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**Thomson Reuters**

## **UPDATE 1-California PUC allows rate hike for So Cal Edison**

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By Bernie Woodall

LOS ANGELES, March 12 (Reuters) - Southern California Edison customers will see their bills rise by an average of about 2 percent in 2009 under a rate increase approved by the state utility regulator on Thursday in a 4-1 vote.

The three-year general rate case also allows a 1 percent rate increase in 2010 and 2011 for SCE, a unit of Edison International based in the Los Angeles suburb of Rosemead.

Consumer groups opposed the rate hike as too steep, but SCE employees and some church and community groups spoke in favor of it, saying it would boost employment in California.

The California Public Utilities Commission approved SCE collecting \$4.83 billion in authorized base revenue for 2009.

Cal PUC President Michael Peevey said this will raise by 6 percent the base rate, which supplies about 36 percent of total revenues to SCE, California's No. 2 electric utility by customer count of 4.85 million.

The vote allows a 29 percent increase over the 2006 authorized revenue requirement of \$3.75 billion, and a 19.3 percent hike over SCE's 2006 recorded base revenue requirement of \$4.1 billion. It is also a 7.8 percent decrease from SCE's requested 2009 revenue requirement of \$5.2 billion.

The revenue requirement is \$5 billion in 2010 and \$5.25 billion in 2011. Projected 2009 revenue is \$12.5 billion.

The lone dissenter, Commissioner Dian Grueneich, said the rate hike was too much during 'an economic crisis we have not seen since the Great Depression.'

She backed a smaller rate hike that was supported by an administrative law judge.

That proposal suggested a \$4.65 billion base rate increase of 2009, the test year of the three-year rate case. The judge, and Grueneich, said that would have given SCE enough money to keep the lights on reliably.

Mindy Spratt of consumer advocate The Utility Reform Network, said the Cal PUC had 'sentenced consumers in Southern California to higher electric rates, ignoring evidence that the increases requested by SCE were unnecessary and excessive.

'The decision will cost customers over \$2 billion,' compared to \$1.3 billion in the judge's proposal over three years, said Spratt. She also disputed Edison's claims that it would add 38,000 jobs through spending funded by the rate hike.

Peevey said an average customer with an \$85 monthly bill will see a rise to about \$87 per month, and the poorest of Edison's customers will have no increase.

#### DELAYED INFRASTRUCTURE WORK

Peevey said the hike will allow necessary upgrades to the transmission grid, and said executive bonuses were cut in half and limits increased for bosses' stock options.

SCE said the decision will allow \$3 billion in annual infrastructure spending. Peevey said California officials and many U.S. policymakers have too often delayed big-ticket infrastructure projects, and that has come back to haunt them.

'Given the current economic climate, it's easy for some to say, 'pay later,' but the problem with that approach is that it will cost a lot more later,' said Peevey.

SCE employees and leaders of church groups appeared before the commissioners to support the rate increase because, they said, it would add jobs at a time when California unemployment is above 10 percent, highest in a quarter century.

SCE is the second-biggest investor-owned U.S. electric utility by customer count. Only Pacific Gas & Electric Co, a unit of PG&E Corp based in [San Francisco](#), is bigger, with about 5.3 million power customers.

Edison International's share price on Thursday closed at \$26.73, up 6 percent on a day when the Dow Jones Industrial Index rose 3.5 percent, to 7170 points.

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