

NOTICE OF FILING OF APPLICATION FOR INCREASE IN ELECTRIC RATES

A.05-12-018

On December 16, 2005, SCE filed Application, A.05-12-018 with the California Public Utilities Commission (CPUC) asking for changes in SCE's electric rates due to the 2004 tree removal and incremental support costs associated with 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 \$129.494 million, or 1.3 percent, which, if approved by the CPUC, will likely become effective in 2007.

Over 12 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 due to the bark beetle infestation began in 2003 and continued throughout 2004 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 for tree removal and incremental support costs related to the bark beetle infestation in 2004. 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 2004 bark beetle infestation in its CEMA. In this proceeding, the Commission will determine the reasonableness of these costs totaling \$129.494 million. Assuming that SCE's CEMA costs are found to be reasonable by the CPUC, the estimated 2007 one-time revenue requirement increase associated with the 2004 Bark Beetle CEMA infestation will be approximately \$129.494 million.

The following table shows an estimate of the proposed 2007 revenue increase and rate changes by customer group. The percentage increase in SCE's total revenue is 1.3 percent. Any revenue change resulting from this Application will be consolidated with revenue changes from other SCE applications.

CUSTOMER GROUP REVENUE IMPACT

Catastrophic Event Memorandum Account (CEMA)

Bark Beetle

| Customer Group | Revenue Change (\$million) | %Change |
|-----------------------------------|-------------------------------|--------------|
| Residential | 43.83 | 1.20% |
| Lighting – Small and Medium Power | 50.35 | 1.38% |
| Large Power | 30.78 | 1.45% |
| Agricultural and Pumping | 3.46 | 1.31% |
| Street and Area Lighting | 1.07 | 1.19% |
| TOTAL | \$ 129.49 | 1.33% |

THE CPUC WELCOMES YOUR PARTICIPATION AND COMMENTS

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
E-mail: 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 Application No. 05-12-018.

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 website, 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 International 2244
Walnut Grove Avenue
Rosemead, CA 91770

a la atención de Corporate Communications
o por medio de correo electrónico a Yumi.Ma@sce.com