

PRELIMINARY STATEMENT

Sheet 1

YY. Base Revenue Requirement Balancing Account (BRRBA)

1. Purpose:

The purpose of the Base Revenue Requirement Balancing Account (BRRBA) is to record: 1) the difference between SCE's authorized distribution and generation base revenue requirements and recorded revenues from authorized distribution and generation rates; and 2) record other authorized and recorded costs authorized by the Commission. The BRRBA is established in accordance with D.04-07-022, and as modified by D.06-05-016, D.09-03-025, D.12-11-051, D.14-11-040, and D.15-11-021.

2. Definitions:

- a. Authorized Distribution Base Revenue Requirement: The Authorized Distribution Base Revenue Requirement (ADBRR) is the most current Commission-authorized Distribution-related base revenue requirement. The current ADBRR is listed below:

Table A  
Authorized Distribution Base Revenue Requirement  
(\$000)

<u>Effective Date</u>	<u>ADBRR</u>
May 22, 2003	\$ 2,432,380
January 1, 2004	\$ 2,665,448
January 1, 2005	\$ 2,770,383
January 1, 2006	\$ 2,749,569
January 12, 2006	\$ 2,611,710
December 29, 2006	\$ 2,613,277
January 1, 2007	\$ 2,763,065
January 1, 2008	\$ 2,896,694
January 1, 2009	\$ 3,341,130
January 1, 2010	\$ 3,483,128
January 1, 2011	\$ 3,634,235
January 1, 2012*	\$ 3,830,651
January 1, 2013*	\$ 3,976,396
January 1, 2014*	\$ 4,202,702
January 1, 2015	\$ 4,338,035
January 1, 2016	\$ 4,554,326
January 1, 2017	\$ 4,796,259

(T)

- b. Authorized Generation Base Revenue Requirement: The Authorized Generation Base Revenue Requirement (AGBRR) is the most current Commission-authorized Generation-related base revenue requirement. The current AGBRR is listed below:

\*Revenue requirements before revision in August 2014 were \$3,816,484 thousand for 2012, \$3,966,456 thousand for 2013 and \$ 4,202,748 thousand for 2014.

(Continued)

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(Continued)

- YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)  
2. Definitions: (Continued)  
b. Authorized Generation Base Revenue Requirement: (Continued)

Table B  
Authorized Generation Base Revenue Requirement  
(\$000)

<u>Effective Date</u>	<u>TOTAL</u>	<u>Less Mountainview Rev Requirement</u>	<u>Less Peaker Rev Requirement</u>	<u>Adj AGBRR</u>
May 22, 2003	\$ 401,149			
January 1, 2004	\$ 675,852			
September 7, 2004	\$ 671,712			
January 1, 2005	\$ 596,049			
January 1, 2006	\$ 683,082			
January 12, 2006	\$1,137,582			
December 29, 2006	\$1,153,030			
January 1, 2007	\$1,152,135			
January 1, 2008	\$1,216,630			
January 1, 2009	\$1,488,612	\$149,806		\$1,388,806
April 1, 2009	\$1,488,612	\$149,806	\$63,643	\$1,275,163
July 1, 2009	\$1,488,612	\$0	\$63,643	\$1,424,969
January 1, 2010	\$1,551,878	\$0	\$66,348	\$1,485,530
January 1, 2011	\$1,568,082	\$0	\$69,234	\$1,498,848
January 1, 2012**	\$1,858,117	\$0	\$64,593	\$1,793,524
January 1, 2013**	\$1,845,585	\$0	\$58,736	\$1,786,849
January 1, 2014**	\$1,946,190	\$0	\$76,337	\$1,869,853
January 1, 2015	\$844,262	\$0	\$57,905	\$786,357
January 1, 2016	\$831,212	\$0	\$57,635	\$773,577
January 1, 2017	\$844,173	\$0	\$56,525	\$787,648 (T)

Table C  
SONGS Refueling Amounts Included in AGBRR  
(\$000)

<u>Effective Date</u>	<u>AGBRR Without Refueling</u>	<u>Number of Refuelings included in AGBRR</u>	<u>Total Amount of Refuelings included in AGBRR</u>	<u>MV<sup>1</sup></u>	<u>AGBRR</u>
May 22, 2003	\$401,149	0	\$0		\$401,149
January 1, 2004	\$588,690	2	\$87,162		\$675,852
September 7, 2004	\$584,550	2	\$87,162		\$671,712
January 1, 2005	\$596,049	0	\$0		\$596,049
January 1, 2006	\$593,185	2	\$89,897		\$683,082
January 12, 2006	\$1,040,806	2	\$96,776		\$1,137,582
December 29, 2006	\$1,051,786	2	\$101,244		\$1,153,030
January 1, 2007	\$1,100,548	1	\$51,587		\$1,152,135
January 1, 2008	\$1,162,686	1	\$53,944		\$1,216,630
January 1, 2009	\$1,291,646	1	\$47,160		\$1,338,806
April 1, 2009	\$1,228,003	1	\$47,160		\$1,275,163
July 1, 2009	\$1,228,003	1	\$47,160	\$149,806	\$1,424,969
January 1, 2010	\$1,436,366	1	\$49,164	N/A	\$1,485,530
January 1, 2011	\$1,498,848	0	\$0		\$1,498,848
January 1, 2012	\$1,793,524	0	\$0		\$1,793,524
January 1, 2013	\$1,786,849	0	\$0		\$1,786,849
January 1, 2014	\$1,869,853	0	\$0		\$1,869,853

<sup>1</sup> Beginning January 1, 2010 the MV revenue requirement is included in the AGBRR without refueling.

\*\* Revenue requirements before revision in August 2014 were \$1,789,534,000 for 2012, \$1,784,476,000 for 2013 and \$1,869,853,000 for 2014.

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PRELIMINARY STATEMENT

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(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

c. Authorized SONGS Settlement Revenue Requirement:

Pursuant to the Settlement Agreement adopted in D.14-11-040, the SONGS Settlement revenue requirement will be recovered over a ten-year period beginning on February 1, 2012. SCE expects the annual revenue requirement to change every year of the remaining eight-year recovery period, and will be different than the annual Settlement revenue requirements estimated at the time the Settlement was reached. Section 6.2 of the Settlement Agreement contemplated this to implement the Settlement Agreement and allows the Utilities to file Tier 2 Advice Letters to implement changes to their respective revenue requirements.

Table D  
SONGS Settlement Revenue Requirement  
(SSRR) (\$000)

<u>Effective Date</u>	<u>TOTAL</u>
January 1, 2015	194,316
January 1, 2016	254,581
January 1, 2017	236,937

(N)

(1) The following items included in the annual SONGS Settlement revenue requirement are allowed, if necessary, to be updated:

- (a) Section Nos. 2.4, 2.5, 4.3(d), 4.5(a), and 4.8(a) of the Settlement Agreement allow for changes to the Commission Authorized Cost of Debt and Cost of Preferred Stock.
- (b) Section No. 4.3 (j) of the Settlement Agreement requires the Utilities to recover actual property taxes paid with respect to Base Plant. This section of the Settlement requires a true-up of forecasted property taxes to actual taxes paid. Therefore, SCE will include a forecast of the property taxes in the annual SONGS Settlement revenue requirement, and in the first quarter of each year, SCE will record a true-up of the prior year's estimate in the BRRBA.

(Continued)

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PRELIMINARY STATEMENT

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(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

c. Authorized SONGS Settlement Revenue Requirement: (Continued)

(1) (Continued)

(c) Section No. 4.6 (b) of the Settlement Agreement requires that the balance of the Nuclear Fuel Investment earn a return based on the cost of commercial paper. Section No. 4.6 (b) allows for changes in the commercial paper rate throughout the amortization period.

(d) Section No. 4.7 (b) of the Settlement Agreement requires reducing the Nuclear Fuel Investment upon sales of fuel inventory. SCE proposes to adjust the Nuclear Fuel Investment and related amortization in the annual update advice letter.

(e) Sections 4.5(d), 4.8(b), 4.9(g), and 4.9(i) of the Settlement Agreement provide that, to the extent SCE is able to obtain reimbursement of specified costs from the Nuclear Decommissioning Trusts, SCE will not amortize such amounts in rates. SCE proposes to effectuate these provisions in the annual update advice letter.

(f) Section No. 4.11(d)(A) of the Settlement Agreement requires that the regulatory assets for Base Plant, CWIP, M&S and Nuclear Fuel be reduced once SCE has distributed \$282 million of net SONGS Litigation proceeds through the BRRBA. Net proceeds in excess of \$282 million are to reduce these regulatory assets. Should this occur, SCE will update the SONGS Settlement revenue requirement in the annual update advice letter.

(2) SCE proposes to update as necessary via a Tier 2 advice letter changes from assumptions made in estimating the SONGS revenue requirement for the following:

(a) Changes in Federal and State income tax rates

(b) Timing of tax benefits associated with the abandonment deduction of the SONGS plant for income tax purposes

(c) Tax benefits, if any, for any loss carrybacks of qualified decommissioning costs to prior periods

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PRELIMINARY STATEMENT

Sheet 5

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

d. BRRBA Distribution Revenue:

1. BRRBA Billed Distribution Revenue:

Total recorded billed Distribution revenues, adjust: (1) to remove the CARE discount and (2) to remove the impact of recorded GHG revenues returned to eligible customers (including the California Climate Credit).

2. Plus: the change (plus or minus) in the amount of BRRBA unbilled Distribution revenue (the reversal of prior month's estimated unbilled revenue, plus the current month's estimate);

3. Less: a provision for FF&U.

e. Franchise Fees (FF) Factor:

The current Commission FF factor adopted in SCE's most recent General Rate Case (GRC) to provide recovery for Franchise Fees.

<u>GRC Decision</u>	<u>Factor</u>	
D.04-07-022	0.00847	
D.06-05-016	0.00893	
D.09-03-025	0.009056	
D.12-11-051	0.009062	
D.15-11-021	0.009095	(N)

f. Uncollectible (U) Accounts Factor:

The current Commission U factor adopted in SCE's most recent General Rate Case (GRC) to provide recovery for Uncollectible expense.

<u>GRC Decision</u>	<u>Factor</u>	
D.04-07-022	0.00324	
D.06-05-016	0.00225	
D.09-03-025	0.00240	
D.12-11-051	0.00205	
D.15-11-021	0.00238	(N)

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PRELIMINARY STATEMENT

Sheet 6 (T)

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

f. BRRBA Distribution-Related FF&U:

BRRBA Distribution-Related FF&U is determined as follows:

BRRBA Distribution FF:  $(\text{BRRBA Distribution Revenue} + \text{TTA Revenue}) * \text{FF Factor}$

BRRBA Distribution U:  $(\text{BRRBA Distribution Revenue}) * \text{U Factor}$

BRRBA Distribution Related FF&U = BRRBA Distribution FF + BRRBA Distribution U

g. BRRBA Generation Revenue:

(D)  
(T)

BRRBA Generation Revenue shall be determined each month as follows:

1. BRRBA Billed Generation Revenue:

Shall be determined each month as follows:

$$(A / B) * C$$

Where:

A = AGBRR included in rate levels plus the amount consolidated into Generation rate levels associated with Generation Sub-account of the BRRBA

B = Total Authorized Generation Revenue Requirement in rate levels, including AGBRR, plus all other Commission authorized generation-related revenue requirements

C = Total recorded billed Generation revenues adjusted to remove the impact of 2012 10 For 10 Program, the Residential Generation Tier 1 and Tier 2 revenue shortfall/surplus that occurs as the result of implementing Resolution E-3897, and the 2006 Residential revenue deferral that will take place as the result of deferring the Residential rate increase authorized in D.06-06-067 until November 4, 2006.

2. Plus: the change (plus or minus) in the amount of BRRBA unbilled Generation revenue (the reversal of prior month's estimated unbilled revenue, plus the current month's estimate), (BRRBA generation unbilled revenues will be allocated using the same percentage used to determine BRRBA Generation Revenue);

3. Less: a provision for FF&U.

h. Interest Rate:

(T)

The Interest Rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate). If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

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PRELIMINARY STATEMENT

Sheet 7 (T)

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

i. Monthly Distribution Percentages (MDPs) (T)

MDPs are the estimated monthly billed and unbilled distribution rate revenues, expressed as a percentage of annual distribution and generation revenues.

1. Distribution MDPs

January	8.60%
February	7.60%
March	8.60%
April	7.70%
May	8.10%
June	8.60%
July	8.00%
August	9.30%
September	8.30%
October	8.70%
November	8.40%
December	<u>8.10%</u>
Total	100.00%

2. Generation MDPs

	Applied To AGBRR Less <u>Refuelings</u>	
January	6.10%	
February	5.30%	
March	6.60%	
April	5.90%	
May	6.20%	
Jun	8.80%	
July	11.70%	
August	14.50%	
September	12.70%	
October	10.60%	
November	6.00%	
December	<u>5.60%</u>	
Total	100.00%	

(Continued)

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PRELIMINARY STATEMENT

Sheet 8 (T)

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

i. Monthly Distribution Percentages (MDPs) (Continued)

(T)

2. Generation MDPs (Continued)

Applied to Authorized Refuelings

	<u>In 2006</u>	<u>In 2007</u>	<u>In 2008</u>	<u>In 2009</u>	<u>In 2010</u>	<u>In 2011</u>	<u>In 2012</u>	<u>In 2013</u>
January	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
February	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
March	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
April	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
May	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
June	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
July	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
August	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
September	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
October	25.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%
November	25.00%	50.00%	50.00%	50.00%	50.00%	0.00%	0.00%	0.00%
December	<u>0.00%</u>	<u>50.00%</u>	<u>0.00%</u>	<u>50.00%</u>	<u>50.00%</u>	<u>0.00%</u>	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	00.00%	00.00%	00.00%

<u>Mountainview<sup>1</sup></u>		
	<u>2009</u>	
January	7.70 %	} Recorded in ERRA
February	7.60 %	
March	7.98 %	
April	7.49 %	
May	8.15 %	
June	9.59 %	
July	9.86 %	} Recorded in BRRBA
August	12.22 %	
September	10.70 %	
October	8.93 %	
November	5.06 %	
December	<u>4.72 %</u>	
Total	100.00%	

<sup>1</sup>Beginning January 1, 2010 the Mountainview MDP's will no longer be used.

j. BRRBA Distribution and Generation Unbilled Revenues

(T)

Unbilled Revenues are accrued ("earned" revenue for financial statement purposes) BRRBA revenues associated with electric customer kWh usage that has not yet been billed by SCE.

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PRELIMINARY STATEMENT

Sheet 9

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

2. Definitions: (Continued)

k. Recorded CPUC Non-Utility Affiliate Credits:

Recorded Non-Utility Affiliate Credits shall be equal to the CPUC jurisdictional expenses SCE incurs that are charged to EIX and non-utility affiliates. Such credits shall exclude the following costs as adopted in D.06-05-016: 1) Corporate Communications outside services costs associated exclusively with EIX and non-utility affiliates; and 2) EIX and non-utility affiliate's pensions and benefits costs.

3. Operation of the BRRBA:

The BRRBA consists of the Distribution Sub-account and the Generation Sub-account. Entries to the BRRBA shall be made monthly as follows:

- a. Recorded monthly activity in the Distribution Sub-account;
- b. Plus: recorded monthly activity in the Generation Sub-account;
- c. Equals: recorded monthly activity in the BRRBA.

4. Distribution Sub-account:

The purpose of the Distribution Sub-account of the BRRBA is to record on a monthly basis SCE's: (1) BRRBA Distribution Revenue; (2) Authorized Distribution Base Revenue Requirement (ADBRR) and other authorized revenue requirements (e.g., Demand Response, Self Generation, and California Solar Initiative); and (3) other authorized costs and transfers approved by the Commission.

A. Operation of the Distribution Sub-account:

Entries to the Distribution Sub-account shall be made on a monthly basis, and shall be calculated as follows:

- (1) Credit entry equal to the BRRBA Distribution Revenue;
- (2) Debit entry equal to the monthly amount of the ADBRR calculated by multiplying the applicable MDP (as determined in Section 2 above) to the annual ADBRR, less a provision for FF&U;
- (3) Debit entry equal to the monthly amount of the authorized distribution-related Demand Response Program (DRP) funding level as defined in Preliminary Statement, Part Y, DRPBA, Section 2.a., calculated by multiplying the applicable MDP to the annual distribution-related DRP funding level;
- (4) Debit entry equal to the monthly amount of the authorized distribution-related DRP incentives funding level as defined in Preliminary Statement Y, DRPBA, Section 2(a)(7), calculated by multiplying the applicable MDP to the annual distribution-related DRP incentives funding level in compliance with D. 17-12-003; (T)  
(T)
- (5) Credit entry equal to the amount billed to customers, less a provision for FF&U that recovers through distribution rates the authorized distribution-related DRP incentives funding level as defined in Preliminary Statement Part Y, DRPBA, Section 2(a)(7) in compliance with D.17-12-003; (N)  
(N)(L)

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Sheet 10

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

- 4. Distribution Sub-account (Continued) (L)
- (6) Debit entry equal to the Self-Generation Incentive Programs Revenue Requirement (the annual CPUC-authorized amount, divided by twelve); (L)(T)
- (7) Debit entry equal to the California Solar Initiative Program Revenue Requirement (the annual CPUC-authorized amount, divided by twelve); (T)
- (8) Credit entry equal to the recorded CPUC Non-Utility Affiliate Credits: (T)
- (9) Debit entry equal to the transfers from the following, subsequent to CPUC approval: (T)
  - a. Catastrophic Event Memorandum Account (CEMA);
  - b. Hazardous Substance Cleanup and Litigation Cost Recovery Mechanism;
  - c. Affiliate Transfer Fee Memorandum Account;
  - d. Self Generation Program Incremental Cost Memorandum Account, and
- (10) Debit entry to record actual DRAM-related costs in accordance with D.16-06-029 and D.17-10-017. (D)(T)
- (11) An entry to record the transfer of annual interest expense from the Purchase Agreement Administrative Costs Balancing Account (PAACBA) in accordance with D.08-03-017, D.09-08-027, D.13-01-024, D.14-05-025, and D.16-06-029.
- (12) An entry to record other Distribution-related amounts as authorized by the Commission. (D)(T)
- (13) Credit entry to record the transfer of annual distribution related interest expense from the Demand Response Program Balancing Account (DRPBA) in accordance with D.06-03-024. (T)
- (14) Entry to annually record the transfer of the December 31<sup>st</sup> balance in the Pensions Costs Balancing Account. (T)
- (15) Entry to annually record the transfer of the December 31<sup>st</sup> balance in the Post-Employment Benefits Other Than Pensions (PBOP) Balancing Account. (T)
- (16) Credit entry to annually record the transfer of the December 31<sup>st</sup> balance in the Results Sharing Memorandum Account. (T)
- (17) Entry to annually record the transfer of the December 31<sup>st</sup> balance in the Medical Programs Balancing Account. (T)

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PRELIMINARY STATEMENT

Sheet 11

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YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

4. Distribution Sub-account: (Continued)

- (18) Debit entry to record SCE's share of 21<sup>st</sup> Century Energy Systems cyber security research project (CES-21) expenses, not to exceed \$14.350 million including (FF & U) over a five-year period. (T)
- (19) Debit entry to record Customer Data Privacy and Security Practices independent audit costs. (T)
- (20) Debit entry to record Safety and Reliability Investment Incentive Mechanism (SRIIM) independent audit costs. (T)
- (21) Credit entry to record fees paid by customers participating in the CAISO's NGR market pilot program (T)
- (22) Debit entry to record Customer Data Access (CDA) Project revenue requirements. (T)
- (23) Debit entry to annually record the transfer of the December 31<sup>st</sup> balance from the Mobilehome Park Master Meter Balancing Account (MMMBA). (T)
- (24) Credit entry to record User Fees paid by participants in the PEV Workplace Charging Pilot. (T)
- (25) Debit or credit entry to annually transfer the balance in the Pole Loading and Deteriorated Pole Balancing Account (PLDPBA). (T)
- (26) Debit or credit entry to annually transfer the distribution related balance in the Tax Accounting Memorandum Account (TAMA). (T)
- (27) A debit or credit entry to record the monthly transfer from the Distribution Sub-account of the Local Capacity Requirements Products Balancing Account (LCRPBA). (T)
- (28) Credit entry to record revenues associated with the Tehachapi Storage Project (e.g., revenues related to energy and ancillary services). (T)
- (29) Debit entry to record Operation and Maintenance (O&M) expenses related to the continued operations of the Tehachapi Storage Project. (T)
- (30) Debit entry to record Residential Rate Reform Bill protection revenue shortfalls. (T)

The sum of (1) through (30) equals the activity recorded in the Distribution Sub-account of the BRRBA. (T)

Interest Expense shall be calculated monthly by applying the Interest Rate to the average balance of the beginning-of-month and the end-of-month balances in the Distribution Sub-account.

5. Generation Sub-account:

The purpose of the Generation Sub-account of the BRRBA is to record on a monthly basis SCE's: (1) BRRBA Generation Revenue; (2) Authorized Generation Base Revenue Requirement (AGBRR), SONGS Settlement Revenue Requirement (SSRR), and other authorized revenue requirements, (e.g., Demand Response); and (3) other authorized costs and transfers approved by the Commission.

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PRELIMINARY STATEMENT

Sheet 12

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YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

5. Generation Sub-account: (Continued)

A Operation of the Generation Sub-account: (Continued)

Entries to the Generation Sub-account shall be made on a monthly basis, and shall be calculated as follows:

- (1) Credit entry equal to the BRRBA Generation Revenue;
- (2) Debit entry equal to the monthly amount of the AGBRR calculated by multiplying the applicable MDP (as determined in Section 2 above) to the annual AGBRR without an amount for refueling (as shown in Table C), less a provision for FF & U;
- (3) Debit entry equal to the monthly amount of the AGBRR calculated by multiplying the applicable MDP (as determined in Section 2 above) to the annual refueling amount included in the annual AGBRR (as shown in Table C), less a provision for FF&U;
- (4) Debit entry equal to the monthly amount of the SSRR calculated by multiplying the applicable MDP (as determined in Section 2 above) to the annual SSRR (as shown in Table D), less a provision for FF & U;
- (5) Debit entry equal to the monthly amount of the authorized generation-related DRP funding level as defined in Preliminary Statement, Part Y, DRPBA, Section 2.a., calculated by multiplying the applicable MDP to the annual generation-related DRP funding level;
- (6) Debit entry equal to the monthly amount of the authorized generation-related DRP incentives funding level as defined in Preliminary Statement Part Y, DRPBA, Section 2(a)(7), calculated by multiplying the applicable MDP to the annual generation-related DRP incentives funding level in compliance with D. 17-12-003; (T)
- (7) Credit entry equal to the amount billed to customers, less a provision for FF&U, that recovers through generation rates the authorized generation-related DRP incentives funding level as defined in Preliminary Statement Part Y, DRPBA, Section 2(a)(7) in compliance with D.17-12-003; (N)

(Continued)

(To be inserted by utility)  
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Decision \_\_\_\_\_

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Senior Vice President

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PRELIMINARY STATEMENT

Sheet 13

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

5. Generation Sub-account:

- (8) Credit Entry to record 95 percent of the net proceeds from the sale of SONGS Material and Supplies Inventory in compliance with D.14-11-040. (T)
- (9) Credit Entry to record the transfer of the Mitsubishi Net Litigation Memorandum Account remaining balance up to a maximum amount of \$282 million in compliance with D.14-11-040. (T)
- (10) Debit entry to record SCE's 78.21 percent share of incremental Operation & Maintenance (O&M) expenses, including SCE labor and non-labor expenses and invoiced costs for outside services (e.g., consultants and vendors) associated with the SONGS 2&3 seismic program/seismic projects. (T)
- (11) Credit entry to record the transfer of annual generation-related interest expense from the Demand Response Program Balancing Account (DRPBA) in accordance with D.06-03-024. (T)
- (12) Entry to annually record the transfer of the December 31<sup>st</sup> balance in the Pensions Costs Balancing Account. (T)
- (13) Entry to annually record the transfer of the December 31<sup>st</sup> balance in the Post-Employment Benefits Other Than Pensions (PBOP). (T)
- (14) Credit entry to annually record the transfer of the December 31<sup>st</sup> balance in the Results Sharing Memorandum Account. (T)
- (15) Entry to annually record the transfer of the December 31<sup>st</sup> balance in the Medical Programs Balancing Account. (T)
- (16) An entry to record other Generation-related amounts as authorized by the Commission including a debit entry equal to the SONGS Unit 2 Refueling Outage 2012 recorded costs in compliance with D.14-11-040. (T)
- (17) Debit or credit entry to annually transfer the generation related balance in the Tax Accounting Memorandum Account. (T)
- (18) Debit entry to record Residential Rate Reform bill protection revenue shortfalls. (T)

The sum of (1) through (18) equals the activity recorded in the Generation Sub-account of the BRRBA. (T)

Interest Expense shall be calculated monthly by applying the Interest Rate to the average balance of the beginning-of-month and the end-of-month balances in the Generation Sub-account.

(Continued)

(To be inserted by utility)

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PRELIMINARY STATEMENT

Sheet 14

(Continued)

YY. Base Revenue Requirement Balancing Account (BRRBA) (Continued)

6. Rate Level Changes

Pursuant to D.15-10-037 SCE shall update its Distribution and Generation Rate levels (T)  
 to reflect the most current Commission adopted revenue requirements in its annual |  
 year-end revenue requirement and rate consolidation advice letter. The balance (T)  
 forecast to be recorded in the Distribution Sub-account of the BRRBA (either  
 overcollected or undercollected) on December 31<sup>st</sup> of the current year, plus an  
 amount for FF & U, shall be included in the Distribution revenue requirement to either  
 be returned to, or recovered from, SCE's retail electric customers in Distribution rate  
 levels. Likewise, the balance forecast to be recorded in the Generation Sub-account  
 of the BRRBA (either overcollected or undercollected) on December 31<sup>st</sup> of the  
 current year, plus an amount for FF & U, shall be included in the Generation revenue  
 requirement to either be returned to, or recovered from SCE's retail electric customers  
 in Generation rate levels. Prior to implementing consolidated Commission-authorized  
 revenue requirements and rate levels, the BRRBA balance will be updated to reflect (T)  
 the latest recorded balance available.

7. Review Procedures

Pursuant to D.04-01-048, D.04-03-023, D.04-07-022, D.06-05-016, D.09-03-025,  
 D.12-11-051 the recorded operation of the BRRBA for the Record Period (or previous  
 calendar year 12-month period) shall be reviewed by the Commission in SCE's  
 annual April ERRA application to ensure that the entries made in the BRRBA are (T)  
 stated correctly and are consistent with Commission decisions.

SCE shall provide a monthly report showing the activity in the BRRBA to Energy  
 Division within 30 days of the end of each month.

(To be inserted by utility)

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Senior Vice President

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