

DRAFT
November 22, 2024

Ms. Debbie-Anne Reese, Acting 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. ER25-XXX

Dear Ms. Reese:

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 2025 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 (2024)), 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 2025 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. 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.

SCE is now submitting its fourth Morongo WOD 2025 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. The Rate Year for the Morongo WOD 2025 Annual Update is January 1, 2025 through December 31, 2025 and the Prior Year is 2023.

II. SCE’s WOD Formula Rate

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

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 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 \$11.793 million, compared to \$7.590 million in the Morongo WOD 2024 Annual Update, an increase of \$4.203 million.

The main driver for the year-over-year change is the True-Up Adjustment. While in the 2025 Annual Update the True Up Adjustment is only \$0.106 million, in the 2024 Annual Update it was -\$3.891 million due to a prior overcollection associated with 2022 Property Taxes. SCE returned the 2022 overcollection to Morongo Transmission as part of the normal operation of the WOD Formula.

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 2025 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, ER21-1280-001 and ER24-441-000 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
Senior Attorney
Southern California Edison Company
P.O. Box 800
Rosemead, CA 91770
Alexa.J.Mullarky@sce.com
Tel. (626) 302-1577

Ms. Debbie-Anne Reese, Acting Secretary
Federal Energy Regulatory Commission
Page 5
November 22, 2024

Jeffrey L. Nelson
FERC Rates & Market Integration
Southern California Edison Company
P.O. Box 800
Rosemead, CA 91770
Jeff.Nelson@sce.com
Tel. (626) 302-4834

Very truly yours

/s/ Jeffrey L. Nelson

Jeffrey L. Nelson

ATTESTATION

Kara 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 Ryan

Vice President

Dated: November __, 2024