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NOTICE OF APPLICATION SOUTHERN CALIFORNIA EDISON COMPANY'S REQUEST TO INCREASE ELECTRIC RATES

Application A.21-06-016

WHY AM I RECEIVING THIS NOTICE?

On June 23, 2021, Southern California Edison Company (SCE) filed its second securitization application with the California Public Utilities Commission (CPUC), proposing to finance up to \$1.1 billion for costs related to wildfire mitigation and uncollectible expenses due to COVID-19.

If the CPUC approves this application, the securitization transaction will allow SCE to recover these costs and expenses at a lower rate to customers than through traditional utility financing. SCE intends to recover this amount through forecasted costs in electric rates over a 25 year period beginning January 1, 2022, resulting in an annual revenue requirement of \$55 million for 2021 through the issuance of recovery bonds. This will impact your monthly bill.

WHY IS SCE REQUESTING THIS RATE INCREASE?

The California legislature approved Assembly Bill 1054 (AB 1054) authorizing issuance of recovery bonds to fund the costs of certain fire risk mitigation costs and AB 913 to fund uncollectible expenses due to COVID-19 as well as associated financing costs. In accordance with AB 1054, SCE is further enhancing and expanding efforts to reduce wildfire risk as part of a multiyear strategy, focused on reducing the potential

for fires to be started by electrical equipment and reducing the potential for fires to spread. Pursuant to AB 913, SCE is seeking to mitigate the impacts of rate increases in 2021 resulting from residential customer uncollectible bills due to COVID-19. Financing these costs with recovery bonds reduces the customer rate increase compared to traditional utility ratemaking.

HOW COULD THIS AFFECT MY MONTHLY ELECTRIC RATES?

If SCE's proposed rate increase is approved, an average residential electric non-CARE customer using 500 kWh per month would see a bill increase of \$0.87 per month (0.70%), from \$123.79 to \$124.66. The average residential CARE customer using 500 kWh per month would see a bill increase of \$0.59 per month (0.70%), from \$83.80 to \$84.39.

Customer Impact Table

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Increase	Proposed Rates	% Increase
Residential	22.2	0.16	22.3	0.7%
Lighting – Small and Medium Power	21.6	0.18	21.8	0.8%
Large Power	14.8	0.11	14.9	0.7%
Agricultural and Pumping	17.4	0.15	17.5	0.9%
Street and Area Lighting	24.2	0.05	24.3	0.2%
Standby	12.1	0.08	12.2	0.6%
TOTAL	19.9	0.15	20.1	0.8%

Residential Bill Impact (\$/Month)				
Description	Current	Proposed Increase	Proposed	% Increase
Non-CARE residential bill	\$123.79	\$0.87	\$124.66	0.7%
CARE residential bill	\$83.80	\$0.59	\$84.39	0.7%

The Bundle Customer average rate adjustments assume a January 1st FRC implementation with a Clearing Rate set for a shorter (i.e., less 6-months) first payment period. The Clearing Rate refers to the rate level required to ensure recovery of a sufficient amount of revenue to pay the bond principle and interest payment at the end of each six-month payment period (or shorter or longer initial payment period). The Clearing Rate remains in effect over two payment periods and is reset at the end of the second payment period through the true-up process. Any imbalances associated with revenue recovery at the Clearing Rate, will be applied to the next FRC revenue requirement cycle.

Assumptions: Current rate based on June 1, 2021 effective rates and June 1, 2021 sales forecast.

HOW DOES THE REST OF THE 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 are currently reviewing SCE's application, including the Public Advocates Office, which 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**
- Phone: **1-626-302-0449**
- Mail: Southern California Edison Company
Attn: Case Administrator
A.21-06-016 – 2021 Securitization
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**.

*Para más información sobre cómo este cambio impactará su factura, descargue este aviso en español en el sitio Web de SCE **www.sce.com/avisos**.*

Contact CPUC

Please visit apps.cpuc.ca.gov/c/A2106016 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)

Email: **Public.Advisor@cpuc.ca.gov**

Mail: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Please reference **Application A.21-06-016** in any communications you have with the CPUC regarding this matter.