

Calculation of Formula Franchise Fee and Uncollectibles Factors

<u>Line</u>			<u>Reference</u>
1	CPUC Franchise Fee Factor (% of Total Revenue Requirement)	0.9100%	CPUC GRC A.13-11-003, Appendix C, page 26, line 8
2	CPUC Uncollectibles Factor (% of Total Revenue Requirement)	0.2380%	CPUC GRC A.13-11-003, Appendix C page 26, line 4
<u>Calculation</u>			
3	Formula Franchise Fee Factor	0.9206%	Line 1 / (1 - (Line 1 + Line 2))
4	Formula Uncollectibles Factor	0.2408%	Line 2 / (1 - (Line 1 + Line 2))

Note: The formula Franchise Fee and Uncollectibles Factors are applied to the Base TRR not including FF&U expenses. The CPUC adopted FF&U Factors are percentages of total revenue requirements including FF&U expenses. The conversion calculated on Lines 3 and 4 converts the CPUC adopted FF&U factors to FF&U factors appropriate for application to total revenue requirement not including FF&U expenses, as used in the formula transmission rate.