

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 | \$1,647,484 | See ShareholderExclusions tab for detail |
| 1b | 921 | \$736,420 | See ShareholderExclusions tab for detail |
| 1c | 926 | \$2,002,145 | See ShareholderExclusions tab for detail |
| 1d | 930.2 | \$797,656 | See ShareholderExclusions tab for detail |

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 | \$1,688,651 | Project Development Division Memorandum Account (PDDMA) |
| 2b | 920 | \$1,641,580 | Solar Photovoltaic Program (SPVP) Memorandum Account |
| 2c | 920 | \$3,738,476 | Air Resources Board Fee Memorandum Account (ARBFMA) |
| 2d | 921 | \$7,397 | Penalties and Fines |
| 2e | 923 | \$12,992,753 | Hydrogen Energy California ("HECA") |
| 2f | 923 | \$925,874 | Project Development Division Memorandum Account (PDDMA) |
| 2g | 923 | \$983,556 | Solar Photovoltaic Program (SPVP) Memorandum Account |
| 2h | 923 | \$28,726 | Long-Term Procurement Plan Technical Assist. Memo Acc. (LTAMA) |
| 2i | 928 | \$4,873,422 | Energy Resource Recovery Account (ERRA) |
| 2j | 928 | \$6,711,588 | Energy Settlements Memorandum Account (ESMA) |
| 2k | 928 | \$745,071 | Public Purpose Programs Adjustment Mechanism (PPPAM) |
| 2l | 930.2 | \$5,926,564 | Accounting Suspense |
| 2m | 930.2 | \$2,144,094 | Provision for Doubtful Accounts |
| 2n | 930.2 | \$507,103 | Project Development Division Memorandum Account (PDDMA) |
| 2o | 930.2 | \$3,409,403 | Research, Development and Demonstration Adj. Clause (RDDAC) |

3) Total 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 | \$8,716,191 | Line 1a+2a+2b+2c |
| 25 | 921 | \$743,817 | Line 1b + 2d |
| 26 | 922 | | |
| 27 | 923 | \$14,930,909 | Line 2e+2f+2g+2h |
| 28 | 924 | | |
| 29 | 925 | | |
| 30 | 926 | \$2,002,145 | Line 1c |
| 31 | 927 | | Not an input in formula |
| 32 | 928 | \$12,330,081 | Line 2i+2j+2k |
| 33 | 929 | | |
| 34 | 930.1 | | |
| 35 | 930.2 | \$12,784,820 | Line 1d+2l+2m+2n+2o |
| 36 | 931 | | |
| 37 | 935 | | |

Shareholder Exclusions in September 14, 2012 Informational Filing
Schedule 20, Lines 24-37, Column 1 for the following accounts:

| <u>Account</u> | <u>Amount</u> | <u>Title</u> | <u>Description</u> |
|-------------------|--------------------|--|---|
| 920 | -\$2 | ASD Shareholder Funded Activities | Includes Audit Services Department expenses relating to activities not directly benefiting utility customers. |
| 920 | \$1 | EA SHAREHOLDER ACTIVITIES | Includes expenses associated with Environmental Affairs shareholder funded utility activities. |
| 920 | \$223,710 | LAMShareholderLicensingActivities-Northe | Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel. |
| 920 | \$316,249 | LAMShareholderLicensingActivities-Easter | Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel. |
| 920 | \$626,202 | LAMShareholderLicensingActivities-Metro | Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel. |
| 920 | \$353,100 | RERShareholderAG | 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. |
| 920 | -\$28 | REREnvironmentalExpenses | 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. |
| 920 | \$128,252 | 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: | \$1,647,484 | | |
| <u>Account</u> | <u>Amount</u> | <u>Title</u> | <u>Description</u> |
| 921 | \$17,765 | ASD Shareholder Funded Activities | Includes Audit Services Department expenses relating to activities not directly benefiting utility customers. |
| 921 | \$81 | EA SHAREHOLDER ACTIVITIES | Includes expenses associated with Environmental Affairs shareholder funded utility activities. |
| 921 | \$94,548 | LAMShareholderLicensingActivities-Northe | Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel. |
| 921 | \$85,729 | LAMShareholderLicensingActivities-Easter | Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel. |
| 921 | \$197,632 | LAMShareholderLicensingActivities-Metro | Includes labor and other expenses associated with real estate licensing and leasing activities performed by Real Properties personnel. |
| 921 | \$284,603 | RERShareholderAG | 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 | \$29,173 | REREnvironmentalExpenses | 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 | \$26,890 | 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: | \$736,420 | | |

| <u>Account</u> | <u>Amount</u> | <u>Title</u> | <u>Description</u> |
|-------------------|--------------------|---------------------------------------|---|
| 926 | \$2,921 | ASD - Employee Tenure | Includes Audit Services Department 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 | \$22,045 | Employee Recognition | 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 | \$52 | SH-Products & Services Advertising | Advertising support for customer interested including support of customer energy efficiency programs, sponsorships of minority marketing groups, translations services for customer messages, and non-labor costs to support customer website. |
| 926 | \$607 | GF - HR - Misc Benefits - Shareholder | Includes Human Resources General Function cost of anniversary awards, service pins, and other costs incurred in connection with employee welfare activities not otherwise included in a specific final cost center. |
| 926 | \$41,296 | Years-of-service | 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 | \$1,867 | HR Dept Shareholder expenses | Includes Human Resources cost of anniversary awards, service pins, and other costs incurred in connection with employee welfare activities not otherwise included in a specific final cost center. |
| 926 | \$730,168 | Fitness Center Expenses | Includes labor and non-labor costs supporting the Company Fitness Center. Non-labor costs include expenses for supplies; employee development and recognition; mileage, travel/lodging and meal costs associated with training; conferences and all other company business; individual membership fees and dues to trade, technical and professional associations; conferences and committee meetings; labor and miscellaneous expenses for agency/supplemental employees; and printing and mailing services. |
| 926 | \$112,989 | Diamond Club | Company cost to support quarterly meetings for retiree and employees with 25 or more years of service. |
| 926 | \$2,760 | Humanitarian Award Program | Company cost to provide recognition of employees who provided a life saving action. |
| 926 | \$1,087,434 | Service Award Program | Company cost to provide recognition activities for milestone anniversaries. |
| 926 | \$1 | Special Projects-Shareholders | Advertising support for customer interests including support of customer energy efficiency programs, sponsorships of minority marketing groups, translations services for customer messages, and non-labor costs to support customer website. |
| 926 | \$5 | SH-VP Projects | Advertising support for customer interests including support of customer energy efficiency programs, sponsorships of minority marketing groups, translations services for customer messages, and non-labor costs to support customer website. |
| Total 926: | \$2,002,145 | | |

| <u>Account</u> | <u>Amount</u> | <u>Title</u> | <u>Description</u> |
|---------------------|------------------|--|--|
| 930.2 | \$60,672 | GF - Treasurers - Misc Gen 930 Shrhldr | Miscellaneous Treasurers Department General Function |
| 930.2 | \$176,845 | CANCELLED REZONING PROJECTS | Relates to costs incurred by SCE (shareholder) in the pursuit of secondary land uses where the project does not come to fruition for various reasons, therefore the project is cancelled and costs expensed. Such costs could include topographical survey, rezoning application fees, etc. |
| 930.2 | \$560,140 | Miscellaneous General Expenses | Relates to "Rivergrade Incident Activities", which were costs incurred in the aftermath of an employee-related tragedy which occurred on December 16, 2011 at our leased office facility located on Rivergrade Road in Irwindale, CA. These costs were for the immediate and follow up response to the incident. |
| Total 930.2: | \$797,656 | | |

A&G Results Sharing Adjustments

1) Calculation of exclusion of capitalized portion of Results Sharing costs in Account 920:

| <u>Line</u> | <u>Item</u> | <u>Amount</u> | <u>Source or Calculation</u> |
|-------------|-----------------------------|---------------|------------------------------|
| 1 | Accrued Results Sharing | \$127,415,138 | Included in Account 920 |
| 2 | Capitalization rate | 18% | CPUC GRC Decision |
| 3 | Capitalized Results Sharing | \$22,934,725 | L1 * L2 |

2) Total Input Exclusions for Column 3, Lines 24-37 of Schedule 20

(In Formula Input Format)

| | | <u>Col 3</u> | |
|-------------|--------------|------------------------|-------------------------|
| <u>Line</u> | <u>Acct.</u> | <u>Results Sharing</u> | <u>Source</u> |
| 24 | 920 | | Not an input in formula |
| 25 | 921 | | |
| 26 | 922 | -\$22,934,725 | Line 3 above |
| 27 | 923 | | |
| 28 | 924 | | |
| 29 | 925 | | |
| 30 | 926 | | |
| 31 | 927 | | Not an input in formula |
| 32 | 928 | | |
| 33 | 929 | | |
| 34 | 930.1 | | |
| 35 | 930.2 | | |
| 36 | 931 | | |
| 37 | 935 | | |

3) Calculation of Results Sharing Payouts:

| | <u>Business Unit</u> | <u>Actual Payout</u> | <u>% of Total Payout</u> | <u>Allocated Capitalized RS</u> | <u>Non-Capitalized RS</u> |
|-------------|--------------------------------|----------------------|--------------------------|---------------------------------|---------------------------|
| <u>Line</u> | | A | B | C = L3 * B | D = A - C |
| 1 | A&G | \$44,803,169 | 34% | \$7,899,852 | \$36,903,316 |
| 2 | Customer Service Business Unit | \$18,377,593 | 14% | \$3,240,402 | \$15,137,191 |
| 3 | Power Production Business Unit | \$21,072,797 | 16% | \$3,715,630 | \$17,357,167 |
| 4 | Trans. And Dist. Business Unit | \$45,818,283 | 35% | \$8,078,841 | \$37,739,442 |
| 5 | Totals | \$130,071,842 | 100% | \$22,934,725 | \$107,137,117 |

Note:

Amount of Allocated Capitalized RS on Line 5, Column C is from Section 1 Line 3.

4) Results Sharing Payouts

(In Formula Input Format)

Actual Results Sharing Payouts:

| | <u>Department</u> | <u>Amount</u> | <u>Source</u> |
|----------|--------------------------------|---------------|------------------------|
| d | A&G | \$36,903,316 | Line 1, column D above |
| e | Customer Service Business Unit | \$15,137,191 | Line 2, column D above |
| f | Power Production Business Unit | \$17,357,167 | Line 3, column D above |
| g | Trans. And Dist. Business Unit | \$37,739,442 | Line 4, column D above |
| | Total: | \$107,137,117 | |