

**CALIFORNIA CITY-COUNTY STREET LIGHT  
ASSOCIATION  
(CAL-SLA)**

**SCE Test Year 2003 General Rate Case (Update)  
Friday, August 30, 2002**

Members of CAL-SLA Executive Committee and Attorneys --

The California Public Utilities Commission has bifurcated Southern California Edison's 2003 Test Year General Rate Case, Application 02-05-004 into two phases. The CPUC will decide SCE's revenue requirement in Phase 1. The scope of Phase 1 is very broad and includes the four issues listed in Beth's Friday e-mail.

Phase 2 addresses marginal costs, the allocation of the revenue requirement (decided in Phase 1) to the different customer classes using marginal costs, and the design of retail electric rates to recover the revenue requirement allocated to each customer class, including street lighting and traffic signals. SCE will submit its Phase 2 testimony and exhibits on October 30, 2002.

Typically, CAL-SLA has been more involved in Phase 2 (rate design) than in Phase 1 (revenue requirement). The CAL-SLA web page will be updated as SCE's General Rate Case progresses.