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

Application A.23-08-013

WHY AM I RECEIVING THIS NOTICE?

On August 22, 2023, Southern California Edison Company (SCE) filed with the California Public Utilities Commission (CPUC) an application for authority to recover costs related to the 2017 Thomas Fire and 2018 Montecito debris flow events, Application A.23-08-013.

In the application, SCE is requesting \$2.4 billion in costs and legal fees incurred to resolve and finance claims arising from the 2017 Thomas Fire and 2018 Montecito debris flow events recorded in SCE's Wildfire Expense Memorandum Account (WEMA). SCE is also requesting \$27 million in revenues related to restoration costs recorded in the Catastrophic Event Memorandum Account (CEMA).

The costs that SCE seeks to recover in the application are not funded through existing rates. If the CPUC approves these requests, it will impact your monthly bill.

WHY IS SCE REQUESTING THIS RATE INCREASE?

California saw unprecedented wildfires across the state in 2017, which was then the most destructive wildfire year on record and included the Thomas Fire in SCE's service area. SCE incurred costs to resolve litigation arising from the Thomas Fire and subsequent debris flow events in Montecito. In California, courts require utilities to pay for property damage and other costs resulting from fire caused by their facilities, as determined by a fire investigative agency, even if they operated their

systems prudently. The CPUC then reviews the costs to ensure that it would be just and reasonable to pass those costs on to customers.

SCE also incurred costs to restore service to customers and to repair, replace, or restore damaged utility facilities. The CPUC authorized SCE to record these costs in its CEMA and seek cost recovery at a later date.

SCE has taken on significant debt to pay costs associated with these events. SCE is seeking cost recovery to pay this debt and reduce borrowing costs for ongoing operations.

HOW COULD THIS AFFECT MY MONTHLY ELECTRIC RATES?

If the CPUC approves SCE's request to recover claim payments and legal fees recorded in the WEMA, SCE will file a new application to finance those costs through the issuance of recovery bonds. This would reduce the customer rate increase compared to traditional utility ratemaking. SCE estimates that it would recover costs in electric rates over a 30-year period beginning in 2026. While the final rate impact would depend on the terms of the recovery bonds, SCE estimates the average residential monthly bill using 500 kWh per month would increase by approximately \$1.50 or 0.9% per month for those costs. By law, customers enrolled in the CARE and FERA programs¹ are exempt from paying the recovery charge associated with the financing order, and SCE anticipates CARE customers would be excluded from any bill impacts at all (subject to implementation of Assembly Bill 205, relating to the CARE discount methodology). SCE provides an illustrative rate and bill impact table for the WEMA costs below.

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Change	Proposed Rates	% Change
Residential	33.0	0.21	33.2	0.6%
Lighting – Small and Medium Power	29.1	0.24	29.3	0.8%
Large Power	20.5	0.16	20.6	0.8%
Agricultural and Pumping	24.5	0.18	24.7	0.7%
Street and Area Lighting	32.6	0.20	32.8	0.6%
Standby	17.9	0.04	17.9	0.2%
TOTAL	27.4	0.20	27.6	0.7%

Residential Bill Impact (\$/Month)				
Description	Current	Proposed Change	Proposed	% Change
Non-CARE residential bill	\$173.84	\$ 1.51	\$175.35	0.9%
CARE residential bill	\$117.68	\$ 0.0	\$117.68	0.0%

If SCE's rate request relating to restoration costs recorded in the CEMA is approved by the CPUC, SCE would recover those costs in rates over a 12-month period. The average residential monthly bill using 500 kWh per month would increase by approximately \$0.24 or 0.1% per month for those costs. SCE provides a rate and bill impact table for the CEMA costs below.

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Change	Proposed Rates	% Change
Residential	33.0	0.05	33.0	0.1%
Lighting – Small and Medium Power	29.1	0.04	29.1	0.1%
Large Power	20.5	0.02	20.5	0.1%
Agricultural and Pumping	24.5	0.03	24.5	0.1%
Street and Area Lighting	32.6	0.03	32.6	0.1%
Standby	17.9	0.01	17.9	0.1%
TOTAL	27.4	0.03	27.5	0.1%

Residential Bill Impact (\$/Month)				
Description	Current	Proposed Change	Proposed	% Change
Non-CARE residential bill	\$173.84	\$ 0.24	\$174.08	0.1%
CARE residential bill	\$117.68	\$ 0.16	\$117.85	0.1%

The revenue associated with the CEMA costs would be recovered over twelve months following the issuance of a final decision in this proceeding. Any bill impact associated with the WEMA costs would not begin until after a financing order issues, which SCE anticipates will be in January 2026. These recovery periods may overlap for a period of a few months, during which the total bill impact for non-CARE or FERA customers would be approximately \$1.75 per month.

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

¹ The California Alternate Rates for Energy (CARE) program provides a discount of up to 30% on monthly electric bills if someone in your household participates in at least one eligible public assistance program or meets certain income criteria. The Family Electric Rate Assistance Program (FERA) provides an 18% discount for qualified households with three or more people. See www.sce.com/careandfera for eligibility and details.

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

- Phone: **1-626-302-0449**
- Email: **case.admin@sce.com**
- Mail: Southern California Edison Company
Attn: Case Administrator
2244 Walnut Grove Avenue
Rosemead, CA 91770

A copy of the Application and any related documents may also be reviewed at **www.sce.com/applications** by searching for the Application name or A.23-08-013.

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

Contact CPUC

Please visit **apps.cpuc.ca.gov/c/A2308013** 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 **SCE's Thomas Fire Application A.23-08-013** in any communications you have with the CPUC regarding this matter.