



## NOTICE OF FILING OF APPLICATION FOR INCREASE IN ELECTRIC RATES A.06-06-020

On June 26, 2006, Southern California Edison Company (SCE) filed an application referred to as A.06-06-020 with the California Public Utilities Commission (CPUC), asking for increases in SCE's electric rates to recover SCE's incremental costs of restoring utility service to customers and repairing damage to facilities pursuant to the unprecedented rainstorms that struck Southern California in late December 2004 and early 2005. The rainstorms and the resulting floods and landslides inflicted severe and widespread damage on SCE's infrastructure in the affected areas within the Counties of Santa Barbara, Ventura, Orange, San Bernardino, Riverside, and Los Angeles. Governor Schwarzenegger issued a series of State of Emergency Proclamations and President Bush declared that a major disaster existed in the State of California as a result of these rainstorms.

The Application requests an increase in SCE's revenue requirement of \$18.082 million, or 0.16 percent, to recover the incremental costs SCE incurred in response to these rainstorms. Incremental costs are those costs incurred solely due to the rainstorms that are not part of SCE's normal business operations (and therefore are not funded through existing rates). If approved by the CPUC, a portion of SCE's request will become effective in 2007 and a portion will become effective in 2009.

In Resolution E-3238, the CPUC adopted a mechanism called the Catastrophic Event Memorandum Account (CEMA) to compensate California utilities for incremental costs incurred as a result of a catastrophic event, such as an earthquake, fire, or in this case, unprecedented rainstorms. SCE has recorded its incremental costs associated with these rainstorms in its CEMA. In this proceeding, the Commission will determine the reasonableness of these recorded costs. Assuming the CPUC finds SCE's \$18.082 million of CEMA costs to be reasonable, the estimated 2007 one-time revenue requirement increase associated with the Rainstorm CEMA will be approximately \$10.939 million, and the estimated 2009 one-time revenue requirement increase associated with the Rainstorm CEMA will be approximately \$7.142 million.

The following table shows an estimate of the proposed revenue increase and percentage rate change by customer group for SCE to recover its incremental Rainstorm CEMA costs. The percentage increase in SCE's total revenue is 0.16 percent. The table shows the proposed changes based on current authorized revenues. Any revenue change resulting from this Application will be consolidated with revenue changes from other SCE applications.

<b>CUSTOMER GROUP REVENUE IMPACT Catastrophic Event Memorandum Account (CEMA) Rainstorms</b>		
<b>Customer Group</b>	<b>Revenue Change (\$ Millions)</b>	<b>% Change</b>
Residential	8.364	0.20%
Lighting - Small & Medium Power	6.208	0.14%
Large Power	2.966	0.12%
Agricultural & Pumping	0.514	0.16%
Street & Area Lighting	0.030	0.03%
<b>TOTAL</b>	<b>\$ 18.082</b>	<b>0.16%</b>

# THE CPUC WELCOMES YOUR PARTICIPATION AND COMMENTS

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The CPUC will issue its decision after evidentiary hearings on SCE's request. At the hearings, SCE representatives, interested parties, and the CPUC's staff will 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  
Email: ***public.advisor.la@cpuc.ca.gov***

Please state in your letter if you would like a response; otherwise, no reply will be sent. The Public Advisor will give your letter to the Commissioners and it will become part of the formal file. Please mention A.06-06-020.

## 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*. 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***