

November 17, 2023

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

RE: Southern California Edison Company's West of Devers Formula Rate
Annual Update Filing in Docket No. ER24-XXX

Dear Ms. Bose:

Under Southern California Edison Company's ("SCE") Transmission Owner Tariff ("TO Tariff"), SCE calculates its Morongo West of Devers ("WOD") Rate Year Cost using a formula rate spreadsheet ("WOD Formula Rate"). SCE hereby submits for informational purposes its annual formula transmission rate update filing ("Morongo WOD 2024 Annual Update"), pursuant to Section 3 of Attachment 1 to Appendix XIV of SCE's TO Tariff (the "WOD Formula Rate Protocols").

This submission is provided to the Federal Energy Regulatory Commission ("FERC" or the "Commission") for informational purposes only. This filing is not subject to the requirements of Section 205 of the Federal Power Act (16 U.S.C. § 824d (2023)), and pursuant to Section 3(d)(3) of the WOD Formula Rate Protocols, does not subject the WOD Formula Rate to modification.

SCE requests that the Commission issue a public notice of filing for the Morongo WOD 2024 Annual Update and establish a comment date.

I. Background

On March 5, 2021, in Docket No. ER21-1280-000, SCE filed its Appendix XIV to its Transmission Owner Tariff and its populated WOD Formula Rate Spreadsheet with the Commission (“Morongo WOD Formula Rate Filing”) to establish a formula rate for the recovery of operation and maintenance costs for the West of Devers Upgrade Project for which Morongo Transmission, LLC (“Morongo Transmission”) is responsible. No protests were filed to SCE’s filing. On April 30, 2021, the Commission issued a Deficiency Letter requesting additional information to determine if the protocols and proposed formula rate are just and reasonable. On May 14, 2021, SCE filed its Response to Deficiency Letter in Docket No. ER21-1280-001, in which SCE proposed changes to the scope and the challenge procedures in the formula rate protocols and provided further explanations to several accounting questions. By Order on Formula Rate dated July 13, 2021, as amended by the Errata Notice on July 16, 2021, the Commission accepted SCE’s Appendix XIV and its 2021 WOD Rate Year Cost and its proposed revised West of Devers Formula Rate Protocols subject to submission of a Compliance Filing, to be effective May 5, 2021. On August 12, 2021, SCE filed its Compliance filing.¹ The Commission approved the Compliance Filing by Letter Order dated November 8, 2021.

On November 19, 2021, in Docket No. ER21-1280-000, SCE filed its first formula rate update (the “Morongo WOD 2022 Annual Update”) following the establishment of the WOD Formula Rate, pursuant to the process outlined in the WOD Formula Rate Protocols. The Morongo WOD 2022 rates went into effect on January 1, 2022.

¹ On October 6, 2021, SCE refiled the Compliance Filing due to format discrepancies with the tariff record in the August filing.

On November 18, 2022, in Docket No. ER21-1280-000, SCE filed its second formula rate update (the “Morongo WOD 2023 Annual Update”) following the establishment of the WOD Formula Rate, pursuant to the process outlined in the WOD Formula Rate Protocols. The Morongo WOD 2023 rates went into effect on January 1, 2023.

SCE is now submitting its Morongo WOD 2024 Annual Update to the Commission in accordance with Section 3 of the WOD Formula Rate Protocols, which specify that each year SCE will file an Annual Update on or before December 1, to calculate the Morongo WOD Rate Year Cost for Morongo Transmission’s cost for the operation and maintenance of the WOD transmission line facilities associated with its leased transmission capability to be effective on January 1 of the upcoming Rate Year.² The Rate Year for the Morongo WOD 2024 Annual Update is January 1, 2024 through December 31, 2024 and the Prior Year is 2022.

II. SCE’s WOD Formula Rate

Pursuant to SCE’s WOD Formula Rate, the Morongo WOD Rate Year Cost is calculated as the sum of the Prior Year’s expenses for Direct O&M, Allocated O&M, Administrative & General, General + Intangible Plant, Payroll Taxes, Property Taxes, Cash Working Capital and Franchise Fees, True-Up Adjustment, as well as the inclusion of a Cost Adjustment, when applicable. The True-Up Adjustment is meant to compare actual Prior Year Costs (as determined by the WOD Formula Rate) to revenues received during this same period. The Cost Adjustment allows SCE to make an adjustment to rates to reflect the estimated difference in Property Tax and Right of Way expenses expected during the Rate

² SCE has filed previous Morongo WOD Annual Updates under Docket ER21-1280, which is the original docket authorizing the Morongo WOD Formula Rate. SCE is filing this Morongo WOD 2024 Annual Update under a separate docket consistent with Commission guidance. *See, e.g., Idaho Power Co.*, 179 FERC ¶ 61,054 (2022) at P 27 n.45; *Black Hills Power, Inc.*, 150 FERC ¶ 61,198 (2015) at P 32.

Year and those same costs included in the Prior Year Cost. The Cost Adjustment also allows SCE to include expense items which were not present in the Prior Year, but will be incurred during the Rate Year, or alternatively, to reduce those expenses which were present in the Prior Year but will not be recurring during the Rate Year.

III. Reasons for Changes in SCE's Rate Year Cost

The Morongo West of Devers Rate Year Cost in this annual update is \$7.590 million, compared to \$11.498 million in the Morongo WOD 2023 Annual Update, a decrease of \$3.908 million.

The main driver for the change in the Rate Year Cost is the True-Up Adjustment, which is attributable to Property Taxes. There was an overcollection in 2022 (the Prior Year) attributable to Property Taxes. Two installments were forecasted in setting RY2022 costs, but only one was applicable that year based on the WOD Project in-service date and Riverside and San Bernardino County billing lags. In this annual update SCE is returning the 2022 overcollection to Morongo Transmission as part of the normal operation of the WOD Formula.

SCE is also including a Cost Adjustment this year in the amount of \$2.907 million that reflects an additional Expense Component and Property Taxes. The additional Expense Component will reduce the Morongo WOD 2024 Rate Year Cost by \$0.774 million, as the underlying expenses incurred are not expected to recur in the 2024 Rate Year but were present in the 2022 Prior Year. The underlying expenses were the result of an additional A&G reserve against a prior wildfire liability taken in 2022. The second component of the Cost Adjustment is for an additional installment of Property Taxes associated with the transmission capability rights of Morongo Transmission. The Prior Year Costs only include one installment payment, but an additional installment payment will be due and

paid in the Rate Year in the estimated amount of \$3.681 million to the counties of Riverside and San Bernardino, California.

IV. Documents Submitted With This Filing

This filing consists of the following documents:

- 1) This filing letter;
- 2) An attestation by an SCE officer;
- 3) Attachment 1: The populated formula rate spreadsheet, in both pdf and Excel formats, showing the calculation of the 2024 Morongo West Of Devers Rate Year Cost and associated monthly rate;
- 4) Attachment 2: Revisions to formula rate inputs from the Draft Annual Update; and
- 5) Attachment 3: Workpapers supporting the inputs to Attachment 1, including information required pursuant to the WOD Formula Rate Protocols.

V. Service

Copies of this filing have been served on all parties to Docket Nos. ER19-1553, EC13-114, ER21-669, ER21-1280-000, and ER21-1280-001, including the California Public Utilities Commission, the California Department of Justice's Attorney General's Office, and consumer advocate agencies that have jurisdiction over SCE's rates, as well as the California Independent System Operator Corporation ("CAISO") and all Participating Transmission Owners in the CAISO.

VI. Communications

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

Alexa Mullarky
Attorney

Southern California Edison Company
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Very truly yours

/s/ Jeffrey L. Nelson

Jeffrey L. Nelson

ATTESTATION

Kara G. Ryan attests that she is Vice President and Corporate Controller of Southern California Edison Company, and that the cost of service statements and supporting data submitted as a part of this filing which purport to reflect the books of Southern California Edison Company are true, accurate, and current representations of the utility's books and other corporate documents to the best of her knowledge and belief.

Kara G. Ryan

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Kara Ryan

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Vice President

11/13/2023

Dated: November ___, 2023

CERTIFICATE OF SERVICE

I hereby certify that I have, this day, served a true copy of **SOUTHERN CALIFORNIA EDISON COMPANY'S ("SCE") MORONGO TRANSMISSION-WEST OF DEVERS ("WOD") FORMULA RATE 2024 ANNUAL UPDATE FILING** on all parties identified on the official service list(s) for FERC dockets ER21-1280-000, ER19-1553-000, CAISO PTOs, the Attorney General, including the CPUC, as well as the California Independent System Operator ("CAISO") Contacts. 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 **17th**, day of **November 2023**.

/s/Sandra Sedano _____

Sandra Sedano

Legal Support, Senior Specialist

Southern California Edison Company

2244 Walnut Grove Avenue

Rosemead, CA 91770

Sandra.Sedano@sce.com