

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	Franchise			
Amount Excluded			Exclusions				
Line	Acct.	(Sum of C1 to C4)	or Other	Adjustments	Requirements	NOIC	PBOPs
24	920	\$151,417,275		\$41,829,058		\$109,588,216	
25	921	\$8,604,255		\$8,604,255		\$0	
26	922	-\$62,480,935		-\$7,944,352		-\$54,536,583	
27	923	\$8,738,283		\$8,738,283		\$0	
28	924	\$0		\$0		\$0	
29	925	\$3,991,252		\$3,991,252		\$0	
30	926	-\$28,030,488		-\$6,078,155		\$0	-\$21,952,333
31	927	NA		NA	NA	NA	NA
32	928	\$11,197,494		\$11,197,494		\$0	
33	929	\$0		\$0		\$0	
34	930.1	\$0		\$0		\$0	
35	930.2	\$14,064,692		\$14,064,692		\$0	
36	931	\$11,993,182		\$11,993,182		\$0	
37	935	\$699,128		\$699,128		\$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 sheet

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.

	<u>Amount</u>	<u>Source</u>
a	Accrued NOIC Amount: \$137,026,591	SCE Records
b	Actual A&G NOIC payout: \$27,438,375	Note 2, d
c	Adjustment: \$109,588,216	

Source of Yellow-shaded Inputs

Incentives Worksheet, Section 1

Actual non-capitalized NOIC Payouts:

	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$27,438,375	SCE Records and Workpapers
e	Other	\$13,321,307	SCE Records and Workpapers
f	TDBU	\$41,730,326	SCE Records and Workpapers
g	Total:	\$82,490,008	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>
a	Current Authorized PBOPs expense amount:	\$18,219,000	See instruction #4
b	Prior Year Authorized PBOPs Expense Amount:	\$40,171,333	
c	Prior Year FF1 PBOPs expense:	\$18,219,000	
d	PBOPs Expense Exclusion:	-\$21,952,333	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>Line</u>	<u>Account</u>	<u>Shareholder Exclusion</u>	<u>Notes:</u>
1a	920	\$1,355,210	See ShareholderExclusions tab for detail
1b	921	\$8,822,816	See ShareholderExclusions tab for detail
1c	923	\$6,253,647	See ShareholderExclusions tab for detail
1d	926	-\$1,501,839	See ShareholderExclusions tab for detail
1e	928	\$1,757,200	See ShareholderExclusions tab for detail
1f	930.2	<u>\$1,880,844</u>	See ShareholderExclusions tab for detail
Total Shareholder:		\$18,567,877	

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>Line</u>	<u>Account</u>	<u>Other Exclusions</u>	<u>Item</u>
2a	920	\$361,765	Generation, Hydro, Nuclear, Solar, and SSID 100% CPUC costs
2b	920	\$778	Miscellaneous Charitable Donations
2c	920	\$312,199	Affiliate Charges
2d	921	-\$218,561	Generation, Hydro, FERC Licensing, Engineering, Power Procurement and Solar 100% CPUC costs
2e	923	\$2,484,472	Finance related Shareholder work
2f	923	\$165	SONGS outside services costs
2g	925	\$3,261,670	Nuclear General Functions and SONGS Settlement Costs
2h	925	-\$60,980	Claim reimbursement for 2011 and 2012 claims from insurer
2i	925	\$790,562	Base Revenue Requirement Balancing Account (BRRBA)
2j	926	\$5,000,856	Generation, Nuclear and Hydro 100% CPUC costs
2k	928	\$5,656,181	Energy Resource Recovery Account (ERRA)
2l	928	\$1,760,472	Public Purpose Programs Adjustment Mechanism (PPPAM)
2m	928	\$2,023,642	Litigation Cost Tracking Account (LCTA)
2n	930.2	\$12,104	Distribution Resources Plan Demonstration Balancing Account (DRPDBA)
2o	930.2	-\$413,522	Accounting Suspense
2p	930.2	-\$760,529	Provision for Doubtful Accounts
2q	930.2	\$13,341,707	Electric Program Investment Charge balancing acct. (EPICBA)
2r	930.2	\$4,087	Base Revenue Requirement Balancing Account (BRRBA) Distribution
2s	931	\$11,993,182	Nuclear expenses
2t	935	<u>\$699,128</u>	SSID 100% CPUC costs
Total Other:		\$46,249,378	

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:	-\$37,524,555	-\$37,524,555
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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			
<u>Line #</u>	<u>Acct.</u>	<u>Exclusions</u>	<u>Calculation</u>
24	920	\$39,554,507	Line 1a + 2a to 2c - 3
25	921	\$8,604,255	Line 1b+ 2d
26	922		
27	923	\$8,738,283	Line 1c + 2e + 2f
28	924		
29	925	\$3,991,252	Line 2g to 2i
30	926	\$3,499,016	Line 1d + 2j
31	927		
32	928	\$11,197,494	Line 1e + (2k to 2m)
33	929		
34	930.1		
35	930.2	\$14,064,692	Line 1f + (2n to 2r)
36	931	\$11,993,182	Line 2s
37	935	\$699,128	Line 2t
Total All "Shareholder or Other":		\$102,341,811	

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	\$137,026,591	Included in Account 920	
2	Capitalization rate	39.8%	CPUC GRC Decision for Test Year	2015
3	Capitalized NOIC	\$54,536,583	L1 * L2	

2) Calculation of NOIC Payouts:

<u>Line</u>			
1	Actual NOIC Payout	\$137,026,591	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	\$45,578,695	33%	\$18,140,321	\$27,438,375
5 Other	\$22,128,417	16%	\$8,807,110	\$13,321,307
6 Trans. And Dist. Business Unit	\$69,319,479	51%	\$27,589,152	\$41,730,326
7 Totals	\$137,026,591	100%	\$54,536,583	\$82,490,008

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	\$27,438,375	Line 4, column D above
e	Other	\$13,321,307	Line 5, column D above
f	Trans. And Dist. Business Unit	\$41,730,326	Line 6, column D above
	Total:	\$82,490,008	

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	\$4,051,761	Included in Account 920.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized OEIC	\$1,612,601	L1 * L2	

4) Calculation of OEIC Payouts:

<u>Line</u>			
1	Actual OEIC Payout	\$3,389,811	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	\$3,389,811	100%	\$1,612,601	\$1,777,210

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	\$15,908,922	Included in Account 926.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized SERP	\$6,331,751	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	\$4,051,761	Section 3, L1
2	Add Non-Capitalized OEIC	<u>-\$1,777,210</u>	Section 4,L2, Col E (-) Section 4, L2, Col G
3	Total	\$2,274,551	

7) Adjustments to Account 922:

<u>Line</u>			<u>Source</u>
1	Deduct Capitalized NOIC	\$54,536,583	Section 1, L3
2	Deduct Capitalized OEIC	\$1,612,601	Section 3, L3
3	Deduct Capitalized SERP	<u>\$6,331,751</u>	Section 5,L3, Col.E
4	Total	\$62,480,935	

8) Adjustments to Account 926:

<u>Line</u>			<u>Source</u>
1	Add Non-Capitalized SERP	-\$9,577,171	Section 5, L1, Col E - Section 5, L3, Col E

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> NOIC	<u>Source</u>
24	920	\$2,274,551	Sec. 6, L3	\$0	Not an input in formula
25	921			\$0	
26	922	-\$7,944,352	Sec. 7, L2 and L3 (enter neg)	-\$54,536,583	Sec. 1, L3 (enter negative)
27	923			\$0	
28	924			\$0	
29	925			\$0	
30	926	-\$9,577,171	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, 2018 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	\$62,972	LAM Shareholder Licensing Activities-Eastern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
920	\$974,867	LAM Shareholder Licensing Activities-Metro	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
920	\$240,336	LAM Shareholder Licensing Activities-Northern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
920	\$41,317	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
920	\$25,071	Right of Way Southern Region Shareholder	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
920	\$696	Law Shareholder Funded Activities	Includes labor and other expenses by Law for shareholder funded activities.
920	<u>\$9,952</u>	Finance Shareholder Funded Activities	Includes labor and other expenses by Finance for shareholder funded activities.
Total 920:	\$1,355,210		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
921	-\$672	Law and Finance Shareholder Funded A&G	Includes labor and non-labor related expenses by Law for shareholder funded activities.
921	\$61,697	LAM Shareholder Licensing Activities-Eastern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
921	\$122,260	LAM Shareholder Licensing Activities-Northern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
921	\$6,974,131	LAM Shareholder Licensing Activities-Metro	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel for shareholder funded activities.
921	\$124,210	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
921	\$1,994	RER Shareholder AG	Includes salaries and other expenses of Revenue Enhancement personnel for developing a division-wide revenue enhancement plan for shareholder funded activities. Activities include review of revenues derived from secondary land use for shareholder funded activities.
921	-\$13	ASD Shareholder Funded Activities	Includes labor and non-labor related expenses by Audit Services Division for shareholder funded activities.
921	<u>\$1,539,209</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 for shareholder funded activities.
Total 921:	\$8,822,816		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
923	\$6,059,957	EIX Costs	Removes certain EIX costs not recoverable from ratepayers
923	<u>\$193,689</u>	Outside Services	Removes shareholder outside services costs
Total 923:	\$6,253,647		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
926	\$211,957	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	\$572,488	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	\$103,641	Diamond Club	Company cost to support quarterly meetings for retiree and employees with 25+ years of service.
926	\$6,493	Humanitarian Award Program	Company cost to provide recognition of employees who provided a life saving action.
926	\$1,073	Miscellaneous	Includes adjusting entries and miscellaneous corrections.
926	<u>-\$2,397,490</u>	Executive Benefits Adjustment	Removes executive benefit credits not related to Executive Retirement Plan
Total 926:	-\$1,501,839		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
928	\$ 1,757,200	SONGS Outside Services Costs	Removes costs associated with outside services related to San Onofre Generating Station
Total 928:	\$1,757,200		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
930.2	<u>\$1,880,844</u>	General Function - Controllers	Miscellaneous Controllers Department General Function
Total 930.2:	\$1,880,844		

Total All \$18,567,877

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	\$2,098,640	\$2,098,640		Sch. 20, Line 35
2	Nuclear Power Research Expenses			\$0	
3	Other Experimental and General Research Expenses	\$13,353,811	\$0	\$13,353,811	Sch. 20, Line 35
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	\$652,121	\$652,121	\$0	
5	Other Expn >=\$5,000 show purpose, receipt, amount. Group if < \$5,000				
6	Credit Line Fees / Bank Charges	\$3,987,169	\$3,987,169	\$0	
7	Directors' Fees and Expenses	\$3,393,013	\$3,393,013	\$0	
8	Periodic SEC Reports	\$508,761	\$508,761	\$0	
9	Planning and Development of Communication Systems	\$1,704,316	\$1,704,316	\$0	
10	Provision for Doubtful Accounts - Non-Energy Billings	-\$760,529	\$0	-\$760,529	Sch. 20, Line 35
11	Vendor Discounts	-\$14,286,012	-\$14,286,012	\$0	
12	Accounting Suspense	-\$413,522	\$0	-\$413,522	Sch. 20, Line 35
13	Miscellaneous	\$1,892,827	\$11,983	\$1,880,844	Sch. 20, Line 35
14					
16	Administrative and General Expense Charged or Paid to Others	\$11,760,165	\$11,760,165	\$0	Sch. 20, Line 35
46	Total	\$23,890,760	\$9,830,156	\$14,060,605	