

November 15, 2021

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: Revisions to Southern California Edison Company's Formula Transmission Rate Historic Annual Updates in Docket No. ER19-1553 (Amended TO2020 and TO2021 True Up TRRs)

Dear Ms. Bose:

Southern California Edison's ("SCE") provides this filing to the Commission for informational purposes only pursuant to Section 3 of Attachment 1 to Appendix IX to SCE's Transmission Owner Tariff (the "Formula Rate Protocols"). This filing is not subject to the requirements of Section 205 of the Federal Power Act and does not subject SCE's Formula Rate to modification. SCE requests no Commission action as part of this filing. SCE will separately file its TO2022 Annual Update at a later date, where the amended information presented herein will be addressed pursuant to SCE's Formula Rate Protocols. To the extent interested parties wish to address the amended information, it can be addressed as part of TO2022 Annual Update process.

Under SCE's Transmission Owner Tariff ("TO Tariff"), SCE calculates its retail and wholesale Base Transmission Revenue Requirements ("Base TRR") using a formula transmission rate. On November 22, 2019, SCE submitted for informational purposes its formula transmission rate Annual Update for rates effective January 1, 2020 ("TO2020 Annual Update"). On November 20, 2020, SCE submitted for informational purposes its formula transmission rate Annual

Update for rates effective 2021 (“TO2021 Annual Update”). Both Annual Updates were made pursuant to Section 3 of Attachment 1 to Appendix IX of SCE’s TO Tariff (“Formula Protocols”).

SCE has determined that the TO2020 Annual Update and the TO2021 Annual Update must be amended to correct certain errors. Pursuant to Section 3(d)(8) of the Formula Protocols, SCE hereby submits for informational purposes a TO2020 Amended Annual Update and a TO2021 Amended Annual Update. The TO2020 Amended Annual Update increases the True Up Transmission Revenue Requirement (“True Up TRR”) for calendar year 2018 from \$1,078,591,816 to \$1,082,953,611, or a difference of \$4,711,729, including interest through 2019 (see Attachment 9). The TO2021 Amended Annual Update increases the True Up TRR for calendar year 2019 from \$1,032,966,978 to \$1,037,944,606, or a difference of \$5,114,745, including interest through 2019 (see Attachment 9). SCE is not seeking to modify the TO2020 or TO2021 Base TRR or the associated transmission rates in effect for 2020 and 2021. Consistent with Section 3.d.8 of the Formula Rate Protocols, the change in the 2018 and 2019 True Up TRRs, including interest, will be included in SCE’s TO2022 Annual Update as a One Time True Up Adjustment pursuant to the Formula Rate Protocols and will be recovered in transmission rates during 2022.

I. Background on SCE’s Formula Rate

On June 3, 2011, in Docket No. ER11-3697-001, SCE submitted its original formula transmission rate to the Commission.¹ Several entities intervened or protested the filing. The Commission accepted the filing on August 2, 2011, subject to refund, and hearing and settlement judge procedures,² with an effective

¹ Appendix IX to SCE’s TO Tariff.

² 136 FERC ¶ 61,074 P 1.

date of January 1, 2012. SCE engaged in settlement discussions in that docket with intervening parties, reaching an agreement in principle in July 2013. SCE filed the Offer of Settlement on August 26, 2013, which was approved by the Commission on November 5, 2013.³ The Offer of Settlement included revised Attachments 1 and 2 to SCE's TO Tariff Appendix IX, which constitute SCE's Formula Rate Protocols and Formula Rate spreadsheet effective through December 31, 2017.

On October 27, 2017, in Docket No. ER18-169-000, SCE filed its Second Transmission Formula Rate with the Commission ("TO2018 Formula Rate"). The TO2018 Formula Rate superseded SCE's above-described prior Formula Rate accepted in Docket No. ER11-3697, which terminated on December 31, 2017 ("Original Formula Rate"). Several entities intervened or protested the TO2018 Formula Rate filing. By Order dated December 29, 2017, the Commission accepted SCE's TO2018 Formula Rate and related 2018 TRR, suspended it for a nominal period, to be effective January 1, 2018, subject to refund, and established hearing and settlement judge procedures.⁴ On September 16, 2019, an Offer of Settlement was filed with the Commission. On December 3, 2019, the Commission accepted the Offer of Settlement.⁵

On April 11, 2019, in Docket No. ER19-1553-000, SCE filed to amend the TO2018 Formula Rate proposing tariff changes necessary to reflect dramatic regulatory and financial conditions that had changed since the submission of the TO2018 Formula Rate ("TO2019A Formula Rate") associated with unprecedented wildfire impacts that occurred within the state of California. On June 11, 2019, the Commission accepted SCE's TO2019A Formula Rate and related revised 2019

³ 145 FERC ¶ 61,103.

⁴ 161 FERC ¶ 61,309 (2017).

⁵ 169 FERC ¶ 61,177 (2019).

Base TRR, suspended it for a five-month period, to become effective November 12, 2019, subject to refund, and established hearing and settlement judge procedures.⁶ On July 1, 2020, SCE filed an Offer of Settlement under ER19-1553. The Offer of Settlement was approved on September 23, 2020.⁷

On October 21, 2021, SCE filed Docket No. ER22-166 proposing discrete revisions to the TO2019A Formula Rate intended to ensure that following the December 31, 2021 expiration of the accounting waiver authorized by the Commission in Docket No. ER21-1280, payments received from Morongo Transmission LLC pursuant to the WOD Formula Rate are credited to the originating expense accounts in a manner that provides SCE's transmission customers the full benefit of the credits while remaining consistent with the requirements of the USofA. SCE requested an effective date of January 1, 2022 for these revisions. As of the date of this filing, the proposed revisions are pending before the Commission.

SCE filed its TO2020 Annual Update on November 22, 2019, and the TO2021 Annual Update on November 20, 2020, pursuant to the process outlined in the Formula Rate Protocols.

Section 3(d)(8) of the Formula Rate Protocols provides in pertinent part:

8) If SCE determines or concedes that a previously-filed Annual Update contained errors that affected the True Up TRR calculated in that Annual Update, including but not limited to filed corrections to its FERC Form 1 that affect inputs to the Formula Rate, or errors in other input data used in determining True Up TRR, SCE shall promptly serve notice to the Commission in the docket of the affected Annual Update that SCE intends to file an Amended Annual Update, with a brief description of the errors to be corrected in such filing. SCE shall additionally notify the entities that have participated in SCE's Annual Update filings of the upcoming Amended Annual Update. The Amended Annual Update shall:

⁶ 167 FERC ¶ 61,214.

⁷ 172 FERC ¶ 61,270.

- i recalculate the True Up TRR for all affected Prior Years;
- ii compare, on a monthly basis, the difference between the initial incorrect True Up TRR and the revised correct True Up; and
- iii determine the cumulative amount of the difference in (ii), including interest calculated pursuant to the interest rate in 18 C.F.R. § 35.19a.

The difference in (iii) shall be included as an additional component to SCE's True Up Adjustment in the subsequent Annual Update as a One Time True Up Adjustment in accordance with the Formula Rate.

If the difference in (iii) would not result in an increase to the True-Up TRR of more than \$1 million, however, then SCE need not submit to the Commission an Amended Annual Update, as described above, but may include the difference in (iii) in its Draft Annual Update, or, if the error is discovered after the posting of a Draft Annual Update on June 15, in an amended Draft Annual Update posted on SCE's website no later than October 31.

On June 22, 2021, SCE provided notice to the Commission and formula rate parties that SCE had determined that there were errors in the 2018 True Up TRR reflected in the TO2020 Annual Update, as well as the 2019 True Up TRR reflected in the TO2021 Annual Update, and that SCE intended to file Amended Annual Updates in accordance with the Formula Rate Protocols.

II. Corrections to the 2018 and 2019 True Up TRR

As part of the TO2020 Annual Update, SCE calculated its actual transmission revenue requirement or True Up TRR for calendar year 2018 pursuant to the TO2018 Formula Rate. SCE has determined that certain items included in the 2018 True Up TRR reflected in the TO2020 Annual Update were incorrect. A discussion of these items is provided below.

1. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2018. This error relates to an exclusion found in the workpaper titled "WP Schedule 20 A&G", tab titled

- “ShareholderAndOther”, Section 3 - Order 668 Amount Transferred from O&M Accounts 569. The amount to be transferred to A&G from O&M, \$38 million in 2018, should have been entered as a positive value in the workpaper for each respective year. Instead, due to an input error these entries were entered as negative values. This error caused total company A&G to be reduced by the entered amounts, rather than increased as intended.
2. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2018. The error relates to outside counsel expenses related to employment litigation or arbitration matters. The amount of total company A&G expenses were overstated by \$306, which should have been excluded in 2018.
 3. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2018. The error relates to ACE/Spot bonuses that were not excluded from recovery due to a linking error in the workpaper titled “WP Schedule 20 A&G”. The amount of total company A&G expenses were overstated by \$616,125, which should have been excluded in 2018.
 4. On June 28, 2021, FERC issued SCE's Audit Report in Docket No. FA20-1 and, among other things, required refunds related to compromise employee settlements for calendar year 2018. These refunds relate to A&G FERC Account 925. Pursuant to the Audit Report, SCE is reducing 2018 total company A&G by \$261,000.

As part of the TO2021 Annual Update, SCE calculated its actual transmission revenue requirement or True Up TRR for calendar year 2019 pursuant to both the TO2018 Formula Rate and the TO2019A Formula Rate.⁸

⁸ In accordance with the Formula Rate Protocols, the True Up TRR for calendar year 2019 was determined using a weighted average of the True Up TRRs calculated pursuant to the formula rates in effect in 2019,

SCE has determined that certain items included in the 2019 True Up TRR reflected in the TO2021 Annual Update were incorrect. A discussion of these items is provided below.

1. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2019. This error relates to an exclusion found in the workpaper titled “WP Schedule 20 A&G”, tab titled “ShareholderAndOther”, Section 3 - Order 668 Amount Transferred from O&M Accounts 569. The amount to be transferred to A&G from O&M, \$39 million in 2019, should have been entered as a positive value in the workpaper for each respective year. Instead, due to an input error these entries were entered as negative values. This error caused total company A&G to be reduced by the entered amounts, rather than increased as intended.
2. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2019. The error relates to outside counsel expenses related to employment litigation or arbitration matters. The amount of total company A&G expenses were overstated by \$481, which should have been excluded in 2019.
3. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2019. The error relates to a BRRBA Distribution credit erroneously excluded. The amount of total company A&G expenses were overstated by \$2,034,939, which should have been excluded in 2019.
4. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2019. The error relates to a Pensions &

- Benefits Billed to Affiliates credit erroneously excluded. The amount of total company A&G expenses were overstated by \$338,044, which should have been excluded in 2019.
5. SCE has identified an input error relating to an A&G exclusion affecting the True Up TRR of calendar year 2019. The error relates to EIX costs. In 2019 SCE excluded costs which were erroneously reported as 923 expenses but which in fact recorded to FERC account 426, an account that is already excluded from the Formula Rate. The amount of total company A&G expenses were understated by \$79,472, which should have been included in 2019.
 6. On June 28, 2021, FERC issued SCE's Audit Report in Docket No. FA20-1 and, among other things, required refunds related to compromise employee settlements for calendar year 2019. These refunds relate to A&G FERC Account 925. Pursuant to the Audit Report, SCE is reducing 2019 total company A&G by \$1,980,050.

III. Impacts on the 2018 and 2019 True Up TRR

The 2018 corrections directly impacted the following schedules: Schedule 4 TUTRR, and Schedule 20 AandG. SCE has determined that the 2018 True Up TRR of \$1,078,591,816 million reflected in the TO2021 Annual Update increases to \$1,082,953,611.⁹

The 2019 corrections directly impacted the following schedules: Schedule 4 TUTRR, and Schedule 20 AandG. SCE has determined that the 2019 weighted average True Up TRR of \$1,032,966,978 million reflected in the TO2021 Annual Update increases to \$1,037,944,606.

⁹ The TO2020 True Up TRR was \$1,078,540,190. As part of the TO2021 Annual Update, SCE corrected 2 prior period errors affecting 2018, which increased the 2020 True Up TRR by \$51,626 to \$1,078,591,816 (see TO2021 workpaper titled "WP Schedule 3 One Time Adj-Prior Period"). Such errors did not require an Amended Annual Update pursuant to the Formula Rate Protocols because the increase was less than \$1 million.

As discussed above, SCE intends to include as an additional component to SCE's True Up Adjustment in its TO2022 Annual Update, a One Time True Up Adjustment of \$9,826,475, to reflect the corrected 2018 and 2019 True Up TRRs, including interest through December 2019.¹⁰ SCE does not intend to modify the TO2020 or TO2021 Base TRR or the associated transmission rates in effect during calendar years 2020 or 2021.

IV. Documents Submitted With This Filing

While SCE requests no action from the Commission, this filing consists of the following documents for informational purposes in accordance with its Formula Rate Protocols:

- 1) This filing letter;
- 2) Attachment 1: The populated formula transmission rate in both pdf and Excel format, showing the calculation of the amended 2018 True Up Transmission Revenue Requirements (note that SCE has annotated the populated formulas to highlight those revised cells that impact the True Up TRR);
- 3) Attachment 2: Revised 2018 Workpapers supporting the revised inputs to Attachment 1;
- 4) Attachment 3: The populated formula transmission rate in both pdf and Excel format, showing the calculation of the amended 2019 True Up Transmission Revenue Requirements using the TO2019A Formula Rate (note that SCE has annotated the populated formulas to highlight those revised cells that impact the True Up TRR);
- 5) Attachment 4: Revised 2019 Workpapers supporting the revised inputs to Attachment 3;

¹⁰ SCE currently anticipates that there will be a total TO2022 One Time True Up Adjustment of \$9,580,576, which includes an additional -\$245,899 related to a 2017 correction.

- 6) Attachment 5: The populated formula transmission rate in both pdf and Excel format, showing the calculation of the amended 2019 True Up Transmission Revenue Requirements using the TO2018 Formula Rate (note that SCE has annotated the populated formulas to highlight those revised cells that impact the True Up TRR);
- 7) Attachment 6: Revised 2019 Workpapers supporting the revised inputs to Attachment 5;
- 8) Attachment 7: Calculation of the 2018 True Up TRR variance, and the weighted average variance in the 2019 True Up TRR based on the results in Attachment 3 and Attachment 5.
- 9) Attachment 8: Amended True Up TRR Description of Schedule Impacts for 2018 and 2019; and
- 10) Attachment 9: Monthly comparison of initial incorrect True Up TRR and revised correct True Up TRR and determination of the cumulative amount of the difference including interest through 2019, for both 2018 and 2019.

V. Service

Copies of this notice have been served on all parties to Docket No. ER19-1553, including the California Public Utilities Commission, as well as the CAISO, and all Participating Transmission Owners in the CAISO.

VI. Communications

SCE requests that all correspondence, pleadings and other communications concerning this notice be served upon:

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Very truly yours,

/s/ Jeffrey L. Nelson

Jeffrey L. Nelson

CERTIFICATE OF SERVICE

I hereby certify that I have, this day, served a true copy of “**AMENDED FORMULA TRANSMISSION RATE UPDATES FOR RATE YEARS 2020 and 2021 (TO2020/TO2021) OF SOUTHERN CALIFORNIA EDISONCOMPANY**” on all parties identified on the official service list(s) for FERC docket ER19-1553-000, including the California Public Utilities Commission (“CPUC”), the California Independent System Operator (“CAISO”), and the Attorney General of California. Service was effected by transmitting the copies via email to all parties who have provided an e-mail address. First class mail will be used if electric service cannot be effectuated.

Dated at Rosemead, California this **15th**, day of **November 2021**.

/s/Vicki Carr-Donerson

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