

WOD Formula Rate Workpapers

Master Workpaper Index - WOD Formula Rate		
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SCE's 2021 resubmitted FERC Form 1 ("FF1")

Link: <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=44F15912-55E1-C9FD-9379-825B83700000>
General Location: FERC website, accession number: 20220801-8004

SCE Transmission Formula Rate (TO2023)

General Location: <https://www.sce.com/regulatory/open-access-information>

WP Material Accounting Changes

List of Material Accounting Changes

“Material Accounting Changes” shall mean any material change that affects the WOD Formula Rate as follows: (i) accounting policies and practices from those in effect for the Prior Year upon which the immediately preceding Annual Update was based, including those resulting from any new or revised accounting guidance from the Financial Accounting Standards Board; or (ii) internal corporate cost allocation policies or practices in effect for the Prior Year upon which the immediately preceding Annual Update was based; or (iii) income tax elections from those in effect for the Prior Year upon which the immediately preceding Annual Update was based; or (iv) cost allocation policies between EIX, SCE, and subsidiaries of either, from those in effect for the Prior Year upon which the immediately preceding Annual Update was based. Additionally, a Material Accounting Change shall also include any: (i) initial implementation of an accounting standard; or (ii) initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction.

1. In July 2021, Morongo Transmission LLC paid SCE \$400 million for the use of a portion of the West of Devers transmission line transfer capability. Under the agreement with Morongo, SCE will provide Morongo with the use of a portion of the WOD transmission line transfer capability for a period of 30 years. SCE will amortize deferred revenues from the use of the transfer capability over the 30-year term. The depreciation of the transmission line is also amortized over the same period on a straight-line basis. FERC also approved SCE's requested accounting waiver of the Commission's USofA on the use of Account 566 to record the amounts received from Morongo Transmission on a limited basis until December 31, 2021 (Docket Nos. ER21-1280-000 and ER21-1280-001). Starting in 2022, SCE will report the amounts received from Morongo Transmission in the corresponding native accounts consistent with Docket ER22-166.

Workpaper Showing Cost Adjustment Amount

<u>Item</u>	<u>Amount</u>	<u>Calculation</u>
1) Additional Expense Component		
Expense in the Prior Year Not Expected In the Rate Year	\$ (707,469)	Line 16 below
2) Morongo Property Taxes		
Expense not in Prior Year, but expected in the Rate Year		
San Bernardino County Property Taxes	\$ 1,142,801	Line 42 below
Riverside County Property Taxes	5,919,002.30	Line 31 below
	<u>7,061,803.22</u>	
Total Cost Adjustment	6,354,333.83	

Additional Expense Component: 2021 Wildfire Reserve Adjustment

<u>Line</u>		<u>Amount</u>	<u>Calculation</u>
1	1) Direct Impact through A&G Expense: See Note 1		
2			
3	A&G Expense Accrual	\$1,090,000,000	
4	Morongo WOD Labor AF	0.0642%	9-Allocators, Line 49
5	Direct A&G Impact	\$699,516	Line 3 * Line 4
6			
7	2) Cash Working Capital Impact: See Note 2		
8			
9	Direct A&G Impact	\$699,516	Line 5
10	Impact on Cash Working Capital	\$87,440	Line 9 * 1/8
11	Capital Carrying Charge	9.096%	Schedule 9, Line 59
12	Cash Working Capital Impact	\$7,953	Line 10* Line 11
13	4) Calculation of the Cost Adjustment: See Note 3		
14			
15	Total Impact on the Prior Year Cost of the 2021 Wildfire Reserve Increase	\$707,469	Line 5 + Line 12
16	Cost Adjustment for 2023 WOD Formula Rate Annual Update	-\$707,469	Negative of Line 15

Notes:

- In 2021 SCE reserved an additional reserve expense related to the "Thomas/Woolsey/Montecito" events of \$1.090 billion. The A&G expense impact on the Prior Year Cost is the amount of the reserve times the Morongo WOD Labor Allocation Factor.
- The Cash Working Capital impact on the Prior Year Cost is calculated as 1/8 of the Direct A&G Impact times the Capital Carrying Charge.
- The Cost Adjustment is the negative of the cost impact on the Prior Year Cost for expenses incurred in the Prior Year.

Morongo Property Tax Calculations (By County)

Riverside:

Morongo LLC Investment %

17	Morongo Transmission LLC investment in West of Devers Transmission Lines portion of West of Devers Upgrade	400,000,000.00	62.259%
18	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	642,480,976.00	
19	Transmission Line %:		
20	Transmission Lines Riverside County (miles)	145.00	79.2%
21	Circuit length of transmission lines (miles)	183.00	
22	Tax Rate:		
23	Property Tax	69,601,830.66	1.867547%
24	Unitary Assessed Value	3,726,911,308.00	

Riverside Property Tax for Morongo investment Calculation:

25	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	642,480,976.00	
26	Morongo Transmission LLC investment %	62.259%	
27	Morongo Transmission LLC investment in West of Devers	400,000,000.00	
28	Riverside Transmission Line %	79.2%	
29	Morongo investment in Riverside	316,939,890.71	
30	Riverside Tax Rate	1.867547%	
31	Riverside Property Tax for Morongo investment	5,919,002.30	

San Bernardino

Morongo LLC Investment %

30	Morongo Transmission LLC investment in West of Devers Transmission Lines portion of West of Devers Upgrade	400,000,000.00	62.259%
31	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	642,480,976.00	
32	Transmission Line %:		
32	Transmission lines San Bernardino County (miles)	38.00	20.8%
33	Circuit length of transmission lines (miles)	183.00	

Tax Rate:		
34 Property Tax	75,862,521.20	1.375872%
35 Unitary Assessed Value	5,513,776,885.00	

San Bernardino Property Tax for Morongo investment Calculation:

36 Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	642,480,976.00
37 Morongo Transmission LLC investment %	62.259%
38 Morongo Transmission LLC investment in West of Devers	400,000,000.00
39 San Bernardino Transmission Line %	20.8%
40 Morongo investment in San Bernardino	83,060,109.29
41 San Bernardino Tax Rate	1.376%
42 San Bernardino Property Tax for Morongo investment	1,142,800.92

SOUTHERN CALIFORNIA EDISON
RIVERSIDE COUNTY PROPERTY TAX
PROPERTY TAX YEAR 2021-2022

NO. OF TAX BILLS	TRA	ASSESSED VALUE	1ST INSTALLMENT	2ND INSTALLMENT	TOTAL	
UNITARY:						
1	000-001	\$2,956,959,385	\$27,609,129.78	\$27,609,129.78	\$55,218,259.56	
			Special Assessment & Fixed Charges 12,579.07	12,579.07	✓ 25,158.14 •	
TOTAL NON-UNITARY		769,951,923	7,191,785.55	7,191,785.55	14,383,571.10	SUBTOTAL INCLUDES UNITARY SPECIAL ASSESSMENT
TOTAL RIVERSIDE COUNTY		\$3,726,911,308	• \$34,800,915.33 ✓	\$34,800,915.33	\$69,601,830.66	SEE PAGE 8 BREAKDOWN

SOUTHERN CALIFORNIA EDISON COMPANY
SAN BERNARDINO COUNTY PROPERTY TAX
PROPERTY TAX YEAR 2021-2022

TRA	APN	ASSESSED VALUE	1ST INSTALLMENT	2ND INSTALLMENT	TOTAL
UNITARY:					
1	0000001	9014-800-00-U-001	\$4,150,823,149	\$28,941,045.75 •	\$28,941,045.69
					\$57,882,091.44
AIRCRAFT:					
	004-008	(MEMO)	6,625,000	0.00	0.00
2	0005060	9014-800-05-U-060	652,317,027	4,075,676.80 •	4,075,676.76
3	0000095	9014-800-00-U-095	688,775,498	4,786,989.71 •	4,786,989.71
SUBTOTAL UNITARY			5,498,540,674	37,803,712.26 •	37,803,712.16
SUBTOTAL NON-UNITARY			15,236,211	127,549.12 •	127,547.66
TOTAL SAN BERNARDINO CO.			\$5,513,776,885	\$37,931,261.38 ✓	\$37,931,259.82
					\$75,862,521.20

WP True Up Adjustment

Inputs for Schedule 2 (2021 Prior Year)

Monthly Morongo Revenues (Schedule 2, Column 3)

	<u>Amount</u>	<u>Notes</u>
Monthly bill:	\$423,127	"Monthly Morongo West of Devers Rate Year Cost" from Morongo RY2021 Annual Update
Total Amount Paid in 2021:	\$2,115,635	Five Months of bills paid in 2021

Monthly Costs (Schedule 2, Column 2)

	<u>Amount</u>	<u>Notes</u>
Prior Year Cost	\$4,943,585	Prior Year Cost from Schedule 1, Line 10
Monthly Costs Aug - Dec	\$411,965	Prior Year Cost / 12
For Month of July	\$252,495	Monthly Cost * (19/31)
Total Costs for Year	\$2,312,322	Five Full Months Aug-Dec, plus July

WP Direct O&M Costs

List of Direct O&M Costs

1) Right of Way Fees

Total Right of Way Fees In The Prior Year:	7000000	Source
Total Rights of Way	3	SCE Records
WOD Rights of Way	1	
% WOD	33%	
WOD Rights of Way Cost	2,333,333	

	TOTAL ANNUAL PAYMENT
Dec. 2013	\$541,666.66
year 1-2014	\$6,500,000.00
year 2-2015	\$6,500,000.00
year 3-2016	\$6,500,000.00
year 4-2017	\$6,500,000.00
year 5-2018	\$6,500,000.00
	<u>\$32,500,000.00</u>
year 6-2019	\$7,000,000.00
year 7-2020	\$7,000,000.00
year 8-2021	\$7,000,000.00
year 9-2022	\$7,000,000.00
year 10-2023	\$7,000,000.00
	<u>\$35,000,000.00</u>

Workpaper Showing Additional Morongo O&M Adjustments

		(C4)	(C4a)	
		Additional Morongo Adjustments	Additional Morongo Adjustments	
		<u>Labor</u>	<u>Non-Labor</u>	<u>Reason for Adjustment</u>
17	567 - Line Rents - Allocated	(26,157)	(8,276,181)	ROW fees are directly assigned

Workpaper Showing Morongo A&G Adjustments

(C2)

<u>Line</u>	<u>A&G Account</u>	<u>Description</u>	<u>Additional Morongo Adjustments</u>	<u>Reason for Adjustment</u>
5	924	Property Insurance	(20,044,138)	Self Insurance

Workpaper Showing Property Taxes Paid by SCE for West of Devers Capability Rights

County	<u>Bill Amounts Received</u>	Comments
Riverside	\$0.00	No Property Tax Payments Applicable in 2021
Riverside	\$0.00	No Property Tax Payments Applicable in 2021
San Bernardino	\$0.00	No Property Tax Payments Applicable in 2021
San Bernardino	\$0.00	No Property Tax Payments Applicable in 2021
Total Property Tax Payments	\$0.00	

Workpaper Showing Inputs to Allocators

1)	Morongo Lease Payment	\$	400,000,000
2)	Cost of Subject Facilities	\$	642,480,976
3)	WOD ISO Line Miles		183
	Devers - Vista #1		48.5
	Devers - Vista #2		48.5
	Devers - El Casco - San Bernardino		43.2
	Devers - San Bernardino		<u>43.2</u>
			183.4