



**SCE Advice Letter** – SCE submits consolidated rate and tariff change advice letters occasionally throughout the year. SCE Advice Letter (AL) 5041-E/E-A provides information on the implementation of new electric rates and their associated tariffs from previously authorized decisions, resolutions, and advice letters, most significantly the recent Energy Resource Recovery Account (ERRA) Trigger Proceeding decision, issued in April 2023. The changes set forth in this AL result in electric rate and bill increases that began on June 1, 2023.

**Estimated Bill Impacts of All Requested Electric Rate Changes Effective June 1, 2023:**

Estimated Electric Bill Impacts <sup>1</sup>	Bill Change as of June 1, 2023 (\$)	Bill Change as of June 1, 2023 (%)	SCE as of June 1, 2023
➤ Average Residential Non-CARE electric bill	\$8.59	4.9%	\$183.22
➤ Average Residential CARE <sup>2</sup> electric bill	\$5.97	5.2%	\$120.41

Below are the primary drivers of SCE's June 1, 2023, electric rate changes, which involve a revenue increase for its electric utility operations and capital investments.

- ✚ The primary drivers of the June 1<sup>st</sup> rate increase are:
  - ERRA Forecast Decision (D.)23-04-012 (\$459 million): Significantly higher wholesale power and natural gas prices in December 2022 – 115% higher than forecast – drove this increase.
    - Approximately \$3.62 (or 3.2%) of SCE's Residential CARE customers' bill impact is attributed to the 2023 ERRA increase with an equivalent impact of \$5.32 (or 3%) to SCE's Non-CARE Residential customers' bill.
  - Wildfire Expense Memorandum Account (WEMA) 2 Decision (D.) 23-05-033 (\$214 million):
    - The Commission authorized SCE to recover costs associated with the purchase of wildfire liability insurance recorded in WEMA from July 1, 2020.

<sup>1</sup> Based on a "typical" residential bundled customer using, on average, 500 kilowatt-hours per month.

<sup>2</sup> The California Alternate Rates for Energy (CARE) program provides discounts to qualifying low-income residents on their utility bills.



- Approximately \$1.29 (or 1.1%) of SCE's Residential CARE customers' bill impact is attributed to WEMA 2 increase with an equivalent impact of \$2.03 (or 1.2%) to SCE's Non-CARE Residential customers' bill.
  - Other Increases totaling \$189 million.
    - The remaining June 1, 2023, increases are due to the recovery of costs associated with the implementation of previously authorized programs such as the Customer Service Re-Platform, New Home Energy Storage Pilot, and Recovery Bonds Charges. The conclusion of a refund of excess Department of Water Resources Bond and Power charges also contributed to the increase.
    - Approximately \$1.72 (or 1.5%) of SCE's Residential CARE customers' bill impact is attributed to the combined costs from the four programs described above with an equivalent impact of \$2.26 (or 1.3%) to SCE's Non-CARE Residential customers' bill.
- ✚ In addition to the increases noted above, other categories of revenue and rate adjustments reduced costs and counteracted the increases described above by 0.6% for both CARE and Non-CARE Residential customers. The combined effect of these decreases and the aforementioned increases result in the overall rate/bill impacts detailed in the table above.