

Calculation of Formula Franchise Fee and Uncollectibles Factors

<u>Line</u>			<u>Reference</u>
1	CPUC Franchise Fee Factor (% of Total Revenue Requirement)	0.90600%	CPUC GRC D. 12-11-051, Appendix C, pp C-26, line 6
2	CPUC Uncollectibles Factor (% of Total Revenue Requirement)	0.20500%	CPUC GRC D.12-11-051, pp 707 (note the value of 0.203% in Appendix C is in error)
<u>Calculation</u>			
3	Formula Franchise Fee Factor	0.91428%	Line 1 / (1 - Line 1)
4	Formula Uncollectibles Factor	0.20542%	Line 2 / (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.