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

**NOTICE OF PUBLIC PARTICIPATION HEARINGS
REGARDING PROPOSED DECREASE IN ELECTRIC RATES BY
SOUTHERN CALIFORNIA EDISON COMPANY (SCE)
Application (A.) 12-04-015**

The California Public Utilities Commission (Commission) would like to hear from you! The Commission has scheduled a Public Participation Hearing (PPH) within SCE's service territory that will be facilitated by a Commission Administrative Law Judge. The date, time and location of the PPH is as follows:

**Thursday, October 4, 2012
7:00 PM
San Bernardino City Hall Chambers
300 North "D" Street
San Bernardino, CA**

The purpose of the PPH is to accept public comment from customers of SCE regarding the proposed rate decrease in the *Application of Southern California Edison Company for Authority to Establish its Authorized Cost of Capital for Utility Operations for 2013 and to Reset the Annual Cost of Capital Adjustment Mechanism (A.12-04-015)*.

SCE'S APPLICATION FILING

On April 20, 2012, SCE filed Application No. 12-04-015 with the Commission requesting that the Commission review and authorize a cost of capital for test year 2013. 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. SCE recommends no change in its currently authorized ratemaking capital structure at this time. Therefore, SCE requests Commission authorization of the following capital structure, costs of long-term debt and preferred equity, and return on common equity, to become effective January 1, 2013:

2013 Recommended Cost of Capital for SCE

Component	Percentage	Cost	Weighted Cost
Long-Term Debt	43.00%	5.53%	2.38%
Preferred Equity	9.00%	5.86%	0.53%
Common Equity	<u>48.00%</u>	11.10%	<u>5.33%</u>
Total	100.00%		8.24%

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.

SCE also requests that its cost of capital adjustment mechanism be continued without modification for a three-year term (including 2013), so that SCE's next cost of capital application will be filed in early 2015 for test year 2016. SCE's current mechanism is based on the 12-month average of the Moody's Baa long-term utility bond rate index. In October of each year, the most recent 12-month average for this rate is compared to a benchmark value. If the difference between the two is more than 100 basis points or less than minus 100 basis points, a new ROE is established. The Commission has decided to address SCE's request for a mechanism in a separate phase of this proceeding next year.

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 -.83%, 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.

Customer Group Revenue Impact Cost of Capital Application for 2013				
Customer Group	Revenue Change (\$000)	% Change	Bundled	
			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
Total	-92,866	-0.83%	14.30	14.18

FOR FURTHER INFORMATION FROM SCE

You may also view a copy of the application at the Commission's website, <http://docs.cpuc.ca.gov/EFILE/A/136644.htm>, 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 Commission 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

For further information from SCE regarding this Application, please write to:

Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
Attention: Case Administration

COMMISSION PROCESS

If you are unable to attend these hearings, you can send public comments to the Commission's Public Advisor's Office at the address noted below. Please refer to the application filing number, A.12-04-015 when you are writing. All public comments are circulated to the Commissioners, the assigned ALJ, and other line Divisions working on this GRC. All public comments are also provided to the Commission's Formal Files Office as part of the formal public comment file for this proceeding.

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

Locations for these hearings are wheelchair accessible. If you need interpreters for language or for the hard of hearing, please contact the Public Advisor's Office at the following numbers at least five (5) working days in advance of the meeting date:

Telephone: (415) 703-2074 or toll free: 1-866-849-8390
TTY: (415) 703-5282 or toll free TTY: 1-866-836-7825