

*Para más información en cómo este cambio impactará su factura, descargar esta notificación en español en el sitio Web de SCE [www.sce.com/avisos](http://www.sce.com/avisos)*

**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:

	<b>Current Cost of Capital</b>		<b>Cost of Capital Proposal</b>	
<b>Cost Factors</b>	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 electricity 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.

**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](http://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: (626) 302-0449

mail at:

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)