

December 31, 2019

Subject: Fourth Quarter 2019 AFUDC Rate

The following table provides the 2019 AFUDC rate and the allocation for borrowed and equity funds. The 4<sup>rd</sup> quarter 2019 analysis resulted in a 10 basis point increase of the annual gross nominal rate to 6.57% from 6.47%.

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

The change is less than the 25 basis points required by FERC, therefore, there will be no update to the AFUDC rate for 4<sup>rd</sup> quarter 2019.

Effective Month	Gross Nominal Rate	Power Plan System Rate / Monthly System Rate	Allocation of Gross Funds Borrowed (%) / Equity (%)
January 2019	6.894805%	6.797808% 0.566484%	32.47% / 67.53%
March 2019	5.547362%	5.484312% 0.457026%	49.74% / 50.26%
June 2019	6.468913%	6.383412% 0.531951%	37.81% / 62.19%
September 2019	6.468913%	6.383412% 0.531951%	37.81% / 62.19%
December 2019	6.468913%	6.383412% 0.531951%	37.81% / 62.19%

If you have any questions regarding this information, please contact me at PAX 21923.

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