

Southern California Edison
2023-UPS – 2023-UPS

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To: SPD
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Job Title: Principal Manager
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Response Date: 4/16/2024

Question 02:

As of April 1, 2024, does SCE have any pending applications for balancing and/or memorandum accounts where it intends to record the costs of wildfire mitigations? If so, provide a list of those Application and Decision numbers and the type of mitigation SCE intends to associate with these pending balancing and/or memorandum accounts.

Response to Question 02:

SCE files two types of cost recovery applications. The first type of cost recovery application seeks to recover costs on a forecast basis. The second type of cost recovery application seeks to recover costs that have already been incurred and recorded in balancing or memorandum accounts.

On May 12, 2023, SCE filed Application (A.)23-05-010, its 2025 General Rate Case (GRC) Phase 1 proceeding. In this Application, SCE proposes to continue, with modifications, two balancing accounts that would record the costs of wildfire mitigations during the 2025 GRC cycle (i.e., 2025-2028). These two balancing accounts are the Grid Hardening Balancing Account (GHBA)¹ and the Vegetation Management Balancing Account (VMBA).

GHBA – SCE is proposing to record costs (i.e., the capital-related revenue requirement associated with capital expenditures only; this account does not recover operations and maintenance (O&M) expenses) associated with the following wildfire mitigations in the GHBA:

- Wildfire Covered Conductor Program (WCCP), which consists of expenditures associated with: (i) the installation of covered conductor (i.e., aluminum or copper wire covered by three layers of insulation designed to withstand incidental contact from foreign objects), (ii) associated pole replacements/upgrades (using either composite poles or fire-resistant wraps on wood poles) to account for the additional weight and higher wind loading associated with covered conductor and to ensure ongoing compliance with General Order 95, (iii) associated replacement of outdated secondary conductor (i.e., installation of multiplex conductors on the secondary lines per SCE's most recent Distribution Design Standards), (iv) the remediation of tree attachments (i.e., the elimination of instances in which existing electrical equipment is attached to trees), (v) installation of new vibration dampers or vibration damper retrofits (i.e., install vibration dampers on covered conductor installed prior to the

¹ The current version of the GHBA is known as the Wildfire Risk Mitigation Balancing Account (WRMBA).

standard being published for vibration susceptibility in late 2020), and (vi) installation of fire-resistant wrap retrofit (i.e., install fire-resistant wrap on wood poles that passed pole loading and were not replaced during prior covered conductor installations).

- Targeted Undergrounding Program (TUG), which consists of expenditures associated with converting overhead miles to underground miles (i.e., civil construction, electrical work, and work associated with panel conversions to accommodate the underground system).
- Rapid Earth Fault Current Limiter (REFCL) activities, which consist of capital expenditures associated with the installation of ground fault neutralizers, pole tops and isobanks to detect ground faults and rapidly reduce the fault current to a level much lower than traditional powerline designs.
- Long Span Initiative (LSI) activities, which consist of capital expenditures associated with the installation of (i) line spacers, which are insulated pieces of equipment that separate the lines to reduce the possibility of wire-to-wire contact, (ii) alternate construction, including ridge pin, box construction, wider crossarms, and intersect poles to increase phase spacing or reduce sag, and (iii) covered conductor.

VMBA – SCE is proposing to recover costs (i.e., O&M expenses only; no capital) associated with all of its vegetation management activities in the VMBA, including wildfire vegetation management work.

WMPMA/FRMMA – For all other wildfire mitigation-related activities, to the extent that SCE incurs costs above the amounts authorized in the 2025 GRC, the above-authorized amounts are recorded in either the Wildfire Mitigation Plan Memorandum Account (WMPMA) or the Fire Risk Mitigation Memorandum Account (FRMMA).

A decision is expected in SCE's 2025 GRC in Q4 2024.

For cost recovery applications seeking recovery of already incurred (recorded) wildfire mitigation costs above GRC-authorized amounts, SCE has two open pending proceedings currently ongoing:

- (1) 2022 WM/VM (A.23-10-001) – In this Application, SCE is seeking recovery of the above-authorized spend incurred in 2022 and recorded in the VMBA, WMPMA and FRMMA. The types of wildfire mitigations included in this Application are included in the response to Question 1. This application is still pending before the CPUC. A final decision is expected in late 2024 or early 2025.
- (2) WMCE (A.24-04-005) – In this Application, SCE is seeking recovery of the above-authorized spend incurred in 2023 and recorded in the VMBA, WMPMA and FRMMA. SCE is also seeking recovery of the above-authorized spend incurred over the 2019-2023 period and recorded in the WRMBA. The types of wildfire mitigations included in this Application are included in the response to Question 1. This application is still pending before the CPUC. A final decision is expected in 2025.