SOUTHERN CALIFORNIA EDISON: HOW OUR BUSINESS WORKS

SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead®

Updated: 8/14/24

Southern California Edison doesn't follow the typical business model of making a profit from the sale of its products and services. Investor-owned utilities like SCE do not make more money when customers use more electricity.

That is because the state of California wants customers of electric utilities to conserve power and practice energy efficiency.

Instead, the California Public Utilities Commission allows SCE and other investor-owned utilities to earn an authorized percentage of profit (or "return") on the value of their capital investments, which are the poles, wires, substations and other infrastructure you see every day in your communities.

In other words, SCE earns its profits by building, operating and maintaining the electric grid that serves customers across its 50,000-square-mile service area.

The authorized rate of return and the rates SCE charges customers for their electricity use are determined in open, transparent proceedings held by the commission. These proceedings include public input and participation by groups representing customer interests such as the California Public Advocates Office and The Utility Reform Network.