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**NOTICE OF APPLICATION
SOUTHERN CALIFORNIA EDISON COMPANY'S REQUEST TO INCREASE
ELECTRIC RATES
APPLICATION [22-04-009]**

Why am I receiving this notice?

On April 20, 2022, Southern California Edison (SCE) filed its application for authority to establish its authorized cost of capital for utility operations for 2023 [Application 22-04-009] with the California Public Utilities Commission (CPUC). The authorized cost of capital determines how much money SCE is allowed to collect in rates as a return on its invested capital.

In this proceeding, SCE requests that the CPUC determine a reasonable capital structure (financial plan), the costs of long-term debt (loans and financial obligations over one year), and an appropriate rate of return on common equity (profit for SCE shareholders). SCE's proposal is summarized below:

Cost Factors	Currently Effective Cost of Capital		Cost of Capital Proposal	
	Cost	Capital Structure	Cost	Capital Structure
Long Term Debt	4.74%	43.0%	4.27%	43.0%
Preferred Equity	5.70%	5.0%	5.72%	5.0%
Common Equity	10.30%	52.0%	10.53%	52.0%

There is no rate increase from this specific cost of capital proposal.

However, SCE is requesting that if the CPUC orders SCE to recover costs over a period longer than 12 months for certain memorandum and balancing accounts, SCE may be compensated at a rate higher than the currently applicable short-term rate. If the CPUC approves this specific part of the proposal, the overall impact is SCE's authorized revenue requirement would increase by approximately \$12.5 million. **This will impact your monthly bill.**

Why is SCE requesting this rate increase?

If the CPUC approves this application, the cost of capital adopted in this application will:

- Be applied to capital investments authorized in SCE's General Rate Case (GRC) application as well as other applications;
- Fairly compensate SCE shareholders and permit SCE to attract capital to meet its obligations to serve its customers safely and reliably; and
- Allow SCE to mitigate financial risks to SCE, including risks related to California's wildfires.

How could this affect my monthly electric rates?

If SCE's rate request is approved by the CPUC, the average residential monthly bill using 500 kWh per month would increase by approximately \$0.12 or 0.1% per month in 2023.

SCE filed an application in August 2021 to set its 2022 authorized cost of capital, which is currently pending before the CPUC (Application 21-08-013). That proceeding will determine SCE's cost of capital and resulting revenue requirement as of January 1, 2022. Because the outcome of that proceeding is unknown at this time, SCE is providing rate impacts below based on SCE's currently effective cost of capital, which is the rate the CPUC authorized for 2020 in Decision 19-12-056.

Proposed Electric Rate Increase

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Increase	Proposed Rates	% Increase
Residential	25.66	0.021	25.68	0.08%
Lighting - Small and Medium Power	25.96	0.018	25.98	0.07%
Large Power	17.87	0.009	17.88	0.05%
Agricultural and Pumping	21.26	0.014	21.28	0.06%
Street and Area Lighting	27.22	0.012	27.23	0.04%
Standby	14.43	0.005	14.43	0.03%
Total	23.36	0.02	23.38	0.1%

Residential Bill Impact (\$/Month)				
Description	Current	Proposed Increase	Proposed	% Increase
Non-CARE residential bill	\$ 150.15	\$ 0.12	\$ 150.27	0.1%
CARE residential bill	\$ 101.60	\$ 0.08	\$ 101.68	0.1%

How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt SCE's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding may review SCE's application, including the Public Advocates Office. The Public Advocates Office is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information about the Public Advocates Office, please call 1-415-703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Where can I get more information?

Contact SCE

Email:
case.admin@sce.com

Mail:
Southern California Edison Company
A.22-04-009 – 2023 Cost of Capital
P.O. Box 800
Rosemead, CA 91770

A copy of the Application and any related documents may also be reviewed at
www.sce.com/applications.

Contact CPUC

Please visit **apps.cpuc.ca.gov/c/A2204009** to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding.

Your participation by providing your thoughts on SCE's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**
Email: Public.Advisor@cpuc.ca.gov
Mail: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Please reference **Application A.22-04-009** in any communications you have with the CPUC regarding this matter.