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## NOTICE OF APPLICATION SOUTHERN CALIFORNIA EDISON COMPANY'S REQUEST TO INCREASE ELECTRIC RATES FOR THE COST OF CAPITAL PROCEEDING APPLICATION 25-03-012

### Why am I receiving this notice?

On March 20, 2025, Southern California Edison (SCE) filed its Cost of Capital application (Application 25-03-012) requesting to increase its authorized cost of capital for utility operations for 2026 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.

SCE's proposal is summarized below:

Cost Factors	Current Cost of Capital		Cost of Capital Proposal	
	Cost	Capital Structure	Cost	Capital Structure
Long Term Debt	4.58%	43.0%	4.75%	43.0%
Preferred Equity	6.42%	5.0%	6.95%	5.0%
Common Equity	10.33%	52.0%	11.75%	52.0%

The CPUC will 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). If the CPUC approves SCE's requested cost of capital, SCE's authorized revenue would increase by approximately \$381.6 million or 2.2% beginning January 1, 2026. **This will impact your monthly bill.**

### Why is SCE requesting this rate increase?

SCE is required to file a cost of capital application every three years unless otherwise directed by the CPUC. Cost of capital proceedings attempt to set a utility's authorized rate of return at a level that is adequate to enable the utility to attract investors to fulfill its public service obligation. SCE's requested rate of return will enable it to attract capital needed to provide safe, reliable, resilient, and ready service to its customers given that SCE faces unique and elevated risks as compared to other investment options. The adopted cost of capital will be applied to capital investments authorized in SCE's General Rate Case (GRC) application as well as other applications.

### How could this affect my monthly electric rates?

If SCE's rate request is approved by the CPUC, the average non-CARE residential monthly bill using 500 kWh per month would increase by approximately \$3.59 or 2.1% per month in 2026. The average CARE residential monthly bill with the same monthly usage would increase by approximately \$2.25 or 2.1% per month in 2026.

The table below shows an estimate of proposed revenues and rate increases by customer group.

#### Proposed Electric Rate Increase

Bundled Average Rates				
Customer Group	Current Rates (3/1/25) (\$/kWh)	Proposed Increase (\$/kWh)	Proposed Rates (\$/kWh)	% Increase
Residential	31.4	0.65	32.0	2.1%
Lighting - Small and Medium Power	29.1	0.57	29.7	2.0%
Large Power	19.2	0.32	19.5	1.7%
Agricultural and Pumping	23.0	0.42	23.4	1.8%
Street and Area Lighting	34.7	0.35	35.0	1.0%
Standby	16.3	0.22	16.5	1.3%
<b>Total</b>	<b>27.1</b>	<b>0.52</b>	<b>27.6</b>	<b>1.9%</b>

  

Residential Bill Impact (\$/Month)				
Description	Current (3/1/2025) (\$/Month)	Proposed Increase (\$/Month)	Proposed (\$/Month)	% Increase
Non-CARE residential bill	174.78	3.59	178.36	2.1%
CARE residential bill	109.92	2.25	112.17	2.1%

Based on estimated average annual revenue requirement increase of \$381.578 million; assumes average usage of 500 kWh per month in baseline region 9, and excludes climate dividend (i.e., GHG credits).

### How does the rest of the process work?

The 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, modify, or deny SCE's Application. 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.

### Contact the CPUC

Parties to the proceeding may review the Application, including the Public Advocates Office. The Public Advocates Office is an independent consumer advocate within the CPUC that represents customers in order 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](mailto:PublicAdvocatesOffice@cpuc.ca.gov) or visit [www.publicadvocates.cpuc.ca.gov](http://www.publicadvocates.cpuc.ca.gov).

Please visit [apps.cpuc.ca.gov/c/A2503012](https://apps.cpuc.ca.gov/c/A2503012) 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:

Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)  
 Phone: **1-866-849-8390** (toll-free)  
 Mail: CPUC Public Advisor's Office  
 505 Van Ness Avenue  
 San Francisco, CA 94102

Please reference SCE 2026 Cost of Capital Application A.25-03-012 in any communications you have with the CPUC regarding this matter.

### Where can I get more information?

#### Contact SCE

If you have any questions about SCE's request, you may contact them at:  
 Email: [case.admin@sce.com](mailto:case.admin@sce.com)  
 Phone: **1-626-302-0449**  
 Mail: Southern California Edison Company  
 Attn: Case Administrator  
 A.25-03-012 - 2026 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](http://www.sce.com/applications).

Para obtener información sobre como este cambio afectará su factura y/o una copia de esta notificación en español visite [www.sce.com/avisos](http://www.sce.com/avisos)

**NOTICE OF APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY’S REQUEST TO INCREASE ELECTRIC RATES FOR THE 2024 ENERGY RESOURCE RECOVERY ACCOUNT REVIEW APPLICATION A.25-04-001**

**Why am I receiving this notice?**

On April 1, 2025, Southern California Edison Company (SCE) filed its Energy Resource Recovery Account (ERRA) Review application (Application) with the California Public Utilities Commission (CPUC). SCE’s application requests CPUC approval for an increase of \$3.992 million in SCE’s revenue due to a net under-collection in six authorized SCE memorandum accounts. SCE would recover this amount in electric rates beginning in 2026 if the CPUC approves SCE’s Application.

**Why is SCE requesting this rate increase?**

SCE is required to file this application with the CPUC on April 1 of each year. In 2024, six authorized SCE memorandum accounts had a net under-collection of funds that were necessary to provide electric service to SCE’s customers. As a result, SCE requests to recover the under-collection.

**How could this affect my monthly electric rates?**

If SCE’s rate request is approved by the CPUC, the average monthly residential bill will technically increase, but not by an appreciable amount. For example, a residential customer using 500 kilowatt-hours (kWh) per month would effectively see no change to their average monthly bill of \$174.78. This is because SCE’s proposal, if approved, would only increase rates by fractions of a cent per kWh. The following table shows current rates compared to the proposed rate changes by customer type.

CUSTOMER BILL IMPACT TABLE				
Bundled Average Rates (#/kWh)				
Customer Group	Current Rates	Proposed Change	Propose Rates	% Change
Residential	31.4	0.00	31.4	0.0%
Lighting - Small and Medium Power	29.1	0.00	29.1	0.0%
Large Power	19.2	0.00	19.2	0.0%
Agricultural and Pumping	23.0	0.00	23.0	0.0%
Street and Area Lighting	34.7	0.00	34.7	0.0%
Standby	18.3	0.00	18.3	0.0%
<b>Total</b>	<b>27.1</b>	<b>0.00</b>	<b>27.1</b>	<b>0.0%</b>
Residential Bill Impact (\$/Month)				
Description	Current	Proposed Change	Proposed	% Increase
Non-CARE residential bill	\$174.78	\$0.00	\$174.78	0.0%
CARE residential bill	\$109.92	\$0.00	\$109.92	0.0%

Note: the rate impact of SCE’s proposal appears as \$0.00 and 0.00% because the rate increases are too small to register on the scales presented in the table.

**How does the rest of the process work?**

This Application will be assigned to a CPUC Administrative Law Judge (ALJ) who will consider proposals and evidence presented during the formal hearing process. The ALJ 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.

**Contact the CPUC**

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](mailto:PublicAdvocatesOffice@cpuc.ca.gov) or visit [publicadvocates.cpuc.ca.gov](http://publicadvocates.cpuc.ca.gov).

Please visit [apps.cpuc.ca.gov/c/A2504001](http://apps.cpuc.ca.gov/c/A2504001) 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:

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

Please refer to SCE’s ERRA Application **A.25-04-001** in any communications you have with the CPUC regarding this matter.

**Where can I get more information?**

If you have questions about SCE’s request, you may contact them using the methods below.

**Contact SCE**

Phone: **1-626-302-1212**  
 E-mail: [case.admin@sce.com](mailto:case.admin@sce.com)  
 Or write to: Southern California Edison Company  
 Attention: Case Administrator  
 A.25-04-001 - 2024 ERRA Review  
 P.O. Box 800, Rosemead, CA 91770

**View SCE’s application:** Go to [www.sce.com/applications](http://www.sce.com/applications) Scroll down or search for “A.25-04-001” and click on the link.