

One-Time Adjustment to Ensure Morongo Rate Consistency

Pursuant to Section 5 of Attachment 1 to Appendix XIV of SCE's TO Tariff, SCE is to include a One-Time Adjustment "to ensure that the revenue received from Morongo pursuant to this Appendix XIV is accurately credited to transmission customers" (see Section 5 below). Accurate crediting of revenues means that the True Up TRR calculated pursuant to this Formula Rate is lower by an amount equal to the amount of revenue received through the "Morongo WOD Formula Rate".

"5. RATE CONSISTENCY WITH SCE'S APPENDIX IX FORMULA RATE

In the event that SCE determines that there is a need to make an adjustment to the True Up TRR calculated pursuant to Appendix IX to ensure that the revenue received from Morongo pursuant to this Appendix XIV is accurately credited to transmission customers, SCE will provide a workpaper, which will accompany the Annual Update developed pursuant to Appendix IX, that will support a One Time Adjustment to ensure rate consistency between Appendix XIV and Appendix IX."

Calculation of One Time Adjustment:

<u>Line</u>	<u>Amount</u>	<u>Reference</u>
1 True Up TRR of TO2023 Annual Update:	\$1,234,012,537	TO2023 Annual Update, Schedule 4, Line 46
2 True Up TRR without Morongo Revenue:	\$1,236,193,389	WP Schedule 3 One Time Adj Morongo Rate Consistency, Page 3, Line 46
3 Difference	\$2,180,852	Line 2 - Line 1
4 Morongo Revenue:	\$2,115,635	WP Sch 19 O&M Cost Detail
5 One Time Adjustment	\$65,217	Line 3 - Line 4

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	\$10,104,561,105
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$344,643,757
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$8,167,171
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	\$25,292,500
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$15,339,248
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	<u>\$30,923,984</u>
8	Working Capital			Line 5 + Line 6 + Line 7	\$71,555,732
<u>Accumulated Depreciation Reserve Amounts</u>					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$2,133,338,227
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	<u>-\$121,685,256</u>
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$2,255,023,484
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT-1, Line 15	-\$1,489,334,841
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$640,954,705
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$26,617,620
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$176,736,728
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	\$7,222,169,798

B) Return on Capital

<u>Line</u>					
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.0841%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$511,626,247

C) Income Taxes

21	Income Taxes = $(((RB * ER) + D) * (CTR / (1 - CTR))) + CO / (1 - CTR)$				\$132,250,758
Where:					
22	RB = Rate Base			Line 18	\$7,222,169,798
23	ER = Equity ROR inc. Com. and Pref. Stock		Instruction 1	Instruction 1, Line k	5.1771%
24	CTR = Composite Tax Rate			1-Base TRR L 59	27.9836%
25	CO = Credits and Other			1-Base TRR L 63	-\$10,102,443
26	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 65	\$2,556,084

D) True Up TRR Calculation

27	O&M Expense			1-Base TRR L 66	\$106,231,349
28	A&G Expense			1-Base TRR L 67	\$141,160,522
29	Network Upgrade Interest Expense			1-Base TRR L 68	\$1,565,253
30	Depreciation Expense			1-Base TRR L 69	\$295,867,459
31	Abandoned Plant Amortization Expense			1-Base TRR L 70	\$0
32	Other Taxes			1-Base TRR L 71	\$75,917,126
33	Revenue Credits			1-Base TRR L 72	-\$51,757,941
34	Return on Capital			Line 20	\$511,626,247
35	Income Taxes			Line 21	\$132,250,758
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	<u>\$0</u>
38	Total without True Up Incentive Adder			Sum Line 27 to Line 37	\$1,212,860,773
39	True Up Incentive Adder			15-IncentiveAdder L 20	\$25,188,087
39a	True Up Incentive Adder Reversal			Negative of Line 39, Note 1	-\$25,188,087
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:			Sum of Lines 38 to 39a	\$1,212,860,773

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:	\$1,212,860,773	Line 40
42	Franchise Fee Factor:	0.936%	28-FFU, L 5
43	Franchise Fee Expense:	\$11,357,934	Line 41 * Line 42
44	Uncollectibles Expense Factor:	0.987%	28-FFU, L 5
45	Uncollectibles Expense:	\$11,974,682	Line 41 * Line 44
45a	O&M Services Formula Revenues	\$0	Negative of 35-Other Formula Revenue, L 80
46	True Up TRR:	\$1,236,193,389	L 41 + L 43 + L 45+ L 45a

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	10.30%	See Line e below	Jan 1, 2021	Dec 31, 2021	365
b ROE start of Prior Year		See Line f below			
c			Total days in year:		365
d Wtd. Avg. ROE in Prior Year	10.30% ((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 of TO2019A (ER19-1553)
f Beginning of Prior Year	169 FERC ¶ 61,177

	<u>Percentage</u>	<u>Reference:</u>
g Wtd. Cost of Long Term Debt	1.9071%	1-Base TRR L 51
h Wtd. Cost of Preferred Stock	0.2846%	1-Base TRR L 52
i Wtd. Cost of Common Stock	4.8925%	1-Base TRR L 47 * Line d
j Cost of Capital Rate	7.0841%	Sum of Lines g to i

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

	<u>Percentage</u>	<u>Reference:</u>
k	5.1771%	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 settlement of ER19-1553.

Operations and Maintenance Expenses

Workpaper: WP Schedule 19 O&M Cost Detail

Cells shaded yellow are input cells

1) Determination of Adjusted Operations and Maintenance Expenses for each account (Note 1)

Line	Account/Work Activity Rev	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	
			= C3 + C4			Note 2	= C7 + C8			Schedule 35, Rows 5-36	= C10 + C11	= C3 + C7	= C4 + C8 + C8a
		Total Recorded O&M Expenses			Adjustments			Adjusted Recorded O&M Expenses					
		Total	Labor	Non-Labor	Reason	Total	Labor	Non-Labor	O&M Services (See Note 8)	Total	Labor	Non-Labor	
Transmission Accounts													
1	560 - Operations Supervision and Engineering - Allocated	\$5,592,037	\$1,704,296	\$3,887,740		\$0				\$0	\$5,592,037	\$1,704,296	\$3,887,740
2	560 - Sylmar/Palo Verde	\$327,014	\$0	\$327,014		\$0				\$0	\$327,014	\$0	\$327,014
3	561 Load Dispatch - Allocated	\$11,204,661	\$8,783,127	\$2,421,534		\$0				\$0	\$11,204,661	\$8,783,127	\$2,421,534
4	561.400 Scheduling, System Control and Dispatch Services	\$28,371,657	\$0	\$28,371,657	A	-\$28,371,657	\$0	(\$28,371,657)		\$0	\$0	\$0	\$0
5	561.500 Reliability Planning and Standards Development	\$4,387,896	\$3,850,591	\$537,305		\$0				\$0	\$4,387,896	\$3,850,591	\$537,305
6	562 - Station Expenses - Allocated	\$21,913,565	\$17,709,529	\$4,204,035		\$0				\$0	\$21,913,565	\$17,709,529	\$4,204,035
7	562 - MOGS Station Expense	\$0	\$0	\$0	B	\$0	\$0	\$0		\$0	\$0	\$0	\$0
8	562 - Sylmar/Palo Verde	\$897,733	\$0	\$897,733		\$0				\$0	\$897,733	\$0	\$897,733
9	563 - Overhead Line Expenses - Allocated	\$28,018,134	\$9,283,876	\$18,734,258		\$0				\$0	\$28,018,134	\$9,283,876	\$18,734,258
10	564 - Underground Line Expenses - Allocated	\$2,464,409	\$2,034,245	\$430,164		\$0				\$0	\$2,464,409	\$2,034,245	\$430,164
11	565 - Transmission of Electricity by Others	\$0	\$0	\$0		\$0				\$0	\$0	\$0	\$0
12	565 - Wheeling Costs	\$21,106,578	\$0	\$21,106,578	C	-\$21,106,578	\$0	(\$21,106,578)		\$0	\$0	\$0	\$0
13	565 - WAPA Transmission for Remote Service	\$328,195	\$0	\$328,195		\$0				\$0	\$328,195	\$0	\$328,195
14	566 - Miscellaneous Transmission Expenses - Allocated	\$89,876,954	\$25,535,125	\$64,341,829	F	-\$50,362,216	(\$297,312)	(\$50,064,904)		\$0	\$39,514,738	\$25,237,814	\$14,276,925
15	566 - ISO/RSBA/TSP Balancing Accounts	\$195,907,469	\$2	\$195,907,467	D	-\$195,901,529	\$0	(\$195,901,529)		\$0	\$5,940	\$2	\$5,939
16	566 - Sylmar/Palo Verde/Other General Functions	\$4,330,070	\$1,357	\$4,328,713		\$2,115,635		\$2,115,635		\$0	\$6,445,705	\$1,357	\$6,444,348
17	567 - Line Rents - Allocated	\$18,078,216	\$56,956	\$18,021,260		\$0				\$0	\$18,078,216	\$56,956	\$18,021,260
18	567 - Eldorado	\$90,937	\$0	\$90,937		\$0				\$0	\$90,937	\$0	\$90,937
19	567 - Sylmar/Palo Verde	\$272,402	\$0	\$272,402		\$0				\$0	\$272,402	\$0	\$272,402
20	568 - Maintenance Supervision and Engineering - Allocated	\$1,458,163	\$1,254,264	\$203,899		\$0				\$0	\$1,458,163	\$1,254,264	\$203,899
21	568 - Sylmar/Palo Verde	\$385,257	\$0	\$385,257		\$0				\$0	\$385,257	\$0	\$385,257
22	569 - Maintenance of Structures - Allocated	\$39,698,016	\$5,126	\$39,692,890	E	-\$37,437,029	\$0	(\$37,437,029)		\$0	\$2,260,987	\$5,126	\$2,255,861
23	569 - Sylmar/Palo Verde	\$381,983	\$0	\$381,983		\$0				\$0	\$381,983	\$0	\$381,983
24	570 - Maintenance of Station Equipment - Allocated	\$7,733,142	\$3,743,307	\$3,989,836		\$0				\$0	\$7,733,142	\$3,743,307	\$3,989,836
25	570 - Sylmar/Palo Verde	\$1,857,444	\$0	\$1,857,444		\$0				\$0	\$1,857,444	\$0	\$1,857,444
26	571 - Maintenance of Overhead Lines - Allocated	\$69,151,435	\$12,193,526	\$56,957,908		\$0				\$0	\$69,151,435	\$12,193,526	\$56,957,908
27	571 - Sylmar/Palo Verde	\$555,768	\$0	\$555,768		\$0				\$0	\$555,768	\$0	\$555,768
28	572 - Maintenance of Underground Lines - Allocated	\$374,849	\$165,669	\$209,180		\$0				\$0	\$374,849	\$165,669	\$209,180
29	572 - Sylmar/Palo Verde	\$5,003	\$0	\$5,003		\$0				\$0	\$5,003	\$0	\$5,003
30	573 - Maintenance of Miscellaneous Trans. Plant - Allocated	\$1,259,173	\$933,258	\$325,915		\$0				\$0	\$1,259,173	\$933,258	\$325,915
31	...	---	---	---	---	\$0	---	---		\$0	\$0	\$0	\$0
32	Transmission NOIC (Note 3)	-	-	-		-\$2,224,263	(\$2,224,263)	\$0		\$0	-\$2,224,263	-\$2,224,263	\$0
33	Total Transmission O&M	\$556,028,162	\$87,254,256	\$468,773,906		-\$333,287,637	-\$2,521,575	-\$330,766,062		\$0	\$222,740,525	\$84,732,681	\$138,007,844

Line	Account/Work Activity Rev	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11
			= C3 + C4			Note 2	= C7 + C8			= C10 + C11	= C3 + C7	= C4 + C8
		Total	Labor	Non-Labor	Reason	Total	Labor	Non-Labor	O&M Services (See Note 8)	Total	Labor	Non-Labor
Distribution Accounts												
35	582 - Station Expenses	33,503,825	\$26,319,020	\$7,184,805		-				33,503,825	26,319,020	7,184,805
36	590 - Maintenance Supervision and Engineering	1,448,907	\$1,253,042	\$195,865		-				1,448,907	1,253,042	195,865
37	591 - Maintenance of Structures	96,985	\$25,893	\$71,092		-				96,985	25,893	71,092
38	592 - Maintenance of Station Equipment	5,796,388	\$4,323,217	\$1,473,172		-				5,796,388	4,323,217	1,473,172
39	Accounts with no ISO Distribution Costs	864,468,628	\$248,089,230	\$616,379,398	F	(1,616,662)	(\$127,765)	(\$1,488,897)		862,851,966	247,961,465	614,890,501
40	Distribution NOIC (Note 3)	-	-	-		(7,137,954)	(7,137,954)	-		(7,137,954)	(7,137,954)	-
41	Total Distribution O&M	905,314,733	280,010,402	625,304,332		(8,754,616)	(7,265,719)	(1,488,897)		896,560,117	272,744,683	623,815,434
42												
43	Total Transmission and Distribution O&M	1,461,342,895	367,264,657	1,094,078,238		(342,042,253)	(9,787,294)	(332,254,959)		1,119,300,642	357,477,364	761,823,279
44												
45	Total Transmission O&M Expenses in FERC Form 1:	\$556,028,161	FF1 321.112b	Must equal Line 33, Column 2.								
46	Total Distribution O&M Expenses in FERC Form 1:	\$905,314,734	FF1 322.156b	Must equal Line 41, Column 2.								
47	Total TDBU NOIC	-\$9,362,217	20-AandG, Note 2, f									

2) Determination of ISO Operations and Maintenance Expenses for each account (Note 5).

Line	Account/Work Activity Rev	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
			From C9 above	From C10 above	From C11 above	Note 6	= C7 + C8	= C3 * C5	= C4 * C5	
		Total	Labor	Non-Labor	ISO	Total	Labor	Non-Labor	Percent ISO	Reference
Transmission Accounts										
48	560 - Operations Supervision and Engineering - Allocated	5,592,037	1,704,296	3,887,740	39.2%	2,189,287	667,234	1,522,054	27-Allocators Line 42	
49	560 - Sylmar/Palo Verde	327,014	-	327,014	100.0%	-	-	327,014	100%	
50	561 Load Dispatch - Allocated	11,204,661	8,783,127	2,421,534	39.2%	4,386,635	3,438,602	948,033	27-Allocators Line 42	
51	561.400 Scheduling, System Control and Dispatch Services	0	-	0	0.0%	-	-	-	0%	
52	561.500 Reliability Planning and Standards Development	4,387,896	3,850,591	537,305	100.0%	4,387,896	3,850,591	537,305	100%	
53	562 - Station Expenses - Allocated	21,913,565	17,709,529	4,204,035	39.2%	8,579,180	6,933,297	1,645,884	27-Allocators Line 42	
54	562 - MOGS Station Expense	-	-	-	0.0%	-	-	-	0%	
55	562 - Sylmar/Palo Verde	897,733	-	897,733	100.0%	897,733	-	897,733	100%	
56	563 - Overhead Line Expenses - Allocated	28,018,134	9,283,876	18,734,258	48.5%	13,596,414	4,505,204	9,091,210	27-Allocators Line 30	
57	564 - Underground Line Expenses - Allocated	2,464,409	2,034,245	430,164	2.0%	49,908	41,196	8,711	27-Allocators Line 36	
58	565 - Transmission of Electricity by Others	-	-	-	100.0%	-	-	-	100%	
59	565 - Wheeling Costs	-	-	-	0.0%	-	-	-	0%	
60	565 - WAPA Transmission for Remote Service	328,195	-	328,195	0.0%	-	-	-	0%	
61	566 - Miscellaneous Transmission Expenses - Allocated	39,514,738	25,237,814	14,276,925	39.2%	15,470,056	9,880,627	5,589,429	27-Allocators Line 42	
62	566 - ISO/RSBA/TSP Balancing Accounts	5,940	2	5,939	0.0%	-	-	-	0%	
63	566 - Sylmar/Palo Verde/Other General Functions	6,445,705	1,357	6,444,348	100.0%	6,445,705	1,357	6,444,348	100%	
64	567 - Line Rents - Allocated	18,078,216	56,956	18,021,260	48.5%	8,772,851	27,639	8,745,212	27-Allocators Line 30	
65	567 - Eldorado	90,937	-	90,937	100.0%	90,937	-	90,937	100%	
66	567 - Sylmar/Palo Verde	272,402	-	272,402	100.0%	272,402	-	272,402	100%	
67	568 - Maintenance Supervision and Engineering - Allocated	1,458,163	1,254,264	203,899	39.2%	570,872	491,046	79,827	27-Allocators Line 42	
68	568 - Sylmar/Palo Verde	385,257	-	385,257	100.0%	385,257	-	385,257	100%	
69	569 - Maintenance of Structures - Allocated	2,260,987	5,126	2,255,861	39.2%	885,179	2,007	883,172	27-Allocators Line 42	
70	569 - Sylmar/Palo Verde	381,983	-	381,983	100.0%	381,983	-	381,983	100%	
71	570 - Maintenance of Station Equipment - Allocated	7,733,142	3,743,307	3,989,836	39.2%	3,027,532	1,465,508	1,562,024	27-Allocators Line 42	
72	570 - Sylmar/Palo Verde	1,857,444	-	1,857,444	100.0%	1,857,444	-	1,857,444	100%	
73	571 - Maintenance of Overhead Lines - Allocated	69,151,435	12,193,526	56,957,908	48.5%	33,557,250	5,917,176	27,640,074	27-Allocators Line 30	
74	571 - Sylmar/Palo Verde	555,768	-	555,768	100.0%	555,768	-	555,768	100%	
75	572 - Maintenance of Underground Lines - Allocated	374,849	165,669	209,180	2.0%	7,591	3,355	4,236	27-Allocators Line 36	
76	572 - Sylmar/Palo Verde	5,003	-	5,003	100.0%	5,003	-	5,003	100%	
77	573 - Maintenance of Miscellaneous Trans. Plant - Allocated	1,259,173	933,258	325,915	39.2%	492,968	365,372	127,596	27-Allocators Line 42	
78	...	---	---	---	---	---	---	---		
79	Transmission NOIC (Note 4)	(2,224,263)	(2,224,263)	-		(961,516)	(961,516)	-		
80	Total Transmission - ISO O&M	222,740,525	84,732,681	138,007,844		106,231,349	36,628,694	69,602,655		

Col 1 Account/Work Activity Rev	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
	From C9 above	From C10 above	From C11 above	Note 6	= C7 + C8	= C3 * C5	= C4 * C5	
Adjusted Recorded O&M Expenses	Adjusted Recorded O&M Expenses			Percent	ISO O&M Expenses			Percent ISO
	Total	Labor	Non-Labor	ISO	Total	Labor	Non-Labor	Reference
Distribution Accounts								
82 582 - Station Expenses	33,503,825	26,319,020	7,184,805	0.0%	-	-	-	27-Allocators Line 48
83 590 - Maintenance Supervision and Engineering	1,448,907	1,253,042	195,865	0.0%	-	-	-	27-Allocators Line 48
84 591 - Maintenance of Structures	96,985	25,893	71,092	0.0%	-	-	-	27-Allocators Line 48
85 592 - Maintenance of Station Equipment	5,796,388	4,323,217	1,473,172	0.0%	-	-	-	27-Allocators Line 48
86 Accounts with no ISO Distribution Costs	862,851,966	247,961,465	614,890,501	0.0%	-	-	-	0%
87 Distribution NOIC (Note 4)	(7,137,954)	(7,137,954)	-	0.0%	-	-	-	0%
88 Total Distribution - ISO O&M	896,560,117	272,744,683	623,815,434		-	-	-	
89								
90								
91 Total ISO O&M Expenses (in Column 6)	1,119,300,642	357,477,364	761,823,279		106,231,349	36,628,694	69,602,655	
92 Line 80 + Line 88								

Notes:

- 1) "Adjusted Operations and Maintenance Expenses for each account" are the total amounts of O&M costs booked to each Transmission or Distribution account, less adjustments as noted.
- 2) Reasons for excluded amounts:
 - A: Exclude entire amount, all attributable to CAISO costs recovered in Energy Resource Recovery Account.
 - B: Exclude amount related to MOGS Station Expense.
 - C: Exclude amount attributable to CAISO costs recovered in Energy Resource Recovery Account.
 - D: Exclude amount recovered through to Reliability Services Balancing Account, the Transmission Access Charge Balancing Account Adjustment, and the American Reinvestment Recovery Act for the Tehachapi Wind Energy Storage Project.
 - E: Exclude amount of costs transferred to account from A&G Account 920 pursuant to Order 668.
 - F: Excludes shareholder funded costs.

3) Total TDBU NOIC is allocated to Transmission and Distribution in proportion to labor in the respective functions. Transmission NOIC ("Non-Officer Incentive Compensation") equals Total TDBU NOIC times the Transmission NOIC Percentage calculated below. Distribution NOIC equals Total TDBU NOIC times the Distribution NOIC Percentage below.

Total TDBU NOIC is on Line: **47**

	Percentage	Calculation
Transmission NOIC Percentage:	23.7579%	Line 33, Col 3 / Line 43, Col 3
Distribution NOIC Percentage:	76.2421%	Line 41, Col 3 / Line 43, Col 3

- 4) NOIC attributable to ISO Transmission (Column 7) is calculated utilizing a percentage equal to the ratio of total ISO O&M Labor Expenses in column 7 (exclusive of NOIC) to the total labor expenses in column 3 (exclusive of NOIC). That allocator, which is identified below, is then applied to the value in Column 3 to arrive at the NOIC attributable to ISO Transmission in Column 7. Resulting Percentage is: 43.23%
- 5) "ISO Operations and Maintenance Expenses" is the amount of costs in each Transmission or Distribution account related to ISO Transmission Facilities.
- 6) See Column 9 for references to source of each Percent ISO.
- 7) SCE shall make no adjustments to recorded labor amounts related to non-labor labor and/or Indirect labor in Schedule 19.
- 8) Each O&M Account contributing to the calculation of "Total ISO O&M Expense" (Line 91, Column 6) may include revenue associated with a Commission-approved O&M Services Formula assessing other entities for O&M Services provided by SCE. See Schedule 35, Notes 1-3. All O&M Services Formula Revenue is "non-labor", and entered in Column 8a, Lines 1-32.