

CMTA Conference

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Currently Effective Rate Components (¢/kWh)

	<u>Trans</u>	<u>Dist</u>	<u>PPP</u>	<u>NDC</u>	<u>BC</u>	<u>FTAC</u>	Total <u>Delivery</u>	<u>URG</u> ¹	<u>DWR</u> ²	<u>Total</u>
Residential	.46	4.04	.52	.05	.38	.84	6.29	4.73	2.03	13.05
Small Commercial	.51	3.82	.64	.05	.46	.89	6.37	6.61	2.03	15.02
Medium Commercial	.47	3.70	.57	.05	.46	0	5.25	6.28	2.03	13.56
Large Power-Sec	.41	2.55	.52	.05	.46	0	3.99	5.13	2.03	11.15
Large Power-Pri	.39	2.06	.50	.05	.46	0	3.46	5.10	2.03	10.59
Large Power-Sub	.34	(.13)	.42	.05	.46	0	1.14	3.83	2.03	7.01
Ag & Pumping	.30	2.80	.47	.05	.46	0	4.08	3.08	2.03	9.19
St. Lighting	.16	8.42	.37	.05	.46	0	9.46	2.29	2.03	13.78
System	.44	3.41	.53	.05	.43	.37	5.23	5.28	2.03	12.54

¹ For 75% of usage

² For 25% of usage

How Far Various Classes Are From Cost-Based Rates?*

	Distance to cost-based rates
Residential	(7.2%)
Small commercial	6.1%
Medium commercial	(1.5%)
Large Power-Sec	4.5%
Large Power-Pri	5.4%
Large Power-Sub	(2.5%)
Ag & Pumping	(14.8%)
St. Lighting	(11.2%)

*Based on cost studies proposed in SCE's 2006 GRC (subject to litigation)

Factors Affecting Rates in 2006

- System "Delivery" rate is expected to increase by about .3 to .4 ¢/kWh due to SCE's 2006 GRC, higher energy efficiency expenses, and Bark Beetle eradication
- There could be additional increases due to California Solar Initiative and AMI development
- SCE's URG rate is expected to increase due to
 - Mojave Shutdown / Mountainview start-up
 - High gas prices
 - New capacity contracts to meet Resource Adequacy Requirements
- DWR Power Charge is expected to increase by .7 ¢/kWh due to
 - DWR has preliminarily requested \$600 million increase in its revenue requirement (SCE's share of about \$270 million)
 - Recent commission decision on permanent allocation of DWR revenue requirement (retroactive to January 2004) will shift about \$300 million to SCE's customers for the 2004-2006 period