

January 6, 2022

Subject: 4th Quarter 2021 AFUDC Rate

The 4<sup>th</sup> quarter 2021 analysis resulted in a 9.2 basis point decrease of the annual gross nominal rate to 6.995352% from 7.087110%.

- Immaterial changes in annual average CWIP and annual average short-term general-purpose financing.

The change is less than the 25 basis points required by FERC, therefore, there would be no update to the AFUDC rate for 4th quarter 2021. The following table provides the 2021 AFUDC rate and allocation for borrowed and equity funds.

Effective Month	Gross Nominal Rate	Power Plan System Rate / Monthly System Rate	Allocation of Gross Funds Borrowed (%) / Equity (%)
January 2021	7.087110%	6.984684% .5820570%	29.21% / 70.79%
March 2021	7.087110%	6.984684% .5820570%	29.21% / 70.79%
June 2021	7.087110%	6.984684% .5820570%	29.21% / 70.79%
September 2021	7.087110%	6.984684% .5820570%	29.21% / 70.79%
December 2021	7.087110%	6.984684% .5820570%	29.21% / 70.79%

Please let me know if you have any questions.

Thanks.

Fenny (Miao Fen) Huang