

We urge the elected officials and staff from all the cities and counties in Southern California Edison territory to attend one of the Public Participation Hearings the CPUC will be holding in April.

The attached word document lists the dates and locations of the public participation hearings in Edison's service territory. The other attachment is a two page summary of what SCE is requesting in the first phase of the general rate case. Phase 1 addresses Edison's electric system revenue requirement; this phase has started. (Phase 2 deals with the design of the rates to collect the revenue requirement; this phase has not actually started.)

The CPUC holds these public hearings to allow actual customers to state their opinion on the proposed rate increase. It is a chance for the public to be heard.

The Administrative Law Judge presides over the hearing and asks attendees to speak, usually for not more than 5 minutes. The speakers can address the rate increase, customer service, safety, utility costs, etc.

**Schedule for Public Participation Hearings
California Public Utilities Commission
Southern California Edison Company
General Rate Case, Application 07-11-011**

April 14, 2008

6:00 p.m.

PALM SPRINGS

Palm Springs City Hall Council Chamber
3200 Tahquitz Canyon Way
Palm Springs, CA 92263-2743

April 15, 2008

6:00 p.m.

VISALIA

Visalia Convention Center - Sequoia B Room
303 E. Acequia Avenue
Visalia, CA 93291

April 28, 2008

6:00 p.m.

LONG BEACH

Long Beach Public Library – Main Library Auditorium
101 Pacific Avenue
Long Beach, CA 90822

April 29, 2008

12:00 noon

SANTA ANA

Santa Ana City Hall Council Chambers
22 Civic Center Plaza
Santa Ana, CA 92701

April 30, 2008

6:00 p.m.

SAN BERNARDINO

San Bernardino Public Library – Bing Wong Auditorium
555 West 6th Street
San Bernardino, CA 92410

SOUTHERN CALIFORNIA EDISON

GENERAL RATE CASE APPLICATION

PROPOSED RATE INCREASE

Southern California Edison (SCE or Edison) has requested approval from the California Public Utilities Commission (CPUC) to increase the utility's electric rates by \$726 million in 2009, \$216 million in 2010, and \$287 million in 2011. The sum of the three revenue increases totals almost \$1.2 billion. Edison has made the rate request by filing with the CPUC Application 07-11-011 on November 19, 2007.

The General Rate Case is divided into two phases. The first phase sets the revenue requirement, and the second phase designs rates. Application 07-11-011 regards the first phase. SCE is requesting CPUC authority to collect "base rate" revenues of \$5.199 million starting January 1, 2009. Base rate revenues pay the costs of Edison's owning, operating, and maintaining electric distribution and generation facilities. (The costs for fuel, purchased power, and transmission are excluded from a general rate case.)

The reasons stated by Edison for the requested rate increase are:

- Build new facilities to serve new customers and to reinforce the utility's electric network to accommodate electric load growth.
- Make capital investments to replace aging distribution infrastructure and business systems.
- Increased costs for operation and maintenance of the electric system.
- Increased expenses to satisfy additional regulatory requirements for electric generation and procurement.
- Increased personnel costs to recruit, train, and retain employees and to respond to an aging workforce and future retirements.

The CPUC evaluates the rate application by the means of an administrative law proceeding. Edison has submitted expert witness testimony and exhibits in support of its rate increase request. The CPUC will hold evidentiary hearings on the rate application. The CPUC Division of Ratepayer Advocates (DRA) will analyze the exhibits, testimony, and workpapers submitted by SCE, and DRA will prepare reports and testimony on its analysis and present its own recommendations on the rate request. Interested parties representing residential, commercial, industrial, agricultural, and street lighting customer groups have intervened in the CPUC proceeding and may offer their exhibits, testimony, and recommendations.

The CPUC holds public participation hearings at selected locations in Edison's service territory to receive comments and input from customers on a variety of issues, including service quality, safety, and the utility's proposed rate increase.

Because the rate case is an administrative law proceeding, there may be the filing of briefs by parties on the testimony, reports, evidence, and matters of law. The CPUC encourages settlement of parties' varying positions, so there will be settlement negotiations. In the current SCE general rate case, the CPUC has suggested alternative dispute resolution as a substitute to litigation.

After conducting evidentiary hearings, reading briefs, and reviewing any settlements, the Administrative Law Judge will draft a decision to propose to the CPUC. In the final decision, the Commission can accept, reject, or modify the ALJ-proposed draft decision and the recommendations of any party, including SCE.

If approved by the CPUC, Edison's request of \$726 million would be a 6.2% increase over currently authorized total revenues of \$11.6 billion. Compared to the present base rate revenues of \$4.5 billion, the revenue increase would be 16.23%