

Attachment 1

SCE PBOPs Funding Memo

**Southern California Edison
Postretirement Health & Life Benefits
2018 PBOP Funding**

	Estimated <u>Represented</u>	Estimated <u>Management</u>	<u>Total</u>
1. 2018 ASC 715-60 Expense (before other charges)	(\$24,503,000)	\$18,019,000	(\$ 6,484,000)
2. 2018 Termination Benefit Charges	<u>80,000</u>	<u>200,000</u>	<u>280,000</u>
3. Total 2018 ASC 715-60 Expense=(1)+(2)	(\$24,423,000)	\$18,219,000	(\$ 6,204,000)
4. 2018 Rate Recovery	\$ 0	\$18,219,000	\$18,219,000
1. Estimated Pay-Go Group 2018 Claims		\$12,309,000	
2. Pay-Go Group 2017 True-Up			
Actual claims	\$11,084,467		
Estimated claims	<u>(12,071,000)</u>		
True-up		(986,533)	
3. Future Recovery from 2017		7,024,373	
4. Life VEBA		0	
5. 1992 VEBA		0	
6. 1999 VEBA		0	
7. 401(h) Account		<u>0</u>	
8. Total 2018 Funding = sum (1) through (7)		\$18,346,840	
9. Future Recovery		<u>(127,840)</u>	
10. Net 2018 Funding		\$18,219,000	

Note: 2018 PBOP funding exhibit reflects Edison's "split group" rate recovery methodology:

1. 2018 ASC715-60 expense is estimated separately for management and represented participants;
2. Negative accounting expense (i.e., accounting revenue) estimated separately for represented participants and is assumed to be zero for rate recovery purposes.
3. PBOP contributions above the minimum CPUC requirements can be carried over to future years.
4. ASC 715-60 Expense allocation between Represented and Management Groups (result shown on line 1 at top).

	<u>Represented</u>	<u>Management</u>	<u>Total</u>
a. Postretirement Health Benefit Expense*	(\$24,311,000)	\$18,382,000	(\$ 5,929,000)
b. Postretirement Life Benefit Expense**	<u>(\$ 192,000)</u>	<u>(\$ 363,000)</u>	<u>(\$ 555,000)</u>
c. Total	(\$24,503,000)	\$18,019,000	(\$ 6,484,000)

*See page 13, line E of 2018 Actuarial Report, first two columns.

**See page 13, line E, third column. Allocated on the basis of January 1, 2018 APBO.