



An *EDISON INTERNATIONAL*® Company

SCE 2009 Rate Update

December 2008

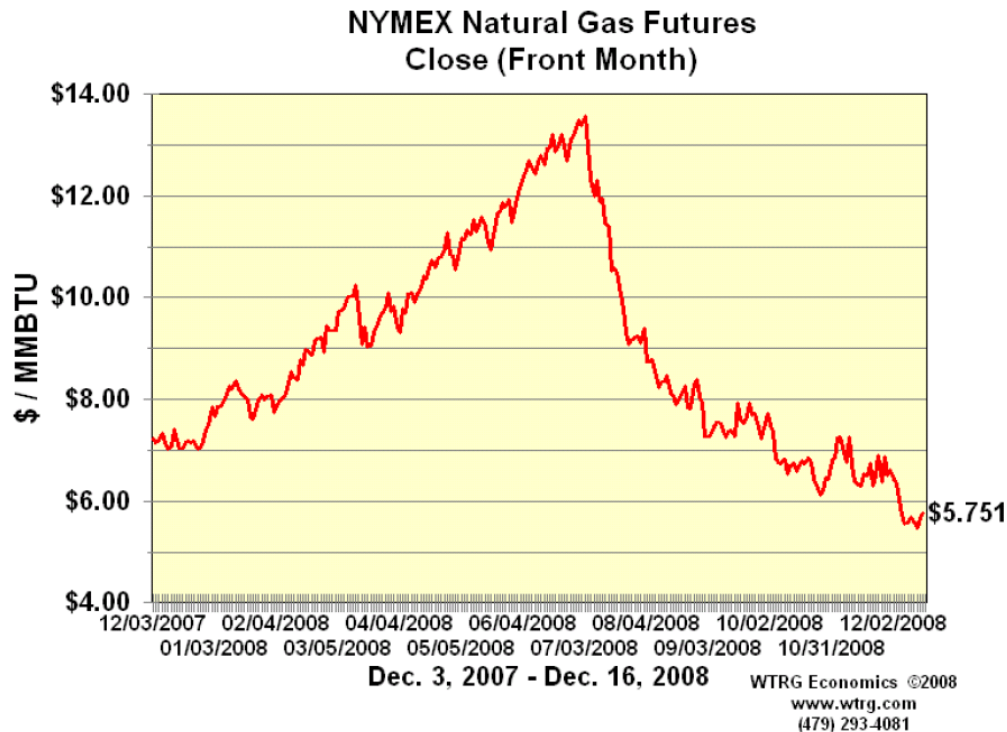


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SCE Ratesetting Proceedings Overview

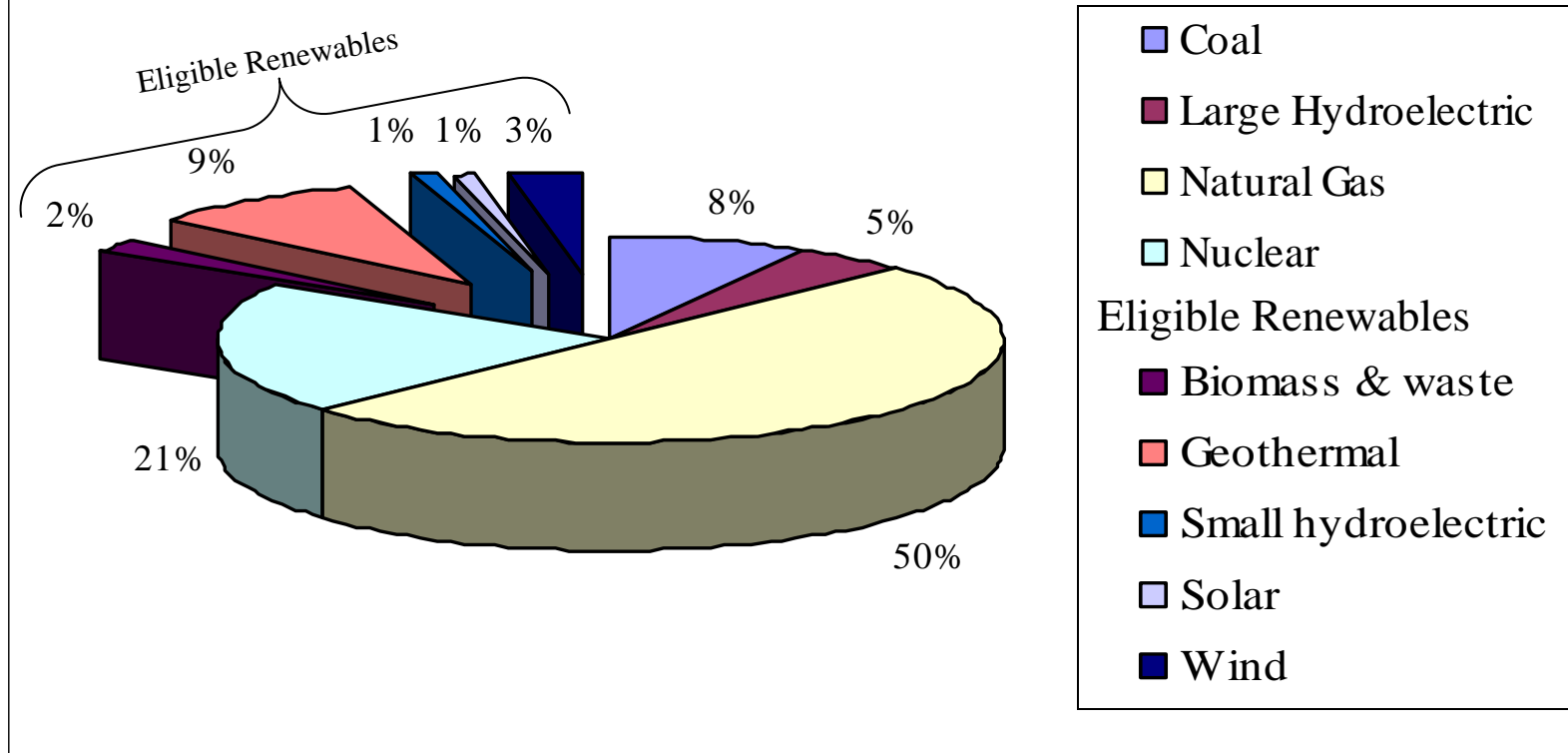
- SCE earns authorized rate of return on capital investments in rate base
- SCE does not earn profit or return on generation or power procurement
- General Rate Cases (every 3 years)
 - Determine authorized operating expenses and rate base (authorized capital investment)
- Cost of Capital Proceedings (annual)
 - Determines authorized costs of debt, preferred stock, and shareholder equity
- Procurement Proceedings (annual or more often)
 - Reasonable costs recovered dollar for dollar
 - Allocation of costs for power procured by the Department of Water Resources
 - Costs for fuel and for power purchased directly by SCE
- Recovery of actual authorized revenues assured through balancing account treatment
 - Electricity Sales do not affect profit

Gas Futures Prices



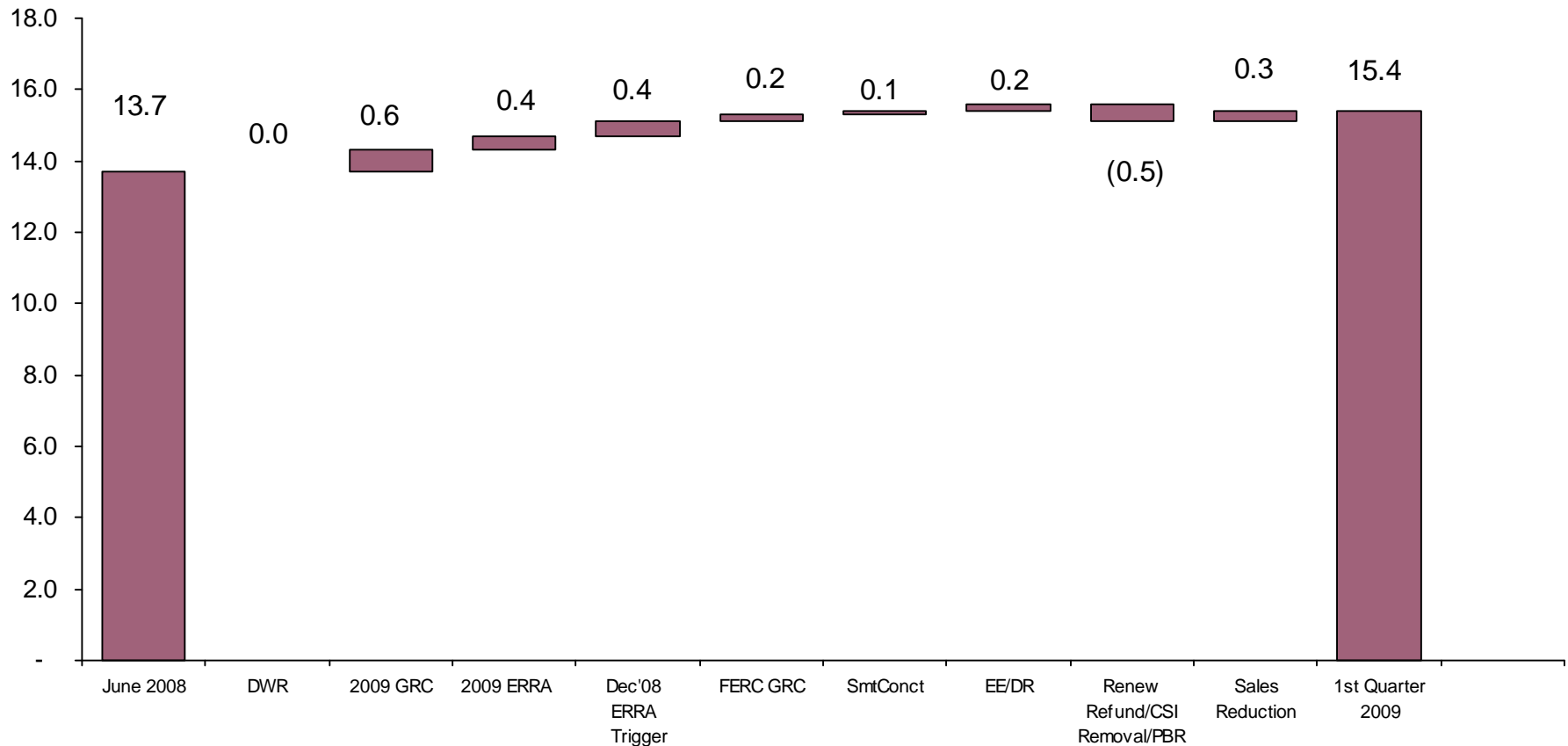
- Electricity prices have been stable for customers because high gas prices are mitigated by
 - Variety of contracts that lock in the price of gas with terms up to 60 months
 - Hedging
 - Annualized increases
 - SCE's power mix

2008 SCE Power Mix



- SCE currently purchases or generates 16% of its power deliveries eligible from renewable resources
 - Higher than other utilities in CA

Estimated 1st Quarter 2009 Bundled Service System Average Rate Buildup (cents/kWh)



Estimated 1st Quarter rate increase: 1.7 cents/kWh or 12%

- These rates are estimated based on SCE's latest forecasts and are subject to change due to CPUC and FERC proceedings currently before those Commissions. We are providing this information in advance of Commission decisions as an aid to help customers plan for future energy costs. Actual rates approved by the Commission will differ from these forecasted rates.

2009 DWR Rate Change

- Expected Timeline
 - CPUC Decision: December 4, 2008
 - Effective Date: January 1, 2009
- DWR Power Charge
 - Slight decrease due to decrease in 2009 DWR Revenue Requirement
 - Mainly due to decrease in natural gas costs
- DWR Bond Charge
 - Slight increase

DWR Charge	2008 Rate (¢/kWh)	2009 Rate (¢/kWh)
Power Charge	8.88	8.24
Bond Charge	0.477	0.491

2009 General Rate Case (GRC) Phase 1

- Operations and maintenance expenses as well as capital expenditures
 - Construction of added facilities to serve new customers and to reinforce SCE's power delivery grid to accommodate growing electricity use
 - Substantial capital investments to replace aging distribution infrastructure and business systems
 - Increased costs for system operations and maintenance

2009 General Rate Case (GRC) Phase 1

- Two Proposed Decisions (PD) filed on Nov 18
 - ALJ PD would approve increase of \$277 million
 - Alternate PD would approve increase of \$423 million
 - SCE requested an increase of \$739 million
- Expected Timeline
 - CPUC Decision: January 29, 2009
 - Effective Date: March 1, 2009
- Estimated Impact
 - Total increase: \$423 million
 - Avg rate increase: 0.6 cents/kWh or 5%

Energy Resource Recovery Account (ERRA)

- Fuel and purchased power - \$0 increase
 - It is expected SCE will hit the ERRA trigger amount this year
 - Expected rate increase of approx \$281 million on March 1, 2009
- Remove current ERRA overcollection balance – \$330 million increase
- Expected Timeline
 - SCE filed ERRA update: November 10, 2008
 - CPUC Decision: January 29, 2009
 - Effective Date: March 1, 2009
- Estimated Impact
 - Total increase: \$611 million
 - Avg Rate increase: 0.8 cents/kWh or 6%

Federal Energy Regulatory Commission (FERC)

2009 FERC General Rate Case

- Large transmission plant additions, which exceed \$800 million in 2008 and 2009 alone and;
- A projected doubling of Transmission O&M expenses from 2007 to 2009 in order to maintain and improve system reliability
- Increase in revenue requirement - \$218 million
- Decrease in balancing accounts - \$89 million
- Expected Timeline
 - Effective Date: March 1, 2009
- Estimated Impact
 - Total increase: \$129 million
 - Avg rate increase: 0.2 cents/kWh or 1%

Other Rate Impacts

- Increase in costs
 - Edison SmartConnect - \$104 million
 - Energy Efficiency/Demand Response - \$173 million
 - Commission decisions will likely be delayed to 2nd quarter
- Decrease in costs
 - Refund of program funds meant to offset above market costs of renewable energy – \$193 million
 - Removal of CA Solar Initiative (CSI) costs - \$149 million
 - PBR decision resulted in decrease of \$104 million
- Sales Reduction in forecasted sales results in increase
- Expected Timeline
 - CPUC Decisions: Various
 - Effective Date: March 1, 2009
- Estimated Impact
 - Total increase: \$40 million
 - Avg rate increase: 0.1 cents/kWh or 1%

Bundled Service – Average Rate Levels (cents/kWh)

Southern California Edison Company

Estimated Customer Bill Impact Analysis Summary - Dec 2008

Rate Schedule By Customer Group	Current Rates	Estimated 1st Qtr 2009 Rates	Percent Change
Domestic			
Non-CARE	16.9	19.3	14.2%
CARE	10.6	11.8	12.0%
Lighting-SM Med Power			
GS-1	16.9	19.0	12.6%
TC-1	14.0	15.6	11.0%
GS-2	14.6	16.4	12.0%
TOU-GS-3	14.4	16.1	12.2%
Group Total	14.9	16.8	12.2%
Large Power			
TOU-8-SEC	12.5	14.1	12.4%
TOU-8-PRI	11.8	13.3	12.7%
TOU-8-SUB	7.9	8.9	12.0%
Group Total	11.1	12.5	12.4%
Agricultural & Pumping			
PA-1	17.6	19.5	10.7%
PA-2	12.8	14.2	10.8%
TOU-AG	9.6	10.7	11.4%
TOU-PA-5	8.8	9.7	10.1%
Group Total	10.9	12.1	10.8%
Street & Area Lighting	16.5	17.8	7.8%

These average rate levels are estimated based on SCE's latest forecast, and are subject to change and to CPUC and FERC decisions in proceedings currently before those Commissions.

Direct Access – Average Rate Levels (cents/kWh)

Southern California Edison Company

Estimated Customer Bill Impact Analysis Summary - Dec 2008

Rate Schedule By Customer Group	Current Rates	Estimated 1st Qtr 2009 Rates	Percent Change
Domestic	8.8	9.5	8.5%
Lighting-SM Med Power			
GS-1	8.9	9.6	7.9%
TC-1	8.6	9.1	6.0%
GS-2	6.5	6.9	4.9%
TOU-GS-3	6.1	6.4	5.0%
Group Total	6.4	6.7	5.1%
Large Power			
TOU-8-SEC	6.1	6.5	6.4%
TOU-8-PRI	5.8	6.1	6.4%
TOU-8-SUB	4.1	4.2	3.4%
Group Total	5.2	5.4	5.4%
Agricultural & Pumping			
PA-1	6.9	7.0	2.4%
PA-2	6.5	6.7	3.4%
TOU-AG	4.7	4.9	3.8%
TOU-PA-5	6.2	6.5	5.6%
Group Total	5.0	5.2	3.7%
Street & Area Lighting	9.0	9.1	0.6%

These average rate levels are estimated based on SCE's latest forecast, and are subject to change and to CPUC and FERC decisions in proceedings currently before those Commissions.

Residential Tier Rates (cents/kWh)

Non-CARE	Tier	Current Rates (¢/kWh)	Estimated 1st Qtr 2009 (¢/kWh)	Total % Change
	T1	12.1	11.8	-2.2%
	T2	14.0	13.7	-1.9%
	T3	20.8	27.4	31.9%
	T4	24.3	30.9	27.3%
	T5	27.8	34.4	23.8%
CARE				
	T1	8.5	8.5	0.0%
	T2	10.7	10.7	0.0%
	T3	15.9	21.4	34.9%
	T4	15.9	21.4	34.9%
	T5	15.9	21.4	34.9%

These average rate levels are estimated based on SCE's forecast as of Dec 2008 and are subject to change and to CPUC and FERC decisions in proceedings currently before those Commissions.

- AB1X legislation froze Tiers 1 and 2 rates
- All cost increases must be allocated to Tiers 3, 4 and 5
- Result is that higher usage homeowners pay disproportionate share of costs



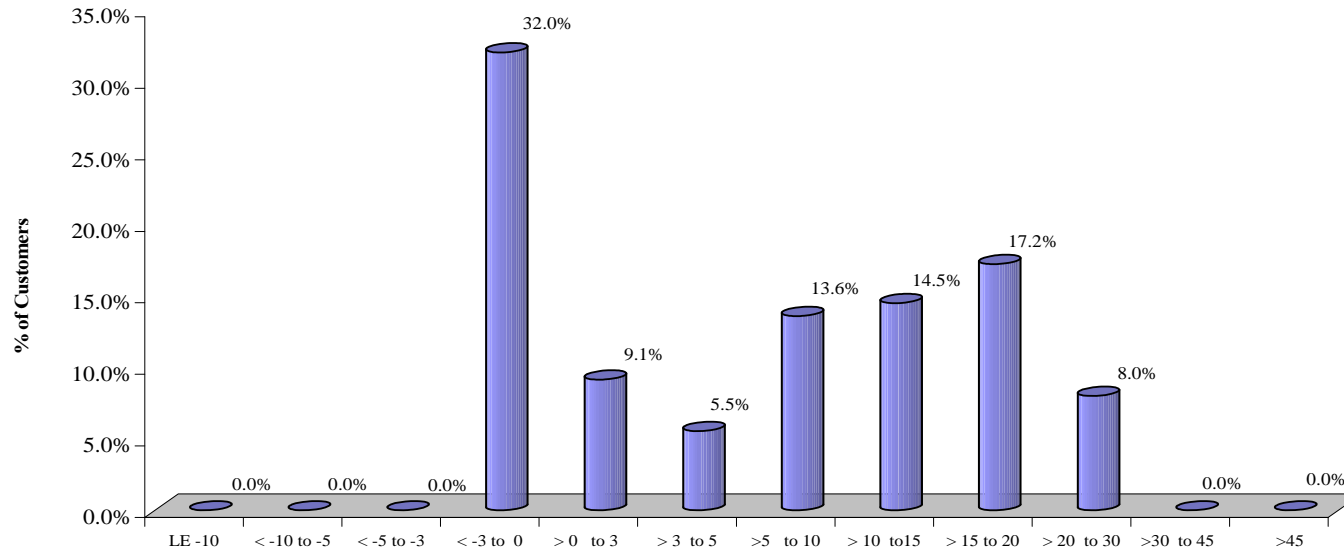
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Back-Up Slides

Residential Non-CARE Bill Impacts

DOMESTIC - : (Bundled)

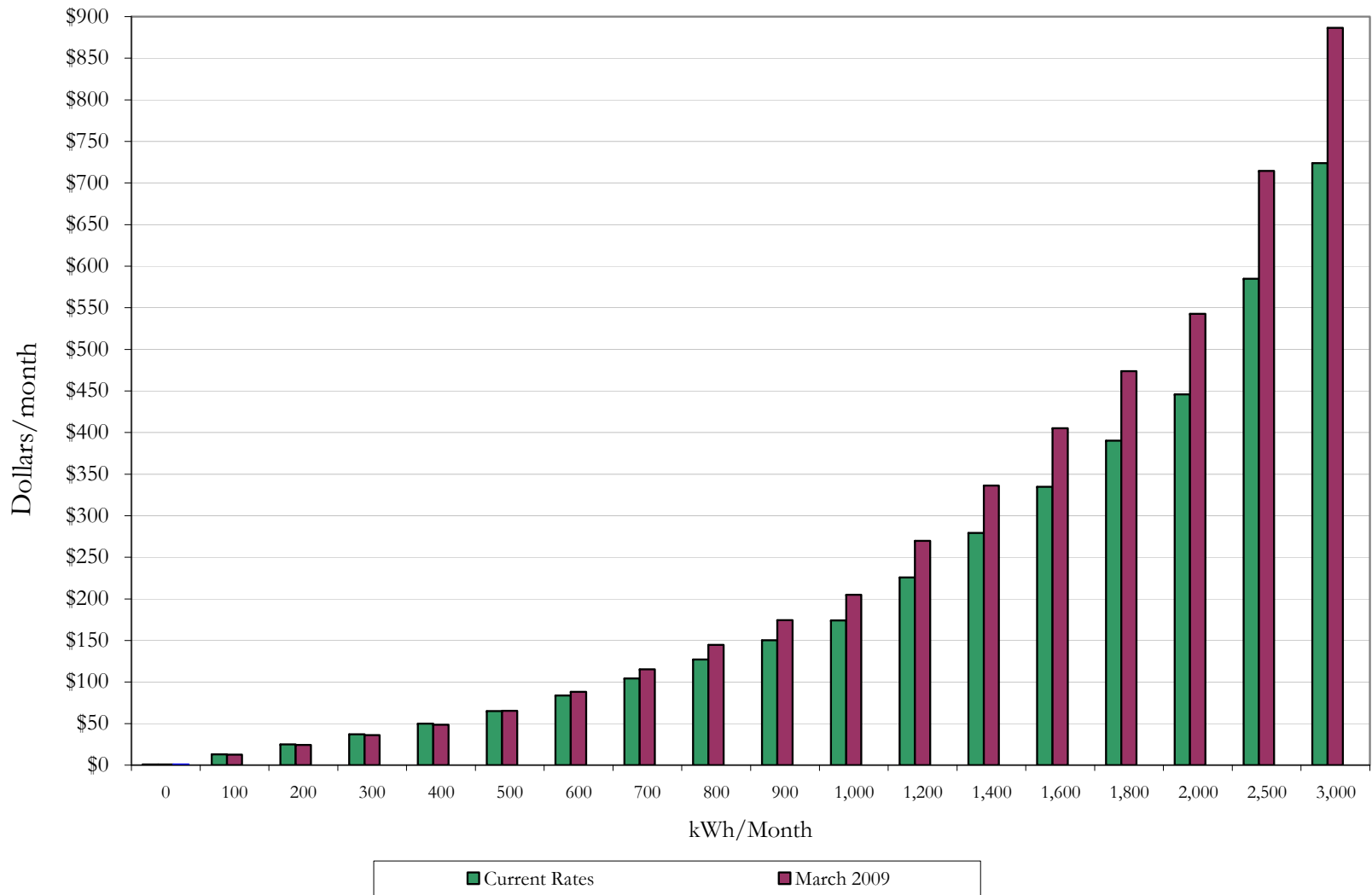
• Bill Impact Analysis (Current vs. Proposed-Noncare)



% Impact

Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	Proposed
LE -10	-	0.0%	-	-	-	-	0%	-	-
< -10 to -5	-	0.0%	-	-	-	-	0%	-	-
< -5 to -3	14	0.0%	322	3,865	8.6	8.3	-3%	26.8	26.0
< -3 to 0	852,938	32.0%	321	299	12.5	12.2	-2%	36.3	35.6
> 0 to 3	243,510	9.1%	348	496	13.1	13.3	2%	58.4	59.3
> 3 to 5	147,620	5.5%	348	556	13.6	14.1	4%	67.8	70.6
> 5 to 10	361,903	13.6%	349	642	14.3	15.4	8%	82.6	88.9
> 10 to 15	385,919	14.5%	350	795	15.7	17.6	13%	111.2	125.3
> 15 to 20	458,470	17.2%	353	1,071	17.7	20.9	18%	168.1	198.0
> 20 to 30	213,114	8.0%	354	2,086	22.3	27.1	22%	409.5	499.2
> 30 to 45	-	0.0%	-	-	-	-	0%	-	-
> 45	-	0.0%	-	-	-	-	0%	-	-
Group Total	2,663,488	100.0%	341	726	16.9	19.3	14%	112.2	128.0

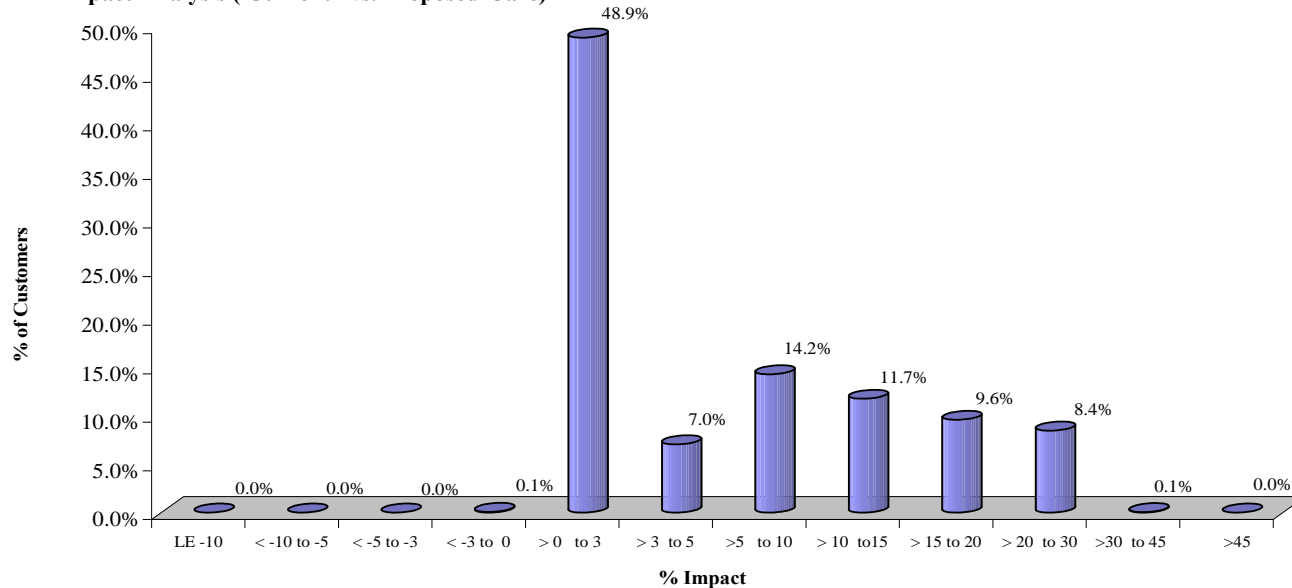
Comparison of Average Annual Bills – Baseline Region 17



Residential CARE Bill Impacts – March 2009

DOMESTIC - : (Bundled)

● Bill Impact Analysis (Current vs. Proposed-Care)

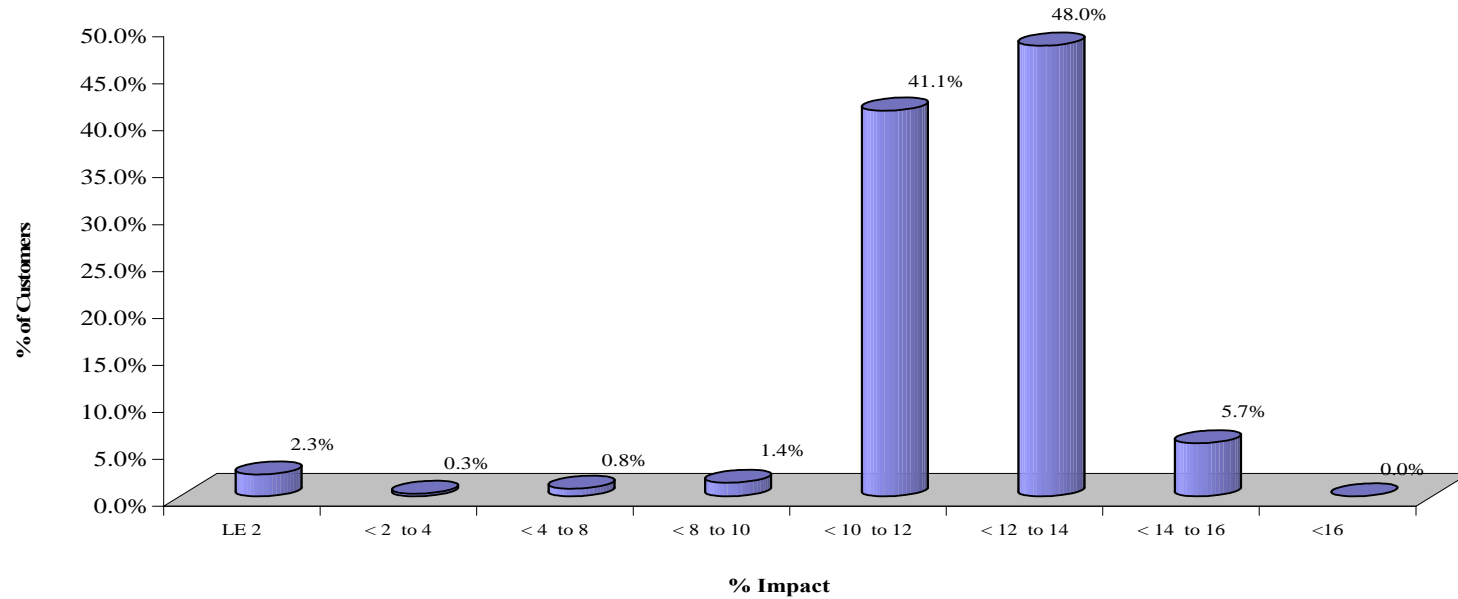


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	Proposed
LE -10	-	0.0%	-	-	-	-	0%	-	-
< -10 to -5	-	0.0%	-	-	-	-	0%	-	-
< -5 to -3	-	0.0%	-	-	-	-	0%	-	-
< -3 to 0	817	0.1%	339	3	46.3	46.3	0%	1.5	1.5
> 0 to 3	514,273	48.9%	347	329	8.9	9.0	1%	26.4	26.5
> 3 to 5	73,988	7.0%	349	497	9.4	9.8	4%	41.9	43.6
> 5 to 10	149,835	14.2%	350	575	10.0	10.7	8%	51.2	55.1
> 10 to 15	123,226	11.7%	350	700	10.8	12.1	13%	67.3	75.7
> 15 to 20	100,494	9.6%	350	861	11.6	13.7	18%	89.4	105.1
> 20 to 30	88,738	8.4%	351	1,229	12.9	16.0	24%	141.3	174.9
> 30 to 45	563	0.1%	353	2,975	14.7	19.2	31%	387.0	506.4
> 45	-	0.0%	-	-	-	-	0%	-	-
Group Total	1,051,934	100.0%	348	547	10.6	11.8	12%	51.8	58.0

GS-2 Bill Impacts – March 2009

GS-2 Class :- (Bundled)

- Bill Impact Analysis (Current vs. Proposed)

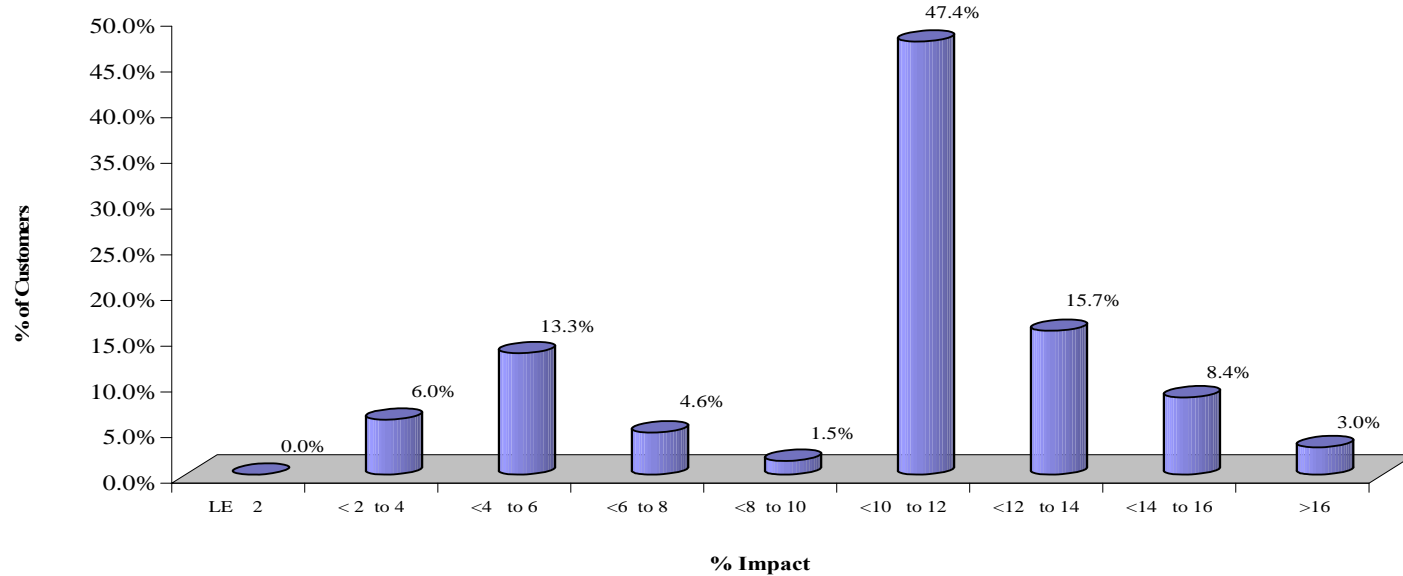


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$ \$ -Changed from Current	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	from Current
LE 2	2,690	2.3%	363	25,790	10.5	6.8	-32.4	2,711.7	(938.4)
< 2 to 4	313	0.3%	365	30,721	6.0	6.2	3.7	1,843.9	67.9
< 4 to 8	932	0.8%	346	21,030	6.6	7.0	5.4	1,472.5	75.0
< 8 to 10	1,672	1.4%	272	3,635	10.0	11.0	9.4	489.5	45.7
< 10 to 12	47,447	41.1%	353	15,308	12.9	14.3	11.5	2,036.4	233.1
< 12 to 14	55,450	48.0%	347	7,013	17.3	19.5	12.8	1,272.8	161.5
< 14 to 16	6,533	5.7%	330	2,464	31.8	36.4	14.6	865.1	125.8
< 16	-	0.0%	-	-	-	-	0.0	-	-
Group Total	115,495	100.0%	347	10,718	14.2	15.6	11.2	\$1,598	\$160

GS-2-T Bill Impacts – March 2009

GS-2-T Class :- (Bundled)

- Bill Impact Analysis (Current vs. Proposed)

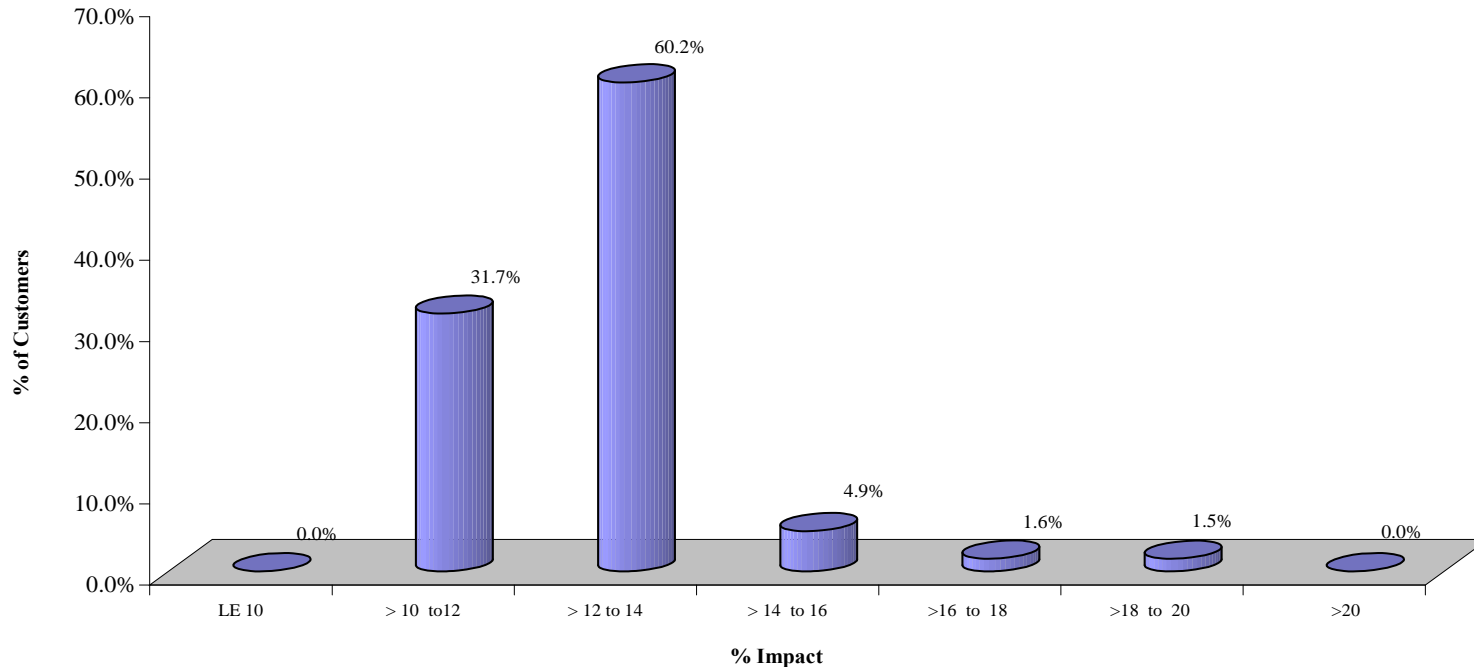


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$ \$ -Changed from Current	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	from Current
LE 2	-	0.0%	-	-	-	-	0.0	-	-
<2 to 4	312	6.0%	365	30,815	6.0	6.2	3.7	1,848.4	68.1
<4 to 6	689	13.3%	361	25,230	6.5	6.8	4.9	1,657.3	79.9
<6 to 8	239	4.6%	304	9,265	7.8	8.3	7.0	865.6	59.4
<8 to 10	78	1.5%	330	7,722	9.1	9.9	8.8	773.2	68.1
<10 to 12	2,457	47.4%	362	24,776	12.0	13.3	11.2	2,990.1	335.6
<12 to 14	816	15.7%	363	15,028	15.7	17.8	12.8	2,379.1	303.8
<14 to 16	438	8.4%	363	5,381	21.2	24.3	14.7	1,145.6	167.9
>16	155	3.0%	350	9,821	9.0	10.5	17.6	917.7	161.6
Group Total	5,184	100.0%	359	20,608	11.0	12.2	10.4	\$2,313	\$246

TOU-GS-3 Bill Impacts – March 2009

TOU-GS3 - : (Bundled)

• Bill Impact Analysis (Current vs. Proposed)

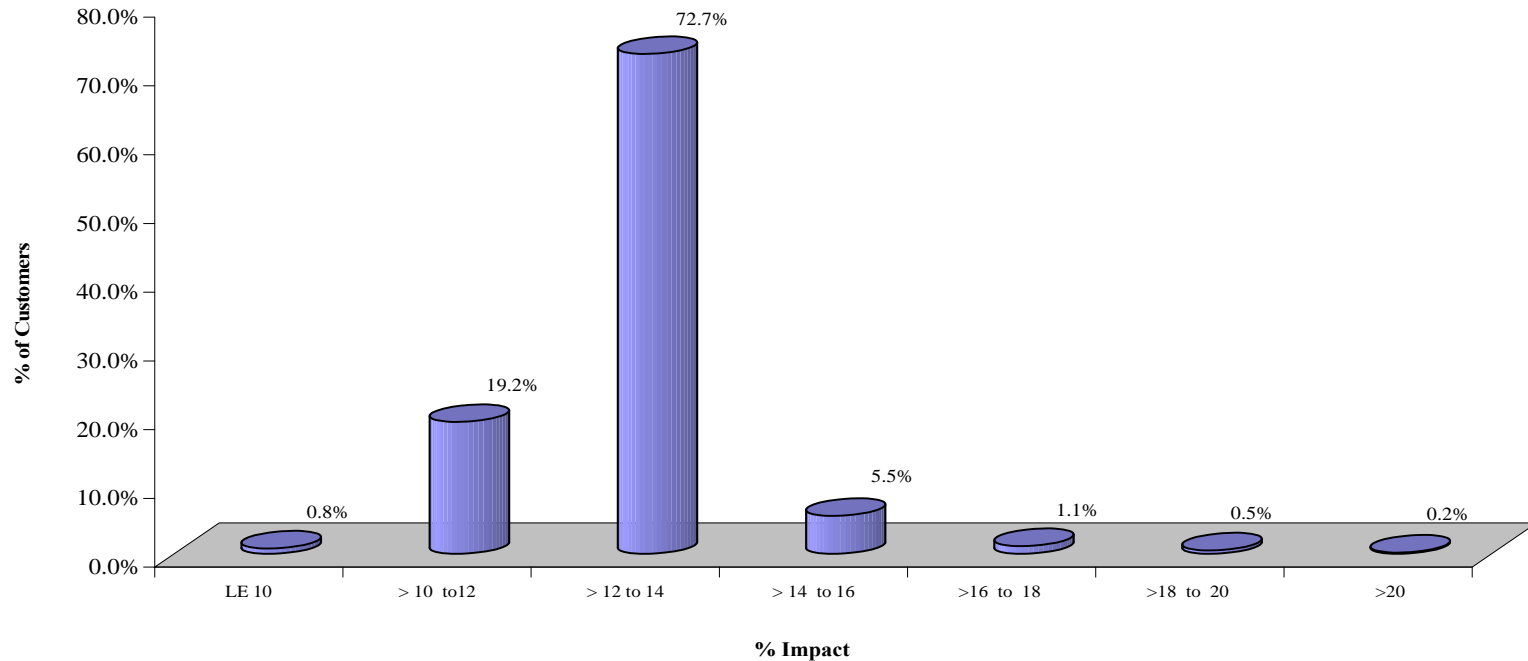


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	Proposed
LE 10	-	0.0%	-	-	-	-	0%	-	-
> 10 to 12	2,210	31.7%	363	128,079	12.6	14.1	12%	16,196.8	18,084.7
> 12 to 14	4,192	60.2%	356	63,223	16.1	18.2	13%	10,437.9	11,755.3
> 14 to 16	344	4.9%	336	21,233	23.3	26.8	15%	5,378.6	6,173.9
> 16 to 18	108	1.6%	342	4,684	52.6	61.5	17%	2,630.6	3,073.2
> 18 to 20	107	1.5%	296	-	-	-	18%	2,201.6	2,601.4
> 20	-	0.0%	-	-	-	-	0%	-	-
Group Total	6,961	100.0%	356	79,858	14.5	16.3	12%	11,843.9	13,296.8

TOU-8-SEC Bill Impacts – March 2009

TOU-8 SEC - : (Bundled)

• Bill Impact Analysis (Current vs. Proposed)

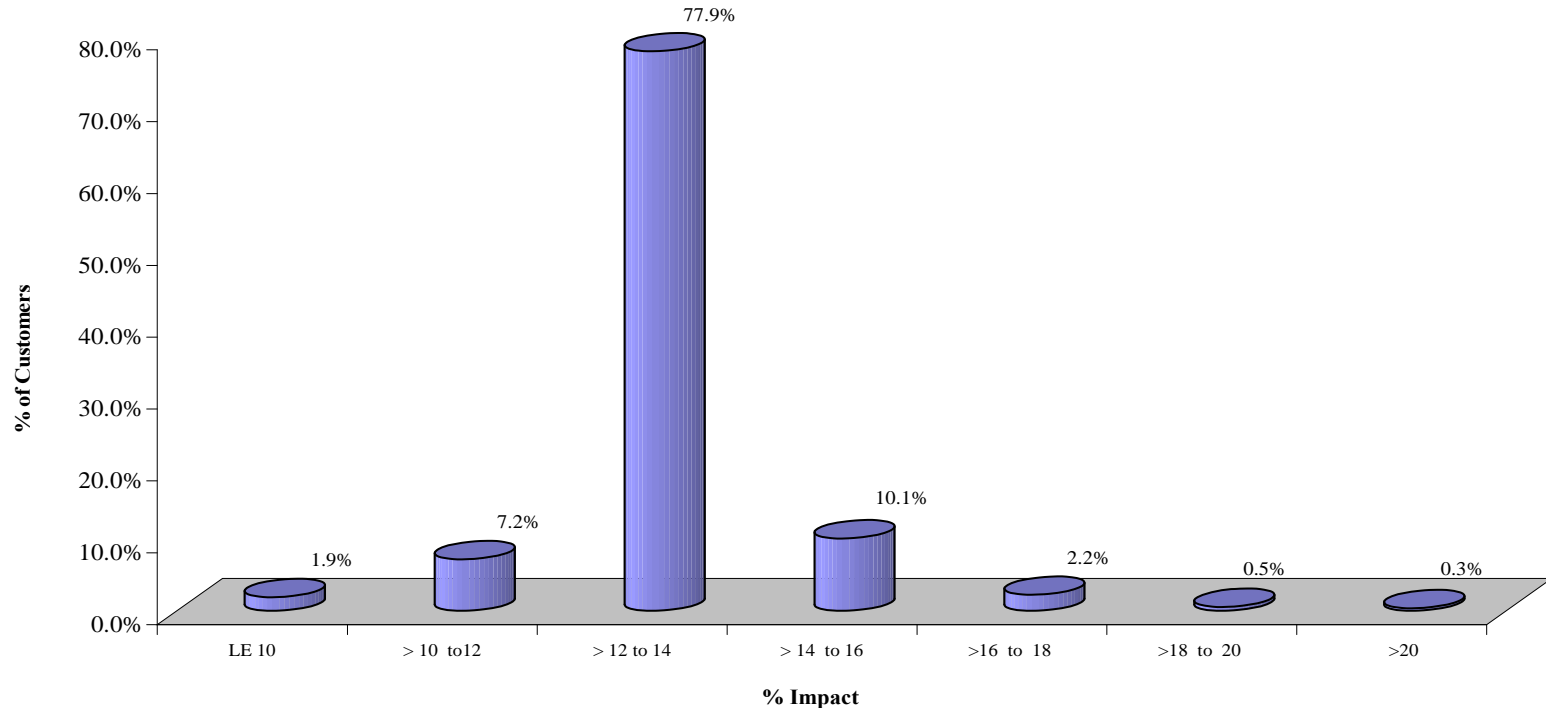


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	Proposed
LE 10	17	0.8%	367	504,428	10.8	11.9	9%	54,335.7	59,389.5
> 10 to 12	424	19.2%	363	455,411	11.2	12.5	12%	51,123.9	57,125.0
> 12 to 14	1,607	72.7%	349	241,124	13.1	14.8	13%	33,058.8	37,222.9
> 14 to 16	122	5.5%	321	160,867	13.2	15.1	15%	24,135.6	27,668.7
> 16 to 18	25	1.1%	359	85,556	18.2	21.2	17%	15,794.0	18,434.1
> 18 to 20	11	0.5%	255	47,958	19.4	23.1	19%	13,335.3	15,869.1
> 20	4	0.2%	293	33,852	26.1	31.8	22%	10,978.4	13,401.9
Group Total	2,210	100.0%	350	276,735	12.5	14.1	12%	36,069.7	40,548.5

TOU-8-PRI Bill Impacts – March 2009

TOU-8 PRI - : (Bundled)

• Bill Impact Analysis (Current vs. Proposed)

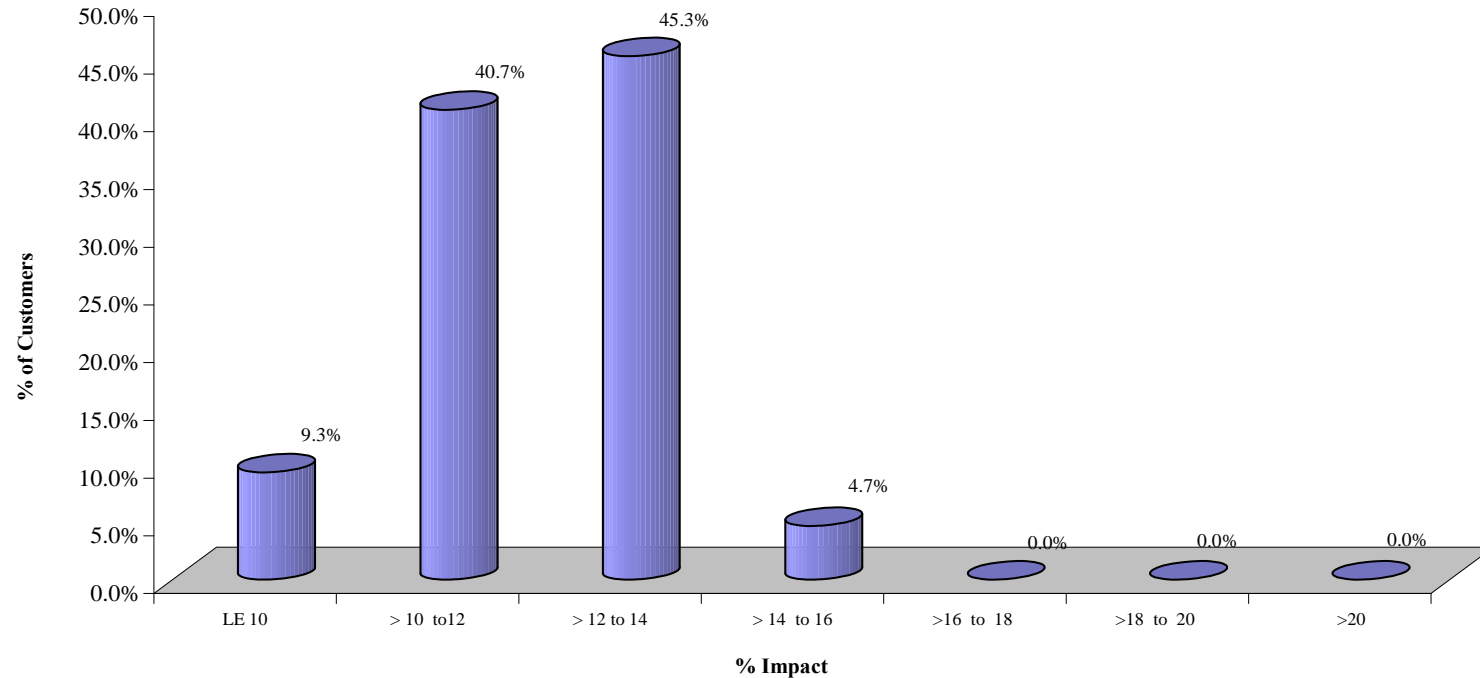


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	Proposed
LE 10	11	1.9%	367	880,181	9.7	10.6	9%	85,160.5	93,246.0
> 10 to 12	42	7.2%	367	1,086,479	10.7	12.0	12%	115,890.3	129,349.8
> 12 to 14	457	77.9%	360	632,390	11.9	13.4	13%	76,224.0	85,845.4
> 14 to 16	59	10.1%	359	445,395	11.7	13.4	14%	52,966.4	60,637.1
> 16 to 18	13	2.2%	341	80,203	21.0	24.5	17%	17,995.0	21,009.7
> 18 to 20	3	0.5%	361	25,747	40.1	47.5	18%	10,420.9	12,341.7
> 20	2	0.3%	366	114,575	18.4	22.1	20%	21,044.4	25,287.4
Group Total	587	100.0%	360	633,635	11.7	13.2	13%	75,206.8	84,686.5

TOU-8-SUB Bill Impacts – March 2009

TOU-8 SUB - : (Bundled)

• Bill Impact Analysis (Current vs. Proposed)

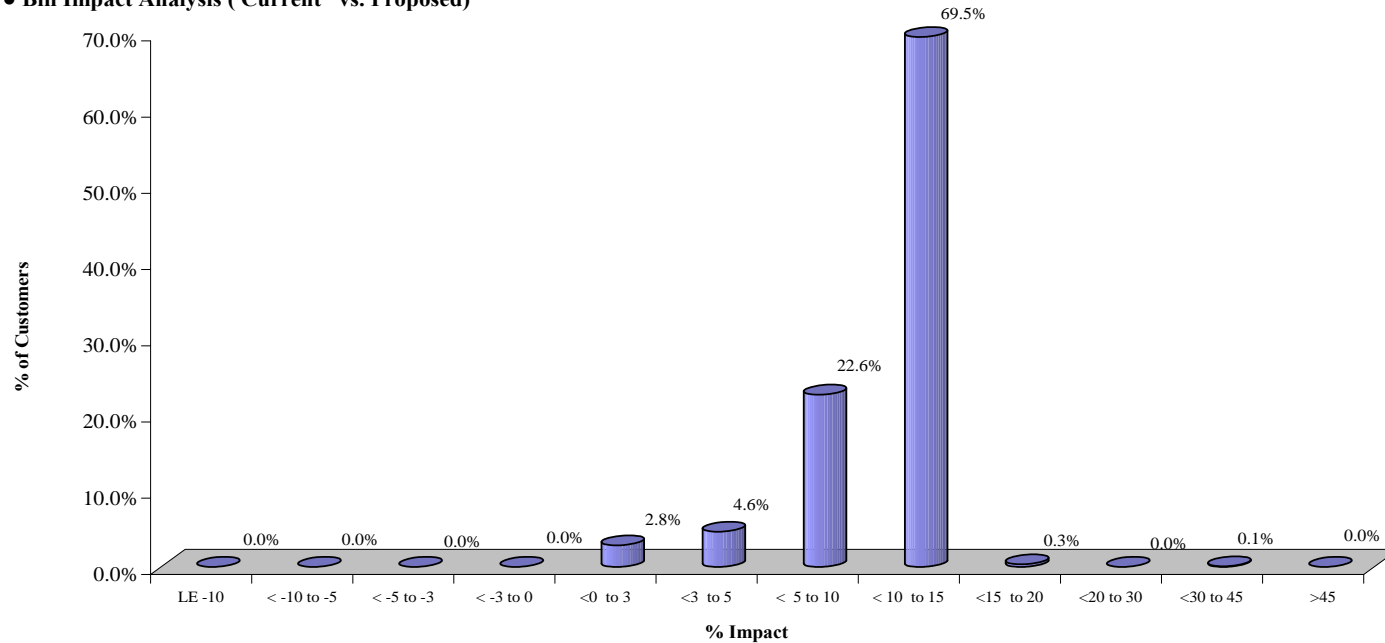


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - % Average	Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed		Current	Proposed
LE 10	8	9.3%	366	2,923,528	7.2	7.8	8%	209,855.0	226,018.6
> 10 to 12	35	40.7%	366	4,645,456	7.8	8.7	12%	360,858.7	403,403.7
> 12 to 14	39	45.3%	364	3,760,708	8.0	9.0	12%	301,108.4	338,078.6
> 14 to 16	4	4.7%	367	437,011	13.5	15.5	14%	58,733.0	67,205.2
> 16 to 18	-	0.0%	-	-	-	-	0%	-	-
> 18 to 20	-	0.0%	-	-	-	-	0%	-	-
> 20	-	0.0%	-	-	-	-	0%	-	-
Group Total	86	100.0%	365	3,888,312	7.9	8.8	12%	305,634.6	341,604.4

TOU-PA-5 Bill Impact – March 2009

PA-5 Class :- (Bundled)

• Bill Impact Analysis (Current vs. Proposed)

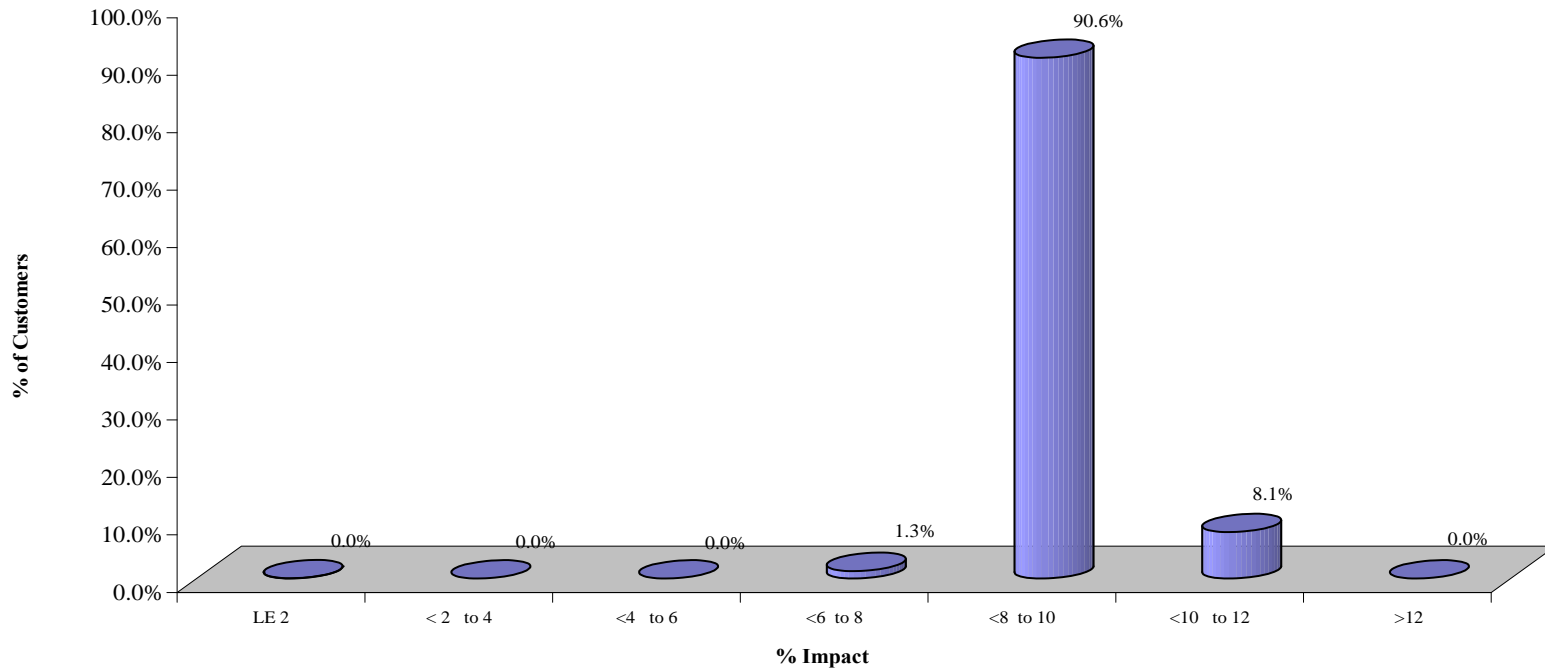


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - %			Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed	Average	Minimum	Maximum	Current	\$ -Changed from Current
LE -10	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
< -10 to -5	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
< -5 to -3	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
< -3 to 0	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
<0 to 3	33	2.8%	348	25,676	11.6	12.0	2.8	2.6	3.0	3,126.6	88.9
<3 to 5	54	4.6%	302	20,004	12.8	13.3	4.0	3.1	4.9	3,080.7	120.7
<5 to 10	264	22.6%	364	46,075	9.6	10.3	8.0	5.1	10.0	4,415.7	359.7
<10 to 15	812	69.5%	363	72,427	8.3	9.3	11.4	10.0	14.9	6,064.5	683.3
<15 to 20	4	0.3%	365	52,935	6.0	6.9	15.6	15.1	16.2	3,181.4	491.6
<20 to 30	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
<30 to 45	1	0.1%	364	50,544	1.4	1.8	30.6	30.6	30.6	715.4	219.2
>45	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
Group Total	1,168	100.0%	360	62,641	8.6	9.5	10.1	2.6	30.6	\$5,477	\$570

LS-1 Bill Impact – March 2009

Ls -1 :- (Bundled)

- Bill Impact Analysis (Current vs. Proposed)

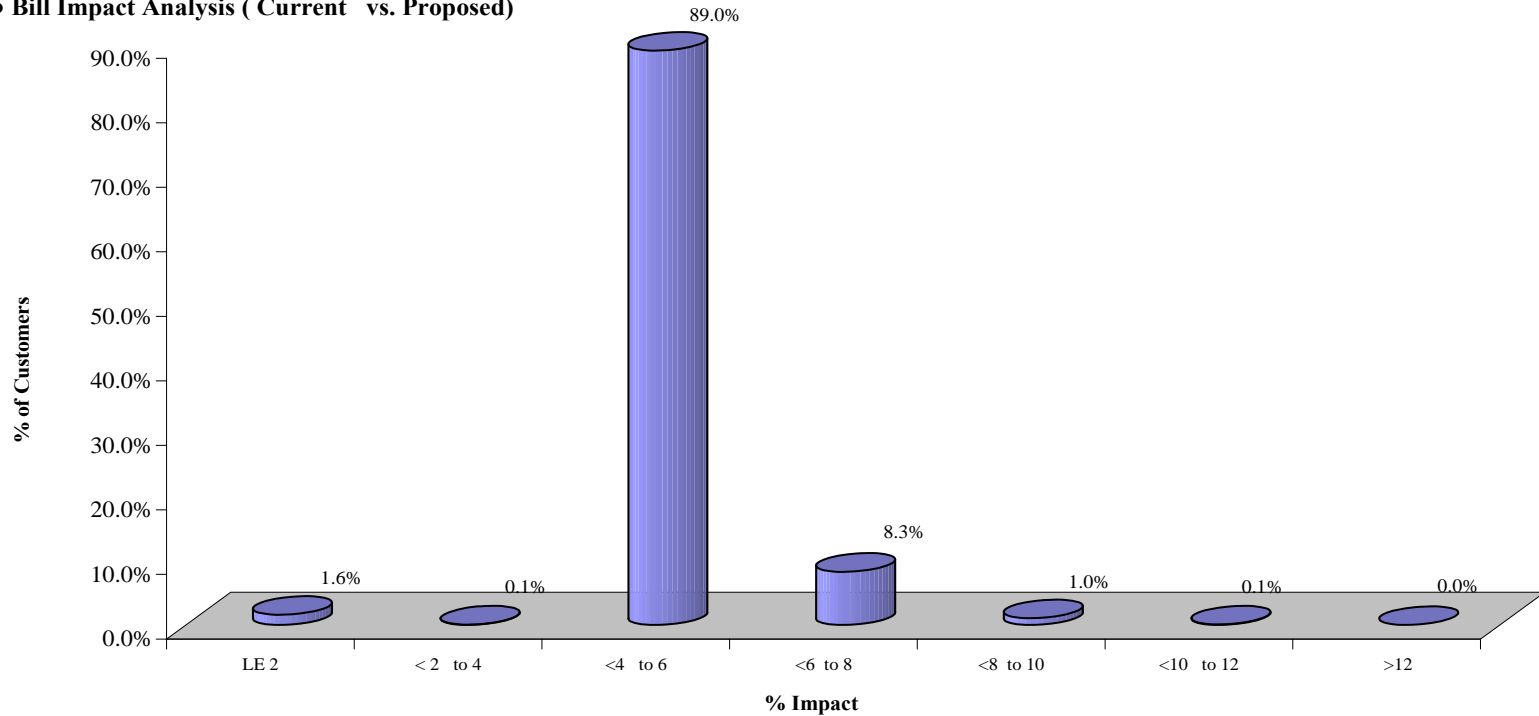


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - %			Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed	Average	Minimum	Maximum	Current	\$ -Changed from Current
LE 2	2	0.0%	203	-	-	-	0.0	0.0	0.0	15.5	1.8
<2 to 4	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
<4 to 6	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
<6 to 8	92	1.3%	328	785	16.4	17.7	7.7	7.0	8.0	143.5	11.2
<8 to 10	6,420	90.6%	335	4,334	26.3	28.8	9.4	8.0	10.0	1,243.1	115.4
<10 to 12	571	8.1%	337	946	41.3	45.5	10.3	10.0	11.4	422.8	43.1
>12	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
Group Total	7,085	100.0%	335	4,014	26.6	29.0	9.5	0.0	11.4	\$1,162	\$108

LS-2 Bill Impact – March 2009

Street Light LS -2 :- (Bundled)

• Bill Impact Analysis (Current vs. Proposed)

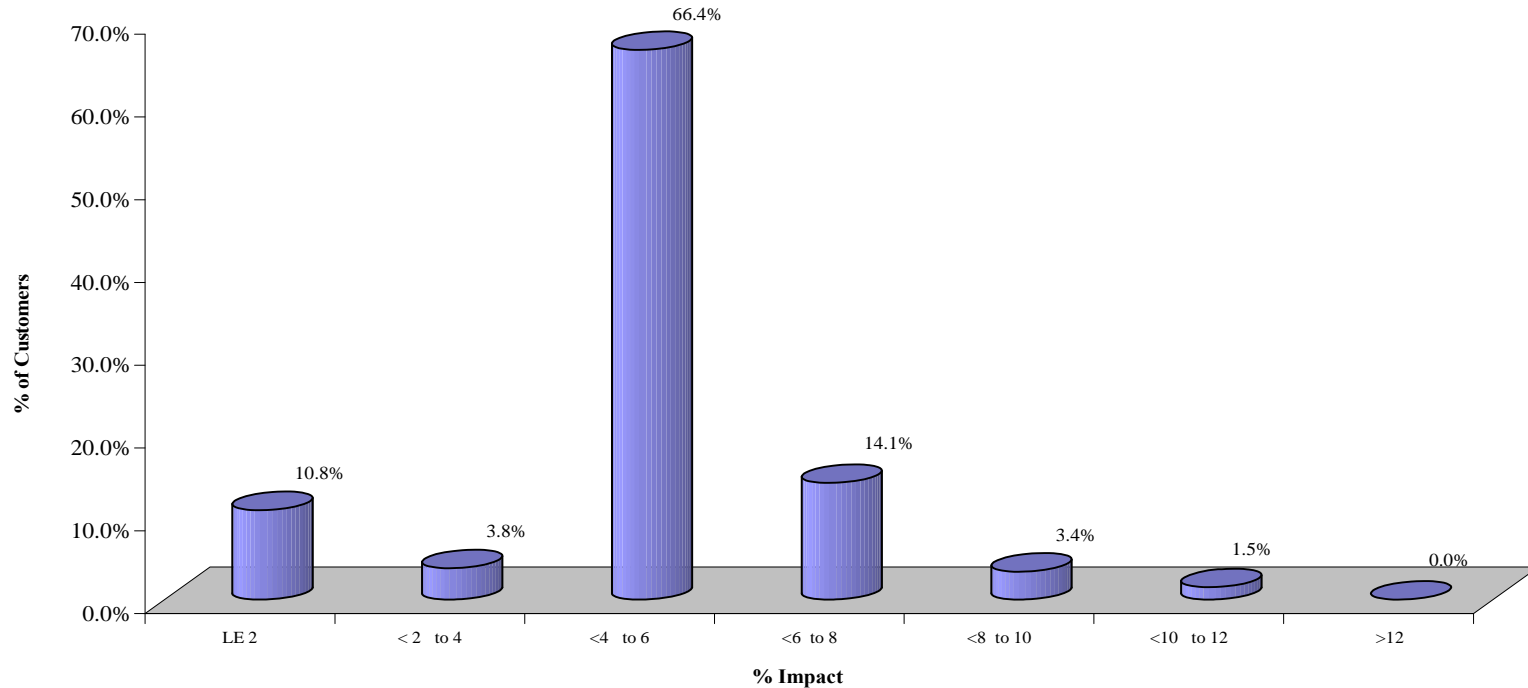


Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - %			Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed	Average	Minimum	Maximum	Current	\$ -Changed from Current
LE 2	60	1.6%	365	1,434	6.7	6.5	-3.3	-5.9	2.0	95.9	(3.2)
<2 to 4	2	0.1%	365	593	10.7	10.9	2.4	2.4	2.5	63.3	1.5
<4 to 6	3,420	89.0%	353	1,372	10.4	11.0	5.4	4.3	6.0	147.9	8.1
<6 to 8	317	8.3%	354	11,124	12.6	13.4	6.8	6.0	8.0	1,443.8	95.4
<8 to 10	40	1.0%	362	9,321	21.1	22.9	8.5	8.0	9.7	1,984.1	171.2
<10 to 12	3	0.1%	365	138	39.4	43.3	10.1	10.1	10.1	54.4	5.5
>12	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
Group Total	3,842	100.0%	354	2,259	11.7	12.5	5.4	-5.9	10.1	\$274	\$17

LS-3 Bill Impact – March 2009

Street Light LS -3:- (Bundled)

• Bill Impact Analysis (Current vs. Proposed)



Impact %	Customer		Average		Average Rates - ¢/kWh		Percent Impact - %			Average Monthly Bill - \$	
	Number	%	Bill days	Monthly kWh	Current	Proposed	Average	Minimum	Maximum	Current	\$ -Changed from Current
LE 2	915	10.8%	332	774	5.3	4.9	-5.2	-12.3	1.9	44.9	(3.3)
<2 to 4	321	3.8%	340	4,677	8.2	8.5	3.9	2.1	4.0	409.7	15.8
<4 to 6	5,622	66.4%	335	834	9.0	9.4	4.9	4.0	6.0	81.7	3.8
<6 to 8	1,194	14.1%	331	185	12.5	13.4	6.7	6.0	8.0	25.5	1.7
<8 to 10	286	3.4%	325	61	21.6	23.5	8.8	8.0	10.0	14.7	1.3
<10 to 12	127	1.5%	305	13	69.4	76.9	10.9	10.0	11.8	10.5	1.1
>12	-	0.0%	-	-	-	-	0.0	0.0	0.0	-	-
Group Total	8,465	100.0%	334	843	8.6	8.9	4.2	-12.3	11.8	\$79	\$3