BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

In The Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to Lease Certain Fiber Optic Cables to CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS under the Master Dark Fiber Lease Agreement Pursuant to Public Utilities Code Section 851.	A.17-02-001 (Filed February 3, 2017)

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E)
NOTICE OF *EX PARTE* COMMUNICATION

FRANK A. MCNULTY
GLORIA M. ING

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1999
Facsimile: (626) 302-3998
E-mail: Gloria.Ing@sce.com

Dated: **February 26, 2018**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

In The Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to Lease Certain Fiber Optic Cables to CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS under the Master Dark Fiber Lease Agreement Pursuant to Public Utilities Code Section 851.	A.17-02-001 (Filed February 3, 2017)

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E)
NOTICE OF *EX PARTE* COMMUNICATION

Pursuant to Rule 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Southern California Edison Company (SCE) gives the following report regarding its February 21, 2018 *ex parte* communication with Travis Foss (Advisor to Commissioner Rechtschaffen) and Commissioner Clifford Rechtschaffen in the above-referenced proceeding.

On February 21, 2018, from 11:00 a.m. to approximately 11:45 a.m., Dawn Anaiscourt, Director, CPUC Regulatory Affairs, Lisa Swenerton, Director and General Manager, Edison Carrier Solutions (a division of SCE) and Stuart Hemphill, Senior Vice President, Customer and Operational Services, met with Commissioner Clifford Rechtschaffen and Travis Foss (Advisor to Commissioner Rechtschaffen). The meeting took place at the Commission's San Francisco offices located at 505 Van Ness Avenue, San Francisco, California. The communication was initiated by SCE and no written materials were provided.

In the meeting, SCE stated that the Verizon Wireless Master Lease Agreement (MLA) application should be approved as requested with the normal 90/10 shareholder/ ratepayer gross

revenue sharing mechanism in accordance with nearly 20 years of precedent. The parties should have been given the opportunity to be heard on the issue before the Commission attempted to change the gross revenue sharing mechanism for non-tariffed products and services in this proceeding. In addition, SCE indicated that the proposed decision contains statements that are not supported by the record. For example, the assumption that "the majority of the infrastructure to offer the services under the Master Lease Agreement was paid for by ratepayer funds" is not supported by the record. SCE does not know yet what infrastructure will be used or built to service Verizon, however, based on competitive bid responses that SCE submitted (which were not awarded to SCE), SCE anticipates that most of the fiber leased to Verizon under the MLA will be newly built and thus would be funded solely by shareholders.

SCE also pointed out that of SCE's ratepayer funder portion of the SCE fiber optic network, SCE uses 22.4% for its electrical needs and 12.2% for commercial services (vs. 17.8% and 19.1% respectively, as stated in the PD, which applies to SCE's combined ratepayer and shareholder funded fiber optic network). This information was provided by SCE to the CPUC in response to a data request and subsequently shared with TURN. SCE demonstrated that new advances in fiber optics have resulted in significantly higher count fiber cables that are similar in size and weight to older, lower count fiber cables. SCE also noted that the majority of the costs for building a fiber optic network are in the installation of the cable (e.g., construction, permitting) and that increasing the cable count has a de minimis impact on the overall costs. SCE indicated that the proposed 25/75 shareholder/ratepayer revenue sharing mechanism would cause SCE to not pursue any opportunities under the MLA because they would not be economically feasible. Finally, the PD limits SCE's ability to support carrier deployment of 5G

//

//

//

//

//

technologies, thereby delaying customer access to such services (including those in underserved communities), reducing competition, and diminishing customer choice.

Respectfully submitted,

FRANK A. MCNULTY
GLORIA M. ING

/s/ Gloria M. Ing
By: Gloria M. Ing

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302- 1999
Facsimile: (626) 302-3998
E-mail: Gloria.Ing@sce.com

February 26, 2018