



News Release

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Southern California Edison Achieves Key Advanced Metering Goal, Submits Positive Financial Plan for its Industry-Leading System

Utility names first vendors for its metering system of the future

ROSEMEAD, Calif., July 31, 2007 — Southern California Edison (SCE), electricity provider to 13 million people in portions of 15 California counties, has informed the California Public Utilities Commission (CPUC) that the utility has successfully achieved a key goal of its industry-leading advanced metering system — a business case with more forecast customer savings than costs.

The utility on Tuesday filed a positive business case for the deployment of 5.3 million smart meters to all residential and business customers with less than 200 kilowatts of demand (the amount of power used at any moment), under a program called Edison SmartConnect. The plan projects total capital costs of approximately \$1.3 billion, less than the plan's projected savings. SCE will pass on the program's savings to customers.

SCE believes new rates and demand response programs made possible by its smart meter system could reduce peak demand by as much as 1,000 megawatts — the output of a large power plant — as customers reduce some peak electricity usage and shift some peak usage to off-peak periods of the day when power costs less. Additional savings include lower labor costs due to the use of wireless data transfer from meters to the utility rather than manual meter reading.

"When California launched its advanced metering initiative in 2005 we chose a different path, refusing to accept available technologies that lacked adequate customer value and challenging the metering industry to design a completely new, lower-cost, higher customer benefit system," said Lynda Ziegler, SCE's senior vice president of customer service. "This week we have informed regulators our approach has succeeded. We are ready to deploy the most significant advance in metering technology in a century with projected deployment savings greater than costs."

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If SCE's proposed advanced metering plan is approved, the utility would deploy a completely new technology capable of wireless communication with home area networks, giving customers unprecedented access to energy information and control. The new meter will be able to "talk" to the coming generation of smart household devices, such as communicating thermostats allowing customers far more options for saving energy and money, some of them automated and effortless.

SCE has completed laboratory testing of its new Edison SmartConnect system and this week begins field trials. The utility expects to begin full deployment of its new system in early 2009, subject to CPUC approval of its deployment plan.

"We have achieved one of our top objectives for Edison SmartConnect," said Paul De Martini, director of SCE's smart meter program. "Vendors have developed a future proof device for our customers. We requested and vendors delivered a technology platform that can be upgraded and reprogrammed as needed well into the future, avoiding premature obsolescence and replacement costs."

The submission of a positive business case was made possible in large part by SCE's successful approach to vendor collaboration beginning in 2005. SCE's requirements were the first by a U.S. utility to call for suppliers to go beyond basic advanced meter features — measuring usage hourly rather than monthly, and using a two-way wireless network to communicate usage information — and to develop a suite of new technical capabilities and functionality. Features standard in SCE's system include:

- Next-day availability of the previous day's energy use information in hourly increments via the Internet and near real-time data available through a home area network link built into the meter;
- Remote service-activation technology allowing customers who are moving to order their new service instantly instead of scheduling a field service representative to do so on-site at a home or business;
- Open standards-based design and assured compatibility with the next generation of smart thermostats, display devices and properly equipped appliances that will be capable of automatically responding to customer energy usage and cost preferences; and
- Assurance of long-term remote upgrade compatibility as technology advances are made that benefits customers and reduce their costs.

"We are approaching a true transformation in the customer's experience with energy information, control and potential savings," De Martini said. "Edison SmartConnect will provide our customers with a remarkable array of program and service options never before thought possible."

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SCE also announced this week the first vendors selected in its competitive solicitation process for the Edison SmartConnect program.

Edison SmartConnect Vendors

- eMeter was the winning bidder to provide the meter data management system that will be the repository of Edison SmartConnect meter and event data to support customer billing, energy information and utility operations.

- Corix Utilities has been selected to provide meter installation services. The company will hire, train and manage a deployment staff of approximately 150 union meter installers who will exchange 4.5 million residential and small business meters served by SCE.

- IBM serves as the system integrator for Edison SmartConnect, managing the development and integration for the network management and meter data management systems.

The deployment authorization request SCE submitted this week to regulators represents the last of a three-phase approach the utility has taken to developing its advanced metering program. Phase one, which began in late 2005, involved developing the specifications for the next generation of meters and support systems, and working with meter manufacturers and communications technology suppliers to develop the required technology. The focus of Phase two, which began this year, includes extensive lab and field testing of the new products, procuring the new technologies, selecting a deployment contractor and verifying the costs and benefits of the full deployment business case. Phase three will commence in 2008 and will involve installing Edison SmartConnect meters for all SCE customers located in 5.3 million households and small businesses throughout the 50,000-square-mile service territory during a five-year period.

Related Facts

- Edison SmartConnect is the most recognized U.S. advanced metering program and being used as a model by several other utilities.

SCE was the sole utility recognized for its technology leadership during the first GridWeek conference in April 2007 sponsored primarily by the Department of Energy Office of Electricity Delivery & Energy Reliability. SCE received the event's Smart Grid Implementation & Deployment Leadership award for its advanced metering initiative.

Utility Planning Network, a membership-based peer group of utility professionals worldwide that facilitates the annual Metering Awards Program, has recognized SCE's entry as the winner of the "2005-2006 Automatic Meter Reading Initiative by a North American investor-owned utility" category.

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The Electric Power Research Institute has recognized SCE as an industry leader for its approach to advanced metering. SCE is the first U.S. utility to adopt the institute's IntelliGrid Architecture for a systemwide advanced metering deployment.

- SCE's advanced metering project was undertaken in response to a California policy initiative to enable time-of-use pricing and encourage residential and small commercial customers to shift usage off peak.

- Additional information about Edison SmartConnect is available at www.sce.com/smartconnect.

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An Edison International (NYSE:EIX) company, Southern California Edison is one of the nation's largest electric utilities, serving a population of more than 13 million via 4.8 million customer accounts in a 50,000-square-mile service area within central, coastal and Southern California.