

A&G "Shareholder or Other Exclusions" workpapers

1) Shareholder Exclusions for A&G Accounts 920-935:

<u>Line</u>	<u>Account</u>	<u>Shareholder Exclusion</u>	<u>Notes:</u>
1a	920	\$1,424,975	See ShareholderExclusions tab for detail
1b	921	\$5,432,615	See ShareholderExclusions tab for detail
1c	923	\$7,622,007	See ShareholderExclusions tab for detail
1d	926	\$222,914	See ShareholderExclusions tab for detail
1e	928	\$2,612,717	See ShareholderExclusions tab for detail
1f	930.2	<u>\$3,832,478</u>	See ShareholderExclusions tab for detail
Total Shareholder:		\$21,147,706	

2) Other Exclusions for A&G Accounts 920-935:

The following additional items have been determined to be not appropriate for inclusion in transmission rates, and therefore have been excluded as "Other Exclusions" in Note 1 to Schedule 20, Column 1.

<u>Line</u>	<u>Account</u>	<u>Other Exclusions</u>	<u>Item</u>
2a	920	\$224,699	Generation, Hydro, Nuclear, Solar, and SSID 100% CPUC costs
2b	920	\$425	Miscellaneous Charitable Donations
2c	920	\$364,012	Affiliate Charges
2d	920	\$8,358	Solar Photovoltaic Memorandum Account (SPVPMA)
2e	921	\$177,520	Generation, Hydro, FERC Licensing, Engineering, Power Procurement and Solar 100% CPUC costs
2f	923	\$2	Generation and Hydro 100% CPUC costs
2g	923	\$2,485	Agricultural Account Aggregation Study Memorandum Account (AAASMA)
2h	923	\$59,788	Outside Services
2i	925	\$291,831	Nuclear General Functions
2j	925	-\$218,673	Claim reimbursement for 2011 and 2012 claims from insurer
2k	925	-\$768,792	Base Revenue Requirement Balancing Account (BRRBA) credit
2l	926	\$1,506	Mojave Balancing Account
2m	926	\$6,549,605	Generation, Nuclear and Hydro 100% CPUC costs
2n	928	\$6,389,389	Energy Resource Recovery Account (ERRA)
2o	928	\$1,824,223	Public Purpose Programs Adjustment Mechanism (PPPAM)
2p	928	\$3,738,178	Energy Settlements Memorandum Account (ESMA)
2q	928	\$2,990	Malibu fire expenses
2r	928	\$2,784,501	Litigation Cost Tracking Account (LCTA)
2s	930.2	\$58,711	Aliso Canyon CEMA
2t	930.2	-\$420,073	Accounting Suspense
2u	930.2	-\$241,090	Provision for Doubtful Accounts
2v	930.2	\$20,983,266	Electric Program Investment Charge balancing acct. (EPICBA)
2w	930.2	-\$208,296	Remap of EEI and EPRI dues from operating accounts
2x	931	\$11,411,119	Nuclear expenses
2y	935	<u>\$697,671</u>	SSID 100% CPUC costs
Total Other:		\$53,713,355	

3) Order 668 Amount Transferred from O&M Accounts 569.

This amount of costs is transferred from O&M accounts 569.100, 569.200, and 569.300:

Transfer to A&G account 920:	\$32,917,251	\$32,917,251
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4) Total "Shareholder and Other" Input Exclusions for Column 1, Lines 24-37 of Schedule 20
(In Formula Input Format)

<u>Line #</u>	<u>Acct.</u>	<u>Col 1 Shareholder or Other Exclusions</u>	<u>Calculation</u>
24	920	-\$30,894,782	Line 1a + 2a to 2d - 3
25	921	\$5,610,135	Line 1b+ 2e
26	922		
27	923	\$7,684,282	Line 1c + (2f to 2h)
28	924		
29	925	-\$695,634	Line 2i to 2k
30	926	\$6,774,025	Line 1d + 2l to 2m
31	927		
32	928	\$17,351,998	Line 1e + (2n to 2r)
33	929		
34	930.1		
35	930.2	\$24,004,996	Line 1f + (2s to 2w)
36	931	\$11,411,119	Line 2x
37	935	\$697,671	Line 2y
Total All "Shareholder or Other":		\$41,943,810	

A&G Incentive Compensation Adjustments Calculations

A) A&G Non-Officer Incentive Compensation (NOIC) Adjustments

(NOIC includes Short-Term Incentive Plan, Augmented Bonus, and Non-Officer Executive Incentive Compensation, as well as any plans which replace these).

1) Calculation of capitalized portion of NOIC costs in Account 920:

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>
1	Accrued NOIC	\$103,811,325	Included in Account 920
2	Capitalization rate	39.8%	CPUC GRC Decision for Test Year
3	Capitalized NOIC	\$41,316,907	L1 * L2

2) Calculation of NOIC Payouts:

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>
1	Actual NOIC Payout	\$130,099,589	Section 2, L7

<u>Business Unit</u>	<u>Actual Payout</u>	<u>% of Total Payout</u>	<u>Allocated Capitalized NOIC</u>	<u>Non-Capitalized NOIC</u>
	A	B = Col A / L7	C = Section 1, L3 * B	D = A - C
4 A&G	\$44,120,445	34%	\$14,011,729.88	\$30,108,714.64
5 Other	\$19,948,117	15%	\$6,335,104.52	\$13,613,013
6 Trans. And Dist. Business Unit	\$66,031,028	51%	\$20,970,072.60	\$45,060,955
7 Totals	\$130,099,589	100%	\$41,316,907	\$88,782,682

Instruction for Lines 4-6, Column A: "Actual Payout" amount is to be the actual amount paid out in the Prior Year.

Actual non-capitalized NOIC Payouts

(In Formula Input Format for input to Schedule 20, Note 2)

<u>d</u>	<u>Department</u>	<u>Amount</u>	<u>Source</u>
	A&G	\$30,108,715	Line 4, column D above
	Other	\$13,613,013	Line 5, column D above
	Trans. And Dist. Business Unit	\$45,060,955	Line 6, column D above
	Total:	\$88,782,682	

B) A&G Officer Executive Incentive Compensation (OEIC) Adjustments

3) Calculation of capitalized portion of OEIC costs in Account 920:

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Accrued OEIC	\$3,894,023	Included in Account 920.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized OEIC	\$1,549,821	L1 * L2	

4) Calculation of OEIC Payouts:

<u>Line</u>			
1	Actual OEIC Payout	\$3,389,811	Section 4, L4

<u>Business Unit</u>	<u>Actual Payout</u> A	<u>% of Total Payout</u> B	<u>Allocated Capitalized OEIC</u> C = Section 3, L3 * B	<u>Non-Capitalized OEIC</u> D = A - C
2 A&G	\$3,389,811	100%	\$1,549,821	\$1,839,990

Instruction for Line 2: "Actual Payout" amount is to be the actual amount paid out in the Prior Year.

5) Calculation of capitalized portion of SERP costs in Account 926:

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>Source or Calculation</u>	
1	Accrued SERP	\$15,341,690	Included in Account 926.	
2	Capitalization rate	39.8%	CPUC GRC Decision for test year:	2015
3	Capitalized SERP	\$6,105,992	L1 * L2	

C) A&G Summary of Incentive Compensation Adjustment Calculations

6) Adjustments to Account 920:

<u>Line</u>			<u>Source</u>
1	Deduct Accrued OEIC	\$3,894,023	Section 3, L1
			Section 4,L2, Col E (-) Section 4, L2, Col G
2	Add Non-Capitalized OEIC	<u>-\$1,839,990</u>	
3	Total	\$2,054,033	

7) Adjustments to Account 922:

<u>Line</u>			<u>Source</u>
1	Deduct Capitalized NOIC	\$41,316,907	Section 1, L3
2	Deduct Capitalized OEIC	\$1,549,821	Section 3, L3
3	Deduct Capitalized SERP	<u>\$6,105,992</u>	Section 5,L3, Col.E
4	Total	\$48,972,720	

8) Adjustments to Account 926:

<u>Line</u>			<u>Source</u>
1	Add Non-Capitalized SERP	-\$9,235,697	Section 5, L1, Col E - Section 5, L3, Col E

D) Total All A&G Incentive Compensation Adjustments

9) Total Incentive Compensation Input Adjustments for Columns 1 and 3, Lines 24-37 of Schedule 20

(In Formula Input Format)

<u>Line</u>	<u>Acct.</u>	<u>Col 1</u> Shareholder Exclusions or Other Adjustments	<u>Source</u>	<u>Col 3</u> <u>NOIC</u>	<u>Source</u>
24	920	\$2,054,033	Sec. 6, L3	\$0	Not an input in formula
25	921			\$0	
26	922	-\$7,655,813	Sec. 7, L2 and L3 (enter neg)	-\$41,316,907	Sec. 1, L3 (enter negative)
27	923			\$0	
28	924			\$0	
29	925			\$0	
30	926	-\$9,235,697	Sec. 8, L1 (enter neg)	\$0	
31	927		Not an input in formula		Not an input in formula
32	928			\$0	
33	929			\$0	
34	930.1			\$0	
35	930.2			\$0	
36	931			\$0	
37	935			\$0	

Shareholder Exclusions in June 15, 2018 Draft Annual Update

Schedule 20, Lines 24-37, Column 1 for the following accounts:

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
920	\$82,874	LAM Shareholder Licensing Activities-Eastern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$973,963	LAM Shareholder Licensing Activities-Metro	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$292,388	LAM Shareholder Licensing Activities-Northern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
920	\$41,169	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
920	<u>\$34,581</u>	Right of Way Southern Region Shareholder	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
Total 920:	\$1,424,975		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
921	\$1,610	OS & Finance Shareholder Funded A&G	Includes labor and non-labor related expenses for Operations Support & Finance shareholder related activities.
921	\$3,168,781	LAM Shareholder Licensing Activities-Eastern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$42,894	LAM Shareholder Licensing Activities-Northern	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$2,194,818	LAM Shareholder Licensing Activities-Metro	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
921	\$7,306	Land Ops Mgmt Shareholder AG	Includes costs incurred by Real Properties for shareholder funded activities.
921	\$1,596	RER Shareholder AG	Includes salaries and other expenses of Revenue Enhancement personnel for developing a division-wide revenue enhancement plan. Activities include review of revenues derived from secondary land use.
921	\$157	ASD Shareholder Funded Activities	Includes labor and non-labor related expenses for Audit Services Division shareholder related activities.
921	<u>\$15,452</u>	Right of Way Southern Region Shareholder	Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel.
Total 921:	\$5,432,615		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
923	\$7,621,573	EIX Costs	Removes certain EIX costs not recoverable from ratepayers
923	<u>\$434</u>	Outside Services	Removes shareholder outside services costs
Total 923:	\$7,622,007		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
926	\$343,731	Fitness Center Expenses	Includes labor and non-labor costs supporting the Company Fitness Center, as well as removes a credit associated with dues paid by members.
926	\$634,171	Employee Recognition, Tenure, and Service Awards	Includes company expenses related to anniversary awards, service pins, and other costs incurred in connection with employee welfare activities not otherwise included in a specific final cost center.
926	\$158,526	Diamond Club	Company cost to support quarterly meetings for retiree and employees with 25+ years of service.
926	\$6,564	Humanitarian Award Program	Company cost to provide recognition of employees who provided a life saving action.
926	-\$45	Miscellaneous	Includes adjusting entries and miscellaneous corrections.
926	<u>-\$920,033</u>	Executive Benefits Adjustment	Removes executive benefit credits not related to Executive Retirement Plan
Total 926:	\$222,914		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
928	<u>\$ 2,612,717</u>	SONGS outside services costs	Removes costs associated with outside services related to San Onofre Generating Station
Total 928:	\$2,612,717		

<u>Account</u>	<u>Amount</u>	<u>Title</u>	<u>Description</u>
930.2	\$1,597,798	General Function - Controllers	Miscellaneous Controllers Department General Function
930.2	<u>\$2,234,679</u>	Balance Sheet Write Offs	Includes shareholder related balance sheet write offs
Total 930.2:	\$3,832,478		

Total All \$21,147,706

If there are multiple items in an account, add sub lines for each excluded item

FERC Form 1 Pg. 335 Line #	Description	FERC Form 1 Amount	Included	Excluded	Formula References
1	Industry Association Dues	\$2,062,759	\$2,062,759	-\$208,296	Sch. 20, Line 35
2	Nuclear Power Research Expenses			\$0	
3	Other Experimental and General Research Expenses	\$20,983,266	\$0	\$20,983,266	Sch. 20, Line 35
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	\$622,266	\$622,266	\$0	
5	Other Expn >=\$5,000 show purpose, receipt, amount. Group if < \$5,000				
6	Credit Line Fees / Bank Charges	\$3,769,654	\$3,769,654	\$0	
7	Directors' Fees and Expenses	\$2,894,700	\$2,894,700	\$0	
8	Periodic SEC Reports	\$460,395	\$460,395	\$0	
9	Planning and Development of Communication Systems	\$1,395,355	\$1,395,355	\$0	
10	Provision for Doubtful Accounts - Non-Energy Billings	-\$241,090	\$0	-\$241,090	Sch. 20, Line 35
11	Vendor Discounts	-\$9,766,562	-\$9,766,562	\$0	
12	Accounting Suspense	-\$420,073	\$0	-\$420,073	Sch. 20, Line 35
13	Miscellaneous	-\$1,456,115	-\$3,112,624	\$1,656,509	Sch. 20, Line 35
14					
15	Payment to CEC / CPUC	\$0		\$0	Sch. 20, Line 35
16	Administrative and General Expense Charged or Paid to Others	\$11,883,138	\$11,883,138	\$0	Sch. 20, Line 35
17	Balance Sheet Write-Off	\$2,234,679	\$0	\$2,234,679	Sch. 20, Line 35
46	Total	\$34,422,372	\$10,209,081	\$24,004,996	