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PRESS RELEASE

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CPUC DECISION ON SOUTHERN CALIFORNIA EDISON RATE CASE AIMED AT PROVIDING SAFE AND RELIABLE SERVICE

SAN FRANCISCO, November 29, 2012 -- The California Public Utilities Commission (CPUC) today issued a decision in Southern California Edison's (SCE) General Rate Case, allowing SCE to recover from ratepayers an increase of 5.04 percent over present rates, representing the reasonable costs of providing safe and reliable electrical service to customers in 2012. SCE had requested a 16.6 percent increase over current rates.

The Decision is the result of the CPUC's detailed review of the future operations and service requirements of SCE. The CPUC holds safety, reliability, and just and reasonable rates for customers as the basis of its review. In order to keep rates just and reasonable, the Decision imposes belt tightening on SCE, including more efforts at cost-effectiveness, slower implementation of some activities, and disallowance of non-essential costs and projects. The Decision reduces SCE's 2012 company-wide request for Operations and Maintenance expenses by approximately \$258 million and reduces SCE's 2010-2012 capital spending request by approximately \$756 million.

The Decision authorizes \$5.671 billion base revenue requirement for 2012 in order to provide SCE with sufficient funding to both assure safe and reliable service and to adapt SCE's system to integrate renewable energy resources and advanced technologies. The revenue is a 5.04 percent increase over the projected revenue requirement at present rate levels of \$5.399 billion, and a 9.9 percent reduction from the 2012 revenue requirement requested by SCE of \$6.294 billion.

"This decision ensures that SCE is able to invest in smart energy systems, renewables, and safety and reliability while its ratepayers are protected under the CPUC's prudent review. The decision strikes a fine balance in attaining this common goal between the utility and its ratepayers," said Commissioner Timothy Alan Simon, the lead Commissioner in the proceeding.



Said Commissioner Mike Florio, “While today’s decision results in a rate increase for SCE’s ratepayers, this is a necessary investment in our future. We need to do a more thorough job in monitoring, maintaining, and replacing our aging electricity infrastructure. We also need to modernize and enhance our electricity system to better achieve the state’s environmental policy goals. We will be vigilant to ensure that SCE will spend every penny wisely.”

Added Commissioner Mark J. Ferron, “Today’s decision strikes an appropriate balance between providing the necessary funds for forward-looking utility operations while maintaining affordable prices for SCE’s customers and keeping a watchful eye on the associated safety concerns.”

Recognizing the need for SCE to make safety a priority, the Decision authorizes enhanced equipment inspections and new technology to better track the condition and service record of SCE’s assets. It also orders an independent assessment of SCE’s system utility poles to determine whether current loads meet legal standards, and an independent audit of SCE’s spending across key categories of infrastructure repair and replacement included in the Reliability Investment Incentive Mechanism.

Regarding SCE’s much-criticized response to a 2011 windstorm, in 2013 SCE is required to provide the CPUC with a progress report on various initiatives SCE stated it would undertake to improve its emergency communications and responses to service communities and customers. Further, the Proposed Decision determines that it is in the best interest of ratepayers for 2012 Operations and Maintenance expenses and post-2011 capital expenditures related to the San Onofre Nuclear Generating Station to be tracked in a memorandum account for separate review and be subject to refund.

The proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M037/K186/37186170.pdf>.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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