

Exhibit D

Retail and Wholesale Base TRR Reduction for TO2020

Total Settlement Impact on 2020 Base TRR (Retail and Wholesale)*

- SCE proposes to accelerate the settlement refund relating to the costs incurred in the 2019 Year using the “Cost Adjustment” feature of the Formula Rate.
 - Will accelerate the impact to 2020 rather than 2021 per the normal operation of the Formula Rate
 - The “Cost Adjustment” is a fourth component of the Base TRR used to adjust the Base TRR for large non-recurring cost items
- Note that all numbers in the following are current estimates and will be recalculated once the settlement processes finalizes all values
- Cost Adjustment is calculated as follows:

Filed TO2019 Annual Update Base TRR:	\$1,038,486,906	TO2019 Sch. 1, Line 86
Revised TO2019 per Settlement:	<u>\$1,000,432,035</u>	Settlement TO2019, Line 86
Difference:	-\$38,054,871	
Portion of 2019 in effect (315/365, for January 1 through November 11)	<u>0.863</u>	
TO2020 Cost Adjustment:	-\$32,841,354	Input on Schedule 1, Line 85 of TO2020 Annual Update
- Any difference between the actual impact of the Settlement on 2019 actual costs and this estimated impact will be trued up through the normal operation of the formula rate.
- The impact of the settlement on actual costs for the 2018 year will already be included in the TO2020 Annual Update (if the settlement is approved in a timely manner)

Posted 2018 True Up TRR:	\$1,147,344,868	See Schedule 4, Line 46 of Att. 5 to TO2020, Posted Version
Settlement 2018 True Up TRR	<u>\$1,078,540,190</u>	See Schedule 4, Line 46 of Att. 5 to TO2020, Settlement Version
Difference:	-\$68,804,678	
- Additional Settlement Term Value not included above:

1) PBOPs -\$3,416,582 ; and	To be included on Schedule 3, Line 23 of TO2020 Annual Update
2) Elimination of two-year limit on error correction -\$277,812	To be included on Schedule 3, Line 12 of TO2020 Annual Update
- Estimated Interest associated with Settlement included in TO2020 Base TRR: **-\$7.116 million****

See Page 2
- Total Settlement-Related 2020 Retail Base TRR Reduction: \$112.456 million*,**

Sum of Bold Amounts

*Wholesale Base TRR reduction is the same as the Retail Base TRR Reduction.

** Value is estimated and represents approximate value of the settlement component in isolation. It is provided for illustrative purposes.

Interest Impact of Settlement on TO2020 Base TRR

The Formula Rate True Up Adjustment (Schedule 3) applies interest, which shows up in two places:

1) One Time Adjustment for True Up TRR difference

- The True Up TRR difference of \$68,804,678 has interest applied to it to yield an “End-of-Year” amount
- About ½ year, or 2.39%** (at 2018 FERC Interest Rate ranging from 0.35% to 0.41% per month)
- Interest Calculation:

Change in 2018 True Up TRR: \$68,804,678

See Page 1, fifth bullet

Interest percentage: 2.39%**

Total Interest: **\$1.644 million**** (reduction to Base TRR)

- Will be included on Schedule 3, Line 23, column 4 (December 2018)

2) Projected Interest to Rate Year Mid-Point

- The end of 2018 “Cumulative Excess or Shortfall in Revenue with Interest” (Line 23, Column 9) flows through to Line 28 “TU Adjustment without Projected Interest”, and 18 months of interest is applied to that amount (see line 29 “Projected Interest to Rate Year Mid-Point”).
- Interest rate is last FERC Interest Rate (0.41% per month)
- Total 18 month Interest percentage is 7.38%
- Incremental Settlement “Projected Interest to Rate Year Mid-Point” is \$5.472** million, calculated as follows:

Equal to:

True UP TRR Reduction:	\$68,804,678 +
Interest from part 1:	\$1.644** million +
PBOPs Benefit	\$3,416,582 +
Error Correction Benefit:	<u>\$277,812 +</u>
Total Balance to apply interest:	\$74,143,072**
Total “Projected Interest to Rate Year Mid-Point”:	\$5.472** million.

See Page 1, Fifth Bullet

Multiply by 2.39% “Interest Percentage” from above

Settlement Term 1.8

Settlement Term 3.9

Sum

Multiply sum by 7.38%

Total Interest impact included in TO2020 Base TRR is \$7.116** million **\$1.644** million + \$5.472** million**

** Value is estimated and represents approximate value of the settlement component in isolation. It is provided for illustrative purposes.