

Rate Information and Solutions to Help You Manage Your Business' Energy Costs

We want to inform you in advance about changes in customer rates you can expect during 2009. These rate changes are associated with maintaining reliability and building a cleaner, smarter, more efficient electricity grid for the future. As a result of these changes, you may notice an increase in your upcoming monthly bills.

We understand that these rate changes will affect your business and we want to help reduce the impact as much as possible. Closely monitoring your business' electricity usage and making simple adjustments can help you reduce costs on your total bill. We offer solutions to help you start saving today.

Here are a few tips:

- Maximize natural light and turn off lights when not in use.
- Switch off and unplug electrical items when not in use, as plugged in items still use power even when turned off.
- Follow manufacturers' suggestions for changing filters on your heating and cooling equipment and keep vents clear – this helps clean air to flow while using less power.

You can also take advantage of our many energy-management tools and rebates and saving programs:

- SCE's business incentives and service programs offer cash rebates towards the purchase and installation of qualified energy-efficient equipment.



- Smaller business customers can find out how to save by completing SCE's online Energy Survey. The results provide recommendations to reduce your energy usage and lower your bill, in addition to rebates, incentive offers, and valuable savings tips tailored to your needs.

- Smaller business customers can also participate in the Summer Discount Plan, which lets you receive credits on your summer electric bills for allowing SCE to install a remote controlled device that will occasionally turn off or cycle your central air

conditioning unit when peak energy demands strain the region's electricity grid.

- Larger business customers can enroll in Demand Response programs that offer significant discounts and incentive payments for shifting or reducing usage during on-peak hours.
- Larger businesses can optimize their energy usage and savings with our Energy Manager suite of tools that helps you manage your energy usage more effectively.

Our customer care specialists and representatives are ready to answer your questions and offer programs and options to help you save energy and money – keeping your business competitive. To learn more about which programs are right for your business, or for more ways to save energy and manage your electric costs, please visit www.sce.com/mybusiness or call us at (800) 990-7788.

Have a Safe and Happy New Year

To safely remove and stow your holiday lighting and electrical accessories, here are a few helpful tips:

- Unplug all decorations and lights before taking them down.
- Unplug extension cords and decorations that are not in use – plugged in items are still energized and can be dangerous.
- Don't tug on electrical cords – tugging may tear insulation and expose raw wires.
- Follow manufacturer and municipality directions for disposing of worn or broken lights and accessories.
- Stay at least 10 feet away from power lines when installing or removing outdoor decorations.

We look forward to serving you in 2009 and wish you a safe and happy New Year. For more information about electrical safety, visit www.sce.com/newyear.



**SOUTHERN CALIFORNIA EDISON
NOTICE OF APPLICATION REGARDING PROPOSED CHANGES IN ELECTRIC RATES
APPLICATION NO. A.08-12-022**

In compliance with California Public Utilities Commission (CPUC) decisions, Southern California Edison Company (SCE) has filed an Energy Resource Recovery Account (ERRA). This rate adjustment request, which was filed with the CPUC on December 24, 2008, is known as a "trigger" application, which is an application filed between regularly-scheduled rate case proceedings. SCE is seeking an annual increase in ERRA rates beginning March 1, 2009 of \$308.8 million, or 8.3%.¹ This application is referred to as A.08-12-022.

In this application, SCE requests the Commission to approve recovery of a \$255 million under-collection in its ERRA balancing account, to be applied in generation rates effective March 1, 2009. The primary cause of the current under-collection was an approximate 30% increase in natural gas and power prices during the summer of 2008, which resulted in actual gas prices being far greater than the estimated gas prices reflected in the 2008 procurement costs included in SCE's current generation rates. This under-collection of 2008 procurement costs is separate from, and not duplicative of, the 2009 revenue requirement increase SCE requested in its September 15, 2008 ERRA Forecast Application, A.08-09-011.

In order to lessen the impact of the rate increase requested in this trigger application, SCE is requesting that the increased ERRA revenue requirement be applied in generation rates effective March 1, 2009. This will coincide with a \$496 million reduction in SCE's share of the Department of Water Resources' (DWR) power charge revenue requirement to be applied on that date pursuant to D.08-11-056 and Advice Letter 2304-E. The following table shows an estimate of proposed revenues and rate changes by customer group, taking into account SCE's increased ERRA revenue requirement and the reduction in the DWR power charge revenue requirement:

CUSTOMER GROUP REVENUE IMPACT

ERRA Trigger Application for March 1, 2009 Implementation

Customer Group	ERRA Trigger	DWR	Overall	% Change
Residential	117.2	-220.8	-103.6	-2.28%
Lighting - Small and Medium Power	115.7	-204.6	-88.8	-2.14%
Large Power	63.8	-140.6	-76.8	-3.42%
Agricultural and Pumping	10.0	-24.0	-14.0	-3.72%
Street & Area Lighting	2.0	-5.3	-3.3	-2.13%
TOTAL	308.8	-595.4	-286.6	-2.50%

¹SCE is actually requesting an ERRA rate increase of \$255 million amortized over a 10-month period, March 1 through December 31, 2009. The monthly increase amount would produce \$308.8 million in revenues if applied over a 12-month period.

If the Commission approves the increased ERRA revenue requirement as requested, an average residential electric customer using 600 kilowatt-hours per month in the summer would see a bill increase of \$2.85 per month, from \$81.64 to \$84.49. This increase will be lessened, however, if the Commission approves SCE's request to implement the increased ERRA revenue requirement at the same time as it implements the decrease in the DWR power charge. If the Commission does so, an average residential electric customer using 600 kilowatt-hours per month in the summer would see an overall bill decrease of \$2.65 per month, from \$81.64 to \$78.99.

THE CPUC WELCOMES YOUR PARTICIPATION AND COMMENTS

The CPUC may hold evidentiary hearings whereby formal parties of record provide testimony and are subject to cross-examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record can participate. The CPUC has their 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.

Division of Ratepayer Advocates (DRA) is an independent arm of the CPUC, re-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.

You may submit written comments to CPUC's Public Advisor's Office at the address or e-mail shown below. Please state that you are writing concerning SCE's application A.08-12-022. 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, you may also review a copy of this Application and related exhibits at the CPUC's main office in San Francisco, listed below.

The Public Advisor California Public Utilities Commission 320 West Fourth Street, Suite 500 Los Angeles, CA 90013 E-mail: Public.Advisor.la@cpuc.ca.gov	The Public Advisor California Public Utilities Commission 505 Van Ness Avenue, Room 2103 San Francisco, CA 94102 E-mail: Public.Advisor@cpuc.ca.gov
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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. 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	

Customers with Internet access may view and download SCE's application and supporting papers on SCE's Web site at www.sce.com/applications. Anyone who would like to obtain more information about A.08-12-022, please write to:

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

Para solicitar una copia de esta notificación en español 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.

POWER CONTENT LABEL

ENERGY RESOURCES	2009 SCE POWER MIX* (projected)	2007 CA POWER MIX** (for comparison)
Eligible Renewable	16%	10%
-- Biomass & waste	2%	<1%
-- Geothermal	9%	2%
-- Small hydroelectric	1%	6%
-- Solar	1%	<1%
-- Wind	3%	<2%
Coal	10%	32%
Large Hydroelectric	5%	24%
Natural Gas	51%	31%
Nuclear	18%	3%
Other	<1%	0%
TOTAL	100%	100%

*98% of SCE System Power Mix is specifically purchased from individual suppliers.

**Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact Southern California Edison. For general information about the Power Content Label, contact the California Energy Commission at **1-800-555-7794** or www.energy.ca.gov/consumer.