

Calculation of True Up TRR

13.7%

A) Rate Base for True Up TRR

		Calculation		FERC Form 1 Reference		Revised TO2021 in TO2022 Annual Update		
Line	Rate Base Item	Method	Notes	or Instruction	Amount	Amount	Variance	Wgt Avg Variance
1	ISO Transmission Plant	13-Month Avg.		6-PlantInService, Line 18	\$8,939,630,709	\$8,939,630,709	\$0	\$0
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$288,986,135	\$288,986,135	\$0	\$0
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$9,942,155	\$9,942,155	\$0	\$0
4	Abandoned Plant	BOY/EOY Avg.		12-AbandonedPlant Line 4	\$0	\$0	\$0	\$0
	Working Capital Amounts							\$0
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$21,476,900	\$21,476,900	\$0	\$0
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$21,286,307	\$21,286,307	\$0	\$0
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$24,806,972	\$24,688,767	\$118,205	\$16,193
8	Working Capital			Line 5 + Line 6 + Line 7	\$67,570,179	\$67,451,974	\$118,205	\$16,193
	Accumulated Depreciation Reserve Amounts							
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,839,774,172	-\$1,839,774,172	\$0	\$0
10	Distribution Depreciation Reserve - ISO	BOY/EOY Avg.	Negative amount	8-AccDep, Line 17, Col. 5	\$0	\$0	\$0	\$0
11	G + I Depreciation Reserve	BOY/EOY Avg.	Negative amount	8-AccDep, Line 23	-\$105,809,933	-\$105,809,933	\$0	\$0
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,945,584,105	-\$1,945,584,105	\$0	\$0
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT-1, Line 15	-\$1,632,145,855	-\$1,632,145,855	\$0	\$0
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$602,185,189	\$602,185,189	\$0	\$0
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$50,661,305	-\$50,661,305	\$0	\$0
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$192,258,246	-\$192,258,246	\$0	\$0
17	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0	\$0	\$0	\$0
18	Rate Base			L1+L2+L3+L4+L8+L12+ L13+L14+L15+L16+L17	\$6,087,664,857	\$6,087,546,652	\$118,205	\$16,193

B) Return on Capital

Line								
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.7412%	7.7412%	0.0000%	0.0000%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$471,256,570	\$471,247,419	\$9,150	\$1,253

C) Income Taxes

21	Income Taxes = [((RB * ER) + D) * (CTR/(1 - CTR))] + CO/(1 - CTR)				\$98,292,667	\$98,290,059	\$2,608	\$357
22	Where:	RB = Rate Base		Line 18	\$6,087,664,857	\$6,087,546,652	\$118,205	\$16,193
23		ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1	Instruction 1, Line k	5.6785%	5.6785%	0.000%	0.000%
24		CTR = Composite Tax Rate		1-Base TRR L 59	27.9836%	27.9836%	0.000%	0.000%
25		CO = Credits and Other		1-Base TRR L 63	-\$27,044,842	-\$27,044,842	\$0	\$0
26		D = Book Depreciation of AFUDC Equity Book Basis		1-Base TRR L 65	\$3,917,123	\$3,917,123	\$0	\$0

A) Rate Base for True Up TRR

13.7%

					Revised TO2021 in TO2022 Annual Update			
		Calculation	FERC Form 1 Reference					
<u>Line</u>	<u>Rate Base Item</u>	<u>Method</u>	<u>Notes</u>	<u>or Instruction</u>	<u>Amount</u>	<u>Amount</u>	<u>Variance</u>	<u>Wgt Avg Variance</u>
D) True Up TRR Calculation								
27	O&M Expense			1-Base TRR L 66	\$110,879,588	\$110,879,588	\$0	\$0
28	A&G Expense			1-Base TRR L 67	\$87,576,188	\$86,630,546	\$945,642	\$129,540
29	Network Upgrade Interest Expense			1-Base TRR L 68	\$4,075,484	\$4,075,484	\$0	\$0
30	Depreciation Expense			1-Base TRR L 69	\$255,151,988	\$255,151,988	\$0	\$0
31	Abandoned Plant Amortization Expense			1-Base TRR L 70	\$0	\$0	\$0	\$0
32	Other Taxes			1-Base TRR L 71	\$66,056,889	\$66,056,889	\$0	\$0
33	Revenue Credits			1-Base TRR L 72	-\$54,094,032	-\$54,094,032	\$0	\$0
34	Return on Capital			Line 20	\$471,256,570	\$471,247,419	\$9,150	\$1,253
35	Income Taxes			Line 21	\$98,292,667	\$98,290,059	\$2,608	\$357
36	Gains and Losses on Transmission Plant Held for Future Use -- Land			1-Base TRR L 75	\$0	\$0	\$0	\$0
37	Amortization and Regulatory Debits/Credits			1-Base TRR L 76	\$0	\$0	\$0	\$0
38	Total without True Up Incentive Adder			Sum Line 27 to Line 37	\$1,039,195,341	\$1,038,237,941	\$957,401	\$131,151
39	True Up Incentive Adder			15-IncentiveAdder L 20	\$26,714,526	\$26,714,526	\$0	\$0
39a	True Up Incentive Adder Reversal			Negative of Line 39, Note 1	-\$26,714,526	-\$26,714,526	\$0	\$0
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:			Sum of Lines 38 to 39a	\$1,039,195,341	\$1,038,237,941	\$957,401	\$131,151

E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses

Line			Revised TO2021 in TO2022 Annual Update	Reference:	Variance:	13.7%	Wgt Avg Variance
41	True Up TRR wo FF:	\$1,039,195,341	\$1,038,237,941	Line 40	\$957,401		\$131,151
42	Franchise Fee Factor:	0.925%	0.925%	28-FFU, L 5	0.000%		0.00%
43	Franchise Fee Expense:	\$9,610,559	\$9,601,705	Line 41 * Line 42	\$8,854		\$1,213
44	Uncollectibles Expense Factor:	0.213%	0.213%	28-FFU, L 5	0.000%		0.00%
45	Uncollectibles Expense:	\$2,217,651	\$2,215,608	Line 41 * Line 44	\$2,043		\$280
46	True Up TRR:	\$1,051,023,552	\$1,050,055,254	L 41 + L 43 + L 45	\$968,298		\$132,644

Change In
TO2021 TUTRR
\$1,051,023,552
\$1,050,055,254
\$968,298

TO2022 Annual Update - WP Schedule
3 - One Time Adj Prior Period, Page 27,
Line 46

Schedule 4
True Up TRR
(Revised 2019 TO2021 True Up TRR)

Amended TO2021 Annual Update
Attachment 7
Calculation of the True Up TRR Variance

13.7%

A) Rate Base for True Up TRR

**Revised TO2021
in TO2022
Annual Update**

		Calculation	FERC Form 1 Reference					
Line	Rate Base Item	Method	Notes	or Instruction	Amount	Amount	Variance	Wgt Avg Variance
Instructions:								
1) Use weighted average (by time) of the Return on Equity in effect during the Prior Year in determining the "Cost of Capital Rate" on Line 19 and the "Equity Rate of Return Including Preferred Stock" on Line 23 in the event that the ROE is revised during the Prior Year. In this event, the ROE used in Schedule 1 will differ from the ROE used in this Schedule 4, because the Schedule 1 ROE will be the most recent ROE, whereas the Schedule 4 Cost of Capital Rate and Equity Rate of Return including Com. + Pref. Stock will be based on the weighted-average ROE.						\$975,511	A&G CPUC BA & MA Adjustment	
						-\$7,213	A&G Outside Counsel & Court Fees	
						\$968,298	Total Adjustment	

Calculation of weighted average Cost of Capital Rate in Prior Year:

If ROE does not change during year, then attribute all days to Line a "ROE at end of Prior Year" and none to "ROE at start of PY"

		<u>Percentage</u>	<u>Reference:</u>	<u>From</u>	<u>To</u>	<u>Days ROE In Effect</u>
a	ROE at end of Prior Year	10.30%	See Line e below	Nov 12, 2019	Dec 31, 2019	50
b	ROE start of Prior Year	11.20%	See Line f below	Jan 1, 2019	Nov 11, 2019	315
c				Total days in year:		365
d	Wtd. Avg. ROE in Prior Year	11.08% ((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year				

Commission Decisions approving ROE:

		Reference:
e	End of Prior Year	Settlement of TO2019A (ER19-1553)
f	Beginning of Prior Year	169 FERC ¶ 61,177

		Percentage	Reference:
g	Wtd. Cost of Long Term Debt	2.0627%	1-Base TRR L 51
h	Wtd. Cost of Preferred Stock	0.4170%	1-Base TRR L 52
i	Wtd. Cost of Common Stock	5.2614%	1-Base TRR L 47 * Line d
j	Cost of Capital Rate	7.7412%	Sum of Lines g to i

Calculation of Equity Rate of Return Including Common and Preferred Stock:

		Percentage	Reference:
k		5.6785%	Sum of Lines h to i

Notes:

1) True Up TRR Incentive Adder Reversal backs out the revenue requirement associated with any project-specific Incentive Adders (Line 39) for True Up Years during the term of the settlement of ER19-1553.

Calculation of True Up TRR

86.3%

A) Rate Base for True Up TRR									86.3%
Calculation				FERC Form 1 Reference					
						Revised TO2021 Att 5-TO2018 in TO2022		Weight Avg	
Line	Rate Base Item	Method	Notes	or Instruction	Amount	Annual Update	Variance	Variance	
1	ISO Transmission Plant	13-Month Avg.		6-PlantInService, Line 18	\$8,939,630,709	\$8,939,630,709	\$0	\$0	
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$289,044,062	\$289,044,062	\$0	\$0	
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$9,942,155	\$9,942,155	\$0	\$0	
4	Abandoned Plant	BOY/EOY Avg.		12-AbandonedPlant Line 4	\$0	\$0	\$0	\$0	
Working Capital Amounts									
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$21,481,205	\$21,481,205	\$0	\$0	
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$21,290,574	\$21,290,574	\$0	\$0	
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$25,205,458	\$25,087,229	\$118,229	\$102,033	
8	Working Capital			Line 5 + Line 6 + Line 7	\$67,977,236	\$67,859,007	\$118,229	\$102,033	
Accumulated Depreciation Reserve Amounts									
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,839,774,172	-\$1,839,774,172	\$0	\$0	
10	Distribution Depreciation Reserve - ISO	BOY/EOY Avg.	Negative amount	8-AccDep, Line 17, Col. 5	\$0	\$0	\$0	\$0	
11	G + I Depreciation Reserve	BOY/EOY Avg.	Negative amount	8-AccDep, Line 23	-\$105,831,142	-\$105,831,142	\$0	\$0	
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$1,945,605,315	-\$1,945,605,315	\$0	\$0	
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT, Line 15	-\$1,632,853,304	-\$1,632,853,304	\$0	\$0	
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 12, C2	\$602,185,189	\$602,185,189	\$0	\$0	
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$50,661,305	-\$50,661,305	\$0	\$0	
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$192,838,264	-\$192,838,264	\$0	\$0	
17	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0	\$0	\$0	\$0	
18	Rate Base			L1+L2+L3+L4+L8+L12+ L13+L14+L15+L16+L17	\$6,086,821,164	\$6,086,702,935	\$118,229	\$102,033	
B) Return on Capital									
Line									
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.5731%	7.5731%	0.0000%	0.000%	
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$460,963,205	\$460,954,251	\$8,954	\$7,727	
C) Income Taxes									
21	Income Taxes = [((RB * ER) + D) * (CTR/(1 – CTR))] + CO/(1 – CTR)				\$91,516,026	\$91,513,549	\$2,477	\$2,138	
Where:									
22	RB = Rate Base			Line 18	\$6,086,821,164	\$6,086,702,935	\$118,229	\$102,033	
23	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1		Instruction 1, Line k	5.3927%	5.3927%	0.000%	0.000%	
24	CTR = Composite Tax Rate			1-Base TRR L 59	27.9836%	27.9836%	0.000%	0.000%	
25	CO = Credits and Other			1-Base TRR L 63	-\$27,044,842	-\$27,044,842	\$0	\$0	
26	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 65	\$3,917,123	\$3,917,123	\$0	\$0	

Schedule 4
True Up TRR
(Revised 2019 TO2018 True Up TRR)

Amended TO2021 Annual Update
Attachment 7
Calculation of the True Up TRR Variance

86.3%

A) Rate Base for True Up TRR

		Calculation	FERC Form 1 Reference			Revised TO2021 Att 5-TO2018 in TO2022 Annual Update	Variance	Weight Avg Variance
Line	Rate Base Item	Method	Notes	or Instruction	Amount			
D) True Up TRR Calculation								
27	O&M Expense			1-Base TRR L 66	\$112,781,174	\$112,781,174	\$0	\$0
28	A&G Expense			1-Base TRR L 67	\$88,862,487	\$87,916,655	\$945,832	\$816,266
29	Network Upgrade Interest Expense			1-Base TRR L 68	\$4,075,484	\$4,075,484	\$0	\$0
30	Depreciation Expense			1-Base TRR L 69	\$255,157,633	\$255,157,633	\$0	\$0
31	Abandoned Plant Amortization Expense			1-Base TRR L 70	\$0	\$0	\$0	\$0
32	Other Taxes			1-Base TRR L 71	\$66,058,181	\$66,058,181	\$0	\$0
33	Revenue Credits			1-Base TRR L 72	-\$54,094,032	-\$54,094,032	\$0	\$0
34	Return on Capital			Line 20	\$460,963,205	\$460,954,251	\$8,954	\$7,727
35	Income Taxes			Line 21	\$91,516,026	\$91,513,549	\$2,477	\$2,138
36	Gains and Losses on Transmission Plant Held for Future Use -- Land			1-Base TRR L 75	\$0	\$0	\$0	\$0
37	Amortization and Regulatory Debits/Credits			1-Base TRR L 76	\$0	\$0	\$0	\$0
38	Total without True Up Incentive Adder			Sum Line 27 to Line 37	\$1,025,320,158	\$1,024,362,895	\$957,263	\$826,131
39	True Up Incentive Adder			15-IncentiveAdder L 20	\$25,263,751	\$25,263,751	\$0	\$0
39a	True Up Incentive Adder Reversal			Negative of Line 39, Note 1	-\$25,263,751	-\$25,263,751	\$0	\$0
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:			Line 38 + Line 39 + Line 39a	\$1,025,320,158	\$1,024,362,895	\$957,263	\$826,131

E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses

Line		Revised TO2021 Att 5-TO2018 in TO2022 Annual Update	Reference:	Variance	Wgt Avg Variance
41	True Up TRR wo FF:	\$1,025,320,158	Line 40	\$957,263	\$826,131
42	Franchise Fee Factor:	0.925%	28-FFU, L 5	0.000%	0.000%
43	Franchise Fee Expense:	\$9,482,241	Line 41 * Line 42	\$8,853	\$7,640
44	Uncollectibles Expense Factor:	0.213%	28-FFU, L 5	0.000%	0.000%
45	Uncollectibles Expense:	\$2,188,041	Line 43 * Line 44	\$2,043	\$1,763
46	True Up TRR:	\$1,036,990,439	L 41 + L 43 + L 45	\$968,158	\$835,534

**Change in
TO2021 TUTRR**
\$1,036,990,439
\$1,036,022,281
\$968,158

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One Time Adj Prior Period, Page 21,
Line 46

Schedule 4
True Up TRR
(Revised 2019 TO2018 True Up TRR)

Amended TO2021 Annual Update
Attachment 7
Calculation of the True Up TRR Variance

86.3%

A) Rate Base for True Up TRR

Calculation

FERC Form 1 Reference

<u>Line</u>	<u>Rate Base Item</u>	<u>Method</u>	<u>Notes</u>	<u>or Instruction</u>	<u>Amount</u>	<u>Revised TO2021 Att 5-TO2018 in TO2022 Annual Update</u>	<u>Variance</u>	<u>Weight Avg Variance</u>
Instructions:								

1) Use weighted average (by time) of the Return on Equity in effect during the Prior Year in determining the "Cost of Capital Rate" on Line 19

and the "Equity Rate of Return Including Preferred Stock" on Line 23 in the event that the ROE is revised during the Prior Year. In this event, the ROE used in Schedule 1 will differ from the ROE used in this Schedule 4, because the Schedule 1 ROE will be the most recent ROE, whereas the Schedule 4 Cost of Capital Rate and Equity Rate of Return including Com. + Pref. Stock will be based on the weighted-average ROE.

\$975,371 A&G CPUC BA&MA Adjustment
-\$7,212 A&G Outside Counsel & Court
\$968,158 Total Adjustment

Calculation of weighted average Cost of Capital Rate in Prior Year:

If ROE does not change during year, then attribute all days to Line a "ROE at end of Prior Year" and none to "ROE at start of PY"

					Days ROE	
	<u>Percentage</u>	<u>Reference:</u>	<u>From</u>	<u>To</u>	<u>In Effect</u>	
a	ROE at end of Prior Year	10.30%	See Line e below	Nov 12, 2019	Dec 31, 2019	50
b	ROE start of Prior Year	11.20%	See Line f below	Jan 1, 2019	Nov 11, 2019	315
c					Total days in year:	365
d	Wtd. Avg. ROE in Prior Year	11.08% ((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year				

Commission Decisions approving ROE:

	<u>Reference:</u>
e End of Prior Year	Settlement of TO2019A (ER19-1553)
f Beginning of Prior Year	169 FERC ¶ 61,177

	<u>Percentage</u>	<u>Reference:</u>
g Wtd. Cost of Long Term Debt	2.1804%	1-Base TRR L 51
h Wtd. Cost of Preferred Stock	0.4170%	1-Base TRR L 52
i Wtd. Cost of Common Stock	4.9757%	1-Base TRR L 47 * Line d
j Cost of Capital Rate	7.5731%	Sum of Lines g to i

Calculation of Equity Rate of Return Including Common and Preferred Stock:

	<u>Percentage</u>	<u>Reference:</u>
k	5.3927%	Sum of Lines h to i

Notes:

1) True Up TRR Incentive Adder Reversal backs out the revenue requirement associated with any project-specific Incentive Adders (line 39) for True Up Years during the term of the Second Formula Rate. Applicable pursuant to settlement under ER18-169.

Calculation of True Up TRR

Calculation of True Up TRR					2019 Weighted Average Variance		
A) Rate Base for True Up TRR					13.7%	86.3%	100.0%
Line	Rate Base Item	Calculation Method	Notes	FERC Form 1 Reference or Instruction	Attachment 1 Amount	Attachment 3 Amount	Total Amount
1	ISO Transmission Plant	13-Month Avg.		6-PlantInService, Line 18	\$0	\$0	\$0
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$0	\$0	\$0
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$0	\$0	\$0
4	Abandoned Plant	BOY/EOY Avg.		12-AbandonedPlant Line 4	\$0	\$0	\$0
Working Capital Amounts							
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$0	\$0	\$0
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$0	\$0	\$0
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$16,193	\$102,033	\$118,226
8	Working Capital			Line 5 + Line 6 + Line 7	\$16,193	\$102,033	\$118,226
Accumulated Depreciation Reserve Amounts							
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	\$0	\$0	\$0
10	Distribution Depreciation Reserve - ISO	BOY/EOY Avg.	Negative amount	8-AccDep, Line 17, Col. 5	\$0	\$0	\$0
11	G + I Depreciation Reserve	BOY/EOY Avg.	Negative amount	8-AccDep, Line 23	\$0	\$0	\$0
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	\$0	\$0	\$0
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT-1, Line 15	\$0	\$0	\$0
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$0	\$0	\$0
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	\$0	\$0	\$0
16	Unfunded Reserves			34-UnfundedReserves, Line 7	\$0	\$0	\$0
17	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0	\$0	\$0
18	Rate Base			L1+L2+L3+L4+L8+L12+L13+L14+L15+L16+L17	\$16,193	\$102,033	\$118,226
B) Return on Capital					\$0	\$0	
Line							
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line	0.000%	0.000%	0.0000%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$1,253	\$7,727	\$8,981
C) Income Taxes							
21	Income Taxes = [((RB * ER) + D) * (CTR/(1 – CTR))] + CO/(1 – CTR)				\$357	\$2,138	\$2,495
Where:							
22	RB = Rate Base			Line 18	\$16,193	\$102,033	\$118,226
23	ER = Equity ROR inc. Com. and Pref. Stock		Instruction 1	Instruction 1, Line	\$0	\$0	\$0
24	CTR = Composite Tax Rate			1-Base TRR L 59	\$0	\$0	\$0
25	CO = Credits and Other			1-Base TRR L 63	\$0	\$0	\$0
26	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 65	\$0	\$0	\$0

Calculation of True Up TRR

					2019 Weighted Average Variance		
A) Rate Base for True Up TRR					13.7%	86.3%	100.0%
<u>Line</u>	<u>Rate Base Item</u>	<u>Calculation Method</u>	<u>Notes</u>	<u>FERC Form 1 Reference or Instruction</u>	<u>Attachment 1 Amount</u>	<u>Attachment 3 Amount</u>	<u>Total Amount</u>
D) True Up TRR Calculation							
27	O&M Expense			1-Base TRR L 66	\$0	\$0	\$0
28	A&G Expense			1-Base TRR L 67	\$129,540	\$816,266	\$945,806
29	Network Upgrade Interest Expense			1-Base TRR L 68	\$0	\$0	\$0
30	Depreciation Expense			1-Base TRR L 69	\$0	\$0	\$0
31	Abandoned Plant Amortization Expense			1-Base TRR L 70	\$0	\$0	\$0
32	Other Taxes			1-Base TRR L 71	\$0	\$0	\$0
33	Revenue Credits			1-Base TRR L 72	\$0	\$0	\$0
34	Return on Capital			Line 20	\$1,253	\$7,727	\$8,981
35	Income Taxes			Line 21	\$357	\$2,138	\$2,495
36	Gains and Losses on Transmission Plant Held for Future Use -- Land			1-Base TRR L 75	\$0	\$0	\$0
37	Amortization and Regulatory Debits/Credits			1-Base TRR L 76	\$0	\$0	\$0
38	Total without True Up Incentive Adder			Sum Line 27 to Line 37	\$131,151	\$826,131	\$957,282
39	True Up Incentive Adder			15-IncentiveAdder L 20	\$0	\$0	\$0
39a	True Up Incentive Adder Reversal			Negative of Line 39, Note 1	\$0	\$0	\$0
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:			Sum of Lines 38 to 39a	\$131,151	\$826,131	\$957,282
<u>Line</u>							
41	True Up TRR wo FF:				\$131,151	\$826,131	\$957,282
42	Franchise Fee Factor:				0.000%	0.000%	0.000%
43	Franchise Fee Expense:				\$1,213	\$7,640	\$8,853
44	Uncollectibles Expense Factor:				0.000%	0.000%	0.000%
45	Uncollectibles Expense:				\$280	\$1,763	\$2,043
46	True Up TRR:				\$132,644	\$835,534	\$968,178

Calculation of True Up TRR

A) Rate Base for True Up TRR

Line	Rate Base Item	Calculation	Notes	FERC Form 1 Reference or Instruction	TO2022 Annual Update		Variance
		Method			Amount	Amount	
1	ISO Transmission Plant	13-Month Avg.		6-PlantInService, Line 18	\$9,465,884,220	\$9,465,884,220	\$0
2	General + Elec. Misc. Intangible Plant	BOY/EOY Avg.		6-PlantInService, Line 24	\$332,996,257	\$332,996,257	\$0
3	Transmission Plant Held for Future Use	BOY/EOY Avg.		11-PHFU, Line 9	\$9,942,155	\$9,942,155	\$0
4	Abandoned Plant	BOY/EOY Avg.		12-AbandonedPlant Line 4	\$0	\$0	\$0
<u>Working Capital Amounts</u>							
5	Materials and Supplies	13-Month Avg.		13-WorkCap, Line 17	\$26,347,686	\$26,347,686	\$0
6	Prepayments	13-Month Avg.		13-WorkCap, Line 33	\$17,295,289	\$17,295,289	\$0
7	Cash Working Capital	1/8 (O&M + A&G)		1-Base TRR Line 7	\$38,005,257	\$37,569,369	\$435,888
8	Working Capital			Line 5 + Line 6 + Line 7	\$81,648,232	\$81,212,344	\$435,888
<u>Accumulated Depreciation Reserve Amounts</u>							
9	Transmission Depreciation Reserve - ISO	13-Month Avg.	Negative amount	8-AccDep, Line 14, Col. 12	-\$1,985,745,438	-\$1,985,745,438	\$0
10	Distribution Depreciation Reserve - ISO	BOY/EOY Avg.	Negative amount	8-AccDep, Line 17, Col. 5	\$0	\$0	\$0
11	G + I Depreciation Reserve	BOY/EOY Avg.	Negative amount	8-AccDep, Line 23	-\$123,470,472	-\$123,470,472	\$0
12	Accumulated Depreciation Reserve			Line 9 + Line 10 + Line 11	-\$2,109,215,910	-\$2,109,215,910	\$0
13	Accumulated Deferred Income Taxes	BOY/EOY Avg.		9-ADIT-1, Line 15	-\$1,575,979,469	-\$1,575,979,469	\$0
14	CWIP Plant	13-Month Avg.		14-IncentivePlant, L 13, C2	\$792,332,585	\$792,332,585	\$0
15	Network Upgrade Credits	BOY/EOY Avg.	Negative amount	22-NUCs, Line 7	-\$27,970,500	-\$27,970,500	\$0
16	Unfunded Reserves			34-UnfundedReserves, Line 7	-\$241,192,829	-\$241,192,829	\$0
17	Other Regulatory Assets/Liabilities	BOY/EOY Avg.		23-RegAssets, Line 15	\$0	\$0	\$0
18	Rate Base			L1+L2+L3+L4+L8+L12+ L13+L14+L15+L16+L17	\$6,728,444,742	\$6,728,008,854	\$435,888

B) Return on Capital

Line							
19	Cost of Capital Rate		See Instruction 1	Instruction 1, Line j	7.3080%	7.3080%	0.000%
20	Return on Capital: Rate Base times Cost of Capital Rate			Line 18 * Line 19	\$491,711,951	\$491,680,097	\$31,855

C) Income Taxes

21	Income Taxes = [((RB * ER) + D) * (CTR/(1 – CTR))] + CO/(1 – CTR)				\$115,795,801	\$115,786,927	\$8,874
	Where:						
22	RB = Rate Base			Line 18	\$6,728,444,742	\$6,728,008,854	\$435,888
23	ER = Equity ROR inc. Com. and Pref. Stock	Instruction 1		Instruction 1, Line k	5.2391%	5.2391%	0.000%
24	CTR = Composite Tax Rate			1-Base TRR L 59	27.9836%	27.9836%	0.000%
25	CO = Credits and Other			1-Base TRR L 63	-\$16,481,293	-\$16,481,293	\$0
26	D = Book Depreciation of AFUDC Equity Book Basis			1-Base TRR L 65	\$4,388,079	\$4,388,079	\$0

Schedule 4
True Up TRR
(Revised 2020 True Up TRR)

Amended TO2022 Annual Update
Attachment 7
Calculation of the True Up TRR Variance

<u>Line</u>	<u>Rate Base Item</u>	<u>Calculation Method</u>	<u>Notes</u>	<u>FERC Form 1 Reference or Instruction</u>	<u>Amount</u>	<u>TO2022 Annual Update Amount</u>	<u>Variance</u>
D) True Up TRR Calculation							
27	O&M Expense			1-Base TRR L 66	\$126,658,024	\$126,658,024	\$0
28	A&G Expense			1-Base TRR L 67	\$177,384,031	\$173,896,927	\$3,487,104
29	Network Upgrade Interest Expense			1-Base TRR L 68	\$2,371,003	\$2,371,003	\$0
30	Depreciation Expense			1-Base TRR L 69	\$274,400,278	\$274,400,278	\$0
31	Abandoned Plant Amortization Expense			1-Base TRR L 70	\$0	\$0	\$0
32	Other Taxes			1-Base TRR L 71	\$71,871,386	\$71,871,386	\$0
33	Revenue Credits			1-Base TRR L 72	-\$48,068,461	-\$48,067,624	-\$837
34	Return on Capital			Line 20	\$491,711,951	\$491,680,097	\$31,855
35	Income Taxes			Line 21	\$115,795,801	\$115,786,927	\$8,874
36	Gains and Losses on Transmission Plant Held for Future Use -- Land			1-Base TRR L 75	\$0	\$0	\$0
37	Amortization and Regulatory Debits/Credits			1-Base TRR L 76	\$0	\$0	\$0
38	Total without True Up Incentive Adder			Sum Line 27 to Line 37	\$1,212,124,013	\$1,208,597,019	\$3,526,995
39	True Up Incentive Adder			15-IncentiveAdder L 20	\$25,971,820	\$25,971,820	\$0
39a	True Up Incentive Adder Reversal			Negative of Line 39, Note 1	-\$25,971,820	-\$25,971,820	\$0
40	True Up TRR without Franchise Fees and Uncollectibles Expense included:			Sum of Lines 38 to 39a	\$1,212,124,013	\$1,208,597,019	\$3,526,995

E) Calculation of final True Up TRR with Franchise Fees and Uncollectibles Expenses

<u>Line</u>		<u>TO2022 Annual Update</u>	<u>Reference:</u>	<u>Variance</u>	
41	True Up TRR wo FF:	\$1,212,124,013	\$1,208,597,019	Line 40	\$3,526,995
42	Franchise Fee Factor:	0.925%	0.925%	28-FFU, L 5	0.000%
43	Franchise Fee Expense:	\$11,209,817	\$11,177,199	Line 41 * Line 42	\$32,618
44	Uncollectibles Expense Factor:	1.138%	1.141%	28-FFU, L 5	-0.003%
45	Uncollectibles Expense:	\$13,789,000	\$13,789,000	Line 41 * Line 44	\$0
46	True Up TRR:	\$1,237,122,831	\$1,233,563,218	L 41 + L 43 + L 45	\$3,559,613

**Change In
TO2022 TUTRR**
\$1,237,122,831
\$1,233,563,218
\$3,559,613

TO2022 Annual Update - Attachment 1, Sch4,
Line 46

Schedule 4
True Up TRR
(Revised 2020 True Up TRR)

Amended TO2022 Annual Update
Attachment 7
Calculation of the True Up TRR Variance

Line	Rate Base Item	Calculation Method	Notes	FERC Form 1 Reference or Instruction	Amount	TO2022 Annual Update Amount	Variance
Instructions:							
1) Use weighted average (by time) of the Return on Equity in effect during the Prior Year in determining the "Cost of Capital Rate" on Line 19						\$3,605,738	A&G CPUC BA & MA Adjustment
and the "Equity Rate of Return Including Preferred Stock" on Line 23 in the event that the ROE is revised during the Prior Year. In this event,							A&G Outside Counsel & Court fee
the ROE used in Schedule 1 will differ from the ROE used in this Schedule 4, because the Schedule 1 ROE will be the most recent ROE,						-\$5,031	Adjustment
whereas the Schedule 4 Cost of Capital Rate and Equity Rate of Return including Com. + Pref. Stock will be based on the weighted-average ROE.							Revenue Credits GRSM Passive Income
Calculation of weighted average Cost of Capital Rate in Prior Year:						-\$855	Indicator Adjustment
If ROE does not change during year, then attribute all days to Line a "ROE at end of Prior Year" and none to "ROE at start of PY"						<u>-\$40,240</u>	<u>Uncollectibles Expense Factor Adjustment</u>
						\$3,559,613	Total Retroactive Adjustment
		<u>Percentage</u>	<u>Reference:</u>	<u>From</u>	<u>To</u>	<u>Days ROE In Effect</u>	
a	ROE at end of Prior Year	10.30%	See Line e below	Jan 1, 2020	Dec 31, 2020	365	
b	ROE start of Prior Year		See Line f below				
c				Total days in year:		365	
d	Wtd. Avg. ROE in Prior Year	10.30% ((Line a ROE * Line a days) + (Line b ROE * Line b days)) / Total Days in Year					
Commission Decisions approving ROE:							
		<u>Percentage</u>	<u>Reference:</u>				
e	End of Prior Year		Settlement of TO2019A (ER19-1553)				
f	Beginning of Prior Year		169 FERC ¶ 61,177				
		<u>Percentage</u>	<u>Reference:</u>				
g	Wtd. Cost of Long Term Debt	2.0688%	1-Base TRR L 51				
h	Wtd. Cost of Preferred Stock	0.3466%	1-Base TRR L 52				
i	Wtd. Cost of Common Stock	4.8925%	1-Base TRR L 47 * Line d				
j	Cost of Capital Rate	7.3080%	Sum of Lines g to i				
Calculation of Equity Rate of Return Including Common and Preferred Stock:							
		<u>Percentage</u>	<u>Reference:</u>				
k		5.2391%	Sum of Lines h to i				
Notes:							
1) True Up TRR Incentive Adder Reversal backs out the revenue requirement associated with any project-specific Incentive Adders (Line 39) for True Up Years during the term of the settlement of ER19-1553.							