SOUTHERN CALIFORNIA EDISON®
An EDISON INTERNATIONAL® Company

Jeffrey L. Nelson
Director
FERC Rates &
Market Integration

November 20, 2026

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

RE: Southern California Edison Company's Formula Transmission Rate Annual Update Filing in Docket No. ER27-XXXX (TO2027)

Dear Ms. Reese:

Under Southern California Edison Company's ("SCE") Transmission Owner Tariff ("TO Tariff"), SCE calculates its retail and wholesale Base Transmission Revenue Requirements ("Base TRR") using a formula rate spreadsheet ("Formula Rate"). SCE hereby submits for informational purposes its annual formula transmission rate update filing ("TO2027 Annual Update"), pursuant to Section 3 of Attachment 1 to Appendix IX of SCE's TO Tariff (the "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 (2025)), and pursuant to Section 3(d)(3) of the Formula Rate Protocols, does not subject SCE's Formula Rate to modification.

SCE requests that the Commission issue a public notice of filing for the TO2027 Annual Update and establish a comment date.

I. Background

On October 27, 2017, in Docket No. ER18-169-000, SCE filed its Second Transmission Formula Rate with the Commission ("TO2018 Formula Rate"). The TO2018 Formula Rate superseded SCE's prior Formula Rate accepted in Docket No. ER11-3697, which terminated by its own terms on December 31, 2017 ("Original Formula Rate"). Several entities intervened or protested the TO2018 Formula Rate filing. By Order dated December 29, 2017, the Commission accepted SCE's TO2018 Formula Rate and related 2018 TRR, suspended it for a nominal period, to be effective January 1, 2018, subject to refund, and established hearing and settlement judge procedures.[1] On September 16, 2019, an Offer of Settlement was filed with the Commission. On December 3, 2019, the Commission accepted the Offer of Settlement.[2]

On April 11, 2019, in Docket No. ER19-1553-000, SCE filed to amend the TO2018 Formula Rate, proposing tariff changes necessary to reflect dramatic regulatory and financial conditions that had changed since the submission of the TO2018 Formula Rate ("TO2019A Formula Rate") associated with unprecedented wildfire impacts that occurred within the State of California. On June 11, 2019, the Commission accepted SCE's TO2019A Formula Rate and 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 settlement judge procedures.[3] On June 30, 2020, SCE filed an Offer of Settlement under ER19-1553. The Offer of Settlement was approved on September 23, 2020.[4] Since then, the Formula Rate has been periodically amended through targeted tariff revisions

[1] *Southern California Edison Company*, 161 FERC ¶ 61,309 (2017).

[2] *Southern California Edison Company*, 169 FERC ¶ 61,177 (2019).

[3] *Southern California Edison Company*, 167 FERC ¶ 61,214 (2019).

[4] *Southern California Edison Company*, 172 FERC ¶ 61,270 (2020).

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. Below SCE describes additional revisions since the TO2026 Annual Update.[5]

On November 18, 2025, in Docket No. ER26-538, SCE filed revisions to the Formula Rate necessary to comply with Order No. 898, which, among other things, established a series of new FERC accounts for computer hardware, software, and communication equipment largely for the purpose of functionalizing costs. Such revisions were necessary in order to properly integrate these accounting changes into SCE's Formula Rate. On January 16, 2026, the Commission issued a Letter Order accepting SCE's proposed revisions.

On February 27, 2026, in Docket No. ER26-1526, SCE filed revisions to the Formula Rate in order to conform certain non-transmission and related depreciation rates with those recently approved by the California Public Utilities Commission ("CPUC") in SCE's 2025 General Rate Case ("GRC"). On April 16, 2026, the Commission issued a Letter Order accepting SCE's proposed revisions.

On March 27, 2026, in Docket No. ER26-1945, pursuant to Section 8b of the Formula Rate Protocols, SCE filed its annual modification to Schedule 20 of the TO2019A Formula Rate proposing tariff changes necessary to change SCE's Post Retirement Benefits Other than Pensions ("PBOPs") stated amount of the Authorized PBOPs Expense Amount, to be included for recovery in SCE's Formula Rate. On May 18, 2026, the Commission issued a Letter Order accepting

[5] The TO2026 Annual Update Filing Letter, submitted in Dkt. No. ER26-602 on Nov. 21, 2025, includes a summary of revisions approved by the Commission since the approval of the TO2019A Formula Rate Offer of Settlement.

SCE's proposed changes and therefore SCE has incorporated the proposed changes into this TO2027 Annual Update.[6]

On July 24, 2026, in Docket No. ER26-3262, pursuant to Section 8d of the Formula Rate Protocols, SCE filed a single issue 205 filing to revise the Formula Rate to conform the calculation of retail transmission rates to recent changes ordered by the CPUC. In the CPUC GRC Phase 2 Order, the CPUC established a new bill credit for eligible agricultural customers served under the TOU-PA-2 retail rate. On September 15, 2026, the Commission issued a letter order accepting SCE's proposed changes.

Pursuant to the Formula Rate Protocols, SCE has continued to submit Annual Updates, of which the following remain subject to protest and Commission action: TO2023 (ER19-1553), TO2024 (ER24-439), TO2025 (ER25-550), and TO2026 (ER26-602). Protested issues have generally involved discrete cost components.

SCE is now submitting its TO2027 Annual Update to the Commission in accordance with Section 3 of the Formula Rate Protocols, which specifies that each year SCE will file an Annual Update on or before December 1, revising the Base TRR and associated rates to be effective on January 1 of the upcoming Rate Year. The Rate Year for the TO2027 Annual Update is January 1 through December 31, 2027. In preparing this Annual Update, SCE used the TO2019A Formula Rate to establish its Base TRR and the 2025 FERC Form No. 1.

II. SCE's Formula Transmission Rate

Pursuant to SCE's Formula Rate, the Base TRR is calculated as the sum of the Prior Year TRR, the Incremental Forecast Period TRR ("IFPTRR"), a True Up Adjustment, the O&M Services Formula Revenue, and if required, a Cost

[6] As explained in SCE's March 27, 2026 filing in Docket No. ER26-1945-000, the Authorized PBOPS expense amount of -$11.4M reflects a credit to customers compared to the previously authorized amount of $0.

Adjustment. The Prior Year TRR represents the transmission costs that SCE incurred in the Prior Year, which in this instance is calendar year 2025. The IFPTRR represents the incremental transmission costs that SCE expects to incur during the forecast period (in this case, calendar years 2026 and 2027) as compared to the costs incurred in the Prior Year. The True Up Adjustment is the difference between actual transmission revenues and actual transmission costs during the Prior Year, as well as any applicable prior period adjustments. The O&M Services Formula Revenue is revenue collected pursuant to an O&M Services Formula presented on Schedule 35 and is a credit to the Base TRR. The Cost Adjustment allows SCE to reflect in the Base TRR the effect of known and significant cost impacts, either positive or negative, that differ from those that are included in the Prior Year TRR. This TO2027 Annual Update increases the retail Base TRR from the TO2026 Annual Update amount of $1.501 billion to $1.663 billion, a year-over-year change of $162 million. The wholesale Base TRR increases from $1.480 billion to $1.631 billion, a year-over-year change of $151 million.

As described below, this change is primarily driven by an increase in the Prior Year TRR and the True-Up Adjustment. There is no Cost Adjustment in this year's Base TRR.

III. Reasons for Changes in SCE's Base TRR

The table below compares the components of the retail Base TRR for TO2027 and TO2026 (reflected in $M):

	TO2027	**TO2026**	**Change**
Prior Year TRR	$1,389	$1,326	$64
Incremental Forecast Period TRR	$119	$119	$0
True Up Adjustment	$167	$65	$102
O&M Services Formula Revenue	$(12)	$(8)	$(4)
Cost Adjustment	$ -	$-	$-
Base TRR (Retail)	$1,663	$1,501	$162

Principal factors contributing to the year-over-year change in the Base TRR are summarized below:

- True-Up Adjustment (approximately $102M): The True-Up Adjustment is intended to reflect any over/undercollections in prior years. As shown above, the TO2026 True-Up Adjustment was $65 million (*i.e.*, a charge due to previous undercollections). This year's value of $167 million (also a charge due to previous undercollections) is shown on Schedule 3, Line 30. This value reflects a required adjustment of $65 million (Schedule 3, Line 27) to ensure the True Up Adjustment accounts for the two-year lag inherent in the Formula Rate. As further discussed below, this year's value also includes a $67 million One-Time Prior Period Adjustment.
- O&M (approximately $31M): Part of the Prior Year TRR. The increase in O&M expense is primarily driven by increases in winter storm-related expenses on Transmission Right of Ways.
- Depreciation (approximately $22M): Part of the Prior Year TRR. The increase in depreciation expense is primarily driven by increases in plant in service.
- Return on Capital (approximately $19M): Part of the Prior Year TRR. The increase was due to increases in rate base, in turn driven by increases in plant in service.
- Revenue Credits (approximately -$14M): Part of the Prior Year TRR. Revenue Credits are a reduction to the Base TRR. There was an increase in 2025 revenue from existing transmission agreements in turn due to a higher HV Existing Contracts Access Charge in 2025 relative to 2024.

As part of the TO2027 True Up Adjustment included in this update, SCE is correcting its True Up TRRs for prior calendar years. The corrections reflected in this Annual Update are summarized below and are reflected in the Formula Rate

Spreadsheet as a single One-Time Prior Period Adjustment of $66,868,322 on Schedule 3, Line 12, Col 4.[7]

- SCE has identified an adjustment relating to O&M affecting the True Up TRR for calendar years 2023 and 2024. The adjustment relates to SCE's restatement of 2023 and 2024 FERC Form 1 to address accounting errors associated with winter storm expenses. The net TO2027 one-time adjustment is $67,319,625, as described in more detail in the workpaper titled "WP Schedule 3 One Time Adj-Prior Period."
- SCE has identified an adjustment relating to Short Term Incentive Compensation ("STIP") affecting the True UP TRR for calendar year 2024. As part of the TO2026 Annual Update, certain STIP amounts were inadvertently misstated. The net TO2027 one-time adjustment is $327,547, as described in more detail in the workpaper titled "WP Schedule 3 One Time Adj-Prior Period."
- SCE agreed in its January 2, 2026, response to the TO2026 Annual Update Protests in FERC Docket No. ER26-602, to correct in the next annual update 2024 costs to move $1.6M in plant additions associated with Work Order No. 802235935 from account 390 to account 331 as it was directly connected with SCE's hydroelectric facilities. Additionally, SCE agreed to remove approximately $2.4M in interconnection costs for the Deer Creek & Polenta Springs projects because the costs were customer-funded. The net TO2027 one-time adjustment for both costs is -$19,458, as described in more detail in the workpaper titled "WP Schedule 3 One Time Adj-Prior Period."

[7] Pursuant to Section 3.d.8 of the Formula Rate Protocols, SCE filed an Amended Annual Update informational filing on 11/13/2026 in Docket Nos. ER25-550 and ER26-602, which is the docket of the affected TO2025 and TO2026 Annual Updates associated with these errors.

- In addition to the corrections above affecting calendar years 2023 and 2024, SCE has made additional adjustments related to uncollectible expense affecting those same years. These adjustments were necessary to hold the FERC uncollectible expenses constant for the impacted years. The net TO2027 one-time adjustment is -$759,392, as described in more detail in the workpaper titled "WP Schedule 3 One Time Adj-Prior Period."

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 TO2027 Base TRR and associated rates;
4) Attachment 2: Retail and Wholesale Transmission rates to be effective on January 1, 2027;
5) Attachment 3: Revisions to Formula Rate Inputs from the Draft Annual Update; and
6) Attachment 4: Workpapers supporting the inputs to Attachment 1, including information required pursuant to the Formula Rate Protocols and the TO2019A settlement.

V. 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 California Public Utilities Commission, 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:

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Very truly yours

/s/ Jeffrey L. Nelson

Jeffrey L. Nelson

Docusign Envelope ID: FDA54284-8287-8AE2-8305-0D146CB88742

ATTESTATION

Kara G. Ryan attests that she is Vice President, Chief Accounting Officer and 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

Signed by:
Kara Ryan
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Vice President, Chief Accounting Officer and Controller

Dated: November 11/10/2026, 2026

CERTIFICATE OF SERVICE

I hereby certify that I have, this day, served a true copy of "**ANNUAL FORMULA TRANSMISSION RATE UPDATE FOR RATE YEAR 2027 (TO2027) OF SOUTHERN CALIFORNIA EDISON COMPANY"** on all parties identified on the official service list(s) for FERC docket **ER19-1553-000, ER24-439**, **ER25-550**, **ER26-602**, including the California Public Utilities Commission ("CPUC"), the California Independent System Operator ("CAISO"), and the Attorney General of California's Office. Service was effected by transmitting 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 **20th** day of **November 2026**.

/s/Sandra Sedano

Sandra Sedano
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