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Southern California Edison Company
P.O. Box 800
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Atención: Comunicaciones Corporativas

SOUTHERN CALIFORNIA EDISON COMPANY

NOTICE OF APPLICATION FILING TO INCREASE ELECTRIC RATES FOR THE 2017 ENERGY RESOURCE RECOVERY ACCOUNT FORECAST APPLICATION A. 16-05-001

SUMMARY

On May 2, 2016, Southern California Edison Company (SCE) filed an application with the California Public Utilities Commission (CPUC) requesting review and approval of its estimates for business operations in 2017. This review will only apply to certain aspects of SCE's business operations, which include costs associated with buying and producing energy. This application is commonly referred to as SCE's Energy Resource Recovery Account (ERRA) Forecast Application. If SCE's estimates are approved this application will result in an overall revenue increase of \$366 million, which increases the total ERRA revenue requirement for 2017 to \$4.149 billion (details below).

ABOUT THE PROPOSAL

The CPUC has established the ERRA Forecast Application as the process for review and approval of SCE's estimate of the costs. This review includes the cost of fuel that it will need to generate electricity, as well as the estimated costs of additional power it purchases for its customers, for the following year. This information is provided to the CPUC for the purpose of determining SCE's rates related to the purchase of fuel and purchased power.

In addition to estimating fuel and purchased power costs, SCE's 2017 ERRA Forecast Application includes:

- (1) A request to approve other expenses recoverable in ERRA proceedings, such as expenses related to spent nuclear fuel (nuclear fuel that is stored and has already been used); and
- (2) A request to approve SCE's 2017 forecast of Greenhouse Gas (GHG)-related costs and revenues to be returned to customers.

SCE's proposed revenue requirement relating to this application is \$4.149 billion for 2017. This request represents an increase of \$366 million from SCE's current 2016 ERRA-related revenue requirement, or a 3.52% system average rate increase. The revenue increase proposed in this

application will result in an increase to customer rates of approximately 0.52 cents per kilowatt-hour as compared to current rates.

The following table compares the current 2016 ERRAs rates and revenues to the forecasted 2017 ERRAs rates and revenues:

Customer Group	System				Bundled	
	Current Revenues (\$000)	Proposed Revenues Increase (\$000)	Proposed Total Revenues (\$000)	% Increase	Current Rates (¢/kWh)	Proposed Rates (¢/kWh)
Residential	5,052,479	184,757	5,237,237	3.66%	17.10	17.73
Lighting - Small and Medium Power	4,103,307	134,729	4,238,036	3.28%	15.66	16.16
Large Power	1,820,438	72,479	1,892,916	3.98%	11.06	11.47
Agricultural and Pumping	419,898	11,143	431,041	2.65%	11.72	12.03
Street and Area Lighting	129,761	1,797	131,558	1.39%	18.16	18.41
Standby	258,800	9,592	268,392	3.71%	9.05	9.38
Total	11,784,683	414,498	12,199,180	3.52%	14.99	15.51

If SCE’s proposed ERRA rate increase is approved, a typical non-CARE residential electric customer using 600 kilowatt-hours per month of electricity in the summer would see a bill increase of \$3.81 per month, from \$105.45 to \$109.26.

This application is a forecast and is likely to change prior to including these costs in next year’s electric rates. Consistent with past ERRA Forecast applications, SCE expects to update this application in November 2016, so that the latest forecast assumptions can be incorporated into SCE’s 2017 rates.

FOR FURTHER INFORMATION ABOUT SCE’S APPLICATION

You may review a copy of this application and related exhibits at SCE’s corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770).

Customers with Internet access may view and download SCE’s application and related exhibits on SCE’s website at <http://on.sce.com/1VN8Cxsx>, or by visiting www.sce.com/applications, typing “A.16-05-001” into the Search box, and clicking “Go.” If you have technical issues accessing the documents through the website, please e-mail case.admin@sce.com for assistance (be sure to reference proceeding A.16-05-001 in your e-mail).

Anyone who would like to obtain more information about this application from SCE, please write to:

Southern California Edison Company
A.16-05-001 – SCE’s 2017 ERRA Forecast
P.O. Box 800

Rosemead, CA 91770
Attention: Russell Worden, SCE Regulatory Affairs

In addition, a copy of this application may be reviewed at the CPUC's Central Files Office, located in San Francisco, CA, by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SCE's application as proposed, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) will review this application on behalf of SCE's ratepayers. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov/.

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Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
TTY 1-866-836-7825 (toll-free) or 1-415-703-5282

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

Email: public.advisor@cpuc.ca.gov

Please reference SCE's 2017 ERRRA Forecast Application Number A.16-05-001 in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.