January 23, 2018

Russell G. Worden
Director, Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, CA 91770


Dear Mr. Worden:

Advice Letter 3685-E is withdrawn as requested in your letter dated January 10, 2018.

Sincerely,

Edward Randolph
Director, Energy Division
January 10, 2018

Energy Division
Attn: Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California  94102

Re: Withdrawal of SCE Advice 3685-E

Dear Energy Division Tariff Unit:


Should you have any questions, please contact me.

Sincerely,

/s/ Russell G. Worden
Russell G. Worden

RGW:dm:jm

Copy: James Loewen, CPUC Energy Division
Eric Greene, CPUC Energy Division
Service lists SCE’s GO 96-B, A.12-12-012 et al, I.12-10-013 et al, A.14-12-007, and A.15-01-014
ADVICE 3685-E  
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

SUBJECT: Implementation of the 2018 San Onofre Nuclear Generating  
Station Order Instituting Investigation 12-10-013 Settlement  
Agreement Revenue Requirement Pursuant to Decision  
14-11-040

Southern California Edison Company (SCE) hereby submits for approval by the  
California Public Utilities Commission (Commission) the following changes to its tariffs.  
The revised tariffs are listed on Attachment A and are attached hereto.

PURPOSE

The purpose of this advice filing is to implement the 2018 San Onofre Nuclear  
Generating Station (SONGS) revenue requirement in rate levels on January 1, 2018 in  
compliance with Decision (D.)14-11-040.

BACKGROUND

Reform Network (TURN), the Office of Ratepayer Advocates (ORA), Friends of the  
Earth, and the Coalition of California Utility Employees (collectively, Joint Parties) filed a  
joint motion for the adoption of a SONGS Order Instituting Investigation (OII)12-10-013  
Settlement Agreement (Settlement Agreement or Settlement) that would resolve all  
issues in the SONGS Order Instituting Investigation (OII), and all proceedings that have  
been consolidated therewith (including Application (A.)13-01-016, A.13-03-005,  
A.13-03-013, and A.13-03-014). On September 5, 2014, the Assigned Commissioner  
and Administrative Law Judges issued a ruling requesting that the Joint Parties adopt  
modifications to the Settlement Agreement. On September 19, 2014, the Joint Parties  
responded to the ruling stating their intent to make all of the modifications requested by  
the September 5, 2014 ruling, and on September 24, 2014, the Joint Parties filed an  
Amended Settlement Agreement. On November 20, 2014, the Commission issued  
D.14-11-040 approving the Amended Settlement Agreement. Pursuant to Section 6.2 of  
the Amended Settlement Agreement, SCE is filing this Tier 2 advice letter to implement
the 2018 SONGS Settlement revenue requirement. On October 10, 2017, the Assigned Commissioner and Administrative Law Judge in the SONGS OII issued a ruling setting a status conference on November 7, 2017, “to address outstanding issues for additional evidentiary hearings to reassess the costs allocated between ratepayers and shareholders in this proceeding.” SCE submits this advice letter in compliance with its obligation under section 6.2 of the Settlement Agreement to update the 2018 revenue requirement. However, this update is without prejudice to the outcome of the process established by the Assigned Commissioner and Administrative Law Judge’s ruling. While SCE opposes any changes to the ratemaking under the Settlement, SCE acknowledges that, if the Commission in a manner consistent with applicable law changes cost allocation through that process, the effectiveness of this advice letter would not constrain the Commission’s discretion to make such changes on a retroactive basis given the non-finality of the decision approving the Settlement. Because the Settlement Agreement is currently in effect, the Energy Division should promptly process this advice letter; it would be unlawful to stop collection of SONGS settlement rates absent a decision by the full Commission and the establishment of new SONGS rates. The 2018 revenue requirement in this letter is lower than the 2017 revenue requirement. Absent action by the Energy Division to approve this advice letter, the higher 2017 SONGS revenue requirement would remain in effect.

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1 On May 9, 2016, a Joint Ruling of Assigned Commissioner and Administrative Law Judge Reopening Record, Imposing Ex Parte Contact Ban, Consolidating Advice Letters, and Setting Briefing Schedule (“Joint Ruling”) was issued. The Joint Ruling reopens the record to review the 2014 Settlement Agreement against the Commission’s own standards for approving settlements as set forth in Rule 12.1(d) of the Commission’s Rules of Practice and Procedure. Among other things, the Joint Ruling required briefs to be filed in early summer of 2016. On June 2, 2016, SCE and SDG&E filed briefs explaining how the Amended Settlement Agreement was implemented. On July 7, 2016, SCE, SDG&E and other parties filed briefs addressing whether the Settlement Agreement meets Commission standards for approving the settlement. On December 13, 2016 a Joint Ruling of Assigned Commissioner and Assigned Administrative Law Judge Directing Parties to Provide Additional Recommendations for Further Procedural Action and Substantive Modifications to Decision 14-11-040 was issued. After several months of both unassisted direct discussions and mediation in the spring and summer of 2017, various parties filed status reports to the Commission on August 15, 2017 stating among other things that these efforts to reach agreement on modifications to the SONGS Settlement had been unsuccessful. On October 10, 2017, as described above, the Assigned Commissioner and Administrative Law Judge issued a ruling setting a status conference and setting forth a proposed process and schedule to address outstanding issues.

2 See Response of Southern California Edison Company (U 338-E) to Ruth Henricks’ and The Coalition to Decommission San Onofre’s (CDSO) Motion to Stay Collection of Rates Based on San Onofre Revenue Requirements at 5 n.22 (July 7, 2017) (citing Assigned Commissioner’s and Administrative Law Judge’s Ruling on Legal Questions Set Forth in Scoping Memo and Ruling, at 9, 11, 18 (Apr. 30, 2013); Assigned Commissioner’s and Administrative Law Judges’ Ruling Determining the Phase 2 Scope and Schedule, at 3-4 (July 31, 2013)).
PROCEDURE FOR DETERMINING ANNUAL SONGS SETTLEMENT REVENUE REQUIREMENTS

Pursuant to the Settlement Agreement, the SONGS Settlement revenue requirement is determined based on the remaining recovery period for the SONGS-related capital investment, including nuclear fuel and Materials and Supplies (M&S). As of January 1, 2018, which is the date the 2018 SONGS Settlement revenue requirement will be implemented in rates, there is just over four years remaining in the recovery period. SCE expects the annual revenue requirement to change every year of the remaining recovery period, and these revenue requirements will be different than the annual SONGS Settlement revenue requirements estimated at the time the Settlement was reached. Section 6.2 of the Settlement Agreement contemplated this variability and allows the Utilities to file Tier 2 advice letters to implement changes to their respective revenue requirements. In Advice Letter 3139-E, approved by letter from the Energy Division dated March 10, 2015, SCE proposed to file the annual Tier 2 advice letter on November 1st of each year to set forth the SONGS Settlement revenue requirement for the subsequent year.

Table 1 below contains a listing of all the advice letters SCE has filed implementing the SONGS Settlement revenue requirements to date, and the effective dates of revenue requirements in each advice letter.³

<table>
<thead>
<tr>
<th>Year</th>
<th>Advice Letter</th>
<th>Date Filed</th>
<th>Revenue Rqmt Effective Date</th>
<th>Settlement Rev Rqmt</th>
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<tbody>
<tr>
<td>2012</td>
<td>3139-E</td>
<td>November 26, 2014</td>
<td>February 1, 2012</td>
<td>$474.4 1/</td>
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<tr>
<td>2013</td>
<td>3139-E</td>
<td>November 26, 2014</td>
<td>January 1, 2013</td>
<td>$406.0 1/</td>
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<td>2014</td>
<td>3139-E</td>
<td>November 26, 2014</td>
<td>January 1, 2014</td>
<td>$339.9</td>
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<tr>
<td>2015</td>
<td>3139-E</td>
<td>November 26, 2014</td>
<td>January 1, 2015</td>
<td>$194.4</td>
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<tr>
<td>2016</td>
<td>3303-E</td>
<td>November 2, 2015</td>
<td>January 1, 2016</td>
<td>$254.6</td>
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<tr>
<td>2017</td>
<td>3499-E</td>
<td>November 1, 2016</td>
<td>January 1, 2017</td>
<td>$236.9</td>
</tr>
</tbody>
</table>

¹/ Excludes replacement power costs

Pursuant to the Settlement Agreement and Preliminary Statement Part YY, Base Revenue Requirement Balancing Account (BRRBA), the following items included in the annual SONGS Settlement revenue requirement are allowed, if necessary, to be updated:

a) Section Nos. 2.4, 2.5, 4.3(d), 4.5(a), and 4.8(a) of the Settlement Agreement allow for changes to the Commission Authorized Cost of Debt and Cost of

³ Workpapers supporting the revenue requirements are attached to each advice letter.
Preferred Stock.

On July 17, 2017, the Commission issued D.17-07-005 granting the Joint Petition for Modification by Pacific Gas and Electric Company, SDG&E, SCE, Southern California Gas Company, ORA, and TURN. Among other things, D.17-07-005 resets the authorized costs of long-term debt and preferred stock beginning on January 1, 2018 for each utility. Therefore, in determining the 2018 SONGS Settlement revenue requirement, SCE is using the new 2018 authorized Cost of Debt and Cost of Preferred Stock.4

Pursuant to Preliminary Statement Part TT, SONGS Cost of Financing Balancing Account, 50% of savings that results from the difference between the actual cost of financing and the Settlement, or “authorized” rate of return on rate base included in the Settlement revenue requirement, is returned to customers annually through a credit entry to the BRRBA. In January 2017, SCE recorded a credit of $1.479 million in the BRRBA which is the customer’s share of the 2016 cost of financing savings.

b) Section No. 4.3 (j) of the Settlement Agreement requires the Utilities to recover actual property taxes paid with respect to Base Plant. This section of the Settlement requires a true-up of forecasted property taxes to actual taxes paid. Therefore, SCE is including a forecast of the property taxes in the annual SONGS Settlement revenue requirement, and in the first quarter of each year, SCE will record a true-up of the prior year’s estimate in the BRRBA.

SCE recorded a credit of $0.585 million in the BRRBA in 2017 to reflect that actual property taxes paid were less than the amount included in the 2016 Settlement Agreement revenue requirement.

c) Section No. 4.6 (b) of the Settlement Agreement requires that the balance of the Nuclear Fuel Investment earn a return based on the cost of commercial paper. Section No. 4.6(b) allows for changes in the commercial paper rate throughout the amortization period.

SCE has updated its commercial paper using rates published in September 2017.

d) Section No. 4.7(b) of the Settlement Agreement requires reducing the Nuclear Fuel Investment upon sales of fuel inventory. SCE will adjust the Nuclear Fuel Investment and related amortization as necessary in the annual update advice letter.

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4 SCE implemented its 2018 Authorized Cost of Capital in Advice Letter 3665-E filed on September 29, 2017. The sum of the weighted cost of Long Term Debt and Preferred Stock used to determine the 2018 SONGS Settlement revenue requirement is 2.40%.
SCE has not sold any fuel inventory so no adjustment to the Nuclear Fuel Investment has been made.

e) Sections 4.5(d), 4.8(b), 4.9(g), and 4.9(i) of the Settlement Agreement provide that, to the extent SCE is able to obtain reimbursement of specified costs from the Nuclear Decommissioning Trusts, SCE will not amortize such amounts in rates. SCE is to effectuate these provisions in the annual update advice letter.

In 2017 there was no reimbursement from the Nuclear Decommissioning Trusts and therefore no adjustments were made to reduce SCE’s SONGS Settlement regulatory asset.

f) Section No. 4.11(d)(A) of the Settlement Agreement requires that the regulatory assets for Base Plant, Construction Work in Progress (CWIP), M&S and Nuclear Fuel be reduced once SCE has distributed $282 million of net Mitsubishi Heavy Industries (MHI) Litigation proceeds through the BRRBA.

SCE has not received proceeds from MHI in excess of $282 million. Since the period covered by Advice Letter 3139-E ending on December 31, 2014, there have been no net proceeds from MHI Litigation as the legal costs have exceeded the amount recovered. As a result, no adjustment is warranted under Section No. 4.11(d)(A) of the Settlement Agreement. SCE will file an advice letter as contemplated by the Settlement Agreement that will address MHI litigation proceeds and litigation costs in the future, unless it is determined that these costs and proceeds should be reviewed in the upcoming process described in the October 10, 2017 Ruling in the OII proceeding.

REMAINING SONGS SETTLEMENT REGULATORY ASSET

Table 2 below sets forth the change from the beginning regulatory asset balance of $1.733 billion and the estimated regulatory asset as of January 1, 2018 of $617 million.
Table 2
Summary of Change in Settlement Regulatory Asset ($millions)

<table>
<thead>
<tr>
<th></th>
<th>(A) Beg Bal 12/31/16</th>
<th>(B) Recovered Through 2017</th>
<th>(C) Beg Bal 2017</th>
<th>(D) 2017 Amort Through Rates</th>
<th>(E) DOE Lit Proceeds Pending Approval</th>
<th>(F) Misc. Adjustments</th>
<th>(G) Beg Bal 2018</th>
<th>(H) (A) + (B) + (C) + (D) + (E) + (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Plant</td>
<td>622</td>
<td>(324)</td>
<td>298</td>
<td>(59)</td>
<td>(72)</td>
<td>(3)</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>Completed CWIP</td>
<td>370</td>
<td>(169)</td>
<td>201</td>
<td>(41)</td>
<td>-</td>
<td>2</td>
<td>162</td>
<td></td>
</tr>
<tr>
<td>Cancelled CWIP</td>
<td>155</td>
<td>(76)</td>
<td>79</td>
<td>(15)</td>
<td>-</td>
<td>-</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>M&amp;S</td>
<td>99</td>
<td>(50)</td>
<td>49</td>
<td>(10)</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Nuclear Fuel</td>
<td>487</td>
<td>(254)</td>
<td>233</td>
<td>(46)</td>
<td>-</td>
<td>-</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,733</td>
<td>(873)</td>
<td>860</td>
<td>(171)</td>
<td>(72)</td>
<td>(0)</td>
<td>617</td>
<td></td>
</tr>
</tbody>
</table>

As shown on Table 2 above, the SONGS regulatory asset, including fuel and M&S, has been reduced primarily due to the amount that has been recovered, or amortized, in customers’ rates. During the period between February 1, 2012 and December 31, 2017, SCE will have recovered approximately $1,116 million from customers, or 64.4% of the original $1.733 billion balance.

In May 2016, SCE received $162 million (includes participants’ share) related to the United States Court of Federal Claims decision granting SCE damages for costs incurred from January 1, 2006 through December 31, 2013 for the Department of Energy’s (DOE) failure to meet its legal obligation to store used nuclear fuel. On June 29, 2016, SCE filed supplemental direct testimony in its Energy Resource Recovery Account (ERRA) 2015 Record Period Review A.16-04-001 proposing the disposition of these DOE proceeds. SCE proposes to return to customers its share of the SONGS Units 2 & 3 capital-related DOE Spent Fuel Litigation - Round 2 proceeds in the amount of $73.016 million by reducing the SONGS 2&3 regulatory asset by this amount, which will benefit customers by reducing the annual SONGS Settlement revenue requirement for the remainder of the recovery period, provided this method is consistent with applicable IRS rules. SCE also proposes to allocate an equal percentage share of the SONGS Units 2 & 3 litigation costs to the regulatory asset offset in the amount of $1.461 million, resulting in a net allocation of proceeds to reduce the regulatory asset of $71.555 million. The impact of this will reduce the remaining SONGS Settlement revenue requirement to be recovered from customers in each year through January 1, 2022. A Commission decision is expected in the fourth quarter of 2017. As shown in Column E in Table 2 above, SCE has reduced the SONGS regulatory asset in 2017 and this reduction will be included in SCE’s 2018 SONGS Settlement revenue requirement. If the Commission has not issued a decision in A.16-04-001 approving SCE’s proposal to reduce the SONGS regulatory asset by the end of 2017, SCE will not

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5 If tax rules or guidance make this proposal infeasible, then SCE proposes to return these funds as a credit to the generation sub-account of the BRRBA.
make this reduction and the associated 2018 SONGS Settlement revenue requirement implemented in generation rates will be higher (See Table 3).  

As shown in Column F in Table 2 above, SCE made some correcting adjustments to both the Base Plant and Completed CWIP regulatory assets together netting to a credit of less than $1 million.

**2018 FORECAST SONGS SETTLEMENT REVENUE REQUIREMENT**

Table 3 below sets forth the 2018 SONGS Settlement revenue requirement.

| 1. Base and CWIP       | 131,294 |
| 2. Material and Supplies | 9,681  |
| 3. Nuclear Fuel Investment | 45,856 |
| 5. Franchise Fees and Uncollectibles | 2,204  |
| **6. Total 2018 SONGS Settlement Rev Rqmt with DOE Net Litigation Proceeds** | **192,056** |
| 7. Plus: 2018 DOE Litigation Proceeds Impact | 19,007 |
| **8. Total If DOE Litigation Net Proceeds Not Used** | **211,064** |

Consistent with D.14-11-040, SCE will include the SONGS Settlement revenue requirement in generation rates on January 1, 2018. The 2018 SONGS Settlement revenue requirement is estimated to be $192.056 million and includes estimated depreciation, property taxes, income taxes, return on rate base, and franchise fees and uncollectibles consistent with Preliminary Statement Part YY. SCE will consolidate this revenue requirement along with other Commission-authorized revenue requirements in rates on January 1, 2018. However, as mentioned above, if the Commission has not approved SCE’s request in A.16-04-001 to reduce the SONGS regulatory asset by approximately $72 million by the end of 2017, SCE will implement a 2018 SONGS Settlement revenue requirement of $211.064 million in rates on January 1, 2018.

With regards to income taxes, SCE recorded the non-fuel abandonment tax deduction in March of 2017, and recorded a $4.3 million credit in the BRRBA related to the impact on the 2017 rate base for the change in 2017 deferred taxes. SCE will amortize the

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6 On October 26, 2017 the Administrative Law Judge issued a Proposed Decision in A.16-04-001 and if adopted by the Commission will allow SCE to use the approximately $72 million of net DOE Litigation proceeds to reduce the SONGS Settlement regulatory asset.

7 At the end of 2017 there will be 49 more months of the SONGS settlement revenue requirement recovery period. Therefore, the annual impact of the DOE net litigation proceeds of approximately $72 million is a reduction of approximately $19 million, including return and taxes.
associated flow through revenue requirement impact of the tax deduction over the remaining settlement period (i.e. 2018 through 2021).\textsuperscript{8} SCE has not recorded an abandonment tax deduction for the fuel portion of the regulatory asset.

**PROPOSED TARIFF CHANGES**

SCE is modifying Preliminary Statement Part YY, Base Revenue Requirement Balancing Account (BRRBA), to include the 2018 SONGS Settlement revenue requirement forecast of $192,056 million.\textsuperscript{9} The modified preliminary statement is included in Attachment A. Workpapers in support of the 2018 SONGS Settlement revenue requirement development are included in Attachment B.

**TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this Advice Letter is submitted with a Tier 2 designation.

**EFFECTIVE DATE**

This advice filing will become effective on December 1, 2017, the 30\textsuperscript{th} 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 submitted to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4\textsuperscript{th} Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests should also be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

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\textsuperscript{8} The tax abandonment IRS Code Section 165(a) states that “There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.” [underline added].

\textsuperscript{9} If the Commission does not adopt the Proposed Decision in A.16-04-001 allowing SCE to use to use approximately $72 million of DOE net litigation proceeds to offset the SONGS regulatory asset, the 2018 SONGS Settlement revenue requirement will be $211.064 million.
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 must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B, A.12-12-012 et al, I.12-10-013 et al, A.14-12-007, and A.15-01-014 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-3719. For changes to all other service lists, please contact the CPUC’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 CPUC, log on to SCE’s web site at https://www.sce.com/wps/portal/home/regulatory/advice-letters.

For questions, please contact Douglas Snow at (626) 302-2035 or by electronic mail at Douglas.Snow@sce.com.
**Company name/CPUC Utility No.:** Southern California Edison Company (U 338-E)

**Utility type:**
- [x] ELC
- [ ] GAS
- [ ] PLC
- [ ] HEAT
- [ ] WATER

**Contact Person:** Darrah Morgan

**Phone #:** (626) 302-2086

**E-mail: Darrah.Morgan@sce.com**

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

**EXPLANATION OF UTILITY TYPE**

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

**Advice Letter (AL) #:** 3685-E

**Subject of AL:** Implementation of the 2018 San Onofre Nuclear Generating Station Order Instituting Investigation 12 10 013 Settlement Agreement Revenue Requirement Pursuant to Decision 14-11-040

**Keywords (choose from CPUC listing):** Compliance

**AL filing type:**
- [ ] Monthly
- [ ] Quarterly
- [ ] Annual
- [x] One-Time
- [ ] Other

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

- Decision 14-11-040

**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 AL:**

**Confidential treatment requested?**
- [ ] Yes
- [x] 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
- [x] No

**Requested effective date:** 12/1/17

**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:** See Attachment A

**Service affected and changes proposed:**

**Pending advice letters that revise the same tariff sheets:** None

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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 Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Russell G. Worden
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-4177
Facsimile: (626) 302-6396
E-mail: AdviceTariffManager@sce.com

Laura Genao
Managing Director, State Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com
<table>
<thead>
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<th>Cal. P.U.C. Sheet No.</th>
<th>Title of Sheet</th>
<th>Cancelling Cal. P.U.C. Sheet No.</th>
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<tbody>
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<td>Preliminary Statement Part YY</td>
<td>Revised 60613-E</td>
</tr>
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<td>Table of Contents</td>
<td>Revised 61995-E</td>
</tr>
</tbody>
</table>
YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

c. Authorized SONGS Settlement Revenue Requirement:

Pursuant to the Settlement Agreement adopted in D.14-11-040, the SONGS Settlement revenue requirement will be recovered over a ten-year period beginning on February 1, 2012. SCE expects the annual revenue requirement to change every year of the remaining eight-year recovery period, and will be different than the annual Settlement revenue requirements estimated at the time the Settlement was reached. Section 6.2 of the Settlement Agreement contemplated this to implement the Settlement Agreement and allows the Utilities to file Tier 2 Advice Letters to implement changes to their respective revenue requirements.

Table D

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>January 1, 2015</td>
<td>194,316</td>
</tr>
<tr>
<td>January 1, 2016</td>
<td>254,581</td>
</tr>
<tr>
<td>January 1, 2017</td>
<td>236,937</td>
</tr>
<tr>
<td>January 1, 2018</td>
<td>192,056</td>
</tr>
</tbody>
</table>

(1) The following items included in the annual SONGS Settlement revenue requirement are allowed, if necessary, to be updated:

(a) Section Nos. 2.4, 2.5, 4.3(d), 4.5(a), and 4.8(a) of the Settlement Agreement allow for changes to the Commission Authorized Cost of Debt and Cost of Preferred Stock.

(b) Section No. 4.3 (j) of the Settlement Agreement requires the Utilities to recover actual property taxes paid with respect to Base Plant. This section of the Settlement requires a true-up of forecasted property taxes to actual taxes paid. Therefore, SCE will include a forecast of the property taxes in the annual SONGS Settlement revenue requirement, and in the first quarter of each year, SCE will record a true-up of the prior year’s estimate in the BRRBA.
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................................................................................................................................. 51717-53819-27200-27201-E
H. Baseline Service ............................................................................................................. 52027-52028-52029-52030-52031-E
I. Charge Ready Program Balancing Account .................................................................. 58633-58634-E
J. Not In Use ......................................................................................................................... E
K. Nuclear Decommissioning Adjustment Mechanism ...................................................... 36582-57779-E
L. Purchase Agreement Administrative Costs Balancing Account................................ 55207-51922-55208-E
M. Income Tax Component of Contributions ..................................................................... 58419-58420-E
N. Memorandum Accounts ............................................................................................... 21344-61163-61164-58221-49492-61165-61166-61167-53821-E
.................................................................................................................................................. E
O. California Alternate Rates for Energy (CARE) Adjustment Clause ............................ 34705-41902-E
.................................................................................................................................................. E
P. Not In Use ......................................................................................................................... E

(Continued)
## TABLE OF CONTENTS

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<tr>
<td><strong>PRELIMINARY STATEMENT:</strong> (Continued)</td>
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| RR. New System Generation Balancing Account | 57975-57976-59867-57783-E |
| SS. Songs 2&3 Steam Generator Removal And Disposal Balancing Account | 45404-53305-E |
| TT. SONGS Cost of Financing Balancing Account | 56188-E |
| UU. Not In Use | -E |
| VV. Medical Programs Balancing Account | 60662-57978-44979-E |
| WW. Not in Use | -E |
| XX. Low Carbon Fuel Standard Revenue Balancing Account | 56447-56448-E |
| YY. Base Revenue Requirement Balancing Account | 60663-60664-62575-51724-E |
| AAA. Post Test Year Ratemaking Mechanism | 57988-60665-57990-E |
| BBB. Not In Use | -E |
| CCC. Cost of Capital Mechanism | 59444-59445-E |
| DDD. 2010-2012 On Bill Financing Balancing Account | 55859-E |
| EEE. Not in Use | -E |
| FFF. Electric Program Investment Charge Balancing Account-California Energy Commission | 50176-50177-E |
| GGG. Electric Program Investment Charge Balancing Account-Southern California Edison | 50178-50179-E |
| HHH. Electric Program Investment Charge Balancing Account-California Public Utilities Commission | 50180-E |
| III. New Solar Homes Partnership(NSHP) Program Balancing Account (NSHPPBA) | 59581-E |
| JJJ. Aliso Canyon Demand Response Program Balancing Account (ACDRPBA) | 59847-59848-E |
| RRR. Integrated Distributed Energy Resources Shareholder Incentive Award Balancing Account (iDERSIABA) | 61284-E |
| LLL. Integrated Distributed Energy Resources Contract Costs Balancing Account (iDERCCBA) | 61285-E |
| MMM. Distributed Resources Plan Demonstration Balancing Account (DRPDBA) | 61982-61983-E |

(Continued)
Attachment B

Workpapers
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<td>2</td>
<td>Long-Term Debt</td>
<td>1.78%</td>
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<tr>
<td>3</td>
<td>New Mexico Income Tax</td>
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<td>Arizona Income Tax</td>
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<td>Federal Income Tax</td>
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**Line Item Descriptions**

1. **California Corporation Franchise Tax**
2. **Long-Term Debt**
3. **New Mexico Income Tax**
4. **Arizona Income Tax**
5. **Federal Income Tax**

**Line Item 8:**
- **Property Taxes:** 335
- **Payroll Taxes:** 5
- **Miscellaneous Taxes:** 0

**Line Item 9:**
- **Total Taxes Other Than Income:** 236

**Line Item 11:**
- **Interest on Long-Term Debt (See line 2):** 800
- **Interest on Accumulated Deferred ITC (See line 3):** 8
- **Other:** 0
- **Capitalized Interest:** 0
- **AFUDC Debt:** 0
- **Tax Abandonment:** (470,627)
- **Ad Valorem Lien Date Adjustment:** 0

**Line Item 12:**
- **Total DCPT Adjustments:** 202,237

**Line Item 14:**
- **Interest on Long-Term Debt:** 498,881
- **Other:** 0
- **Capitalized Interest:** 0
- **AFUDC Debt:** 0
- **Tax Abandonment:** (4,880)
- **Ad Valorem Lien Date Adjustment:** 0

**Line Item 18:**
- **Total PIT Adjustments:** 494,800

**Line Item 20:**
- **Revenues:** 1,564
- **Expenses:** 938
- **Capitalized Expenses:** 0
- **AFUDC Debt:** 0
- **Tax Abandonment:** 0
- **Ad Valorem Lien Date Adjustment:** 0

**Line Item 21:**
- **Total State Income Taxes:** (17,081)

**Line Item 22:**
- **Revenues:** 1,564
- **Expenses:** 938
- **Other Taxes:** 1,352
- **Capitalized Expenses:** 0
- **AFUDC Debt:** 0
- **Tax Abandonment:** 0
- **Ad Valorem Lien Date Adjustment:** 0

**Line Item 25:**
- **Total Federal Income Taxes:** 4,833

**Line Item 26:**
- **State Income Taxes:** 1,353
- **Taxable Income:** 1,353
- **Federal Income Taxes:** 1,353
- **Deferred Taxes:** 0
- **Total Federal Income Taxes:** 4,833
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<tr>
<td>01</td>
<td>Total Income Taxes</td>
<td>(13,146)</td>
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<td>Total Depreciation Expense</td>
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**Notes:**
- **Line 01:** Total Income Taxes
- **Line 02:** Depreciation
- **Line 03:** Total Depreciation Expense

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**Line 51:** State Income Taxes
**Line 52:** Federal Income Taxes
**Line 53:** Total Income Taxes

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**Line 54:** Depreciation

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**Line 57:** Gross Investment (EOM)
**Line 58:** Gross Investment (AVG)
**Line 59:** Materials & Subsides (EOM)
**Line 60:** Materials & Subsides (AVG)
**Line 61:** Total Gross Investment
**Line 62:** Deductions for Reserves
**Line 63:** Depreciation Reserve (EOM)
**Line 64:** Depreciation Reserve (AVG)
**Line 65:** Deferred Tax Reserve ACRS/MACRS & ARAM (EOM)
**Line 66:** Deferred Tax Reserve ACRS/MACRS & ARAM (AVG)
**Line 67:** Total Deductions for Reserves
**Line 68:** Total Rate Base (Average)

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**Line 69:** Operating Expenses
**Line 70:** Nuclear Fuel Amortization and Disposal Exp.
**Line 72:** M&SS Amortization
**Line 73:** Property Taxes
**Line 74:** Depreciation
**Line 75:** Taxes
**Line 76:** Net Operating Expenses
**Line 77:** RATE OF RETURN
**Line 78:** Rate Base (Average)
**Line 79:** Return on Rate Base
**Line 80:** Total Capital Revenue Requirement

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**Line 81:** TOTAL: FF&A

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**Line 82:** TOTAL: 192,055