

**Total of all A&G Exclusions in Formula Input Format ("Shareholder + Other" and Incentive Compensation)**

The following matrix presents the exclusions to be entered into the Schedule 20 exclusions matrix and associated notes.

Presented in same format as Schedule 20.

See "Shareholder and Other" and "Incentives" worksheets for contributions to these exclusions.

Note 1: Itemization of exclusions			Col 1	Col 2	Col 3	Col 4
		Total	Shareholder			
		Amount Excluded	Exclusions	Franchise		
Line	Acct.	(Sum of C1 to C4)	or Other	Requirements	NOIC	PBOPs
			Adjustments			
24	920	\$55,730,842	-\$29,416,675		\$85,147,517	
25	921	\$409,079	\$409,079		\$0	
26	922	-\$29,401,382	-\$7,665,955		-\$21,735,427	
27	923	\$7,725,398	\$7,725,398		\$0	
28	924	\$0	\$0		\$0	
29	925	\$0	\$0		\$0	
30	926	-\$23,052,226	-\$9,115,141		\$0	-\$13,937,085
31	927	NA	NA	NA	NA	NA
32	928	\$40,447,590	\$40,447,590		\$0	
33	929	\$0	\$0		\$0	
34	930.1	\$0	\$0		\$0	
35	930.2	\$22,065,926	\$22,065,926		\$0	
36	931	\$0	\$0		\$0	
37	935	\$718,532	\$718,532		\$0	

### Source of Yellow-shaded Inputs

Sum of "Shareholder and Other" and Incentives sheets

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Sum of "Shareholder and Other" and Incentives sheets

Not applicable, not yellow shaded

Sum of "Shareholder and Other" and Incentives sheets

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### Note 2: Non-Officer Incentive Compensation ("NOIC") Adjustment

Adjust NOIC by excluding accrued NOIC Amount and replacing with the actual non-capitalized A&G NOIC payout.

		<b>Amount</b>	<b>Source</b>
<b>a</b>	Accrued NOIC Amount:	<b>\$108,677,133</b>	SCE Records
<b>b</b>	Actual A&G NOIC payout:	<b>\$23,529,616</b>	Note 2, d
<b>c</b>	Adjustment:	<b>\$85,147,517</b>	

### Source of Yellow-shaded Inputs

Incentives Worksheet, Section 1

	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$23,529,616	SCE Records and Workpapers
e	Other	\$11,215,512	SCE Records and Workpapers
f	TDBU	\$37,246,762	SCE Records and Workpapers
g	Total:	\$71,991,890	Sum of d to f

### Source of Yellow-shaded Inputs

Incentives Worksheet, Section 2

Incentives Worksheet, Section 2

Incentives Worksheet, Section 2

### Note 3: PBOPs Exclusion Calculation

		<u>Amount</u>	<u>Note:</u>
<b>a</b>	Current Authorized PBOPs expense amount:	\$40,171,333	See instruction #4
<b>b</b>	Prior Year Authorized PBOPs Expense Amount:	\$37,714,779	
<b>c</b>	Prior Year FF1 PBOPs expense:	\$23,777,694	
<b>d</b>	PBOPs Expense Exclusion:	-\$13,937,085	c - b

### Source of Yellow-shaded Inputs

Authorized PBOPs Expense Amount during Prior Year

## SCE Records

A&G "Shareholder or Other Exclusions" workpapers

1) Shareholder Exclusions for A&G Accounts 920-935:

		<u>Shareholder</u>	
<u>Line</u>	<u>Account</u>	<u>Exclusion</u>	<u>Notes:</u>
1a	920	\$791,593	See ShareholderExclusions tab for detail
1b	921	\$371,725	See ShareholderExclusions tab for detail
1c	923	\$7,345,556	See ShareholderExclusions tab for detail
1d	926	\$659,474	See ShareholderExclusions tab for detail
1e	928	\$28,277,400	See ShareholderExclusions tab for detail
1f	930.2	<u>\$857,212</u>	See ShareholderExclusions tab for detail
Total Shareholder:		\$38,302,960	

2) Other Exclusions for A&G Accounts 920-935:

The following additional items have been determined to be not appropriate for inclusion in transmission rates, and therefore have been excluded as "Other Exclusions" in Note 1 to Schedule 20, Column 1.

		<u>Other</u>	
<u>Line</u>	<u>Account</u>	<u>Exclusions</u>	<u>Item</u>
2a	920	\$198,600	Generation, Hydro, Nuclear, Solar, and SSID 100% CPUC costs
2b	920	\$1,516,560	Accounting adjustments
2c	920	\$534,000	Affiliate Charges
2d	921	\$37,354	Generation, Hydro, FERC Licensing, Engineering, Power Procurement and Solar 100% CPUC costs
2e	923	\$860	Generation and Hydro 100% CPUC costs
2f	923	\$21,604	Agricultural Account Aggregation Study Memorandum Account (AAASMA)
2g	923	\$187,501	Renewable Portfolio Standard Charge Memorandum Account (RPSCMA)
2h	923	\$169,877	Outside Services
2i	926	\$827	Mojave Balancing Account
2j	926	-\$2,088	Generation, Nuclear and Hydro 100% CPUC costs
2k	926	\$314	Affiliate Charges
2l	928	\$5,148,784	Energy Resource Recovery Account (ERRA)
2m	928	\$3,809,895	Public Purpose Programs Adjustment Mechanism (PPPAM)
2n	928	\$3,211,511	Energy Settlements Memorandum Account (ESMA)
2o	930.2	\$912,928	Aliso Canyon CEMA
2p	930.2	-\$1,406,746	Accounting Suspense
2q	930.2	\$1,058,304	Provision for Doubtful Accounts
2r	930.2	\$20,644,228	Electric Program Investment Charge balancing acct. (EPICBA)
2s	935	<u>\$718,532</u>	SSID 100% CPUC costs
Total Other:		\$36,762,845	

3) Order 668 Amount Transferred from O&M Accounts 569.

This amount of costs is transferred from O&M accounts 569.100, 569.200, and 569.300:

Transfer to A&G account 920:       \$36,772,403

4) Total "Shareholder and Other" Input Exclusions for Column 1, Lines 24-37 of Schedule 20  
(In Formula Input Format)

Col 1			
Shareholder or Other			
Line #	Acct.	Exclusions	Calculation
24	920	-\$33,731,650	Line 1a + 2a to 2c - 3
25	921	\$409,079	Line 1b+ 2d
26	922		
27	923	\$7,725,398	Line 1c + (2e to 2h)
28	924		
29	925		
30	926	\$658,527	Line 1d + 2i to 2k
31	927		
32	928	\$40,447,590	Line 1e + (2l to 2n)
33	929		
34	930.1		
35	930.2	\$22,065,926	Line 1f + (2o to 2r)
36	931		
37	935	\$718,532	Line 2s
Total All "Shareholder or Other":		\$38,293,402	

**A&G Incentive Compensation Adjustments Calculations**

**A) A&G Non-Officer Incentive Compensation (NOIC) Adjustments**

(NOIC includes Short-Term Incentive Plan, Augmented Bonus, and Non-Officer Executive Incentive Compensation, as well as any plans which replace these).

**1) Calculation of capitalized portion of NOIC costs in Account 920:**

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Accrued NOIC	\$108,677,133	Included in Account 920	
2	Capitalization rate	20.0%	CPUC GRC Decision for Test Year	2015
3	Capitalized NOIC	\$21,735,427	L1 * L2	

**2) Calculation of NOIC Payouts:**

<u>Line</u>			
1	Actual NOIC Payout	\$93,727,317	Section 2, L7

	<u>Business Unit</u>	<u>Actual Payout</u>	<u>% of Total Payout</u>	<u>Allocated Capitalized NOIC</u>	<u>Non-Capitalized NOIC</u>
		A	B = Col A / L7	C = Section 1, L3 * B	D = A - C
4	A&G	\$30,633,558	33%	\$7,103,942.43	\$23,529,615.57
5	Other	\$14,601,643	16%	\$3,386,130.70	\$11,215,512
6	Trans. And Dist. Business Unit	\$48,492,116	52%	\$11,245,353.87	\$37,246,762
7	Totals	\$93,727,317	100%	\$21,735,427	\$71,991,890

Instruction for Lines 4-6, Column A: "Actual Payout" amount is to be the actual amount paid out in the Prior Year.

**Actual non-capitalized NOIC Payouts**

(In Formula Input Format for input to Schedule 20, Note 2)

	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$23,529,616	Line 4, column D above
e	Other	\$11,215,512	Line 5, column D above
f	Trans. And Dist. Business Unit	\$37,246,762	Line 6, column D above
	Total:	\$71,991,890	

**B) A&G Officer Executive Incentive Compensation (OEIC) Adjustments**

**3) Calculation of capitalized portion of OEIC costs in Account 920:**

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Accrued OEIC	\$6,021,470	Included in Account 920.	
2	Capitalization rate	20.0%	CPUC GRC Decision for test year:	2015
3	Capitalized OEIC	\$1,204,294	L1 * L2	

**4) Calculation of OEIC Payouts:**

<u>Line</u>			
1	Actual OEIC Payout	\$2,910,790	Section 4, L4

<u>Business Unit</u>	<u>Actual Payout</u>	<u>% of Total Payout</u>	<u>Allocated Capitalized OEIC</u>	<u>Non-Capitalized OEIC</u>
	A	B	C = Section 3, L3 * B	D = A - C
2 A&G	\$2,910,790	100%	\$1,204,294	\$1,706,496

Instruction for Line 2: "Actual Payout" amount is to be the actual amount paid out in the Prior Year.

**5) Calculation of capitalized portion of SERP costs in Account 926:**

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Accrued SERP	\$16,235,328	Included in Account 926.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized SERP	\$6,461,661	L1 * L2	

**C) A&G Summary of Incentive Compensation Adjustment Calculations**

**6) Adjustments to Account 920:**

<u>Line</u>			<u>Source</u>
1	Deduct Accrued OEIC	\$6,021,470	Section 3, L1
			Section 4,L4, ColE (-) Section 4, L4, Col G
2	Add Non-Capitalized OEIC	<u>-\$1,706,496</u>	
3	Total	\$4,314,974	

**7) Adjustments to Account 922:**

<u>Line</u>			<u>Source</u>
1	Deduct Capitalized NOIC	\$21,735,427	Section 1, L3
2	Deduct Capitalized OEIC	\$1,204,294	Section 3, L3
3	Deduct Capitalized SERP	<u>\$6,461,661</u>	Section 5,L3, Col.E
4	Total	\$22,939,721	

**8) Adjustments to Account 926:**

<u>Line</u>			<u>Source</u>
			Section 5, L1, Col E - Section 5, L3, Col E
1	Add Non-Capitalized SERP	-\$9,773,667	

**D) Total All A&G Incentive Compensation Adjustments**

**9) Total Incentive Compensation Input Adjustments for Columns 1 and 3, Lines 24-37 of Schedule 20**

(In Formula Input Format)

<u>Line</u>	<u>Acct.</u>	<u>Col 1</u> Shareholder Exclusions or Other Adjustments	<u>Source</u>	<u>Col 3</u>  <u>NOIC</u>	<u>Source</u>
24	920	\$4,314,974	Sec. 6, L3	\$0	Not an input in formula
25	921			\$0	
26	922	-\$7,665,955	Sec. 7, L2 and L3 (enter neg)	-\$21,735,427	Sec. 1, L3 (enter negative)
27	923			\$0	
28	924			\$0	
29	925			\$0	
30	926	-\$9,773,667	Sec. 8, L1 (enter neg)	\$0	
31	927		Not an input in formula		Not an input in formula
32	928			\$0	
33	929			\$0	
34	930.1			\$0	
35	930.2			\$0	
36	931			\$0	
37	935			\$0	

**Shareholder Exclusions in June 15, 2017 Draft Annual Update**  
Schedule 20, Lines 24-37, Column 1 for the following accounts:

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
920	\$1,267,113	LAM Shareholder Licensing Activities	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$7,496	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
920	\$0	RER Shareholder AG	Includes salaries and other expenses of Revenue Enhancement personnel for developing a division-wide revenue enhancement plan. Activities include review of revenues derived from secondary land use.
920	\$82,868	Right of Way Southern Region Shareholder	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	<u>-\$565,883</u>	Affiliate	Removes affiliate charges
<b>Total 920:</b>	\$791,593		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
921	\$5,822	OS & Finance Shareholder Funded A&G	Includes labor and non-labor related expenses for Operations Support & Finance shareholder related activities.
921	\$284,700	LAM Shareholder Licensing Activities	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$66,819	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
921	\$2,010	RER Shareholder AG	Includes salaries and other expenses of Revenue Enhancement personnel for developing a division-wide revenue enhancement plan. Activities include review of revenues derived from secondary land use.
921	<u>\$12,374</u>	Right of Way Southern Region Shareholder	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
<b>Total 921:</b>	\$371,725		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
923	\$6,610,736	EIX Costs	Removes certain EIX costs not recoverable from ratepayers
923	<u>\$734,820</u>	Outside Services	Removes shareholder outside services costs
<b>Total 923:</b>	\$7,345,556		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
926	\$416,849	Fitness Center Expenses	Includes labor and non-labor costs supporting the Company Fitness Center, as well as removes a credit associated with dues paid by members.
926	\$671,644	Employee Recognition, Tenure, and Service Awards	Includes company expenses related to anniversary awards, service pins, and other costs incurred in connection with employee welfare activities not otherwise included in a specific final cost center.
926	\$96,347	Diamond Club	Company cost to support quarterly meetings for retiree and employees with 25+ years of service.
926	\$3,821	Humanitarian Award Program	Company cost to provide recognition of employees who provided a life saving action.
926	\$1,036	Miscellaneous	Includes adjusting entries and miscellaneous corrections.
926	<u>-\$530,223</u>	Executive Benefits Adjustment	Removes executive benefit credits not related to Executive Retirement Plan
<b>Total 926:</b>	\$659,474		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
928	<u>\$ 28,277,400</u>	SONGS outside services costs	Removes costs associated with outside services related to San Onofre Generating Station
<b>Total 928:</b>	\$28,277,400		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
930.2	-\$682,365	General Function - Controllers	Miscellaneous Controllers Department General Function
930.2	<u>\$1,539,576</u>	Balance Sheet Write Offs	Includes shareholder related balance sheet write offs
<b>Total 930.2:</b>	\$857,212		

**Total All**      \$38,302,960



If there are multiple items in an account, add sub lines for each excluded item

FERC Form 1 Pg. 335 Line #	Description	FERC Form 1 Amount	Included	Excluded	Formula References
1	Industry Association Dues	\$1,905,284	\$1,905,284	\$0	Sch. 20, Line 35
2	Nuclear Power Research Expenses			\$0	
3	Other Experimental and General Research Expenses	\$20,644,228	\$0	\$20,644,228	Sch. 20, Line 35
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	\$689,470	\$689,470	\$0	
5	Other Expn >=\$5,000 show purpose, receipt, amount. Group if < \$5,000				
6	Credit Line Fees / Bank Charges	\$3,388,145	\$3,388,145	\$0	
7	Directors' Fees and Expenses	\$3,360,179	\$3,360,179	\$0	
8	Periodic SEC Reports	\$390,422	\$390,422	\$0	
9	Planning and Development of Communication Systems	\$1,736,336	\$1,736,336	\$0	
10	Provision for Doubtful Accounts - Non-Energy Billings	\$1,058,304	\$0	\$1,058,304	Sch. 20, Line 35
11	Vendor Discounts	-\$9,894,818	-\$9,894,818	\$0	
12	Accounting Suspense	-\$1,406,746	\$0	-\$1,406,746	Sch. 20, Line 35
13	Miscellaneous	-\$630,654	-\$861,218	\$230,564	
14					
15	Sales Tax Refund Audit Period (2008-2011)	-4,965,913	-4,965,913		
15	Payment to CEC / CPUC	\$0		\$0	Sch. 20, Line 35
16	Administrative and General Expense Charged or Paid to Others	\$1,057,936	\$1,057,936	\$0	Sch. 20, Line 35
17	Balance Sheet Write-Off	\$1,539,576	\$0	\$1,539,576	
46	Total	\$18,871,749	-\$3,194,177	\$22,065,926	