

# IMPORTANT INFORMATION ABOUT PROPOSED RATE INCREASE APPLICATION NO. A.06-12-026

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On December 21, 2006, SOUTHERN CALIFORNIA EDISON COMPANY (SCE) filed Application No. 06-12-026 with the California Public Utilities Commission (CPUC), seeking approval of its Advanced Metering Infrastructure (AMI) Pre-Deployment Activities and Cost Recovery Mechanism (Application). This Application proposes certain activities to be undertaken in the pre-deployment phase (Phase II) of SCE's three-phase AMI deployment strategy. Phase II activities will include field testing of the AMI meters. SCE's Application requests an increase in its Distribution Service revenues of \$34.157 million for the calendar year 2007. Upon the completion of Phase II activities, SCE will file a Phase III application with the CPUC, seeking authorization for the deployment of AMI meters to all residential and small commercial customers in its service territory.

Compared to revenues at present rates as of December 2006, SCE is estimating a revenue increase of \$34.157 million for 2007 associated with this Application and applicable to all bundled and direct access customers. The following table shows SCE's requested 2007 revenue change by customer group. The revenue increase would be allocated among customer groups and recovered through distribution rates based on the current methodology authorized by the CPUC in SCE's 2006 General Rate Case.

### Customer Group Revenue Impact Advanced Metering Infrastructure (AMI) Phase II

Customer Group	Revenue Change (\$ Million)	% Change
Residential	16.46	0.39%
Lighting – Small and Medium Power	11.74	0.27%
Large Power	4.98	0.20%
Agricultural and Pumping	0.93	0.28%
Street and Area Lighting	0.04	0.03%
<b>TOTAL</b>	<b>34.16</b>	<b>0.30%</b>

Actual rates will be determined by the CPUC through its regulatory process.

## **ACTION THE CPUC MAY TAKE ON SCE'S APPLICATION**

The CPUC may conduct an evidentiary hearing on SCE's Application. Evidentiary hearings are conducted before an Administrative Law Judge, who may be joined by one or more of the Commissioners. At the evidentiary hearings, sworn testimony is heard from SCE representatives, interested parties, and the CPUC's independent Division of Ratepayer Advocates (DRA). The DRA employees include engineers, accountants, economists, attorneys, and other regulatory professionals. They independently evaluate utility proposals and present their analyses and recommendations to the CPUC. In its final decision, the CPUC can accept, reject, or modify the recommendations of any of the parties. Therefore, the approved activities or the adopted ratemaking mechanisms may differ from those requested in SCE's Application.

If you would like to send comments or concerns about this Application to the CPUC, or if you would like to participate in the hearings, please contact the CPUC's Public Advisor at the address shown below. The Public Advisor will circulate your comments to the Commissioners and other CPUC staff working on this matter.

The Public Advisor's Office  
California Public Utilities Commission  
320 West Fourth Street, Suite 500  
Los Angeles, CA 90013  
E-Mail: ***Public.Advisor.la@cpuc.ca.gov***

When writing, please refer to Application No. 06-12-026. Please state if you would like a response. Otherwise no response will be sent.

## **FOR FURTHER INFORMATION**

Customers with Internet access may view and download SCE's Application and the papers supporting it on SCE's website, ***<http://www.sce.com/PowerandEnvironment/ami/regulatory/>***. Those without Internet access or anyone wishing to obtain more information about the Application or hard copies of some or all of the materials should send a written request, referring to Application No. 06-12-026 to:

Southern California Edison Company  
P.O. Box 800  
Rosemead, CA 91770  
Attention: Case Administration

Para solicitar una copia en español de esta notificación por favor escriba a:

Southern California Edison Company  
2244 Walnut Grove Avenue, Quad 4A  
Rosemead, CA 91770

a la atención de Comunicaciones Corporativas  
o por medio de correo electrónico a ***melissa.amador@sce.com***