

Southern California Edison
2023-UPS – 2023-UPS

DATA REQUEST SET SPD - SCE - SB884-002 B A M A

To: SPD

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Job Title: Principal Manager
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Response Date: 5/07/2024

Question 01:

Building on SCE’s response to Question 1.d and 1.e, please provide a narrative explanation for how the current dollar value of wildfire mitigation costs is calculated for each account. This should include a breakdown of the kinds of costs that are included in the calculation.

Response to Question 01:

The current dollar value of amounts recorded in the **WRMBA** is based on the revenue requirement associated with SCE’s wildfire covered conductor program (WCCP) capital expenditures that have closed to plant (place in-service) that exceed the authorized revenue requirement for WCCP. The costs included in the WRMBA are capital depreciation expense, taxes and return, which are all based on WCCP capital expenditures (i.e., covered conductor, composite and fire-wrapped poles, tree attachment remediation and vibration damper retrofits). Interest expense is also recorded in the WRMBA.

The current dollar value of amounts recorded in the **VMBA** is based on incurred O&M expenses associated with all of SCE’s vegetation management activities, which include routine Transmission and Distribution vegetation management; dead, dying, and diseased tree removal; and wildfire vegetation management through SCE’s Hazard Tree Management Program (HTMP). Beginning January 1, 2024, the VMBA also records vegetation management-related Environmental Services Department (ESD) costs. Interest expense is also recorded in the VMBA. As explained in SCE’s original response, the balance shown in the “net” of the authorized VMBA revenue requirement and the actual incurred O&M costs for the activities set forth in this paragraph.

The current dollar value of amounts in the **BRRBA** is an authorized amount for 2024. This amount is calculated in the Results of Operation (RO) model that is used as part of SCE’s GRC ratesetting process. The breakdown of the \$982.688 million is as follows:

- WCCP: \$237.866 million (capital-related revenue requirement)
- VMBA: \$500.223 million (O&M expense revenue requirement)
- All Other Wildfire Mitigation Capital and O&M: \$244.599 million (capital and O&M expense revenue requirement). The wildfire mitigation activities that comprise “Other” were included in footnote 2 in the spreadsheet of SCE’s original response.

The current dollar value of amounts in the **WMPMA** is comprised of both the capital-related revenue requirement and O&M expenses associated with capital expenditures and O&M costs that are above the amounts authorized for non-WCCP and non-VMBA wildfire mitigation activities. These amounts are calculated by subtracting the total GRC-authorized amounts (at the wildfire mitigation portfolio level) from the total wildfire mitigation spend to arrive at the amounts incremental to what is authorized in the GRC for the activities eligible for recovery via the WMPMA.

The current dollar value of amounts in the **FRMMA** is comprised of O&M expenses associated with O&M costs that are above the amounts authorized for non-WCCP and non-VMBA wildfire mitigation activities that were not required to implement SCE's WMP. These amounts are calculated by subtracting the total GRC-authorized amounts (at the wildfire mitigation portfolio level) from the total wildfire mitigation spend to arrive at the amounts incremental to what is authorized in the GRC for the activities eligible for recovery via the FRMMA.