On November 23, 2010, Southern California Edison Company (SCE) filed a proposed General Rate Case (GRC) Application with the California Public Utilities Commission (CPUC) requesting authority to collect base rate (non-fuel) revenues of $6.285 billion. The proposed application seeks authority to have the rates become effective January 1, 2012. Every three years, SCE is required to file a GRC in which the CPUC sets annual revenue levels. Annual revenue is the total amount of money a utility collects through rates in a given year for specific purposes. Base rate revenues pay for the costs of owning and operating electric distribution and generation facilities (excluding fuel and purchased power).

THE KEY REASONS FOR SCE’S PROPOSED INCREASE
SCE has made this request to continue providing safe and reliable service to its customers. The primary reasons for the requested revenue increase are:

1. To connect new customers to the system and respond to customer requests, such as undergrounding projects.
2. To reinforce and upgrade the electric system to accommodate load growth.
3. To continue SCE’s multi-year capital investment program to replace aging distribution infrastructure and business systems.
4. To meet increased costs for Information Technology (IT) systems such as protection from cyber security threats to electric system assets.
5. To make a substantial contribution to the employee and retiree pension fund to address the losses in financial markets over the past few years.
WHAT THIS PROPOSED GRC APPLICATION MEANS TO YOU

If the CPUC approves the application, SCE’s request would result in a $866 million, or 7.55 percent, increase over currently authorized total revenues (or a 16.19 percent increase in base rate revenues). SCE’s application also proposes estimated base rate revenue increases of $246 million in 2013 and $527 million in 2014. The actual increases in 2013 and 2014 will be determined by the CPUC prior to the beginning of each year. SCE is making this request now because the CPUC requires utilities to file a GRC Application approximately one year before the effective date of the proposed rate change.

If SCE allocates this proposed increase in 2012 revenues based upon the most recent approved methodology, the impact on each customer group would be as shown in Table 1, below:

| TABLE 1 |
| Estimated Impact of This Request on Customer Rates |
### EFFECTS OF SCE PROPOSALS ON BILLS OF TYPICAL RESIDENTIAL CUSTOMERS

<table>
<thead>
<tr>
<th>Customer Service</th>
<th>Average Monthly Usage</th>
<th>Current Monthly Bill</th>
<th>Proposed Monthly Bill</th>
<th>Change in Bill</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-CARE</td>
<td>652 kWh</td>
<td>$120.14</td>
<td>$132.64</td>
<td>$12.50</td>
<td>10.4%</td>
</tr>
<tr>
<td>CARE</td>
<td>513 kWh</td>
<td>$58.52</td>
<td>$61.20</td>
<td>$2.69</td>
<td>4.6%</td>
</tr>
<tr>
<td>Total Residential</td>
<td>612 kWh</td>
<td>$102.35</td>
<td>$112.02</td>
<td>$9.67</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

**FOR FURTHER INFORMATION FROM SCE**

You may also view a copy of the application at SCE’s website:  www.sce.com/grc, or by writing to SCE at the Rosemead mailing address below. You may also review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA  91770), at the Los Angeles Office of the CPUC at the address shown above, or at the following SCE business offices:

- 1 Pebbly Beach Rd., Avalon, CA 90704
- 30553 Rimrock Rd., Barstow, CA 92311
- 374 Lagoon St., Bishop, CA 93514
- 505 W. 14th Ave., Blythe, CA 92225
- 3001 Chateau Rd., Mammoth Lakes, CA 93546
- 510 S. China Lake Blvd., Ridgecrest, CA 93555
- 26364 Pine Ave., Rimforest, CA 92378
- 41694 Dinkey Creek Rd., Shaver Lake, CA 93664
- 421 W. J St., Tehachapi, CA 93561
- 120 Woodland Dr., Wofford Heights, CA 93285
- 6999 Old Woman Springs Rd., Yucca Valley, CA 92284
THE CPUC PROCESS
The CPUC’s Division of Ratepayer Advocates (DRA) will review this application. The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA’s views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings whereby parties of record present their proposals in testimony and are subject to cross-examination before a CPUC Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of SCE’s request, amend or modify it, or deny the application. The CPUC’s final decision may be different from SCE’s proposed application.

PUBLIC COMMENTS AND OPINIONS ARE IMPORTANT TO THE CPUC
As part of its decision-making process, the CPUC is interested in your public comments or opinions on any aspect of the company’s operations, including proposed rates, service quality or any other issue of concern. If you are writing a letter or sending an e-mail to the Public Advisor’s Office regarding this proposed application, please refer to the application number. All comments will be circulated to the Commissioners, the assigned ALJ, and other line Divisions working on this GRC. Please send all e-mails or written correspondence regarding your comments and opinions to the address listed below:

The Public Advisor’s Office
California Public Utilities Commission
320 West Fourth Street, Suite 500
Los Angeles, CA 90013
E-Mail: Public.Advisor.la@cpuc.ca.gov

All written correspondence and e-mails are provided to the assigned Administrative Law Judge, Commissioners, and other appropriate CPUC staff. All public comments are also provided to the CPUC’s Formal Files Office as part of the formal public comment file for this proceeding.