Exhibit SCE-1

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company	)))	**Dkt. No. ER18-___-000**

DECLARATION OF ALFRED L. LOPEZ FOR SOUTHERN CALIFORNIA EDISON COMPANY

I, Alfred L. Lopez, declare and state as follows:

1. My name is Alfred L. Lopez. My business address is 2244 Walnut Grove Avenue, Rosemead, California 91770.

2. I am a Senior Advisor, Tax Research & Planning, at Southern California Edison Company ("SCE"). My responsibilities include managing tax-related regulatory matters that come before the Federal Energy Regulatory Commission ("FERC") and the California Public Utilities Commission ("CPUC") for SCE, as well as other tax-related research and planning activities.

3. I hold a Master of Science in Taxation from Golden Gate University, and a Bachelor of Science Degree in Business Administration (with an emphasis in Accounting) from California State University, Los Angeles. I am a member of the California Society of CPAs and the American Institute of Certified Public Accountants, and have been employed by SCE in the Tax Department since 1989. Over the years, I have been responsible for Tax Research and Planning,

Accounting for Income Taxes, and Regulatory Tax-related Matters. Prior to joining SCE, I worked in the tax and audit groups of a public accounting firm and the tax departments of two other large corporations.

4. The purpose of this declaration is to describe the tax law changes and related ratemaking implications to this FERC Formula Rate proceeding as a result of recently enacted Federal Public Law 115-97, commonly referred to as the Tax Cuts and Jobs Act (the "TCJA")[1] that amended the Federal Internal Revenue Code of 1986 ("IRC").

5. The TCJA was signed into law on December 22, 2017, and has a general effective date of January 1, 2018. The amendments to the IRC from the TCJA that impact this rate proceeding include a change to the federal statutory corporate income tax rate and, for regulated electric utility companies such as SCE, a change to the federal tax bonus depreciation rules.

6. Section 13001(a) of the TCJA reduced the federal corporate income tax rate ("FIT Rate") to 21% from the previous 35%, effective January 1, 2018. The ratemaking implications from this change results in a reduction to the income tax expense amount included in SCE's cost of service. This reduction to the revenue requirement is effectuated by inputting the 21% statutory FIT Rate into SCE's Income Tax Formula used to derive the income tax expense.

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[1] "House Report 1 – An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018."

7. For SCE, the reduced FIT Rate results in the creation of an excess deferred income tax ("EDIT") balance which represents the difference between the net accumulated deferred income tax ("ADIT") balance originally recorded at 35% at the end of 2017 and the net ADIT balance that will now be recorded at the end of 2017 with the new FIT Rate of 21%. SCE's FERC-related EDIT amount at December 31, 2017 is $582,299,547.

8. FERC has yet to issue a final ruling on the ratemaking treatment of EDIT as a result of the TCJA; however, SCE's proposed position at this time is that all FERC-related EDIT will be returned to ratepayers consistent with the tax normalization requirements and FERC protocol.

9. Generally accepted accounting principles require the EDIT balance to be reclassified out of ADIT. For FERC Form 1 purposes, this EDIT balance has been reclassified from the FERC ADIT Accounts 190, 282, and 283 to the FERC Other Regulatory Liabilities Account 254. The net EDIT liability balance will continue to be used to reduce rate base in the FERC Formula Rate proceedings. This will be effectuated by including the unamortized FERC Account 254 EDIT balance in Schedule 9 along with the FERC Accounts 190, 282, and 283 ADIT balances for purposes of determining total adjustments to rate base attributable to EDIT and ADIT.

10. EDIT balances subject to the tax normalization rules of IRC §168(i)(9) will be returned to ratepayers over the book depreciable life of the related property consistent with §13001(d) [Normalization Requirements] of the TCJA. Section

13001(d)(3)(B) of the TCJA requires the use of the Average Rate Assumption Method ("ARAM") for ratemaking purposes in calculating the annual amortization of EDIT amounts subject to the normalization requirements to be returned to ratepayers.[2] EDIT balances not subject to the normalization rules will be returned to ratepayers consistent with FERC ratemaking protocol. The return of EDIT balances to ratepayers will be implemented through a reduction to the income tax expense component of cost of service. The amortized EDIT amount will reduce revenue requirement based on a grossed-up factor as reflected in SCE's FERC Income Tax Formula.

11. Prior to the enactment of the TCJA, the tax bonus depreciation phaseout rules permitted an additional 40% depreciation deduction on qualified property generally placed in service after December 31, 2017 and before January 1, 2019, and an additional 30% depreciation deduction on qualified property generally placed in service after December 31, 2018 and before January 1, 2020. For regulated electric utility companies, such as SCE, the enactment of the TCJA amended the tax depreciation rules to eliminate bonus depreciation on property placed in service after December 31, 2017 for which there was not a binding contract as of September 27, 2017.[3] Qualified property placed in service after

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2 SCE filed a request on July 19, 2018 with the Internal Revenue Service for a private letter ruling on whether book cost of removal included in book depreciation should be included in the ARAM computation for purposes of the tax Normalization Requirements. The ruling request is still pending as of the date of the filing of this 205 response.

3 §13201(d)(9)(A) of TCJA; §13201(h)(1) of TCJA; Proposed Regulations §1.168(k)-2(b)(2)(ii)(F).

December 31, 2017 that had a binding contract as of the September 27, 2017 will continue to be depreciated using the tax bonus depreciation phaseout rules.

12. The amendments to the bonus depreciation provisions will alter the depreciation deductions in 2018 and 2019 to reduce the difference between book depreciation expense and tax depreciation deduction for those years, and effectively reduce ADIT balances used to adjust rate base as compared to if the bonus depreciation provisions had not been changed.

13. Mr. Hansen will describe the Formula Rate Spreadsheet and Formula Rate Protocol revisions necessary to properly reflect the 2017 TCJA in his declaration, Exhibit No. SCE-2.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on this 17th day of September, 2018, at Rosemead, California.

Alfred L. Lopez

Exhibit SCE-2

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company	)	**Dkt. No. ER18-___-000**

DECLARATION OF BERTON J. HANSEN
FOR SOUTHERN CALIFORNIA EDISON COMPANY

I, Berton J. Hansen, declare and state as follows:

1. My name is Berton J. Hansen. My business address is 8631 Rush Street, Rosemead, California 91770.

2. I am a Senior Advisor in SCE's FERC Rates and Market Integration department. My primary responsibilities include developing rates for services that are under the jurisdiction of the Federal Energy Regulatory Commission ("FERC"), including SCE's Formula Transmission Rate ("Formula Rate"), which establishes SCE's Base Transmission Revenue Requirements ("Base TRR") and associated transmission rates.

3. I received a Bachelor of Science Degree in economics from the University of California at Riverside, and a Master of Arts Degree in economics from the University of California at San Diego. I have been employed at SCE since 1984 in various positions, including Regulatory Economics Analyst, Power Systems Planner, Financial Analyst, and Project Manager.

4. The purpose of this declaration is to describe the revisions that SCE is proposing to make to its Formula Rate Tariff to reflect the 2017 Tax Cuts and Jobs Act (the "TCJA"). Mr. Lopez, in Exhibit No. SCE-1, describes the relevant aspects of the TCJA that will require consideration, including tariff revisions, in SCE's Annual Updates.

5. Mr. Lopez identifies several aspects of the TCJA that will affect SCE's cost-of-service-based calculation of the Base Transmission Revenue Requirement ("Base TRR") pursuant to the Formula Rate:

   a) The corporate federal income tax rate ("FIT Rate") is reduced to 21% beginning with the 2018 tax year.

   b) SCE's Accumulated Deferred Income Tax ("ADIT") amounts recorded in Accounts 190, 282, and 283 are reduced as a consequence of the lower FIT Rate, beginning at year-end 2017.

   c) Associated with the reduction of the year-end 2017 ADIT balances in Accounts 190, 282, and 283 is a new Excess Deferred Income Tax ("EDIT") balance in Account 254 that reflects the difference between the actual year-end 2017 Accounts 190, 282, and 283 ADIT balances and the amount that these balances would have been based on the previous 35% FIT Rate. For ratemaking purposes, this EDIT balance should be considered a component of ADIT, beginning with the year-end 2017 ADIT calculation. The amount of the FERC EDIT balance at the end-of-year 2017 is $582,299,547, as shown in SCE's 2017 FERC

Form 1 page 278.9, Line 1 “FERC Excess Deferred Taxes – TCAJA”.

d) On a going-forward basis, beginning in 2018, SCE will amortize the Account 254 EDIT balance, as discussed by Mr. Lopez in Exhibit SCE-1. This amortization of the EDIT balances will reduce SCE’s Income Tax Expenses beginning with the 2018 year for the purposes of calculating SCE’s True Up TRR (SCE’s actual cost of service for the Prior Year, defined as the “True Up TRR”, which is calculated on Schedule 4 of the Formula Rate Spreadsheet).

e) Bonus depreciation for regulated electric utilities such as SCE is generally eliminated for property placed in service after December 31, 2017.

6. In this filing, SCE is proposing revisions to the Formula Rate tariff, including the Formula Rate Protocols (Attachment 1 to Appendix IX of SCE’s Transmission Owner Tariff) and the Formula Rate Spreadsheet (Attachment 2 to Appendix IX of SCE’s Transmission Owner Tariff). These tariff revisions will allow the relevant aspects of the TCJA to be reflected in SCE’s future Annual Updates of its Formula Rate, beginning with the TO2019 Annual Update to be filed by December 1, 2018.

7. To reflect the reduction in the FIT Rate to 21%, SCE is proposing two changes to Schedule 26 (Tax Rates) of the Formula Rate Spreadsheet tariff:

a) Revise the heading describing the year to which the FIT Rate and the State Income Tax Rate (“SIT Rate”) apply to be the “Rate Year” instead of "Prior Year". The revision will ensure that the Formula Rate calculation of the Base TRR will be forward-looking, rather than backward-looking, so that any known change in income tax rates will be passed through to customers as quickly as possible. This change will allow SCE to use the 21% FIT Rate to calculate the Base TRR in the TO2019 Annual Update, rather than the 35% FIT Rate that SCE otherwise would be required to use, since the TO2019 Annual Update Prior Year of 2017 still had a FIT Rate of 35%.

b) Include a new Note 4 that describes how the True Up TRR for the "Prior Year" is to be calculated in the event that either the FIT Rate or the SIT Rate changes between the Prior Year and the Rate Year, which will state as follows:

> In the event that either the Federal or State Income Tax Rate applicable to the Rate Year differs from that in effect during the Prior Year, the True Up TRR for the Prior Year will be calculated utilizing the same Formula Rate Spreadsheet except for the Income Tax rate(s). The difference between the True Up TRR calculated in such workpaper using the Income Tax Rates that were in effect during the Prior Year and the True Up TRR otherwise calculated by this formula shall be entered as a One Time Adjustment on Schedule 3, ensuring that the Formula Spreadsheet correctly calculates the True Up TRR for the Prior Year to be based on the Income Tax Rate(s) that were in effect during that year. For the Prior Years of 2016 and 2017, both of which will have Income Tax Rates that differ between the Prior Year and the Rate Year due to the passage of the 2017 Tax Cuts and Jobs Act, this provision will be implemented as part of Section 6 of the Formula Rate Protocols, which will calculate the

True Up TRR for those years based on a Federal Income Tax Rate of 35%.

This note specifies the procedure that SCE will use in the event that there is a difference between the income tax rate(s) (either Federal or State or both) between the Prior Year and Rate Year, to ensure that the True Up TRR will be correctly calculated based on the tax rates that were in effect for the Prior Year. For the upcoming instance of the TO2019 Annual Update, where the Rate Year will be 2019 and the Prior Year will be 2017, there will be a difference in the FIT Rate between those years (assuming no further tax rate legislation). Pursuant to Section 6 of the currently-effective Formula Protocols, SCE will already be calculating a True Up TRR for 2017 utilizing SCE's Original Formula Rate (in effect from 2012 through 2017, *see* Docket No. ER11-3697), and will use the 35% FIT Rate in that calculation.

8. To reflect the inclusion of the new EDIT amounts included in Account 254 in the calculation of ADIT, a new Line 4 "Excess Deferred Income Tax Liability - 2017 TCAJA" is added to Schedule 9 of the Formula Rate Spreadsheet tariff. The year-end balance of the EDIT associated with the TCJA will be included on this line and reflected in the end-of-year calculation of total "Total Accumulated Deferred Income Taxes" on Line 5, along with the ADIT associated with Accounts 190, 282, and 283. Additionally, changes to some line numbers are made in Schedule 9 and throughout the Formula Spreadsheet

to reflect the insertion of the new Line 4 in Schedule 9.

9. To ensure that the end-of-year 2017 ADIT balance is correctly calculated for the purpose of determining the 2017 True Up TRR calculated pursuant to the Original Formula Rate, the following language is added to Section VI of the Formula Protocols tariff, which specifies that the end-of-year 2017 ADIT will include the end-of-year 2017 EDIT amounts:

> The 2017 True Up TRR calculated pursuant to the Original Formula Rate shall include an amount of Excess Deferred Income Taxes for year-end 2017 relating to the 2017 Tax Cuts and Jobs Act as a component of the calculation of Accumulated Deferred Income Taxes ("ADIT") in Schedule 9 of the Formula Rate Spreadsheet created as a result of the change in the Federal Income Tax Rate. Such amount shall be included along with Account 190, 282, and 283 amounts in the calculation of End-of-Year "Total Accumulated Deferred Income Taxes" on Line 4 of Schedule 9.

This provision will ensure that the ADIT amount for year-end 2017 (used in the calculation of the True Up TRR for 2017) will properly include the EDIT amounts that, for ratemaking purposes, should be included in ADIT, but that are not included in SCE's end-of-year Accounts 190, 282, or 283 FERC Form 1 ADIT amounts.

10. The amortization of the EDIT balance will reduce the Income Tax Expense component of the Base TRR (both in the Prior Year TRR calculation in Schedule 1 and the True Up TRR calculation on Schedule 4). To allow the amortization of the EDIT amount to be included in the Income Tax Expense calculation, Line 60 of Schedule 1 of the Formula Rate Spreadsheet tariff

("Amortization of Excess Deferred Tax Liability", which is a component of the "Credits and Other" component of the Income Tax Expense calculated on Line 64) is revised to be a yellow-shaded input. Previously, Line 60 was a stated value of $200, relating to the FIT Rate change in the 1990s. The amortization of EDIT balance will begin in 2018, and will first be included in SCE's TO2020 Annual Update, which will have a Prior Year of 2018.

11. The "Amortization of Excess Deferred Tax Liability" Line 60 component of the Income Tax Expense calculation must be a yellow-shaded input because the amount of the amortization is expected to change from year to year. SCE will support the input to Line 60 in workpapers included with each Annual Update, beginning with the TO2020 Annual Update.

12. Additionally, Note 3 of Schedule 1 of the Formula Rate Spreadsheet tariff is revised to remove the specification that the Line 60 "Amortization of Excess Deferred Tax Liability" is a stated value (*i.e.*, a fixed component only changeable through a Section 205 filing). Note 3 of Schedule 1 is therefore revised as follows:

> No change in the ~~Amortization of Excess Deferred Tax Liability or~~ South Georgia Income Tax Adjustment "Credits and Other" term~~s~~ will be made absent a filing at the Commission.

This revision is necessary because the amount on Line 60 is now anticipated to change each year, as the amortization of the EDIT balance is likely to vary from year to year.

13. The TCJA elimination of bonus depreciation will affect SCE's ADIT balances in accounts 190, 282, and 283, relative to had bonus depreciation continued in effect. However, no tariff revisions are necessary to allow for the changed amount of ADIT to be reflected in SCE's Formula Rate.

14. The tariff revisions that SCE is proposing in this filing have been included in SCE's TO2019 Draft Annual Update that was posted on SCE's website on June 15, 2018. If FERC accepts this filing with SCE's proposed effective date of November 16, 2018, SCE will consistently include the same changes in the Annual Update to be filed by December 1, 2018.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on this 17th day of September, 2018, at Rosemead, California.

Berton J. Hansen

Berton J. Hansen

CERTIFICATE OF SERVICE

I hereby certify that, I have this day served a true copy of **"SOUTHERN CALIFORNIA EDISON COMPANY ("SCE") REVISIONS TO ITS TRANSMISSION OWNER TARIFF ("TO TARIFF"), FERC ELECTRIC TARIFF, VOLUME NO. 6"** on all parties identified on the official service list(s) for Docket No. ER18-169. Service was effected by transmitting the 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 **17th** day of **September, 2018.**

_/s/*vicki.carr-donerson*_______________________

Vicki Carr-Donerson, Project Analyst for
SOUTHERN CALIFORNIA EDISON COMPANY

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