 2011 in compliance with D.05-12-040.

BACKGROUND

In Application (A.) 04-02-026 SCE requested authorization from the Commission to replace the original SONGS 2&3 steam generators and to establish cost recovery mechanisms for the: 1) Removal and disposal of the original steam generators; and 2) new, replacement steam generators.

The Commission in D.05-12-040 adopted SCE's proposal to replace the SONGS 2&3 steam generators. In accordance with Ordering Paragraph No. 9 of D.05-12-040, the SGR revenue requirement for each unit shall be included in SCE's generation rates on an interim basis (subject to refund), commencing on January 1st of the year subsequent to the date that installation of the new, replacement steam generators is completed and placed in commercial operation. Interim rate increases shall be implemented through advice letter filings.

On June 30, 2009, SCE filed Advice Letter 2355-E and established the ratemaking associated with replacing the SONGS 2&3 steam generators in compliance with D.05-12-040.¹ Specifically, SCE established Preliminary Statement, Part Z, SONGS 2&3 Steam Generator Replacement Balancing Account and Preliminary Statement, Part SS, SONGS 2&3 Steam Generator Removal and Disposal Balancing Account.

Pursuant to these preliminary statements, the advice letters implementing the forecast revenue requirements in rates, and revisions to the revenue requirement shall be made by advice letter at least 60 days prior to implementation, which is November 1st.

2011 FORECAST SONGS UNIT 2 SGR REVENUE REQUIREMENT

Consistent with D.05-12-040, SCE will include the revenue requirement associated with replacing the two steam generators at SONGS Unit 2 in generation rates on January 1, 2011. Upon completion of the SONGS Unit 2 steam generator replacement, SCE placed Unit 2 in commercial operation on April 11, 2010. Therefore, SCE is authorized to include the Forecast SONGS Unit 2 SGR revenue requirement in rates on January 1, 2011. The 2011 Forecast SONGS Unit 2 SGR revenue requirement is estimated to be \$56.694 million and includes estimated depreciation, property taxes, income taxes, return on rate base, and Franchise Fees and Uncollectibles consistent with Preliminary Statement, Part Z. SCE will consolidate this revenue requirement along with other Commission-authorized revenue requirements in rates on January 1, 2011 consistent with SCE's 2011 ERRR Forecast proceeding.

In accordance with D.05-12-040, after SCE completes the replacement of SONGS Unit 3 steam generators, SCE is required to file an application for permanent inclusion of the SGR revenue requirement in rates. If a reasonableness review is performed as a result of SCE incurring more cost than the authorized cap of \$680 million (\$2004) for the SGR Program, the review will be done in connection with that application.

PROPOSED TARIFF CHANGES

SCE is modifying Preliminary Statement Part Z, SONGS 2&3 SGR Balancing Account, to include the 2011 Forecast SONGS Unit 2 SGR Revenue Requirement of \$56.694 million. The modified preliminary statement is included in Attachment A

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.1, this advice letter is submitted with a Tier 1 designation.

¹ Advice Letter 2355-E became effective on July 30, 2009.

EFFECTIVE DATE

This advice filing will become effective on December 1, 2010, the 30th calendar day after the date filed.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.04-02-026 service lists. Address change requests to the GO 96-B service list should be directed by electronic

November 1, 2010

mail to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact Doug Snow at (626) 302-2035 or by electronic mail at Douglas.Snow@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:ds:jm
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

☒ ELC ☐ GAS
☐ PLC ☐ HEAT ☐ WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2521-E

Tier Designation: 1

Subject of AL: Implementation of 2011 Steam Generator Replacement Revenue Requirement associated with San Onofre Nuclear Generating Station Unit 2 in Compliance With Decision 05-12-040

Keywords (choose from CPUC listing): Compliance

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.05-12-040

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information: _____

Resolution Required? ☐ Yes ☒ No

Requested effective date: 12/1/10

No. of tariff sheets: -3-

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement Part Z and Table of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: None

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47651-E	Preliminary Statement Part Z	Original 45400-E
Revised 47652-E	Table of Contents	Revised 47574-E
Revised 47653-E	Table of Contents	Revised 47512-E



AN EDISON INTERNATIONAL COMPANY

Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 47651-E
Cancelling Original Cal. PUC Sheet No. 45400-E

PRELIMINARY STATEMENT

Sheet 2

(Continued)

Z. SONGS 2&3 STEAM GENERATOR REPLACEMENT BALANCING ACCOUNT (Continued)

3. Forecast SONGS Unit 2 SGR Revenue Requirement

The Forecast SONGS Unit 2 SGR Revenue Requirement shall be recovered as a component of SCE's Commission-authorized generation revenue requirement, and shall be calculated as follows:

- a. Forecast Period - Book Depreciation Expense;
- b. Plus: Forecast Period - Ad Valorem Taxes;
- c. Plus: Forecast Period - Taxes Based on Income, including all appropriate income tax adjustments, and deferred income tax expense;
- d. Plus: Forecast Period - Return on Rate Base, which is the Forecast Period rate base multiplied by the Rate of Return on Rate Base;
- e. The sum of the above, increased to provide for FF&U;
- f. Equals: Forecast Period SONGS Unit 2 SGR Revenue Requirement as set forth below:

<u>Revision Date</u>	<u>Forecast SONGS Unit 2 SGR Revenue Requirements</u>	
January 1, 2011	\$56.694 million	(T)

(Continued)

(To be inserted by utility)

Advice 2521-E
Decision 05-12-040

2H10

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 1, 2010
Effective Dec 1, 2010
Resolution _____



An EDISON INTERNATIONAL Company

Southern California Edison

Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 47652-E
Cancelling Revised Cal. PUC Sheet No. 47587-E

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(Continued)

(To be inserted by utility)

Advice 2521-E

Decision 05-12-040

Issued by

Akbar Jazayeri

Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 1, 2010

Effective Dec 1, 2010

Resolution



An EDISON INTERNATIONAL Company

Southern California Edison

Rosemead, California (U 338-E)

Revised

Cal. PUC Sheet No. 47653-E

Cancelling Revised

Cal. PUC Sheet No. 47512-E

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	42772-33564-33565-33566-33567-33568-33569-33570-33571-33572-33573-33574-33575-E	
X.	Research, Development and Demonstration Adjustment Clause.....	45962-44963-E	
Y.	Demand Response Program Balancing Account.....	46062-46063-46064-46065-40394-46066-E	
	40394-40395-E	
Z.	Songs 2&3 Steam Generator Replacement Balancing Account.....	45399-47651-45401-45402-E	(T)
	45403-E	
AA.	California Alternate Rates for Energy (CARE) Balancing Account.....	44454-44455-44456-E	
BB.	PBR Distribution Revenue Requirement Adjustment Factor		
	31330-31331-31332-31333-35496-31335-31336-31337-E	
CC.	PBR Distribution Performance Mechanism	32057-31339-32058-31341-31342-E	
	31343-32059-32060-32061-32062-32063-32064-32065-32066-32067-32068-32069-32070-E	
	32071-32072-E	
DD.	Cost Of Capital Trigger Mechanism	31356-35497-31358-35498-31360-E	
EE.	Electric Deferred Refund Account.....	21212-26600-E	
FF.	Public Purpose Programs Adjustment Mechanism	44928-46924-40525-44457-40527-E	
	46566-46567-E	
GG.	Energy Efficiency Program Adjustment Mechanism	40530-E	
HH.	Low Income Energy Efficiency Program Adjustment Mechanism	44459-44460-E	
II.	Bond Charge Balancing Account	32855-32234-32235-E	
JJ.	Direct Access Cost Responsibility Surcharge Tracking Account.....	40656-40657-40658-E	
KK.	NOT IN USE	-E	
LL.	Reliability Investment Incentive Mechanism	46160-46161-46162-46163-46164-46165-E	
MM.	Community Choice Aggregation Balancing Account.....	44964-E	
NN.	Mohave Balancing Account.....	45963-44966-40718-E	
OO.	Pension Costs Balancing Account	45964-44968-44969-E	
PP.	Post Employment Benefits Other Than Pensions Costs Balancing Account.....	45965-44971-44972-E	
QQ.	Edison SmartConnect™ Balancing Account.....	44310-44973-44312-44313-E	

(Continued)

(To be inserted by utility)

Advice 2521-E

Decision 05-12-040

2H8

Issued by

Akbar Jazayeri

Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 1, 2010

Effective Dec 1, 2010

Resolution _____

EXHIBIT 3

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 13, 2012

Advice Letters 2648-E-A/E-B/E-C

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Supplemental Filings – Implementation of SCE Company's
Consolidated Revenue Requirement and Rate Change on
January 1, 2012**

Dear Mr. Jazayeri:

Advice Letters 2648-E-A/E-B/E-C are effective January 1, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

December 27, 2011

**ADVICE 2648-E-A
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Advice 2648-E, Implementation of Southern California Edison Company's Consolidated Revenue Requirement and Rate Change on January 1, 2012

PURPOSE

Southern California Edison Company (SCE) files this supplemental advice letter to submit revised tariff schedules reflecting the consolidated revenue requirement and other rate changes effective January 1, 2012, as discussed in Advice 2648-E. This advice letter supplements and replaces Advice 2648-E in its entirety. Revised tariff sheets reflecting the revenue requirement and rate changes discussed herein are attached hereto as Attachment A.

BACKGROUND

As discussed in more detail below, the California Public Utilities Commission (Commission) as well as the Federal Energy Regulatory Commission (FERC) have authorized SCE to change various components of its revenue requirement and rates on January 1, 2012. This advice filing does not incorporate any changes pending in SCE's 2012 Energy Resource Recovery Account (ERRA) Forecast Proceeding (A.11-08-002), or its 2012 General Rate Case (GRC) (A.10-11-015). SCE will file an advice letter implementing authorized revenue requirement changes when Commission decisions are issued in these two proceedings.

Rates reflecting final consolidated revenue requirement changes were not yet authorized at the time Advice 2648-E was filed and, therefore, are being provided with this supplemental advice filing.

A. CONSOLIDATED REVENUE REQUIREMENT

Table 1 below summarizes the revenue requirement component changes the Commission and the FERC have authorized in various proceedings effective January 1, 2012. These changes are discussed in more detail below.

TABLE 1
Southern California Edison Company
2012 Consolidated Revenue Requirement By Proceeding
Total System
(\$000)

Column 1	Column 2	Column 3	Column 4	Column 5
Revenue Requirement Component	Revenue Rqmts June 1, 2011 Rate Levels	Est. Revenue Rqmts January 1, 2012 Rate Levels	Change In Revenue Requirements	Authority For Change
1. ERRA FORECAST PROCEEDING				
2. Fuel and Purchased Power	3,707,993	3,707,993	0	A.10-08-001/D.11-04-006
3. ERRA Balancing Account	(335,877)	(335,877)	0	
4. Energy Settlement Refunds	(42,664)	(42,664)	0	
5. Subtotal ERRA Balancing Account	(378,541)	(378,541)	0	
6. New Sys Gen Balancing Account	14,725	14,725	0	
7. BRRBA	(217,936)	(217,936)	0	
8. Spent Nuclear Fuel	6,190	6,190	0	
9. NDAM Balancing Account	(22,369)	(22,369)	0	
10. CARE Balancing Account	55,853	55,853	0	
11. PPPAM Balancing Account	108,456	108,456	0	
12. TOTAL	3,274,371	3,274,371	0	
13. GRC PROCEEDING				
14. 2009 GRC (2011 Attrition)				
15. Generation O&M and Capital (No Refuel)	1,568,082	1,568,082	0	D.09-03-025/AL 2519-E-A
16. SONGS 2&3 Refueling	0	102,606	102,606	
17. Distribution O&M and Capital	3,634,235	3,634,235	0	
18. Subtotal	5,202,317	5,304,923	102,606	
19. Pension/PBOP Balancing Account	11,353	11,353	0	
20. Medical Balancing Account	(9,204)	(9,204)	0	
21. Palo Verde O&M Balancing Account	(30,998)	(30,998)	0	
22. Non-utility Affiliate Credits	(11,261)	(11,261)	0	
23. TOTAL	5,162,206	5,264,813	102,606	
24. Other				
25. HECA Memorandum Account	0	0	0	
26. ERRA Review (A.09-04-002)	29,864	29,864	0	
27. SONGS 2&3 Steam Generator Replacement	60,802	115,239	54,438	D.05-12-040/AL 2402-E/AL 2521-E/AL 2529-E
28. Self Generation	28,324	28,324	0	D.11-12-030
29. CA Solar Initiatives	111,275	111,275	0	D.11-12-019
30. Solar PV Program	27,839	27,839	0	
31. Low Income Energy Efficiency Proceeding	69,697	69,697	0	
32. CEMA (Bark Beetle)	16,682	16,682	0	
33. Demand Response	71,987	98,696	26,908	D.11-11-002
34. Edison SmartConnect	205,832	187,830	(18,002)	D.08-09-039/AL 2277-E
35. PGC Renewables and RD&D	59,165	0	(59,165)	D.11-12-035
36. Electric Program Investment Charge (EPIC)	0	59,165	59,165	
37. PGC - Energy Efficiency	101,579	0	(101,579)	D.11-12-038
38. Procurement Energy Efficiency	300,697	402,275	101,579	
39. Energy Efficiency Incentive	24,371	18,310	(6,061)	D.11-12-036
40. Nuclear Decommissioning Trust Fund	23,846	23,846	0	
41. FERC 2010 GRC Refund	(67,486)	(67,486)	0	
42. FERC Proceedings (Transmission)	586,091	631,185	45,094	ER12-201-000/ER12-236-000
43. TOTAL	1,650,565	1,752,941	102,376	
44. DWR				
45. Power Charge	617,540	(441,000)	(1,058,540)	D.11-12-005/AL 2674-E
46. Bond Charge	396,032	396,032	0	
47. TOTAL	1,013,571	(44,968)	(1,058,540)	
48. Effect of SCE Now Supplying 100% of Bundled Serv.	0	970,690	970,690	
49. TOTAL REVENUE REQUIREMENT CHANGE	11,100,714	11,217,848	117,133	

3. Department of Water Resources (DWR) Power and Bond Charges

In D.11-12-005, the Commission allocated DWR's total 2012 Power Charge Revenue Requirement among the three IOUs' customers using the allocation methodology adopted in D.08-11-0596, and set the 2012 DWR Bond Charge. SCE's allocated 2012 DWR Power Charge revenue requirement will be a negative \$441 million resulting in a negative DWR Power Charge, the DWR Energy Credit, of \$0.00593 per kWh. D.11-12-005 also adopted a DWR Bond Charge of \$0.00513 per kWh. In Advice Letter 2674-E, SCE implemented D.11-12-005. The impact of D.11-12-005 is a reduction of \$1.059 billion from the 2011 DWR revenue requirement. The DWR Bond Charge and new DWR Energy Credit are reflected in the rates included in Attachment A. SCE also provides a sample bill format showing the new DWR Energy Credit line item in Attachment B.

4. SCE Generation Rate

i. Effect of SCE Supplying 100 Percent of Bundled Service Load

Effective January 1, 2012, DWR will no longer provide energy on behalf of SCE's bundled service customers. Although SCE will then be providing 100 percent of bundled service load, SCE at this time is not proposing to change its generation rates from those reflecting its currently authorized ERRA (i.e., fuel and purchased power) revenue requirement. Upon a decision in its 2012 ERRA Forecast proceeding (A.11-08-002), SCE will file an advice letter in compliance with that decision and will update its ERRA revenue requirement and rates accordingly. Until SCE implements its 2012 ERRA forecast, the effect of SCE serving 100 percent of bundled service customers' load (as opposed to approximately 79 percent during 2011) will be an increase in SCE's generation revenues, based on current generation rates. SCE's purchased power expenses are also expected to increase. Any resulting over- or under-collection prior to the 2012 ERRA rate change will be recorded in the ERRA Balancing Account. The annual increase in SCE's generation revenues is estimated to be \$970.7 million, but this amount will be more than offset by the \$1.059 billion reduction in the DWR Power Charge Revenue Requirement.³

ii. SONGS Steam Generator Replacement (SGR)

In D.05-12-040, the Commission adopted SCE's proposal to replace the San Onofre Nuclear Generating Station Units 2 and 3 (SONGS 2&3) steam generators. In accordance with Ordering Paragraph 9 of D.05-12-040, the SGR revenue requirement for each unit shall be included in SCE's generation rates on an interim basis (subject to refund), commencing on January 1 of the year subsequent to the date that installation of the new replacement steam generators is completed and they are placed in commercial operation. Interim rate increases shall be implemented through advice letter filings.

³ See Line No. 45 of Table 1.

On June 20, 2009, SCE filed Advice Letter 2355-E and established the ratemaking associated with replacing the SONGS 2&3 steam generators in compliance with D.05-12-040.⁴ Specifically, SCE established Preliminary Statement, Part Z, SONGS 2&3 Steam Generator Replacement Balancing Account; and Preliminary Statement, and Part SS, SONGS 2&3 Steam Generator Removal and Disposal Balancing Account. Pursuant to these preliminary statements, the advice letters implementing revisions to the generation revenue requirement shall be filed at least 60 days prior to the date on which rates are to be implemented.

On November 1, 2010, SCE filed Advice Letter 2521-E to include the revenue requirement associated with replacing the two SONGS Unit 2 steam generators in generation rates on January 1, 2011. The SONGS Unit 2 steam generator replacement was completed on April 11, 2010.⁵ Likewise, in this advice letter, SCE is proposing to include the revenue requirement associated with replacing the SONGS Unit 3 steam generators in generation rates on January 1, 2012, as the SONGS Unit 3 steam generators replacement was completed on February 18, 2011. Therefore, SCE is authorized to include the forecast SONGS 2&3 steam generators replacement revenue requirement in rates on January 1, 2012. Table 6 below shows the estimated change in SCE's generation revenue requirement in 2012 associated with the SONGS SGR.

TABLE 6

SONGS Steam Generators Revenue Requirement (\$000)			
	2011	2012	Change
SONGS Steam Generator Replacement Generation BA			
Unit 2	56,694	57,699	1,005
Unit 3	0	57,540	57,540
Subtotal Steam Generators Replacement:	56,694	115,239	58,545
SONGS 2&3 Steam Generator Removal and Disposal *			
Unit 2 & Unit 3	4,107	0	(4,107)
Total Steam Generators Revenue Requirement:	60,802	115,239	54,438
*Pursuant to D.05-12-040, SCE has recovered its share of the 20% of estimated removal and disposal costs for the SONGS 2 & 3 original steam generators and is removing the annual revenue requirement from rates.			

The total 2012 forecast SONGS 2&3 steam generators revenue requirement is estimated to be \$115.239 million and includes estimated depreciation, taxes, return on rate base, plus FF&U, consistent with Preliminary Statement, Part Z. Any difference between this estimate, which is included in 2012 generation rates provide in Attachment

⁴ Advice Letter 2355-E became effective on July 30, 2009.

⁵ Advice Letter 2521-E became effective on December 1, 2010.

A, and the actual recorded revenue requirement is recorded in the Base Revenue Requirement Balancing Account.

iii. SONGS 2&3 Flexible Refueling and Maintenance Outages

In D.09-03-025 (2009 GRC), the Commission authorized SCE to continue use of the flexible Refueling and Maintenance Outage cost recovery for refueling outages at SONGS. In both 2009 and 2010, there was one refueling outage. In 2011, SCE's authorized GRC-related generation revenue requirement did not include recovery of any costs associated with refueling as there were no refueling outages. SCE will have two refueling outages in 2012: one expected to begin in January associated with SONGS Unit 2; and a second refueling outage estimated to begin in October for SONGS Unit 3. The amount currently authorized in D.09-03-025 (2009 GRC) for each refueling outage is \$51.303 million (see Table 7). Therefore, SCE is proposing to increase its generation revenue requirement in 2012 by \$102.606 million, which is reflected in the Generation rates included in Attachment A. SCE is also updating the Generation Monthly Distribution Percentages to be applied to the 2012 refuelings such that the first refueling outage revenue requirement is allocated evenly between January and February 2012, and the second refueling outage revenue requirement is allocated evenly between October and November 2012. The amount for these refuelings will be adjusted accordingly based upon a final Commission decision in SCE's 2012 GRC. Any difference between the refueling outage revenue requirement ultimately adopted in the 2012 GRC and the currently authorized refueling outage revenue requirement of \$51.303 million per outage will be recorded in SCE's 2012 GRC Memorandum Account.

TABLE 7

SONGS 2&3 Flexible Refueling and Maintenance Outages (\$000)					
	2009	2010	2011	2012*	Change
SONGS 2&3 Refueling Revenue Requirement:	47,160	49,165	-	102,606	102,606
* \$51.303 million for one refueling (\$49.165 x 1.0435); the 2012 amount reflects two refuelings, or \$102.606 million.					

5. FERC Jurisdictional – Transmission

On June 3, 2011, SCE filed revisions to its Transmission Owner (TO) Tariff with FERC in Docket No. ER11-3697-000 to implement a formula rate for the costs associated with its transmission facilities. That filing also set forth an increase in SCE's retail and wholesale electric transmission rates resulting from the implementation of the formula rate. On August 2, 2011, FERC issued its Order Accepting And Suspending Proposed Formula Rate Filing And Establishing Hearing And Settlement Judge Procedures, 136 FERC ¶ 61,074 (August 2, 2011) (Order) with respect to SCE's proposed formula rate filing. In the Order, FERC accepted the formula rate for filing, subject to refund, to be effective January 1, 2012; set a number of issues for hearing and settlement

PRELIMINARY STATEMENT

Sheet 2

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

b. Authorized Generation Base Revenue Requirement: (Continued)

Table B

Authorized Generation Base Revenue Requirement
(\$000)

<u>Effective Date</u>	<u>TOTAL</u>	<u>Less Mountainview Rev Requirement</u>	<u>Less Peaker Rev Requirement</u>	<u>Adj AGBRR</u>	
May 22, 2003	\$ 401,149				
January 1, 2004	\$ 675,852				
September 7, 2004	\$ 671,712				
January 1, 2005	\$ 596,049				
January 1, 2006	\$ 683,082				
January 12, 2006	\$1,137,582				
December 29, 2006	\$1,153,030				
January 1, 2007	\$1,152,135				
January 1, 2008	\$1,216,630				
January 1, 2009	\$1,488,612	\$149,806		\$1,388,806	
April 1, 2009	\$1,488,612	\$149,806	\$63,643	\$1,275,163	
July 1, 2009	\$1,488,612	\$0	\$63,643	\$1,424,969	
January 1, 2010	\$1,551,878	\$0	\$66,348	\$1,485,530	
January 1, 2011	\$1,568,082	\$0	\$69,234	\$1,498,848	
January 1, 2012	\$1,568,082	\$0	\$69,234	\$1,498,848	(N)

Table C

SONGS Refueling Amounts Included in AGBRR
(\$000)

<u>Effective Date</u>	<u>AGBRR Without Refueling</u>	<u>Number of Refuelings included in AGBRR</u>	<u>Total Amount of Refuelings included in AGBRR</u>	<u>MV¹</u>	<u>AGBRR</u>	
May 22, 2003	\$401,149	0	\$0		\$401,149	
January 1, 2004	\$588,690	2	\$87,162		\$675,852	
September 7, 2004	\$584,550	2	\$87,162		\$671,712	
January 1, 2005	\$596,049	0	\$0		\$596,049	
January 1, 2006	\$593,185	2	\$89,897		\$683,082	
January 12, 2006	\$1,040,806	2	\$96,776		\$1,137,582	
December 29, 2006	\$1,051,786	2	\$101,244		\$1,153,030	
January 1, 2007	\$1,100,548	1	\$51,587		\$1,152,135	
January 1, 2008	\$1,162,686	1	\$53,944		\$1,216,630	
January 1, 2009	\$1,291,646	1	\$47,160		\$1,338,806	
April 1, 2009	\$1,228,003	1	\$47,160		\$1,275,163	
July 1, 2009	\$1,228,003	1	\$47,160	\$149,806	\$1,424,969	
January 1, 2010	\$1,436,366	1	\$49,164	N/A	\$1,485,530	
January 1, 2011	\$1,498,848	0	\$0		\$1,498,848	(T)
January 1, 2012	\$1,498,848	2	\$102,606		\$1,601,454	(N)

¹Beginning January 1, 2010 the MV revenue requirement is included in the AGBRR without refueling.

(Continued)

(To be inserted by utility)

Advice 2648-E-A

Decision _____

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

Date Filed Dec 27, 2011

Effective Jan 1, 2012

Resolution _____



Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 49012-E
Cancelling Revised Cal. PUC Sheet No. 49108-E

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Cal. P.U.C.
Sheet No.

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Q.	Demand Side Management Adjustment Clause	24255-21355-20380-E	
	20381-22167-20383-21356-30264-20386-E	
R.	NOT IN USE.....	42955-E	
S.	Procurement Energy Efficiency Balancing Account	48581-E	
T.	Electric and Magnetic Fields Measurement Program.....	18319-18320-18321-E	
U.	California Solar Initiative Program Balancing Account	49279-49280-49281-E	
V.	Hazardous Substance Cleanup Cost Recovery Mechanism	18853-22174-E	
	27264-46002-31527-31528-18857-22175-18859-27681-27682-27683-18863-E	
W.	Departing Load and Customer Generation Departing Load		
	Cost Responsibility	33558-39862-33560-39863-33562-E	
	42772-33564-33565-33566-33567-33568-33569-33570-33571-33572-33573-33574-33575-E	
X.	Research, Development and Demonstration Adjustment Clause.....	47629-44963-E	
Y.	Demand Response Program Balancing Account	46062-49100-46064-46065-40394-46066-E	
Z.	Songs 2&3 Steam Generator Replacement Balancing Account.....	45399-49006-49007-45402-E	(T)
	45403-E	
AA.	California Alternate Rates for Energy (CARE) Balancing Account	44454-49805-46740-E	
BB.	Not In Use.....	-E	
CC.	Not In Use.....	-E	
DD.	Cost Of Capital Trigger Mechanism	31356-35497-31358-35498-31360-E	
EE.	Electric Deferred Refund Account.....	21212-26600-E	
FF.	Public Purpose Programs Adjustment Mechanism	46179-48203-49008-46182-46183-E	
	46184-49086-46186-46187-E	
GG.	Energy Efficiency Program Adjustment Mechanism	40530-E	
HH.	Low Income Energy Efficiency Program Adjustment Mechanism	49087-44460-E	(T)
II.	Bond Charge Balancing Account	32855-32234-32235-E	
JJ.	Direct Access Cost Responsibility Surcharge Tracking Account.....	40656-40657-40658-E	
KK.	NOT IN USE	-E	
LL.	Reliability Investment Incentive Mechanism	46160-46161-46162-46163-46164-46165-E	
MM.	Community Choice Aggregation Balancing Account.....	44964-E	
NN.	Mohave Balancing Account.....	47630-44966-40718-E	
OO.	Pension Costs Balancing Account	47631-44968-44969-E	
PP.	Post Employment Benefits Other Than Pensions Costs Balancing Account.....	47632-44971-44972-E	
QQ.	Edison SmartConnect™ Balancing Account.....	44310-44973-44312-44313-E	

(Continued)

(To be inserted by utility)

Advice 2648-E-A

Decision _____

2H11

Issued by

Akbar Jazayeri

Vice President

(To be inserted by Cal. PUC)

Date Filed Dec 27, 2011

Effective Jan 1, 2012

Resolution _____



Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 49013-E
Cancelling Revised Cal. PUC Sheet No. 49109-E

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TT. NOT IN USE	-E	
UU. Solar PV Program Balancing Account.....	45458-E	
VV. Medical Programs Balancing Account.....	47634-44978-44979-E	
WW. Community Choice Aggregation Cost Responsibility		
Surcharge Tracking Account	37950-E	
XX. Clean Technology Generation Balancing Account.....	43893-E	
YY. Base Revenue Requirement Balancing Account	47635-49009-45969-45970-E	(T)
.....	45971-49010-49101-48610-45975-45976-45977-45978-45979-E	(T)
ZZ. Energy Resource Recovery Account	43213-40740-34480-48992-48993-48306-46570-E	
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AAA. Post Test Year Ratemaking Mechanism	44986-45188-40745-40746-E	
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BBB. Employee Safety and Distribution Reliability Performance Incentive Mechanism		
.....	48611-48612-48613-E	
CCC. Cost of Capital Mechanism.....	44218-44219-E	
DDD. 2010-2012 On Bill Financing Balancing Account	46188-E	

(Continued)

(To be inserted by utility)

Advice 2648-E-A

Decision _____

Issued by

Akbar Jazayeri

Vice President

(To be inserted by Cal. PUC)

Date Filed Dec 27, 2011

Effective Jan 1, 2012

Resolution _____

EXHIBIT 4

December 31, 2012

**ADVICE 2834-E
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Implementation of Southern California Edison Company's
Consolidated Revenue Requirement and Rate Change on
January 1, 2013

PURPOSE

The purpose of this advice filing is to consolidate the effect of revenue requirement changes authorized by the California Public Utilities Commission (Commission or CPUC) in various decisions in customer rates on January 1, 2013.

BACKGROUND

As discussed in more detail below, the Commission as well as the Federal Energy Regulatory Commission (FERC) have authorized Southern California Edison Company (SCE) to change various components of its revenue requirement and rates on January 1, 2013. This advice filing does not incorporate any changes pending in SCE's 2013 Energy Resource Recovery Account (ERRA) Forecast Proceeding (A.12-08-001). SCE will file an advice letter implementing authorized revenue requirement changes in the ERRA proceeding when the Commission issues its final decision in that proceeding.

CONSOLIDATED REVENUE REQUIREMENT

Table 1 below summarizes the revenue requirement component changes the Commission and the FERC have authorized in various proceedings to become effective on January 1, 2013. These changes are discussed in more detail below.

TABLE 1
Southern California Edison Company
2013 Consolidated Revenue Requirement By Proceeding
Total System
(\$000)

Column 1	Column 2	Column 3	Column 4	Column 5
Revenue Requirement Component	Revenue Rqmts October 1, 2012 Rate Levels	Est. Revenue Rqmts January 1, 2013 Rate Levels	Change In Revenue Requirements	Authority For Change
1. ERRA FORECAST PROCEEDING				
2. Fuel and Purchased Power	4,084,426	4,084,426	0	D.12-07-007/AL 2760-E
3. ERRA Balancing Account	(384,303)	(384,303)	0	
4. Energy Settlement Refunds	(48,289)	(48,289)	0	
5. Subtotal ERRA Balancing Account	(432,592)	(432,592)	0	
6. New System Generation Balancing Account	21,095	21,095	0	
7. BRRBA	108,939	108,939	0	
8. Spent Nuclear Fuel	6,518	6,518	0	
9. NDAM Balancing Account	(17,631)	(17,631)	0	
10. CARE Balancing Account	54,922	54,922	0	
11. PPPAM Balancing Account	54,740	54,740	0	
12. TOTAL	3,880,417	3,880,417	0	
13. GRC PROCEEDING				
14. 2012 GRC (2013 Post Test Year)				
15. Generation O&M and Capital (No Refuel)	1,498,848	1,827,338	328,490	D.12-11-051/AL 2826-E
16. Peaker O&M and Capital (New System Gen)	69,234	61,622	(7,612)	
17. SONGS 2&3 Refueling	102,606	0	(102,606)	
18. Distribution O&M and Capital	3,634,235	4,132,638	498,403	
19. Subtotal	5,304,923	6,021,598	716,675	
20. 2012 GRC Memo Account	0	389,489	389,489	
21. FF&U On Non-GRC Rev Rqmts	0	(1,644)	(1,644)	
22. Solar PV Program	27,839	0	(27,839)	
23. Edison SmartConnect	187,830	0	(187,830)	
24. Pension/PBOP Balancing Accounts	11,353	4,332	(7,021)	
25. Medical Balancing Account	(9,204)	5,806	15,010	
26. Palo Verde O&M Balancing Account	(30,998)	(41,290)	(10,292)	
27. Non-utility Affiliate Credits	(11,261)	(11,257)	4	
28. TOTAL	5,480,481	6,367,034	886,553	
29. Other				
30. Cost of Capital (Impact on GRC Rev Req)	0	(211,828)	(211,828)	D.12-12-034/AL 2832-E
31. SONGS 2&3 Steam Gen Replacement	115,239	130,766	15,527	D.05-12-040/AL 2521-E/AL 2648-E-A
32. Self Generation	28,324	28,324	0	
33. CA Solar Initiative	111,275	74,858	(36,417)	D.11-12-019/AL 2677-E
34. Energy Savings Assistance Program (ESAP)	69,697	85,880	16,182	D.12-08-044/AL 2821-E
35. Demand Response	98,896	76,087	(20,809)	D.12-04-045/ D.12-11-015/AL 2739-E-A
36. Electric Program Investment Charge (EPIC)	59,165	67,354	8,189	D.11-12-035/D.12-05-037/AL 2747-E
37. Energy Efficiency (PGC and Procurement)	402,275	345,497	(56,778)	D.12-11-015
38. Energy Efficiency Incentive	18,284	0	(18,284)	D.11-12-036
39. Nuclear Decommissioning Trust Fund	23,846	22,990	(856)	D.10-07-047/AL 2736-E
40. CEMA Bark Beetle	0	11,889	11,889	D.12-11-041
41. FERC 2011 CWIP Refund	(5,358)	0	5,358	FERC Docket No. ER08-375/AL 2647-E
42. FERC Proceedings (Transmission)	811,145	828,783	17,638	
43. TOTAL	1,732,789	1,462,600	(270,189)	
44. DWR				
45. Power Charge	(340,472)	(70,000)	270,472	Due to kWh sales forecast adopted in D.12-11-040
46. Bond Charge	390,154	374,944	(15,210)	
47. TOTAL	49,682	304,944	255,262	
48. TOTAL REVENUE REQUIREMENT CHANGE	11,143,370	12,014,995	871,626	

3. SCE SONGS 2&3 Steam Generators Replacement and Removal & Disposal

Revenue Requirements

i. SONGS 2&3 Steam Generators Replacement (SGR)

In D.05-12-040, the Commission adopted SCE's proposal to replace the San Onofre Nuclear Generating Station Units 2 and 3 (SONGS 2&3) steam generators. In accordance with OP 9 of D.05-12-040, the SGR revenue requirement for each unit shall be included in SCE's generation rates on an interim basis (subject to refund), commencing on January 1 of the year subsequent to the date the installation of the new replacement steam generators is completed and they are placed in commercial operation. Interim rate increases shall be implemented through an advice letter.

The total 2013 forecast SONGS 2&3 SGR revenue requirement is estimated to be \$112.843 million and includes estimated depreciation, taxes, return on rate base, plus FF&U, consistent with D.05-12-040 and Preliminary Statement Part Z.

ii. SONGS 2&3 Steam Generators Removal and Disposal (SGR&D)

D.05-12-040 also authorized the removal and disposal revenue requirement for the original steam generators for each unit to be included in SCE's generation rates on an interim basis (subject to refund), commencing on January 1 of the year following the completion of the removal and disposal. Consistent with OP 10 of D.05-12-040, interim rate increases shall be implemented through an advice letter. The removal and disposal of the original Unit 2 and Unit 3 steam generators were completed in October 2012 and November 2012, respectively.

The total 2013 forecast SONGS 2&3 SGR&D revenue requirement is estimated to be \$17.924 million and includes estimated depreciation, taxes, return on rate base, plus FF&U, consistent with D.05-12-040 and Preliminary Statement Part SS. As shown on Line No. 31 of Table 1, SCE is including the estimated 2013 SGR and SGR&D revenue requirements in the amount of \$130.766 million, which is an increase of \$15.527 million from the estimated 2012 SGR revenue requirement of \$115.239 million, in its generation rates.

4. California Solar Initiative (CSI)

On December 20, 2011, SCE filed AL 2677-E modifying SCE's Preliminary Statement Part U, California Solar Initiative Program Balancing Account (CSIPBA), pursuant to OP 2 of D.11-12-019, which modified the CSI revenue requirement. The Commission modified the revenue requirement for each utility in light of the \$200 million budget increase allowed by Senate Bill (SB) 585 based on current budget shortfalls and funding needs in each utility service territory. Consistent with D.11-12-019, as shown on Line No. 33 of Table 1, SCE has included a decrease in the amount of \$36.417 million in its 2013 consolidated revenue requirement.

EXHIBIT 5

Decision 11-05-035 May 26, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authorization to replace San Onofre Nuclear Generating Station Unit Nos. 2 & 3 (SONGS 2 & 3) steam generators; establish ratemaking for cost recovery; and address other related steam generator replacement issues.

Application 04-02-026
(Filed February 27, 2004)

**DECISION GRANTING A PETITION TO MODIFY DECISION 05-12-040
WHICH AUTHORIZED THE REPLACEMENT OF STEAM GENERATORS AND
OTHER WORK AT THE SAN ONOFRE NUCLEAR GENERATING STATION**

Summary

In Decision (D.) 05-12-040, the Commission granted the application of Southern California Edison Company (SCE) for approval of its steam generator replacement program for San Onofre Nuclear Generating Station Unit Nos. 2 & 3 (SONGS). This decision grants SCE's request to modify D.05-12-040 for the limited purpose of removing from the steam generator replacement program cost estimate the costs related to replacing and refurbishing certain components in the low and high-pressure turbines at SONGS. The cost recovery limit for the steam generator replacement program is reduced by \$9.2 million, as estimated and adopted in 2004 dollars. D.05-12-040 is therefore modified so that SCE is authorized a revised total of \$670.8 million (2004 dollars) for the SONGS steam generator replacement program.

This decision increases no costs and does not change rates. This decision makes no findings on the reasonableness of the steam generator replacement program nor on the reasonableness of the 2009 and 2012 test years' high-pressure turbine retrofit project for SONGS.

This proceeding is closed.

Background

Southern California Edison Company (SCE) initially included the cost of this replacement and refurbishment work to the turbines (approximately \$9.2 million, 2004 dollars) in the much larger steam generator replacement program's cost estimate (approximately \$680 million, 2004 dollars). This turbine project component was so small that Decision (D.) 05-12-040 does not mention it in any one of the 210 findings of fact. SCE, however, has removed this turbine-related work from the steam generator replacement program, and has decided to complete the work as part of the separate high-pressure turbine retrofit project for the San Onofre Generating Station Units 2 & 3 (SONGS), scheduled for completion in 2012. This latter project was included in its most recent test year 2009 general rate case, Application (A.) 07-11-011.¹ SCE indicates that it does not want to "double-recover" the costs for the initial turbine replacement and refurbishment tasks along with the replacement of the steam generators when these former costs are now included in the 2009 and 2012 test year general rate cases.

¹ SCE submitted testimony providing the capital forecast from 2007-2011 for the SONGS two portion of the high-pressure turbine retrofit project, which the Commission approved in D.09-03-025 (Test Year 2009 general rate case decision). See A.07-11-011, Ex. SCE-02, Volume 5.

Procedural History and Record

SCE filed the petition to modify D.05-12-040 (petition) on October 8, 2010. On November 19, 2010 the Commission's independent Division of Ratepayer Advocates (DRA) filed a timely response and then SCE filed a timely reply on December 10, 2010. The assigned Administrative Law Judge (ALJ) on December 27, 2010 directed DRA to file a sur-reply, which was timely filed on January 14, 2011.

The record for this proceeding consists of all filed documents and all exhibits previously admitted into the record; there are no new exhibits served with respect to this petition to modify.

Rule 16.4(d) requires that SCE must either file for modification within one year or explain why it could not have been filed within that limit.² SCE did not address this requirement directly in its petition. It is, however, evident that the turbine project significantly evolved in the 2009 test year general rate case, A.07-11-011, well after the steam generator replacement project was approved in D.05-12-040 in this proceeding. We can therefore exercise our discretion and accept the petition for filing.

DRA Opposes the Petition

DRA opposes the motion in its response and its sur-reply. Essentially DRA reargues its concerns from the original proceeding addressing whether the

² Rule 16.4(d) Except as provided in this subsection, a petition for modification must be filed and served within one year of the effective date of the decision proposed to be modified. If more than one year has elapsed, the petition must also explain why the petition could not have been presented within one year of the effective date of the decision. If the Commission determines that the late submission has not been justified, it may on that ground issue a summary denial of the petition.

entire steam generator replacement project would be cost effective including whether the initial turbine scope of work was necessary under any of the scenarios considered in D.05-12-040.

Discussion

The questions of whether to pursue the steam generator project and the cost effectiveness of the proposal, including the initial turbine scope of work, is already resolved in D.05-12-040, and we will not revisit those issues. SCE seeks to remove the turbine components from the authority to replace the steam generators and recover those costs only as a part of a larger turbine project is already included in the rates adopted for A.07-11-011 and included in its current 2012 general rate case, A.10-11-015, presently before the Commission.

SCE indicates that it does not wish to “double count” or over-collect the costs of the turbine work already approved in D.05-12-040 in the subsequent two rate cases. This petition may be viewed as over-abundant caution – SCE could have simply offset (or netted) the already approved turbine costs from its larger turbine project requests in A.07-11-011 and A.10-11-015. We will grant the petition to modify D.05-12-040 and protect ratepayers through whatever terms and conditions are found reasonable and adopted in A.10-11-015.

Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and Douglas M. Long is the assigned ALJ, replacing the retired Jeffrey P. O'Donnell.

Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Only Edison filed timely comments and based on those comments the proposed

decision was modified to delete an infeasible proposal to carry forward the cost cap on the limited scope of turbine work approved in A.04-02-026 as a part of the much larger turbine work to be considered in A.10-11-015.

Findings of Fact

1. In D.05-12-040, the Commission granted SCE's application for approval of its steam generator replacement program for SONGS.
2. The costs related to replacing and refurbishing certain components in the low and high-pressure turbines at SONGS were included in the cost of the steam generator replacement program.
3. SCE is now pursuing a larger turbine repair program authorized in the decision on the 2007 general rate case, A.07-11-011, and included in the currently pending 2012 general rate case, A.10-11-015.
4. Modifying the authority in D.05-12-040 to exclude the \$9.2 million, as estimated and adopted in 2004 dollars for the turbine work, will avoid double-collecting.
5. Ratepayers will be protected through whatever terms and conditions are found reasonable and adopted in A.10-11-015 to control the costs of a new larger turbine project.

Conclusions of Law

1. The Commission has the authority to modify D.05-12-040.
2. It is reasonable to reduce cost recovery limit for the steam generator replacement program by \$9.2 million, as estimated and adopted in 2004 dollars. D.05-12-040 is therefore reasonably modified so that SCE is authorized a revised total of \$670.8 million (2004 dollars) for the SONGS steam generator replacement program.
3. This proceeding should be closed.

O R D E R

Therefore, **IT IS ORDERED** that:

1. The cost recovery limit for Southern California Edison Company's steam generator replacement program is reduced by \$9.2 million, as estimated and adopted in 2004 dollars. Decision (D.) 05-12-040 is modified so that Southern California Edison Company is authorized a revised total of \$670.8 million (2004 dollars) for the San Onofre Nuclear Generating Station Unit Nos. 2 & 3 steam generator replacement program. No other term or condition of D.05-12-040 is changed.

2. Application 04-02-026 is closed.

This order is effective today.

Dated May 26, 2011, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK J. FERRON

Commissioners

EXHIBIT 6

Michael Aguirre

From: Walker.Matthews@sce.com
Sent: Tuesday, February 05, 2013 3:07 PM
To: Michael Aguirre; mseverson@amslawyers.com
Cc: Henry.Weissmann@sce.com; Russell.Archer@sce.com; Walker.Matthews@sce.com; Russell.Worden@sce.com
Subject: Fw: Question About Scope of Application For Reasonableness Review

Dear Mr. Aguirre:

No, SCE has not yet filed the application referenced in your email below. SCE anticipates filing the application in or about March 2013.

In the future, please direct inquiries to SCE's counsel in this matter (Henry Weissmann, Walker Matthews, and Russell Archer), rather than to SCE's Case Administration group, so that we can timely address any questions that you may have.

Sincerely,

Walker Matthews

Walker A. Matthews, III
Senior Attorney
Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770
(626)302-6879

----- Forwarded by Walker Matthews/SCE/EIX on 02/05/2013 03:01 PM -----

From: Case Admin/SCE/EIX
To: CA-SONGS Oil Group List
Date: 02/05/2013 02:49 PM
Subject: Fw: Question About Scope of Application For Reasonableness Review
Sent by: David Balandran



FOR INTERNAL USE ONLY

Internal Distribution to CA-SONGS Oil Group List:

----- Forwarded by David Balandran/SCE/EIX on 02/05/2013 02:48 PM -----

From: "Michael Aguirre" <maquirre@amslawyers.com>
To: <Case.Admin@sce.com>
Cc: <mseverson@amslawyers.com>, "Donna Gilmore" <dgilmore@cox.net>, "Martha Sullivan" <marthasullivan@mac.com>
Date: 02/05/2013 01:54 PM
Subject: Question About Scope of Application For Reasonableness Review

Greetings: Did SCE file an application after completion of the SGRP for inclusion of the costs thereof permanently in rates, as provided in pertinent part in Decision 05-12-040 (15 December 2005) quoted here:

. After completion of the SGRP, SCE will be required to file an application for inclusion of the costs thereof permanently in rates, regardless of whether the costs exceed \$680 million. If a reasonableness review is performed, it will be done in connection with the application. In the event the removal and disposal of the original steam generators is delayed significantly beyond the commercial operation dates of both units, it may be addressed in a subsequent application.

If so would you please refer us to where and when such an application was filed by SCE. Thank You, Mike Aguirre

-----Original Message-----

From: Case.Admin@sce.com [<mailto:Case.Admin@sce.com>]

Sent: Thursday, January 31, 2013 4:08 PM

To: maquirre@amslawyers.com

Subject: A.13-01-XXX SONGSMA - Southern California Edison Company's (U 338-E) Application For A Reasonableness Determination Of 2012 Costs Recorded In The San Onofre Nuclear Generating Station Memorandum Account (SONGSMA) and Supporting Testimony
Importance: High

To all parties on the e-mail service list for A.10-11-015, & I.12-10-013:

Attached below in PDF searchable format please find "Southern California Edison Company's (U 338-E) Application For A Reasonableness Determination Of 2012 Costs Recorded In The San Onofre Nuclear Generating Station Memorandum Account (SONGSMA)".

This document was electronically filed with the San Francisco's California Public Utilities Commission's Docket Office today, January 31, 2013.

(See attached file: A.13-01-XXX SONGSMA - SCE Application For Review of 2012 SONGSMA.pdf) (See attached file: A.13-01-XXX - CERTIFICATE OF SERVICE.pdf)

Supporting Testimony(serviced):

(See attached file: A.13-01-XXX SONGSMA - SCE Testimony In Support of Application for Review of the 2012 SONGSMA.pdf) (See attached file: A.13-01-XXX SONGSMA - SCE Appendix 3 O and M for Unit 2 Cycle 17-Refueling Outage.pdf) (See attached file: A.13-01-XXX SONGSMA - SCE Appendix 4 Incremental O and M for Steam Generator Inspection and Repair Activities.pdf) (See attached file: A.13-01-XXX - COS on Testimony.pdf)

Best Regards.

Case Administration
Southern California Edison Company

Telephone (626) 302-6015

Fax (626) 302-3119

Case.Admin@SCE.com

EXHIBIT 7

Congress of the United States

Washington, DC 20515

February 6, 2013

The Honorable Allison M. Macfarlane
Chairman
Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

Dear Chairman Macfarlane:

We have become aware of new information contained in a 2012 Mitsubishi Heavy Industries (MHI) document entitled "Root Cause Analysis Report for tube wear identified in the Unit 2 and Unit 3 Steam Generators of San Onofre Generating Station" (Report).

We strongly urge the Nuclear Regulatory Commission (NRC) to promptly initiate an investigation concerning the troubling information contained in this Report.

The Report indicates that Southern California Edison (SCE) and MHI were aware of serious problems with the design of San Onofre nuclear power plant's replacement steam generators before they were installed. Further, the Report asserts that SCE and MHI rejected enhanced safety modifications and avoided triggering a more rigorous license amendment and safety review process.

For example, the Report states that although SCE and MHI accepted some adjustments to the replacement steam generators, further safety modifications were found to have "unacceptable consequences" and were rejected: "Among the difficulties associated with the potential changes was the possibility that making them could impede the ability to justify the RSG [replacement steam generator] design" without the requirement for a license amendment. The Report also indicates that SCE's and MHI's decision to reject additional safety modifications contributed to the faulty steam generators and the shutdown of reactor Units 2 and 3.

This newly-obtained information concerns us greatly, and we urge the NRC to immediately conduct a thorough investigation into whether SCE and MHI did in fact fail to make needed safety enhancements to avoid the license amendment process.

All people in our nation, including the 8.7 million people who live within 50 miles of the San Onofre plant, must have confidence in the NRC's commitment to put safety before any other concern.

We believe this alarming Report raises serious concerns about SCE's and MHI's past actions. Safety, not regulatory short cuts, must be the driving factor in the design of nuclear facilities, as well as NRC's determination on whether Units 2 and 3 can be restarted.

We look forward to your prompt response detailing how public safety will be assured in light of this information. If you have any questions, please have your staff contact Dr. Michal Freedhoff of Rep. Markey's staff at 202-225-2836 or Grant Cope of Chairman Boxer's staff at 202-224-8832.

Sincerely,



Barbara Boxer
Chairman

Senate Committee on Environment and Public Works



Edward J. Markey
Member of Congress

EXHIBIT 8

Morningstar[®] Document ResearchSM

FORM 10-K

SOUTHERN CALIFORNIA EDISON CO - SCE.PR.E

Filed: February 28, 2011 (period: December 31, 2010)

Annual report with a comprehensive overview of the company

Use these links to rapidly review the document
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[ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA](#)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-2313

SOUTHERN CALIFORNIA EDISON COMPANY
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

95-1240335
(I.R.S. Employer
Identification No.)

2244 Walnut Grove Avenue
(P.O. Box 800)
Rosemead, California
(Address of principal executive offices)

91770
(Zip Code)

(626) 302-1212

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Cumulative Preferred Stock	American

4.08%Series 4.32%Series

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- \$55 million increase related to capital-related revenue requirements recovered through CPUC-authorized mechanisms outside of the GRC process primarily related to the steam generator replacement project and the EdisonSmartConnect™ project.
 - Higher operation and maintenance expense of \$160 million primarily due to the following:
 - \$75 million of higher expenses to support company growth programs, including new information technology system requirements and facility maintenance.
 - \$45 million of higher transmission and distribution expenses to support system reliability and infrastructure replacement, right of way costs; preventive maintenance work, technical training and line clearing.
 - \$15 million of higher generation expenses primarily from a \$25 million increase from the San Onofre Unit 2 and 3 scheduled outages, including \$10 million of additional work identified during the Unit 2 scheduled outage, and a \$10 million increase primarily due to overhaul and outage costs at Four Corners. These increases were partially offset by a \$20 million decrease resulting from 2009 scheduled outages at the Mountainview power plant.
- SCE completed the replacement of the steam generators at San Onofre Unit 2 and Unit 3 in April 2010 and February 2011, respectively. During the San Onofre Unit 2 scheduled outage, SCE identified and completed additional work unrelated to the steam generator replacement that resulted in increased operation and maintenance expense and extended the outage beyond SCE's initial estimated timeframe. The San Onofre Unit 3 outage was briefly extended beyond SCE's initial estimated timeframe.

The CPUC previously adopted a mechanism establishing thresholds for review and recovery of SCE's incurred capital costs for the steam generator replacements. Based on preliminary cost information, SCE does not expect a reasonableness review will be required. SCE will file an application with the CPUC setting forth its final costs and compliance with the adopted mechanism.
- \$15 million of higher expense related to general liability and property insurance due to higher premiums for wildfire coverage.
 - Higher depreciation expense of \$89 million primarily related to increased capital expenditures, including capitalized software costs.
 - Higher net interest expense and other of \$32 million primarily due to:
 - Lower other income of \$19 million primarily related to a decrease in AFUDC – equity earnings due to the transfer of the Mountainview power plant to utility rate base in the third quarter of 2009 partially offset by an increase in AFUDC – equity resulting from a higher capitalization rate and level of construction in progress associated with SCE's capital expenditure plan.
 - Higher interest expense of \$7 million primarily due to higher outstanding balances on long-term debt.

See "—Income Taxes" below for discussion of higher income taxes during 2010 compared to the same period in 2009.

2009 vs. 2008

Utility earning activities were primarily affected by:

- Higher operating revenue of \$447 million primarily due to the following:
 - \$485 million increase resulting from the implementation of SCE's 2009 CPUC GRC decision which authorized an increase of \$512 million (\$27 million of which is reflected in utility cost-recovery activities) from SCE's 2008 revenue requirement effective January 1, 2009.