

WOD Formula Rate Workpapers

Master Workpaper Index - WOD Formula Rate		
No.	Workpapers	Schedules Supported by Workpaper
1	WP Master Index	
2	General Inputs	Link to FERC Form 1 and SCE Transmission Formula Rate Applicable in this Annual Update
3	WP Material Accounting Changes	
4	WP Cost Adjustment	Schedule 1: Morongo WOD Expense
5	WP True Up	Schedule 2: True Up
6	WP Direct OandM	Schedule 3: Direct OandM
7	WP Allocated OandM	Schedule 4: Allocated OandM
8	WP AandG	Schedule 5: AandG
9	WP Property Tax	Schedule 8: Property Tax
10	WP-Allocators	Schedule 9: Allocators

SCE's 2022 FERC Form 1 ("FF1")

Link: <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=CB0E24A2-3984-C48E-9013-8759A1100000>
General Location: FERC website, accession number: 20230406-8011

SCE Transmission Formula Rate (TO2024)

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. See SCE's TO2024 Annual Update, WP Material Accounting Changes

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	-\$773,956	Line 16 below
2) Morongo Property Taxes		
Expense not in Prior Year, but expected in the Rate Year		
Riverside County Property Tax Installment	\$3,100,306	Line 30 below
San Bernardino County Property Tax Installment	<u>\$580,624</u>	Line 44 below
	\$3,680,930	
Total Cost Adjustment	\$2,906,973	

Additional Expense Component: 2022 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	\$1,296,000,000	
4	Morongo WOD Labor AF	0.05905%	9-Allocators, Line 49
5	Direct A&G Impact	\$765,336	Line 3 * Line 4
6			
7	2) Cash Working Capital Impact: See Note 2		
8			
9	Direct A&G Impact	\$765,336	Line 5
10	Impact on Cash Working Capital	\$95,667	Line 9 * 1/8
11	Capital Carrying Charge	9.011%	9-Allocators, Line 59
12	Cash Working Capital Impact	\$8,620	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 2022 Wildfire Reserve Increase	\$773,956	Line 5 + Line 12
16	Cost Adjustment for 2024 WOD Formula Rate Annual Update	-\$773,956	Negative of Line 15

Notes:

- In 2022 SCE reserved an additional reserve expense related to the "Thomas/Woolsey/Montecito" events of \$1.296 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:

<u>Line</u>	<u>Morongo LLC Investment %</u>		
17	Morongo Transmission LLC investment in West of Devers Transmission Lines portion of West of Devers Upgrade	400,000,000.00	62.859%
18	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	<u>636,347,552.90</u>	
	Transmission Line %:		
19	Transmission Lines Riverside County (miles)	145.00	79.2%
20	Circuit length of transmission lines (miles)	<u>183.00</u>	
	Tax Rate:		
21	Property Tax	86,316,458.00	1.956400%
22	Unitary & Nonunitary Assessed Value	<u>4,412,004,923.00</u>	
	Riverside Property Tax for Morongo investment Calculation:		
23	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade		636,347,552.90
24	Morongo Transmission LLC investment %		<u>62.859%</u>
25	Morongo Transmission LLC investment in West of Devers		400,000,000.00
26	Riverside Transmission Line %		<u>79.2%</u>
27	Morongo investment in Riverside		316,939,890.71
28	Riverside Tax Rate		1.956400%
29	Riverside Property Tax for Morongo investment		6,200,611.57
30	Riverside Property Tax for Morongo investment installment amount		<u>3,100,305.78</u> Note 4

San Bernardino:

Morongo LLC Investment %		
31	Morongo Transmission LLC investment in West of Devers Transmission Lines portion of West of Devers Upgrade	400,000,000.00 62.859%
32	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	636,347,552.90
Transmission Line %:		
33	Transmission lines San Bernardino County (miles)	38.00 20.8%
34	Circuit length of transmission lines (miles)	183.00
Tax Rate:		
35	Property Tax	86,507,132.00 1.398081%
36	Unitary & Nonunitary Assessed Value	6,187,562,318.00

San Bernardino Property Tax for Morongo investment Calculation:		
37	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	636,347,552.90
38	Morongo Transmission LLC investment %	62.859%
39	Morongo Transmission LLC investment in West of Devers	400,000,000.00
40	San Bernardino Transmission Line %	20.8%
41	Morongo investment in San Bernardino	83,060,109.29
42	San Bernardino Tax Rate	1.398%
43	San Bernardino Property Tax for Morongo investment	1,161,247.59
44	San Bernardino Property Tax for Morongo investment installment amount	580,623.80 Note 4

Note 4: Prior Year Costs only include one installment of Property Taxes. This Cost Adjustment adds an additional estimated installment given that in Rate Year 2024 Morongo is expected to be responsible for two installments.

SOUTHERN CALIFORNIA EDISON RIVERSIDE COUNTY PROPERTY TAX PROPERTY TAX YEAR 2022-2023				
TRA	ASSESSED VALUE	1ST INSTALLMENT	2ND INSTALLMENT	TOTAL
UNITARY:				
000-001	\$3,673,397,312	\$35,938,866.25	\$35,938,866.25	\$71,877,732.54
TOTAL NON-UNITARY	738,607,611	7,219,362.76	7,219,362.76	14,438,725.51
TOTAL SCE RIVERSIDE COUNTY	\$4,412,004,923	\$43,158,229.01	\$43,158,229.01	\$86,316,458.01

SOUTHERN CALIFORNIA EDISON COMPANY SAN BERNARDINO COUNTY PROPERTY TAX PROPERTY TAX YEAR 2022-2023						
TRA	APN	ASSESSED VALUE	1ST INSTALLMENT	2ND INSTALLMENT	TOTAL	
UNITARY:						
1	0000001	9014-800-00-U-001	\$4,801,273,837	\$34,135,249.31	\$34,135,249.23	\$68,270,498.54
AIRCRAFT:						
	004-008	(MEMO)	7,025,000	0.00	0.00	0.00
2	0005060	9014-800-05-U-060	632,550,713	3,804,476.26	3,804,476.25	7,608,952.51
3	0000095	9014-800-00-U-095	731,476,557	5,185,803.06	5,185,803.04	10,371,606.10
SUBTOTAL UNITARY			6,172,326,107	43,125,528.63	43,125,528.52	86,251,057.15
SUBTOTAL NON-UNITARY			15,236,211	128,038.04	128,036.49	256,074.53
TOTAL SAN BERNARDINO CO.			\$6,187,562,318	\$43,253,566.67	\$43,253,565.01	\$86,507,131.68

WP True Up Adjustment

Inputs for Schedule 2 (2023 Prior Year)

Monthly Morongo Revenues (Schedule 2, Column 3)

	<u>Amount</u>	<u>Notes</u>
Monthly bill:	\$1,032,898	"Monthly Morongo West of Devers Rate Year Cost" from Morongo RY2022 Annual Update
Total Amount Paid in 2022:	\$12,394,780	Twelve Months of bills paid in 2022

Monthly Costs (Schedule 2, Column 2)

	<u>Amount</u>	<u>Notes</u>
Monthly Costs	\$714,566	Prior Year Cost / 12
Prior Year Cost	\$8,574,788	Prior Year Cost from Schedule 1, Line 10

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:	7,000,000.00	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	<u>\$6,500,000.00</u>
	\$32,500,000.00
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	<u>\$7,000,000.00</u>
	\$35,000,000.00
year 11-2024	\$7,500,000.00
year 12-2025	\$7,500,000.00
year 13-2026	\$7,500,000.00
year 14-2027	\$7,500,000.00
year 15-2028	<u>\$7,500,000.00</u>
	\$37,500,000.00

Workpaper Showing Additional Morongo O&M Adjustments

		(C4)	(C4a)	
		Additional Morongo Adjustments	Additional Morongo Adjustments	Reason for Adjustment
		<u>Labor</u>	<u>Non-Labor</u>	
17	567 - Line Rents - Allocated	(26,744)	(7,790,244)	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	(14,791,518)	Self Insurance

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

County	Bill Amounts Received	Comments
Riverside (April payment)	-	The April 1, 2022 payment was the 2nd installment for 2020 property assessments. WOD Project was not in-service during 2020.
Riverside (Dec payment)	3,100,306	Line 13 below. The December 1, 2022 payment was the 1st installment for 2021 property assessments.
San Bernardino (April payment)	-	The April 1, 2022 payment was the 2nd installment for 2020 property assessments. WOD Project was not in-service during 2020.
San Bernardino (Dec Payment)	580,624	Line 28 below. The December 1, 2022 payment was the 1st installment for 2021 property assessments.
Total Property Tax Payments	3,680,930	Sum of above

Morongo Property Tax Calculations (By County)

Riverside:

Line	Description	Amount	Rate
1	Morongo LLC Investment % Morongo Transmission LLC investment in West of Devers Transmission Lines portion of West of Devers Upgrade	400,000,000.00	62.859%
2	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	636,347,552.90	
Transmission Line %:			
3	Transmission Lines Riverside County (miles)	145.00	79.2%
4	Circuit length of transmission lines (miles)	183.00	
Tax Rate:			
5	Property Tax	86,316,458.00	1.956400%
6	Unitary & Nonunitary Assessed Value	4,412,004,923.00	
Riverside Property Tax for Morongo investment Calculation:			
7	Total Value of West of Devers Transmission Line portion of West of Devers Upgrade	636,347,552.90	
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UNITARY: 1 0000001	9014-800-00-U-001	\$4,801,273,837	\$34,135,249.31	\$34,135,249.23	\$68,270,498.54	
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Workpaper Showing Inputs to Allocators

1)	Morongo Lease Payment	\$	400,000,000
2)	Cost of Subject Facilities	\$	636,347,553
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