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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Southern California Edison
Company (U 338-E) for Approval of 2014-2018
Economic Development Rates

A1403013 Application A.14-03-XXX

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
APPROVAL OF 2014-2018 ECONOMIC DEVELOPMENT RATES**

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Dated: **March 24, 2014**

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I.

INTRODUCTION

In this Application, Southern California Edison Company (SCE) requests authorization from the California Public Utilities Commission (Commission) to offer two types of Economic Development Rates (EDRs) that are largely consistent with the rate design features, ratepayer protections and reporting protocols applicable to Pacific Gas and Electric Company's (PG&E's) recently approved EDR program. In Decision 13-10-019, the Commission approved two EDRs for PG&E: (1) a "Standard" EDR—applicable to eligible non-residential, non-governmental customers with loads of 200 kilowatts (kW) or more—which consists of a five-year discount of 12% off of an eligible EDR customer's monthly bill relative to the customer's otherwise applicable tariff (OAT); and (2) an "Enhanced" EDR—applicable to customers who meet the eligibility requirements of the Standard EDR *and* who are located in California cities or counties with unemployment rates that are 125% or more of the previous year's statewide average unemployment rate—which consists of a five-year 30% monthly discount off of the customer's

OAT. Each type of EDR, whether Standard or Enhanced, will be designed to retain, attract, or expand load in California that, but for the discount—taken alone or in combination with other incentives—would be lost either to competition out of state, or as a result of a business closing its doors entirely.

SCE requests that the EDR program proposed in this Application continue through the date on which SCE implements new rates consistent with those adopted in its 2018 General Rate Case (GRC) Phase 2. This will permit SCE to file for a new set of EDRs in its 2018 GRC Phase 2 Application, which rates, if approved, will replace those proposed in this Application. Thus, the renewal of the proposed EDR program shall be decided in SCE's 2018 GRC Phase 2.

California Public Utilities (PU) Code Section 740.4(a) provides that the Commission shall authorize public utilities to engage in programs to encourage economic development. In addition, PU Code 740.4(c) defines economic development activities to include industrial and commercial expansion and relocation assistance, and business retention and recruitment. These sections provided the fundamental basis for the Commission's approval of SCE's EDR options in 1996, and again in 2005 and 2010.

The prolonged slump in California's industrial activity and other economic factors require efforts once again to promote economic development in SCE's service territory. Approval of this request will significantly benefit SCE's customers by promoting regional economic development. It will also help reduce SCE's system average rate by spreading SCE's fixed costs over a larger kWh base.

II.

ORGANIZATION OF SUPPORTING TESTIMONY

Details regarding this proposal are included in SCE's testimony, provided in Exhibit SCE-1 and served concurrently with this Application. That volume of testimony is organized as follows. Chapter I provides an introduction and summary of SCE's request. Chapter II gives the regulatory background and policy of SCE's EDR proposal, including a description of PG&E's

recently litigated EDR proceeding. Chapter III explains why EDRs are justified. Chapter IV describes the administrative elements of the EDR program, including customer eligibility, program cap and length, safeguards against “free-ridership,” reporting requirements and proposed demand-side management-related (DSM-related) measures. Chapter V details the discount computation methodology and ratemaking treatment of the proposed EDRs. Chapter VI offers a conclusion.

III.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory and Procedural Authority

This Application is made pursuant to the Commission’s Rules of Practice and Procedure and the California PU Code.

SCE’s request complies with the Commission’s Rules of Practice and Procedure Rules 1.5 through 1.11 and 1.13, which specify the procedures for, among other things, filing documents. In addition, this request complies with Rules 2.1, 2.2 and 3.2.

Rule 2.1 requires that all applications: (1) clearly and concisely state authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and (3) be verified by the applicant. Rule 2.1 sets forth further requirements that are addressed separately below.

The relief being sought is summarized above in Section I and is further described in the Testimony (Exhibit SCE-1) accompanying this Application.

The statutory and other authority for this request includes, but is not limited to, California PU Code Sections 451, 454, 454.3, 491, 701, 702, 728, 729, 740.4, Article 2 and Rule 3.2 of the Commission’s Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission.

SCE’s Application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

B. Proposed Categorization

Rule 1.3(e) of the Commission's Rules of Practice and Procedure defines "ratesetting" proceedings as "proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities)." This Application includes SCE's request for the Commission to set optional rates for eligible customers. Therefore, SCE proposes that this proceeding be categorized as ratesetting.

C. Need for Hearings and Proposed Expedited Schedule for Resolution of Issues

Because the relief SCE requests in this Application was so recently granted to PG&E following protracted litigation and thorough Commission consideration of the issues, SCE does not believe that hearings will be necessary. Thus, SCE proposes the following expedited schedule and respectfully urges the Commission to approve this Application within six months:

SCE files Application	March 24, 2014
Protests or Responses to Application	20 days after notice of the Application appears on the Daily Calendar
Replies to Protests or Responses	10 days after the due date for Protests or Responses
Prehearing Conference	Mid-April 2014
Intervenor Testimony Due	End of May 2014
Rebuttal Testimony Due	End of June 2014
Proposed Decision Issues	August 12, 2014
Comments on Proposed Decision	September 2, 2014
Reply Comments on Proposed Decision	September 8, 2014
Final Decision	September 11, 2014

D. Legal Name and Correspondence – Rules 2.1(a) and 2.1(b)

The legal name of the Applicant is Southern California Edison Company (SCE). SCE is a corporation organized and existing under the laws of the State of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy for light, heat and power in portions of central and southern California as a public utility

subject to the jurisdiction of the Commission. SCE's properties, substantially all of which are located within the State of California, primarily consist of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in connection with its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number is:

Southern California Edison Company
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1212

SCE's attorneys in this matter are Janet Combs and Fadia Rafeedie Khoury.

Correspondence or communications regarding this Application should be addressed to:

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Attorney
Southern California Edison Company
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To request a copy of this Application, please contact:

Case Administration
Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770
Telephone: (626) 302-6015
Facsimile: (626) 302-3119
E-mail: caseadmin@sce.com

E. Organization and Qualification to Transact Business – Rule 2.2

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the

Commission on March 14, 2006, in connection with Application No. 06-03-020, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and are by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination Of Preferences Of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, is being filed with the Commission in connection with this Application, and is attached as Appendix C hereto.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 14, 2014, pursuant to General Order Nos. 65-A and 104-A of the Commission.

F. Balance Sheet and Income Statement – Rule 3.2(a)(1)

Appendix A to this Application contains copies of SCE's balance sheet as of September 30, 2013, and income statement for the period that ended September 30, 2013, the most recent period available. Because this Application does not request authority to increase any rate or charge, Rules 3.2(a)(2) and (3) are not applicable.

G. Description of SCE's Service Territory and Utility System – Rule 3.2(a)(4)

Because this submittal is not a general rate application, this requirement is not applicable.

H. Summary of Earnings – Rule 3.2(a)(5)

Rule 3.2(a)(5) requires:

A summary of earnings (rate of return summary) on a depreciated rate base for the test period or periods upon which applicant bases its justification for an increase.

SCE's January 2013 Summary of Earnings is attached hereto as Appendix B.

I. Depreciation – Rule 3.2(a)(7)

Because this Application is not a general rate application, this requirement is not applicable.

J. Capital Stock and Proxy Statement – Rule 3.2(a)(8)

Because this Application is not a general rate application, this requirement is not applicable.

K. Statement Pursuant to Rule 3.2(a)(10)

Rule 3.2(a)(10) requires that the “application of electrical ... corporations shall separately state whether or not the increase reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it.” SCE’s request does not seek recovery of any additional revenue requirements that have not been or will not be authorized in other Commission proceedings, and therefore, does not pass through to customers any “increased costs to the corporation for the services or commodities furnished by it.” The purpose of this request is to receive authorization to offer EDRs to eligible customers, not to increase the overall level of SCE’s revenues.

L. Service of Notice – Rule 3.2(b), (c) and (d)

Because this Application does not seek authority to increase rates, this requirement is not applicable.

M. Index of Exhibits and Appendices to This Application

SCE’s submissions in support of this Application include the following, which are incorporated herein by reference:

Appendices to Application

Appendix A	Statement of Income and Balance Sheet
Appendix B	Summary of Earnings
Appendix C	Certificate of Determination Of Preferences Of Series H Preference Stock

Exhibits to Application

Exhibit SCE-1	Prepared Testimony In Support of Application For Approval of 2014-2018 Economic Development Rates
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N. Service List

The official service list has not yet been established in this proceeding. SCE is serving this Application and supporting testimony on the official service lists established by the Commission for PG&E's EDR Application, A.12-03-001, and for SCE's 2012 GRC Phase 2, A.11-06-007.

IV.

CONCLUSION

SCE respectfully requests that the Commission approve its proposed EDR discounts expeditiously because they are consistent with recent policy pronouncements by the Commission and are needed to redress ongoing problems with California's struggling economy.

Respectfully submitted,

JANET S. COMBS
FADIA KHOURY

/s/ Fadia Khoury

By: Fadia Khoury

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SOUTHERN CALIFORNIA EDISON COMPANY

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March 24, 2014

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this **24th day of March, 2014**, at Irwindale, California.

/s/ Lisa Cagnalotti

By: Lisa Cagnalotti
Vice President, Business Customer Division
SOUTHERN CALIFORNIA EDISON COMPANY

6020 N. Irwindale Avenue, Suite A
Irwindale, CA 91702

Appendix A

Statement of Income and Balance Sheet

SOUTHERN CALIFORNIA EDISON COMPANY

STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2013

(In millions)

OPERATING REVENUE	<u>\$ 9,631</u>
OPERATING EXPENSES:	
Fuel	249
Purchased power	3,569
Other operation and maintenance	2,540
Depreciation, decommissioning and amortization	1,223
Property and other taxes	229
Asset impairment and others	<u>575</u>
Total operating expenses	<u>8,385</u>
OPERATING INCOME	<u>1,246</u>
Interest income	8
Other income	81
Interest expense	(384)
Other expenses	<u>(38)</u>
INCOME BEFORE INCOME TAX	<u>913</u>
INCOME TAX EXPENSE	<u>196</u>
NET INCOME	<u>717</u>
Less: Dividends on preferred and preference stock	<u>75</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u>\$ 642</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
SEPTEMBER 30, 2013
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost *	\$ 34,316
Less- accumulated provision for depreciation and decommissioning *	7,817
	<hr/> 26,499
Construction work in progress	3,099
Nuclear fuel, at amortized cost	136
	<hr/> 29,734

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$68	70
Nuclear decommissioning trusts	4,332
Other investments	130
	<hr/> 4,532

CURRENT ASSETS:

Cash and equivalents	522
Receivables, less allowances of \$72 for uncollectible accounts	1,127
Accrued unbilled revenue	798
Inventory	272
Prepaid taxes	22
Derivative assets	47
Regulatory assets	506
Other current assets	167
	<hr/> 3,461

DEFERRED CHARGES:

Regulatory assets	8,015
Derivative assets	207
Other long-term assets	372
	<hr/> 8,594
	<hr/> \$ 46,321

* Detailed by class on following pages.

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
SEPTEMBER 30, 2013
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	\$ 2,168
Additional paid-in capital	589
Accumulated other comprehensive loss	(28)
Retained earnings	7,467
Common shareholder's equity	<u>10,196</u>
Preferred and preference stock	1,795
Long-term debt	8,828
Total capitalization	<u>20,819</u>

CURRENT LIABILITIES:

Short-term debt	1,354
Current portion of long-term debt	400
Accounts payable	1,228
Accrued taxes	148
Accrued interest	101
Customer deposits	199
Derivative liabilities	174
Regulatory liabilities	629
Deferred income taxes	159
Other current liabilities	842
	<u>5,234</u>

DEFERRED CREDITS:

Deferred income taxes	7,033
Deferred investment tax credits	106
Customer advances	132
Derivative liabilities	1,137
Pensions and benefits	1,726
Asset retirement obligations	3,371
Regulatory liabilities	4,989
Other deferred credits and other long-term liabilities	1,774
	<u>20,268</u>

\$ 46,321

Appendix B
Summary of Earnings

**Southern California Edison
Summary of Earnings
2014 GRC Adopted Revenue Requirement
Thousands of Dollars**

Line No.	Item	Total
1	Base Revenues	6,149,361
2	Expenses:	
3	Operation & Maintenance	2,511,482
4	Depreciation	1,586,868
5	Taxes	767,265
6	Revenue Credits	(157,433)
7	Total Expenses	4,708,181
8	Net Operating Revenue	1,441,180
9	Rate Base	18,292,195
10	Rate of Return	7.88%

Appendix C

Certificate Of Determination Of Preferences Of Series H Preference Stock

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**CERTIFICATE OF DETERMINATION OF PREFERENCES OF THE
SERIES H PREFERENCE STOCK**

SOUTHERN CALIFORNIA EDISON COMPANY

We, the undersigned, being the Vice President and the Assistant Treasurer, respectively, of Southern California Edison Company (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the laws of the State of California, DO HEREBY CERTIFY:

FIRST: The Restated Articles of Incorporation, as amended (the "Articles"), authorize the issuance of 50,000,000 shares of Preference Stock which may be issued from time to time in one or more series, and authorize the Board of Directors of the Corporation to (i) fix the number of shares of any series of Preference Stock and to determine the designation of any such series, (ii) to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preference Stock, including but not limited to rights, preferences, privileges and restrictions regarding dividends (including provisions specifying dividends at a floating or variable rate or dividends to be determined by reference to an index, formula, auction, bid or other objectively ascertainable criterion), liquidation, conversion, redemption and voting (including provisions specifying no general voting rights or voting rights of more than one vote per share), and, (iii) within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series.

SECOND: Acting pursuant to the authority delegated by the Board of Directors of the Corporation, the Pricing Committee of the Board of Directors did duly adopt on February 27, 2014, the following resolutions authorizing and providing for the creation of a series of said shares of Preference Stock to be known as Series H Preference Stock, consisting of 110,004 shares, none of the shares of such series having been issued:

"NOW, THEREFORE, BE IT RESOLVED, that 110,004 shares of the presently authorized but unissued Preference Stock, no par value, be and hereby determined to be and shall be of a series of said Preference Stock hereby designated as the "Series H Preference Stock" (the "Series H Shares"); and

BE IT FURTHER RESOLVED, that the rights, preferences, privileges and restrictions of Series H Shares of such series be and the same are hereby fixed, respectively, as follows:

A0752195

1. Dividends

(a) The holders of record of the Series H Shares (each individually a "Holder," or collectively the "Holders") will be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or duly authorized committee thereof (the "Board"), in its sole discretion out of funds legally available therefor, cumulative quarterly cash dividends at an annual rate equal to (1) 5.75% of the Liquidation Preference for each Dividend Period (as defined below) from, and including, the issue date of the Series H Shares to, but excluding, March 15, 2024 (the "Fixed Rate Period"), and (2) the three-month LIBOR rate plus 2.99% of the Liquidation Preference, for each Dividend Period from, and including, March 15, 2024 through, but excluding, the redemption date of the Series H Shares, if any (the "Floating Rate Period"). When, as and if declared by the Board, we will pay dividends on the Series H Shares quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year (each, a "Dividend Payment Date"), commencing June 15, 2014. Such dividends shall be cumulative from the date of issue whether or not earned or declared, and no interest, dividends or sum in lieu thereof shall be payable in respect of the amount of any dividend on the Series H Shares not paid on a Dividend Payment Date and accrued. If a Dividend Payment Date during the Fixed Rate Period is not a Business Day (as defined below), the related dividend (if declared) will be paid on the next succeeding Business Day with the same force and effect as though paid on the Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. If any Dividend Payment Date during the Floating Rate Period is not a Business Day, the related dividend (if declared) will be payable on the next succeeding Business Day, with the same force and effect as though paid on the Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment, unless that day falls in the next calendar month, in which case the Dividend Payment Date will be the immediately preceding Business Day. Dividends payable on the Series H Shares for any period from but including a Dividend Payment Date to but excluding the next succeeding Dividend Payment Date (a "Dividend Period") during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months; *provided however* that Dividends payable on the Series H Shares for the initial Dividend Period and any period shorter than a full Dividend Period will be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the period using 30-day months. Dividends payable on the Series H Shares for any Dividend Period during the Floating Rate Period will be computed based on the actual number of days in a Dividend Period and a 360-day year. "Liquidation Preference" means \$2,500.00 per share of the Series H Shares. "Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York or Los Angeles, California are closed.

(i) The dividend rate for each Dividend Period in the Floating Rate Period will be determined by the Calculation Agent (as defined below) using three-month LIBOR as in effect on the second London Business Day (as defined below) prior to the beginning of the applicable

Dividend Period, which date is the "Dividend Determination Date" for the Dividend Period. The Calculation Agent then will add 2.99% to three-month LIBOR as determined on the Dividend Determination Date. Absent manifest error, the Calculation Agent's determination of the dividend rate for a Dividend Period in the Floating Rate Period for the Series H Shares will be binding and conclusive.

(ii) The term "three-month LIBOR" means (a) the offered quotation to leading banks in the London interbank market for three-month dollar deposits as defined by the British Bankers' Association (or its successor in such capacity, such as NYSE Euronext Rate Administration Ltd.) and calculated by their appointed calculation agent and published, as such rate appears: (i) on the Reuters Monitor Money Rates Service Page LIBOR01 (or a successor page on such service) or (ii) if such rate is not available, on such other information system that provides such information, in each case as of 11:00 a.m. (London time) on the Dividend Determination Date, (b) if no such rate is so published, then the rate for the Dividend Determination Date shall be the arithmetic mean (rounded to five decimal places, with 0.000005 being rounded upwards) of the rates for three-month dollar deposits quoted to the Calculation Agent as of 11:00 a.m. (London time) on the Dividend Determination Date; it being understood that at least two such quotes must have been so provided to the Calculation Agent, or (c) if LIBOR cannot be determined on the Dividend Determination Date using the foregoing methods, then the LIBOR for the relevant dividend period shall be the LIBOR as determined using the foregoing methods for the first day before the Dividend Determination Date on which LIBOR can be so determined. "Reuters Monitor Money Rates Service Page LIBOR01" means the display designated on page "LIBOR01" on Reuters (or such other page as may replace the LIBOR01 page on that service or any successor service for the purpose of displaying London interbank offered rates for U.S. dollar deposits of major banks). "London Business Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market. "Calculation Agent" means Wells Fargo Bank, N.A., or another firm appointed by the Corporation, acting as Calculation Agent

(iii) All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

(b) Dividends will be payable to Holders as of the applicable record date, which record date shall be fixed by the Board and shall be a date not exceeding 60

days before the applicable payment date. Dividends not declared with respect to a specific Dividend Payment Date shall be payable to the Holders as of the record date fixed with respect to such dividends when so declared.

(c) So long as any Series H Shares shall be outstanding, no dividend (other than dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of, the common stock of the Corporation (the "Common Stock") or any other stock of the Corporation ranking, as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the Corporation, junior to the Series H Shares), whether in cash or property, may be paid or declared or set apart, nor may any distribution be made on the Common Stock or such other stock, nor may any shares of Common Stock or such other stock be purchased, redeemed or otherwise acquired for value by the Corporation, unless all dividends on the Series H Shares for the then-current quarterly Dividend Period and all past quarterly Dividend Periods shall have been declared and paid or set apart.

(d) The Board may, in its discretion, choose to pay dividends on the Series H Shares without the payment of any dividends on the Common Stock (or any other stock of the Corporation ranking, as to the payment of dividends, junior to the Series H Shares).

(e) No full dividends shall be declared or paid or set apart for payment on any stock of the Corporation ranking, as to the payment of dividends, equally with the Series H Shares for any period unless full dividends have been declared and paid or set apart for payment on the Series H Shares for the then-current quarterly Dividend Period and all past quarterly Dividend Periods. When dividends are not paid in full upon the Series H Shares and all other classes or series of stock of the Corporation, if any, ranking, as to the payment of dividends, equally with the Series H Shares, all dividends declared upon the Series H Shares and all such other stock of the Corporation will be declared *pro rata* so that the amount of dividends declared for the Series H Shares and all such other stock will in all cases bear to each other the same ratio that accrued dividends for the Series H Shares and for all such other stock bear to each other (but without, in the case of non-cumulative shares of such other stock, accumulation of unpaid dividends for prior Dividend Periods).

(f) No dividends may be declared or paid or set apart for payment on any Series H Shares if at the same time any arrears exist or default exists in the payment of dividends on any outstanding class or series of stock of the Corporation ranking, as to the payment of dividends, senior to the Series H Shares.

(g) The Holders will not be entitled to any dividends, whether payable in cash or property, other than as herein provided and will not be entitled to interest or dividends, or any sum in lieu thereof, on or in respect of any dividend payment or other payment on the Series H Shares which may be in arrears.

2. Liquidation Rights

(a) Upon any voluntary or involuntary dissolution, liquidation or winding up of the Corporation, after payment or provision for the liabilities of the Corporation and the expenses of such dissolution, liquidation or winding up, the Holders of outstanding Series H Shares will be entitled to receive out of the assets of the Corporation or proceeds thereof available for distribution to shareholders, before any payment or distribution of assets is made to holders of the Common Stock (or any other stock of the Corporation ranking, as to the distribution of assets upon dissolution, liquidation or winding up of the Corporation, junior to the Series H Shares), the Liquidation Preference per Share plus an amount equal to the accrued and unpaid dividend (whether or not declared) for the then-current quarterly Dividend Period accrued to but excluding the date of such liquidation payment, plus unpaid dividends on the Series H Shares for all past quarterly Dividend Periods, if any.

(b) If the assets of the Corporation available for distribution in such event are insufficient to pay in full the aggregate amount payable to Holders of Series H Shares and holders of all other classes or series of stock of the Corporation, if any, ranking, as to the distribution of assets upon dissolution, liquidation or winding up of the Corporation, equally with the Series H Shares, the assets will be distributed to the Holders of Series H Shares and holders of all such other stock *pro rata*, based on the full respective preferential amounts to which they are entitled (but without, in the case of any non-cumulative shares, accumulation of unpaid dividends for prior dividend periods).

(c) Notwithstanding the foregoing, Holders of Series H Shares will not be entitled to be paid any amount in respect of a dissolution, liquidation or winding up of the Corporation until holders of any classes or series of stock of the Corporation ranking, as to the distribution of assets upon dissolution, liquidation or winding up of the Corporation, senior to the Series H Shares have been paid all amounts to which such classes or series are entitled.

(d) Neither the sale, lease nor exchange (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation, nor the merger, consolidation or combination of the Corporation into or with any other corporation or the merger, consolidation or combination of any other corporation or entity into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 2.

(e) After payment to the Holders of Series H Shares of the full amount of the distribution of assets upon dissolution, liquidation or winding up of the Corporation to which they are entitled pursuant to this Section 2, such Holders will not be entitled to any further participation in any distribution of assets by the Corporation.

3. Voting Rights

The Series H Shares shall have no voting rights except as set forth in this Section 3 or as otherwise provided by California law:

(a) So long as any Series H Shares are outstanding, the consent of the Holders of at least a majority of the Series H Shares at the time outstanding, voting as a single class, or voting as a single class together with the holders of any other series of Preference Stock (i) upon which like voting or consent rights have been conferred and (ii) which are similarly affected by the matter to be voted upon, given in person or by proxy, either in writing or by vote at any meeting called for the purpose, shall be necessary for effecting or validating any one or more of the following:

(i) any amendment of the Corporation's Restated Articles of Incorporation which would adversely affect the rights, preferences, privileges or restrictions of the Series H Shares; or

(ii) the authorization or creation, or the increase in the authorized amount, of any stock of any class or any security convertible into stock of any class, ranking senior to the Series H Shares.

provided, however, that no such consent of the Holders of Series H Shares shall be required if, at or prior to the time when such amendment is to take effect or when the authorization, creation or increase in the authorized amount of any such senior stock or convertible security is to be made, as the case may be, provision is to be made for the redemption of all Series H Shares at the time outstanding.

(b) On matters requiring their consent, the Holders will be entitled to one vote per Share.

4. Redemption

(a) The Series H Shares shall be redeemable (i) at the option of the Corporation at any time or from time to time on or after March 15, 2024 (an "Optional Redemption") and (ii) at the option of the Corporation exercisable prior to March 15, 2024, if the Holder of all the Series H Shares is SCE Trust III or another Delaware statutory trust in which the Corporation owns all of the securities thereof designated as common securities, at any time within 90 days after an Investment Company Event or a Tax Event (each, a "Special Event Redemption"). Subject to the notice provisions set forth in Section 4(b) below and subject to any further limitations which may be imposed by law, the Corporation (y) may redeem the Series H Shares, in whole or in part, in the event of an Optional Redemption and (z) may redeem the Series H Shares in whole but not in part upon occurrence of a Special Event Redemption, in each case out of funds legally available therefor, at a redemption price equal to the Liquidation Preference per Share plus an amount equal to the amount of the accrued and unpaid dividend (whether or not declared) for the then-current quarterly Dividend Period to but excluding the redemption date, plus unpaid dividends on the Series H Shares for all past quarterly Dividend Periods, if any. If less than all of the outstanding Series H Shares are to be redeemed in an Optional Redemption, the Corporation will select the Series H Shares to

be redeemed from the outstanding Series H Shares not previously called for redemption by lot or *pro rata*.

(b) In the event the Corporation shall redeem any or all of the Series H Shares as aforesaid, the Corporation will give notice of any such redemption to Holders neither more than 60 nor less than 30 days prior to the date fixed by the Board for such redemption. Failure to give notice to any Holder shall not affect the validity of the proceedings for the redemption of Series H Shares of any other Holder being redeemed.

(c) Notice having been given as herein provided, from and after the redemption date, dividends on the Series H Shares called for redemption shall cease to accrue and such Series H Shares called for redemption will no longer be deemed outstanding, and all rights of the Holders thereof will cease.

(d) The Series H Shares will not be subject to any mandatory redemption, sinking fund or other similar provisions. In addition, Holders will have no right to require redemption of any Series H Shares.

(e) Any Series H Shares which are converted, redeemed or retired shall thereafter have the status of authorized but unissued shares of Preference Stock of the Corporation undesignated as to series, and may thereafter be reissued by the Board in the same manner as any other authorized and unissued shares of Preference Stock.

(f) If the Corporation shall deposit on or prior to any date fixed for redemption of the Series H Shares, with any bank or trust company having a capital, surplus and undivided profits aggregating at least five million dollars (\$5,000,000), as a trust fund, funds sufficient to redeem the Series H Shares called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board may determine, to the respective Holders of such Series H Shares, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series H Shares so called shall be deemed to be redeemed and dividends thereon shall cease to accrue from and after said date fixed for redemption and such deposit shall be deemed to constitute full payment of said Series H Shares to the Holders thereof and thereafter said Series H Shares shall no longer be deemed to be outstanding, and the Holders thereof shall cease to be shareholders with respect to such Series H Shares, and shall have no rights with respect thereto except only the right to receive from said bank or trust company payment of the redemption price of such Series H Shares without interest.

(g) Any moneys deposited by the Corporation pursuant to Section 4(f) which shall not be required for the redemption because of the exercise of any such right of conversion or exchange subsequent to the date of the deposit shall be repaid to the Corporation forthwith.

(h) For purposes of this Certificate of Determination of Preferences, "Investment Company Event" and "Tax Event" shall have the meanings ascribed to such

terms in the Declaration of Trust of SCE Trust III, a Delaware statutory trust (the "Trust"), to be dated as of March 6, 2014, by and among Southern California Edison Company, as Sponsor, the Trustees identified therein and the holders, from time to time, of undivided beneficial interests in the assets of the Trust, as may be amended from time to time, a copy of which is available without charge upon request by writing or calling the Corporate Governance Department at the Corporation's principal place of business.

5. Rank

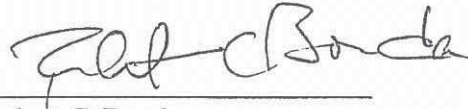
The Series H Shares shall rank, with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation:

(a) junior to the Cumulative Preferred Stock and the \$100 Cumulative Preferred Stock, and any other equity securities that the Corporation may later authorize or issue, the terms of which provide that such securities will rank senior to the Series H Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(b) equally with any other shares of Preference Stock and any other equity securities that the Corporation may later authorize or issue, the terms of which provide that such shares or other securities will rank equally with the Series H Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation; and

(c) senior to the Common Stock, and any other equity securities that the Corporation may later authorize or issue, the terms of which provide that such securities will rank junior to the Series H Shares with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Certificate
in Rosemead, California on February 27, 2014.

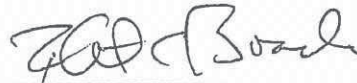


Robert C. Boada
Vice President



George T. Tabata
Assistant Treasurer

Each of the undersigned declares under penalty of perjury that the matters
contained in the foregoing certificate are true of their own knowledge. Executed in
Rosemead, California on February 27, 2014.



Robert C. Boada



George T. Tabata



I hereby certify that the foregoing
transcript of 9 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

MAR -3 2014

Date: _____

Debra Bowen

DEBRA BOWEN, Secretary of State