



SCE Average Rates Proposed to Stay the Same in Early 2008

SCE's Energy Centers: Solutions for Your Business

The Customer Technology Application Center (CTAC) in Irwindale and the Agricultural Technology Application Center (AGTAC) in Tulare provide energy management and energy efficiency solutions to help your business save both energy and money. The calendar of events at both energy centers is available, listing seminars and workshops on a variety of subjects. For more information, contact CTAC at 800.336.2822 or AGTAC at 800.772.4822, or visit www.sce.com/energycenters.

Southern California Edison (SCE) projects that system average electric rates for bundled service customers during the first quarter of 2008 will remain the same as current rates, although average rates may change for specific rate classes.

Under SCE's Rate Stabilization Proposal, following are the current and projected first quarter 2008 rates by customer group for bundled service customers. These proposed rates require California Public Utilities Commission (CPUC) approval and are subject to change. The CPUC also will determine the effective date for the proposed rates, but the effective date is expected to be in March 2008.

Rate Schedule	Current 2007 Rate (per kilowatt-hour)	Forecasted 1st Quarter 2008 Rate (per kilowatt-hour)	Percent Change
Average Small and Medium Power	14.8¢	14.7¢	-0.9%
Average Large Power	11.1¢	10.9¢	-2.1%
Average Agricultural and Pumping	11.6¢	11.5¢	-0.7%
Average Street and Area Lighting	17.0¢	18.0¢	5.4%
System-Wide Average (Including Residential)	14.0¢	14.0¢	0.0%

For direct access customers, system average rates for the SCE component of the bill – again pending final CPUC approval – are proposed to increase 3.6% (including an average 4.3% for small and medium power customers, and an average 3.2% for large power customers). This is because the increased delivery costs for 2008 are not offset on a direct access customer's SCE bill by lower generation costs, as they are for bundled customers. Direct access customers may see a decrease in the generation costs charged by their Energy Service Provider (ESP).

Impacts on individual customer rates will vary depending on actual load and usage patterns, so please contact your account representative for assistance. A bill impact analysis will be provided for each of your service accounts in February or March 2008, a few weeks after the final CPUC decision is reached.

SCE submitted its Rate Stabilization Proposal as part of a Nov. 27, 2007, filing with updated information on its Energy Resource Recovery Account (ERRA). The ERRA proceeding is intended to pass through (with no mark-up) SCE's fuel and energy-related costs to bundled service customers. ERRA is set on a forecast basis for the calendar year, with over-collections generally returned to ratepayers the following year.

In its recent ERRA proceeding, SCE proposed to defer refunding some of the estimated 2007 ERRA balancing account over-collection to 2009 (instead of 2008) to help offset an anticipated revenue requirement increase for 2009.

Also, in late December, the CPUC issued a final decision on revenue requirements for power purchased by SCE through the California Department of Water Resources (DWR). Effective Jan. 1, 2008, the DWR power charge decreased from 9.490¢ per kilowatt-hour (kWh) to 8.875¢ per kWh – mainly due to lower natural gas prices – while the DWR bond charge saw a slight increase from 0.469¢ per kWh to 0.477¢ per kWh.

After the CPUC issues its final decision on the ERRA proceeding described above, SCE will provide an updated bill impact analysis combining both the ERRA and DWR changes.

Next General Rate Case: 2009

In late November SCE filed with the CPUC its 2009-2011 General Rate Case (GRC) application forecasting the need for a utility revenue increase in 2009 of approximately 6.23% above today's rates, or \$726 million in increased revenue.

In a GRC proceeding, utilities seek authorization to collect revenues for operations and maintenance expenses as well as capital expenditures – approximately 40% of the total revenues needed to serve customers.

QUICK LINKS TO FIND ENERGY INFO

SCE Home Page
 – www.sce.com

Energy-Related Learning
 – www.sce.com/ctac
 – www.sce.com/agtac

Statewide Transmission System Status
 – www.caiso.com

Utility Regulation
 – www.cpuc.ca.gov
 – www.energy.ca.gov

SCE's GRC application represents a long-range plan to ensure that customers continue to receive reliable service through 2011. It is the result of a detailed review of the costs associated with meeting the challenges of the region's population and business growth, as well as the replacement of aging components of SCE's power delivery grid.

CPUC approval of SCE's 2009 GRC application would allow SCE to address:

- Construction of facilities to serve new customers and to reinforce SCE's power delivery grid to accommodate growing electricity use.
- Substantial capital investments to replace aging distribution infrastructure and business systems.
- Significantly increased expenses to comply with regulatory requirements in electricity generation and procurement for customers.
- Increased costs for system operations and maintenance.
- Increased costs to step up recruitment, training and retention initiatives to assure that SCE has the skilled workforce that a large power system requires in the decades ahead.

Stay tuned for more information during 2008 on the GRC proceeding, and contact your account representative with any questions or for more information. To learn more about ways to save energy and money throughout the year with SCE's wide array of energy efficiency and demand response programs and services, talk with your account representative or visit www.sce.com.

Mark Your Calendars: World Ag Expo in February

The annual World Ag Expo, the world's largest agricultural exposition, will take place Feb. 12-14, 2008, in Tulare, across from SCE's Agricultural Technology Application Center (AGTAC). SCE is a sponsor of the event, and also will have exhibits at Dairy Center 6138-6140 and J Street 30.

Contact your account representative for additional information and assistance.

Visit SCE's booths to learn more about pump testing, cool roofs, energy-efficient lighting and electric transportation options. In addition to giveaways of highly efficient compact fluorescent lightbulbs, SCE also will provide 15-minute "technology spotlights" in the J Street 30 booth on topics such as farm electrical safety, and agriculture, dairy and industrial customer efficiency programs and services.

To learn more about the World Ag Expo – with 2.6 million square feet of exhibit space, over 1,600 exhibitors and more than 100,000 attendees – visit www.worldagexpo.com/. For additional information on SCE's energy-efficient solutions for farms, ranches and dairies, log onto www.sce.com/RebatesandSavings/LargeBusiness/Agricultural/Default.htm.

Reminder: Switch to CFLs and Reap the Savings

When you pledge to replace at least one existing incandescent lamp with a compact fluorescent lightbulb (CFL), you'll be making a commitment to protect the environment – and making an improvement in your bottom line, given that ENERGY STAR CFLs use up to 75% less electricity than traditional incandescent lamps and last up to 10 times longer.

Check out www.sce.com/newlight to learn more about the SCE pledge to replace regular lamps with CFLs, which is part of the ENERGY STAR "Change a Light, Change the World" campaign. The site includes valuable resources under the "For Businesses" section, including a link to an ENERGY STAR site for CFL bulk purchases from participating suppliers.

To find out more about all of SCE's programs and services to help you save energy and money, including rebates for the installation of energy-efficient equipment, contact your account representative or visit www.sce.com.

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SOUTHERN CALIFORNIA
EDISON 6040 N. Irwindale Ave., Bldg. A
Irwindale, CA 91702

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