

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

		<b>TO2020/TO2021</b>	<b>TO2022</b>
		<b>TUTRR Change</b>	<b>One-Time Adj*</b>
<b>Changes to 2018</b>			
1. In preparing the TO2022 Draft Annual Update, SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2018. This error relates to an exclusion found in the workpaper titled "WP Schedule 20 A&G", tab titled "ShareholderAndOther", Section 3 - Order 668 Amount Transferred from O&M Accounts 569. The amount to be transferred to A&G from O&M, \$37,524,555 in 2018, should have been entered as a positive value in the workpaper. Instead, due to an input error this entry was entered as a negative value. This error caused total A&G to be reduced by the entered amount, rather than increased as intended. As such, SCE is correcting this A&G expense of \$37,524,555 to include this additional expense. SCE has incorporated this correction that changes the TO2020 A&G expenses and the impact of this change is an increase in the 2018 True Up TRR of \$4,413,393.	A	\$4,413,393	\$4,767,468
2. In preparing the TO2022 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 \$306, which should have been excluded in 2018. As such, SCE is including an additional TO2020 A&G exclusion of \$306 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 \$18.	B	-\$18	-\$19
3. In preparing the TO2022 Draft Annual Update, SCE discovered that it inadvertently had a linkage error in the calculation of Account 920 A&G exclusions related to ACE/Spot bonuses. The amount of expenses were overstated by \$616,125, which should have been excluded in 2018. As such, SCE is including an additional TO2020 A&G exclusion of \$616,215 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 \$36,232.	C	-\$36,232	-\$39,139
<b>Total One-Time Adjustment for 2018 Reflected in the June TO2022 Draft Posting</b>	<b>D = A + B + C</b>	<b>\$4,377,143</b>	<b>\$4,728,309</b>

## Changes to 2019

<p>1. In preparing the TO2022 Draft Annual Update, SCE has identified an input error relating to an A&amp;G exclusion affecting the True Up TRR of calendar year 2019. This error relates to an exclusion found in the workpaper titled "WP Schedule 20 A&amp;G", tab titled "ShareholderAndOther", Section 3 - Order 668 Amount Transferred from O&amp;M Accounts 569. The amount to be transferred to A&amp;G from O&amp;M, \$39,147,707 in 2019, should have been entered as a positive value in the workpaper. Instead, due to an input error this entry was entered as a negative value. This error caused total A&amp;G to be reduced by the entered amount, rather than increased as intended. As such, SCE is correcting this A&amp;G expense of \$39,147,707 to include this additional expense. SCE has incorporated this correction that changes the TO2021 A&amp;G expenses and the impact of this change is an increase in the 2019 True Up TRR of \$5,265,039.</p>	E	\$5,265,039	\$5,410,074
<p>2. In preparing the TO2022 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 \$481, which should have been excluded in 2019. As such, SCE is including an additional TO2021 A&amp;G exclusion of \$481 to remove these additional expenses. SCE has incorporated this correction that changes the TO2021 A&amp;G exclusions and the impact of this change is a decrease in the 2019 True Up TRR of \$32.</p>	F	-\$32	-\$33
<p>3. In preparing the TO2022 Draft Annual Update, SCE discovered that it had inadvertently included a BRRBA Distribution credit adjustment adding distribution costs to A&amp;G. The amount of expenses were overstated by \$2,034,939, which should have been excluded in 2019. As such, SCE is removing the TO2021 A&amp;G negative exclusion of \$2,034,939 to remove these credit adjustments. SCE has incorporated this correction that changes the TO2021 A&amp;G exclusions and the impact of this change is a decrease in the 2019 True Up TRR of \$136,841.</p>	G	-\$136,841	-\$140,611
<p>4. In preparing the TO2022 Draft Annual Update, SCE discovered that it had inadvertently excluded a credit related to Pensions &amp; Benefits Billed to Affiliates as a shareholder exclusion. The amount of expenses were overstated by \$338,044, which should have been excluded in 2019. As such, SCE is removing the TO2021 A&amp;G negative exclusion of \$338,044. SCE has incorporated this correction that changes the TO2021 A&amp;G exclusions and the impact of this change is a decrease in the 2019 True Up TRR of \$22,732.</p>	H	-\$22,732	-\$23,358
<b>Total One-Time Adjustment for 2019 Reflected in the June TO2022 Draft Posting</b>	<b>I = E + F + G + H</b>	<b>\$5,105,434</b>	<b>\$5,246,072</b>
<b>Total One-Time Adjustment for 2018 through 2019 Reflected in the June TO2022 Draft Posting</b>	<b>J = D + I</b>	<b>\$9,482,576</b>	<b>\$9,974,381</b>

\* The TO2022 One-Time Adjustment is equal to the TO2020/TO2021 TUTRR Change, plus interest through December 31, 2019.

Schedule 3 - One-Time and Previous Period True Up Adjustment										
One Time Adjustment for Revised 2018 True Up TRR							One Time Adjustment for Revised 2019 True Up TRR			
		Monthly Interest	Monthly True Up	Cumulative Excess (-) or Shortfall (+) in Revenue wo Interest for Current Month	Interest for Current Month	Cumulative Excess (-) or Shortfall (+) in Revenue with Interest		Cumulative Excess (-) or Shortfall (+) in Revenue wo Interest for Current Month	Interest for Current Month	Cumulative Excess (-) or Shortfall (+) in Revenue with Interest
Month	Year	Rate	TRR Adjustment	Current Month	Month		TRR Adjustment	Current Month	Month	
January	2018	0.35%	\$364,762	\$364,762	\$638	\$365,400	\$0	\$0	\$0	\$0
February	2018	0.35%	\$364,762	\$730,162	\$1,917	\$732,079	\$0	\$0	\$0	\$0
March	2018	0.35%	\$364,762	\$1,096,841	\$3,201	\$1,100,042	\$0	\$0	\$0	\$0
April	2018	0.37%	\$364,762	\$1,464,804	\$4,745	\$1,469,549	\$0	\$0	\$0	\$0
May	2018	0.37%	\$364,762	\$1,834,311	\$6,112	\$1,840,423	\$0	\$0	\$0	\$0
June	2018	0.37%	\$364,762	\$2,205,185	\$7,484	\$2,212,669	\$0	\$0	\$0	\$0
July	2018	0.39%	\$364,762	\$2,577,431	\$9,341	\$2,586,772	\$0	\$0	\$0	\$0
August	2018	0.39%	\$364,762	\$2,951,534	\$10,800	\$2,962,333	\$0	\$0	\$0	\$0
September	2018	0.39%	\$364,762	\$3,327,095	\$12,264	\$3,339,360	\$0	\$0	\$0	\$0
October	2018	0.41%	\$364,762	\$3,704,122	\$14,439	\$3,718,561	\$0	\$0	\$0	\$0
November	2018	0.41%	\$364,762	\$4,083,323	\$15,994	\$4,099,316	\$0	\$0	\$0	\$0
December	2018	0.41%	\$364,762	\$4,464,078	\$17,555	\$4,481,633	\$0	\$0	\$0	\$0
January	2019	0.43%	\$0	\$4,481,633	\$19,271	\$4,500,904	\$425,453	\$425,453	\$915	\$426,368
February	2019	0.43%	\$0	\$4,500,904	\$19,354	\$4,520,258	\$425,453	\$851,820	\$2,748	\$854,568
March	2019	0.43%	\$0	\$4,520,258	\$19,437	\$4,539,695	\$425,453	\$1,280,021	\$4,589	\$1,284,611
April	2019	0.45%	\$0	\$4,539,695	\$20,429	\$4,560,124	\$425,453	\$1,710,063	\$6,738	\$1,716,801
May	2019	0.45%	\$0	\$4,560,124	\$20,521	\$4,580,644	\$425,453	\$2,142,254	\$8,683	\$2,150,937
June	2019	0.45%	\$0	\$4,580,644	\$20,613	\$4,601,257	\$425,453	\$2,576,390	\$10,636	\$2,587,026
July	2019	0.46%	\$0	\$4,601,257	\$21,166	\$4,622,423	\$425,453	\$3,012,479	\$12,879	\$3,025,358
August	2019	0.46%	\$0	\$4,622,423	\$21,263	\$4,643,686	\$425,453	\$3,450,811	\$14,895	\$3,465,706
September	2019	0.46%	\$0	\$4,643,686	\$21,361	\$4,665,047	\$425,453	\$3,891,159	\$16,921	\$3,908,080
October	2019	0.45%	\$0	\$4,665,047	\$20,993	\$4,686,040	\$425,453	\$4,333,532	\$18,544	\$4,352,076
November	2019	0.45%	\$0	\$4,686,040	\$21,087	\$4,707,127	\$425,453	\$4,777,529	\$20,542	\$4,798,070
December	2019	0.45%	\$0	\$4,707,127	\$21,182	\$4,728,309	\$425,453	\$5,223,523	\$22,549	\$5,246,072
			\$4,377,143	Subtotal One-Time Adj:		\$4,728,309	\$5,105,434	Subtotal One-Time Adj:		\$5,246,072
Total One-Time Adj with Interest:										\$9,974,381

One Time Adjustment for Revised 2018 True Up TRR		
Description	Amount	Source
Revised TO2020 True Up TRR in TO2021 Filing	1,078,591,816	TO2021 Annual Filing - WP Schedule 3 - One Time Adj Prior Period, Page 20, Line 46.
Revised TO2020 True Up TRR in TO2022 Draft Posting	1,082,968,959	TO2022 Draft Annual Update Posting - WP Schedule 3-One Time Adj Prior Period Page 6, Line 46
<b>Variance*</b>	<b>4,377,143</b>	

\* Variance Includes Adjustment for:

- (1) 2018 A&G signage correction for the Order 668 Transfer from O&M Account 569
- (2) 2018 A&G 923 adjustment to remove outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

Schedule 4  
True Up TRR  
(Revised 2018 True Up TRR)

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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	\$8,666,375,347
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	<b>\$34,904,753</b>
8	Working Capital			Line 5 + Line 6 + Line 7	<b>\$60,724,853</b>
<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	<b>-\$96,157,605</b>
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	\$297,744,429
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	<b>\$5,680,075,179</b>

**B) Return on Capital**

<u>Line</u>					
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	<b>\$443,152,461</b>

**C) Income Taxes**

21	Income Taxes = [(((RB * ER) + D) * (CTR/(1 - CTR))) + CO/(1 - CTR)]				<b>\$91,581,516</b>
	Where:				
22	RB = Rate Base			Line 18	<b>\$5,680,075,179</b>
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	\$211,062,974
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	\$443,152,461
35	Income Taxes	Line 21	\$91,581,516
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	\$1,070,785,561
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	\$1,070,785,561

**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:	\$1,070,785,561	Line 40
42	Franchise Fee Factor:	0.924%	28-FFU, L 5
43	Franchise Fee Expense:	\$9,898,342	Line 41 * Line 42
44	Uncollectibles Expense Factor:	0.213%	28-FFU, L 5
45	Uncollectibles Expense:	\$2,285,056	Line 43 * Line 44
46	True Up TRR:	\$1,082,968,959	L 41 + L 43 + L 45

<b>Change In TO2020 TUTRR</b>
\$1,082,968,959
<u>\$1,078,591,816</u>
\$4,377,143

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True Up TRR  
(Revised 2018 True Up TRR)

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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		11.2% for 2018 True Up TRR pursuant to Settlement Term #3		days in year:	365
d Wtd. Avg. ROE in Prior Year	11.2			al 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  
(Revised 2018 True Up TRR)

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Calculation of Administrative and General Expense

Inputs are shaded yellow

			Col 1	Col 2	Col 3	Col 4	
					See Note 1		
			FERC Form 1	Data	Total Amount	A&G Expense	Notes
Line	Acct.	Description	Amount	Source	Excluded		
1	920	A&G Salaries	\$380,019,593	FF1 323.181b	\$97,483,050	\$282,536,543	
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	\$8,764,724	\$45,474,289	
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:	\$3,638,785,329	

	Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$3,638,785,329 Line 15
17	Less Account 924:	\$16,155,127 Line 5
18	Amount to apply the Transmission W&S AF:	\$3,622,630,202 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:	\$208,035,155 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:	\$211,062,974 Line 20 + Line 22

Changed from \$52,489,732 to -\$22,559,378 due to signage error in the Order 668 Amount Transferred from O&M Accounts 569.  
Changed from -\$22,559,378 to -\$21,943,253 due to linkage error in Account 920.

Change from \$8,764,418 to \$8,764,724 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	
			Shareholder Exclusions or Other Adjustments	Franchise Requirements	NOIC	PBOPs	Notes
Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)						
24	920	\$97,483,050	-\$21,943,253		\$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	\$8,764,724	\$8,764,724		\$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  
(Revised 2018 True Up TRR)

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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: ER19-1226
- 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 to Reflect 2019 True Up TRR				
Description	Amount	Weighting Factor	Weighted Amount	Source
Revised TO2018 Model True Up TRR	\$1,036,150,084	86.3%	\$894,211,717	TO2022 Draft Annual Update Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 13, Line 46
TO2018 Model True Up TRR	\$1,031,044,752	86.3%	\$889,805,745	TO2021 Annual Update - Attachment 5, Schedule 4, Line 46
<b>TO2018 Weighted One Time Adjustment:</b>			<b>\$4,405,972</b>	
Revised TO2021 Model True Up TRR	\$1,050,183,075	13.7%	\$143,860,695	TO2022 Draft Annual Update Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 19, Line 46
TO2021 Model True Up TRR	\$1,045,077,007	13.7%	\$143,161,234	TO2021 Annual Update Filing- Attachment 1, Schedule 4, Line 46
<b>TO2021 Weighted One Time Adjustment:</b>			<b>\$699,461</b>	
<b>Total One Time Adjustment:</b>			<b>\$5,105,434</b>	

\* Variance Includes Adjustment for:

- (1) 2019 A&G signage correction for the Order 668 Transfer from O&M Account 569
- (2) 2019 A&G 923 adjustment to remove outside counsel cost related to employment litigation or arbitration matters which should have been excluded.
- (3) 2019 A&G adjustment to remove the BRRBA Distribution credit, which removed Distribution related expenses from A&G.
- (4) 2019 A&G adjustment to remove a non-shareholder related credit to A&G removing Pensions & Benefits Billed to Affiliates.

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	\$8,939,630,709
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$289,044,062
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
Working Capital Amounts					
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$21,481,205
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$21,290,574
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$25,102,836
8	Working Capital			Line 5 + Line 6 + Line 7	\$67,874,614
Accumulated Depreciation Reserve Amounts					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,839,774,172
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	-\$105,831,142
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,945,605,315
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT, Line 15	-\$1,632,853,304
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 12, C2	\$602,185,189
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$50,661,305
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$192,838,264
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	\$6,086,718,542
B) Return on Capital					
Line					
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.5731%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$460,955,433
C) Income Taxes					
21	Income Taxes = [((RB * ER) + D) * (CTR/(1 – CTR))] + CO/(1 – CTR)				\$91,513,876
Where:					
22	RB = Rate Base			Line 18	\$6,086,718,542
23	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1		Instruction 1, Line k	5.3927%
24	CTR = Composite Tax Rate			1-Base TRR L 59	27.9836%
25	CO = Credits and Other			1-Base TRR L 63	-\$27,044,842
26	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 65	\$3,917,123

**D) True Up TRR Calculation**

27	O&M Expense	1-Base TRR L 66	\$112,781,174
28	A&G Expense	1-Base TRR L 67	\$88,041,512
29	Network Upgrade Interest Expense	1-Base TRR L 68	\$4,075,484
30	Depreciation Expense	1-Base TRR L 69	\$255,157,633
31	Abandoned Plant Amortization Expense	1-Base TRR L 70	\$0
32	Other Taxes	1-Base TRR L 71	\$66,058,181
33	Revenue Credits	1-Base TRR L 72	-\$54,094,032
34	Return on Capital	Line 20	\$460,955,433
35	Income Taxes	Line 21	\$91,513,876
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	\$1,024,489,260
39	True Up Incentive Adder	15-IncentiveAdder L 20	\$25,263,751
39a	True Up Incentive Adder Reversal	Negative of Line 39, Note 1	-\$25,263,751
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:	Line 38 + Line 39 + Line 39a	\$1,024,489,260

**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: \$1,024,489,260	Line 40	<b>Change In</b>
42	Franchise Fee Factor: 0.925%	28-FFU, L 5	<b>TO2021 TUTRR</b>
43	Franchise Fee Expense: \$9,474,556	Line 41 * Line 42	\$1,036,150,084
44	Uncollectibles Expense Factor: 0.213%	28-FFU, L 5	<u>\$1,031,044,752</u>
45	Uncollectibles Expense: \$2,186,268	Line 43 * Line 44	<u>\$5,105,333</u>
46	True Up TRR: \$1,036,150,084	L 41 + L 43 + L 45	

**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"

					Days ROE	
	<u>Percentage</u>	<u>Reference:</u>	<u>From</u>	<u>To</u>	<u>In Effect</u>	
a	ROE at end of Prior Year	10.30%	See Line e below	Nov 12, 2019	Dec 31, 2019	50
b	ROE start of Prior Year	11.20%	See Line f below	Jan 1, 2019	Nov 11, 2019	315
c					Total days in year:	365
d	Wtd. Avg. ROE in Prior Year	11.08% ((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	2.1804%	1-Base TRR L 51
h Wtd. Cost of Preferred Stock	0.4170%	1-Base TRR L 52
i Wtd. Cost of Common Stock	4.9757%	1-Base TRR L 47 * Line d
j Cost of Capital Rate	7.5731%	Sum of Lines g to i

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

	<u>Percentage</u>	<u>Reference:</u>
k	5.3927%	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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Calculation of Administrative and General Expense

Inputs are shaded yellow

			Col 1	Col 2	Col 3	Col 4	Notes
			FERC Form 1	Data	Total Amount	A&G Expense	
Line	Acct.	Description	Amount	Source	Excluded		
1	920	A&G Salaries	\$413,850,310	FF1 323.181b	\$136,216,668	\$277,633,642	
2	921	Office Supplies and Expenses	\$250,234,425	FF1 323.182b	\$2,351,967	\$247,882,458	
3	922	A&G Expenses Transferred	-\$225,318,190	FF1 323.183b	-\$77,722,053	-\$147,596,137	Credit
4	923	Outside Services Employed	\$59,887,693	FF1 323.184b	\$8,976,114	\$50,911,579	
5	924	Property Insurance	\$15,607,270	FF1 323.185b	\$0	\$15,607,270	
6	925	Injuries and Damages	\$902,073,996	FF1 323.186b	\$152,267,278	\$749,806,718	
7	926	Employee Pensions and Benefits	\$82,906,034	FF1 323.187b	\$4,180,355	\$78,725,679	
8	927	Franchise Requirements	\$104,335,318	FF1 323.188b	\$104,335,318	\$0	
9	928	Regulatory Commission Expenses	\$11,713,250	FF1 323.189b	\$9,979,028	\$1,734,222	
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0	
11	930.1	General Advertising Expense	\$11,245,961	FF1 323.191b	\$4,498,348	\$6,747,613	
12	930.2	Miscellaneous General Expense	\$14,071,912	FF1 323.192b	\$5,999,239	\$8,072,673	
13	931	Rents	\$8,581,490	FF1 323.193b	\$12,016,813	-\$3,435,323	
14	935	Maintenance of General Plant	\$26,158,179	FF1 323.196b	\$811,672	\$25,346,507	
15			\$1,675,347,648		Total A&G Expenses:	\$1,311,436,902	

	Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$1,311,436,902 Line 15
17	Less Account 924:	\$15,607,270 Line 5
18	Amount to apply the Transmission W&S AF:	\$1,295,829,632 Line 16 - Line 17
19	Transmission Wages and Salaries Allocation Factor:	6.5694% 27-Allocators, Line 5
20	Transmission W&S AF Portion of A&G:	\$85,127,922 Line 18 * Line 19
21	Transmission Plant Allocation Factor:	18.6682% 27-Allocators, Line 18
22	Property Insurance portion of A&G:	\$2,913,589 Line 5 Col 4 * Line 21
23	Administrative and General Expenses:	\$88,041,512 Line 20 + Line 22

Changed from \$79,510,926 to \$1,215,512 due to signage error of the Order 668 Transfer from O&M Account 569.  
Changed from \$1,215,512 to \$2,246,627 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.

Changed from \$8,247,856 to \$8,248,338 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.  
Changed from \$8,248,338 to \$8,976,114 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.

Note 1: Itemization of exclusions

		Col 1	Col 2	Col 3	Col 4	Notes
		Shareholder Exclusions or Other Adjustments	Franchise Requirements	NOIC	PBOPs	
Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)					
24	920	\$136,216,668	\$2,246,627	\$133,970,041		Changed from \$15,470,760 to \$15,732,311 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.
25	921	\$2,351,967	\$2,351,967	\$0		
26	922	-\$77,722,053	-\$10,359,096	-\$67,362,957		Changed from \$15,732,311 to \$16,070,355 due to removal of non-shareholder related credit to A&G removing Pensions & Benefits Billed to Affiliates.
27	923	\$8,976,114	\$8,976,114	\$0		
28	924	\$0	\$0	\$0		
29	925	\$152,267,278	\$152,267,278	\$0		
30	926	\$4,180,355	\$16,070,355	\$0	-\$11,890,000	Changed from \$5,984,741 to \$5,999,239 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.
31	927	\$104,335,318	\$0	\$104,335,318	\$0	
32	928	\$9,979,028	\$9,979,028	\$0		
33	929	\$0	\$0	\$0		
34	930.1	\$4,498,348	\$4,498,348	\$0		
35	930.2	\$5,999,239	\$5,999,239	\$0		
36	931	\$12,016,813	\$12,016,813	\$0		
37	935	\$811,672	\$811,672	\$0		

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**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: \$148,050,456	SCE Records
b	Actual A&G NOIC payout: \$14,080,415	Note 2, d
c	Adjustment: \$133,970,041	
Actual non-capitalized NOIC Payouts:		
	<u>Department</u>	<u>Amount</u> <u>Source</u>
d	A&G	\$14,080,415 SCE Records and Workpapers
e	Other	\$6,519,088 SCE Records and Workpapers
f	Trans. And Dist. Business Unit	\$22,710,658 SCE Records and Workpapers
g	Total:	\$43,310,160 Sum of d to f

**Note 3: PBOPs Exclusion Calculation**

	<u>Amount</u>	<u>Note:</u>
a	Current Authorized PBOPs Expense Amount: \$6,329,000	See instruction #4
b	Prior Year Authorized PBOPs Expense Amount: \$18,219,000	Authorized PBOPs Expense Amount during Prior Year
c	Prior Year FF1 PBOPs expense: \$6,329,000	SCE Records
d	PBOPs Expense Exclusion: -\$11,890,000	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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**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.

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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	\$8,939,630,709
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$288,986,135
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	\$21,476,900
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$21,286,307
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$24,704,371
8	Working Capital			Line 5 + Line 6 + Line 7	\$67,467,578
<u>Accumulated Depreciation Reserve Amounts</u>					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,839,774,172
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	-\$105,809,933
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,945,584,105
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT-1, Line 15	-\$1,632,145,855
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$602,185,189
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$50,661,305
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$192,258,246
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	\$6,087,562,256

B) Return on Capital

Line					
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.7412%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$471,248,627

C) Income Taxes

21	Income Taxes = [(((RB * ER) + D) * (CTR/(1 – CTR))) + CO/(1 – CTR)]				\$98,290,403
	Where:				
22	RB = Rate Base		Line 18	\$6,087,562,256	
23	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1	Instruction 1, Line k	5.6785%	
24	CTR = Composite Tax Rate		1-Base TRR L 59	27.9836%	
25	CO = Credits and Other		1-Base TRR L 63	-\$27,044,842	
26	D = Book Depreciation of AFUDC Equity Book Basis		1-Base TRR L 65	\$3,917,123	

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**D) True Up TRR Calculation**

27	O&M Expense	1-Base TRR L 66	\$110,879,588
28	A&G Expense	1-Base TRR L 67	\$86,755,377
29	Network Upgrade Interest Expense	1-Base TRR L 68	\$4,075,484
30	Depreciation Expense	1-Base TRR L 69	\$255,151,988
31	Abandoned Plant Amortization Expense	1-Base TRR L 70	\$0
32	Other Taxes	1-Base TRR L 71	\$66,056,889
33	Revenue Credits	1-Base TRR L 72	-\$54,094,032
34	Return on Capital	Line 20	\$471,248,627
35	Income Taxes	Line 21	\$98,290,403
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	\$1,038,364,324
39	True Up Incentive Adder	15-IncentiveAdder L 20	\$26,714,526
39a	True Up Incentive Adder Reversal	Negative of Line 39, Note 1	-\$26,714,526
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:	Sum of Lines 38 to 39a	\$1,038,364,324

**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: \$1,038,364,324	Line 40	<div style="border: 2px solid red; padding: 5px;"> <b>Change In TO2021 TUTRR</b>            \$1,050,183,075             \$1,045,077,007            \$5,106,069         </div>
42	Franchise Fee Factor: 0.925%	28-FFU, L 5	
43	Franchise Fee Expense: \$9,602,874	Line 41 * Line 42	
44	Uncollectibles Expense Factor: 0.213%	28-FFU, L 5	
45	Uncollectibles Expense: \$2,215,877	Line 41 * Line 44	
46	True Up TRR: \$1,050,183,075	L 41 + L 43 + L 45	

**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	Nov 12, 2019	Dec 31, 2019	50
b ROE start of Prior Year	11.20%	See Line f below	Jan 1, 2019	Nov 11, 2019	315
c				Total days in year:	365
d Wtd. Avg. ROE in Prior Year	11.08%	((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year			

Commission Decisions approving ROE:

e End of Prior Year	<u>Reference:</u>	
f Beginning of Prior Year	Settlement of TO2019A (ER19-1553)	
	169 FERC ¶ 61,177	
g Wtd. Cost of Long Term Debt	<u>Percentage</u>	<u>Reference:</u>
h Wtd. Cost of Preferred Stock	2.0627%	1-Base TRR L 51
i Wtd. Cost of Common Stock	0.4170%	1-Base TRR L 52
j Cost of Capital Rate	5.2614%	1-Base TRR L 47 * Line d
	7.7412%	Sum of Lines g to i

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

k	<u>Percentage</u>	<u>Reference:</u>
	5.6785%	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.

Schedule 20  
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		
		FERC Form 1	Data	See Note 1			
Line	Acct.	Description	Amount	Source	Total Amount Excluded	A&G Expense	Notes
1	920	A&G Salaries	\$413,850,310	FF1 323.181b	\$140,442,987	\$273,407,323	
2	921	Office Supplies and Expenses	\$250,234,425	FF1 323.182b	\$2,351,967	\$247,882,458	
3	922	A&G Expenses Transferred	-\$225,318,190	FF1 323.183b	-\$77,722,053	-\$147,596,137	Changed from \$74,324,198 to - \$3,971,216 due to signage error of the Order 668 Transfer from O&M Accounts 569.
4	923	Outside Services Employed	\$59,887,693	FF1 323.184b	\$8,963,864	\$50,923,829	
5	924	Property Insurance	\$15,607,270	FF1 323.185b	\$0	\$15,607,270	
6	925	Injuries and Damages	\$902,073,996	FF1 323.186b	\$168,752,278	\$733,321,718	Changed from -\$3,971,216 to - \$2,940,102 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.
7	926	Employee Pensions and Benefits	\$82,906,034	FF1 323.187b	\$2,802,914	\$80,103,120	
8	927	Franchise Requirements	\$104,335,318	FF1 323.188b	\$104,335,318	\$0	
9	928	Regulatory Commission Expenses	\$11,713,250	FF1 323.189b	\$9,979,028	\$1,734,222	
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0	
11	930.1	General Advertising Expense	\$11,245,961	FF1 323.191b	\$4,498,348	\$6,747,613	
12	930.2	Miscellaneous General Expense	\$14,071,912	FF1 323.192b	\$5,999,239	\$8,072,673	Changed from \$8,235,606 to \$8,236,088 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.
13	931	Rents	\$8,581,490	FF1 323.193b	\$12,016,813	-\$3,435,323	Changed from \$8,236,088 to \$8,963,864 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.
14	935	Maintenance of General Plant	\$26,158,179	FF1 323.196b	\$811,672	\$25,346,507	
15			\$1,675,347,648	Total A&G Expenses:		\$1,292,115,274	
			Amount	Source			
16		Remaining A&G after exclusions & NOIC Adjustment:	\$1,292,115,274	Line 15			
17		Less Account 924:	\$15,607,270	Line 5			
18		Amount to apply the Transmission W&S AF:	\$1,276,508,004	Line 16 - Line 17			
19		Transmission Wages and Salaries Allocation Factor:	6.5681%	27-Allocators, Line 9			
20		Transmission W&S AF Portion of A&G:	\$83,841,806	Line 18 * Line 19			Changed from \$14,093,319 to \$14,354,870 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.
21		Transmission Plant Allocation Factor:	18.6680%	27-Allocators, Line 22			
22		Property Insurance portion of A&G:	\$2,913,571	Line 5 Col 4 * Line 21			Changed from \$14,354,870 to \$14,692,914 due to removal of non-shareholder related credit to A&G removing Pensions & Benefits Billed to Affiliates.
23		Administrative and General Expenses:	\$86,755,377	Line 20 + Line 22			
			Amount	Source			
			\$1,292,115,274	Line 15			
			\$15,607,270	Line 5			
			\$1,276,508,004	Line 16 - Line 17			
			6.5681%	27-Allocators, Line 9			
			\$83,841,806	Line 18 * Line 19			
			18.6680%	27-Allocators, Line 22			
			\$2,913,571	Line 5 Col 4 * Line 21			
			\$86,755,377	Line 20 + Line 22			
			Amount	Source			
			\$1,292,115,274	Line 15			
			\$15,607,270	Line 5			
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			\$86,755,377	Line 20 + Line 22			
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			Amount	Source			

Note 1: Itemization of exclusions

Workpaper: WP Schedule 20 A&G

		Col 1	Col 2	Col 3	Col 4	
		Shareholder Exclusions or Other Adjustments	Franchise Requirements	NOIC	PBOPs	
Line	Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)				Notes
24	920	\$140,442,987	-\$2,940,102	\$143,383,089		See Instructions 2b, 3, and Note 2
25	921	\$2,351,967	\$2,351,967	\$0		
26	922	-\$77,722,053	-\$10,359,096	-\$67,362,957		
27	923	\$8,963,864	\$8,963,864	\$0		
28	924	\$0	\$0	\$0		
29	925	\$168,752,278	\$168,752,278	\$0		See Instruction 6
30	926	\$2,802,914	\$14,692,914	\$0	-\$11,890,000	See Note 3
31	927	\$104,335,318	\$0	\$104,335,318	\$0	See Note 4
32	928	\$9,979,028	\$9,979,028	\$0		
33	929	\$0	\$0	\$0		
34	930.1	\$4,498,348	\$4,498,348	\$0		
35	930.2	\$5,999,239	\$5,999,239	\$0		Changed from \$5,984,741 to \$5,999,239 due to removal of BRRBA Distribution credit adjustment from A&G to Distribution.
36	931	\$12,016,813	\$12,016,813	\$0		
37	935	\$811,672	\$811,672	\$0		

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**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.

<b>Workpaper:</b> WP Schedule 20 A&G		<u>Amount</u>	<u>Source</u>
a	Accrued NOIC Amount:	\$148,050,456	SCE Records
b	Actual A&G NOIC payout:	\$4,667,367	Note 2, d
c	Adjustment:	\$143,383,089	
Actual non-capitalized NOIC Payouts:			
	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$4,667,367	SCE Records and Workpapers
e	Other	\$2,525,320	SCE Records and Workpapers
f	Trans. And Dist. Business Unit	\$4,239,356	SCE Records and Workpapers
g	Total:	\$11,432,043	Sum of d to f

**Note 3: PBOPs Exclusion Calculation**

	<u>Amount</u>	<u>Note:</u>
a	Current Authorized PBOPs Expense Amount:	\$6,329,000 See instruction #4
b	Prior Year Authorized PBOPs Expense Amount:	\$18,219,000 Authorized PBOPs Expense Amount during Prior Year
c	Prior Year FF1 PBOPs expense:	\$6,329,000 SCE Records
d	PBOPs Expense Exclusion:	-\$11,890,000 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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**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.
- 6) Any A&G costs associated with wildfires other than the 2017/18 Wildfire/Mudslide Events shall be reflected in A&G accounts on a cash basis during the year in which associated cash payments are made. In the event an initial cost accrual is made in a year to one or more A&G accounts 920-935, SCE shall exclude from A&G cost recovery any amount not paid in cash during that year through an entry to Column 1, Lines 24-37 of the "Itemization of Exclusions" matrix to the account in which the initial expense accrual was made. As cash payments related to the initial expense accrual are made in future years, SCE shall also include those expenses in A&G cost recovery on a cash basis through an entry to the Itemization of Exclusions matrix.