Los usuarios con acceso al Internet podrán leer y descargar esta notificación en español en el sitio Web de SCE www.sce.com/avisos o escriba a:

Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
Atención: Comunicaciones Corporativas

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Para mas detalles en Español, llame al 1-800-441-2233 Monday - Sunday 8:00 a.m. - 8:00 p.m.
1-800-843-1309 ▲ 中文 1-800-843-8343 ▲ 한국어 1-800-628-3061 ▲ Tiếng Việt 1-800-327-3031 Monday. - Friday 8:00 a.m. - 5:00 p.m.

SOUTHERN CALIFORNIA EDISON®

An *EDISON INTERNATIONAL*® Company

SOUTHERN CALIFORNIA EDISON COMPANY (SCE)

NOTICE OF 2015 GREENHOUSE GAS COST AND REVENUE FORECAST AND RECONCILIATION APPLICATION (A.) 14-06-010

PROPOSAL TO INCREASE YOUR ELECTRIC RATES

On June 11, 2014, Southern California Edison Company (SCE) submitted an application to the California Public Utilities Commission (CPUC) to forecast revenues from the sale of greenhouse gas (GHG) allowances under California's GHG emissions reduction program. If this request is approved, SCE will be able to recover the forecasted costs associated with this program for 2015. CPUC Decision 13-12-041 authorized the utilities to spread payments of the 2013 GHG costs and allowance revenues over years 2014 and 2015. This decision will allow SCE to recover the remaining 2013 program costs not included in its 2014 application (A.13-08-002). SCE's estimate of the forecasted 2015 costs combined with the remaining 2013 costs amounts to **$437 million**.

Forecasted GHG costs will be recovered through electric rates. The GHG allowance revenues will be returned, as bill credits, to some bundled customers (customers who pay SCE to generate and distribute electricity to them) and Direct Access (DA) customers (customers who have another company supply them with electricity which is distributed through SCE's system). The GHG allowance revenue bill credits reduce the electric rate impacts of the GHG costs.

GHG Costs

SCE incurs various costs to comply with California's GHG emissions reduction program. These forecasted GHG costs include:

1. Costs associated with electric generation plants owned by SCE;
2. Costs that are part of market electricity prices; and
3. Costs charged by third parties to SCE.

GHG Allowance Revenues

The California Air Resources Board (CARB) encourages the reduction of GHG emissions by placing a limit on the amount of GHG emissions a facility can emit. This is regulated by CARB through the implementation of GHG allowances, or permits, to facilities that emit greenhouse gases.

Starting in 2013, CARB gave SCE and other California utilities GHG emissions allowances. The CARB requires these allowances to be auctioned quarterly for customer benefit and to lessen the impact of the program's cost. Once sold, SCE is required to pass the revenue received from the sale on to its bundled and DA customers. This is done through credits on their bills. The credit will not be for the exact amount sold since SCE will charge for administration and outreach costs. SCE does not profit from the sale of these GHG allowances.

SCE estimates that approximately $389 million in revenues will be received from the sale of GHG allowances in 2015. In addition, SCE received $195 million in revenues from the sale of GHG allowances in 2013, which are to be used in 2015. From the total available 2013 and 2015 revenues, SCE is expecting to withhold $853,000 for customer outreach and administrative costs and $24 million to reflect an estimated under-collection from 2014, as actual GHG revenues received from actions-to-date were less than forecast. The estimated remaining **$559 million**, or 96%, of the sale of GHG allowance revenues will be distributed to some bundled and DA customers as bill credits. Approximately $494 million of the $559 million will be allocated to residential customers and approximately $65 million will be allocated to small business and industrial customers.

For some customers, the GHG allowance revenue bill credits are intended to offset the electric rate impacts of the GHG costs. The order and method in which these revenues are returned has been determined by the California legislature and CPUC as follows:

1. Some industrial customers will receive a fixed-amount bill credit annually;
2. Small business and residential customers will receive a bill credit every month based on usage;
3. Residential customers will also receive an additional fixed credit semi-annually.

The customer classifications defined by the CPUC are different than SCE's customer classes. For example, SCE does not have a "small business" customer class. Instead, this credit may apply to customers in SCE's small commercial, medium & large commercial & industrial, and agricultural customer classes. Further, SCE's small commercial, and medium & large commercial & industrial customers may be included within the CPUC's "industrial" classification.

The following table reflects the estimated monthly electric rate impacts of the GHG costs to be recovered from customers and the GHG allowance revenue return to customers. The percentages shown do not necessarily reflect the changes that you may see on your bill. Actual changes in individual bills will depend on how much electricity each customer uses.

SOUTHERN CALIFORNIA EDISON COMPANY
ESTIMATED IMPACT OF THIS REQUEST ON 2015 RATES

	System (w/Residential Climate Credit)		Bundled (w/o Residential Climate Credit)		
Customer Group	Current Revenues ($000)	Revenue Change ($000)	June 2014 Rates (¢/kWh)	Proposed Rates (¢/kWh)	% Change
Residential	5,158,769	(296,799)	17.76	17.76	0.0%
Lighting - Small and Medium Power	4,775,398	110,156	18.28	18.75	2.6%
Large Power	2,151,021	44,220	12.99	13.36	2.8%
Agricultural and Pumping	421,413	13,006	14.67	15.13	3.1%
Street and Area Lighting	137,619	2,513	18.81	19.16	1.8%
Standby	281,304	10,440	10.96	11.41	4.1%
Total	12,925,524	(116,464)	16.70	16.96	1.6%

If the proposed request is adopted, the average bundled non-CARE residential customer using rates in effect on June 1, 2014 will not see an increase in their 2015 monthly bill. This offset is due to (1) GHG costs being offset by GHG revenues, and (2) the semi-annual bill credit residential households will receive from the California Climate Credit program. SCE's application proposes to distribute a California Climate Credit of $33.00 on each residential customer's bill in April and October of 2015.

FOR FURTHER INFORMATION FROM SCE

You may review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770). You may also view these materials at the following SCE business offices:

1 Pebbly Beach Rd.
Avalon, CA 90704

1820 Rimrock Rd.
Barstow, CA 92311

374 Lagoon St.
Bishop, CA 93514

505 W. 14th Ave.
Blythe, CA 92225

3001 Chateau Rd.
Mammoth Lakes, CA 93546

510 S. China Lake Blvd.
Ridgecrest, CA 93555

26364 Pine Ave.
Rimforest, CA 92378

41694 Dinkey Creek Rd.
Shaver Lake, CA 93664

421 W. J St.
Tehachapi, CA 93561

120 Woodland Dr.
Wofford Heights, CA 93285

6999 Old Woman Springs Rd.
Yucca Valley, CA 92284

Customers with Internet access may view and download SCE's application and the papers supporting it on SCE's website, **www.sce.com/applications** (type A.14-06-010 into the Search box and click "Go"). Anyone who would like to obtain more information about the application, please write to:

Southern California Edison Company
2015 GHG Revenue Return & Reconciliation Application
P.O. Box 800
Rosemead, CA 91770
Attention: Rebecca Meiers-De Pastino

CPUC PROCESS

The CPUC will evaluate and determine SCE's Application through its administrative law process where the proceeding is assigned to an Administrative Law Judge (Judge) who will direct the method in which the record, upon which the Commission bases its decisions, is made. The Judge may hold evidentiary hearings where parties to the proceeding provide testimony and other parties may cross-examine them. These hearings are open to the public, but only formal parties of record may participate. After considering all proposals and evidence presented, the assigned Judge will issue a proposed decision. The Commissioners may approve the proposed decision as written, modify it, approve another proposal written by a Commissioner or completely deny SCE's request.

The CPUC also would like to hear from you. You may submit informal comments to the CPUC's Public Advisor's Office at:

Write: California Public Utilities Commission
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

E-mail: Public.Advisor@cpuc.ca.gov

Telephone: 1-866-849-8390 or 1-415-703-2074

Please state that you are writing concerning SCE's application A.14-06-010. Your comments will become a part of the formal correspondence file for public comment in this proceeding.

You may also contact the CPUC Public Advisor's Office if you need advice on how to participate in this proceeding.

June 2014