

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Southern California Edison Company (U 338-E) for Authority to Increase Rates for its Class C Catalina Water Utility and Recover Costs from Water and Electric Customers.

Application 20-10-018
(Filed October 30, 2020)

**OPENING COMMENTS OF THE UTILITY REFORM NETWORK
ON THE PROPOSED DECISION OF ALJ GARRETT TOY**



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SUBJECT INDEX

- I. The Proposed Decision Should Add a Finding of Fact and Conclusion of Law to Make Clear that SCE Should Not Merely Consider Viable Alternative Funding Sources, but Seek To Implement Them In Order to Offset a Portion of the Revenue Requirements Authorized In This Decision..... 1**

**OPENING COMMENTS OF THE UTILITY REFORM NETWORK
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On November 9, 2023, the Commission served the Proposed Decision of Administrative Law Judge (ALJ) Garrett Toy for the general rate case application of Southern California Edison Company (SCE) regarding the provision of water utility service to customers on Catalina Island. Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) submits these limited opening comments on the Proposed Decision.

In this proceeding TURN's participation has primarily focused on establishing that it would be inappropriate and likely impermissible for SCE to recover from its electric utility customers any costs of providing water utility service to SCE's water utility customers on Catalina Island. On this issue, TURN has not identified any factual or legal errors in the Proposed Decision. TURN supports the Proposed Decision's resolution of this issue, as it would not permit SCE from collecting such costs from its electric utility customers.

TURN also addressed alternative cost recovery approaches that might reduce the cost burden borne by SCE's water utility customers without relying on a subsidy by electric utility customers. The Proposed Decision determines that the options considered during the course of the proceeding would be "impractical to implement in this GRC" for various reasons and does not adopt any at this time. But it clearly indicates that the Commission expects SCE to actively explore such options by stating, "In advance of future GRCs, we encourage SCE to seriously consider the discussed alternative recovery sources, especially the visitor boat fee discussed."¹ Again, TURN has not identified any factual or legal errors in the Proposed Decision regarding this issue. However, the Commission should recognize that the statement of encouragement is

¹ Proposed Decision, p. 71.

not only appropriate but warrants further emphasis and breadth in the Proposed Decision. To that end, TURN proposes the following modifications.

First, the Commission should add a Finding of Fact on the need for SCE to address viable alternative recovery sources. The Proposed Decision as drafted includes the statement in the body of the decision only; including it also as a Finding of Fact is appropriate under the circumstances. TURN recommends addition of a corresponding Finding of Fact to be inserted after the Proposed Decision's Finding of Fact 97, as indicated below.

Second, the Commission should modify the statement slightly to make clear that SCE should to the extent feasible not only consider viable alternatives, but take concrete steps toward implementing them at the earliest opportunity. This change would merely require inserting a few words into the existing language on page 71, as well as in a corresponding Finding of Fact: "In advance of future GRCs, we encourage SCE to seriously consider and, as feasible, begin to implement the discussed alternative recovery sources, especially the visitor boat fee discussed."

Third, the Commission should encourage SCE to achieve viable alternative funding sources as soon as practicable, rather than waiting for the next GRC. The Proposed Decision would authorize a test year 2024 revenue requirement that is substantially higher than the currently-authorized revenue requirement, followed by further increases in each year from 2025 through 2029.² Though it would seem obvious under the circumstances that any funding achieved through viable alternative recovery sources would be used to offset the revenue requirements authorized in this decision, the Commission should add language to the Proposed Decision to confirm that point.

To these ends, TURN proposes the following modifications to the Proposed Decision:

² Proposed Decision, p. 76, Table 4 and Ordering Paragraphs 2 and 3.

Add language to the text on page 71: As described above, the phrase “and, as feasible, begin to implement” should be added to the existing sentence regarding SCE’s going forward consideration of alternative recovery sources.

Add after current Finding of Fact 97: “In advance of future GRCs, we encourage SCE to seriously consider and, as feasible, begin to implement the discussed alternative recovery sources, especially the visitor boat fee discussed.”

Add after current Conclusion of Law 91: “To the extent SCE achieves any alternative recovery source during this GRC period, it should propose to implement it in a manner that would most benefit Catalina water utility customers in terms of reducing the rates and revenue requirements authorized in this decision.”

Dated: November 29, 2023

Respectfully submitted,

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