

From: Prosper, Terrie D.
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To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: CPUC Issues Proposal On Southern California Edison Rate Case Request: CPUC Press Release

**FOR IMMEDIATE RELEASE
RELEASE**

PRESS

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
#: A.10-11-015

Docket

CPUC ISSUES PROPOSAL ON SOUTHERN CALIFORNIA EDISON RATE CASE REQUEST

SAN FRANCISCO, October 19, 2012 -- The California Public Utilities Commission (CPUC) today issued for public comment a Proposed Decision by an Administrative Law Judge regarding Southern California Edison's (SCE) General Rate Case. If approved by the five-member CPUC, the Proposed Decision would allow SCE to recover from ratepayers an increase of 5.45 percent over present rates, representing the reasonable costs of providing safe and reliable electrical service to customers in 2012. SCE had requested a 16.6 percent increase over current rates.

The Proposed Decision is the result of the CPUC's detailed review of the future operations and service requirements of SCE. The CPUC holds safety, reliability, and just and reasonable rates for customers as the basis of its review. In order to keep rates just and reasonable, the Proposed Decision imposes belt tightening on SCE, including more efforts at cost-effectiveness, slower implementation of some activities, and disallowance of non-essential costs and projects. The Proposed Decision reduces SCE's 2012 company-wide request for Operations and Maintenance expenses by \$243.2 million and reduces SCE's 2010-2012 capital spending request by \$813.7 million.

The Proposed Decision authorizes \$5.693 billion base revenue requirement for 2012 in order to provide SCE with sufficient funding to both assure safe and reliable service and to adapt SCE's system to integrate renewable energy resources and advanced

technologies. The revenue is a 5.45 percent increase over the projected revenue requirement at present rate levels of \$5.399 billion, and a 9.55 percent reduction from the 2012 revenue requirement requested by SCE of \$6.294 billion.

Recognizing the need for SCE to make safety a priority, the Proposed Decision authorizes enhanced equipment inspections and new technology to better track the condition and service record of SCE's assets. It also orders an independent assessment of SCE's system utility poles to determine whether current loads meet legal standards, and an independent audit of SCE's spending across key categories of infrastructure repair and replacement included in the Reliability Investment Incentive Mechanism.

Regarding SCE's much-criticized response to a 2011 windstorm, in 2013 SCE is required to provide the CPUC with a progress report on various initiatives SCE stated it would undertake to improve its emergency communications and responses to service communities and customers. Further, the Proposed Decision determines that it is in the best interest of ratepayers for 2012 Operations and Maintenance expenses and post-2011 capital expenditures related to the San Onofre Nuclear Generating Station to be tracked in a memorandum account for separate review and be subject to refund.

Comments by parties are due by Nov. 8, 2012, and reply comments are due by Nov. 13, 2012. The first opportunity that the Commissioners will have to vote on the Proposed Decision is Nov. 29, 2012.

Members of the public can comment on the Proposed Decision by contacting the CPUC's Public Advisor's Office at 415-703-2074 or 866-849-8390 (TTY 866-836-7825) or public.advisor@cpuc.ca.gov or CPUC Public Advisor, 505 Van Ness Avenue, Room 2103, San Francisco, CA 94102. Please reference proceeding number A.10-11-015.

The Proposed Decision, assigned to Commissioner Timothy Alan Simon, is available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M030/K972/30972928.pdf>.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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Terrie Prosper

Director, News and Public Information Office

California Public Utilities Commission

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