

PRELIMINARY STATEMENT

Sheet 1

G. INCOME TAX COMPONENT OF CONTRIBUTION PROVISION

1. General. All Contributions in Aid of Construction and Advances For Construction (Contributions) made to SCE pursuant to its tariffs shall include a cost component to cover SCE's estimated liability for Federal Income Tax resulting there from. California Corporate Franchise Tax (CCFT) shall be collected beginning January 10, 1992.

2. Definitions.
 - a. Contributions: Contributions shall include, but are not limited to, cash, services, facilities, labor, property, and income taxes thereon provided to SCE by a person or agency. The value of all contributions shall be based on SCE's estimates. Contributions shall consist of two components as follows:
 - (1) Income Tax Component of Contribution (ITCC); and
 - (2) The balance of the Contribution (Balance of Contribution).

 - b. Government Agency: For purposes of administering this part of the Preliminary Statement, a Government Agency shall be a California state, county, or local government agency.

 - c. Public Benefit: Where, in the opinion of SCE, a benefit to the public as a whole is clearly shown by the Government Agency making the Contribution for a project.

3. Determination of ITCC.
 - a. The ITCC shall be calculated by multiplying the Balance of the Contribution by the Tax Factor. If any portion of a Balance of Contribution is received on or after the effective date of Advice 155-G, and before January 1, 2010, and is associated with property which qualifies for the bonus depreciation provisions of Internal Revenue Code section 168(k), then the ITCC on such portion shall be computed by multiplying the amount of such portion by a tax factor of 0.20 (20 percent). Contributions received prior to the effective date of Advice 155-G, will be subject to the applicable ITCC factors approved by the California Public Utilities Commission. (C)

 - b. The tax factors included herein are established using Method 5 as set forth in and pursuant to the Commission's Decision No. 87-09-026 as modified by Decision No. 87-12-028. Should the Internal Revenue Service (IRS) deem Method 5 to be a violation of the tax normalization rules, any penalties, interest or taxes incurred by SCE shall be recovered through general rates. (C)

(Continued)

(To be inserted by utility)
Advice 155-G
Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed Feb 23, 2009
Effective Jan 1, 2009
Resolution _____

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 - c. Public Benefit: Where, in the opinion of SCE, a benefit to the public as a whole is clearly shown by the Government Agency making the Contribution for a project.

3. Determination of ITCC.
 - a. The ITCC shall be calculated by multiplying the Balance of the Contribution by the Tax Factor of 0.31 (31%). The 31 percent Tax Factor shall be applicable (C) to contributions received by SCE on or after January 1, 2009. Contributions (C) received prior to the effective date of Advice 153-G, will be subject to the (T) applicable ITCC factors approved by the California Public Utilities Commission.

 - b. The tax factors included herein are established using Method 5 as set forth in and pursuant to the Commission's Decision No. 87-09-026 as modified by Decision No. 87-12-028. Should the Internal Revenue Service (IRS) deem Method 5 to be a violation of the tax normalization rules, any penalties, interest or taxes incurred by SCE shall be recovered through general rates.

(Continued)

(To be inserted by utility)
 Advice 153-G
 Decision _____

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Akbar Jazayeri
Vice President

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