NNN. Transportation Electrification Portfolio Balancing Account (TEPBA)

1. Purpose

The purpose of the one-way Transportation Electrification Portfolio Balancing Account (TEPBA) is to record the actual Operations and Maintenance (O&M) expenses and capital-related revenue requirements (i.e. depreciation, return on rate base, and applicable taxes) associated with the approved Transportation Electrification Priority Review Projects (PRPs) and Standard Review Project (SRP). Separate subaccounts are established in the TEPBA to ensure that SCE will only recover the revenue requirements associated with up to the total capped level of authorized funding for each of the individual PRPs, the SRP and SCE’s share of evaluation costs.

2. Definitions

a) The Authorized Funding Level Cap for each PRP and Evaluation pursuant to D.18-01-024 is as follows:

<table>
<thead>
<tr>
<th>Priority Review Project</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Make-Ready Rebate Pilot</td>
<td>3.999</td>
</tr>
<tr>
<td>Urban DCFC Clusters Pilot</td>
<td>3.980</td>
</tr>
<tr>
<td>Electric Transit Bus Make-Ready Program</td>
<td>3.978</td>
</tr>
<tr>
<td>Port of Long Beach Rubber Tire Gantry Crane</td>
<td>3.038</td>
</tr>
<tr>
<td>Port of Long Beach Terminal Yard Tractor</td>
<td>0.450</td>
</tr>
<tr>
<td>Projects Subtotal</td>
<td>15.445</td>
</tr>
<tr>
<td>Evaluation</td>
<td>0.618</td>
</tr>
<tr>
<td>Total</td>
<td>16.063</td>
</tr>
</tbody>
</table>

(T) (L)
2. Definitions

a) The Authorized Funding Level Cap for each SRP and Evaluation pursuant to D.18-05-040 is as follows:

<table>
<thead>
<tr>
<th>Standard Review Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium/Heavy Duty Infrastructure Program</td>
<td>342.656</td>
</tr>
<tr>
<td>Evaluation</td>
<td>13.706</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>356.362</strong></td>
</tr>
</tbody>
</table>

The approved funding levels are not fungible between the priority review or standard review projects.

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.
NNN. Transportation Electrification Portfolio Balancing Account (TEPBA) (Continued)

3. Operation of the TEPBA

On a monthly basis, entries to each of TEPBA sub-accounts shall be determined as follows:

a) Residential Make-Ready Rebate Pilot Sub-Account:
   (1) A debit entry equal to SCE’s recorded O&M expenses associated with the Residential Make-Ready Rebate Pilot. O&M expenses may include rebates, enrollment, rebate processing, and education and outreach.

b) Urban DCFC Clusters Pilot Sub-Account
   (1) A debit entry equal to SCE’s recorded O&M expenses associated with the Urban DCFC Clusters Pilot. O&M expenses may include SCE labor, project ME&O, project reporting and rebates, among others.
   (2) A debit entry equal to SCE’s recorded capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with the Urban DCFC Clusters Pilot. Capital-related expenses may include utility and customer-side installation costs, such as transformer upgrades, service drops, trenching and panel changes.

c) Electric Transit Bus Make-Ready Program Sub-Account
   (1) A debit entry equal to SCE’s recorded O&M expenses associated with the Electric Transit Bus Make-Ready Program. O&M expenses may include SCE labor, program ME&O, program reporting and rebates, among others.
   (2) A debit entry equal to SCE’s recorded capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with the Electric Transit Bus Make-Ready Program. Capital-related expenses may include utility and customer-side installation costs, such as transformer upgrades, service drops, trenching and panel changes.
NNN. Transportation Electrification Portfolio Balancing Account (TEPBA) (Continued)

Operation of the TEPBA (Continued)

a) Port of Long Beach Rubber Tire Gantry Crane Sub-Account

   (1) A debit entry equal to SCE’s recorded O&M expenses associated with the Port of Long Beach Rubber Tire Gantry Crane Program.

   (2) A debit entry equal to SCE’s recorded capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with the Port of Long Beach Rubber Tire Gantry Crane. Capital-related expenses may include utility and customer-side installation costs, such as transformer upgrades, service drops, trenching and panel changes.

b) Port of Long Beach Terminal Yard Tractor Sub-Account

   (1) A debit entry equal to SCE’s recorded O&M expenses associated with the Port of Long Beach Terminal Yard Tractor Program.

   (2) A debit entry equal to SCE’s recorded capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with the Port of Long Beach Terminal Yard Tractor. Capital-related expenses may include utility and customer-side installation costs, such as transformer upgrades, service drops, trenching and panel changes.

c) Medium- and Heavy-Duty Vehicle Charging Infrastructure Program Sub-Account

   (1) A debit entry equal to SCE’s recorded O&M expenses associated with the Medium- and Heavy-Duty Vehicle Charging Infrastructure Program. O&M expenses may include SCE labor, project ME&O, project reporting and rebates, among others.

   (2) A debit entry equal to SCE’s recorded capital-related revenue requirement (including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base) associated with the Medium- and Heavy-Duty Vehicle Charging Infrastructure Program. Capital-related expenses may include utility and customer-side installation costs, such as transformer upgrades, service drops, trenching and panel changes.
NNN. Transportation Electrification Portfolio Balancing Account (TEPBA) (Continued)

Operation of the TEPBA (Continued)

a) Evaluation Sub-Account

(1) A debit entry equal to SCE’s share of evaluation costs for evaluation of the PRPs upon their completion.

(2) A debit entry equal to SCE’s share of evaluation costs for evaluation of the SRP upon completion.

When recording the costs in the TEPBA, SCE will include provisions for overhead loadings as applicable based on authorized GRC rates. However, Pensions, Post-Employment Benefits Other Than Pensions (PBOPs), and medical, dental and vision labor loadings will not be recorded in the TEPBA since these costs are recovered through other stand-alone balancing accounts.

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

3. Disposition and Review Procedures

The year-end TEPBA balance shall be transferred annually to the distribution subaccount of the BRRBA. SCE is authorized to fully recover in distribution rates the revenue requirements associated with the TE PRPs and SRP and their evaluation up to the authorized funding levels. Pursuant to OP 1 of D.18-01-024, and OP of D.18-05-040, costs incurred for each PRP and SRP up to the authorized level will be considered per se reasonable subject only to SCE’s prudent administration of the project. The entries recorded in the TEPBA will be reviewed in SCE’s annual ERRA Review proceeding to ensure the entries are properly recorded and consistent with Commission decisions.