

Southern California Edison
2023-UPS – 2023-UPS

DATA REQUEST SET S P D - S C E - S B 8 8 4 - 0 0 3

To: SPD

Prepared by: Christopher Benitez

Job Title: Senior Advisor

Received Date: 6/6/2024

Response Date: 7/8/2024

Question 01:

Please review, correct and complete all fields listed in the attached excel file (20240604 SCE Balancing and Memo Accounts for Wildfire Mitigations.xlsx).

- a. Please use the date of the response to this data request to change the file name following format the “yyyymmdd SCE Balancing and Memo Accounts for Wildfire Mitigations.xlsx”.
- b. Please add the date the table was completed in Cell A2
- c. Please correct any of the names of the wildfire mitigation programs (Column A) implemented by SCE. If a wildfire mitigation program is missing from Column A, please add that to the table. If a wildfire mitigation program in Column A is duplicative or not deployed by SCE please remove that from the table.
 - i. If this wildfire mitigation program is part of SCE’s wildfire mitigation plan, in Column Z, please record the appropriate Utility Initiative Tracking ID for that mitigation.
- d. Please add any missing balancing or memorandum accounts (Column B) for the wildfire mitigation program (Column A).
- e. Please complete Columns G-Y according to the following methods:
 - i. Column G-H: This should include the GRC authorized revenue requirement dollar amount for the wildfire mitigation (Column A) that has already entered rates as of June 1st 2024 through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column G and OpEx should be recorded in Column H.
 - ii. Column I-J: This should include the GRC authorized revenue requirement dollar amount for the wildfire mitigation (Column A) that as of June 1st 2024 has yet to enter rates but is expected to do so through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column I and OpEx should be recorded in Column J.
 - iii. Column K-L: This should include any recorded costs for the wildfire mitigation (Column A) that go beyond the GRC authorized revenue requirement and has already entered rates as of June 1st 2024 through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column K and OpEx should be recorded in Column L.
 - iv. Column M-N: This should include any recorded costs for the wildfire mitigation (Column A) that go beyond the GRC authorized revenue requirement and has yet to enter rates as of June 1st 2024 but is expected to do so through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column M and OpEx should be recorded in Column N.
 - v. Column O-P: This should include any recorded costs that have not otherwise been recovered in revenue requirements approved in the GRC or any other proceeding for the wildfire mitigation (Column A) that has already entered rates as of June 1st 2024 through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column O and

OpEx should be recorded in Column P.

vi. Column Q-R: This should include any recorded costs that have not otherwise been recovered in revenue requirements approved in the GRC or any other proceeding for the wildfire mitigation (Column A) that has yet to enter rates as of June 1st 2024 but is expected to do so through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column Q and OpEx should be recorded in Column R.

vii. Column S-T: This should include any forecasted revenue requirements that have been submitted to an open GRC proceeding for the wildfire mitigation (Column A) and would be expected to enter rates through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column S and OpEx should be recorded in Column T.

viii. Column U-V: This should include any forecasted revenue requirements that have been submitted to an open Non-GRC proceeding for the wildfire mitigation (Column A) and would be expected to enter rates through the Commission authorized Balancing or Memorandum Account (Column B). CapEx should be recorded in Column U and OpEx should be recorded in Column V.

ix. Column W: Total for Columns G-V for the balancing or memorandum account (Column B)

x. Column X: Please provide the total of any Third-Party or Other funding sources for the wildfire mitigation (Column A).

xi. Column Y: Total of all Account Totals (Column W) plus the Third-Party or Other Funding Sources (Column X) for the wildfire mitigation (Column A). xii. Columns G-V should include any authorized revenue, recorded costs or pending revenue requests from when the balancing or memorandum account (Column B) was established or when the pending revenue request application was filed up to the present (i.e. approximately 2017-June 1st, 2024).

xiii. Please report Columns G-V and Column X in 2024 dollars.

Response to Question 01:

On June 17, 2024, SCE had a meeting with the Safety Policy Division (SPD) where they discussed how feasible it was to provide the items requested in the DR. In the meeting, SPD staff noted that SCE could provide a modified response to the DR of Capital Expenditures and an estimate of the equivalent Revenue Requirement for these Wildfire Mitigation projects. Please refer to the spreadsheet attached that shows the revised data request.

In the meeting, SCE explained to SPD the challenges of providing the revenue requirement for each wildfire mitigation project in the DR. For example, SCE tracks the capital expenditures at a detailed level but does not calculate the costs recorded into the respective balancing and memorandum accounts at the same level. Instead, SCE computes its capital-related revenue requirement on an aggregate basis for each account. SCE proposes a proxy¹ that SPD can use with the capital expenditure to estimate the related capital revenue requirement for their analysis. This proxy is an approximation used to respond to the exercise set forth in this data request and does not reflect the actual revenue requirement that is either (1) authorized by the Commission or (2) recorded in SCE's balancing and memorandum accounts. SCE does not calculate the capital-related revenue requirement for each project. Instead, it determines the revenue requirement based on the total capital spend for each account which then gets recorded as capital-related revenue requirement.

In addition, the WRMBA only tracks the costs associated with the Wildfire Covered Conductor program (WCCP), and the authorized amounts do not incorporate the proxy calculation as listed above and uses the approved authorized and recorded revenue requirements that is also shown in

¹ SCE provides its Revenue Requirement Multiplier as stated in its Preliminary Statement LL.

Advice 5267-E. As stated in Advice 5267-E (see attached), SCE established the WRMBA to record the difference between the WCCP capital expenditures authorized for Track 1 period and SCE's actual (recorded) WCCP capital expenditures incurred over the Track 1 period and any undercollection that is associated with up to 110 percent of the authorized Track 1 CapEx SCE is to seek recovery via a Tier 2 advice letter. The recorded amounts shown in this data request for the WCCP includes the total WCCP-related capital expenditures (i.e. costs incurred up to 110 percent of the authorized Track 1 CapEx). Please see Table 3 of the attached advice letter for the incremental revenue requirement, CapEx between 100 percent and 110 percent, that was put into rates in 2024. The initial revenue requirement for 2021 through 2024 is already included in customers' GRC base rates.

When mapping the GRC and Non-GRC Authorized Revenue Requirement, SCE categorizes its projects based on GRC Activity and is grouped at a higher level than what is provided in the Data Request. Please see below the mapping that SCE used to fill out the data request based on GRC Activity. If an item is not listed, then SCE's GRC Activity matches up with the DR's categorization.

Data Request Categorization	SCE 2021 GRC Activity
Community Outreach and Engagement	PSPS Customer Support
Emergency Preparedness	Fire Science and Advanced Modeling
Enhanced overhead inspections and remediations	Enhanced Overhead Inspections and Remediations Infrared Inspection Program Wildfire Work Order Related Expense Distribution Wildfire Work Order Related Expense Transmission
Enhanced situational awareness	Enhanced Situational Awareness
Grid Design, Operations, and Maintenance	Distribution Fault Anticipation Fusing Mitigation
Hazard Tree Management Program	Fire Hazard Prevention
Overview of Service Territory	Organizational Support Training Delivery and Development - Transmission and Distribution Training Seat-Time - Transmission and Distribution
Public Safety Power Shutoffs	PSPS Execution
Risk Methodology and Assessment	Asset Reliability Risk Analytics Weather Stations
Sectionalizing devices	HFRA Sectionalizing Devices

The amounts listed in both the GRC and Non-GRC recorded costs come from SCE's 2021, 2022, and 2023 Wildfire Mitigation and Vegetation Management filing.²

For the Pending GRC and Non-GRC revenue requirements, SCE took a different approach when calculating the amounts. While the CapEx is based on expected costs that SCE will incur during the

² Applications A.22-06-003, A.23-10-001, and A.24-04-005, respectively.

2025 GRC period, the revenue requirement was calculated on a totality basis in the 2025 GRC. To allocate the revenue requirements for each GRC sub-activity, SCE took the ratio of the CapEx for each GRC activity divided by the total CapEx by account that the GRC activity will record into. This percentage is used to allocate the revenue requirement to each GRC activity. See below for the mapping for the 2025 GRC (like the 2021 GRC mapping, if an item is not listed, then SCE's GRC activity matches up with the DCR's categorization).

Data Request Categorization	SCE 2025 GRC Activity
Aerial suppression	Aerial Suppression
Alternative/Emerging technologies (e.g., ground fault neutralizers)	Wildfire Mitigation and Veg Mgmt Technology Solutions Alternative Technologies
Community Outreach and Engagement	PSPS Customer Support
Emergency Preparedness	Fire Science and Advanced Modeling
Enhanced overhead inspections and remediations	Infrared Inspection Program High Fire Risk Inspections and Remediations GHBA / HFR Inspections and Remediations Wildfire Work Order Related Expense
Enhanced situational awareness	Enhanced Situational Awareness
Grid Design, Operations, and Maintenance	Grid Hardening Supplemental System Hardening Activities
Other VM Programs (not listed above)	Wildfire Vegetation Management
Overview of Service Territory	Organizational Support Training Delivery and Development - Transmission and Distribution Training Seat-Time - Transmission and Distribution
Public Safety Power Shutoffs	PSPS Execution
Risk Methodology and Assessment	Environmental Programs Ethics and Compliance
Sectionalizing devices	GHBA / HFRA Sectionalizing Devices
TUG	GHBA Grid Hardening
WCCP	WRMBA / Grid Hardening