



IMPORTANT INFORMATION ABOUT PROPOSED RATE INCREASE APPLICATION NO. A.07-10-013

On October 17, 2007, Southern California Edison Company (SCE) filed Application No. 07-10-013 with the California Public Utilities Commission (Commission) seeking approval of eight (8) agreements that are expected to provide SCE with up to 438 megawatts (MW) firm, reliable demand response resources over a five-year term beginning in 2008. The agreements are estimated to cost a total of \$216 million.

The agreements are the result of SCE's efforts to comply with Commission Decision 06-11-049. Therein, the Commission directed SCE to pursue Requests for Proposals (RFP) and bilateral arrangements for additional demand response resources and file an application with the Commission requesting approval for specific contracts. The Commission has encouraged SCE to pursue clean, environmentally friendly alternative resources like demand response (whereby customers drop load when called upon to do so) to meet the peak demand of SCE's customers.

SCE requests an increase in its revenues starting in 2008 and continuing on an annual basis thereafter until 2012. Compared to revenues at present rates as of October 1, 2007, SCE estimates a cumulative revenue increase of \$218 million (including franchise fees & uncollectibles) over the period 2008 through 2012 for the costs of the agreements. The following table shows SCE's requested revenue change allocated to customer groups. The revenue increase will ultimately be allocated among customer groups based on the Commission's decision in Phase II of SCE's 2009 General Rate Case scheduled to be filed early in 2008.

Revenue Change by Customer Group (\$millions) 2008-2012

Customer Group	Revenue Increase (\$millions)	Percent Change
Domestic (Residential)	\$ 105,701	2.4%
Lighting – Small & Medium Power	\$ 75,229	1.9%
Large Power	\$ 31,480	1.2%
Agricultural & Pumping	\$ 5,730	1.7%
Street & Area Lighting	\$ 229	0.5%
TOTAL	\$ 218,369	1.9%

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

ACTION THE COMMISSION MAY TAKE ON SCE'S APPLICATION

Before acting on Application 07-10-013, the Commission may hold evidentiary hearings. At the hearings, parties of record such as SCE, the Commission's independent Division of Ratepayer Advocates (DRA) and other interested parties may present their proposals in testimony and are subject to cross-examination before an administrative law judge. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings. Parties may offer proposals that differ from those presented in this application.

After considering all evidence presented, the Commission will issue a decision on this application. The actual plan adopted by the Commission may differ from what is requested by SCE in its application, and may result in an increase in your individual electric rates.

FOR FURTHER INFORMATION

Customers with Internet access may view and download Application 07-10-013 and the papers supporting it on SCE's web site at <http://www.sce.com>. Those without Internet access or anyone wishing to obtain more information about the application of hard copies of some or all of the materials should send a written request, referring to Application No. 07-10-013 to:

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

TO SEND COMMENTS TO THE COMMISSION

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

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 refer to Application No. 07-10-013. Please state if you would like a response. Otherwise no response will be sent.

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 [***gabby.garcia@sce.com***](mailto:gabby.garcia@sce.com)