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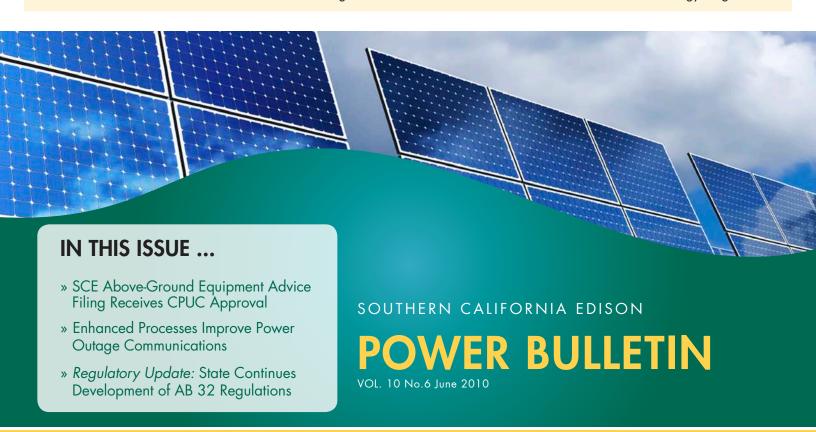
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SCE Above-Ground Equipment Advice Filing Receives CPUC Approval

The California Public Utilities Commission (CPUC) in April partially approved Southern California Edison's (SCE) Above-Ground Equipment (AGE) advice filing. When the ruling takes effect Aug. 2, 2010, SCE equipment associated with new line and service extensions on private property will be installed above ground, and the customer option of installing equipment below ground under Tariff Rules 2, 15 and 16 will be removed.

The ruling also allows below-ground equipment to be converted to above-ground equipment when there are "customer-driven renovations of existing structures or other building activities resulting in a change of use or occupancy as defined in state or local law; or when agreed to by the local authority and SCE on a case-by-case basis." When SCE plans new equipment installations on public property or in the public right-of-way, designs will include standard above-ground pad-mounted equipment whenever technically feasible or agreeable to the local municipal authority.

For existing underground installations on private property, failed equipment will be replaced with new below-ground equipment of a like kind when available.

AGE Policy Benefits

Installing distribution system electrical equipment above ground vs. in subsurface vaults or enclosures will help SCE improve service reliability, provide safety benefits for SCE employees and customers, and protect the environment.

Service typically takes less time to be restored during an outage with above-ground equipment. Underground equipment can take up to three times longer to be fixed. For example, if water is present, it must be removed before work can begin. And if any pollutants or contaminants are present in the water, the water must be trucked away to a disposal site for processing.

Proper treatment and disposal of these pollutants and contaminants as required by environmental law adds to maintenance costs. Moving away from belowground equipment installation will reduce the number of collection points for standing and contaminated water, which also can contribute to equipment corrosion and degradation.

Even with routine maintenance, activities take longer to carry out in belowground equipment, as each vault or enclosure must be opened and, at a

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minimum, tested for combustible gas and breathable oxygen. In the event of a rare catastrophic failure, pressure inside a subsurface structure can build up and be released through a rapid discharge of energy. The release of this energy could result in the rapid exhaust of hot gases or flames.

Looking ahead, Smart Grid technology—which will further enhance system reliability and reduce outages—will require that electrical equipment like controls, telecommunications antennas and sensitive electronic circuitry be located above ground. So, minimizing the installation of below-ground equipment will complement SCE's efforts to integrate Smart Grid technologies into our system.

Customer Aesthetic Options

SCE offers several customer options to mitigate the visual impact of aboveground equipment, including painting the equipment and installing digital wrap films. Contact your account representative to connect with your local service office for details and processes.

There also have been landscape standards created to assist customers in screening equipment. SCE has developed an Aesthetics Improvement Manual that provides photos with details of our standard above-ground equipment. The manual is available under "Distribution Manuals" at www.sce.com/AboutSCE/Regulatory/; the landscape standards brochures will be available soon.



SCE offers several options to lessen the visual impact of above-ground distribution pad-mount equipment, including painting and installing digital wrap films. (Note: Customers must maintain adequate clearances and access to SCE equipment.)

Pending Project Requests

The final date for project submittal requests with underground equipment will be July 30, 2010. For pending projects with requests for below-ground equipment, the following criteria apply to grandfathered existing approved plans or submittals made until the July 30, 2010, deadline:

- Existing final plans with below-ground equipment will be grandfathered unless significantly revised by the customer or determined to be inactive for 12 months.
- New submittals and any pre-existing submittals (preliminary plans) will have seven months from the effective date of the AGE advice filing to go final.
 If not final on Dec. 3, 2010, the project will need to be revised to include above-ground equipment where applicable.
- All plans with below-ground equipment that were final at the seven-month
 deadline from the effective date of SCE's advice filing have 12 months to
 commence installation. If installation has not commenced by Dec. 2, 2011,
 the project will need to be revised to include above-ground equipment
 where applicable.

SCE is planning several forums in August for builders and the development community on the above-ground installation application and process improvements. The forums are scheduled to take place in Valencia, Irvine and Riverside in partnership with the Southern California Building Industry Association. Contact your account representative with any questions and for details. To read the CPUC resolution in response to SCE's advice filing, visit http://162.15.7.24/PUBLISHED/FINAL_RESOLUTION/117046.htm.

Enhanced Processes Improve Power Outage Communications

While SCE strives to provide the highest level of reliability, sometimes unexpected events do result in the lights going out. That's why SCE recently implemented an improved process to communicate with business customers during any unplanned power outages, providing e-mail, text messages and voice messages when the outage begins (if it is immediately known), during the outage and after service restoration.

This three-pronged communications process uses a single point-of-contact to give you specific information that keeps you informed and helps you make operational business decisions during an outage. Such information includes affected service address(es), a brief explanation of the outage, estimated restoration time and a direct phone number to reach SCE's unplanned outage specialist.

Advance Preparation for Planned Outages

The new unplanned outage process builds upon SCE's communications process for planned outages, which SCE sometimes must schedule to make system improvements that will enhance safety and reliability in the future.

In addition to sending a postcard in advance of a planned outage, last year SCE added e-mail notifications for business customers, typically three to 10 days in advance to allow for operational planning. Cities and counties also receive weekly reports on upcoming outages that may affect customers in their boundaries. As with unplanned outages, SCE provides a single point-of-contact for business customers for planned outage concerns and questions, including rescheduling requests.

SCE continues to look for opportunities to improve these processes to ensure reliable, prompt and valued customer service. For specific questions on unplanned outages now or in the future, e-mail <code>sceupoc@sce.com</code>. For questions on planned outages, contact <code>scepoc@sce.com</code>. To learn more about SCE's response to power outages, plus to see outage preparation and <code>safety</code> checklists, visit <code>www.sce.com/outages</code>.

Regulatory Update: State Continues Development of AB 32 Regulations

Assembly Bill 32, the California Global Warming Solutions Act of 2006 (AB 32), requires that California reduce its emissions of greenhouse gases to their 1990 level by 2020. The legislation charged the California Air Resources Board (ARB) with developing a Scoping Plan and writing the regulations to implement AB 32.

The legislation requires that the ARB begin implementing AB 32 on Jan. 1, 2012. In October 2008, the ARB adopted a Proposed Scoping Plan. This plan describes a regulatory structure in which approximately 80% of reductions are obtained from direct, "command and control" programs, with the remaining 20% of reductions obtained from an emissions cap-and-trade program.

Direct Regulations and Cap-and-Trade Program

The direct regulations include programs such as a mandate for electricity retail sellers to procure 33% of their retail sales from approved renewable resources, programs to expand combined heat and power generation, expanded energy efficiency mandates, and a low-carbon fuel standard, as well as many other regulations designed to reduce emissions statewide. The cap-and-trade program is expected to include the electricity, industrial, transportation and natural gas sectors.

Since the adoption of the Scoping Plan, the ARB has engaged in workshops and other stakeholder processes to develop the various regulations and the cap-and-trade program. SCE continues to participate in these processes.

Most recently, the ARB has conducted an updated economic analysis of AB 32 costs while working with stakeholders on detailed aspects of market design, including emission credit allocation and offset usage. Additionally, a ballot measure for November 2010 has been introduced that could require a delay in implementing AB 32 based on the state's unemployment rate.

For more details on AB 32, including information for various economic sectors, visit the ARB's website at **www.arb.ca.gov/cc/cc.htm**.

