Dianne M. Triplett

August 21, 2019

VIA ELECTRONIC DELIVERY

Adam J. Teitzman, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

> Re: Docket No. 20190001-EI Docket No. 20190002-EG Docket No. 20190007-EI

Dear Mr. Teitzman:

Please find enclosed for filing in the above-referenced Dockets the following:

- Unopposed Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology; and
- Exhibit A.

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Respectfully,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/cmk Enclosure

cc: Parties of Record



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 20190001-EI
In re: Energy conservation cost recovery clause.	DOCKET NO. 20190002-EG
In re: Environmental cost recovery clause.	DOCKET NO. 20190007-EI
	Filed: August 21, 2019

UNOPPOSED JOINT MOTION TO MODIFY ORDER NO. PSC-2012-0425-PAA-EU REGARDING WEIGHTED AVERAGE COST OF CAPITAL METHODOLOGY

Duke Energy Florida, LLC ("DEF"), Florida Power & Light Company ("FPL"), Gulf Power Company ("Gulf"), Tampa Electric Company ("Tampa Electric"), and Florida Public Utilities Company ("FPUC") (collectively, "the IOUs"), pursuant to Rule 28-106.204, Florida Administrative Code, hereby file this Unopposed Joint Motion for the Florida Public Service Commission ("FPSC" or "Commission") to approve modifications to Order No. PSC-2012-0425-PAA-EU (the "Order") in which the Commission approved a stipulation and settlement agreement entered into by the IOUs, the Office of Public Counsel ("OPC"), and the Florida Industrial Power Users Group ("FIPUG") to specify the methodology for calculating the weighted average cost of capital ("WACC") applicable to clause-recoverable investments. Specifically, the IOUs propose a methodology to comply with the Internal Revenue Code ("IRC") Treasury Regulation Section §1.167(1)-1(h)(6) which requires public utilities to apply Normalization by utilizing a consistency adjustment and proration formula to compute the depreciation-related Accumulated Deferred Federal Income Tax ("ADFIT") balance to be included for ratemaking purposes when a forecasted test period is utilized to set rates unless the Limitation Provision is met or exceeded. The IOUs maintain that the modifications proposed herein are in the public interest because the modified methodology will accurately align current costs with cost recovery while enabling compliance to IRC Treasury Regulation Section §1.167(1)-1(h)(6). In support of this Unopposed Joint Motion, the IOUs state as follows:

1. On August 16, 2012, the Commission issued Order No. PSC-2012-0425-PAA-EU approving a stipulation and settlement agreement entered into by the IOUs, OPC, and FIPUG to specify the methodology for calculating the WACC applicable to clause-recoverable investments. A timeline example of the methodology was provided with the stipulation and settlement agreement, as follows:

(a) For the Projection Filing, use the May Earnings Surveillance Report ("ESR")WACC for the calendar year in which the filing is made.

(b) For the Actual/Estimated True-up Filing, use the May ESR WACC from the prior calendar year for January-June of the year being trued-up, and the current calendar year May ESR WACC for July -December of the year being trued-up.

(c) For the Final True-up Filing regarding a particular calendar year, use the same WACCs that were used for the Actual/Estimated True-up Filing regarding that same particular calendar year.

(d) In the event that a base rate decision is rendered by the Commission subsequent to the period captured by the relevant May ESR, then the Commission's decision on the cost of capital and capital structure as reflected in the order implementing the base rate decision will supersede the actuals used in the May ESR from the effective date of the Order, until the next actual May ESR.

2. The Order also reaffirmed that questions regarding the appropriate capital structure and return on equity should be the subject of a proceeding other than clause proceedings.

3. The Internal Revenue Service ("IRS") issued Private Letter Rulings ("PLR") on October 3, 2017 and August 11, 2017 regarding IRS Normalization Rules. These PLRs state that the IRC Treasury Regulation Section §1.167(1)-1(h)(6)(ii) requires public utilities to apply Normalization by utilizing a consistency adjustment and proration formula to compute the depreciation-related ADFIT balance to be included for ratemaking purposes when a forecasted test period is utilized to set rates unless the Limitation Provision is met or exceeded. The Limitation Provision in Treasury Regulation Section §1.167(1)-1(h)(6)(i) states that as long as the amount of depreciation-related ADFIT used in ratemaking is lower than the amount that would have been used under the Consistency Rule, then there is no violation of Normalization. The purpose of the IRS Normalization Rules is to preserve for regulated utilities the benefits of accelerated depreciation as a source of cost-free capital. Further, the purpose of both the Consistency Rule and the Proration Formula is to prevent the immediate flow-through of the benefits of accelerated depreciation to ratepayers.

4. The PLRs go on to state that the Consistency Rule, Code Section 168(i)(9)(B), provides that "…one way the Normalization Rules are not satisfied is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which uses an estimate or projection of tax expense, depreciation expense, or a reserve for deferred taxes unless such estimate or projection is also used with respect to the other two items and with respect to rate base." Therefore, if an IOU uses an estimate or projection of tax expense, depreciation expense, or a reserve for deferred taxes, or a reserve for deferred taxes, the IOU would also use a consistent time period for rate base so long as the Limitation Provision is not met.

5. Treasury Regulation Section §1.167(1)-1(h)(6)(ii) provides that if solely a future period is used for such determination, the limit on the amount of depreciation-related ADFIT for the period is the amount at the beginning of the future period with a pro rata adjustment for any increases or decreases during that period. There is a specific "Proration Formula" that must be applied to project changes in depreciation-related ADFIT so long as the Limitation Provision is not met. The Proration Requirement is as follows:

The pro rata portion of any increase to be credited or decrease to be charged during a future period...shall be determined by multiplying any such increase or decrease by a fraction, the numerator of which is the number of days remaining in the period at the time such increase or decrease is to be accrued, and the denominator of which is the total number of days in the period.

6. A potential inconsistency exists between the Order and the IRS regulations in that the Order is prescriptive regarding the time period of the WACC that will be applied to clause investments, which does not allow for the modifications required to avoid a Normalization violation if the Limitation Provision is not met.

7. To address the potential inconsistency between the Order and the IRS regulations, the IOUs propose that Order No. PSC-2012-0425-PAA-EU be modified beginning with the 2020 projections cycle of clause-recoverable expenses. The existing methodology as outlined above in Paragraph 1, will be applied if the Limitation Provision is met or exceeded. The Limitation Provision is met or exceeded if the actual ADFIT balance for the current period is less than or equal to the ADFIT projected for the future period in which the new rates would take effect. The determination of whether each IOU meets or exceeds the Limitation Provision for each clause projection filing will be documented and available for review by the Commission and interveners as needed.

8. In the event the Limitation Provision in Treasury Regulation Section §1.167(l)-1(h)(6)(i) is not met, the following alternative WACC methodology for use to calculate a return in the cost recovery clauses would be utilized (as further demonstrated in the example calculation attached as Exhibit A to this Unopposed Joint Motion):

(a) For the Projection Filing, use the mid-point return on equity ("ROE") WACC calculation from the Forecasted Earnings Surveillance Report ("FESR") for the calendar year in which the filing is made (e.g., for the 2020 Projection which is made in August/September of 2019, the 2019 FESR would be used; for the 2021 Projection which is made in August/September of 2020, the 2020 FESR would be used, and so on), except that an adjustment must be made to the ADFIT balance included in capital structure to reflect depreciation-related ADFIT which is consistent with the time period of the projection filing and to reflect depreciation-related ADFIT using the Proration Formula prescribed by Treasury Regulation Section §1.167(1)-1(h)(6)(i).

(b) For the Actual/Estimated True-up Filing, use the mid-point ROE WACC calculation from the current year FESR (e.g., for the 2021 Actual/Estimated True-up Filing which is made in August/September 2021, the 2021 FESR would be used; for the 2022 Actual/Estimated filing which is made in August/September 2022, the 2022 FESR would be used; and so on). The Proration Formula adjustment included in the mid-point ROE WACC calculation must be carried forward from the Projection Filing into the Actual/Estimated True-up Filing, except that if the depreciation-related ADFIT balance in the Projection Filing was over-estimated, the Proration Formula adjustment must be reduced to reflect the difference between the originally projected and prorated depreciation-related ADFIT balance and the re-projected depreciation-related ADFIT balance. The resulting mid-point ROE WACC calculation will be used to calculate a monthly return on clause investments on the books and records of the utility consistent with this methodology.

(c) For the Final True-up Filing regarding a particular calendar year, use the actual December ESR mid-point ROE WACC calculation of the year being trued-up. The Proration Formula adjustment included in the mid-point ROE WACC calculation must be carried forward from the Projection Filing into the Final True-up Filing, except that if the depreciation-related ADFIT balance in the Projection Filing was over-estimated, the Proration Formula adjustment must be reduced to reflect the difference between the originally projected and prorated depreciation-related ADFIT balance and the final depreciation-related ADFIT balance. The resulting mid-point ROE WACC calculation will be used to calculate a monthly return on clause investments on the books and records of the utility consistent with this methodology.

9. The proposed modifications will avoid the potential inconsistency described above, thereby enabling the IOUs to remain in compliance with the Normalization provisions of the IRS Treasury Regulations.

10. Pursuant to Rule 28-106.204(3), the IOUs have conferred with all parties to these proceedings and can confirm that the Office of Public Counsel and FIPUG (the signatories to the original stipulation and settlement agreement) and Commission Staff take no position on the motion. By the time of the filing of this motion, the IOUs did not receive a position from PCS Phosphate or SACE.

WHEREFORE, for the reasons stated herein, the IOUs respectfully request that the Commission approve the above-described proposed modifications to the methodology for calculating the WACC applicable to clause-recoverable investments set forth in Order No. PSC-2012-0425-PAA-EU.

Respectfully submitted this 21st day of August, 2019.

DUKE ENERGY FLORIDA, LLC

Dianne M. Triplett dianne.triplett@duke-energy.com FLRegulatoryLegal@duke-energy.com Matthew R. Bernier matt.bernier@duke-energy.com 299 First Avenue North St. Petersburg, FL 33701 Telephone: (727) 820-4692

BY: /s/ Dianne M. Triplett

GULF POWER COMPANY

Russell A. Badders russell.badders@nexteraenergy.com One Energy Place Pensacola, FL 32520-0100 Telephone: (850) 444-6550

BY: /s/ Russell A. Badders

FLORIDA POWER & LIGHT COMPANY

Maria Jose Moncada <u>maria.moncada@fpl.com</u> 700 Universe Boulevard Juno Beach, FL 33408 Telephone: (561) 304-5795

BY: /s/ Maria J. Moncada

FLORIDA PUBLIC UTILITIES COMPANY

Beth Keating bkeating@gunster.com Gunster, Yoakley & Stewart, Esq. 215 S. Monroe St., Suite 601 Tallahassee, FL 32302 Telephone: (850) 521-1706

BY: /s/ Beth Keating

TAMPA ELECTRIC COMPANY

James D. Beasley jbeasley@ausley.com J. Jeffry Wahlen jwahlen@ausley.com Malcolm N. Means <u>mmeans@ausley.com</u> Ausley McMullen Post Office Box 391 Tallahassee, Florida 32302 Telephone: (850) 224-9115

BY: /s/ James D. Beasley

CERTIFICATE OF SERVICE - Dkt. Nos. 20190001-EI, 20190002-EG, 20190007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 21st day of August, 2019.

/s/ Dianne M. Triplett Attorney

Suzanne Brownless / Margo DuVal /	J.R. Kelly / P. Christensen / C. Rehwinkel /
Charles Murphy / Ashley Weisenfeld	T. David / S. Morse
Office of General Counsel	Office of Public Counsel
FL Public Service Commission	111 W. Madison St., Room 812
2540 Shumard Oak Blvd.	Tallahassee, FL 32399-1400
Tallahassee, FL 32399-0850	kelly.jr@leg.state fl.us
sbrownle@psc.state.fl.us	christensen.patty@leg.state fl.us
mduval@psc.state.fl.us	Rehwinkel.charles@leg.state.fl.us
cmurphy@psc.state.fl.us	david.tad@leg.state.fl.us
aweisenf@psc.state.fl.us	morse.stephanie@leg.state fl.us
<u>awersenn@psc.state.m.us</u>	
J. Beasley / J. Wahlen / M. Means	Ms. Paula K. Brown
P.O. Box 391	Tampa Electric Company
Tallahassee, FL 32302	P.O. Box 111
jbeasley@ausley.com	Tampa, FL 33601-0111
jwahlen@ausley.com	regdept@tecoenergy.com
mmeans@ausley.com	
<u>Initeans(a)ausicy.com</u>	Maria Moncada / Joel Baker
Steven Griffin	Florida Power & Light Company
P.O. Box 12950	700 Universe Blvd. (LAW/JB)
Pensacola, FL 32591	Juno Beach, FL 33408-0420
srg@beggslane.com	maria moncada@fpl.com
<u>sigu, beggstatte.com</u>	joel.baker@fpl.com
Russell A. Badders	
Gulf Power Company	James Brew / Laura Wynn
One Energy Place	1025 Thomas Jefferson St., N.W.
Pensacola, FL 32520	Suite 800 West
russell.badders@nexteraenergy.com	Washington, DC 20007
russen.oudders(whexterdenergy.com	jbrew@smxblaw.com
Holly Henderson	law@smxblaw.com
Gulf Power Company	
215 S. Monroe St., Ste. 618	Mike Cassel
Tallahassee, FL 32301	Florida Public Utilities Company
holly.henderson@nexteraenergy.com	1750 S. 14 th Street, Suite 200
<u>nony.nenderson(a/nenteraener5).com</u>	Fernandina Beach, FL 32034
Kenneth A. Hoffman	mcassel@fpuc.com
Florida Power & Light Company	
134 W. Jefferson Street	Beth Keating
Tallahassee, FL 32301-1713	215 South Monroe Street, Suite 601
ken.hoffman@fpl.com	Tallahassee, FL 32301
	bkeating@gunster.com
Jon C. Moyle, Jr.	
118 North Gadsden Street	George Cavros
Tallahassee, FL 32301	120 E. Oakland Park Blvd., Ste. 105
jmoyle@moylelaw.com	Fort Lauderdale, FL 33334
mqualls@moylelaw.com	george@cavros-law.com

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In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 20190001-EI
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	Filed: August 20, 2019

UNOPPOSED JOINT MOTION TO MODIFY ORDER NO. PSC-2012-0425-PAA-EU REGARDING WEIGHTED AVERAGE COST OF CAPITAL METHODOLOGY

EXHIBIT A

Example for computing ADFIT balance when proration is applied and ADFIT balance is under-estimated

				2019 Clause	Projection Fili	ng				
2018 Forecasted S	urveillance as Filed in	n early 2018 (13-mo	nth average)							
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	5,891,599,748	5,323,070,556	(707,195,732)	617,119,403	5,232,994,227	44.13%	10.50%	4.63%		
Long Term Debt	5,921,942,306	5,350,485,110	(710,837,889)		4,639,647,221	39.12%	4.70%	1.84%		
Short Term Debt	(83,297,529)	(75,259,461)	9,998,584		(65,260,877)	-0.55%	0.37%	0.00%		
Cust Dep Active	207,308,055	207,308,055	(27,541,880)		179,766,175	1.52%	2.36%	0.04%		
Cust Dep InActive	1,871,004	1,871,004	(248,572)		1,622,432	0.01%				
nvest Tax Cr	21,626,622	19,539,690	(2,595,943)		16,943,748	0.14%	7.77%	0.01%		
Deferred Inc Tax	2,746,202,103	2,481,198,347	(329,639,231)	(297,398,236)	1,854,160,880	15.63%				
Tota	14,707,252,309	13,308,213,301	(1,768,060,662)	319,721,167	11,859,873,806	100.00%		6.52%		
	15.	5	191	75			pretax WACC	8.08%		
2018 Forecasted Sur	veillance with ADFIT	Consistency and Pro	oration Adjustments	5						
	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Cost	Weighted
	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	Rate	Cost
Common Equity	5,891,599,748	(24,478,038)	5,867,121,710	5,300,988,543	(704,262,030)	617,119,403	5,213,845,916	43.97%	10.50%	4.62
Long Term Debt	5,921,942,306	(24,604,103)	5,897,338,203	5,328,289,371	(707,889,077)		4,620,400,294	38.96%	4.70%	1.83
Short Term Debt	(83,297,529)	346,079	(82,951,450)	(74,947,258)	9,957,107		(64,990,151)	-0.55%	0.37%	0.00
Cust Dep Active	207,308,055	(861,310)	206,446,745	206,446,745	(27,427,451)		179,019,294	1.51%	2.36%	0.04
Cust Dep InActive	1,871,004	(7,774)	1,863,230	1,863,230	(247,539)		1,615,691	0.01%		
	21,626,622	(89,853)	21,536,769	19,458,633	(2,585,174)		16,873,459	0.14%	7.77%	0.01
Invest Tax Cr		(//			(335,606,498)	(297,398,236)	1,893,109,303	15.96%		
Invest Tax Cr Deferred Inc Tax		49,694,999	2.795.897.102	2.526.114.036	(333,000,496)	1237.330.2301				
Invest Tax Cr Deferred Inc Tax Tota	2,746,202,103	49,694,999	2,795,897,102	2,526,114,036 13,308,213,301	(1,768,060,662)	319,721,167	11,859,873,806	100.00%		6.50
Deferred Inc Tax	2,746,202,103	49,694,999	14,707,252,309		(1,768,060,662)	319,721,167	11,859,873,806	100.00%	pretax WACC	
Deferred Inc Tax Tota	2,746,202,103 14,707,252,309	- 15	14,707,252,309	13,308,213,301	(1,768,060,662)			100.00%	pretax WACC	
Deferred Inc Tax Tota	2,746,202,103	- 15	14,707,252,309	13,308,213,301	(1,768,060,662)	319,721,167	11,859,873,806	100.00%	pretax WACC	
Deferred Inc Tax Tota	2,746,202,103 14,707,252,309	- - djustment to Reflec	14,707,252,309 t Projected ADFIT Co	13,308,213,301	(1,768,060,662) - ction Year	319,721,167	11,859,873,806 - Prorated	100.00% Prorated	pretax WACC	
Deferred Inc Tax Tota	2,746,202,103 14,707,252,309 nt and Consistency A	- - djustment to Reflec ADIT	14,707,252,309 t Projected ADFIT Co Deprec-Related	13,308,213,301 	(1,768,060,662) 	319,721,167	11,859,873,806 Prorated Deprec-Related	100.00% Prorated Deprec-Related	pretax WACC	
Deferred Inc Tax Tota	2,746,202,103 14,707,252,309 nt and Consistency A Month	- - djustment to Reflec ADIT Bal	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal *	13,308,213,301	(1,768,060,662) - ction Year	319,721,167	11,859,873,806 - Prorated	100.00% Prorated Deprec-Related ADFIT Bal	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18	- djustment to Reflec ADIT Bal 2,759,647,299	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299	13,308,213,301 	(1,768,060,662) 	319,721,167 - Future Days in Period	11,859,873,806 Prorated Deprec-Related ADFIT Activity	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31	319,721,167 - Future Days in Period 335	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28	319,721,167 Future Days in Period 335 307	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31	319,721,167 Future Days in Period 335 307 276	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19	- djustment to Reflect ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453	13,308,213,301 	(1,768,060,662) 	319,721,167 Future Days in Period 335 307 276 246	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected projected projected projected projected	2,746,202,103 14,707,252,309 nt and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19	- djustment to Reflect ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347	13,308,213,301 	(1,768,060,662) 	319,721,167 Future Days in Period 335 307 276 246 215	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 nt and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 30 31 30	319,721,167 Future Days in Period 335 307 276 246 215 185	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 nt and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jun-19 Jul-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 30 31	319,721,167 Future Days in Period 335 307 276 246 215 185 154	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533	pretax WACC	
Deferred Inc Tax Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 nt and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jun-19 Jul-19 Aug-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 30 31 30 31 30 31 30 31 30	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jun-19 Jul-19 Aug-19 Sep-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 30 31 30 31 30 31 30 31 30 31 30 31 30 31 30	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418	13,308,213,301 	(1,768,060,662) 	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93 62	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759 1,398,574	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752 2,795,457,326	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 30 31 30 30 30 30 30 30 30 30 30 30	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 31 30 31 31 31 31 30 31 31 31 30 31 31 31 31 31 31 31 31 31 31	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93 62	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759 1,398,574 424,392 15,384	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752 2,795,457,326	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 Int and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	- djustment to Reflec ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139	14,707,252,309 t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 30 31 30 30 30 30 30 30 30 30 30 30	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93 62 32	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759 1,398,574 424,392	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752 2,795,457,326 2,795,881,718	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 I 14,707,252,309 I 14,707,252,309	- djustment to Reflect ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139 2,843,977,160	14,707,252,309 Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139 2,843,977,160	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 31 30 31 31 31 31 30 31 31 31 30 31 31 31 31 31 31 31 31 31 31	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93 62 32	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759 1,398,574 424,392 15,384	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752 2,795,457,326 2,795,881,718 2,795,897,102 2,795,897,102	pretax WACC	
Deferred Inc Tax Tota Tota Proration Adjustme projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected projected	2,746,202,103 14,707,252,309 I 14,707,252,309 I 14,707,252,309	- djustment to Reflect ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139 2,843,977,160 2,799,216,549	14,707,252,309 - t Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139 2,843,977,160 2,799,216,549	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 31 30 31 31 31 31 30 31 31 31 30 31 31 31 31 31 31 31 31 31 31	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93 62 32	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759 1,398,574 424,392 15,384 36,249,803	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752 2,795,457,326 2,795,881,718 2,795,897,102 2,795,897,102	pretax WACC	6.50 8.06%
Deferred Inc Tax Tota Tota Proration Adjustme projected	2,746,202,103 14,707,252,309 Ant and Consistency A Month Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 rv Bal. ment	- djustment to Reflect ADIT Bal 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139 2,843,977,160 2,799,216,549 2,746,202,103	14,707,252,309 Projected ADFIT Co Deprec-Related ADFIT Bal * 2,759,647,299 2,764,693,365 2,767,835,179 2,772,682,410 2,779,530,453 2,787,033,347 2,795,928,416 2,805,768,431 2,815,547,642 2,825,287,877 2,833,521,418 2,838,362,139 2,843,977,160 2,799,216,549 2,746,202,103	13,308,213,301 	(1,768,060,662) ction Year Days to Prorate 31 28 31 30 31 31 30 31 31 31 31 30 31 31 31 30 31 31 31 31 31 31 31 31 31 31	319,721,167 Future Days in Period 335 307 276 246 215 185 154 123 93 62 32	11,859,873,806 Prorated Deprec-Related ADFIT Activity 4,631,321 2,642,567 3,665,303 4,615,393 4,419,513 4,508,460 4,151,677 3,295,460 2,481,759 1,398,574 424,392 15,384 36,249,803 13 Mo Avg Bal	100.00% Prorated Deprec-Related ADFIT Bal 2,759,647,299 2,764,278,619 2,766,921,186 2,770,586,490 2,775,201,883 2,779,621,396 2,784,129,856 2,788,281,533 2,791,576,994 2,794,058,752 2,795,457,326 2,795,881,718 2,795,897,102 2,799,216,549	pretax WACC	

* Assumes deprec-related ADFIT equals total ADIT for simplicity purposes. Tax Normalization only applies to deprec-related ADFIT which will be different from total ADIT.

Example for computing ADFIT balance when proration is applied and ADFIT balance is under-estimated

2010 Enrocastad S	urveillance as Filed in	oarly 2010 (12 month		inary True-Up F						
2019 Forecasted St	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	6,009,431,743	5,429,990,246	(718,396,171)	586,263,433	5,297,857,508	43.80%	10.50%	4.60%		
Long Term Debt	6,040,381,152	5,457,955,451	(722,096,011)	360,203,433	4,735,859,440	39.15%	4.70%	1.84%		
Short Term Debt	(84,963,480)	(76,771,130)	10,156,940		(66,614,190)	-0.55%	0.37%	0.00%		
Cust Dep Active	211,454,216	211,454,216	(27,975,722)		183,478,494	1.52%	2.36%	0.04%		
Cust Dep InActive	1,908,424	1,908,424	(252,487)		1,655,937	0.01%	2.30%	0.04%		
Invest Tax Cr	22,059,154	19,932,166	(2,637,057)		17,295,110	0.14%	7.77%	0.01%		
Deferred Inc Tax	2,799,878,068	2,529,908,193	(334,710,796)	(267,658,412)	1,927,538,984	15.93%	1.1170	0.01/0		
Total		13,574,377,567	(1,795,911,305)	318,605,020	12,097,071,282	100.00%		6.49%		
1014	10,000,140,270	10,074,077,007	-	-	-	100.0070	pretax WACC	8.04%		
2019 Forecasted Sur	veillance with ADFIT	Proration Adjustmen		1777	To.		pretax whee	0.0470		
	System Per		System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Cost	Weighted
	Books	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	Rate	Cost
Common Equity	6,009,431,743	1,635,045	6,011,066,788	5,431,465,361	(718,591,331)	586,263,433	5,299,137,463	43.81%	10.50%	4.60
Long Term Debt	6,040,381,152	1,643,466	6,042,024,618	5,459,438,163	(722,292,177)		4,737,145,987	39.16%	4.70%	1.849
Short Term Debt	(84,963,480)	(23,117)	(84,986,596)	(76,791,986)	10,159,699		(66,632,286)	-0.55%	0.37%	0.009
Cust Dep Active	211,454,216	57,532	211,511,749	211,511,749	(27,983,334)		183,528,415	1.52%	2.36%	0.049
Cust Dep InActive	1,908,424	519	1,908,943	1,908,943	(252,556)		1,656,387	0.01%		
Invest Tax Cr	22,059,154	6,002	22,065,156	19,937,581	(2,637,773)		17,299,808	0.14%	7.77%	0.019
Deferred Inc Tax*	2,799,878,068	(3,319,447)	2,796,558,621	2,526,907,755	(334,313,834)	(267,658,412)	1,924,935,509	15.91%		0.012
Total		· -	15,000,149,278	13,574,377,567	(1,795,911,305)	318,605,020	12,097,071,282	100.00%		6.499
	-	-	-	-	-		-		pretax WACC	8.04%
Proration Adjustmer	nt - Under-Estimated									
			Original Projected	Actual/Projected		Accumulated				
		Deprec-Related	Deprec-Related	Deprec-Related		Change in				
	Month	ADFIT Bal*	ADFIT Activity	ADFIT Activity	Variance	Variance				
		2,759,647,299				2				
projected	Jan-19	2,764,647,299	5,046,066	5,000,000	(46,066)	(46,066)				
projected	Feb-19	2,767,647,299	3,141,814	3,000,000	(141,814)	(187,880)				
projected	Mar-19	2,772,647,299	4,847,231	5,000,000	152,769	(35,111)				
projected	Apr-19	2,779,647,299	6,848,043	7,000,000	151,957	116,846				
projected	May-19	2,787,647,299	7,502,895	8,000,000	497,105	613,951				
projected	Jun-19	2,796,647,299	8,895,069	9,000,000	104,931	718,883				
projected	Jul-19	2,806,647,299	9,840,014	10,000,000	159,986	878,868				
projected	Aug-19	2,816,647,299	9,779,211	10,000,000	220,789	1,099,657				
projected	Sep-19	2,826,647,299	9,740,235	10,000,000	259,765	1,359,421				
projected	Oct-19	2,834,647,299	8,233,541	8,000,000	(233,541)	1,125,880				
projected	Nov-19	2,839,647,299	4,840,720	5,000,000	159,280	1,285,160				
projected	Dec-19	2,845,647,299	5,615,021	6,000,000	384,979	1,670,139				
	13-Month Avg	2,799,878,068	84,329,861	86,000,000	1,670,139	661,519				
2019 Preliminary Tru	ue-up Budget Variance	e	661,519							
Original 2019 Project	ted Prorated ADFIT	2	2,795,897,102							
2019 Actual/Estimat	ted Allowable ADFIT		2,796,558,621							
2019 Actual/Estimat	ted ADFIT		2 799,878,068							
Proration Adjustme	nt for 2019 Preliminar	y True-up	(3,319,447)							

Example for computing ADFIT balance when proration is applied and ADFIT balance is under-estimated

				ue-Up Filing - U						
2019 Actual Surveillance as Fi	iled in February 20	020 (13-month average	e) - [Note, assumes 20	19 actual surveillar		forecasted survei	llance for simplicity	/]		
2 11 10 10 10 10 10 10 10 10 10 10 10 10	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	6,009,431,743	5,429,880,083	(718,381,596)	586,263,433	5,297,761,919	43.79%	10.50%	4.60%		
ong Term Debt	6,040,381,152	5,457,844,720	(722,081,362)		4,735,763,359	39.15%	4.70%	1.84%		
hort Term Debt	(84,963,480)	(76,769,572	10,156,734		(66,612,838)	-0.55%	0.37%	0.00%		
Cust Dep Active	211,454,216	211,454,216	(27,975,722)		183,478,494	1.52%	2.36%	0.04%		
Cust Dep InActive	1,908,424	1,908,424	(252,487)		1,655,937	0.01%				
nvest Tax Cr	22,059,154	19,931,762	(2,637,003)		17,294,759	0.14%	7.77%	0.01%		
Deferred Inc Tax	2,800,178,068	2,530,127,934	(334,739,868)	(267,658,412)	1,927,729,653	15.94%		262		
Total	15,000,449,278	13,574,377,567	(1,795,911,305)	318,605,020	12,097,071,282	100.00%		6.49%		
019 Actual Surveillance with I	-	1775 -	5	57. C	(.Ta		pretax WACC	8.04%		
19 Actual Surveillance with I	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Cost	Weighted
	C. A. C. M.	a figure of the second s								
Common Equity	Books 6,009,431,743	Proration Adj. 1,635,045	Books Adj'd 6,011,066,788	Books 5,323,156,879	Adj (707,207,201)	Adj 617,119,403	Retail 5,233,069,082	Ratio 44.13%	Rate 10.50%	Cost 4.63
and the state of the						017,119,403				
ong Term Debt	6,040,381,152	1,643,466	6,042,024,618	5,350,571,878	(710,849,416)		4,639,722,461	39.12%	4.70%	1.84
Short Term Debt	(84,963,480)			(75,260,682)	9,998,746		(65,261,935)	-0.55%	0.37%	0.00
Cust Dep Active	211,454,216	57,532	211,511,749	211,511,749	(28,100,361)		183,411,387	1.55%	2.30%	0.04
Cust Dep InActive nvest Tax Cr	1,908,424	519	1,908,943	1,908,943	(253,612)		1,655,331	0.01%	7 770/	0.01
	22,059,154	6,002	22,065,156	19,540,007	(2,595,985)	(207 200 226)	16,944,023	0.14%	7.77%	0.01
Deferred Inc Tax* Total	2,800,178,068 15,000,449,278	(3,319,447	2,796,858,621 15,000,449,278	2,476,784,527 13,308,213,301	(329,052,833) (1,768,060,662)	(297,398,236) 319,721,167	1,850,333,458 11,859,873,806	15.60% 100.00%		6.52
Iotai	13,000,443,278		13,000,443,278		(1,708,000,002)	515,721,107	11,035,075,000		anatau MIACC	
			2	(*)	-	-	0 7 5		pretax WACC	8.089
Proration Adjustment - Under-	- Estimated	-				-	9 7 3		pretax wACC	0.007
Proration Adjustment - Under-	- Estimated		-	Actual		- Accumulated	-		pretax wacc	8.08
Proration Adjustment - Under-	-Estimated		Deprec-Related	Actual Deprec-Related	- Deprec-Related		- Change in		pretax wacc	8.08
Proration Adjustment - Under-		Month	ADFIT Bal*	Actual	Deprec-Related	- Accumulated Variance	- Change in Variance		pretax wACC	6.06
		Dec-18	ADFIT Bal* 2,759,647,299	Actual Deprec-Related ADFIT Activity	ADFIT Activity	Variance	Variance -		pretax watt	8.06
a	ctual	Dec-18 Jan-19	ADFIT Bal* 2,759,647,299 2,764,697,299	Actual Deprec-Related ADFIT Activity 5,000,000	ADFIT Activity 5,050,000	Variance 50,000	Variance - 50,000		pretax wACC	0.00
a a	ctual ctual	Dec-18 Jan-19 Feb-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000	ADFIT Activity 5,050,000 3,050,000	Variance 50,000 50,000	Variance 50,000 100,000		pretax watt	0.00
a a a	ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000	Variance 50,000 50,000 50,000	Variance 50,000 100,000 150,000		pretax wate	6.06
a a a a	ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000	Variance 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000		pretax wate	6.06
a a a a a a	ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000	Variance 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000 250,000		pretax wacc	6.06
a a a a a a a a	ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 9,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000 250,000 300,000		pretax wacc	6.06
a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000 10,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 9,050,000 10,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000 250,000 300,000 350,000		pretax wACC	0.00
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,772,797,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299 2,817,047,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000 10,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 9,050,000 10,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000 250,000 300,000 350,000 400,000		pretax wACC	6.00
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299 2,817,047,299 2,827,097,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000 10,000,000 10,000,000	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 9,050,000 10,050,000 10,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000 250,000 300,000 350,000 400,000 450,000		pretax wACC	6.00
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 150,000 200,000 250,000 300,000 350,000 400,000 450,000 500,000		pretax wACC	6.00
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,840,197,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 450,000 550,000		pretax wACC	6.00
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,840,197,299 2,846,247,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000 6,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 550,000 550,000 600,000			0.00
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,796,947,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,840,197,299	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 450,000 550,000			6.06
a a a a a a a a a a a a a a a a a a a	ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,835,147,299 2,840,197,299 2,846,247,299 2,800,178,068	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000 6,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 550,000 550,000 600,000			6.00
a a a a a a a a a a a a a 2019 Final True-up Budget Var	rctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,779,847,299 2,779,847,299 2,787,897,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,840,197,299 2,840,197,299 2,840,178,068 300,000	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000 6,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 550,000 550,000 600,000			6.06
a a a a a a a a a a a a a a a a a a a	rctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,835,147,299 2,840,197,299 2,846,247,299 2,800,178,068	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000 6,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 550,000 550,000 600,000			6.06
a a a a a a a a a a 2019 Final True-up Budget Var 2019 Actual/Estimated Allowa 2019 Final Allowable ADFIT	rctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,779,847,299 2,779,847,299 2,787,897,299 2,786,947,299 2,806,997,299 2,817,047,299 2,835,147,299 2,840,197,299 2,840,197,299 2,840,247,299 2,800,178,068 300,000 2,796,558,621 2,796,858,621	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000 6,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 550,000 550,000 600,000			6.06
a a a a a a a a a a 2019 Final True-up Budget Var 2019 Actual/Estimated Allowa	ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual ctual	Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,697,299 2,767,747,299 2,772,797,299 2,779,847,299 2,787,897,299 2,806,997,299 2,817,047,299 2,827,097,299 2,835,147,299 2,840,197,299 2,846,247,299 2,840,178,068 300,000 2,796,558,621	Actual Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 10,000,000 10,000,000 10,000,00	ADFIT Activity 5,050,000 3,050,000 5,050,000 7,050,000 8,050,000 10,050,000 10,050,000 10,050,000 8,050,000 5,050,000 6,050,000	Variance 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	Variance 50,000 100,000 250,000 250,000 300,000 350,000 400,000 550,000 550,000 600,000			0.00

Example for computing ADFIT balance when proration is applied and ADFIT balance is over-estimated

				2019 Clause	Projection Filing					
2018 Forecasted Sur	veillance as Filed (1	3-month average)								
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	5,891,599,748	5,323,070,556	(707,195,732)	617,119,403	5,232,994,227	44.13%	10.50%	4.63%		
Long Term Debt	5,921,942,306	5,350,485,110	(710,837,889)		4,639,647,221	39.12%	4.70%	1.84%		
Short Term Debt	(83,297,529)	(75,259,461)	9,998,584		(65,260,877)	-0.55%	0.37%	0.00%		
Cust Dep Active	207,308,055	207,308,055	(27,541,880)		179,766,175	1.52%	2.36%	0.04%		
Cust Dep InActive	1,871,004	1,871,004	(248,572)		1,622,432	0.01%				
Invest Tax Cr	21,626,622	19,539,690	(2,595,943)		16,943,748	0.14%	7.77%	0.01%		
Deferred Inc Tax	2,746,202,103	2,481,198,347	(329,639,231)	(297,398,236)	1,854,160,880	15.63%				
Total	14,707,252,309	13,308,213,301	(1,768,060,662)	319,721,167	11,859,873,806	100.00%		6.52%		
	(1)		-	1	-		pretax WACC	8.08%		
2018 Forecasted Surve	eillance with ADFIT	Consistency and Pro	ration Adjustments							
	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Cost	Weighted
216-	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	Rate	Cost
Common Equity	5,891,599,748	(24,478,038)	5,867,121,710	5,300,988,543	(704,262,030)	617,119,403	5,213,845,916	43.97%	10.50%	4.62
Long Term Debt	5,921,942,306	(24,604,103)	5,897,338,203	5,328,289,371	(707,889,077)		4,620,400,294	38.96%	4.70%	1.83
Short Term Debt	(83,297,529)	346,079	(82,951,450)	(74,947,258)	9,957,107		(64,990,151)	-0.55%	0.37%	0.00
Cust Dep Active	207,308,055	(861,310)	206,446,745	206,446,745	(27,427,451)		179,019,294	1.51%	2.36%	0.04
Cust Dep InActive	1,871,004	(7,774)	1,863,230	1,863,230	(247,539)		1,615,691	0.01%		
Invest Tax Cr	21,626,622	(89,853)	21,536,769	19,458,633	(2,585,174)		16,873,459	0.14%	7.77%	0.01
Deferred Inc Tax	2,746,202,103	49,694,999	2,795,897,102	2,526,114,036	(335,606,498)	(297,398,236)	1,893,109,303	15.96%		
Total	14,707,252,309	- 1	14,707,252,309	13,308,213,301	(1,768,060,662)	319,721,167	11,859,873,806	100.00%		6.50
	-	-				-		07.717.722	pretax WACC	8.069
Proration Adjustment	and Consistency Ac	diustment to Reflect	Projected ADFIT Co	nsistent with Project					pretax trace	0.007
	,, , ,	,					Prorated	Prorated		
		ADIT	Deprec-Related	Deprec-Related	Days to	Future Days	Deprec-Related	Deprec-Related		
	Month	Bal	ADFIT Bal *	ADFIT Activity	Prorate	in Period	ADFIT Activity	ADFIT Bal		
-	Dec-18	2,759,647,299	2,759,647,299	Abin Activity	THORAC	in chou	Abili Activity	2,759,647,299		
	lan-19	2,764,693,365	2,764,693,365	5,046,066	31	335	4,631,321	2,764,278,619		
	Feb-19	2,767,835,179	2,767,835,179	3,141,814	28	307	2,642,567	2,766,921,186		
	Mar-19	2,772,682,410	2,772,682,410	4,847,231	31	276	3,665,303	2,770,586,490		
The second s	Apr-19	2,779,530,453	2,779,530,453	6,848,043	30	246	4,615,393	2,775,201,883		
	May-19	2,787,033,347	2,787,033,347	7,502,895	31	240	4,419,513	2,779,621,396		
	Jun-19				30	185				
	Jul-19	2,795,928,416	2 795,928,416 2,805,768,431	8,895,069 9,840,014	31	185	4,508,460	2,784,129,856 2,788,281,533		
		2,805,768,431	1		31		4,151,677			
	Aug-19	2,815,547,642	2,815,547,642	9,779,211		123	3,295,460	2,791,576,994		
NA 53 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Sep-19	2,825,287,877	2,825,287,877	9,740,235	30	93	2,481,759	2,794,058,752		
	Oct-19	2,833,521,418	2,833,521,418	8,233,541	31	62	1,398,574	2,795,457,326		
	Nov-19	2,838,362,139	2,838,362,139	4,840,720	30	32	424,392	2,795,881,718		
projected	Dec-19	2,843,977,160	2,843,977,160	5,615,021	31	1_	15,384	2,795,897,102		
		2,799,216,549	2,799,216,549	84 329,861	365		36,249,803	2,795,897,102		
2018 Forecasted Surv	-	2,746,202,103	2,746,202,103				13 Mo Avg Bal	2,799,216,549		
Consistency Adjustme		53,014,446	53 014,446				Proration Adj	(3,319,447)		
Proration Adjustment		22	(3,319,447)	<						
Total Adjustment			49,694,999							
* Assumes denrec-rel	ated ADFIT equals to	otal ADIT for simplicit	v purposes. Tax No	malization only appl	ies to deprec-related	ADFIT which will	be different from to	otal ADIT.		

Example for computing ADFIT balance when proration is applied and ADFIT balance is over-estimated

				inary True-Up Fil	ing - Over-Estim	ated ADFIT				
2019 Forecasted	Surveillance as Filed in e									
28 1000000000000000000000000000000000000	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	6,009,431,743	5,430,470,498	(718,459,709)	586,263,433	5,298,274,222	43.80%	10.50%	4.60%		
Long Term Debt	6,040,381,152	5,458,438,177	(722,159,877)		4,736,278,300	39.15%	4.70%	1.84%		
Short Term Debt	(84,963,480)	(76,777,920)	10,157,838		(66,620,081)	-0.55%	0.37%	0.00%		
Cust Dep Active	211,454,216	211,454,216	(27,975,722)		183,478,494	1.52%	2.36%	0.04%		
Cust Dep InActive	1,908,424	1,908,424	(252,487)		1,655,937	0.01%				
Invest Tax Cr	22,059,154	19,933,929	(2,637,290)		17,296,639	0.14%	7.77%	0.01%		
Deferred Inc Tax	2,798,570,376	2,528,950,242	(334,584,058)	(267,658,412)	1,926,707,772	15.93%				
Tot	tal 14,998,841,586	13,574,377,567	(1,795,911,305)	318,605,020	12,097,071,282	100.00%		6.49%		
	-	-	3 4 0		1997 1997		pretax WACC	8.04%		
2019 Forecasted St	urveillance with ADFIT P	roration Adjustment						-		
	System Per	22 22 222	System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Cost	Weighte
	Books	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	Rate	Cost
Common Equity	6,009,431,743	1,316,762	6,010,748,505	5,431,658,570	(718,616,893)	586,263,433	5,299,305,110	43.81%	10.50%	
Long Term Debt	6,040,381,152	1,323,544	6,041,704,696	5,459,632,367	(722,317,870)		4,737,314,497	39.16%	4.70%	
Short Term Debt	(84,963,480)	(18,617)	(84,982,096)	(76,794,717)	10,160,061		(66,634,657)	-0.55%	0.37%	
Cust Dep Active	211,454,216	46,333	211,500,549	211,500,549	(27,981,852)		183,518,697	1.52%	2.36%	0.04
Cust Dep InActive	1,908,424	418	1,908,842	1,908,842	(252,543)		1,656,299	0.01%		
Invest Tax Cr	22,059,154	4,834	22,063,988	19,938,290	(2,637,867)		17,300,424	0.14%	7.77%	0.01
Deferred Inc Tax*	2,798,570,376	(2,673,274)	2,795,897,102	2,526,533,666	(334,264,341)	(267,658,412)	1,924,610,912	15.91%		
Tot	tal 14,998,841,586	- 15	14,998,841,586	13,574,377,567	(1,795,911,305)	318,605,020	12,097,071,282	100.00%		6.49
		- \	-	-	(-)	*	9		pretax WACC	8.049
Proration Adjustm	ent - Over-Estimated									
			V	Actual/Projected		Accumulated				
		Deprec-Related	Deprec-Related	Deprec-Related		Change in				
	Month	ADFIT Bal*	ADFIT Activity	ADFIT Activity	Variance	Variance				
50 10 13		2,759,647,299		Ward and a state	0.00000000000	10000000				
projected	Jan-19	2,764,647,299	5,046,066	5,000,000	(46,066)	(46,066)				
projected	Feb-19	2,767,647,299	3,141,814	3,000,000	(141,814)	(187,880)				
projected	Mar-19	2,772,647,299	4 847,231	5,000,000	152,769	(35,111)				
projected	Apr-19	2,779,647,299	6,848,043	7,000,000	151,957	116,846				
projected	May-19	2,787,647,299	7,502,895	8,000,000	497,105	613,951				
projected	Jun-19	2,796,647,299	8,895,069	9,000,000	104,931	718,883				
projected	Jul-19	2,805,647,299	9,840,014	9,000,000	(840,014)	(121,132)				
projected	Aug-19	2,814,647,299	9,779,211	9,000,000	(779,211)	(900,343)				
projected	Sep-19	2,823,647,299	9,740,235	9,000,000	(740,235)	(1,640,579)				
projected	Oct-19	2,831,647,299	8,233,541	8,000,000	(233,541)	(1,874,120)				
projected	Nov-19	2,835,647,299	4,840,720	4,000,000	(840,720)	(2,714,840)				
projected	Dec-19	2,841,647,299	5,615,021	6,000,000	384,979	(2,329,861)				
		2,798,570,376	84,329,861	82,000,000	(2,329,861)	(646,173)				
				2,795,897,102						
Original 2019 Proje	ected Prorated ADEIT			2,133,031,102						
	ected Prorated ADFIT			2 709 570 270						
2019 Actual/Estim				2,798,570,376 (2,673,274)						

Example for computing ADFIT balance when proration is applied and ADFIT balance is over-estimated

					rue-Up Filing - C						
2019 Actual Surveil	llance as Fi	iled in February 2020	0 (13-month average)	- [Note, assumes 20]	19 actual surveillanc	e is same as 2019 fo	recasted surveilla	ance for simplicity]			
		Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Cost Rate	Weighted Cost		
Common Equity		6,009,431,743	5,430,580,686	(718,474,287)	586,263,433	5,298,369,831	43.80%	10.50%	4.60%		
Long Term Debt		6,040,381,152	5,458,548,932	(722,174,530)		4,736,374,402	39.15%	4.70%	1.84%		
Short Term Debt		(84,963,480)	(76,779,478)	10,158,045		(66,621,433)	-0.55%	0.37%	0.00%		
Cust Dep Active		211,454,216	211,454,216	(27,975,722)		183,478,494	1.52%	2.36%	0.04%		
Cust Dep InActive		1,908,424	1,908,424	(252,487)		1,655,937	0.01%				
Invest Tax Cr		22,059,154	19,934,334	(2,637,343)		17,296,990	0.14%	7.77%	0.01%		
Deferred Inc Tax		2,798,270,376	2,528,730,453	(334,554,980)	(267,658,412)	1,926,517,061	15.93%				
2	Total	14,998,541,586	13,574,377,567	(1,795,911,305)	318,605,020	12,097,071,282	100.00%		6.49%		
		197	3 1 3			4		pretax WACC	8.04%		
2019 Actual Surveill	ance with	Proration Adjustmen	nt								
		System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Cost	Weighted
		Books	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	Rate	Cost
Common Equity	0	6,009,431,743	1,168,993	6,010,600,736	5,323,431,714	(707,243,714)	617,119,403	5,233,307,403	44.13%	10.50%	4.63
Long Term Debt		6,040,381,152	1,175,013	6,041,556,165	5,350,848,127	(710,886,117)		4,639,962,010	39.12%	4.70%	1.84
Short Term Debt		(84,963,480)	(16,528)	(84,980,007)	(75,264,568)	9,999,263		(65,265,305)	-0.55%	0.37%	0.00
Cust Dep Active		211,454,216	41,133	211,495,350	211,495,350	(28,098,183)		183,397,167	1.55%	2.36%	0.04
Cust Dep InActive		1,908,424	371	1,908,795	1,908,795	(253,593)		1,655,203	0.01%		
Invest Tax Cr		22,059,154	4,291	22,063,446	19,541,016	(2,596,119)		16,944,897	0.14%	7.77%	0.01
Deferred Inc Tax*		2,798,270,376	(2,373,274)	2,795,897,102	2,476,252,866	(328,982,199)	(297,398,236)	1,849,872,431	15.60%		
	Total	14,998,541,586	N	14,998,541,586	13,308,213,301	(1,768,060,662)	319,721,167	11,859,873,806	100.00%		6.52
		5 4 5	-	2	3 4 6	-	2	6 - 6		pretax WACC	8.089
Proration Adjustme	nt - Over-E	stimated									
1											
				Actual/Projected	Actual		Accumulated				
			Deprec-Related	Actual/Projected Deprec-Related	Actual Deprec-Related		Accumulated Change in				
		Month	Deprec-Related ADFIT Bal*			Variance					
		Month Dec-18		Deprec-Related	Deprec-Related	Variance	Change in				
actual			ADFIT Bal*	Deprec-Related	Deprec-Related	Variance (50,000)	Change in				
actual actual	L	Dec-18	ADFIT Bal* 2,759,647,299	Deprec-Related ADFIT Activity	Deprec-Related ADFIT Activity	Martin Balance of Co	Change in Variance				
	J F	Dec-18 an-19	ADFIT Bal* 2,759,647,299 2,764,597,299	Deprec-Related ADFIT Activity 5,000,000	Deprec-Related ADFIT Activity 4,950,000	(50,000)	Change in Variance - (50,000)				
actual	J F N	Dec-18 an-19 Feb-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,767,547,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000	(50,000) (50,000)	Change in Variance (50,000) (100,000)				
actual actual	J F N A	Dec-18 an-19 Feb-19 Mar-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,767,547,299 2,772,497,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000	(50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000)				
actual actual actual	J F M A N	Dec-18 an-19 Feb-19 Mar-19 Apr-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,767,547,299 2,772,497,299 2,779,447,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000	(50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000)				
actual actual actual actual	J F M A J J	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,767,547,299 2,772,497,299 2,779,447,299 2,787,397,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000	(50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000) (250,000)				
actual actual actual actual actual	ן ד ק ק נ נ	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19 un-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,767,547,299 2,772,497,299 2,779,447,299 2,787,397,299 2,796,347,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000 8,950,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000) (250,000) (300,000)				
actual actual actual actual actual actual	J F M J J	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19 un-19 ul-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,772,497,299 2,772,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000 8,950,000 8,950,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000) (250,000) (300,000) (350,000)				
actual actual actual actual actual actual actual	J F M J J S	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19 un-19 ul-19 Aug-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,772,497,299 2,779,447,299 2,787,397,299 2,787,397,299 2,796,347,299 2,805,297,299 2,814,247,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 8,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000 8,950,000 8,950,000 8,950,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000) (250,000) (300,000) (350,000) (400,000)				
actual actual actual actual actual actual actual actual	J F M J J S S	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19 un-19 ul-19 Aug-19 Sep-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,777,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299 2,814,247,299 2,823,197,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 9,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000 8,950,000 8,950,000 8,950,000 8,950,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000) (250,000) (300,000) (350,000) (400,000) (450,000)				
actual actual actual actual actual actual actual actual actual	J F M J J S C M	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19 un-19 ul-19 Aug-19 Sep-19 Dct-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,772,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299 2,805,297,299 2,814,247,299 2,823,197,299 2,831,147,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 7,000,000 9,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000 8,950,000 8,950,000 8,950,000 8,950,000 8,950,000 7,950,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (250,000) (350,000) (350,000) (400,000) (450,000)				
actual actual actual actual actual actual actual actual actual actual	J F M J J S C M	Dec-18 an-19 Feb-19 Mar-19 Apr-19 May-19 un-19 ul-19 Aug-19 Sep-19 Dct-19 Nov-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,772,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299 2,814,247,299 2,823,197,299 2,831,147,299 2,835,097,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 9,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 7,950,000 8,950,000 8,950,000 8,950,000 8,950,000 8,950,000 3,950,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (200,000) (250,000) (300,000) (350,000) (400,000) (450,000) (550,000)				
actual actual actual actual actual actual actual actual actual actual	J F M J J S S C C M C	Dec-18 an-19 Feb-19 Mar-19 Apr-19 Un-19 Un-19 Un-19 Aug-19 Sep-19 Dec-19 Dec-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,777,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299 2,814,247,299 2,823,197,299 2,831,147,299 2,835,097,299 2,841,047,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 9,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 8,950,000 8,950,000 8,950,000 8,950,000 8,950,000 7,950,000 3,950,000 3,950,000 5,950,000 81,400,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (250,000) (350,000) (350,000) (400,000) (450,000) (550,000) (600,000)				
actual actual actual actual actual actual actual actual actual actual actual actual original 2019 Project	J F M J J S S C C M C	Dec-18 an-19 Feb-19 Mar-19 Apr-19 Un-19 Un-19 Un-19 Aug-19 Sep-19 Dec-19 Dec-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,777,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299 2,814,247,299 2,823,197,299 2,831,147,299 2,835,097,299 2,841,047,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 9,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 8,950,000 8,950,000 8,950,000 8,950,000 8,950,000 8,950,000 3,950,000 3,950,000 3,950,000 8,950,000 2,795,897,102	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (250,000) (350,000) (350,000) (400,000) (450,000) (550,000) (600,000)				
actual actual actual actual actual actual actual actual actual actual actual	J F M J J S C C N E C	Dec-18 an-19 Feb-19 Mar-19 May-19 un-19 ul-19 Aug-19 Sep-19 Dec-19 Nov-19 Dec-19 Dec-19	ADFIT Bal* 2,759,647,299 2,764,597,299 2,777,497,299 2,779,447,299 2,787,397,299 2,796,347,299 2,805,297,299 2,814,247,299 2,823,197,299 2,831,147,299 2,835,097,299 2,841,047,299	Deprec-Related ADFIT Activity 5,000,000 3,000,000 5,000,000 7,000,000 9,000,000 9,000,000 9,000,000 9,000,000	Deprec-Related ADFIT Activity 4,950,000 2,950,000 4,950,000 6,950,000 8,950,000 8,950,000 8,950,000 8,950,000 8,950,000 7,950,000 3,950,000 3,950,000 5,950,000 81,400,000	(50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000) (50,000)	Change in Variance (50,000) (100,000) (150,000) (250,000) (350,000) (350,000) (400,000) (450,000) (550,000) (600,000)				