



ATTACHMENT 1

DESCRIPTION OF CASH FLOW MODEL

SOUTHERN CALIFORNIA EDISON COMPANY DESCRIPTION OF THE TRUE-UP ADJUSTMENT MECHANISM AND IMPLEMENTING CASH FLOW MODEL

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Introduction

The purpose of this attachment is to describe the cash flow model which reflects and implements the True-Up Adjustment Mechanism to be used to calculate the Fixed Recovery Charge (“FRC”) for Consumers. The FRC will be established sufficient, in the aggregate amount, to pay, on a timely basis, the scheduled principal and interest on the Recovery Bonds together with all other Ongoing Financing Costs associated with the Recovery Bonds.

The FRCs will be imposed on all non-exempted Consumers based on Consumer class (each a, “FRC Consumer Class”). For Third AB1054 CapEx, the Fixed Recovery Charge will be based on the allocation methodology set forth in the Marginal Cost and Revenue Allocation Settlement Agreement (“GRC Allocation Factor”). The FRC will be a consumption-based (kWh) charge for each FRC Consumer Class.

The FRC will be calculated separately for the Recovery Bonds and any series of Additional Recovery Bonds (collectively, the “Bonds”) issued.

The FRC established under any True-Up Mechanism Advice Letter will remain in effect until changed pursuant to the filing of a subsequent True-Up Mechanism Advice Letter.

The remainder of this attachment is organized as follows:

- Overview of the Bond Cash Flow Model; and
- FRC rate calculation.

Overview of the Bond Cash Flow Model

The Bond cash flow model is based upon three basic steps: first, determine the revenue requirement necessary to pay the Recovery Bonds on a payment date; second, allocate this revenue requirement among each FRC Consumer Class based upon the GRC Allocation Factors, and third, determine the FRC for each FRC Consumer Class based upon forecasted consumption by such class during the related payment period (a “Payment Period”), using the most recent sales forecasts.

Each True-Up Mechanism Advice Letter will show the revenue requirement and resulting FRC for each of the next two Payment Periods following the proposed adjustment date. The first Payment Period means the period commencing on an adjustment date (or, in the case of the initial charge calculations, the Closing Date) and ending on (and including) the first Payment Date following the adjustment date (the “First Payment Period”); the second payment period

means the period commencing on the day after the first Payment Date following the adjustment date and ending on (and including) the next Payment Date (the “Second Payment Period”).

The revenue requirement for each Payment Period will include all scheduled (or legally due) payments of principal (including, if any, prior scheduled but unpaid principal payments) and interest on the Recovery Bonds and all other Ongoing Financing Costs payable on such related Payment Date (collectively, the “Periodic Payment Requirement”). The cash flow model adjusts the Periodic Payment Requirement, using billing uncollectibles and average days sales outstanding data, to determine the “Periodic Billing Requirement” for such Payment Period, which is the amount of FRC revenue that must be billed during the Payment Period to ensure that sufficient FRC revenues will be received on or prior to the Collection Cut-Off Date to satisfy the Periodic Payment Requirement for such Payment Date. The Collection Cut-Off Date is the last day of the calendar month immediately preceding the Payment Date.

Excess funds from prior payment periods will be held in an excess funds subaccount.

To take into account cash flow from existing Fixed Recovery Charges and any excess funds held under the bond indenture from prior FRC collections, the Periodic Payment Requirement for the First Payment Period (other than the First Payment Period following the Closing Date) is adjusted in two steps:

First, the Periodic Payment Requirement for the First Payment Period will be decreased by the amount of any funds held by the Trustee in the general subaccount or the excess funds subaccount as of date no earlier than fifteen business days prior to the calculation date (the “Calculation Cut-Off Date”).

Second, the Periodic Payment Requirement will be further decreased by the amount of FRC collections projected to be collected under the then-current FRC rates after the Calculation Cut-Off Date.

FRC Rate Calculation

The Bond cash flow model, which reflects the True-Up Adjustment Mechanism, will be used to calculate the FRC for each FRC Consumer Class.

- Step 1: Determine the Periodic Payment Requirement for the First Payment Period, as adjusted as described in the Overview section, as well as the Periodic Billing Requirement for such First Payment Period.
- Step 2: Allocate the Periodic Billing Requirement for the First Payment Period using the GRC Allocation Factors with the exempt FRC Consumer Classes (“CARE/FERA”) and non- exempt FRC Consumer Classes identified separately. For purposes hereof, the Periodic Billing Requirement allocated to each FRC Consumer Class will be derived by multiplying the Periodic Billing Requirement for the First Payment Period by the applicable GRC Allocation Factor.

- Step 3: Allocate the CARE/FERA Periodic Billing Requirement for the First Payment Period to all non-exempt FRC Consumer Classes using an allocation factor equivalent to the existing CARE discount allocation.
- Step 4: Determine a rate per kWh for each FRC Consumer Class for the First Payment Period (a “Clearing Rate”) by dividing each non-Exempt FRC Consumer Classes’ respective portion of the Periodic Billing Requirement for the First Payment Period by their respective forecasted sales for the First Payment Period.
- Step 5: Determine the Periodic Payment Requirement for the Second Payment Period as well as the Periodic Billing Requirement for the Second Payment Period.
- Step 6: Repeat Steps 2-4 to allocate the Periodic Billing Requirement and determine the FRC Clearing Rate for each FRC Consumer Class.
- Step 7: Compare the Clearing Rates for each FRC Consumer Class in each Payment Period, and the highest Clearing Rate will be the FRC Rate for the Consumer Class effective upon the next adjustment date. Any excess funds collected in the First or Second Payment Period will be taken into account in the next True-Up Mechanism Advice Letter as described in the Overview section above.

ATTACHMENT 2
FORM OF ISSUANCE ADVICE LETTER

[date]

Advice _____-E
(Southern California Edison Company ID [____])

Public Utilities Commission of the State of California

Subject: Issuance Advice Filing for Recovery Bonds

Pursuant to California Public Utilities Commission (CPUC) Decision, Southern California Edison Company (SCE) hereby transmits for filing, [one] day after the pricing date of this series of Recovery Bonds, the initial Fixed Recovery Charges for the series. This Issuance Advice Filing is for the Recovery Bonds series _____, tranche(s) _____ (Recovery Bonds).

Purpose

This filing establishes initial Fixed Recovery Charges for rate schedules for Consumers. This filing also establishes the Recovery Property to be sold to the Recovery Property Owner (Special Purpose Entity or SPE), including the Billing Commencement Date. Finally, this filing sets forth the final terms of the Recovery Bonds, including a final estimate of Upfront Financing Costs and estimated Ongoing Financing Costs for the 12-month period following the Closing Date.

Background

In the Decision, the Commission authorized SCE to submit Issuance Advice Letters when final terms and pricing for Recovery Bonds have been established. Issuance Advice Letter filings are those in which SCE uses the cost allocation and rate design methodology and Fixed Recovery Charge cash flow formula (the “adjustment mechanism”) found reasonable by the Commission in the Decision to establish initial Fixed Recovery Charges for a series of Recovery Bonds. Using this methodology and formula approved by the Commission in the Decision, this filing establishes the initial Fixed Recovery Charges.

Issuance Information

The Decision requires SCE to provide the following information.

Recovery Bond Name: _____
 Recovery Property Owner (SPE): _____
 Bond Trustee(s): _____
 Closing Date: _____
 Bond Rating(s): _____
 Principal Amount Issued (Authorized Amount): _____ (See Table 1 below)

Upfront Financing Costs: _____ (See Table 2 below)
 Upfront Financing Costs as a Percent of Principal Amount Issued: _____
 Coupon Rate(s): See Exhibit 1
 Call Features: _____
 Expected Principal Amortization Schedule: See Exhibit 1
 Scheduled Final Payment Date(s): See Exhibit 1
 Legal Maturity Date(s): See Exhibit 1
 Payment Dates (semi-annually): _____
 Annual Servicing Fee as a percent of the issuance amount: _____
 Annual Administration Fee: _____
 Overcollateralization amount for the series, if any: _____

FRC Annual Adjustment Date: _____
 Semi-Annual Adjustment Dates: _____
 [insert if mandatory adjustments required by Servicing Agreement]

Billing Commencement Date: _____
 First Payment Period: _____
 [Closing Date through and including first Payment Date]
 Second Payment Period: _____
 [Day following First Payment Date through and including second Payment Date]

Authorized Amount

The following table sets for the computation of the final Authorized Amount (i.e., the principal amount of the Recovery Bonds).

Table 1: Authorized Amount	
Third AB 1054 CapEx Amount:	\$
Estimated Pre-Securitization Debt Financing Costs [of Third AB 1054 CapEx] (See Exhibit 4)	
Upfront Financing Costs (See Table 2 below)	
Total Authorized Amount (rounded to nearest \$1,000)	\$

Upfront Financing Costs

The following table includes actual or estimated (as noted) Upfront Financing Costs to be incurred in connection with the issuance of the Recovery Bonds:

Table 2: Upfront Financing Costs	
Underwriters' Fees and Expenses	\$
Legal Fees and Expenses (estimated)	
Rating Agency Fees	
Accounting Fees and Expenses	
Company's Advisory Fee	
Servicer Set-up Costs (estimated)	
SEC Registration Fees	
Section 1904 Fees	
Printing / EDGARizing Expenses (estimated)	
Trustee / Trustee Counsel Fee and Expenses (estimated)	
Original Issue Discount	
Commission's Costs and Expenses (estimated)	
Miscellaneous (estimated)	
Total	\$
Note 1: Section 1904 Fees computed by today's Order.	

True-Up Mechanism

Changes to the Fixed Recovery Charges will be requested through the filing of Routine True-Up Mechanism Advice Letter and Non-Routine True-Up Mechanism Advice Letters in accordance with the Decision. Annually before each FRC Annual Adjustment Date and more often as deemed necessary by the servicer the servicer will submit Routine True-Up Mechanism Advice Letter in the form of Attachment 3 to the Financing Order to ensure that Fixed Recovery Charges collections be sufficient to make all scheduled payments of bond principal, interest, and other Ongoing Financing Costs on a timely basis during each of the two payment periods. The first payment period means the period commencing on the Closing Date and ending (and including) the first Payment Date following the Closing Date (the "First Payment Period"); the second payment period means the period commencing on the day following the first Payment Date following the adjustment date and ending on (and including) the next Payment Date (the "Second Payment Period"). The servicer may also submit Non-Routine True-Up Mechanism Advice Letters in the form of Attachment 4 to the Financing Order.

Ongoing Financing Costs

The following table includes estimated Ongoing Financing Costs for the First and Second Payment periods following Closing Date to be recovered through Fixed Recovery Charges in accordance with the Financing Order.

Table 3: Estimated Ongoing Financing Costs		
	First Payment Period	Second Payment Period
Servicing Fee (SCE as Servicer) (0.05% of the initial Recovery Bond principal amount)	\$	\$
Administration Fee		
Accounting Fees and Expenses		
Legal Fees and Expenses		
Rating Agency Surveillance Fees		
Trustee Fees and Expenses		
Independent Director Fees		
Printing / EDGARizing Expenses		
Return on Equity		
Miscellaneous Fees and Expenses		
TOTAL ONGOING FINANCING COSTS (with SCE as Servicer)	\$	\$
Ongoing Servicers Fee (Third Party as Servicer) (___% of initial principal amount)		
TOTAL ONGOING FINANCING COSTS (Third Party as Servicer)	\$	\$

Fixed Recovery Charges

Table 4 below shows the inputs and current assumptions for each of the variables used in calculating the Fixed Recovery Charges:

Table 4: Input Values For Fixed Recovery Charges		
	First Payment Period	Second Payment Period
Allocation Factors for each Customer Class (see Exhibit 3)		
Projected kWh sales for each Customer Class for payment period (See Exhibit 3)		
Percent of Consumers' revenue written off		
Average Days Sales Outstanding		

Table 4: Input Values For Fixed Recovery Charges		
	First Payment Period	Second Payment Period
Ongoing Financing Costs for the applicable payment period (See Table 3 above)		
Recovery Bond Principal		
Recovery Bond Interest		
Periodic Payment Requirement (See Exhibit 2)		
Periodic Billing Requirement (See Exhibit 3)		

Table 5 shows the initial Fixed Recovery Charges for each FRC Consumer Class:

Table 5: Fixed Recovery Charges		
Rate Group	Fixed Recovery Charges	¢/kWh
Residential Domestic	Non-CARE	
Residential Domestic	FERA	
Res/Dom Income Qualified	CARE	
Small C&I (<20kW)	GS-1	
Traffic Control	TC-1	
Medium C&I (20 kW – 200 kW)	GS-2	
Medium C&I (200 kW – 500 kW)	GS-3	
Large C&I (Sec) includes standby customers	TOU-8-Sec	
Large C&I (Pri) includes standby customers	TOU-8-Pri	
Large C&I (Sub) includes standby customers	TOU-8-Sub	
Small AG& Pump (< 200 kw)	AG&P < 200 KW	
Large Ag& Pump (≥ 200 kw)	AG&P ≥ 200 KW	
Street/Area Lighting	Street Light	
	System	

Recovery Property

Recovery Property is the property described in Public Utilities Code Section 850(b)(11) relating to the Fixed Recovery Charges set forth herein, including, without limitation, all of the following:

- (1) The right, title and interest in and to the Fixed Recovery Charges set forth herein, as adjusted from time to time.
- (2) The right to be paid the principal amount of the Recovery Bonds, together with interest thereon as the same become due as shown on Exhibit 2, together with all Ongoing Financing Costs as the same become due.
- (3) The right, title and interest in and to all revenues, collections, claims, payments, money, or proceeds of or arising from the Fixed Recovery Charges, as set forth herein.
- (4) All rights to obtain adjustments to the Fixed Recovery Charges under the True-Up Mechanism.

These Fixed Recovery Charges, as adjusted from time to time, shall remain in place until the total amounts in Exhibit 2 are paid in full to the owner of the Recovery Property, or its assignee(s).

Proposed Tariff Changes

[If Fixed Recovery Charge rate change is being implemented as a standalone rate change]: Attachment A provides all applicable tariff sheets reflecting the revised Fixed Recovery Charges shown in Table 5.

[If Fixed Recovery Charge rate change is being consolidated with other rate changes]: SCE will submit all tariff sheets reflecting the revised Fixed Recovery Charges shown in Table 5 in the consolidated revenue requirement and rate change advice letter for rates effective in [date].

Effective Date

In accordance with the Decision, unless before noon on the fourth business day after pricing the Commission issues an order finding that the proposed Recovery Bond issuance does not comply with the Financing Order, the Issuance Advice Letter and the Fixed Recovery Charges established by this Issuance Advice Letter will be effective automatically at noon on the fourth business day after pricing, and pursuant to Section 850.1(h), the Recovery Property established by the Financing Order, will come into being simultaneously with the sale of the Recovery Property to the SPE. The Fixed Recovery Charges will continue to be effective, unless they are changed by a subsequent True-Up Mechanism Advice Letter. All of the Recovery Property identified herein constitutes a current property right and will continuously exist as property for all purposes. Further all Upfront Financing Costs and Ongoing Financing Costs shall be recoverable as provided in the Financing Order.

Description of Exhibits

Exhibit 1 presents the debt service schedule for the Recovery Bonds, including expected principal amortization, scheduled final payment dates and final legal maturity dates, interest rates, and aggregate scheduled debt service per payment date.

Exhibit 2 presents the Periodic Payment Requirements related to the Recovery Bonds for the two payment periods following the Closing Date.

Exhibit 3 presents the Fixed Recovery Charges calculations.

Exhibit 4 presents the calculation of Pre-Securitization Debt Financing Costs.

Notice

In accordance with General Order 96-B, Section 4.4, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to [] at (626) []. Advice letter filings can also be accessed electronically at: [<https://www.sce.com/regulatory/advice-letters/>]

Attachments

cc: Service List for A.[].

Exhibit 1

Recovery Bond Terms and Debt Service Schedule

Exhibit 2**Periodic Payment Requirements**

The total amount payable to the owner of the Recovery Property, or its assignee(s), pursuant to this issuance advice letter is a \$ _____ principal amount, plus interest on such principal amount, plus Ongoing Financing Costs, to be obtained from Fixed Recovery Charges calculated in accordance with the Decision.

The Fixed Recovery Charges shall be adjusted from time to time, at least annually, via the Routine True-Up Mechanism Advice Letter and Non-Routine True-Up Mechanism Advice Letter in accordance with the Decision.

The following amounts are scheduled to be paid by the Bond Trustee from Fixed Recovery Charges it has received during the two Payment Periods following the Closing Date. These payment amounts include principal plus interest and plus other Ongoing Financing Costs.

<u>Payment Period</u>	<u>Recovery Bond Payments (See Exhibit 1)</u>	<u>Ongoing Financing Costs (See Table 3)</u>	<u>Periodic Payment Requirement</u>
<u>First Payment Period</u>	\$	\$	\$
<u>Second Payment Period</u>	\$	\$	\$

Exhibit 3

Fixed Recovery Charges Calculations

Exhibit 4**Calculation of Pre-Securitization Debt Financing Costs**

Pre-Securitization Debt Financing Costs¹	Amount
Track 3 CapEx	\$
Track 1 CapEx	\$
TOTAL ESTIMATED PRE-SECURITIZATION DEBT FINANCING COSTS	\$

¹ Updated financing costs will reflect the interest expense up to the Closing Date.

ATTACHMENT 3

FORM OF ROUTINE TRUE-UP MECHANISM ADVICE LETTER

[date]

**Application _____-E
(Southern California Edison Company ID [_____])**

Public Utilities Commission of the State of California

Subject: Routine [Annual] [Interim] Advice Filing for Fixed Recovery Charges True-up Mechanism

Pursuant to California Public Utilities Commission (CPUC) Decision, Southern California Edison Company (SCE), as servicer of the Recovery Bonds (Recovery Bonds) and on behalf of the Special Purpose Entity, hereby applies for adjustment to the Fixed Recovery Charge for series _____, Tranche(s) _____ of the Recovery Bonds.

Purpose

This filing establishes revised Fixed Recovery Charges for rate schedules for Consumers, as set forth in the Decision.

Background

In the Decision, the Commission granted SCE authority to issue Recovery Bonds to finance certain costs and expenses related to catastrophic wildfires, including fire risk mitigation capital expenditures identified in subdivision (e) of Section 8386.3 of the Public Utilities Code and certain operations and maintenance expenses related thereto in accordance with Section 850(a)(2) of the Public Utilities Code, certain residential uncollectable expenses, as permitted by Section 850(a)(3) of the Public Utilities Code, and associated financing costs.

Recovery Bonds are securities that are backed by the cash flows generated by a specific asset that has been sold by SCE to a Special Purpose Entity that issued the Recovery Bonds secured by this asset. The asset sold is Recovery Property, a current property right that was created by Article 5.8 as the right, title and interest in and to all (i) Fixed Recovery Charges established pursuant to the Financing Order, including all rights to obtain adjustments, and (ii) revenues, collections, claims, payments, monies, or proceeds of or arising from the Fixed Recovery Charges that will cover debt service and all Ongoing Financing Cost, including any draws on the capital subaccount, as authorized in the Decision.

In the Decision, the Commission authorized SCE to submit Routine True-up Mechanism Advice Letters at least annually, before each [insert FRC Annual Adjustment Date] and more frequently as permitted in the Financing Order and deemed necessary by the servicer. These filings are intended to ensure that the actual revenues collected under the Fixed Recovery Charges will be sufficient to make all scheduled payments of Bond principal and interest as well as to pay all other Ongoing Financing Costs on a timely basis during each of the two payment periods following the date of adjustment. The first payment period means the period commencing on an adjustment date and ending (and including) the first Payment Date following the adjustment (the “First Payment Period”); the second payment period means the period commencing on the day following the first Payment Date following the adjustment date and ending on (and including) the next Payment Date (the “Second Payment Period”). Routine True-up Mechanism Advice Letter filings are those where SCE uses the cost allocation and rate design methodology and Fixed Recovery Charge and cash flow method (collectively, the “adjustment mechanism”) found reasonable by the Commission in the Decision to revise existing Fixed Recovery Charges.

Using the adjustment mechanism approved by the Commission in the Decision, this filing modifies the variables used in the Fixed Recovery Charge calculations and provides the resulting modified Fixed Recovery Charges.

Table 1 shows estimated Ongoing Financing Costs for the next two payment periods to be recovered through Fixed Recovery Charges in accordance with the Financing Order.

Table 1: Estimated Ongoing Financing Costs		
	First Payment Period	Second Payment Period
Servicing Fee (SCE as Servicer) ([##]% of the initial Recovery Bond principal amount)	\$	\$
Administration Fee		
Accounting Fees and Expenses		
Legal Fees and Expenses		
Rating Agency Surveillance Fees		
Trustee Fees and Expenses		
Independent Director Fees		
Printing / EDGARizing Expenses		
Return on Equity		
Miscellaneous Fees and Expenses		
Deposit to the Capital Subaccount (if any)		
TOTAL ONGOING FINANCING COSTS (with SCE as Servicer)	\$	\$

Table 1: Estimated Ongoing Financing Costs		
	First Payment Period	Second Payment Period
Ongoing Servicers Fee (Third Party as Servicer) (____% of initial principal amount)		
TOTAL ONGOING FINANCING COSTS (Third Party as Servicer)	\$	\$

Table 2 shows assumptions for each of the variables used in calculating the Fixed Recovery Charges.

Table 2: Input Values For Fixed Recovery Charges		
	Period 1	Period 2
Allocation Factors for each Customer Class (see Exhibit 3)		
Projected MWh sales for each Customer Class for payment period (See Exhibit 3)		
Percent of Consumers' revenue written off		
Average Days Sales Outstanding		
Ongoing Financing Costs for the applicable payment period (See Table 1 above)		
Balance of Collection Account (Net of Capital Subaccount) (As of xx/xx, which is the Calculation Cut-off Date)		N/A
Recovery Bond Principal		
Recovery Bond Interest		
Periodic Payment Requirement (See Exhibit 2)		
Periodic Billing Requirement (See Exhibit 3)		

Table 3 shows the revised Fixed Recovery Charges to be effective for Consumers. The Fixed Recovery Charge calculations are shown in Exhibit 3.

Table 3: Fixed Recovery Charges		
Rate Group	Fixed Recovery Charges	¢/kWh
Residential Domestic	Non-CARE	
Residential Domestic	FERA	
Res/Dom Income Qualified	CARE	

Table 3: Fixed Recovery Charges		
Rate Group	Fixed Recovery Charges	¢/kWh
Small C&I (<20kW)	GS-1	
Traffic Control	TC-1	
Medium C&I (20 kW – 200 kW)	GS-2	
Medium C&I (200 kW – 500 kW)	GS-3	
Large C&I (Sec) includes standby customers	Tou-8-Sec	
Large C&I (Pri) includes standby customers	Tou-8-Pri	
Large C&I (Sub) includes standby customers	Tou-8-Sub	
Small AG& Pump (< 200 kw)	AG&P < 200 KW	
Large Ag& Pump (\geq 200 kw)	AG&P \geq 200 KW	
Street/Area Lighting	Street Light	
	System	

Proposed Tariff Changes

[If Fixed Recovery Charge rate change is being implemented as a standalone rate change]: Attachment A provides all applicable tariff sheets reflecting the revised Fixed Recovery Charges shown in Table 3.

[If Fixed Recovery Charge rate change is being consolidated with other rate changes]: SCE will submit all tariff sheets reflecting the revised Fixed Recovery Charges shown in Table 3 in the consolidated revenue requirement and rate change advice letter for rates effective in [date].

Effective Date¹

[If annual Routine True-Up Mechanism Advice Letter]

In accordance with the Decision, Routine True-Up Mechanism Advice Letters for required annual Fixed Recovery Charge adjustments shall be submitted at least 50 days before [insert the FRC Annual Adjustment Date] and these adjustments to Fixed Recovery Charges shall be effective on [insert the FRC Annual Adjustment Date]. No Commission resolution is required. Therefore, these Fixed Recovery Charges shall be effective [insert the FRC Annual Adjustment Date] through until they are changed by the next annual Routine True-Up Mechanism Advice Letters or, if earlier by an interim Routine True-Up Mechanism or Non-Routine True-Up Mechanism adjustment.

¹ Mandatory Semi-Annual Routine True-Up Mechanism Advice Letters may be submitted if included by SCE in the Issuance Advice Letter.

[If interim Routine True-Up Mechanism Advice Letter]

In accordance with the Decision, interim Routine True-Up Mechanism Advice Letters for interim Fixed Recovery Charge adjustments shall be submitted at least 50 days before the proposed effective day of the adjustment, which shall be the first day of a month. No Commission resolution is required. Therefore, these Fixed Recovery Charges shall be effective until they are changed by the next annual Routine True-Up Mechanism Advice Letters or, if earlier by an interim Routine True-Up Mechanism or Non-Routine True-Up Mechanism adjustment.

Description of Exhibits

Exhibit 1 to this advice filing presents the revised principal amortization schedule for the Recovery Bonds.

Exhibit 2 presents the revised Periodic Payment Requirements related to the Recovery Bonds for the two payment periods following the adjustment date. These Periodic Payment Requirements will be adjusted based upon the Cash Flow Model to determine the Periodic Billing Requirement, as shown in Exhibit 3.

Exhibit 3 presents the revised Fixed Recovery Charge calculations.

Notice

In accordance with General Order 96-B Section 4.4, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to [] at (626) []. Advice letter filings can also be accessed electronically at: [<https://www.sce.com/regulatory/advice-letters>]

Attachments

cc: Service List for A.[].

Exhibit 1
Revised Principal Amortization

Exhibit 2**Periodic Payment Requirements**

The total amount payable to the owner of the Recovery Property, or its assignee(s), pursuant to this issuance advice letter is a \$ _____ principal amount, plus interest on such principal amount, plus Ongoing Financing Costs, to be obtained from Fixed Recovery Charges calculated in accordance with the Decision.

The Fixed Recovery Charges shall be adjusted from time to time, at least annually, via the Routine True-Up Mechanism Advice Letter and Non-Routine True-Up Mechanism Advice Letter in accordance with the Decision.

[The following amounts are scheduled to be paid by the Bond Trustee from Fixed Recovery Charges it has received during the payment period. These payment amounts include principal plus interest and plus other Ongoing Financing Costs.]

<u>Payment Period</u>	<u>Recovery Bond Payments</u>	<u>Ongoing Financing Costs (See Table 1)</u>	<u>Periodic Payment Requirement</u>
<u>First Payment Period</u>	\$	\$	\$
<u>Second Payment Period</u>	\$	\$	\$

Exhibit 3

Fixed Recovery Charge Calculations

ATTACHMENT 4

FORM OF NON-ROUTINE TRUE-UP MECHANISM ADVICE LETTER

[date]

Application _____-E
(Southern California Edison Company ID [____])

Public Utilities Commission of the State of California

Subject: Non-Routine True-Up Mechanism Advice Letter

Pursuant to California Public Utilities Commission (CPUC) Decision, Southern California Edison Company (SCE), as servicer of the Recovery Bonds (Recovery Bonds) and on behalf of the Special Purpose Entity, hereby applies for adjustment to the Fixed Recovery Charge for series _____, Tranche(s) _____ of the Recovery Bonds.

Purpose

This filing establishes revised Fixed Recovery Charges for rate schedules for Consumers, as set forth in the Decision.

Background

In the Decision, the Commission granted SCE authority to issue Recovery Bonds to finance certain costs and expenses related to catastrophic wildfires, including fire risk mitigation capital expenditures identified in subdivision (e) of Section 8386.3 of the Public Utilities Code and certain operations and maintenance expenses related thereto in accordance with Section 850(a)(2) of the Public Utilities Code, certain residential uncollectable expenses, as permitted by Section 850(a)(3) of the Public Utilities Code, and associated financing costs.

Recovery Bonds are securities that are backed by the cash flows generated by a specific asset that will be sold by SCE to a Special Purpose Entity that issued the Recovery Bonds secured by this asset. The asset sold is Recovery Property, a current property right that was created by Article 5.8 as the right, title and interest in and to all (i) Fixed Recovery Charges established pursuant to the Financing Order, including all rights to obtain adjustments, and (ii) revenues, collections, claims, payments, monies, or proceeds of or arising from the Fixed Recovery Charges that will cover debt service and all related Recovery Bond costs.

In the Decision, the Commission authorized SCE to submit Non-Routine True-up Mechanism Advice Letters to propose revisions to the logic, structure and components of the cash flow model adopted by the Financing Order. These filings are intended to ensure that the actual revenues collected under the Fixed Recovery Charges will be sufficient to make all scheduled payments of Bond principal, interest, and other Ongoing Financing Costs on a timely basis during the current or next succeeding payment period, including the replenishment of any draws upon the capital subaccount. Non-Routine True-up Mechanism Advice Letter filings are those where SCE uses the method found reasonable by the Commission in the Decision to revise existing Fixed Recovery Charges.

Using the cash flow model attached to this Non-Routine True-Up Mechanism Advice Letter as Exhibit 1, this filing modifies the logic, structure and/or variables used in the Fixed Recovery Charge calculations and provides the resulting modified Fixed Recovery Charges.

Table 1 shows estimated Ongoing Financing Costs for the next two payment periods to be recovered through Fixed Recovery Charges in accordance with the Financing Order.

Table 1: Estimated Ongoing Financing Costs		
	First Payment Period	Second Payment Period
Servicing Fee (SCE as Servicer) ([##]% of the initial Recovery Bond principal amount)	\$	\$
Administration Fee		
Accounting Fees and Expenses		
Legal Fees and Expenses		
Rating Agency Surveillance Fees		
Trustee Fees and Expenses		
Independent Director Fees		
Printing / EDGARizing Expenses		
Return on Equity		
Miscellaneous Fees and Expenses		
Deposit to the Capital Subaccount (if any)		
TOTAL ONGOING FINANCING COSTS (with SCE as Servicer)	\$	\$
Ongoing Servicers Fee (Third Party as Servicer) (___% of initial principal amount)		
TOTAL ONGOING FINANCING COSTS (Third Party as Servicer)	\$	\$

Table 2 shows assumptions for each of the variables used in calculating the Fixed Recovery Charges for the payment period. Exhibit 1 shows the revised payment schedule shows the revised payment schedule.

Table 2: Input Values For Fixed Recovery Charges		
	First Payment Period	Second Payment Period
Allocation Factors for each Customer Class (see Exhibit 3)		
Projected kWh sales for each Customer Class for payment period (See Exhibit 3)		
Percent of Consumers' revenue written off		
Average Days Sales Outstanding		
Ongoing Financing Costs for the applicable payment period (See Table 1 above)		
Balance of Collection Account (Net of Capital Subaccount) (As of xx/xx, which is the Calculation Cut-off Date)		
Recovery Bond Principal		
Recovery Bond Interest		
Periodic Payment Requirement (See Exhibit 3)		
Periodic Billing Requirement (See Exhibit 4)		

Table 3 shows the revised Fixed Recovery Charges calculated for Consumers. The Fixed Recovery Charge calculations are shown in Exhibit 3.

Table 3: Fixed Recovery Charges For Period Ending [_____]		
FRC Consumer Class		¢/kWh
Residential Domestic	Non-CARE	
Residential Domestic	FERA	
Res/Dom Income Qualified	CARE	
Small C&I (<20kW)	GS-1	
Traffic Control	TC-1	
Medium C&I (20 kW – 200 kW)	GS-2	
Medium C&I (200 kW – 500 kW)	GS-3	
Large C&I (Sec) includes standby customers	Tou-8-Sec	

Table 3: Fixed Recovery Charges For Period Ending [_____]		
FRC Consumer Class		¢/kWh
Large C&I (Pri) includes standby customers	Tou-8-Pri	
Large C&I (Sub) includes standby customers	Tou-8-Sub	
Small AG& Pump (< 200 kw)	AG&P < 200 KW	
Large Ag& Pump (≥ 200 kw)	AG&P ≥ 200 KW	
Street/Area Lighting	Street Light	
	System	

Proposed Tariff Changes

[If Fixed Recovery Charge rate change is being implemented as a standalone rate change]: Attachment A provides all applicable tariff sheets reflecting the revised Fixed Recovery Charges shown in Table 4.

[If Fixed Recovery Charge rate change is being consolidated with other rate changes]: SCE will submit all tariff sheets reflecting the revised Fixed Recovery Charges shown in Table 4 in the consolidated revenue requirement and rate change advice letter for rates effective in [date].

Effective Date

In accordance with the Decision, Non-Routine True-Up Mechanism Advice Letter for Fixed Recovery Charge adjustments shall be submitted at least 90 days prior to the effective date proposed therein. The proposed effective date in this Non-Routine True-up Mechanism Advice Letter is [Effective Date]. Absent a Commission resolution that adopts, modifies, or rejects the proposed in this Non-Routine True-Up Mechanism Advice Letter, it shall become effective on the [Effective Date], provided the public will have an opportunity to review and protest an Non-Routine True-Up Mechanism Advice Letter in accordance with Commission procedures to the extent allowed by Section 850.1(e) of the Public Utilities Code.

Description of Exhibits

Exhibit 1 to this advice filing presents the new cash flow model for the Fixed Recovery Charges. Exhibit 2 to this advice filing presents the revised debt service schedule for the Recovery Bonds.

Exhibit 3 to this advice filing presents the revised Periodic Payment Requirements and Fixed Recovery Charge Revenue Projections, based upon the new cash flow model.

Exhibit 4 to this advice filing presents the revised Fixed Recovery Charge calculations.

Notice

In accordance with General Order 96-B Section 4.4, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be

directed to [] at (626) []. Advice letter filings can also be accessed electronically at: [<https://www.sce.com/regulatory/advice-letters>]

Attachments

cc: Service List for A.[].

Exhibit 1

New Cash Flow Model Description for the Fixed Recovery Charges

Exhibit 2
Revised Principal Amortization

Exhibit 3**Revised Periodic Payment Requirements and
Fixed Recovery Charge Revenue Projections**

The total amount payable to the owner of the Recovery Property, or its assignee(s), pursuant to this issuance advice letter is a \$ principal amount, plus interest on such principal amount, plus Ongoing Financing Costs, to be obtained from Fixed Recovery Charges calculated in accordance with the Decision.

The Fixed Recovery Charges shall be adjusted from time to time, at least annually, via the Routine True-Up Mechanism Advice Letter and Non-Routine True-Up Mechanism Advice Letter in accordance with the Decision.

[The following amounts are scheduled to be paid by the Bond Trustee from Fixed Recovery Charges it has received during the payment period. These payment amounts include principal plus interest and plus other Ongoing Financing Costs.]

<u>Payment Period</u>	<u>Recovery Bond Payments (See Exhibit 1)</u>	<u>Ongoing Financing Costs (See Table 1)</u>	<u>Periodic Payment Requirement</u>
<u>First Payment Period</u>	\$	\$	\$
<u>Second Payment Period</u>	\$	\$	\$

Exhibit 4

Fixed Recovery Charge Calculations

ATTACHMENT 5**ESTIMATED UPFRONT FINANCING COSTS**

Estimated Upfront Financing Costs	Amount
Underwriters' Fees and Expenses	
Legal Fees and Expenses	
Rating Agency Fees	
Accounting Fees and Expenses	
Company's Advisory Fee	
Servicer Set-up Costs	
SEC Registration Fees ¹	
Section 1904 Fees	
Printing / EDGARizing Expenses	
Trustee / Trustee Counsel Fee and Expenses	
Original Issue Discount	
Commission's Costs and Expenses	
Miscellaneous	
TOTAL ESTIMATED UPFRONT FINANCING COSTS	

¹ Current fee rate is \$129.80 per \$1,000,000 offered.