

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

		TO13/TO2020/TO2021/TO2022/ TO2023	TO2024
		TUTRR Change	One-Time Adj*
<b>Changes to 2017</b>			
1. In preparing the TO2024 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 \$88,124, which should have been excluded in 2017. As such, SCE is including an additional TO13 A&G exclusion of \$88,124 to remove these additional expenses. SCE has incorporated this correction that changes the TO13 A&G exclusions and the impact of this change is a decrease in the 2017 True Up TRR of \$5,052.	A	-\$5,052	-\$6,124
<b>Total One-Time Adjustment for 2017 Reflected in the June TO2024 Draft Annual Update Posting</b>	<b>A</b>	<b>-\$5,052</b>	<b>-\$6,124</b>
<b>Changes to 2018</b>			
2. In preparing the TO2024 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 \$334,880, which should have been excluded in 2018. As such, SCE is including an additional TO2020 A&G exclusion of \$334,880 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 \$19,693.	B	-\$19,693	-\$22,893
<b>Total One-Time Adjustment for 2018 Reflected in the June TO2024 Draft Annual Update Posting</b>	<b>B</b>	<b>-\$19,693</b>	<b>-\$22,893</b>
<b>Changes to 2019</b>			
3. In preparing the TO2024 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 \$395,774, which should have been excluded in 2019. As such, SCE is including an additional TO2021 A&G exclusion of \$395,774 to remove these additional expenses. SCE has incorporated this correction that changes the TO2021 A&G exclusions and the impact of this change is a decrease in the 2019 True Up TRR of \$26,614.**	C	-\$26,614	-\$29,430
<b>Total One-Time Adjustment for 2019 Reflected in the June TO2024 Draft Annual Update Posting</b>	<b>C</b>	<b>-\$26,614</b>	<b>-\$29,430</b>

**Changes to 2020**

4. In preparing the TO2024 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 \$436,268, which should have been excluded in 2020. As such, SCE is including an additional TO2022 A&G exclusion of \$436,268 to remove these additional expenses. SCE has incorporated this correction that changes the TO2022 A&G exclusions and the impact of this change is a decrease in the 2020 True Up TRR of \$31,453.	D	-\$31,453	-\$33,097
5. In the TO2022 Annual Update the FERC Uncollectible expense was \$13,789,000 for calendar year 2020. To hold this value constant, SCE has incorporated an additional increase in the 2020 True Up TRR of \$351.	E	\$351	\$369

<b>Total One-Time Adjustment for 2020 Reflected in the June TO2024 Draft Annual Update Posting</b>	<b>F = D + E</b>	<b>-\$31,102</b>	<b>-\$32,728</b>
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**Changes to 2021**

4. In preparing the TO2024 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 \$341,582, which should have been excluded in 2021. As such, SCE is including an additional TO2023 A&G exclusion of \$341,582 to remove these additional expenses. SCE has incorporated this correction that changes the TO2023 A&G exclusions and the impact of this change is a decrease in the 2021 True Up TRR of \$21,892.	G	-\$21,892	-\$22,251
5. In the TO2023 Annual Update the FERC Uncollectible expense was \$11,953,557 for calendar year 2021. To hold this value constant, SCE has incorporated an additional increase in the 2021 True Up TRR of \$212.	H	\$212	\$223

<b>Total One-Time Adjustment for 2021 Reflected in the June TO2024 Draft Annual Update Posting</b>	<b>I = G + H</b>	<b>-\$21,680</b>	<b>-\$22,035</b>
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<b>Total One-Time Adjustment for 2017 through 2021 Reflected in the June TO2024 Draft Annual Update Posting</b>	<b>J = A + B + C + F + I</b>	<b>-\$104,142</b>	<b>-\$113,210</b>
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\* The TO2024 One-Time Adjustment is equal to the TO13/TO2020/TO2021/TO2022/TO2023 TUTRR Change, plus interest through December 31, 2021.

\*\* In accordance with the Formula Rate Protocols, the True Up TRR for calendar year 2019 was determined using a weighted average of the True Up TRRs calculated pursuant to the formula rates in effect in 2019, which was SCE's TO2018 Formula Rate from January 1, 2019 through November 11, 2019, and the TO2019A Formula Rate from November 12, 2019 through December 31, 2019.

[illegible]

One Time Adjustment for Revised 2017 True Up TRR		
Description	Amount	Source
Revised TO13 True Up TRR in TO2024 Posting	1,014,299,779	TO2024 Draft Annual Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 6, Line 46
TO13 True Up TRR in TO2022	1,014,304,831	TO2022 Annual Update - WP Schedule 3 - One Time Adj Prior Period, Page 7, Line 45
<b>Variance*</b>	<b>(5,052)</b>	

\* Variance Includes Adjustment for:

(1) 2017 A&G adjustment to remove outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

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	\$8,389,794,318
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$252,097,756
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	\$13,057,097
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$10,647,093
7	Cash Working Capital	1/16 (O&M + A&G)		1-Base TRR Line 7	\$7,811,014
8	Working Capital			Line 5 + Line 6 + Line 7	\$31,515,203
<u>Accumulated Depreciation Reserve Amounts</u>					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,549,914,567
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	-\$102,849,091
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,652,763,658
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT, Line 15	-\$1,600,478,572
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$106,455,575
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 9	-\$106,562,330
15a	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$10,165,091
16	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0
17	Rate Base			L1+L2+L3+L4+L8+L12+ L13+L14+L15+L15a+L16	\$5,419,835,356

B) Return on Capital

<u>Line</u>					
18	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.2500%
19	Return on Capital: Rate Base times Cost of Capital Rate			Line 17 * Line 18	\$392,936,470

C) Income Taxes

20	Income Taxes = $[(RB * ER) + D) * (CTR/(1 - CTR))]$ + CO/(1 - CTR)				\$201,959,869
	Where:				
21	RB = Rate Base			Line 17	\$5,419,835,356
22	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1		Instruction 1, Line k	5.2592%
23	CTR = Composite Tax Rate			1-Base TRR L 58	40.7460%
24	CO = Credits and Other			1-Base TRR L 62	\$2,086,200
25	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 64	\$3,535,511

Schedule 4  
True Up TRR  
(Revised 2017  
TO13 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 6 of 46

**D) True Up TRR Calculation**

26	O&M Expense	1-Base TRR L 65	\$78,644,834
27	A&G Expense	1-Base TRR L 66	\$46,331,385
27a	PBOPs True Up TRR Adjustment	35-PBOPs L 14	-\$6,505
28	Network Upgrade Interest Expense	1-Base TRR L 67	\$6,116,851
29	Depreciation Expense	1-Base TRR L 68	\$239,582,731
30	Abandoned Plant Amortization Expense	1-Base TRR L 69	\$0
31	Other Taxes	1-Base TRR L 70	\$60,990,527
32	Revenue Credits	1-Base TRR L 71	-\$58,832,606
33	Return on Capital	Line 19	\$392,936,470
34	Income Taxes	Line 20	\$201,959,869
35	Gains and Losses on Transmission Plant Held for Future Use -- Land	1-Base TRR L 74	\$0
36	Amortization and Regulatory Debits/Credits	1-Base TRR L 75	\$0
37	Total without True Up Incentive Adder	Sum Line 26 to Line 36	\$967,723,556
38	True Up Incentive Adder	15-IncentiveAdder L 20	\$34,932,083
39	True Up TRR without Franchise Fees and Uncollectibles Expense included:	Line 37 + Line 38	\$1,002,655,638

**E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses**

Line		Reference:	
40	True Up TRR wo FF:	Line 39	
41	Franchise Fee Factor:	28-FFU, L 5	
42	Franchise Fee Expense:	Line 40 * Line 41	
43	Uncollectibles Expense Factor:	28-FFU, L 5	
44	Uncollectibles Expense:	Line 42 * Line 43	
45	True Up TRR:	L 40 + L 42 + L 44	

<b>Change In TO13 TUTRR</b>
\$1,014,299,779
<u>\$1,014,304,831</u>
-\$5,052

TO2022 Annual Update - WP Schedule 3 - One Time Adj  
Prior Period, Page 7, Line 45

-\$5,052 Outside counsel adjustment

Schedule 4  
True Up TRR  
(Revised 2017  
TO13 True Up TRR)

**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 18 and the "Equity Rate of Return Including Preferred Stock" on Line 22 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>
<b>a</b> ROE at end of Prior Year	9.80%	1-Base TRR L 49	Jan 1, 2017	Dec 31, 2017	365
<b>b</b> ROE start of Prior Year	9.80%	See Line e below			
<b>c</b>				Total days in year:	365
<b>d</b> Wtd. Avg. ROE in Prior Year	9.80%	((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year			

Commission Decisions approving ROE:

	<u>Reference:</u>
<b>e</b> End of Prior Year	Settlement in ER11-3697
<b>f</b> Beginning of Prior Year	Settlement in ER11-3697

	<u>Percentage</u>	<u>Reference:</u>
<b>g</b> Wtd. Cost of Long Term Debt	1.9908%	1-Base TRR L 50
<b>h</b> Wtd. Cost of Preferred Stock	0.4951%	1-Base TRR L 51
<b>i</b> Wtd. Cost of Common Stock	4.7641%	1-Base TRR L 46 * Line d
<b>j</b> Cost of Capital Rate	7.2500%	Sum of Lines f to h

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

	<u>Percentage</u>	<u>Reference:</u>
<b>k</b>	5.2592%	Sum of Lines g to h

2) Beginning with the True Up Adjustment calculation for 2012 utilizing the True Up TRR for 2012, exclude from CWIP recovery the capital cost of facilities that were purchased for the portion of Tehachapi Segment 8 near the Chino Airport, but due to the April 25, 2011 Notice of Presumed Hazard issued to SCE by the FAA are not used in the construction of Tehachapi or in any other CWIP incentive project. Additionally, SCE will permanently exclude from Plant In Service, Rate Base, and transmission rates these capital costs if the facilities are not used in the construction of any SCE transmission project.



Schedule 20  
Administrative and General Expenses  
(Revised 2017  
TO13 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 8 of 46

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	\$354,859,044	FF1 323.181b	\$69,867,001	\$284,992,043	
2	921	Office Supplies and Expenses	\$249,803,334	FF1 323.182b	\$5,868,285	\$243,935,049	
3	922	A&G Expenses Transferred	-\$145,897,634	FF1 323.183b	-\$48,972,720	-\$96,924,914	Credit
4	923	Outside Services Employed	\$54,121,017	FF1 323.184b	\$7,846,218	\$46,274,799	
5	924	Property Insurance	\$14,497,978	FF1 323.185b	\$0	\$14,497,978	
6	925	Injuries and Damages	\$117,581,984	FF1 323.186b	\$3,113,513	\$114,468,471	
7	926	Employee Pensions and Benefits	\$142,806,958	FF1 323.187b	-\$15,693,853	\$158,500,811	
8	927	Franchise Requirements	\$110,632,750	FF1 323.188b	\$110,632,750	\$0	
9	928	Regulatory Commission Expenses	\$16,012,736	FF1 323.189b	\$17,351,998	-\$1,339,262	
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0	
11	930.1	General Advertising Expense	\$5,718,074	FF1 323.191b	\$0	\$5,718,074	
12	930.2	Miscellaneous General Expense	\$34,422,373	FF1 323.192b	\$24,004,996	\$10,417,377	
13	931	Rents	\$6,627,867	FF1 323.193b	\$11,411,119	-\$4,783,252	
14	935	Maintenance of General Plant	\$13,296,044	FF1 323.196b	\$697,671	\$12,598,373	
15			\$974,482,525		Total A&G Expenses:	\$788,355,548	

		Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$788,355,548	Line 15
17	Less Account 924:	\$14,497,978	Line 5
18	Amount to apply the Transmission W&S AF:	\$773,857,570	Line 16 - Line 17
19	Transmission Wages and Salaries Allocation Factor:	5.6290%	27-Allocators, Line 9
20	Transmission W&S AF Portion of A&G:	\$43,560,607	Line 18 * Line 19
21	Transmission Plant Allocation Factor:	19.1115%	27-Allocators, Line 22
22	Property Insurance portion of A&G:	\$2,770,777	Line 5 Col 4 * Line 21
23	Administrative and General Expenses:	\$46,331,385	Line 20 + Line 22

Changed from \$7,758,094 to \$7,846,218 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	
Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)						Notes
24	920	\$69,867,001	-\$11,516,850		\$81,383,851		See Instructions 2b, 3, and Note 2
25	921	\$5,868,285	\$5,868,285		\$0		
26	922	-\$48,972,720	-\$7,655,813		-\$41,316,907		
27	923	\$7,846,218	\$7,846,218		\$0		
28	924	\$0	\$0		\$0		
29	925	\$3,113,513	\$3,113,513		\$0		
30	926	-\$15,693,853	\$19,430,853		\$0	-\$35,124,706	See Note 3
31	927	\$110,632,750	\$0	\$110,632,750	\$0	\$0	See Note 4
32	928	\$17,351,998	\$17,351,998		\$0		
33	929	\$0	\$0		\$0		
34	930.1	\$0	\$0		\$0		
35	930.2	\$24,004,996	\$24,004,996		\$0		
36	931	\$11,411,119	\$11,411,119		\$0		
37	935	\$697,671	\$697,671		\$0		



**Note 2: Non-Officer Incentive Compensation ("NOIC") Adjustment**

(NOIC includes Results Sharing, Management Incentive Program, and Non-Officer Executive Incentive Compensation).  
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:	\$103,811,325	SCE Records
b	Actual A&G NOIC payout:	\$22,427,473	Note 2, d
c	Adjustment:	\$81,383,851	
Actual non-capitalized NOIC Payouts:			
	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	\$22,427,473	SCE Records and Workpapers
e	Other	\$10,140,103	SCE Records and Workpapers
f	Trans. And Dist. Business Unit	\$33,565,145	SCE Records and Workpapers
g	Total:	\$66,132,721	Sum of d to f

**Note 3: PBOPs Exclusion Calculation**

		<u>Amount</u>	<u>Note:</u>
a	Authorized PBOPs expense amount:	\$40,171,333	See instruction #4
b	Prior Year FF1 PBOPs expense:	\$5,046,627	SCE Records
c	PBOPs Expense Exclusion:	-\$35,124,706	b - a

**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.

Schedule 20  
Administrative and General Expenses  
(Revised 2017  
TO13 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 10 of 46

**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 of fines.
    - 4) Any amount of costs recovered 100% through California Public Utilities Commission ("CPUC") rates.
  - h) Exclude the following amounts of employee incentive compensation from any account 920-935:
    - 1) Any Long Term Incentive Compensation ("LTI") costs.
    - 2) Beginning with Prior Year 2012, any amount of Officer Executive Incentive Compensation ("OEIC") in excess of the amount authorized by the CPUC in Decision D.12-11-051 or subsequent decision.
    - 3) Beginning with Prior Year 2012, any amount of Supplemental Executive Retirement Plan ("SERP") in excess of the amount authorized by the CPUC in Decision D.12-11-051 or subsequent decision.
    - 4) Beginning with Prior Year 2012, any amount of NOIC in excess of the amount authorized by the CPUC in Decision D.12-11-051 or subsequent decision.
    - 5) Any Spot Bonus costs.
    - 6) Any Awards to Celebrate Excellence ("ACE") costs.
- 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 is excluded from account 926 (see note 3). Docket or Decision approving authorized PBOPs amount: ER16-2433
- 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 for Revised 2018 True Up TRR		
Description	Amount	Source
Revised TO2020 True Up TRR in TO2024 Posting	1,082,933,917	TO2043 Draft Annual Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 13, Line 46
TO2020 True Up TRR in TO2022	1,082,953,611	TO2022 Annual Update - WP Sch 3 One Time Adj Prior Period Page 14, Line 46
<b>Variance*</b>	<b>(19,693)</b>	

\* Variance Includes Adjustment for:

(1) 2018 A&G adjustment to remove outside counsel expenses related to employment litigation or arbitration matters which should have been excluded.

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	<u>\$34,900,475</u>
8	Working Capital			Line 5 + Line 6 + Line 7	\$60,720,575
<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	<u>-\$96,157,605</u>
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	\$5,680,070,901

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	\$443,152,127

C) Income Taxes

21	Income Taxes = [(((RB * ER) + D) * (CTR/(1 – CTR))) + CO/(1 – CTR)]				\$91,581,422
	Where:				
22	RB = Rate Base		Line 18	\$5,680,070.901	
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	

**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	\$211,028,754
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	\$443,152,127
35	Income Taxes	Line 21	\$91,581,422
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	\$1,070,750,914
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	\$1,070,750,914

**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: \$1,070,750,914	Line 40	<div>Change In TO2020 TUTRR \$1,082,933,917</div>
42	Franchise Fee Factor: 0.924%	28-FFU, L 5	
43	Franchise Fee Expense: \$9,898,021	Line 41 * Line 42	
44	Uncollectibles Expense Factor: 0.213%	28-FFU, L 5	<div>\$1,082,953,611 -\$19,693</div>
45	Uncollectibles Expense: \$2,284,982	Line 43 * Line 44	
46	True Up TRR: \$1,082,933,917	L 41 + L 43 + L 45	

TO2022 Annual Update - WP Sch 3 One  
Time Adj Prior Period Page 14, Line 46

**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

Outside counsel  
-\$19,693 adjustment

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	11.2	11.2% for 2018 True Up TRR pursuant to Settlement Term #3			365
b ROE start of Prior Year	11.2				
c			Total days in year: 365		
d Wtd. Avg. ROE in Prior Year	11.20% ((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	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.



Schedule 20  
Administrative and General Expenses  
(Revised 2018  
TO2020 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 15 of 46

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	\$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	\$9,099,604	\$45,139,409	
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	\$4,252,252	\$2,991,894,519	
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:	\$3,638,189,449	

	Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$3,638,189,449 Line 15
17	Less Account 924:	\$16,155,127 Line 5
18	Amount to apply the Transmission W&S AF:	\$3,622,034,322 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:	\$208,000,935 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:	\$211,028,754 Line 20 + Line 22

Change from \$8,764,724 to \$9,099,604 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	
Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)					Notes
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	\$9,099,604	\$9,099,604	\$0		
28	924	\$0	\$0	\$0		
29	925	\$4,252,252	\$4,252,252	\$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	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.

Schedule 20  
Administrative and General Expenses  
(Revised 2018  
TO2020 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 17 of 46

**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.

ER19-1226

One Time Adjustment to Reflect 2019 True Up TRR				
Description	Amount	Weighting Factor	Weighted Amount	Source
Updated TO2018 Model True Up TRR in TO2024	\$1,036,963,826	86.3%	\$894,913,987	TO2024 Draft Annual Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 20, Line 46
Revised TO2018 Model True Up TRR in TO2023	\$1,036,990,439	86.3%	\$894,936,955	TO2023 Annual Filing - WP Schedule 3 - One Time Adj-Prior Period, Page 6, Line 46
<b>TO2018 Weighted One Time Adjustment:</b>			<b>-\$22,968</b>	
Updated TO2021 Model True Up TRR in TO2024	\$1,050,996,934	13.7%	\$143,972,183	TO2024 Draft Annual Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 26, Line 46
Revised TO2021 Model True Up TRR in TO2023	\$1,051,023,552	13.7%	\$143,975,829	TO2023 Annual Update Filing - WP Schedule 3 - One Time Adj-Prior Period, Page 12, Line 46
<b>TO2021 Weighted One Time Adjustment:</b>			<b>-\$3,646</b>	
<b>Total One Time Adjustment:</b>			<b>-\$26,614</b>	

\* Variance Includes Adjustment for:

(1) 2019 A&G adjustment to remove outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

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	\$8,939,630,709
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
<u>Working Capital Amounts</u>					
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	<u>\$25,202,208</u>
8	Working Capital			Line 5 + Line 6 + Line 7	\$67,973,986
<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	<u>-\$105,831,142</u>
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	<u>\$6,086,817,914</u>

B) Return on Capital

<u>Line</u>					
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	<u>\$460,962,959</u>

C) Income Taxes

21	Income Taxes = [((RB * ER) + D) * (CTR/(1 – CTR))] + CO/(1 – CTR)				\$91,515,958
	Where:				
22	RB = Rate Base		Line 18	\$6,086,817,914	
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	\$88,836,487
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	\$460,962,959
35	Income Taxes	Line 21	\$91,515,958
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	\$1,025,293,844
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	\$1,025,293,844

**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: \$1,025,293,844	Line 40	<div> <b>Change In</b>  <b>TO2021 TUTRR</b>            \$1,036,963,826            \$1,036,990,439            -\$26,614         </div>
42	Franchise Fee Factor: 0.925%	28-FFU, L 5	
43	Franchise Fee Expense: \$9,481,997	Line 41 * Line 42	
44	Uncollectibles Expense Factor: 0.213%	28-FFU, L 5	
45	Uncollectibles Expense: \$2,187,985	Line 43 * Line 44	
46	True Up TRR: \$1,036,963,826	L 41 + L 43 + L 45	

TO2023 Annual Update - WP Sch3-  
One Time Adj Prior Period, Page 6,  
Line 46



**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.

86.3% Weighted Average
-\$22,968 Outside Counsel Adjustment
-\$22,968 Total Weighted Adjustment

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>	
<b>a</b>	ROE at end of Prior Year	10.30%	See Line e below	Nov 12, 2019	Dec 31, 2019	50
<b>b</b>	ROE start of Prior Year	11.20%	See Line f below	Jan 1, 2019	Nov 11, 2019	315
<b>c</b>				Total days in year:		365
<b>d</b>	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>
<b>e</b> End of Prior Year	Settlement of TO2019A (ER19-1553)
<b>f</b> Beginning of Prior Year	169 FERC ¶ 61,177

	<u>Percentage</u>	<u>Reference:</u>
<b>g</b> Wtd. Cost of Long Term Debt	2.1804%	1-Base TRR L 51
<b>h</b> Wtd. Cost of Preferred Stock	0.4170%	1-Base TRR L 52
<b>i</b> Wtd. Cost of Common Stock	4.9757%	1-Base TRR L 47 * Line d
<b>j</b> 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>
<b>k</b>	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.

Schedule 20  
Administrative and General Expenses  
(Revised 2019  
TO2018 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 22 of 46

Calculation of Administrative and General Expense

Inputs are shaded yellow

			Col 1	Col 2	Col 3	Col 4	Notes
			FERC Form 1	Data	See Note 1		
Line	Acct.	Description	Amount	Source	Total Amount Excluded	A&G Expense	
1	920	A&G Salaries	\$413,850,310	FF1 323.181b	\$126,252,220	\$287,598,090	
2	921	Office Supplies and Expenses	\$250,234,425	FF1 323.182b	\$2,352,484	\$247,881,941	
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	\$9,399,151	\$50,488,542	
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	\$154,247,328	\$747,826,668	
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	\$0	\$11,245,961	
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	\$769,628	\$25,388,551	
15			\$1,675,347,648		Total A&G Expenses:	\$1,323,538,138	

	Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$1,323,538,138 Line 15
17	Less Account 924:	\$15,607,270 Line 5
18	Amount to apply the Transmission W&S AF:	\$1,307,930,868 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:	\$85,922,898 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:	\$88,836,487 Line 20 + Line 22

Changed from \$9,003,377 to \$9,399,151 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	Notes
			Shareholder Exclusions or Other Adjustments	Franchise Requirements	NOIC	PBOPs	
Line	Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)					
24	920	\$126,252,220	-\$7,717,821		\$133,970,041		See Instructions 2b, 3, and Note 2
25	921	\$2,352,484	\$2,352,484		\$0		
26	922	-\$77,722,053	-\$10,359,096		-\$67,362,957		
27	923	\$9,399,151	\$9,399,151		\$0		
28	924	\$0	\$0		\$0		
29	925	\$154,247,328	\$154,247,328		\$0		
30	926	\$4,180,355	\$16,070,355		\$0	-\$11,890,000	See Note 3
31	927	\$104,335,318	\$0	\$104,335,318	\$0	\$0	See Note 4
32	928	\$9,979,028	\$9,979,028		\$0		
33	929	\$0	\$0		\$0		
34	930.1	\$0	\$0		\$0		
35	930.2	\$5,999,239	\$5,999,239		\$0		
36	931	\$12,016,813	\$12,016,813		\$0		
37	935	\$769,628	\$769,628		\$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:	\$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.

Schedule 20  
Administrative and General Expenses  
(Revised 2019  
TO2018 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 24 of 46

**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.

ER20-1382

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	\$24,803,723
8	Working Capital			Line 5 + Line 6 + Line 7	\$67,566,930
<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	\$6,087,661,608

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	\$471,256,318

C) Income Taxes

21	Income Taxes = [((RB * ER) + D) * (CTR/(1 - CTR))] + CO/(1 - CTR)				\$98,292,595
22	Where:				
22	RB = Rate Base			Line 18	\$6,087,661,608
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

Schedule 4  
True Up TRR  
(Revised 2019  
TO2021 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 26 of 46

**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	\$87,550,194
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	\$471,256,318
35	Income Taxes	Line 21	\$98,292,595
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	\$1,039,169,024
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	\$1,039,169,024

**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: \$1,039,169,024	Line 40	<div style="border: 2px solid red; padding: 5px;"> <b>Change In TO2021 TUTRR</b>            \$1,050,996,934            \$1,051,023,552            -\$26,617         </div>
42	Franchise Fee Factor: 0.925%	28-FFU, L 5	
43	Franchise Fee Expense: \$9,610,316	Line 41 * Line 42	
44	Uncollectibles Expense Factor: 0.213%	28-FFU, L 5	
45	Uncollectibles Expense: \$2,217,595	Line 41 * Line 44	
46	True Up TRR: \$1,050,996,934	L 41 + L 43 + L 45	

TO2023 Annual Update - WP Schedule 3 - One Time Adj  
Prior Period, Page 12, Line 46



Schedule 4  
True Up TRR  
(Revised 2019  
TO2021 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 27 of 46

**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>	
<b>a</b>	ROE at end of Prior Year	10.30%	See Line e below	Nov 12, 2019	Dec 31, 2019	50
<b>b</b>	ROE start of Prior Year	11.20%	See Line f below	Jan 1, 2019	Nov 11, 2019	315
<b>c</b>	Total days in year:					365
<b>d</b>	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>
<b>e</b> End of Prior Year	Settlement of TO2019A (ER19-1553)
<b>f</b> Beginning of Prior Year	169 FERC ¶ 61,177

	<u>Percentage</u>	<u>Reference:</u>
<b>g</b> Wtd. Cost of Long Term Debt	2.0627%	1-Base TRR L 51
<b>h</b> Wtd. Cost of Preferred Stock	0.4170%	1-Base TRR L 52
<b>i</b> Wtd. Cost of Common Stock	5.2614%	1-Base TRR L 47 * Line d
<b>j</b> Cost of Capital Rate	7.7412%	Sum of Lines g to i

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

	<u>Percentage</u>	<u>Reference:</u>
<b>k</b>	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.

13.7% Weighted Average

A&G Outside Counsel

-\$3,646 Adjustment

-\$3,646 Total Adjustment

Schedule 20  
Administrative and General Expenses  
(Revised 2019  
TO2021 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 28 of 46

Calculation of Administrative and General Expense

Inputs are shaded yellow

			<u>Col 1</u>	<u>Col 2</u>	<u>Col 3</u>	<u>Col 4</u>	
					See Note 1		
<u>Line</u>	<u>Acct.</u>	<u>Description</u>	<u>FERC Form 1</u> <u>Amount</u>	<u>Data</u> <u>Source</u>	<u>Total Amount</u> <u>Excluded</u>	<u>A&amp;G Expense</u>	<u>Notes</u>
1	920	A&G Salaries	\$413,850,310	FF1 323.181b	\$130,478,540	\$283,371,770	
2	921	Office Supplies and Expenses	\$250,234,425	FF1 323.182b	\$2,352,484	\$247,881,941	
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	\$9,386,901	\$50,500,792	
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	\$170,732,328	\$731,341,668	
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	\$0	\$11,245,961	
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	\$769,628	\$25,388,551	
15			\$1,675,347,648		Total A&G Expenses:	\$1,304,216,509	

		<u>Amount</u>	<u>Source</u>
16	Remaining A&G after exclusions & NOIC Adjustment:	\$1,304,216,509	Line 15
17	Less Account 924:	\$15,607,270	Line 5
18	Amount to apply the Transmission W&S AF:	\$1,288,609,239	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:	\$84,636,622	Line 18 * Line 19
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
23	Administrative and General Expenses:	\$87,550,194	Line 20 + Line 22

Changed from \$8,991,127 to \$9,386,901 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

Note 1: Itemization of exclusions

Workpaper: WP Schedule 20 A&G

		<u>Col 1</u>	<u>Col 2</u>	<u>Col 3</u>	<u>Col 4</u>	
			Shareholder Exclusions or Other Adjustments	Franchise Requirements	NOIC	PBOPs
<u>Acct.</u>	<u>Total Amount Excluded</u> <u>(Sum of Col 1 to Col 4)</u>					
24	920	\$130,478,540	-\$12,904,549		\$143,383,089	
25	921	\$2,352,484	\$2,352,484		\$0	
26	922	-\$77,722,053	-\$10,359,096		-\$67,362,957	
27	923	\$9,386,901	\$9,386,901		\$0	
28	924	\$0	\$0		\$0	
29	925	\$170,732,328	\$170,732,328		\$0	
30	926	\$2,802,914	\$14,692,914		\$0	See Instruction 6
31	927	\$104,335,318	\$0	\$104,335,318	\$0	See Note 3
32	928	\$9,979,028	\$9,979,028		\$0	See Note 4
33	929	\$0	\$0		\$0	
34	930.1	\$0	\$0		\$0	
35	930.2	\$5,999,239	\$5,999,239		\$0	
36	931	\$12,016,813	\$12,016,813		\$0	
37	935	\$769,628	\$769,628		\$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.

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

**Note 3: PBOPs Exclusion Calculation**

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

Schedule 20  
Administrative and General Expenses  
(Revised 2019  
TO2021 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 30 of 46

**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.

One Time Adjustment for Revised 2020 True Up TRR		
Description	Amount	Source
Revised TO2022 True Up TRR in TO2024 Posting	1,237,091,729	TO2024 Draft Annual Posting - WP Schedule 3 - One Time Adj-Prior Period, Page 33, Line 46
TO2022 True Up TRR in TO2023	1,237,122,831	TO2023 Annual Filing - WP Schedule 3 - One Time Adj-Prior Period, Page 19, Line 46
<b>Variance*</b>	<b>(31,102)</b>	

\* Variance Includes Adjustment for:

- (1) 2020 A&G adjustment to remove outside counsel cost related to employment litigation or arbitration matters which should have been excluded.
- (2) 2020 Uncollectibles Expense Factor Adjustment

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	\$9,465,884,220
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$332,996,257
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	\$26,347,686
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$17,295,289
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$38,001,449
8	Working Capital			Line 5 + Line 6 + Line 7	\$81,644,425
<u>Accumulated Depreciation Reserve Amounts</u>					
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,985,745,438
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	-\$123,470,472
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$2,109,215,910
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT-1, Line 15	-\$1,575,979,469
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$792,332,585
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$27,970,500
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$241,192,829
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	\$6,728,440,934

B) Return on Capital

<u>Line</u>					
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.3080%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$491,711,673

C) Income Taxes

21	Income Taxes = $[((RB * ER) + D) * (CTR/(1 - CTR))] + CO/(1 - CTR)$				\$115,795,723
	Where:				
22	RB = Rate Base		Line 18	\$6,728,440,934	
23	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1	Instruction 1, Line k	5.2391%	
24	CTR = Composite Tax Rate		1-Base TRR L 59	27.9836%	
25	CO = Credits and Other		1-Base TRR L 63	-\$16,481,293	
26	D = Book Depreciation of AFUDC Equity Book Basis		1-Base TRR L 65	\$4,388,079	



**D) True Up TRR Calculation**

27	O&M Expense	1-Base TRR L 66	\$126,658,024
28	A&G Expense	1-Base TRR L 67	\$177,353,569
29	Network Upgrade Interest Expense	1-Base TRR L 68	\$2,371,003
30	Depreciation Expense	1-Base TRR L 69	\$274,400,278
31	Abandoned Plant Amortization Expense	1-Base TRR L 70	\$0
32	Other Taxes	1-Base TRR L 71	\$71,871,386
33	Revenue Credits	1-Base TRR L 72	-\$48,068,461
34	Return on Capital	Line 20	\$491,711,673
35	Income Taxes	Line 21	\$115,795,723
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	\$1,212,093,196
39	True Up Incentive Adder	15-IncentiveAdder L 20	\$25,971,820
39a	True Up Incentive Adder Reversal	Negative of Line 39, Note 1	-\$25,971,820
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:	Sum of Lines 38 to 39a	\$1,212,093,196

**E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses**

Line		Reference:	
41	True Up TRR wo FF:	Line 40	
42	Franchise Fee Factor:	28-FFU, L 5	
43	Franchise Fee Expense:	Line 41 * Line 42	
44	Uncollectibles Expense Factor:	28-FFU, L 5	
45	Uncollectibles Expense:	Line 41 * Line 44	
46	True Up TRR:	L 41 + L 43 + L 45	

<b>Change In</b>
<b>TO2022 TUTRR</b>
\$1,237,091,729
\$1,237,122,831
-\$31,102

TO2023 Annual Update - WP Schedule 3-One  
Time Adj Prior Period, Page 19, Line 46

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.

Outside Counsel Adjustment	(31,453)
FF&U Adjustment	351
Total Adjustment	(31,102)

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	Jan 1, 2020	Dec 31, 2020	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:

	Reference:
e End of Prior Year	Settlement of TO2019A (ER19-1553)
f Beginning of Prior Year	169 FERC ¶ 61,177

	Percentage	Reference:
g Wtd. Cost of Long Term Debt	2.0688%	1-Base TRR L 51
h Wtd.Cost of Preferred Stock	0.3466%	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	7.3080%	Sum of Lines g to i

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

	Percentage	Reference:
k	5.2391%	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  
(Revised 2020 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 35 of 46

Calculation of Administrative and General Expense

			Inputs are shaded yellow			
			Col 1	Col 2	Col 3	Col 4
					See Note 1	
Line	Acct.	Description	FERC Form 1 Amount	Data Source	Total Amount Excluded	A&G Expense
1	920	A&G Salaries	\$512,818,190	FF1 323.181b	\$228,036,742	\$284,781,448
2	921	Office Supplies and Expenses	\$259,355,778	FF1 323.182b	\$274,716	\$259,081,062
3	922	A&G Expenses Transferred	-\$223,403,958	FF1 323.183b	-\$110,501,927	-\$112,902,031
4	923	Outside Services Employed	\$49,255,741	FF1 323.184b	\$3,361,642	\$45,894,099
5	924	Property Insurance	\$20,441,370	FF1 323.185b	\$0	\$20,441,370
6	925	Injuries and Damages	\$2,255,479,067	FF1 323.186b	\$366,619,886	\$1,888,859,181
7	926	Employee Pensions and Benefits	\$78,787,907	FF1 323.187b	\$8,094,298	\$70,693,609
8	927	Franchise Requirements	\$113,495,974	FF1 323.188b	\$113,495,974	\$0
9	928	Regulatory Commission Expenses	\$11,842,729	FF1 323.189b	\$10,887,497	\$955,232
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0
11	930.1	General Advertising Expense	\$14,923,247	FF1 323.191b	\$0	\$14,923,247
12	930.2	Miscellaneous General Expense	\$38,904,934	FF1 323.192b	\$36,338,171	\$2,566,763
13	931	Rents	\$9,432,312	FF1 323.193b	\$0	\$9,432,312
14	935	Maintenance of General Plant	\$22,574,402	FF1 323.196b	\$536,098	\$22,038,304
15			\$3,163,907,693		Total A&G Expenses:	\$2,506,764,596

		Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$2,506,764,596	Line 15
17	Less Account 924:	\$20,441,370	Line 5
18	Amount to apply the Transmission W&S AF:	\$2,486,323,226	Line 16 - Line 17
19	Transmission Wages and Salaries Allocation Factor:	6.9823%	27-Allocators, Line 9
20	Transmission W&S AF Portion of A&G:	\$173,601,568	Line 18 * Line 19
21	Transmission Plant Allocation Factor:	18.3549%	27-Allocators, Line 22
22	Property Insurance portion of A&G:	\$3,752,001	Line 5 Col 4 * Line 21
23	Administrative and General Expenses:	\$177,353,569	Line 20 + Line 22

Changed from \$2,925,374 to \$3,361,642 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

Note 1: Itemization of exclusions

Workpaper: WP Schedule 20

			Col 1	Col 2	Col 3	Col 4	Notes
			Shareholder Exclusions or Other Adjustments	Franchise Requirements	NOIC	PBOPs	
Line	Acct.	Total Amount Excluded (Sum of Col 1 to Col 4)					
24	920	\$228,036,742	\$5,732,204		\$222,304,538		See Instructions 2b, 3, and Note 2
25	921	\$274,716	\$274,716		\$0		
26	922	-\$110,501,927	-\$11,947,058		-\$98,554,869		
27	923	\$3,361,642	\$3,361,642		\$0		
28	924	\$0	\$0		\$0		
29	925	\$366,619,886	\$366,619,886		\$0		See Instruction 6
30	926	\$8,094,298	\$14,423,298		\$0	-\$6,329,000	See Note 3
31	927	\$113,495,974	\$0	\$113,495,974	\$0	\$0	See Note 4
32	928	\$10,887,497	\$10,887,497		\$0		
33	929	\$0	\$0		\$0		
34	930.1	\$0	\$0		\$0		
35	930.2	\$36,338,171	\$36,338,171		\$0		
36	931	\$0	\$0		\$0		
37	935	\$536,098	\$536,098		\$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.

Workpaper: WP Schedule 20		<u>Amount</u>	<u>Source</u>
a	Accrued NOIC Amount:	\$216,604,107	SCE Records
b	Actual A&G NOIC payout:	-\$5,700,430	Note 2, d
c	Adjustment:	\$222,304,538	
Actual non-capitalized NOIC Payouts:			
	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	-\$5,700,430	SCE Records and Workpapers
e	Other	-\$2,569,165	SCE Records and Workpapers
f	Trans. And Dist. Business Unit	-\$9,126,424	SCE Records and Workpapers
g	Total:	-\$17,396,019	Sum of d to f

**Note 3: PBOPs Exclusion Calculation**

	<u>Amount</u>	<u>Note:</u>
a	Current Authorized PBOPs Expense Amount:	\$0 See instruction #4
b	Prior Year Authorized PBOPs Expense Amount:	\$6,329,000 Authorized PBOPs Expense Amount during Prior Year
c	Prior Year FF1 PBOPs expense:	\$0 SCE Records
d	PBOPs Expense Exclusion:	-\$6,329,000 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.

Schedule 20  
Administrative and General Expenses  
(Revised 2020 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 37 of 46

**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: **Docket No. ER21-1521**
- 5) SCE shall make no adjustments to recorded labor amounts related to non-labor labor and/or Indirect labor in Schedule 20.
- 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.

**Franchise Fees and Uncollectibles Expense Factors**

Workpaper: WP Schedule 28 FFU

**1) Approved Franchise Fee Factor(s)**

Inputs are shaded yellow

Line	From	To	Days in Prior Year	FF Factor	Reference
1	2020	Present	366	0.9248%	Schedule 28 - Workpaper Line 10
2					

**2) Approved Uncollectibles Expense Factor(s)**

Changed from 1.13759% to 1.13762% to keep the uncollectible expense \$13,789,000

	From	To	Days in Prior Year	U Factor	Reference
3	2020	Present	366	1.13762%	Schedule 28 - Workpaper Line 11
4					

**3) FF and U Factors**

	Prior Year	FF Factor	U Factor	Notes
5	2020	0.92481%	1.13762%	Calculated according to Instruction 3

**Notes:**

1) Franchise Fees represent payments that SCE makes to municipal entities for the right to locate facilities within the municipality.

**Instructions:**

- 1) Enter Franchise Fee and Uncollectibles Factors as approved by the California Public Utilities Commission ("CPUC") in modules 1 and 2 above pursuant to Instruction 2. If approved factors changed during Prior Year, enter both, and note period of time for which each applies in "From" and "To" columns, and number of days each was in effect during the Prior Year in "Days in Prior Year" Column.
- 2) Franchise Fees Factor is calculated from CPUC Decision by dividing adopted Franchise Fees by Total Operating Revenues less Franchise Fees. Uncollectibles Factor is calculated by dividing adopted Uncollectibles expense by Total Operating revenues less Uncollectibles Expense. Resulting FF & U Factors represent factors that, when applied to TRR without FF and U will correctly determine FF and U expense.
- 3) Calculate in module 3 the weighted average FF and U factors from the factors in modules 1 and 2 based on the number of days each FF and U factor was in effect during the Prior Year at issue.

	Percent	Calculation
Prior Year FF Factor:	0.92481%	$((L1 \text{ FF Factor} * L1 \text{ Days}) + (L2 \text{ FF Factor} * L2 \text{ Days})) / (L1 + L2 \text{ Days})$
Prior Year U Factor:	1.13762%	$((L3 \text{ U Factor} * L3 \text{ Days}) + (L4 \text{ U Factor} * L4 \text{ Days})) / (L3 + L4 \text{ Days})$

One Time Adjustment for Revised 2021 True Up TRR		
Description	Amount	Source
Revised TO2023 True Up TRR in TO2024 Posting	1,233,990,857	TO2024 Draft Annual Posting - WP Schedule 3 One Time Adj-Prior Period, Page 41, Line 46
TO2023 True Up TRR in TO2023	1,234,012,537	TO2023 Annual Filing - Attachment 1, Schedule 4, Line 46
<b>Variance*</b>	<b>(21,680)</b>	

\* Variance Includes Adjustment for:

- (1) 2020 A&G adjustment to remove outside counsel cost related to employment litigation or arbitration matters which should have been excluded.
- (2) 2020 Uncollectibles Expense Factor Adjustment



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>\$30,656,875</u>
8	Working Capital			Line 5 + Line 6 + Line 7	\$71,288,623
<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	<u>\$7,221,902,689</u>

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	<u>\$511,607,325</u>

C) Income Taxes

21	Income Taxes = [((RB * ER) + D) * (CTR/(1 – CTR))] + CO/(1 – CTR)				\$132,245,384
	Where:				
22	RB = Rate Base		Line 18	\$7,221,902,689	
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	\$104,115,714
28	A&G Expense	1-Base TRR L 67	\$141,139,284
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	\$511,607,325
35	Income Taxes	Line 21	\$132,245,384
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	\$1,210,699,604
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	\$1,210,699,604

**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: \$1,210,699,604	Line 40
42	Franchise Fee Factor: 0.936%	28-FFU, L 5
43	Franchise Fee Expense: \$11,337,695	Line 41 * Line 42
44	Uncollectibles Expense Factor: 0.987%	28-FFU, L 5
45	Uncollectibles Expense: \$11,953,557	Line 41 * Line 44
45a	O&M Services Formula Revenues \$0	Negative of 35-Other Formula Revenue, L 80
46	True Up TRR: \$1,233,990,857	L 41 + L 43 + L 45+ L 45a

<b>Change In TO2023 TUTRR</b>
\$1,233,990,857
<u>\$1,234,012,537</u>
-\$21,680

TO2023 Annual Update - Attachment 1, Schedule 4, Line 46

Schedule 4  
True Up TRR  
(Revised 2021 True Up TRR)

**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

Outside Counsel Adjustment (21,892)

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.

FF&U Adjustment 212  
Total Adjustment (21,680)

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.

Schedule 20  
Administrative and General Expenses  
(Revised 2021 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 43 of 46

Calculation of Administrative and General Expense

Inputs are shaded yellow

			Col 1	Col 2	Col 3	Col 3a	Col 4	Notes
			FERC Form 1	Data	See Note 1	See Note 5	= (C1 - C3) + C3a	
Line	Acct.	Description	Amount	Source	Total Amount Excluded	Other Formula Revenue	A&G Expense	
1	920	A&G Salaries	\$489,200,978	FF1 323.181b	\$216,390,816	\$0	\$272,810,162	
2	921	Office Supplies and Expenses	\$276,778,928	FF1 323.182b	\$77,497	\$0	\$276,701,431	
3	922	A&G Expenses Transferred	-\$252,808,152	FF1 323.183b	-\$106,131,574	\$0	-\$146,676,578	Credit
4	923	Outside Services Employed	\$41,718,502	FF1 323.184b	\$1,846,552	\$0	\$39,871,950	
5	924	Property Insurance	\$20,044,138	FF1 323.185b	\$0	\$0	\$20,044,138	
6	925	Injuries and Damages	\$1,882,001,326	FF1 323.186b	\$221,963,260	\$0	\$1,660,038,066	
7	926	Employee Pensions and Benefits	\$52,118,968	FF1 323.187b	\$4,785,563	\$0	\$47,333,405	
8	927	Franchise Requirements	\$126,503,079	FF1 323.188b	\$126,503,079	\$0	\$0	= (C1 - C3), See also Note 5
9	928	Regulatory Commission Expenses	\$8,569,448	FF1 323.189b	\$7,858,893	\$0	\$710,555	
10	929	Duplicate Charges	\$0	FF1 323.190b	\$0	\$0	\$0	
11	930.1	General Advertising Expense	\$13,641,394	FF1 323.191b	\$0	\$0	\$13,641,394	
12	930.2	Miscellaneous General Expense	\$40,385,690	FF1 323.192b	\$24,997,915	\$0	\$15,387,775	
13	931	Rents	\$9,108,333	FF1 323.193b	\$0	\$0	\$9,108,333	
14	935	Maintenance of General Plant	\$22,903,562	FF1 323.196b	\$674,198	\$0	\$22,229,364	
15			\$2,730,166,194		Total A&G Expenses:		\$2,231,199,995	

		Amount	Source
16	Remaining A&G after exclusions & NOIC Adjustment:	\$2,231,199,995	Line 15
17	Less Account 924:	\$20,044,138	Line 5
18	Amount to apply the Transmission W&S AF:	\$2,211,155,857	Line 16 - Line 17
19	Transmission Wages and Salaries Allocation Factor:	6.2175%	27-Allocators, Line 9
20	Transmission W&S AF Portion of A&G:	\$137,478,214	Line 18 * Line 19
21	Transmission Plant Allocation Factor:	18.2650%	27-Allocators, Line 22
22	Property Insurance portion of A&G:	\$3,661,070	Line 5 Col 4 * Line 21
23	Administrative and General Expenses:	\$141,139,284	Line 20 + Line 22

Changed from \$1,504,970 to \$1,846,552 due to removal of outside counsel cost related to employment litigation or arbitration matters which should have been excluded.

Note 1: Itemization of exclusions

Workpaper: WP Schedule 20

		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	\$216,390,816	\$5,339,758	\$211,051,058		See Instructions 2b, 3, and Note 2
25	921	\$77,497	\$77,497	\$0		
26	922	-\$106,131,574	-\$3,857,844	-\$102,273,730		
27	923	\$1,846,552	\$1,846,552	\$0		
28	924	\$0	\$0	\$0		
29	925	\$221,963,260	\$221,963,260	\$0		See Instruction 6
30	926	\$4,785,563	\$4,785,563	\$0	\$0	See Note 3
31	927	\$126,503,079	\$0	\$126,503,079	\$0	See Note 4
32	928	\$7,858,893	\$7,858,893	\$0		
33	929	\$0	\$0	\$0		
34	930.1	\$0	\$0	\$0		
35	930.2	\$24,997,915	\$24,997,915	\$0		
36	931	\$0	\$0	\$0		
37	935	\$674,198	\$674,198	\$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.

Workpaper: WP Schedule 20		<u>Amount</u>	<u>Source</u>
a	Accrued NOIC Amount:	\$204,547,459	SCE Records
b	Actual A&G NOIC payout:	-\$6,503,599	Note 2, d
c	Adjustment:	\$211,051,058	
Actual non-capitalized NOIC Payouts:			
	<u>Department</u>	<u>Amount</u>	<u>Source</u>
d	A&G	-\$6,503,599	SCE Records and Workpapers
e	Other	-\$2,814,299	SCE Records and Workpapers
f	Trans. And Dist. Business Unit	-\$9,362,217	SCE Records and Workpapers
g	Total:	-\$18,680,115	Sum of d to f

**Note 3: PBOPs Exclusion Calculation**

	<u>Amount</u>	<u>Note:</u>
a	Current Authorized PBOPs Expense Amount:	\$0 See instruction #4
b	Prior Year Authorized PBOPs Expense Amount:	\$0 Authorized PBOPs Expense Amount during Prior Year
c	Prior Year FF1 PBOPs expense:	\$0 SCE Records
d	PBOPs Expense Exclusion:	\$0 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.

**Note 5:**

O&M Services Formula Revenue is added in Column 3a pursuant to Schedule 35, Note 2. Column 3 amounts are from Schedule 35, Lines 38-52, Column 4. Franchise Fees are separately recovered through Line 43 of Schedule 4, and therefore the amount of O&M Services Formula revenue associated with Franchise Fees (Line 8, Col. 3a) is not included in Column 4.

Schedule 20  
Administrative and General Expenses  
(Revised 2021 True Up TRR)

TO2024 Draft Annual Update  
Attachment 4  
WP-Schedule 3-One Time Adj Prior Period  
Page 45 of 46

**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: **Docket No. ER22-1446**
- 5) SCE shall make no adjustments to recorded labor amounts related to non-labor labor and/or Indirect labor in Schedule 20.
- 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.

**Franchise Fees and Uncollectibles Expense Factors**

Workpaper: WP Schedule 28 FFU

**1) Approved Franchise Fee Factor(s)**

Inputs are shaded yellow

Line	From	To	Days in Prior Year	FF Factor	Reference
1	2021	Present	365	0.9365%	Schedule 28 - Workpaper Line 10
2					
<b>2) Approved Uncollectibles Expense Factor(s)</b>					
	From	To	Days in Prior Year	U Factor	Reference
3	2021	Present	365	0.9873%	Schedule 28 - Workpaper Line 11
4					

U Factor changed from 0.98731% to 0.98733% to keep the uncollectible expense \$11,953,557

**3) FF and U Factors**

	Prior Year	FF Factor	U Factor	Notes
5	2021	0.93646%	0.98733%	Calculated according to Instruction 3

**Notes:**

1) Franchise Fees represent payments that SCE makes to municipal entities for the right to locate facilities within the municipality.

**Instructions:**

1) Enter Franchise Fee and Uncollectibles Factors as approved by the California Public Utilities Commission ("CPUC") in modules 1 and 2 above pursuant to Instruction 2. If approved factors changed during Prior Year, enter both, and note period of time for which each applies in "From" and "To" columns, and number of days each was in effect during the Prior Year in "Days in Prior Year" Column.

2) Franchise Fees Factor is calculated from CPUC Decision by dividing adopted Franchise Fees by Total Operating Revenues less Franchise Fees. Uncollectibles Factor is calculated by dividing adopted Uncollectibles expense by Total Operating revenues less Uncollectibles Expense. Resulting FF & U Factors represent factors that, when applied to TRR without FF and U will correctly determine FF and U expense.

3) Calculate in module 3 the weighted average FF and U factors from the factors in modules 1 and 2 based on the number of days each FF and U factor was in effect during the Prior Year at issue.

	Percent	Calculation
Prior Year FF Factor:	0.93646%	$((L1 \text{ FF Factor} * L1 \text{ Days}) + (L2 \text{ FF Factor} * L2 \text{ Days})) / (L1 + L2 \text{ Days})$
Prior Year U Factor:	0.98733%	$((L3 \text{ U Factor} * L3 \text{ Days}) + (L4 \text{ U Factor} * L4 \text{ Days})) / (L3 + L4 \text{ Days})$