

PRELIMINARY STATEMENT

Sheet 1

OO. Pension Costs Balancing Account

1. Purpose:

The purpose of the Pension Costs Balancing Account (PCBA) is to record the difference between: 1) pension costs authorized by the Commission, and 2) recorded pension expenses. The PCBA is established in accordance with D.06-05-016.

2. Definitions:

a. Authorized Pension Cost:

The authorized pension cost is the annual amount of CPUC Authorized Pension expenses adopted in D.12-11-051. Such amounts shall exclude Franchise Fees and Uncollectible Expense (FF&U). The 2013 and 2014 amount shall be determined in the annual Post Test Year Ratemaking advice letter to be submitted to the Commission by November 1st.

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<u>Effective Date</u>	<u>(\$000)</u> <u>Distribution</u>	<u>(\$000)</u> <u>Generation</u>	<u>(\$000)</u> <u>Total</u>		
	<u>Authorized Level</u>	<u>Authorized Level</u>	<u>Authorized Level</u>		
January 1, 2012	\$97,164	\$64,011	\$161,175	before capitalization	
January 1, 2012	\$60,533	\$39,879	\$100,412	after capitalization	(C)
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b. Effective Date:

The Effective Date of the PCBA is January 12, 2006

c. Interest Rate:

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.

d. Monthly Distribution Percentages:

The Monthly Distribution Percentages (MDPs) applicable to the distribution and generation related authorized Pension costs shall be the MDPs included in Preliminary Statement YY – Base Revenue Requirement Balancing Account (BRRBA)

e. Capitalization Rate:

The Pensions and Benefits Capitalization Rate is 37.7% as adopted in D.12-11-051.

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(Continued)

(To be inserted by utility)

Advice 2826-E
Decision 12-11-051

Issued by

Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)

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Resolution _____