

NOTICE OF PUBLIC PARTICIPATION AND REQUEST FOR PUBLIC COMMENTS REGARDING PROPOSED WATER SERVICE RATE INCREASES BY SOUTHERN CALIFORNIA EDISON COMPANY

(Application (A.) 10-11-009)

To obtain more information or a copy of SCE's Application No. A.10-11-009, please call our multicultural service numbers:

MON-FRI 8 A.M.-5 P.M.

| English | (800) 655-4555 |
|--------------------------------------|----------------|
| Cambodian / Exµr. | (800) 843-1309 |
| Chinese / 中文 | (800) 843-8343 |
| Korean / 한국어 | (800) 628-3061 |
| Vietnamese / TiếngViệt | (800) 327-3031 |
| Spanish / Español | |
| (7 dias a la semana 8 a.m. – 8 p.m.) | |

PUBLIC PARTICIPATION HEARING

The California Public Utilities Commission (CPUC) is interested in hearing from you regarding Southern California Edison's (SCE) proposed rate increase. The Public Participation Hearing (PPH) is scheduled at the date and location noted below:

| DATE and TIME | LOCATION |
|--|--|
| April 27, 2011 10:00 a.m. and 7:00 p.m. | Catalina Island Catalina Island City Council Chambers 410 Avalon Canyon Road, Avalon, CA |

Anyone attending this hearing who may be in need of specialized accommodations, sign language interpreters, or foreign language interpreters, should contact the CPUC's Public Advisor's Office at least three (3) business days in advance of the hearing at (415) 703-2074, toll free at 1-866-849-8390, TTY (415) 703-5282 or 1-866-836-7825.

ABOUT THE PROPOSED APPLICATION FILING:

On November 15, 2010, SCE filed with the CPUC Application No. A.10-11-009 for a Test Year 2011 Water General Rate Case (GRC). The application seeks authority to collect water rate base revenue of \$7.222 million, or 82.9 percent over the current total base rates, on Santa Catalina Island. This represents an increase of \$3.274 million over the current total revenue requirement which, if approved by the CPUC, will be effective in rates upon the effective date of the CPUC's approval. This application also includes a request for rate recovery for under collected balances in the Purchased Power Expense and Catalina Water Alternate Rates for Energy (CARE) Memorandum Accounts totaling \$194,000 through September 30, 2010. Base rate revenues pay for the costs of owning and operating water service and distribution facilities on Catalina Island.

WHAT THIS MEANS TO YOU

If the proposed GRC application is approved by the CPUC, SCE's request would result in an increase over currently-authorized total base revenues of \$3.274 million.

The following table (Table I) shows an itemization of the major components of SCE's request. Table II indicates the proposed rate revenues. If the CPUC were to allocate the rate increase in annual revenues as shown in Table I on a system Average Percentage Change (SAPC) basis, the average impact on each customer group would be as shown in Table III. **The actual impact on your bill may vary depending on your water usage.**

Table I
Southern California Edison Company
2011 Catalina Water GRC Results of Operation at Present Rates And Proposed Rates
(\$000)

| | | Retail At | Retail At | |
|----------|--------------------------------|---------------|----------------|--------|
| Line No. | Item | Present Rates | Proposed Rates | Change |
| 1. | TOTAL OPERATING REVENUES | 3,948 | 7,222 | 3,274 |
| 2. 3. | OPERATING EXPENSES: Production | | | |
| 4. | Other | 2,428 | 2,428 | - |
| 5. | Subtotal Production | 2,428 | 2,428 | - |
| 6. | Uncollectibles 1/ | 9 | 17 | 7 |
| 7. | Administrative & General 2/ | 674 | 674 | - |
| 8. | Franchise Requirements 1/ | 39 | 72 | 33 |
| 9. | Revenue Credits | (154) | (154) | - |
| 10. | Subtotal | 2,996 | 3,036 | 40 |
| 11. | Escalation | 157 | 157 | - |
| 12. | Depreciation | 774 | 774 | - |
| 13. | Taxes Other Than On Income | 282 | 282 | _ |
| 14. | Taxes Based On Income | (462) | 889 | 1,351 |
| 15. | Total Taxes | (180) | 1,171 | 1,351 |
| 16. | TOTAL OPERATING EXPENSES | 3,747 | 5,139 | 1,391 |
| 17. | NET OPERATING REVENUE | 201 | 2,083 | 1,883 |
| 18. | RATE BASE | 23,808 | 23,808 | - |
| 19. | RATE OF RETURN | 0.84% | 8.75% | |

^{1/} SCE is requesting the Commission to adopt the currently authorized rate of 1% for Franchise Fees paid to the City of Avalon, and 0.229% for uncollectible expenses.

^{2/} Includes an allocation of administrative and general expenses from total SCE A&G expenses.

Table II
Proposed Rate Revenues

| | Proposed Rate Revenues (\$) | | | | | | | | | | |
|--------------------------|-----------------------------|---------|-----------|---------|-----------|--------|--------|--------|--------|-----------|--|
| Meter / Pipe Size>>> | 5/8 in. | 3/4 in. | 1 in. | 1.5 in. | 2 in. | 3 in. | 4 in. | 6 in. | 8 in. | Total | |
| Residential | 2,223,443 | 30,327 | 174,725 | 70,526 | 144,452 | 0 | 0 | 0 | 0 | 2,643,474 | |
| Residential-Dual | 3,619 | 0 | 178,527 | 56,197 | 132,389 | 0 | 0 | 0 | 0 | 370,732 | |
| Residential-CARE | 283,448 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 283,448 | |
| Residential-CARE-Dual | 902 | 0 | 1,803 | 0 | 0 | 0 | 0 | 0 | 0 | 2,705 | |
| Residential-DE | 59,408 | 0 | 3,077 | 0 | 0 | 0 | 0 | 0 | 0 | 62,485 | |
| Residential-DE-Dual | 0 | 0 | 2,119 | 0 | 0 | 0 | 0 | 0 | 0 | 2,119 | |
| Residential-Multifamily | 7,809 | 0 | 154,367 | 113,968 | 140,620 | 0 | 0 | 0 | 0 | 416,765 | |
| Commercial | 512,361 | 0 | 555,689 | 468,895 | 1,419,604 | 64,257 | 0 | 8,112 | 17,343 | 3,046,260 | |
| Commercial-CARE | 444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 444 | |
| Irrigation | 145,525 | 0 | 24,904 | 41,366 | 115,868 | 3,588 | 0 | 0 | 0 | 331,251 | |
| Private Fire Protection* | 0 | 157 | 608 | 1,893 | 9,738 | 3,016 | 38,975 | 5,110 | 2,533 | 62,029 | |
| Total | 3,236,960 | 30,485 | 1,095,819 | 752,845 | 1,962,670 | 70,860 | 38,975 | 13,221 | 19,876 | 7,221,712 | |

^{*} Private Fire Protection is based on pipe size.

Table III
Average Bill Impact Analysis

| | Current Rates Average Monthly Bill - \$ | | | | | | | | | |
|--------------------------|---|---------|-------|---------|-------|-------|-------|-------|-------|-------|
| Meter / Pipe Size>>> | 5/8 in. | 3/4 in. | 1 in. | 1.5 in. | 2 in. | 3 in. | 4 in. | 6 in. | 8 in. | Total |
| Residential | 68 | 134 | 167 | 625 | 563 | | | | • | 77 |
| Residential-Dual | 65 | | 132 | 290 | 800 | | | | | 207 |
| Residential-CARE | 62 | | | | | | | | | 62 |
| Residential-CARE-Dual | 34 | | 72 | | | | | | | 53 |
| Residential-DE | 71 | | 57 | | | | | | | 70 |
| Residential-DE-Dual | | | 82 | | | | | | | 82 |
| Residential-MM | 122 | | 701 | 274 | 1,000 | | | | | 489 |
| Commercial | 149 | | 530 | 1,510 | 1,723 | 1,042 | | 401 | 865 | 594 |
| Commercial-CARE | 22 | | | | | | | | | 22 |
| Irrigation | 214 | | 179 | 854 | 1,967 | 177 | | | | 372 |
| Private Fire Protection* | | | 12 | 16 | 22 | 46 | 62 | 103 | | 45 |
| Average | 81 | 120 | 297 | 735 | 1,077 | 478 | 62 | 171 | 488 | 170 |

| | Proposed Rates Average Monthly Bill - \$ | | | | | | | | | | |
|--------------------------|--|---------|-------|---------|-------|-------|-------|-------|-------|-------|---------|
| | | | | | | | | | | | Percent |
| Meter / Pipe Size>>> | 5/8 in. | 3/4 in. | 1 in. | 1.5 in. | 2 in. | 3 in. | 4 in. | 6 in. | 8 in. | Total | Change |
| Residential | 157 | 311 | 387 | 1,444 | 1,315 | • | | | | 178 | 131% |
| Residential-Dual | 148 | | 281 | 658 | 1,808 | | | | | 453 | 119% |
| Residential-CARE | 142 | | | | | | | | | 142 | 131% |
| Residential-CARE-Dual | 74 | | 148 | | | | | | | 111 | 109% |
| Residential-DE | 168 | | 126 | | | | | | | 165 | 135% |
| Residential-DE-Dual | | | 174 | | | | | | | 174 | 112% |
| Residential-MM | 320 | | 1,807 | 718 | 2,880 | | | | | 1,313 | 168% |
| Commercial | 268 | | 817 | 2,102 | 2,387 | 1,512 | | 764 | 1,633 | 877 | 48% |
| Commercial-CARE | 42 | | | | | | | | | 42 | 94% |
| Irrigation | 343 | | 335 | 1,298 | 2,727 | 338 | | | | 567 | 53% |
| Private Fire Protection* | | | 17 | 23 | 30 | 63 | 85 | 142 | | 62 | 37% |
| Average | 176 | 278 | 546 | 1,191 | 1,645 | 701 | 85 | 284 | 879 | 312 | 83% |

^{*} Private Fire Protection is based on pipe size.

FOR FURTHER INFORMATION FROM SCE

Customers with Internet access may view and download SCE's Application and the papers supporting it on SCE's Website, www.sce.com/applications, or by writing to SCE at the Rosemead mailing address below. You may also review a copy of this application and related filings at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770). You may also view a copy of Application 10-11-009 at the CPUC's main office in San Francisco, as listed: California Public Utilities Commission, 505 Van Van Ness Ave.,San Francisco, CA. 94102, or at the following SCE business offices:

1 Pebbly Beach Rd. 30553 Rimrock Rd. 374 Lagoon St., Avalon, CA 90704 Barstow, CA 92311 Bishop, CA 93514

505 W. 14th Ave. 3001 Chateau Rd. 510 S. China Lake Blvd., Blythe, CA 92225 Mammoth Lakes, CA 93546 Ridgecrest, CA 93555

26364 Pine Ave. 41694 Dinkey Creek Rd. 421 W. J St.,

Rimforest, CA 92378 Shaver Lake, CA 93664 Tehachapi, CA 93561

120 Woodland Dr., 6999 Old Woman Springs Rd. Wofford Heights, CA 93285 Yucca Valley, CA 92284

As noted above, to request further information from SCE regarding Application No A.10-11-009, or to request a copy, please write to:

Southern California Edison Company P.O. Box 800 2244 Walnut Grove Avenue Rosemead, CA 91770 Attention: Case Administration

Los usuarios con acceso al Internet podrán leer y descargar esta notificacion en español en el sitio Web de SCE www.sce.com/avisos o escriba a:

Southern California Edison Company P.O. Box 800 2244 Walnut Grove Avenue Rosemead, CA 91770 Atención: Comunicaciones Corporativas

March 25, 2011

PUBLIC COMMENTS

If you wish to comment on this proposed application filing or informally protest this filing as a customer of SCE's, you may do so by contacting the CPUC's Public Advisor's Office (PAO). Written public comments by SCE customers is very much desired by the CPUC and may be sent to the Public Advisor's Office at 320 West 4th Street, Ste. 500, Los Angeles, CA 90013 or via email to public advisor.la@cpuc.ca.gov. When writing, please refer to the proceeding number A.10-11-009. All public comments become part of the formal public comment record in this proceeding. If you wish further information on the PPH or EH processes, you can call or send a letter or email to the CPUC's Public Advisor's Office (PAO) as well. You may also call the Public Advisor's Los Angeles Office at:

(213) 576-7055 or Toll Free: 866-849-8391

TDD for speech and hearing impaired call toll free: 800-229-6846