

**SOUTHERN CALIFORNIA EDISON COMPANY (SCE)
NOTIFICATION OF APPLICATION FILING FOR NEW DYNAMIC PRICING
RATES EFFECTIVE JANUARY 1, 2012
IN COMPLIANCE WITH DECISION 09-08-028
A.10-09-002**

On September 1, 2010, SCE filed an Application with the California Public Utilities Commission (CPUC) requesting approval of SCE's proposals to implement default or optional dynamic pricing rates for certain non-residential and residential customers to be effective January 1, 2012. These dynamic pricing rates or mandatory time-of-use (TOU) rates will apply to many non-residential customers whose rates up until now have not been differentiated by the time period when electricity is used.

WHAT IS DYNAMIC PRICING?

Dynamic pricing is designed to reflect variations in the actual cost of energy at different times of the day and on different types of days. Dynamic pricing creates economic incentives for customers to actively manage their energy costs by shifting electricity use from when it costs more to when it costs less. For example, when given a notice a day in advance that electricity prices will be extremely high for a short period the following day, customers can arrange to use less electricity at that time and/or shift use to other times. This type of rate is also known as Critical Peak Pricing, a type of dynamic pricing that has been available to customers in the past. While dynamic pricing will remain voluntary for residential customers, D.09-08-028 specifies that most non-residential customers must be assigned by default to new dynamic pricing rate schedules. The effective implementation of dynamic pricing can lower customer costs and increase electricity system reliability by stabilizing demand over time, reducing demand when supply is low, and setting rates that better reflect the marginal cost of providing electricity.

WHAT ARE THE GENERAL PROPOSALS?

SCE is in the process of installing advanced meters for all customers. For a customer to be placed on a default dynamic pricing rate or a mandatory TOU rate, the customer (1) must have an advanced meter capable of providing and recording hourly usage, and (2) must have had access to at least 12 months of such usage data prior to being served on a default dynamic pricing rate or a mandatory TOU rate.

Eligible commercial customers with maximum demands of less than 200 kW (*i.e.*, GS-1, GS-2) and agricultural and pumping customers with maximum demands greater than 200 kW will be subject to default CPP rates and be provided protection from paying a higher annual bill for the first 12 months of service on the CPP rate. Customers may choose to opt out of a default CPP rate, but they must take service on a rate schedule with TOU rate components with no bill protection. Existing standard (*i.e.*, non time-differentiated) schedules will no longer be available to these customers.

HOW WILL THIS APPLICATION FILING IMPACT RATES?

SCE is not requesting any additional money as part of this Application. However, depending on the usage pattern of the individual customer, these proposed rate changes will result in annual bill changes and may result in significant seasonal variations in bills for commercial customers in SCE's GS-1 and GS-2 rate groups and agricultural and pumping customers (AG) who have not been served on rates that vary by TOU periods. The table below illustrates the average monthly bill impacts for customers in SCE's rate groups who transfer from current rates that are not time-differentiated to mandatory TOU rate schedules, assuming no shifting or reduction of usage.

Total Annual Bill Impact (Percentage)

Rate Group	Greater than 5% Reduction		-5% <= 0 < 5%		Greater than 5% Increase	
	Percentage of Customers	Average Monthly Bill Change	Percentage of Customers	Average Monthly Bill Change	Percentage of Customers	Average Monthly Bill Change
GS-1 (<20 kW)	50%	\$ (9.07)	29%	\$ 0.65	21%	\$ 20.60
GS-2 (20-200 kW)	21%	\$ (70.91)	77%	\$ 12.75	3%	\$ 224.60
Small AG (< 200 kW)	54%	\$ (61.89)	19%	\$ (3.52)	27%	\$ 125.90
Large AG (>200 kW)	15%	\$ (666.94)	73%	\$ 83.84	13%	\$ 256.62

Customers may see more variation in bills between summer and winter months, but the effect on total bills will largely depend on when customers use electricity.

FOR FURTHER INFORMATION FROM SCE

You may also view a copy of the application at SCE's website at 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 exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770) 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, or to request a copy, please write to:

Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
Attention: Sharon Yang

Los usuarios con acceso al Internet podrán leer y descargar esta notificación 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**

WHAT IS THE CPUC PROCESS?

The CPUC's Division of Ratepayer Advocates (DRA) will review this Application. DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend these hearings, but are not allowed to participate, only listen.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of SCE's request, amend or modify it or deny the application. The CPUC's final decision may be different from SCE's request.

If you would like additional information on the CPUC process or need assistance, you may contact the CPUC's Los Angeles Public Advisor's Office (PAO) at 1-866-849-8391 (toll free) or 213-576-7055 in Los Angeles.

You may also send your comments to the PAO at the address: Public Advisor's Office, 320 West 4th St., Ste. 500, Los Angeles, CA 90013 or send an email to: public.advisor.la@cpuc.ca.gov. All e-mails and letters received from SCE customers will be circulated to each Commissioner, the assigned ALJ and other line divisions within the CPUC who are part of this proceeding. All such correspondence will become part of the formal correspondence file in this application. When sending an e-mail or writing a letter, please reference Application No. A.10-09-002.