**SCE Advice Letter –** SCE submits its “Consolidated Revenue Requirement and Rate Change” Advice Letter to implement new electric rates and their associated tariffs from previously authorized decisions, resolutions, and advice letters, most significantly the recent General Rate Case decision for SCE issued in August 2021. SCE submitted its Consolidated advice letter 4590-E on September 17, 2021. Collectively, the changes set forth in AL 4590-E will result in an electric rate and bill increase beginning on October 1, 2021.

**Estimated Bill Impacts of All Requested Electric Rate Changes Effective October 1, 2021:**

|  |  |
| --- | --- |
| Estimated Electric Bill Impacts[[1]](#footnote-1) | SCE as of October 1, 2021 |
| * Average Residential Non-CARE electric bill | $139.34 |
| * Average Residential Non-CARE electric bill increase | $11.22 (8.8%) |
| * Average Residential CARE electric bill | $88.86 |
| * Average Residential CARE electric bill increase | $7.31 (9.0%) |

Below are the primary drivers of SCE’s October 1, 2021, electric rate changes, which involve an increase of $1.244 billion in the revenues the company needs for its electric utility operations and capital investments. This rate/bill increase is attributable to rate increases authorized in SCE’s 2021 recent August 2021 General Rate Case (GRC) decision and regulatory account adjustments and recoveries. Dollar amounts shown below represent the increase or decrease in revenue collected from customers in rates; *not* total program costs:

* The primary drivers of the October 1st rate increase are:
  + 2021 GRC Decision (D.) 21-08-036 ($1.298 billion):
    - The Commission authorized additional funding ($976 million) to support:
      * Continuing safety and compliance programs to mitigate wildfire risks, including enhanced vegetation management, system hardening, and enhanced operational practices;
      * Modernizing and maintaining safe and reliable distribution and transmission grids; and
      * Purchasing up to $1 billion of liability insurance for wildfire-related claims.
    - The GRC decision directed SCE to amortize costs caused by the delay in issuance of this GRC decision from January 1, 2021, through September 30, 2021, over a 27-month period. This results in an annualized recovery of $321 million beginning on October 1, 2021.
  + Adjustments to regulatory accounts (aka “Balancing Accounts” and “Memorandum Accounts”) ($106 million): These accounts track the difference between the amount the CPUC authorized a utility to collect from customers through rates for a service, project, etc., and how much the utility actually collected for those items in rates from customers. In 2021, SCE collected less than it was authorized for electric vehicle charging ports ($6.4M), O&M expenses associated with 2017/2018 catastrophic event mitigation ($83.3M), and Energy Resource Recovery Account (ERRA) fuel and purchased power costs ($16.1M). The difference between the authorized and collected amounts, $106M, was granted to SCE.
* In addition to the increases noted above, two additional categories of revenue and rate adjustments reduced costs and counteract the increases described above by 2.4%. Specifically, these decreases are from:
  + The removal of 2018-2020 Grid Safety and Resiliency Program cost (AL 4301-E) (-$158.6M or -1.2% rate reduction), which was fully recovered from ratepayers between October 1, 2020, and September 30, 2021.
* The annual routine adjustment to the Fixed Recovery Charge associated with Assembly Bill 1054 Recovery Bonds (1.2% rate reduction). Assembly Bill 1054 allows SCE, with CPUC approval, to issue long term bonds to finance certain costs and expenses related to catastrophic wildfires, including fire risk mitigation capital expenditures.

1. Based on a “typical” residential bundled customer using, on average, 500 kilowatt-hours per month. [↑](#footnote-ref-1)