

Determination of PBOPs Filing Requirement and PBOPs Filing Amounts

Complete this Schedule every other Annual Update beginning with the 2014 Annual Update (for Rate Year 2015)

Pursuant to Section 8.b of the formula rate protocols, SCE must make a filing to adjust the current Authorized PBOPs Expense Amount if the absolute value of the sum of the Cumulative PBOP Recovery Difference and the Future PBOP Recovery Difference is greater than 20% of the sum of SCE's forecast PBOP expense for the current year and the following year.

Check of above-described condition:

<u>Line</u>		<u>Years</u>	<u>Amount</u>	<u>Source</u>
1	Cumulative PBOP Recovery Difference	2012-2013	-\$20,934,181	Note 1
2	Future PBOP Recovery Difference	2014-2015	-\$72,594,000	Note 2
3	Absolute Value of sum of a and b:		\$93,528,181	Absolute Value (Sum of L1 and L2)
4	20% of Two-Year Forecast PBOPs Expenses		\$6,564,000	Note 2, Line i

If amount on Line 3 is greater than amount on Line 4, then SCE must make filing.
 Is Filing Necessary? Yes

Calculation
 If (L3>L4) then "Yes", else "No"

Amount of PBOPs Expenses that SCE must file for if filing is necessary:

(C1)	(C2)	(C3)
Note 2, d-h	50% of Cumulative	Filing

<u>Line</u>	<u>Year</u>	<u>Forecast PBOPs Expenses</u>	<u>PBOP Recovery Difference</u>	<u>Filing PBOPs Expense</u>	<u>Calculation for Columns 2 and 3</u>
5	2014	\$3,362,000	-\$10,467,091	-\$7,105,091	C2 = L1 * 0.5, C3 = C1 + C2
6	2015	\$29,458,000	-\$10,467,091	\$18,990,910	C2 = L1 * 0.5, C3 = C1 + C2
7	2016	\$42,379,000	---	\$45,759,000	C2 NA, C3 =Avg of L7,L8,L9, C1
8	2017	\$45,557,000	---	\$45,759,000	C2 NA, C3 =Avg of L7,L8,L9, C1
9	2018	\$49,341,000	---	\$45,759,000	C2 NA, C3 =Avg of L7,L8,L9, C1

Notes:

1) The Cumulative PBOP Recovery Difference is the cumulative over-recovery or under-recovery of SCE's PBOP expense amount during the period beginning on the date the currently-effective Authorized PBOB Expense Amount became effective and ending on December 31 of the immediately preceding Rate Year ("Prior PBOP Recovery Period")

	<u>Amount</u>	<u>Reference</u>
Current Authorized PBOPs Expense Amount:	\$52,707,000	Schedule 20, Note 3

Calculation of Cumulative PBOP Recovery Difference (see Instruction 1):

	<u>Year</u>	<u>PBOPs Expenses</u>	<u>PBOPs Recovery</u>	<u>Over (-) or Under (+) Recovery</u>
First Year currently-effective				
PBOP Amount became effective:	2012	\$51,276,000	\$52,707,000	-\$1,431,000
	2013	\$33,203,819	\$52,707,000	-\$19,503,181
	...			
Cumulative PBOP Recovery Difference:				-\$20,934,181 Sum of above

2) The Future PBOP Recovery Difference is the difference between:

- a) The sum of SCE's Forecast PBOP Expense for the current year and next year ("Projected Expense"); and
- b) The sum of SCE's PBOPs Expense amount to be recovered under its Formula Rate for the current year and the next year at the current Authorized PBOPs Expense Amount ("Projected Recovery").

Calculation of Future PBOP Recovery Difference:

	<u>Amount</u>	<u>Calculation</u>
a	Projected Expense: \$32,820,000	Sum of first two years of Forecast PBOPs Expenses
b	Projected Recovery: \$105,414,000	(Current Authorized PBOPs Expense Amount) * 2
c	Future PBOP Recovery Difference: -\$72,594,000	Projected Expense less Projected Recovery

Five Year Forecast PBOPs Expenses:

	<u>Year</u>	<u>Expenses</u>
d	2014	\$3,362,000
e	2015	\$29,458,000
f	2016	\$42,379,000
g	2017	\$45,557,000
h	2018	\$49,341,000

Twenty Percent of sum of forecast PBOP Expense for current

	<u>Amount</u>	<u>Calculation</u>
i	Rate Year and Immediately succeeding Rate Year: \$6,564,000	(d+e) * 0.2

Instructions:

1) Enter "PBOPs Recovery" amounts in each line corresponding to a year in the "Prior PBOP Recovery Period" equal to the Current Authorized PBOPs Expense Amount in Note 1. Enter "PBOPs Expenses" for each year equal to SCE's actual PBOPs expenses.