

Material Accounting Changes Workpaper (TO9)

Pursuant to protocol section 3(a)(10) and Section 3.2 of the Offer of Settlement (ER11-3697), SCE is required to include in the Draft Annual Update a description of any "Material Accounting Changes" included in the Draft Annual Update.

Material Accounting Changes are defined in the protocols as:

"Material Accounting Changes" shall mean any material change in SCE's (i) accounting policies and practices from those in effect for the Rate Year upon which the immediately preceding Annual Update was based, or (ii) internal corporate cost allocation policies or practices from those policies and/or practices in effect for the Rate Year upon which the immediately preceding Annual Update was based.

SCE revised its accounting to implement changes in accounting methods for the purpose of applying (1) General Asset Accounts ("GAA") treatment to its assets, and (2) bonus depreciation to certain assets related to Rancho Vista Substation and TRTP Segment 1 Transmission Lines pursuant to Internal Revenue Service ("IRS") Forms 3115. A copy of these IRS Forms 3115 were submitted to the Commission's Chief Accountant by letter dated October 9, 2013.

Additionally, while not a Material Accounting Change, SCE is disclosing that it reflected the retirement of its San Onofre Nuclear Generating Station in its 2013 FERC Form 1.