

SUMMARY OF TRANSMISSION AND DISTRIBUTION BY FERC ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2013

Account Summary

Schedule 19 Line	Account/Work Activity Rev	Total Recorded O&M Expenses		
		Total	Labor	Non-Labor
	<u>Transmission Accounts</u>			
1	560 - Operations Engineering	\$14,439,150	\$6,184,414	\$8,254,736
2	560 - Sylmar/Palo Verde	\$240,386	\$0	\$240,386
	560 - Total	\$14,679,535	\$6,184,414	\$8,495,121
3	561.000 Load Dispatching	\$0	\$0	\$0
4	561.100 Load Dispatch-Reliability	\$850,029	\$530,365	\$319,663
5	561.200 Load Dispatch Monitor and Operate Trans. System	\$6,654,431	\$4,843,079	\$1,811,352
6	561.400 Scheduling, System Control and Dispatch Services	\$38,104,210	\$0	\$38,104,210
7	561.500 Reliability, Planning and Standards Development	\$4,074,892	\$3,758,028	\$316,863
8	562 - MOGS Station Expense	\$0	\$0	\$0
9	562 - Operating Transmission Stations	\$18,124,656	\$14,791,969	\$3,332,687
10	562 - Routine Testing and Inspection	\$12,756,425	\$2,357,035	\$10,399,390
11	562 - Sylmar/Palo Verde	\$343,890	\$0	\$343,890
	562 - Total	\$31,224,972	\$17,149,004	\$14,075,968
12	563 - Inspect and Patrol Line	\$6,491,348	\$3,724,783	\$2,766,565
13	564 - Underground Line Expense	\$1,201,033	\$902,255	\$298,778
14	565 - Wheeling Costs	\$24,019,281	\$0	\$24,019,281
15	565 - WAPA Transmission for Remote Service	\$230,161	\$0	\$230,161
16	565 - Transmission for Four Corners	\$7,634,149	\$10	\$7,634,139
	565 - Total	\$31,883,591	\$10	\$31,883,581
17	566 - ISO/RSBA/TSP Balancing Accounts	\$66,947,429	\$549,719	\$66,397,710
18	566 - Training	\$8,344,525	\$5,921,636	\$2,422,889
19	566 - Other	\$16,544,716	\$7,225,909	\$9,318,808
20	566 - NERC/CIP Compliance	\$1,100,931	\$876,798	\$224,134
21	566 - Transmission Regulatory Policy	\$319,355	\$307,958	\$11,398
22	566 - FERC Regulation & Contracts	\$6,017,326	\$3,998,105	\$2,019,222
23	566 - Grid Contract Management	\$1,703,879	\$1,518,877	\$185,002
24	566 - Sylmar/Palo Verde/Other General Functions	\$701,043	\$0	\$701,043
	566 - Total	\$101,679,206	\$20,399,001	\$81,280,204
25	567 - Line Rents	\$8,277,909	\$0	\$8,277,909
26	567 - Morongo Lease	\$3,096,041	\$0	\$3,096,041
27	567 - Eldorado	\$60,139	\$0	\$60,139
28	567 - Sylmar/Palo Verde	\$356,202	\$0	\$356,202
	567 - Total	\$11,790,291	\$0	\$11,790,291
29	568 - Maintenance Supervision and Engineering	\$2,617,087	\$2,100,810	\$516,278
30	568 - Sylmar/Palo Verde	\$203,167	\$0	\$203,167
	568 - Total	\$2,820,254	\$2,100,810	\$719,445
31	569 - Maintenance of Structures	\$30,849	\$5,367	\$25,481
35	569 - Sylmar/Palo Verde	\$193,585	\$0	\$193,585
	569 - Total	\$224,433	\$5,367	\$219,066

SUMMARY OF TRANSMISSION AND DISTRIBUTION BY FERC ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2013

Account Summary

Schedule 19 Line	Account/Work Activity Rev	Total Recorded O&M Expenses		
		Total	Labor	Non-Labor
32	569.100 Hardware	\$6,850,833	\$351	\$6,850,482
33	569.200 Software	\$9,902,077	\$0	\$9,902,077
34	569.300 Communication	\$4,437,395	\$640	\$4,436,755
36	570 - Maintenance of Power Transformers	\$1,371,968	\$802,261	\$569,707
37	570 - Maintenance of Transmission Circuit Breakers	\$1,718,273	\$1,299,824	\$418,449
38	570 - Maintenance of Transmission Voltage Equipment	\$213,484	\$386,117	-\$172,633
39	570 - Maintenance of Miscellaneous Transmission Equipment	\$3,212,667	\$1,844,237	\$1,368,430
40	570 - Substation Work Order Related Expense	-\$1,501,030	\$32,864	-\$1,533,894
41	570 - Sylmar/Palo Verde	\$1,193,704	\$0	\$1,193,704
	570 - Total	\$6,209,065	\$4,365,303	\$1,843,762
42	571 - Poles and Structures	\$2,362,146	\$1,422,928	\$939,218
43	571 - Insulators and Conductors	\$7,332,101	\$3,456,063	\$3,876,037
44	571 - Transmission Line Rights of Way	\$14,522,826	\$1,227,841	\$13,294,985
45	571 - Transmission Work Order Related Expense	\$10,516,206	\$2,407,251	\$8,108,955
46	571 - Sylmar/Palo Verde	\$251,223	\$0	\$251,223
	571 - Total	\$34,984,502	\$8,514,084	\$26,470,418
47	572 - Maintenance of Underground Transmission Lines	\$601,856	\$183,061	\$418,794
48	572 - Sylmar/Palo Verde	\$44,194	\$0	\$44,194
	572 - Total	\$646,050	\$183,061	\$462,988
49	573 - Provision for Property Damage Expense to Trans. Fac.	\$1,304,118	\$480,400	\$823,719
	Total Transmission O&M	\$316,012,264	\$73,140,956	\$242,871,308
	<u>Distribution Accounts</u>			
52	582 - Operation and Relay Protection of Distribution Substations	\$22,045,478	\$15,338,394	\$6,707,084
53	582 - Testing and Inspecting Distribution Substation Equipment	\$10,701,030	\$7,715,391	\$2,985,639
		\$ 32,746,508	\$ 23,053,785	\$ 9,692,723
54	590 - Maintenance Supervision and Engineering	\$2,564,341	\$2,070,257	\$494,084
55	591 - Maintenance of Structures	\$86,255	\$24,102	\$62,153
56	592 - Maintenance of Distribution Transformers	\$1,049,823	\$710,363	\$339,461
57	592 - Maintenance of Distribution Circuit Breakers	\$2,725,696	\$2,176,168	\$549,528
58	592 - Maintenance of Distribution Voltage Control Equipment	\$721,587	\$661,321	\$60,266
59	592 - Maintenance of Miscellaneous Distribution Equipment	\$5,501,388	\$1,746,052	\$3,755,336
		\$ 9,998,494	\$ 5,293,904	\$ 4,704,591
60	Accounts with no ISO Distribution Costs	\$416,519,922	\$184,902,066	\$231,617,856
		-	-	-
	Total Distribution O&M	\$ 461,915,520	\$ 215,344,113	\$ 246,571,407

Schedule 19 - 2013 Recorded O&M Expenses Adjusted from Formula Rate

Column 5 Reason Code	Line Reference	Explanation of Adjustment					
A	6	Exclusion of CAISO costs recovered in Energy Resource Recovery Account					
		Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
		561.400 Scheduling, System Control and Dispatch Services	F516573	GMC-Scheduling-Sys Cntrl	-	(38,104,210)	(38,104,210)
B	8	Exclusion of costs related to Mohave Generating Station Expense					
		Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
		562 - MOGS Station Expense	F201176	MOGS Ops 562 Station Expense	-	-	-
C	14	Exclusion of CAISO costs recovered in Energy Resource Recovery Account					
		Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
		565 - Wheeling Costs	F502983	GF - CRA - Purchased Power	-	(24,019,281)	(24,019,281)
D	17	Exclusion of costs recovered through: a) Reliability Services Balancing Account; b) Transmission Access Charge Balancing Account; and c) the American Reinvestment Recovery Act for the Tehachapi Wind Energy Storage Project					
		Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
		a) 566 - ISO/RSBA/TSP Balancing Accounts	F523361	ISO MUST OFFER OBLIGATION	-	(12,584,591)	(12,584,591)
		b) 566 - ISO/RSBA/TSP Balancing Accounts	F523362	TRANSMISSION ACCESS CHARG	(41)	(45,713,270)	(45,713,311)
		c) 566 - ISO/RSBA/TSP Balancing Accounts	F527631	TEHACHAPI WIND ENERGY STORAGE PROJECT	(549,678)	(8,099,849)	(8,649,527)
		Total 566 - ISO/RSBA/TSP Balancing Accounts			(549,719)	(66,397,710)	(66,947,429)
F	32, 33, 34	Exclusion of Amounts Transferred from A&G Account 920 Pursuant to Order 668					
		Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
		569.100 - Hardware	N/A	N/A		(6,547,747)	(6,547,747)
		569.200 - Software	N/A	N/A		(9,902,077)	(9,902,077)
		569.300 - Communication	N/A	N/A		(3,887,795)	(3,887,795)
		FERC Order 668 Transfer			-	(20,337,619)	(20,337,619)

G **1, 4, 5, 7** **Exclusion of ACE awards & Spot Bonuses Recorded in O&M Accounts 560-592.**
19, 22, 62

Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
561.200 Load Dispatch Monitor and Operate Trans. System	Various		(140,000)	-	(140,000)
566 - Other	Various		(900)	(17,713)	(18,613)
Accounts with no ISO Distribution Costs	Various		(74,300)	(135,763)	(210,063)
Total ACE/Spot Bonuses			(215,200)	(153,475)	(368,675)

H **19, 20, 62** **Exclusion of Shareholder Funded Costs**

Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
566 - Other	F528181	PWRD Shareholder Funded - Misc Expenses	20	(1,557)	(1,538)
566 - NERC/CIP Compliance	F525853	Reliability Standards Compliance	-	(18,534)	(18,534)
Accounts with no ISO Distribution Costs	F520518	PWRD Shareholder Funded - Misc Expenses	(6,306)	(134,910)	(141,216)
Accounts with no ISO Distribution Costs	F527895	FIM OOR Charges/Paying - Shareholder	(66,899)	(1,146)	(68,045)
Total Shareholder Funded			(73,185)	(156,147)	(229,332)

I **10** **Exclusion of costs transferred to O&M in 2013 for SWPPP activities that occurred in 2010-2012**

Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
562 - Routine Testing and Inspection	F520561	Sub Mtce Misc Statn Exp	-	(6,843,434)	(6,843,434)

J **1** **Exclusion costs of towers written off related to TRTP Segment 8 FAA issue near Chino Airport.**

Schedule 19 Activity	Final Cost Center	Final Cost Center Name	Labor	Non-Labor	Total
560 - Operations Engineering	F500092	ENGINEERING/PLANNING	-	(1,462,118)	(1,462,118)

Pursuant to MSR Revised
DRs: 5.012 and 6.004 aded
exclusion code and amount

Southern California Edison
TO9 Draft Annual Update ER11-3697

DATA REQUEST SET M-S-R-SCE-001

To: M-S-R
Prepared by: Alan Varvis
Title: Manager - T&D Regulatory Finance
Dated: 07/25/2014

Question 5.012 - REVISED:

Please refer to the Operations and Maintenance ("O&M") costs booked to Account 560 - Operations Engineering and identified on line 1 of Schedule 19 (Operations and Maintenance). In last year's update, SCE excluded from recovery in this account nearly \$750,000 in costs related to ACE awards, spot bonuses and/or the undergrounding of TRTP near Chino Hills. Please explain whether any similar costs were booked to Account 560 - Operations Engineering in 2013 and whether these costs should have been excluded from recovery through values included in columns 7 or 8 of Schedule 19.

Response to Question 5.012 - REVISED:

See response to M-S-R-SCE-001, Questions 5.009 & 5.010 regarding ACE awards and spot bonuses. With regard to TRTP costs, a write off of ~~\$1,532,937~~ **\$1,462,118** was processed in 2013 to account for the value of (7) tubular steel poles and associated hardware plus (1) set of lattice steel tower legs originally transferred to a surplus inventory account. These poles remained in inventory for 1 year and were unable to be re-used. This determination was made in December 2013 and the value of these poles and hardware was transferred to expense. This adjustment should have been reflected on line 1 of Schedule 19 and will be included in the annual update SCE files in December of 2014. See also response to M-S-R-SCE-001, Question 6.004.

Southern California Edison
TO9 Draft Annual Update ER11-3697

DATA REQUEST SET M-S-R-SCE-001

To: M-S-R
Prepared by: Alan Varvis
Title: Manager - T&D Regulatory Finance
Dated: 07/25/2014

Question 6.004 - REVISED:

These questions concern SCE's October 17, 2011 Petition for Modification of Decision 09-12-044 submitted by SCE to the CPUC in order to accommodate the April 25, 2011 Notice of Presumed Hazard issued to SCE by the Federal Aviation Administration ("FAA") finding certain transmission structures being too tall.

- (a) Has the CPUC issued an order on the SCE's petition?
- (b) Has SCE completed the proposed "engineering refinements" to 21 structures identified in the petition? If not, what is the status of the refinements?
- (c) If the refinements have been completed, what was the cost of the work, and is the cost included within the draft informational filing? If the refinements have not been completed, what is SCE's current forecast of the cost of the work?
- (d) What did SCE do with the structures deemed too tall? If SCE has included them in its inventory, in which FERC account are their costs recorded? If SCE has sold them, in which FERC account is the revenue recorded?
- (e) Did SCE remove from recovery under the Formula the cost identified in subpart (c) above in compliance with Instruction 2 on Schedule 4 (True Up TRR)? If so, please explain how this was accomplished and provide workpapers showing the calculation of the adjustment. If not, please explain why not.
- (f) Please explain the connection, if any, between the modification proposed as a result of the FAA notice and the CPUC directive to underground certain transmission facilities in/around Chino Hills. Does the decision to pursue undergrounding resolve the FAA's concerns?

Response to Question 6.004 - REVISED:

- (a) Yes, on October 31, 2013, CPUC issued a decision to address the Petition for Modification of Decision (D.) 09-12-044 filed by SCE on October 17, 2011. The Decision (D.) 13-10-062 authorized certain design changes within multiple segments of the TRTP to conform to Federal Aviation Administration (FAA) recommendations. SCE's petition sought design changes to permit installation of marker balls on some wire spans, installation of aviation lights on some transmission towers and reduction in the heights of certain approved structures near the Chino Airport.
- (b) Yes, the engineering design refinements are completed.
- (c) The cost of refinements is \$7.3 million, which is based on actual contractor award. The cost is embedded in the TRTP Seg 8 Order 800218645 of ISO Capital Expenditures Incentive Projects or FERC CWIP Capital Expenditure Plan.
- (d) In 2012, 23 structures were deemed too tall and 12 structures out of 23 were written off to expense as SCE determined these structures could not be used on TRTP or any other projects. The cost associated with the initial write-off was \$744,528, which recorded to O&M FERC Account 560 - Operations Engineering, but was excluded from recovery in the formula rate (see line 1, Schedule 19 of TO8). The remaining 11 structures were deemed reusable and were transferred from capital work orders to a general ledger account. \$2,036,665 was charged to General Ledger Account 1232097, which translates to FERC Account 154 Materials and Supplies. ~~\$574,547~~ ~~502,728~~ out of the \$2,036,665 was transferred out of this account for (3) DHA towers which were utilized by TRTP Work Package 2 (Segments 6 & 10). The remaining (7) tubular steel poles (TSPs) and associated hardware plus (1) set of lattice steel tower legs for ~~\$1,462,118~~ ~~1,532,937~~ have been deemed not re-usable and they're written off to expense in 2013. However, an adjustment for exclusion from recovery was not reflected on line 1 of Schedule 19 of the June 13 Formula Transmission Rate TO9 Draft Annual Update or July 16 TO9 Draft Annual Update Revised. This adjustment will be included in the TO9 Annual Update to be filed on or before December 1, 2014 (See response to M-S-R-SCE-001, Question No. 1.001).
- (e) Please see response to part (d) above.
- (f) There is no correlation between the modification proposed as a result of the FAA notice and the CPUC directed Chino Hills Undergrounding.