



## NOTICE OF FILING OF APPLICATION FOR INCREASE IN ELECTRIC RATES - A.07-06-008

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On June 5, 2007, SCE filed Application 07-06-008 with the California Public Utilities Commission (CPUC) asking for changes in SCE's electric rates due to the incremental support costs associated with the 2005 and 2006 tree removal as a result of the bark beetle infestation in the affected areas within the Counties of San Bernardino, Riverside, and Los Angeles. The Application requests a one-time increase in SCE's revenue requirement of \$42.160 million, or 0.37 percent, which, if approved by the CPUC, will become effective in 2008.

Over 13-15 million trees, weakened by years of drought in the mountainous communities of Southern California are dead, dying or diseased due to a widespread bark beetle infestation. Removal of these dead, dying and diseased trees began in 2003 and continued throughout 2004, 2005 and 2006 in SCE's service territory in affected areas of San Bernardino, Riverside, and Los Angeles counties. State of Emergency Proclamations were issued by the Governor in all these counties. In accordance with Resolution E-3824, SCE is requesting compensation through its Bark Beetle Catastrophic Event Memorandum Account (CEMA) for tree removal and incremental support costs related to the bark beetle infestation during 2005 and 2006. These costs are not part of SCE's normal business and therefore not funded through existing rates.

In Resolution E-3238, the CPUC adopted a mechanism called the Catastrophic Event Memorandum Account (CEMA) to compensate SCE for costs it incurs associated with a catastrophic event, such as earthquake or fire. SCE has recorded its incremental costs associated with the 2005 and 2006 bark beetle infestation in its CEMA. In this proceeding, the Commission will determine the reasonableness of these costs totaling \$42.160 million. Assuming that SCE's CEMA costs are found to be reasonable by the CPUC, the estimated 2008 one-time revenue requirement increase associated with the 2005 and 2006 Bark Beetle CEMA infestation will be approximately \$42.160 million.

The following table shows an estimate of the proposed 2008 revenue increase and rate changes by customer group. The percentage increase in SCE's total revenue is 0.37 percent. Any revenue change resulting from this Application will be consolidated with revenue changes from other SCE applications.

### CUSTOMER GROUP REVENUE IMPACT

<b>Customer Group</b>	<b>Revenue Change (\$ Millions)</b>	<b>% Change</b>
Residential	20.370	0.45%
Lighting - Small & Medium Power	14.360	0.34%
Large Power	6.070	0.26%
Agricultural & Pumping	1.310	0.40%
Street & Area Lighting	0.050	0.04%
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TOTAL	\$42.160	0.37%

## **THE CPUC WELCOMES YOUR PARTICIPATION AND COMMENTS**

Before issuing its decision, the CPUC may hold evidentiary hearings on SCE's request. At the hearings, SCE representatives, interested parties, and the CPUC's staff can present testimony. The CPUC staff, engineers, accountants, economists, attorneys and other professionals independently evaluate utility rate increase proposals and present their analyses and recommendations to the CPUC at evidentiary hearings. The rates approved may differ from those SCE requests.

If you need advice on how to participate or wish to make comments to the CPUC, please write to:

The Public Advisor  
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. 07-06-008. Please state in your letter if you would like a response; otherwise, no reply will be sent. The Public Advisor will circulate your comments to the Commissioners and other CPUC staff working on this matter.

## **FOR MORE INFORMATION REGARDING THIS APPLICATION**

Customers with Internet access may view and download SCE's application and the papers supporting it on SCE's web site, [www.sce.com](http://www.sce.com). Those without Internet access or anyone wishing to obtain more information about the application, please write to:

Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, CA 91770  
Attention: Case Administration

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

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

a la atención de Corporate Communications o por medio  
de correo electrónico a [melissa.amador@sce.com](mailto:melissa.amador@sce.com)