

**Explanation of One Time Adjustment to Prior Period
True Up TRR Pursuant to Appendix IX, Attachment 1, Paragraph 3(d)(8)**

		TO13/TO2020	TO2021
		TUTRR Change	One-Time Adj*
Changes to 2017			
1. In preparing the TO2021 Draft Annual Update, SCE discovered that it had outside counsel expenses related to employment litigation or arbitration matters that were subsequently resolved by the Company which were not excluded. The amount of expenses were overstated by \$16,366, which should have been excluded in 2017. As such, SCE is including an additional TO13 A&G exclusion of \$16,336 to remove these additional expenses. SCE has incorporated this correction that changes the TO13 A&G exclusions and the impact of this change is a decrease in the 2017 True Up TRR of \$937.	A	-\$937	-\$1,000
Total One-Time Adjustment for 2017 Reflected in the June TO2021 Posting	A	-\$937	-\$1,000
Changes to 2018			
1. In preparing the TO2021 Draft Annual Update, SCE discovered that it had outside counsel expenses related to employment litigation or arbitration matters that were subsequently resolved by the Company which were not excluded. The amount of expenses were overstated by \$21,685, which should have been excluded in 2018. As such, SCE is including an additional TO2020 A&G exclusion of \$21,685 to remove these additional expenses. SCE has incorporated this correction that changes the TO2020 A&G exclusions and the impact of this change is a decrease in the 2018 True Up TRR of \$1,275.	B	-\$1,275	-\$1,306
Total One-Time Adjustment for 2018 Reflected in June TO2021 Posting	B	-\$1,275	-\$1,306
Total One-Time Adjustment for 2017 through 2018 Reflected in June TO2021 Posting	C = A + B	-\$2,212	-\$2,306

* The TO2021 One-Time Adjustment is equal to the TO13/TO2020 TUTRR Change, plus interest through December 31, 2018.

Schedule 3 - One-Time and Previous Period True Up Adjustment										
One Time Adjustment for Revised 2017 True Up TRR							One Time Adjustment for Revised 2018 True Up TRR			
<u>Month</u>	<u>Year</u>	<u>Monthly Interest Rate</u>	<u>Monthly True Up TRR Adjustment</u>	<u>Cumulative Excess (-) or Shortfall (+) in Revenue wo Interest for Current Month</u>	<u>Interest for Current Month</u>	<u>Cumulative Excess (-) or Shortfall (+) in Revenue with Interest</u>	<u>Monthly True Up TRR Adjustment</u>	<u>Cumulative Excess (-) or Shortfall (+) in Revenue wo Interest for Current Month</u>	<u>Interest for Current Month</u>	<u>Cumulative Excess (-) or Shortfall (+) in Revenue with Interest</u>
January	2017	0.29%	-\$78	-\$78	\$0	-\$78	\$0	\$0	\$0	\$0
February	2017	0.29%	-\$78	-\$156	\$0	-\$157	\$0	\$0	\$0	\$0
March	2017	0.29%	-\$78	-\$235	-\$1	-\$235	\$0	\$0	\$0	\$0
April	2017	0.31%	-\$78	-\$313	-\$1	-\$314	\$0	\$0	\$0	\$0
May	2017	0.31%	-\$78	-\$392	-\$1	-\$393	\$0	\$0	\$0	\$0
June	2017	0.31%	-\$78	-\$471	-\$1	-\$473	\$0	\$0	\$0	\$0
July	2017	0.33%	-\$78	-\$551	-\$2	-\$552	\$0	\$0	\$0	\$0
August	2017	0.33%	-\$78	-\$630	-\$2	-\$632	\$0	\$0	\$0	\$0
September	2017	0.33%	-\$78	-\$710	-\$2	-\$713	\$0	\$0	\$0	\$0
October	2017	0.35%	-\$78	-\$791	-\$3	-\$793	\$0	\$0	\$0	\$0
November	2017	0.35%	-\$78	-\$871	-\$3	-\$874	\$0	\$0	\$0	\$0
December	2017	0.35%	-\$78	-\$952	-\$3	-\$955	\$0	\$0	\$0	\$0
January	2018	0.35%	\$0	-\$955	-\$3	-\$959	-\$106	-\$106	\$0	-\$106
February	2018	0.35%	\$0	-\$959	-\$3	-\$962	-\$106	-\$213	-\$1	-\$213
March	2018	0.35%	\$0	-\$962	-\$3	-\$966	-\$106	-\$320	-\$1	-\$320
April	2018	0.37%	\$0	-\$966	-\$4	-\$969	-\$106	-\$427	-\$1	-\$428
May	2018	0.37%	\$0	-\$969	-\$4	-\$973	-\$106	-\$534	-\$2	-\$536
June	2018	0.37%	\$0	-\$973	-\$4	-\$976	-\$106	-\$642	-\$2	-\$645
July	2018	0.39%	\$0	-\$976	-\$4	-\$980	-\$106	-\$751	-\$3	-\$754
August	2018	0.39%	\$0	-\$980	-\$4	-\$984	-\$106	-\$860	-\$3	-\$863
September	2018	0.39%	\$0	-\$984	-\$4	-\$988	-\$106	-\$969	-\$4	-\$973
October	2018	0.41%	\$0	-\$988	-\$4	-\$992	-\$106	-\$1,079	-\$4	-\$1,083
November	2018	0.41%	\$0	-\$992	-\$4	-\$996	-\$106	-\$1,190	-\$5	-\$1,194
December	2018	0.41%	\$0	-\$996	-\$4	-\$1,000	-\$106	-\$1,301	-\$5	-\$1,306
			-\$937	Subtotal One-Time Adj:		-\$1,000	-\$1,275	Subtotal One-Time Adj:		-\$1,306
Total One-Time Adj with Interest:										-\$2,306

One Time Adjustment for Revised 2017 True Up TRR		
Description	Amount	Source
Revised TO13 True Up TRR in TO2020 Filing	1,014,519,565	TO2020 Annual Update - WP Schedule 3 - One Time Adj Prior Period, Page 37, Line 45.
Revised TO13 True Up TRR in TO2021 Draft Posting	1,014,518,629	TO2021 Draft Annual Posting - WP Schedule 3 - One Time Adj Prior Period, Page 5, Line 45.
Variance*	(937)	

* Variance Includes Adjustment for:
(1) 2017 A&G exclusion for outside counsel

Schedule 4
True Up TRR
(TO2019-Attachment 5 TO13 TrueUpTRR)

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Calculation of True Up TRR

A) Rate Base for True Up TRR

<u>Line</u>	<u>Rate Base Item</u>	<u>Calculation Method</u>	<u>Notes</u>	<u>FERC Form 1 Reference or Instruction</u>	<u>Amount</u>
1	ISO Transmission Plant	13-Month Avg.		6-PlantInService, Line 18	\$8,389,794,318
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$252,097,756
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$9,942,155
4	Abandoned Plant	BOY/EOY Avg.		12-AbandonedPlant Line 4	\$0
<u>Working Capital Amounts</u>					
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$13,057,097
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$10,647,093
7	Cash Working Capital	1/16 (O&M + A&G)		1-Base TRR Line 7	\$7,824,720
8	Working Capital			Line 5 + Line 6 + Line 7	\$31,528,909
<u>Accumulated Depreciation Reserve Amounts</u>					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,549,914,567
10	Distribution Depreciation Reserve - ISO	BOY/EOY Avg.	Negative amount	8-AccDep, Line 17, Col. 5	\$0
11	G + I Depreciation Reserve	BOY/EOY Avg.	Negative amount	8-AccDep, Line 23	-\$102,849,091
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,652,763,658
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT, Line 15	-\$1,600,478,572
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$106,414,658
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 9	-\$106,562,330
15a	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$10,165,091
16	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0
17	Rate Base			L1+L2+L3+L4+L8+L12+ L13+L14+L15+L15a+L16	\$5,419,808,145

B) Return on Capital

<u>Line</u>					
18	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.2500%
19	Return on Capital: Rate Base times Cost of Capital Rate			Line 17 * Line 18	\$392,934,497

C) Income Taxes

20	Income Taxes = [(((RB * ER) + D) * (CTR/(1 - CTR))) + CO/(1 - CTR)]				\$201,958,885
	Where:				
21	RB = Rate Base			Line 17	\$5,419,808,145
22	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1		Instruction 1, Line k	5.2592%
23	CTR = Composite Tax Rate			1-Base TRR L 58	40.7460%
24	CO = Credits and Other			1-Base TRR L 62	\$2,086,200
25	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 64	\$3,535,511

Schedule 4
True Up TRR
(TO2019-Attachment 5 TO13 TrueUpTRR)

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D) True Up TRR Calculation

26	O&M Expense	1-Base TRR L 65	\$78,644,834
27	A&G Expense	1-Base TRR L 66	\$46,550,679
27a	PBOPs True Up TRR Adjustment	35-PBOPs L 14	-\$6,505
28	Network Upgrade Interest Expense	1-Base TRR L 67	\$6,116,851
29	Depreciation Expense	1-Base TRR L 68	\$239,582,731
30	Abandoned Plant Amortization Expense	1-Base TRR L 69	\$0
31	Other Taxes	1-Base TRR L 70	\$60,990,527
32	Revenue Credits	1-Base TRR L 71	-\$58,832,606
33	Return on Capital	Line 19	\$392,934,497
34	Income Taxes	Line 20	\$201,958,885
35	Gains and Losses on Transmission Plant Held for Future Use -- Land	1-Base TRR L 74	\$0
36	Amortization and Regulatory Debits/Credits	1-Base TRR L 75	\$0
37	Total without True Up Incentive Adder	Sum Line 26 to Line 36	\$967,939,893
38	True Up Incentive Adder	15-IncentiveAdder L 20	\$34,932,083
39	True Up TRR without Franchise Fees and Uncollectibles Expense included:	Line 37 + Line 38	\$1,002,871,975

E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses

<u>Line</u>		<u>Reference:</u>	
40	True Up TRR wo FF:	Line 39	
41	Franchise Fee Factor:	28-FFU, L 5	
42	Franchise Fee Expense:	Line 40 * Line 41	
43	Uncollectibles Expense Factor:	28-FFU, L 5	
44	Uncollectibles Expense:	Line 42 * Line 43	
45	True Up TRR:	L 40 + L 42 + L 44	

Change In
TO13 TUTRR
\$1,014,518,629
<u>\$1,014,519,565</u>
-\$937

Schedule 4
True Up TRR
(TO2019-Attachment 5 TO13 TrueUpTRR)

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Instructions:

1) Use weighted average (by time) of the Return on Equity in effect during the Prior Year in determining the "Cost of Capital Rate" on Line 18 and the "Equity Rate of Return Including Preferred Stock" on Line 22 in the event that the ROE is revised during the Prior Year. In this event, the ROE used in Schedule 1 will differ from the ROE used in this Schedule 4, because the Schedule 1 ROE will be the most recent ROE, whereas the Schedule 4 Cost of Capital Rate and Equity Rate of Return including Com. + Pref. Stock will be based on the weighted-average ROE.

Calculation of weighted average Cost of Capital Rate in Prior Year:

If ROE does not change during year, then attribute all days to Line a "ROE at end of Prior Year" and none to "ROE at start of PY"

	<u>Percentage</u>	<u>Reference:</u>	<u>From</u>	<u>To</u>	<u>Days ROE In Effect</u>
a ROE at end of Prior Year	9.80%	1-Base TRR L 49	Jan 1, 2017	Dec 31, 2017	365
b ROE start of Prior Year	9.80%	See Line e below			
c				Total days in year:	365
d Wtd. Avg. ROE in Prior Year	9.80%	((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year			

Commission Decisions approving ROE:

	<u>Reference:</u>
e End of Prior Year	Settlement in ER11-3697
f Beginning of Prior Year	Settlement in ER11-3697

	<u>Percentage</u>	<u>Reference:</u>
g Wtd. Cost of Long Term Debt	1.9908%	1-Base TRR L 50
h Wtd. Cost of Preferred Stock	0.4951%	1-Base TRR L 51
i Wtd. Cost of Common Stock	4.7641%	1-Base TRR L 46 * Line d
j Cost of Capital Rate	7.2500%	Sum of Lines f to h

Calculation of Equity Rate of Return Including Common and Preferred Stock:

	<u>Percentage</u>	<u>Reference:</u>
k	5.2592%	Sum of Lines g to h

2) Beginning with the True Up Adjustment calculation for 2012 utilizing the True Up TRR for 2012, exclude from CWIP recovery the capital cost of facilities that were purchased for the portion of Tehachapi Segment 8 near the Chino Airport, but due to the April 25, 2011 Notice of Presumed Hazard issued to SCE by the FAA are not used in the construction of Tehachapi or in any other CWIP incentive project. Additionally, SCE will permanently exclude from Plant In Service, Rate Base, and transmission rates these capital costs if the facilities are not used in the construction of any SCE transmission project.

Schedule 20
Administrative and General Expenses
(TO2019-Attachment 5 TO13 TrueUpTRR)

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Calculation of Administrative and General Expense

Inputs are shaded yellow

			Col 1	Col 2	Col 3	Col 4	Notes
			FERC Form 1	Data	See Note 1 Total Amount	A&G Expense	
Line	Acct.	Description	Amount	Source	Excluded		
1	920	A&G Salaries	\$354,859,044	FF1 323.181b	\$69,867,001	\$284,992,043	
2	921	Office Supplies and Expenses	\$249,803,334	FF1 323.182b	\$5,868,285	\$243,935,049	
3	922	A&G Expenses Transferred	-\$145,897,634	FF1 323.183b	-\$48,972,720	-\$96,924,914	Credit
4	923	Outside Services Employed	\$54,121,017	FF1 323.184b	\$7,758,094	\$46,362,923	
5	924	Property Insurance	\$14,497,978	FF1 323.185b	\$0	\$14,497,978	
6	925	Injuries and Damages	\$117,581,984	FF1 323.186b	-\$694,137	\$118,276,121	
7	926	Employee Pensions and Benefits	\$142,806,958	FF1 323.187b	-\$15,693,853	\$158,500,811	
8	927	Franchise Requirements	\$110,632,750	FF1 323.188b	\$110,632,750	\$0	
9	928	Regulatory Commission Expenses	\$16,012,736	FF1 323.189b	\$17,351,998	-\$1,339,262	
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0	
11	930.1	General Advertising Expense	\$5,718,074	FF1 323.191b	\$0	\$5,718,074	
12	930.2	Miscellaneous General Expense	\$34,422,373	FF1 323.192b	\$24,004,996	\$10,417,377	
13	931	Rents	\$6,627,867	FF1 323.193b	\$11,411,119	-\$4,783,252	
14	935	Maintenance of General Plant	\$13,296,044	FF1 323.196b	\$697,671	\$12,598,373	
15			\$974,482,525		Total A&G Expenses:	\$792,251,322	

	Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$792,251,322 Line 15
17	Less Account 924:	\$14,497,978 Line 5
18	Amount to apply the Transmission W&S AF:	\$777,753,344 Line 16 - Line 17
19	Transmission Wages and Salaries Allocation Factor:	5.6290% 27-Allocators, Line 9
20	Transmission W&S AF Portion of A&G:	\$43,779,901 Line 18 * Line 19
21	Transmission Plant Allocation Factor:	19.1115% 27-Allocators, Line 22
22	Property Insurance portion of A&G:	\$2,770,777 Line 5 Col 4 * Line 21
23	Administrative and General Expenses:	\$46,550,679 Line 20 + Line 22

Changed from \$7,741,758 to \$7,758,094 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

Note 1: Itemization of exclusions

			Col 1	Col 2	Col 3	Col 4	Notes
			Shareholder Exclusions or Other	Franchise Requirements	NOIC	PBOPs	
Line	Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)	Adjustments				
24	920	\$69,867,001	-\$11,516,850		\$81,383,851		See Instructions 2b, 3, and Note 2
25	921	\$5,868,285	\$5,868,285		\$0		
26	922	-\$48,972,720	-\$7,655,813		-\$41,316,907		
27	923	\$7,758,094	\$7,758,094		\$0		
28	924	\$0	\$0		\$0		
29	925	-\$694,137	-\$694,137		\$0		
30	926	-\$15,693,853	\$19,430,853		\$0	-\$35,124,706	See Note 3
31	927	\$110,632,750	\$0	\$110,632,750	\$0	\$0	See Note 4
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		

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

(NOIC includes Results Sharing, Management Incentive Program, and Non-Officer Executive Incentive Compensation).
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:	\$103,811,325	SCE Records
b	Actual A&G NOIC payout:	\$22,427,473	Note 2, d
c	Adjustment:	\$81,383,851	
Actual non-capitalized NOIC Payouts:			
	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$22,427,473	SCE Records and Workpapers
e	Other	\$10,140,103	SCE Records and Workpapers
f	Trans. And Dist. Business Unit	\$33,565,145	SCE Records and Workpapers
g	Total:	\$66,132,721	Sum of d to f

Note 3: PBOPs Exclusion Calculation

		<u>Amount</u>	<u>Note:</u>
a	Authorized PBOPs expense amount:	\$40,171,333	See instruction #4
b	Prior Year FF1 PBOPs expense:	\$5,046,627	SCE Records
c	PBOPs Expense Exclusion:	-\$35,124,706	b - a

Note 4:

Amount in Line 31, column 2 equals amount in Line 8, column 1 because all Franchise Requirements Expenses are excluded
Franchise Fees Expenses component of the Prior Year TRR are based on Franchise Fee Factors.

Schedule 20
Administrative and General Expenses
(TO2019-Attachment 5 TO13 TrueUpTRR)

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Attachment 4
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Instructions:

- 1) Enter amounts of A&G expenses from FERC Form 1 in Lines 1 to 14.
- 2) Fill out "Itemization of Exclusions" table for all input cells. NOIC amount in Column 3, Line 24 is calculated in Note 2. The PBOPs exclusion in Column 4, Line 30 is calculated in Note 3.
 - a) Exclude amount of any Shareholder Adjustments, costs incurred on behalf of SCE shareholders, from relevant account in Column 1.
 - b) Include as an adjustment in Column 1 for Account 920 any amount excluded from Accounts 569.100, 569.200, and 569.300 in Schedule 19 (OandM) related to Order 668 costs transferred.
 - c) Exclude entire amount of account 927 "Franchise Requirements" in Column 2, as those costs are recovered through the Franchise Fees Expense item.
 - d) Exclude any amount of Account 930.1 "General Advertising Expense" not related to advertising for safety, siting, or informational purposes in column 1.
 - e) Exclude any amount of expense relating to secondary land use and audit expenses not directly benefitting utility customers.
 - f) Exclude from account 930.2:
 - 1) Nuclear Power Research Expenses.
 - 2) Write Off of Abandoned Project Expenses.
 - 3) Any advertising expenses within the Consultants/Professional Services category.
 - g) Exclude the following costs included in any account 920-935:
 - 1) Any amount of "Provision for Doubtful Accounts" costs.
 - 2) Any amount of "Accounting Suspense" costs.
 - 3) Any penalties of fines.
 - 4) Any amount of costs recovered 100% through California Public Utilities Commission ("CPUC") rates.
 - h) Exclude the following amounts of employee incentive compensation from any account 920-935:
 - 1) Any Long Term Incentive Compensation ("LTI") costs.
 - 2) Beginning with Prior Year 2012, any amount of Officer Executive Incentive Compensation ("OEIC") in excess of the amount authorized by the CPUC in Decision D.12-11-051 or subsequent decision.
 - 3) Beginning with Prior Year 2012, any amount of Supplemental Executive Retirement Plan ("SERP") in excess of the amount authorized by the CPUC in Decision D.12-11-051 or subsequent decision.
 - 4) Beginning with Prior Year 2012, any amount of NOIC in excess of the amount authorized by the CPUC in Decision D.12-11-051 or subsequent decision.
 - 5) Any Spot Bonus costs.
 - 6) Any Awards to Celebrate Excellence ("ACE") costs.
- 3) NOIC adjustment in Column 3, Line 24 is made by determining the difference between the total accrued NOIC amount included in the FERC Form 1 recorded cost amounts and the actual A&G NOIC payout (see note 2). NOIC adjustment in column 3, Line 26 is made by entering the amount of accrued NOIC that is capitalized.
- 4) Determine the PBOPs exclusion. The authorized amount of PBOPs expense (line a) may only be revised pursuant to Commission acceptance of an SCE FPA Section 205 filing to revise the authorized PBOPs expense, in accordance with the tariff protocols. Accordingly, any amount different than the authorized PBOPs expense is excluded from account 926 (see note 3). Docket or Decision approving authorized PBOPs amount: ER16-2433
- 5) SCE shall make no adjustments to recorded labor amounts related to non-labor labor and/or Indirect labor in Schedule 20.

One Time Adjustment for Revised 2018 True Up TRR		
Description	Amount	Source
Filed TO2020 True Up TRR	1,078,540,190	TO2020 Annual Update Filing - Attachment 5 - Schedule 4 , Page 13, Line 46.
TO2020 Revised True Up TRR in TO2021 Draft Posting	1,078,538,915	TO2021 Draft Annual Update - WP Schedule 3 - One Time Adj Prior Period, Page 12, Line 45.
Variance*	(1,275)	

* Variance Includes Adjustment for:
(1) 2018 A&G exclusion for outside counsel

Calculation of True Up TRR

A) Rate Base for True Up TRR

Line	Rate Base Item	Calculation Method	Notes	FERC Form 1 Reference or Instruction	Amount
1	ISO Transmission Plant	13-Month Avg.		6-PlantInService, Line 18	\$8,666,375,347
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$250,784,299
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$9,942,155
4	Abandoned Plant	BOY/EOY Avg.		12-AbandonedPlant Line 4	\$0
<u>Working Capital Amounts</u>					
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$14,561,674
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$11,258,427
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$34,370,451
8	Working Capital			Line 5 + Line 6 + Line 7	\$60,190,551
<u>Accumulated Depreciation Reserve Amounts</u>					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,696,750,195
10	Distribution Depreciation Reserve - ISO	BOY/EOY Avg.	Negative amount	8-AccDep, Line 17, Col. 5	\$0
11	G + I Depreciation Reserve	BOY/EOY Avg.	Negative amount	8-AccDep, Line 23	-\$96,157,605
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,792,907,800
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT, Line 15	-\$1,646,877,467
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 12, C2	\$297,221,934
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$78,952,573
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$86,758,064
17	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0
18	Rate Base			L1+L2+L3+L4+L8+L12+L13+L14+L15+L16+L17	\$5,679,018,383

B) Return on Capital

Line					
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.8019%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$443,070,011

C) Income Taxes

21	Income Taxes = [(((RB * ER) + D) * (CTR/(1 - CTR))) + CO/(1 - CTR)]				\$91,558,172
	Where:				
22	RB = Rate Base			Line 18	\$5,679,018,383
23	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1		Instruction 1, Line k	5.6848%
24	CTR = Composite Tax Rate			1-Base TRR L 59	27.9836%
25	CO = Credits and Other			1-Base TRR L 63	-\$25,416,331
26	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 65	\$3,610,018

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True Up TRR
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D) True Up TRR Calculation

27	O&M Expense	1-Base TRR L 66	\$68,175,047
28	A&G Expense	1-Base TRR L 67	\$206,788,562
29	Network Upgrade Interest Expense	1-Base TRR L 68	\$5,429,238
30	Depreciation Expense	1-Base TRR L 69	\$245,884,460
31	Abandoned Plant Amortization Expense	1-Base TRR L 70	\$0
32	Other Taxes	1-Base TRR L 71	\$63,673,657
33	Revenue Credits	1-Base TRR L 72	-\$58,173,791
34	Return on Capital	Line 20	\$443,070,011
35	Income Taxes	Line 21	\$91,558,172
36	Gains and Losses on Transmission Plant Held for Future Use -- Land	1-Base TRR L 75	\$0
37	Amortization and Regulatory Debits/Credits	1-Base TRR L 76	\$0
38	Total without True Up Incentive Adder	Sum Line 27 to Line 37	\$1,066,405,355
39	True Up Incentive Adder	15-IncentiveAdder L 20	\$26,918,854
39a	True Up Incentive Adder Reversal	Negative of Line 39, Note 1	-\$26,918,854
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:	Line 38 + Line 39 + Line 39a	\$1,066,405,355

E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses

<u>Line</u>		<u>Reference:</u>	
41	True Up TRR wo FF:	Line 40	
42	Franchise Fee Factor:	28-FFU, L 5	
43	Franchise Fee Expense:	Line 41 * Line 42	
44	Uncollectibles Expense Factor:	28-FFU, L 5	
45	Uncollectibles Expense:	Line 43 * Line 44	
46	True Up TRR:	L 41 + L 43 + L 45	

Change In TO2020 TUTRR
\$1,078,538,915
<u>\$1,078,540,190</u>
-\$1,275

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Instructions:

1) Use weighted average (by time) of the Return on Equity in effect during the Prior Year in determining the "Cost of Capital Rate" on Line 19 and the "Equity Rate of Return Including Preferred Stock" on Line 23 in the event that the ROE is revised during the Prior Year. In this event, the ROE used in Schedule 1 will differ from the ROE used in this Schedule 4, because the Schedule 1 ROE will be the most recent ROE, whereas the Schedule 4 Cost of Capital Rate and Equity Rate of Return including Com. + Pref. Stock will be based on the weighted-average ROE.

Calculation of weighted average Cost of Capital Rate in Prior Year:

If ROE does not change during year, then attribute all days to Line a "ROE at end of Prior Year" and none to "ROE at start of PY"

	<u>Percentage</u>	<u>Reference:</u>	<u>From</u>	<u>To</u>	<u>Days ROE In Effect</u>
a ROE at end of Prior Year	11.20%	See Line e below	Jan 1, 2018	Dec 31, 2018	365
b ROE start of Prior Year	11.20%	See Line f below			
c				Total days in year:	365
d Wtd. Avg. ROE in Prior Year	11.20%	((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year			

Commission Decisions approving ROE:

	<u>Reference:</u>
e End of Prior Year	Second Formula Rate ER18-169 Settlement
f Beginning of Prior Year	Second Formula Rate ER18-169 Settlement

	<u>Percentage</u>	<u>Reference:</u>
g Wtd. Cost of Long Term Debt	2.1170%	1-Base TRR L 51
h Wtd. Cost of Preferred Stock	0.4601%	1-Base TRR L 52
i Wtd. Cost of Common Stock	5.2247%	1-Base TRR L 47 * Line d
j Cost of Capital Rate	7.8019%	Sum of Lines g to i

Calculation of Equity Rate of Return Including Common and Preferred Stock:

	<u>Percentage</u>	<u>Reference:</u>
k	5.6848%	Sum of Lines h to i

Notes:

1) True Up TRR Incentive Adder Reversal backs out the revenue requirement associated with any project-specific Incentive Adders (line 39) for True Up Years during the term of the Second Formula Rate. Applicable pursuant to settlement under ER18-169.

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Administrative and General Expenses
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Calculation of Administrative and General Expense

Inputs are shaded yellow

			Col 1	Col 2	Col 3	Col 4	Notes
			FERC Form 1	Data	See Note 1 Total Amount	A&G Expense	
Line	Acct.	Description	Amount	Source	Excluded		
1	920	A&G Salaries	\$380,019,593	FF1 323.181b	\$171,916,034	\$208,103,559	
2	921	Office Supplies and Expenses	\$243,397,352	FF1 323.182b	\$8,604,255	\$234,793,097	
3	922	A&G Expenses Transferred	-\$153,376,384	FF1 323.183b	-\$62,480,935	-\$90,895,449	Credit
4	923	Outside Services Employed	\$54,239,013	FF1 323.184b	\$8,764,418	\$45,474,595	
5	924	Property Insurance	\$16,155,127	FF1 323.185b	\$0	\$16,155,127	
6	925	Injuries and Damages	\$2,996,146,771	FF1 323.186b	\$3,991,252	\$2,992,155,519	
7	926	Employee Pensions and Benefits	\$115,626,278	FF1 323.187b	-\$12,067,035	\$127,693,313	
8	927	Franchise Requirements	\$113,911,175	FF1 323.188b	\$113,911,175	\$0	
9	928	Regulatory Commission Expenses	\$11,239,506	FF1 323.189b	\$11,197,494	\$42,012	
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0	
11	930.1	General Advertising Expense	\$6,438,097	FF1 323.191b	\$0	\$6,438,097	
12	930.2	Miscellaneous General Expense	\$23,890,761	FF1 323.192b	\$14,064,692	\$9,826,069	
13	931	Rents	\$8,428,057	FF1 323.193b	\$11,993,182	-\$3,565,125	
14	935	Maintenance of General Plant	\$18,830,965	FF1 323.196b	\$699,128	\$18,131,837	
15			\$3,834,946,311		Total A&G Expenses:	\$3,564,352,650	

	Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$3,564,352,650 Line 15
17	Less Account 924:	\$16,155,127 Line 5
18	Amount to apply the Transmission W&S AF:	\$3,548,197,523 Line 16 - Line 17
19	Transmission Wages and Salaries Allocation Factor:	5.7427% 27-Allocators, Line 5
20	Transmission W&S AF Portion of A&G:	\$203,760,743 Line 18 * Line 19
21	Transmission Plant Allocation Factor:	18.7422% 27-Allocators, Line 18
22	Property Insurance portion of A&G:	\$3,027,819 Line 5 Col 4 * Line 21
23	Administrative and General Expenses:	\$206,788,562 Line 20 + Line 22

Jee Kim:
Change from \$8,742,733 to \$8,764,418 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

Note 1: Itemization of exclusions

			Col 1	Col 2	Col 3	Col 4	Notes
			Shareholder Exclusions or Other	Franchise Requirements	NOIC	PBOPs	
Line	Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)	Adjustments				
24	920	\$171,916,034	\$52,489,732		\$119,426,302		See Instructions 2b, 3, and Note 2
25	921	\$8,604,255	\$8,604,255		\$0		
26	922	-\$62,480,935	-\$7,944,352		-\$54,536,583		
27	923	\$8,764,418	\$8,764,418		\$0		
28	924	\$0	\$0		\$0		
29	925	\$3,991,252	\$3,991,252		\$0		
30	926	-\$12,067,035	\$9,885,298		\$0	-\$21,952,333	See Note 3
31	927	\$113,911,175	\$0	\$113,911,175	\$0	\$0	See Note 4
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		

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:	\$17,600,289	Note 2, d
c	Adjustment:	\$119,426,302	
Actual non-capitalized NOIC Payouts:			
	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$17,600,289	SCE Records and Workpapers
e	Other	\$8,544,925	SCE Records and Workpapers
f	Trans. And Dist. Business Unit	\$26,767,831	SCE Records and Workpapers
g	Total:	\$52,913,045	Sum of d to f

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 Authorized PBOPs Expense Amount during Prior Year
c	Prior Year FF1 PBOPs expense:	\$18,219,000 SCE Records
d	PBOPs Expense Exclusion:	-\$21,952,333 c - b

Note 4:

Amount in Line 31, column 2 equals amount in Line 8, column 1 because all Franchise Requirements Expenses are excluded
Franchise Fees Expenses component of the Prior Year TRR are based on Franchise Fee Factors.

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Administrative and General Expenses
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Instructions:

- 1) Enter amounts of A&G expenses from FERC Form 1 in Lines 1 to 14.
- 2) Fill out "Itemization of Exclusions" table for all input cells. NOIC amount in Column 3, Line 24 is calculated in Note 2. The PBOPs exclusion in Column 4, Line 30 is calculated in Note 3.
 - a) Exclude amount of any Shareholder Adjustments, costs incurred on behalf of SCE shareholders, from relevant account in Column 1.
 - b) Include as an adjustment in Column 1 for Account 920 any amount excluded from Accounts 569.100, 569.200, and 569.300 in Schedule 19 (OandM) related to Order 668 costs transferred.
 - c) Exclude entire amount of account 927 "Franchise Requirements" in Column 2, as those costs are recovered through the Franchise Fees Expense item.
 - d) Exclude any amount of Account 930.1 "General Advertising Expense" not related to advertising for safety, siting, or informational purposes in column 1.
 - e) Exclude any amount of expense relating to secondary land use and audit expenses not directly benefitting utility customers.
 - f) Exclude from account 930.2:
 - 1) Nuclear Power Research Expenses.
 - 2) Write Off of Abandoned Project Expenses.
 - 3) Any advertising expenses within the Consultants/Professional Services category.
 - g) Exclude the following costs included in any account 920-935:
 - 1) Any amount of "Provision for Doubtful Accounts" costs.
 - 2) Any amount of "Accounting Suspense" costs.
 - 3) Any penalties or fines.
 - 4) Any amount of costs recovered 100% through California Public Utilities Commission ("CPUC") rates.
- 3) NOIC adjustment in Column 3, Line 24 is made by determining the difference between the total accrued NOIC amount included in the FERC Form 1 recorded cost amounts and the actual A&G NOIC payout (see note 2). NOIC adjustment in column 3, Line 26 is made by entering the amount of accrued NOIC that is capitalized.
- 4) Determine the PBOPs exclusion. The authorized amount of PBOPs expense (line a) may only be revised pursuant to Commission acceptance of an SCE FPA Section 205 filing to revise the authorized PBOPs expense, in accordance with the tariff protocols. Accordingly, any amount different than the authorized PBOPs expense during the Prior Year is excluded from account 926 (see note 3). Docket or Decision approving authorized PBOPs amount:
- 5) SCE shall make no adjustments to recorded labor amounts related to non-labor labor and/or Indirect labor in Schedule 20.

ER19-1226