

WOD Formula Rate Workpapers

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SCE's 2020 FERC Form 1 ("FF1")

Link: [2020 FF1](#)
General Location: FERC website, accession number: 20210419-8063

SCE Transmission Formula Rate (TO2022)

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

WP Material Accounting Changes

List of Material Accounting Changes

N/A for 2020

“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.

Workpaper Showing Cost Adjustment Amount

Item

Direct O&M Expenses

1) Right of Way Fees

		<u>Source</u>
Total Right of Way Fees Expected in the Rate Year:	\$ 7,000,000	SCE Records
Total Rights of Way	3	
WOD Rights of Way	1	
% WOD	33%	
WOD Rights of Way Cost	\$ 2,333,333	
Allocation Amt:	62.598%	9-Allocators, Line 39
Total	\$ 1,460,616	

2) Property Taxes

Riverside	\$ 3,000,000	Estimated 2022 Property Tax Amounts
Riverside	\$ 3,000,000	Estimated 2022 Property Tax Amounts
San Bernardino	\$ 1,000,000	Estimated 2022 Property Tax Amounts
San Bernardino	\$ 1,000,000	Estimated 2022 Property Tax Amounts

Total Property Taxes Expected in the Rate Year: \$ 8,000,000

3) Additional Expense Component

Additional Expense Expected in the Rate Year: \$ -

4) Additional Expense Component

Expense in the Prior Year Not Expected In the Rate Year \$ (859,717) Line 16 below

5) Known Over/Undercollection of Cumulative Prior Year Costs

Additional Over/Undercollection Expected in the Rate Year: \$ -

Total Cost Adjustment \$ 8,600,899 Sum of items 1 through 5 above

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>

Expense in the Prior Year Not Expected In the Rate Year: 2020 Wildfire Reserve Adjustment

Line

1) **1) Direct Impact through A&G Expense: See Note 1**

	<u>Amount</u>	<u>Calculation</u>
2		
3 A&G Expense Accrual	\$1,297,000,000	
4 Morongo WOD Labor AF	0.0655%	9-Allocators, Line 49
5 Direct A&G Impact	\$849,791	Line 3 * Line 4
6		

7) **2) Cash Working Capital Impact: See Note 2**

	<u>Amount</u>	<u>Calculation</u>
8		
9 Direct A&G Impact	\$849,791	Line 5
10 Impact on Cash Working Capital	\$106,224	Line 9 * 1/8
11 Capital Carrying Charge	9.344%	9-Allocators, Line 59
12 Cash Working Capital Impact	\$9,925	Line 10* Line 11

13) **4) Calculation of the Cost Adjustment: See Note 3**

	<u>Amount</u>	<u>Calculation</u>
14		
15 Total Impact on the Prior Year Cost of the 2020 Wildfire Reserve Increase	\$859,717	Line 5 + Line 12
16 Cost Adjustment for 2022 WOD Formula Rate Annual Update	-\$859,717	Negative of Line 15

Notes:

- 1) In September of 2020 SCE reserved an additional reserve expense related to the "Thomas/Woolsey/Montecito" events of \$1.297 billion. The A&G expense impact on the Prior Year Cost is the amount of the reserve times the Morongo WOD Labor Allocation Factor.
- 2) 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.
- 3) The Cost Adjustment is the negative of the cost impact on the Prior Year Cost for expenses incurred in the Prior Year.

WP True Up Adjustment

N/A for 2020

WP Direct O&M Costs

List of Direct O&M Costs

N/A

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	(30,866)	(8,278,078)	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	(20,441,370)	Self Insurance

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

<u>County</u>	<u>Bill Amounts</u> <u>Received</u>	<u>Comments</u>
Riverside	\$0.00	No Property Tax Payments Applicable in 2020
Riverside	\$0.00	No Property Tax Payments Applicable in 2020
San Bernardino	\$0.00	No Property Tax Payments Applicable in 2020
San Bernardino	\$0.00	No Property Tax Payments Applicable in 2020
Total Property Tax Payments	\$0.00	

Workpaper Showing Inputs to Allocators

1)	Morongo Lease Payment	\$	400,000,000	*
	* Estimated subject to Lease execution			
2)	Cost of Subject Facilities	\$	639,000,000	**
	** Estimated subject to project completion			
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	