

Calculation of Formula Franchise Fee and Uncollectibles Factors

| <u>Line</u> | | | <u>Reference</u> |
|-------------|--|---------|---|
| 1 | CPUC Franchise Fee Factor (% of Total Revenue Requirement) | 0.9888% | CPUC GRC Decision D19-05-020, Appendix C, page C-7, line 9 |
| 2 | CPUC Uncollectibles Factor (% of Total Revenue Requirement) | 0.2110% | CPUC GRC Decision D19-05-020, page 136 |
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| | | | <u>Calculation</u> |
| 3 | Formula Franchise Fee Factor | 1.0008% | Line 1 / (1 - (Line 1 + Line 2)) |
| 4 | Formula Uncollectibles Factor | 0.2136% | 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.