

**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	\$44,861,861	-\$28,840,749		\$73,702,610	
25	921	\$5,610,135	\$5,610,135		\$0	
26	922	-\$48,972,720	-\$7,655,813		-\$41,316,907	
27	923	\$7,684,282	\$7,684,282		\$0	
28	924	\$0	\$0		\$0	
29	925	-\$695,634	-\$695,634		\$0	
30	926	-\$37,470,824	-\$2,461,672		\$0	-\$35,009,152
31	927	NA	NA	NA	NA	NA
32	928	\$17,351,998	\$17,351,998		\$0	
33	929	\$0	\$0		\$0	
34	930.1	\$0	\$0		\$0	
35	930.2	\$24,004,996	\$24,004,996		\$0	
36	931	\$11,411,119	\$11,411,119		\$0	
37	935	\$697,671	\$697,671		\$0	

### Source of Yellow-shaded Inputs

Sum of "Shareholder and Other" and Incentives sheets

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Not applicable, not yellow shaded

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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>
<b>a</b>	Accrued NOIC Amount:	<b>\$103,811,325</b>	SCE Records
<b>b</b>	Actual A&G NOIC payout:	<b>\$30,108,715</b>	Note 2, d
<b>c</b>	Adjustment:	<b>\$73,702,610</b>	

### Source of Yellow-shaded Inputs

Incentives Worksheet, Section 1

	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$30,108,715	SCE Records and Workpapers
e	Other	\$13,613,013	SCE Records and Workpapers
f	TDBU	\$45,060,955	SCE Records and Workpapers
g	Total:	\$88,782,682	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:	\$40,055,779	
<b>c</b>	Prior Year FF1 PBOPs expense:	\$5,046,627	
<b>d</b>	PBOPs Expense Exclusion:	-\$35,009,152	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	\$1,424,975	See ShareholderExclusions tab for detail
1b	921	\$5,432,615	See ShareholderExclusions tab for detail
1c	923	\$7,622,007	See ShareholderExclusions tab for detail
1d	926	\$222,914	See ShareholderExclusions tab for detail
1e	928	\$2,612,717	See ShareholderExclusions tab for detail
1f	930.2	<u>\$3,832,478</u>	See ShareholderExclusions tab for detail
Total Shareholder:		\$21,147,706	

**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	\$224,699	Generation, Hydro, Nuclear, Solar, and SSID 100% CPUC costs
2b	920	\$425	Miscellaneous Charitable Donations
2c	920	\$364,012	Affiliate Charges
2d	920	\$8,358	Solar Photovoltaic Memorandum Account (SPVPMMA)
2e	921	\$177,520	Generation, Hydro, FERC Licensing, Engineering, Power Procurement and Solar 100% CPUC costs
2f	923	\$2	Generation and Hydro 100% CPUC costs
2g	923	\$2,485	Agricultural Account Aggregation Study Memorandum Account (AAASMA)
2h	923	\$59,788	Outside Services
2i	925	\$291,831	Nuclear General Functions
2j	925	-\$218,673	Claim reimbursement for 2011 and 2012 claims from insurer
2K	925	-\$768,792	Base Revenue Requirement Balancing Account (BRRBA) credit
2l	926	\$1,506	Mojave Balancing Account
2m	926	\$6,549,605	Generation, Nuclear and Hydro 100% CPUC costs
2n	928	\$6,389,389	Energy Resource Recovery Account (ERRA)
2o	928	\$1,824,223	Public Purpose Programs Adjustment Mechanism (PPPAM)
2p	928	\$3,738,178	Energy Settlements Memorandum Account (ESMA)
2q	928	\$2,990	Malibu fire expenses
2r	928	\$2,784,501	Litigation Cost Tracking Account (LCTA)
2s	930.2	\$58,711	Aliso Canyon CEMA
2t	930.2	-\$420,073	Accounting Suspense
2u	930.2	-\$241,090	Provision for Doubtful Accounts
2v	930.2	\$20,983,266	Electric Program Investment Charge balancing acct. (EPICBA)
2w	930.2	-\$208,296	Remap of EEI and EPRI dues from operating accounts
2x	931	\$11,411,119	Nuclear expenses
2y	935	<u>\$697,671</u>	SSID 100% CPUC costs
Total Other:		\$53,713,355	

**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:	\$32,917,251	\$32,917,251
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4) Total "Shareholder and Other" Input Exclusions for Column 1, Lines 24-37 of Schedule 20  
(In Formula Input Format)

<u>Col 1</u>			
Shareholder or Other			
<u>Line #</u>	<u>Acct.</u>	<u>Exclusions</u>	<u>Calculation</u>
24	920	-\$30,894,782	Line 1a + 2a to 2d - 3
25	921	\$5,610,135	Line 1b+ 2e
26	922		
27	923	\$7,684,282	Line 1c + (2f to 2h)
28	924		
29	925	-\$695,634	Line 2i to 2k
30	926	\$6,774,025	Line 1d + 2l to 2m
31	927		
32	928	\$17,351,998	Line 1e + (2n to 2r)
33	929		
34	930.1		
35	930.2	\$24,004,996	Line 1f + (2s to 2w)
36	931	\$11,411,119	Line 2x
37	935	\$697,671	Line 2y
Total All "Shareholder or Other":		\$41,943,810	

## 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	\$103,811,325	Included in Account 920	
2	Capitalization rate	39.8%	CPUC GRC Decision for Test Year	2015
3	Capitalized NOIC	\$41,316,907	L1 * L2	

#### 2) Calculation of NOIC Payouts:

<u>Line</u>			
1	Actual NOIC Payout	\$130,099,589	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	\$44,120,445	34%	\$14,011,729.88	\$30,108,714.64
5 Other	\$19,948,117	15%	\$6,335,104.52	\$13,613,013
6 Trans. And Dist. Business Unit	\$66,031,028	51%	\$20,970,072.60	\$45,060,955
7 Totals	\$130,099,589	100%	\$41,316,907	\$88,782,682

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	\$30,108,715	Line 4, column D above
e	Other	\$13,613,013	Line 5, column D above
f	Trans. And Dist. Business Unit	\$45,060,955	Line 6, column D above
	Total:	\$88,782,682	

**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	\$3,894,023	Included in Account 920.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized OEIC	\$1,549,821	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> A	<u>% of Total Payout</u> B	<u>Allocated Capitalized OEIC</u> C = Section 3, L3 * B	<u>Non-Capitalized OEIC</u> D = A - C
2 A&G	\$3,389,811	100%	\$1,549,821	\$1,839,990

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	\$15,341,690	Included in Account 926.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized SERP	\$6,105,992	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	\$3,894,023	Section 3, L1
			Section 4,L2, Col E (-) Section 4, L2, Col G
2	Add Non-Capitalized OEIC	<u>-\$1,839,990</u>	
3	Total	\$2,054,033	

**7) Adjustments to Account 922:**

<u>Line</u>			<u>Source</u>
1	Deduct Capitalized NOIC	\$41,316,907	Section 1, L3
2	Deduct Capitalized OEIC	\$1,549,821	Section 3, L3
3	Deduct Capitalized SERP	<u>\$6,105,992</u>	Section 5,L3, Col.E
4	Total	\$48,972,720	

**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	-\$9,235,697	

**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>Col 1</u>		<u>Col 3</u>	
		Shareholder Exclusions or Other Adjustments	<u>Source</u>	NOIC	<u>Source</u>
<u>Line</u>	<u>Acct.</u>				
24	920	\$2,054,033	Sec. 6, L3	\$0	Not an input in formula
25	921			\$0	
26	922	-\$7,655,813	Sec. 7, L2 and L3 (enter neg)	-\$41,316,907	Sec. 1, L3 (enter negative)
27	923			\$0	
28	924			\$0	
29	925			\$0	
30	926	-\$9,235,697	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	\$82,874	LAM Shareholder Licensing Activities-Eastern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$973,963	LAM Shareholder Licensing Activities-Metro	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$292,388	LAM Shareholder Licensing Activities-Northern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$41,169	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
920	<u>\$34,581</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 920:</b>	\$1,424,975		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
921	\$1,610	OS & Finance Shareholder Funded A&G	Includes labor and non-labor related expenses for Operations Support & Finance shareholder related activities.
921	\$3,168,781	LAM Shareholder Licensing Activities-Eastern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$42,894	LAM Shareholder Licensing Activities-Northern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$2,194,818	LAM Shareholder Licensing Activities-Metro	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$7,306	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
921	\$1,596	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	\$157	ASD Shareholder Funded Activities	Includes labor and non-labor related expenses for Audit Services Division shareholder related activities.
921	<u>\$15,452</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>	\$5,432,615		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
923	\$7,621,573	EIX Costs	Removes certain EIX costs not recoverable from ratepayers
923	<u>\$434</u>	Outside Services	Removes shareholder outside services costs
<b>Total 923:</b>	\$7,622,007		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
926	\$343,731	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	\$634,171	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	\$158,526	Diamond Club	Company cost to support quarterly meetings for retiree and employees with 25+ years of service.
926	\$6,564	Humanitarian Award Program	Company cost to provide recognition of employees who provided a life saving action.
926	-\$45	Miscellaneous	Includes adjusting entries and miscellaneous corrections.
926	<u>-\$920,033</u>	Executive Benefits Adjustment	Removes executive benefit credits not related to Executive Retirement Plan
<b>Total 926:</b>	\$222,914		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
928	<u>\$ 2,612,717</u>	SONGS outside services costs	Removes costs associated with outside services related to San Onofre Generating Station
<b>Total 928:</b>	\$2,612,717		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
930.2	\$1,597,798	General Function - Controllers	Miscellaneous Controllers Department General Function
930.2	<u>\$2,234,679</u>	Balance Sheet Write Offs	Includes shareholder related balance sheet write offs
<b>Total 930.2:</b>	\$3,832,478		

**Total All**      \$21,147,706



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	\$2,062,759	\$2,062,759	-\$208,296	Sch. 20, Line 35
2	Nuclear Power Research Expenses			\$0	
3	Other Experimental and General Research Expenses	\$20,983,266	\$0	\$20,983,266	Sch. 20, Line 35
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	\$622,266	\$622,266	\$0	
5	Other Expn >=\$5,000 show purpose, receipt, amount. Group if < \$5,000				
6	Credit Line Fees / Bank Charges	\$3,769,654	\$3,769,654	\$0	
7	Directors' Fees and Expenses	\$2,894,700	\$2,894,700	\$0	
8	Periodic SEC Reports	\$460,395	\$460,395	\$0	
9	Planning and Development of Communication Systems	\$1,395,355	\$1,395,355	\$0	
10	Provision for Doubtful Accounts - Non-Energy Billings	-\$241,090	\$0	-\$241,090	Sch. 20, Line 35
11	Vendor Discounts	-\$9,766,562	-\$9,766,562	\$0	
12	Accounting Suspense	-\$420,073	\$0	-\$420,073	Sch. 20, Line 35
13	Miscellaneous	-\$1,456,115	-\$3,112,624	\$1,656,509	Sch. 20, Line 35
14					
15	Payment to CEC / CPUC	\$0		\$0	Sch. 20, Line 35
16	Administrative and General Expense Charged or Paid to Others	\$11,883,138	\$11,883,138	\$0	Sch. 20, Line 35
17	Balance Sheet Write-Off	\$2,234,679	\$0	\$2,234,679	Sch. 20, Line 35
46	Total	\$34,422,372	\$10,209,081	\$24,004,996	