

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Edison
Company (U338E) for Authority to
Increase Rates for its Class C Catalina
Water Utility and Recover Costs from
Water and Electric Customers.

Application 20-10-018

PROTEST OF THE PUBLIC ADVOCATES OFFICE

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Application of Southern California Edison Company (U338E) for Authority to Increase Rates for its Class C Catalina Water Utility and Recover Costs from Water and Electric Customers.

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I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this protest to Southern California Edison Company's (SCE) application for a Test Year 2022 General Rate Case (GRC), seeking authority to increase rates for its Catalina Water utility (Catalina Water), and to recover costs from Catalina Water and SCE's general electric customers (Application).

II. ISSUES TO BE CONSIDERED

Cal Advocates is conducting the necessary discovery, investigation, and review to address issues the Application raises, including whether SCE's estimated levels of revenues, expenses, rate base, and proposed recovery mechanisms for Catalina Water are just and reasonable.

This protest provides a non-exhaustive identification of issues that Cal Advocates will examine, and which should be included in the scope of this proceeding. As discovery proceeds, other issues may arise.

A. General Issues

1. Whether SCE's proposed rate increase for the Test Year and Escalation Years is just and reasonable;
2. Whether SCE's forecast for its operation and maintenance and administration and general expenses is reasonable;
3. Whether SCE's proposed additions to plant are necessary, accurate, reasonable, and justified; and

4. Whether SCE's forecast of rate base is reasonable.

B. Special Issues

1. Whether: a) SCE has provided sufficient evidence and legal authority to allow the Commission to determine whether SCE's rate design proposal to allocate \$28.969 million in Catalina Water utility rate base to SCE electric customers is just and reasonable, in comparison with other possible approaches; or, b) the Commission should direct SCE to file (within an appropriate timeframe) a supplement to its application and testimony, including a proposal for revenue allocation and rate design that does not rely on a subsidy by SCE electric customers, in accord with the Commission's prior decision D.14-10-048.¹
2. Whether SCE's total requested revenue requirement for Catalina Water is reasonable;
3. Whether SCE's forecast for water sales is reasonable;
4. Whether SCE's proposed transition from Water Revenue Adjustment Mechanism (WRAM) to a Monterey-style, Incremental Cost Balancing Account (ICBA) is reasonable;
5. Whether a proposed Tier-1 breakpoint to promote affordable rates is reasonable;
6. Whether the proposed California Alternate Rates for Energy (CARE)² increase from 20% to 32.5% is reasonable;
7. Whether SCE's proposed "Deferred Revenue Requirement Tracking Account," a five-year phased-in recovery mechanism, is reasonable;
8. Whether SCE's requests to recover the balances of two drought related memorandum accounts, the Catalina Water Rationing Memorandum Account, and the Catalina Water Lost Revenue Memorandum Account (CWLRLMA), are reasonable; and
9. Whether SCE's request for recovery of historic water capital expenditures is reasonable.

¹ See Decision (D.)14-10-048 Adopting the All-Party Settlement on Revenue Requirement and Rate Design Issues for Southern California Edison Company's Santa Catalina Island Water Operations (October 20, 2014), pp. 1-2 (stating that the transfer of \$8.895 million of Catalina Water utility rate base to SCE electric customers was a "one-time transfer of rate base...for a twelve-month period only," and was "part of the adopted all-party Settlement, and therefore not precedential in other proceedings").

² SCE is requesting to keep the CARE naming convention for its Catalina Water low-income assistance program, rather than adopting the new program name "California Alternate Rates for Water" (CARW).

III. CATEGORIZATION AND NEED FOR HEARINGS

Cal Advocates agrees that this proceeding should be categorized as ratesetting, and that evidentiary hearings may be necessary.³ If, at the time of evidentiary hearings, applicable public health advisories and directives regarding COVID-19, and related Commission policies then in effect permit in-person hearings, Cal Advocates recommends that the Commission hold in-person hearings in the Commission's Los Angeles office.

IV. SCHEDULE

Cal Advocates proposes the following schedule:

1.	Application Filed/Testimony Served	October 30, 2020
2.	Protest Filed	December 2, 2020
4.	Update of Applicant's Showing	Tuesday, December 15, 2020
5.	Pre-Hearing Conference	January 13, 2021 (or earlier)
6.	Filing of Supplemental Application/Testimony, if required	Late February 2021
7.	Public Participation Hearings	February/March 2021
7.	Cal Advocates and Other Intervenors' Testimony	Early July 2021 (or later, if supplemental application required)
8.	Rebuttal Testimony	Late July, 2021
9.	Settlement Discussions Begin	Late July, 2021
11.	Evidentiary Hearings (if required)	Mid-September, 2021
13.	Opening Briefs	30 days after last day of hearings
14.	Deadline to Request Oral Argument	30 days after last day of hearings/Date opening briefs are due
15.	Motion for Interim Rates	Early September 2021
16.	Mandatory Status Conference	One day after Opening Briefs filed
17.	Reply Briefs Filed & Served (with Comparison Exhibit)	15 days after Opening Briefs filed (proceeding submitted)
18.	Water Division Technical Conference	October 2021
19.	ALJ's Proposed Decision	90 days after proceeding submitted
20.	Opening Comments on Proposed Decision (PD)	30 days after PD
21.	Reply Comments on PD	15 days after Opening Comments
22.	Commission Meeting/Final Decision	January 2022

³ See Resolution 176-3430, Preliminary determinations of category and need for hearing for proceedings initiated by application pursuant to Rule 7.1, Jan. 10, 2019, p. 5.

Given past experience and ongoing resource constraints, Cal Advocates requests a three-week period between the conclusion of any settlement discussions and the start of hearings to enable Cal Advocates to dedicate resources to the negotiation process while providing sufficient time to prepare for evidentiary hearings.

V. EX PARTE LIMITATIONS

Cal Advocates requests that the assigned Commissioner exercise their authority in this proceeding to prohibit individual ex parte communications.⁴ In lieu of individual ex parte communications in this proceeding, the Commissioner should allow only all-party meetings. Limiting the parties' communications with decision makers to all-party meetings, rather than a series of individual meetings with decision makers, will enhance both efficiency and transparency in this proceeding, as well supporting the requirement that the Commission's decisions are based solely on the evidentiary record.⁵

VI. CONCLUSION

Cal Advocates respectfully requests that this proceeding be categorized as ratesetting; that the scope of this proceeding include but not be limited to the issues identified in this protest; and that the Commission set a schedule for this proceeding that provides adequate time for discovery, analysis, preparation of testimony and preparation for evidentiary hearings.

Respectfully submitted,

/s/ Emily Fisher

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⁴ Rule .2 (d).

⁵ Rule 8.2 (m).