

February 28, 2019

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

Dear Ms. Bose:

Pursuant to Section 205(d) of the Federal Power Act¹ and Section 35.13 of the Federal Energy Regulatory Commission (“Commission” or “FERC”)’s regulations,² Southern California Edison Company (“SCE”) submits proposed changes to SCE’s formula transmission rate (“Formula Rate”) set forth in Appendix IX³ of SCE’s Transmission Owner Tariff, FERC Electric Tariff, Third Revised Volume No. 6 (“TO Tariff”), in order to conform the Formula Rate calculation of retail transmission rates with California Public Utilities Commission (“CPUC”) Decision 18-11-027, issued on December 7, 2018 (“CPUC General Rate Case Phase 2 Order”).⁴ Specifically, SCE is updating Retail Rate Schedules identified in Schedule 33 to SCE’s Formula Spreadsheet to conform to the retail rate schedules recently adopted by the CPUC in SCE General Rate Case Phase 2 Order. These updates have no effect on SCE’s approved rate groups, allocation

¹ 16 U.S.C. § 824d (2018).

² 18 C.F.R. § 35.13 (2018) and, in particular, Section (a) (2)(iii) “for rate schedule, tariff, or service agreement changes other than rate increases.”

³ Attachment 2 is the Formula Spreadsheet that calculates SCE’s Transmission Revenue Requirement (“TRR”) and associated rates, including the determination of retail transmission rates in Schedule 33.

⁴ The CPUC Phase 2 Order is included as Attachment 1 to Exhibit 1.

methodology or retail transmission rate levels currently reflected in SCE's Formula Rate. SCE is not proposing to revise retail transmission rate levels, nor did the CPUC order direct SCE to make changes to the retail transmission rates.

The documents submitted with this filing consist of this letter of transmittal, the Declaration of Robert A. Thomas (Exhibit 1) including all attachments, and the revisions to the TO Tariff in both clean and redline format.

I. BACKGROUND

On October 27, 2017, SCE filed its Transmission Owner Tariff Transmission Rate Filing ("TO2018"), which superseded its prior Formula Rate.⁵ The Commission accepted the TO2018, subject to refund. SCE's Formula Rate provides a mechanism to recover SCE's Commission-jurisdictional Base Transmission Revenue Requirement ("Base TRR") in customer rates. SCE updated its Base TRR and ensuing rates effective January 1, 2019 pursuant to an Annual Update ("TO2019 Annual Update") filing on November 29, 2018.

SCE is required, pursuant to Section 8d of the Formula Protocols, to make this single-issue Section 205 filing to revise its retail transmission rates "to reflect any change in Rate Groups, Rate Schedules, or the design of retail rates applicable to each Rate Schedule subsequent to any final CPUC order that affects these aspects of retail transmission rates."⁶ This filing is only required "if and when the

⁵ Docket No. ER18-169-000, Southern California Edison Company Transmission Owner Tariff Transmission Rate Filing (TO2018) (October 27, 2017).

⁶ Formula Protocols, Section 8(d) ("SCE will make a single-issue Section 205 filing to revise Schedule 33 of the Formula Rate determination of retail transmission rates to reflect any change in Rate Groups, Rate Schedules, or the design of retail rates applicable to each Rate Schedule subsequent to any final CPUC order that affects these aspects of retail transmission rates. SCE will make such a filing only if and when the change in Rate Groups, Rate Schedules, or the design of retail rates cannot otherwise be reflected through the normal operation of the Formula Rate. In the single-issue Section 205 filing to the Commission, SCE will propose revisions to Schedule 33 of the Formula Rate that conform to the CPUC order. SCE will make a filing under this Section 8(d) by the later of either the filing date for the next Annual Update following the CPUC ruling or sixty days after the CPUC ruling.").

change . . . cannot otherwise be reflected through the normal operating of the Formula Rate.”⁷ Such is the case in this filing.

The CPUC General Rate Case Phase 2 Order, issued on December 7, 2018, adopts several settlement agreements that revise the design of SCE’s retail rates. The order updated SCE’s base and optional rates to, among other things, incorporate new time-of-use (TOU) periods, with corresponding new rate designs for the generation and distribution components of the rate. As Mr. Thomas explains, the proposed changes to Schedule 33 of the Formula Rate are necessary to update references to retail rate schedules to be consistent with those retail rate schedules adopted by the CPUC General Rate Case Phase 2 Order. (Thomas Declaration, ¶¶ 13-14). Accordingly, SCE is submitting this single-issue 205 filing pursuant to the Formula Protocols. For emphasis, SCE is not changing or adding any new Commission rates. Rather, SCE is simply changing the titles of several existing rate groups to maintain consistency with CPUC naming conventions, and associating several recently ordered CPUC rate options to be included in existing Commission rates already approved and incorporated within SCE Formula rate.⁸

The transmission retail rates, or any other aspect of the Formula Rate will not be affected by the addition of these new rates. Moreover, the only issue to be addressed is whether the changes proposed by SCE correctly implement the

⁷ *Id.*

⁸ Pursuant to the Formula Protocols, SCE must make this filing “by the later of either the filing date for the next Annual Update following the CPUC ruling or sixty days after the CPUC ruling.” The CPUC General Rate Case Phase 2 Order was issued on December 7, 2018, and the TO2020 Annual Update is to be filed by December 1, 2019. CPUC General Rate Case Phase 2 Order established an effective date of not later than March 1, 2019 for the revised retail rates. Accordingly, this filing, which is being made before December 1, 2019, complies with this aspect of the Formula Protocol.

applicable CPUC Order.⁹ As described in Section II and III and Mr. Thomas's Declaration, through this filing SCE correctly implements the CPUC General Rate Case Phase 2 Order.

II. THE CPUC GENERAL RATE CASE PHASE 2 ORDER

As discussed in Mr. Thomas's Declaration, attached as Exhibit 1, the CPUC General Rate Case Phase 2 Order adopts nine settlement agreements that revise the design of SCE's retail rates.

The rates design and revenue allocation issues in SCE's 2018 GRC Phase 2 Application were ultimately resolved through a settlement process. On December 7, 2018, the Commission issued the CPUC General Rate Case Phase 2 Order, adopting, without modification, all of the settlement agreements filed in the proceeding and resolving all remaining issues. The CPUC General Rate Case Phase 2 Order also allowed for a March 1, 2019 implementation date.¹⁰ The CPUC General Rate Case Phase 2 Order did not result in any changes to the retail transmission rates or the allocation of transmission revenue requirement as determined in the Formula Rate. The CPUC General Rate Case Phase 2 Order did however change the title of certain Rate Group references and added new optional retail rate schedules that incorporate the same retail transmission rates as the base rate option in their respective Rate Groups.

III. SCE'S PROPOSED CHANGES

As described in Section II above, the changes to retail transmission rate design adopted in the CPUC General Rate Case Phase 2 Order updated SCE's base and optional rates to, among other things, incorporate new time-of-use (TOU)

⁹ Formula Protocols, Section 8: "In a proceeding commenced by a single-issue filing under Section 8, parts (d) and (e), the sole issue that can or shall be addressed is whether the changes proposed by SCE correctly implement the applicable CPUC order."

¹⁰ See CPUC General Rate Case Phase II Order, at fn. 53 & 59.

periods and new distribution and generation rate designs and eliminate certain rate schedules. While the CPUC changed the components of rates under its jurisdiction to TOU, the associated Commission approved rates remain unchanged (e.g., the Commission approved rates in the Formula are not TOU based). SCE is proposing to update CPUC Rate Group references in Schedule 33 to align with references updated by the CPUC General Rate Case Phase 2 Order (e.g., changing the name of “GS-1 CPUC Rate Group” to “TOU-GS-1 CPUC Rate Group”). SCE is also proposing to add new retail rate schedules adopted pursuant to the CPUC General Rate Case Phase 2 Order.

Mr. Robert A. Thomas describes the changes in detail in his Declaration, Exhibit 1 to this filing.

IV. PROPOSED EFFECTIVE DATE AND WAIVER

SCE respectfully requests, pursuant to Section 35.11 (18 C.F.R. § 35.11) of the Commission’s regulations, waiver of the 60-day prior notice requirements specified in Section 35.3 (18 C.F.R. § 35.3), and requests the Commission to assign an effective date of March 1, 2019, the day after the date of the instant filing. Such waiver would be consistent with the Commission’s policy set forth in *Central Hudson Gas & Electric Corp., et al.*, 60 FERC ¶ 61,106 (1992), reh’g denied, 61 FERC ¶ 61,089 (1992), that waiver of the 60-day prior notice requirement will generally be granted where good cause is shown and the schedule or tariff is filed prior to the commencement of service. Good cause exists in that such waiver will enable SCE’s Schedule 33 to remain in alignment with the updated group references and new optional retail rate schedules established by the CPUC General Rate Case Phase 2 Order, which will go into effect on March 1, 2019. Further, as discussed above, this filing does not change or add any new Commission rates. If the Commission accepts SCE’s revisions proposed in this filing, SCE will utilize the revised Schedule 33 in the upcoming TO2020 Annual

Update to calculate TRRs and associated retail rates effective January 1, 2020.

V. COMMUNICATIONS

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

Matthew Dwyer
Senior Attorney
Southern California Edison Company
P.O. Box 800
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Tel. (626) 302-6521

Jeffrey L. Nelson
Director, FERC Rates & Market Integration
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VI. SERVICE

Copies of this filing have been served on all parties to Docket No. ER18-169, including the California Public Utilities Commission, as well as the California Independent System Operator Corporation (“CAISO”), and all Participating Transmission Owners in the CAISO.

VII. OTHER FILING REQUIREMENTS

Section 35.13(c)(1) requires, in pertinent part, a comparison of current sales and revenues to those under the proposed rate change.¹¹ There are no forecast

¹¹ See 18 C.F.R. § 35.13, Section (c)(1). “A table or statement comparing sales and services and revenues from sales and services under the rate schedule, tariff, or service agreement to be

changes in revenues resulting from the revisions to the Formula Rate proposed in this filing. In other words, the rate changes proposed in this filing are revenue neutral.

Of note, SCE will never recover more than its True Up TRR, which is calculated pursuant to Schedule 4 of the Formula Rate. SCE's Formula Rate credits all retail transmission revenue collected in a particular year against the True Up TRR for that year.¹²

No expenses or costs included in the rates tendered herein have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative or unnecessary costs that are demonstrably the product of discriminatory employment practices.¹³

SCE believes that the information contained in this filing provides a sufficient basis upon which to accept this filing; however, to the extent necessary, SCE further requests that the Commission waive its filing requirements contained in Section 35 of its regulations to the extent necessary in order to permit this filing to be made effective as requested.

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superseded and under the rate change, by applying the components of each such rate schedule or tariff to the billing determinants for each class of service, for each customer, and for each delivery point or set of delivery points that constitutes a billing unit.”). Per 18 C.F.R. § 35.13(c)(1)(i), this may be shown for the 24 months surrounding the effective date.

¹² Schedule 3 of the existing Formula Rate ensures that the formula only recovers SCE's True Up TRR over time.

¹³ See 18 C.F.R. § 35.13, Section (b)(7).

SCE believes that this filing conforms to any rule of general applicability and to any Commission order specifically applicable to SCE, and has made copies of this filing available for public inspection in SCE's principal office located in Rosemead, California. SCE has provided copies of this filing to those persons whose names appear on the enclosed mailing list.

Very truly yours,

/S/ Jeffrey L. Nelson

Jeffrey L. Nelson