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Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, CA 91770

**NOTICE OF EVIDENTIARY HEARINGS REGARDING  
SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) APPLICATION FOR  
AUTHORITY TO ESTABLISH ITS AUTHORIZED COST OF CAPITAL FOR UTILITY  
OPERATIONS FOR 2020 AND TO RESET THE ANNUAL COST OF CAPITAL  
ADJUSTMENT MECHANISM  
APPLICATION A.19-04-014**

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The California Public Utilities Commission (CPUC) is holding Evidentiary Hearings (EHs) regarding Southern California Edison Company's (SCE) application for authority to establish its authorized cost of capital for utility operations for 2020 and to reset the annual cost of capital adjustment mechanism. The EHs will take place on the following dates and location:

<b>Date</b>	<b>Location</b>
September 3 – 10, 2019 at 9:30 a.m. (Daily)	California Public Utilities Commission Commission Courtroom 505 Van Ness Avenue San Francisco, CA 94102

**Please note:** The CPUC Courtroom is wheelchair-accessible. If you need a non-English language interpreter or special assistance, please contact the CPUC's Public Advisor's Office (PAO) using the contact information at the end of this notice at least five working days in advance of the hearing date.

**ABOUT SCE'S APPLICATION**

On April 22, 2019, SCE filed its application seeking authority to establish its authorized cost of capital adjustment for utility operations for 2020. The authorized cost of capital determines how much money SCE is allowed to collect in rates as a return on the money it has invested.

In this proceeding, SCE requests that the CPUC 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). 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	4.98%	43.0%	4.74%	43.0%
Preferred Equity	5.82%	9.0%	5.70%	5.0%
Common Equity	10.30%	48.0%	11.45%	52.0%

The proposed changes to the cost of capital would increase SCE's current authorized revenue by \$204 million (8.28%). If the CPUC approves SCE's request, SCE's customers' rates will increase beginning January 1, 2020 until the next cost of capital application is filed in early 2022.

### **THE KEY REASONS FOR SCE'S PROPOSED INCREASE**

If the CPUC approves this application, the cost of capital proposed in this application will:

1. Fairly compensate SCE shareholders and permit SCE to attract capital to meet its obligations to serve its customers safely and reliably
2. Allow SCE to mitigate financial risks to SCE, including risks related to California's wildfires

### **WHAT THIS PROPOSED APPLICATION MEANS TO YOU**

The table below shows an estimate of proposed revenues and rate changes by customer group. The proposed revenue requirement increase is 2.2 percent. Any revenue change resulting from this application will reflect the actual outcome in the cost of capital case and other revenue changes from other SCE applications.

Customer Group	Customer Group Revenue Impact Cost of Capital Application for 2020				
	Bundled				
	Current Revenue (\$000)	Proposed Revenue Increase (\$000)	% Increase	Present Rates (¢/kWh)	Proposed Rates (¢/kWh)
Residential	3,814,516	102,253	2.7%	18.26	18.75
Lighting - Small and Medium Power	3,369,648	68,278	2.0%	16.74	17.08
Large Power	1,765,445	26,144	1.5%	11.83	12.01
Agricultural and Pumping	388,904	7,442	1.9%	13.43	13.69
Street and Area Lighting	110,291	745	0.7%	18.92	19.05
<b>Total</b>	<b>9,448,804</b>	<b>204,862</b>	<b>2.2%</b>	<b>15.90</b>	<b>16.25</b>

Based on rates currently in effect at the time the application was filed, the bill for a typical residential NonCARE customer using 500 kWh per month would increase from \$91.30 to \$93.75 or 2.7%. Actual bill impacts will vary depending on usage.

**FOR FURTHER INFORMATION ABOUT SCE’S APPLICATION**

You may review a copy of SCE’s applications 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 applications and related exhibits on SCE’s website at <https://on.sce.com/2KZ4Lun> (for A.19-04-014), or by visiting [www.sce.com/applications](http://www.sce.com/applications), typing “A.19-04-014”, 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](mailto:case.admin@sce.com) for assistance (be sure to reference proceeding A.19-04-014, in your e-mail).

To request a hard copy of SCE’s applications and related exhibits, or to obtain more information about these applications from SCE, please write to:

Southern California Edison Company A.19-04-014 – SCE’s 2019 Cost of Capital Application P.O. Box 800 Rosemead, CA 91770 Attention: Case Administration
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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 the CPUC at [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or (415) 703-2045.

**CPUC PROCESS**

At these EHS, the assigned Administrative Law Judge (Judge) will receive the testimony of Southern California Edison, consumer advocacy groups, and all other parties to this proceeding. These EHS are open to the public but only those who are parties to the proceeding may present evidence, testimony, and are subject to cross-examination. The hearings and documents submitted during this proceeding will become part of the formal record that the Judge relies upon in writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and evidence presented during the formal hearing processes, the assigned Judge(s) will issue a proposed decision which may adopt SCE’s application as proposed, modify, 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.

The Public Advocates Office (CalPA) has reviewed this application on behalf of SCE’s customers. CalPA 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. CalPA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about CalPA, please call (415) 703-1584, e-mail [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov) or visit CalPA's website at <http://www.publicadvocates.cpuc.ca.gov/>.

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If you would like to learn how you can participate in these proceedings, provide public comments, or if you have questions about any CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at [www.cpuc.ca.gov/pao/](http://www.cpuc.ca.gov/pao/). You may also contact the PAO as follows:

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](mailto:Public.Advisor@cpuc.ca.gov)

Please reference application number **SCE CoC Application No. A.19-04-014** in any communications you have with the CPUC regarding these matter. All public comments will become part of the public correspondence files for these proceedings and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.