N. MEMORANDUM ACCOUNTS

1. Purpose. The purpose of a Memorandum Account is to record all costs incurred by the Company for Specified Projects authorized by the Commission. Currently authorized Specified Projects are set forth in Section 2.d.

2. Definitions.
   a. Authorization Date:

      The Authorization Date shall be the date on which the Commission authorizes the Company to begin recording costs for a Specified Project in a memorandum account.

   b. Interest Rate:

      The Interest Rate shall be 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3 months), published in the Federal Reserve Statistical Release, G.13. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest shall so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.

   c. Annual Interest Rate:

      The Annual Interest Rate shall be the most recent annual interest rate on Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, G.13. Should publication of the annual interest rate on Commercial Paper (prime, three months) be discontinued, interest will accrue at the rate of the most recent annual interest rate on Commercial Paper which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.

   d. Specified Project:

      A Specified Project is a project authorized by the Commission for inclusion in a memorandum account. Specified Projects authorized by the Commission are listed below:
## PRELIMINARY STATEMENT

Sheet 2

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

   d. Specified Project (Continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Specified Project</th>
<th>Interest Bearing Memorandum Account*</th>
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</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Purpose – Not a Specified Project</td>
<td></td>
</tr>
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<td>(2)</td>
<td>Definitions – Not a Specified Project</td>
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<td>(3)</td>
<td>Self-Generation Program Incremental Cost (SGPIC)</td>
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<td>(4)</td>
<td>Catastrophic Event Memorandum Account (CEMA)</td>
<td>Yes</td>
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<td>(5)</td>
<td>Wheeler North Reef Expansion Project Memorandum Account</td>
<td>Yes</td>
</tr>
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<td>(6)</td>
<td>NEM Online Application System Memorandum Account (NEMOSMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(7)</td>
<td>Demand Response Load Shift Working Group Memorandum Account (DRLSWGMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(8)</td>
<td>Short Term Incentive Program Memorandum Account (STIPMA)</td>
<td>Yes</td>
</tr>
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<td>(9)</td>
<td>Plug-In Electric Vehicle Submetering Pilot Memorandum Account (PEVSPMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(10)</td>
<td>Research, Development, and Demonstration Royalties</td>
<td>Yes</td>
</tr>
<tr>
<td>(11)</td>
<td>Distributed Resources Plan Memorandum Account (DRPMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(12)</td>
<td>Emergency Customer Protections Memorandum Account (ECPMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(13)</td>
<td>California Power Exchange Wind-Up Charge Memorandum Account (PXWUC)</td>
<td>Yes</td>
</tr>
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<td>(14)</td>
<td>Income Tax Component of Contribution Memorandum Account</td>
<td>Yes</td>
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<tr>
<td>(15)</td>
<td>Residential Disconnections Implementation Cost Memorandum Account (RDICMA)</td>
<td>Yes</td>
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<tr>
<td>(16)</td>
<td>DWR Franchise Fee Obligation Memorandum Account</td>
<td>Yes</td>
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<td>(17)</td>
<td>Integrated Resource Planning Costs Memorandum Account</td>
<td>Yes</td>
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<td>(18)</td>
<td>Power Charge Indifference Adjustment Memorandum Account (PCIAMA)</td>
<td>Yes</td>
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<td>(19)</td>
<td>Building Benchmarking Data Memorandum Account</td>
<td>Yes</td>
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<td>(20)</td>
<td>Officer Compensation Memorandum Account (OCMA)</td>
<td>Yes</td>
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<td>(21)</td>
<td>Nuclear Claims Memorandum Account (NCMA)</td>
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<td>(22)</td>
<td>Disadvantaged Communities - Single-family Solar Homes Memorandum Account (DACSASHMA)</td>
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<td>(23)</td>
<td>San Joaquin Valley Data Gathering Plan Memorandum Account (SJVDGPMA)</td>
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<tr>
<td>(24)</td>
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<td>(25)</td>
<td>Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA)</td>
<td>Yes</td>
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<td>(26)</td>
<td>Energy Data Request Program Memorandum Account</td>
<td>Yes</td>
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<tr>
<td>(27)</td>
<td>Wildfire Mitigation Plan Memorandum Account (WMPMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(28)</td>
<td>Energy Settlements Memorandum Account (ESMA)</td>
<td>Yes</td>
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<td>(29)</td>
<td>Affiliate Transfer Fee Memorandum Account</td>
<td>Yes</td>
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<td>(30)</td>
<td>Avoided Cost Calculator Memorandum Account (ACCMA)</td>
<td>Yes</td>
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<td>(31)</td>
<td>Nuclear Fuel Cancellation Incentive Memorandum Account</td>
<td>Yes</td>
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<td>(32)</td>
<td>Distribution Deferral Administrative Costs Memorandum Account (DDACMA)</td>
<td>Yes</td>
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<td>(33)</td>
<td>Vehicle-Grid Integration Working Group Facilitator Memorandum Account (VGIWGFMMA)</td>
<td>Yes</td>
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</tbody>
</table>

* Interest shall accrue monthly to interest-bearing Memorandum Accounts by applying the Interest Rate to the average of the beginning and ending balance.

(Continued)
## N. MEMORANDUM ACCOUNTS (Continued)

### 2. Definitions (Continued)

#### d. Specified Project (Continued)

<table>
<thead>
<tr>
<th>Section No.</th>
<th>Interest Bearing Specified Project</th>
<th>Memorandum Account*</th>
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<tbody>
<tr>
<td>(34)</td>
<td>Community Choice Audit Memorandum Account</td>
<td>Yes</td>
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<tr>
<td>(35)</td>
<td>Aliso Canyon Energy Savings Assistance Program Memorandum Account</td>
<td>Yes</td>
</tr>
<tr>
<td>(36)</td>
<td>Wireless Fidelity Costs Memorandum Account</td>
<td>Yes</td>
</tr>
<tr>
<td>(37)</td>
<td>Residential Service Disconnection Memorandum Account (RSDMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(38)</td>
<td>Tax Accounting Memorandum Account (TAMA)</td>
<td>Yes</td>
</tr>
<tr>
<td>(39)</td>
<td>Not Used</td>
<td>(T)</td>
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<tr>
<td>(40)</td>
<td>Greenhouse Gas (GHG) Customer Outreach and Education Memorandum Account (GHGCO&amp;EMA)</td>
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<tr>
<td>(41)</td>
<td>BioMass Memorandum Account</td>
<td>Yes</td>
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<tr>
<td>(42)</td>
<td>Department of Energy Litigation Memorandum Account</td>
<td>Yes</td>
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<tr>
<td>(43)</td>
<td>Bio RAM Memorandum Account (BioRAMMA)</td>
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<td>(44)</td>
<td>Project Development Division Memorandum Account (PDDMA)</td>
<td>Yes</td>
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<td>(45)</td>
<td>Fire Risk Mitigation Memorandum Account</td>
<td>Yes</td>
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<td>(46)</td>
<td>Mohave SO2 Allowance Revolving Fund Memorandum Account (MSARFMA)</td>
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<td>(47)</td>
<td>Energy Division Director’s Peer Review Group Memorandum Account (PRGMA)</td>
<td>Yes</td>
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<td>(48)</td>
<td>Greenhouse Gas (GHG) Administrative Costs Memorandum Account (GHGACMA)</td>
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<td>(49)</td>
<td>Net Energy Metering Automation (NEM-A) Billing Automation Costs Memorandum Account (NEMABACMA)</td>
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<td>(50)</td>
<td>Not Used</td>
<td>(P)</td>
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<td>(51)</td>
<td>Long-Term Procurement Plan Technical Assistance Memorandum Account (LTAMA)</td>
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<td>(52)</td>
<td>Wildfire Expense Memorandum Account (WEMA)</td>
<td>Yes</td>
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<td>(53)</td>
<td>Fire Hazard Prevention Memorandum Account (FHPMA)</td>
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<td>(54)</td>
<td>Service Center Modernization Projects Memorandum Account (SCMPMA)</td>
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<td>(55)</td>
<td>San Onofre Nuclear Generating Station Memorandum Account (SONGSMMA)</td>
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<td>(56)</td>
<td>Customer Service Re-Platform Memorandum Account (CSRPMMA)</td>
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<td>(57)</td>
<td>Energy Matinee Tariff Program Pilot Memorandum Account (EMTPPMMA)</td>
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<td>(58)</td>
<td>Green Tariff Shared Renewables Administrative Costs Memorandum Account</td>
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<td>(59)</td>
<td>Green Tariff Marketing, Education &amp; Outreach Memorandum Account</td>
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<td>(60)</td>
<td>Enhanced Community Renewables Marketing, Education &amp; Outreach Memorandum Account</td>
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<td>(61)</td>
<td>Residential Rate Implementation Memorandum Account (RRIMA)</td>
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<td>(62)</td>
<td>Rule 21 Cost Envelope Option Memorandum Account (CEOMA)</td>
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<td>(63)</td>
<td>Tax Accounting Memorandum Account 2018 (TAMA 2018)</td>
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<td>(64)</td>
<td>California Consumer Privacy Act Memorandum Account (CCPMA)</td>
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<td>(65)</td>
<td>Distributed Generation Statistics Contractor Memorandum Account (DGSCMA)</td>
<td>Yes</td>
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<td>(66)</td>
<td>COVID-19 Pandemic Protections Memorandum Account (CPPMA)</td>
<td>Yes</td>
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<td>(67)</td>
<td>System Reliability Procurement Memorandum Account (SRPMA)</td>
<td>Yes</td>
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</table>

*Interest shall accrue monthly to interest-bearing Memorandum Accounts by applying the Interest Rate to the average of the beginning and ending balance.

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

2. Definitions. (Continued)

e. Catastrophic Event:

A Catastrophic Event is an event which is declared a disaster by competent state or federal authorities.

3. Self-Generation Program Incremental Cost (SGPIC) Memorandum Account:

The purpose of the SGPIC Memorandum Account is to track the recorded incremental self-generation program costs and authorized distribution revenue requirement recorded in the Base Revenue Requirement Balancing Account (BRRBA) associated with SCE’s Self-Generation Incentive Program. Effective March 1, 2019, the authorized SGPIC funding will be recorded in the Public Purpose Programs Adjustment Mechanism (PPPAM).

SGPIC Authorized Annual Funding Levels:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Authority</th>
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<tbody>
<tr>
<td>2011</td>
<td>$28 million</td>
<td>D.09-12-047</td>
</tr>
<tr>
<td>2012</td>
<td>$28 million</td>
<td>D.11-12-030</td>
</tr>
<tr>
<td>2013</td>
<td>$28 million</td>
<td>D.11-12-030</td>
</tr>
<tr>
<td>2014</td>
<td>$28 million</td>
<td>D.11-12-030</td>
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<tr>
<td>2015</td>
<td>$28 million</td>
<td>D.14-12-033</td>
</tr>
<tr>
<td>2016</td>
<td>$28 million</td>
<td>D.14-12-033</td>
</tr>
<tr>
<td>2017</td>
<td>$56 million</td>
<td>D.17-04-017</td>
</tr>
<tr>
<td>2018</td>
<td>$56 million</td>
<td>D.17-04-017</td>
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<tr>
<td>2019</td>
<td>$56 million</td>
<td>D.17-04-017</td>
</tr>
<tr>
<td>2020</td>
<td>$56 million</td>
<td>D.20-01-021</td>
</tr>
<tr>
<td>2021</td>
<td>$56 million</td>
<td>D.20-01-021</td>
</tr>
<tr>
<td>2022</td>
<td>$56 million</td>
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</tr>
<tr>
<td>2023</td>
<td>$56 million</td>
<td>D.20-01-021</td>
</tr>
<tr>
<td>2024</td>
<td>$56 million</td>
<td>D.20-01-021</td>
</tr>
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</table>

*Pursuant to OP 2 of D.11-12-030, the Energy Division will submit an SGIP budget report for 2013 and 2014 to the Administrative Law Judge (ALJ) and assigned Commissioner containing recommendations on potential adjustments to the 2013 and 2014 authorized revenues. This report is due by March 15, 2013 or as modified by the ALJ.

Monthly entries to the SGPIC Memorandum Account shall be determined as follows:

I. A debit entry to reflect the actual incremental program costs associated with the Self-Generation Incentive Program; and

II. A credit entry to record 1/12th of the Authorized Annual Funding Level for Self-Generation Incentive Program.
N. MEMORANDUM ACCOUNTS (Continued)

Any under-collection or over-collection recorded in a month may be carried over from month-to-month over the duration of the Self-Generation Incentive Program.

Interest shall accrue to the SGIP Memorandum Account by applying the three-month, commercial paper rate (as published in the Federal Reserve Statistical Release, G.13, or its successor publication) to the average of the beginning and ending balance.

3. Self-Generation Program Incremental Cost (SGPIC) Memorandum Account: (Continued)

The Company may request disposition of over-collected balances recorded in the SGIP Memorandum Account in an April ERRA Application, or any other proceeding authorized by the Commission.


The purpose of the CEMA is to record all costs incurred by SCE associated with a Catastrophic Event for:

a. restoring utility service to SCE’s customers;
b. repairing, replacing, or restoring damaged utility facilities; and
c. complying with governmental agency orders.

Entries to the CEMA shall be made at the end of each month commencing with the month in which the Catastrophic Event occurs.

If a Catastrophic Event occurs, SCE shall, if possible, inform the Executive Director by letter within 30 days after the Catastrophic Event, if SCE has started booking costs into the CEMA. The letter shall specify the Catastrophic Event, date, time, location, service areas affected, impact on SCE’s facilities, and an estimate of the extraordinary costs expected to be incurred. Costs due to expense and capital items shall be shown separately. Costs recorded in the CEMA shall include generation-related costs pursuant to Assembly Bill X16 which prohibits a facility for the generation of electricity owned by a public utility from being disposed of prior to January 1, 2006.

Costs recorded in the CEMA may be recovered in rates only after a request by SCE, a showing of reasonableness, and approval by the Commission. Disposition of amounts in this account shall be determined in the annual Revenue Adjustment Proceeding (RAP) or other proceeding expressly authorized by the Commission.
N. MEMORANDUM ACCOUNTS (Continued)

5. Wheeler North Reef Expansion Project Memorandum Account (WNREPMA)

a. Purpose

The purpose of the Wheeler North Reef (WNR) Expansion Project Memorandum Account (WNREPMA) is to track SCE’s costs associated with the WNR Expansion Project pursuant to the Administrative Law Judge’s Ruling Granting SCE’s Motion to Establish a Memorandum Account Subject to Conditions Set Forth Herein and Commission Approval of Final Decision in this Proceeding (Application (A.) 16-12-002) dated May 1, 2017.

b. Operation of the WNREPMA

SCE shall maintain the WNREPMA by making monthly entries as follows:

1. A debit entry equal to actual operational and maintenance (O&M) expenses for the following WNR Expansion Project activities: (1) materials; (2) mobilization; (3) environmental studies; (4) permitting; (5) compliance; (6) engineering; and (7) project support;

2. An entry to transfer the balance to or from other regulatory accounts as authorized by the Commission; and

3. Interest shall accrue monthly to the WNREPMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the WMREPMA.

c. Disposition and Review Procedures

As directed by the Commission in its final decision with regards to A. 16-12-002.
N. MEMORANDUM ACCOUNTS (Continued)

6. NEM Online Application System Memorandum Account (NEMOASMA)

Purpose

The purpose of the Net Energy Metering (NEM) Online Application System Memorandum Account (NEMOASMA) is to track the costs SCE incurs to establish an online application system for processing applications for interconnection under SCE’s NEM tariffs, pursuant to Decisions (D.)14-11-001 and D.16-01-044.

Operation of the NEMOASMA

Monthly entries to the NEMOASMA shall be determined as follows:

a. Debit entries equal to the recorded capital-related revenue requirement and Operation and Maintenance (O&M) expenses incurred by SCE to develop and establish an online application portal, including but not limited to the development of the necessary information technology infrastructure and behind-the-scenes tools, for processing applications for interconnection under SCE’s NEM tariffs.

b. An entry to record interest expense by applying the Interest Rate to the average monthly balance in the NEMOASMA.

Review and Disposition

Pursuant to Ordering Paragraph 4 of D.14-11-001, SCE may seek recovery of the amounts tracked in the NEMOASMA in its respective General Rate Case (GRC) proceeding.

7. Demand Response Load Shift Working Group Memorandum Account (DRLSWGMA)

Purpose

The purpose of the Demand Response Load Shift Working Group Memorandum Account (DRLSWGMA) is to track the cost of hiring a technical facilitator to organize and facilitate the Load Shift Working Group. SCE, PG&E, and SDG&E shall hire a working group technical facilitator, in consultation with the Commission’s Energy Division, to organize and facilitate the Load Shift Working Group.
N. MEMORANDUM ACCOUNTS (Continued)

7. Demand Response Load Shift Working Group Memorandum Account (DRLSWGMA) (Continued)

Operation of the DRLSWGMA

Monthly entries to the DRLSWGMA shall be determined as follows:

a. A debit entry equal to SCE’s shared cost of hiring a technical facilitator to organize and facilitate the Load Shift Working Group.

b. Interest shall accrue monthly to the DRLSWGMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the DRLSWGMA.

Disposition and Review Procedures

Pursuant to D.17-10-017 SCE will seek recovery of the costs tracked in the DRLSWGMA in the advice letter filing for the 2020 Demand Response Portfolio update.
N. MEMORANDUM ACCOUNTS (Continued)

8. Short Term Incentive Programs Memorandum Account

The purpose of the Short Term Incentive Programs (STIP) Memorandum Account (T) (STIPMA) is to annually compare the authorized and actual STIP expenses paid out for 2018, 2019 and 2020 and to record the difference pursuant to D.19-05-020.

a. SCE shall maintain the STIPMA by making entries at the end of each month as follows:

1. A debit entry for the actual STIP amount paid out after capitalization.

2. A credit entry equal to the result of multiplying the authorized amount for STIP by the applicable (Distribution / Generation) Monthly Distribution Percentages (MDP's) as set forth in Preliminary Statement YY, Base Revenue Requirement Balancing Account (BRRBA) after capitalization.

3. The STIP Pension and Benefits Capitalization Rate is 45.5% as adopted in D. 19-05-020.

<table>
<thead>
<tr>
<th>Total Company Authorized – STIP Before Capitalization</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Thousands</td>
<td>Dollars</td>
<td>Dollars</td>
<td>Dollars</td>
</tr>
<tr>
<td>Generation</td>
<td>6,459</td>
<td>6,655</td>
<td>6,886</td>
</tr>
<tr>
<td>Transmission &amp; Distribution</td>
<td>30,425</td>
<td>31,350</td>
<td>32,439</td>
</tr>
<tr>
<td>Customer Service</td>
<td>14,607</td>
<td>15,051</td>
<td>15,574</td>
</tr>
<tr>
<td>Administrative &amp; General</td>
<td>25,010</td>
<td>25,428</td>
<td>26,613</td>
</tr>
<tr>
<td>Total Before Capitalization</td>
<td>76,501</td>
<td>78,484</td>
<td>81,512</td>
</tr>
</tbody>
</table>

Interest shall accrue monthly by applying 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) to the average monthly balance. If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.
N. MEMORANDUM ACCOUNTS (Continued)

8. Short Term Incentive Programs Memorandum Account (STIPMA)

Any underexpended non-Generation-related balance, as recorded in the STIPMA, shall be transferred to the Distribution Sub-Account of the BRRBA annually and reviewed in the annual April 1st ERRA reasonableness proceeding. Any underexpended Generation-related balance, as recorded in the STIPMA, shall be transferred to the Legacy UOG and 2004-2009 Sub-Accounts of the Portfolio Allocation Balancing Account (PABA) annually and reviewed in the annual April 1st ERRA reasonableness proceeding.

9. Plug-In Electric Vehicle Submetering Pilot Memorandum Account (PEVSPMA)

a. Purpose

The purpose of the Plug-In Electric Vehicle Submetering Pilot Memorandum Account (PEVSPMA) is to record the expenses related to the implementation of the PEV Phase I and Phase II submetering pilots. Electric Program Investment Charge (EPIC) funding for the submetering pilots shall be subtracted from the PEVSPMA balance. SCE shall not seek recovery of costs recorded in the PEVSPMA beyond $2 million in excess of EPIC funding. Pursuant to D.13-11-002, SCE will seek cost recovery of allowable amounts recorded in the PEVSPMA in an appropriate future ratemaking proceeding.

b. Operation of the PEVSPMA

Monthly entries to the PEVSPMA shall be determined as follows:

1) A debit entry equal to the recorded incremental costs incurred by SCE associated with the implementation of the PEV Phase I and Phase II submetering pilots, including labor, incentives, equipment, manual billing, and service operations;
2) A debit entry equal to SCE’s share of recorded contract costs related to third-party independent evaluators;
3) Less EPIC funding authorized for the PEV submetering pilots; and
4) An entry to record interest expense by applying the Interest Rate to the average monthly balance in the PEVSPMA.

c. Disposition and Review Procedures

Pursuant to D.13-11-002, the recovery of costs recorded in the PEVSPMA shall be determined in an appropriate future ratemaking proceeding. SCE shall not seek recovery of costs recorded in the PEVSPMA in excess of $2 million of EPIC funding.
N. MEMORANDUM ACCOUNTS (Continued)


The Company shall maintain a Research, Development, and Demonstration Royalties (RDDR) Memorandum Account as authorized by Decision No. 91-12-076 and modified by Resolution E-3484. The purpose of the RDDR Memorandum Account is to record the ratepayers' share of all royalties, licensing and other revenues attributable to the Company's Research, Development, and Demonstration programs as authorized by Resolution E-3484.

Entries to the RDDR Memorandum Account shall be made at the end of each month. The monthly entry shall include the ratepayers' share of all royalties, licensing fees, and other revenues resulting from the Company's Research, Development, and Demonstration programs. Interest shall accrue to the Memorandum Account by applying the Interest Rate to the average of the beginning and ending balance. Disposition of amounts in this account shall be determined in the annual Revenue Adjustment Proceeding (RAP) or other proceeding expressly authorized by the Commission.
N. MEMORANDUM ACCOUNTS (Continued)

11. Distribution Resources Plan Memorandum Account (DRPMA)

a. Purpose

The purpose of the Distribution Resources Plan Memorandum Account (DRPMA) is to track incremental costs associated with implementing the Grid Needs Assessment (GNA), Distribution Deferral Opportunity Report (DDOR), and Data Access Portal (DAP). The DRPMA subaccount will separately track the Integration Capacity Analysis (ICA) and the Locational Net Benefit Analysis (LNBA) incremental costs authorized in D.17-09-026.

b. Operation of the DRPMA

Monthly entries to the DRPMA shall be determined as follows:

A debit entry equal to the recorded incremental O&M expense and capital-related revenue requirements (depreciation, taxes and return on rate base) related to the implementation of the GNA, DDOR, and DAP projects.

Monthly entries to the ICA and LNBA sub-account shall be determined as follows:

A debit entry equal to the recorded incremental O&M expense and capital-related revenue requirements (depreciation, taxes and return on rate base) related to the implementation of the ICA and LNBA projects.

Interest shall accrue monthly to the DRPMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the DRPMA.

c. Disposition and Review Procedures

Pursuant to D. 17-09-026, SCE will seek recovery of the costs tracked in the DRPMA in the next General Rate Case proceeding where the Commission will determine if the costs are reasonable and incremental to the approved GRC amounts.
N. MEMORANDUM ACCOUNTS (Continued)

12. Emergency Customer Protections Memorandum Account (ECPMA)

a. Purpose

The purpose of the Emergency Customer Protections Memorandum Account (ECPMA) is to record costs associated with customer protections pursuant to Resolution M-4833, Resolution M-4835, and D.19-07-015.

The ECPMA will remain in effect for one year for each qualifying event unless otherwise specified or extended by order of the Commission, to record costs related to all disasters.

Per Resolution M-4835 the ECPMA will continue to record costs associated with customer protections set forth in Resolution M-4835 and Advice 3733-E. Per Resolution M-4835, the ECPMA will remain in effect for one year until January 11, 2019, unless otherwise specified or extended by order of the Commission.

Per Ordering Paragraph (OP) 3 of D.18-08-004 and (OP) 4 of D.19-07-015, the ECPMA will record costs for implementing customer protections for all disasters where the Governor of California or the President of the United States has declared a state of emergency. The entries in the account will be segregated by qualifying event.

b. Eligibility

Residential and Non-Residential customers in the affected areas pronounced by the Governor's office or the President of United States within the affected service territory are eligible for the emergency customer protections set forth in Resolution M-4833, Resolution M-4835, D.18-08-004, and D.19-07-015.

c. Operation of the ECPMA

SCE shall maintain the ECPMA by making monthly entries as follows:

1. A debit entry equal to the Operations and Maintenance (O&M) expenses associated with the implementation of Resolution M-4833, Resolution M-4835, D.18-08-004, and D.19-07-015,

2. A debit entry equal to the revenue and fees shortfalls resulting from the implementation of Resolution M-4833, Resolution M-4835, D.18-08-004 and D.19-07-015,

3. A debit (or credit) entry equal to any amounts authorized by the Commission to be recorded to this account,

1. Subsequent to Resolution M-4833, on November 28, 2017, SCE received a letter from Executive Director Timothy Sullivan directing that SCE extend the wild fire protections to non-residential customers.

2. In Advice Letter 3733-E, SCE proposed to extend the benefits set forth in Resolution M-4833 and M-4835 to customers affected by the mudslides in Santa Barbara County. Energy Division approved Advice letter 3733-E on March 7, 2018.
12. Emergency Customer Protections Memorandum Account (ECPMA) (Continued)

c. Operation of the ECPMA (Continued)

(4) A debit entry to the capital related revenue requirement related to the actual capital costs incurred, if any. Capital-related revenue requirements include depreciation expense, return on investment, federal and state taxes, and property taxes associated with the costs of installed equipment,

(5) A debit (or credit) entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission.

(6) Interest shall accrue monthly by applying 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) to the average monthly balance. If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

d. Review and Disposition

Pursuant to OP 4 of Resolution M-4833, Resolution M-4835, and OP 4 of D.19-07-015, SCE may seek recovery of the costs recorded in the ECPMA in the General Rate Case (GRC) proceeding or other appropriate ratemaking proceeding.
13. California Power Exchange Wind-Up Charge Memorandum Account (PXWUC)

The purpose of the PXWUC Memorandum Account is to record and track the wind-up charges assessed by the California Power Exchange (CalPX) for winding-up its operations, and any other CalPX related charges approved by the Federal Energy Regulatory Commission.

Interest shall accrue to the PXWUC Memorandum Account by applying the Interest Rate to the average of the beginning and ending account balance.

Disposition and rate recovery of the amounts recorded in the PXWUC Memorandum Account shall be determined in the Revenue Adjustment Proceeding, or other proceeding deemed appropriate by the Commission.
N. MEMORANDUM ACCOUNTS (Continued)


SCE shall maintain an Income Tax Component of Contribution Memorandum Account as authorized by Decision 94-06-038, rendered on June 22, 1994. The purpose of the ITCCMA is to record the difference between any income tax associated with a taxable transaction of a Qualifying Facility (“QF”) intertie transferred or deemed transferred to SCE and all funds received from QFs specifically for use in paying such income tax. The monthly entries to the ITCCMA shall be equal to:

a. Actual income tax liabilities paid by SCE associated with the QF intertie which has been transferred to SCE.

b. Less: All funds received from a QF (net of any refunds) including accrued interest which are currently being held by SCE for the payment of such taxes recorded in 19.1 above.

c. Less: All funds received from a QF (net of any refunds) subsequent to the payment of such taxes in 19.1 above. The source of such funds may be the QF, its deposit, its guarantor, or its letter of credit as outlined in Preliminary Statement, Part M, Income Tax Component of Contribution Provision.

If the above calculation produces a positive amount (undercollection), such amount will be debited to the ITCCMA. If the above calculation produces a negative amount (overcollection), such amount will be credited to the ITCCMA. Interest will accrue monthly to the ITCCMA by applying the Interest Rate to the average of the beginning and ending balances.

If SCE is unable to recover the full amount of taxes associated with any QF intertie transferred to SCE, SCE may file an Advice Letter to request recovery of the remaining balance from ratepayers pursuant to the terms of the agreement in principle set forth in Decision 94-06-038.

Disposition of amounts in this account shall be determined in the annual Revenue Adjustment Proceeding (RAP) or other proceeding authorized by the Commission.
PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

15. Not Used (D)

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

16. DWR Franchise Fee Obligation Memorandum Account

SCE shall maintain a DWR Franchise Fee Obligation Memorandum Account (DWRFFOMA) as authorized in D.02-02-052 and D.03-02-032.

The purpose of the DWRFFOMA is to track the difference between franchise fee payments that are made to municipalities and other governmental authorities and municipal surcharge collections associated with DWR power sales to ensure that SCE is made whole for any franchise fee payments made on behalf of DWR that are not already included in retail rates.

Entries to the DWRFFOMA shall be made monthly, and shall be determined as follows:

a. Debit entry to record the portion of total SCE franchise fee payments that are associated with DWR power sales. (The amount of the debit entry will be determined as follows: At such time as SCE makes a franchise fee payment to any municipality or other governmental authority, the amount of the franchise fee payment will be allocated between DWR and SCE based on the ratio of DWR power sale revenue and SCE revenue recorded during the same time period [i.e., month, quarter, year] that the franchise fee payment is associated with.)

b. Credit entry equal to municipal surcharges collected associated with recorded DWR revenue using the most current Commission-adopted Franchise Fee rate per kWh.

c. The difference between “a.” and “b.” is an undercollection if positive, and an overcollection if negative.

Interest shall accrue to the DWRFFOMA by applying the Interest Rate to the average of the beginning of month and end of month account balances.

Pursuant to D.02-02-052, the Commission shall determine disposition of the balance in the DWRFFOMA following additional analysis of legal and factual issues.
17. Integrated Resource Planning Costs Memorandum Account (IRPCMA)

1. Purpose

The purpose of the Integrated Resource Planning Costs Memorandum Account (IRPCMA) is to record the costs incurred by the Commission related to IRP third party technical support pursuant to D.18-02-018.

The Commission is authorized to spend $3 million annually for up to six years, for a total budget not to exceed $18 million. The annual funds may be carried forward and expended in a subsequent year. If not spent within six years, the funds may be spent in subsequent years until no later than 2030, but still may not exceed the maximum total. Reimbursement will be sought from the three IOUs on a proportional basis in relationship to their projected 2030 distribution load share reported in their most recent IRP approved by the Commission.

2. Operation of the IRPCMA

Beginning with the 2017-18 fiscal year, SCE will receive invoices from the Commission for its share of Commission-incurred costs and will remit payment to the Commission. Upon receipt of the invoice, SCE will record:

a. A debit entry equal to SCE’s share of Commission costs related to IRP third party technical support;

b. A credit entry to record the transfer of IRPCMA costs to the distribution sub-account of the BRRBA for recovery in rates upon Commission approval; and


3. Review and Disposition Procedures

Pursuant to D.18-02-018, SCE is authorized to recover costs recorded in the IRPCMA through distribution rates. Similar to other Commission authorized memorandum accounts, SCE will seek Commission review to ensure that all entries to the account are stated correctly and are consistent with D.18-02-018 and to request rate recovery of the costs recorded in the IRPCMA for the prior year in its annual April 1 ERRA Review proceeding.
N. MEMORANDUM ACCOUNTS (Continued)

18. Power Charge Indifference Adjustment Memorandum Account (PCIAMA) (N)

1. Purpose

The purpose of the Power Charge Indifference Adjustment Memorandum Account (PCIAMA) is to record and track the costs associated with the education and outreach effort for California Alternate Rates for Energy (CARE) and Medical Baseline (MB) program customers impacted by the elimination of the exemption from paying the PCIA.

2. Operation of the PCIAMA

Monthly entries to the PCIAMA shall be determined as follows:

a. A debit entry equal to education and outreach costs.

b. Interest shall accrue monthly to the PCIAMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the PCIAMA.

3. Disposition and Review Procedures

In SCE’s annual Energy Resource Recovery Account Review (ERRA) proceeding, SCE will seek recovery of the balance in the PCIAMA and include the recorded operation of the PCIAMA for Commission review of the recorded amounts to ensure that the entries made in the PCIAMA are stated correctly and are consistent with Commission decision(s).
N. MEMORANDUM ACCOUNTS (Continued)


The purpose of the Building Benchmarking Data Memo Account (BBDMA) is to track SCE’s incremental costs associated with maintaining energy usage data and providing this data to building owners and their agents as required by Assembly Bill 802, enacted on October 8, 2015.

SCE shall maintain the BBDMA by making monthly entries as follows:

a. A debit entry equal to actual incremental operational and maintenance (O&M) expense and capital-related revenue requirements (depreciation, taxes and return on rate base) associated with AB 802 compliance,

b. An entry to reflect any transfer to or from other regulatory accounts as authorized by the Commission, and

c. An entry equal to interest expense calculated by applying one twelfth of the Interest Rate to the average of the beginning and ending balance in the BBDMA.

When recording the revenue requirements in the BBDMA, SCE will include provisions for overhead loadings on direct labor dollars. However, Pensions, Post-Employment Benefits Other Than Pensions (PBOPs), and medical, dental and vision labor loadings will not be recorded in the BBDMA since these are recovered through separate balancing accounts.

Disposition of amounts recorded in the BBDMA shall be determined in a future ERRA Review application or other appropriate proceeding.
N. MEMORANDUM ACCOUNTS (Continued)

20. Officer Compensation Memorandum Account (OCMA)

a. Purpose

The Officer Compensation Memorandum Account (OCMA) is established pursuant to Public Utilities Code (PUC) Section 706, as enacted by Senate Bill 901 (2018, Dodd). PUC Section 706 requires, among other things, that all forms of compensation for officers of SCE be paid solely by shareholders. The purpose of the OCMA is to track (1) compensation for SCE officers authorized in the 2018 General Rate Case (GRC); and (2) all compensation for SCE officers as defined by PUC Section 706.

(1) Definitions

a. Officer

The term “officer” shall be defined as those employees of SCE in positions with titles of Vice President or above who are Rule 3b-7 officers of SCE under the Securities Exchange Act. As of the date of this filing, SCE’s officers for purposes of this OCMA are its:

(1) Chief Executive Officer, (2) President, (3) Senior Vice President (SVP) & Chief Financial Officer, (4) SVP & General Counsel, (5) SVP Customer and Operational Services, (6) SVP Transmission and Distribution, and (7) SVP Regulatory Affairs.

b. Authorized Compensation Sub-Account

The Authorized Compensation Sub-Account tracks salaries, bonuses, benefits, and all other consideration of any value for officers in rates as authorized in SCE’s 2018 General Rate Case.

c. Total Compensation Sub-Account

The Total Compensation Sub-Account tracks salaries, bonuses, benefits, and all other consideration of any value paid to officers, including:

i. Salaries: Base pay.
iii. Benefits: Employer portion of health and welfare premiums; employer contribution to 401(k) plan; disability and other benefits.
iv. Other Consideration: Long-term incentives; executive perquisites; other periodic or one-time payments.
N. MEMORANDUM ACCOUNTS (Continued)

20. Officer Compensation Memorandum Account (OCMA) (Continued)

b. Operation of the OCMA

On a monthly basis (or annually if monthly data is not available), entries to each sub-account shall be determined as follows:

(1) Authorized Compensation Sub-Account:

A credit entry equal to salaries, bonuses, benefits, and all other consideration for officers in rates as authorized in SCE’s 2018 General Rate Case (annual authorized amount divided by 12) shall accrue monthly to the Authorized Compensation Sub-Account balance by applying one-twelfth of the three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate), to the average monthly balance in the Authorized Compensation Sub-Account. If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

(2) Total Compensation Sub-Account:

a. A debit entry equal to salaries, bonuses, benefits, and all other consideration of any value paid to officers.

c. Disposition and Review Procedures

The OCMA is effective January 1, 2019 until closed at the direction of the Commission. SCE anticipates that the officer compensation amounts authorized by the Commission in the 2018 GRC decision, for 2019, will be refunded to customers when SCE implements the 2019 Post-Test Year revenue requirement in rates either on a stand-alone basis or through its first consolidated revenue requirement and rate change advice letter submitted in 2019.

21. Nuclear Claims Memorandum Account (NCMA)

The purpose of the NCMA is to record assessments, retroactive premiums, and costs associated with claims by workers and/or third parties, including, but not limited to, allegation of exposure to nuclear radiation and/or electric and magnetic fields (EMF) associated with incidents or exposures at any location or relating to SONGS 2&3 nuclear plant decommissioning.

Entries shall be made to the NCMA at the end of each month. The monthly debit entry shall be made to the NCMA to record the costs associated with claims discussed above. The monthly credit entry shall be made to the NCMA to record any insurance proceeds received by SCE associated with these claims, less any fees paid to outside legal counsel incurred to obtain payment.

Interest shall accrue monthly to the NCMA by applying the interest rate to the average of the beginning and ending balance.

SCE may request recovery of the balance in the NCMA in the Revenue Adjustment Proceeding (RAP), or any other proceeding deemed appropriate by the Commission.
22. Disadvantaged Communities - Single-family Solar Homes Memorandum Account (DACSASHMA)

1. Purpose

The purpose of the Disadvantaged Communities Single-family Solar Homes (DAC-SASH) Memorandum Account (DACSASHMA) is to track the startup costs for the DAC-SASH program, as authorized in Ordering Paragraph 10 of D.18-06-027.

2. Definitions

a) Funding

The DAC-SASH program is to be funded first through GHG allowance revenue proceeds and if such funds are exhausted, the DAC-SASH program will be funded through the Public Purpose Program Charge (PPPC).

b) 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.

3. Operation of the DACSASHMA

The following entries shall be made to the DACSASHMA, as applicable:

a) On a monthly basis a debit entry to record the Operation and Maintenance (O&M) expense and capital-related revenue requirement (i.e. depreciation, taxes and return) related to incremental administrative start-up costs for the DAC-SASH program; and

b) A final credit entry to record the transfer of the balance in the DACSASHMA to the Disadvantaged Communities - Single-family Solar Homes Balancing Account (DACSASHBA) upon approval by the Commission.

Interest shall accrue monthly to the DACSASHMA by applying the Interest Rate to the average of the beginning-of-month and end-of-month balance in the DACSASHMA.

4. Review and Disposition Procedures

The operation of the DACSASHMA will be reviewed in SCE’s annual ERRA Review proceeding to ensure that the entries are stated correctly and are consistent and compliant with Commission decision(s). Once approved, the balance in the DACSASHMA will be transferred to the DACSASHBA.
N. MEMORANDUM ACCOUNTS (Continued)

23. San Joaquin Valley Data Gathering Plan Memorandum Account (SJVDGPMA) (N)
   a. Purpose

   The purpose of the San Joaquin Valley Data Gathering Plan Memorandum Account (SJVDGPMA) is to record SCE’s share of the costs associated with developing, supporting and reporting on the San Joaquin Valley Disadvantaged Communities Data Gathering Plan, including administrative costs pursuant to D.18-08-019. SCE may only recover up to its share of the budget for the Data Gathering Plan in the SJVDGPMA.

   b. Operation of the SJVDGPMA

   Monthly entries to the SJVDGPMA shall be determined as follows:

   (1) A debit entry equal to contractor or consultant-related costs associated with development, support, and reporting of the Data Gathering Plan;

   (2) A debit entry equal to incremental administrative-related costs;

   (3) A debit for other reasonable costs incurred to implement the Data Gathering Plan; and

   (4) Interest shall accrue monthly to the SJVDGPMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the SJVDGPMA.

   c. Disposition and Review Procedures

   On an annual basis, SCE will transfer the recorded December 31st balance in the SJVDGPMA to the Public Purpose Programs Adjustment Mechanism (PPPAM) for cost recovery purposes through the Public Purpose Programs Charge (PPPC). The operation of the SJVDGPMA will be reviewed in the annual Energy Resource Recovery Account (ERRA) Review proceedings.
PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

24. Not Used (D)

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

25. Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA) (N)

a. Purpose

The purpose of the Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA) is to track costs directly related to the climate vulnerability assessments and any incremental costs related to the community engagement, the community engagement plans, and the related community engagement surveys ordered in Decision 20-08-046.

b. Operation of the CAVAMA

Monthly entries to the CAVAMA shall be determined as follows:

(1) A debit entry equal to costs directly related to the climate vulnerability assessments;

(2) A debit entry equal to incremental costs related to the community engagement, the community engagement plans, and the related community engagement surveys;

(3) Interest shall accrue monthly to the CAVAMA by applying one-twelfth of the three-month Commercial Paper Rate, as reported by the Federal Reserve, to the average monthly balance in the CAVAMA.

c. Disposition and Review Procedures

SCE will seek review and recovery of the costs recorded in CAVAMA in its General Rate Case, Energy Resource Recovery Account Review, or other appropriate proceeding(s).
N. MEMORANDUM ACCOUNTS (Continued)

26. Not Used.  (D)
N. MEMORANDUM ACCOUNTS (Continued)

27. Wildfire Mitigation Plan Memorandum Account

a. Purpose

Pursuant to California Public Utilities Commission Decision (D.)19-05-038 and Public Utilities Code § 8386.4(a), the purpose of the Wildfire Mitigation Plan Memorandum Account (WMPMA) is to track costs incurred to implement SCE’s Wildfire Mitigation Plan (WMP) that are not otherwise covered in SCE's revenue requirements or tracked in another ratemaking account. Costs tracked in the WMPMA will not include costs approved for recovery in SCE General Rate Cases (GRCs) or costs recorded to other memorandum accounts, such as SCE’s Catastrophic Event Memorandum Account (CEMA), Fire Hazard Prevention Memorandum Account (FHPMA), Grid Safety and Resiliency Program Memorandum Account (GSRPMA), and the Fire Risk Mitigation Memorandum Account (FRMMA), as provided in Public Utilities Code § 8386.4(b)(1).

b. Operation of the WMPMA

Monthly entries to the WMPMA shall be determined as follows:

1) A one-time debit entry to record the transfer of the WMP-related balance previously tracked in the FRMMA;
2) A debit entry equal to the expenses incurred related to WMP;
3) A debit or credit entry equal to the revenue requirement based on the incremental recorded capital costs related to fire risk mitigation work. Capital revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
4) A credit entry to record the transfer of amounts to or from other regulatory accounts as authorized by the Commission; and
5) Interest shall accrue monthly to the WMPMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the WMPMA.

c. Disposition and Review Procedures

The costs tracked in the WMPMA shall be presented to the Commission for review of reasonableness and recovery in a future GRC application, consistent with Public Utilities Code § 8386.4(b)(1). Costs tracked in the WMPMA may be recovered in rates only after a request by SCE, a showing of reasonableness, and approval by the Commission.
N. MEMORANDUM ACCOUNTS (Continued)

28. Energy Settlements Memorandum Account (ESMA)

The purpose of the Energy Settlements Memorandum Account (ESMA) is to record:
1) refund amounts received by SCE resulting from FERC investigation settlement agreements associated with wholesale power purchases made on behalf of SCE’s Bundled Service customers during portions of 2000 and 2001; and 2) other costs and offsets associated with settlement agreements. Entries to the ESMA shall be made in accordance with Commission Resolution E-3894 (dated November 19, 2004).

SCE shall maintain the ESMA by making monthly entries as follows:

a. A credit entry equal to settlement agreements refund amounts received by SCE;

b. A credit entry equal to the entire amount of refunds received from SDG&E associated with settlement agreements;

c. A debit entry equal to set-aside costs for outside attorneys and consultants associated with settlement agreements;

d. A debit entry equal to payment amounts that SCE is required to provide to other market participants in the California Power Exchange in accordance with applicable settlement agreements;

e. A debit entry equal to amounts retained by SCE’s shareholders associated with net proceeds from Settlement Agreements.

Interest shall accrue monthly to the ESMA by applying one-twelfth of the three month Commercial Paper rate (expressed as an annual rate) as reported by the Federal Reserve to the average monthly ESMA balance.

Amounts recorded in the ESMA shall be reviewed by the Commission in an applicable Energy Resource Recovery Account (ERRA) proceeding.

Litigation Costs Tracking Account

In accordance with Resolution E-3894, SCE shall maintain a Litigation Costs Tracking Account within the ESMA to track: 1) litigation costs that are “set-aside” in the FERC investigation settlement agreements; and 2) actual litigation costs incurred by SCE. Amounts recorded in the Litigation Costs Tracking Account shall be subject to audit in SCE’s ERRA proceedings.

SCE may request recovery of actual litigation costs that exceed amounts “set-aside” in the FERC-investigation settlement agreements in a separate application. Entries to the Litigation Costs Tracking Account shall be made as follows:

a. A debit entry equal to SCE’s actual litigation costs associated with FERC-investigation settlement agreements;

b. A credit entry equal to litigation costs “set-aside” in FERC-investigation settlement agreements.

Interest shall accrue monthly to the Litigation Costs Tracking Account by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the Litigation Costs Tracking Account.
N. MEMORANDUM ACCOUNTS (Continued)

29. Affiliate Transfer Fee Memorandum Account

a. Purpose:

The purpose of the Affiliate Transfer Fee Memorandum Account is to record transfer fees received by Southern California Edison Company (SCE) from covered affiliates when an employee of SCE is transferred, assigned, or otherwise employed by the affiliate pursuant to Appendix A, Rule V.G.2.c. of Decision No. 97-12-088 as modified by Decision No. 98-08-035. All transfer fees paid to SCE shall be accounted for in the Affiliate Transfer Fee Memorandum Account and tracked for future ratemaking treatment, on an annual basis.

b. Entries made to the Affiliate Transfer Fee Memorandum Account:

Entries to the Affiliate Transfer Fee Memorandum Account shall be made each month in the following manner. A credit entry equal to the transfer fee received by SCE from a covered affiliate when an employee of SCE is transferred, assigned, or otherwise employed by the covered affiliate.

Interest shall accrue monthly by applying the Interest Rate to the average of the beginning and ending balance in the Affiliate Transfer Fee Memorandum Account.

Disposition of the amounts recorded in the Affiliate Transfer Fee Memorandum Account shall be determined in the annual Revenue Adjustment Proceeding (RAP).
N. MEMORANDUM ACCOUNTS (Continued)

30. Avoided Cost Calculator Memorandum Account (ACCMA)

1. Purpose

The purpose of the ACCMA is to record SCE’s portion of costs reimbursed to the Commission or their contractor for updating the Avoided Cost Calculator and providing technical assistance or research for the purpose of advancing future refinement of cost-effective methods pursuant to D.16-06-007. Amounts paid by SCE may not exceed SCE’s portion of the adopted funding of $500,000 per year for three years beginning with fiscal year 2016-17, and $100,000 per year thereafter beginning in fiscal year 2019-20 on a going forward basis until or unless the Commission determines that updates to the Avoided Cost Calculator are no longer needed. The funds reimbursed by the utilities will be based on their current energy efficiency allocation, as determined in R.13-11-005.

2. Operation of the ACCMA

Entries to the ACCMA shall be determined on a monthly basis as follows:

a. A debit entry equal to SCE’s share of the actual reimbursed expenses;

b. A credit entry to transfer the balance to other accounts for recovery in rates, upon approval by the Commission; and


3. Disposition and Review Procedures

As authorized in D.16-06-007, SCE will seek recovery of the costs booked to the ACCMA in a general rate case proceeding where the Commission will determine if the costs are reasonable and incremental to current revenue requirements.
(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

31. Not Used (D)
N. MEMORANDUM ACCOUNTS (Continued)

32. Distribution Deferral Administrative Costs Memorandum Account (DDACMA)
   
   a. Purpose
      
      The purpose of the Distribution Deferral Administrative Costs Memorandum Account (DDACMA) is to record solicitation-related incremental administrative costs associated with the Utility Regulatory Incentive Pilot as adopted in Decision 16-12-036 and the Distributed Resources Plan (DRP) Distribution Investment Deferral Framework (DIDF) adopted in Decision 18-02-004.
      
      The DDACMA consists of the following sub accounts
      
   b. Operation of the IDERACMA sub account
      
      Entries to the IDERACMA shall be determined on a monthly basis as follows:
      
      (1) A debit entry equal to the IDER solicitation-related incremental administrative costs;
      
      (2) A credit entry to transfer the balance to other accounts for recovery in rates, upon approval by the Commission; and
      
      
   c. Operation of the DIDFACMA sub account
      
      Entries to the DIDFACMA shall be determined on a monthly basis as follows:
      
      (1) A debit entry equal to the DIDF solicitation-related incremental administrative costs;
      
      (2) A credit entry to transfer the balance to other accounts for recovery in rates, upon approval by the Commission; and
      
N. MEMORANDUM ACCOUNTS (Continued)

32. Distribution Deferral Administrative Costs Memorandum Account (DDACMA) (Continued)

d. Disposition and Review Procedures

The recorded solicitation-related Administrative Costs in the DDACMA are considered pre-approved for recovery through the Tier 3 Advice Letters requesting Commission approval of the estimated administrative costs. These costs are pre-approved for recording and recovery and will be reviewed by the Commission in SCE’s next GRC. SCE will provide a copy of the memorandum account recovery request in its 2021 GRC to the Energy Division’s IDER group. Administrative costs exceeding the estimate approved in the Tier 3 advice letters are subject to a reasonableness review.

33. Vehicle-Grid Integration Working Group Facilitator Memorandum Account (VGIWGFMA)

a. Purpose

Pursuant to Ordering Paragraph 7 of the Assigned Commissioner’s Scoping Memo and Ruling (Ruling) in the Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification (R.18-12-006), the purpose of the Vehicle-Grid Integration (VGI) Working Group Facilitator Memorandum Account (VGIWGFMA) is to track costs associated with hiring a technical facilitator for a six-month period, with possible extension, that will organize and facilitate the interagency VGI Working Group. Facilitator costs allocated to each Investor Owned Utility will be determined through a co-funding agreement between Southern California Edison (SCE), Pacific Gas & Electric (PG&E), and San Diego Gas & Electric (SDG&E).

b. Operation of the VGIWGFMA

SCE shall maintain the VGIWGFMA by making entries as follows:

1) A debit entry equal to SCE’s allocated co-funding share of the technical facilitator-related costs associated with the work of the VGI Working Group Facilitator;

2) An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor; and

3) A credit entry to transfer the balance to another regulatory account for recovery in rates.

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

33. Vehicle-Grid Integration Working Group Facilitator Memorandum Account (VGIWGFMA) (Continued)
   c. Review and Disposition of the Balance

   The VGIWGFMA balance will be reviewed for reasonableness by the Commission’s Energy Division via a Tier 2 Advice Letter. SCE will propose its method of cost recovery for the VGIWGFMA balance in this Tier 2 Advice Letter.

34. Community Choice Aggregators Audit Memorandum Account (CCAAMA)
   a. Purpose

   The purpose of the Community Choice Aggregators Audit Memorandum Account (CCAAMA) is to record the costs associated with audits prepared by independent auditors verifying that SCE is in compliance with the Code of Conduct pursuant to Decision (D.)12-12-036.

   b. Operation of the CCAAMA

   Monthly entries to the CCAAMA shall be determined as follows:

   (1) A debit entry equal to the independent auditors costs; and

   (2) Interest shall accrue monthly to the CCAAMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the CCAAMA.

   c. Disposition and Review Procedures

   Pursuant to D.12-12-036, SCE will request cost recovery of the balance in the CCAAMA in Phase 1 of its General Rate Case or other appropriate proceeding, subject to the final disposition of each CCA Code of Conduct audit. Upon approval by the Commission, the balance in the CCAAMA will be transferred to the distribution subaccount of the BRRBA for recovery from all customers.
N. MEMORANDUM ACCOUNTS (Continued)

35. Aliso Canyon Energy Savings Assistance (ESA) Program Memorandum Account (ACESAPMA)

In compliance with Commission Decision (D.)16-04-040, the Aliso Canyon ESA Program Memorandum Account (ACESAPMA) is established to allow SCE to track expenses related to its response to the Aliso Canyon emergency through an expansion of programs within its 2015-2017 Energy Savings Assistance (ESA) Program authority (A.14-11-007).

SCE shall maintain the ACESAPMA by making monthly entries as follows:

a. A debit entry equal to the energy savings assistance program incurred expenses related to SCE’s emergency response and expansion of programs within A.14-11-007; and

b. An entry equal to interest expense by applying one twelfth of the Interest Rate to the average of the beginning and ending balance in the ACESAPMA.

Recovery of actual costs incurred will be through unspent and underspent funds in SCE’s existing ESA Program Adjustment Mechanism (ESAPAM). The ACESAPMA will separately track the incurred costs for informational purposes which will allow the Commission to defer determination of ultimate responsibility for these costs until a future proceeding examines all expenditures associated with the Aliso Canyon leak.
N. MEMORANDUM ACCOUNTS (Continued)

36. Wireless Fidelity Costs Memorandum Account

1. Purpose

The purpose of the Wireless Fidelity Costs Memorandum Account (WFCMA) is to record differences between: (1) Recorded Initialization of Service Charge revenues; and (2) Recorded Initialization of Service incremental costs, consistent with Resolution E-4120.

2. Effective Date

The effective date of the WFCMA is September 24, 2007.

3. Operation of the WFCMA

Entries to the WFCMA shall be made as follows:

a. A credit entry to record Initialization of Service Charge revenues;

b. A debit entry to record Initialization of Service Charge-related incremental costs for:

   (i) Entering data into SCE’s facilities mapping system for each individual streetlight; and

   (ii) Establishing service accounts.

c. An entry to record interest expense calculated by applying the Interest Rate to the average monthly balance of the WFCMA.

4. Review of Amounts Recorded in the WFCMA

The Commission shall review amounts recorded in the WFCMA in an appropriate ERRA Reasonableness of Operations proceeding consistent with Resolution E-4120. In addition, in accordance with Ordering Paragraph 5 of Resolution E-4120, SCE shall justify the Customer Charge-related costs reflected in Schedule Wi-Fi-1 in an appropriate ERRA Reasonableness of Operations proceeding.
(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

37. Not Used. (D)
PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

38. Tax Accounting Memorandum Account (TAMA) (Continued)

a. Purpose:

The purpose of the two-way Tax Accounting Memorandum Account (TAMA) is to track the impact on the Authorized CPUC Jurisdictional Revenue Requirement as adopted in Decision (D.)15-11-021 resulting from: (1) any income tax accounting method change associated with the Internal Revenue Service (IRS) or California Franchise Tax Board (CFTB) for tax years 2015 through 2017, (2) any changes in Federal or California tax law, final or temporary regulations or other administrative guidance that impacts the determination of depreciation and/or repair deductions for tax years 2015-2017 (including, but not limited to, the impact from the Tax Increase Prevention Act of 2014 on years 2015-2017 and the impact from the Protecting Americans from Tax Hikes Act (PATH) of 2015), (3) the difference between authorized and recorded Federal and California non-pole loading net repair deductions for 2015-2017, (4) any adjustments arising from audits, administrative appeals proceeding or litigation impacting items 1-3 above and (5) a change in authorized revenue requirements as determined by the CPUC, if any, resulting from an IRS private letter ruling regarding compliance with normalization regulations. The TAMA shall remain open until the IRS and CFTB audit periods for tax years 2015 – 2017 are closed statutorily. The account may only be closed upon Commission approval of such a request.

b. Definitions:

(1) CPUC Jurisdictional Authorized TAMA Revenue Requirement


<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Authorized Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2015</td>
<td>$5,182,297</td>
</tr>
<tr>
<td>January 1, 2016</td>
<td>$5,385,537</td>
</tr>
<tr>
<td>January 1, 2017</td>
<td>$5,640,432</td>
</tr>
</tbody>
</table>

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

38. Tax Accounting Memorandum Account (TAMA) (Continued)

b. Definitions: (Continued)

(2) The Interest Rate used to determine the monthly interest owed to (i.e. over-collection), or recovered from (i.e. under-collection) customers 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.

(3) Monthly Distribution Percentages

The Monthly Distribution Percentages (MDPs) applicable to the TAMA authorized funding levels shall be the generation and distribution MDPs included in Preliminary Statement YY, Base Revenue Requirement Balancing Account (BRRBA).

(4) Rate of Return on Rate Base

The rate of return on SCE’s rate base shall be the currently authorized rate of return adopted in D.13-03-015.

c. Operation of the TAMA:

Entries in the TAMA shall be made as described below. The items impacting TAMA are generally determined at points in time and shall be recorded in the TAMA for each annual period based on data recorded for financial reporting purposes and subsequently updated to reflect the amounts reflected in the Federal and California income tax returns, settled audits and final litigation. The description below relates to the cumulative amounts to be recorded in the TAMA. When applicable, entries in sections c(1) - c(4) below will be grossed up consistent with other income tax items to an authorized revenue requirement adjustment. Additionally, to avoid duplication of entries, if a change in income tax expense is required to be recorded in the TAMA as a result of items c(1) through c(4), below, the change will only be recorded once, even in an instance where the required change could overlap and be applicable to more than one of the sections.

(1) Change in Income Tax Accounting Method

(a) Debit entry equal to the calculated revenue requirement less a provision for Franchise Fees & Uncollectibles (FF&U) based on the FF&U rate adopted in D.15-11-021, that includes the impact from any such change in SCE’s Federal or California income tax accounting methods, including the correlative impact to other deductions, (e.g. Section 199 deductions);
N. MEMORANDUM ACCOUNTS (Continued)

38. Tax Accounting Memorandum Account (TAMA) (Continued) (N)
   c. Operation of the TAMA: (Continued)
      (1) Change in Income Tax Accounting Method (Continued)
          (b) Credit entry equal to the 2015 General Rate Case authorized revenue requirement less a provision for FF&U based on the FF&U rate adopted in D.15-11-021;

      (2) Change in Tax Law or Regulations or Other Administrative Guidances
          (a) Debit entry equal to the calculated revenue requirement less a provision for FF&U based on the FF&U rate adopted in D.15-11-021, that includes the impact from any such Federal or California change in tax law or regulations or procedures impacting tax depreciation or repair deductions for tax years 2015-2017, including the correlative impact to other deductions, (e.g. Section 199 deductions);

          (b) Credit entry equal to the 2015 General Rate Case authorized revenue requirement less a provision for FF&U based on the FF&U rate adopted in D.15-11-021;

      (3) Change in Non-Pole Loading Net Repair Deductions
          (a) Positive entry equal to recorded net repair deductions associated with non-pole loading recorded repair deductions (Recorded Non-Pole Loading Net Repair Deductions);

          (b) Negative entry equal to the 2015 General Rate Case authorized non-pole loading net repair deduction adopted in D.15-11-021 (Authorized Non-Pole Loading Net Repair Deductions);

          (c) Negative entry equal to calculated book depreciation for the period using a 30-year estimated life for the difference between Recorded Tax Repair Deductions and Authorized Tax Repair Deductions (Book Depreciation Offset);

   The sum of the amounts included in (a), (b), and (c) above, shall be multiplied by SCE’s marginal Federal and California tax rates (including the Federal impact of state tax deductions), and grossed up consistent with other income tax items to an authorized revenue requirement adjustment. (N)
N. MEMORANDUM ACCOUNTS (Continued)

38. Tax Accounting Memorandum Account (TAMA) (Continued)

c. Operation of the TAMA: (Continued)

(4) **Authorized Revenue Adjustment, if Any, from Compliance with IRS Normalization Regulations**

- Entry equal to the change in the authorized revenue requirement less a provision for FF&U based on the FF&U rate adopted in D.15-11-021, as determined by the CPUC, as a result of an IRS private letter ruling regarding compliance with the IRS normalization regulations.

(5) **(Over)/Under Collection.** The sum of the annual amounts calculated in parts (1) through (4) shall be multiplied by the applicable MDP and the resulting amounts will be used to compute the monthly over (under) collection for purposes of calculating interest accrued to the TAMA. Interest shall accrue monthly to the TAMA by applying the Interest Rate to the average of the beginning of month and end of month balance in the TAMA.

d. Disposition:

Upon Commission approval, SCE shall transfer on an annual basis any non-generation-related (over)/under-collection in the TAMA to the distribution Sub-Account of the BRRBA as of December 31 to be returned to or recovered from customers. Upon Commission approval, SCE shall transfer on an annual basis any (over)/under-collection in the TAMA to the Legacy UOG and 2004-2009 Sub-Accounts of the Portfolio Allocation Balancing Account as of December 31st to be returned to or recovered from customers.

e. Review Procedures

SCE shall submit, by the end of May, an annual Tier 2 Advice Letter to the Commission that reports the recorded operation of the TAMA. The advice letter will include all necessary information and supporting workpapers for the Commission to review and approve the recorded operation of the TAMA.

The cumulative recorded activity in the TAMA will be reviewed in SCE’s future General Rate Cases (GRC) and will include the cumulative revenue requirement associated with changes in income tax expense (reflecting the tax gross-up). In the 2018 GRC application, SCE shall propose how to address future activities in this account.
(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

39. Not Used (D)

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

39. Not Used (T)
N. MEMORANDUM ACCOUNTS (Continued)

39. Not Used
N. MEMORANDUM ACCOUNTS (Continued)

39. Not Used (D)
Preliminary Statement

N. Memorandum Accounts (Continued)
   40. Greenhouse Gas (GHG) Customer Outreach and Education Memorandum Account (GHGCO&EMA)

   a. Purpose

   The purpose of the Greenhouse Gas (GHG) Customer Outreach and Education Memorandum Account (GHGCO&EMA) is to record the: (1) 2013 authorized funding of $1.4 million associated with a competitively neutral interim customer outreach and education program to be administered by the California Center for Sustainable Energy (CCSE) on behalf of all customers, including CCA and DA customers, (2) costs to engage a firm with marketing and public relations expertise that will be responsible for proposing expanded customer outreach and education activities through 2015, with SCE’s costs not to exceed its proportionate share of $500,000, allocated based on percentage of retail sales, and (3) GHG customer outreach and education costs for future year’s plans as authorized by the Commission.

   b. Operation of the GHGCO&EMA

   Monthly entries to the GHGCO&EMA shall be determined as follows:

   1. A debit entry equal to the 2013 authorized funding amount of $1.4 million upon consignment of these funds to the CCSE to develop and administer a competitively neutral, statewide outreach and education program,

   2. A debit entry equal to the recorded incremental expenses for the distribution to customers of communications from the Commission, upon request from the Director of the Energy Division, providing information about AB32 and the cap-and-trade program, included in the $1.4 million above,

   3. A debit entry equal to SCE’s proportionate share of up to $500,000 in costs, allocated based on percentage of retail sales, to engage a firm with marketing and public relations expertise that will be responsible for proposing expanded customer outreach and education activities through 2015, not included in the $1.4 million above,
N. MEMORANDUM ACCOUNTS (Continued)

40. Greenhouse Gas (GHG) Customer Outreach and Education Memorandum Account: (GHGCO&EMA) (Continued)

b. Operation of the GHGCO&EMA (Continued)

4. A debit entry for future years’ (post-2013) GHG customer outreach and education plan expenses related to activities as authorized by the Commission, and

5. An entry to record interest expense by applying the Interest Rate to the average monthly balance in the GHGCO&EMA.

c. Disposition

GHG customer outreach and education costs as set forth above are to be funded by GHG allowance revenues through the operation of the GHG Revenue Balancing Account commencing with the implementation of a Commission-adopted GHG revenue allocation methodology. Any remaining customer outreach and education funds at the end of a calendar year must be rolled over for use in subsequent years.

d. Review Procedures

Pursuant to D.14-10-033, reasonableness of amounts recorded in the GHGCO&EMA shall be determined in SCE’s annual Energy Resource Recovery Account (ERRA) Forecast application.
N. MEMORANDUM ACCOUNTS (Continued)

41. Biomass Memorandum Account (BioMASSMA)
   a. Purpose

   The purpose of the BioMASSMA is to track the procurement costs incurred as the result of the requirements of Commission Resolution E-4805 that ordered SCE to solicit capacity generated from biofuel supplied from dead and dying forest material from Fuel High Hazard Zones (HHZ) pursuant to Senate Bill (SB) 859 and Resolution E-4770 that also ordered SCE to solicit capacity generated from biofuel supplied from dead and dying forest material from HHZs.

   b. Operation of the BioMASSMA

   Monthly entries to the BioMASSMA shall be determined as follows:

   (1) A debit entry equal to the contract cost of biofuel procurement required by Resolution E-4805;

   (2) A credit entry equal to the energy and ancillary services revenue as established in Appendix A of D.07-09-04, Section IX.B.2;

   (3) A credit entry equal to the Value of Resource Adequacy (RA) credits as determined by internet solicitations to sell RA credits to SCE from these BioRAM contracts;¹ and

   (4) Interest expense by applying the Interest Rate to the average monthly BioMASSMA balance.

   c. Interest rate

   The interest rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-financial, from the Federal Reserve Statistical Release H.15. If in any month a nonfinancial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

   d. Disposition

   Disposition of amounts recorded in the BioMASSMA will be determined by the Commission in a future application.

¹: SCE will establish a reservation price that it will share in confidence with Energy Division. If bids do not exceed the reservation price, then SCE will have the option to procure the RA. If Advice Letter approval of these BioRAM contracts occurs after the 45 day window for showing on the RA supply plans, then SCE will credit the memorandum account the Commission Approved RA Value.
N. MEMORANDUM ACCOUNTS (Continued)

42. Department of Energy Litigation Memorandum Account (DOELMA)

The purpose of the Department of Energy Litigation Memorandum Account (DOELMA) is to record:

(1) SCE’s incremental litigation costs; and (2) damages and other proceeds received by SCE from the federal government associated with the breach of contract complaint brought by SCE against the DOE for failure to take possession of San Onofre Nuclear Generating Station (SONGS) spent nuclear fuel.

Incremental litigation costs recorded in the DOELMA shall only include costs incurred by SCE for outside counsel, expert witnesses, and other outside litigation costs specifically identified with SCE’s breach of contract litigation with the DOE. SCE’s in-house counsel costs and other in-house DOE-related litigation costs shall not be recorded in the DOELMA.

SCE shall maintain the DOELMA by making monthly entries as follows:

a. A debit entry to record incremental costs incurred by SCE for outside counsel, expert witnesses, and other outside litigation costs specifically identified with the DOE litigation;

b. A credit entry to record proceeds received by SCE from the federal government; and

c. An entry to record interest expense by applying the Interest Rate to the average of the beginning-of-month and end-of-month DOELMA balances.

2. Disposition of Net Amount Recorded in the DOELMA

At a future date, SCE shall make a proposal to dispose of the net amount recorded in the DOELMA in an application before the Commission. In its application, SCE shall also justify the reasonableness of its incremental litigation costs recorded in the DOELMA.
PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

43. BioRAM Memorandum Account (BioRAMMA)
   a. Purpose
      The purpose of the BioRAMMA is to track the procurement costs incurred as the result of the requirements of Commission Resolution E-4770 that ordered SCE to solicit capacity generated from biofuel supplied from dead and dying forest material in high hazard zones to address an Emergency Proclamation using the Renewable Auction Mechanism (RAM) procurement process.
   b. Operation of the BioRAMMA
      Monthly entries to the BioRAMMA shall be determined as follows:
      (1) A debit entry equal to the contract cost of biofuel procurement required by Resolution E-4770;
      (2) A credit entry equal to the energy and ancillary services revenue as established in Appendix A of D.07-09-04, Section IX.B.2;
      (3) A credit entry equal to the value of Resource Adequacy (RA) credits as determined by internet solicitations to sell the RA credits to SCE from these BioRAM contracts;¹ and
      (4) Interest expense by applying the Interest Rate to the average monthly BioRAMMA balance.
   c. Interest rate
      The interest rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-financial, from the Federal Reserve Statistical Release H.15. If in any month a nonfinancial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.
   d. Disposition
      Disposition of amounts recorded in the BioRAMMA will be determined by the Commission in a future application.

¹. SCE will establish a reservation price that it will share in confidence with Energy Division. If bids do not exceed the reservation price, then SCE will have the option to procure the RA. If Advice Letter approval of these BioRAM contracts occurs after the 45 day window for showing on the RA supply plans, then SCE will credit the memorandum account the Commission Approved RA Value.
N. MEMORANDUM ACCOUNTS (Continued)

44. Not Used. (D)
N. MEMORANDUM ACCOUNTS (Continued)

45. Fire Risk Mitigation Memorandum Account

a. Purpose

Pursuant to Public Utilities Code § 8386(j), the purpose of the Fire Risk Mitigation Memorandum Account (FRMMA) is to track costs incurred for fire risk mitigation that are not otherwise covered in SCE’s revenue requirements. Costs tracked in the FRMMA will not include costs approved for recovery in SCE General Rate Cases (GRCs) or costs recorded to other memorandum accounts, such as SCE’s Catastrophic Event Memorandum Account (CEMA), Fire Hazard Prevention Memorandum Account (FHPMA), Grid Safety and Resiliency Program Memorandum Account (GSRPMA), and the memorandum account approved as part of SCE’s annual Wildfire Mitigation Plan, as provided in Public Utilities Code § 8386(e).

b. Operation of the FRMMA

Monthly entries to the FRMMA shall be determined as follows:

1) A debit entry equal to the expenses incurred related to fire risk mitigation work;
2) A debit or credit entry equal to the revenue requirement based on the incremental recorded capital costs of plant related to fire risk mitigation work. Capital revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
3) A credit entry to record the transfer of amounts to or from other regulatory accounts as authorized by the Commission; and
4) Interest shall accrue monthly to the FRMMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the FRMMA.

c. Disposition and Review Procedures

The costs tracked in the FRMMA shall be presented to the Commission for review of reasonableness and recovery in a future application, consistent with P.U. Code Sections 8386(g) and 8386(j). Costs tracked in the FRMMA may be recovered in rates only after a request by SCE, a showing of reasonableness, and approval by the Commission.
N. MEMORANDUM ACCOUNTS (Continued)

46. Mohave SO2 Allowance Revolving Fund Memorandum Account (MSARFMA)
   
a. Purpose

   The purpose of the Mohave SO2 Allowance Revolving Fund Memorandum Account (MSARFMA) is to record the net proceeds from the sale of sulfur dioxide (SO2) emission allowances rendered surplus by the closure of the Mohave Generating Station and to maintain and account for the revolving fund from the sale and use of these emission credits established by D.13-02-004. Pursuant to D.13-02-004, the termination date of this revolving fund is the later of December 31, 2026 or upon the return of the last funds provided, unless terminated or altered earlier by the Commission.

b. Operation of the MSARFMA

   Monthly entries to the MSARFMA shall be determined as follows:

   1. A one-time credit entry equal to the transfer of the net proceeds from SCE’s sale of its SO2 emission allowances from the Mohave Generating Station of allocation years 2006 and later that are recorded in the Energy Resource Recovery Account Balancing Account (ERRA BA) as of the date this MSARFMA is established.

   2. A credit entry to record the net proceeds from SCE’s sale of its SO2 emission allowances from the Mohave Generating Station of allocation years 2006 and later.

   3. A debit entry to record funds advanced for projects being developed to provide SCE RPS-eligible generation, for such projects’ use as their early-stage deposits (such as shortlist deposits or development security deposits) as long as these projects meet the criteria for benefit to the Hopi Tribe or Navajo Nation as provided in D.13-02-004, and meet all applicable requirements of SCE’s RPS procurement process.

   4. A credit entry to record funds returned when no longer required by the project for such use, or if the project is withdrawn or cancelled or otherwise relinquishes its deposit.
N. MEMORANDUM ACCOUNTS (Continued)

46. Mohave SO2 Allowance Revolving Fund Memorandum Account (MSARFMA) (Continued)

   c. Interest Expense

   Interest will accrue monthly to the MSARFMA by applying one twelfth of the Interest Rate to the average of the beginning and ending balance of the MSARFMA. The Interest Rate shall be one-twelfth of the Federal Reserve three months Commercial Paper Rate—Non Financial, from the 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. Review Procedures

   The recorded entries in the MSARFMA will be included in the annual April ERRA Review proceeding for Commission review of entries to the MSARFMA, including proceeds from the sale of the Mohave SO2 allowances, the amount of funds available in the revolving fund, and funds advanced to qualifying projects.

   e. Disposition

   All funds attributable to SCE’s sale of surplus Mohave SO2 allowances prior to January 1, 2027 must be provided to SCE customers through rates no later than 15 months after termination of the revolving fund. The balance recorded in the MSARFMA as of its termination date shall be returned to customers through the operation of the ERRA BA. Upon termination of the revolving fund, SCE will transfer the balance in the MSARFMA to the ERRA BA to include in rate levels.
N. MEMORANDUM ACCOUNTS (Continued)

47. Energy Division Director’s Peer Review Group Memorandum Account (PRGMA)

a. Purpose

Pursuant to Ordering Paragraph No. 10 in D.12-05-004, SCE is establishing the Energy Division Director’s Peer Review Group Memorandum Account (PRGMA). The purpose of the PRGMA is to record SCE’s 78.21 percent share of incremental O&M expenses associated with the peer review group expenses.

b. Operation of the PRGMA

Monthly entries to the PRGMA shall be determined as follows:

1) A debit entry equal to SCE’s 78.21 percent share of incremental O&M expenses associated with the Energy Division Director’s coordination with the California Energy Commission, the California Geologic Survey, the California Coastal Commission, the California Emergency Management Agency, and the California Seismic Safety Commission, as well as outside experts, to conduct a review and provide written comments for SCE’s SONGS 2&3 seismic study plans prior to implementation and to conduct a review and provide written comments on the findings and/or results of the studies.

2) A debit entry equal to the interest on the average of the beginning of the month and end of the month balances multiplied by one-twelfth of the Interest Rate.

The PRGMA balance shall be reviewed in the annual April 1st ERRA Review proceeding. SCE will propose disposition of the PRGMA balance in the ERRA Review proceeding.
N. MEMORANDUM ACCOUNTS (Continued)

48. Greenhouse Gas (GHG) Administrative Costs Memorandum Account (GHGACMA)

a. Purpose

The purpose of the Greenhouse Gas (GHG) Administrative Costs Memorandum Account (GHGACMA) is to record the initial and on-going administrative costs incurred in order to implement the Commission-adopted GHG revenue allocation methodology, pursuant to D.12-12-033.

b. Operation of the GHGACMA

Monthly entries to the GHGACMA shall be determined as follows:

1. Debit entries equal to the recorded Operation and Maintenance (O&M) and capital-related revenue requirements incurred for all incremental administrative activities SCE is required to undertake to implement the Commission-adopted GHG allowance revenue allocation methodology. The capital-related revenue requirements shall include depreciation expense, return on rate base, federal and state income taxes, and property taxes. These O&M and capital costs may include implementation and on-going costs, related, but not limited, to:
   a. System and billing upgrades in order to track GHG costs and revenues, and
   b. On-going administrative costs necessary to distribute GHG revenues to the appropriate customer groups, and

2. Debit entries equal to recorded SCE-specific customer outreach and education costs, and

3. Debit entries equal to SCE’s share of recorded expenses associated with reimbursements to the Commission’s Energy Division in retaining a consultant to undertake an evaluation of the possible expansion of the EITE designation, and

4. Debit entries equal to SCE’s recorded costs associated with outreach efforts targeted to entities that have annual direct emissions less than 10,000 MTCO\textsubscript{2}e and Non-Covered Subsector Entities, as defined in Schedule EITE, and

5. Debit entries equal to SCE’s recorded costs associated with collecting, managing, and verifying customer attestations submitted by entities that have annual direct emissions less than 10,000 MTCO\textsubscript{2}e and Non-Covered Subsector Entities, as defined in Schedule EITE, and

6. An entry to record interest expense by applying the Interest Rate to the average monthly balance in the GHGACMA,
PRELIMINARY STATEMENT

N. MEMORANDUM ACCOUNTS (Continued)

48. Greenhouse Gas (GHG) Administrative Costs Memorandum Account (GHGACMA) (Continued)

   c. Disposition

   GHG administrative costs as set forth above are to be funded by GHG allowance revenues through the operation of the GHG Revenue Balancing Account commencing with the implementation of a Commission-adopted GHG revenue allocation methodology. Any remaining administrative funds at the end of a calendar year must be rolled over for use in subsequent years.

   d. Review Procedures

   Pursuant to D.14-10-033, reasonableness of amounts recorded in the GHGACMA shall be determined in SCE’s annual Energy Resource Recovery Account (ERRA) Forecast application.


   a. Purpose

   The purpose of the NEM-A Billing Automation Costs Memorandum Account (NEMABACMA) is to track the costs that SCE incurs to automate NEM-A in its billing system and produce automated bills for customers electing to participate in NEM-A over the course of one year, pursuant to Resolution E-4881.

   b. Operation of the NEMABACMA

   Monthly entries to the NEMABACMA shall be determined as follows:

   1. Credit entries equal to the billing services set-up and monthly fees charged to each applicable account in an NEM-A arrangement; and,

   2. Debit entries equal to the costs incurred by SCE to automate NEM-A and produce automated bills for NEM-A customers, as outlined in Advice 3351-E-A.

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)


c. Review and Disposition

The NEMABACMA is for tracking purposes only and not cost recovery, as the costs associated with automated NEM-A billing are to be recovered via the NEM-A automated billing services charges adopted in Resolution E-4881. Within 15 months of the date SCE implements NEM-A in its automated billing system, SCE must file a Tier 1 advice letter documenting the tracked costs in the NEMABACMA.
N. MEMORANDUM ACCOUNTS (Continued)

50. Not in Use (D)
N. MEMORANDUM ACCOUNTS (Continued)

51. Long-Term Procurement Plan Technical Assistance Memorandum Account (LTAMA)

1. Purpose
The purpose of the LTAMA is to record the technical assistance costs incurred by the Commission and paid by SCE in connection with the implementation and administration of the Long-Term Procurement Plan (LTPP). Pursuant to D.07-12-052, the Executive Director of the Commission is authorized to hire and manage one or more contractors to provide technical support to Commission staff in several areas. These areas include general program design, implementation and evaluations, design and evaluation of a more rigorous portfolio evaluation approach to long-term resource planning, and other tasks identified to promote LTPP program goals and maintain a reliable, cost-effective, and environmentally sound electric supply in California.

2. Operation of the LTAMA
SCE shall maintain the LTAMA by making entries at the end of each month as follows:

a. A debit entry equal to the technical assistance costs incurred by the Commission and paid by SCE related to the implementation and administration of the LTPP.

b. A debit entry equal to the interest expense on the average monthly balance in the LTAMA, calculated by using a rate equal to one-twelfth of the three-month Commercial Paper rate (as reported in the Federal Reserve Statistical Release, H.15 or its successor). Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest shall accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H.15 or its successor publication.

c. A credit entry at the end of each calendar year to transfer the balance in the LTAMA to the Energy Resource Recovery Account (ERRA) and reviewed as part of the annual April ERRA proceeding.
N. MEMORANDUM ACCOUNTS (Continued)

52. Wildfire Expense Memorandum Account - (WEMA) (N)

a. Purpose:

The purpose of the Wildfire Expense Memorandum Account (WEMA) is to track all amounts paid by Southern California Edison Company (SCE) that are related to or are the result of a wildfire, and that were not previously authorized in SCE’s General Rate Case (GRC), including: (1) payments to satisfy Wildfire Claims, including any deductibles, co-insurance and other insurance expense paid by SCE; (2) outside legal expenses incurred in the defense of wildfire claims; (3) payments made for wildfire insurance and related risk-transfer mechanisms; and (4) the cost of financing these amounts. Insurance proceeds, as well as any payments received from third parties, will be credited to the WEMA as they are received. Entries tracked in the WEMA will be segregated by wildfire event, or by cost type for costs not specific to a wildfire event.

b. Definitions:

i. Costs Arising From Wildfires: All incremental amounts paid by SCE that are the direct or indirect result of a wildfire, including (1) payments to satisfy Wildfire Claims, including any co-insurance, deductibles and other insurance expense paid by SCE, (2) outside legal expenses incurred in the defense of Wildfire Claims, (3) payments made for wildfire insurance and related risk-transfer mechanisms, including associated fees and taxes, and (4) the cost of financing these amounts. Only incremental costs may be recorded in the WEMA - Costs Arising From Wildfires shall exclude costs that have previously been authorized for recovery in rates in SCE’s GRC.

ii. Wildfire Claims: All incremental amounts paid by SCE to a third party in respect of a claim by such third party for damage or loss resulting directly or indirectly from a wildfire, including (1) claims by a governmental entity for the reimbursement of fire suppression costs, damages to environmental resources and other governmental claims against the SCE arising from a wildfire, and (2) claims arising from damage caused by mudslides that are alleged to have resulted from a wildfire.
(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

52. Wildfire Expense Memorandum Account - (WEMA) (Continued)

   c. Operation of the WEMA:

   SCE shall maintain the WEMA by making monthly entries as follows:

   (i) A debit entry equal to SCE’s Costs Arising From Wildfires;

   (ii) A credit entry equal to amounts received by SCE from insurance
        companies or other third parties in respect of Costs Arising From
        Wildfires;

   (iii) A credit entry equal to amounts received by SCE from transmission
        customers through FERC authorized transmission rates for the recovery
        of costs related to wildfire claims;

   (iv) A credit entry equal to any wildfire related costs tracked in the WEMA
        that are recovered through the Z-factor mechanism described in
        Preliminary Statement Part AAA.5; and

   (v) An entry to record interest expense calculated by applying the Interest
       Rate to the average monthly balance in the WEMA.

   d. Disposition Procedures:

   The disposition of any amounts tracked in the WEMA that are incremental to
   amounts recovered in SCE’s GRC or other regulatory account, shall be
   established by a Commission decision through a subsequent application or
   through other appropriate filing as authorized by the Commission. SCE will
   ensure that any costs tracked in the Catastrophic Event Memorandum Account
   (CEMA) or in the Fire Hazard Prevention Memorandum Account (FHPMA) are
   excluded from the expenditures tracked in the WEMA.
N. MEMORANDUM ACCOUNTS (Continued)

53. Fire Hazard Prevention Memorandum Account

a. Purpose

The purpose of the Fire Hazard Prevention Memorandum Account (FHPMA) is to record the increase in costs incurred related to fire hazard prevention in compliance with Phase 1 D.09-08-029, Phase 2 D.12-01-032, R.15-05-006, and D.17-12-024.

These costs may include the following expenses:

1. vegetation management activities to reduce risk of fires;
2. cost of vegetation maintenance program, inspection, and patrolling requirements;
3. costs associated with designing, constructing, and maintaining facilities to mitigate fire hazards in high speed wind areas; and
4. other costs as required in order to implement Phase 3 of R.08-11-005.

D.14-01-010, Phase 3 of R.08-11-005 authorizes SCE to record 41% of up to $500K consistent with D.12-11-051 to develop Fire Map 1.

R.15-05-006, the successor to R.08-11-005 (D.14-01-010) authorizes SCE to record 43.4% of up to $500K to develop Fire Map 2.

D.17-12-024 authorizes SCE to track the costs incurred to implement the new regulations adopted by this Decision and to file an application to recover these costs. SCE will ensure that any costs tracked in the FHPMA shall be excluded from the expenditures tracked in the Catastrophic Event Memorandum Account.

b. Definitions:

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.
N. MEMORANDUM ACCOUNTS (Continued)

53. Fire Hazard Prevention Memorandum Account (Continued)

c. Operation of the FHPMA

SCE shall maintain the FHPMA by making monthly entries as follows:

1. Monthly debit entries associated with the costs described in parts a(1) – a(4) above CPUC jurisdictionalized.

2. Interest shall accrue monthly to the FHPMA by applying the Interest Rate to the average of the beginning-of-the-month and end-of-the-month balances in the FHPMA.

d. Disposition of the FHPMA Balance

In Phase 2 of Rulemaking 08-11-005, the Commission directed SCE to seek approval of 2012 expenses in its 2012 GRC. D.12-11-051 authorized recovery of Phase 1 and 2 expenses through the 2012 GRC CPUC base rates. FHPMA will remain open for R.15-05-006 costs until the first GRC after the rulemaking proceeding is closed. Recovery of the FHPMA ending balance may be sought by application.
N. MEMORANDUM ACCOUNTS (Continued)

54. Service Center Modernization Projects Memorandum Account (SCMPMA)

1. Purpose:

The purpose of Service Center Modernization Projects Memorandum Account (SCMPMA) is to record the costs associated with the Bishop, Kernville, Redlands, Ridgecrest, San Joaquin, and Santa Ana service center modernization projects. The SCMPMA will record the capital-related revenue requirements associated with the actual capital expenditures incurred for each of these projects from their dates of inception through completion. For comparison purposes, SCE will also include the monthly capital-related revenue requirements associated with the capital expenditures funding levels shown in D.19-05-020, Section 9.3.2.1 in the SCMPMA. This account is effective as of January 1, 2018.

2. Operation of the SCMPMA:

Monthly entries to the SCMPMA, by service center, shall be determined as follows:

a. A debit entry equal to the capital-related revenue requirement associated with the actual capital expenditures, which includes depreciation expense, return on rate base at the currently authorized rate of return on rate base and applicable taxes, such as income and ad valorem taxes; and

b. An entry to record interest expense by applying the Interest Rate to the average monthly balance in the SCMPMA.

3. Review and Disposition:

SCE will seek review for recovery of the amounts recorded in the SCMPMA from January 1, 2018 onwards in its next General Rate Case (GRC) proceeding or any other proceeding deemed appropriate by the Commission.
N. MEMORANDUM ACCOUNTS (Continued)

55. SAN ONOFRE NUCLEAR GENERATING STATION MEMORANDUM ACCOUNT (SONGSM)

a. Purpose

The purpose of the San Onofre Nuclear Generating Station Memorandum Account (SONGSM) is to track post-2011 SONGS Units 2&3-related direct capital expenditures, operation and maintenance (O&M) expenses; cost savings from scheduled personnel reductions; and maintenance and refueling outage expenses, pursuant to D.12-11-051, at the 100% level. Consistent with D.12-11-051, there will be no entries for amounts paid by the SONGS 2&3 participants.

b. Operations of the SONGSM

(1) Entries to the SONGSM shall be made on a monthly basis to track:

(a) 100% of recorded direct capital expenditures for SONGS 2&3;

(b) Routine O&M – Recorded 100% O&M expenses associated with “normal” operations and associated with the amounts authorized in SCE’s 2012 GRC. The costs are associated with the day-to-day activities including the following organizations at SONGS: engineering, operations and maintenance, radiation chemical control, regulatory, security, and training;

(c) 100% of cost savings from scheduled personnel reductions; and

(d) Refueling O&M – Recorded amount of 100% O&M expense associated with each refueling and maintenance outage, unless the units restart.
Preliminary Statement

(Continued)

N. Memorandum Accounts (Continued)

56. Not Used (D)
N. MEMORANDUM ACCOUNTS (Continued)

56. Customer Service Re-Platform Memorandum Account (CSRPMA)

1. Purpose:

The purpose of Customer Service Re-Platform Memorandum Account (CSRPMA) is to record the capital-related revenue requirements associated with capital expenditures from project inception to project close and Operations and Maintenance (O&M) expenses and benefits, from the beginning of the 2018 Test Year until these expenses begin to be recovered in rates. Recorded benefits shall include reductions associated with Customer Service Re-platforming in O&M expenses in other accounts. SCE shall continue to use the CSRPMA until such time as recovery of the approved Customer Service Re-platforming revenue requirement is included in a GRC revenue requirement. These items may be reviewed for recovery in the next GRC. This account is effective as of January 1, 2018.

2. Operation of the CSRPMA:

Monthly entries to the CSRPMA shall be determined as follows:

a. A debit entry equal to recorded O&M project expenses, including but not limited to: (1) incremental SCE labor, (2) supplemental labor, and (3) overhead loadings on incremental SCE labor. The overhead loading factors shall be based on authorized General Rate Case (GRC) loading factor rates.

b. A credit entry equal to recorded benefits associated with CSRP;

c. A debit entry equal to the capital-related revenue requirement, which includes depreciation expense, return on rate base at the currently authorized rate of return on rate base and applicable taxes, such as income and ad valorem taxes; and

d. An entry to record interest expense by applying the Interest Rate to the average monthly balance in the CSRPMA.

3. Review and Disposition:

Pursuant to Ordering Paragraph 10 of D.19-05-020, SCE may seek review for recovery of the amounts recorded in the CSRPMA in its next General Rate Case (GRC) proceeding.

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1 Recorded expenses shall exclude Short Term Incentive Programs, Pensions, PBOP’s, medical, dental and vision expenses because these costs are recorded in separate memorandum or balancing accounts.
PRELIMINARY STATEMENT

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

57. Not Used (T)(D)
N. MEMORANDUM ACCOUNTS (Continued)

58. Green Tariff Shared Renewables (GTSR) Administrative Costs Memorandum Account (GTSRACMA)

a. Purpose

The purpose of the Green Tariff Shared Renewables (GTSR) Administrative Costs Memorandum Account (GTSRACMA) is to record the difference between the revenues collected through the GTSR Administrative Charge and initial and on-going incremental administrative costs incurred in order to implement the Commission-adopted GTSR program, pursuant to D.15-01-051. The GTSR program consists of both a Green Tariff option and an Enhanced Community Renewables (ECR) option.

b. Operation of the GTSRACMA

Monthly entries to the GTSRACMA shall be determined as follows:

1. A credit entry equal to the GTSR Administrative Charge recorded revenues, less
2. A provision for Franchise Fees and Uncollectibles (FF&U), plus
3. Debit entries equal to the recorded incremental Operation and Maintenance (O&M) expense incurred for all incremental administrative activities SCE is required to undertake to implement the Commission-adopted GTSR program. O&M recorded expenses shall include labor and labor overhead loadings, material and contract costs.

These O&M costs may include up-front implementation and on-going costs, related, but not limited, to:

a. I.T.-related system modifications, including website and billing enhancements, on-line program enrollment capabilities (up-front SCE.COM modifications),
b. Customer Communications Center training and job aids,
c. Program management, and
d. Enrollment processing.
58. Green Tariff Shared Renewables (GTSR) Administrative Costs Memorandum Account (GTSRACMA) (Continued)

b. Operation of the GTSRACMA (Continued)

4. 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.

All recorded, incremental labor costs shall include provisions for overhead loadings on direct labor dollars to account for items such as benefits, results sharing and payroll taxes. The overhead loading factors shall be based on authorized GRC loading factor rates.

c. Disposition

In SCE’s annual Energy Resources Recovery Account (ERRA) Forecast proceedings; a Tier 2 advice letter; or by a separate application SCE will include any prior year over-collection or under-collection in the GTSRACMA (i.e. the true-up of recorded costs and revenues) in the forecast of the GTSR Administrative Charge, which may include resetting the forecast Administrative Charge to account for any prior year balance by adjusting the amortization of the remaining uncollected costs through the end of the GTSR program.

d. Review Procedures

Pursuant to D.15-01-051, reasonableness of amounts recorded in the GTSRACMA shall be determined in SCE’s annual ERRA Review proceedings.
N. MEMORANDUM ACCOUNTS (Continued)

59. Green Tariff Marketing, Education & Outreach Memorandum Account (GTME&OMA)

a. Purpose

The purpose of the Green Tariff Marketing, Education & Outreach (ME&O) Memorandum Account (GTME&OMA) is to record the difference between the revenues collected through the Green Tariff ME&O Charge and initial and on-going incremental ME&O costs incurred in order to implement the Commission-adopted Green Tariff, pursuant to D.15-01-051. The Green Tariff Shared Renewables (GTSR) program consists of both a Green Tariff option and an Enhanced Community Renewables (ECR) option. ME&O costs are to be tracked separately for the Green Tariff and ECR options.

b. Operation of the GTME&OMA

Monthly entries to the GTME&OMA shall be determined as follows:

1. A credit entry equal to the Green Tariff ME&O Charge recorded revenues, less

2. A provision for Franchise Fees and Uncollectibles (FF&U), plus

3. Debit entries equal to the recorded incremental Operation and Maintenance (O&M) expense incurred for all incremental ME&O activities SCE is required to undertake to implement the Commission-adopted Green Tariff. O&M recorded expenses shall include labor and labor overhead loadings, material and contract costs.

   These O&M costs may include up-front implementation and on-going costs, related, but not limited to:

   a. Broad-based marketing, including digital advertisements, flyers, and customer engagement communications,
   b. Target Marketing, including direct mail, email marketing, and market research, and
   c. On-line Portal development.

4. 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.

All recorded, incremental labor costs shall include provisions for overhead loadings on direct labor dollars to account for items such as benefits, results sharing and payroll taxes. The overhead loading factors shall be based on authorized GRC loading factor rates.

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

59. Green Tariff Marketing, Education & Outreach Memorandum Account (GTME&OMA)  
(Continued)

c. Disposition

In SCE’s annual Energy Resources Recovery Account (ERRA) Forecast proceedings; a Tier 2 advice letter; or by separate application, SCE will include any prior year over-collection or under-collection in the GTME&OMA (i.e. the true-up of recorded costs and revenues) in the forecast of the Green Tariff ME&O Charge, which may include resetting the forecast Green Tariff ME&O Charge to account for any prior year balance by adjusting the amortization of the remaining uncollected costs through the end of the GTSR program.

d. Review Procedures

Pursuant to D.15-01-051, reasonableness of amounts recorded in the GTME&OMA shall be determined in SCE’s annual ERRA Review proceedings.
N. MEMORANDUM ACCOUNTS (Continued)

60. Enhanced Community Renewables Marketing, Education & Outreach Memorandum Account (ECRME&OMA)

   a. Purpose

   The purpose of the Enhanced Community Renewables (ECR) Marketing, Education & Outreach (ME&O) Memorandum Account (ECRME&OMA) is to record the difference between the revenues collected through the ECR ME&O Charge and initial and on-going incremental ME&O costs incurred in order to implement the Commission-adopted ECR program, pursuant to D.15-01-051. The Green Tariff Shared Renewables (GTSR) program consists of both a Green Tariff option and an Enhanced Community Renewables (ECR) option. ME&O costs are to be tracked separately for the Green Tariff and ECR options.

   b. Operation of the ECRME&OMA

   Monthly entries to the ECRME&OMA shall be determined as follows:

   1. A credit entry equal to the ECR ME&O Charge recorded revenues, less

   2. A provision for Franchise Fees and Uncollectibles (FF&U), plus

   3. Debit entries equal to the recorded incremental Operation and Maintenance (O&M) expense incurred for all incremental ME&O activities SCE is required to undertake to implement the Commission-adopted ECR program. O&M recorded expenses shall include labor and labor overhead loadings, material and contract costs.

   These O&M costs may include up-front implementation and on-going costs, related, but not limited, to:

   a. Broad-based marketing, including digital advertisements, flyers, and customer engagement communications,

   b. Target Marketing, including direct mail, email marketing, and market research, and

   c. On-line Portal development.
N.  MEMORANDUM ACCOUNTS (Continued)

60. Enhanced Community Renewables Marketing, Education & Outreach Memorandum Account (ECRME&OMA) (Continued)

b. Operation of the ECRME&OMA (Continued)

4. 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.

All recorded, incremental labor costs shall include provisions for overhead loadings on direct labor dollars to account for items such as benefits, results sharing and payroll taxes. The overhead loading factors shall be based on authorized GRC loading factor rates.

c. Disposition

In SCE’s annual Energy Resources Recovery Account (ERRA) Forecast proceedings; a Tier 2 advice letter; or by separate application, SCE will include any prior year over-collection or under-collection in the ECRME&OMA (i.e. the true-up of recorded costs and revenues) in the forecast of the ECRM&O Charge, which may include resetting the forecast ECRM&O Charge to account for any prior year balance by adjusting the amortization of the remaining uncollected costs through the end of the GTSR program.

d. Review Procedures

Pursuant to D.15-01-051, reasonableness of amounts recorded in the ECRME&OMA shall be determined in SCE’s annual ERRA Review proceedings.
N. MEMORANDUM ACCOUNTS (Continued)

61. Residential Rate Implementation Memorandum Account (RRIMA)

a. Purpose

The purpose of the Residential Rate Implementation Memorandum Account (RRIMA) is to record SCE’s incremental operation and maintenance (O&M) costs and capital revenue requirement associated with complying with the direction of the Commission in Decision (D.) 15-07-001, Resolution E-4761 and D.19-07-004 on Residential Rate Reform and Transition to Time-of-Use (TOU) Rates.

b. Operation of the RRIMA

Monthly entries to the RRIMA shall be determined as follows:

1. A debit entry to record the costs of TOU pilots, including costs to design, implement, and measure the results of its opt-in and default pilots, implementation costs for pilot program management and pilot customer acquisition, as well as technology changes needed to implement pilot TOU rates in SCE’s billing and back office systems;

2. A debit entry to record the costs of TOU studies, including hiring of a consultant or consultants to assist in developing study parameters;

3. A debit entry to record the costs of marketing, education and outreach costs associated with the budgets approved in D.15-07-001 and D.19-07-004, including costs for the design and implementation of SCE’s general awareness and targeted outreach campaigns to drive customer awareness and understanding of the rate changes resulting from this decision;

4. A debit entry to record other reasonable expenditures necessary to implement D.15-07-001 and D.19-07-004, including development and implementation of system changes or enhancements that are needed to SCE’s billing, back office systems and website, and costs associated with the development and implementation of an on-line bill comparison tool that will provide individual customers with bill comparison information tailored to their individual usage; and

5. A debit entry to record costs associated with the mass transition of residential customers to default to TOU rates except for costs associated with bill protection pursuant to D.19-07-004.
N. MEMORANDUM ACCOUNTS (Continued)

61. Residential Rate Implementation Memorandum Account (RRIMA) (Continued)
   c. Disposition and Review of Amounts Recorded in the RRIMA

   Pursuant to D.15-07-001, the recovery of amounts recorded in the RRIMA shall be included in SCE’s next GRC application. SCE will seek recovery for the recorded amounts in RRIMA for the 2018-2020 period (pursuant to D.19-05-020) and for the 2021-2023 period (pursuant to D.19-07-004) in SCE’s annual ERRA Review proceedings. As with other Commission-approved memorandum accounts, the RRIMA will not guarantee recovery in rates of any of the recorded incremental costs, and recovery of any such costs shall be subject to Commission review and approval.

   d. Interest Expense

   Interest expense shall accrue monthly in the RRIMA by applying one-twelfth of the Federal Reserve’s three-month Commercial Paper Rate – nonfinancial, from the Federal Reserve’s Statistical Release H.15 (expressed as an annual rate) to the average monthly balance in the RRIMA. If a nonfinancial rate is not published by the Federal Reserve in a given month, SCE shall use the Federal Reserve’s three-month commercial paper rate – financial.

62. Rule 21 Cost Envelope Memorandum Account (CEOMA)

   a. Purpose:

   The purpose of the CEOMA is to track the actual interconnection costs that fall above or below the 25% Cost Envelope pilot, described in Decision (D.) 16-06-052 and incorporated in Rule 21. The Cost Envelope shall be enacted upon the developer’s final election of the Cost Envelope pilot within the Generator Interconnection Agreement (GIA). Upon signing the GIA, SCE and the developer agree that the 25% Cost Envelope shall be applied to the actual cost of Interconnection Facilities and/or Distribution System upgrades upon final accounting true-up, following SCE’s issuance of permission to operate. The Cost Envelope caps the developer’s contribution at 25% above or below the GIA estimate.

   b. Operation of the CEOMA

   Upon final accounting true-up, following the Permission to Operate letter, SCE shall make the following memorandum entries to the CEOMA on a monthly basis for projects that 1) are subject to the cost envelope and 2) have costs that are 25% above or below the GIA estimate:

   (Continued)
(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

b. Operation of the CEOMA (Continued)

(1) A debit entry equal to the amounts recorded in SCE’s O&M expense accounts that were incurred as a result of the cost envelope project;

(2) A debit or credit entry equal to the capital-related revenue requirements, excluding Franchise Fees & Uncollectibles (FF&U) expense. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes and property taxes associated with the costs of installed equipment;

(3) A credit equal to the deposits received from developers and/or applicants who select the Cost Envelope Option under D.16-06-052 and Rule 21; and

(4) A debit or credit entry equal to true-up billings made by developers and/or applicants for actual cost of Interconnection Facilities and/or Distribution System upgrades incurred by the Cost Envelope project, up to 25% over or under the GIA cost estimates.

c. Disposition and Review of Amounts tracked in the CEOMA

Pursuant to D.16-06-052, the recovery of amounts tracked in the CEOMA shall be included either in SCE’s GRC proceeding or by a subsequent application. If SCE seeks recovery of these costs either in the GRC or a subsequent application, SCE will include a technical report in support of the memorandum account, which provides a description of the main driver(s) of the inaccurate estimate, and an explanation of how SCE attempted to mitigate or take steps to prevent estimates outside of the 25% range.

d. Interest

Interest shall accrue monthly to the CEOMA by applying the interest rate to the average of the beginning-of-month and end-of-month balances recorded in the CEOMA. 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.

(Continued)
N. MEMORANDUM ACCOUNTS (Continued)

63. Tax Accounting Memorandum Account 2018 (TAMA 2018)

1. Purpose

The purpose of this two-way Tax Accounting Memorandum Account (TAMA 2018) is to record any revenue differences resulting from the income tax expenses forecasted in the 2018 General Rate Case (resolved in D.19-05-020) and the income tax expenses incurred during the 2018-2020 GRC period. The account will have separate line items detailing the differences between income tax expenses forecasted and income tax expenses incurred resulting from:

1) CPUC net revenue\(^1\) differences arising from the variance between authorized and recorded income taxes (“net revenue differences”) including, but not limited to, the return of excess deferred income taxes (EDIT) under the Average Rate Assumption Method;

2) Mandatory and elective tax law changes, including resulting from continuing impacts of the Tax Cuts and Jobs Act (TCJA) of 2017, and final or temporary regulations or other administrative guidance;

3) Mandatory and elective income tax method accounting changes associated with the Internal Revenue Service (IRS) or California Franchise Tax Board (CFTB);

4) Required changes to comply with tax normalization regulations resulting from IRS private letter rulings or other IRS-issued guidance; and

5) Any adjustments arising from audits, administrative appeals proceedings or litigation impacting items 1-4 above.

This TAMA 2018 is to remain open indefinitely until the Commission approves its closure, but in any event shall stay open sufficiently long enough to cover the impact of audits, and the duration of any applicable federal or state statute of limitations periods, for the 2018 to 2020 activities addressed herein.

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\(^1\) “CPUC net revenue” is referred to as “net operating revenue” in the RO Model.
N. MEMORANDUM ACCOUNTS (Continued)

63. Tax Accounting Memorandum Account 2018 (TAMA 2018) (Continued)

2. Definitions:

   a. “Net revenue” means pre-tax income less the associated income tax expense.

   b. “Net revenue differences” means the differences in net revenue resulting from the changes between income tax expenses forecasted and income tax expenses incurred, specifically resulting from Recorded CPUC-jurisdictional Taxes Based on Income (defined in 2.e, below) minus Authorized CPUC-jurisdictional Taxes Based on Income (defined in 2.c, below).


   e. “Recorded CPUC-jurisdictional Taxes Based on Income” means the actual income tax expense on pre-tax income plus the actual flow-through and permanent tax adjustments, as recorded in the financial statements.

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i Pre-tax income includes the debt return, the equity return, and the revenue adjustments related to flow-through and permanent tax adjustments. Authorized O&M, depreciation, payroll and property taxes are included dollar-for-dollar in the revenue requirement, so there is no pre-tax income. Thus, if SCE’s recorded O&M is lower than what was authorized, SCE will pay taxes on that difference without recording it in the TAMA.


iii The adopted forecast for the Results of Operation model includes income taxes on authorized pre-tax, tax benefits for deductible interest expense, flow-through and permanent tax adjustments.

iv As noted above, pre-tax income includes debt return, equity return and revenue related to flow-through and permanent adjustments.

(Continued)
63. Tax Accounting Memorandum Account 2018 (TAMA 2018) (Continued)

2. Definitions (Continued):

f. “Recorded CPUC-jurisdictional ADIT” means the ADIT for the period based on actual CPUC-jurisdictional capital activity, as recorded in the yearly financial statements.

g. “Grossed up” means the mathematical equation to convert after-tax amounts into pretax revenue requirements. The formula is \(1/(1 - \text{statutory tax rates})\) multiplied by the after-tax amount.

h. “Interest Rate” shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-financial, from the 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.

i. “Rate of Return on Rate Base” - The rate of return on SCE’s rate base shall be the then-current authorized rate-of-return.

3. Operation of the TAMA 2018:

Entries in the TAMA 2018 shall be made as described below. The items impacting TAMA 2018 are generally determined at points in time and shall be recorded in the TAMA 2018 for each annual period based on data recorded for financial reporting purposes and subsequently updated to reflect the amounts filed in the Federal and California income tax returns, settled audits and final litigation. The cumulative amounts to be recorded in the TAMA are as follows:

i. Revenue requirement changes resulting from the differences between Authorized CPUC-jurisdictional Taxes Based on Income and Recorded CPUC-Jurisdictional Taxes Based on Income. When applicable, the tax impact will be grossed up in determining the revenue requirement adjustment.

ii. Revenue requirement changes resulting from the differences between Authorized CPUC-jurisdictional ADIT and Recorded CPUC-Jurisdictional ADIT.
N. MEMORANDUM ACCOUNTS (Continued)

63. Tax Accounting Memorandum Account 2018 (TAMA 2018) (Continued)

3. Operation of the TAMA 2018 (Continued):

The TAMA 2018 will not track:

1. Duplicate entries. To avoid duplication of entries, the entry will be recorded only once even to the extent the entry could result for more than one reason set forth in the Purpose section, above;

2. Tax and revenue subject to other CPUC balancing or memo accounts such as, for example, the Catastrophic Emergency Memorandum Account and the Pole Loading and Deteriorated Pole Programs Balancing Account;

3. FERC-jurisdictional net revenue and tax adjustments;

4. Shareholder-funded net revenue and tax adjustments; and

5. Revenue impacts associated with changes in ADIT subject to the normalization rules, if that change would violate tax normalization as defined by the IRS.

4. Review and Disposition Procedures:

Upon Energy Division approval of an annual Tier 2 advice letter filed within approximately 30 days of SCE’s filing of its Form 10-K, SCE will transfer any recorded (over)/under-collection in the TAMA to the generation and distribution subaccount, as appropriate, in the Base Revenue Requirement Balancing Account to be returned to or recovered from customers. The balance in the account shall be reviewed in the General Rate Case.

While SCE will not record revenue adjustments in the TAMA that it believes would violate the tax normalization rules, SCE will track these differences and make this information available for review in future GRCs. To the extent that the Commission and SCE disagree on the application of the tax normalization rules and what entries should be recorded in the TAMA, SCE shall seek additional guidance from the IRS in the form of a Private Letter Ruling.
N. MEMORANDUM ACCOUNTS (Continued)

64. California Consumer Privacy Act Memorandum Account (CCPAMA)

1. Purpose:

The purpose of the California Consumer Privacy Act Memorandum Account (CCPAMA) is to track incremental costs related to compliance with the California Consumer Privacy Act of 2018 (CCPA), which was signed into law in June 28, 2018. The CCPAMA is effective as of March 29, 2019.

2. Operation of the CCPAMA

SCE shall maintain the CCPAMA by making monthly entries:

a. A debit entry equal to costs required to comply with the CCPA, including, but not limited to:
   i. incremental SCE labor,
   ii. non-labor costs such as employee training, licensing, and mailing and printing costs, and
   iii. technology-related costs.

b. A debit entry equal to the capital-related revenue requirement, which includes depreciation expense, return on rate base at the currently authorized rate of return on rate base and applicable taxes, such as income and ad valorem taxes; and

c. An entry to record interest expense calculated by applying the Interest Rate to the average monthly balance in the CCPAMA.

3. Disposition Procedures:

The disposition of any amounts tracked in the CCPAMA that are incremental to amounts recovered in SCE’s GRC or any other account shall be established by a Commission decision issued in a subsequent GRC or other ratemaking application.
N. MEMORANDUM ACCOUNTS (Continued)

65. Distributed Generation Statistics Contractor Memorandum Account (DGSCMA) (N)

a. Purpose

The purpose of the Distributed Generation Statistics Contractor Memorandum Account (DGSCMA) is to track costs for work performed by the Distributed Generation Statistics contractor to maintain and expand the California Distributed Generation Statistics (DG Stats) website. Pursuant with Ordering Paragraph (OP) 8 of Resolution E-5030, the costs will cease to be tracked in the memorandum account once SCE implements into rates its 2024 General Rate Case (GRC) into rates.

b. Operation of the DGSCMA

(1) Monthly entries to the DGSCMA shall be determined as follows:

i. A debit entry equal to expenses incurred for contractor costs;

ii. Interest shall accrue monthly to the DGSCMA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the DGSCMA.

c. Disposition and Review Procedures

Pursuant with OP 8 of Resolution E-5030, SCE will submit a Tier 2 advice letter within 60 days of the effective date of the rates established by its 2024 GRC to recover the balance of the DGSCMA.
N. MEMORANDUM ACCOUNTS (Continued)

66. COVID-19 Pandemic Protections Memorandum Account (CPPMA)

   a. Purpose

   The purpose of the COVID-19 Pandemic Protections Memorandum Account (CPPMA) is to track costs associated with customer protections pursuant to D.19-07-015 and Resolution M-4842 as described in SCE's Advice 4205-E/4205-E-A.

   The CPPMA will track costs incurred starting March 4, 2020, the date of Governor Newsom's declared State of Emergency in California related to COVID-19, as well as pursuant to Ordering Paragraph 1 of Resolution M-4842, and related Executive Orders.

   b. Eligibility

   All residential and small business customers are eligible for the emergency customer protections set forth in D.19-07-015 and Resolution M-4842 as described in Advice 4205-E, and the costs of providing these customer protections shall be tracked in the CPPMA.

   c. Operation of the CPPMA

   SCE shall maintain the CPPMA by making monthly entries as follows:

   (1) A debit entry equal to the recorded incremental O&M expense and capital-related revenue requirements (depreciation, taxes and return on rate base) associated with the implementation of D.19-07-015, Resolution M-4842, and Advice 4205-E/4205-E-A. These O&M and capital costs may include implementation and other costs, related, but not limited to:

   a) Incremental costs to implement customer protections, including IT and billing-related costs; capitalized IT software; and

   b) Customer outreach costs

   (2) A debit entry equal to the revenue and fees shortfalls resulting from the implemented customer protections for residential and small business customers, including the waiving of late payment charges,

   (3) A debit entry equal to the revenue and fees shortfalls resulting from the implemented customer protections for residential and small business customers, including the waiving of service connection charges.
N. MEMORANDUM ACCOUNTS (Continued)

66. COVID-19 Pandemic Protections Memorandum Account (CPPMA) (Continued)

c. Operation of the CPPMA (Continued)

(4) A debit entry equal to revenue shortfalls resulting from uncollectibles that are in excess of those authorized in SCE’s last GRC for residential and small business customers related to the implemented customer protections such as the suspension of disconnections, waiving of security deposits, and implementation of flexible payment plans,

(5) A debit entry equal to the cost of additional credit facility, including the upfront costs of establishing the facility, interest expense on the undrawn facility balance, and the interest expense on any amounts drawn from the facility,

(6) A debit entry equal to any costs associated with future regulatory requirements authorizing customer protections related to COVID-19, and
N. MEMORANDUM ACCOUNTS (Continued)

66. COVID-19 Pandemic Protections Memorandum Account (CPPMA) (Continued)

c. Operation of the CPPMA (Continued)

(7) A debit entry equal to any costs for additional protections/measures (above those specified in D.19-07-015 and Resolution M-4842 as described in SCE’s Advice 4205-E/425-E-A) that may be offered in SCE’s reasonable discretion during the pendency of the COVID-19 pandemic.

(8) Interest shall accrue monthly by applying 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) to the average monthly balance. If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

d. Review and Disposition

Pursuant to Resolution M-4842, SCE may seek recovery of the costs recorded in the CPPMA in its General Rate Case proceeding, the Energy Resource Recovery Account Review proceeding, or other appropriate proceeding.