

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)

<u>Line #</u>	<u>Acct.</u>	<u>Col 1 Shareholder or Other 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>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Actual NOIC Payout	\$137,026,591	Section 2, L7	
2	Authorized NOIC Payout	\$107,449,628	Use appropriate Cap for applicable year	Settlement Cap Amount for 2018
3	NOIC Payout To Be Recovered	\$107,449,628	Lesser of Line 1 or Line 2	

<u>Business Unit</u>	<u>Actual Payout</u>	<u>% of Total Payout</u>	<u>NOIC Payout to be Recovered</u>	<u>Allocated Capitalized NOIC</u>	<u>Non-Capitalized NOIC</u>
	A	B = Col A / L7	C = Section 2, L3*B	D = Section 1, L3 * B	E = C - D
4 A&G	\$45,578,695	33%	\$35,740,609	\$18,140,321	\$17,600,289
5 Other	\$22,128,417	16%	\$17,352,035	\$8,807,110	\$8,544,925
6 Trans. And Dist. Business Unit	\$69,319,479	51%	\$54,356,984	\$27,589,152	\$26,767,831
7 Totals	\$137,026,591	100%	\$107,449,628	\$54,536,583	\$52,913,045

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>d</u>	<u>Department</u>	<u>Amount</u>	<u>Source</u>
	A&G	\$17,600,289	Line 4, column D above
	Other	\$8,544,925	Line 5, column D above
	Trans. And Dist. Business Unit	\$26,767,831	Line 6, column D above
	Total:	\$52,913,045	

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>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Actual OEIC Payout	\$3,389,811	Section 4, L4	
2	Authorized OEIC Payout	\$3,128,607	Use appropriate Cap for applicable year	Settlement Cap Amount for 2018
3	OEIC Payout To Be Recovered	\$3,128,607	Lesser of Line 1 or Line 2	

<u>Business Unit</u>	<u>Actual Payout</u>	<u>% of Total Payout</u>	<u>OEIC Payout To Be Recovered</u>	<u>Allocated Capitalized OEIC</u>	<u>Non-Capitalized OEIC</u>
	A	B	C = Section 4, L3 * B	C = Section 3, L3 * B	D = B - C
2 A&G	\$3,389,811	100%	\$3,128,607	\$1,488,341	\$1,640,266

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

C) A&G Long Term Incentive Compensation (LTI) Adjustments

5) Calculation of LTI Payouts:

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>
1	Accrued LTI Payout	\$10,523,730	Included in Account 920.
2	Authorized LTI Payout	\$0	Exclude 100%.
3	LTI Payout To Be Recovered	\$0	Lesser of Line 1 or Line 2

Note: LTI is not capitalized.

6) Calculation of SERP Expense:

<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

7) Calculation of SERP Expense:

<u>Line</u>		<u>Source or Calculation</u>
1	Actual SERP Expense	\$15,908,922 Section 7, L4
2	Authorized SERP Expense	\$8,797,679 Use appropriate Cap for applicable year
3	SERP Expense To Be Recovered	\$8,797,679 Lesser of Line 1 or Line 2

Settlement Cap Amount for 2018

<u>Business Unit</u>	<u>Actual Expense</u>	<u>% of Total Expense</u>	<u>SERP Expense To Be Recovered</u>	<u>Allocated Capitalized SERP</u>	<u>Non-Capitalized SERP</u>
	A	B	C = Section 7, L3 * B	D = Section 6, L3 * B	E = C - D
4 A&G	\$15,908,922	100%	\$8,797,679	\$6,331,751	\$2,465,928

D) Summary of Incentive Compensation Adjustment Calculations

8) 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	-\$1,640,266 Section 4,L2, Col E (-) Section 4, L2, Col G
3	Excluded Accrued LTI	\$10,523,730 Section 5, L1
4	Total	\$12,935,225

9) 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	\$6,331,751 Section 5,L3, Col.E
4	Total	\$62,480,935

10) Adjustments to Account 926:

<u>Line</u>		<u>Source</u>
1	Add Non-Capitalized SERP	-\$9,577,171 Section 6, L1, Col E - Section 6, L3, Col E
2	Exclude Accrued SERP	\$15,908,922 Section 6, Line 1
3	Total	\$6,331,751

F) ACE and Spot Bonus Award Exclusions

11) ACE and Spot bonus Awards by A&G account

Line	Acct.	ACE Awards	Spot Bonus	Total ACE and Spot Bonus Exclusions
1	920	\$150,450	\$465,675	\$616,125
2	921			\$0
3	922			\$0
4	923		\$4,450	\$4,450
5	924			\$0
6	925			\$0
7	926	\$46,030	\$8,500	\$54,530
8	928			\$0
9	929			\$0
10	930.1			\$0
11	930.2			\$0
12	931			\$0
13	935			\$0
Total ACE and Spot:				\$675,105

D) Total All A&G Incentive Compensation Adjustments

12) Total Incentive Compensation Input Adjustments for Columns 1 and 3, Lines 24-37 of Schedule 20
 (In Formula Input Format)

Line	Acct.	Col 1	Source	Col 3	Source
		Shareholder Exclusions or Other Adjustments		NOIC	
24	920	\$13,551,350	Sec. 8, L4	\$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	\$4,450		\$0	
28	924			\$0	
29	925			\$0	
30	926	\$6,386,281	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	<u>\$ 1,757,200</u>	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	