

SUPPLEMENT TO SCE's 2011 UNIT COST GUIDE

OVERVIEW:

- Current SCE Unit Cost Guide as posted on the CAISO website is in 2011 Constant Dollars.
- SCE's cost estimating is done in constant dollars and then escalated over the years during which the project will be constructed, arriving at costs in nominal dollars.
- Current escalation rates used to arrive at costs in nominal dollars are the rates as filed in SCE's 2012 CPUC General Rate Case (A.10-11-015)

DEFINITIONS:

- Project Cost in Constant Dollars represents the cost of the Project if all costs were paid for at a single point in time.
- Project Cost in Nominal Dollars represents the cost of the Project taking into account when actual dollars will be spent.
- Mathematical formula: **Cost in Nominal Dollars = Cost in Constant Dollars + Escalation**

CURRENT SCE ESCALATION RATES *:

<u>Transmission</u>										
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Escalation Rates		2.54%	3.07%	3.45%	3.17%	2.52%	2.45%	2.57%	2.79%	
2011 Escalation Factors	1.0000	1.0254	1.0569	1.0934	1.1281	1.1565	1.1848	1.2153	1.2491	
<u>Distribution</u>										
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Escalation Rates		2.40%	2.90%	3.09%	2.90%	2.75%	2.61%	2.61%	2.66%	
2011 Escalation Factors	1.0000	1.0240	1.0536	1.0861	1.1177	1.1484	1.1784	1.2091	1.2412	

* As filed in SCE's 2012 CPUC General Rate Case (A.10-11-015)