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

**SOUTHERN CALIFORNIA EDISON COMPANY (SCE)  
NOTICE OF PROPOSED DECREASE IN ELECTRIC RATES ASSOCIATED WITH  
THE AUTHORIZED COST OF CAPITAL APPLICATION FILING NO. 12-04-015**

On April 20, 2012, SCE filed its 2013 Cost of Capital Application with the California Public Utilities Commission (Commission). The Commission designated the application as Application (A.)12-04-015.

In this application filing, SCE has requested that the Commission review and authorize a cost of capital for 2013, 2014, and 2015. The authorized cost of capital determines the amount of money SCE is allowed in rates as a return on its invested capital. In this proceeding, the Commission will determine the reasonable costs of long-term debt, preferred stock, and common stock that are part of the authorized cost of capital. The authorized cost of capital adopted in this application will be applied to capital investment authorized in SCE's pending General Rate Case (GRC) application. Assuming that SCE's requested capital investment is adopted in the GRC, SCE's annual revenue requirement will **decrease** by approximately \$92.8 million beginning on January 1, 2013.

SCE is requesting a return on common equity of 11.10% and a return on rate base of 8.24%. SCE's requested cost of capital will fairly compensate those who invest in SCE, and permit SCE to attract capital to meet its obligations to serve its customers safely and efficiently.

The following table shows an estimate of proposed revenues and rate changes by customer group. The percentage decrease in total revenue is \$92.8 million or -.083%, beginning in 2013. Any revenue change resulting from this application will be consolidated with revenue changes from other SCE applications. **If the Commission should approve total rates as requested, an average residential electric customer using 600 kilowatt-hours per month would expect to see a decrease of \$1.01 per month, from \$104.92 to \$103.91.** The following table shows current rates compared to an estimate of proposed revenue and rate changes by customer group.

<b>Customer Group Revenue Impact Cost of Capital Application for 2013</b>				
Customer Group	Revenue Change (\$000)	% Change	<b>Bundled</b>	
			Present Rates (¢/kWh)	Proposed Rates (¢/kWh)
Residential	-44,494	-0.99%	16.06	15.91
Lighting - Small and Medium Power	-32,588	-0.79%	15.27	15.15
Large Power	-12,670	-0.60%	10.20	10.13
Agricultural and Pumping	-2,813	-0.79%	11.66	11.56
Street and Area Lighting	-301	-0.23%	18.13	18.09
<b>Total</b>	<b>-92,866</b>	<b>-0.83%</b>	<b>14.30</b>	<b>14.18</b>

**FOR FURTHER INFORMATION FROM SCE**

As noted above, you may review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770). You may also view these materials 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. 14 <sup>th</sup> 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	

Customers with Internet access may view and download SCE's application and the papers supporting it on SCE's Web site, [www.sce.com/applications](http://www.sce.com/applications). Anyone who would like 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

### **EVIDENTIARY HEARINGS**

The CPUC may hold evidentiary hearings whereby formal parties of record provide 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 formal parties of record may participate. The CPUC has its own court reporters who will record the comments of those formal parties of record participating in the evidentiary hearings. After considering all proposals and evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision. When the CPUC issues a final decision on the application, it may adopt, amend, or modify all or part of the ALJ's proposed decision as written. The CPUC's decision may be different than SCE's request.

The Division of Ratepayer Advocates (DRA) is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state to obtain the lowest possible rates for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering.

### **CPUC PROCESS**

You may submit written comments to the CPUC's Los Angeles Public Advisor's Office at the address or e-mail shown below.

The Public Advisor  
California Public Utilities Commission  
320 West Fourth Street, Suite 500  
Los Angeles, CA 90013

Or by e-mail: *Public.Advisor.la@cpuc.ca.gov*

Please state that you are writing concerning SCE's application A.12-04-015. Your comments will become a part of the formal correspondence file for public comment in this proceeding. The Public Advisor's Office will circulate your comments to the five Commissioners, the ALJ, DRA, and to CPUC staff assigned to this proceeding. You may also write to the CPUC if you need advice on how to participate in this proceeding, or would like to receive further notices regarding the date, time, and place of any hearing on SCE's application.

You may also review a copy of this Application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770). Finally, copies of the application can be obtained via the CPUC Formal Files Office, 505 Van Ness Avenue, San Francisco 94102. Office hours are 8:00 a.m. to noon Monday - Friday.

April 2012