SOUTHERN CALIFORNIA
EDISON®
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Jeffrey L. Nelson
Director
FERC Rates & Market Integration

July 24, 2026

Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Dear Ms. Reese:

Pursuant to Section 205 of the Federal Power Act ("FPA")[1] and Section 35.13 of the regulations of the Federal Energy Regulatory Commission ("Commission" or "FERC"),[2] Southern California Edison Company ("SCE") submits proposed revisions to its Formula Rate[3] to conform the calculation of retail transmission rates to recent changes ordered by the California Public Utilities Commission ("CPUC").[4] In the CPUC General Rate Case ("GRC") Phase 2 Order, the CPUC established a new bill credit for eligible agricultural customers served under the TOU-PA-2 retail rate. To reflect this change in its Formula Rate, SCE is now proposing to add references regarding this new bill credit to Schedule 33 of the Formula Rate, which calculates retail transmission rates. These changes are limited in scope and will have no effect on SCE's

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[1] 16 U.S.C. § 824d (2026).

[2] 18 C.F.R. § 35.13 (2026).

[3] Attachment 1 to Appendix IX of SCE's Transmission Owner Tariff ("TO Tariff") is the Formula Rate Protocols and Attachment 2 is the Formula Rate Spreadsheet, which calculates SCE's Transmission Revenue Requirement ("TRR") and associated transmission rates, including the determination of retail transmission rates in Schedule 33.

[4] *See* CPUC Decision 26-04-033 issued on May 4, 2026 (the "CPUC GRC Phase 2 Order"). The relevant portion of the CPUC GRC Phase 2 Order is included in Exhibit 1, attached hereto.

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approved rate groups, cost allocation methodology, or the retail transmission rates currently in effect under SCE's Formula Rate. SCE is not proposing to revise retail transmission rate levels, nor did the CPUC order SCE to make changes to its retail transmission rates.

The proposed revisions to SCE's Formula Rate requested herein are submitted as a single-issue filing, consistent with SCE's Formula Rate Protocols. SCE's Formula Rate Protocols provide that SCE shall make a single-issue Section 205 filing to revise Schedule 33 of its Formula Rate "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."[5] Such filing is required "if and when the change … cannot otherwise be reflected through the normal operation of the Formula Rate."[6] Pursuant to SCE's Formula Rate Protocols, the "sole issue" that may be contested in connection with such filing is "whether the changes proposed by SCE correctly implement the applicable CPUC order."[7]

The documents submitted with this filing consist of this letter of transmittal, Exhibit 1 (which sets forth the relevant portions of the CPUC GRC Phase 2 Order), and the proposed revisions to SCE's Formula Rate in both clean and redline format.

I. BACKGROUND OF SCE'S FORMULA RATE

SCE's currently-effective Formula Rate, the TO2019A Formula Rate, was submitted to the Commission on April 11, 2019 in Docket No. ER19-1553. On June 11, 2019, the Commission accepted SCE's TO2019A Formula Rate and the related revised 2019 Base TRR, suspended it for a five-month period, to become effective November 12, 2019, subject to refund, and established hearing and

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[5] *See* SCE's Formula Rate Protocols at Section 8(d).
[6] *Id.*
[7] *Id.* at Section 8.

settlement judge procedures.[8] On June 30, 2020, SCE filed an Offer of Settlement in Docket No. ER19-1553. The Offer of Settlement was approved by the Commission on September 23, 2020.[9]

Since then, the Formula Rate has been periodically amended through targeted tariff revisions accepted by the Commission that have addressed discrete items such as accounting changes, revisions to income tax components, depreciation rates, and other compliance-related adjustments. Additionally, SCE annually submits Annual Updates to the Commission, most recently the TO2026 Annual Update submitted on November 21, 2025 in Docket No. ER26-602, which determined SCE's TRR for 2026 and the associated retail transmission and wholesale rates for 2026.[10] SCE's retail transmission rates effective for the 2026 year, set forth in the TO2026 Annual Update, will not be affected by this tariff revision, which SCE is seeking to make effective on October 1, 2026.[11]

II. THE CPUC GRC PHASE 2 ORDER

On May 4, 2026, the CPUC issued the CPUC GRC Phase 2 Order, adopting without modification the settlement agreement filed in the proceeding and resolving all remaining issues, including rate design and revenue allocation issues that had been raised in SCE's 2025 General Rate Case Phase 2 Application. In the CPUC GRC Phase 2 Order, the CPUC ordered SCE to adopt a new bill credit to offset demand charges for certain agricultural customers taking service under several Rate Schedules included in Rate Group TOU-PA-2 that conduct pump testing outside the irrigation season, including the transmission component of retail rates in addition to generation and distribution rates. The CPUC GRC Phase

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8 *Southern California Edison Company*, 167 FERC ¶ 61,214 (2019).

9 *Southern California Edison Company*, 172 FERC ¶ 61,270 (2020).

10 *See* SCE's TO2026 Annual Update Filing submitted in Dkt. No. ER26-602 (Nov. 21, 2025) at transmittal letter pp. 3-6, which includes a summary of revisions approved by the Commission since the approval of the TO2019A Formula Rate Offer of Settlement.

11 *See* Section IV *infra*.

2 Order allowed for an October 1, 2026 implementation date of the bill credit for all demand charge components of the TOU-PA-2 retail rates.[12]

As described below, SCE has concluded that in order to implement this bill credit with respect to the transmission rate component, a minor tariff revision to Schedule 33 of SCE's Formula Rate is necessary. SCE also proposes an October 1, 2026 effective date to align with the CPUC GRC Phase 2 Order.

III. SCE'S PROPOSED TARIFF CHANGES

The changes to retail transmission rate design adopted in the CPUC GRC Phase 2 Order include, among other things, a new bill credit for agricultural customers to test their pumps during the winter season. The bill credit is equal to the demand charges assessed during the defined testing period such that no new "bill credit rate" is required. Initially, only TOU-PA-2 customers with a NAICS code of 1113 (Fruit and Tree Nut Farming)[13] will be eligible for this credit, and the window for testing will occur between December 1 and February 28 between 10:00 AM and 12:00 PM. Customers whose load factor is at or below the 2% threshold and whose maximum kilowatt (kW) demand occurs within the established two-hour window between 10:00 AM and 12:00 PM will qualify for participation in this bill credit program. Qualifying customers who perform a pump test outside of the 10:00 AM to 12:00 PM test period will receive the test credit for the *first* such occurrence during the December through February test period. However, any additional occurrences of registered demands associated with a pump testing event that occur outside of the two-hour test window will continue to be assessed on a monthly or TOU basis as specified in the underlying

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[12] *See* CPUC GRC Phase 2 Order, at p. 12: "The marginal costs, revenue allocations, and rate designs authorized in this decision shall take effect no earlier than October 1, 2026."

[13] A North American Industry Classification System ("NAICS") code is a 2- to 6-digit standard used by federal statistical agencies to classify businesses by their primary industry. It allows governments and private entities in the US, Canada, and Mexico to easily track, analyze, and compare economic data.

rate schedule. Customers who need to test their pumps during the two-hour test window will be required to apply for the bill credit.

To implement these provisions relating to TOU-PA-2 customers, SCE is proposing to add a new note 17a to Schedule 33 of the Formula Rate Spreadsheet, as follows:

> *17a) Eligible customers for Rate Group TOU-PA-2 shall receive a pump test credit during applicable testing windows, as defined in SCE's TOU-PA-2 retail rate schedules listed on Line 26 below.*

Additionally, references to the new Note 17a are placed on Line 14, to ensure that Schedule 33 is clear regarding the Rate Group that is affected by the new bill credit.

This proposed note will not change or add any new retail transmission rates to Schedule 33 of the Formula Rate. Rather, it will simply incorporate the CPUC-approved bill credit feature within the existing Schedule 33 portion of the Formula Rate. As stated above, the only issue before the Commission is whether these changes to Schedule 33 correctly implement the CPUC GRC Phase 2 Order.[14] For all the reasons described herein, such changes correctly do so.

IV. PROPOSED EFFECTIVE DATE

SCE respectfully requests the Commission to assign an effective date of October 1, 2026, which is 69 days after the filing date. The requested effective date will enable SCE’s Schedule 33 to remain aligned with the new bill credit established by the CPUC GRC Phase 2 Order, which will go into effect on October 1, 2026. This filing and the requested effective date also comply with SCE’s Formula Protocols, which provide that 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.”[15] The CPUC GRC Phase 2 Order was

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[14] SCE’s Formula Protocols at Section 8.

[15] SCE’s Formula Rate Protocols at Section 8(d).

issued on May 4, 2026, and the TO2027 Annual Update is to be filed by December 1, 2026. Accordingly, this filing, which is being made on July 24, 2026, complies with this aspect of the Formula Protocols.

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 TO2027 Annual Update, to be filed by December 1, 2026, to calculate TRRs and associated retail rates to be effective January 1, 2027.

V. COMMUNICATIONS

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

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VI. SERVICE

Copies of this filing have been served on all parties to Docket Nos. ER19-1553, ER24-439, ER25-550, and ER26-602, including the CPUC and the California Independent System Operator Corporation ("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.[16] There are no forecast 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.[17]

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.[18]

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.

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

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16 *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 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.

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

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

whose names appear on the official service lists identified above and in the attached certificate of service.

Very truly yours,

/S/ Jeffrey L. Nelson
Jeffrey L. Nelson

<u>CERTIFICATE OF SERVICE</u>

I hereby certify that I have, this day, served a true copy of "**SOUTHERN CALIFORNIA EDISON COMPANY Proposed Revisions to SCE's Formula Rate to Implement Agricultural Bill Credit"** on the official service list(s) for FERC dockets ER19-1553, ER24-439, ER25-550, and ER26-602, contacts for the California Public Utilities Commission ("CPUC"), and the California Independent System Operator ("CAISO"). Service was effected by transmitting the copies via email to all parties.

Dated at Rosemead, California this **24th**, day of **July 2026**.

/s/Sandra Sedano
Sandra Sedano
Sr. Specialist, Legal Support
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
sandra.sedano@sce.com

Exhibit 1

ALJ/MPO/smt **Date of Issuance 5/4/2026**

Decision 26-04-033 April 30, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) to Establish Marginal Costs, Allocate Revenues, and Design Rates.	Application 24-03-019

DECISION REGARDING SOUTHERN CALIFORNIA EDISON COMPANY'S APPLICATION TO ESTABLISH MARGINAL COSTS, ALLOCATE REVENUES AND DESIGN RATES

to be consistent with the law and compliant with all applicable statutes and prior Commission decisions. Lastly, the settlement agreement is in the public interest because it results in a reasonable compromise and avoids the cost of further litigation. Therefore, we grant the motion for approval of the Residential Rate Design Settlement Agreement and grant authority for the implementation of the terms of the settlement agreement, which is in Attachment A to this decision.

3.1.6. Agricultural and Pumping Rate Group Rate Design Settlement Agreement

On August 19, 2025, SCE and CFBF filed a motion for the Commission to adopt the Agricultural and Pumping Rate Group Rate Design Settlement Agreement. SCE and CFBF indicate that the settlement agreement resolves all issues raised with respect to agricultural and pumping tariff matters and rate design issues in this proceeding. No party filed comments either opposing or supporting the settlement agreement.

3.1.6.2. Summary of the Settlement Agreement

The major issues resolved in the settlement agreement include: (1) Common Rate Design Elements and Agricultural and Pumping Rate Options; (2) Time Management Load Control Devices and (3) Pump Testing Program Proposal.

The settlement agreement maintains that the common rate design elements and agricultural and pumping rate options will generally consist of some combination of Customer Charges, TOU or seasonal Energy Charges, Time-Related Demand (TRD) and Facilities-Related Demand (FRD) Charges. SCE and CFBF agree that agricultural and pumping customers served at higher voltage delivery levels than the design voltage level for their rate class will continue to receive a voltage discount reflecting their lower cost of service.[57] They agree that the discount levels will be established based on the difference in marginal costs of service between the design or predominant voltage level for a given rate class and the higher voltage service options. SCE and CFBF also agree to maintain the current methodology for the determination of the power factor adjustment rates.

As to the time management load control devices, SCE and CFBF agree to discontinue support of time management load control devices and to disable active time management load control devices from their corresponding meter following a final decision in this proceeding.[58] As to the pump testing program proposal, the settlement agreement adopts CFBF's proposal for a credit program available to eligible agricultural and pumping customers to test their pumps during the winter season. Initially, only a limited number of those customers within the TOU-PA-2 customer class will be eligible.[59]

3.1.6.3. Rule 12.1 Analysis

SCE and CFBF assert that the Agricultural and Pumping Rate Group Rate Design Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest.

SCE and CFBF argue that the record contains sufficient information for a Commission finding that settlement agreement is reasonable in light of the

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[57] Motion of SCE and CFBF for Adoption of the Agricultural and Pumping Rate Group Rate Design Settlement Agreement at 5.

[58] *Id.* at 7.

[59] *Id.* at 8 and 12.

record, citing to: (1) the prepared testimony, (2) the Agricultural and Pumping Rate Group Rate Design Settlement Agreement, and (3) the joint motion for adoption of the settlement agreement. They indicate that the settlement agreement represents a reasonable compromise of the settling parties' positions after extensive discovery and testimony.[60] SCE and CFBF indicate that they carefully considered the impact to agricultural customers who had modified operations and made investments to adapt to the legacy TOU periods and the operational challenges unique to agricultural customers that have been required in the adjustment to the new TOU periods adopted in D.18-07-006. They state that the agreement reached on the tariff matters and rate design issues balance the continued transition to new costs and structures without penalizing the class of customers for good-faith investments.

SCE and CFBF state that the terms of the Agricultural and Pumping Rate Group Rate Design Settlement Agreement are consistent with the law and comply with all applicable statutes and prior Commission decisions, and reasonable interpretations thereof. They also state that in agreeing to the terms of the settlement agreement, they have explicitly considered the relevant statutes and Commission decisions and believe that the Commission can approve the settlement agreement without violating applicable statutes or prior Commission decisions.[61]

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[60] *Id.* at 10.

[61] *Id.* at 12.

SCE and CFBF maintain that adoption of the Agricultural and Pumping Rate Group Rate Design Settlement Agreement is in the public interest. They state that the settlement agreement is supported by parties that fairly represent the affected interests at issue in this proceeding and reflects a reasonable compromise of those parties' positions. SCE and CFBF also argue that the settlement agreement benefits the public by fairly resolving issues and providing certainty to agricultural customers regarding present and future costs. They further contend that adoption of the settlement agreement would avoid the cost of further litigation, and conserve Commission resources for other proceedings.[62]

We find that the Agricultural and Pumping Rate Group Rate Design Settlement Agreement meets the requirements of Rule 12.1. The settlement agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. The record contains sufficient information to find that the settlement agreement is reasonable in light of the record. Additionally, the settlement agreement appears to be consistent with the law and compliant with all applicable statutes and prior Commission decisions. Lastly, the settlement agreement is in the public interest because it results in a reasonable compromise and avoids the cost of further litigation. Therefore, we grant the motion for approval of the Agricultural and Pumping Rate Group Rate Design Settlement Agreement and grant authority for the implementation of the terms of the settlement agreement, which is in Attachment A to this decision.

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[62] *Id.* at 6.