

PLANT ACCOUNTING

December 22, 2022

Subject: **Fourth Quarter 2022 AFUDC Rate Monitoring and Analysis**

The following table provides the updated 2022 AFUDC rate and allocation for borrowed and equity Funds. The 4th quarter 2022 analysis resulted in a 58 basis point increase of the annual gross nominal rate to 7.184899% from 6.607722%.

- The increased rate is primarily due to FERC approving the exclusion of debt Issued to finance wildfire insurance claims payments above the amount of insurance proceeds as well as the increase in the annual average CWIP and decrease in the annual average short-term general-purpose financing.

The change is more than the 25 basis points required by FERC, therefore, there will be update to the AFUDC rate for 4th quarter 2022.

Effective Month	Gross Nominal Rate	Power Plan System Rate / Monthly System Rate	Allocation of Gross Funds Borrowed (%) / Equity (%)
January 2022	6.607722%	6.518556%/ 0.543213%	29.21% / 70.79%
March 2022	6.607722%	6.518556%/ 0.543213%	29.21% / 70.79%
June 2022	6.607722%	6.518556%/ 0.543213%	29.21% / 70.79%
September 2022	6.607722%	6.518556%/ 0.543213%	29.21% / 70.79%
November 2022	7.184899%	7.079652%/ 0.589971%	28.33% / 71.67%

If you have any questions regarding this information, please contact me at PAX 21083.

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