

**PECO ENERGY COMPANY
STATEMENT NO. 1**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PECO ENERGY COMPANY – ELECTRIC DIVISION

DOCKET NO. R-2018-3000164

DIRECT TESTIMONY

WITNESS: MICHAEL A. INNOCENZO

SUBJECTS: DESCRIBING PECO'S ELECTRIC OPERATIONS; PROVIDING AN OVERVIEW OF PECO'S RATE FILING; EXPLAINING PECO'S CAPITAL INVESTMENT PROCESS; DESCRIBING FULFILLMENT OF 2015 RATE CASE COMMITMENTS; AND DISCUSSING STEPS TAKEN BY PECO TO ENHANCE THE QUALITY OF SERVICE, PROMOTE ECONOMIC DEVELOPMENT AND SUPPORT DIVERSITY AND INCLUSION

DATED: MARCH 29, 2018

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**DIRECT TESTIMONY
OF
MICHAEL A. INNOCENZO**

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name and business address.

A. My name is Michael A. Innocenzo. My business address is PECO Energy Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

2. Q. By whom are you employed and in what capacity?

A. I am employed by PECO Energy Company (“PECO” or the “Company”) as Senior Vice President and Chief Operating Officer. In that capacity, I lead PECO’s electric and natural gas distribution and transmission operations. These operations include customer service, construction and maintenance, engineering and technical services, investment strategy, safety, environmental, training, fleet, supply operations, real estate and facilities, new business and human resources. These functions, in turn, are staffed by approximately 2,600 craft, professional and support employees. I also ensure that the operating groups are well integrated and focused on safety, reliability, customer satisfaction and diversity and inclusion. Effective March 31, 2018, I will become President and Chief Executive Officer at PECO.

3. Q. Please summarize your prior professional experience.

A. During the past 28 years, I have held numerous positions within PECO. I will highlight a few of my more recent positions.

1 Before becoming Chief Operating Officer of PECO, I served as Vice President,
2 Distribution System Operations and Smart Grid/Smart Meter. In that role, I was
3 responsible for the operation of the Company's electric and natural gas distribution
4 systems as well as the design and deployment of PECO's Smart Grid and Smart
5 Meter systems.

6 Prior to that, I was the Director of Gas Operations, Quality Services and Performance
7 Improvement. I also served as a Regional Director in Philadelphia and Delaware and
8 Chester County regions, as well as a Regional Engineering Manager for Delaware
9 and Chester Counties. I also was the Emergency Services Supervisor in the
10 Philadelphia Region and a Project Engineer in Philadelphia and Montgomery County
11 Divisions.

12 **4. Q. What is your educational background?**

13 A. I earned my Bachelor's Degree in Electrical Engineering from Widener University
14 and a Masters of Business Administration from Villanova University.

15 **5. Q. What is the purpose of your direct testimony?**

16 A. The several purposes of my direct testimony are as follows: (1) to generally describe
17 PECO's electric distribution operations; (2) to provide an overview of this rate filing,
18 including an introduction of the other witnesses who will present testimony in support
19 of PECO's case-in-chief; (3) to explain PECO's capital investment process and to
20 identify the types of projects that comprise PECO's claimed future test year ("FTY")
21 and fully projected future test year ("FPFTY") plant additions; (4) to describe
22 PECO's fulfillment of the commitments made by the Company as part of the

1 settlement approved by the Pennsylvania Public Utility Commission (the
2 “Commission”) in PECO’s 2015 electric base rate proceeding¹; (5) to describe
3 various measures undertaken by the Company to ensure system safety and reliability
4 and further enhance the quality of its service; and (6) to discuss measures taken by the
5 Company to enhance the communities in which it operates and to promote economic
6 development.

7 **II. DESCRIPTION OF PECO’S ELECTRIC OPERATIONS**

8 **6. Q. Please provide an overview of PECO’s electric distribution operations.**

9 A. PECO provides electric service to approximately 1.6 million retail customers located
10 throughout a 2,100 square-mile area in southeastern Pennsylvania. The Company’s
11 electric service territory comprises all or portions of Bucks, Chester, Delaware,
12 Montgomery, Philadelphia and York Counties and includes a total population served
13 of approximately 4.0 million people.

14 **7. Q. What services does PECO offer its electric customers?**

15 A. PECO makes available electric distribution service and electric generation supply on
16 an unbundled basis. In addition to those customers who have exercised their option
17 to procure their own generation supply service and pay PECO for delivery (i.e.,
18 distribution) service only, the Company, as the default-service provider, procures and
19 delivers power to the homes or places of business of residential, commercial and
20 industrial customers not receiving service from an electric generation supplier
21 (“EGS”). In addition to general service, and as set forth in our electric tariff,

¹ See *Pennsylvania Public Utility Commission vs. PECO Energy Company – Electric Division*, Docket No. R-2015-2468981 (Order entered December 17, 2015).

1 qualifying customers can avail themselves of a variety of outdoor-lighting,
2 interruptible and other services.

3 **8. Q. How does PECO’s customer base break down by major customer classification?**

4 A. As of December 31, 2017, we served 1,469,916 residential customers; 151,552 small
5 commercial and industrial (“C&I”) customers; and 3,112 large C&I customers.

6 **9. Q. What are the major assets and facilities that PECO utilizes to provide electric
7 service to its customers?**

8 A. PECO is the largest combined electric and natural gas utility in Pennsylvania. To
9 provide electric service to its customers, PECO operates and maintains 16,528 miles
10 of underground distribution cable, 12,963 miles of aerial distribution lines and 1,092
11 miles of higher-voltage transmission lines. In addition, we operate and maintain 457
12 power substations.

13 It is important to note that, generally speaking, this infrastructure is a mix of reliable
14 older and newer facilities and equipment. Consequently, a high level of expertise in a
15 variety of areas, as well as a significant capital investment, are required to maintain
16 and operate all of PECO’s plant and equipment and to provide the service and
17 reliability that our customers have come to expect.

18 **III. OVERVIEW OF RATE FILING**

19 **10. Q. Please summarize the relief that PECO is requesting through this rate filing.**

20 A. PECO is seeking an increase in its annual base rate electric operating revenues of
21 approximately \$82 million, or 2.2% on the basis of total jurisdictional operating

1 revenue. PECO's proposed rate increase reflects \$71 million savings in 2019 from
2 changes in federal income tax law made by the Tax Cuts and Jobs Act (the "TCJA"),
3 which became effective on January 1, 2018.

4 PECO is also proposing to refund the amount of its reduced tax expense from the
5 TCJA in 2018 (which PECO projects to be approximately \$68 million under its
6 existing rates) to customers expeditiously through a reconcilable surcharge
7 mechanism proposed as part of these proceedings (the Federal Tax Adjustment Credit
8 or "FTAC").

9 As required by the Public Utility Code, PECO's proposed tariff has been filed on 60
10 days' notice and, therefore, bears an effective date of May 28, 2018. However, we
11 recognize that our filing will likely be suspended and investigated.

12 **11. Q. Why is PECO requesting a rate increase at this time?**

13 A. Our last electric base rate filing was made in 2015. Since rates were established in
14 that case, PECO has continued to make substantial investments in new and
15 replacement utility plant to ensure that our customers can continue to receive the safe
16 and reliable service they have come to expect. Indeed, between January 1, 2016 and
17 December 31, 2019, the end of the FPFTY, we will have invested over \$1.9 billion in
18 additional electric distribution plant. Our measures of value will have increased by
19 approximately 20% from \$4.0 billion (as of December 31, 2016) to \$4.8 billion (as of
20 December 31, 2019). At the same time, while we continue to add new customers, our
21 overall sales levels have remained relatively flat due, in large part, to our aggressive
22 pursuit of energy efficiency and conservation through Commission-approved

1 programs implemented in compliance with Pennsylvania’s Act 129 of 2008 (“Act
2 129”).

3 **12. Q. Has PECO made efforts to control operating and maintenance (“O&M”)**
4 **expenses since its last approved base rate increase in 2015?**

5 A. Yes, we have. As discussed by Mr. Barnett (PECO Statement No. 2), when adjusted
6 for major storms, PECO projects a 0.4% compound annual growth rate in O&M
7 expense from 2016 through the end of the FPFTY (2019). We have accomplished
8 this through the careful management of bad debt expense, post-employment benefits,
9 and other expenses.

10 **13. Q. Please identify the other witnesses providing direct testimony on behalf of PECO**
11 **in this proceeding.**

12 A. In addition to myself, the following witnesses will be responsible for presenting
13 PECO’s case-in-chief:

14 **Phillip S. Barnett** (PECO Statement No. 2) is PECO’s Senior Vice President, Chief
15 Financial Officer and Treasurer. Mr. Barnett discusses the Company’s efforts to
16 control O&M expense; provides an overview of PECO’s principal accounting
17 exhibits; discusses PECO’s budgeting process; and describes the services that PECO
18 receives from the Exelon Business Services Company and the estimated cost of those
19 services during the FPFTY.

20 **Benjamin S. Yin** (PECO Statement No. 3) is PECO’s Manager of Revenue Policy.
21 Mr. Yin sponsors PECO Exhibits BSY-1, BSY-2 and BSY-3, which set forth PECO’s
22 revenue requirement for the FPFTY ending December 31, 2019, FTY ending

1 December 31, 2018 and historic test year (“HTY”) ended December 31, 2017,
2 respectively. He specifically supports PECO’s measures of value, revenue, operating
3 expense and tax claims.

4 **Scott A. Bailey** (PECO Statement No. 4) is PECO’s Vice President and Controller.
5 Mr. Bailey describes PECO’s accounting processes; supports the assignment and
6 allocation of common costs between PECO’s electric and gas operations; and
7 explains the development of the depreciated original cost of the Company’s utility
8 plant in service and its claim for annual depreciation expense.

9 **Paul R. Moul** (PECO Statement No. 5) is the Managing Consultant of P. Moul &
10 Associates, Inc. Mr. Moul presents testimony concerning the rate of return that
11 PECO should be afforded an opportunity to earn on its measures of value. He
12 supports PECO’s claimed capital structure ratios, its embedded costs of debt, and its
13 requested equity allowance.

14 **Jiang Ding** (PECO Statement No. 6) is a Principal Regulatory and Rates Specialist at
15 PECO. Ms. C presents an unbundled, fully allocated, customer class cost of service
16 study.

17 **Mark Kehl** (PECO Statement No. 7) is a Principal Regulatory and Rates Specialist at
18 PECO. Mr. Kehl presents PECO’s proposed tariff rates and explains how the results
19 of Ms. Ding’s customer class cost of service study, as well as the consideration of
20 other factors, were utilized in the rate design process. Mr. Kehl also describes
21 changes to several existing rates and riders and discusses PECO’s proposal to recover
22 a portion of the costs related to the Company’s transition from a tiered discount to a
23 Fixed Credit Option (“FCO”) Customer Assistance Program (“CAP”).

1 **Richard A. Schlesinger** (PECO Statement No. 8) is PECO’s Manager, Retail Rates.
2 Mr. Schlesinger discusses proposed changes and clarifications to PECO’s tariff rules
3 and regulations, proposed changes to several existing rates and riders, including the
4 FTAC, and the commitment from PECO’s 2015 electric base rate proceeding
5 regarding the interconnection of customer-owned generation.

6 **IV. PECO’S CAPITAL INVESTMENT PROCESS**

7 **14. Q. How does PECO determine its annual capital investment requirements?**

8 A. PECO’s capital investment plan begins with a detailed budgeting and long range plan
9 (“LRP”) development process. One of the key goals of that process is to integrate
10 and align PECO’s operational, regulatory and financial plans. Once major projects
11 (i.e., capital expenditures exceeding \$500,000) are budgeted, they must go through an
12 additional, rigorous review-and-approval process. Major projects are approved by
13 review committees, which include the appropriate Company executives, in three
14 stages: conceptual design, detailed design, and construction. PECO utilizes these
15 processes to achieve the optimal level of spending to achieve safety, reliability and
16 customer service goals, and to achieve the optimal efficiency of PECO’s operations.

17 **15. Q. Please describe, in broad terms, the types of plant additions that PECO expects**
18 **to place in service during the course of the FTY and FPFTY.**

19 A. PECO’s FPFTY and FTY plant additions are itemized by functional area and by
20 FERC account in Schedule C-2, Page 3 of PECO Exhibits BSY-1 and BSY-2,
21 respectively. In summary, our 2019 capital budget calls for overall electric plant
22 additions of approximately \$586 million, including, but not limited to, \$465 million

1 in new distribution facilities and nearly \$121 million in new transmission facilities.
2 For 2018, we have budgeted overall electric plant additions of approximately \$514
3 million, including but not limited to \$409 million in new distribution facilities and
4 \$105 million in new transmission facilities. For the most part, the projected
5 expenditures are designed to maintain and/or enhance the safety and reliability of our
6 backbone electric delivery system (*e.g.*, substation equipment, poles and towers,
7 overhead and underground conduit and conductors, and line transformers),
8 strengthen system resiliency and maintain and/or enhance physical security and
9 cybersecurity.

10 **16. Q. In your opinion, is all of the plant that PECO has included in its measures of**
11 **value claim needed in order to provide safe and reliable electric service?**

12 A. Yes, it is. The assets included in PECO's rate base are, or by the end of the FPFTY
13 will be, in service and used by PECO to provide safe and reliable electric service to
14 customers.

15 **V. FULFILLMENT OF 2015 RATE CASE COMMITMENTS**

16 **17. Q. In the Joint Petition for Settlement of Rate Investigation ("Settlement**
17 **Agreement") which the Commission approved in PECO's last electric base rate**
18 **proceeding at Docket No. R-2015-2468981, the Company, at pages 6-11, made a**
19 **number of commitments. Did PECO fulfill its commitments?**

20 A. Yes, it did.

1 **18. Q. The rates in the Settlement Agreement included the recovery of \$7.0 million in**
2 **annual operating expense requested by PECO for increased vegetation**
3 **management. The Company agreed to provide a status report on its enhanced**
4 **vegetation management initiative twelve and twenty-four months after the**
5 **initiative began. What did the Company report?**

6 A. This additional funding has been targeted at circuits with customers experiencing
7 multiple interruptions (“CEMI pockets”), and PECO accelerated the maintenance
8 cycle for 34 kV circuits within key CEMI pockets. In PECO’s first status report, filed
9 on April 3, 2017, PECO documented an improved System Average Interruption
10 Frequency Index (“SAIFI”) for the targeted CEMI pockets (from 1.46 to 1.12). The
11 Company’s second and final status report, due April of 2018, is expected to also show
12 an improved SAIFI for a different group of targeted CEMI pockets (from 1.5 to 0.9).

13 **19. Q. In the Settlement Agreement, PECO also agreed to report on various specific**
14 **expenditures. Please describe each reporting requirement and PECO’s**
15 **compliance with this commitment.**

16 A. First, PECO agreed to provide the Commission’s Bureau of Technical Utility
17 Services (“TUS”), the Commission’s Bureau of Investigation and Enforcement
18 (“I&E”), the Office of Consumer Advocate (“OCA”), and the Office of Small
19 Business Advocate (“OSBA”) with an update on its electric division’s actual capital
20 expenditures, plant additions, and plant retirements by month for the twelve months
21 ending December 31, 2015. Second, the Company agreed to provide a similar update
22 on or before April 1, 2017 to include actual capital expenditures, plant additions, and
23 plant retirements by month for the twelve months ending December 31, 2016.

1 Finally, PECO agreed, in its next base rate proceeding, to prepare a comparison of its
2 actual expenses and rate base additions for the twelve months ended December 31,
3 2016 to its projections in the 2015 electric base rate proceeding.

4 PECO met each of these reporting commitments, which Mr. Barnett describes in
5 detail.

6 **20. Q. The Company also committed to implement an In-Program Arrearage**
7 **Forgiveness (“IPAF”) program as part of its new CAP FCO. Has PECO**
8 **satisfied this commitment?**

9 A. Yes. In October of 2016, PECO began enrolling customers in its new CAP FCO
10 program which is designed to significantly increase both the breadth and depth of
11 affordability of service to PECO’s low-income customers. As part of this program,
12 CAP FCO participants may have a portion of their in-program arrearages forgiven, as
13 described by Mr. Kehl in his direct testimony.

14 **21. Q. The Company further agreed to provide semi-annual reports to the Commission**
15 **on interconnection processing timelines. PECO also committed to revise its**
16 **terms and conditions for interconnection of customer-owned generation,**
17 **undertaking best efforts obligations to provide certificates of completion**
18 **(“COCs”) within specific time periods. Has the Company met these**
19 **commitments?**

20 A. Yes. PECO submitted its first semi-annual Interconnection Report to the
21 Commission on December 22, 2016 and its most recent semi-annual report on
22 December 14, 2017. PECO will continue to submit reports to the Commission on a

1 semi-annual basis.² Mr. Schlesinger describes the Company's data with regard to
2 COC processing time. As I discuss later in my testimony, more streamlined
3 processes to provide COCs is just one of the Company's many recent enhancements
4 targeting solar and other distributed generation ("DG") technologies.

5 **22. Q. The rates in the Settlement Agreement reflected the roll-in of costs recoverable**
6 **under PECO's Smart Meter Cost Recovery Surcharge ("SMCRS"). The**
7 **Settlement Agreement also provided that the SMCRS would remain in place as**
8 **the mechanism for refunding or recouping, as applicable, any over collection or**
9 **under collection balance. Has PECO utilized the SMCRS to address over/under**
10 **collection balances?**

11 A. Yes. PECO rolled its smart meter costs into base distribution rates effective January
12 1, 2016 and set its SMCRS to zero. Beginning in March of 2016, PECO began to
13 recover the remaining over/under collection balances. The Company performed a
14 final accounting of its surcharge balances as of July 31, 2017 and had small
15 undercollection balances for the residential, small C&I and large C&I classes. In
16 August of 2017, PECO notified the Commission of the final undercollection balances
17 and stated that the Company was considering recovering the balances through the
18 Consumer Education Surcharge ("CES"). PECO plans to recover these final
19 undercollections through the CES in 2018 and, as explained by Mr. Schlesinger, is
20 proposing to eliminate the SMCRS from its tariff.

² These reports are in addition to the annual net metering reports that PECO is required to submit to the Commission by July 30 of each year in accordance with 52 Pa. Code §75.13(h) and which include information for the reporting period ending May 31 of that year. PECO filed its last two annual net metering reports on June 30, 2016 and June 30, 2017, respectively.

1 23. Q. Please describe the remaining Settlement Agreement commitments and how
2 PECO has met them.

3 A. *Revenue Decoupling Collaborative.* PECO agreed to hold a collaborative that would
4 be open to all interested participants in order to seek input regarding revenue
5 decoupling, and PECO hosted the collaborative on February 25, 2016. The Company
6 provided an overview of PECO’s views on decoupling issues. Three other
7 stakeholders, including the OSBA, made brief presentations, and all interested
8 stakeholders participated in a roundtable discussion.

9 *Tax Repair Credit.* PECO agreed that the customer bill credit related to the tax repair
10 catch-up deduction would reflect “6% simple interest on the monthly unamortized
11 balance of the tax-effected catch-up deduction.” PECO modified the bill credit to
12 reflect the 6% interest on the unamortized balance starting January 1, 2016.

13 *Distribution System Improvement Charge (“DSIC”).* In accordance with the
14 Commission’s approval of the Settlement Agreement, PECO was eligible to include
15 plant additions in its proposed DSIC once eligible account balances exceed the levels
16 projected by PECO at December 31, 2016. The Commission approved PECO’s DSIC
17 and Long-Term Infrastructure Improvement Plan (“LTIP”) on October 22, 2015 at
18 Docket No. P-2015-2471423. The Company has since made quarterly filings
19 showing the level of LTIP investment that has been placed into service. PECO
20 invested \$22.4 million in 2016 and \$52.4 million in 2017. On March 20, 2018, the
21 Company filed to begin collecting under its DSIC effective April 1, 2018.

1 *Pilot Capacity Reservation Rider (“CRR”)*. PECO agreed to collect additional data
2 regarding coincident peaks of customer generation and other issues regarding the
3 operation of the CRR. PECO also agreed to make the data available to the parties
4 before submitting any proposal to renew or revise its CRR program. Mr. Schlesinger
5 describes how PECO has met this data commitment and proposed clarifying changes
6 to the CRR.

7 **VI. QUALITY OF SERVICE, COMMUNITY SUPPORT,**
8 **AND ECONOMIC DEVELOPMENT**

9 **24. Q. What steps has PECO taken in recent years to ensure system reliability?**

10 A. Each year, PECO invests heavily in its electric system to increase safety and
11 reliability and to enhance the quality of the service it provides. For example, in 2016
12 and 2017, PECO performed the following targeted system enhancements and
13 corrective maintenance projects, several of which were implemented pursuant to the
14 Company’s LTIIP, to continue its strong electric reliability performance so that
15 customers experience, on average, less than one service interruption per year outside
16 of major storms:

- 17 • Infrastructure improvements focused on CEMI pocket areas where
18 customers experience a higher number of sustained interruptions relative
19 to the overall system average reliability.
- 20 • Construction of new distribution substations and the addition of several
21 large transformers at distribution substations to support localized load
22 growth.
- 23 • Implementation of large substation retirement projects to remove aging or
24 obsolete equipment and to improve or upgrade surrounding distribution
25 facilities.
- 26 • Replacement of underground cable that has exhibited a rising trend in
27 failure rate.

- 1 • Identification of circuits throughout PECO’s service territory as candidates
2 for priority reliability improvements and installation of reclosers,
3 sectionalizers and distribution automation in various locations throughout
4 the Company’s service area to pinpoint problems and quickly restore
5 service.

- 6 • Integration of smart technology to combine information from AMI meters,
7 communication infrastructure, and the Company’s upgraded geographic
8 information and distribution management systems to improve situational
9 awareness, operations, safety, and communications outreach during
10 outages.

- 11 • Continuation of PECO’s five-year cycle of preventive vegetation-related
12 maintenance work on approximately 2,600 miles of distribution and 200
13 miles of transmission lines each year, in combination with mid-cycle and
14 data-driven corrective maintenance programs to improve reliability by
15 enhanced vegetation management addressing pocket reliability. PECO
16 increased vegetation-related maintenance on distribution circuits and lines
17 and also increased the removal of dead and declining trees to improve
18 performance in areas where multiple tree-related interruptions have
19 occurred, especially in storms. Tree removals are increasingly oriented
20 toward ash trees as the invasive insect called emerald ash borer (“EAB”)
21 causes accelerated ash tree mortality.

- 22 • Accelerated hardening and resiliency of the distribution system through
23 circuit upgrades in areas where customers have experienced multiple
24 interruptions and in support of retirement of substations, some of which
25 have been subject to flooding.

26 **25. Q. Mr. Innocenzo, please describe PECO’s reliability performance since its last**
27 **base rate proceeding.**

28 A. As a result of the Company’s investments, including the projects I described above,
29 PECO’s electric reliability continued to outperform the Commission’s preferred
30 target level in 2015, 2016, and 2017 in each of the measures for which the
31 Commission has established standards. Indeed, PECO’s average number of service
32 interruptions was over 30 percent below the preferred benchmark level during this
33 period and the average time customers were without power was 14 percent below the
34 benchmark as measured by the following Commission reliability metrics.

- 1 • **SAIFI**: The average number of sustained interruptions per customer
2 during a year was 0.85 interruptions (2015-2017) compared to the
3 benchmark of 1.23 interruptions.
- 4 • **Customer Average Interruption Duration Index (“CAIDI”)**: The
5 average duration of interruptions that a PECO customer experiences
6 during a year was 96 minutes (2015-2017) compared to the benchmark of
7 112 minutes.
- 8 • **System Average Interruption Duration Index (“SAIDI”)**: The sum of all
9 sustained customer interruptions durations divided by the total number of
10 PECO customers was 83 minutes (2015-2017) compared to the benchmark
11 of 138 minutes.

12 According to the Commission’s annual reports on electric service reliability in
13 Pennsylvania for 2014 to 2016, PECO was the only large electric utility in
14 Pennsylvania with reliability performance better than its baseline score prior to
15 restructuring (i.e., 1994-1998 five-year average of annual system wide metrics) in
16 every quarter from 2014 to 2016. This trend of continuous excellence in the key
17 metrics of SAIFI, CAIDI and SAIDI is evidence of PECO’s sound management of its
18 electric distribution system.

19 **26. Q. Does PECO have a commitment to continue to maintain and enhance reliability?**

20 A. Yes. PECO will continue to invest in projects to improve its reliability in 2018, 2019
21 and beyond, including:

22 ***Aerial Cable Enhancement.*** The Company will install insulated aerial cable
23 arranged in a special configuration to better withstand tree contact. PECO has
24 already completed some installations in areas with dense tree coverage in an effort to
25 strengthen its system against storms, increase reliability and reduce outages.

1 ***PECO's Top Priority Circuit Program.*** PECO analyzes and completes reliability
2 enhancements on at least five percent of the system's worst performing circuits on an
3 annual basis. Improvements include installing reclosers for distribution automation,
4 identifying and repairing issues through visual thermographic inspections, increasing
5 vegetation management activities, installing and upgrading fuses, and replacing cable
6 and other equipment.

7 ***Distribution Automation.*** PECO will continue to add distribution automation
8 equipment to its circuits, applying the latest technologies to reduce the impacts to
9 customers when outages do occur.

10 ***Target CEMI Pockets.*** PECO will address CEMI pockets by reinforcing circuits
11 with construction that can better withstand tree contact and storms as well as adding
12 automated switching flexibility.

13 ***Storm Hardening and System Enhancement.*** PECO will replace aging equipment
14 and upgrade facilities to the latest construction standards for improved distribution
15 system reliability and resiliency to storms. PECO also plans to accelerate the
16 installation of reclosers and perform other system enhancement work, which will
17 reduce the number of customers and circuits affected by outage events and mitigate
18 customer interruptions. Accelerating the installation of reclosers in problematic
19 circuit sections will positively impact system SAIFI.

20 ***Hazard Tree Removal.*** PECO will continue with its hazard tree removal program,
21 performing additional mid-cycle tree trimming, and in certain portions of its
22 distribution system where the Company determines it to be appropriate, removing

1 trees and branches growing above and below the Company’s distribution facilities to
2 achieve “ground-to-sky” clearance.

3 **Managing EAB.** PECO proposes to supplement its vegetation management program
4 starting in 2018 to remove all or part of ash trees which are vulnerable to infestation
5 by EAB and threaten damage to PECO electric facilities (estimated at approximately
6 30,000 trees). EAB is already present in PECO’s service territory, and the Company
7 saw significant ash tree mortality and increasing power interruptions caused by EAB-
8 infested ash trees in 2017. It is projected that EAB infestation of ash trees in PECO’s
9 service territory will peak during the 2019-2025 period. Addressing EAB-vulnerable
10 ash trees that threaten damage to PECO electric facilities will cost an estimated \$30
11 million over the next five years, with 2018 as the “ramp up” year. In addition, PECO
12 will accelerate its reliability programs, especially Distribution Automation, to
13 minimize the impact of EAB-related power interruptions.

14 **27. Q. What steps has PECO taken in recent years to enhance the quality of the service**
15 **it provides?**

16 A. Since its last electric base rate proceeding, PECO has executed several initiatives
17 specifically designed to improve customer service.

18 First, the Company has expanded the ways that customers can interact with PECO on
19 their mobile devices. For example, PECO deployed a mobile application with
20 functionality that enables features such as slide-to-pay (credit card and echeck),
21 outage reporting, and enrollment in electronic billing, automatic payments and budget
22 billing. The Company has also added a two-way outage text feature that enables

1 customers to text “OUT” to report an outage and “STAT” to receive an outage status
2 update.

3 Second, PECO has upgraded the overall look and feel of its website and updated its
4 website’s content to be accessible to people with disabilities (consistent with
5 applicable Web Content Accessibility Guidelines). The Company’s Customer
6 Preference Center now also provides notifications to customers for “Bill is Ready,”
7 “Payment Reminders,” “Usage Alerts,” “Budget Bill” and “Outages.”

8 Finally, the Company remains focused on how customers interact with its Customer
9 Care Center, as PECO refers to its call center. As a general matter, PECO staffs its
10 Customer Care Center to meet customer demands and continues to invest in training
11 programs to improve agent skills. Some recent enhancements related to the Customer
12 Care Center include the following:

- 13 • In 2016, PECO began tracking how many calls are resolved during the
14 first call. The Company’s first call resolution improved from 77% in 2016
15 to 78.6% in 2017. PECO will continue to track first call resolution to
16 evaluate future performance.
- 17 • In 2016 and 2017, the Company piloted an “at-home agents” program to
18 have additional call center agents available for storm response especially
19 during hazardous weather conditions. This pilot will continue in 2018.
- 20 • In 2017, the Company implemented post-call surveys to give agents real-
21 time feedback directly from customers focused on resolution of issue,
22 courteousness and knowledge.
- 23 • In 2017, PECO increased the number of bilingual Spanish-speaking agents
24 to be more responsive to Spanish-speaking customers.
- 25 • The Interactive Voice Response (“IVR”) includes a “Pay Now” feature on
26 the Emergency Menu that enables customers to easily make a payment.
27 As a result of this new functionality, PECO reduced the time of an average
28 payment call by a minute and a half (from approximately 6 minutes to
29 approximately 4.5 minutes).

1 28. Q. Have these enhancements helped PECO improve its performance in the area of
2 customer service?

3 A. Yes, they have. The effectiveness of PECO's approach to customer service is
4 reflected in the fact that, in 2017, the Company experienced improvements over its
5 2015 performance in the following key metrics:

6 • **Overall Customer Satisfaction Index** scores, as measured by our internal
7 process, improved from 7.91 (2015) to 8.07 (2017). PECO's JD Power
8 Residential Electric rating showed improvement from 659 (2015) to 718
9 (2017).

10 • **Overall Call Center Satisfaction** improved from 80.2% (2015) to 83.7%
11 (2017).

12 • **Our Service Level** (calls answered in 30 seconds) improved from 89.5%
13 (2015) to 90.2% (2017).

14 • **Average Speed of Answer** was reduced from 17 seconds (2015) to 16
15 seconds (2017).

16 • **Abandon Rate** improved from 1.32% (2015) to 1.2% (2017).

17 • **Residential High Balance Accounts** (>\$5,000) continue to decline from
18 877 (2015) to 247 (2017) accounts.

19 • **IVR Self-Service Transactions** remained robust at 2.61 million in 2017, a
20 slight decline from 2.68 million in 2015.

21 • **Web Self-Service Transactions** increased by 50% from 6.2 million in
22 2015 to 9.3 million (including mobile app uses since September of 2017).

23 With regard to Commission metrics, PECO achieved top-rankings in the 2015 and
24 2016 Annual PUC Utility Consumer Activities Report & Evaluation (UCARE)
25 Report in the areas of Volume and Response Time and achieved its lowest PUC
26 Informal Complaint volume (6,416) in 2017.

1 **29. Q. Please describe PECO’s leadership in the area of energy efficiency.**

2 A. In 2009, PECO emerged as a leader with the early launch of its comprehensive
3 “PECO Smart Ideas” portfolio of energy efficiency programs. These programs were
4 designed to meet the retail energy consumption reduction requirements under the first
5 phase of the Commission’s energy efficiency and conservation program (“EE&C
6 Program”) established pursuant to Act 129. Since the EE&C Program’s inception in
7 2009, PECO’s residential and commercial customers have achieved energy savings
8 worth more than \$600 million and reflecting 2,964,000 MWh saved. PECO has been
9 recognized repeatedly for its efforts, including receipt of the ENERGY STAR®
10 Partner of the Year award for 2012, 2013, 2015, and 2016 for outstanding
11 contributions to energy efficiency.

12 Now in the third phase of the EE&C Program, PECO continues to provide
13 meaningful customer savings and comprehensive energy solutions. For example, in
14 2017, the Company hosted successful appliance recycling events (collecting over 725
15 appliances) and was recognized for its effective video communications with
16 customers (as a 2017 finalist for a Chartwell People’s Choice award).

17 **30. Q. Has PECO deployed advanced metering infrastructure (“AMI”) meters in
18 accordance with Act 129?**

19 A. Yes. PECO has completed the installation of more than 1.7 million electric AMI
20 meters at customer premises and the reading of those meters has reached first quartile
21 performance (99.75% as compared to the three-year industry average benchmark of
22 99.68%). Customers are increasingly taking advantage of AMI meter capabilities.

1 For example, during 2017, PECO customers with AMI meters utilized the interactive
2 “My Usage” tool on the Company’s website more than 1.5 million times.

3 The remote connect and disconnect function of AMI meters has significantly
4 improved customer-requested connect and disconnect services as well as credit-
5 related disconnect and restoration. In 2016 and 2017, 98% of customer-requested
6 connects and disconnects were completed remotely and 99% of credit disconnects
7 and restorations were completed remotely. This translates to an estimated 194,000
8 truck rolls and 77,000 Customer Care Center calls avoided in 2016 and 2017.

9 Deploying AMI technology across the Company’s service territory has also enabled
10 PECO to reduce restoration times during major storms. Improved storm restoration
11 efforts have avoided an additional 10,000 truck rolls each year in 2016 and 2017.

12 PECO continues to explore innovative uses of its AMI technology. For example,
13 PECO has installed over 600 distribution automation devices on the AMI network.
14 Distribution automation provides the ability to re-route power during faults on the
15 system to enhance performance and improve reliability. These devices also enhance
16 the Company’s ability to manage the communication system by allowing PECO to
17 dedicate channels for unrestricted use during reliability events.

18 In addition, PECO installed over 70 LED Smart Street Lights (“SSLs”) in
19 Philadelphia on a pilot basis during the 2016 Democratic National Convention. The
20 SSL platform enabled the City to manage and reduce energy usage, program
21 customized lighting schedules and monitor the SSLs through a secure, web-based
22 portal. Converting from traditional street lights to LEDs can reduce energy usage by

1 approximately 50% and utilizing dimming capabilities can provide additional savings.
2 Mr. Schlesinger describes a new rate that PECO is proposing in this proceeding for
3 smart street lighting.

4 **31. Q. What actions is the Company taking regarding physical security and**
5 **cybersecurity?**

6 A. PECO has made significant investments in physical security as part of the Exelon
7 Utilities Facility Enhancement Program (“FEP”). On a three-year cycle, the
8 Company engages in a risk-based review of critical assets and implemented physical
9 security measures designed to reduce vulnerabilities associated with possible
10 unauthorized access of personnel, equipment, systems, and material at critical sites.
11 PECO also maintains a surplus of critical supplies and major equipment (e.g.,
12 transformers) at separate sites to facilitate system restoration following a disruption.
13 In 2017 and 2018, the Company will procure twenty-two new transformers to support
14 its resiliency efforts.

15 In the area of cybersecurity, the Company employs the latest technologies and has
16 adopted the National Institute of Standards and Technology National Cybersecurity
17 Framework to protect PECO’s systems and networks. PECO provides training on
18 security awareness and preventing cyber attacks and conducts annual internal drills
19 on both physical and cyber threats. The Company has also made significant
20 technology investments and operational improvements, primarily on the transmission
21 side, to strengthen its program to comply with North American Electric Reliability
22 Corporation (“NERC”) Critical Infrastructure Protection Cybersecurity Standards.

1 Finally, PECO is an active participant in “Black Sky” exercises to test Pennsylvania’s
2 ability to respond to a large-scale disruption of power and utility services. The Black
3 Sky initiative is coordinated by the Commission, the Governor’s Office of Homeland
4 Security and Pennsylvania Emergency Management Agency. I represent PECO as
5 the electric industry lead on the Black Sky Steering Committee. PECO was also an
6 active participant in the Commission’s Critical Infrastructure Interdependency
7 Working Group whose purpose and mission have been incorporated into the Black
8 Sky initiative.

9 **32. Q. How has PECO enhanced retail competition since its last electric base rate**
10 **proceeding?**

11 A. PECO has worked in a collaborative fashion with the Commission and its Office of
12 Competitive Market Oversight (“OCMO”) to advance the development of the
13 competitive electric market, including regular calls concerning retail market
14 initiatives and customer complaints. PECO also conducts webinars with suppliers to
15 highlight new developments and handles approximately 5,000 supplier inquiries per
16 year. Recent initiatives promoting the competitive electric market include the
17 following:

- 18 • Implementation of “seamless moves” and “instant connect” beginning in
19 June 2016 in accordance with the Commission’s order at Docket No.
20 M-2014-2401085. “Seamless moves” allows residential and small
21 business customers to efficiently move their current EGS to a new location
22 if certain qualifications are met. “Instant connect” capabilities permit
23 EGSs to send the Company an enrollment transaction for a customer
24 account that is still “pending,” which means the customer has requested
25 service from PECO but the service start date is in the future. “Instant
26 connect” gives customers the opportunity to receive service from an EGS
27 starting the first day a new account begins to receive distribution service
28 from PECO.

- 1 • Providing EGSs with access to AMI historical interval usage data in
2 accordance with the Commission’s order at Docket No. M-2009-2092655.
3 The data access project had three phases and the final phase was
4 completed in December of 2016.
- 5 • Providing EGSs with the ability to use color logos on PECO-generated
6 bills that include EGS charges starting in August of 2017. Previously,
7 only black and white logos could be displayed.

8 **33. Q. What is PECO’s record with respect to the safety of its employees?**

9 A. PECO continues to be an industry leader with respect to the Occupational Safety and
10 Health Administration’s (“OSHA”) Recordable Incidence Rate. This statistic
11 measures the number of work-related injuries per 100 employees that require more
12 than first-aid treatment. PECO’s 2015 OSHA recordable rate was in the first quartile
13 and, in 2016 and 2017, improved to the first decile. PECO received multiple
14 Pennsylvania Energy Association Job Safety Awards for its 2016 performance,
15 including the Safety Achievement Award, Safety Improvement Award, and Safety
16 Sustainability Award.

17 **34. Q. Has the Company taken any recent actions with respect to distributed solar
18 generation and other DG technologies?**

19 A. Yes, the Company has implemented multiple initiatives to streamline the
20 interconnection process, educate developers and potential solar/DG customers and
21 improve the overall experience for solar/DG customers. These efforts are being
22 managed by PECO’s new Distributed Energy Group (“DEG”), which was launched in
23 September of 2017 and is staffed by 14 PECO employees. The DEG, which serves as
24 the single point of contact for solar developers, is tasked with the development of new

1 and innovative ideas for DG and is in frequent contact with solar developers and other
2 stakeholders.

3 To streamline the interconnection process and improve the customer experience,
4 PECO launched a DG interconnection portal in November of 2017 that allows
5 developers and customers to submit their applications online and track the progress
6 and status of applications.

7 With regard to developer and customer education, PECO has created an interactive
8 DG viability map that allows users to select a specific geographic area and check
9 whether the area can support additional DG resources or if system upgrades may be
10 necessary. The Company has developed educational materials on virtual metering
11 and is developing materials on other solar/DG topics.

12 Finally, PECO has moved from a two-meter to a single-meter setup for new DG
13 service up to 200 amps for residential and small C&I meter requests. The benefit of
14 the single-meter setup is a reduction in DG service costs to customers because a
15 second customer-owned meter board and additional wiring is eliminated. The
16 Company is evaluating solutions for DG service greater than 200 amps and is also
17 piloting the use of smart inverters as a means to minimize the costs of
18 interconnection.

19 **35. Q. Mr. Innocenzo, please describe PECO's energy efficiency and environmental**
20 **efforts regarding its own land, buildings and emissions.**

21 A. PECO's commitment to energy efficiency and environmental stewardship is also
22 integrated in the Company's daily operations. PECO has established an

1 environmental management system (“EMS”) based on standards set forth in
2 International Organization for Standardization (“ISO”) 14001, which supports the
3 development of performance-improvement goals and targets. Exelon, PECO’s parent
4 company, was recognized for sustainability leadership in Newsweek’s 2017 Green
5 Rankings.

6 With respect to land quality, PECO has obtained Conservation Certification from the
7 Wildlife Habitat Council for approximately one quarter of its rights-of-way (3,626
8 acres), which are managed under an integrated vegetation management program, and
9 from the National Wildlife Federation for eleven sites (96 acres).

10 PECO also is focused on being a low-carbon company. From 2014-2016, PECO
11 reduced its greenhouse gas emissions by approximately 12% through infrastructure
12 investments such as the replacement of first generation electrical breakers. With
13 respect to Company buildings, PECO recently received the Groundbreaker Award
14 from the Delaware Valley Green Building Council, reflecting a multi-year, \$15.3
15 million environmental sustainability initiative. Twelve buildings and 1.5 million
16 square feet of building space are Leadership in Energy and Environmental Design
17 (“LEED”) certified, representing 80% of PECO’s total building space. PECO also
18 maintains the largest urban green roof in Pennsylvania (approximately one acre) built
19 on an existing building at its headquarters in Philadelphia.

20 Waste recycling continues to be a focus at PECO. Overall recycling increased from
21 90% (2015) to 95% (2017), and the Company recently launched a new municipal
22 recycling campaign and wood pole recycling pilot.

1 Finally, the Company supports the use of alternative fuel vehicles and related
2 technologies. PECO participates in the Edison Electric Institute's challenge to
3 designate at least 5% of its Electric Operations' annual vehicle spending for plug-in
4 technology. PECO's fleet currently has 835 green biodiesel vehicles, 23 plug-in
5 hybrid power take-off heavy duty aerial bucket trucks, 42 hybrid electric vehicles
6 (non plug-in), 2 battery vehicles (plug-in) and 17 natural gas vehicles. In 2018,
7 PECO will be adding five plug-in electric trucks to be used for underground cable
8 splicing for use in the City of Philadelphia. The Company also offers its employees
9 electric vehicle charging stations at multiple locations.

10 **36. Q. Finally, Mr. Innocenzo, please describe PECO's support for the communities in**
11 **which it provides energy and the Company's overall commitment to diversity.**

12 A. PECO has a dedicated Economic Development Team that works cooperatively with
13 local, regional and state economic development officials as well as commercial and
14 industrial real estate brokers and developers to assist businesses that are considering
15 locating or expanding in southeastern Pennsylvania (like Amazon). The team
16 provides information on electric and gas capacity availability and cost to help with
17 location decisions. The team also identifies office and industrial space available for
18 sale or lease, as well as land available for development. PECO was recognized in
19 2017 as one of the top ten utilities for economic development by Site Selection
20 magazine.

21 As I discussed earlier, PECO continues to make very significant capital and
22 infrastructure investments in its service territory every year to provide resilient and

1 reliable service. Reliable and resilient service is a key consideration for businesses
2 choosing sites to maintain, expand or locate their facilities. In these and other ways,
3 our economic development work supports the retention and creation of jobs in the
4 region.

5 In addition, PECO has a strong commitment to diversity, both among its workforce
6 and in the communities it serves. For example, PECO has employed minority and
7 women-owned businesses, contractors and vendors in its communities and has
8 business relationships with local minority-owned banks. PECO also has a strong and
9 continuing tradition of community involvement. The Company's corporate
10 citizenship efforts are designed to improve the quality of life for the people who live
11 and work in PECO's service territory providing support in education, the
12 environment, arts and culture, and community development and including employee
13 volunteer activities and executive involvement on outside nonprofit boards. The
14 Company has been recognized for its efforts including, for example, being named as a
15 "best place to work" for LGBT equality for eight consecutive years as measured by
16 the Human Rights Campaign's corporate equality index. PECO was also named the
17 best mid-size company in Philadelphia by Forbes magazine in 2017 based on survey
18 responses from PECO employees about diversity, atmosphere and other work-related
19 attributes.

1 37. Q. Does PECO’s commitment to the local communities it serves have a significant
2 economic impact on Southeastern Pennsylvania?

3 A. Yes. In 2016, the Economy League of Greater Philadelphia and Econsult Solutions,
4 Inc. (collectively, “ELGP”) used IMPLAN, an industry standard economic modeling
5 program, to estimate the economic impact of PECO’s operations. ELGP determined
6 that, during 2015, PECO’s operations generated \$3.97 billion in total economic
7 impact and supported a ripple effect of 7,300 jobs in Southeastern Pennsylvania.

8 In 2016 and 2017, PECO’s Smart Ideas energy management programs helped
9 customers reduce energy usage by approximately 764,000 MWh, resulting in \$144
10 million in savings across PECO’s service territory. These savings may increase the
11 disposable income of our customers, which can be reinvested in the local economy.

12 Finally, in 2017, PECO supported communities in its service territory with more than
13 \$6 million in corporate contributions to over 500 charities and non-profit
14 organizations (and such costs are not recovered from customers). Additionally,
15 PECO employees served on the boards of more than 150 local non-profit
16 organizations, recorded approximately 17,000 volunteer service hours and personally
17 contributed and/or raised over \$530,000 for a broad range of community
18 organizations and programs.

1 **38. Q. Mr. Innocenzo, based on the factors you discussed above, how do you**
2 **characterize PECO's record with regard to the performance factor**
3 **considerations of efficiency, effectiveness and adequacy of service identified in**
4 **Section 523 of the Public Utility Code?**

5 A. My assessment is based on PECO's demonstrated excellence with regard to the
6 quality and reliability of its service, its commitment to energy efficiency and
7 environmental stewardship, its willingness to embrace cost-effective new
8 technologies, its dedication to retail competition, its vigilance in protecting the safety
9 of its workers, and its strong promotion of community and economic development, all
10 of which I have discussed above. It is also based on PECO's significant and
11 successful efforts to manage and control its operating expenses since its last base rate
12 case in 2015, as discussed by Mr. Barnett in PECO Statement No. 2. Based on all of
13 those factors, PECO has exhibited, and continues to exhibit, superior management
14 performance, which fully supports Mr. Moul's recommendation (PECO Statement
15 No. 5) that PECO receive a rate of return on common equity at the upper end of the
16 range of common equity return rates calculated by Mr. Moul.

17 **VII. CONCLUSION**

18 **39. Q. Does that complete your direct testimony at this time?**

19 A. Yes, it does.

20

**PECO ENERGY COMPANY
STATEMENT NO. 2**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – ELECTRIC DIVISION

DOCKET NO. R-2018-3000164

DIRECT TESTIMONY

WITNESS: PHILLIP S. BARNETT

SUBJECT: EXPLAINING PECO'S NEED FOR RATE RELIEF; DISCUSSING PECO'S EFFORTS TO CONTROL OPERATING AND MAINTENANCE COSTS; PROVIDING AN OVERVIEW OF PECO'S PRINCIPAL ACCOUNTING EXHIBITS AND BUDGETING PROCESS; AND DESCRIBING THE NATURE AND LOCATION OF THE COST OF SERVICES THAT PECO RECEIVES FROM THE EXELON BUSINESS SERVICES COMPANY

DATED: MARCH 29, 2018

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1 **DIRECT TESTIMONY**
2 **OF**
3 **PHILLIP S. BARNETT**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your name and business address.**

6 A. My name is Phillip S. Barnett, and my business address is PECO Energy
7 Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company (“PECO” or the “Company”) as
10 Senior Vice President, Chief Financial Officer and Treasurer. In that capacity, I
11 am responsible for PECO’s financial function, including budgeting, long range
12 financial planning, financial analysis and reporting, project evaluation and
13 financings. In addition, I have oversight and coordination responsibilities for
14 PECO’s accounting, tax, treasury, investor relations and risk management
15 activities. I also ensure that PECO performs with strong financial management
16 discipline and solid financial internal controls.

17 **3. Q. Please briefly describe your educational background and professional**
18 **experience.**

19 A. I received a bachelor’s degree in business administration with a concentration in
20 accounting from Marquette University and a master’s degree in management from
21 Northwestern University. I began my professional career as an auditor at Arthur
22 Andersen; worked at Intel Corporation in various financial planning and reporting

1 roles; and was then employed at GE Capital for approximately eleven years,
2 rising through the ranks to the position of chief financial officer of three of GE
3 Capital's business units. I have worked for the Exelon organization for the past
4 fifteen years, most recently as Senior Vice President of Corporate Financial
5 Planning, and assumed my current position in March 2008.

6 **4. Q. What is the purpose of your direct testimony?**

7 A. The purpose of my direct testimony is as follows: (1) to briefly explain PECO's
8 need for rate relief; (2) to summarize PECO's efforts to control operating and
9 maintenance ("O&M") costs since its last approved base rate increase in 2015; (3)
10 to provide an overview of PECO's principal accounting exhibits, as well as its
11 planning process; and (4) to describe the nature and allocation of costs for
12 services that PECO receives from the Exelon Business Services Company
13 ("EBSC").

14 **II. PECO'S NEED FOR RATE RELIEF**

15 **5. Q. Why is PECO seeking a rate increase at this time?**

16 A. As explained by Mr. Michael A. Innocenzo in his testimony (PECO Statement
17 No. 1), PECO last requested a base rate increase for its electric operations three
18 years ago. Since the Company's current base rates became effective on January
19 1, 2016, PECO has invested approximately \$0.9 billion in new and replacement
20 electric distribution plant and is planning to invest approximately an additional
21 \$1.0 billion in new and replacement electric distribution plant in years 2018
22 through 2019. As explained by Mr. Innocenzo, the projected expenditures are
23 designed to maintain and/or enhance the safety and reliability of our backbone

1 electric delivery system, strengthen system resiliency and maintain and/or
2 enhance physical security and cybersecurity.

3 During the same period, PECO has granted its employees annual wage and salary
4 adjustments and has experienced the effects of inflation on material and
5 contracting costs.

6 Significantly, PECO has not experienced increases in sales that would offset these
7 costs. In fact, load growth from 2016 to 2017 has declined by 0.5%,
8 notwithstanding the fact that the number of customers has increased by 0.8%
9 during the same period.¹ Load growth from 2017-2019 is expected to remain
10 relatively flat with a compound annual growth rate of 0.1% notwithstanding
11 customer growth of 0.8%.

12 The growth in number of customers that has occurred and is continuing has been
13 more than offset by a decline in usage per customer that is due, in significant part,
14 to PECO's successful implementation of energy efficiency and conservation
15 ("EE&C") mandates under Act 129 of 2008 ("Act 129"). PECO is a strong
16 supporter of energy efficiency, and its award-winning programs have saved
17 customers more than \$600 million dollars over the last eight years, but the net
18 effect for PECO is a continuing reduction in revenue (with potentially significant
19 additional penalties for any failure to meet required reductions in usage by
20 designated milestone dates). As reflected in our projected load growth, PECO's

¹ The Company's load growth data is weather normalized.

1 current Phase III EE&C program is designed to reduce customer consumption by
2 1,962,659 MWh over the June 1, 2016-May 31, 2021 period.

3 Despite efforts to attract new customers and to contain expenses, the factors I
4 described above have compromised the Company's ability to earn a fair return on
5 its investment.

6 **6. Q. Please elaborate.**

7 A. Absent an increase in revenues, PECO's electric distribution operations are
8 projected to produce an overall return on invested capital of 5.84%, and an
9 indicated return on common equity of only 7.30%, during the twelve months
10 ending December 31, 2019.

11 As explained by Mr. Paul R. Moul (PECO Statement No. 5), such return levels
12 are inadequate under any reasonable standard. These return levels would
13 deteriorate even further in 2020 and thereafter, jeopardizing PECO's ability to
14 make investments necessary to maintain and enhance the provision of safe,
15 reliable, and resilient service to customers. Inadequate returns would also
16 adversely impact PECO's credit coverage ratios and its ability to maintain or
17 improve its investment-grade credit ratings, which, in turn, would increase the
18 Company's financing costs.

1 PECO has taken a variety of significant steps to control O&M expenditures.

2 These steps include but are not limited to:

- 3 • ***Bad Debt.*** PECO reduced bad debt expense from \$28.4 million in 2016 to
4 \$24.4 million in 2017, and projects \$25.0 million and \$25.1 million of bad
5 debt expense in 2018 and 2019, respectively. PECO is achieving these
6 reductions through a variety of initiatives, including increasing oversight of
7 high balance accounts, requiring down payments for most types of payment
8 arrangements, mandating deposits for delinquent accounts and continued use
9 of advanced metering infrastructure (“AMI”) remote connect/disconnect
10 functionality.
- 11 • ***Other Post-Employment Benefits (“OPEB”).*** PECO’s overall employee
12 benefits costs have decreased, even though underlying retiree medical
13 expenses have generally increased at approximately 5% annually in recent
14 years. PECO actively manages its employee benefit costs by evaluating
15 trends in benefits and identifying and implementing cost reduction measures
16 while maintaining a competitive compensation package. PECO’s projected
17 2019 OPEB expense is approximately a \$0.5 million credit (negative expense)
18 due to the continued amortization of a prior service credit resulting from a
19 prior OPEB plan design change, higher than expected asset returns in 2017
20 and a reduction in eligibility of new hires for OPEB. The 2019 OPEB credit
21 of \$0.5 million is approximately \$1.1 million lower than the actual 2016
22 OPEB expense of \$0.6 million.

- **EBSC Services.** PECO’s allocated EBSC costs declined from \$107.1 million in 2016 to \$105.5 million in 2017, and are projected to be \$98.8 million in 2018 and \$90.0 million in 2019. This decline reflects reduced allocations to PECO which are primarily due to the merger of Pepco Holdings and Exelon and other cost management activities.

IV. OVERVIEW OF PECO’S PRINCIPAL ACCOUNTING EXHIBITS AND BUDGETING PROCESS

10. Q. Please provide an overview of PECO’s principal accounting exhibits.

A. PECO’s principal accounting exhibits are PECO Exhibits BSY-1, BSY-2 and BSY-3 and are sponsored by Mr. Benjamin S. Yin (PECO Statement No. 3), based, in part, on data provided by other PECO witnesses. PECO Exhibit BSY-1 presents PECO’s revenue requirement for the FPFTY and comprises four sections, as follows:

Section A consists of a summary schedule setting forth PECO’s claimed measures of value (i.e., rate base) and the derivation of the Company’s requested rate increase.

Section B contains basic accounting data from the Company’s books and records, including a FPFTY-end balance sheet; statements of net utility operating income and FPFTY revenues, with the separation of Pennsylvania jurisdictional and non-jurisdictional amounts; a schedule of O&M expense items; and a calculation of PECO’s taxes other than income. Also included are schedules developing PECO’s embedded cost of debt, its FPFTY capital structure; and its overall claimed rate of return.

Section C provides a detailed development of the major components of the Company’s rate base claim. Included therein are summaries of the original cost and accrued depreciation at the end of the FPFTY of the various categories of utility plant, including allocated common plant; and calculations of PECO’s working capital, materials and supplies, accumulated deferred income taxes, customer deposits and advances, the unamortized balance of Automated Meter Reading

1 investment related to legacy meters that are being retired and
2 replaced with AMI and a pension-related asset.

3 **Section D** contains the detailed adjustments to place FPFTY
4 revenues and expenses on a ratemaking basis. These adjustments are
5 summarized on Schedules D-3 to D-17, and, together with certain
6 tax adjustments, are carried forward to Schedule D-1 to derive
7 PECO's pro forma operating income at present and proposed rates.

8 As explained by Mr. Yin, adjustments were made to budgeted data, where
9 necessary, to ensure that PECO's claimed revenue, expenses and taxes are
10 representative of the levels that the Company expects to experience on a
11 normalized, ongoing basis, and in accordance with established Pennsylvania
12 Public Utility Commission ("Commission") ratemaking precedent. Because
13 PECO is basing its requested rate increase on FPFTY data, PECO Exhibit BSY-1
14 is key to understanding and evaluating the derivation of the Company's claimed
15 revenue requirement. For that reason, Mr. Yin devotes most of his testimony to a
16 discussion of PECO Exhibit BSY-1.

17 **11. Q. What is contained in PECO Exhibit BSY-2?**

18 A. PECO Exhibit BSY-2 mirrors PECO Exhibit BSY-1 in format, but presents
19 information for the future test year ending December 31, 2018.

20 **12. Q. What is contained in PECO Exhibit BSY-3?**

21 A. PECO Exhibit BSY-3 mirrors PECO Exhibit BSY-1 and BSY-2 in format, but
22 presents information for the historic test year ended December 31, 2017. This
23 information is being furnished in accordance with the Commission's filing
24 requirements and provides a basis for comparing PECO's FPFTY claims to actual

1 historic results of operations, adjusted for rate making purposes for the historic
2 test year.

3 **13. Q. What are the sources of the data contained in PECO Exhibits BSY-1, BSY-2**
4 **and BSY-3?**

5 A. The base data set forth in PECO Exhibits BSY-1 and BSY-2 were derived, for the
6 most part, from PECO's 2018 and 2019 capital and operating budgets,
7 respectively, while the corresponding base data in PECO Exhibit BSY-3 were
8 taken from PECO's 2017 books and records.

9 **14. Q. Please briefly describe PECO's budgeting process.**

10 A. One of the key goals of the annual planning process is to integrate and align
11 PECO's operational, regulatory, and financial plans. The operational plan
12 includes goals focused on achieving best in class safety performance at top decile
13 and first quartile performance for both reliability and customer satisfaction, as
14 explained in Mr. Innocenzo's testimony. The operational plan is also consistent
15 with statutory and Commission-imposed regulatory requirements. In terms of the
16 financial plan, spending targets are set in order to achieve operational goals and
17 comply with regulatory requirements and to ensure that O&M expense increases
18 are lower than the rate of inflation.

19 The planning process starts with a review and update of PECO's operational and
20 regulatory goals and initiatives to determine if changes are required for the future.
21 Any significant changes in such goals and initiatives are taken into consideration
22 when updating our financial Long Range Plan ("LRP"). The LRP is also a five-

1 year view and is updated with key assumptions (e.g., inflation rates, interest rates)
2 and with detailed input provided by “responsibility areas.” Each “responsibility
3 area” reviews its historic expense levels, current and anticipated employee
4 staffing levels, performance assessments, regulatory requirements, operational
5 goals, specific projects, and a myriad of other factors. The individual
6 “responsibility area” LRPs are typically submitted to finance in June of each year
7 and are carefully analyzed for consistency, completeness and appropriateness.
8 The “responsibility area” LRPs are then consolidated and delivered to PECO’s
9 senior management (i.e., the Chief Executive Officer, Chief Operating Officer and
10 Chief Financial Officer) for review and approval in September.

11 Once the LRP has been updated and approved, data is thoroughly scrutinized to
12 formulate a detailed two-year budget. The two-year budget is “built up” by
13 “responsibility area,” similar to the LRP process described above. The financing
14 plan is then developed to ensure PECO can maintain investment grade credit
15 ratings. Based on that plan, PECO determines the amount it can borrow to fund
16 its spending plans and the dividend levels that will achieve its targeted capital
17 structure. The consolidated budget is then submitted to PECO senior
18 management for review and approval. The budgeted spending (i.e., O&M and
19 capital) plan and financing plan (i.e., borrowing) are also approved by PECO’s
20 Board of Directors thereafter. Quarterly dividends are approved each quarter by
21 the PECO Board.

1 **15. Q. How does the Company budget for gross tax repair deductions?**

2 A. First, PECO takes the capital expenditures plan and converts it to a capital
3 additions plan based on in-service dates. The capital additions are then unitized
4 by applying a 6-month lag factor (reflecting the average time it takes to take a
5 project from in-service to closure). Next, the Company identifies the tax repair
6 eligible categories of work within that plan, such as Corrective Maintenance, and
7 pinpoints specific projects expected to be eligible for tax repairs. Finally, PECO
8 applies a qualifying factor to the identified categories and projects to reflect the
9 Company's experience regarding the amount of tax repair benefit it expects to
10 receive. In 2017, the Company's tax repairs gross deduction was \$96.3 million,
11 and PECO forecasts \$94.9 million of tax repairs gross deduction in 2018 and
12 \$96.9 million in 2019.

13 **16. Q. Is that the end of the process?**

14 A. No. Although the budget, as approved, remains in place throughout the year and
15 is not formally amended, it is reviewed and updated on a monthly basis to reflect
16 the latest estimates. Actual results are then compared to both the original budget
17 and the latest estimates and significant variances are thoroughly investigated and
18 actions taken as appropriate.

1 **17. Q. Has PECO’s budgeting process been reviewed by the Commission?**

2 A. Yes. PECO’s budgeting process was reviewed by the Commission during its
3 Focused Management and Operations Audit of PECO in 2014 (“2014 Audit”).²
4 The Commission’s auditors found no deficiencies or weaknesses in the way
5 PECO prepares its budgets.

6 **18. Q. Do the personnel in each of the “responsibility areas” develop their budgets
7 by FERC account?**

8 A. No, they do not. Instead, the “responsibility areas” budgets are prepared on the
9 basis of business activities and related cost elements, such as payroll, employee
10 benefits, outside services, etc.

11 **19. Q. Schedules B-2, B-3 and B-4 of PECO Exhibit BSY-1 present the 2019
12 budgeted data on a FERC account basis. How were those figures derived?**

13 A. As Mr. Yin describes more fully in his testimony, he analyzed the recorded 2017
14 FERC account balances to determine their composition (e.g., payroll, benefits,
15 rent) and then distributed the 2019 budgeted cost elements based on his findings.
16 The results of Mr. Yin’s proposed distribution of costs were then reviewed and
17 confirmed with members of my staff.

² See Focused Management and Operations Audit of PECO Energy Company, Docket No. D-2013-2370921 (issued September 2014).

1 **20. Q. Do PECO Exhibits BSY-1, BSY-2 and BSY-3 contain all of the data needed**
2 **to evaluate PECO’s claimed revenue requirement?**

3 A. No. While PECO Exhibits BSY-1, BSY-2 and BSY-3 present, in considerable
4 detail, PECO’s rate base, revenue, expense and tax claims, much of the supporting
5 data are provided in the separately-bound volumes comprising the Company’s
6 responses to the Commission’s standard rate case filing requirements at 52 Pa.
7 Code §§ 53.53, 53.62 and 53.64 and supplemental data requests issued by the
8 Commission’s staff.

9 In addition, other PECO witnesses are sponsoring testimony and specific exhibits
10 in the areas of depreciation (Mr. Scott Bailey), and rate of return (Mr. Paul R.
11 Moul).

12 **21. Q. In Paragraph 21 of the Joint Petition for Settlement of PECO’s 2015 electric**
13 **base rate case, PECO agreed that it would provide comparisons of its actual**
14 **expenditures in certain areas with projections made in its 2015 base rate**
15 **case. Has PECO provided these comparisons?**

16 A. Yes. First, on March 28, 2016, PECO provided the Commission’s Bureau of
17 Technical Utility Services (“TUS”), the Commission’s Bureau of Investigation
18 and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), and the
19 Office of Small Business Advocate (“OSBA”) with an update on its electric
20 division’s actual capital expenditures, plant additions, and plant retirements by
21 month for the twelve months ending December 31, 2015. A copy of the filing is
22 provided as Exhibit PSB-1.

1 Second, on March 31, 2017, the Company provided a similar update regarding
2 actual capital expenditures, plant additions, and plant retirements by month for the
3 twelve months ending December 31, 2016. A copy of the filing is provided as
4 Exhibit PSB-2.

5 Taken together, these filings show that over the 2015-2016 period, the Company's
6 actual capital expenditures, capital additions and retirements were greater than its
7 projections in the 2015 electric base rate proceeding.

8 With respect to O&M expense, PECO spent \$545.7 million in 2016 in comparison
9 to the 2016 budget of \$579.3 million in the 2015 base rate case. The variance is
10 primarily due to lower storm costs in 2016 with no major events and lower bad
11 debt. Please see the Company's response to SDR-OM-1 for more detailed
12 information.

13 **22. Q. Has PECO accounted for the effects of the recent changes to federal tax law**
14 **in 2017?**

15 A. Yes. On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") became law.
16 As a result of this legislation, the Federal corporate tax rate was reduced from
17 35% to 21% effective January 1, 2018, and bonus depreciation was eliminated.
18 Additionally, PECO is proposing to flow back "excess" differences in its
19 accumulated deferred income tax ("ADIT") liabilities resulting from the reduction
20 in the Federal corporate income tax rate. The effects of the TCJA on PECO's
21 revenue requirement, including the flow-back of "excess ADIT," are discussed in
22 the direct testimony of Mr. Yin. Mr. Schlesinger discusses the Federal Tax

1 Adjustment Credit that PECO is proposing to return to customers the reduction in
2 the Company's 2018 revenue requirement attributable to the TCJA.

3
4 **V. EXELON BUSINESS SERVICES COMPANY**

5 **23. Q. Does PECO procure certain shared services from an affiliated service**
6 **company?**

7 A. Yes. Like many other energy holding company enterprises, Exelon created a
8 service company, the EBSC, following the merger of PECO and the former
9 Unicom Corporation to house specific support functions that it believed could be
10 staffed more efficiently and economically on a centralized basis.

11 **24. Q. What types of services does the EBSC make available and to whom?**

12 A. The EBSC is designed to provide a range of what would typically be regarded as
13 in-house services in the case of a stand-alone utility. In broad terms, those
14 services fall into the following categories: information technology ("IT"); supply;
15 commercial operations; finance; human resources; government and external
16 affairs and public policy; legal; corporate governance; strategy; and
17 communications. The EBSC offers its services to PECO and other affiliated
18 members of the Exelon family of companies, including Atlantic City Electric
19 Company, Baltimore Gas and Electric Company, Commonwealth Edison
20 Company, Delmarva Power & Light Company and Potomac Electric Power
21 Company.

1 **25. Q. Is PECO required to utilize the EBSC’s services?**

2 A. No, it is not. Under the terms of the General Services Agreement (“GSA”)
3 between PECO and the EBSC, which was approved in the PECO/Unicom merger
4 proceeding at Docket No. A-110550F0147, PECO has the discretion to determine
5 whether and to what extent to utilize the EBSC’s services in all areas except
6 corporate governance.

7 **26. Q. What role does the EBSC play in PECO’s electric distribution operations?**

8 A. PECO’s overall approach is to use its own personnel or independent contractors to
9 staff the day-to-day operations of its electric delivery system, as well as its
10 customer-service functions (e.g., call taking, billing). Other services, such as
11 employee-benefits administration, mass purchasing, insurance and treasury, to
12 name a few, are provided by the EBSC.

13 **27. Q. What is the principal advantage of the service company structure?**

14 A. The EBSC enables PECO to realize economies of scale and scope that, in my
15 judgment, could be very difficult to achieve on an individual company basis.
16 Indeed, if PECO were to try to maintain comparably qualified personnel on its
17 own payroll, the total cost PECO would incur to obtain the same level and quality
18 of service it receives from the EBSC likely would be considerably higher.

19 **28. Q. How does the EBSC price the services it provides to PECO?**

20 A. The GSA provides that the services furnished by the EBSC to PECO are to be
21 billed at the EBSC’s cost. Prior to enactment of the Energy Policy Act of 2005,

1 the Exelon system companies were subject to the affiliate-transaction and cost-
2 allocation rules prescribed by the Securities and Exchange Commission (“SEC”)
3 under the Public Utility Holding Company Act of 1935 (“PUHCA”), which
4 generally mandated that service companies, such as the EBSC, offer their services
5 to affiliates at fully distributed cost. The “at cost” rules were incorporated into
6 the GSA, and their continued use in the provision of non-power goods and
7 services has been approved by the FERC, which assumed some of the SEC’s
8 oversight responsibilities when PUHCA was repealed, in part, several years ago.

9 **29. Q. How is the cost of those services determined?**

10 A. Direct charges are made for services where possible. Otherwise, costs are
11 allocated on the basis of the allocation factors/methodologies identified in the
12 attachment to the GSA, which were previously reviewed and approved by the
13 SEC. These allocations and methodologies were also reviewed as part of the
14 Commission’s 2014 Audit and the Commission’s auditors found no issues with
15 respect to PECO’s allocations and methodologies.

16 **30. Q. How does PECO satisfy itself that the services it procures from the EBSC are**
17 **provided at a competitive price?**

18 A. PECO obtains that assurance in several ways. First, PECO and the management
19 of EBSC work together to identify PECO’s needs and to define service priorities
20 and major new initiatives. As a consequence, PECO has meaningful input into
21 the development of the EBSC’s budget for the upcoming year, and PECO’s Chief
22 Financial Officer ultimately approves the service level arrangements (“SLAs”).

1 SLAs are annual agreements between the EBSC and Exelon’s operating
2 companies (including PECO) entered into under the express authority of the
3 Commission-approved GSA that detail the specific services that the EBSC will
4 provide during the following year, including the scope of services, unit cost
5 expectations and performance measures. Services are grouped by function so that
6 budgeted and actual costs can be tracked. Second, the EBSC’s monthly billings
7 are carefully scrutinized by PECO personnel. Variances between actual and
8 budgeted charges are reviewed by PECO personnel with their EBSC counterparts
9 to ensure that all costs are properly justified.

10 In addition, for functions that are not already outsourced, PECO obtains extensive
11 information regarding the composition of the EBSC’s costs, which PECO can
12 then review for reasonableness. This “Market Testing Analysis” – developed in
13 conjunction with the Commission’s management auditors – is a formal approach
14 for evaluating the cost-effectiveness of using the EBSC’s shared services. This
15 analysis is performed on an annual basis, which, along with the allocation factors
16 and methodologies used for EBSC costs, was reviewed as part of the 2014 Audit.
17 In 2017, the Commission conducted a Management Efficiency Investigation to
18 evaluate PECO’s implementation of recommendations from the 2014 Audit.³
19 The Commission again examined PECO’s affiliated interest and cost allocations
20 processes and concluded that PECO (and EBSC) had taken steps to verify that
21 “shared services are being provided in an efficient and cost-effective manner

³ See PECO Energy Company Management Efficiency Investigation Evaluating the Implementation of Selected Management Audit Recommendations from the 2014 Focused Management and Operations Audit, Docket No. D-2016-2562303 (issued August 2017).

1 and/or improvement opportunities are identified to ensure service offerings are
2 fair and reasonable.”

3 **31. Q. What is PECO’s claim in this proceeding for EBSC services?**

4 A. PECO has included \$90.0 million in its FPFTY expense claim for charges from
5 EBSC. A breakdown of those costs is attached as PECO Exhibit PSB-3.

6 Because of the merger of Pepco Holdings and Exelon that occurred in 2016,
7 EBSC costs for shared services across the Exelon companies that are allocated or
8 assigned to PECO are materially lower than they otherwise would have been
9 absent the merger. Some costs were incurred to achieve these savings, which are
10 set forth in PECO Exhibit BSY-1 and discussed in Mr. Yin’s direct testimony.
11 PECO’s revenue requirement in this case includes a three-year amortization of the
12 costs to achieve the merger savings that were allocated to PECO. Recovery of
13 these costs is appropriate since the costs had to be incurred to achieve the benefits
14 of merger savings, and PECO’s share of merger-related savings substantially
15 outweighs PECO’s share of the costs to achieve.

16 **VI. CONCLUSION**

17 **32. Q. Does this complete your direct testimony at this time?**

18 A. Yes, it does.

PECO Exhibit PSB-1

Richard G. Webster, Jr.
Vice President

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PECO
Regulatory Policy and Strategy
2301 Market Street
S15
Philadelphia, PA 19103

March 28, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

SUBJECT: Rate Case Commitment Response for Capital Expenditures, Plant Additions and Retirements, Docket No. R-2015-2468981

Dear Secretary Chiavetta:

In accordance with paragraph 21 of PECO Energy's Joint Petition for Settlement of Rate Investigation Docket No. R-2015-2468981, PECO is providing the following responses which are required on or before April 1, 2016. The responses are being provided to the Bureau of Technical Utility Services, the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate and the Office of Small Business Advocate and contain updates similar to PECO's response to I&E Interrogatory (Set V) No. RB-25. The responses set forth PECO's electric division's actual capital expenditures, plant additions and retirements by month for the twelve months ending December 31, 2015.

On or before April 1, 2017, PECO will provide a similar update to the I&E Interrogatory for the twelve months ending December 31, 2016. In PECO's next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ending December 31, 2016 to its projections in the 2015 rate case.

If you have any questions regarding this matter, please call me at 215-841-5777.

Sincerely,



Copies to: P. T. Diskin, Director, Bureau of Technical Utility Services
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate

Enclosures

PECO Energy Company
Rate Case Commitment Response relating to FPFTY Capital Expenditures and Capital Additions
Docket No. R-2015-2468981

As provided in I&E Statement No. 3, pages 9-10:

1. On or before April 1, 2016, PECO will provide the Commission’s Bureau of Technical Utility Services (“TUS”), I&E, OCA, and OSBA an update similar to PECO’s response to I&E-V-RB-25, which will set forth its electric division’s actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2015.
2. On or before April 1, 2017, PECO will provide a similar update to the response to I&E-V-RB-25, which will include actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2016.
3. In PECO’s next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ended December 31, 2016 to its projections in this case.

Response:

1a. Total Electric Distribution Capital Expenditures in 2015 were \$367M (including allocated Common and General Capital Expenditures to Electric Distribution) as outlined below. This compares to the 2015 budget of \$356M as described in the 2015 rate case filing in SDR-ROR-14.

PECO Energy Company
Monthly Distribution CapEx
2015 Actuals

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Distribution | 21.1 | 26.7 | 27.8 | 26.9 | 44.0 | 40.1 | 23.4 | 23.5 | 24.8 | 31.0 | 31.2 | 46.7 | 367.3 |

1b. Total Electric Distribution Capital Additions in 2015 were \$306.5M as outlined below. This compares to the 2015 budget of \$274.2M as described in the 2015 rate case filing in IE-V-RB-25(a).

PECO Energy Company
Monthly Capital Additions
2015 Actuals

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Distribution Plant | 23.6 | 13.7 | 15.8 | 48.6 | 30.9 | 33.7 | 15.0 | 13.1 | 16.0 | 16.5 | 13.5 | 38.5 | 278.7 |
| Electric Intangible | 0.3 | 3.9 | 1.6 | 3.4 | 0.4 | 0.6 | 0.7 | (0.6) | 0.3 | 0.3 | - | 1.3 | 12.2 |
| General Plant | 0.7 | 0.3 | 2.3 | 2.4 | 0.5 | 0.1 | 0.5 | 3.1 | 1.4 | 0.8 | 0.3 | 3.2 | 15.6 |
| Distribution Total | 24.6 | 17.9 | 19.5 | 54.4 | 31.8 | 34.4 | 16.2 | 15.6 | 17.7 | 17.6 | 13.8 | 43.0 | 306.5 |

PECO Energy Company
Rate Case Commitment Response relating to FPFTY Capital Expenditures and Capital Additions
Docket No. R-2015-2468981

1c. Total Electric Distribution Capital Retirements were \$28.0M as outlined below. This compares to the 2015 budget of \$29.2M as described in the 2015 rate case in PECO Exhibit SAB-2.

PECO Energy Company
Monthly Retirements
2015 Actuals

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|--------------|--------------|---------------|
| Distribution Plant | (0.5) | (0.5) | (4.5) | (1.0) | (0.6) | (4.9) | (1.0) | (0.6) | (6.0) | - | (0.4) | (4.9) | (24.9) |
| Electric Intangible | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General Plant | - | - | - | (1.0) | - | - | (1.8) | (0.3) | - | - | - | - | (3.1) |
| Distribution Total | (0.5) | (0.5) | (4.5) | (2.0) | (0.6) | (4.9) | (2.8) | (0.9) | (6.0) | - | (0.4) | (4.9) | (28.0) |

2. Data will be provided on or before April 1, 2017.
3. Data will be provided as part of PECO's next base rate proceeding.

PECO Exhibit PSB-2



An Exelon Company

Richard G. Webster, Jr.
Vice President

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March 31, 2017

**Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265**

SUBJECT: 2015 Electric Distribution Rate Case Commitment - Response for Capital Expenditures, Plant Additions and Retirements, Docket No. R-2015-2468981

Dear Secretary Chiavetta:

In accordance with paragraph 21 of PECO Energy's Joint Petition for Settlement of Rate Investigation Docket No. R-2015-2468981, PECO is providing the following responses which are required on or before April 1, 2017. The responses are being provided to the Bureau of Technical Utility Services, the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate and the Office of Small Business Advocate and contain updates similar to PECO's response to I&E Interrogatory (Set V) No. RB-25, part 2. The responses set forth PECO's electric division's actual capital expenditures, plant additions and retirements by month for the twelve months ending December 31, 2016.

In PECO's next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ending December 31, 2016 to its projections in the 2015 rate case.

If you have any questions regarding this matter, please call me at 215-841-5777.

Sincerely,

**Copies to: P. T. Diskin, Director, Bureau of Technical Utility Services
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate**

Enclosures

PECO Energy
Rate Case Commitment Response relating to FPFTY Capital Expenditures and
Capital Additions for 2016

As provided in I&E Statement No. 3, pages 9-10:

1. On or before April 1, 2016, PECO will provide the Commission’s Bureau of Technical Utility Services (“TUS”), I&E, OCA, and OSBA an update similar to PECO’s response to I&E-V-RB-25, which will set forth its electric division’s actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2015.
2. On or before April 1, 2017, PECO will provide a similar update to the response to I&E-V-RB-25, which will include actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2016.
3. In PECO’s next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ended December 31, 2016 to its projections in this case.

Response:

2a. Total Electric Distribution Capital Expenditures in 2016 were \$405.1M (including allocated Common and General Capital Expenditures to Electric Distribution) as outlined below. This compares to the 2016 budget of \$331.9M as described in the 2015 rate case filing in SDR-ROR-14.

PECO’s capital expenditures were over budget in 2016 by \$73M. Of that amount, \$33M was related to LTIIP that was not included in the rate case budget and was contained in a separate filing. Demand driven factors such as new business, and capacity expansion planning comprised \$14M of the variance. The remaining balance can be attributed to increased requirements for cyber security standards implemented since the filing as well as additional reliability investment.

PECO Energy Company
Monthly Distribution CapEx
2016 Actuals

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|--------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Distribution | 21.9 | 26.8 | 28.9 | 29.5 | 29.3 | 29.4 | 29.0 | 28.5 | 32.0 | 37.5 | 47.3 | 64.9 | 405.1 |

PECO Energy
Rate Case Commitment Response relating to FPFTY Capital Expenditures and
Capital Additions for 2016

2b. Total Electric Distribution Capital Additions in 2016 were \$297.1M as outlined below. This compares to the 2016 budget of \$319.4M as described in the 2015 rate case filing in IE-V-RB-25(a).

| PECO Energy Company Monthly Capital Additions 2016 Actuals | | | | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| Distribution Plant | 14.3 | 11.2 | 15.7 | 14.0 | 11.8 | 28.5 | 25.8 | 14.2 | 21.2 | 33.3 | 18.6 | 37.7 | 245.9 |
| Distribution Plant - LTIP | - | - | - | - | 0.9 | 2.0 | 0.5 | 2.9 | 1.0 | 1.9 | 2.1 | 4.1 | 15.4 |
| Electric Intangible | 1.7 | 1.7 | (0.4) | 4.0 | 1.4 | 4.6 | 0.6 | 0.5 | 0.6 | 1.9 | 0.5 | 0.2 | 17.3 |
| General Plant | (0.5) | 0.5 | 0.2 | 1.2 | 1.7 | 0.5 | 0.5 | 1.0 | 0.3 | 2.0 | 1.9 | 9.2 | 18.5 |
| Distribution Total | 15.5 | 13.4 | 15.5 | 19.2 | 15.6 | 35.6 | 27.2 | 18.6 | 23.1 | 39.1 | 23.1 | 51.2 | 297.1 |

2c. Total Electric Distribution Capital Retirements were \$33.3M as outlined below. This compares to the 2016 budget of \$29.2M as described in the 2015 rate case in PECO Exhibit SAB-3.

| PECO Energy Company Monthly Retirements 2016 Actuals | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| Distribution Plant | (0.7) | (3.8) | (3.2) | (1.1) | (1.3) | (2.8) | (0.9) | (1.2) | (5.7) | (1.5) | (2.8) | (4.2) | (29.2) |
| Electric Intangible | - | - | - | - | (0.1) | - | (3.5) | (0.1) | - | (0.3) | - | - | (4.0) |
| General Plant | - | - | (0.1) | - | - | - | - | - | - | - | - | - | (0.1) |
| Distribution Total | (0.7) | (3.8) | (3.3) | (1.1) | (1.4) | (2.8) | (4.4) | (1.3) | (5.7) | (1.8) | (2.8) | (4.2) | (33.3) |

PECO Exhibit PSB-3

PECO Energy Co.
Exelon BSC Operations & Maintenance Costs
Presentation Basis: PECO Electric Distribution
2019 Budget

PECO Exhibit No. PSB-3

(\$ in millions)

| | | 2019 O&M Budget | |
|----|--|----------------------------|-------------|
| | | Total | |
| 1 | Communication | \$ | 0.7 |
| 2 | Executives | | 4.3 |
| 3 | Exelon Utilities | | 5.8 |
| 4 | Finance | | 12.8 |
| 5 | Government Affairs | | 1.7 |
| 6 | Human Resource | | 4.6 |
| 7 | Legal Governance | | 6.0 |
| 8 | Security | | 5.9 |
| 9 | Supply | | 0.7 |
| 10 | Other BSC Services | | 0.2 |
| 11 | Total Non-IT EBSC | | 42.8 |
| 12 | IT EBSC | | 47.1 |
| 13 | Total EBSC Charges (excluding Non-Utility): | | 90.0 |
| 14 | Charitable Contributions | | 0.5 |
| 15 | Lobbying / Other | | 0.1 |
| 16 | Total Non-Utility Charges: | | 0.6 |
| 17 | Total EBSC Charges | \$ | 90.5 |

**PECO ENERGY COMPANY
STATEMENT NO. 3**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – ELECTRIC DIVISION

DOCKET NO. R-2018-3000164

DIRECT TESTIMONY

WITNESS: BENJAMIN S. YIN

SUBJECT: PRESENTING PECO'S OVERALL REVENUE
REQUIREMENT AND SUPPORTING CERTAIN
RATEMAKING ADJUSTMENTS

DATED: MARCH 29, 2018

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**DIRECT TESTIMONY
OF
BENJAMIN S. YIN**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your full name and business address.**

6 A. My name is Benjamin S. Yin, and my business address is PECO Energy
7 Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company (“PECO” or the “Company”) as
10 Manager of Revenue Policy. In that capacity, I am responsible for managing
11 certain regulatory filings, audits and specific segments of larger regulatory
12 proceedings, including evaluating, analyzing and supporting the Company’s
13 requests for changes in revenue related to its regulated electric distribution and
14 transmission businesses and its gas distribution business. I am also responsible
15 for providing expert testimony and coordinating the preparation of testimony by
16 other witnesses on behalf of the Company with respect to various regulatory
17 issues.

18 **3. Q. Please describe your educational background.**

19 A. I received a Bachelor of Economics degree in International Trading from South-
20 western University of Economics and Finance, Chengdu, China in 1995 and an
21 MBA, with dual concentrations in Finance and Management Information
22 Systems, from Drexel University in 2001.

1 **4. Q. Please describe your work experience in the energy industry.**

2 A. Upon graduation from Drexel in 2001, I was hired by PECO as a Senior Financial
3 Analyst in the Finance Department. Thereafter, I was promoted to Principal
4 Financial Analyst in 2007. I assumed my current position in 2009.

5 **5. Q. What is the purpose of your direct testimony in this proceeding?**

6 A. The principal purpose of my direct testimony is to explain the preparation and
7 presentation of data supporting PECO’s request for a general base rate increase
8 for its electric distribution operations. More specifically, I explain how the
9 components of the Company’s overall revenue requirement were developed. This
10 includes certain portions of the claimed measures of value and the pro forma
11 ratemaking adjustments that were made to calculate the Company’s revenue
12 requirement based on data for a fully projected future test year ending December
13 31, 2019 (“FPFTY”), a future test year ending December 31, 2018 (“FTY”) and
14 an historic test year ended December 31, 2017 (“HTY”). For purposes of
15 supporting PECO’s proposed increase in base rate distribution operating revenue
16 under its proposed rates, the Company is relying principally upon data for the
17 FPFTY. In addition, I am sponsoring the Company’s calculation of the revenue
18 requirement effect for 2018 of the changes in the federal income tax law made by
19 the Tax Cuts and Jobs Act (“TCJA”).

20 **6. Q. Are you sponsoring all or portions of any exhibits in this proceeding?**

21 A. Yes. I am sponsoring PECO Exhibits BSY-1, BSY-2, BSY-3 and BSY-4.

1 PECO Exhibits BSY-1, BSY-2 and BSY-3 comprise PECO's principal
2 accounting exhibits for the FPFTY, the FTY and the HTY, respectively. As
3 explained by Mr. Phillip S. Barnett (PECO Statement No. 2), PECO's Chief
4 Financial Officer and Treasurer, the base data for the FPFTY that I used to
5 develop PECO Exhibit BSY-1 were derived, for the most part, from PECO's
6 capital and operating budgets for the twelve months ending December 31, 2019,
7 while the corresponding data for the FTY used to develop PECO Exhibit BSY-2
8 were derived from PECO's capital and operating budgets for the twelve months
9 ending December 31, 2018. The data for the HTY used to develop PECO Exhibit
10 BSY-3 are the data actually recorded in PECO's books of account for the twelve
11 months ended December 31, 2017.

12 PECO Exhibit BSY-4 shows the calculation of the effects of the TCJA on
13 PECO's revenue requirement for 2018.

14 In addition to sponsoring the exhibits described above, I am responsible for
15 responses to certain of the Pennsylvania Public Utility Commission's (the
16 "Commission") standard data filing requirements.

17 **7. Q. Will you discuss separately PECO Exhibit BSY-1, PECO Exhibit BSY-2 and**
18 **PECO Exhibit BSY-3?**

19 A. Yes, I will. However, because PECO is basing its proposed rate increase on the
20 adjusted FPFTY data, most of my direct testimony is devoted to explaining PECO
21 Exhibit BSY-1. My testimony regarding PECO Exhibits BSY-2 and BSY-3,

1 which are essentially identical in format to PECO Exhibit BSY-1, will briefly
2 address the pro forma adjustments that were made to 2018 budget data and
3 historic actual data, respectively, because the nature of those adjustments is the
4 same or similar to adjustments that I will have already discussed in the context of
5 PECO Exhibit BSY-1. However, I will specifically address any additional
6 adjustments or other differences among those exhibits.

7 **8. Q. How is the balance of your testimony structured?**

8 A. In Section II, I present an overview of PECO's FPFTY revenue requirement and
9 explain, in summary fashion, how the claimed measures of value, pro forma
10 present rate revenues, operating expenses, depreciation and taxes were
11 determined. Section III of my testimony provides a more detailed description of
12 the individual components comprising PECO's requested measures of value for
13 the FPFTY, while Section IV discusses the derivation, including appropriate
14 ratemaking adjustments, of PECO's revenue and expense claims for the FPFTY.
15 Section V briefly describes the FTY and the HTY data. Section VI introduces,
16 and explains the content of, PECO Exhibit BSY-4.

17 **II. OVERVIEW OF PECO'S FULLY PROJECTED FUTURE TEST YEAR**
18 **REVENUE REQUIREMENT**

19 **9. Q. Please provide an overview of how the Company's FPFTY measures of value**
20 **were determined.**

21 A. PECO's measures of value, as presented in PECO Exhibit BSY-1, consist of eight
22 principal components: (1) the depreciated original cost of utility plant in service
23 (original cost less accumulated depreciation); (2) accumulated deferred income

1 taxes (“ADIT”); (3) the unamortized balance of Automated Meter Reading
2 (“AMR”) investment related to legacy meters that are being retired and replaced
3 with advanced metering infrastructure (“AMI”) meters, pursuant to Commission-
4 approved plans developed to comply with Act 129 of 2008; (4) a pension asset,
5 which I will discuss hereafter; (5) customer deposits; (6) customer advances for
6 construction; (7) material and supplies; and (8) cash working capital. Each is
7 described briefly below.

8 **Depreciated Original Cost of Utility Plant in Service.** To determine utility
9 plant in service as of the end of the FTY, I began with the closing plant balances
10 actually recorded on the Company’s books of account at December 31, 2017,
11 including allocated common plant. To those balances, I added the budgeted
12 capital expenditures for PECO projects that are scheduled to close to plant in
13 service during the FTY and subtracted the anticipated plant retirements. The
14 same process was used to develop utility plant in service balances as of the end of
15 the FPFTY, beginning with the projected balances of plant in service at December
16 31, 2018, adding projected capital expenditures projected to be closed to plant in
17 service by the end of the FPFTY and subtracting anticipated retirements. The
18 Company’s claim for accumulated depreciation was determined in a similar
19 fashion, starting with the accumulated depreciation at December 31, 2017
20 assigned to each plant account, and bringing those data forward to reflect
21 additional depreciation accruals, plant retirements, and cost of removal net of
22 salvage for 2018 and 2019. Accumulated depreciation at December 31, 2019, was

1 then deducted from the projected balance of utility plant as of that date to derive
2 the Company's claimed FPFTY year-end net utility plant of \$ 5.2 billion.

3 **ADIT.** The credit balance of ADIT includes the liability for deferred federal
4 income taxes, net of an offset (debit) for the ADIT assets related to federal
5 income tax paid by the Company in advance of recognizing the associated tax
6 determinants for financial reporting purposes, which consist principally of
7 contributions-in-aid-of-construction ("CIAC") recognized as income for income
8 tax purposes and cash contributions to other post-employment benefit ("OPEB")
9 trusts in excess of the amount deductible for federal income tax purposes. Due to
10 the reduction in the Federal corporate tax rate that became effective on January 1,
11 2018, pursuant to the TCJA, there is "excess ADIT." "Excess ADIT" represents
12 taxes that were deferred prior to January 1, 2018 at the then-applicable 35% tax
13 rate but will be paid to the Federal government, after January 1, 2018, at the
14 current 21% tax rate. The "excess ADIT" is to be returned to customers over
15 periods that correspond to the periods over which the ADIT would have been paid
16 to the government if the Federal corporate tax rate had not been reduced. To
17 reflect that obligation, the Company has transferred its "excess ADIT" from the
18 Company's ADIT account to a new regulatory liability account. The sum of the
19 Company's ADIT account and its regulatory liability for "excess ADIT" at
20 December 31, 2019 is deducted from the Company's measures of value.

21 **Unamortized AMR Investment.** By its final Order at Docket No. M-2009-
22 2123944, the Commission approved a ten-year amortization, commencing

1 January 1, 2011, of PECO’s investment in legacy AMR meters. To determine the
2 balance of PECO’s unamortized AMR investment as of the end of the FPFTY, I
3 started with the balance of unrecovered AMR investment at December 31, 2017
4 and deducted the annual amortization amounts for the FTY and FPFTY.

5 **Pension Asset.** As I will explain in more detail hereafter, PECO has included a
6 pension asset in measures of value that consists of the portion of PECO’s actual
7 historic cash pension contributions that it neither recovered as an operating
8 expense nor capitalized to utility plant because the capitalized amounts are based
9 on costs determined pursuant to Financial Accounting Standards Codification
10 Topic 715 (“ASC 715”), which was formerly Statement of Financial Accounting
11 Standards 87 or “SFAS 87”.

12 **Customer Deposits, Customer Advances for Construction and Material and**
13 **Supplies.** The claimed levels of customer deposits and customer advances for
14 construction (both are deducted in determining the measures of value) and
15 material and supplies (which are added) are based on 13-month historic averages
16 for the period ended December 31, 2017, consistent with Commission precedent.

17 **Cash Working Capital.** Cash working capital was calculated using a lead-lag
18 study and includes elements that are consistent with past practice and
19 Commission precedent.

1 The components of the measure of value described above are shown in PECO
2 Exhibit BSY-1 on Schedule A-1 at lines 1 to 13 and are discussed in more detail
3 in Section III of my testimony.

4 **10. Q. How were the revenues at present rates derived?**

5 A. Revenues at present rates were developed by adjusting the budgeted revenues for
6 PECO's electric operations for the FPFTY to: (1) remove revenues related to
7 portions of the Company's business that are not subject to the jurisdiction of the
8 Commission; (2) remove revenues billed under the surcharge (i.e., non-base rate
9 revenue) that recovers the cost of implementing the Company's energy efficiency
10 and conservation programs pursuant to Act 129; (3) reverse the revenue credit
11 associated with the Company's tax repair allowance catch-up adjustment, which
12 is being provided pursuant to the terms of the settlement of PECO's 2010 electric
13 base rate case; (4) annualize revenues related to changes in number of customers
14 to reflect year-end levels as of the end of the FPFTY; (5) normalize revenues to
15 reflect 365.25 days; and (6) reflect various pro forma revenue adjustments, which
16 are summarized on Schedule D-5 of PECO Exhibit BSY-1 and are discussed in
17 more detail later in my testimony.

18 **11. Q. How were PECO's claimed operating expenses for the FPFTY determined?**

19 A. The pro forma FPFTY expenses were determined using PECO's 2019 budget as a
20 starting point. Budgeted expenses, which were prepared based on business
21 activities and related cost elements such as payroll, employee benefits, etc., were
22 distributed to FERC accounts based upon the distribution experienced by the

1 Company during the HTY. The budget data were then annualized or normalized
2 in accordance with established Commission ratemaking practices, and other
3 appropriate adjustments were made, all of which are included in Schedule D of
4 PECO Exhibit BSY-1. The necessary adjustments were made to the appropriate
5 FERC accounts.

6 **12. Q. Please describe how the taxes-other-than-income were determined for the**
7 **FPFTY.**

8 A. Those amounts were determined using budgeted amounts for the FPFTY, with pro
9 forma adjustments to payroll taxes to reflect the impact of the increase to FPFTY
10 salaries and wages and other adjustments to reflect known and measurable
11 changes, as shown on Schedule D-16 of PECO Exhibit BSY-1.

12 **13. Q. Please describe the calculation of depreciation expense for the FPFTY.**

13 A. The development of annual depreciation for electric and common plant is set forth
14 on pages 1 and 2 of Schedule D-17 of PECO Exhibit BSY-1. With respect to
15 electric distribution plant annual depreciation shown on page 1, the annual
16 depreciation expense budgeted by the Company of \$209.2 million, shown in
17 column 4 by plant account, was developed by Scott A. Bailey and is shown in
18 PECO Exhibit SAB-3. The budgeted depreciation expense includes depreciation
19 expense related to utility plant that will be in service at December 31, 2018, as
20 shown in column 2, and the depreciation expense related to 2019 plant additions,
21 as shown in column 3.

1 As Mr. Bailey explains (PECO Statement No. 4), the budgeted annual
2 depreciation amounts for both plant in service at December 31, 2018 and for 2019
3 additions were calculated using depreciation rates that reflect the service life
4 parameters developed in the Company's most recent service life study (PECO
5 Exhibit SAB-4). The annual depreciation for 2019 plant additions is based on
6 their expected actual in-service dates and, therefore, reflects less than twelve
7 months of depreciation for that plant. Accordingly, column 5 adjusts the total in
8 column 4 to annualize the annual depreciation on 2019 additions.

9 The total pro forma depreciation expense for electric operations is reduced by
10 depreciation expense attributable to transmission operations, as shown on lines 43
11 to 45. Depreciation expense does not include Asset Retirement Obligations
12 (“AROs”). The resulting pro forma FPFTY depreciation expense of \$184.2
13 million related to electric distribution plant is shown on line 48 in column 6. To
14 that amount must be added the electric distribution operations’ allocable share of
15 depreciation on common plant of \$36.2 million as shown on line 49 of page 1
16 (column 6) and detailed on page 2 of Schedule D-17 (column 6). The resulting
17 figure, \$220.4 million, is shown on line 50, in column 6, and on Schedule D-2, in
18 column 3.

19 **14. Q. How were income taxes calculated?**

20 A. Income taxes were calculated using procedures normally followed by the
21 Commission. Federal income tax expense was calculated at the 21% Federal
22 corporate tax rate that became effective on January 1, 2018, pursuant to the TCJA.

1 To maintain a consistent presentation across all of the test periods, the currently-
2 applicable 21% tax rate was used to calculate PECO's revenue requirement for
3 the HTY as well. The interest expense deduction was synchronized with the
4 Company's measures of value and claimed weighted average cost of long-term
5 debt. The normalization method was used to reflect the tax-book timing
6 differences associated with the use of accelerated methods of tax depreciation to
7 the extent permitted by the Commission and appellate precedent. Tax expense
8 was reduced to reflect the amortization of the unamortized investment tax credits.
9 Tax expense was also reduced to reflect the flow-back of "excess" ADIT that
10 results from the TCJA's reduction of the Federal corporate tax rate. The income
11 tax expense claims for the FPFTY at present rate and proposed rate revenue levels
12 are shown on PECO Exhibit BSY-1, Schedule D-18.

13 **15. Q. Please describe how the pro forma revenue increase and revenues at**
14 **proposed rates were established.**

15 A. Schedule A-1 of PECO Exhibit BSY-1 shows the calculation of PECO's claimed
16 revenue requirement and its requested rate increase. Column 3, lines 1 to 13,
17 summarize the pro forma measures of value.

18 Column 3, line 14a, shows the Company's electric distribution base rate revenue
19 at present rates. Column 4, line 14a, shows the increase over revenues at present
20 rates needed to recover the Company's FPFTY revenue requirement, which is
21 \$71.9 million. However, the Company's present base rates do not reflect the
22 effects of the TCJA for 2018, which the Company is proposing to return to
23 customers through a reconcilable Federal Tax Adjustment Credit ("FTAC"). The

1 amount of the reduction in PECO's revenue requirement for 2018 attributable to
2 the TCJA is set forth in PECO Exhibit BSY-4. The FTAC is explained by
3 Richard A. Schlesinger in PECO Statement No. 8. The tax effects of the TCJA
4 for 2019 have been fully incorporated in the development of the Company's
5 revenue requirement for the FPFTY. Therefore, to compare the results of current
6 operations to the pro forma FPFTY revenue requirement on a consistent basis,
7 revenues at present base rates were adjusted by \$70.6 million to reflect the effects
8 of the TCJA. That adjustment is shown in columns 3 and 4 on line 14b. As
9 shown in column 4, on line 14, the difference between present rate revenue
10 adjusted for the effects of the TCJA and pro forma revenue at proposed rates is
11 \$142.5 million.

12 Lines to 17 to 31 of column 3 set forth the calculation of the increase above
13 present rate revenue required to provide the Company the opportunity to earn the
14 overall rate of return of 7.79 percent calculated on Schedule B-7, and supported
15 by Mr. Moul (PECO Statement No. 5). The resulting required increase in net
16 operating income on line 27 was increased by the Gross Revenue Conversion
17 Factor ("GRCF"), shown on line 28, to provide for Late Payment Charge ("LPC")
18 revenue, uncollectible accounts expenses, gross receipts taxes, regulatory fees and
19 income taxes on the increased revenues requested. The revenue increase shown
20 on line 29 of column 3 is the difference between present rate revenue adjusted for
21 the effects of the TCJA and revenues at proposed rates. Line 30 reverses the
22 TCJA-related adjustment to present rate revenue. The increase in unadjusted
23 present rate revenue of \$71.9 million is shown on line 31 of column 3 and line

1 14a of column 4. Column 4, lines 14a through 22, also contain the calculation of
2 the revenue and expenses related to the proposed revenue increase.

3 Measures of value, revenues and expenses at proposed rates are shown in column
4 5, with the resulting overall rate of return of 7.79 percent shown on line 23 of
5 column 5.

6 **16. Q. What is the overall required increase in annual revenues for the Company’s**
7 **jurisdictional distribution operations for the FPFTY?**

8 A. As shown on line 14 of PECO Exhibit BSY-1, Schedule A-1, the proposed
9 increase in annual operating revenues is approximately \$142.5 million reflecting
10 the effects of the TCJA on a consistent basis for both present and proposed rate
11 revenue. When that figure is adjusted to remove the pro forma adjustment to
12 present rate revenue for the effects of the TCJA and to remove \$10 million of
13 additional 2019 Distribution System Improvement Charge (“DSIC”) revenue that
14 was also included on a pro forma basis in present rate revenue, the increase is
15 approximately \$82 million.

16 **17. Q. What is contained in Schedule B?**

17 A. Schedule B consists of a balance sheet for the total Company at December 31,
18 2019 reflecting the Company’s budget for 2019 (Schedule B-1); a statement of
19 Pennsylvania jurisdictional net operating income for the year ending December
20 31, 2019 (Schedule B-2); a statement of Pennsylvania jurisdictional operating
21 revenue for the year ending December 31, 2019 (Schedule B-3); a statement of
22 Pennsylvania jurisdictional operating and maintenance expense for the year

1 ending December 31, 2019 (Schedule B-4); a detailed breakdown of Pennsylvania
2 jurisdictional taxes other than income for the year ending December 31, 2019
3 (Schedule B-5); PECO's projected composite cost of long-term debt at December
4 31, 2019 (Schedule B-6); and the calculation of PECO's claimed overall rate of
5 return for the FPFTY (Schedule B-7). Schedules B-6 and B-7 reflect information
6 derived from the exhibits sponsored by PECO's rate of return witness, Paul R.
7 Moul (PECO Statement No. 5).

8 **III. MEASURES OF VALUE**

9 **A. Summary Of Measures Of Value**

10 **18. Q. Please describe Schedule C-1 of PECO Exhibit BSY-1.**

11 A. Schedule C-1 summarizes the measures of value for the FPFTY for the
12 Company's total Electric Division and its Pennsylvania jurisdictional operations.
13 Column 2 identifies the schedule where each of the measures of value elements is
14 derived, and columns 3 to 5 show the Company's total Electric Division, non-
15 Pennsylvania and Pennsylvania jurisdictional amounts, respectively. The
16 Company's claimed measures of value for the FPFTY, as shown in column 5, on
17 line 13, is approximately \$4.8 billion.

18 **B. Plant In Service**

19 **19. Q. Please describe Schedule C-2 of PECO Exhibit BSY-1.**

20 A. Schedule C-2 contains five pages and presents the Company's claimed FPFTY
21 utility plant in service.

22

1 **20. Q. What is shown on Schedule C-2, page 1?**

2 A. Schedule C-2, page 1, is a summary of estimated year-end plant in service
3 balances for the FPFTY by functional plant category. Column 2 shows the total-
4 Company electric plant in service balance, and column 3 reflects the removal of
5 transmission-related plant. Column 4 reflects the Company's estimated electric
6 distribution plant in service at the end of the FPFTY of \$7.2 billion (line 10),
7 which is shown on PECO Exhibit BSY-1, Schedule A-1, at column 3, line 1.

8 **21. Q. How was total utility plant in service for the Electric Division of \$9.0 billion,**
9 **shown on Schedule C-2, page 1, column 2, line 10, determined?**

10 A. The amount of \$9.0 billion represents the estimated plant in service balance at
11 December 31, 2019 for the Electric Division, including distribution and
12 transmission plant, and is based on utility plant in service at December 31, 2017,
13 including distribution and transmission, plus budgeted capital expenditures
14 estimated to be closed to plant in service the FTY and FPFTY, less the estimated
15 retirements in the FTY and FPFTY.

16 **22. Q. Please describe Schedule C-2, page 2.**

17 A. Page 2, column 2, shows the plant in service balances budgeted as of the end of
18 the FPFTY by FERC account for the total Electric Division. Column 3 sets forth
19 the adjustments needed to remove intangible plant assigned to transmission (line
20 3), transmission plant included in the transmission accounts (line 14), and the
21 portion of general plant allocated to transmission operations (line 41). The

1 calculation of the intangible plant and general plant allocated to transmission is
2 described in connection with page 5 of Schedule C-2.

3 **23. Q. What is shown on page 3 of Schedule C-2?**

4 A. Page 3 sets forth the Company's estimated additions to be closed to plant in
5 service during the FTY and FPFTY. These data were developed based on the
6 FTY and FPFTY capital budgets. The total-Company additions of \$514.0 million
7 and \$586.2 million are shown on line 42, columns 6 and 7, respectively.

8 **24. Q. What is shown on Schedule C-2, page 4?**

9 A. Page 4 of Schedule C-2 presents the estimated plant retirements for the FTY and
10 the FPFTY, based on the average of actual retirements for the years 2015 – 2017.

11 **25. Q. What is contained on page 5 of Schedule C-2?**

12 A. Page 5 details the adjustments necessary to remove all transmission-related
13 intangible, general and transmission plant recorded in transmission accounts
14 under FERC jurisdiction from the account balances, as shown in columns 2 and 3.
15 As shown in column 3, 11.31% of intangible (FERC Account 302) and general
16 plant was allocated to the transmission function. The allocation factor is based on
17 salaries and wages actually recorded in PECO's transmission accounts as a
18 percentage of its total actual salaries and wages in 2016. Most of the intangible
19 plant recorded in FERC account 303 was directly assigned to the transmission and
20 distribution functions, with the balance being allocated using the same salaries
21 and wages factor discussed above.

1 **C. Accumulated Depreciation**

2 **26. Q. What is the purpose of Schedule C-3 of PECO Exhibit BSY-1?**

3 A. This schedule, consisting of 4 pages, presents the provision for accumulated
4 depreciation at December 31, 2019 by FERC account, as developed by Mr. Bailey
5 (PECO Statement No. 4), and adjustments related to transmission plant and cost
6 of removal net of salvage, as explained more fully below. PECO's accumulated
7 depreciation of approximately \$2.0 billion is summarized on page 1 of Schedule
8 C-3 and then carried forward to line 2 of Schedule A-1.

9 **27. Q. Please describe page 1 of Schedule C-3.**

10 A. This page shows the accumulated depreciation balance for the FPFTY by account
11 category, including the accumulated depreciation balance for total electric
12 operations, as shown in column 2, and the adjustments, as shown in column 3, to
13 remove the transmission-related accumulated depreciation, in order to derive the
14 Pennsylvania jurisdictional pro forma accumulated depreciation, as shown in
15 column 4.

16 **28. Q. What is contained on pages 2 and 3 of Schedule C-3?**

17 A. Page 2 shows the accumulated depreciation balance by FERC account at the end
18 of the FPFTY, including the accumulated depreciation balance for total electric
19 operations, as shown in column 2, and the adjustments, as shown in column 3, to
20 remove the transmission-related accumulated depreciation, in order to derive the
21 Pennsylvania jurisdictional pro forma accumulated depreciation shown in column
22 4. To determine the accumulated depreciation balance at the end of FPFTY, the

1 Company started with the accumulated depreciation balance at December 31,
2 2017 and added depreciation expense, less retirements and cost of removal net of
3 salvage, for the FTY and FPFTY. Page 3 of Schedule C-3 shows the cost of
4 removal net of salvage included in the FPFTY accumulated depreciation
5 calculations.

6 **29. Q. What is contained on page 4 of Schedule C-3?**

7 A. Page 4 details the adjustments necessary to remove all transmission-related
8 intangible and general plant and plant recorded in transmission accounts under
9 FERC jurisdiction from the account balances. As shown in column 3, 11.31% of
10 accumulated depreciation for intangible (FERC account 302) and general plant
11 was allocated to the transmission function. The allocation factor was developed in
12 the same manner as the allocation factor I described in connection with Schedule
13 C-2 (i.e., salaries and wages actually recorded in PECO's transmission accounts
14 as a percentage of its total actual salaries and wages in 2016). Consistent with
15 Schedule C-2, most of the intangible plant recorded in FERC account 303 was
16 directly assigned to the transmission and distribution functions, with the balance
17 being allocated using the same salaries and wages factor discussed above.

18 **D. Cash Working Capital**

19 **30. Q. What is set forth on Schedule C-4, page 1, of PECO Exhibit BSY-1?**

20 A. This is a summary of the Cash Working Capital ("CWC") calculations, which are
21 detailed on pages 2 to 10 of this schedule. The total of \$149.1 million shown on

1 line 5 is included in PECO's claimed measures of value as shown on PECO
2 Exhibit BSY-1, Schedule A-1, columns 3 and 5, line 4.

3 **31. Q. Please describe page 2 of Schedule C-4.**

4 A. Page 2 summarizes the derivation of PECO's revenue collection lag and overall
5 operating expense payment lag. The revenue lag of 47.25 days is shown on line
6 1. The expense lag days for each of the components of operating and
7 maintenance expenses appear on lines 2 to 8 and are totaled on line 9. Line 10
8 shows the lag associated with payments to electric generation suppliers ("EGSs")
9 for the purchase of receivables ("POR") from EGSs pursuant to the Company's
10 Commission-approved POR program. The composite operating and maintenance
11 expense and POR lag of 33.17 days is shown on line 12. The net lag of 14.08
12 days ($47.25 - 33.17$) shown on line 13 is multiplied by the average daily operating
13 expense balance on line 14 to arrive at the base CWC amount of \$93.7 million for
14 operating expenses shown on line 15. The average daily operating expense
15 balance of \$6.7 million on line 14 was determined by dividing the total pro forma
16 annual operating expenses, excluding uncollectible accounts expense, of \$2.4
17 billion on line 11, column 2, by the number of days in a year, 365. The other
18 components of CWC are shown on lines 16 to 18 and will be described in
19 connection with my discussion of related supporting schedules.

20 **32. Q. Please describe the revenue lag calculation shown on Schedule C-4, page 3.**

21 A. The total revenue lag days shown on line 21 of 47.25 days consist of three parts.
22 First, the average of the month-end accounts receivable balances for the thirteen
23 months ended December 31, 2017 (shown in column 2 on line 17) was divided

1 into the annual revenue billed during the twelve months ended December 31,
2 2017, (column 3 on line 17) to calculate the accounts receivable turnover rate of
3 11.76 (column 4, line 17). A turnover rate of 11.76 is equivalent to 31.04 revenue
4 lag days (365 days divided by 11.76 accounts receivable turnover rate), as shown
5 in column 5 on line 17. This is referred to as the collection lag or the payment
6 portion of the revenue lag. The payment portion of the revenue lag is added to:
7 (1) the 1.0-day lag between the meter reading date and the day bills are recorded
8 as revenue and accounts receivable by the Company; and (2) the 15.21 day period
9 from the mid-point of the service period until the meter reading date, to calculate
10 the total revenue lag of 47.25 days, as shown on line 21.

11 **33. Q. How does the total revenue lag of 47.25 days compare to the total revenue lag**
12 **presented in the Company's 2015 base rate proceeding?**

13 A. The Company's total revenue lag has decreased significantly since its 2015 base
14 rate filing. In that case, the Company's total revenue lag was 52.89 days. The
15 reduction to 47.25 days is primarily attributable to the full deployment of
16 Advanced Metering Infrastructure. This reduction in revenue lag days translates
17 into a reduction in cash working capital in this case of approximately \$37.5
18 million.

19 **34. Q. How was the mid-point of the service period calculated?**

20 A. The mid-point of the service period is equal to the days in an average month (365
21 days divided by 12, or 30.42 days) divided by 2, or 15.21 days.

22

1 **36. Q. Please describe page 4 of Schedule C-4.**

2 A. Schedule C-4, page 4, shows the calculation of the expense lags used in the CWC
3 calculation. Lines 1 to 4 reflect the payroll expense lag. The payroll amounts for
4 the FPFTY are developed on Schedule D-6. The lag periods for the payment of
5 union and non-union payroll are combined because all employees are paid on the
6 same schedule. The lag days reflect PECO's actual payment cycles. Lines 5 to 8
7 show the lag in the payment of pension costs during the FPFTY. The lag period
8 is calculated using a mid-point of July 1 and the payment dates shown in column
9 1. This results in an average payment lead of 167 days, which was applied to the
10 pro forma pension expense derived from Schedule D-9, line 12 and shown on
11 Schedule C-4, page 2, line 3.

12 **37. Q. How did you develop the lag days associated with the purchased energy costs**
13 **shown on line 13 of Schedule C-4, page 4?**

14 A. Effective January 1, 2011, PECO started to purchase power for its default service
15 customers through a Supply Master Agreement. To calculate its CWC
16 requirements, the Company determined, on a monthly basis for the FPFTY, the
17 number of days between the midpoint of the applicable service month and the
18 payment date, which is estimated to be the first business day after the 19th
19 calendar day of the following month. This procedure yields a composite expense
20 lag of 35.71 days as shown on Schedule C-4, page 10, line 13.

1 **38. Q. Does the Company plan to purchase 100 percent of its energy requirements**
2 **from contract suppliers?**

3 A. No, it does not. Based on the Commission’s final Order in the Company’s most
4 recent default service proceeding (Docket No. P-2016-2534980), the Company
5 purchases 0.8 percent of the energy requirements of its residential default service
6 customers on the spot market and will continue to do so through May 31, 2021.

7 **39. Q. Have you calculated a separate expense lag for spot market purchases?**

8 A. Yes. The spot market purchases will be paid weekly, on Friday, for purchases
9 made through the week ended the previous Tuesday. This results in a payment
10 lag of 12.5 days, consisting of 3.5 days from the mid-point to the end of the
11 seven-day service period, and 9 days for the period between the end of the service
12 period and the payment date. Since the payments will be made by wire transfer,
13 the total lag days will be 12.5 as calculated on page 10, lines 16 to 17.

14 **40. Q. Please address the transmission service charges paid to the PJM**
15 **Interconnection LLC (“PJM”) for transmission service provided by PJM.**

16 A. PJM transmission service charges are paid on the same schedule as the spot
17 market purchases. Consequently, the total lag days for PJM transmission service
18 charges are also 12.5 days.

1 **41. Q. How was the expense lag of 38.21 days for POR payments determined?**

2 A. PECO pays EGSs 20 days after the billing date for commercial and industrial
3 accounts and 25 days after the billing date for residential accounts. The weighted
4 average payment lag for all accounts is 22.00 days as shown on page 10, line 20.
5 Bill processing takes one day (page 10, line 21), and there is an average of 15.21
6 days from the midpoint of a service period to the meter reading date (page 10, line
7 22). The total payment lag, therefore, is 38.21 days (page 10, line 23).

8 **42. Q. Please describe how you determined the payment lag associated with other**
9 **operating and maintenance expenses.**

10 A. The average payment lag for all remaining expenses, as set forth on lines 12 to 15
11 of page 4 of Schedule C-4, was derived from data for the four months shown in
12 detail on page 5 of Schedule C-4. More specifically, the Company obtained a
13 listing of all cash disbursements during each of the four months displayed in a
14 format that shows the payee, the date of service or the invoice receipt date, the
15 amount of the disbursement, the date the payment cleared the bank, the account to
16 which the disbursement was charged and certain other data. Each month contains
17 thousands of cash disbursements.

18 **43. Q. How did you utilize the data?**

19 A. I used the data in the column showing the number of days it took each
20 disbursement to clear the bank from the invoice receipt date or service date to
21 calculate the dollar days (the amount of the disbursement times the number of
22 days the payment took to clear the bank) and sorted the disbursements by amount.

1 I then eliminated disbursements that should not be included in a CWC calculation
2 or that are included elsewhere in the CWC calculation.

3 **44. Q. What disbursements did you eliminate from the balances used on page 5 of**
4 **Schedule C-4?**

5 A. First, I eliminated all disbursements related to capital charges because they are not
6 part of the Company's claimed operating expenses. Second, I eliminated all
7 disbursements under \$1,000 since those amounts, while significant in number,
8 would not have a meaningful impact on the overall lag-day calculation. Third, I
9 removed all commodity purchases since those are reflected in separate CWC
10 calculations, as I previously described. Fourth, I removed all amounts charged to
11 non-expense accounts and any charitable contributions. This process was
12 completed for each of the four months shown on page 5, lines 1 to 9. The total
13 cash disbursements for all four months of \$69.4 million, as shown in column 2, on
14 line 9, of page 5 of Schedule C-4, and the related dollar-days of \$2.6 billion,
15 shown in column 3, were used to calculate the payment lag for general expenses
16 of 37.63 days shown in column 4. The 37.63 lag days for Other Disbursements
17 were then brought forward to Schedule C-4, page 2, line 16.

18 **45. Q. Please explain how the average prepayments of \$7.0 million shown on line 16**
19 **of Schedule C-4, page 2, were determined.**

20 A. That amount is calculated on page 9 of Schedule C-4 and represents the thirteen-
21 month average of actual amounts at the end of each month from December 2016
22 to December 2017. As shown on page 9, the prepayments in question comprise
23 10 different items.

1 **46. Q. How did you determine the lag days for the tax expense component of**
2 **working capital shown on page 6 of Schedule C-4 and brought forward to**
3 **page 2 on line 17?**

4 A. The calculations on page 6 of Schedule C-4 use the pro forma tax expense at
5 proposed rates shown in column 2 and the net revenue lag days for each tax as
6 shown in column 3. The product of multiplying those components is shown in
7 column 4 and is used as the working capital related to the taxes paid by the
8 Company. The net payment lag days for each of the taxes are calculated on page
9 7 of Schedule C-4.

10 **47. Q. Describe what is shown on page 7 of Schedule C-4.**

11 A. As noted previously, this page provides the calculations of the net payment lag
12 days for the tax expense components of PECO's CWC allowance. The type of
13 tax and the payment schedule for that tax are shown in the description column.
14 The payment dates are reflected in column 1. The payment lead or (lag) from the
15 midpoint of the year is shown in column 3. The pro forma amount of the payment
16 for each tax is shown in column 4 on the line with the name of the tax and
17 payment date. For example, the pro forma federal income tax amount at proposed
18 revenue levels of \$57.8 million is shown on line 1 in column 4. The payment
19 amounts required are reflected for each tax on the dates shown in column 1, and
20 the weighted lead (lag) amount for each payment is calculated in column 5 for
21 each tax. The payment lead (lag) days are calculated and shown on the total line
22 in column 6 for each tax. These days are netted against the revenue lag days

1 shown in column 7, and the net payment lag is shown in column 8 and reflected
2 on page 6 of Schedule C-4.

3 **48. Q. Why are separate calculations made for the various categories of tax**
4 **expense?**

5 A. This is necessary because each of the tax expense items has separate payment
6 dates. For example, as shown on page 7 of Schedule C-4, 25 percent of the
7 estimated federal income tax liability is due on April 15, June 15, September 15
8 and December 15 of each year. The tax payment dates and percent due for other
9 tax expense items are not the same. Using a separate calculation for each tax
10 expense matches the cash requirement for payment of those expenses with the
11 anticipated cash from revenues for the equivalent service period.

12 **49. Q. Please describe the calculation of the interest expense lag shown on page 8**
13 **and included on page 2 of Schedule C-4.**

14 A. This calculation measures the lag associated with the semi-annual payment of
15 interest on outstanding debt. The pro forma interest expense is the amount
16 resulting from the synchronized interest calculation using the pro forma measures
17 of value and the weighted cost of debt included in PECO's requested rate of
18 return. The daily interest expense amount, calculated on line 5, is multiplied by
19 the net payment lag of 44 days for a reduction to the working capital allowance of
20 \$11.3 million, as shown on line 9 and on page 2 at line 18.

1 **50. Q. What is shown on Schedule C-4, page 9?**

2 A. This page shows the calculation of the average prepaid expenses included in the
3 CWC. The Company reviewed its prepaid accounts and selected only those
4 prepaid expenses that were related, in whole or in part, to its electric delivery
5 operations. The resulting prepaid accounts are shown in columns 2 to 13. The
6 monthly totals are shown in column 1. Note that the EPRI dues shown in column
7 2 are related to electric operations, and the total and average monthly amounts
8 were allocated to eliminate the portion related to electric transmission. Where
9 items related entirely to the electric operations, such as the PUC Assessment in
10 column 5, the total and average monthly amount were charged entirely to electric
11 distribution, as shown on line 15 in columns 3 to 6. Where the account related to
12 both electric and gas operations, the total and average were distributed using an
13 appropriate allocation factor that eliminates both gas-related expenses and non-
14 jurisdictional expenses, as shown on line 15 in columns 7 to 10. Finally, where
15 the prepaid expense is related to electric distribution and gas operations, a factor
16 was used to isolate only electric distribution operations, as shown on line 15 in
17 columns 11 to 13. The thirteen-month average for prepaid expenses for the
18 electric distribution operations is \$7.0 million as shown on line 19 of Schedule C-
19 4, page 9 and on Schedule C-4, page 1, line 4.

20 **51. Q. What is the total amount of CWC included in the claimed measures of value?**

21 A. That amount is the \$149.1 million shown on Schedule C-4, page 1, line 5 and on
22 Schedule A-1, page 1, line 4.

1 **E. Pension Asset**

2 **52. Q. Please describe Schedule C-5.**

3 A. Schedule C-5 shows the calculation of the pension asset of \$95.2 million (column
4 4, line 6) that the Company has included in measures of value. The asset
5 represents the portion of the Company’s net aggregate total of pension costs
6 incurred to date, calculated in the manner required for ratemaking purposes, that
7 was not recovered in operating expenses and was also not capitalized to its plant
8 accounts. This asset represents the difference between the manner in which
9 pension expense is calculated for ratemaking purposes and the manner in which
10 pension costs are determined for purposes of calculating the labor loading rate
11 used to capitalize a portion of pension costs under applicable Generally Accepted
12 Accounting Principles (“GAAP”). Specifically, for ratemaking purposes,
13 consistent with Commission policy and practice, PECO has historically claimed
14 for recovery its actual cash contributions to its pension fund. However, also
15 consistent with Commission policy and practice, the amount of the total cash
16 contribution included in operating and maintenance expenses was determined by
17 reducing the total cash contribution by the capitalization rate used for ratemaking
18 purposes to separate labor-related costs between amounts that are expensed and
19 amounts assigned, on a pro forma basis, to capital. Using 2019 as an example, as
20 shown on Schedule D-9, PECO’s total pension cash contribution will be \$23.8
21 million, of which 72.98% is attributable to electric distribution. PECO’s
22 capitalization rate is 36.74%. Therefore, \$6.4 million ($\$23.8 \text{ million} * 72.98\% * 36.74\%$)
23 was assumed to be capitalized and included in applicable plant accounts.

1 However, in 2019 – in fact, every year – the amount PECO included in applicable
2 plant accounts for capitalized pension costs was calculated on the basis of ASC
3 715, as GAAP and applicable financial reporting mandates require. For 2019, the
4 amount of pension cost actually capitalized would be only \$3.3 million. As a
5 consequence, there was a gap of \$3.1 million of pension costs. As shown on
6 Schedule C-5, the pension asset balance at the end of the FPFTY will be \$95.2
7 million for electric distribution.

8 **F. ADIT and Regulatory Liability for Excess ADIT**

9 **53. Q. What is the purpose of Schedule C-6?**

10 A. Schedule C-6 shows the December 31, 2019 balances of ADIT and of the
11 regulatory liability for “excess ADIT” that are deducted in determining the
12 measures of value. The ADIT shown on line 20 of \$537.4 million reflects the
13 federal income tax that must be deferred in compliance with the normalization
14 provisions pertaining to the use of accelerated tax depreciation for federal income
15 tax purposes on test year plant balances and other tax/book timing differences that
16 have been normalized. The accelerated tax depreciation used in the determination
17 of taxable income for federal and state income tax expense calculations is
18 reflected on Schedule D-18. The regulatory liability shown on line 8 of \$336.5
19 million is the “excess ADIT” that is being returned to customers and reflects the
20 difference between taxes deferred prior to January 1, 2018 at the Federal
21 corporate tax rate of 35% and what those deferred taxes would have been at the
22 current Federal corporate tax rate of 21%. As I previously explained, “excess
23 ADIT” was transferred from the Company’s ADIT account to the regulatory

1 liability for “excess ADIT.” “Excess ADIT” recorded in the regulatory liability
2 account that is related to utility plant for which tax/book timing differences are
3 subject to a normalization requirement will be amortized, and the balance of the
4 regulatory liability will be ratably reduced, over a period determined in
5 accordance with the Average Rate Assumption Method (“ARAM”) set forth in
6 the Internal Revenue Service’s (“IRS”) regulations.

7 **54. Q. Have you made an adjustment for the federal income tax on CIAC?**

8 A. It was not necessary to make a separate adjustment for CIAC. CIAC is treated as
9 a capital contribution for ratemaking purposes, but is treated as taxable income for
10 federal income tax purposes. PECO pays the federal income tax due on CIAC in
11 the year the CIAC is received and included in taxable income. The associated tax
12 payment is recorded as a debit to the ADIT account, which normally carries a
13 credit balance. Consequently, the net effect of the calculation of ADIT properly
14 reflects the tax-book timing difference related to taxes paid on CIAC as shown on
15 line 16.

16 **55. Q. Please describe ADIT related to OPEB contributions shown on lines 7, 11,
17 and 15?**

18 A. The Company’s actual cash contributions to OPEB trusts are based on OPEB
19 expense. PECO’s actual cash contributions (equal to its OPEB costs) have
20 exceeded the amounts it was entitled to deduct for federal income taxes purposes
21 in each year. Consequently, PECO established a deferred tax asset related to its
22 OPEB contributions in excess of the tax-deductible amounts, as shown on
23 Schedule C-6.

1 **56. Q. What is the amount of ADIT used in the measures of value?**

2 A. The amount for electric distribution operations is \$537.4 million, as shown on line
3 20 of Schedule C-6 and on line 6 of Schedule A-1, in columns 3 and 5.

4 **G. Customer Deposits**

5 **57. Q. Please explain how you determined the amount of customer deposits on**
6 **Schedule C-7 that was deducted from the claimed measures of value on**
7 **Schedule A-1.**

8 A. The customer deposits shown in column 1 (lines 1-13) reflect the average of the
9 month-end balances for the thirteen months ended December 2017. The
10 Company maintains a joint customer deposit account because many of its
11 customers use both its electric and natural gas services. Total Company customer
12 deposits were allocated between electric and gas operations based on electric and
13 gas customer class revenues. Schedule C-7 shows the customer deposits related
14 solely to the Company's electric distribution operations.

15 **58. Q. Where are these amounts of customer deposits and interest shown?**

16 A. The total of customer deposits for all classes of electric distribution customers is a
17 deduction to measures of value of \$50.6 million, as shown on line 20 of Schedule
18 C-7 and on Schedule A-1, line 7 columns 3 and 5. The calculated interest
19 expense related to these customer deposits of \$1.3 million, as shown in Schedule
20 D-12, is included in the Company's operating expenses as shown on PECO
21 Exhibit BSY-1, Schedule D-3, page 2, column 11, line 62.

1 **H. Common Plant**

2 **59. Q. Please describe Schedule C-8.**

3 A. Schedule C-8 shows the calculation of the amount of common plant and related
4 accumulated depreciation that are properly allocated to PECO's electric
5 distribution operations. Lines 1 to 8 reflect the components of the common plant
6 balances at December 31, 2019, and lines 9 to 15 reflect the associated
7 components of accumulated depreciation on such plant as of that date. Total
8 common plant and accumulated depreciation are presented in column 1, and the
9 percent allocated to electric distribution operations is shown in column 2. The net
10 common plant amount shown on line 18, in column 3, of \$326.1 million is
11 included in the Company's measures of value on Schedule A-1, line 8, columns 3
12 and 5. The total common plant amount reflects the original cost of plant used in
13 both electric and gas operations. The accumulated depreciation and amortization
14 reflect the use of the Company's depreciation and amortization procedures and
15 appropriate depreciation rates, as I previously explained. As discussed by Mr.
16 Bailey (PECO Statement No. 4), the allocation between electric distribution,
17 electric transmission and gas operations is based on recorded data for three
18 factors, consisting of Plant in Service, Total Revenue and Total Customers. This
19 three-factor method is frequently used to distribute common costs between utility
20 services.

1 **I. Customer Advances For Construction**

2 **60. Q. What is contained on Schedule C-9?**

3 A. This schedule shows the average monthly balance of customer advances for
4 construction of \$1.0 million on line 15, which is deducted in calculating the
5 measures of value on Schedule A-1, line 9, columns 3 and 5.

6 **61. Q. How were the monthly balances determined?**

7 A. The Company was able to identify the specific amounts attributable to its electric
8 distribution operations based on a review of its accounting records.

9 **J. Unamortized AMR Investment**

10 **62. Q. Please describe Schedule C-10.**

11 A. Schedule C-10 shows the unamortized AMR investment at the end of the FPFTY
12 of \$11.6 million, which is included in the determination of measures of value. In
13 accordance with the final order in PECO’s Smart Meter Technology Procurement
14 and Installment Plan at Docket M-2009-2123944, the Company was allowed to
15 recover its unamortized AMR investment over a 10-year period ending December
16 31, 2020. The unamortized investment amount as of the end of 2017 is \$34.7
17 million, as shown on line 1. The remaining amortization period is 3 years (from
18 2018 to 2020), and the associated annual amortization is \$11.6 million, as shown
19 on lines 3 and 5. The resulting unamortized AMR investment balance is \$23.1
20 million at the end of FTY, as shown on line 4 and \$11.6 million at the end of
21 FPFTY, as shown in line 6. The amount of \$11.6 million is brought forward to
22 Schedule A-1 line 10.

1 **K. Materials And Supplies**

2 **63. Q. Please describe Schedule C-11.**

3 A. Schedule C-11 shows the derivation of PECO’s claim for materials and supplies
4 and undistributed stores expense. The materials and supplies balances in column
5 1 were specifically identified as electric distribution-related amounts and,
6 therefore, 100 percent of those amounts is shown on line 17 in column 1. The
7 undistributed stores expense shown in column 2 reflects amounts attributable to
8 PECO’s total utility operations and, therefore, the electric distribution allocation
9 factor of 69.9% was applied to determine the thirteen-month average of monthly
10 balances, as shown on line 17, in column 2. The claimed amount of \$15.9 million
11 reflected in column 3 is based on the thirteen-month average for the period ended
12 December 31, 2017 and is shown on line 17, columns 3 and 5, of the measures of
13 value on Schedule A-1.

14 **64. Q. What is the Company’s claimed measures of value in this proceeding?**

15 A. PECO’s claimed measures of value, or rate base, equals \$4.8 billion, as shown on
16 line 13 of Schedule A-1.

17 **IV. REVENUES AND EXPENSES**

18 **65. Q. What is shown on Schedule D-1 of PECO Exhibit BSY-1?**

19 A. Schedule D-1 is a summary income statement that depicts PECO’s claimed
20 electric revenues, expenses and taxes at present and proposed rate levels. The
21 derivation of most of the individual line items will be discussed in connection

1 with the remaining schedules in Section D. Schedule D-1 also shows the revenue
2 increase of \$142.5 million on line 3 in column 2.

3 **66. Q. What is the indicated net operating income at proposed rates?**

4 A. As shown on line 29, column 3, of Schedule D-1, and also on Schedule A-1, line
5 22, column 5, that amount is \$377.3 million.

6 **67. Q. Please describe Schedule D-2.**

7 A. Schedule D-2 shows the derivation of the various line items on Schedule D-1.
8 Lines 15 to 19 adjust for TCJA tax effects by customer class. Schedule D-2
9 begins with the Company's budgeted revenues and expenses for its Pennsylvania
10 jurisdictional electric operations for the FPFTY, in column 1, and then annualizes
11 and/or normalizes those figures through adjustments summarized in column 2.
12 The pro forma data in column 3 are summarized and brought forward to Schedule
13 D-1 and used in the determination of the required revenue increase. The various
14 revenue adjustments in column 2 are summarized on Schedule D-3 and listed by
15 adjustment on Schedule D-5, and the expense adjustments are summarized on
16 Schedule D-3 and described in more detail on the separate adjustment schedules
17 beginning with Schedule D-6 and continuing through Schedule D-16.

18 **68. Q. Please describe Schedule D-3.**

19 A. Schedule D-3 summarizes the various adjustments that were made to the budgeted
20 revenue and expense data to derive the pro forma amounts at present rates that
21 appear in column 3 of Schedule D-2 and are included in the adjusted amounts that
22 are carried forward to column 1 of Schedule D-1. The FPFTY budgeted amounts

1 are shown in column 1 on page 1 and the revenue adjustment totals are shown in
2 column 2 on page 1. The various expense adjustments are reflected in columns 3
3 to 8 of page 1 and in columns 11 to 17 of page 2 of Schedule D-3. Each of the
4 pro forma adjustments will be described in connection with the specific schedule
5 supporting the adjustment.

6 **69. Q. Please describe Schedule D-4.**

7 A. Schedule D-4 contains two pages and presents a summary of the pro forma
8 revenues and operating expenses shown on Schedule D-3 by FERC account.

9 **A. Revenue Adjustments**

10 **70. Q. Please describe Schedule D-5.**

11 A. Schedule D-5 presents a summary of the separate pro forma adjustments to
12 revenue for the FPFTY. Each of these adjustments will be described in detail in
13 connection with the separate calculation of the adjustment shown on Schedules D-
14 5A to D-5F.

15 **71. Q. How did you calculate the revenue adjustment shown on Schedule D-5A?**

16 A. This adjustment annualizes distribution revenues for the projected number of
17 customers at the end of the FPFTY. As shown on lines 1 to 4, for all customer
18 classifications this calculation determines the pro forma test year distribution
19 revenues, excluding reconcilable surcharges, at present rates for the FPFTY. The
20 average distribution revenues on line 4 were divided by the average number of
21 customers for the year included in the 2019 budget on line 5 to determine the
22 average distribution revenue per customer on line 6. The average distribution

1 revenue, or margin, per customer for the FPFTY on line 6 was then multiplied by
2 the difference between the average number of customers (line 5) and the number
3 of customers at the end of the FPFTY (line 7), which difference is shown on line
4 8, yielding additional revenue of approximately \$3.0 million for the residential,
5 residential heating and small C&I customer classes, as shown on line 9 by
6 customer classification. This pro forma adjustment is then reflected on Schedule
7 D-5, column 5 by customer classification.

8 **72. Q. Please describe the adjustment calculated on Schedule D-5B.**

9 A. This adjustment annualizes the cost of the discounts provided to customers
10 enrolled in PECO's Customer Assistance Program ("CAP") in the form of a bill
11 credit, reflecting the number of CAP customers at the end of the FPFTY. As
12 shown in line 3, the average CAP discount per CAP customer is determined by
13 dividing the total budgeted CAP discount on line 1 by the average number of CAP
14 customers shown on line 2. The average CAP discount per CAP customer is then
15 multiplied by the difference between FPFTY year-end CAP customers on line 4
16 and the average number of CAP customers shown on line 2. This yields a
17 decrease in the CAP discount of \$258,000, which is offset for uncollectible
18 accounts and CWC factors as shown on line 7. Thus, the net decrease of
19 \$188,000 is shown on line 8, which is brought forward to column 6 in Schedule
20 D-5.

21 **73. Q. Please describe the adjustment on Schedule D-5C.**

22 A. This adjustment shows the reductions in revenue that the Company expects to
23 experience related to the reductions in load that the Company must achieve in

1 order to comply with the energy efficiency and conservation provisions of Act
2 129 of 2008. The Company's implementation of its approved programs has
3 yielded considerable benefits for customers by helping them to save energy and,
4 in some cases, to reduce demand. The energy savings, however, have caused and
5 will continue to cause substantial reductions in the Company's distribution
6 revenues. The Company is proposing to recognize those distribution revenue
7 reductions by reducing budgeted FPFTY distribution revenues by the average of
8 the projected incremental revenue losses to be experienced in 2020 and 2021 over
9 revenue losses included in the 2019 budget, as adjusted to normalize the sales
10 reductions for the seven months from June 1 through December 31, 2021. The
11 normalization adjustment is required because PECO plans to implement a new
12 energy efficiency and conservation plan as of June 1, 2021, and, as a result, there
13 will be a "ramp up" period during the first seven months of the new plan before
14 the normal, steady-state level of monthly usage reductions is achieved. The
15 Company's normalization adjustment removes the "ramp-up" reductions
16 projected for each month during the "ramp-up" period and replaces them with the
17 average of the monthly reductions for each corresponding month during the years
18 2017 to 2020. For example, the adjusted reduction for June 2021 is the average of
19 the monthly reductions for the month of June for the years 2017 through 2020.

20 **74. Q. What is the total amount of the pro forma revenue adjustment the Company**
21 **is proposing?**

22 A. As shown on Schedule D-5C, column 6, line 36, the Company is proposing a pro
23 forma revenue adjustment to its FPFTY budgeted revenue of \$19.1 million, which

1 will allow the Company to recover its lost revenue for 2020 and 2021 through the
2 rates established in this proceeding.

3 **75. Q. In your opinion, is it reasonable for PECO to request that these energy**
4 **savings be recognized in the determination of its revenue requirement?**

5 A. Yes, for primarily two reasons. First, Act 129 specifically contemplates that
6 revenue reductions attributable to the mandated energy efficiency programs be
7 taken into account in establishing base rates. My adjustments are designed to
8 achieve that end by setting rates based on sales levels that reflect the incremental
9 lost revenues related to mandatory Act 129 usage reductions in 2020 and 2021.
10 Second, it would be unfair to require PECO to implement these programs, or be
11 subjected to possible penalties for non-compliance with legislatively imposed
12 energy-reduction goals, and then deny it rate recovery of the lost revenues,
13 particularly given the tremendous benefits that inure to customers. This
14 adjustment aligns the customer and Company interests in promoting energy-
15 conservation, providing significant savings to the customers and permitting PECO
16 to recover lost revenues during the same period that the customers are receiving
17 the benefits of reduced bills from the legislatively-mandated and Commission-
18 approved programs.

19 **76. Q. Please describe the adjustment shown on Schedule D-5D.**

20 A. This adjustment removes the budgeted revenues associated with the recovery of
21 costs associated with developing and implementing PECO's energy-efficiency
22 and conservation programs. Act 129 allows such costs to be recovered through a
23 separate Section 1307 reconcilable adjustment clause. PECO will continue to

1 utilize its EE&C surcharge mechanism for the recovery of these costs in the
2 future. Therefore, the associated surcharge revenues have been removed from
3 base rate revenue.

4 **77. Q. What is contained in Schedule D-5E?**

5 A. This adjustment eliminates the effect, at the FPPTY budgeted level, of the bill
6 credit provided to flow-through to customers the effect of the tax repair catch-up
7 adjustment. Consistent with the terms of the Commission approved Joint Petition
8 for Partial Settlement of PECO's 2010 electric base rate case,¹ in 2011, PECO
9 notified the Joint Petitioners in that case of its decision to implement the tax repair
10 method change consistent with the IRS' issuance of an Industry Issue Resolution
11 and Industry Directive for the electric industry. As a result of this change, PECO
12 received a one-time tax repair catch-up deduction that reduced its federal income
13 tax liability by \$82.6 million. The Company deferred the tax benefit attributable
14 to the catch-up adjustment and commenced refunding the benefit to its customers
15 over a seven-year period through a bill credit that was appropriately adjusted in
16 order to convert the tax amount into revenue requirement. In the settlement of the
17 Company last base rate case, it agreed to accrue interest on the remaining balance
18 of the catch-up deduction beginning January 1, 2016. Consequently, the balance
19 being amortized reflects that accrued interest. The Company will continue the
20 refund through the bill credit and expects that it will be completed in 2018.
21 Because the revenue effect of the credit is occurring apart from base rates, its
22 effect on base rate revenue is appropriately eliminated when determining base rate

¹ The background of this matter is set forth in detail in the Joint Petition for Partial Settlement at Docket No. R-2010-2161575, pp. 7-8.

1 revenue for this case. Because the revenue effect was not included in the budget,
2 no adjustment is needed for the FPFTY.

3 **78. Q. Please describe the adjustment shown on Schedule D-5F.**

4 A. This adjustment normalizes revenue the Company budgeted for the Residential
5 and Residential Heating classes for the FPFTY by increasing variable distribution
6 service charge revenue (revenue excluding customer charge and non-reconcilable
7 surcharge distribution revenue) to reflect an additional 0.25 days. The
8 Company's budgeted revenue for the FPFTY is based on 365 days, reflecting the
9 28 calendar days in February 2019. This adjustment normalizes revenue to reflect
10 the average number of days in the month of February over a four-year cycle that
11 includes one leap year. The customer and reconcilable surcharge distribution
12 revenue does not change irrespective of the number of days in a year and,
13 therefore, is not adjusted in this schedule. Additionally, only the Residential and
14 Residential Heating classes have variable distribution service charges that apply
15 to kilowatt hours of usage and, therefore, are sensitive to the number of days of
16 usage in the test year. Column 1 of Schedule D-5F shows the non-customer and
17 non-reconcilable surcharge distribution revenue of the Residential and Residential
18 Heating classes for February 2019. Columns 2 and 3 show the number of days in
19 February 2019 and the normalized number of days in that month over a four-year
20 cycle. The difference is shown in column 4. The adjustment necessary to
21 normalize revenues for 0.25 days is shown, by class and in total, in column 4.

1 **B. Operating Expense Adjustments**

2 **79. Q. Does the Company budget its operating expenses by FERC account?**

3 A. No, as I mentioned previously, it does not. Rather, the Company budgets its
4 operating expenses by cost element or business activity, such as payroll,
5 employee benefits, rent, etc.

6 **80. Q. How were the FPFTY data restated by FERC account for purposes of
7 preparing the Company’s supporting data in this case?**

8 A. The amounts recorded in FERC accounts as of the end of the HTY were analyzed
9 to develop a chart showing charges for each cost element within each FERC
10 account in the transmission function, the distribution function, the Administration
11 and General (“A&G”) transmission function, the A&G distribution function and
12 the A&G general function. After this process was completed, I then distributed
13 the forecasted FPFTY charges by cost elements in those cost categories to the
14 corresponding FERC accounts based upon the ratios experienced in the HTY. For
15 example, I determined how much of the salaries and wages (“S&W”) expensed in
16 the HTY was charged to each FERC account in the HTY distribution function and
17 then distributed the FPFTY forecasted distribution S&W to distribution FERC
18 accounts based on those ratios. This process was used for each cost element
19 category of each function to transform the FPFTY expense by cost element
20 forecast to a FERC-based forecast. This FERC-based forecast is brought forward
21 to Schedule B-4 column 1 to eliminate the non-Pennsylvania jurisdictional
22 amounts, as shown in column 2, in order to isolate the Pennsylvania jurisdictional
23 amounts shown in column 3.

1 **81. Q. Why was it necessary to transform the FPFTY cost-category forecast to a**
2 **FERC-account based forecast?**

3 A. Essentially for two basic reasons. First, the Company's annual reports to the
4 Commission are presented on a FERC-account basis and, therefore, having the
5 FPFTY forecast presented in the same format facilitates a comparison of the
6 FPFTY forecast data to prior years' experience. Second, it was necessary to have
7 the FPFTY data available by FERC account for use by Ms. Ding (PECO
8 Statement No. 6) in her cost of service study.

9 **82. Q. In your opinion, does this process result in a fair presentation of the**
10 **Company's FPFTY forecast expenses by FERC account?**

11 A. Yes, it does.

12 **83. Q. Were each of the pro forma adjustments reflected on Schedule D-3 also**
13 **charged to the appropriate FERC accounts?**

14 A. Yes, they were.

15 **84. Q. Are the various pro forma expense adjustments presented on Schedule D-3**
16 **shown by the type of expense and also by the FERC account distribution?**

17 A. Yes, they are. The expense categories are identified in the headers of the columns
18 on pages 1 and 2 of Schedule D-3, and each adjustment is described in connection
19 with a separate schedule showing its derivation. These adjustments are shown by
20 FERC expense category on Schedule D-4 and also on the Section D summary
21 schedules.

1 **85. Q. Please describe Schedule D-6.**

2 A. Schedule D-6 consists of two pages and shows the calculation of the FPFTY
3 annualization adjustments for S&W. Page 1 contains the forecasted data for the
4 FPFTY summarized by FERC account categories showing a total to be expensed
5 of \$141.7 million on line 14, columns 2 and 4. Column 5 shows the annualization
6 adjustment of \$5.1 million distributed to the FERC expense categories, while
7 column 6 lists the pro forma amounts for S&W expense totaling \$146.8 million,
8 as shown on line 14, and an annualization adjustment to increase S&W by 3.6
9 percent as shown on line 15. The adjustment of \$5.1 million is reflected on
10 Schedule D-3, column 3, on lines 24 to 29.

11 **86. Q. How was the annualization adjustment derived?**

12 A. The calculation is shown on page 2 of Schedule D-6. In short, the adjustment
13 annualizes budgeted S&W expense to reflect the number of employees at the end
14 of the FPFTY and certain wage increases to become effective during the FPFTY
15 or shortly after the FPFTY. More specifically, I have annualized: (1) the 2.5
16 percent wage increase forecasted to be effective on March 1, 2019 (lines 5 to 7 in
17 column 3); (2) the projected 2.5 percent wage increase for union employees to be
18 effective on January 1, 2020 (lines 9 to 11 in column 2); and (3) the projected 2.5
19 percent wage increase for non-union employees to be effective on March 1, 2020
20 (lines 9 to 11 in column 3).

1 **87. Q. Please explain the adjustment shown on lines 12 to 14.**

2 A. This adjustment normalizes a one-item cash payment to union employees that is
3 made in connection with the ratification of new union contracts on an
4 approximately six-year basis. The portion of the payment that was expensed
5 (\$1.1 million) was split between electric distribution, transmission and gas
6 operations, and the amount allocated to electric distribution operations (\$822,000)
7 was divided by six to reflect the six-year term of the contract. The resulting
8 amount of \$137,000 shown on line 14, column 5, was added to the pro forma
9 adjustment for S&W.

10 **88. Q. Please explain the calculations shown on lines 17-21 of Schedule D-6, page 2.**

11 A. These calculations annualize an increase in the number of employees during the
12 FPFTY. As shown in line 17, column 3, the projected number of Company
13 employees at the FPFTY year-end is 1,898. The average number of employees
14 during the FPFTY is 1,884, and it was the latter figure that the Company included
15 as S&W in its budget as shown on line 4. The detailed calculation of the average
16 number of employees included in the budget expense level is shown on page 1 of
17 Schedule D-8, in lines 7 to 18. The increase in employees of 14 on line 19 was
18 then multiplied by average annual S&W per employee on line 20 to determine the
19 total annualization adjustment to S&W due to the increase in number of
20 employees of \$1.1 million as shown on line 21.

1 **89. Q. What is the total pro forma adjustment for S&W expense for the FPFTY?**

2 A. The total amount is \$5.1 million, which is an increase of 3.6 percent from the
3 Company's S&W budget for FPFTY, as shown on lines 23 and 24, respectively.

4 **90. Q. Please describe Schedule D-7 of PECO Exhibit BSY-1.**

5 A. Schedule D-7 shows the adjustment to normalize rate case expense. The
6 Company expended approximately \$159,000 on this filing during 2017 (line 4)
7 and has budgeted an additional \$2.4 million (line 8) during 2018. This total, \$2.6
8 million (line 9), is normalized over a period of three years as shown on line 10,
9 column 1, which results in a total estimated normalized annual cost for this case
10 of approximately \$867,000, as shown on line 10, column 4.

11 **91. Q. Please describe Schedule D-8 of PECO Exhibit BSY-1.**

12 A. The top half of Schedule D-8 annualizes the non-pension employee benefits
13 expense to reflect the full year's level of costs associated with the number of
14 employees during the FPFTY. The annualization, reflecting an increase of
15 \$144,000 in non-pension benefit expense, was derived by using the increase in the
16 number of employees of 14, on line 4, and the budgeted average non-pension
17 benefit expense per employee of \$10,000 on line 3.

18 **92. Q. Please explain how you calculated the change in number of employees to a
19 year-end level on Schedule D-8.**

20 A. I calculated a twelve-month average of employees reflected in the Company's
21 budget (1,884) and compared it to the number of employees reflected in the

1 budget at December 31, 2019 (1,898). The difference of fourteen employees is
2 shown on line 21.

3 **93. Q. What is contained in PECO Exhibit BSY-1 Schedule D-9?**

4 A. Schedule D-9 shows the calculation of the Company's claim for pension expense,
5 which is based on a five-year average of actual contributions to its pension plan.
6 The portion of the pension cost assigned to electric distribution operating expense
7 in the FPFTY is \$13.1 million, as shown on line 12. Accordingly, an adjustment
8 of \$7.4 has been made to the Company's FPFTY budget amount, as shown on line
9 14, and the adjustment amount was brought forward to Schedule D-3, column 6,
10 line 29.

11 **94. Q. What is presented on Schedule D-10 of PECO Exhibit BSY-1?**

12 A. Schedule D-10 calculates an adjustment to the Company's budgeted uncollectible
13 accounts expenses. Lines 1 to 4 calculate net uncollectible accounts charged off,
14 excluding CAP in-program arrearage write-offs, as a percentage of total tariff
15 revenue, based on an average of annual data for the period 2015-2017. That
16 percentage was used to adjust the amount of uncollectible accounts expense in the
17 budget to conform to the method historically used by the Commission for this
18 expense. The resulting 0.89 percent shown on line 4, column 4, of Schedule D-10
19 is applied to the pro forma revenues at present rates for the FPFTY to calculate
20 the general pro forma uncollectible accounts expense of \$28.6 million shown in
21 column 5 on line 8. A three-year average of pre-program arrearages ("PPA")
22 associated with the CAP program, which are not included in other accounts, was
23 added to the general uncollectible accounts expense. The PPA average is \$8.2

1 million, as shown on line 12 in column 5. The total pro forma amount for
2 uncollectible account expenses at present rates for the FPFTY is \$36.7 million,
3 which is a net increase of \$11.7 million, as shown on line 15 and brought forward
4 to page 1 of Schedule D-3 (column 7, line 26). In addition, the 0.89 percent
5 write-off rate is used in determining the level of uncollectible accounts expense at
6 proposed rates, as shown in the reference column on line 17 of Schedule D-2.

7 **95. Q. Please describe Schedule D-11.**

8 A. Schedule D-11 shows PECO's claim to recover a portion of the in-program
9 arrearage ("IPA") forgiveness approved in the Company's CAP Design
10 Proceeding at Docket No. M-2012-2290911. The amount the Company is
11 claiming for recovery was calculated in accordance with the terms of the
12 settlement of its 2015 base rate case, which provides, in broad summary, that
13 PECO may, in this case, recover from all residential customers one-third of the
14 IPA amounts that are forgiven. The IPA forgiveness program and the formula for
15 calculating the amount PECO may claim for recovery in this case are explained in
16 more detail in the direct testimony of Mark Kehl (PECO Statement No. 7).

17 **96. Q. Please describe the pro forma adjustment on Schedule D-12.**

18 A. The adjustment shown on Schedule D-12 captures the interest expense that the
19 Company must pay on customer deposits. Since the average balance of customer
20 deposits is a reduction to measures of value, the interest expense is included as a
21 pro forma expense for the FPFTY. The interest for residential customer deposits
22 was calculated using an annual rate of interest of 4.0 percent and a monthly rate of
23 0.33%. An annual rate of 1.41 percent (a monthly rate of 0.12%) was used for

1 commercial and industrial customers. The total pro forma expense of \$1.3 million
2 is shown on Schedule D-12, line 29 and brought forward to Schedule D-3, page 2.

3 **97. Q. Please describe the pro forma adjustment on Schedule D-13.**

4 A. This adjustment shown on line 11 reflects an increase of \$15.9 million to FPFTY
5 budget expenses for storm damage restoration expenses. PECO is proposing, for
6 ratemaking purposes, to normalize storm damage expense based on a sixty-month
7 rolling average of historic storm damage expense. A sixty-month rolling average
8 includes a period long enough to reflect appropriate levels of expense associated
9 with normal storm events, major storms and extraordinary storms. In both its
10 2010 and 2015 base rate cases, the Company claimed storm damage expenses that
11 were normalized on the basis of a sixty-month historical average of actual storm
12 expenses.

13 **98. Q. Please explain what is shown on Schedule D-14.**

14 A. This Schedule was left blank intentionally.

15 **99. Q. Please explain what is shown on Schedule D-15.**

16 A. Schedule D-15 shows PECO's claim to amortize over three years its allocable
17 share of the costs to achieve the merger savings that were produced by the merger
18 of PECO's parent, Exelon Corporation, with Pepco Holdings, Inc. in 2016. As
19 explained by Mr. Barnett in PECO Statement No. 2, the merger produced
20 significant savings and PECO received and continues to receive its allocable share
21 of those savings, which are reflected in the budget data that were used to develop
22 its claims in this case. However, costs were also incurred by Exelon to integrate

1 the merged companies in order to produce the merger savings flowing through to
2 PECO. And, as Mr. Barnett also explains, the merger savings substantially
3 exceed the costs to achieve. Because PECO – and its customers – receive the
4 benefit of PECO’s allocable share of merger savings, it is appropriate that PECO
5 should bear (and recover in electric distribution rates) the costs to achieve those
6 savings that were properly allocated to it.

7 **C. Taxes – Other Than Income Taxes**

8 **100. Q. Please describe Schedule D-16 of PECO Exhibit BSY-1.**

9 A. Schedule D-16 contains 3 pages. Page 1 is a summary showing the budgeted
10 amounts for the FPFTY (column 2) for the total Company, adjustments to
11 eliminate the non-Pennsylvania jurisdictional amounts (column 3), the total pro
12 forma adjustments (column 5), and the pro forma expenses claimed in this case
13 (column 6). The calculations for payroll-related changes are made on Schedule D-
14 16, page 2, while the changes in the gross receipts tax (“GRT”) are shown on page
15 3. The increase in payroll taxes, shown on page 2, lines 1 to 4, was calculated
16 using the ratio of tax expense to payroll expense in the FPFTY forecast applied to
17 the payroll tax expense for the FPFTY, which is an increase of \$364,000, as shown
18 on line 4. This amount is then reflected on page 1 in column 5, line 9. The
19 adjustment to decrease GRT by \$7.3 million shown on line 15, in column 5 of page
20 1, is calculated on page 3. Total pro forma taxes other than income are \$140.7
21 million, as shown on Schedule D-16, page 1, line 12, column 6.

1 **101. Q. Did you make an adjustment to recognize the additional GRT attributable to**
2 **the revenue increase allowed by the Commission in this proceeding?**

3 A. Yes. As will be described in connection with PECO Exhibit BSY-1, Schedule D-
4 19, the incremental GRT is recovered through the application of the Gross
5 Revenue Conversion Factor (“GRCF”) used to determine the amount of revenue
6 required to provide the increase in net income claimed by PECO.

7 **D. Depreciation Expense**

8 **102. Q. Please describe PECO Exhibit BSY-1, Schedule D-17, pages 1 to 2.**

9 A. The Company’s budgeted depreciation expense was developed and is presented by
10 Mr. Bailey (PECO Statement No. 4). The adjustment set forth on Schedule D-17
11 annualizes FPFTY depreciation expense levels to reflect a full year’s depreciation
12 for plant added during the FPFTY. PECO’s total depreciation expense
13 annualization adjustment for electric distribution plant (including allocated general
14 plant) is \$11.2 million, as shown on Schedule D-17, page 1, line 50, column 5.
15 Included in that amount is the FPFTY annualization adjustment for the
16 depreciation of common plant of \$2.9 million, as shown in column 5 on line 49 of
17 page 1, which is calculated on page 2 of Schedule D-17. The adjustments for the
18 electric distribution plant depreciation and the common plant depreciation are
19 shown on Schedule D-3 page 2, column 17 on line 67. As indicated at the bottom
20 of page 1 of Schedule D-17, lines 43 to 45, I have removed the \$1.0 million of the
21 depreciation expense annualization adjustment attributable to transmission
22 operations.

1 **E. Income Taxes**

2 **103. Q. Please describe the income tax calculation shown on PECO Exhibit BSY-1,**
3 **Schedule D-18, page 1.**

4 A. This schedule calculates the pro forma income tax expense for the FPFTY at
5 present and proposed rates, as set forth in columns 3 and 5, respectively. Line 1
6 shows the revenue at present rates, the revenue increase (with the related late
7 payment charge increase) and revenue at proposed rates. Line 2 shows the total
8 operating expenses at present rates, changes related to the revenue increase and at
9 the proposed rates from Schedule D-1. Line 3 shows the operating income before
10 income taxes. Synchronized interest expense is calculated on lines 4 to 6 using the
11 total measures of value for the FPFTY on line 4 and the weighted cost of debt
12 recommended by Mr. Moul (PECO Statement No. 5) on line 5. The resulting
13 interest expense on line 6 is used to reduce the taxable income to the amount
14 shown on line 7.

15 In compliance with Commission practice, the difference between accelerated tax
16 depreciation (line 8) and pro forma book depreciation (line 9) is used to adjust the
17 state taxable income as shown on line 10 to reflect the fact that the effects of
18 accelerated depreciation are flowed through for state income tax purposes. In
19 addition, there are adjustments to other tax-book differences and flow-through
20 amounts as shown on lines 11 to 16. These adjustments result in the net reduction
21 of state taxable income from line 7 to line 17. The statutory state income tax rate
22 of 9.99 percent was used to determine the pro forma current state income tax
23 expense shown on line 18. Federal income tax expense is calculated on lines 21

1 to 31 with a Federal income tax rate of 21%. Line 33 shows the total current State
2 and Federal income tax expense before the amount for deferred income taxes is
3 calculated. Lines 34 to 40 reflect the Federal and State deferred income taxes.

4 The total income tax expense before other adjustments is shown on line 41 at
5 present and proposed rates in columns 3 and 5 respectively, including the flow-
6 back of “excess” ADIT resulting from the lower Federal corporate income tax rate
7 under the TCJA. The other adjustments include the amortization of the
8 investment tax credit (“ITC”) for electric distribution plant and for the electric
9 distribution portion of the common plant, as shown on lines 43 and 44,
10 respectively.

11 **104. Q. Please explain the nature and calculation of the ITC amortization.**

12 A. The ITC reflects tax credits used by the Company in years prior to 1987, the
13 amortization of which will not have been completed by the end of the FPFTY.
14 While the availability of the ITC ended in 1987, the credit has been amortized over
15 the useful lives of the assets that generated it. The amortization for 2019 reduces
16 income tax expense at both present and proposed rates, shown on Schedule D-18,
17 page 4, and brought forward to Schedule D-18, page 1, lines 43 and 44.

18 **105. Q. Please explain the adjustment to flow-back “excess” ADIT.**

19 A. As I previously explained, the TCJA reduced the Federal corporate income tax
20 rate from 35% to 21% effective January 1, 2018, and the Company’s ADIT
21 balances as of December 31, 2017 reflect taxes that were deferred at the higher

1 corporate income tax rates in effect prior to January 1, 2018. For ADIT that
2 relates to tax-book timing differences associated with utility plant subject to the
3 normalization requirements of the Internal Revenue Code, PECO is required to
4 flow-back the difference between its ADIT balance and what its ADIT balance
5 would have been if the deferrals had been made at the current 21% corporate tax
6 rate (the so-call “excess” ADIT) over the remaining lives used in its books of
7 account for the property that gave rise to the reserve for deferred taxes. As
8 previously explained, the Company used the ARAM, as defined by applicable
9 IRS regulations, for this purpose. Shorter flow-back periods are permissible for
10 property that is not subject to normalization requirements. As I also explained
11 previously, PECO has recorded “excess ADIT” in a regulatory liability account.
12 Schedule D-18, page 1, line 37, reflects the annual amount of the regulatory
13 liability to be flowed-back.

14 **106. Q. Has PECO included a consolidated income tax adjustment (“CTA”) in its**
15 **calculation of Federal income tax expense?**

16 A. No, it has not, because such an adjustment is no longer authorized under Section
17 1301.1(a), which was added to the Public Utility Code by Act 40 of 2016. Act 40
18 became law on June 12, 2016 and was effective sixty days later (August 11, 2016)
19 to “all cases where the final order is entered after the effective date of [Section
20 1301.1].” Consequently, Section 1301.1 applies to this case. Section 1301.1(a)
21 specifies how the Commission is to compute income tax expense for ratemaking
22 purposes. Section 1301.1(b) states how any incremental internally-generated

1 funds produced by the application of Section 1301.1(a) should be used by an
2 affected utility pending the December 31, 2015 “sunset” of Section 1301.1(b).

3 **107. Q. What does Section 1301.1 direct the Commission to do in calculating income**
4 **tax expenses for ratemaking purposes?**

5 A. In summary, Section 1301.1(a) provides that current and deferred income taxes of
6 a Pennsylvania utility are to be calculated for ratemaking purposes based only on
7 the income, deductions and credits of the utility itself. Therefore, the
8 Commission may not take into account income, deductions (including taxable
9 losses) or credits of the utility’s parent or affiliated companies with which it joins
10 in filing a consolidated Federal income tax return. This is generally referred to as
11 a “stand-alone” computation of income tax expense because it reflects income tax
12 expense of the utility “standing alone” and without regard to taxable income,
13 deductions or credits of other companies in the same consolidated group.

14 **108. Q. How does Section 1301.1(a) change prior Commission practice?**

15 A. Section 1301.1(a) terminates the practice of making a CTA when calculating a
16 utility’s Federal income taxes for ratemaking purposes in Pennsylvania. As
17 directed by prior decisions of Pennsylvania appellate courts, the Commission,
18 until Act 40 became effective, was required to calculate CTAs employing the
19 “Modified Effective Tax Rate Method.” Under the Modified Effective Tax Rate
20 Method, the consolidated tax savings generated by the non-regulated companies
21 of a corporate group were allocated to the regulated and non-regulated members
22 of the group having positive taxable incomes. CTAs, therefore, captured a
23 portion of the tax benefits of deductions – including taxable losses – of

1 unregulated affiliates of public utilities and gave those benefits to the utilities’
2 customers (as lower income tax expense than the utilities would have on a “stand-
3 alone” basis) even though the utilities’ customers did not pay the expenses that
4 gave rise to those tax benefits. With the enactment of Act 40, Pennsylvania joins
5 the majority of other jurisdictions, including the Federal Energy Regulatory
6 Commission, that do not make CTAs for ratemaking purposes.

7 **109. Q. What does Section 1301.1(b) provide?**

8 A. Section 1301.1(b) states as follows:

9 If a differential accrues to a public utility resulting from applying
10 the ratemaking methods employed by the commission prior to the
11 effective date of subsection (a) for ratemaking purposes, the
12 differential shall be used as follows:

13 (1) fifty percent to support reliability or infrastructure
14 related to the rate-base eligible capital investment as determined by
15 the commission; and

16 (2) fifty percent for general corporate purposes.

17 Section 1301.1(b) will no longer apply after December 31, 2025.

18 **110. Q. Have you calculated the “differential” in income taxes referenced in Section**
19 **1301.1(b)?**

20 A. Yes, page 3 of Schedule D-18 sets forth the computation of a CTA using the
21 Modified Effective Tax Rate Method and data for tax years 2012 through 2016,
22 which are the most recent five years for which tax returns have been filed. Line
23 12 shows the “differential” corresponding to the CTA calculated in the manner I
24 described above.

1 **111. Q. How does PECO propose to invest 50% of the differential in rate base-**
2 **eligible reliability projects or other infrastructure improvements?**

3 A. PECO's capital budget calls for overall electric plant additions of approximately
4 \$514.0 million in 2018 and \$586.2 million in 2019. As stated in Mr. Innocenzo's
5 testimony, these investments will target reliability projects and other
6 infrastructure improvements. These infrastructure improvements will support
7 PECO's compliance with Act 40.

8 **112. Q. What is PECO's total income tax expense claim in this proceeding?**

9 A. As shown on Schedule D-18, page 1, line 49, column 3, pro forma income tax
10 expense at present rates equals \$36.2 million. The increment for income tax
11 expense associated with the proposed revenue increase is shown in column 4, in
12 the amount of \$38.4 million, and the total pro forma income tax expense at
13 proposed rates of \$62.4 million is shown in column 5.

14 **113. Q. Please explain Schedule D-19.**

15 A. This schedule shows the calculation of the GRCF used on Schedule A-1 to
16 determine the revenues required to achieve the overall rate of return requested by
17 PECO. The conversion factor captures the additional late payment revenue,
18 uncollectible accounts expense, GRT, regulatory fees and Federal and State
19 income taxes attributable to the additional revenues resulting from the proposed
20 rate increase.

1 **V. FUTURE TEST YEAR AND HISTORIC TEST YEAR**

2 **114. Q. Please describe the process used to prepare the pro forma FTY and HTY**
3 **presentations in PECO Exhibit BSY-2 and PECO Exhibit BSY-3,**
4 **respectively.**

5 A. The basic process was the same as described in connection with PECO Exhibit
6 BSY-1, except I used budgeted data for 2018 for the FTY and actual recorded data
7 for the HTY 2017 as the starting point for each exhibit. As with the FPFTY, I
8 reviewed the budgeted data for the FTY and recorded data for the HTY and, where
9 appropriate, made pro forma adjustments. In addition, I used data from PECO
10 Exhibit BSY-1 as the basis for several of the pro forma amounts used in PECO
11 Exhibits BSY-2 and BSY-3.

12 **115. Q. What assumptions did you make to determine what pro forma adjustments**
13 **would be necessary for the FTY and HTY?**

14 A. I included pro forma adjustments that reflected the annualization and
15 normalization of FTY and HTY elements and adjustments for future events that
16 have impacted the FPFTY. For example, I have annualized S&W expense for
17 increases and adjusted for the year-end number of employees, as I did in the
18 FPFTY. The pro forma adjustments for the FTY and HTY are numbered
19 consistently with the adjustments for the FPFTY. For example, the adjustment for
20 S&W is on Schedule D-6 in all three test years to facilitate reference between the
21 FPFTY, the FTY and the HTY. Where there is no adjustment required for the

1 FTY or the HTY, the correlation simply shows that further adjustment is not
2 applicable.

3 **116. Q. Referring now to PECO Exhibit BSY-2, for the FTY, what is contained on**
4 **Schedule A-1?**

5 A. Schedule A-1 shows a summary of the measures of value on lines 1 to 12,
6 operating revenues and expenses and calculated rates of return at present and
7 proposed rates on lines 14 to 23, and the revenue increase required on lines 24 to
8 29.

9 **117. Q. What is contained on Schedules B-1 to B-5?**

10 A. These schedules contain budgeted financial data for the FTY, with the separation
11 of the total electric operating income statement into non-Pennsylvania and
12 Pennsylvania jurisdictional amounts.

13 **118. Q. Please describe Schedules B-6 and B-7.**

14 A. These two schedules contain the FTY pro forma capital structure and rate of return
15 developed by Mr. Moul (PECO Statement No. 5). As shown on lines 1 to 3 of
16 Schedule B-7, the Company is using its expected capital structure at the end of the
17 FTY and cost rates as shown on Schedule B-7.

18 **119. Q. Please describe Schedule C-1.**

19 A. Schedule C-1 lists the measures of value components which have been adjusted to
20 reflect only the distribution portion of each element. The measures of value total
21 for the FTY is \$4.5 billion, as shown on line 13 in column 6.

1 **120. Q. What is contained in Schedule C-2?**

2 A. Schedule C-2 consists of five pages and shows the utility plant in service balances
3 at December 31, 2018 for the Company's distribution operations, as well as the
4 additions, retirements and adjustments for the FTY. Page 1 contains the summary
5 of pro forma plant in service balances by plant grouping. Page 2 shows the plant
6 in service by FERC accounts. Pages 3 and 4 show the additions to plant and
7 retirements from plant during the FTY. Finally, adjustments to plant are reflected
8 on page 5. The total pro forma plant in service at the end of the FTY is \$6.8
9 billion and is shown on line 10, column 4 of Schedule C-2, page 1.

10 **121. Q. Please describe Schedule C-3.**

11 A. Schedule C-3 contains four pages and presents the accumulated depreciation at
12 December 31, 2015. These pages show the pro forma balances by FERC account
13 developed using the same procedures employed for the FPFTY. The accumulated
14 depreciation at the end of the FTY is \$1.9 billion, as shown on page 1, line 11,
15 column 4.

16 **122. Q. What is contained in Schedule C-4?**

17 A. Schedule C-4 consists of 10 pages that show the calculation of the CWC allowance
18 for the FTY of \$148.5 million (line 5). The information for average prepayments
19 on line 4 is the same as utilized in PECO Exhibit BSY-1, because the FPFTY
20 claim is based on the thirteen-month average for the period ended December 31,
21 2017. In addition to the prepayments, the methodology used to calculate the lag
22 periods for revenue, payroll, pension expense, electric purchases, transmission

1 purchases and other disbursements utilized in PECO Exhibit BSY-1 were also used
2 in the FTY calculation.

3 **123. Q. Please describe page 2 of 10 of Schedule C-4.**

4 A. Page 2 provides a summary of the calculations for each of the elements of the
5 CWC for the FTY. The expenses in column 2 and those included in the
6 determination of the lead-lag amounts for taxes, interest and preferred dividends
7 are the pro forma amounts for the FTY while the prepayment amount is the
8 thirteen-month average of month-end balances through December 31, 2017. The
9 resulting \$148.5 million of CWC shown on line 19 is brought forward to Schedule
10 A-1 in the calculation of the measures of value.

11 **124. Q. Please describe pages 3 to 10 of Schedule C-4.**

12 A. These pages show the calculations of various leads and lags and working capital
13 requirements for the FTY following the same procedures used for the FPFTY as
14 described in connection with PECO Exhibit BSY-1, Schedule C-4. While the
15 amounts for the FTY expenses vary from those in the FPFTY, the procedures
16 followed to determine the lead/lag periods applied to those expense levels are the
17 same as those described in connection with the same PECO Exhibit BSY-1
18 schedules.

19 **125. Q. What is contained on Schedule C-5?**

20 A. Schedule C-5 shows the Company claimed pension asset to be included in the
21 measures of value. The procedures to determine the asset were the same as those
22 described with respect to PECO Exhibit BSY-1 Schedule C-5, except that the

1 pension asset balance for the FTY reflects data through December 31, 2018,
2 which, on a net aggregate basis, is \$90.6 million, as shown on line 5.

3 **126. Q. Please describe the calculations on Schedule C-6.**

4 A. These calculations show the ADIT for the FTY. The procedures followed to
5 determine FTY ADIT were the same as those utilized for the ADIT calculation at
6 the end of the FPFTY except that year-end December 31, 2017 balances were
7 used. The resulting ADIT of \$527.8 million for the total of electric distribution
8 utility plant and the electric distribution portion of the common plant for the FTY
9 is shown on line 15.

10 **127. Q. Please describe the data presented on Schedules C-7, C-9 and C-11.**

11 A. The data on these three schedules are the same as the data presented and described
12 in connection with the comparable schedules in PECO Exhibit BSY-1, since the
13 same thirteen-month period was used.

14 **128. Q. Please describe the calculation of common plant shown on Schedule C-8.**

15 A. Schedule C-8 shows the electric portion of common plant at the end of December
16 31, 2018. The gross common plant at December 31, 2018 is \$802.8 million, as
17 shown on line 8 in column 1. Of this amount, \$561.0 million is allocated to electric
18 distribution operations, as shown in column 3. This gross plant amount is reduced
19 by the accumulated depreciation shown on line 14, yielding the net common plant
20 amount attributable to electric distribution operations at December 31, 2018 of
21 \$309.9 million, as shown on line 17.

1 **129. Q. Please describe Schedule C-10.**

2 A. This schedule presents the unamortized AMR balance at the end of the FTY. The
3 procedures followed to determine that amount are the same as those used for the
4 FPFTY except that year-end December 31, 2018 balances were employed.

5 **130. Q. What is presented on Schedule D-1?**

6 A. Schedule D-1, shows the net operating income at present rates for the FTY, the pro
7 forma revenue deficiency and the pro forma required revenue level.

8 **131. Q. Please describe Schedule D-2.**

9 A. Schedule D-2 shows revenue and expenses budgeted for the FTY, pro forma
10 adjustments and the pro forma revenue and expense amounts at present rates. This
11 schedule summarizes the adjustments that are detailed on Schedules D-3 and D-5
12 and explained in connection with other supporting schedules to be described later
13 in my testimony.

14 **132. Q. Please describe Schedule D-3.**

15 A. Schedule D-3 contains two pages which present a summary of each of the pro
16 forma adjustments made to revenues and operating expenses, including
17 depreciation and taxes-other-than-income taxes. Each of the adjustments will be
18 described in connection with the specific schedule containing the calculation of the
19 adjustment.

1 **133. Q. What is contained in Schedule D-4?**

2 A. This schedule contains two pages and shows the budgeted and pro forma
3 adjustment amounts for the FTY by revenue category and by FERC account for
4 expenses.

5 **134. Q. Please describe Schedule D-5.**

6 A. Schedule D-5 shows the pro forma adjustments to the FTY budgeted revenue.
7 Each of the listed adjustments is discussed in connection with Schedules D-5F to
8 D-5G. All these adjustments were prepared using the same methodology as
9 described in connection with PECO Exhibit BSY-1.

10 **135. Q. Please describe the adjustment on Schedule D-5A.**

11 A. The adjustment shown on Schedule D-5A annualizes revenue for customer growth
12 during the FTY. The process utilized is the same as described in connection with
13 the same adjustment for the FPFTY on PECO Exhibit BSY-1, Schedule D-5A.

14 **136. Q. What is the adjustment shown on Schedule D-5B?**

15 A. The adjustment shown on Schedule D-5B annualizes CAP discounts for the FTY.
16 The process utilized is the same as described in connection with the same
17 adjustment for the FPFTY shown on Schedule D-5B of PECO Exhibit BSY-1.

18 **137. Q. Please describe the adjustment shown on Schedule D-5C.**

19 A. This adjustment reflects the average of the revenue losses associated with the load
20 reductions mandated by Act 129. The Company is using the same calculation for
21 the FTY that was used for the corresponding adjustment for the FPFTY.

1 **138. Q. Please describe the adjustment shown on Schedule D-5D.**

2 A. Similar to Schedule D-5D of PECO Exhibit BSY-1, this schedule removes the
3 Energy Efficiency and Conservation program costs and related cost recovery that
4 was included in the Company's FTY budget. The Company will continue to use
5 the approved surcharge mechanism to recover its Energy Efficiency and
6 Conservation program related costs and, as consequence, the costs and revenues
7 related to the surcharge are properly removed from base rate revenue and base rate
8 revenue requirement.

9 **139. Q. Please describe the adjustment on Schedule D-5E.**

10 A. Similar to the corresponding schedule in PECO Exhibit BSY-1, this schedule
11 removes from the Company's FTY budget the effect of the amortization of the
12 Company's tax repair catch-up deduction refund, which is being provided to
13 customers by means of a bill credit separate from base rates. The Company will
14 continue the refund to customers through the bill credit mechanism until all of the
15 revenue effects of the deferred tax repair catch-up deduction are refunded in 2019.

16 **140. Q. Please describe the adjustment shown on Schedule D-5F.**

17 A. This schedule shows the development of a normalized level of distribution revenue
18 based on the average number of days per year in a four-year cycle.

19 **141. Q. Please describe Schedule D-6.**

20 A. Schedule D-6 annualizes S&W for the FTY. Page 1 shows the budgeted amounts
21 in column 2 and the pro forma adjustment in column 5 by FERC expense category.

1 Page 2 shows the calculation of the annualization adjustments of S&W and the
2 normalization of the union contract ratification payment, which follows the same
3 procedures described in connection with the FPFTY using the data from FTY for
4 the wage increases.

5 **142. Q. What is contained on Schedule D-7?**

6 A. Schedule D-7 normalizes rate case expenses using the same recorded and
7 estimated amounts used in the FPFTY calculation on PECO Exhibit BSY-1,
8 Schedule D-7.

9 **143. Q. Please describe the adjustments shown on Schedule D-8.**

10 A. This adjustment, which annualizes non-pension benefits related to the change in
11 number of employees during the FTY, was calculated using the same procedures
12 used for the comparable adjustment for the FPFTY and described in connection
13 with PECO Exhibit BSY-1, Schedule D-8.

14 **144. Q. Please describe the adjustments shown on Schedule D-9.**

15 A. This adjustment for pension expense and to annualize non-pension benefits follows
16 the same procedures used for the FPFTY and described in connection with PECO
17 Exhibit BSY-1, Schedule D-9.

18 **145. Q. Are the adjustments shown on Schedules D-10 to D-13, D-15 and D-16**
19 **similar to the adjustments included in PECO Exhibit BSY-1 and described in**
20 **connection with the schedules presented in that exhibit?**

21 A. Yes, they are.

1 **146. Q. Please describe Schedule D-17.**

2 A. Schedule D-17 presents the pro forma adjustment for depreciation to annualize
3 depreciation expense for plant amounts at the end of the FTY, similar to the pro
4 forma adjustment described in connection with the pro forma adjustment in PECO
5 Exhibit BSY-1.

6 **147. Q. Please describe the income tax calculations on Schedule D-18.**

7 A. This schedule shows the calculation of the pro forma income tax expense for the
8 FTY reflecting the revenue, expenses and measures of value included in the pro
9 forma present rate data for the Company and a 21% Federal corporate tax rate. In
10 addition to the tax depreciation amounts, the ITC amortization was calculated, as
11 shown on page 4 of Schedule D-18. Because the TCJA's tax rate reduction applies
12 in 2017, the flow-back of "excess" ADIT was reflected in calculating income tax
13 expense. The total calculated income tax expense shown on line 49 was used in
14 the calculation of the overall revenue increase requirement shown on Schedule A-
15 1.

16 **148. Q. Referring now to PECO Exhibit BSY-3, for the HTY, what is contained on**
17 **Schedule A-1?**

18 A. Schedule A-1 shows a summary of the measures of value on lines 1 to 13,
19 operating revenue and expenses and calculated rates of return at present and
20 proposed rates on lines 14-23, and the revenue increase required on lines 24-29.

1 **149. Q. What is contained on Schedules B-1 to B-5?**

2 A. These schedules contain recorded financial data for the HTY, with the separation
3 of the total electric operation income into non-Pennsylvania and Pennsylvania
4 jurisdictional amounts.

5 **150. Q. Please describe Schedules B-6 and B-7.**

6 A. These two schedules contain the pro forma capital structure and rate of return used
7 for the HTY, which are supported by Mr. Moul. As shown on lines 1 to 3 of
8 Schedule B-7, the Company is using its capital structure at the end of the HTY and
9 cost rates as shown on Schedule B-7.

10 **151. Q. Please describe Schedule C-1.**

11 A. Schedule C-1 lists the measures of value components which have been adjusted to
12 reflect the distribution portion of each element. The measures of value total for the
13 HTY is \$4.2 billion, as shown on line 13 in column 6.

14 **152. Q. What is contained in Schedule C-2?**

15 A. Schedule C-2 consists of five pages and shows the utility plant in service balances
16 at December 31, 2017 for the Company's distribution operations, as well as the
17 adjustments for the HTY. Page 1 contains the summary of pro forma plant in
18 service balances by plant grouping. Page 2 shows the plant in service by FERC
19 account. Pages 3 and 4 are left blank intentionally because they reflect schedules
20 that are used for the FTY and FPFTY but are not relevant to the HTY. Finally,
21 adjustments to plant are reflected on page 5 of Schedule C-2. The total pro forma

1 plant in service at the end of the HTY (\$6.4 billion) is shown on line 10 in column
2 4 of Schedule C-2, page 1.

3 **153. Q. Please describe Schedule C-3.**

4 A. Schedule C-3 contains four pages and shows the accumulated depreciation at
5 December 31, 2017. These pages reflect the pro forma balances by FERC account
6 following the same procedures used in the FPFTY for the HTY. The accumulated
7 depreciation at the end of the HTY is \$1.8 billion, as shown on line 42, page 2.

8 **154. Q. What is contained in Schedule C-4?**

9 A. Schedule C-4 contains ten pages that show the calculation of the CWC allowance
10 for the FTY of \$147 million (line 5). The information for average prepayments
11 shown on line 4 is the same as that utilized in PECO Exhibit BSY-1, because the
12 FPFTY claim is based on the thirteen-month average for the period ended
13 December 31, 2017. In addition to the prepayments, the methodology used to
14 calculate the lag periods for revenue, payroll, pension expense, electric purchases,
15 transmission purchases and other disbursements utilized in PECO Exhibit BSY-1
16 were also used in the HTY calculation.

17 **155. Q. Please describe page 2 of 10 of Schedule C-4.**

18 A. Page 2 provides a summary of the calculations for each of the elements of the
19 CWC for the HTY. The expenses in column 2 and those included in the
20 determination of the lead-lag amounts for taxes, interest and preferred dividends
21 are the adjusted pro forma amounts for the HTY, while the prepayment amount is
22 the thirteen-month average through December 31, 2017. The resulting \$147

1 million of CWC shown on line 19 is brought forward to Schedule A-1 in the
2 calculation of the measures of value.

3 **156. Q. Please describe what is shown on pages 3 to 10 of Schedule C-4.**

4 A. These pages show the calculations of various leads and lags and working capital
5 requirements for the HTY following the same procedures used for the FPFTY as
6 described in connection with PECO Exhibit BSY-1, Schedule C-4. While the
7 amounts for the HTY expenses vary from those in the FPFTY, the procedures
8 followed to determine the lead/lag periods applied to those expense levels are the
9 same and were described in connection with the same schedules in PECO Exhibit
10 BSY-1.

11 **157. Q. What is contained in Schedule C-5?**

12 A. Schedule C-5 shows the Company's claim for a pension asset included in its
13 measures of value. The procedures to determine the asset are the same as
14 described in connection with PECO Exhibit BSY-1, Schedule C-5. The only
15 difference is that the pension asset balance for the HTY reflects data through
16 December 31, 2017 and on a net aggregate basis is \$89.7 million, as shown on line
17 3.

18 **158. Q. Please describe the calculations shown on Schedule C-6.**

19 A. These calculations show the ADIT for the HTY. The procedures followed to
20 determine HTY ADIT were the same as those utilized for the ADIT calculation at
21 the end of the FPFTY, except that year-end December 31, 2017 balances were
22 used. The resulting ADIT of \$506 million for the total of electric distribution plant

1 and the electric distribution portion of common plant for the HTY is shown on
2 line9. As shown on line 8, \$337 million of “excess ADIT” has been removed from
3 ADIT and recorded as a regulatory liability for the reasons I previously explained
4 in connection with similar accounting for “excess ADIT” for the FPPTY.

5 **159. Q. Please describe the data presented on Schedules C-7, C-9 and C-11.**

6 A. The data on these three schedules are the same as the data presented and described
7 in connection with PECO Exhibit BSY-1, because the same 13-month period was
8 used.

9 **160. Q. Please describe the calculation of common plant shown on Schedule C-8.**

10 A. Schedule C-8 shows the electric portion of common plant at December 31, 2017.
11 The gross common plant at December 31, 2017 is \$710 million, as shown on line 6
12 in column 1. Of this amount, \$496 million is allocated to electric distribution
13 operations, as shown in column 3. Electric distribution common plant is reduced
14 by the associated accumulated depreciation as shown on lines 7-10, yielding the
15 net common plant amount attributable to electric distribution operations at
16 December 31, 2017 of \$261 million, as shown on line13.

17 **161. Q. Please describe Schedule C-10.**

18 A. This schedule shows the unamortized AMR balance at the end of HTY recorded on
19 the Company’s books of account as of December 31, 2017.

1 **162. Q. What is presented on Schedule D-1?**

2 A. Schedule D-1, shows the net operating income at present rates for the HTY, the
3 pro forma revenue deficiency and the pro forma required revenue level.

4 **163. Q. Please describe Schedule D-2.**

5 A. Schedule D-2 shows revenue and expenses for the HTY, pro forma adjustments
6 and the pro forma revenue and expense amounts at present rates. This schedule
7 summarizes the adjustments that are detailed on Schedules D-3 and D-5 and
8 explained in connection with other supporting schedules to be described later in
9 my testimony.

10 **164. Q. Please describe Schedule D-3.**

11 A. Schedule D-3 contains two pages, which provide a summary of each of the pro
12 forma adjustments made to revenues and operating expenses, including
13 depreciation and taxes other than income taxes. Each of the adjustments will be
14 described in connection with the specific schedule containing the calculation of the
15 adjustment.

16 **165. Q. What is contained in Schedule D-4?**

17 A. This schedule contains two pages and shows the recorded amounts and pro forma
18 adjustment amounts for the HTY by revenue category and by FERC account for
19 expenses.

1 **166. Q. Please describe Schedule D-5.**

2 A. Schedule D-5 shows the pro forma adjustments to the HTY revenue. Each of the
3 listed adjustments is discussed in connection with Schedules D-5A to D-5G. All
4 these adjustments were prepared using the same methodology described in
5 connection with PECO Exhibit BSY-1, except Schedule D-5G, which is the
6 weather normalization adjustment to distribution revenue recorded in 2017.

7 **167. Q. Please describe the adjustment shown on Schedule D-5A.**

8 A. This adjustment on Schedule D-5A annualizes revenue for customer growth during
9 HTY. The process utilized is the same as that described in connection with the
10 same adjustment for the FPFTY on PECO Exhibit BSY-1, Schedule D-5A.

11 **168. Q. What is the adjustment shown on Schedule D-5B?**

12 A. The adjustment shown on Schedule D-5B annualizes CAP discounts for the HTY.
13 The process utilized is the same as that described in connection with the
14 corresponding adjustment for the FPFTY shown on PECO Exhibit BSY-1,
15 Schedule D-5B,

16 **169. Q. Please describe the adjustment shown on Schedule D-5C.**

17 A. This adjustment reflects the average of the revenue losses associated with the load
18 reductions mandated by Act 129. The Company is using the same calculation for
19 the HTY that was used for the corresponding adjustment for the FPFTY.

1 **170. Q. Please describe the adjustment on Schedule D-5D.**

2 A. Similar to the comparable schedule in PECO Exhibit BSY-1, Schedule D-5D
3 removes the Energy Efficiency and Conservation program-related costs and cost
4 recovery that was recorded in the HTY. The Company will continue to use the
5 Commission-approved surcharge mechanism to recover Energy Efficiency and
6 Conservation program related costs.

7 **171. Q. Please describe the adjustment on Schedule D-5E.**

8 A. Similar to the comparable schedule in PECO Exhibit BSY-1, Schedule D-5E
9 removes from the Company's HTY data the effect of the amortization of
10 Company's tax repair catch-up deduction refund, which is being provided to
11 customers by means of a bill credit separate from base rates. As I previously
12 explained, the Company will continue the refund to customers through the bill
13 credit mechanism until all the of the revenue effects of the deferred tax repair
14 catch-up is refunded in 2018.

15 **172. Q. Please describe the adjustment on Schedule D-5F.**

16 A. This schedule shows the development of a normalized level of distribution revenue
17 based on average number of days per year in a four-year cycle, which I previously
18 explained.

19 **173. Q. Please describe the adjustment shown on Schedule D-5G.**

20 A. Schedule D-5G shows the adjustment to normalize HTY distribution revenue to
21 reflect normal weather for weather sensitive load. This adjustment does not apply

1 to the FTY and the FPFTY because the distribution revenue for both of those years
2 was budgeted on the basis of normal weather.

3 **174. Q. Please describe Schedule D-6.**

4 A. Schedule D-6 annualizes S&W expense for the HTY. Page 1 shows the recorded
5 amounts in column 2. The pro forma adjustment is shown in column 5 by FERC
6 expense category. Page 2 shows the calculation of the annualization adjustments
7 to S&W and the normalization of the union contract ratification payment. These
8 adjustments were prepared using the same procedures described in connection with
9 the FPFTY using the data from the HTY to calculate the wage increases.

10 **175. Q. What is contained on Schedule D-7?**

11 A. Schedule D-7 normalizes rate case expenses using the same recorded and
12 estimated amounts used in the FPFTY calculation shown on PECO Exhibit BSY-1,
13 Schedule D-7.

14 **176. Q. Please describe the adjustments shown on Schedule D-8.**

15 A. This adjustment, which annualizes non-pension benefits related to the change in
16 number of employees during the HTY, was calculated using the same procedures
17 used for the comparable adjustment for the FPFTY and described in connection
18 with PECO Exhibit BSY-1, Schedule D-8.

1 **177. Q. Please describe the adjustment on Schedule D-9.**

2 A. This adjustment to pension expense in the HTY follows the same procedures used
3 for the FPFTY, which were described in connection with PECO Exhibit BSY-1,
4 Schedule D-9.

5 **178. Q. Are the adjustments on Schedules D-10 to D-13, D-15 and D-16 similar to the**
6 **adjustments included in PECO Exhibit BSY-1 and described in connection**
7 **with the schedules presented in that exhibit?**

8 A. Yes, they are.

9 **179. Q. Please describe Schedule D-17.**

10 A. Schedule D-17 presents the pro forma adjustment for depreciation to annualize
11 depreciation expense for plant balances at the end of the HTY, similar to the pro
12 forma adjustments described in connection with the comparable schedules in
13 PECO Exhibits BSY-1 and BSY-2.

14 **180. Q. Please describe the income tax calculations on Schedule D-18.**

15 A. This schedule shows the calculation of the pro forma income tax expense for the
16 HTY reflecting the Company revenue, expenses and measures of value included in
17 the pro forma present rate data and a 35% Federal corporate tax rate. In addition to
18 the tax depreciation amount, ITCs were calculated for electric operations, as shown
19 on page 4 of Schedule D-18. Because the lower Federal corporate income tax rate
20 provided in the TCJA was not in effect in 2017, no “excess” ADIT existed for the
21 HTY and, therefore, there is no flow-back of “excess” ADIT for the HTY. The

1 calculated income tax expense amount shown in total on line 49 of page 1 was
2 used in the calculation of the overall revenue increase requirement shown on
3 Schedule A-1.

4 **VI. PECO EXHIBIT BSY-4 – ESTIMATE OF THE EFFECTS OF TAX LAW**
5 **CHANGES FOR 2018**

6 **181. Q. Please explain what is shown on PECO Exhibit BSY-4.**

7 A. PECO Exhibit BSY-4 is the Company's calculation of the reduction in its 2018
8 revenue requirement attributable to changes in the federal tax law made by the
9 TCJA. PECO Exhibit BSY-4 is the same calculation submitted as Exhibit 1 to
10 PECO's Comments and Responses to Data Requests filed on March 9, 2018
11 pursuant to the Commission's February 12, 2018 Secretarial Letter at Docket No.
12 M-2018-2641242. PECO Exhibit BSY-4 employs pro forma data for 2018 that
13 corresponds to the data presented in PECO Exhibit BSY-2 for the FTY (2018). It
14 also employs a cost rate for common equity equal to the rate of return on common
15 equity set forth in the Bureau of Technical Utility Services' most recent Quarterly
16 Earnings Report for DSIC calculations by electric utilities.

17 **182. Q. What is the change in PECO's 2018 revenue requirement attributable to the**
18 **changes made by the TCJA?**

19 A. The estimated change in revenue requirement attributable to tax law changes
20 made by the TCJA is a reduction of \$68 million, as shown on line 47 of PECO
21 Exhibit BSY-4. However, because that figure is based on forecasted data for
22 2018, it will likely change over the course of the year based on differences
23 between forecasted and actual data. Such changes will be reconciled in the

1 reconciliation process for the proposed FTAC, as explained by Mr. Schlesinger in
2 PECO Statement No. 8.

3 **VII. CONCLUSION**

4 **183. Q. Does this complete your direct testimony at this time?**

5 A. Yes, it does.

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit
Schedule
Witness:
Page

BSY-1
A-1
Benjamin S. Yin
1 of 1

Summary of Measures of Value and Revenue Increase

| Line No | Description | [1] | [2] | [3] | [4] | [5] |
|--|--|----------------|-------------------|---------------------|-------------------|---------------------------------|
| | | Function | Reference Section | Present Rates | Increase | Proposed Rates [3] + [4] |
| Measure Of Value | | | | | | |
| 1 | Utility Plant | | C-2 | \$ 7,193,628 | | \$ 7,193,628 |
| 2 | Accumulated Depreciation | | C-3 | (2,041,533) | | (2,041,533) |
| 3 | Net Plant In Service | L1 + L2 | | 5,152,095 | | 5,152,095 |
| 4 | Working Capital | | C-4 | 149,052 | | 149,052 |
| 5 | Pension Assets / (Liabilities) | | C-5 | 95,200 | | 95,200 |
| 6 | Accum Deferred Income Taxes | | C-6 | (537,434) | | (537,434) |
| 7 | Customer Deposits | | C-7 | (50,574) | | (50,574) |
| 8 | Common Plant - Net of Accum Depre | | C-8 | 326,144 | | 326,144 |
| 9 | Customer Advances for Construction | | C-9 | (959) | | (959) |
| 10 | Unamortized AMR Investment | | C-10 | 11,551 | | 11,551 |
| 11 | Materials and Supplies | | C-11 | 15,876 | | 15,876 |
| 12 | Accum Deferred Income Taxes - Reg Liability | | C-12 | (314,766) | | (314,766) |
| 13 | Total Rate Base | Sum L3 to L12 | | <u>\$ 4,846,186</u> | <u>\$ -</u> | <u>\$ 4,846,186</u> |
| Operating Revenues and Expenses | | | | | | |
| <u>Operating Revenues</u> | | | | | | |
| 14a | Base Customer Charge at Current Rates | | | \$ 1,295,197 | \$ 71,892 | \$ 1,367,089 |
| 14b | Tax Reform Benefit to Customers | | | (70,623) | 70,623 | - |
| 14 | Base Customer Charge with Tax Reform Benefit | L14a + L14b | D-2 | <u>\$ 1,224,574</u> | <u>\$ 142,515</u> | <u>\$ 1,367,089</u> |
| 15 | Electric Cost Revenue | | D-5 | 839,384 | | 839,384 |
| 16 | Other Operating Revenues | | D-2 | 33,687 | 615 | 34,302 |
| 17 | Total Revenues | Sum L14 to L16 | | <u>2,097,645</u> | <u>143,130</u> | <u>2,240,776</u> |
| 18 | Operating Expenses | | D-1 | <u>(1,778,637)</u> | <u>(10,178)</u> | <u>(1,788,814)</u> |
| 19 | OIBIT | L17 + L18 | | 319,009 | 132,953 | 451,962 |
| 20 | Income Taxes @ Eff Inc Tax Rate | | D-18 | (36,233) | | (36,233) |
| 21 | Income Taxes @ Statutory Rates | | D-18 | | (38,413) | (74,646) |
| 22 | Net Operating Income | Sum L19 to L21 | | <u>\$ 282,776</u> | <u>\$ 94,540</u> | <u>\$ 377,316</u> |
| 23 | Rate of Return | L22 / L13 | | <u>5.8350%</u> | | <u>7.7858%</u> |
| Revenue Increase Required | | | | | | |
| 24 | Rate of Return at Present Rates | L23 | | 5.8350% | | |
| 25 | Rate of Return Required | | B-7 | <u>7.7858%</u> | | |
| 26 | Change in ROR | L25 - L24 | | <u>1.9508%</u> | | |
| 27 | Change in Operating Income | L26 * L13 | | \$ 94,540 | | |
| 28 | Gross Revenue Conversion Factor | | D-19 | <u>1.5075</u> | | |
| 29 | Change in Revenues Before Tax Reform Benefit | L27 * L28 | | \$ 142,515 | | |
| 30 | Tax Reform Benefit to Customers | L14b | | (70,623) | | |
| 31 | Change in Revenues with Tax Reform Benefit | L29 + L30 | | <u>\$ 71,892</u> | | |

PECO - Electric Operations
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(\$ in Thousands)

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Balance Sheet

| Line No | Description/(Account No) | [1] Total Company Budget FPFTY 2019 |
|---------------------------------------|--|--|
| <u>Utility Plant</u> | | |
| 1 | Total Plant In Service | \$ 12,951,286 |
| 2 | Construction Work In Progress (107) | 203,590 |
| 3 | Total Utility Plant | 13,154,876 |
| 4 | Accumulated Provision for Depreciation | (4,006,921) |
| 5 | Net Utility Plant | <u>9,147,955</u> |
| <u>Other Property Investments</u> | | |
| 6 | Non-utility Property (121) | 13,903 |
| 7 | Accumulated Depreciation on NUP (122) | (1,877) |
| 8 | Invest in Subsidiary Company (123.1) | 8,234 |
| 9 | Other Investments (124) | 17,989 |
| 10 | Total Other Property and Investments | <u>38,249</u> |
| <u>Current and Accrued Assets</u> | | |
| 11 | Cash & Other Temporary Investments(131-136) | 102,123 |
| 12 | Notes Receivable (141) | - |
| 13 | Customer Accounts Receivable (142) | 302,410 |
| 14 | Other Accounts Receivable (143) | 39,180 |
| 15 | Accum Provision for Uncollectible (144) | (58,140) |
| 16 | Notes Receivable from Associated Companies (145) | - |
| 17 | Accounts Receivable Assoc. Comp. (146) | - |
| 18 | Fuel Stock (151) | 35,471 |
| 19 | Plant Materials & Supplies (154) | 29,925 |
| 20 | Gas Stored - Current (164.1) | - |
| 21 | Liquefied Natural Gas Stored (164.2) | - |
| 22 | Prepayments (165) | 18,494 |
| 23 | Interest & Dividends Receivable (171) | - |
| 24 | Accrued Utility Revenues (173) | 160,208 |
| 25 | Miscellaneous Current & Accrued Assets (174) | 41,719 |
| 26 | Total Current and Accrued Assets | <u>671,390</u> |
| <u>Deferred Debits</u> | | |
| 27 | Unamortized Debt Expense (181) | 25,254 |
| 28 | Other Regulatory Assets (182.3) | 546,044 |
| 29 | Miscellaneous Deferred Debits (186) | 762,775 |
| 30 | Unamortized Loss on Reacquired Debt (189) | 619 |
| 31 | Accumulated Deferred Income Taxes (190) | (0) |
| 32 | Total Deferred Debits | <u>1,334,692</u> |
| 33 | Total Assets and Other Debits | <u>\$ 11,192,286</u> |

PECO - Electric Operations
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Balance Sheet

| Line No | Description | [1] Total Company Budget FPFTY 2019 |
|--|--|--|
| <u>Proprietary Capital</u> | | |
| 34 | Common Stock Issued (201) | \$ 1,423,004 |
| 35 | Preferred Stock Issued (204) | - |
| 36 | Other Paid-In Capital (208-211) | 1,291,288 |
| 37 | Capital Stock Expense (214) | (87) |
| 38 | Retained Earnings (215, 215.2, 216) | 1,354,042 |
| 39 | Unappropriated Undistributed Subsidiary Earnings (216.1) | - |
| 40 | Accum Other Comprehensive Income (219) | 1,630 |
| 41 | Total Propriety Capital & Margins | 4,069,878 |
| <u>Long Term Debt</u> | | |
| 42 | Bonds (221) | 3,375,000 |
| 43 | Advances from Associated Companies (223) | 184,419 |
| 44 | Other Long-Term Debt (224) | - |
| 45 | Unamortized Premium on LTD (225) | - |
| 46 | Unamortized Discount on LTD (226) | (4,749) |
| 47 | Total Long-Term Debt | 3,554,670 |
| <u>Other Non-Current Liabilities</u> | | |
| 48 | Obligations under Capital Leases (227) | - |
| 49 | Accum. Prov for Injuries & Damages (228.2) | 42,234 |
| 50 | Accum. Prov for Pensions & Benefits (228.3) | 301,470 |
| 51 | Accum. Miscellaneous Operating Prov (228.4) | 13,421 |
| 52 | Asset Retirement Obligation (230) | 27,223 |
| 53 | Total Other Non-Current Liabilities | 384,347 |
| <u>Current and Accrued Liabilities</u> | | |
| 54 | Notes Payable (231) | - |
| 55 | Accounts Payable (232) | 449,464 |
| 56 | Notes Payable to Assoc. Companies (233) | - |
| 57 | Accounts Payable to Assoc. Companies (234) | 12,094 |
| 58 | Customer Deposits (235) | 65,714 |
| 59 | Taxes Accrued (236) | 2,974 |
| 60 | Interest Accrued (237) | 35,225 |
| 61 | Dividends Declared (238) | - |
| 62 | Tax Collections Payable (241) | 43 |
| 63 | Misc Current & Accrued Liabilities (242) | 164,944 |
| 64 | Total Current & Accrued Liabilities | 730,459 |
| <u>Other Deferred Credits</u> | | |
| 65 | Customer Advances for Construction (252) | 707 |
| 66 | Other Deferred Credits (253) | 1,429 |
| 67 | Other Regulatory Liabilities (254) | 419,562 |
| 68 | Deferred Investment Tax Credit (255) | 634 |
| 69 | Unamortized Gain on Reacquired Debt (257) | - |
| 70 | Accumulated Deferred Income Taxes (281-283) | 2,030,599 |
| 71 | Total Other Deferred Credits | 2,452,933 |
| 72 | Total Liabilities and Other Credits | \$ 11,192,286 |

PECO - Electric Operations
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Statement of Net Utility Operating Income

| Line No | Description | [1] Account Number | [2] Electric Per Budget FPFTY 2019 | [3] Non-Pennsylvania Jurisdiction | [4] Pennsylvania Jurisdiction FPFTY 2019 [2] + [3] | [5] Reference |
|---------------------------------|--------------------------------------|-------------------------|---|---|--|--------------------|
| <u>Total Operating Revenues</u> | | | | | | |
| 1 | Customer & Distribution Revenues | | \$ 1,338,654 | \$ - | \$ 1,338,654 | B-3 |
| 2 | Electric Cost Revenue | | 653,769 | - | 653,769 | B-3 |
| 3 | Transmission | | 401,202 | (215,587) | 185,615 | B-3 |
| 4 | Other Operating Revenues | | 42,064 | (8,378) | 33,687 | B-3 |
| 5 | Total Operating Revenues | 400 | <u>\$ 2,435,690</u> | <u>\$ (223,965)</u> | <u>\$ 2,211,725</u> | |
| <u>Total Operating Expenses</u> | | | | | | |
| 6 | Operation & Maintenance Expenses | 401,402 | \$ 1,521,809 | \$ (78,657) | \$ 1,443,152 | B-4 |
| 7 | Depreciation & Amortization Expense | 403 / 404 | 246,102 | (36,940) | 209,162 | D-2 |
| 8 | Amortization of Regulatory Expense | 407.3 | 18,439 | | 18,439 | D-2 |
| 9 | Taxes Other Than Income Taxes | 408.1 | 151,278 | (3,671) | 147,607 | B-5 |
| 10 | Total Operating Expenses | | <u>\$ 1,937,628</u> | <u>\$ (119,269)</u> | <u>\$ 1,818,360</u> | |
| 11 | Operating Income Before Income Taxes | | 498,061 | (104,696) | 393,365 | |

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Statement of Operating Revenue

| Line No | Description | [1] Electric Per Budget FPFTY 2019 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction FPFTY 2019 [1] + [2] |
|--|--|---|---|--|
| Customer & Distribution Revenue | | | | |
| 1 | Residential | \$ 873,512 | \$ - | \$ 873,512 |
| 2 | Small C & I | 243,671 | - | 243,671 |
| 3 | Large C & I | 192,521 | - | 192,521 |
| 4 | Other Customer Classes | 28,949 | - | 28,949 |
| 5 | Sub-Total Customer & Distribution Revenues | <u>\$ 1,338,654</u> | <u>\$ -</u> | <u>\$ 1,338,654</u> |
| Electric Cost Revenue | | | | |
| 6 | Residential | \$ 527,987 | \$ - | \$ 527,987 |
| 7 | Small C & I | 92,352 | - | 92,352 |
| 8 | Large C & I | 32,491 | - | 32,491 |
| 9 | Other Customer Classes | 939 | - | 939 |
| 10 | Sub-Total Purchased Electricity Revenues | <u>\$ 653,769</u> | <u>\$ -</u> | <u>\$ 653,769</u> |
| 11 | Transmission Revenue - All Classes | 185,615 | - | 185,615 |
| 12 | Total Retail Revenues | <u>\$ 2,178,038</u> | <u>\$ -</u> | <u>\$ 2,178,038</u> |
| Other Revenue | | | | |
| 13 | Forfeited Discounts | \$ 9,406 | \$ - | \$ 9,406 |
| 14 | Miscellaneous Service Revenues | 3,794 | - | 3,794 |
| 15 | Rent For Electric Property | 26,054 | (8,223) | 17,832 |
| 16 | Decommissioning Payment | (3,860) | - | (3,860) |
| 17 | Other Electric Revenues | 6,670 | (155) | 6,514 |
| 18 | Transmission of Electricity for Others | 215,587 | (215,587) | - |
| 19 | Total Other Operating Revenues | <u>\$ 257,652</u> | <u>\$ (223,965)</u> | <u>\$ 33,687</u> |
| 20 | Total Operating Revenues | <u><u>\$ 2,435,690</u></u> | <u><u>\$ (223,965)</u></u> | <u><u>\$ 2,211,725</u></u> |

PECO - Electric Operations
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Operation & Maintenance Expenses

| Line No | Description | Account Number | [1] Electric Per Budget FPFTY 2019 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction FPFTY 2019 [1] + [2] |
|---------------------------------------|--|----------------|---|---|--|
| <u>Power Supply Expenses</u> | | | | | |
| 1 | Purchased Power | 555 | \$ 608,548 | \$ - | \$ 608,548 |
| 2 | Other | | - | - | - |
| 3 | Power Supply | L1 + L2 | <u>\$ 608,548</u> | <u>\$ -</u> | <u>\$ 608,548</u> |
| <u>Transmission Expense</u> | | | | | |
| Operation | | | | | |
| 4 | Operation & Supervision | 560 | \$ 7,320 | (7,320) | \$ - |
| 5 | Load Dispatching | 561.0 | - | - | - |
| 6 | Scheduling, System Control & Dispatch | 561.4 | 89,105 | - | 89,105 |
| 7 | Transmission Service Studies | 561.6 | - | - | - |
| 8 | Generation Service Studies | 561.7 | - | - | - |
| 9 | Reliability, Planning & Standard Development | 561.8 | 83,113 | - | 83,113 |
| 10 | Station Expense | 562 | 1,340 | (1,340) | - |
| 11 | Overhead Lines | 563 | 765 | (765) | - |
| 12 | Underground Lines Expense | 564 | - | - | - |
| 13 | Miscellaneous Expense | 566 | 14,180 | (14,180) | - |
| 14 | Rents | 567 | 14,498 | (14,498) | - |
| 15 | Total Transmission Operation Expense | Sum L4 to L14 | <u>\$ 210,321</u> | <u>\$ (38,103)</u> | <u>\$ 172,218</u> |
| Maintenance Expense | | | | | |
| 16 | Maintenance of Structures | 569 | \$ 184 | \$ (184) | \$ - |
| 17 | Maintenance of Computer Hardware | 569 | 116 | (116) | - |
| 18 | Maintenance of Computer Software | 569 | 744 | (744) | - |
| 19 | Maintenance of Communication Equipment | 569 | 232 | (232) | - |
| 20 | Maintenance of Station Equipment | 570 | 43,063 | (43,063) | - |
| 21 | Maintenance of Overhead Lines | 571 | 13,227 | (13,227) | - |
| 22 | Maintenance of Underground Lines | 572 | 2,483 | (2,483) | - |
| 23 | Maintenance of Misc Transmission Plant | 573 | 18,083 | (18,083) | - |
| 24 | Total Transmission Maintenance | Sum L16 to L23 | <u>\$ 78,132</u> | <u>\$ (78,132)</u> | <u>\$ -</u> |
| 25 | Transmission Expense | L15 + L24 | <u>\$ 288,453</u> | <u>\$ (116,235)</u> | <u>\$ 172,218</u> |
| <u>Regional Market Expense</u> | | | | | |
| 26 | Market Facilitation, Monitoring & Compliance | 573 | \$ - | \$ - | \$ - |
| 27 | Other | | - | - | - |
| 28 | Regional Market | L26 + L27 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Distribution Expense</u> | | | | | |
| Operations Expense | | | | | |
| 29 | Operation & Supervision | 580 | \$ 385 | - | \$ 385 |
| 30 | Load Dispatching | 581 | 46 | - | 46 |
| 31 | Station Expense | 582 | 3,763 | - | 3,763 |
| 32 | Overhead Lines Expenses | 583 | 8,268 | - | 8,268 |
| 33 | Underground Lines Expense | 584 | 7,451 | - | 7,451 |
| 34 | Meter Expenses | 586 | 10,905 | - | 10,905 |
| 35 | Customer Installations Expense | 587 | 8,499 | - | 8,499 |
| 36 | Miscellaneous Expense | 588 | 52,348 | - | 52,348 |
| 37 | Rents | 589 | 197 | - | 197 |
| 38 | Total Distribution Operations | Sum L29 to L37 | <u>\$ 91,861</u> | <u>\$ -</u> | <u>\$ 91,861</u> |

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Operation & Maintenance Expenses

| 1 Line No | Description | Account Number | [1] Electric Per Budget FPFTY 2019 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction FPFTY 2019 [1] + [2] |
|---|---|-------------------------------|---|---|--|
| Maintenance | | | | | |
| 39 | Maintenance - Energy Efficiency Programs | | \$ - | | \$ - |
| 40 | Maintenance of Structures | 591 | 7,299 | | 7,299 |
| 41 | Maintenance of Station Equipment | 592 | 18,935 | | 18,935 |
| 42 | Maintenance of Overhead Lines | 593 | 105,195 | | 105,195 |
| 43 | Maintenance of Underground Lines | 594 | 34,445 | | 34,445 |
| 44 | Maintenance of Line Transformers | 595 | 1,614 | | 1,614 |
| 45 | Maintenance of Street Lighting & Signal Systems | 596 | 1,826 | | 1,826 |
| 46 | Maintenance of Misc. Distribution | 598 | 18,745 | | 18,745 |
| 47 | Total Distribution Maintenance | Sum L39 to L46 | <u>\$ 188,060</u> | <u>\$ -</u> | <u>\$ 188,060</u> |
| 48 | Distribution Expense | L38 + L47 | <u>\$ 279,921</u> | <u>\$ -</u> | <u>\$ 279,921</u> |
| Customer Accounts | | | | | |
| 49 | Supervision | 901 | \$ - | | \$ - |
| 50 | Meter Reading | 902 | 571 | | 571 |
| 51 | Customer Records and Collection | 903 | 70,155 | | 70,155 |
| 52 | Uncollectible Accounts | 904 | 25,065 | | 25,065 |
| 53 | Miscellaneous Customer Accounts | 905 | 3,621 | | 3,621 |
| 54 | Total Customer Accounts | Sum L49 to L53 | <u>\$ 99,412</u> | <u>\$ -</u> | <u>\$ 99,412</u> |
| Customer Service & Information | | | | | |
| 55 | Customer Assistance | 908 | \$ 99,762 | | \$ 99,762 |
| 56 | Informational & Instructional | 909 | 885 | | 885 |
| 57 | Miscellaneous Customer & Informational | 910 | 149 | | 149 |
| 58 | Total Customer Service & Information | Sum L55 to L57 | <u>\$ 100,796</u> | <u>\$ -</u> | <u>\$ 100,796</u> |
| Sales | | | | | |
| 59 | Demonstrating & Selling | 912 | \$ 864 | | \$ 864 |
| 60 | Miscellaneous Sales | 916 | - | | - |
| 61 | Total Sales | L59 + L60 | <u>\$ 864</u> | <u>\$ -</u> | <u>\$ 864</u> |
| Administration & General | | | | | |
| Operation | | | | | |
| 62 | Administrative and General Salaries | 920.0 | \$ (12,057) | \$ 51,280 | \$ 39,223 |
| 63 | Office Supplies and Expenses | 921.0 | 12,071 | (3,410) | 8,660 |
| 64 | Administrative Expenses Transferred-Credit | 922.0 | - | - | - |
| 65 | Outside Service Employed | 923.0 | 87,333 | (8,788) | 78,545 |
| 66 | Property Insurance | 924.0 | 222 | (37) | 185 |
| 67 | Injuries and Damages | 925.0 | 9,851 | - | 9,851 |
| 68 | Employee Pensions and Benefits | 926.0 | 28,087 | (3,023) | 25,064 |
| 69 | Franchise Requirements | 927.0 | - | - | - |
| 70 | Regulatory Commission Expenses | 928.0 | 12,104 | (287) | 11,817 |
| 71 | Duplicate Charges-Credit | 929.0 | (9,731) | 8,235 | (1,496) |
| 72 | General Advertising Expenses | 930.1 | - | - | - |
| 73 | Miscellaneous General Expenses | 930.2 | 8,609 | (5,596) | 3,013 |
| 74 | Rents | 931.0 | - | - | - |
| 75 | A & G Operation Expenses | Sum L62 to L74 | <u>\$ 136,489</u> | <u>\$ 38,373</u> | <u>\$ 174,862</u> |
| Maintenance | | | | | |
| 76 | Maintenance of General Plant | 935 | 7,326 | (796) | 6,530 |
| 77 | Administrative & General | L75 + L76 | <u>\$ 143,815</u> | <u>\$ 37,577</u> | <u>\$ 181,392</u> |
| 78 | Total Electric O & M Expenses | Sum L(3,25,28,48,54,58,61,77) | <u>\$ 1,521,809</u> | <u>\$ (78,657)</u> | <u>\$ 1,443,152</u> |
| 79 | Total Electric Operation Expenses | Sum L(3,15,28,38,54,58,61,75) | \$ 1,248,291 | \$ 270 | \$ 1,248,562 |
| 80 | Total Electric Maintenance Expenses | L24 + L47 + L76 | 273,518 | (78,928) | 194,590 |
| 81 | Total Electric O & M Expenses | L79 + L80 | <u>\$ 1,521,809</u> | <u>\$ (78,657)</u> | <u>\$ 1,443,152</u> |

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Operation & Maintenance Expenses - A&G

| Line No | Description | Account Number | [1] Electric Per Budget FPFTY 2019 | [2] Percentage to Non-Pennsylvania | [3] Non-Pennsylvania Jurisdiction [1] * [2] | [4] Pennsylvania Jurisdiction FPFTY 2019 [1] + [3] |
|--|--|----------------|---|---|--|--|
| ADMINISTRATION & GENERAL - Distribution | | | | | | |
| Operation | | | | | | |
| 1 | Administrative and General Salaries | 920.0 | \$ 39,212 | 0.000% | \$ - | \$ 39,212 |
| 2 | Office Supplies and Expenses | 921.0 | 8,588 | 0.000% | - | 8,588 |
| 3 | Administrative Expenses Transferred-Credit | 922.0 | - | 0.000% | - | - |
| 4 | Outside Service Employed | 923.0 | 79,998 | 0.000% | - | 79,998 |
| 5 | Property Insurance | 924.0 | 53 | 0.000% | - | 53 |
| 6 | Injuries and Damages | 925.0 | 9,851 | 0.000% | - | 9,851 |
| 7 | Employee Pensions and Benefits | 926.0 | 26,051 | 0.000% | - | 26,051 |
| 8 | Franchise Requirements | 927.0 | - | 0.000% | - | - |
| 9 | Regulatory Commission Expenses | 928.0 | 11,817 | 0.000% | - | 11,817 |
| 10 | Duplicate Charges-Credit | 929.0 | (1,462) | 0.000% | - | (1,462) |
| 11 | General Advertising Expenses | 930.1 | - | 0.000% | - | - |
| 12 | Miscellaneous General Expenses | 930.2 | 2,979 | 0.000% | - | 2,979 |
| 13 | Rents | 931.0 | - | 0.000% | - | - |
| 14 | A & G Operation Expenses - Distribution | Sum L1 to L13 | <u>\$ 177,088</u> | | <u>\$ -</u> | <u>\$ 177,088</u> |
| Maintenance | | | | | | |
| 15 | Maintenance of General Plant | 935 | <u>6,530</u> | 0.000% | - | <u>6,530</u> |
| 16 | Administrative & General - Distribution | L14 + L15 | <u>\$ 183,618</u> | | <u>\$ -</u> | <u>\$ 183,618</u> |
| ADMINISTRATION & GENERAL - Transmission | | | | | | |
| Operation | | | | | | |
| 17 | Administrative and General Salaries | 920.0 | \$ (51,281) | 100.000% | \$ 51,281 | \$ - |
| 18 | Office Supplies and Expenses | 921.0 | 3,401 | 100.000% | (3,401) | - |
| 19 | Administrative Expenses Transferred-Credit | 922.0 | - | 100.000% | - | - |
| 20 | Outside Service Employed | 923.0 | 8,974 | 100.000% | (8,974) | - |
| 21 | Property Insurance | 924.0 | 6 | 100.000% | (6) | - |
| 22 | Injuries and Damages | 925.0 | - | 100.000% | - | - |
| 23 | Employee Pensions and Benefits | 926.0 | 3,149 | 100.000% | (3,149) | - |
| 24 | Franchise Requirements | 927.0 | - | 100.000% | - | - |
| 25 | Regulatory Commission Expenses | 928.0 | 287 | 100.000% | (287) | - |
| 26 | Duplicate Charges-Credit | 929.0 | (8,230) | 100.000% | 8,230 | - |
| 27 | General Advertising Expenses | 930.1 | - | 100.000% | - | - |
| 28 | Miscellaneous General Expenses | 930.2 | 5,591 | 100.000% | (5,591) | - |
| 29 | Rents | 931.0 | - | 100.000% | - | - |
| 30 | A & G Operation Expenses - Transmission | Sum L17 to L29 | <u>\$ (38,104)</u> | | <u>\$ 38,104</u> | <u>\$ -</u> |
| Maintenance | | | | | | |
| 31 | Maintenance of General Plant | 935 | <u>796</u> | 100.000% | (796) | - |
| 32 | Administrative & General - Transmission | L30 + L31 | <u>\$ (37,308)</u> | | <u>\$ 37,308</u> | <u>\$ -</u> |

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Operation & Maintenance Expenses - A&G

| Line No | Description | Account Number | [1] Electric Per Budget FPFTY 2019 | [2] Percentage to Non-Pennsylvania | [3] Non-Pennsylvania Jurisdiction [1] * [2] | [4] Pennsylvania Jurisdiction FPFTY 2019 [1] + [3] |
|---|---|----------------|---|---|--|--|
| ADMINISTRATION & GENERAL - General | | | | | | |
| Operation | | | | | | |
| 33 | Administrative and General Salaries | 920.0 | \$ 13 | 11.313% | \$ (1) | \$ 11 |
| 34 | Office Supplies and Expenses | 921.0 | 81 | 11.313% | (9) | 72 |
| 35 | Administrative Expenses Transferred-Credit | 922.0 | - | 11.313% | - | - |
| 36 | Outside Service Employed | 923.0 | (1,639) | 11.313% | 185 | (1,453) |
| 37 | Property Insurance | 924.0 | 163 | 19.171% | (31) | 132 |
| 38 | Injuries and Damages | 925.0 | - | 11.313% | - | - |
| 39 | Employee Pensions and Benefits | 926.0 | (1,113) | 11.313% | 126 | (987) |
| 40 | Franchise Requirements | 927.0 | - | 11.313% | - | - |
| 41 | Regulatory Commission Expenses | 928.0 | - | 0.000% | - | - |
| 42 | Duplicate Charges-Credit | 929.0 | (39) | 11.313% | 4 | (34) |
| 43 | General Advertising Expenses | 930.1 | - | 11.313% | - | - |
| 44 | Miscellaneous General Expenses | 930.2 | 38 | 11.313% | (4) | 34 |
| 45 | Rents | 931.0 | - | 11.313% | - | - |
| 46 | A & G Operation Expenses - General | Sum L33 to L45 | <u>\$ (2,495)</u> | | <u>\$ 269</u> | <u>\$ (2,226)</u> |
| Maintenance | | | | | | |
| 47 | Maintenance of General Plant | 935 | - | 11.313% | - | 0 |
| 48 | Administrative & General - General | L46 + L47 | <u>\$ (2,495)</u> | | <u>\$ 269</u> | <u>\$ (2,226)</u> |
| ADMINISTRATION & GENERAL - Total | | | | | | |
| Operation | | | | | | |
| 49 | Administrative and General Salaries | 920.0 | \$ (12,057) | | \$ 51,280 | \$ 39,223 |
| 50 | Office Supplies and Expenses | 921.0 | 12,071 | | (3,410) | 8,660 |
| 51 | Administrative Expenses Transferred-Credit | 922.0 | - | | - | - |
| 52 | Outside Service Employed | 923.0 | 87,333 | | (8,788) | 78,545 |
| 53 | Property Insurance | 924.0 | 222 | | (37) | 185 |
| 54 | Injuries and Damages | 925.0 | 9,851 | | - | 9,851 |
| 55 | Employee Pensions and Benefits | 926.0 | 28,087 | | (3,023) | 25,064 |
| 56 | Franchise Requirements | 927.0 | - | | - | - |
| 57 | Regulatory Commission Expenses | 928.0 | 12,104 | | (287) | 11,817 |
| 58 | Duplicate Charges-Credit | 929.0 | (9,731) | | 8,235 | (1,496) |
| 59 | General Advertising Expenses | 930.1 | - | | - | - |
| 60 | Miscellaneous General Expenses | 930.2 | 8,609 | | (5,596) | 3,013 |
| 61 | Rents | 931.0 | - | | - | - |
| 62 | A & G Operation Expenses - Total | Sum L49 to L61 | <u>\$ 136,489</u> | | <u>\$ 38,373</u> | <u>\$ 174,862</u> |
| Maintenance | | | | | | |
| 63 | Maintenance of General Plant | 935 | 7,326 | | (796) | 6,530 |
| 64 | Administrative & General - Total | L62 + L63 | <u>\$ 143,815</u> | | <u>\$ 37,577</u> | <u>\$ 181,392</u> |

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Detail of Taxes Other Than Income Taxes

| Line No | Description | [1] Function or Schedule | [2] Electric Per Budget FPFTY 2019 | [3] Non-Pennsylvania Jurisdiction | [4] Pennsylvania Jurisdiction FPFTY 2019 |
|--------------------------------------|--------------------------------------|----------------------------------|---|---|---|
| Taxes Other Than Income Taxes | | | | | |
| Non-revenue related: | | | | | |
| 1 | PA Real Estate Tax | D-16 | \$ 5,391 | \$ (1,034) | \$ 4,357 |
| 2 | Pennsylvania - PURTA | D-16 | 6,540 | (1,254) | 5,286 |
| 3 | Capital Stock | D-16 | - | - | - |
| 4 | PA and Local Use Taxes | D-16 | 433 | (83) | 350 |
| 5 | Miscellaneous Taxes | D-17 | - | - | - |
| 6 | Subtotal | Sum L1 to L5 | <u>\$ 12,364</u> | <u>\$ (2,370)</u> | <u>\$ 9,994</u> |
| Payroll Taxes | | | | | |
| 7 | Payroll Taxes | D-16 | 11,501 | (1,301) | 10,200 |
| 8 | Other | | - | - | - |
| 9 | Subtotal | L7 + L8 | <u>\$ 11,501</u> | <u>\$ (1,301)</u> | <u>\$ 10,200</u> |
| Revenue Related: | | | | | |
| 10 | State Gross Receipts Pennsylvania | D-16 | \$ 127,413 | \$ - | \$ 127,413 |
| 11 | Total Taxes Other Than Income Taxes | L6 + L9 + L10 | <u><u>\$ 151,278</u></u> | <u><u>\$ (3,671)</u></u> | <u><u>\$ 147,607</u></u> |

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Composite Cost of Long-Term Debt

| Line No | Description | [1] Amount Outstanding | [2] Percent to Total | [3] Effective Interest Rate | [4] Average Weighted Cost Rate [2] * [3] | [5] Annualized Cost |
|--|---|-----------------------------|---------------------------|----------------------------------|--|--------------------------|
| First & Refunding Mortgage Bonds - Fixed Rate | | | | | | |
| 1 | 1.70% due 2021 | \$ 300,000 | 8.43% | 1.86% | 0.16% | |
| 2 | 2.375% due 2022 | 350,000 | 9.83% | 2.47% | 0.24% | |
| 3 | 3.15% due 2025 | 350,000 | 9.83% | 3.29% | 0.32% | |
| 4 | 5.90% due 2034 | 75,000 | 2.11% | 6.00% | 0.13% | |
| 5 | 5.95% due 2036 | 300,000 | 8.43% | 6.04% | 0.51% | |
| 6 | 5.70% due 2037 | 175,000 | 4.92% | 5.81% | 0.29% | |
| 7 | 4.80% due 2043 | 250,000 | 7.02% | 4.89% | 0.34% | |
| 8 | 4.15% due 2044 | 300,000 | 8.43% | 4.23% | 0.36% | |
| 9 | 3.70% due 2047 | 325,000 | 9.13% | 3.75% | 0.34% | |
| 10 | 3.90% due 2048 | 325,000 | 9.13% | 3.99% | 0.36% | |
| 11 | 4.03% due 2048 | 325,000 | 9.13% | 4.08% | 0.37% | |
| 12 | 2.00% due 2048 | 50,000 | 1.41% | 2.24% | 0.03% | |
| 13 | 4.08% due 2049 | 250,000 | 7.02% | 4.15% | 0.29% | |
| | Sub-Total Fixed Rate | <u>\$ 3,375,000</u> | <u>94.82%</u> | | | |
| Trust Preferred Capital Securities | | | | | | |
| 14 | 7.38% Rate Due 4/6/28 | 80,521 | 2.26% | 7.46% | 0.17% | |
| 15 | 6.50% Rate Due 4/6/28 | 805 | 0.02% | 6.50% | 0.00% | |
| 16 | 5.75% Rate Due 6/15/33 | 103,093 | 2.90% | 5.88% | 0.17% | |
| 17 | Sub-Total Capital Securities | <u>\$ 184,419</u> | <u>5.18%</u> | | | |
| 18 | Total Long-Term Debt | <u>\$ 3,559,419</u> | <u>100.00%</u> | | <u>4.08%</u> | |
| 19 | Adjustment for Tenders & Calls | <u>(7,997)</u> | | | | |
| 20 | Net Long-Term Debt | <u>\$ 3,551,422</u> | | | | |
| 21 | Annualized Cost | \$ 145,224 | | | | |
| 22 | Adjustment for Tenders & Calls Reacquired | <u>2,557</u> | | | | |
| 23 | Total | <u>\$ 147,781</u> | | | | <u>4.16%</u> |

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Rate of Return

| | | [1] | [2] | [3] | [4] | [5] |
|----------------|--------------------|-----------------------|-----------------------------|----------------------|----------------------------|----------------------------------|
| <u>Line No</u> | <u>Description</u> | <u>Capitalization</u> | <u>Capitalization Ratio</u> | <u>Embedded Cost</u> | <u>Statement Reference</u> | <u>Return-%</u> [2] * [3] |
| 1 | Long-Term Debt | \$ 3,551,422 | 46.61% | 4.16% | B-6 | 1.94% |
| 2 | Common Equity | <u>4,068,248</u> | <u>53.39%</u> | 10.95% | | <u>5.85%</u> |
| 3 | Total | <u>\$ 7,619,670</u> | <u>100.00%</u> | | | <u>7.79%</u> |

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Measures of Value

| Line No | Description | [1] | [2] | [3] | [4] | [5] |
|---------|---|--------------------------|----------|--------------------------|-----------------------|---|
| | | Measures of Value | | | | |
| | | Reference Function | Schedule | Per Budget FPFTY 2019 | Adjustments | Adjusted FPFTY 2019 [3] + [4] |
| 1 | Utility Plant | | C-2 | \$ 8,998,310 | \$ (1,804,681) | \$ 7,193,628 |
| 2 | Accumulated Depreciation | | C-3 | (2,591,345) | 549,812 | (2,041,533) |
| 3 | Net Plant in Service | L1 + L2 | | \$ 6,406,965 | \$ (1,254,869) | \$ 5,152,095 |
| 4 | Working Capital | | C-4 | 149,052 | | 149,052 |
| 5 | Pension Assets/(Liabilities) | | C-5 | 95,200 | | 95,200 |
| 6 | Accumulated Deferred Income Taxes | | C-6 | (537,434) | | (537,434) |
| 7 | Customer Deposits | | C-7 | (50,574) | | (50,574) |
| 8 | Common Plant | | C-8 | 326,144 | | 326,144 |
| 9 | Customer Advances for Construction | | C-9 | (959) | | (959) |
| 10 | Unamortized AMR Investment | | C-10 | 11,551 | | 11,551 |
| 11 | Materials & Supplies | | C-11 | 15,876 | | 15,876 |
| 12 | Accumulated Deferred Income Taxes - Reg Liability | | C-12 | (314,766) | | (314,766) |
| 13 | Total Measures of Value | Sum L3 to L12 | | <u>\$ 6,101,056</u> | <u>\$ (1,254,869)</u> | <u>\$ 4,846,186</u> |

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Pro Forma Utility Plant In Service Summary

| Line No | Description | [1] Schedule | [2] Per Budget December 31 FPFTY 2019 | [3] Adjustments | [4] Adjusted December 31 FPFTY 2019 [2] + [3] |
|---------|---------------------------------------|-------------------|--|------------------------------|---|
| 1 | Intangible Plant | Sec. C-2, Sch 2 | \$ 189,905 | \$ (14,254) | \$ 175,650 |
| 2 | Transmission Plant | Sec. C-2, Sch 2 | 1,760,203 | (1,760,203) | - |
| 3 | Distribution Plant | Sec. C-2, Sch 2 | 6,781,042 | - | 6,781,042 |
| 4 | General Plant | Sec. C-2, Sch 2 | 267,160 | (30,224) | 236,936 |
| 5 | Sub-Total Plant-In-Service | Sum L1 to L6 | <u>\$ 8,998,310</u> | <u>\$ (1,804,681)</u> | <u>\$ 7,193,628</u> |
| 6 | Completed Construction Not Classified | G/L a/c # 106 | <u>-</u> | <u>-</u> | <u>-</u> |
| 7 | Plant-In-Service | Sum L7 to L9 | \$ 8,998,310 | \$ (1,804,681) | \$ 7,193,628 |
| 8 | Construction Work-In-Progress | G/L a/c # 107 | - | - | - |
| 9 | Other | | <u>-</u> | <u>-</u> | <u>-</u> |
| 10 | Total Utility Plant | Sum L7 to L9 | <u><u>\$ 8,998,310</u></u> | <u><u>\$ (1,804,681)</u></u> | <u><u>\$ 7,193,628</u></u> |

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Detail of Pro Forma Utility Plant In Service

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FPFTY 2019 | [3] Adjustments | [4] Adjusted December 31 FPFTY 2019 [2] + [3] |
|----------------------------------|---|-------------------------|--|-----------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ 163 | \$ (18) | \$ 145 |
| 2 | Miscellaneous Intangible Plant | 303 | 189,742 | \$ (14,236) | 175,506 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 189,905</u> | <u>\$ (14,254)</u> | <u>\$ 175,650</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ 59,802 | \$ (59,802) | \$ - |
| 5 | Structures & Improvements | 352 | 104,445 | (104,445) | - |
| 6 | Station Equipment | 353 | 956,469 | (956,469) | - |
| 7 | Towers & Fixtures | 354 | 277,948 | (277,948) | - |
| 8 | Poles & Fixtures | 355 | 16,515 | (16,515) | - |
| 9 | Overhead Conductors & Devices | 356 | 212,298 | (212,298) | - |
| 10 | Underground Conduit | 357 | 17,078 | (17,078) | - |
| 11 | Underground Conductors & Devices | 358 | 113,513 | (113,513) | - |
| 12 | Roads & Trails | 359 | 2,137 | (2,137) | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | (2) | 2 | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 1,760,203</u> | <u>\$ (1,760,203)</u> | <u>\$ -</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ 42,884 | \$ - | \$ 42,884 |
| 16 | Structures & Improvements | 361 | 139,261 | - | 139,261 |
| 17 | Station Equipment | 362 | 1,163,133 | - | 1,163,133 |
| 18 | Poles, Towers & Fixtures | 364 | 754,022 | - | 754,022 |
| 19 | Overhead Conductors & Devices | 365 | 1,341,927 | - | 1,341,927 |
| 20 | Underground Conduit | 366 | 464,223 | - | 464,223 |
| 21 | Underground Conductors & Devices | 367 | 1,372,757 | - | 1,372,757 |
| 22 | Line Transformers | 368 | 634,209 | - | 634,209 |
| 23 | Services | 369 | 433,534 | - | 433,534 |
| 24 | Meters | 370 | 346,878 | - | 346,878 |
| 25 | Installations on Customer Premises | 371 | 13,772 | - | 13,772 |
| 26 | Street Lighting & Signal Systems | 373 | 72,548 | - | 72,548 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 1,893 | - | 1,893 |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 6,781,042</u> | <u>\$ -</u> | <u>\$ 6,781,042</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ 1,063 | \$ (120) | \$ 943 |
| 30 | Structures & Improvements | 390 | 50,112 | (5,669) | 44,443 |
| 31 | Office Furniture & Equipment | 391 | 16,239 | (1,837) | 14,402 |
| 32 | Transportation Equipment | 392 | - | - | - |
| 33 | Stores Equipment | 393 | 40 | (4) | 35 |
| 34 | Tools & Garage Equipment | 394 | 34,235 | (3,873) | 30,362 |
| 35 | Laboratory Equipment | 395 | 420 | (47) | 372 |
| 36 | Power Operated Equipment | 396 | - | - | - |
| 37 | Communications Equipment | 397 | 162,832 | (18,421) | 144,410 |
| 38 | Miscellaneous Equipment | 398 | 547 | (62) | 485 |
| 39 | Other Tangible Property | 399 | - | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 1,672 | (189) | 1,483 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 267,160</u> | <u>\$ (30,224)</u> | <u>\$ 236,936</u> |
| 41 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 8,998,310</u> | <u>\$ (1,804,681)</u> | <u>\$ 7,193,628</u> |

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Additions to Plant

| Line No | Description | Account Number | [1] | [2] | [3] | [4] | [5] | [6] | [7] |
|---------------------------|---|----------------------|-------|--------------------------|--------------------------|-------------------------|---------------------------|---------------------------------------|---|
| | | | | Per Budget FTY 2018 | Per Budget FPFTY 2019 | Adjustments FTY 2018 | Adjustments FPFTY 2019 | Adjusted FTY 2018 [2] + [4] | Adjusted FPFTY 2019 [4] + [5] |
| Intangible Plant | | | | | | | | | |
| 1 | Franchise & Consent | 302 | | \$ - | \$ - | | | \$ - | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | | 21,325 | 18,011 | | | 21,325 | 18,011 |
| 3 | Total Intangible Plant | L1 + L2 | | <u>\$ 21,325</u> | <u>\$ 18,011</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,325</u> | <u>\$ 18,011</u> |
| Transmission Plant | | | | | | | | | |
| 4 | Land & Land Rights | 350 | | \$ (0) | \$ (0) | | | \$ (0) | \$ (0) |
| 5 | Structures & Improvements | 352 | | 14,617 | 17,194 | | | 14,617 | 17,194 |
| 6 | Station Equipment | 353 | | 67,368 | 79,726 | | | 67,368 | 79,726 |
| 7 | Towers & Fixtures | 354 | | 5,356 | 6,296 | | | 5,356 | 6,296 |
| 8 | Poles & Fixtures | 355 | | 120 | 143 | | | 120 | 143 |
| 9 | Overhead Conductors & Devices | 356 | | 9,214 | 10,830 | | | 9,214 | 10,830 |
| 10 | Underground Conduit | 357 | | 975 | 1,147 | | | 975 | 1,147 |
| 11 | Underground Conductors & Devices | 358 | | 4,404 | 5,253 | | | 4,404 | 5,253 |
| 12 | Roads & Trails | 359 | | - | - | | | - | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | | - | - | | | - | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | | <u>\$ 102,055</u> | <u>\$ 120,588</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 102,055</u> | <u>\$ 120,588</u> |
| Distribution Plant | | | | | | | | | |
| 15 | Land & Land Rights | 360 | | \$ - | \$ - | | | \$ - | \$ - |
| 16 | Structures & Improvements | 361 | | 12,103 | 14,168 | | | 12,103 | 14,168 |
| 17 | Station Equipment | 362 | | 60,673 | 71,208 | | | 60,673 | 71,208 |
| 18 | Poles, Towers & Fixtures | 364 | | 34,265 | 40,718 | | | 34,265 | 40,718 |
| 19 | Overhead Conductors & Devices | 365 | | 80,671 | 95,319 | | | 80,671 | 95,319 |
| 20 | Underground Conduit | 366 | | 26,435 | 31,095 | | | 26,435 | 31,095 |
| 21 | Underground Conductors & Devices | 367 | | 92,569 | 109,263 | | | 92,569 | 109,263 |
| 22 | Line Transformers | 368 | | 33,238 | 38,767 | | | 33,238 | 38,767 |
| 23 | Services | 369 | | 10,946 | 12,858 | | | 10,946 | 12,858 |
| 24 | Meters | 370 | | 19,392 | 22,592 | | | 19,392 | 22,592 |
| 25 | Installations on Customer Premises | 371 | | - | - | | | - | - |
| 26 | Street Lighting & Signal Systems | 373 | | 5,365 | 6,259 | | | 5,365 | 6,259 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | | - | - | | | - | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | | <u>\$ 375,657</u> | <u>\$ 442,247</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 375,657</u> | <u>\$ 442,247</u> |
| General Plant | | | | | | | | | |
| 29 | Land & Land Rights | 389 | | \$ - | \$ - | | | \$ - | \$ - |
| 30 | Structures & Improvements | 390 | | 1,355 | 272 | | | 1,355 | 272 |
| 31 | Office Furniture & Equipment | 391 | | 3,149 | 1,082 | | | 3,149 | 1,082 |
| 32 | Transportation Equipment | 392 | | - | - | | | - | - |
| 33 | Stores Equipment | 393 | | - | - | | | - | - |
| 34 | Tools & Garage Equipment | 394 | | 2,818 | 988 | | | 2,818 | 988 |
| 35 | Laboratory Equipment | 395 | | - | - | | | - | - |
| 36 | Power Operated Equipment | 396 | | - | - | | | - | - |
| 37 | Communications Equipment | 397 | | 7,635 | 2,977 | | | 7,635 | 2,977 |
| 38 | Miscellaneous Equipment | 398 | | - | - | | | - | - |
| 39 | Other Tangible Property | 399 | | - | - | | | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | | - | - | | | - | - |
| 41 | Total General Plant | Sum L29 to L40 | | <u>\$ 14,956</u> | <u>\$ 5,318</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,956</u> | <u>\$ 5,318</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | | <u><u>\$ 513,993</u></u> | <u><u>\$ 586,164</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 513,993</u></u> | <u><u>\$ 586,164</u></u> |

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Plant Retirements

| Line No | Description | Account Number | [1] | [2] | [3] | [4] | [5] | [6] | [7] |
|---------------------------|---|----------------------|-------|---------------------|-----------------------|----------------------|------------------------|---------------------------------|-----------------------------------|
| | | | | Per Budget FTY 2018 | Per Budget FPFTY 2019 | Adjustments FTY 2018 | Adjustments FPFTY 2019 | Adjusted FTY 2018 [2] + [4] | Adjusted FPFTY 2019 [4] + [5] |
| Plant Retirements | | | | | | | | | |
| Intangible Plant | | | | | | | | | |
| 1 | Franchise & Consent | 302 | | \$ - | \$ - | | | \$ - | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | | 589 | 589 | | | 589 | 589 |
| 3 | Total Intangible Plant | L1 + L2 | | <u>\$ 589</u> | <u>\$ 589</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 589</u> | <u>\$ 589</u> |
| Transmission Plant | | | | | | | | | |
| 4 | Land & Land Rights | 350 | | \$ - | \$ - | | | \$ - | \$ - |
| 5 | Structures & Improvements | 352 | | 150 | 150 | | | 150 | 150 |
| 6 | Station Equipment | 353 | | 3,428 | 3,428 | | | 3,428 | 3,428 |
| 7 | Towers & Fixtures | 354 | | 220 | 220 | | | 220 | 220 |
| 8 | Poles & Fixtures | 355 | | 141 | 141 | | | 141 | 141 |
| 9 | Overhead Conductors & Devices | 356 | | 435 | 435 | | | 435 | 435 |
| 10 | Underground Conduit | 357 | | - | - | | | - | - |
| 11 | Underground Conductors & Devices | 358 | | 350 | 350 | | | 350 | 350 |
| 12 | Roads & Trails | 359 | | - | - | | | - | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | | 2 | 2 | | | 2 | 2 |
| 14 | Total Transmission Plant | Sum L4 to L13 | | <u>\$ 4,727</u> | <u>\$ 4,727</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,727</u> | <u>\$ 4,727</u> |
| Distribution Plant | | | | | | | | | |
| 15 | Land & Land Rights | 360 | | \$ - | \$ - | | | \$ - | \$ - |
| 16 | Structures & Improvements | 361 | | 336 | 336 | | | 336 | 336 |
| 17 | Station Equipment | 362 | | 1,369 | 1,369 | | | 1,369 | 1,369 |
| 18 | Poles, Towers & Fixtures | 364 | | 3,249 | 3,249 | | | 3,249 | 3,249 |
| 19 | Overhead Conductors & Devices | 365 | | 5,539 | 5,539 | | | 5,539 | 5,539 |
| 20 | Underground Conduit | 366 | | 287 | 287 | | | 287 | 287 |
| 21 | Underground Conductors & Devices | 367 | | 8,097 | 8,097 | | | 8,097 | 8,097 |
| 22 | Line Transformers | 368 | | 8,067 | 8,067 | | | 8,067 | 8,067 |
| 23 | Services | 369 | | 430 | 430 | | | 430 | 430 |
| 24 | Meters | 370 | | 22 | 22 | | | 22 | 22 |
| 25 | Installations on Customer Premises | 371 | | - | - | | | - | - |
| 26 | Street Lighting & Signal Systems | 373 | | 950 | 950 | | | 950 | 950 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | | 23 | 23 | | | 23 | 23 |
| 28 | Total Distribution Plant | Sum L15 to L27 | | <u>\$ 28,369</u> | <u>\$ 28,369</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28,369</u> | <u>\$ 28,369</u> |
| General Plant | | | | | | | | | |
| 29 | Land & Land Rights | 389 | | \$ - | \$ - | | | \$ - | \$ - |
| 30 | Structures & Improvements | 390 | | 588 | 588 | | | 588 | 588 |
| 31 | Office Furniture & Equipment | 391 | | 1,936 | 1,936 | | | 1,936 | 1,936 |
| 32 | Transportation Equipment | 392 | | - | - | | | - | - |
| 33 | Stores Equipment | 393 | | 3 | 3 | | | 3 | 3 |
| 34 | Tools & Garage Equipment | 394 | | 822 | 822 | | | 822 | 822 |
| 35 | Laboratory Equipment | 395 | | - | - | | | - | - |
| 36 | Power Operated Equipment | 396 | | - | - | | | - | - |
| 37 | Communications Equipment | 397 | | 1,240 | 1,240 | | | 1,240 | 1,240 |
| 38 | Miscellaneous Equipment | 398 | | 159 | 159 | | | 159 | 159 |
| 39 | Other Tangible Property | 399 | | - | - | | | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | | 8 | 8 | | | 8 | 8 |
| 41 | Total General Plant | Sum L29 to L40 | | <u>\$ 4,756</u> | <u>\$ 4,756</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,756</u> | <u>\$ 4,756</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | | <u>\$ 38,441</u> | <u>\$ 38,441</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 38,441</u> | <u>\$ 38,441</u> |

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Exhibit **BSY-1**
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Pro Forma Plant Adjustments

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FPFTY 2019 | [3] Non-PA Jurisdiction % | [4] Total Pro Forma Adjustments [2] * [3] |
|----------------------------------|---|-----------------------------|--|-----------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ 163 | 11.31% | \$ (18) |
| 2 | Miscellaneous Intangible Plant | 303 | 189,742 | | (14,236) |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 189,905</u> | | <u>\$ (14,254)</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ 59,802 | 100.00% | \$ (59,802) |
| 5 | Structures & Improvements | 352 | 104,445 | 100.00% | (104,445) |
| 6 | Station Equipment | 353 | 956,469 | 100.00% | (956,469) |
| 7 | Towers & Fixtures | 354 | 277,948 | 100.00% | (277,948) |
| 8 | Poles & Fixtures | 355 | 16,515 | 100.00% | (16,515) |
| 9 | Overhead Conductors & Devices | 356 | 212,298 | 100.00% | (212,298) |
| 10 | Underground Conduit | 357 | 17,078 | 100.00% | (17,078) |
| 11 | Underground Conductors & Devices | 358 | 113,513 | 100.00% | (113,513) |
| 12 | Roads & Trails | 359 | 2,137 | 100.00% | (2,137) |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | (2) | 100.00% | 2 |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 1,760,203</u> | | <u>\$ (1,760,203)</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ 42,884 | 0.00% | \$ - |
| 16 | Structures & Improvements | 361 | 139,261 | 0.00% | - |
| 17 | Station Equipment | 362 | 1,163,133 | 0.00% | - |
| 18 | Poles, Towers & Fixtures | 364 | 754,022 | 0.00% | - |
| 19 | Overhead Conductors & Devices | 365 | 1,341,927 | 0.00% | - |
| 20 | Underground Conduit | 366 | 464,223 | 0.00% | - |
| 21 | Underground Conductors & Devices | 367 | 1,372,757 | 0.00% | - |
| 22 | Line Transformers | 368 | 634,209 | 0.00% | - |
| 23 | Services | 369 | 433,534 | 0.00% | - |
| 24 | Meters | 370 | 346,878 | 0.00% | - |
| 25 | Installations on Customer Premises | 371 | 13,772 | 0.00% | - |
| 26 | Street Lighting & Signal Systems | 373 | 72,548 | 0.00% | - |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 1,893 | 0.00% | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 6,781,042</u> | | <u>\$ -</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ 1,063 | 11.31% | \$ (120) |
| 30 | Structures & Improvements | 390 | 50,112 | 11.31% | (5,669) |
| 31 | Office Furniture & Equipment | 391 | 16,239 | 11.31% | (1,837) |
| 32 | Transportation Equipment | 392 | - | 11.31% | - |
| 33 | Stores Equipment | 393 | 40 | 11.31% | (4) |
| 34 | Tools & Garage Equipment | 394 | 34,235 | 11.31% | (3,873) |
| 35 | Laboratory Equipment | 395 | 420 | 11.31% | (47) |
| 36 | Power Operated Equipment | 396 | - | 11.31% | - |
| 37 | Communications Equipment | 397 | 162,832 | 11.31% | (18,421) |
| 38 | Miscellaneous Equipment | 398 | 547 | 11.31% | (62) |
| 39 | Other Tangible Property | 399 | - | 11.31% | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 1,672 | 11.31% | (189) |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 267,160</u> | | <u>\$ (30,224)</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 8,998,310</u> | | <u>\$ (1,804,681)</u> |

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Summary of Accumulated Depreciation

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FPFTY 2019 | [3] Adjustments | [4] Adjusted December 31 FPFTY 2019 [2] + [3] |
|---------|---|-------------------------|--|----------------------|---|
| 1 | Intangible Plant | | \$ (128,532) | \$ 10,012 | \$ (118,520) |
| 2 | Transmission Plant | | (530,177) | 530,177 | - |
| 3 | Distribution Plant | | (1,847,578) | - | (1,847,578) |
| 4 | General Plant | | (85,057) | 9,623 | (75,435) |
| 5 | Accumulated Depreciation | Sum L1 to L7 | \$ (2,591,345) | \$ 549,812 | \$ (2,041,533) |
| 6 | Completed Construction Not Classified | | - | - | - |
| 7 | Other Utility Plant | | - | - | - |
| 8 | Transportation | | - | - | - |
| 9 | Total Accumulated Depreciation | Sum L9 to L11 | \$ (2,591,345) | \$ 549,812 | \$ (2,041,533) |
| 10 | Accumulated Amortization | | - | - | - |
| 11 | Total Accumulated Depreciation & Amortization | L12 + L13 | <u>\$ (2,591,345)</u> | <u>\$ 549,812</u> | <u>\$ (2,041,533)</u> |

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Accumulated Provision for Depreciation

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FPFTY 2019 | [3] Adjustment | [4] Adjusted December 31 FPFTY 2019 [2] + [3] |
|----------------------------------|---|-------------------------|--|--------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | \$ - | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | (128,532) | 10,012 | (118,520) |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ (128,532)</u> | <u>\$ 10,012</u> | <u>\$ (118,520)</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | \$ - | \$ - |
| 5 | Structures & Improvements | 352 | (22,417) | 22,417 | - |
| 6 | Station Equipment | 353 | (204,500) | 204,500 | - |
| 7 | Towers & Fixtures | 354 | (162,327) | 162,327 | - |
| 8 | Poles & Fixtures | 355 | (3,041) | 3,041 | - |
| 9 | Overhead Conductors & Devices | 356 | (86,377) | 86,377 | - |
| 10 | Underground Conduit | 357 | (5,210) | 5,210 | - |
| 11 | Underground Conductors & Devices | 358 | (44,243) | 44,243 | - |
| 12 | Roads & Trails | 359 | (2,064) | 2,064 | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 3 | (3) | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ (530,177)</u> | <u>\$ 530,177</u> | <u>\$ -</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | \$ - | \$ - |
| 16 | Structures & Improvements | 361 | (40,671) | - | (40,671) |
| 17 | Station Equipment | 362 | (465,114) | - | (465,114) |
| 18 | Poles, Towers & Fixtures | 364 | (157,920) | - | (157,920) |
| 19 | Overhead Conductors & Devices | 365 | (281,578) | - | (281,578) |
| 20 | Underground Conduit | 366 | (166,178) | - | (166,178) |
| 21 | Underground Conductors & Devices | 367 | (208,793) | - | (208,793) |
| 22 | Line Transformers | 368 | (196,182) | - | (196,182) |
| 23 | Services | 369 | (168,597) | - | (168,597) |
| 24 | Meters | 370 | (117,277) | - | (117,277) |
| 25 | Installations on Customer Premises | 371 | (7,907) | - | (7,907) |
| 26 | Street Lighting & Signal Systems | 373 | (35,370) | - | (35,370) |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | (1,990) | - | (1,990) |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ (1,847,578)</u> | <u>\$ -</u> | <u>\$ (1,847,578)</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | \$ - | \$ - |
| 30 | Structures & Improvements | 390 | (12,482) | 1,412 | (11,070) |
| 31 | Office Furniture & Equipment | 391 | (7,244) | 819 | (6,424) |
| 32 | Transportation Equipment | 392 | - | - | - |
| 33 | Stores Equipment | 393 | (4) | 0 | (4) |
| 34 | Tools & Garage Equipment | 394 | (12,185) | 1,378 | (10,806) |
| 35 | Laboratory Equipment | 395 | (317) | 36 | (281) |
| 36 | Power Operated Equipment | 396 | - | - | - |
| 37 | Communications Equipment | 397 | (51,719) | 5,851 | (45,868) |
| 38 | Miscellaneous Equipment | 398 | (547) | 62 | (485) |
| 39 | Other Tangible Property | 399 | - | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | (560) | 63 | (496) |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ (85,057)</u> | <u>\$ 9,623</u> | <u>\$ (75,435)</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u><u>\$ (2,591,345)</u></u> | <u><u>\$ 549,812</u></u> | <u><u>\$ (2,041,533)</u></u> |

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Cost of Removal Net of Salvage

| Line No | Description | Account Number | Per Budget FPFTY 2019 |
|----------------------------------|---|-----------------------|--------------------------|
| | | [1] | [2] |
| | | | Per Budget FPFTY 2019 |
| <u>Intangible Plant</u> | | | |
| 1 | Franchise & Consent | 302 | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | - |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ -</u> |
| <u>Transmission Plant</u> | | | |
| 4 | Land & Land Rights | 350 | \$ - |
| 5 | Structures & Improvements | 352 | 295 |
| 6 | Station Equipment | 353 | 4,158 |
| 7 | Towers & Fixtures | 354 | 81 |
| 8 | Poles & Fixtures | 355 | 14 |
| 9 | Overhead Conductors & Devices | 356 | 136 |
| 10 | Underground Conduit | 357 | 15 |
| 11 | Underground Conductors & Devices | 358 | 509 |
| 12 | Roads & Trails | 359 | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 5,208</u> |
| <u>Distribution Plant</u> | | | |
| 15 | Land & Land Rights | 360 | \$ - |
| 16 | Structures & Improvements | 361 | 415 |
| 17 | Station Equipment | 362 | 3,165 |
| 18 | Poles, Towers & Fixtures | 364 | 4,837 |
| 19 | Overhead Conductors & Devices | 365 | 8,089 |
| 20 | Underground Conduit | 366 | 1,799 |
| 21 | Underground Conductors & Devices | 367 | 8,591 |
| 22 | Line Transformers | 368 | 265 |
| 23 | Services | 369 | 637 |
| 24 | Meters | 370 | - |
| 25 | Installations on Customer Premises | 371 | - |
| 26 | Street Lighting & Signal Systems | 373 | 54 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 27,854</u> |
| <u>General Plant</u> | | | |
| 29 | Land & Land Rights | 389 | \$ - |
| 30 | Structures & Improvements | 390 | 315 |
| 31 | Office Furniture & Equipment | 391 | 63 |
| 32 | Transportation Equipment | 392 | - |
| 33 | Stores Equipment | 393 | - |
| 34 | Tools & Garage Equipment | 394 | 3 |
| 35 | Laboratory Equipment | 395 | - |
| 36 | Power Operated Equipment | 396 | - |
| 37 | Communications Equipment | 397 | 49 |
| 38 | Miscellaneous Equipment | 398 | - |
| 39 | Other Tangible Property | 399 | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | - |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 430</u> |
| 42 | Total Plant-In-Service | L3+L14+L28+L41 | <u><u>\$ 33,492</u></u> |

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Accumulated Depreciation Adjustments

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FPFTY 2019 | [3] Non-PA Jurisdiction % | [4] Total Pro Forma Adjustments [2] * [3] |
|----------------------------------|---|-------------------------|--|-----------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | 11.31% | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | (128,532) | | 10,012 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ (128,532)</u> | | <u>\$ 10,012</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | 100.00% | \$ - |
| 5 | Structures & Improvements | 352 | (22,417) | 100.00% | 22,417 |
| 6 | Station Equipment | 353 | (204,500) | 100.00% | 204,500 |
| 7 | Towers & Fixtures | 354 | (162,327) | 100.00% | 162,327 |
| 8 | Poles & Fixtures | 355 | (3,041) | 100.00% | 3,041 |
| 9 | Overhead Conductors & Devices | 356 | (86,377) | 100.00% | 86,377 |
| 10 | Underground Conduit | 357 | (5,210) | 100.00% | 5,210 |
| 11 | Underground Conductors & Devices | 358 | (44,243) | 100.00% | 44,243 |
| 12 | Roads & Trails | 359 | (2,064) | 100.00% | 2,064 |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 3 | 100.00% | (3) |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ (530,177)</u> | | <u>\$ 530,177</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | 0.00% | \$ - |
| 16 | Structures & Improvements | 361 | (40,671) | 0.00% | - |
| 17 | Station Equipment | 362 | (465,114) | 0.00% | - |
| 18 | Poles, Towers & Fixtures | 364 | (157,920) | 0.00% | - |
| 19 | Overhead Conductors & Devices | 365 | (281,578) | 0.00% | - |
| 20 | Underground Conduit | 366 | (166,178) | 0.00% | - |
| 21 | Underground Conductors & Devices | 367 | (208,793) | 0.00% | - |
| 22 | Line Transformers | 368 | (196,182) | 0.00% | - |
| 23 | Services | 369 | (168,597) | 0.00% | - |
| 24 | Meters | 370 | (117,277) | 0.00% | - |
| 25 | Installations on Customer Premises | 371 | (7,907) | 0.00% | - |
| 26 | Street Lighting & Signal Systems | 373 | (35,370) | 0.00% | - |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | (1,990) | 0.00% | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ (1,847,578)</u> | | <u>\$ -</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | 11.31% | \$ - |
| 30 | Structures & Improvements | 390 | (12,482) | 11.31% | 1,412 |
| 31 | Office Furniture & Equipment | 391 | (7,244) | 11.31% | 819 |
| 32 | Transportation Equipment | 392 | - | 11.31% | - |
| 33 | Stores Equipment | 393 | (4) | 11.31% | 0 |
| 34 | Tools & Garage Equipment | 394 | (12,185) | 11.31% | 1,378 |
| 35 | Laboratory Equipment | 395 | (317) | 11.31% | 36 |
| 36 | Power Operated Equipment | 396 | - | 11.31% | - |
| 37 | Communications Equipment | 397 | (51,719) | 11.31% | 5,851 |
| 38 | Miscellaneous Equipment | 398 | (547) | 11.31% | 62 |
| 39 | Other Tangible Property | 399 | - | 11.31% | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | (560) | 11.31% | 63 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ (85,057)</u> | | <u>\$ 9,623</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u><u>\$ (2,591,345)</u></u> | | <u><u>\$ 549,812</u></u> |

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Working Capital Summary

[1]

[2]

| Line No | Description | FPFTY 2019 | Reference |
|------------|-----------------------------------|-------------------|------------|
| 1 | Operating & Maintenance Expenses | \$ 93,721 | C-4 Page 2 |
| 2 | Accrued Taxes | 59,644 | C-4 Page 6 |
| 3 | Interest Payments | (11,330) | C-4 Page 8 |
| 4 | Average Prepayments | 7,018 | C-4 Page 9 |
| 5 | Total Working Capital Requirement | <u>\$ 149,052</u> | |

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Detail of Working Capital Summary

| Line No | Description | [1] Reference | [2] FPFTY 2019 Expenses | [3] Factor C-4 Page 4 Col 5 | [4] (Lead) / Lag Dollar Amounts [2] * [3] | [5] Totals |
|------------------------------------|--|--------------------|---------------------------------|--|--|-------------------|
| <u>Working Capital Requirement</u> | | | | | | |
| 1 | Revenue Lag Days | C-4 Page 3 | | | | 47.25 |
| | Expense Lag Days | | | | | |
| 2 | Payroll (Dist only) | D-6 & C-4 | \$ 146,785 | 16.00 | \$ 2,348,562 | |
| 3 | Pension Expense | D-9 & C-4 | 13,055 | -167.00 | (2,180,222) | |
| 4 | Commodity Purchased - [A] | D-2 & C-4 | 603,580 | 35.71 | 21,552,836 | |
| 5 | Commodity Purchased - [B] | B-3 & C-4 | 4,968 | 12.50 | 62,104 | |
| 6 | PJM Transmission Purchased - By-passable | D-3 & C-4 | 64,504 | 12.50 | 806,299 | |
| 7 | PJM Transmission Purchased - Non By-passable | D-3 & C-4 | 107,714 | 12.50 | 1,346,430 | |
| 8 | Other Expenses | L23 - Sum L2 to L7 | 425,524 | 37.63 | 16,012,462 | |
| 9 | Sub - Total O&M | Sum L2 to L8 | <u>\$ 1,366,131</u> | | <u>\$ 39,948,472</u> | |
| 10 | POR Payments to EGS | C-4 Page 10 | 1,062,743 | 38.21 | 40,605,518 | |
| 11 | Total O&M and POR Payments | | <u>\$ 2,428,874</u> | | <u>\$ 80,553,990</u> | |
| 12 | O & M Expense/POR Payment Lag Days | L11 [4] / [2] | | | | 33.17 |
| 13 | Net (Lead) Lag Days | L1 - L12 | | | | 14.08 |
| 14 | Operating Expenses Per Day | L11 [2] / 365 | | | | <u>\$ 6,654</u> |
| 15 | Working Capital for O & M Expense | L 13 * L 14 | | | | \$ 93,721 |
| 16 | Average Prepayments | C-4 Page 9 | | | | 7,018 |
| 17 | Accrued Taxes | C-4 Page 6 | | | | 59,644 |
| 18 | Interest Payments | C-4 Page 8 | | | | (11,330) |
| 19 | Total Working Capital Requirement | Sum L15 to L18 | | | | <u>\$ 149,052</u> |
| 20 | Pro Forma O & M Expense | D-1 | \$ 1,402,854 | | | |
| | Less: | | | | | |
| 21 | Uncollectible Expense | D-1 | (36,723) | | | |
| 22 | Sub-Total | L21 | <u>\$ (36,723)</u> | | | |
| 23 | Pro Forma Cash O&M Expense | L20 + L22 | <u>\$ 1,366,131</u> | | | |

[A] Contract Purchases of Electricity - All Except [B]

[B] Spot Market Purchases of Electricity - 1% of Total Residential Requirement

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Revenue Lag

| Line No | Description | [1] Reference Or Factor | [2] Accounts Receivable Balance End of Month | [3] Total Monthly Billing Revenue (A) | [4] A/R Turnover [3] / [2] | [5] Days Lag L1 / L17 [4] |
|---------|--|------------------------------------|--|---|---|--|
| 1 | Annual Number of Days | | | | | <u>365</u> |
| 2 | December, 2016 | | \$ 270,126 | | | |
| 3 | January, 2017 | | 329,966 | 329,844 | | |
| 4 | February | | 332,132 | 281,728 | | |
| 5 | March | | 301,152 | 263,667 | | |
| 6 | April | | 302,067 | 246,439 | | |
| 7 | May | | 260,081 | 223,206 | | |
| 8 | June | | 273,784 | 258,967 | | |
| 9 | July | | 333,081 | 331,204 | | |
| 10 | August | | 295,554 | 318,108 | | |
| 11 | September | | 255,677 | 268,092 | | |
| 12 | October | | 227,365 | 261,345 | | |
| 13 | November | | 200,617 | 230,187 | | |
| 14 | December, 2017 | | 253,603 | 276,513 | | |
| 15 | Total | Sum L2 to L14 | \$ 3,635,204 | \$ 3,289,298 | | |
| 16 | Average A/R Balance | <u>13</u> | | | | |
| 17 | Factor | | \$ 279,631 | | <u>11.76</u> | <u>31.04</u> |
| 18 | Collection Days Lag | L17 [5] | | | | 31.04 |
| 19 | Billing and Revenue Recording Days Lag | | | | | 1.000 |
| 20 | Billing Lag (Average Period) | | 365 | / | 12 | * 0.5 = |
| | | | | | | <u>15.21</u> |
| 21 | Total Revenue Lag Days | Sum L18 to L20 | | | | <u>47.25</u> |

(A) Monthly billing revenue includes revenues PECO billed for suppliers

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Summary of Expense Lag Calculations

| Line No | Description | [1] Reference Or Factor | [2] Amount | [3] (Lead) / Lag Days | [4] Weighted Dollar Value [2] * [3] | [5] (Lead) / Lag Days [4] / [2] |
|--------------------------------------|---|------------------------------------|----------------------|-------------------------------|---|--|
| <u>Payroll</u> | | | | | | |
| 1 | Union & Non-Union Payroll | | \$ 141,732 | | | |
| 2 | Paid Bi-Weekly with nine-day lag (14 days / 2 + 9 days) | | | 16.00 | | |
| 3 | Weighted Payroll Dollar Value | | | | \$ 2,267,718 | |
| 4 | Payroll Lag | Sum L1 to L3 | <u>\$ 141,732</u> | | <u>\$ 2,267,718</u> | <u>16.00</u> |
| <u>Pension Payments</u> | | | | | | |
| 5 | Payment | 01/15/19 | \$ 23,757 | (167.00) | \$ (3,967,419) | |
| 6 | Sub-Total | | <u>\$ 23,757</u> | | <u>\$ (3,967,419)</u> | |
| 7 | Mid-point of Service Period | 07/01/19 | | | | |
| 8 | Lag Days for Pension Payment | L6 [4] / [2] | | | | <u>(167.00)</u> |
| <u>Purchased Power Costs</u> | | | | | | |
| 9 | Payment Lag - Contract Purchases | | | C-4 Pg 10 | | <u>35.71</u> |
| 10 | Payment Lag - Spot Market/PJM Transmission Purchases | | | C-4 Pg 10 | | <u>12.50</u> |
| 11 | Payment Lag - POR Payment to EGS | | | C-4 Pg 10 | | <u>38.21</u> |
| <u>Other O&M Expenses</u> | | | | | | |
| 12 | December 2016 | C-4 Page 5 | \$ 16,078,647 | | \$ 621,303,630 | |
| 13 | March 2017 | C-4 Page 5 | 14,808,344 | | 525,064,241 | |
| 14 | June 2017 | C-4 Page 5 | 22,968,377 | | 869,858,852 | |
| 15 | September 2017 | C-4 Page 5 | <u>15,570,406</u> | | <u>595,927,465</u> | |
| 16 | Total | Sum L12 to L15 | <u>\$ 69,425,774</u> | | <u>\$ 2,612,154,188</u> | <u>37.63</u> |

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General Disbursements Lag

| Line No | Description | [1] Number of CDs | [2] Cash Disbursements | [3] Dollar-Days | [4] Expense Lag-Days [3] / [2] |
|--------------------------------------|---------------------------------------|------------------------|-----------------------------|----------------------|--|
| <u>December 2016</u> | | | | | |
| 1 | Total Disbursements for Month | 20,171 | \$ 107,601,263 | | |
| 2 | Total Disbursements for Expenses | 1,339 | \$ 16,078,647 | \$ 621,303,630 | 38.64 |
| <u>March 2017</u> | | | | | |
| 3 | Total Disbursements for Month | 17,532 | \$ 126,469,124 | | |
| 4 | Total Disbursements for Expenses | 1,221 | \$ 14,808,344 | \$ 525,064,241 | 35.46 |
| <u>June 2017</u> | | | | | |
| 5 | Total Disbursements for Month | 22,088 | \$ 110,892,671 | | |
| 6 | Total Disbursements for Expenses | 1,316 | \$ 22,968,377 | \$ 869,858,852 | 37.87 |
| <u>September 2017</u> | | | | | |
| 7 | Total Disbursements for Month | 18,338 | \$ 114,570,700 | | |
| 8 | Total Disbursements for Expenses | 1,234 | \$ 15,570,406 | \$ 595,927,465 | 38.27 |
| <u>Total Four Test Months</u> | | | | | |
| 9 | Total Test Month Expense Disbursement | 5,110 | \$ 69,425,774 | \$ 2,612,154,188 | 37.63 |

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Tax Expense Working Capital

| Line No | Description | [1] Reference | [2] Adjusted Proposed Rate Amount | [3] Net Revenue Lag-Days | [4] Accrued Taxes [2] * [3] |
|---------|--|--------------------|--|----------------------------------|--|
| 1 | Federal Income Taxes | | \$ 57,804 | 8.75 | \$ 505,781 |
| 2 | State Income Taxes | | 24,260 | 16.50 | 400,288 |
| 3 | PURTA Taxes | | 5,286 | 107.25 | 566,909 |
| 4 | PA Property Taxes | | 4,357 | 77.25 | 336,616 |
| 5 | Gross Receipts Tax | | 128,570 | 155.25 | 19,960,533 |
| 6 | Total | Sum L1 to L54 | | | <u><u>\$ 21,770,128</u></u> |
| 7 | Days in Year | | | | <u><u>365</u></u> |
| 8 | Average Daily Amount for Working Capital | L6 / L7 | | | <u><u>\$ 59,644</u></u> |

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Tax Expense - Lag Days

| Line No | Description | [1] Payment Dates | [2] Mid-Point of Service Period | [3] Lead (Lag) Payment Days [2] - [1] | [4] Payment Amount | [5] Weighted Lead (Lag) Dollars [3] * [4] | [6] Payment Lead (Lag) Days [5] / [4] | [7] Revenue (Lag) Days C-4, Pg3 | [8] Net Payment Lead (Lag) Days [6] - [7] |
|---------|---------------------------|------------------------|--------------------------------------|---|-------------------------|---|---|---|---|
| 1 | Federal Income Tax | 25% | | | \$ (57,804) | | | | |
| 2 | First Payment | 4/15/2019 | 07/01/19 | 77.00 | \$ (14,451) | \$ (1,112,718) | | | |
| 3 | Second Payment | 6/17/2019 | 07/01/19 | 14.00 | (14,451) | (202,312) | | | |
| 4 | Third Payment | 9/16/2019 | 07/01/19 | (77.00) | (14,451) | 1,112,718 | | | |
| 5 | Fourth Payment | 12/16/2019 | 07/01/19 | (168.00) | (14,451) | 2,427,748 | | | |
| 6 | Total | | | | <u>\$ (57,804)</u> | <u>\$ 2,225,435</u> | <u>(38.50)</u> | <u>47.25</u> | <u>8.75</u> |
| 7 | State Income Tax | 25% | | | \$ (24,260) | | | | |
| 8 | First Payment | 03/15/19 | 07/01/19 | 108.00 | \$ (6,065) | \$ (655,016) | | | |
| 9 | Second Payment | 06/17/19 | 07/01/19 | 14.00 | (6,065) | (84,910) | | | |
| 10 | Third Payment | 09/16/19 | 07/01/19 | (77.00) | (6,065) | 467,002 | | | |
| 11 | Fourth Payment | 12/16/19 | 07/01/19 | (168.00) | (6,065) | 1,018,914 | | | |
| 12 | Total | | | | <u>\$ (24,260)</u> | <u>\$ 745,991</u> | <u>(30.75)</u> | <u>47.25</u> | <u>16.50</u> |
| 13 | PURTA | | | | \$ 5,286 | | | | |
| 14 | Payment | 5/2/2019 | 07/01/19 | 60.00 | \$ 5,286 | \$ 317,152 | 60.00 | 47.25 | 107.25 |
| 15 | PA Property Tax | 100% | | | \$ 4,357 | | | | |
| 16 | Payment | 06/01/19 | 07/01/19 | 30.00 | \$ 4,357 | \$ 130,725 | | | |
| 17 | Total | | | | <u>\$ 4,357</u> | <u>\$ 130,725</u> | <u>30.00</u> | <u>47.25</u> | <u>77.25</u> |
| 18 | Gross Receipts Tax | | | | | | | | |
| 19 | Payment | 3/15/2019 | 07/01/19 | 108.00 | \$ 120,162 | \$ 12,977,483 | 108.00 | 47.25 | 155.25 |

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Interest Payments

| Line No | Description | [1] Reference | [2] No. of Days In The Year | [3] Number of Days | [4] Total |
|---------|--|--------------------|-------------------------------------|----------------------------|--------------------|
| 1 | Measures of Value at December 31, 2019 | A-1 | | | \$ 4,846,186 |
| 2 | Long-Term Debt Ratio | B-7 | | | 46.61% |
| 3 | Embedded Cost of Long-Term Debt | B-7 | | | 4.16% |
| 4 | Pro forma Interest Expense | L1* L2* L3 | | | <u>\$ 93,990</u> |
| 5 | Daily Amount | L4 / L5 [2] | 365 | | \$ 258 |
| 6 | Days to mid-point of interest payments | L5 [2] / 4 | | 91.25 | |
| 7 | Less: Revenue Lag Days | C-4 | | 47.25 | |
| 8 | Interest Payment Lag Days | L7 - L6 | | | (44.0) |
| 9 | Total Interest for Working Capital | L5 * L8 | | | <u>\$ (11,330)</u> |

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Average Prepaid Expense

| Line No | Description | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | [12] | [13] |
|---------|-------------------|---------------------|-----------------------|--|----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--|--|------------------------------------|-------------------------------------|--|--------------------------------|
| | | TOTAL | ELECTRIC EPRI Dues | DISTRIBUTION Prepaid Rents & Pole Attachments | ELECTRIC EEI Dues | ELECTRIC PUC Assessment Electric | ELECTRIC Business Support Systems | ELECTRIC & GAS VEBA Adjustment | ELECTRIC & GAS Facilities Contracts | ELECTRIC & GAS IT Service Contracts | ELECTRIC & GAS Fleet Activities | ELECTRIC DIST & GAS Land Leasing | ELECTRIC DIST & GAS Customer & Research | ELECTRIC DIST & GAS Postage |
| | | Sum [2] to [13] | | | | | | | | | | | | |
| 1 | December, 2016 | 6,740 | \$ - | \$ 393 | \$ 0 | \$ 4,055 | \$ - | \$ 798 | \$ 38 | \$ 712 | \$ 294 | \$ 28 | \$ 81 | \$ 341 |
| 2 | January, 2017 | 8,199 | - | 731 | 599 | 3,379 | 852 | 798 | 211 | 526 | 301 | 27 | 28 | 745 |
| 3 | February | 8,055 | 395 | 599 | 545 | 2,703 | 694 | 798 | 188 | 693 | 304 | 27 | 460 | 648 |
| 4 | March | 7,446 | 395 | 516 | 490 | 2,027 | 535 | 606 | 165 | 1,302 | 311 | 27 | 327 | 744 |
| 5 | April | 6,562 | 395 | 373 | 436 | 1,352 | 475 | 606 | 143 | 1,518 | 321 | 27 | 495 | 422 |
| 6 | May | 5,498 | 264 | 238 | 381 | 676 | 416 | 606 | 120 | 1,569 | 320 | 27 | 350 | 530 |
| 7 | June | 8,852 | 264 | 181 | 327 | 5,200 | 356 | 145 | 98 | 1,163 | 295 | 27 | 202 | 595 |
| 8 | July | 8,955 | 264 | 647 | 272 | 4,340 | 297 | 145 | 75 | 1,164 | 293 | 26 | 669 | 762 |
| 9 | August | 7,679 | 132 | 502 | 218 | 3,848 | 238 | 145 | 52 | 937 | 271 | 26 | 715 | 594 |
| 10 | September | 10,038 | 132 | 438 | 163 | 6,127 | 178 | 358 | 106 | 1,017 | 275 | 26 | 568 | 651 |
| 11 | October | 9,171 | 132 | 479 | 109 | 5,446 | 119 | 358 | 83 | 904 | 277 | 26 | 705 | 533 |
| 12 | November | 8,188 | - | 362 | 54 | 4,765 | 159 | 358 | 61 | 857 | 304 | 26 | 572 | 670 |
| 13 | December, 2017 | 6,605 | - | 241 | 0 | 4,084 | 22 | (0) | 38 | 625 | 310 | 26 | 676 | 583 |
| 14 | Total | \$ 101,988 | \$ 2,373 | \$ 5,699 | \$ 3,594 | \$ 48,002 | \$ 4,342 | \$ 5,719 | \$ 1,379 | \$ 12,988 | \$ 3,877 | \$ 345 | \$ 5,851 | \$ 7,818 |
| 15 | Distribution Pct. | Exp Factor | 88.69% | 100.00% | 100.00% | 100.00% | 100.00% | 69.876% | 69.876% | 69.876% | 69.876% | 76.714% | 76.714% | 76.714% |
| 16 | Distribution Amt. | L14 * L15 | \$ 2,105 | \$ 5,699 | \$ 3,594 | \$ 48,002 | \$ 4,342 | \$ 3,996 | \$ 964 | \$ 9,076 | \$ 2,709 | \$ 265 | \$ 4,488 | \$ 5,997 |
| 17 | Number of Months | 13 | | | | | | | | | | | | |
| 18 | Monthly Average | L16 / L17 | \$ 162 | \$ 438 | \$ 276 | \$ 3,692 | \$ 334 | \$ 307 | \$ 74 | \$ 698 | \$ 208 | \$ 20 | \$ 345 | \$ 461 |
| 19 | Rate Case Amount | Sum L18 | \$ 7,018 | | | | | | | | | | | |

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Electric Energy Purchase / POR Lag

| Line No | Description | [1] Midpoint of Prior Month Service Period To End of Month | [2] Payment Date Month After Service Period | [3] Additional Weekend or Holidays Extending Payment Date | [4] Total Working Capital Lag Days [1] + [2] + [3] | [5] Average |
|---|--|---|---|--|---|------------------|
| Contract Purchases in 2019 | | | | | | |
| 1 | January | 15.50 | 19.00 | 2.00 | 36.50 | |
| 2 | February | 15.50 | 19.00 | 1.00 | 35.50 | |
| 3 | March | 14.00 | 19.00 | 1.00 | 34.00 | |
| 4 | April | 15.50 | 19.00 | 3.00 | 37.50 | |
| 5 | May | 15.00 | 19.00 | 1.00 | 35.00 | |
| 6 | June | 15.50 | 19.00 | 1.00 | 35.50 | |
| 7 | July | 15.00 | 19.00 | 3.00 | 37.00 | |
| 8 | August | 15.50 | 19.00 | 1.00 | 35.50 | |
| 9 | September | 15.50 | 19.00 | 1.00 | 35.50 | |
| 10 | October | 15.00 | 19.00 | 2.00 | 36.00 | |
| 11 | November | 15.50 | 19.00 | 1.00 | 35.50 | |
| 12 | December | 15.00 | 19.00 | 1.00 | 35.00 | |
| 13 | Average Payment Lag Days | | | | | 35.71 |
| | | Service Period | Units | Service Period # of Days | Lag Days | Total |
| Spot Market Purchases in 2019 and PJM Transmission Purchased | | | | | | |
| 14 | Service Period Weekly | Wed to Tues | Days | 7.00 | | |
| 15 | Days from Midpoint to End of Service | | | | 3.50 | |
| 16 | Payment Due on Friday of each Week | | | | 9.00 | |
| 17 | Total Payment Lag Days | | | | | 12.50 |
| | | Payment Lag Days | Revenue Percentage | Weighted Lag Days | Lag Days | Total |
| POR Program | | | | | | |
| 18 | Residential | 25.00 | 40% | 9.99 | | |
| 19 | Commercial and Industrial | 20.00 | 60% | 12.01 | | |
| 20 | Weighted Payment Lag Days | | | | 22.00 | |
| 21 | Billing and Revenue Recording Days Lag | | | | 1.00 | |
| 22 | Billing Lag (Average Period) | | | | 15.21 | |
| 23 | Total Payment Lag Days | | | | | 38.21 |

PECO Energy Company
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Pension Assets / (Liabilities)

| Line No | Description | [1] Reference | [2] Total Amounts | [3] Allocation Factor | [4] Distribution Capital Amount |
|---------|---|---------------------|------------------------|----------------------------|--------------------------------------|
| 1 | Balance at 12/31/2017 - Total | | \$ 340,268 | | |
| 2 | Activities in 2018 - Total | | 3,528 | | |
| 3 | Activities in 2019 - Total | | 11,217 | | |
| 4 | Balance at 12/31/2019 - Total | Sum L1 to L3 | <u>\$ 355,013</u> | | |
| 5 | Allocation % to Electric Distribution Capital | | | <u>26.8%</u> | |
| 6 | Balance at 12/31/2019 - Distribution Capital | L4 [2] * L5 [3] | | | <u><u>\$ 95,200</u></u> |

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Accumulated Deferred Income Taxes

| Line No | Description | [1] Reference | [2] Total Amount | [3] Percent to Distribution | [4] Electric Distribution Amount [2] * [3] | [5] Total |
|--|--------------------------------------|----------------------|-----------------------|----------------------------------|--|--------------------------|
| Accumulated Deferred Income Tax - A/C # 282 | | | | | | |
| Balance at the end of 2017 | | | | | | |
| 1 | Electric Distribution | | \$ 956,123 | 100.000% | \$ 956,123 | |
| 2 | Electric Common - a/c # 282 | | 4,844 | 88.687% | 4,296.37 | |
| 3 | Common Plant | | 26,037 | 69.876% | 18,194 | |
| 4 | Software - Common | | - | 69.876% | - | |
| 5 | ADIT on CIAC | | (36,969) | 100.000% | (36,969) | |
| 6 | ADIT on OPEB Contribution Limitation | | (99,299) | 100.000% | (99,299) | |
| 7 | NOL | | (2) | 69.876% | (1) | |
| 8 | Tax Reform - Adjust Deferreds | | (336,502) | 100.000% | (336,502) | |
| 9 | Total Balance at the End of 2017 | Sum L1 to L8 [4] | | | | <u>\$ 505,842</u> |
| Activities in 2018 | | | | | | |
| 10 | Electric Distribution | | \$ 23,189 | 100.000% | \$ 23,189 | |
| 11 | ADIT on CIAC | | (3,496) | 100.000% | (3,496) | |
| 12 | ADIT on OPEB Contribution Limitation | | 2,252 | 100.000% | 2,252 | |
| 13 | NOL | | 2 | 69.876% | <u>1</u> | |
| 14 | Total Activities in 2018 | Sum L10 to L13 [4] | | | | <u>\$ 21,946</u> |
| Activities in 2019 | | | | | | |
| 15 | Electric Distribution | | \$ 11,031 | 100.000% | \$ 11,031 | |
| 16 | ADIT on CIAC | | (3,496) | 100.000% | (3,496) | |
| 17 | ADIT on OPEB Contribution Limitation | | 2,111 | 100.000% | 2,111 | |
| 18 | NOL | | - | 69.876% | <u>-</u> | |
| 19 | Total Activities in 2019 | Sum L15 to L18 [4] | | | | <u>\$ 9,645</u> |
| 20 | Balance at December 31, 2019 | L9 + L14 + L19 | | | | <u><u>\$ 537,434</u></u> |

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Customer Deposits

| Line No | Description | [1] Reference Or Factor | [2] Total |
|--|-------------------------|------------------------------------|-------------------|
| 1 | December, 2016 | | \$ 47,424 |
| 2 | January, 2017 | | 48,997 |
| 3 | February | | 49,158 |
| 4 | March | | 49,704 |
| 5 | April | | 50,120 |
| 6 | May | | 50,386 |
| 7 | June | | 50,756 |
| 8 | July | | 50,904 |
| 9 | August | | 51,218 |
| 10 | September | | 51,368 |
| 11 | October | | 51,634 |
| 12 | November | | 52,832 |
| 13 | December, 2017 | | 52,959 |
| 14 | Total | Sum L1 to L13 | <u>\$ 657,460</u> |
| 15 | Average Monthly Balance | L14 / 13 | <u>\$ 50,574</u> |
| <u>Electric Deposits By Customer Classification</u> | | | |
| 16 | HTY 2017 - Residential | | \$ 20,735 |
| 17 | - Small C&I | | 26,667 |
| 18 | - Large C&I | | 3,170 |
| 19 | - Street Lighting | | 2 |
| 20 | Total | Sum L16 to L19 | <u>\$ 50,574</u> |

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Common Plant

| Line No | Description | Reference | [1] Total Amount | [2] Percent to Distribution | [3] Electric Distribution Amount [1] * [2] |
|--|---|----------------|-----------------------|----------------------------------|--|
| <u>Common Plant at December 31, 2018</u> | | | | | |
| 1 | Land | | \$ 6,920 | | |
| 2 | Organization | | 677 | | |
| 3 | Software | | 270,330 | | |
| 4 | General Plant | | 524,858 | | |
| 5 | Other | | <u>(0)</u> | | |
| 6 | Sub-Total | Sum L1 to L5 | \$ 802,786 | 69.876% | \$ 560,959 |
| 7 | Activity for 2019 | | \$ 60,100 | 69.876% | \$ 41,996 |
| 8 | Total Common Plant at December 31, 2019 | L6 + L7 | <u>\$ 862,886</u> | | <u>\$ 602,954</u> |
| <u>Common Plant Accumulated Depreciation at December 31, 2018</u> | | | | | |
| 9 | Land | | \$ (137) | | |
| 10 | Software | | (196,077) | | |
| 11 | General Plant | | (163,046) | | |
| 12 | Other | | <u></u> | | |
| 13 | Sub-Total | Sum L9 to L12 | \$ (359,260) | 69.876% | \$ (251,038) |
| 14 | Activity for 2019 | | \$ (36,882) | 69.876% | \$ (25,772) |
| 15 | Total Accumulated Depreciation at December 31, 2019 | L13 + L14 | <u>\$ (396,141)</u> | | <u>\$ (276,810)</u> |
| <u>Net Common Plant</u> | | | | | |
| 16 | Net Common Plant | L8 + L15 [1] | <u>\$ 466,744</u> | | |
| 17 | Allocation Factor | | | <u>69.876%</u> | |
| 18 | Total Net Common Plant for Electric | L8 + L15 [3] | | | <u>\$ 326,144</u> |

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Customer Advances for Construction

| Line No | Description | [1] Reference | [2] Total Test Year Amount |
|---------|-------------------------|--------------------|---------------------------------------|
| 1 | December, 2016 | | \$ 426 |
| 2 | January, 2017 | | 325 |
| 3 | February | | 300 |
| 4 | March | | 300 |
| 5 | April | | 857 |
| 6 | May | | 784 |
| 7 | June | | 666 |
| 8 | July | | 1,953 |
| 9 | August | | 1,501 |
| 10 | September | | 1,615 |
| 11 | October | | 1,645 |
| 12 | November | | 1,725 |
| 13 | December, 2017 | | 374 |
| 14 | Total | Sum L1 to L13 | <u>\$ 12,471</u> |
| 15 | Average Monthly Balance | L14 / 13 | <u>\$ 959</u> |

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Unamortized AMR Investment

| Line No | Description | [1] Reference | [2] Amount | [3] Balance |
|------------|--|--------------------|-----------------|------------------|
| 1 | AMR Unamortized Balance as of 12/31/17 | | | \$ 34,652 |
| 2 | Remaining Life until 2020 | In years | 3 | |
| 3 | Annual Amortization of AMR in 2018 | L1 / L2 | 11,551 | |
| 4 | AMR Unamortized Balance as of 12/31/18 | L1 - L3 | | \$ 23,101 |
| 5 | Annual Amortization of AMR in 2019 | L3 | 11,551 | |
| 6 | AMR Unamortized Balance as of 12/31/19 | L4 - L5 | | \$ 11,551 |

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Materials and Supplies

| Line No | Description | Reference | [1] Materials & Supplies | [2] Undistributed Stores Expense | [3] Total [1] + [2] |
|---------|--|---------------|-------------------------------|---------------------------------------|---------------------------------|
| 1 | December, 2016 | | \$ 13,377 | \$ (0) | |
| 2 | January, 2017 | | 13,295 | 254 | |
| 3 | February | | 15,091 | 143 | |
| 4 | March | | 15,853 | 0 | |
| 5 | April | | 15,846 | (75) | |
| 6 | May | | 15,975 | (211) | |
| 7 | June | | 16,474 | 0 | |
| 8 | July | | 16,790 | (110) | |
| 9 | August | | 16,716 | 490 | |
| 10 | September | | 17,008 | 0 | |
| 11 | October | | 16,260 | (184) | |
| 12 | November | | 16,562 | (72) | |
| 13 | December, 2017 | | 16,982 | - | |
| 14 | Total | Sum L1 to L13 | <u>\$ 206,227</u> | <u>\$ 235</u> | |
| 15 | Distribution Expense Allocation Factor | | <u>100.00%</u> | <u>69.876%</u> | |
| 16 | Allocation to Distribution | L14 * L15 | <u>\$ 206,227</u> | <u>\$ 164</u> | |
| 17 | Average Monthly Balance | L16 / 13 | <u>\$ 15,864</u> | <u>\$ 13</u> | <u>\$ 15,876</u> |

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Accumulated Deferred Income Taxes - Reg Liability

| Line No | Description | [1] Reference | [2] Total Amount | [3] Percent to Distribution | [4] Electric Distribution Amount [2] * [3] | [5] Total |
|--|-------------------------------------|---------------------|-----------------------|----------------------------------|--|--------------------------|
| Accumulated Deferred Income Tax - Reg Liability | | | | | | |
| Balance at the end of 2017 | | | | | | |
| 1 | Property Related | | \$ 367,334 | 100.00% | \$ 367,334 | |
| 2 | OPEB Related | | (30,157) | 100.00% | (30,157) | |
| 3 | NOL | | (675) | 100.00% | (675) | |
| 4 | Total Balance at the End of 2017 | Sum L1 to L3 [4] | | | | <u>\$ 336,502</u> |
| Activities in 2018 | | | | | | |
| 5 | Property Related | | \$ 16,916 | 100.00% | \$ 16,916 | |
| 6 | OPEB Related | | (6,031) | 100.00% | \$ (6,031) | |
| 7 | NOL | | (17) | 100.00% | <u>\$ (17)</u> | |
| 8 | Total Activities in 2018 | Sum L5 to L7 [4] | | | | <u>\$ 10,868</u> |
| Activities in 2019 | | | | | | |
| 9 | Property Related | | \$ 16,916 | 100.00% | \$ 16,916 | |
| 10 | OPEB Related | | (6,031) | 100.00% | \$ (6,031) | |
| 11 | NOL | | (17) | 100.00% | <u>\$ (17)</u> | |
| 12 | Total Activities in 2019 | Sum L9 to L11 [4] | | | | <u>\$ 10,868</u> |
| 13 | Balance at December 31, 2019 | L4 - L8 - L12 | | | | <u><u>\$ 314,766</u></u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit
Schedule
Witness:
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BSY-1
D-1
Benjamin S. Yin

Net Operating Income and Revenue Increase At Proposed Rates

| Line No | Description | Factor Or Reference | [1] Pro Forma FPFTY 2019 Present Rates | [2] Revenue Increase | [3] Pro Forma FPFTY 2019 Proposed Rates [1] + [2] |
|--|---|---------------------|---|---------------------------|---|
| Base Customer Charges at Current Rates | | | | | |
| 1 | Customer & Distribution Revenue | | \$ 1,295,197 | \$ - | \$ 1,295,197 |
| 2 | Electric Supply & Cost Adjustment Revenue | | 653,769 | - | 653,769 |
| 3 | Other Revenues | | 219,302 | 615 | 219,917 |
| 4 | Revenue Increase | | | 142,515 | 142,515 |
| 5 | Total Operating Revenues | Sum L1 to L4 | <u>\$ 2,168,268</u> | <u>\$ 143,130</u> | <u>\$ 2,311,398</u> |
| 6 | Tax Reform Benefit to Customers | | \$ (70,623) | \$ - | \$ (70,623) |
| Base Customer Charges with Tax Reform Benefit | | | | | |
| 7 | Customer & Distribution Revenue | L1 + L6 | \$ 1,224,574 | \$ - | \$ 1,224,574 |
| 8 | Electric Supply & Cost Adjustment Revenue | | 653,769 | - | 653,769 |
| 9 | Other Revenues | | 219,302 | 615 | 219,917 |
| 10 | Revenue Increase | | | 142,515 | 142,515 |
| 11 | Total Operating Revenues | Sum L7 to L10 | <u>\$ 2,097,645</u> | <u>\$ 143,130</u> | <u>\$ 2,240,776</u> |
| Operating Expenses | | | | | |
| 12 | Power Supply | | \$ 608,548 | \$ - | \$ 608,548 |
| 13 | Transmission Expense | | 172,218 | - | 172,218 |
| 14 | Regional Market | | - | - | - |
| 15 | Distribution Expense | | 301,879 | - | 301,879 |
| 16 | Total Customer Accounts | | 79,175 | - | 79,175 |
| 17 | Uncollectible Accounts | 0.8857% | 36,723 | 1,262 | 37,985 |
| 18 | Total Customer Service & Information | | 12,062 | - | 12,062 |
| 19 | Total Sales | | 883 | - | 883 |
| 20 | Administrative & General | 0.3557% | 191,366 | 507 | 191,873 |
| 21 | Depreciation & Amortization Expense | | 220,388 | - | 220,388 |
| 22 | Amortization of Regulatory Expense | | 14,675 | - | 14,675 |
| 23 | Taxes Other Than Income Taxes | 5.9000% | 140,719 | 8,408 | 149,128 |
| 24 | Other | | - | - | - |
| 25 | Total Operating Expenses | Sum L12 to L24 | <u>\$ 1,778,637</u> | <u>\$ 10,178</u> | <u>\$ 1,788,814</u> |
| 26 | Net Operating Income Before Income Tax | L11 - L25 | \$ 319,009 | \$ 132,953 | \$ 451,962 |
| Income Taxes | | | | | |
| 27 | Pro Forma Income Tax at Present Rates | | \$ 36,233 | | \$ 36,233 |
| 28 | Pro Forma Income Tax on Revenue Increase | | | 38,413 | 38,413 |
| 29 | Net Operating Income | L26 - L27 - L28 | <u>\$ 282,776</u> | <u>\$ 94,540</u> | <u>\$ 377,316</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit **BSY-1**
Schedule **D-2**
Witness: **Benjamin S. Yin**
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Adjusted Net Operating Income At Present Rates

| Line No | Description | Account Number | [1] Budget FPFTY 2019 | [2] Adjustments | [3] Adjusted Present Rates FPFTY 2019 |
|--|--|----------------|-------------------------------|----------------------|--|
| Base Customer Charges at Current Rates | | | | | |
| 1 | Residential | 440 | \$ 1,447,858 | \$ (56,003) | \$ 1,391,856 |
| 2 | Small C & I | 442 | 348,899 | (18,657) | 330,241 |
| 3 | Large C & I | 442 | 234,928 | (37,589) | 197,339 |
| 4 | Railroads & Railways | 444 | 9,387 | (1,722) | 7,665 |
| 5 | Street Lighting | 446 | 20,906 | (108) | 20,798 |
| 6 | Inter-Company | | 1,068 | - | 1,068 |
| 7 | Transmission - All Classes | | 185,615 | - | 185,615 |
| 8 | Forfeited Discounts | 450 | 9,406 | - | 9,406 |
| 9 | Miscellaneous Service Revenues | 451 | 3,794 | - | 3,794 |
| 10 | Rent For Electric Property | 454 | 17,832 | - | 17,832 |
| 11 | Decommissioning Payment | | (3,860) | - | (3,860) |
| 12 | Other Electric Revenues | 456.1 | 6,514 | - | 6,514 |
| 13 | Transmission of Electricity for Others | | - | - | - |
| 14 | Total Operating Revenues | Sum L1 to L13 | <u>\$ 2,282,347</u> | <u>\$ (114,079)</u> | <u>\$ 2,168,268</u> |
| Tax Reform Benefit to Customers | | | | | |
| 15 | Residential | 440 | \$ (46,359) | | (46,359) |
| 16 | Small C & I | 442 | (12,875) | | (12,875) |
| 17 | Large C & I | 442 | (9,916) | | (9,916) |
| 18 | Railroads & Railways | 444 | (458) | | (458) |
| 19 | Street Lighting | 446 | (1,014) | | (1,014) |
| | Total Operating Revenues | Sum L15 to L19 | <u>\$ (70,623)</u> | | <u>\$ (70,623)</u> |
| Base Customer Charges with Tax Reform Benefit | | | | | |
| 20 | Residential | 440 | \$ 1,401,499 | \$ (56,003) | \$ 1,345,497 |
| 21 | Small C & I | 442 | 336,024 | (18,657) | 317,366 |
| 22 | Large C & I | 442 | 225,012 | (37,589) | 187,423 |
| 23 | Railroads & Railways | 444 | 8,929 | (1,722) | 7,207 |
| 24 | Street Lighting | 446 | 19,892 | (108) | 19,784 |
| 25 | Inter-Company | | 1,068 | - | 1,068 |
| 26 | Transmission - All Classes | | 185,615 | - | 185,615 |
| 27 | Forfeited Discounts | 450 | 9,406 | - | 9,406 |
| 28 | Miscellaneous Service Revenues | 451 | 3,794 | - | 3,794 |
| 29 | Rent For Electric Property | 454 | 17,832 | - | 17,832 |
| 30 | Decommissioning Payment | | (3,860) | - | (3,860) |
| 31 | Other Electric Revenues | 456.1 | 6,514 | - | 6,514 |
| 32 | Transmission of Electricity for Others | | - | - | - |
| 33 | Total Operating Revenues | Sum L20 to L32 | <u>\$ 2,211,725</u> | <u>\$ (114,079)</u> | <u>\$ 2,097,645</u> |
| Operating Expenses | | | | | |
| 34 | Power Supply | | \$ 608,548 | \$ - | \$ 608,548 |
| 35 | Transmission Expense | | 172,218 | - | 172,218 |
| 36 | Regional Market | | - | - | - |
| 37 | Distribution Expense | | 279,921 | 21,958 | 301,879 |
| 38 | Total Customer Accounts | | 74,347 | 4,828 | 79,175 |
| 39 | Uncollectible Accounts | 0.8857% | 25,065 | 11,658 | 36,723 |
| 40 | Total Customer Service & Information | | 100,796 | (88,734) | 12,062 |
| 41 | Total Sales | | 864 | 18 | 883 |
| 42 | Administrative & General | 0.3557% | 181,392 | 9,974 | 191,366 |
| 43 | Depreciation & Amortization Expense | | 209,162 | 11,226 | 220,388 |
| 44 | Amortization of Regulatory Expense | | 18,439 | (3,764) | 14,675 |
| 45 | Taxes Other Than Income Taxes | 5.9000% | 147,607 | (6,887) | 140,719 |
| 46 | Other | | - | - | - |
| 47 | Total Operating Expenses | Sum L34 to L46 | <u>\$ 1,818,360</u> | <u>\$ (39,723)</u> | <u>\$ 1,778,637</u> |
| 48 | Net Operating Income - BIT | L33 - L47 | <u>\$ 393,365</u> | <u>\$ (74,356)</u> | <u>\$ 319,009</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit
Schedule
Witness:
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Benjamin S. Yin
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| Line No | Description | Account Number | Budget FPFTY 2019 | Adjustments to Net Operating Income | | | | | | | IPA Recovery | Sub-Total Proforma |
|--|--|----------------|-------------------|-------------------------------------|------------|----------|----------|------------|-------------|------------|--------------------|--------------------|
| | | | | [2] | [3] | [4] | [5] | [6] | [7] | [8] | | |
| | | | | Adjustments | | | | | | | | |
| | | | | D-5 | D-6 | D-7 | D-8 | D-9 | D-10 | D-11 | Sum [1] to [8] | |
| Base Customer Charges with Tax Reform Benefit | | | | | | | | | | | | |
| Customer & Distribution Revenue | | | | | | | | | | | | |
| 1 | Residential | 440 | \$ 873,512 | \$ (56,003) | | | | | | | \$ 817,510 | |
| 2 | Small C & I | 442 | 243,671 | (18,657) | | | | | | | 225,014 | |
| 3 | Large C & I | 442 | 192,521 | (37,589) | | | | | | | 154,932 | |
| 4 | Railroads & Railways | 444 | 8,929 | (1,722) | | | | | | | 7,207 | |
| 5 | Street Lighting | 446 | 19,184 | (108) | | | | | | | 19,076 | |
| 6 | Inter-Company | | 836 | - | | | | | | | 836 | |
| 7 | Transmission - All Classes | | 185,615 | - | | | | | | | 185,615 | |
| Electric Cost Revenue | | | | | | | | | | | | |
| 8 | Residential | 440 | 527,987 | - | | | | | | | 527,987 | |
| 9 | Small C & I | 442 | 92,352 | - | | | | | | | 92,352 | |
| 10 | Large C & I | 442 | 32,491 | - | | | | | | | 32,491 | |
| 11 | Railroads & Railways | 444 | - | - | | | | | | | - | |
| 12 | Street Lighting | 446 | 708 | - | | | | | | | 708 | |
| 13 | Inter-Company | | 232 | - | | | | | | | 232 | |
| 14 | Forfeited Discounts | 450 | 9,406 | - | | | | | | | 9,406 | |
| 15 | Miscellaneous Service Revenues | 451 | 3,794 | - | | | | | | | 3,794 | |
| 16 | Rent For Electric Property | 454 | 17,832 | - | | | | | | | 17,832 | |
| 17 | Decommissioning Payment | | (3,860) | - | | | | | | | (3,860) | |
| 18 | Other Electric Revenues | 456.1 | 6,514 | - | | | | | | | 6,514 | |
| 19 | Transmission of Electricity for Others | | - | - | | | | | | | - | |
| 20 | Total Operating Revenues | Sum L1 to L19 | \$ 2,211,725 | \$ (114,079) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,097,645 | |
| Operating Expenses | | | | | | | | | | | | |
| 21 | Power Supply | | \$ 608,548 | | | | | | | | \$ 608,548 | |
| 22 | Transmission Expense | | 172,218 | | | | | | | | 172,218 | |
| 23 | Regional Market | | - | | | | | | | | - | |
| 24 | Distribution Expense | | 279,921 | | 2,429 | | | | | 3,647 | 285,997 | |
| 25 | Total Customer Accounts | | 74,347 | | 1,010 | | | | | | 75,357 | |
| 26 | Uncollectible Accounts | | 25,065 | | | | | | 11,658 | | 36,723 | |
| 27 | Total Customer Service & Information | | 100,796 | | 42 | | | | | | 100,838 | |
| 28 | Total Sales | | 864 | | 18 | | | | | | 883 | |
| 29 | Administrative & General | | 181,392 | | 1,554 | 867 | 144 | 7,409 | | | 191,366 | |
| 30 | Depreciation & Amortization Expense | | 209,162 | | | | | | | | 209,162 | |
| 31 | Amortization of Regulatory Expense | | 18,439 | | | | | | | | 18,439 | |
| 32 | Taxes Other Than Income Taxes | | 147,607 | | | | | | | | 147,607 | |
| 33 | Other | | - | | | | | | | | - | |
| 34 | Total Operating Expenses | Sum L21 to L33 | \$ 1,818,360 | \$ - | \$ 5,053 | \$ 867 | \$ 144 | \$ 7,409 | \$ 11,658 | \$ 3,647 | \$ 1,847,138 | |
| 35 | Net Operating Income Before Income Tax | L20 - L34 | \$ 393,365 | \$ (114,079) | \$ (5,053) | \$ (867) | \$ (144) | \$ (7,409) | \$ (11,658) | \$ (3,647) | \$ 250,507 | |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit
Schedule
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| Line No | Description | Account Number | [10] From Page 1 Sub-total | Adjustments to Net Operating Income | | | | | [15] Costs To Achieve D-15 | [16] Taxes Other Than Income D-16 | [17] Depreciation Annualization D-17 | [18] Total Adjusted Sum [10] to [17] |
|---------|---|----------------|---------------------------------|--|---|---------------------|--|-------------|---------------------------------|--|---|--|
| | | | | [11] Interest on Cust Deposits D-12 | [12] Storm Recovery Normalization D-13 | [13] OPEN D-14 | [14] Energy Efficiency Program D-5F | Adjustments | | | | |
| | Base Customer Charges with Tax Reform Benefit | | | | | | | | | | | |
| 36 | Customer & Distribution Revenue | | | | | | | | | | | |
| 37 | Residential | 440 | \$ 817,510 | | | | | | | | \$ 817,510 | |
| 38 | Small C & I | 442 | 225,014 | | | | | | | | 225,014 | |
| 39 | Large C & I | 442 | 154,932 | | | | | | | | 154,932 | |
| 40 | Railroads & Railways | 444 | 7,207 | | | | | | | | 7,207 | |
| 41 | Street Lighting | 446 | 19,076 | | | | | | | | 19,076 | |
| 42 | Inter-Company | | 836 | | | | | | | | 836 | |
| 43 | Transmission - All Classes | | 185,615 | | | | | | | | 185,615 | |
| | Electric Cost Revenue | | - | | | | | | | | - | |
| 44 | Residential | 440 | 527,987 | | | | | | | | 527,987 | |
| 45 | Small C & I | 442 | 92,352 | | | | | | | | 92,352 | |
| 46 | Large C & I | 442 | 32,491 | | | | | | | | 32,491 | |
| 47 | Railroads & Railways | 444 | - | | | | | | | | - | |
| 48 | Street Lighting | 446 | 708 | | | | | | | | 708 | |
| 49 | Inter-Company | | 232 | | | | | | | | 232 | |
| 50 | Forfeited Discounts | 450 | 9,406 | | | | | | | | 9,406 | |
| 51 | Miscellaneous Service Revenues | 451 | 3,794 | | | | | | | | 3,794 | |
| 52 | Rent For Electric Property | 454 | 17,832 | | | | | | | | 17,832 | |
| 53 | Decommissioning Payment | | (3,860) | | | | | | | | (3,860) | |
| 54 | Other Electric Revenues | 456 | 6,514 | | | | | | | | 6,514 | |
| 55 | Transmission of Electricity for Others | | - | | | | | | | | - | |
| 56 | Total Operating Revenues | Sum L36 to L55 | \$ 2,097,645 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,097,645 | |
| 57 | Operating Expenses | | | | | | | | | | | |
| 58 | Power Supply | | \$ 608,548 | | | | | | | | \$ 608,548 | |
| 59 | Transmission Expense | | 172,218 | | | | | | | | 172,218 | |
| 60 | Regional Market | | - | | | | | | | | - | |
| 61 | Distribution Expense | | 285,997 | | 15,882 | | | | | | 301,879 | |
| 62 | Total Customer Accounts | | 75,357 | 1,258 | | - | | 2,560 | | | 79,175 | |
| 63 | Uncollectible Accounts | | 36,723 | | | | | | | | 36,723 | |
| 64 | Total Customer Service & Information | | 100,838 | | | | (88,776) | | | | 12,062 | |
| 65 | Total Sales | | 883 | | | | | | | | 883 | |
| 66 | Administrative & General | | 191,366 | | | | | | | | 191,366 | |
| 67 | Depreciation & Amortization Expense | | 209,162 | | | | | | 11,226 | | 220,388 | |
| 68 | Amortization of Regulatory Expense | | 18,439 | | | | (3,764) | | | | 14,675 | |
| 69 | Taxes Other Than Income Taxes | | 147,607 | | | | | | (6,887) | | 140,719 | |
| 70 | Other | | - | | | | | | | | - | |
| 71 | Total Operating Expenses | Sum L58 to L70 | \$ 1,847,138 | \$ 1,258 | \$ 15,882 | \$ - | \$ (92,540) | \$ 2,560 | \$ (6,887) | \$ 11,226 | \$ 1,778,637 | |
| 72 | Net Operating Income Before Income Tax | L56 - L71 | \$ 250,507 | \$ (1,258) | \$ (15,882) | \$ - | \$ 92,540 | \$ (2,560) | \$ 6,887 | \$ (11,226) | \$ 319,009 | |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit **BSY-1**
Schedule **D-4**
Witness: **Benjamin S. Yin**
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Summary of Adjustments by FERC Account

| Line No | Description | [1] Account Number | [2] Budget FPFTY 2019 | [3] Adjustments | [4] Pro Forma Adjusted [2] + [3] |
|---|--|-------------------------|-------------------------------|----------------------|---|
| <u>Customer & Distribution Revenue</u> | | | | | |
| 1 | Residential | | \$ 873,512 | \$ (56,003) | \$ 817,510 |
| 2 | Small C & I | | 243,671 | (18,657) | 225,014 |
| 3 | Large C & I | | 192,521 | (37,589) | 154,932 |
| 4 | Railroads & Railways | | 8,929 | (1,722) | 7,207 |
| 5 | Street Lighting | | 19,184 | (108) | 19,076 |
| 6 | Inter-Company | | 836 | - | 836 |
| 7 | Transmission - All Classes | | 185,615 | - | 185,615 |
| 8 | Cust Chg & Distrib Revenue | Sum L1 to L7 | <u>\$ 1,524,268</u> | <u>\$ (114,079)</u> | <u>\$ 1,410,189</u> |
| <u>Electric Cost Revenue</u> | | | | | |
| 9 | Residential | | \$ 527,987 | \$ - | \$ 527,987 |
| 10 | Small C & I | | 92,352 | - | 92,352 |
| 11 | Large C & I | | 32,491 | - | 32,491 |
| 12 | Railroads & Railways | | - | - | - |
| 13 | Street Lighting | | 708 | - | 708 |
| 14 | Inter-Company | | 232 | - | 232 |
| 15 | Revenue for Cost of Electric | Sum L9 to L14 | <u>\$ 653,769</u> | <u>\$ -</u> | <u>\$ 653,769</u> |
| <u>OTHER REVENUE</u> | | | | | |
| 16 | Forfeited Discounts | | 9,406 | - | 9,406 |
| 17 | Miscellaneous Service Revenues | | 3,794 | - | 3,794 |
| 18 | Rent For Electric Property | | 17,832 | - | 17,832 |
| 19 | Decommissioning Payment | | (3,860) | - | (3,860) |
| 20 | Other Electric Revenues | | 6,514 | - | 6,514 |
| 21 | Transmission of Electricity for Others | | - | - | - |
| 22 | Other Revenue | Sum L16 to L21 | <u>\$ 33,687</u> | <u>\$ -</u> | <u>\$ 33,687</u> |
| 23 | Total Operating Revenue | L8 + L15 + L22 | <u>\$ 2,211,725</u> | <u>\$ (114,079)</u> | <u>\$ 2,097,645</u> |
| <u>Power Supply Expenses</u> | | | | | |
| 24 | Purchased Power | 555 | \$ 608,548 | \$ - | \$ 608,548 |
| 25 | Other | | - | - | - |
| 26 | Total Power Supply | L24 + L25 | <u>\$ 608,548</u> | <u>\$ -</u> | <u>\$ 608,548</u> |
| <u>Transmission Expense</u> | | | | | |
| <u>Operation</u> | | | | | |
| 27 | Operation & Supervision | 560 | \$ - | \$ - | \$ - |
| 28 | Load Dispatching | 561 | - | - | - |
| 29 | Scheduling, System Control & Dispatch | 561.4 | 89,105 | - | 89,105 |
| 30 | Transmission Service Studies | 561.6 | - | - | - |
| 31 | Generation Service Studies | 561.7 | - | - | - |
| 32 | Reliability, Planning & Standard Development | 561.8 | 83,113 | - | 83,113 |
| 33 | Station Expnese | 562 | - | - | - |
| 34 | Overhead Lines | 563 | - | - | - |
| 35 | Underground Lines Expense | 564 | - | - | - |
| 36 | Miscellaneous Expense | 566 | - | - | - |
| 37 | Rents | 567 | - | - | - |
| 38 | Total Transmission Operation Expense | Sum L27 to L37 | <u>\$ 172,218</u> | <u>\$ -</u> | <u>\$ 172,218</u> |
| <u>Maintenance</u> | | | | | |
| 39 | Maintenance of Structures | 569 | \$ - | \$ - | \$ - |
| 40 | Maintenance of Computer Hardware | 569.1 | - | - | - |
| 41 | Maintenance of Computer Software | 569.2 | - | - | - |
| 42 | Maintenance of Communicaiton Equipment | 569.3 | - | - | - |
| 43 | Maintenance of Station Equipment | 570 | - | - | - |
| 44 | Maintenance Overhead Lines | 571 | - | - | - |
| 45 | Maintenance of Underground Lines | 572 | - | - | - |
| 46 | Maintenance of Misc Transmission Plant | 573 | - | - | - |
| 47 | Total Transmission Maintenance | Sum L39 to L46 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 48 | Total Transmission Expense | L38 + L47 | <u>\$ 172,218</u> | <u>\$ -</u> | <u>\$ 172,218</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Fully Projected Future Test Year Ended December 31, 2019
(\$ in Thousands)

Exhibit **BSY-1**
Schedule **D-4**
Witness: **Benjamin S. Yin**
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Summary of Adjustments by FERC Account

| Line No | Description | [1] Account Number | [2] Budget FPFTY 2019 | [3] Adjustments | [4] Pro Forma Adjusted [2] + [3] |
|---|---|-------------------------|-------------------------------|----------------------|---|
| Regional Market Expenses | | | | | |
| 49 | Market Facilitation, Monitoring & Compliance | 575.7 | \$ - | \$ - | \$ - |
| 50 | Other | | - | - | - |
| 51 | Total Regional Market | Sum L49 to L50 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Distribution Expense | | | | | |
| <u>Operations</u> | | | | | |
| 52 | Operation & Supervision | 580 | \$ 385 | \$ 9 | \$ 394 |
| 53 | Load Dispatching | 581 | \$ 46 | \$ - | \$ 46 |
| 54 | Station Expense | 582 | 3,763 | 1 | 3,764 |
| 55 | Overhead Lines Expenss | 583 | 8,268 | 53 | 8,321 |
| 56 | Underground Lines Expense | 584 | 7,451 | 70 | 7,521 |
| 57 | Meter Expenses | 586 | 10,905 | 73 | 10,978 |
| 58 | Customer Installations Expense | 587 | 8,499 | 144 | 8,643 |
| 59 | Miscellaneous Expense | 588 | 52,348 | 215 | 52,563 |
| 60 | Rents | 589 | 197 | - | 197 |
| 61 | Total Distribution Operations | Sum L52 to L60 | <u>\$ 91,861</u> | <u>\$ 566</u> | <u>\$ 92,427</u> |
| <u>Maintenance</u> | | | | | |
| 62 | Maintenance - Energy Efficiency Programs | | \$ - | \$ - | \$ - |
| 63 | Maintenance of Structures | 591 | 7,299 | 42 | 7,342 |
| 64 | Maintenance of Station Equipment | 592 | 18,935 | 202 | 19,136 |
| 65 | Maintenance of Overhead Lines | 593 | 105,195 | 16,905 | 122,100 |
| 66 | Maintenance of Underground Lines | 594 | 34,445 | 494 | 34,939 |
| 67 | Maintenance of Line Transformers | 595 | 1,614 | 10 | 1,624 |
| 68 | Maintenance of Street Lighting & Signal Systems | 596 | 1,826 | 3 | 1,830 |
| 69 | Maintenance of Misc. Distribution | 598 | 18,745 | 88 | 18,834 |
| 70 | Total Distribution Maintenance | Sum L62 to L69 | <u>\$ 188,060</u> | <u>\$ 17,745</u> | <u>\$ 205,805</u> |
| 71 | Total Distribution Expense | L61 + L71 | <u>\$ 279,921</u> | <u>\$ 18,311</u> | <u>\$ 298,232</u> |
| Customer Accounts | | | | | |
| 72 | Supervision | 901 | \$ - | \$ - | \$ - |
| 73 | Meter Reading | 902 | 571 | 1 | 572 |
| 74 | Customer Records and Collection | 903 | 70,155 | 978 | 71,133 |
| 75 | Uncollectible Accounts | 904 | 25,065 | 11,658 | 36,723 |
| 76 | Miscellaneous Customer Accounts | 905 | 3,621 | 4,936 | 8,557 |
| 77 | Total Customer Accounts | Sum L72 to L76 | <u>\$ 99,412</u> | <u>\$ 17,573</u> | <u>\$ 116,985</u> |
| Customer Service & Information | | | | | |
| 78 | Customer Assistance | 908 | \$ 99,762 | \$ (88,734) | \$ 11,028 |
| 79 | Informational & Instructional | 909 | 885 | - | 885 |
| 80 | Miscellaneous Customer & Informational | 910 | 149 | 0 | 149 |
| 81 | Total Customer Service & Information | Sum L78 to L80 | <u>\$ 100,796</u> | <u>\$ (88,734)</u> | <u>\$ 12,062</u> |
| Sales | | | | | |
| 82 | Demonstrating & Selling | 912 | \$ 864 | \$ 18 | \$ 883 |
| 83 | Miscellaneous Sales | 916 | - | - | - |
| 84 | Total Sales | L82 + L83 | <u>\$ 864</u> | <u>\$ 18</u> | <u>\$ 883</u> |
| Administration & General - General | | | | | |
| <u>Operation</u> | | | | | |
| 85 | Administrative and General Salaries | 920 | \$ 39,223 | \$ 1,464 | \$ 40,687 |
| 86 | Office Supplies and Expenses | 921 | 8,660 | 0 | 8,660 |
| 87 | Administrative Expenses Transferred-Credit | 922 | - | - | - |
| 88 | Outside Service Employed | 923 | 78,545 | 2,560 | 81,105 |
| 89 | Property Insurance | 924 | 185 | - | 185 |
| 90 | Injuries and Damages | 925 | 9,851 | 53 | 9,904 |
| 91 | Employee Pensions and Benefits | 926 | 25,064 | 7,554 | 32,618 |
| 92 | Franchise Requirements | 927 | - | - | - |
| 93 | Regulatory Commission Expenses | 928 | 11,817 | 867 | 12,684 |
| 94 | Duplicate Charges-Credit | 929 | (1,496) | - | (1,496) |
| 95 | General Advertising Expenses | 930.1 | - | - | - |
| 96 | Miscellaneous General Expenses | 930.2 | 3,013 | 0 | 3,013 |
| 97 | Rents | 931 | - | - | - |
| 98 | A & G Operation Expenses | Sum L85 to L97 | <u>\$ 174,862</u> | <u>\$ 12,498</u> | <u>\$ 187,360</u> |
| <u>Maintenance</u> | | | | | |
| 99 | Maintenance of General Plant | 935 | 6,530 | 36 | 6,566 |
| 100 | Total Administrative & General | L98 + L99 | <u>\$ 181,392</u> | <u>\$ 12,534</u> | <u>\$ 193,926</u> |
| 101 | Total O&M Expenses | | <u>\$ 1,443,152</u> | <u>\$ (40,298)</u> | <u>\$ 1,402,854</u> |
| | L26 + L48 + L51 + L71 + L77 + L81 + L84 L98 + L99 | | <u>\$ 1,443,152</u> | <u>\$ (40,298)</u> | <u>\$ 1,402,854</u> |

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Revenue Adjustments Summary

| Line No | Description | [1] Reference or Account Number | [2] 2019 Budget Before Tax Reform | [3] Tax Reform Benefit | [4] 2019 Budget With Tax Reform [2] + [3] | [5] [6] [7] [8] [9] [10] [11] [12] | | | | | | Proforma Adjusted At Present Rates SUM [4] to [11] | |
|--|--|--------------------------------------|--|-----------------------------|---|---|------------------------|--------------------------------|---|--|-------------------------------------|---|--------------|
| | | | | | | Revenue Annualization D-5A | CAP Rev Credit D-5B | Act 129 Load Reduction D-5C | Adjustments Energy Efficiency Adjustment D-5D | Tax Repair Catch-up Adjustment D-5E | Leap Year Adj to Pres Rates D-5F | | OPEN |
| Customer & Distribution Revenue | | | | | | | | | | | | | |
| 1 | Residential | 440 | \$ 919,871 | \$ (46,359) | \$ 873,512 | \$ 2,812 | \$ 188 | \$ (12,344) | \$ (47,138) | \$ - | \$ 479 | \$ - | \$ 817,510 |
| 2 | Small C & I | 442 | 256,546 | (12,875) | 243,671 | 234 | | (3,021) | (15,870) | - | | - | 225,014 |
| 3 | Large C & I | 442 | 202,437 | (9,916) | 192,521 | - | | (3,676) | (33,913) | - | | - | 154,932 |
| 4 | Railroads & Railways | 444 | 9,387 | (458) | 8,929 | | | | (1,722) | - | | - | 7,207 |
| 5 | Street Lighting | 446 | 20,199 | (1,014) | 19,184 | | | (28) | (80) | - | | - | 19,076 |
| 6 | Inter-Company | | 836 | | 836 | | | | | - | | - | 836 |
| 7 | Transmission - All Classes | | 185,615 | | 185,615 | | | | | | | | 185,615 |
| 8 | Cust Chg & Distrib Revenue | Sum L1 to L7 | 1,594,891 | (70,623) | 1,524,268 | 3,045 | 188 | (19,069) | (98,723) | - | 479 | - | 1,410,189 |
| Electric Cost Revenue | | | | | | | | | | | | | |
| 9 | Residential | | 527,987 | | 527,987 | | | | | | | | 527,987 |
| 10 | Small C & I | | 92,352 | | 92,352 | | | | | | | | 92,352 |
| 11 | Large C & I | | 32,491 | | 32,491 | | | | | | | | 32,491 |
| 12 | Railroads & Railways | | - | | - | | | | | | | | - |
| 13 | Street Lighting | | 708 | | 708 | | | | | | | | 708 |
| 14 | Inter-Company | | 232 | | 232 | | | | | | | | 232 |
| 15 | Transmission - All Classes | | - | | - | | | | - | | | | - |
| 16 | Revenue for Cost of Electric | Sum L9 to L15 | 653,769 | - | 653,769 | - | - | - | - | - | - | - | 653,769 |
| 17 | Test Year STAS Revenue - Reclass | | | | | | | | | | | | - |
| 18 | Total Customer Revenue | L8 + L16 | 2,248,661 | (70,623) | 2,178,038 | 3,045 | 188 | (19,069) | (98,723) | - | 479 | - | 2,063,959 |
| 19 | Sales For Resale | 447 | - | | - | | | | | | | | - |
| 20 | | | | | | | | | | | | | - |
| 21 | Forfeited Discounts | 450 | 9,406 | | 9,406 | | | | | | | | 9,406 |
| 22 | Miscellaneous Service Revenues | 451 | 3,794 | | 3,794 | | | | | | | | 3,794 |
| 23 | | | | | | | | | | | | | - |
| 24 | Rent For Electric Property | 454 | 17,832 | | 17,832 | | | | | | | | 17,832 |
| 25 | Decommissioning Payment | | (3,860) | | (3,860) | | | | | | | | (3,860) |
| 25 | Other Electric Revenues | 456.1 | 6,514 | | 6,514 | | | | | | | | 6,514 |
| 26 | Transmission of Electricity for Others | | - | | - | | | | | | | | - |
| 27 | Total Revenues | Sum L18 to L26 | 2,282,347 | (70,623) | 2,211,725 | 3,045 | 188 | (19,069) | (98,723) | - | 479 | - | 2,097,645 |
| 28 | Other | | | | | | | | | | | | |
| 29 | Total Revenues | L27 + I28 | \$ 2,282,347 | \$ (70,623) | \$ 2,211,725 | \$ 3,045 | \$ 188 | \$ (19,069) | \$ (98,723) | \$ - | \$ 479 | \$ - | \$ 2,097,645 |

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Revenue Annualization

| Line No | Description | [1] Residential | [2] Residential Heating | [3] Small C&I | [4] Large C&I | [5] Total Sum [1] to [4] |
|---------|---|----------------------|------------------------------|--------------------|--------------------|--------------------------------------|
| 1 | Total Test Year Revenues | \$ 1,144,033 | \$ 257,467 | \$ 336,024 | \$ 225,012 | \$ 1,962,535 |
| 2 | Commodity Billings in Revenues | (418,108) | (109,879) | (92,352) | (32,491) | (652,830) |
| 3 | Distribution Revenue Surcharge | <u>(35,358)</u> | <u>(8,968)</u> | <u>(12,689)</u> | <u>(27,796)</u> | <u>(84,812)</u> |
| 4 | Revenues Net of Commodity L1 + L2 + L3 | <u>\$ 690,566</u> | <u>\$ 138,620</u> | <u>\$ 230,982</u> | <u>\$ 164,725</u> | <u>\$ 1,224,892</u> |
| 5 | Average Monthly Customers in TY | <u>1,300,575</u> | <u>187,297</u> | <u>151,768</u> | <u>3,111</u> | <u>1,642,750</u> |
| 6 | Average Annual Distribution Revenue Per Customer L4 / L5 | <u>\$ 0.531</u> | <u>\$ 0.740</u> | <u>\$ 1.522</u> | <u>\$ 52.949</u> | <u>\$ 0.746</u> |
| 7 | Number of Customers at End of Year | <u>1,304,915</u> | <u>187,982</u> | <u>151,921</u> | <u>3,111</u> | <u>1,647,929</u> |
| 8 | Increase in Customers during TY L7 - L5 | <u>4,341</u> | <u>685</u> | <u>153</u> | <u>-</u> | <u>5,179</u> |
| 9 | Annualization of Revenue L6 * L8 | <u>\$ 2,305</u> | <u>\$ 507</u> | <u>\$ 234</u> | <u>\$ -</u> | <u>\$ 3,045</u> |

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CAP Revenue Credits and Adjustments

| Line No | Description | [1] Factor or Reference | [2] Amount | [3] Sub-Total | [4] Total |
|---|--|---------------------------------|-----------------|--------------------|----------------|
| 1 | CAP Discount Included in TY Budget | | \$ (66,781) | | |
| <u>Annualization To Year End Customers</u> | | | | | |
| 2 | Average Monthly CAP Customer in TY | | 115,487 | | |
| 3 | Average Annual CAP Discount per Customer | L1 / L2 | (0.578) | | |
| 4 | Number of CAP Customer at End of Year | | 115,040 | | |
| 5 | Increase of CAP Customer during TY | L4 - L2 | (447) | | |
| 6 | Gross Decrease / (Increase) in CAP Discount | L3 * L5 | | 258 | |
| 7 | Reflect impact in write-offs and Working Cap | 27.0% | | <u>(70)</u> | |
| 8 | Net Decrease / (Increase) in CAP Discount for Test Year | L6 + L7 | | | \$ 188 |

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Act 129 - Lost Revenue Due To Load Reduction

| Line No | Description | [1] Reference | [2] 2019 Revenue Loss | [3] 2020 & 2021 Revenue Loss | [4] 2020 & 2021 Revenue Loss Over 2019 | [6] Recovery of Incremental Revenue Loss |
|--|---------------------|--------------------|-------------------------------|---|---|---|
| <u>Revenue Impact in 2019 -- Included in Test Year Budget</u> | | | | | | |
| 1 | Residential | | \$ (8,961) | | | |
| 2 | Residential Heating | | (1,944) | | | |
| 3 | Small C & I | | (1,673) | | | |
| 4 | Large C & I | | (1,993) | | | |
| 5 | Street Lighting | | (19) | | | |
| 6 | Total | Sum L1 to L5 | <u>\$ (14,590)</u> | | | |
| <u>Target Revenue Impact in 2020</u> | | | | | | |
| 7 | Residential | | | \$ (15,243) | | |
| 8 | Residential Heating | | | (3,307) | | |
| 9 | Small C & I | | | (3,420) | | |
| 10 | Large C & I | | | (4,411) | | |
| 11 | Street Lighting | | | (38) | | |
| 12 | Total | Sum L7 to L11 | | <u>\$ (26,418)</u> | | |
| <u>Incremental Revenue Impact Over 2019 Budget</u> | | | | | | |
| 13 | Residential | L7 - L1 | | | \$ (6,282) | |
| 14 | Residential Heating | L8 - L2 | | | (1,363) | |
| 15 | Small C & I | L9 - L3 | | | (1,747) | |
| 16 | Large C & I | L10 - L4 | | | (2,417) | |
| 17 | Street Lighting | L11 - L5 | | | (19) | |
| 18 | Total | Sum L13 to L17 | | | <u>\$ (11,828)</u> | |
| <u>Target Revenue Impact in 2021</u> | | | | | | |
| 19 | Residential | | | \$ (23,006) | | |
| 20 | Residential Heating | | | (4,942) | | |
| 21 | Small C & I | | | (5,968) | | |
| 22 | Large C & I | | | (6,928) | | |
| 23 | Street Lighting | | | (56) | | |
| 24 | Total | Sum L19 to L23 | | <u>\$ (40,901)</u> | | |
| <u>Incremental Revenue Impact Over 2019 Budget</u> | | | | | | |
| 25 | Residential | L19 - L1 | | | \$ (14,045) | |
| 26 | Residential Heating | L20 - L2 | | | (2,998) | |
| 27 | Small C & I | L21 - L3 | | | (4,295) | |
| 28 | Large C & I | L22 - L4 | | | (4,935) | |
| 29 | Street Lighting | L23 - L5 | | | (38) | |
| 30 | Total | Sum L25 to L29 | | | <u>\$ (26,310)</u> | |
| <u>Average Annual Incremental Revenue Not in Budget</u> | | | | | | |
| 31 | Residential | (L13 + L25)/2 | | | | \$ (10,164) |
| 32 | Residential Heating | (L14 + L26)/2 | | | | (2,180) |
| 33 | Small C & I | (L15 + L27)/2 | | | | (3,021) |
| 34 | Large C & I | (L16 + L28)/2 | | | | (3,676) |
| 35 | Street Lighting | (L17 + L29)/2 | | | | (28) |
| 36 | Total | L31 to L35 | | | | <u>\$ (19,069)</u> |

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Energy Efficiency Program Cost Recovery Adjustments

[1]

[2]

| Line No | Description | Reference | Amounts |
|------------|-----------------------------|--------------|-------------|
| 1 | Residential | | \$ (37,527) |
| 2 | Residential Heating | | (9,611) |
| 3 | Small C & I | | (15,870) |
| 4 | Large C & I | | (33,913) |
| 5 | Railroad | | (1,722) |
| 6 | Street Lighting | | (80) |
| 7 | Inter-Company | | _____ |
| 8 | Reduction in Retail Revenue | Sum L1 to L7 | (98,723) |
| 9 | O & M Expense | | \$ (88,776) |
| 10 | Amortization Expense | | \$ (3,764) |

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Tax Repair Credit Refund Adjustment

[1]

| Line No | Description | Factor or Reference | Budget Amounts |
|------------|---------------------|------------------------|-------------------|
| 1 | Residential | | \$ - |
| 2 | Residential Heating | | - |
| 3 | Small C & I | | - |
| 4 | Large C & I | | - |
| 5 | Railroad | | - |
| 6 | Street Lighting | | - |
| 7 | Total Gross Revenue | Sum L1 to L6 | <u>\$ -</u> |

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Leap Year Revenue Normalization

| Line No | Description | [1] February Distribution Rev | [2] Number of Days in February | [3] Average Number of Days in Feb | [4] Days Variance [3] - [2] | [5] Change in Revenue [1] / [2] * [4] |
|---------------------------------------|---------------------|---------------------------------------|--|---|--|--|
| KWh-Based Distribution Revenue | | | | | | |
| 1 | Residential | \$ 41,165 | 28 | 28.25 | 0.25 | \$ 368 |
| 2 | Residential Heating | 12,505 | 28 | 28.25 | 0.25 | 112 |
| 3 | Total | <u>\$ 53,670</u> | | | | <u>\$ 479</u> |

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Salaries & Wages Adjustment Summary

| Line No | Description | [1] Reference | [2] Distribution Jurisdiction FPFTY 2019 | [3] Other | [4] Payroll As Distributed [2] + [3] | [5] Pro Forma Payroll Adjustment | [6] Total Pro Forma Payroll [4] + [5] |
|--------------------|------------------------------------|--------------------|---|----------------|--|---|---|
| Operations | | | | | | | |
| 1 | Power Supply Expenses | | \$ - | | \$ - | \$ - | \$ - |
| 2 | Transmission Expense | | - | | - | - | - |
| 3 | Regional Market Expenses | | - | | - | - | - |
| 4 | Distribution Expense | | 15,868 | | 15,868 | 566 | 16,433 |
| 5 | Customer Accounts | | 28,324 | | 28,324 | 1,010 | 29,334 |
| 6 | Customer Service & Information | | 1,177 | | 1,177 | 42 | 1,219 |
| 7 | Sales | | 518 | | 518 | 18 | 537 |
| 8 | Administration & General - General | | 42,567 | | 42,567 | 1,518 | 44,085 |
| 9 | Total Operations | Sum L1 to L8 | 88,455 | - | 88,455 | 3,153 | 91,608 |
| Maintenance | | | | | | | |
| 10 | Transmission Expense | | - | | - | - | - |
| 11 | Distribution Expense | | 52,268 | | 52,268 | 1,863 | 54,132 |
| 12 | Administration & General - General | | 1,010 | | 1,010 | 36 | 1,046 |
| 13 | Total Maintenance | Sum L10 to L12 | 53,278 | - | 53,278 | 1,899 | 55,177 |
| 14 | Total Direct Payroll | L9 + L13 | 141,732 | - | 141,732 | \$ 5,053 | \$ 146,785 |
| 15 | Percent Increase | L14 [5] / [2] | | | | | 3.565% |

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Details of Salaries & Wages Adjustments

| Line No | Description | [1] Reference | [2] Employees With Raises on | | [4] Total | [5] Amount | [6] Amount | [7] Pro Forma Total Payroll |
|--|--|---------------------|-----------------------------------|--------------------|----------------|-----------------|-----------------|----------------------------------|
| | | | Union 1-Jan | Non-Union 1-Mar | | | | |
| 1 | Number of Employees @ December 31, 2017 | | 956 | 930 | 1,886 | | | |
| 2 | Percentage of Employees @ December 31, 2017 | | 50.7% | 49.3% | 100.0% | | | |
| 3 | Pro Forma Percent for FPFTY 2019 | | 51.0% | 49.0% | 100.0% | | | |
| 4 | Distribution of Budget S&W Expense | L3 [2] * L4 [6] | \$ 72,284 | \$ 69,449 | | | \$ 141,732 | |
| Annualize March 1, 2019 Wage Increase | | | | | | | | |
| 5 | Number of Months | | 0 | 2 | | | | |
| 6 | Rate for Increase | | 2.50% | 2.50% | | | | |
| 7 | Total Adjustment | L4 * L5 * L6 /12 | - | 289 | | \$ 289 | | |
| 8 | Sub-Total | L4 + L7 | 72,284 | 69,738 | | | | |
| Annualize January 1 and March 1, 2020 Wage Increase | | | | | | | | |
| 9 | Number of Months | | 12 | 12 | | | | |
| 10 | Rate for Increase | | 2.50% | 2.50% | | | | |
| 11 | Total Adjustment | L8 * L9 * L10 /12 | \$ 1,807 | \$ 1,743 | | 3,551 | | |
| Normalize One-Time Contract Payment to Union | | | | | | | | |
| 12 | Total Portion of Payment to Electric Expense | | \$ 1,127 | 72.979% | \$ 822 | | | |
| 13 | Normalize over Union Contract Period | | | | 6 | | | |
| 14 | Annual Normalized Amount | | | | | 137 | | |
| 15 | Annualized S&W Adjustment | L7 + L11 + L14 | | | | | \$ 3,977 | |
| 16 | Annualized S&W for Budgeted Employees | | | | | | \$ 145,709 | |
| Pro Forma For New Employees | | | | | | | | |
| 17 | Number of Employees @ December 31, 2019 | | | 1,898 | | | | |
| 18 | Average Number of Employees in Budget | | | | 1,884 | | | |
| 19 | Annualization for Number of Employees | L17 - L18 | | | | 14 | | |
| 20 | Annual S&W per Employee | L16 [6] / L18 [4] | | | | \$ 77 | | |
| 21 | Annualization of S&W For New Employees | L19 * L20 | | | | | 1,076 | |
| 22 | Pro Forma Test Year S&W | L16 + L21 | | | | | \$ 146,785 | |
| 23 | Pro Forma Increase in S&W | L22 - L4 | | | | | \$ 5,053 | |
| 24 | Pro Forma Percent for FPFTY 2019 | L23 / L4 | | | | | | 3.565% |

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Rate Case Expense Normalization

| Line No | Description | [1] Reference or Factor | [2] Amount | [3] Sub-Total | [4] Total |
|--|---|------------------------------------|-----------------|--------------------|-----------------|
| Expenditures Up to December 31, 2017 | | | | | |
| 1 | External Consultants | | \$ - | | |
| 2 | External Legal | | 159 | | |
| 3 | Materials, IT Costs, Travel, Copies, Etc. | | <u>-</u> | | |
| 4 | Total Recorded @ December 31, 2017 | Sum L1 to L3 | | \$ 159 | |
| Expenditures in 2018 | | | | | |
| 5 | External Consultants | | \$ 58 | | |
| 6 | External Legal | | 1,583 | | |
| 7 | Materials, IT Costs, Travel, Copies, Etc. | | <u>800</u> | | |
| 8 | Sub-Total | Sum L5 to L7 | | <u>\$ 2,441</u> | |
| <u>Total Expenditures For Rate Filing</u> | | | | | |
| 9 | Total Costs | L4 + L8 | | | <u>\$ 2,600</u> |
| 10 | Normalized over 3 years | <u>3</u> | | | <u>\$ 867</u> |

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Adjustments for Employee Benefits

| Line No | Description | [1] Reference | [2] Amount | [3] Amount | [4] | [5] Total |
|-----------------------------------|--|--------------------|-------------------|-------------------|--------------------------------------|---------------------------------------|
| <u>Employee Benefits</u> | | | | | | |
| 1 | Total Benefits Expensed | | \$ 19,490 | | | |
| 2 | Number of Employees for Budget | | 1,884 | | | |
| 3 | Budget Expense Per Employee | L1 / L2 | <u> </u> | \$ 10 | | |
| 4 | Additional Employees for Annualization | L21 | | 14 | | |
| 5 | Total Benefits Pro Forma Adjustment | L3 * L4 | | <u> </u> | | <u>\$ 144</u> |
| | | <u>Reference</u> | | | <u>Number of Full Time Employees</u> | <u>Number of Full Time Equivalent</u> |
| <u>Number of Employees</u> | | | | | | |
| 6 | Employees at | | | | | |
| 7 | 1/31/2019 | | | 1,880 | | |
| 8 | 2/28/2019 | | | 1,881 | | |
| 9 | 3/31/2019 | | | 1,873 | | |
| 10 | 4/30/2019 | | | 1,872 | | |
| 11 | 5/31/2019 | | | 1,869 | | |
| 12 | 6/30/2019 | | | 1,879 | | |
| 13 | 7/31/2019 | | | 1,877 | | |
| 14 | 8/31/2019 | | | 1,875 | | |
| 15 | 9/30/2019 | | | 1,904 | | |
| 16 | 10/31/2019 | | | 1,901 | | |
| 17 | 11/30/2019 | | | 1,899 | | |
| 18 | 12/31/2019 | | | 1,898 | | |
| 19 | Employees at | 12/31/2019 | | | | 1,898 |
| 20 | Average Employee Numbers | | | | | 1,884 |
| 21 | Average Employees to Year End Employees | [2] L19 - L20 | | | | <u>13.9</u> |

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Adjustments for Pension

| Line No | Description | [1] Reference | [2] Amount | [3] Amount | [4] Total |
|-----------------------------|--|--------------------|-----------------|-----------------|------------------------|
| <u>Pension Costs</u> | | | | | |
| 1 | Pension Contribution in: | | | | |
| 2 | | 2015 | \$ 40,421 | | |
| 3 | | 2016 | 29,781 | | |
| 4 | | 2017 | 23,545 | | |
| 5 | | 2018 | 23,898 | | |
| 6 | | 2019 | 23,757 | | |
| 7 | Average Pension Contribution | Sum (L2 to L6) / 5 | \$ 28,280 | | |
| 8 | Percent to Electric Distribution | | <u>72.98%</u> | | |
| 9 | Total Amount to Electric Distribution | L7 * L8 | \$ 20,639 | | |
| 10 | Pension Capitalization Factor | | <u>36.74%</u> | | |
| 11 | Pension Contribution To Be Capitalized | L9 * L10 | <u>\$ 7,584</u> | | |
| 12 | Pension Contribution To Be Expensed | L9 - L11 | | \$ 13,055 | |
| 13 | 2019 Distribution Pension Expense Budget | | | <u>\$ 5,646</u> | |
| 14 | Additional Pension Expense | L12 - L13 | | | <u><u>\$ 7,409</u></u> |

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Uncollectible Accounts

| Line No | Description | [1] Reference Or Factor | [2] Total Charge-off Amounts | [3] InPA Charge Off Amounts | [4] Net Charge Off Amounts | [5] Billed Revenue | [6] Percent [4] / [5] | [7] Total |
|---|--|------------------------------------|---|--|---------------------------------------|----------------------------|-----------------------------------|------------------|
| Net General Uncollectible Accounts | | | | | | | | |
| 1 | 2015 | | 39,120 | \$ - | \$ 39,120 | \$ 3,570,291 | 1.1000% | |
| 2 | 2016 | | 30,746 | \$ 187 | \$ 30,559 | \$ 3,529,660 | 0.8700% | |
| 3 | 2017 | | 29,212 | \$ 6,876 | \$ 22,336 | \$ 3,289,298 | 0.6800% | |
| 4 | Three Year Average Sum L1 to L3 / 3 | <u>3</u> | | \$ 2,355 | \$ 30,672 | \$ 3,463,083 | 0.8857% | |
| 5 | FPFTY 2019 Tariff Revenue - Non Shopping Revenue | D-5 | | | | 2,162,682 | | |
| 6 | FPFTY 2019 Tariff Revenue - Shopping Revenue | C-4 | | | | 1,062,743 | | |
| 7 | FPFTY 2019 Tariff Revenue - Including Shopping Revenue | | | | | <u>3,225,425</u> | | |
| 8 | Total General Pro Form Uncollectible Accounts | L7 * L4 [6] | | | | | | <u>\$ 28,568</u> |
| Net PPA Uncollectible Accounts | | | | | | | | |
| | | | | | PPA | | | |
| 9 | 2015 | | | | \$ 10,279 | | | |
| 10 | 2016 | | | | \$ 8,788 | | | |
| 11 | 2017 | | | | \$ 5,398 | | | |
| 12 | Three Year Average PPA Average (L9 to L11) | | | | | | | <u>\$ 8,155</u> |
| 13 | Total Pro Forma Uncollectible Accounts | L8 + L12 | | | | | | \$ 36,723 |
| 14 | FPFTY 2019 Budget | | | | | | | \$ 25,065 |
| 15 | Total Pro Forma Adjustment for Uncollectible Accounts | L13 - L14 | | | | | | <u>\$ 11,658</u> |

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InPA Balance Recovery

| Line No | Description | [1] Factor or Reference | [2] Amount | [3] Balance |
|---------------------------|--|------------------------------|-----------------|------------------------|
| 1 | InPA Starting Balance at Program Inception (10/1/16) | | | \$ 30,101 |
| 2 | Eligible 2/3 Recovery Balance as of 10/1/16 | L1 * 2/3 | | <u>\$ 20,067</u> |
| Year 2016 Activity | | | | |
| 3 | Base Distribution Collection | | \$ 2,000 | |
| 4 | Total 2016 Recovery | L3 | <u>\$ 2,000</u> | |
| 5 | Eligible Recovery Balance as of 12/31/16 | L2 - L4 | | <u>\$ 18,067</u> |
| Year 2017 Activity | | | | |
| 6 | Base Distribution Collection | | \$ 2,000 | |
| 7 | Universal Service Fund Correction Factor | | (1,353) | |
| 8 | Cash Payments from CAP InPA Customers | | 1,777 | |
| 9 | InPA Charge-off Recovery Match | | - | |
| 10 | Total 2017 Recovery | Sum L6 to L9 | <u>\$ 2,425</u> | |
| 11 | Eligible Recovery Balance as of 12/31/17 | L5 - L10 | | <u>\$ 15,642</u> |
| Year 2018 Activity | | | | |
| 12 | Base Distribution Collection | | \$ 2,000 | |
| 13 | Universal Service Fund Correction Factor | | (676) | |
| 14 | Cash Payments from CAP InPA Customers | | 1,600 | |
| 15 | InPA Charge-off Recovery Match | | 1,777 | |
| 16 | Total 2018 Recovery | Sum L12 to L15 | <u>\$ 4,701</u> | |
| 17 | Eligible Recovery Balance as of 12/31/18 | L11 - L16 | | <u>\$ 10,941</u> |
| 18 | Eligible Recovery Balance as of 1/1/19 | L17 | | <u>\$ 10,941</u> |
| 19 | Annualized 2019 Base Distribution Rate Amount | L18 / 3 | | <u><u>\$ 3,647</u></u> |

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Interest On Customer Deposit

| Line No | Description | [1] Reference | [2] Interest Rate | [3] Deposit Amount | [4] Interest Sub-Total | [5] Interest Total |
|---|--------------------------------------|--------------------|------------------------|-------------------------|-----------------------------|-------------------------|
| <u>Residential Customer Deposits</u> | | | | | | |
| 1 | Monthly Interest Rate | | <u>0.333%</u> | | | |
| 2 | <u>2019 -- January</u> | | | \$ 66 | | |
| 3 | -- February | | | 66 | | |
| 4 | -- March | | | 67 | | |
| 5 | -- April | | | 68 | | |
| 6 | -- May | | | 69 | | |
| 7 | -- June | | | 70 | | |
| 8 | -- July | | | 70 | | |
| 9 | -- August | | | 71 | | |
| 10 | -- September | | | 71 | | |
| 11 | -- October | | | 72 | | |
| 12 | -- November | | | 73 | | |
| 13 | -- December | | | 73 | | |
| 14 | Total Residential | Sum L2 to L13 | | | \$ 836 | |
| <u>Commercial & Industrial Customer Deposits</u> | | | | | | |
| 15 | Monthly Interest Rate | | <u>0.118%</u> | | | |
| 16 | <u>2019 -- January</u> | | | \$ 34 | | |
| 17 | -- February | | | 34 | | |
| 18 | -- March | | | 35 | | |
| 19 | -- April | | | 35 | | |
| 20 | -- May | | | 35 | | |
| 21 | -- June | | | 35 | | |
| 22 | -- July | | | 35 | | |
| 23 | -- August | | | 35 | | |
| 24 | -- September | | | 35 | | |
| 25 | -- October | | | 35 | | |
| 26 | -- November | | | 37 | | |
| 27 | -- December | | | 37 | | |
| 28 | Total C&I | Sum L16 to L49 | | | \$ 422 | |
| 29 | Interest on Customer Deposits | L14 + L28 | | | \$ 1,258 | |

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Storm Expense Normalization

| Line No | Description | [1] Tri-State CPI Factor [A] | [2] Inflation Factor | [3] Expense In Year | [4] Amount For Average [2] * [3] | [5] Total |
|---------|---|--|------------------------------|-----------------------------|---|------------------|
| 1 | 4/1/2013 - 3/31/2014 | 0.01036 | 1.08221 | \$ 69,614 | \$ 75,337 | |
| 2 | 4/1/2014 - 3/31/2015 | 0.01044 | 1.07112 | \$ 23,017 | 24,654 | |
| 3 | 4/1/2015 - 3/31/2016 | (0.00071) | 1.06006 | \$ 27,551 | 29,206 | |
| 4 | 4/1/2016 - 3/31/2017 | 0.01082 | 1.06081 | \$ 12,694 | 13,466 | |
| 5 | 4/1/2017 - 3/31/2018 | 0.01330 | 1.04945 | \$ 72,898 | \$ 76,503 | |
| 6 | 2018 | 0.01408 | 1.03568 | | | |
| 7 | 2019 | 0.02130 | 1.02130 | | | |
| 8 | Average Storm Restoration Expense at 2019 cost levels | | | | | \$ 43,833 |
| 9 | FPFTY 2019 Budget | | | | | 27,951 |
| 10 | Pro Forma Adjustment for Storm Expense Normalization | | | | | <u>\$ 15,882</u> |

[A] Based on Philadelphia-Camden-Wilmington, PA-NJ-DE-MD metropolitan Statistical Areas

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O&M Cost To Achieve

| Line No | Description | [1] Reference Or Factor | [2] Total CTA Amounts |
|-------------------------------|---------------------------|------------------------------------|----------------------------------|
| <u>Cost To Achieve</u> | | | |
| 1 | 2016 | | \$ 4,243 |
| 2 | 2017 | | 2,972 |
| 3 | 2018 | | <u>465</u> |
| 4 | Total CTA To Be Recovered | Sum L1 to L3 | \$ 7,680 |
| 5 | Annual CTA Recovery | L4 / 3 | <u>\$ 2,560</u> |

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Taxes Other Than Income Adjustment Summary

| Line No | Description | [1] Percentage or Reference | [2] Electric Budget FPFTY 2019 | [3] Transmission Elimination [1] * [2] | [4] Distribution Budget FPFTY 2019 [2] + [3] | [5] Pro Forma Adjustments | [6] Pro Forma Tax Expense FPFTY 2019 [4] + [5] |
|---------|---|-------------------------------------|---|---|--|-----------------------------------|--|
| 1 | PURTA Taxes | 19.171% | \$ 6,540 | \$ (1,254) | \$ 5,286 | \$ - | \$ 5,286 |
| 2 | Capital Stock | 19.171% | - | - | - | - | - |
| 3 | PA & Local Use Taxes | 19.171% | 433 | (83) | 350 | - | 350 |
| 4 | PA Property Taxes | 19.171% | 5,391 | (1,034) | 4,357 | - | 4,357 |
| 5 | PA Corp Loan Tax | 19.171% | - | - | - | - | - |
| 6 | Philadelphia BIRT | 19.171% | - | - | - | - | - |
| 7 | Local Privilege Tax | 19.171% | - | - | - | - | - |
| 8 | Gross Receipts Tax | | 127,413 | | 127,413 | (7,251) | 120,162 |
| 9 | Payroll Tax | 11.313% | 11,501 | (1,301) | 10,200 | 364 | 10,564 |
| 10 | Total | Sum L1 to L9 | <u>\$ 151,278</u> | <u>\$ (3,671)</u> | <u>\$ 147,607</u> | <u>\$ (6,887)</u> | <u>\$ 140,719</u> |
| 11 | Taxes Other Than Income - Distribution | | | | | | <u>\$ 140,719</u> |

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Payroll Tax Adjustments

| Line No | Description | [1] Reference | [2] Budget FPFTY 2019 | [3] Pro Forma Adjustments | [4] Increase in Payroll Taxes |
|---------|---|--------------------|-------------------------------|-----------------------------------|--|
| 1 | Total Payroll Charged to Expense | | \$ 141,732 | \$ 5,053 | |
| 2 | Payroll Tax Expense | | 10,200 | | |
| 3 | Payroll Tax - Percent | L2 / L1 | 7.20% | 7.20% | |
| 4 | Pro Forma Adjustment for Payroll Tax | L1 * L3 [3] | | | \$ 364 |

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Gross Receipt Tax

| Line No | Description | [1] Reference or Schedule | [2] Pro Forma Test Year Amount | [3] Amount | [4] Total |
|--|--|-----------------------------------|---|-----------------|-------------------|
| <u>Gross Receipts Tax Pro Forma at Present Rate</u> | | | | | |
| 1 | Residential | | \$ 1,345,497 | | |
| 2 | Commercial & Industrial | | 504,789 | | |
| 3 | Railroads & Railways | | 7,207 | | |
| 4 | Street Lighting | | 19,784 | | |
| 5 | Intercompany | | 1,068 | | |
| 6 | Transmission | | 185,615 | | |
| 7 | Sub-Total | Sum L1 to L6 | | \$ 2,063,959 | |
| 8 | Forfeited Discounts | D-5 | 9,406 | | |
| 9 | Bad Debts | D-10 | (36,723) | | |
| 10 | Sub- Total | L8 + L9 | | (27,317) | |
| 11 | Total Test Year @ Present Rates | L7 + L10 | | | \$ 2,036,642 |
| 12 | Gross Receipts Tax Rate | | | | 5.900% |
| 13 | Pro Forma Gross Receipts Expense at Present Rates | L11 * L12 | | | 120,162 |
| 14 | FPFTY Budget | | | | 127,413 |
| 15 | Net Adjustment | L13 - L14 | | | \$ (7,251) |

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| Line No | Depreciation Expense Adjustment Description | [1] Reference or Factor or A/C Number | [2] [3] [4] Test Year Expense | | | [5] Annualize 2019 Depreciation | [6] Pro Forma Test Year Depreciation |
|---------------------------|--|--|--|-------------------|------------------------|--|---|
| | | | Balance of 12/31/2018 | 2019 Additions | Total [2] + [3] | | |
| Intangible Plant | | | | | | | |
| 1 | Franchise & Consent | 302 | - | - | - | - | |
| 2 | Miscellaneous Intangible Plant | 303 | 14,699 | 1,430 | 16,130 | 17,560 | |
| 3 | Total Intangible Plant | L1 + L2 | <u>14,699</u> | <u>1,430</u> | <u>16,130</u> | <u>17,560</u> | |
| Transmission Plant | | | | | | | |
| 4 | Land & Land Rights | 350 | - | - | - | - | |
| 5 | Structures & Improvements | 352 | 1,761 | 136 | 1,897 | 2,033 | |
| 6 | Station Equipment | 353 | 16,104 | 651 | 16,755 | 17,407 | |
| 7 | Towers & Fixtures | 354 | 3,639 | 50 | 3,688 | 3,738 | |
| 8 | Poles & Fixtures | 355 | 256 | 1 | 257 | 258 | |
| 9 | Overhead Conductors & Devices | 356 | 3,314 | 85 | 3,400 | 3,485 | |
| 10 | Underground Conduit | 357 | 246 | 9 | 255 | 264 | |
| 11 | Underground Conductors & Devices | 358 | 1,753 | 45 | 1,798 | 1,842 | |
| 12 | Roads & Trails | 359 | 8 | - | 8 | 8 | |
| 13 | Asset Retirement Costs -- Transmission | 359.1 | - | - | - | - | |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>27,081</u> | <u>977</u> | <u>28,058</u> | <u>29,034</u> | |
| Distribution Plant | | | | | | | |
| 15 | Land & Land Rights | 360 | 0 | - | - | - | |
| 16 | Structures & Improvements | 361 | 2,540 | 208 | 2,748 | 2,955 | |
| 17 | Station Equipment | 362 | 20,737 | 1,059 | 21,796 | 22,856 | |
| 18 | Poles, Towers & Fixtures | 364 | 14,970 | 649 | 15,619 | 16,268 | |
| 19 | Overhead Conductors & Devices | 365 | 26,301 | 1,473 | 27,774 | 29,247 | |
| 20 | Underground Conduit | 366 | 6,870 | 469 | 7,338 | 7,807 | |
| 21 | Underground Conductors & Devices | 367 | 27,181 | 1,679 | 28,860 | 30,539 | |
| 22 | Line Transformers | 368 | 13,167 | 556 | 13,724 | 14,280 | |
| 23 | Services | 369 | 8,287 | 192 | 8,479 | 8,672 | |
| 24 | Meters | 370 | 19,819 | 322 | 20,141 | 20,463 | |
| 25 | Installations on Customer Premises | 371 | 5 | - | 5 | 5 | |
| 26 | Street Lighting & Signal Systems | 373 | 1,673 | 90 | 1,762 | 1,852 | |
| 27 | Asset Retirement Costs -- Distribution | 374 | - | - | - | - | |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>141,550</u> | <u>6,697</u> | <u>148,247</u> | <u>154,944</u> | |
| General Plant | | | | | | | |
| 29 | Land & Land Rights | 389 | - | - | - | - | |
| 30 | Structures & Improvements | 390 | 1,521 | 25 | 1,546 | 1,571 | |
| 31 | Office Furniture & Equipment | 391 | 2,946 | 47 | 2,993 | 3,039 | |
| 32 | Transportation Equipment | 392 | - | - | - | - | |
| 33 | Stores Equipment | 393 | 4 | - | 4 | 4 | |
| 34 | Tools & Garage Equipment | 394 | 2,447 | 42 | 2,489 | 2,531 | |
| 35 | Laboratory Equipment | 395 | 20 | - | 20 | 20 | |
| 36 | Power Operated Equipment | 396 | - | - | - | - | |
| 37 | Communications Equipment | 397 | 8,955 | 96 | 9,051 | 9,147 | |
| 38 | Miscellaneous Equipment | 398 | 62 | - | 62 | 62 | |
| 39 | Other Tangible Property | 399 | - | - | - | - | |
| 40 | Asset Retirement Costs -- General Plant | 399.1 | - | - | - | - | |
| 41 | Total General Plant | Sum L29 to L40 | <u>15,956</u> | <u>210</u> | <u>16,166</u> | <u>16,376</u> | |
| 42 | Total Depreciation | L3+L14+L28+L41 | <u>199,287</u> | <u>9,314</u> | <u>208,600</u> | <u>217,914</u> | |
| 43 | Transmission Accounts | | (27,081) | (977) | (28,058) | (29,034) | |
| 44 | Intangible Account to Transmission | | (2,776) | (35) | (2,811) | (2,845) | |
| 45 | General Plant to Transmission | 11.31% | (1,805) | (24) | (1,829) | (1,853) | |
| 46 | Asset Retirement - Distribution & General | | - | - | - | - | |
| 47 | Sub-Total | Sum L42 to L46 | <u>167,625</u> | <u>8,278</u> | <u>175,903</u> | <u>184,181</u> | |
| 48 | Common Plant to Electric Distribution | D-17, page 2, L47 | | | 33,259 | 36,207 | |
| 49 | Total Distribution Depreciation Expense | L47 + L48 | | | <u>\$ 209,162</u> | <u>\$ 220,388</u> | |

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Depreciation Expense Adjustment of Common Plant

| Line No | Description | [1] Reference or Factor or A/C Number | [2] [3] [4] Test Year Expense | | | [5] Annualize 2019 Depreciation | [6] Pro Forma Test Year Depreciation [4] + [5] |
|-----------------------------|---|--|--|-------------------|------------------------|--|--|
| | | | Balance of 12/31/2018 | 2019 Additions | Total [2] + [3] | | |
| Intangible Plant | | | | | | | |
| 1 | PECO Com 303-AMI NONBILL SW EDE EOL | | \$ 651 | \$ - | \$ 651 | \$ - | \$ 651 |
| 2 | PECO Com 303-AMI NONBILL SW IDS EOL | | 579 | - | 579 | - | 579 |
| 3 | PECO Com 303-IAM SW Enhance PA | | 55 | - | 55 | - | 55 |
| 4 | PECO Com 3030-CallRoutingSW | | 732 | - | 732 | - | 732 |
| 5 | PECO Com 3030-CIMS Enhancements PA | | 554 | - | 554 | - | 554 |
| 6 | PECO Com 3030-Client Devices SW PA | | 458 | - | 458 | - | 458 |
| 7 | PECO Com 3030-Data Loss Prevent PA | | 61 | - | 61 | - | 61 |
| 8 | PECO Com 3030-Documentum PA | | 78 | - | 78 | - | 78 |
| 9 | PECO Com 3030-EAM Asset Suite PA | | 1,233 | - | 1,233 | - | 1,233 |
| 10 | PECO Com 3030-EUWebCon | | 944 | - | 944 | - | 944 |
| 11 | PECO Com 3030-Fixed Credit Option S (dup) | | 1,329 | - | 1,329 | - | 1,329 |
| 12 | PECO Com 3030-HR Payroll HCM Cloud | | 171 | - | 171 | - | 171 |
| 13 | PECO Com 3030-HRPC Enhance PA | | 43 | - | 43 | - | 43 |
| 14 | PECO Com 3030-Hyperion Enhance PA | | 213 | - | 213 | - | 213 |
| 15 | PECO Com 3030-HyperionPI | | 152 | - | 152 | - | 152 |
| 16 | PECO Com 3030-I O Directory Svcs PA | | 275 | - | 275 | - | 275 |
| 17 | PECO Com 3030-IAM Consolidate | | 101 | - | 101 | - | 101 |
| 18 | PECO Com 3030-Informatica PA | | 59 | - | 59 | - | 59 |
| 19 | PECO Com 3030-IVR System PA | | 83 | - | 83 | - | 83 |
| 20 | PECO Com 3030-Misc 5 yr FR PA | | 16,398 | 2,400 | 18,799 | 2,400 | 21,199 |
| 21 | PECO Com 3030-Misc 5 yr PA | | 41 | - | 41 | - | 41 |
| 22 | PECO Com 3030-Mobile Disp Enh PA | | 194 | - | 194 | - | 194 |
| 23 | PECO Com 3030-Passport Enhance PA | | 0 | - | 0 | - | 0 |
| 24 | PECO Com 3030-Peoplesoft GL Upgrade | | 80 | - | 80 | - | 80 |
| 25 | PECO Com 3030-PowePlant Enhance PA | | 138 | - | 138 | - | 138 |
| 26 | PECO Com 3030-Service Mgt SW PA | | 18 | - | 18 | - | 18 |
| 27 | PECO Com 3030-WallStreet SW PA | | 47 | - | 47 | - | 47 |
| 28 | Total Common - Intangible | Sum L1 to L27 | <u>24,686</u> | <u>2,400</u> | <u>27,087</u> | <u>2,400</u> | <u>29,487</u> |
| Common Plant - Other | | | | | | | |
| 29 | PECO Common 3892 PA | | - | - | - | - | - |
| 30 | PECO Common 3901 PA | | 4,691 | 286 | 4,977 | 286 | 5,263 |
| 31 | PECO Common 3902 IL | | 22 | - | 22 | - | 22 |
| 32 | PECO Common 3902 PA | | 1,549 | 129 | 1,678 | 129 | 1,807 |
| 33 | PECO Common 3903 PA | | 24 | 4 | 28 | 4 | 33 |
| 34 | PECO Common 3911 PA | | 22 | - | 22 | - | 22 |
| 35 | PECO Common 3912 PA | | 1,464 | 201 | 1,664 | 201 | 1,865 |
| 36 | PECO Common 3913 IL | | 760 | 95 | 855 | 95 | 950 |
| 37 | PECO Common 3913 PA | | 8,104 | 1,038 | 9,142 | 1,038 | 10,181 |
| 38 | PECO Common 3927 PA | | - | - | - | - | - |
| 39 | PECO Common 3930 PA | | 138 | 14 | 151 | 14 | 165 |
| 40 | PECO Common 3941 PA | | 11 | - | 11 | - | 11 |
| 41 | PECO Common 3942 PA | | 5 | 0 | 5 | 0 | 6 |
| 42 | PECO Common 3943 PA | | - | - | - | - | - |
| 43 | PECO Common 3970 PA | | 1,785 | 51 | 1,836 | 51 | 1,887 |
| 44 | PECO Common 3980 PA | | 117 | 0 | 117 | 0 | 118 |
| 45 | Total Common - Other | Sum L29 to L44 | <u>18,692</u> | <u>1,818</u> | <u>20,510</u> | <u>1,818</u> | <u>22,329</u> |
| 46 | Total All | L28 + L45 | <u>\$ 43,378</u> | <u>\$ 4,219</u> | <u>\$ 47,597</u> | <u>\$ 4,219</u> | <u>\$ 51,816</u> |
| Common Plant Charged To | | | | | | | |
| 47 | Electric - Distribution | 69.876% | | | 33,259 | 2,948 | 36,207 |
| 48 | Electric - Transmission | 8.914% | | | 4,243 | 376 | 4,619 |
| 49 | Gas | 21.210% | | | 10,095 | 895 | 10,990 |
| 50 | Total | <u>100.00%</u> | | | <u>47,597</u> | <u>4,219</u> | <u>51,816</u> |

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Income Tax at Present and Proposed Revenue Levels

| Line No | Description | [1] Reference | [2] Factor Or Amount | [3] Pro Forma 2019 Present Rates | [4] Proposed Revenue Increase | [5] Pro Forma Tax Expense 12/31/2019 [3] + [4] |
|------------------------------|---|---------------------|---------------------------|---------------------------------------|------------------------------------|--|
| 1 | Revenue | | | \$ 2,097,645 | \$ 143,130 | \$ 2,240,776 |
| 2 | Operating Expenses | | | (1,778,637) | (10,178) | (1,788,814) |
| 3 | OIBIT | L1 + L2 | | <u>319,009</u> | <u>132,953</u> | <u>451,962</u> |
| 4 | Rate Base | | 4,846,186 | | | |
| 5 | Weighted Cost of Debt | | <u>0.01939</u> | | | |
| 6 | Synchronized Interest Expense | L4 * L5 | | (93,990) | - | (93,990) |
| 7 | Base Taxable Income | L3 + L6 | | <u>225,019</u> | <u>132,953</u> | <u>357,972</u> |
| 8 | State Accelerated Tax Depreciation | Sch D-18 P2 | \$ 200,563 | | | |
| 9 | Pro Forma Book Depreciation | Sch D-3 P2 | <u>220,388</u> | | | |
| 10 | State Tax Depreciation (Over) Under Book | L9 - L8 | | 19,825 | | 19,825 |
| 11 | Regulatory Asset Programs M-1, Pension & Post Retirement Benefits | | | 6,589 | | 6,589 |
| 12 | Other Property Basis Adjustments (CIAC/ICM) | | | (9,554) | | (9,554) |
| 13 | Removal Costs/Software | | | (35,960) | | (35,960) |
| 14 | AFUDC Equity | | | - | | - |
| 15 | Permanent Adjustments | | | 869 | | 869 |
| 16 | Repair Deduction | | | (96,900) | - | (96,900) |
| 17 | State Taxable Income | Sum L7 to L16 | | <u>\$ 109,889</u> | <u>\$ 132,953</u> | <u>\$ 242,841</u> |
| 18 | State Income Tax before Net Operating Loss | L17 * L18 | 9.99% | (10,978) | (13,282) | (24,260) |
| 19 | State Net Operating Loss Utilization | | | - | - | - |
| 20 | State Income Tax | L18 + L19 | | <u>\$ (10,978)</u> | <u>\$ (13,282)</u> | <u>\$ (24,260)</u> |
| 21 | Federal Accelerated Tax Depreciation | Sch D-18 P2 | \$ 143,890 | | | |
| 22 | Pro Forma Book Depreciation | Sch D-3 P2 | <u>220,388</u> | | | |
| 23 | Federal Tax Deducts (Over) Under Book | L22 - L21 | | 76,499 | - | 76,499 |
| 24 | Regulatory Asset Programs M-1, Pension & Post Retirement Benefits | L11 | | 6,589 | | 6,589 |
| 25 | Other Property Basis Adjustments (CIAC/ICM) | L12 | | (9,554) | | (9,554) |
| 26 | Removal Costs/Software | L13 | | (35,960) | | (35,960) |
| 27 | AFUDC Equity | L14 | | - | | - |
| 28 | Repair Deduction | L16 | | (96,900) | | (96,900) |
| 29 | Permanent Adjustments | L15 | | 869 | | 869 |
| 30 | Federal NOL | | | - | | - |
| 31 | Federal Taxable Income | L7 + Sum L23 to L30 | | <u>155,584</u> | <u>119,671</u> | <u>275,255</u> |
| 32 | Federal Income Tax Expense | L31 * L32 [2] | 21.00% | (32,673) | (25,131) | (57,804) |
| 33 | Total Tax Expense before Deferred Income Tax | L20 + L32 | | <u>(43,651)</u> | <u>(38,413)</u> | <u>(82,063)</u> |
| Deferred Income Taxes | | | | | | |
| 34 | Deferred Taxes on Timing Differences- Federal | | | 8,106 | | 8,106 |
| 35 | Deferred Taxes on Timing Differences- State | | | (1,025) | | (1,025) |
| 36 | State Net Operating Loss Utilization | | | - | - | - |
| 37 | Excess Deferred Amortization | | | 12,513 | | 12,513 |
| 38 | Federal Net Operating Loss Utilization | | | - | | - |
| 39 | Federal Income Tax Expense on Flow through adjustment | | | (12,204) | - | (12,204) |
| 40 | Deferred Income Taxes | Sum L34 to L39 | | <u>7,390</u> | <u>-</u> | <u>7,390</u> |
| 41 | Net Income Tax Expense | L33 + L40 | | (36,261) | (38,413) | (74,674) |
| Other Tax Adjustments | | | | | | |
| 42 | Amortization of Investment Tax Credit | | | | | |
| 43 | Electric Plant | | | 16 | | 16 |
| 44 | Common Plant Allocated | | | 12 | | 12 |
| 45 | Consolidated Income Tax Adjustment | | | - | | - |
| 46 | Combined Income Tax Expense | Sum L41 to L45 | | <u>\$ (36,233)</u> | <u>\$ (38,413)</u> | <u>\$ (74,646)</u> |
| 47 | Federal Income Tax Expense | | | \$ (25,255) | \$ (25,131) | \$ (50,386) |
| 48 | State Income Tax Expense | | | (12,003) | (13,282) | (25,285) |
| 49 | Total Income Tax Expense | L47 + L48 | | <u>\$ (37,258)</u> | <u>\$ (38,413)</u> | <u>\$ (75,671)</u> |

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(\$ in Thousands)
 Depreciation for Income Tax Calculation

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| Line No | Description | [1] Amount | [2] Amount | [3] Total |
|--|---|-----------------|-----------------|--------------------------|
| <u>State Accelerated Tax Depreciation</u> | | | | |
| 1 | Electric Distribution Only | 193,674 | 193,674 | |
| 2 | Electric Plant | 2,466 | | |
| 3 | Percent to Distribution | <u>88.687%</u> | | |
| 4 | Amount To Distribution | | 2,187 | |
| 5 | Common Plant (no Software) | 6,729 | | |
| 6 | Allocation Factor | <u>69.876%</u> | | |
| 7 | Common Plant Allocated to Elec Dist | | 4,702 | |
| 8 | Software Amortization for Tax | - | | |
| 9 | Common Plant Allocated to Elec Dist | <u>69.876%</u> | - | |
| 10 | Total State Accelerated Tax Depreciation | | | <u>\$ 200,563</u> |
| <u>Federal Accelerated Tax Depreciation</u> | | | | |
| 11 | Electric Distribution Only | 137,362 | 137,362 | |
| 12 | Electric Plant | 2,065 | | |
| 13 | Percent to Distribution | <u>88.687%</u> | | |
| 14 | Amount To Distribution | | 1,831 | |
| 15 | Common Plant (no Software) | 6,721 | | |
| 16 | Allocation Factor | <u>69.876%</u> | | |
| 17 | Common Plant Allocated to Elec Dist | | 4,696 | |
| 18 | Software Amortization for Tax | - | | |
| 19 | Common Plant Allocated to Elec Dist | <u>69.876%</u> | - | |
| 20 | Total Federal Accelerated Tax Depreciation | | | <u>\$ 143,890</u> |

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Section 1301.1(b) Differential

| Line No | Description | [1] Factor Or Reference | [2] 2012 | [3] 2013 | [4] 2014 | [5] 2015 | [6] 2016 | [7] Average |
|---------|--|------------------------------------|-------------------|---------------------|---------------------|-------------------|---------------------|----------------------|
| 1 | PECO Consolidated Taxable Income | | <u>\$ 317,055</u> | <u>\$ 372,237</u> | <u>\$ 97,822</u> | <u>\$ 165,388</u> | <u>\$ 185,545</u> | |
| 2 | Consolidated Income Companies Taxable Income | | <u>\$ 651,323</u> | <u>\$ 1,069,343</u> | <u>\$ 1,762,414</u> | <u>\$ 925,343</u> | <u>\$ 1,249,191</u> | |
| 3 | Taxable Income Percentage to PECO | L1 / L2 | <u>48.6786%</u> | <u>34.8099%</u> | <u>5.5505%</u> | <u>17.8732%</u> | <u>14.8532%</u> | |
| 4 | Consolidated Loss Companies Loss | | <u>\$ 32,437</u> | <u>\$ 45,145</u> | <u>\$ 90,836</u> | <u>\$ 1,598</u> | <u>\$ 921</u> | |
| 5 | PECO Allocation of Loss | L3 * L4 | <u>\$ 15,790</u> | <u>\$ 15,715</u> | <u>\$ 5,042</u> | <u>\$ 286</u> | <u>\$ 137</u> | |
| 6 | Electric Percentage | | <u>78.95%</u> | <u>86.97%</u> | <u>64.68%</u> | <u>99.95%</u> | <u>122.21%</u> | |
| 7 | Loss Allocable to Electric | L5 * L6 | <u>\$ 12,467</u> | <u>\$ 13,668</u> | <u>\$ 3,261</u> | <u>\$ 286</u> | <u>\$ 167</u> | |
| 8 | Electric Distribution Percent | | <u>73.139%</u> | <u>73.139%</u> | <u>73.139%</u> | <u>73.139%</u> | <u>73.139%</u> | |
| 9 | Loss Allocable to Electric Distribution | L7 * L8 | <u>\$ 9,118</u> | <u>\$ 9,997</u> | <u>\$ 2,385</u> | <u>\$ 209</u> | <u>\$ 122</u> | |
| 10 | Average for 2012 to 2016 | Avg L9 | | | | | | 4,366 |
| 11 | Tax Rate | | | | | | | 21.00% |
| 12 | Section 1301.1(b) Differential | L10 * L11 | | | | | | <u>\$ 917</u> |

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Investment Tax Credit Amortization

[1] [2] [3]

| Line No | Description | Amount | Amount | Amount |
|-------------------------------------|--|----------------|-----------|--------------|
| <u>Investment Tax Credit</u> | | | | |
| 1 | <u>Amortization of Investment Tax Credit - 2019</u> | | | |
| 2 | Amortization for Total Electric - Estimated 2019 | <u>\$ 18</u> | | |
| 3 | Distribution Factor | <u>88.687%</u> | | |
| 4 | Electric Distribution ITC | | 16 | |
| 5 | Common Plant | \$ 18 | | |
| 6 | Distribution Factor | <u>69.876%</u> | | |
| 7 | Common Plant ITC to Electric Distribution | | <u>12</u> | |
| 8 | Total Electric Distribution | | | <u>\$ 28</u> |

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Gross Revenue Conversion Factor

| Line No | Description | [1] Reference | [2] Tax Rate | [3] Factor |
|---|--|------------------------|-------------------|-----------------|
| <u>GROSS REVENUE CONVERSION FACTOR</u> | | | | |
| 1 | Gross Reveue Factor | | | 1.000000 |
| 2 | LPC Revenue | | | 0.004319 |
| 3 | Gross Receipts Tax | | | (0.059000) |
| 4 | Uncollectible Expenses | | | (0.008857) |
| 5 | PUC / OCA & SBA Assessment as a % of Revenue | | | (0.003557) |
| 6 | Net Revenues | Sum L1 to L5 | | 0.932904 |
| 7 | State Income Taxes | L6 [3] * Rate [2] | 9.99% | (0.093197) |
| 8 | Factor After State Taxes | L6 + L7 | | 0.839707 |
| 9 | Federal Income Taxes | L8 [3] * Rate [2] | 21.00% | (0.176339) |
| 10 | Net Operating Income Factor | L8 + L9 | | <u>0.663368</u> |
| 11 | Gross Revenue Conversion Factor | 1 / L10 | | <u>1.507458</u> |
| 12 | Combined Income Tax Factor On Gross Revenues | -L7 - L9 | | <u>26.954%</u> |
| <u>Income Tax Factor</u> | | | | |
| 13 | Gross Revenue Factor | | | 1.000000 |
| 14 | State Income Taxes | L13 [3] * Rate [2] | 9.99% | (0.099900) |
| 15 | Factor After State Taxes | L13 + L14 | | 0.900100 |
| 16 | Federal Income Taxes | L15 [3] * Rate [2] | 21.00% | (0.189021) |
| 17 | Net Operating Income Factor | L15 + L16 | | 0.711079 |
| 18 | Gross Revenue Conversion Factor | 1 / L17 | | <u>1.406314</u> |
| 19 | Combined Income Tax Factor On Taxable Income | -L14 - L16 | | <u>28.892%</u> |

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Summary of Measures of Value and Revenue Increase

| Line No | Description | [1] | [2] | [3] | [4] | [5] |
|--|---|----------------|-------------------|---------------------|------------------|---------------------------------|
| | | Function | Reference Section | Present Rates | Increase | Proposed Rates [3] + [4] |
| Measure of Value | | | | | | |
| 1 | Utility Plant | | C-2 | \$ 6,762,060 | | \$ 6,762,060 |
| 2 | Accumulated Depreciation | | C-3 | (1,923,966) | | (1,923,966) |
| 3 | Net Plant In Service | L1 + L2 | | 4,838,094 | | 4,838,094 |
| 4 | Working Capital | | C-4 | 148,454 | | 148,454 |
| 5 | Pension Assets / (Liability) | | C-5 | 90,633 | | 90,633 |
| 6 | Accum Deferred Income Taxes | | C-6 | (527,789) | | (527,789) |
| 7 | Customer Deposits | | C-7 | (50,574) | | (50,574) |
| 8 | Common Plant - Net of Accum Depre | | C-8 | 309,920 | | 309,920 |
| 9 | Customer Advances for Construction | | C-9 | (959) | | (959) |
| 10 | Unamortized AMR Investment | | C-10 | 23,101 | | 23,101 |
| 11 | Materials and Supplies | | C-11 | 15,876 | | 15,876 |
| 12 | Accum Deferred Income Taxes - Reg Liability | | C-12 | (325,634) | | (325,634) |
| 13 | Total Rate Base | Sum L3 to L12 | | <u>\$ 4,521,123</u> | <u>\$ -</u> | <u>\$ 4,521,123</u> |
| Operating Revenues and Expenses | | | | | | |
| <u>Operating Revenues</u> | | | | | | |
| 14 | Base Customer Charges | | D-2 | \$ 1,215,564 | \$ 73,054 | \$ 1,288,618 |
| 15 | Electric Cost Revenue | | D-5 | 874,757 | | 874,757 |
| 16 | Other Operating Revenues | | D-2 | 34,041 | 347 | 34,388 |
| 17 | Total Revenues | Sum L13 to L15 | | <u>2,124,362</u> | <u>73,401</u> | <u>2,197,763</u> |
| 18 | Operating Expenses | | D-1 | <u>(1,775,642)</u> | <u>(5,217)</u> | <u>(1,780,859)</u> |
| 19 | OIBIT | L17 + L18 | | 348,720 | 68,184 | 416,904 |
| 20 | Income Taxes @ Eff Inc Tax Rate | | D-18 | (44,931) | | (44,931) |
| 21 | Income Taxes @ Statutory Rates | | D-18 | | (19,700) | (64,631) |
| 22 | Net Operating Income | Sum L18 to L20 | | <u>\$ 303,789</u> | <u>\$ 48,484</u> | <u>\$ 352,273</u> |
| 23 | Rate of Return | L21 / L12 | | <u>6.7193%</u> | | <u>7.7917%</u> |
| Revenue Increase Required | | | | | | |
| 24 | Rate of Return at Present Rates | L23 | | 6.7193% | | |
| 25 | Rate of Return Required | | B-7 | <u>7.7917%</u> | | |
| 26 | Change in ROR | L24 - L23 | | <u>1.07239%</u> | | |
| 27 | Change in Operating Income | L25 * L12 | | \$ 48,484 | | |
| 28 | Gross Revenue Conversion Factor | | D-19 | <u>1.506765</u> | | |
| 29 | Change in Revenues | L26 * L27 | | <u>\$ 73,054</u> | | |

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Balance Sheet

| Line No | Description/(Account No) | [1] Total Company Budget FTY 2018 |
|------------|--|--|
| | <u>Utility Plant</u> | |
| 1 | Total Plant In Service | \$ 12,044,166 |
| 2 | Construction Work In Progress (107) | <u>205,751</u> |
| 3 | Total Utility Plant | 12,249,917 |
| 4 | Accumulated Provision for Depreciation | (3,689,015) |
| 5 | Net Utility Plant | <u>8,560,902</u> |
| | <u>Other Property Investments</u> | |
| 6 | Non-utility Property (121) | 13,903 |
| 7 | Accumulated Depreciation on NUP (122) | (1,812) |
| 8 | Invest in Subsidiary Company (123.1) | 7,985 |
| 9 | Other Investments (124) | <u>17,402</u> |
| 10 | Total Other Property and Investments | <u>37,477</u> |
| | <u>Current and Accrued Assets</u> | |
| 11 | Cash & Other Temporary Investments(131-136) | 49,323 |
| 12 | Note Receivable (141) | - |
| 13 | Customer Accounts Receivable (142) | 310,395 |
| 14 | Other Accounts Receivable (143) | 39,180 |
| 15 | Accum Provision for Uncollectible (144) | (64,766) |
| 16 | Receivables from Associated Companies (145) | - |
| 17 | Accounts Receivable Assoc. Comp. (146) | - |
| 18 | Fuel Stock (151) | 38,274 |
| 19 | Plant Materials & Supplies (154) | 29,195 |
| 20 | Gas Stored - Current (164.1) | - |
| 21 | Liquefied Natural Gas Stored (164.2) | - |
| 22 | Prepayments (165) | 18,272 |
| 23 | Interest & Dividends Receivable (171) | - |
| 24 | Accrued Utility Revenues (173) | 194,141 |
| 25 | Miscellaneous Current & Accrued Assets (174) | <u>41,532</u> |
| 26 | Total Current and Accrued Assets | <u>655,546</u> |
| | <u>Deferred Debits</u> | |
| 27 | Unamortized Debt Expense (181) | 24,085 |
| 28 | Other Regulatory Assets (182.3) | 462,044 |
| 29 | Miscellaneous Deferred Debits (186) | 819,258 |
| 30 | Unamortized Loss on Reacquired Debt (189) | 1,091 |
| 31 | Accumulated Deferred Income Taxes (190) | (0) |
| 32 | Total Deferred Debits | <u>1,306,478</u> |
| 33 | Total Assets and Other Debits | <u>\$ 10,560,403</u> |

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Balance Sheet

| Line No | Description | [1] Total Company Budget FTY 2018 |
|--|--|--|
| <u>Proprietary Capital</u> | | |
| 34 | Common Stock Issued (201) | \$ 1,423,004 |
| 35 | Preferred Stock Issued (204) | - |
| 36 | Other Paid-In Capital (208-211) | 1,141,200 |
| 37 | Capital Stock Expense (214) | (87) |
| 38 | Retained Earnings (215, 215.2, 216) | 1,216,116 |
| 39 | Unappropriated Undistributed Subsidiary Earnings (216.1) | - |
| 40 | Accum Other Comprehensive Income (219) | 1,630 |
| 41 | Total Proprietary Capital & Margins | <u>3,781,864</u> |
| <u>Long Term Debt</u> | | |
| 42 | Bonds (221) | 3,125,000 |
| 43 | Advances from Associated Companies (223) | 184,419 |
| 44 | Other Long-Term Debt (224) | - |
| 45 | Unamortized Premium on LTD (225) | - |
| 46 | Unamortized Discount on LTD (226) | (5,110) |
| 47 | Total Long-Term Debt | <u>3,304,308</u> |
| <u>Other Non-Current Liabilities</u> | | |
| 48 | Obligations under Capital Leases (227) | - |
| 49 | Accum. Prov for Injuries & Damages (228.2) | 42,234 |
| 50 | Accum. Prov for Pensions & Benefits (228.3) | 302,652 |
| 51 | Accum. Miscellaneous Operating Prov (228.4) | 19,018 |
| 52 | Asset Retirement Obligation (230) | 27,223 |
| 53 | Total Other Non-Current Liabilities | <u>391,127</u> |
| <u>Current and Accrued Liabilities</u> | | |
| 54 | Notes Payable (231) | - |
| 55 | Accounts Payable (232) | 386,223 |
| 56 | Notes Payable to Assoc. Companies (233) | - |
| 57 | Accounts Payable to Assoc. Companies (234) | 11,538 |
| 58 | Customer Deposits (235) | 65,714 |
| 59 | Taxes Accrued (236) | (512) |
| 60 | Interest Accrued (237) | 32,184 |
| 61 | Dividends Declared (238) | - |
| 62 | Tax Collections Payable (241) | 43 |
| 63 | Misc Current & Accrued Liabilities (242) | 164,708 |
| 64 | Total Current & Accrued Liabilities | <u>659,898</u> |
| <u>Other Deferred Credits</u> | | |
| 65 | Customer Advances for Construction (252) | 707 |
| 66 | Other Deferred Credits (253) | 1,429 |
| 67 | Other Regulatory Liabilities (254) | 492,089 |
| 68 | Deferred Investment Tax Credit (255) | 781 |
| 69 | Unamortized Gain on Reacquired Debt (257) | - |
| 70 | Accumulated Deferred Income Taxes (281-283) | 1,928,199 |
| 71 | Total Other Deferred Credits | <u>2,423,205</u> |
| 72 | Total Liabilities and Other Credits | <u>\$ 10,560,403</u> |

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Statement of Net Utility Operating Income

| Line No | Description | [1] Account Number | [2] Electric Per Budget FTY 2018 | [3] Non-Pennsylvania Jurisdiction | [4] Pennsylvania Jurisdiction FTY 2018 [2] + [3] | [5] Reference |
|---------------------------------|--------------------------------------|-------------------------|---|---|--|--------------------|
| <u>Total Operating Revenues</u> | | | | | | |
| 1 | Customer & Distribution Revenues | | \$ 1,271,487 | \$ - | \$ 1,271,487 | B-3 |
| 2 | Electric Cost Revenue | | 699,923 | - | 699,923 | B-3 |
| 3 | Transmission | | 375,217 | (200,384) | 174,833 | B-3 |
| 4 | Other Operating Revenues | | 42,330 | (8,289) | 34,041 | B-3 |
| 5 | Total Operating Revenues | 400 | <u>\$ 2,388,958</u> | <u>\$ (208,673)</u> | <u>\$ 2,180,285</u> | |
| <u>Total Operating Expenses</u> | | | | | | |
| 6 | Operation & Maintenance Expenses | 401,402 | \$ 1,521,819 | \$ (74,828) | \$ 1,446,991 | B-4 |
| 7 | Depreciation & Amortization Expense | 403,404 | 218,371 | (32,941) | 185,431 | D-2 |
| 8 | Amortization of Regulatory Expense | 405 | 20,668 | | 20,668 | D-2 |
| 9 | Taxes Other Than Income Taxes | 408.1 | 148,430 | (3,620) | 144,810 | B-5 |
| 10 | Total Operating Expenses | | <u>\$ 1,909,288</u> | <u>\$ (111,388)</u> | <u>\$ 1,797,899</u> | |
| 11 | Operating Income Before Income Taxes | | \$ 479,670 | \$ (97,285) | \$ 382,385 | |

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Statement of Operating Revenue

| Line No | Description | [1] Electric Per Budget FTY 2018 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction FTY 2018 [1] + [2] |
|--|--|---|---|--|
| Customer & Distribution Revenue | | | | |
| 1 | Residential | \$ 843,173 | \$ - | \$ 843,173 |
| 2 | Small C & I | 228,779 | - | 228,779 |
| 3 | Large C & I | 172,781 | - | 172,781 |
| 4 | Other Customer Classes | 26,754 | - | 26,754 |
| 5 | Sub-Total Customer & Distribution Revenues | <u>\$ 1,271,487</u> | <u>\$ -</u> | <u>\$ 1,271,487</u> |
| Electric Cost Revenue | | | | |
| 6 | Residential | \$ 561,903 | \$ - | \$ 561,903 |
| 7 | Small C & I | 101,952 | - | 101,952 |
| 8 | Large C & I | 35,126 | - | 35,126 |
| 9 | Other Customer Classes | 943 | - | 943 |
| 10 | Sub-Total Purchased Electricity Revenues | <u>\$ 699,923</u> | <u>\$ -</u> | <u>\$ 699,923</u> |
| 11 | Transmission Revenue - All Classes | 174,833 | - | 174,833 |
| 12 | Total Retail Revenues | <u>\$ 2,146,244</u> | <u>\$ -</u> | <u>\$ 2,146,244</u> |
| Other Revenue | | | | |
| 13 | Forfeited Discounts | \$ 10,188 | \$ - | \$ 10,188 |
| 14 | Miscellaneous Service Revenues | 3,791 | - | 3,791 |
| 15 | Rent For Electric Property | 25,645 | (8,138) | 17,507 |
| 16 | Decommissioning Payment | (3,860) | - | (3,860) |
| 17 | Other Electric Revenues | 6,566 | (151) | 6,414 |
| 18 | Transmission of Electricity for Others | 200,384 | (200,384) | - |
| 19 | Total Other Operating Revenues | <u>\$ 242,714</u> | <u>\$ (208,673)</u> | <u>\$ 34,041</u> |
| 20 | Total Operating Revenues | <u><u>\$ 2,388,958</u></u> | <u><u>\$ (208,673)</u></u> | <u><u>\$ 2,180,285</u></u> |

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Operation & Maintenance Expenses

| Line No | Description | Account Number | [1] Electric Per Budget FTY 2018 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction FTY 2018 [1] + [2] |
|---------------------------------------|--|----------------|---|---|--|
| <u>Power Supply Expenses</u> | | | | | |
| 1 | Purchased Power | 555 | \$ 652,096 | \$ - | \$ 652,096 |
| 2 | Other | | - | - | - |
| 3 | Power Supply | L1 + L2 | <u>652,096</u> | <u>-</u> | <u>\$ 652,096</u> |
| <u>Transmission Expense</u> | | | | | |
| Operation | | | | | |
| 4 | Operation & Supervision | 560 | 6,755 | (6,755) | \$ - |
| 5 | Load Dispatching | 561 | - | - | - |
| 6 | Scheduling, System Control & Dispatch | 561.4 | 83,929 | - | 83,929 |
| 7 | Transmission Service Studies | 562 | - | - | - |
| 8 | Generation Service Studies | 562 | - | - | - |
| 9 | Reliability, Planning & Standard Development | 561.8 | 78,286 | - | 78,286 |
| 10 | Station Expense | 562 | 959 | (959) | - |
| 11 | Overhead Lines | 563 | 651 | (651) | - |
| 12 | Underground Lines Expense | 564 | - | - | - |
| 13 | Miscellaneous Expense | 566 | 13,186 | (13,186) | - |
| 14 | Rents | 567 | 14,134 | (14,134) | - |
| 15 | Total Transmission Operation Expense | Sum L4 to L14 | <u>197,900</u> | <u>(35,685)</u> | <u>\$ 162,215</u> |
| Maintenance Expense | | | | | |
| 16 | Maintenance of Structures | 569 | 156 | (156) | \$ - |
| 17 | Maintenance of Computer Hardware | 569 | 117 | (117) | - |
| 18 | Maintenance of Computer Software | 569 | 657 | (657) | - |
| 19 | Maintenance of Communication Equipment | 569 | 229 | (229) | - |
| 20 | Maintenance of Station Equipment | 570 | 36,500 | (36,500) | - |
| 21 | Maintenance of Overhead Lines | 571 | 11,651 | (11,651) | - |
| 22 | Maintenance of Underground Lines | 572 | 2,117 | (2,117) | - |
| 23 | Maintenance of Misc Transmission Plant | 573 | 15,543 | (15,543) | - |
| 24 | Total Transmission Maintenance | Sum L16 to L23 | <u>66,972</u> | <u>(66,972)</u> | <u>\$ -</u> |
| 25 | Transmission Expense | | <u>264,871</u> | <u>(102,656)</u> | <u>\$ 162,215</u> |
| <u>Regional Market Expense</u> | | | | | |
| 26 | Market Facilitation, Monitoring & Compliance | 573 | - | - | \$ - |
| 27 | Other | | - | - | - |
| 28 | Regional Market | L26 + L27 | <u>-</u> | <u>-</u> | <u>\$ -</u> |
| <u>Distribution Expense</u> | | | | | |
| Operations Expense | | | | | |
| 29 | Operation & Supervision | 580 | \$ 379 | | \$ 379 |
| 30 | Load Dispatching | 581 | 40 | | 40 |
| 31 | Station Expense | 582 | 3,752 | | 3,752 |
| 32 | Overhead Lines Expenses | 583 | 7,798 | | 7,798 |
| 33 | Underground Lines Expense | 584 | 7,403 | | 7,403 |
| 34 | Meter Expenses | 586 | 10,856 | | 10,856 |
| 35 | Customer Installations Expense | 587 | 8,572 | | 8,572 |
| 36 | Miscellaneous Expense | 588 | 51,880 | | 51,880 |
| 37 | Rents | 589 | 206 | | 206 |
| 38 | Total Distribution Operations | Sum L29 to L37 | <u>\$ 90,886</u> | <u>-</u> | <u>\$ 90,886</u> |

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Operation & Maintenance Expenses

| Line No | Description | Account Number | [1] Electric Per Budget FTY 2018 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction FTY 2018 [1] + [2] |
|---|---|-------------------------------|---|---|--|
| Maintenance | | | | | |
| 39 | Maintenance - Energy Efficiency Programs | | \$ - | | \$ - |
| 40 | Maintenance of Structures | 591 | 6,530 | | 6,530 |
| 41 | Maintenance of Station Equipment | 592 | 18,852 | | 18,852 |
| 42 | Maintenance of Overhead Lines | 593 | 103,840 | | 103,840 |
| 43 | Maintenance of Underground Lines | 594 | 35,377 | | 35,377 |
| 44 | Maintenance of Line Transformers | 595 | 1,576 | | 1,576 |
| 45 | Maintenance of Street Lighting & Signal Systems | 596 | 1,822 | | 1,822 |
| 46 | Maintenance of Misc. Distribution | 598 | 18,643 | | 18,643 |
| 47 | Total Distribution Maintenance | Sum L39 to L46 | <u>\$ 186,639</u> | <u>\$ -</u> | <u>\$ 186,639</u> |
| 48 | Distribution Expense | L38 + L47 | <u>\$ 277,525</u> | <u>\$ -</u> | <u>\$ 277,525</u> |
| Customer Accounts | | | | | |
| 49 | Supervision | 901 | \$ - | | \$ - |
| 50 | Meter Reading | 902 | 553 | | 553 |
| 51 | Customer Records and Collection | 903 | 68,136 | | 68,136 |
| 52 | Uncollectible Accounts | 904 | 25,028 | | 25,028 |
| 53 | Miscellaneous Customer Accounts | 905 | 3,677 | | 3,677 |
| 54 | Total Customer Accounts | Sum L49 to L53 | <u>\$ 97,395</u> | <u>\$ -</u> | <u>\$ 97,395</u> |
| Customer Service & Information | | | | | |
| 55 | Customer Assistance | 908 | \$ 78,386 | | \$ 78,386 |
| 56 | Informational & Instructional | 909 | 846 | | 846 |
| 57 | Miscellaneous Customer & Informational | 910 | 226 | | 226 |
| 58 | Total Customer Service & Information | Sum L55 to L57 | <u>\$ 79,458</u> | <u>\$ -</u> | <u>\$ 79,458</u> |
| Sales | | | | | |
| 59 | Demonstrating & Selling | 912 | \$ 830 | | \$ 830 |
| 60 | Miscellaneous Sales | 916 | - | | - |
| 61 | Total Sales | L59 + L60 | <u>\$ 830</u> | <u>\$ -</u> | <u>\$ 830</u> |
| Administration & General | | | | | |
| Operation | | | | | |
| 62 | Administrative and General Salaries | 920.0 | \$ (9,669) | 41,838 | \$ 32,170 |
| 63 | Office Supplies and Expenses | 921.0 | 11,911 | (3,152) | 8,759 |
| 64 | Administrative Expenses Transferred-Credit | 922.0 | - | - | - |
| 65 | Outside Service Employed | 923.0 | 87,523 | (8,647) | 78,876 |
| 66 | Property Insurance | 924.0 | 229 | (38) | 191 |
| 67 | Injuries and Damages | 925.0 | 11,452 | - | 11,452 |
| 68 | Employee Pensions and Benefits | 926.0 | 30,840 | (3,323) | 27,517 |
| 69 | Franchise Requirements | 927.0 | - | - | - |
| 70 | Regulatory Commission Expenses | 928.0 | 11,492 | (287) | 11,205 |
| 71 | Duplicate Charges-Credit | 929.0 | (9,009) | 6,812 | (2,197) |
| 72 | General Advertising Expenses | 930.1 | - | - | - |
| 73 | Miscellaneous General Expenses | 930.2 | 8,119 | (4,643) | 3,476 |
| 74 | Rents | 931.0 | - | - | - |
| 75 | A & G Operation Expenses | Sum L62 to L74 | <u>\$ 142,889</u> | <u>\$ 28,560</u> | <u>\$ 171,449</u> |
| Maintenance | | | | | |
| 76 | Maintenance of General Plant | 935 | 6,755 | (731) | 6,024 |
| 77 | Administrative & General | L75 + L76 | <u>\$ 149,644</u> | <u>\$ 27,829</u> | <u>\$ 177,473</u> |
| 78 | Total Electric O & M Expenses | Sum L(3,25,28,48,54,58,61,77) | <u>\$ 1,521,819</u> | <u>\$ (74,828)</u> | <u>\$ 1,446,991</u> |
| 79 | Total Electric Operation Expenses | Sum L(3,15,28,38,54,58,61,75) | <u>\$ 1,261,453</u> | <u>\$ (7,125)</u> | <u>\$ 1,254,328</u> |
| 80 | Total Electric Maintenance Expenses | L24 + L47 + L76 | <u>260,366</u> | <u>(67,703)</u> | <u>192,663</u> |
| 81 | Total Electric O & M Expenses | L79 + L80 | <u>\$ 1,521,819</u> | <u>\$ (74,828)</u> | <u>\$ 1,446,991</u> |

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Operation & Maintenance Expenses - A&G

| Line No | Description | Account Number | [1] Electric Per Budget FTY 2018 | [2] Percentage to Non-Pennsylvania | [3] Non-Pennsylvania Jurisdiction [1] * [2] | [4] Pennsylvania Jurisdiction FTY 2018 [1] + [3] |
|--|--|----------------|---|---|--|--|
| ADMINISTRATION & GENERAL - Distribution | | | | | | |
| Operation | | | | | | |
| 1 | Administrative and General Salaries | 920.0 | \$ 32,157 | 0.000% | \$ - | \$ 32,157 |
| 2 | Office Supplies and Expenses | 921.0 | 8,684 | 0.000% | - | 8,684 |
| 3 | Administrative Expenses Transferred-Credit | 922.0 | - | 0.000% | - | - |
| 4 | Outside Service Employed | 923.0 | 80,379 | 0.000% | - | 80,379 |
| 5 | Property Insurance | 924.0 | 54 | 0.000% | - | 54 |
| 6 | Injuries and Damages | 925.0 | 11,452 | 0.000% | - | 11,452 |
| 7 | Employee Pensions and Benefits | 926.0 | 28,735 | 0.000% | - | 28,735 |
| 8 | Franchise Requirements | 927.0 | - | 0.000% | - | - |
| 9 | Regulatory Commission Expenses | 928.0 | 11,205 | 0.000% | - | 11,205 |
| 10 | Duplicate Charges-Credit | 929.0 | (2,161) | 0.000% | - | (2,161) |
| 11 | General Advertising Expenses | 930.1 | - | 0.000% | - | - |
| 12 | Miscellaneous General Expenses | 930.2 | 3,421 | 0.000% | - | 3,421 |
| 13 | Rents | 931.0 | - | 0.000% | - | - |
| 14 | A & G Operation Expenses - Distribution | Sum L1 to L13 | <u>\$ 173,928</u> | | <u>\$ -</u> | <u>\$ 173,928</u> |
| Maintenance | | | | | | |
| 15 | Maintenance of General Plant | 935 | 6,024 | 0.000% | - | 6,024 |
| 16 | Administrative & General - Distribution | L14 + L15 | <u>\$ 179,952</u> | | <u>\$ -</u> | <u>\$ 179,952</u> |
| ADMINISTRATION & GENERAL - Transmission | | | | | | |
| Operation | | | | | | |
| 17 | Administrative and General Salaries | 920.0 | \$ (41,840) | 100.000% | \$ 41,840 | \$ - |
| 18 | Office Supplies and Expenses | 921.0 | 3,143 | 100.000% | (3,143) | - |
| 19 | Administrative Expenses Transferred-Credit | 922.0 | - | 100.000% | - | - |
| 20 | Outside Service Employed | 923.0 | 8,839 | 100.000% | (8,839) | - |
| 21 | Property Insurance | 924.0 | 6 | 100.000% | (6) | - |
| 22 | Injuries and Damages | 925.0 | - | 100.000% | - | - |
| 23 | Employee Pensions and Benefits | 926.0 | 3,478 | 100.000% | (3,478) | - |
| 24 | Franchise Requirements | 927.0 | - | 100.000% | - | - |
| 25 | Regulatory Commission Expenses | 928.0 | 287 | 100.000% | (287) | - |
| 26 | Duplicate Charges-Credit | 929.0 | (6,807) | 100.000% | 6,807 | - |
| 27 | General Advertising Expenses | 930.1 | - | 100.000% | - | - |
| 28 | Miscellaneous General Expenses | 930.2 | 4,636 | 100.000% | (4,636) | - |
| 29 | Rents | 931.0 | - | 100.000% | - | - |
| 30 | A & G Operation Expenses - Transmission | Sum L17 to L29 | <u>\$ (28,259)</u> | | <u>\$ 28,259</u> | <u>\$ -</u> |
| Maintenance | | | | | | |
| 31 | Maintenance of General Plant | 935 | 731 | 100.000% | (731) | - |
| 32 | Administrative & General - Transmission | L30 + L31 | <u>\$ (27,527)</u> | | <u>\$ 27,527</u> | <u>\$ -</u> |

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Operation & Maintenance Expenses - A&G

| Line No | Description | Account Number | [1] Electric Per Budget FTY 2018 | [2] Percentage to Non-Pennsylvania | [3] Non-Pennsylvania Jurisdiction [1] * [2] | [4] Pennsylvania Jurisdiction FTY 2018 [1] + [3] |
|---|---|----------------|---|---|--|--|
| ADMINISTRATION & GENERAL - General | | | | | | |
| Operation | | | | | | |
| 33 | Administrative and General Salaries | 920.0 | \$ 14 | 11.313% | \$ (2) | \$ 13 |
| 34 | Office Supplies and Expenses | 921.0 | 84 | 11.313% | (10) | 75 |
| 35 | Administrative Expenses Transferred-Credit | 922.0 | - | 11.313% | - | - |
| 36 | Outside Service Employed | 923.0 | (1,695) | 11.313% | 192 | (1,503) |
| 37 | Property Insurance | 924.0 | 169 | 19.171% | (32) | 136 |
| 38 | Injuries and Damages | 925.0 | - | 11.313% | - | - |
| 39 | Employee Pensions and Benefits | 926.0 | (1,373) | 11.313% | 155 | (1,218) |
| 40 | Franchise Requirements | 927.0 | - | 11.313% | - | - |
| 41 | Regulatory Commission Expenses | 928.0 | - | 0.000% | - | - |
| 42 | Duplicate Charges-Credit | 929.0 | (41) | 11.313% | 5 | (36) |
| 43 | General Advertising Expenses | 930.1 | - | 11.313% | - | - |
| 44 | Miscellaneous General Expenses | 930.2 | 61 | 11.313% | (7) | 54 |
| 45 | Rents | 931.0 | - | 11.313% | - | - |
| 46 | A & G Operation Expenses - General | Sum L33 to L45 | <u>\$ (2,780)</u> | | <u>\$ 301</u> | <u>\$ (2,479)</u> |
| Maintenance | | | | | | |
| 47 | Maintenance of General Plant | 935 | - | 11.313% | - | 0 |
| 48 | Administrative & General - General | L46 + L47 | <u>\$ (2,780)</u> | | <u>\$ 301</u> | <u>\$ (2,479)</u> |
| ADMINISTRATION & GENERAL - Total | | | | | | |
| Operation | | | | | | |
| 49 | Administrative and General Salaries | 920.0 | \$ (9,669) | | \$ 41,838 | \$ 32,170 |
| 50 | Office Supplies and Expenses | 921.0 | 11,911 | | (3,152) | 8,759 |
| 51 | Administrative Expenses Transferred-Credit | 922.0 | - | | - | - |
| 52 | Outside Service Employed | 923.0 | 87,523 | | (8,647) | 78,876 |
| 53 | Property Insurance | 924.0 | 229 | | (38) | 191 |
| 54 | Injuries and Damages | 925.0 | 11,452 | | - | 11,452 |
| 55 | Employee Pensions and Benefits | 926.0 | 30,840 | | (3,323) | 27,517 |
| 56 | Franchise Requirements | 927.0 | - | | - | - |
| 57 | Regulatory Commission Expenses | 928.0 | 11,492 | | (287) | 11,205 |
| 58 | Duplicate Charges-Credit | 929.0 | (9,009) | | 6,812 | (2,197) |
| 59 | General Advertising Expenses | 930.1 | - | | - | - |
| 60 | Miscellaneous General Expenses | 930.2 | 8,119 | | (4,643) | 3,476 |
| 61 | Rents | 931.0 | - | | - | - |
| 62 | A & G Operation Expenses - Total | Sum L49 to L61 | <u>\$ 142,889</u> | | <u>\$ 28,560</u> | <u>\$ 171,449</u> |
| Maintenance | | | | | | |
| 63 | Maintenance of General Plant | 935 | 6,755 | | (731) | 6,024 |
| 64 | Administrative & General - Total | L62 + L63 | <u>\$ 149,644</u> | | <u>\$ 27,829</u> | <u>\$ 177,473</u> |

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Detail of Taxes Other Than Income

| Line No | Description | [1] Function or Schedule | [2] Electric Per Budget FTY 2018 | [3] Non-Pennsylvania Jurisdiction | [4] Pennsylvania Jurisdiction FTY 2018 |
|--------------------------------------|--------------------------------------|-------------------------------|---|---|---|
| Taxes Other Than Income Taxes | | | | | |
| Non-Revenue Related: | | | | | |
| 1 | PA Real Estate Tax | D-16 | \$ 5,260 | \$ (1,008) | \$ 4,251 |
| 2 | Pennsylvania - PURTA | D-16 | 6,540 | (1,254) | 5,286 |
| 3 | Capital Stock | D-16 | - | - | - |
| 4 | PA and Local Use Taxes | D-16 | 433 | (83) | 350 |
| 5 | Miscellaneous Taxes | D-17 | - | - | - |
| 6 | Subtotal | Sum L1 to L5 | <u>\$ 12,233</u> | <u>\$ (2,345)</u> | <u>\$ 9,888</u> |
| Payroll Taxes | | | | | |
| 7 | Payroll Taxes | D-16 | 11,271 | (1,275) | 9,996 |
| 8 | Other | | - | - | - |
| 9 | Subtotal | L7 + L8 | <u>\$ 11,271</u> | <u>\$ (1,275)</u> | <u>\$ 9,996</u> |
| Revenue Related: | | | | | |
| 10 | State Gross Receipts Pennsylvania | D-16 | \$ 124,926 | \$ - | \$ 124,926 |
| 11 | Total Taxes Other Than Income Taxes | L6 + L9 + L10 | <u><u>\$ 148,430</u></u> | <u><u>\$ (3,620)</u></u> | <u><u>\$ 144,810</u></u> |

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Composite Cost of Long-Term Debt

| Line No | Description | [1] Amount Outstanding | [2] Percent to Total | [3] Effective Interest Rate | [4] Average Weighted Cost Rate [2] * [3] | [5] Annualized Cost |
|---|---|-----------------------------|---------------------------|----------------------------------|--|--------------------------|
| <u>First & Refunding Mortgage Bonds - Fixed Rate</u> | | | | | | |
| 1 | 1.70% due 2021 | \$ 300,000 | 9.07% | 1.86% | 0.17% | |
| 2 | 2.375% due 2022 | 350,000 | 10.58% | 2.47% | 0.26% | |
| 3 | 3.15% due 2025 | 350,000 | 10.58% | 3.29% | 0.35% | |
| 4 | 5.90% due 2034 | 75,000 | 2.27% | 6.00% | 0.14% | |
| 5 | 5.95% due 2036 | 300,000 | 9.07% | 6.04% | 0.55% | |
| 6 | 5.70% due 2037 | 175,000 | 5.29% | 5.81% | 0.31% | |
| 7 | 4.80% due 2043 | 250,000 | 7.55% | 4.89% | 0.37% | |
| 8 | 4.15% due 2044 | 300,000 | 9.07% | 4.23% | 0.38% | |
| 9 | 3.70% due 2047 | 325,000 | 9.82% | 3.75% | 0.37% | |
| 10 | 3.90% due 2048 | 325,000 | 9.82% | 3.99% | 0.39% | |
| 11 | 4.03% due 2048 | 325,000 | 9.82% | 4.08% | 0.40% | |
| 12 | 2.00% due 2023 | 50,000 | 1.51% | 2.24% | 0.03% | |
| 13 | Sub-Total Fixed Rate | <u>3,125,000</u> | <u>94.43%</u> | | | |
| <u>Trust Preferred Capital Securities</u> | | | | | | |
| 14 | 7.38% Rate Due 4/6/28 | 80,521 | 2.43% | 7.46% | 0.18% | |
| 15 | 6.50% Rate Due 4/6/28 | 805 | 0.02% | 5.25% | 0.00% | |
| 16 | 5.75% Rate Due 6/15/33 | 103,093 | 3.12% | 5.88% | 0.18% | |
| 17 | Sub-Total Capital Securities | <u>184,419</u> | <u>5.57%</u> | | | |
| 18 | Total Long-Term Debt | 3,309,419 | <u>100.00%</u> | | <u>4.08%</u> | |
| 19 | Adjustment for Tenders & Calls | <u>(10,591)</u> | | | | |
| 20 | Net Long-Term Debt | <u>\$ 3,298,828</u> | | | | |
| 21 | Annualized Cost | \$ 135,024 | | | | |
| 22 | Adjustment for Tenders & Calls Reacquired | <u>2,621</u> | | | | |
| 23 | Total | <u>\$ 137,645</u> | | | | <u>4.17%</u> |

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Rate of Return

| | [1] | [2] | [3] | [4] | [5] | |
|----------------|--------------------|-----------------------|-----------------------------|----------------------|----------------------------|----------------------------------|
| <u>Line No</u> | <u>Description</u> | <u>Capitalization</u> | <u>Capitalization Ratio</u> | <u>Embedded Cost</u> | <u>Statement Reference</u> | <u>Return-%</u> [2] * [3] |
| 1 | Long-Term Debt | \$ 3,298,828 | 46.60% | 4.17% | B-6 | 1.94% |
| 2 | Common Equity | <u>3,780,234</u> | <u>53.40%</u> | 10.95% | | <u>5.85%</u> |
| 3 | Total | <u>\$ 7,079,062</u> | <u>100.00%</u> | | | <u>7.79%</u> |

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Measures of Value

| Line No | Description | [1] | [2] | [4] | [5] | [6] |
|---------|---|---------------|----------|-----------------------------------|-----------------------|------------------------------------|
| | | Reference | | Measures of Value | | |
| | | Function | Schedule | Total Company Per Budget FTY 2018 | Adjustment | Adjusted FTY 2018 [3] + [4] |
| 1 | Utility Plant | | C-2 | \$ 8,450,586 | \$ (1,688,526) | \$ 6,762,060 |
| 2 | Accumulated Depreciation | | C-3 | (2,573,565) | 527,668 | (1,923,966) |
| 3 | Net Plant in Service | L1 + L2 | | \$ 5,877,022 | \$ (1,160,858) | \$ 4,838,094 |
| 4 | Working Capital | | C-4 | 148,454 | | 148,454 |
| 6 | Pension Assets / (Liabilities) | | C-5 | 90,633 | | 90,633 |
| 5 | Accumulated Deferred Income Taxes | | C-6 | (527,789) | | (527,789) |
| 7 | Customer Deposits | | C-7 | (50,574) | | (50,574) |
| 8 | Common Plant | | C-8 | 309,920 | | 309,920 |
| 9 | Customer Advances for Construction | | C-9 | (959) | | (959) |
| 10 | Unamortized AMR Investment | | C-10 | 23,101 | | 23,101 |
| 11 | Materials & Supplies | | C-11 | 15,876 | | 15,876 |
| 12 | Accumulated Deferred Income Taxes - Reg Liability | | C-12 | (325,634) | | (325,634) |
| 13 | Total Measures of Value | Sum L3 to L12 | | <u>\$ 5,560,051</u> | <u>\$ (1,160,858)</u> | <u>\$ 4,521,123</u> |

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Pro Forma Utility Plant In Service Summary

| Line No | Description | [1] Schedule | [2] Per Budget December 31 FTY 2018 | [3] Adjustments | [4] Adjusted December 31 FTY 2018 [2] + [3] |
|---------|---------------------------------------|-------------------|--|------------------------------|---|
| 1 | Intangible Plant | Sec. C-2, Sch 2 | \$ 172,483 | \$ (14,024) | \$ 158,459 |
| 2 | Transmission Plant | Sec. C-2, Sch 2 | 1,644,342 | (1,644,342) | - |
| 3 | Distribution Plant | Sec. C-2, Sch 2 | 6,367,164 | - | 6,367,164 |
| 4 | General Plant | Sec. C-2, Sch 2 | <u>266,598</u> | <u>(30,160)</u> | <u>236,437</u> |
| 5 | Sub-Total Plant-In-Service | Sum L1 to L4 | \$ 8,450,586 | \$ (1,688,526) | \$ 6,762,060 |
| 6 | Completed Construction Not Classified | G/L a/c # 106 | <u>-</u> | <u>-</u> | <u>-</u> |
| 7 | Plant-In-Service | L5 + L6 | \$ 8,450,586 | \$ (1,688,526) | \$ 6,762,060 |
| 8 | Construction Work-In-Progress | G/L a/c # 107 | - | - | - |
| 9 | Other | | - | - | - |
| 10 | Total Utility Plant | Sum L7 to L9 | <u><u>\$ 8,450,586</u></u> | <u><u>\$ (1,688,526)</u></u> | <u><u>\$ 6,762,060</u></u> |

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Exhibit **BSY-2**
Schedule **C-2**
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Detail of Pro Forma Utility Plant In Service

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FTY 2018 | [3] Adjustments | [4] Adjusted December 31 FTY 2018 [2] + [3] |
|----------------------------------|---|-----------------------------|--|------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ 163 | \$ (18) | \$ 145 |
| 2 | Miscellaneous Intangible Plant | 303 | 172,320 | (14,006) | 158,314 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 172,483</u> | <u>\$ (14,024)</u> | <u>\$ 158,459</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ 59,802 | \$ (59,802) | \$ - |
| 5 | Structures & Improvements | 352 | 87,402 | (87,402) | - |
| 6 | Station Equipment | 353 | 880,171 | (880,171) | - |
| 7 | Towers & Fixtures | 354 | 271,872 | (271,872) | - |
| 8 | Poles & Fixtures | 355 | 16,512 | (16,512) | - |
| 9 | Overhead Conductors & Devices | 356 | 201,904 | (201,904) | - |
| 10 | Underground Conduit | 357 | 15,931 | (15,931) | - |
| 11 | Underground Conductors & Devices | 358 | 108,610 | (108,610) | - |
| 12 | Roads & Trails | 359 | 2,137 | (2,137) | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | (0) | 0 | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 1,644,342</u> | <u>\$ (1,644,342)</u> | <u>\$ -</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ 42,884 | \$ - | \$ 42,884 |
| 16 | Structures & Improvements | 361 | 125,429 | - | 125,429 |
| 17 | Station Equipment | 362 | 1,093,294 | - | 1,093,294 |
| 18 | Poles, Towers & Fixtures | 364 | 716,553 | - | 716,553 |
| 19 | Overhead Conductors & Devices | 365 | 1,252,148 | - | 1,252,148 |
| 20 | Underground Conduit | 366 | 433,416 | - | 433,416 |
| 21 | Underground Conductors & Devices | 367 | 1,271,591 | - | 1,271,591 |
| 22 | Line Transformers | 368 | 603,509 | - | 603,509 |
| 23 | Services | 369 | 421,106 | - | 421,106 |
| 24 | Meters | 370 | 324,309 | - | 324,309 |
| 25 | Installations on Customer Premises | 371 | 13,772 | - | 13,772 |
| 26 | Street Lighting & Signal Systems | 373 | 67,239 | - | 67,239 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 1,916 | - | 1,916 |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 6,367,164</u> | <u>\$ -</u> | <u>\$ 6,367,164</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ 1,063 | \$ (120) | \$ 943 |
| 30 | Structures & Improvements | 390 | 50,428 | (5,705) | 44,723 |
| 31 | Office Furniture & Equipment | 391 | 17,093 | (1,934) | 15,159 |
| 32 | Transportation Equipment | 392 | - | - | - |
| 33 | Stores Equipment | 393 | 43 | (5) | 38 |
| 34 | Tools & Garage Equipment | 394 | 34,070 | (3,854) | 30,215 |
| 35 | Laboratory Equipment | 395 | 420 | (47) | 372 |
| 36 | Power Operated Equipment | 396 | - | - | - |
| 37 | Communications Equipment | 397 | 161,094 | (18,225) | 142,870 |
| 38 | Miscellaneous Equipment | 398 | 706 | (80) | 626 |
| 39 | Other Tangible Property | 399 | - | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 1,681 | (190) | 1,490 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 266,598</u> | <u>\$ (30,160)</u> | <u>\$ 236,437</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 8,450,586</u> | <u>\$ (1,688,526)</u> | <u>\$ 6,762,060</u> |

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Exhibit **BSY-1**
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Additions to Plant

| Line No | Description | [1] | [2] | [3] | [4] |
|---------------------------|---|----------------------|---------------------|----------------------|-------------------|
| | | Account Number | Per Budget FTY 2018 | Adjustments FTY 2018 | Adjusted FTY 2018 |
| Additions to Plant | | | | | |
| | | | | | [2] + [3] |
| Intangible Plant | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | 21,325 | | 21,325 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 21,325</u> | <u>\$ -</u> | <u>\$ 21,325</u> |
| Transmission Plant | | | | | |
| 4 | Land & Land Rights | 350 | \$ (0) | | \$ (0) |
| 5 | Structures & Improvements | 352 | 14,617 | | 14,617 |
| 6 | Station Equipment | 353 | 67,368 | | 67,368 |
| 7 | Towers & Fixtures | 354 | 5,356 | | 5,356 |
| 8 | Poles & Fixtures | 355 | 120 | | 120 |
| 9 | Overhead Conductors & Devices | 356 | 9,214 | | 9,214 |
| 10 | Underground Conduit | 357 | 975 | | 975 |
| 11 | Underground Conductors & Devices | 358 | 4,404 | | 4,404 |
| 12 | Roads & Trails | 359 | - | | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | - | | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 102,055</u> | <u>\$ -</u> | <u>\$ 102,055</u> |
| Distribution Plant | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | | \$ - |
| 16 | Structures & Improvements | 361 | 12,103 | | 12,103 |
| 17 | Station Equipment | 362 | 60,673 | | 60,673 |
| 18 | Poles, Towers & Fixtures | 364 | 34,265 | | 34,265 |
| 19 | Overhead Conductors & Devices | 365 | 80,671 | | 80,671 |
| 20 | Underground Conduit | 366 | 26,435 | | 26,435 |
| 21 | Underground Conductors & Devices | 367 | 92,569 | | 92,569 |
| 22 | Line Transformers | 368 | 33,238 | | 33,238 |
| 23 | Services | 369 | 10,946 | | 10,946 |
| 24 | Meters | 370 | 19,392 | | 19,392 |
| 25 | Installations on Customer Premises | 371 | - | | - |
| 26 | Street Lighting & Signal Systems | 373 | 5,365 | | 5,365 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | - | | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 375,657</u> | <u>\$ -</u> | <u>\$ 375,657</u> |
| General Plant | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | | \$ - |
| 30 | Structures & Improvements | 390 | 1,355 | | 1,355 |
| 31 | Office Furniture & Equipment | 391 | 3,149 | | 3,149 |
| 32 | Transportation Equipment | 392 | - | | - |
| 33 | Stores Equipment | 393 | - | | - |
| 34 | Tools & Garage Equipment | 394 | 2,818 | | 2,818 |
| 35 | Laboratory Equipment | 395 | - | | - |
| 36 | Power Operated Equipment | 396 | - | | - |
| 37 | Communications Equipment | 397 | 7,635 | | 7,635 |
| 38 | Miscellaneous Equipment | 398 | - | | - |
| 39 | Other Tangible Property | 399 | - | | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | - | | - |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 14,956</u> | <u>\$ -</u> | <u>\$ 14,956</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 513,993</u> | <u>\$ -</u> | <u>\$ 513,993</u> |

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Plant Retirements

| Line No | Description | [1] | [2] | [3] | [4] |
|----------------------------------|---|----------------------|------------------------|--|---------------------------------------|
| | | Account Number | Per Budget FTY 2018 | Plant Retirements Adjustments FTY 2018 | Adjusted FTY 2018 [2] + [3] |
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | 589 | | 589 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 589</u> | <u>\$ -</u> | <u>\$ 589</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | | \$ - |
| 5 | Structures & Improvements | 352 | 150 | | 150 |
| 6 | Station Equipment | 353 | 3,428 | | 3,428 |
| 7 | Towers & Fixtures | 354 | 220 | | 220 |
| 8 | Poles & Fixtures | 355 | 141 | | 141 |
| 9 | Overhead Conductors & Devices | 356 | 435 | | 435 |
| 10 | Underground Conduit | 357 | - | | - |
| 11 | Underground Conductors & Devices | 358 | 350 | | 350 |
| 12 | Roads & Trails | 359 | - | | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 2 | | 2 |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 4,727</u> | <u>\$ -</u> | <u>\$ 4,727</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | | \$ - |
| 16 | Structures & Improvements | 361 | 336 | | 336 |
| 17 | Station Equipment | 362 | 1,369 | | 1,369 |
| 18 | Poles, Towers & Fixtures | 364 | 3,249 | | 3,249 |
| 19 | Overhead Conductors & Devices | 365 | 5,539 | | 5,539 |
| 20 | Underground Conduit | 366 | 287 | | 287 |
| 21 | Underground Conductors & Devices | 367 | 8,097 | | 8,097 |
| 22 | Line Transformers | 368 | 8,067 | | 8,067 |
| 23 | Services | 369 | 430 | | 430 |
| 24 | Meters | 370 | 22 | | 22 |
| 25 | Installations on Customer Premises | 371 | - | | - |
| 26 | Street Lighting & Signal Systems | 373 | 950 | | 950 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 23 | | 23 |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 28,369</u> | <u>\$ -</u> | <u>\$ 28,369</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | | \$ - |
| 30 | Structures & Improvements | 390 | 588 | | 588 |
| 31 | Office Furniture & Equipment | 391 | 1,936 | | 1,936 |
| 32 | Transportation Equipment | 392 | - | | - |
| 33 | Stores Equipment | 393 | 3 | | 3 |
| 34 | Tools & Garage Equipment | 394 | 822 | | 822 |
| 35 | Laboratory Equipment | 395 | - | | - |
| 36 | Power Operated Equipment | 396 | - | | - |
| 37 | Communications Equipment | 397 | 1,240 | | 1,240 |
| 38 | Miscellaneous Equipment | 398 | 159 | | 159 |
| 39 | Other Tangible Property | 399 | - | | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 8 | | 8 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 4,756</u> | <u>\$ -</u> | <u>\$ 4,756</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 38,441</u> | <u>\$ -</u> | <u>\$ 38,441</u> |

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Pro Forma Plant Adjustments

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FTY 2018 | [3] Non-PA Jurisdiction % | [4] Total Pro Forma Adjustments [2] * [3] |
|----------------------------------|---|-----------------------------|--|-----------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ 163 | 11.31% | \$ (18) |
| 2 | Miscellaneous Intangible Plant | 303 | 172,320 | | (14,006) |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 172,483</u> | | <u>\$ (14,024)</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ 59,802 | 100.00% | \$ (59,802) |
| 5 | Structures & Improvements | 352 | 87,402 | 100.00% | (87,402) |
| 6 | Station Equipment | 353 | 880,171 | 100.00% | (880,171) |
| 7 | Towers & Fixtures | 354 | 271,872 | 100.00% | (271,872) |
| 8 | Poles & Fixtures | 355 | 16,512 | 100.00% | (16,512) |
| 9 | Overhead Conductors & Devices | 356 | 201,904 | 100.00% | (201,904) |
| 10 | Underground Conduit | 357 | 15,931 | 100.00% | (15,931) |
| 11 | Underground Conductors & Devices | 358 | 108,610 | 100.00% | (108,610) |
| 12 | Roads & Trails | 359 | 2,137 | 100.00% | (2,137) |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | (0) | 100.00% | 0 |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 1,644,342</u> | | <u>\$ (1,644,342)</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ 42,884 | 0.00% | \$ - |
| 16 | Structures & Improvements | 361 | 125,429 | 0.00% | - |
| 17 | Station Equipment | 362 | 1,093,294 | 0.00% | - |
| 18 | Poles, Towers & Fixtures | 364 | 716,553 | 0.00% | - |
| 19 | Overhead Conductors & Devices | 365 | 1,252,148 | 0.00% | - |
| 20 | Underground Conduit | 366 | 433,416 | 0.00% | - |
| 21 | Underground Conductors & Devices | 367 | 1,271,591 | 0.00% | - |
| 22 | Line Transformers | 368 | 603,509 | 0.00% | - |
| 23 | Services | 369 | 421,106 | 0.00% | - |
| 24 | Meters | 370 | 324,309 | 0.00% | - |
| 25 | Installations on Customer Premises | 371 | 13,772 | 0.00% | - |
| 26 | Street Lighting & Signal Systems | 373 | 67,239 | 0.00% | - |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 1,916 | 0.00% | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 6,367,164</u> | | <u>\$ -</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ 1,063 | 11.31% | \$ (120) |
| 30 | Structures & Improvements | 390 | 50,428 | 11.31% | (5,705) |
| 31 | Office Furniture & Equipment | 391 | 17,093 | 11.31% | (1,934) |
| 32 | Transportation Equipment | 392 | - | 11.31% | - |
| 33 | Stores Equipment | 393 | 43 | 11.31% | (5) |
| 34 | Tools & Garage Equipment | 394 | 34,070 | 11.31% | (3,854) |
| 35 | Laboratory Equipment | 395 | 420 | 11.31% | (47) |
| 36 | Power Operated Equipment | 396 | - | 11.31% | - |
| 37 | Communications Equipment | 397 | 161,094 | 11.31% | (18,225) |
| 38 | Miscellaneous Equipment | 398 | 706 | 11.31% | (80) |
| 39 | Other Tangible Property | 399 | - | 11.31% | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 1,681 | 11.31% | (190) |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 266,598</u> | | <u>\$ (30,160)</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 8,450,586</u> | | <u>\$ (1,688,526)</u> |

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Exhibit **BSY-2**
Schedule **C-3**
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Summary of Accumulated Depreciation

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FTY 2018 | [3] Adjustments | [4] Adjusted December 31 FTY 2018 [2] + [3] |
|---------|---|-------------------------|--|----------------------|---|
| 1 | Intangible Plant | | \$ (110,935) | \$ 7,248 | \$ (103,687) |
| 2 | Transmission Plant | | (512,054) | 512,054 | - |
| 3 | Distribution Plant | | (1,754,703) | - | (1,754,703) |
| 4 | General Plant | | (73,941) | 8,365 | (65,576) |
| 5 | Accumulated depreciation | Sum L1 to L4 | \$ (2,451,634) | \$ 527,668 | \$ (1,923,966) |
| 6 | Completed Construction Not Classified | | - | - | - |
| 7 | Other Utility Plant | | - | - | - |
| 8 | Transportation | | - | - | - |
| 9 | Total Accumulated Depreciation | Sum L5 to L8 | \$ (2,451,634) | \$ 527,668 | \$ (1,923,966) |
| 10 | Accumulated Amortization | | - | - | - |
| 11 | Total Accumulated Depreciation & Amortization | L9 + L10 | <u>\$ (2,451,634)</u> | <u>\$ 527,668</u> | <u>\$ (1,923,966)</u> |

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Accumulated Provision for Depreciation

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FTY 2018 | [3] Adjustment | [4] Adjusted December 31 FTY 2018 [2] + [3] |
|----------------------------------|---|-------------------------|--|--------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | \$ - | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | (110,935) | 7,248 | (103,687) |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ (110,935)</u> | <u>\$ 7,248</u> | <u>\$ (103,687)</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | \$ - | \$ - |
| 5 | Structures & Improvements | 352 | (20,965) | 20,965 | - |
| 6 | Station Equipment | 353 | (195,330) | 195,330 | - |
| 7 | Towers & Fixtures | 354 | (158,941) | 158,941 | - |
| 8 | Poles & Fixtures | 355 | (2,939) | 2,939 | - |
| 9 | Overhead Conductors & Devices | 356 | (83,549) | 83,549 | - |
| 10 | Underground Conduit | 357 | (4,971) | 4,971 | - |
| 11 | Underground Conductors & Devices | 358 | (43,304) | 43,304 | - |
| 12 | Roads & Trails | 359 | (2,056) | 2,056 | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 2 | (2) | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ (512,054)</u> | <u>\$ 512,054</u> | <u>\$ -</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | \$ - | \$ - |
| 16 | Structures & Improvements | 361 | (38,675) | - | (38,675) |
| 17 | Station Equipment | 362 | (447,828) | - | (447,828) |
| 18 | Poles, Towers & Fixtures | 364 | (150,387) | - | (150,387) |
| 19 | Overhead Conductors & Devices | 365 | (267,413) | - | (267,413) |
| 20 | Underground Conduit | 366 | (160,927) | - | (160,927) |
| 21 | Underground Conductors & Devices | 367 | (196,621) | - | (196,621) |
| 22 | Line Transformers | 368 | (190,790) | - | (190,790) |
| 23 | Services | 369 | (161,185) | - | (161,185) |
| 24 | Meters | 370 | (97,159) | - | (97,159) |
| 25 | Installations on Customer Premises | 371 | (7,110) | - | (7,110) |
| 26 | Street Lighting & Signal Systems | 373 | (34,612) | - | (34,612) |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | (1,998) | - | (1,998) |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ (1,754,703)</u> | <u>\$ -</u> | <u>\$ (1,754,703)</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | \$ - | \$ - |
| 30 | Structures & Improvements | 390 | (11,838) | 1,339 | (10,499) |
| 31 | Office Furniture & Equipment | 391 | (6,250) | 707 | (5,543) |
| 32 | Transportation Equipment | 392 | - | - | - |
| 33 | Stores Equipment | 393 | (4) | 0 | (3) |
| 34 | Tools & Garage Equipment | 394 | (10,521) | 1,190 | (9,331) |
| 35 | Laboratory Equipment | 395 | (297) | 34 | (263) |
| 36 | Power Operated Equipment | 396 | - | - | - |
| 37 | Communications Equipment | 397 | (43,956) | 4,973 | (38,984) |
| 38 | Miscellaneous Equipment | 398 | (644) | 73 | (571) |
| 39 | Other Tangible Property | 399 | - | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | (432) | 49 | (383) |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ (73,941)</u> | <u>\$ 8,365</u> | <u>\$ (65,576)</u> |
| 42 | Total Accumulated Provision For Depreciation | L3 + L14 + L28 + L41 | <u><u>\$ (2,451,634)</u></u> | <u><u>\$ 527,668</u></u> | <u><u>\$ (1,923,966)</u></u> |

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Cost of Removal Net of Salvage

| Line No | Description | [1] Account Number | [2] Per Budget FTY 2018 |
|----------------------------------|---|-------------------------|---------------------------------|
| <u>Intangible Plant</u> | | | |
| 1 | Franchise & Consent | 302 | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | - |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ -</u> |
| <u>Transmission Plant</u> | | | |
| 4 | Land & Land Rights | 350 | \$ - |
| 5 | Structures & Improvements | 352 | 295 |
| 6 | Station Equipment | 353 | 4,158 |
| 7 | Towers & Fixtures | 354 | 81 |
| 8 | Poles & Fixtures | 355 | 14 |
| 9 | Overhead Conductors & Devices | 356 | 136 |
| 10 | Underground Conduit | 357 | 15 |
| 11 | Underground Conductors & Devices | 358 | 509 |
| 12 | Roads & Trails | 359 | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 5,208</u> |
| <u>Distribution Plant</u> | | | |
| 15 | Land & Land Rights | 360 | \$ - |
| 16 | Structures & Improvements | 361 | 415 |
| 17 | Station Equipment | 362 | 3,165 |
| 18 | Poles, Towers & Fixtures | 364 | 4,837 |
| 19 | Overhead Conductors & Devices | 365 | 8,089 |
| 20 | Underground Conduit | 366 | 1,799 |
| 21 | Underground Conductors & Devices | 367 | 8,591 |
| 22 | Line Transformers | 368 | 265 |
| 23 | Services | 369 | 637 |
| 24 | Meters | 370 | - |
| 25 | Installations on Customer Premises | 371 | - |
| 26 | Street Lighting & Signal Systems | 373 | 54 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 27,854</u> |
| <u>General Plant</u> | | | |
| 29 | Land & Land Rights | 389 | \$ - |
| 30 | Structures & Improvements | 390 | 315 |
| 31 | Office Furniture & Equipment | 391 | 63 |
| 32 | Transportation Equipment | 392 | - |
| 33 | Stores Equipment | 393 | - |
| 34 | Tools & Garage Equipment | 394 | 3 |
| 35 | Laboratory Equipment | 395 | - |
| 36 | Power Operated Equipment | 396 | - |
| 37 | Communications Equipment | 397 | 49 |
| 38 | Miscellaneous Equipment | 398 | - |
| 39 | Other Tangible Property | 399 | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | - |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 430</u> |
| 42 | Total Cost of Removal Net of Salvage | L3+L14+L28+L41 | <u><u>\$ 33,492</u></u> |

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Accumulated Depreciation Adjustments

| Line No | Description | [1] Account Number | [2] Per Budget December 31 FTY 2018 | [3] Non-PA Jurisdiction % | [4] Total Pro Forma Adjustments [2] * [3] |
|----------------------------------|---|-------------------------|--|-----------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | 11.31% | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | (110,935) | | 7,248 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ (110,935)</u> | | <u>\$ 7,248</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | 100.00% | \$ - |
| 5 | Structures & Improvements | 352 | (20,965) | 100.00% | 20,965 |
| 6 | Station Equipment | 353 | (195,330) | 100.00% | 195,330 |
| 7 | Towers & Fixtures | 354 | (158,941) | 100.00% | 158,941 |
| 8 | Poles & Fixtures | 355 | (2,939) | 100.00% | 2,939 |
| 9 | Overhead Conductors & Devices | 356 | (83,549) | 100.00% | 83,549 |
| 10 | Underground Conduit | 357 | (4,971) | 100.00% | 4,971 |
| 11 | Underground Conductors & Devices | 358 | (43,304) | 100.00% | 43,304 |
| 12 | Roads & Trails | 359 | (2,056) | 100.00% | 2,056 |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 2 | 100.00% | (2) |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ (512,054)</u> | | <u>\$ 512,054</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | 0.00% | \$ - |
| 16 | Structures & Improvements | 361 | (38,675) | 0.00% | - |
| 17 | Station Equipment | 362 | (447,828) | 0.00% | - |
| 18 | Poles, Towers & Fixtures | 364 | (150,387) | 0.00% | - |
| 19 | Overhead Conductors & Devices | 365 | (267,413) | 0.00% | - |
| 20 | Underground Conduit | 366 | (160,927) | 0.00% | - |
| 21 | Underground Conductors & Devices | 367 | (196,621) | 0.00% | - |
| 22 | Line Transformers | 368 | (190,790) | 0.00% | - |
| 23 | Services | 369 | (161,185) | 0.00% | - |
| 24 | Meters | 370 | (97,159) | 0.00% | - |
| 25 | Installations on Customer Premises | 371 | (7,110) | 0.00% | - |
| 26 | Street Lighting & Signal Systems | 373 | (34,612) | 0.00% | - |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | (1,998) | 0.00% | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ (1,754,703)</u> | | <u>\$ -</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | 11.31% | \$ - |
| 30 | Structures & Improvements | 390 | (11,838) | 11.31% | 1,339 |
| 31 | Office Furniture & Equipment | 391 | (6,250) | 11.31% | 707 |
| 32 | Transportation Equipment | 392 | - | 11.31% | - |
| 33 | Stores Equipment | 393 | (4) | 11.31% | 0 |
| 34 | Tools & Garage Equipment | 394 | (10,521) | 11.31% | 1,190 |
| 35 | Laboratory Equipment | 395 | (297) | 11.31% | 34 |
| 36 | Power Operated Equipment | 396 | - | 11.31% | - |
| 37 | Communications Equipment | 397 | (43,956) | 11.31% | 4,973 |
| 38 | Miscellaneous Equipment | 398 | (644) | 11.31% | 73 |
| 39 | Other Tangible Property | 399 | - | 11.31% | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | (432) | 11.31% | 49 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ (73,941)</u> | | <u>\$ 8,365</u> |
| 42 | Total Accumulated Depreciation Adjustments | L3+L14+L28+L41 | <u>\$ (2,451,634)</u> | | <u>\$ 527,668</u> |

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Working Capital Summary

[1]

[2]

| Line No | Description | FTY 2018 | Reference |
|---------|-----------------------------------|-------------------|------------|
| 1 | Operating & Maintenance Expenses | \$ 94,012 | C-4 Page 2 |
| 2 | Accrued Taxes | 58,021 | C-4 Page 6 |
| 3 | Interest Payments | (10,597) | C-4 Page 8 |
| 4 | Average Prepayments | 7,018 | C-4 Page 9 |
| 5 | Total Working Capital Requirement | <u>\$ 148,454</u> | |

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Detail of Working Capital Summary

| Line No | Description | [1] Reference | [2] FTY 2018 Expenses | [3] Factor C-4 Page 4 Col 5 | [4] (Lead) / Lag Dollar Amounts [2] * [3] | [5] Totals |
|------------------------------------|--|--------------------|-------------------------------|--|--|-------------------|
| <u>Working Capital Requirement</u> | | | | | | |
| 1 | Revenue Lag Days | C-4 Page 3 | | | | 47.25 |
| | Expense Lag Days | | | | | |
| 2 | Payroll (Dist only) | D-6 & C-4 | \$ 141,403 | 16.00 | \$ 2,262,444 | |
| 3 | Pension Expense | D-9 & C-4 | 11,825 | -167.00 | (1,974,801) | |
| 4 | Commodity Purchased - [A] | D-2 & C-4 | 646,808 | 35.63 | 23,042,535 | |
| 5 | Commodity Purchased - [B] | B-3 & C-4 | 5,288 | 12.50 | 66,094 | |
| 6 | PJM Transmission Purchased - By-passable | D-3 & C-4 | 61,768 | 12.50 | 772,098 | |
| 7 | PJM Transmission Purchased - Non By-passable | D-3 & C-4 | 100,447 | 12.50 | 1,255,590 | |
| 8 | Other Expenses | L23 - Sum L2 to L7 | 415,540 | 37.63 | 15,636,786 | |
| 9 | Sub - Total O&M | Sum L2 to L8 | <u>\$ 1,383,079</u> | | <u>\$ 41,060,746</u> | |
| 10 | POR Payments to EGS | C-4 Page 10 | 1,100,721 | 38.14 | 41,984,747 | |
| 11 | Total O&M and POR Payments | | <u>\$ 2,483,800</u> | | <u>\$ 83,045,493</u> | |
| 12 | O & M Expense / POR Payment Lag Days | L11 [4] / [2] | | | | 33.435 |
| 13 | Net (Lead) Lag Days | L1 - L12 | | | | 13.82 |
| 14 | Operating Expenses Per Day | L11 [2] / 365 | | | | <u>\$ 6,805</u> |
| 15 | Working Capital for O & M Expense | L 13 * L 14 | | | | \$ 94,012 |
| 16 | Average Prepayments | C-4 Page 9 | | | | 7,018 |
| 17 | Accrued Taxes | C-4 Page 6 | | | | 58,021 |
| 18 | Interest Payments | C-4 Page 8 | | | | (10,597) |
| 19 | Total Working Capital Requirement | Sum L15 to L18 | | | | <u>\$ 148,454</u> |
| 20 | Pro Forma O & M Expense | D-1 | \$ 1,419,853 | | | |
| | Less: | | | | | |
| 21 | Uncollectible Expense | D-1 | (36,774) | | | |
| 22 | Sub-Total | L21 | <u>\$ (36,774)</u> | | | |
| 23 | Pro Forma Cash O&M Expense | L20 + L22 | <u>\$ 1,383,079</u> | | | |

[A] Contract Purchases of Electricity - All Except [B]

[B] Spot Market Purchases of Electricity - 1% of Total Residential Requirement

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Revenue Lag

| Line No | Description | [1] Reference Or Factor | [2] Accounts Receivable Balance End of Month | [3] Total Monthly Billing Revenue (A) | [4] A/R Turnover [3] / [2] | [5] Days Lag L1 / L17 [4] |
|---------|--|------------------------------------|--|---|---|--|
| 1 | Annual Number of Days | | | | | <u>365</u> |
| 2 | December, 2016 | | \$ 270,126 | | | |
| 3 | January, 2017 | | 329,966 | \$ 329,844 | | |
| 4 | February | | 332,132 | 281,728 | | |
| 5 | March | | 301,152 | 263,667 | | |
| 6 | April | | 302,067 | 246,439 | | |
| 7 | May | | 260,081 | 223,206 | | |
| 8 | June | | 273,784 | 258,967 | | |
| 9 | July | | 333,081 | 331,204 | | |
| 10 | August | | 295,554 | 318,108 | | |
| 11 | September | | 255,677 | 268,092 | | |
| 12 | October | | 227,365 | 261,345 | | |
| 13 | November | | 200,617 | 230,187 | | |
| 14 | December, 2017 | | 253,603 | 276,513 | | |
| 15 | Total | Sum L2 to L14 | \$ 3,635,204 | \$ 3,289,298 | | |
| 16 | Average A/R Balance | <u>13</u> | | | | |
| 17 | Factor | | \$ 279,631 | | <u>11.76</u> | <u>31.04</u> |
| 18 | Collection Days Lag | L17 [5] | | | | 31.04 |
| 19 | Billing and Revenue Recording Days Lag | | | | | 1.000 |
| 20 | Billing Lag (Average Period) | | 365 | / | 12 | * 0.5 = |
| 21 | Total Revenue Lag Days | Sum L18 to L20 | | | | <u>47.25</u> |

(A) Monthly billing revenue includes revenues PECO billed for suppliers

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Summary of Expense Lag Calculations

| Line No | Description | [1] Reference Or Factor | [2] Amount | [3] (Lead) / Lag Days | [4] Weighted Dollar Value [2] * [3] | [5] (Lead) / Lag Days [4] / [2] |
|-------------------------------|---|------------------------------------|----------------------|-------------------------------|---|--|
| Payroll | | | | | | |
| 1 | Union & Non-Union Payroll | | \$ 138,198 | | | |
| 2 | Paid Bi-Weekly with nine-day lag (14 days / 2 + 9 days) | | | 16.00 | | |
| 3 | Weighted Payroll Dollar Value | | | | \$ 2,211,167 | |
| 4 | Payroll Lag | Sum L1 to L3 | <u>\$ 138,198</u> | | <u>\$ 2,211,167</u> | <u>16.00</u> |
| Pension Payments | | | | | | |
| 5 | Payment | 01/15/18 | \$ 23,898 | (167.0) | \$ (3,990,966) | |
| 6 | Sub-Total | | <u>\$ 23,898</u> | | <u>\$ (3,990,966)</u> | |
| 7 | Mid-point of Service Period | 07/01/18 | | | | |
| 8 | Lag Days for Pension Payment | L6 [4] / [2] | | | | <u>(167.00)</u> |
| Purchased Power Costs | | | | | | |
| 9 | Payment Lag - Contract Purchases | | | C-4 Pg 10 | | <u>35.63</u> |
| 10 | Payment Lag - Spot Market/PJM Transmission Purchases | | | C-4 Pg 10 | | <u>12.50</u> |
| 11 | Payment Lag - POR Payment to EGS | | | C-4 Pg 10 | | <u>38.14</u> |
| Other O&M Expenses | | | | | | |
| 12 | December 2016 | C-4 Page 5 | \$ 16,078,647 | | \$ 621,303,630 | |
| 13 | March 2017 | C-4 Page 5 | 14,808,344 | | 525,064,241 | |
| 14 | June 2017 | C-4 Page 5 | 22,968,377 | | 869,858,852 | |
| 15 | September 2017 | C-4 Page 5 | <u>15,570,406</u> | | <u>595,927,465</u> | |
| 16 | Total | Sum L12 to L15 | <u>\$ 69,425,774</u> | | <u>\$ 2,612,154,188</u> | <u>37.63</u> |

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General Disbursements Lag

| Line No | Description | [1] Number of CDs | [2] Cash Disbursements | [3] Dollar-Days | [4] Expense Lag-Days [3]/[2] |
|-------------------------------|---------------------------------------|------------------------|-----------------------------|----------------------|--|
| December 2016 | | | | | |
| 1 | Total Disbursements for Month | 20,171 | \$ 107,601,263 | | |
| 2 | Total Disbursements for Expenses | 1,339 | \$ 16,078,647 | \$ 621,303,630 | 38.64 |
| March 2017 | | | | | |
| 3 | Total Disbursements for Month | 17,532 | \$ 126,469,124 | | |
| 4 | Total Disbursements for Expenses | 1,221 | \$ 14,808,344 | \$ 525,064,241 | 35.46 |
| June 2017 | | | | | |
| 5 | Total Disbursements for Month | 22,088 | \$ 110,892,671 | | |
| 6 | Total Disbursements for Expenses | 1,316 | \$ 22,968,377 | \$ 869,858,852 | 37.87 |
| September 2017 | | | | | |
| 7 | Total Disbursements for Month | 18,338 | \$ 114,570,700 | | |
| 8 | Total Disbursements for Expenses | 1,234 | \$ 15,570,406 | \$ 595,927,465 | 38.27 |
| Total Four Test Months | | | | | |
| 9 | Total Test Month Expense Disbursement | 5,110 | \$ 69,425,774 | \$ 2,612,154,188 | 37.63 |

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Tax Expense Working Capital

| Line No | Description | [1] Reference | [2] Adjusted Proposed Rate Amount | [3] Net Revenue Lag-Days | [4] Accrued Taxes [2] * [3] |
|---------|--|--------------------|--|----------------------------------|--|
| 1 | Federal Income Taxes | | \$ 39,230 | 9.75 | \$ 382,496 |
| 2 | State Income Taxes | | 18,974 | 17.25 | 327,305 |
| 3 | PURTA Taxes | | 5,286 | 107.25 | 566,909 |
| 4 | PA Property Taxes | | 4,251 | 77.25 | 328,420 |
| 5 | Gross Receipts Tax | | 126,071 | 155.25 | 19,572,450 |
| 6 | Total | Sum L1 to L5 | | | <u><u>\$ 21,177,581</u></u> |
| 7 | Days in Year | | | | <u><u>365</u></u> |
| 8 | Average Daily Amount for Working Capital | L6 / L7 | | | <u><u>\$ 58,021</u></u> |

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Tax Expense - Lag Days

| Line No | Description | [1] Payment Dates | [2] Mid-Point of Service Period | [3] Lead (Lag) Payment Days [2] - [1] | [4] Payment Amount | [5] Weighted Lead (Lag) Dollars [3] * [4] | [6] Payment Lead (Lag) Days [5] / [4] | [7] Revenue (Lag) Days C-4, Pg3 | [8] Net Payment Lead (Lag) Days [6] - [7] |
|---------|---------------------------|------------------------|--------------------------------------|---|-------------------------|---|---|---|---|
| 1 | Federal Income Tax | 25% | | | \$ (39,230) | | | | |
| 2 | First Payment | 4/15/2018 | 07/01/18 | 77.00 | \$ (9,808) | \$ (755,184) | | | |
| 3 | Second Payment | 6/15/2018 | 07/01/18 | 16.00 | (9,808) | (156,921) | | | |
| 4 | Third Payment | 9/15/2018 | 07/01/18 | (76.00) | (9,808) | 745,377 | | | |
| 5 | Fourth Payment | 12/15/2018 | 07/01/18 | (167.00) | (9,808) | 1,637,868 | | | |
| 6 | Total | | | | <u>\$ (39,230)</u> | <u>\$ 1,471,139</u> | <u>(37.50)</u> | <u>47.25</u> | <u>9.75</u> |
| 7 | State Income Tax | 25% | | | \$ (18,974) | | | | |
| 8 | First Payment | 03/16/18 | 07/01/18 | 107.00 | \$ (4,744) | \$ (507,560) | | | |
| 9 | Second Payment | 06/15/18 | 07/01/18 | 16.00 | (4,744) | (75,897) | | | |
| 10 | Third Payment | 09/15/18 | 07/01/18 | (76.00) | (4,744) | 360,510 | | | |
| 11 | Fourth Payment | 12/15/18 | 07/01/18 | (167.00) | (4,744) | 792,174 | | | |
| 12 | Total | | | | <u>\$ (18,974)</u> | <u>\$ 569,227</u> | <u>(30.00)</u> | <u>47.25</u> | <u>17.25</u> |
| 13 | PURTA | | | | \$ 5,286 | | | | |
| 14 | Payment | 05/02/18 | 07/01/18 | 60.00 | \$ 5,286 | \$ 317,152 | 60.00 | 47.25 | 107.25 |
| 15 | PA Property Tax | 50% | | | \$ 4,251 | | | | |
| 16 | Payment | 06/01/18 | 07/01/18 | 30.00 | \$ 2,126 | \$ 63,771 | | | |
| 17 | Total | | | | <u>\$ 2,126</u> | <u>\$ 63,771</u> | <u>30.00</u> | <u>47.25</u> | <u>77.25</u> |
| 18 | Gross Receipts Tax | | | | | | | | |
| 19 | Payment | 03/15/18 | 07/01/18 | 108.00 | \$ 121,760 | \$ 13,150,117 | 108.00 | 47.25 | 155.25 |

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Interest Payments

| Line No | Description | [1] Reference | [2] No. of Days In The Year | [3] Number of Days | [4] Total |
|---------|--|--------------------|-------------------------------------|----------------------------|--------------------|
| 1 | Measures of Value at December 31, 2018 | A-1 | | | \$ 4,521,123 |
| 2 | Long-Term Debt Ratio | B-7 | | | 46.60% |
| 3 | Embedded Cost of Long-Term Debt | B-7 | | | 4.17% |
| 4 | Pro forma Interest Expense | L1* L2* L3 | | | <u>\$ 87,909</u> |
| 5 | Daily Amount | L4 / L5 [2] | 365 | | \$ 241 |
| 6 | Days to mid-point of interest payments | L5 [2] / 4 | | 91.25 | |
| 7 | Less: Revenue Lag Days | C-4 | | 47.25 | |
| 8 | Interest Payment Lag Days | L7 - L6 | | | (44.0) |
| 9 | Total Interest for Working Capital | L5 * L8 | | | <u>\$ (10,597)</u> |

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Average Prepaid Expense

| Line No | Description | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | [12] | [13] |
|---------|-------------------|---------------------|-----------|----------------------------------|----------|-------------------------|--------------------------|-------------|----------------------|----------------------|------------------|---------------------|---------------------|----------|
| | | TOTAL | ELECTRIC | DISTRIBUTION ELECTRIC | | | ELECTRIC & GAS | | | | | ELECTRIC DIST & GAS | | |
| | | | EPRI Dues | Prepaid Rents & Pole Attachments | EEI Dues | PUC Assessment Electric | Business Support Systems | VEBA Adjust | Facilities Contracts | IT Service Contracts | Fleet Activities | Land Leasing | Customer & Research | Postage |
| | | Sum [2] to [13] | | | | | | | | | | | | |
| 1 | December, 2016 | \$ 6,740 | \$ - | \$ 393 | \$ 0 | \$ 4,055 | \$ - | \$ 798 | \$ 38 | \$ 712 | \$ 294 | \$ 28 | \$ 81 | \$ 341 |
| 2 | January, 2017 | 8,199 | 0 | 731 | 599 | 3,379 | 852 | 798 | 211 | 526 | 301 | 27 | 28 | 745 |
| 3 | February | 8,055 | 395 | 599 | 545 | 2,703 | 694 | 798 | 188 | 693 | 304 | 27 | 460 | 648 |
| 4 | March | 7,446 | 395 | 516 | 490 | 2,027 | 535 | 606 | 165 | 1,302 | 311 | 27 | 327 | 744 |
| 5 | April | 6,562 | 395 | 373 | 436 | 1,352 | 475 | 606 | 143 | 1,518 | 321 | 27 | 495 | 422 |
| 6 | May | 5,498 | 264 | 238 | 381 | 676 | 416 | 606 | 120 | 1,569 | 320 | 27 | 350 | 530 |
| 7 | June | 8,852 | 264 | 181 | 327 | 5,200 | 356 | 145 | 98 | 1,163 | 295 | 27 | 202 | 595 |
| 8 | July | 8,955 | 264 | 647 | 272 | 4,340 | 297 | 145 | 75 | 1,164 | 293 | 26 | 669 | 762 |
| 9 | August | 7,679 | 132 | 502 | 218 | 3,848 | 238 | 145 | 52 | 937 | 271 | 26 | 715 | 594 |
| 10 | September | 10,038 | 132 | 438 | 163 | 6,127 | 178 | 358 | 106 | 1,017 | 275 | 26 | 568 | 651 |
| 11 | October | 9,171 | 132 | 479 | 109 | 5,446 | 119 | 358 | 83 | 904 | 277 | 26 | 705 | 533 |
| 12 | November | 8,188 | 0 | 362 | 54 | 4,765 | 159 | 358 | 61 | 857 | 304 | 26 | 572 | 670 |
| 13 | December, 2017 | 6,605 | 0 | 241 | 0 | 4,084 | 22 | (0) | 38 | 625 | 310 | 26 | 676 | 583 |
| 14 | Total | \$ 101,988 | \$ 2,373 | \$ 5,699 | \$ 3,594 | \$ 48,002 | \$ 4,342 | \$ 5,719 | \$ 1,379 | \$ 12,988 | \$ 3,877 | \$ 345 | \$ 5,851 | \$ 7,818 |
| 15 | Distribution Pct. | Exp Factor | 88.69% | 100.00% | 100.00% | 100.00% | 100.00% | 69.876% | 69.876% | 69.876% | 69.876% | 76.714% | 76.714% | 76.714% |
| 16 | Distribution Amt. | L14 * L15 | \$ 2,105 | \$ 5,699 | \$ 3,594 | \$ 48,002 | \$ 4,342 | \$ 3,996 | \$ 964 | \$ 9,076 | \$ 2,709 | \$ 265 | \$ 4,488 | \$ 5,997 |
| 17 | Number of Months | 13 | | | | | | | | | | | | |
| 18 | Monthly Average | L16 / L17 | \$ 162 | \$ 438 | \$ 276 | \$ 3,692 | \$ 334 | \$ 307 | \$ 74 | \$ 698 | \$ 208 | \$ 20 | \$ 345 | \$ 461 |
| 19 | Rate Case Amount | Sum L18 | \$ 7,018 | | | | | | | | | | | |

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Electric Energy Purchase / POR Lag

| Line No | Description | [1] Midpoint of Prior Month Service Period To End of Month | [2] Payment Date Month After Service Period | [3] Additional Weekend or Holidays Extending Payment Date | [4] Total Working Capital Lag Days [1] + [2] + [3] | [5] Average |
|--|--|---|---|--|---|------------------|
| <u>Contract Purchases in 2018</u> | | | | | | |
| 1 | January | 15.50 | 19.00 | 3.00 | 37.50 | |
| 2 | February | 15.50 | 19.00 | 1.00 | 35.50 | |
| 3 | March | 14.00 | 19.00 | 1.00 | 34.00 | |
| 4 | April | 15.50 | 19.00 | 1.00 | 35.50 | |
| 5 | May | 15.00 | 19.00 | 2.00 | 36.00 | |
| 6 | June | 15.50 | 19.00 | 1.00 | 35.50 | |
| 7 | July | 15.00 | 19.00 | 1.00 | 35.00 | |
| 8 | August | 15.50 | 19.00 | 1.00 | 35.50 | |
| 9 | September | 15.50 | 19.00 | 1.00 | 35.50 | |
| 10 | October | 15.00 | 19.00 | 3.00 | 37.00 | |
| 11 | November | 15.50 | 19.00 | 1.00 | 35.50 | |
| 12 | December | 15.00 | 19.00 | 1.00 | 35.00 | |
| 13 | Average Payment Lag Days | | | | | 35.63 |
| | | Service Period | Units | Service Period # of Days | Lag Days | Total |
| <u>Spot Market Purchases in 2018 and PJM Transmission Purchased</u> | | | | | | |
| 14 | Service Period Weekly | Wed to Tues | Days | 7.00 | | |
| 15 | Days from Midpoint to End of Service | | | | 3.50 | |
| 16 | Payment Due on Friday of each Week | | | | 9.00 | |
| 17 | Total Payment Lag Days | | | | | 12.50 |
| | | Payment Lag Days | Revenue Percentage | Weighted Lag Days | Lag Days | Total |
| <u>POR Program</u> | | | | | | |
| 18 | Residential | 25.00 | 39% | 9.66 | | |
| 19 | Commercial and Industrial | 20.00 | 61% | 12.27 | | |
| 20 | Weighted Payment Lag Days | | | | 21.93 | |
| 21 | Billing and Revenue Recording Days Lag | | | | 1.00 | |
| 22 | Billing Lag (Average Period) | | | | 15.21 | |
| 23 | Total Payment Lag Days | | | | | 38.14 |

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Pension Assets / (Liability)

| Line No | Description | [1] Reference | [2] Total Amounts | [3] Allocation Factor | [4] Distribution Capital |
|---------|---|---------------------|------------------------|----------------------------|-------------------------------|
| 1 | Balance at 12/31/2017 - Total | | \$ 340,268 | | |
| 2 | Activities in 2018 - Total | | 3,528 | | |
| 3 | Balance at 12/31/2018 - Total | L1 + L2 | <u>\$ 343,796</u> | | |
| 4 | Allocation % to Electric Distribution Capital | | | <u>26.36%</u> | |
| 5 | Balance at 12/31/2018 - Distribution Capital | L3 [2] * L4 [3] | | | <u>\$ 90,633</u> |

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Accumulated Deferred Income Taxes

| Line No | Description | [1] Reference | [2] Total Amount | [3] Percent to Distribution | [4] Electric Distribution Amount [2] * [3] | [5] Total |
|--|--------------------------------------|----------------------|-----------------------|----------------------------------|--|--------------------------|
| Accumulated Deferred Income Tax - A/C # 282 | | | | | | |
| Balance at the end of 2017 | | | | | | |
| 1 | Electric Distribution | | \$ 956,123 | 100.000% | \$ 956,123 | |
| 2 | Electric Common - a/c # 282 | | 4,844 | 88.687% | 4,296 | |
| 3 | Common Plant | | 26,037 | 69.876% | 18,194 | |
| 4 | Software - Common | | - | 69.876% | - | |
| 5 | ADIT on CIAC | | (36,969) | 100.000% | (36,969) | |
| 6 | ADIT on OPEB Contribution Limitation | | (99,299) | 100.000% | (99,299) | |
| 7 | NOL | | (2) | 69.876% | (1) | |
| 8 | Tax Reform - Adjust Deferreds | | (336,502) | 100.000% | (336,502) | |
| 9 | Total Balance at the End of 2017 | Sum L1 to L8 [4] | | | | <u>\$ 505,842</u> |
| Activities in 2018 | | | | | | |
| 10 | Electric Distribution | | \$ 23,189 | 100.000% | \$ 23,189 | |
| 11 | ADIT on CIAC | | (3,496) | 100.000% | (3,496) | |
| 12 | ADIT on OPEB Contribution Limitation | | 2,252 | 100.000% | 2,252 | |
| 13 | NOL | | 2 | 69.876% | 1 | |
| 14 | Total Activities in 2018 | Sum L10 to L13 [4] | | | | <u>\$ 21,946</u> |
| 15 | Balance at December 31, 2018 | L9 + L14 | | | | <u><u>\$ 527,789</u></u> |

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Customer Deposits

| Line No | Description | [1] Reference Or Factor | [2] Total |
|--|-------------------------|------------------------------------|-------------------|
| 1 | December, 2016 | | \$ 47,424 |
| 2 | January, 2017 | | 48,997 |
| 3 | February | | 49,158 |
| 4 | March | | 49,704 |
| 5 | April | | 50,120 |
| 6 | May | | 50,386 |
| 7 | June | | 50,756 |
| 8 | July | | 50,904 |
| 9 | August | | 51,218 |
| 10 | September | | 51,368 |
| 11 | October | | 51,634 |
| 12 | November | | 52,832 |
| 13 | December, 2017 | | 52,959 |
| 14 | Total | Sum L1 to L13 | <u>\$ 657,460</u> |
| 15 | Average Monthly Balance | L14 / 13 | <u>\$ 50,574</u> |
| <u>Electric Deposits By Customer Classification</u> | | | |
| 16 | HTY 2017 - Residential | | \$ 20,735 |
| 17 | - Small C&I | | 26,667 |
| 18 | - Large C&I | | 3,170 |
| 19 | - Street Lighting | | 2 |
| 20 | Total | Sum L16 to L19 | <u>\$ 50,574</u> |

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Common Plant

| Line No | Description | Reference | [1] Total Amount | [2] Percent to Distribution | [3] Electric Distribution Amount [1] * [2] |
|--|---|----------------|-----------------------|----------------------------------|--|
| <u>Common Plant at December 31, 2017</u> | | | | | |
| 1 | Land | | \$ 6,783 | | |
| 2 | Organization | | 677 | | |
| 3 | Software | | 226,306 | | |
| 4 | General Plant | | 476,208 | | |
| 5 | Other | | (0) | | |
| 6 | Sub-Total | Sum L1 to L5 | \$ 709,975 | 69.876% | \$ 496,105 |
| 7 | Activity for 2018 | | \$ 92,811 | 69.876% | \$ 64,853 |
| 8 | Total Common Plant at December 31, 2018 | L6 + L7 | <u>\$ 802,786</u> | | <u>\$ 560,959</u> |
| <u>Common Plant Accumulated Depreciation at December 31, 2017</u> | | | | | |
| 9 | Software | | \$ (180,170) | | |
| 10 | General Plant | | (155,800) | | |
| 11 | Other | | (0) | | |
| 12 | Sub-Total | Sum L9 to L11 | \$ (335,971) | 69.876% | \$ (234,764) |
| 13 | Activity for 2018 | | \$ (23,289) | 69.876% | \$ (16,274) |
| 14 | Total Accumulated Depreciation at December 31, 2018 | L12 + L13 | <u>\$ (359,260)</u> | | <u>\$ (251,038)</u> |
| <u>Net Common Plant</u> | | | | | |
| 15 | Net Common Plant | L8 + L14 [1] | <u>\$ 443,526</u> | | |
| 16 | Allocation Factor | | | <u>69.876%</u> | |
| 17 | Total Net Common Plant for Electric | L8 + L14 [3] | | | <u>\$ 309,920</u> |

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Customer Advances for Construction

| Line No | Description | [1] Reference | [2] Total Test Year Amount |
|---------|-------------------------|--------------------|---------------------------------------|
| 1 | December, 2016 | | \$ 426 |
| 2 | January, 2017 | | 325 |
| 3 | February | | 300 |
| 4 | March | | 300 |
| 5 | April | | 857 |
| 6 | May | | 784 |
| 7 | June | | 666 |
| 8 | July | | 1,953 |
| 9 | August | | 1,501 |
| 10 | September | | 1,615 |
| 11 | October | | 1,645 |
| 12 | November | | 1,725 |
| 13 | December, 2017 | | 374 |
| 14 | Total | Sum L1 to L13 | <u>\$ 12,471</u> |
| 15 | Average Monthly Balance | L14 / 13 | <u>\$ 959</u> |

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Unamortized AMR Investment

| Line No | Description | [1] Reference | [2] Amount | [3] Balance |
|------------|--|--------------------|-----------------|------------------|
| 1 | AMR Unamortized Balance as of 12/31/17 | | | \$ 34,652 |
| 2 | Remaining Life | In years | 3 | |
| 3 | Annual Amortization of AMR in 2018 | L1 / L2 | 11,551 | |
| 4 | AMR Unamortized Balance as of 12/31/18 | L1 - L3 | | \$ 23,101 |

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Materials and Supplies

| Line No | Description | Reference | [1] Materials & Supplies | [2] Undistributed Stores Expense | [3] Total [1] + [2] |
|---------|--|---------------|-------------------------------|---------------------------------------|---------------------------------|
| 1 | December, 2016 | | \$ 13,377 | \$ (0) | |
| 2 | January, 2017 | | 13,295 | 254 | |
| 3 | February | | 15,091 | 143 | |
| 4 | March | | 15,853 | 0 | |
| 5 | April | | 15,846 | (75) | |
| 6 | May | | 15,975 | (211) | |
| 7 | June | | 16,474 | 0 | |
| 8 | July | | 16,790 | (110) | |
| 9 | August | | 16,716 | 490 | |
| 10 | September | | 17,008 | 0 | |
| 11 | October | | 16,260 | (184) | |
| 12 | November | | 16,562 | (72) | |
| 13 | December, 2017 | | 16,982 | - | |
| 14 | Total | Sum L1 to L13 | <u>\$ 206,227</u> | <u>\$ 235</u> | |
| 15 | Distribution Expense Allocation Factor | | <u>100.00%</u> | <u>69.876%</u> | |
| 16 | Allocation to Distribution | L14 * L15 | <u>\$ 206,227</u> | <u>\$ 164</u> | |
| 17 | Average Monthly Balance | L16 / 13 | <u>\$ 15,864</u> | <u>\$ 13</u> | <u>\$ 15,876</u> |

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Accumulated Deferred Income Taxes - Reg Liability

| Line No | Description | [1] Reference | [2] Total Amount | [3] Percent to Distribution | [4] Electric Distribution Amount [2] * [3] | [5] Total |
|--|-------------------------------------|--------------------|-----------------------|----------------------------------|--|--------------------------|
| Accumulated Deferred Income Tax - Reg Liability | | | | | | |
| Balance at the end of 2017 | | | | | | |
| 1 | Property Related | | \$ 367,334 | 100.00% | \$ 367,334 | |
| 2 | OPEB Related | | (30,157) | 100.00% | (30,157) | |
| 3 | NOL | | (675) | 100.00% | (675) | |
| 4 | Total Balance at the End of 2017 | Sum L1 to L3 [4] | | | | <u>\$ 336,502</u> |
| Activities in 2018 | | | | | | |
| 5 | Property Related | | \$ 16,916 | 100.00% | \$ 16,916 | |
| 6 | OPEB Related | | (6,031) | 100.00% | (6,031) | |
| 7 | NOL | | (17) | 100.00% | <u>(17)</u> | |
| 8 | Total Activities in 2018 | Sum L5 to L7 [4] | | | | <u>\$ 10,868</u> |
| 9 | Balance at December 31, 2018 | L4 - L8 | | | | <u><u>\$ 325,634</u></u> |

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Net Operating Income and Revenue Increase At Proposed Rates

| Line No | Description | Factor Or Reference | [1] Pro Forma FTY 2018 Present Rates | [2] Revenue Increase | [3] Pro Forma FTY 2018 Proposed Rates [1] + [2] |
|---------------------------|---|---------------------|---|------------------------------|---|
| Operating Revenues | | | | | |
| 1 | Customer & Distribution Revenue | | \$ 1,215,564 | \$ - | \$ 1,215,564 |
| 2 | Electric Supply & Cost Adjustment Revenue | | 699,923 | - | 699,923 |
| 3 | Other Revenues | | 208,874 | 347 | 209,221 |
| 4 | Revenue Increase | | | 73,054 | 73,054 |
| 5 | Total Operating Revenues | Sum L1 to L4 | <u>\$ 2,124,362</u> | <u>\$ 73,401</u> | <u>\$ 2,197,763</u> |
| Operating Expenses | | | | | |
| 6 | Power Supply | | \$ 652,096 | \$ - | \$ 652,096 |
| 7 | Transmission Expense | | 162,215 | - | 162,215 |
| 8 | Regional Market | | - | - | - |
| 9 | Distribution Expense | | 297,900 | - | 297,900 |
| 10 | Total Customer Accounts | | 76,825 | - | 76,825 |
| 11 | Uncollectible Accounts | 0.8857% | 36,774 | 647 | 37,421 |
| 12 | Total Customer Service & Information | | 11,337 | - | 11,337 |
| 13 | Total Sales | | 841 | - | 841 |
| 14 | Administrative & General | 0.3557% | 181,865 | 260 | 182,125 |
| 15 | Depreciation & Amortization Expense | | 196,754 | - | 196,754 |
| 16 | Amortization of Regulatory Expense | | 17,159 | - | 17,159 |
| 17 | Taxes Other Than Income Taxes | 5.9000% | 141,876 | 4,310 | 146,186 |
| 18 | Other | | - | - | - |
| 19 | Total Operating Expenses | Sum L6 to L18 | <u>\$ 1,775,642</u> | <u>\$ 5,217</u> | <u>\$ 1,780,859</u> |
| 20 | Net Operating Income Before Income Tax | L5 - L19 | \$ 348,720 | \$ 68,184 | \$ 416,904 |
| Income Taxes | | | | | |
| 21 | Pro Forma Income Tax At Present Rates | | \$ 44,931 | | \$ 44,931 |
| 22 | Pro Forma Income Tax on Revenue Increase | | - | 19,700 | 19,700 |
| 23 | Net Operating Income | L20 - L21 - L22 | <u>\$ 303,789</u> | <u>\$ 48,484</u> | <u>\$ 352,273</u> |
| 24 | Other Income | | - | - | - |
| 25 | Other Deductions | | - | - | - |
| 26 | Net Income (Loss) | Sum L23 to L25 | <u><u>\$ 303,789</u></u> | <u><u>\$ 48,484</u></u> | <u><u>\$ 352,273</u></u> |

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Adjusted Net Operating Income At Present Rates

| Line No | Description | Account Number | [1] Budget FTY 2018 | [2] Adjustments | [3] Adjusted Present Rates FTY 2018 |
|---------------------------|--|----------------|-----------------------------|----------------------|--|
| Operating Revenues | | | | | |
| 1 | Residential | 440 | \$ 1,405,076 | \$ (33,520) | \$ 1,371,556 |
| 2 | Small C & I | 442 | 330,731 | (4,456) | 326,275 |
| 3 | Large C & I | 442 | 207,906 | (18,156) | 189,750 |
| 4 | Railroads & Railways | 444 | 7,926 | (807) | 7,119 |
| 5 | Street Lighting | 446 | 18,734 | 1,017 | 19,751 |
| 6 | Inter-Company | | 1,037 | - | 1,037 |
| 7 | Transmission - All Classes | | 174,833 | - | 174,833 |
| 8 | Forfeited Discounts | 450 | 10,188 | - | 10,188 |
| 9 | Miscellaneous Service Revenues | 451 | 3,791 | - | 3,791 |
| 10 | Rent For Electric Property | 454 | 17,507 | - | 17,507 |
| 11 | Decommissioning Payment | | (3,860) | - | (3,860) |
| 12 | Other Electric Revenues | 456.1 | 6,414 | - | 6,414 |
| 13 | Transmission of Electricity for Others | | - | - | - |
| 14 | Total Operating Revenues | Sum L1 to L13 | <u>\$ 2,180,285</u> | <u>\$ (55,923)</u> | <u>\$ 2,124,362</u> |
| Operating Expenses | | | | | |
| 15 | Power Supply | | \$ 652,096 | \$ - | \$ 652,096 |
| 16 | Transmission Expense | | 162,215 | - | 162,215 |
| 17 | Regional Market | | - | - | - |
| 18 | Distribution Expense | | 277,525 | 20,376 | 297,900 |
| 19 | Total Customer Accounts | | 72,366 | 4,459 | 76,825 |
| 20 | Uncollectible Accounts | 0.8857% | 25,028 | 11,746 | 36,774 |
| 21 | Total Customer Service & Information | | 79,458 | (68,121) | 11,337 |
| 22 | Total Sales | | 830 | 12 | 841 |
| 23 | Administrative & General | 0.3557% | 177,473 | 4,392 | 181,865 |
| 24 | Depreciation & Amortization Expense | | 185,431 | 11,323 | 196,754 |
| 25 | Amortization of Regulatory Expense | | 20,668 | (3,509) | 17,159 |
| 26 | Taxes Other Than Income Taxes | 5.9000% | 144,810 | (2,934) | 141,876 |
| 27 | Other | | - | - | - |
| 28 | Total Operating Expenses | Sum L15 to L27 | <u>\$ 1,797,899</u> | <u>\$ (22,258)</u> | <u>\$ 1,775,642</u> |
| 29 | Net Operating Income - BIT | L14 - L28 | <u>\$ 382,385</u> | <u>\$ (33,665)</u> | <u>\$ 348,720</u> |

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| | | | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] |
|--|---|----------------|-------------------------------------|--------------------|----------------------|-----------------------------|-----------------------|-------------------|---------------------|-------------------|---------------------------------------|
| | | | Adjustments to Net Operating Income | | | | | | | | |
| | | | Adjustments | | | | | | | | |
| Line No | Description | Account Number | Budget FTY 2018 | Revenues D-5 | Salaries & Wages D-6 | Rate Case Normalization D-7 | Employee Benefits D-8 | Pension D-9 | Uncollectibles D-10 | IPA Recovery D-11 | Sub-Total Proforma Sum [1] to [8] |
| Operating Revenues | | | | | | | | | | | |
| Customer & Distribution Revenue | | | | | | | | | | | |
| 1 | Residential | 440 | \$ 843,173 | \$ (33,520) | | | | | | | \$ 809,653 |
| 2 | Small C & I | 442 | 228,779 | (4,456) | | | | | | | 224,323 |
| 3 | Large C & I | 442 | 172,781 | (18,156) | | | | | | | 154,624 |
| 4 | Railroads & Railways | 444 | 7,926 | (807) | | | | | | | 7,119 |
| 5 | Street Lighting | 446 | 18,017 | 1,017 | | | | | | | 19,034 |
| 6 | Inter-Company | | 810 | - | | | | | | | 810 |
| 7 | Transmission - All Classes | | 174,833 | - | | | | | | | 174,833 |
| Electric Cost Revenue | | | | | | | | | | | |
| 8 | Residential | 440 | 561,903 | - | | | | | | | 561,903 |
| 9 | Small C & I | 442 | 101,952 | - | | | | | | | 101,952 |
| 10 | Large C & I | 442 | 35,126 | - | | | | | | | 35,126 |
| 11 | Railroads & Railways | 444 | - | - | | | | | | | - |
| 12 | Street Lighting | 446 | 717 | - | | | | | | | 717 |
| 13 | Inter-Company | | 227 | - | | | | | | | 227 |
| 14 | Forfeited Discounts | 450 | 10,188 | - | | | | | | | 10,188 |
| 15 | Miscellaneous Service Revenues | 451 | 3,791 | - | | | | | | | 3,791 |
| 16 | Rent For Electric Property | 454 | 17,507 | - | | | | | | | 17,507 |
| 17 | Decommissioning Payment | | (3,860) | - | | | | | | | (3,860) |
| 18 | Other Electric Revenues | 456.1 | 6,414 | - | | | | | | | 6,414 |
| 19 | Transmission of Electricity for Others | 456 | - | - | | | | | | | - |
| 20 | Total Operating Revenues | Sum L1 to L19 | <u>\$ 2,180,285</u> | <u>\$ (55,923)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,124,362</u> |
| Operating Expenses | | | | | | | | | | | |
| 21 | Power Supply | | \$ 652,096 | | | | | | | | \$ 652,096 |
| 22 | Transmission Expense | | 162,215 | | | | | | | | 162,215 |
| 23 | Regional Market | | - | | | | | | | | - |
| 24 | Distribution Expense | | 277,525 | | 1,540 | | | | | 3,647 | 282,712 |
| 25 | Total Customer Accounts | | 72,366 | | 641 | | | | | | 73,007 |
| 26 | Uncollectible Accounts | | 25,028 | | | | | | 11,746 | | 36,774 |
| 27 | Total Customer Service & Information | | 79,458 | | 27 | | | | | | 79,485 |
| 28 | Total Sales | | 830 | | 12 | | | | | | 841 |
| 29 | Administrative & General | | 177,473 | | 986 | 867 | (88) | 2,627 | | | 181,865 |
| 30 | Depreciation & Amortization Expense | | 185,431 | | | | | | | | 185,431 |
| 31 | Amortization of Regulatory Expense | | 20,668 | | | | | | | | 20,668 |
| 32 | Taxes Other Than Income Taxes | | 144,810 | | | | | | | | 144,810 |
| 33 | Other | | - | | | | | | | | - |
| 34 | Total Operating Expenses | Sum L21 to L33 | <u>\$ 1,797,899</u> | <u>\$ -</u> | <u>\$ 3,205</u> | <u>\$ 867</u> | <u>\$ (88)</u> | <u>\$ 2,627</u> | <u>\$ 11,746</u> | <u>\$ 3,647</u> | <u>\$ 1,819,903</u> |
| 35 | Net Operating Income Before Income Tax | L20 - L34 | <u>\$ 382,385</u> | <u>\$ (55,923)</u> | <u>\$ (3,205)</u> | <u>\$ (867)</u> | <u>\$ 88</u> | <u>\$ (2,627)</u> | <u>\$ (11,746)</u> | <u>\$ (3,647)</u> | <u>\$ 304,459</u> |

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| Line No | Description | Account Number | [10] From Page 1 Sub-total | Adjustments to Net Operating Income | | | | | | [17] Depreciation Annualization | [18] Total Adjusted Sum [10] to [17] |
|--|--|----------------|---------------------------------|---|--|--|---|------------------------------------|---|--------------------------------------|--|
| | | | | [11] Interest on Cust Deposits D-12 | [12] Storm Recovery Normalization D-13 | [13] Regulatory Initiatives Program D-14 | [14] Energy Efficiency Program D-5D | [15] Costs To Achieve D-15 | [16] Adjustments Taxes Other Than Income D-16 | | |
| Operating Revenues | | | | | | | | | | | |
| Customer & Distribution Revenue | | | | | | | | | | | |
| 36 | Residential | 440 | \$ 809,653 | | | | | | | \$ 809,653 | |
| 37 | Small C & I | 442 | 224,323 | | | | | | | 224,323 | |
| 38 | Large C & I | 442 | 154,624 | | | | | | | 154,624 | |
| 39 | Railroads & Railways | 444 | 7,119 | | | | | | | 7,119 | |
| 40 | Street Lighting | 446 | 19,034 | | | | | | | 19,034 | |
| 41 | Inter-Company | | 810 | | | | | | | 810 | |
| 42 | Transmission - All Classes | | 174,833 | | | | | | | 174,833 | |
| Electric Cost Revenue | | | | | | | | | | | |
| 43 | Residential | 440 | 561,903 | | | | | | | 561,903 | |
| 44 | Small C & I | 442 | 101,952 | | | | | | | 101,952 | |
| 45 | Large C & I | 442 | 35,126 | | | | | | | 35,126 | |
| 46 | Railroads & Railways | 444 | - | | | | | | | - | |
| 47 | Street Lighting | 446 | 717 | | | | | | | 717 | |
| 48 | Inter-Company | | 227 | | | | | | | 227 | |
| 49 | Forfeited Discounts | 450 | 10,188 | | | | | | | 10,188 | |
| 50 | Miscellaneous Service Revenues | 451 | 3,791 | | | | | | | 3,791 | |
| 51 | Rent For Electric Property | 454 | 17,507 | | | | | | | 17,507 | |
| 52 | Decommissioning Payment | | (3,860) | | | | | | | (3,860) | |
| 53 | Other Electric Revenues | 456 | 6,414 | | | | | | | 6,414 | |
| 54 | Transmission of Electricity for Others | 456 | - | | | | | | | - | |
| 55 | Total Operating Revenues | Sum L36 to L54 | \$ 2,124,362 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,124,362 | |
| Operating Expenses | | | | | | | | | | | |
| 56 | Power Supply | | \$ 652,096 | | | | | | | \$ 652,096 | |
| 57 | Transmission Expense | | 162,215 | | | | | | | 162,215 | |
| 58 | Regional Market | | - | | | | | | | - | |
| 59 | Distribution Expense | | 282,712 | | 15,188 | | | | | 297,900 | |
| 60 | Total Customer Accounts | | 73,007 | 1,258 | | | | 2,560 | | 76,825 | |
| 61 | Uncollectible Accounts | | 36,774 | | | | | | | 36,774 | |
| 62 | Total Customer Service & Information | | 79,485 | | | | (68,148) | | | 11,337 | |
| 63 | Total Sales | | 841 | | | | | | | 841 | |
| 64 | Administrative & General | | 181,865 | | | | | | | 181,865 | |
| 65 | Depreciation & Amortization Expense | | 185,431 | | | | | | 11,323 | 196,754 | |
| 66 | Amortization of Regulatory Expense | | 20,668 | | | | (3,509) | | | 17,159 | |
| 67 | Taxes Other Than Income Taxes | | 144,810 | | | | | (2,934) | | 141,876 | |
| 68 | Other | | - | | | | | | | - | |
| 69 | Total Operating Expenses | Sum L56 to L68 | \$ 1,819,903 | \$ 1,258 | \$ 15,188 | \$ - | \$ (71,657) | \$ 2,560 | \$ (2,934) | \$ 1,775,642 | |
| 70 | Net Operating Income Before Income Tax | L55 - L69 | \$ 304,459 | \$ (1,258) | \$ (15,188) | \$ - | \$ 71,657 | \$ (2,560) | \$ (11,323) | \$ 348,720 | |

PECO - Electric Operations
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Exhibit **BSY-2**
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Summary of Adjustments by FERC Account

| Line No | Description | [1] Account Number | [2] Budget FTY 2018 | [3] Adjustments | [4] Pro Forma Adjusted [2] + [3] |
|---|--|-------------------------|-----------------------------|----------------------|---|
| <u>Customer & Distribution Revenue</u> | | | | | |
| 1 | Residential | | \$ 843,173 | \$ (33,520) | \$ 809,653 |
| 2 | Small C & I | | 228,779 | (4,456) | 224,323 |
| 3 | Large C & I | | 172,781 | (18,156) | 154,624 |
| 4 | Railroads & Railways | | 7,926 | (807) | 7,119 |
| 5 | Street Lighting | | 18,017 | 1,017 | 19,034 |
| 6 | Inter-Company | | 810 | - | 810 |
| 7 | Transmission - All Classes | | 174,833 | - | 174,833 |
| 8 | Cust Chg & Distrib Revenue | Sum L1 to L7 | <u>\$ 1,446,321</u> | <u>\$ (55,923)</u> | <u>\$ 1,390,398</u> |
| <u>Electric Cost Revenue</u> | | | | | |
| 9 | Residential | | \$ 561,903 | \$ - | \$ 561,903 |
| 10 | Small C & I | | 101,952 | - | 101,952 |
| 11 | Large C & I | | 35,126 | - | 35,126 |
| 12 | Railroads & Railways | | - | - | - |
| 13 | Street Lighting | | 717 | - | 717 |
| 14 | Inter-Company | | 227 | - | 227 |
| 15 | Revenue for Cost of Electric | Sum L9 to L14 | <u>\$ 699,923</u> | <u>\$ -</u> | <u>\$ 699,923</u> |
| <u>Other Revenue</u> | | | | | |
| 16 | Forfeited Discounts | | 10,188 | - | 10,188 |
| 17 | Miscellaneous Service Revenues | | 3,791 | - | 3,791 |
| 18 | Rent For Electric Property | | 17,507 | - | 17,507 |
| 19 | Decommissioning Payment | | (3,860) | - | (3,860) |
| 20 | Other Electric Revenues | | 6,414 | - | 6,414 |
| 21 | Transmission of Electricity for Others | | - | - | - |
| 22 | Other Revenue | Sum L16 to L21 | <u>\$ 34,041</u> | <u>\$ -</u> | <u>\$ 34,041</u> |
| 23 | Total Operating Revenue | L8 + L15 + L22 | <u>\$ 2,180,285</u> | <u>\$ (55,923)</u> | <u>\$ 2,124,362</u> |
| <u>Power Supply Expenses</u> | | | | | |
| 24 | Purchased Power | 555 | \$ 652,096 | \$ - | \$ 652,096 |
| 25 | Other | | - | - | - |
| 26 | Total Power Supply | L24 + L25 | <u>\$ 652,096</u> | <u>\$ -</u> | <u>\$ 652,096</u> |
| <u>Transmission Expense</u> | | | | | |
| <u>Operation</u> | | | | | |
| 27 | Operation & Supervision | 560 | \$ - | \$ - | \$ - |
| 28 | Load Dispatching | 561 | - | - | - |
| 29 | Scheduling, System Control & Dispatch | 561.4 | 83,929 | - | 83,929 |
| 30 | Transmission Service Studies | 561.6 | - | - | - |
| 31 | Generation Service Studies | 561.7 | - | - | - |
| 32 | Reliability, Planning & Standard Development | 561.8 | 78,286 | - | 78,286 |
| 33 | Station Expense | 562 | - | - | - |
| 34 | Overhead Lines | 563 | - | - | - |
| 35 | Underground Lines Expense | 564 | - | - | - |
| 36 | Miscellaneous Expense | 566 | - | - | - |
| 37 | Rents | 567 | - | - | - |
| 38 | Total Transmission Operation Expense | Sum L27 to L37 | <u>\$ 162,215</u> | <u>\$ -</u> | <u>\$ 162,215</u> |
| <u>Maintenance</u> | | | | | |
| 39 | Maintenance of Structures | 569 | \$ - | \$ - | \$ - |
| 40 | Maintenance of Computer Hardware | 569.1 | - | - | - |
| 41 | Maintenance of Computer Software | 569.2 | - | - | - |
| 42 | Maintenance of Communication Equipment | 569.3 | - | - | - |
| 43 | Maintenance of Station Equipment | 570 | - | - | - |
| 44 | Maintenance Overhead Lines | 571 | - | - | - |
| 45 | Maintenance of Underground Lines | 572 | - | - | - |
| 46 | Maintenance of Misc Transmission Plant | 573 | - | - | - |
| 47 | Total Transmission Maintenance | Sum L39 to L46 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 48 | Total Transmission Expense | L38 + L47 | <u>\$ 162,215</u> | <u>\$ -</u> | <u>\$ 162,215</u> |

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Summary of Adjustments by FERC Account

| Line No | Description | [1] Account Number | [2] Budget FTY 2018 | [3] Adjustments | [4] Pro Forma Adjusted [2] + [3] |
|---|---|---|-----------------------------|----------------------|---|
| Regional Market Expenses | | | | | |
| 49 | Market Facilitation, Monitoring & Compliance | 575.7 | \$ - | \$ - | \$ - |
| 50 | Other | | - | - | - |
| 51 | Total Regional Market | L49 + L50 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Distribution Expense | | | | | |
| <u>Operations</u> | | | | | |
| 52 | Operation & Supervision | 580 | \$ 379 | \$ 6 | \$ 385 |
| 53 | Load Dispatching | 581 | 40 | - | 40 |
| 54 | Station Expense | 582 | 3,752 | 1 | 3,753 |
| 55 | Overhead Lines Expenss | 583 | 7,798 | 34 | 7,832 |
| 56 | Underground Lines Expense | 584 | 7,403 | 45 | 7,447 |
| 57 | Meter Expenses | 586 | 10,856 | 46 | 10,902 |
| 58 | Customer Installations Expense | 587 | 8,572 | 92 | 8,663 |
| 59 | Miscellaneous Expense | 588 | 51,880 | 137 | 52,017 |
| 60 | Rents | 589 | 206 | - | 206 |
| 61 | Total Distribution Operations | Sum L52 to L60 | <u>\$ 90,886</u> | <u>\$ 359</u> | <u>\$ 91,245</u> |
| <u>Maintenance</u> | | | | | |
| 62 | Maintenance - Energy Efficiency Programs | | \$ - | \$ - | \$ - |
| 63 | Maintenance of Structures | 591 | 6,530 | 27 | 6,557 |
| 64 | Maintenance of Station Equipment | 592 | 18,852 | 128 | 18,979 |
| 65 | Maintenance of Overhead Lines | 593 | 103,840 | 15,837 | 119,677 |
| 66 | Maintenance of Underground Lines | 594 | 35,377 | 313 | 35,690 |
| 67 | Maintenance of Line Transformers | 595 | 1,576 | 6 | 1,582 |
| 68 | Maintenance of Street Lighting & Signal Systems | 596 | 1,822 | 2 | 1,824 |
| 69 | Maintenance of Misc. Distribution | 598 | 18,643 | 56 | 18,699 |
| 70 | Total Distribution Maintenance | Sum L62 to L69 | <u>\$ 186,639</u> | <u>\$ 16,370</u> | <u>\$ 203,009</u> |
| 71 | Total Distribution Expense | L61 + L70 | <u>\$ 277,525</u> | <u>\$ 16,729</u> | <u>\$ 294,253</u> |
| Customer Accounts | | | | | |
| 72 | Supervision | 901 | \$ - | \$ - | \$ - |
| 73 | Meter Reading | 902 | 553 | 0 | 554 |
| 74 | Customer Records and Collection | 903 | 68,136 | 621 | 68,757 |
| 75 | Uncollectible Accounts | 904 | 25,028 | 11,746 | 36,774 |
| 76 | Miscellaneous Customer Accounts | 905 | 3,677 | 4,925 | 8,602 |
| 77 | Total Customer Accounts | Sum L72 to L76 | <u>\$ 97,395</u> | <u>\$ 17,291</u> | <u>\$ 114,686</u> |
| Customer Service & Information | | | | | |
| 78 | Customer Assistance | 908 | \$ 78,386 | \$ (68,122) | \$ 10,265 |
| 79 | Informational & Instructional | 909 | 846 | - | 846 |
| 80 | Miscellaneous Customer & Informational | 910 | 226 | 0 | 226 |
| 81 | Total Customer Service & Information | Sum L78 to L80 | <u>\$ 79,458</u> | <u>\$ (68,121)</u> | <u>\$ 11,337</u> |
| Sales | | | | | |
| 82 | Demonstrating & Selling | 912 | \$ 830 | \$ 12 | \$ 841 |
| 83 | Miscellaneous Sales | 916 | - | - | - |
| 84 | Total Sales | L82 + L83 | <u>\$ 830</u> | <u>\$ 12</u> | <u>\$ 841</u> |
| Administration & General - General | | | | | |
| <u>Operation</u> | | | | | |
| 85 | Administrative and General Salaries | 920 | \$ 32,170 | \$ 929 | \$ 33,099 |
| 86 | Office Supplies and Expenses | 921 | 8,759 | 0 | 8,759 |
| 87 | Administrative Expenses Transferred-Credit | 922 | - | - | - |
| 88 | Outside Service Employed | 923 | 78,876 | 2,560 | 81,436 |
| 89 | Property Insurance | 924 | 191 | - | 191 |
| 90 | Injuries and Damages | 925 | 11,452 | 33 | 11,486 |
| 91 | Employee Pensions and Benefits | 926 | 27,517 | 2,540 | 30,057 |
| 92 | Franchise Requirements | 927 | - | - | - |
| 93 | Regulatory Commission Expenses | 928 | 11,205 | 867 | 12,072 |
| 94 | Duplicate Charges-Credit | 929 | (2,197) | - | (2,197) |
| 95 | General Advertising Expenses | 930.1 | - | - | - |
| 96 | Miscellaneous General Expenses | 930.2 | 3,476 | 0 | 3,476 |
| 97 | Rents | 931 | - | - | - |
| 98 | A & G Operation Expenses | Sum L85 to L97 | <u>\$ 171,449</u> | <u>\$ 6,929</u> | <u>\$ 178,378</u> |
| <u>Maintenance</u> | | | | | |
| 99 | Maintenance of General Plant | 935 | 6,024 | 23 | 6,047 |
| 100 | Total Administrative & General | L98 + L99 | <u>\$ 177,473</u> | <u>\$ 6,952</u> | <u>\$ 184,425</u> |
| 101 | Total O&M Expenses | L26 + L48 + L51 + L71 + L77 + L81 + L84 + L98 + L99 | <u>\$ 1,446,991</u> | <u>\$ (27,138)</u> | <u>\$ 1,419,853</u> |

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Revenue Adjustments Summary

| Line No | Description | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] |
|--|--|-----------------------------|--------------|----------------------------|---------------------|-----------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------|--|
| | | Reference or Account Number | 2018 Budget | Revenue Annualization D-5A | CAP Rev Credit D-5B | Act 129 Load Reduction D-5C | Energy Efficiency Adjustment D-5D | Tax Repair Catch-up Adjustment D-5E | Leap Year Adj to Pres Rates D-5F | OPEN | Proforma Adjusted At Present Rates SUM [2] to [9] |
| Customer & Distribution Revenue | | | | | | | | | | | |
| 1 | Residential | 440 | \$ 843,173 | \$ 2,482 | \$ 1,130 | \$ (14,728) | \$ (43,795) | \$ 20,916 | \$ 473 | | \$ 809,653 |
| 2 | Small C & I | 442 | 228,779 | 682 | | (2,546) | (11,303) | 8,711 | | | 224,323 |
| 3 | Large C & I | 442 | 172,781 | - | | (3,202) | (20,090) | 5,136 | | | 154,624 |
| 4 | Railroads & Railways | 444 | 7,926 | | | | (1,018) | 211 | | | 7,119 |
| 5 | Street Lighting | 446 | 18,017 | | | (28) | (48) | 1,093 | | | 19,034 |
| 6 | Inter-Company | | 810 | | | | | | | | 810 |
| 7 | Transmission - All Classes | | 174,833 | | | | | | | | 174,833 |
| 8 | Cust Chg & Distrib Revenue | Sum L1 to L7 | 1,446,321 | 3,164 | 1,130 | (20,504) | (76,253) | 36,067 | 473 | - | 1,390,398 |
| Electric Cost Revenue | | | | | | | | | | | |
| 9 | Residential | | 561,903 | | | | | | | | 561,903 |
| 10 | Small C & I | | 101,952 | | | | | | | | 101,952 |
| 11 | Large C & I | | 35,126 | | | | | | | | 35,126 |
| 12 | Railroads & Railways | | - | | | | | | | | - |
| 13 | Street Lighting | | 717 | | | | | | | | 717 |
| 14 | Inter-Company | | 227 | | | | | | | | 227 |
| 15 | Transmission - All Classes | | - | | | | | | | | - |
| 16 | Revenue for Cost of Electric | Sum L9 to L15 | 699,923 | - | - | - | - | - | - | - | 699,923 |
| 17 | Test Year STAS Revenue - Reclass | | | | | | | | | | - |
| 18 | Total Customer Revenue | L8 + L16 | 2,146,244 | 3,164 | 1,130 | (20,504) | (76,253) | 36,067 | 473 | - | 2,090,321 |
| 19 | Sales For Resale | 447 | - | | | | | | | | - |
| 20 | | | | | | | | | | | - |
| 21 | Forfeited Discounts | 450 | 10,188 | | | | | | | | 10,188 |
| 22 | Miscellaneous Service Revenues | 451 | 3,791 | | | | | | | | 3,791 |
| 23 | Rent For Electric Property | 454 | 17,507 | | | | | | | | 17,507 |
| 24 | Decommissioning Payment | | (3,860) | | | | | | | | (3,860) |
| 25 | Other Electric Revenues | 456.1 | 6,414 | | | | | | | | 6,414 |
| 26 | Transmission of Electricity for Others | | - | | | | | | | | - |
| 27 | Total Revenues | Sum L18 to L26 | 2,180,285 | 3,164 | 1,130 | (20,504) | (76,253) | 36,067 | 473 | - | 2,124,362 |
| 28 | Other | | | | | | | | | | |
| 29 | Total Revenues | L27 + I28 | \$ 2,180,285 | \$ 3,164 | \$ 1,130 | \$ (20,504) | \$ (76,253) | \$ 36,067 | \$ 473 | \$ - | \$ 2,124,362 |

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Revenue Annualization

| Line No | Description | [1] | [2] | [3] | [4] | [5] |
|---------|--|-------------------|---------------------|-------------------|-------------------|-----------------------------|
| | | Residential | Residential Heating | Small C&I | Large C&I | Total Sum [1] to [4] |
| 1 | Total Test Year Revenues | \$ 1,146,455 | \$ 258,621 | \$ 330,731 | \$ 207,906 | \$ 1,943,713 |
| 2 | Commodity Billings in Revenues | (445,668) | (116,235) | (101,952) | (35,126) | (698,980) |
| 3 | Distribution Revenue Surcharge | (16,860) | (4,517) | 167 | (9,080) | (30,290) |
| 4 | Revenues net of Commodity - Margin L1 + L2 + L3 | <u>\$ 683,928</u> | <u>\$ 137,868</u> | <u>\$ 228,947</u> | <u>\$ 163,700</u> | <u>\$ 1,214,443</u> |
| 5 | Average Monthly Customers in TY | <u>1,288,959</u> | <u>185,497</u> | <u>152,077</u> | <u>3,111</u> | <u>1,629,644</u> |
| 6 | Average Annual Margin Per Customer L4 / L5 | <u>\$ 0.531</u> | <u>\$ 0.743</u> | <u>\$ 1.505</u> | <u>\$ 52.620</u> | <u>\$ 0.745</u> |
| 7 | Number of Customers at End of Year | <u>1,292,537</u> | <u>186,281</u> | <u>152,530</u> | <u>3,111</u> | <u>1,634,458</u> |
| 8 | Increase in Customers during TY L7 - L5 | <u>3,578</u> | <u>784</u> | <u>453</u> | <u>-</u> | <u>4,815</u> |
| 9 | Annualization of Revenue L6 * L8 | <u>\$ 1,900</u> | <u>\$ 582</u> | <u>\$ 682</u> | <u>\$ -</u> | <u>\$ 3,164</u> |

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CAP Revenue Credits and Adjustments

| Line No | Description | [1] Factor or Reference | [2] Amount | [3] Sub-Total | [4] Total |
|---|--|---------------------------------|-----------------|--------------------|----------------|
| 1 | CAP Discount Included in TY Budget | | \$ (64,729) | | |
| <u>Annualization To Year End Customers</u> | | | | | |
| 2 | Average Monthly CAP Customer in TY | | 117,302 | | |
| 3 | Average Annual CAP Discount per Customer | L1 / L2 | (0.552) | | |
| 4 | Number of CAP Customer at End of Year | | 114,496 | | |
| 5 | Increase of CAP Customer during TY | L4 - L2 | (2,806) | | |
| 6 | Gross Decrease / (Increase) in CAP Discount | L3 * L5 | | 1,548 | |
| 7 | Reflect impact in write-offs and Working Cap | 27.0% | | <u>(418)</u> | |
| 8 | Net Decrease / (Increase) in CAP Discount for Test Year | L6 + L7 | | | \$ 1,130 |

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Act 129 - Lost Revenue Due To Load Reduction

| Line No | Description | [1] Reference | [2] 2018 Revenue Loss | [3] 2019 & 2020 Revenue Loss | [4] 2019 & 2020 Revenue Loss Over 2018 | [6] Recovery of Incremental Revenue Loss |
|--|---------------------|--------------------|-------------------------------|---|---|---|
| <u>Revenue Impact in 2018 -- Included in Test Year Budget</u> | | | | | | |
| 1 | Residential | | \$ (9,681) | | | |
| 2 | Residential Heating | | (2,100) | | | |
| 3 | Small C & I | | (1,193) | | | |
| 4 | Large C & I | | (1,324) | | | |
| 5 | Street Lighting | | (8) | | | |
| 6 | Total | Sum L1 to L5 | <u>\$ (14,307)</u> | | | |
| <u>Target Revenue Impact in 2019</u> | | | | | | |
| 7 | Residential | | | \$ (18,642) | | |
| 8 | Residential Heating | | | (4,045) | | |
| 9 | Small C & I | | | (2,866) | | |
| 10 | Large C & I | | | (3,317) | | |
| 11 | Street Lighting | | | (27) | | |
| 12 | Total | Sum L7 to L11 | | <u>\$ (28,897)</u> | | |
| <u>Incremental Revenue Impact Over 2018 Budget</u> | | | | | | |
| 13 | Residential | L7 - L1 | | | \$ (8,961) | |
| 14 | Residential Heating | L8 - L2 | | | (1,944) | |
| 15 | Small C & I | L9 - L3 | | | (1,673) | |
| 16 | Large C & I | L10 - L4 | | | (1,993) | |
| 17 | Street Lighting | L11 - L5 | | | (19) | |
| 18 | Total | Sum L13 to L17 | | | <u>\$ (14,590)</u> | |
| <u>Target Revenue Impact in 2020</u> | | | | | | |
| 19 | Residential | | | \$ (24,924) | | |
| 20 | Residential Heating | | | (5,408) | | |
| 21 | Small C & I | | | (4,613) | | |
| 22 | Large C & I | | | (5,734) | | |
| 23 | Street Lighting | | | (46) | | |
| 24 | Total | Sum L19 to L23 | | <u>\$ (40,725)</u> | | |
| <u>Incremental Revenue Impact Over 2018 Budget</u> | | | | | | |
| 25 | Residential | L19 - L1 | | | \$ (15,243) | |
| 26 | Residential Heating | L20 - L2 | | | (3,307) | |
| 27 | Small C & I | L21 - L3 | | | (3,420) | |
| 28 | Large C & I | L22 - L4 | | | (4,411) | |
| 29 | Street Lighting | L23 - L5 | | | (38) | |
| 30 | Total | Sum L25 to L29 | | | <u>\$ (26,418)</u> | |
| <u>Average Annual Incremental Revenue Not in Budget</u> | | | | | | |
| 31 | Residential | (L13 + L25)/2 | | | | \$ (12,102) |
| 32 | Residential Heating | (L14 + L26)/2 | | | | (2,626) |
| 33 | Small C & I | (L15 + L27)/2 | | | | (2,546) |
| 34 | Large C & I | (L16 + L28)/2 | | | | (3,202) |
| 35 | Street Lighting | (L17 + L29)/2 | | | | (28) |
| 36 | Total | L31 to L35 | | | | <u>\$ (20,504)</u> |

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Energy Efficiency Program Cost Recovery Adjustments

[1]

[2]

| Line No | Description | Reference | Amounts |
|------------|-----------------------------|--------------|-------------|
| 1 | Residential | | \$ (34,799) |
| 2 | Residential Heating | | (8,996) |
| 3 | Small C & I | | (11,303) |
| 4 | Large C & I | | (20,090) |
| 5 | Railroad | | (1,018) |
| 6 | Street Lighting | | (48) |
| 7 | Inter-Company | | _____ |
| 8 | Reduction in Retail Revenue | Sum L1 to L7 | (76,253) |
| 9 | O & M Expense | | \$ (68,148) |
| 10 | Amortization Expense | | \$ (3,509) |

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Tax Repair Credit Refund Adjustment

[1]

| Line No | Description | Factor or Reference | Budget Amounts |
|------------|---------------------|------------------------|-------------------|
| 1 | Residential | | \$ 16,825 |
| 2 | Residential Heating | | 4,092 |
| 3 | Small C & I | | 8,711 |
| 4 | Large C & I | | 5,136 |
| 5 | Railroad | | 211 |
| 6 | StreetLighting | | 1,093 |
| 7 | Total Gross Revenue | Sum L1 to L6 | <u>\$ 36,067</u> |

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Leap Year Revenue Normalization

| Line No | Description | [1] February Distribution Rev | [2] Number of Days in February | [3] Average Number of Days in Feb | [4] Days Variance [3] - [2] | [5] Change in Revenue [1] / [2] * [4] |
|---------------------------------------|---------------------|---------------------------------------|--|---|--|--|
| KWh-Based Distribution Revenue | | | | | | |
| 1 | Residential | \$ 40,550 | 28 | 28.25 | 0.25 | \$ 362 |
| 2 | Residential Heating | 12,429 | 28 | 28.25 | 0.25 | 111 |
| 3 | Total | <u>\$ 52,978</u> | | | | <u>\$ 473</u> |

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Salaries & Wages Adjustment Summary

| Line No | Description | [1] Reference | [2] Distribution Jurisdiction FTY 2018 | [3] Other | [4] Payroll As Distributed [2] + [3] | [5] Pro Forma Payroll Adjustment | [6] Total Pro Forma Payroll [4] + [5] |
|--------------------|------------------------------------|--------------------|---|----------------|--|---|---|
| Operations | | | | | | | |
| 1 | Power Supply Expenses | | \$ - | | \$ - | \$ - | \$ - |
| 2 | Transmission Expense | | - | | - | - | - |
| 3 | Regional Market Expenses | | - | | - | - | - |
| 4 | Distribution Expense | | 15,471 | | 15,471 | 359 | 15,830 |
| 5 | Customer Accounts | | 27,621 | | 27,621 | 641 | 28,262 |
| 6 | Customer Service & Information | | 1,148 | | 1,148 | 27 | 1,175 |
| 7 | Sales | | 506 | | 506 | 12 | 517 |
| 8 | Administration & General - General | | 41,513 | | 41,513 | 963 | 42,475 |
| 9 | Total Operations | Sum L1 to L8 | \$ 86,259 | \$ - | \$ 86,259 | \$ 2,000 | \$ 88,259 |
| Maintenance | | | | | | | |
| 10 | Transmission Expense | | - | | - | - | - |
| 11 | Distribution Expense | | 50,955 | | 50,955 | 1,182 | 52,137 |
| 12 | Administration & General - General | | 984 | | 984 | 23 | 1,007 |
| 13 | Total Maintenance | Sum L10 to L12 | \$ 51,939 | \$ - | \$ 51,939 | \$ 1,204 | \$ 53,144 |
| 14 | Total Direct Payroll | L9 + L13 | \$ 138,198 | \$ - | \$ 138,198 | \$ 3,205 | \$ 141,403 |
| 15 | Percent Increase | L14 [5] / [2] | | | | | 2.319% |

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Details of Salaries & Wages Adjustments

| Line No | Description | [1] Reference | [2] Employees With Raises on | | [4] Total | [5] Amount | [6] Amount | [7] Pro Forma Total Payroll |
|---|--|-----------------------|-----------------------------------|--------------------|----------------|-----------------|-----------------|----------------------------------|
| | | | Union 1-Jan | Non-Union 1-Mar | | | | |
| 1 | Number of Employees @ December 31, 2017 | | 956 | 930 | 1,886 | | | |
| 2 | Percentage of Employees @ December 31, 2017 | | 50.7% | 49.3% | 100.0% | | | |
| 3 | Pro Forma Percent for FTY 2018 | | 51.0% | 49.0% | 100.0% | | | |
| 4 | Distribution of Budget S&W Expense | L3 [2] * L4 [6] | \$ 70,481 | \$ 67,717 | | | \$ 138,198 | |
| <u>Annualize March 1, 2018 Wage Increase</u> | | | | | | | | |
| 5 | Number of Months | | 0 | 2 | | | | |
| 6 | Rate for Increase | | 2.50% | 2.50% | | | | |
| 7 | Total Adjustment | L4 * L5 * L6 /12 | - | 282 | | \$ 282 | | |
| 8 | Sub-Total | L4 + L7 | 70,481 | 67,999 | | | | |
| <u>Annualize January 1 and March 1, 2019 Wage Increase</u> | | | | | | | | |
| 9 | Number of Months | | 12 | 12 | | | | |
| 10 | Rate for Increase | | 2.50% | 2.50% | | | | |
| 11 | Total Adjustment | L8 * L9 * L10 /12 | \$ 1,762 | \$ 1,700 | | 3,462 | | |
| <u>Normalize One-Time Contract Payment to Union</u> | | | | | | | | |
| 12 | Total Portion of Payment to Electric Expense | | \$ 1,127 | 72.979% | \$ 822 | | | |
| 13 | Normalize over Union Contract Period | | | | 6 | | | |
| 14 | Annual Normalized Amount | | | | | 137 | | |
| 15 | Annualized S&W Adjustment | L7 + L11 + L14 | | | | | \$ 3,881 | |
| 16 | Annualized S&W for Budgeted Employees | | | | | | \$ 142,079 | |
| <u>Pro Forma For New Employees</u> | | | | | | | | |
| 17 | Number of Employees @ December 31, 2018 | | | 1,877 | | | | |
| 18 | Average Number of Employees in Budget | | | | 1,886 | | | |
| 19 | Annualization for Number of Employees | L17 - L18 | | | | (9) | | |
| 20 | Annual S&W per Employee | L16 [6] / L18 [4] | | | | \$ 75.3 | | |
| 21 | Annualization of S&W For New Employees | L19 * L20 | | | | | (677) | |
| 22 | Pro Forma Test Year S&W | L16 + L21 | | | | | \$ 141,402 | |
| 23 | Pro Forma Increase in S&W | L22 - L4 | | | | | \$ 3,204 | |
| 24 | Pro Forma Percent for FTY 2018 | L23 / L4 | | | | | | 2.319% |

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Rate Case Expense Normalization

| Line No | Description | [1] Reference or Factor | [2] Amount | [3] Sub-Total | [4] Total |
|--|---|------------------------------------|-----------------|--------------------|-----------------|
| Expenditures Up to December 31, 2017 | | | | | |
| 1 | External Consultants | | \$ - | | |
| 2 | External Legal | | 159 | | |
| 3 | Materials, IT Costs, Travel, Copies, Etc. | | <u>-</u> | | |
| 4 | Total Recorded @ December 31, 2017 | Sum L1 to L3 | | \$ 159 | |
| Expenditures in 2018 | | | | | |
| 5 | External Consultants | | \$ 58 | | |
| 6 | External Legal | | 1,583 | | |
| 7 | Materials, IT Costs, Travel, Copies, Etc. | | <u>800</u> | | |
| 8 | Sub-Total | Sum L5 to L7 | | <u>\$ 2,441</u> | |
| <u>Total Expenditures For Rate Filing</u> | | | | | |
| 9 | Total Costs | L4 + L8 | | | <u>\$ 2,600</u> |
| 10 | Normalized over 3 years | <u>3</u> | | | <u>\$ 867</u> |

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Adjustments for Employee Benefits

| Line No | Description | [1] Reference | [2] Amount | [3] Amount | [4] | [5] Total |
|-----------------------------------|--|--------------------|-----------------|-----------------|--------------------------------------|---------------------------------------|
| <u>Employee Benefits</u> | | | | | | |
| 1 | Total Benefits Expensed | | \$ 18,512 | | | |
| 2 | Number of Employees for Budget | | 1,886 | | | |
| 3 | Budget Expense Per Employee | L1 / L2 | | \$ 10 | | |
| 4 | Additional Employees for Annualization | L21 | | (9) | | |
| 5 | Total Benefits Pro Forma Adjustment | L3 * L4 | | | | \$ (88) |
| | | <u>Reference</u> | | | <u>Number of Full Time Employees</u> | <u>Number of Full Time Equivalent</u> |
| <u>Number of Employees</u> | | | | | | |
| 6 | Employees at | | | | | |
| 7 | 1/31/2018 | | | | 1,878 | |
| 8 | 2/28/2018 | | | | 1,883 | |
| 9 | 3/31/2018 | | | | 1,883 | |
| 10 | 4/30/2018 | | | | 1,902 | |
| 11 | 5/31/2018 | | | | 1,898 | |
| 12 | 6/30/2018 | | | | 1,893 | |
| 13 | 7/31/2018 | | | | 1,891 | |
| 14 | 8/31/2018 | | | | 1,888 | |
| 15 | 9/30/2018 | | | | 1,883 | |
| 16 | 10/31/2018 | | | | 1,880 | |
| 17 | 11/30/2018 | | | | 1,878 | |
| 18 | 12/31/2018 | | | | 1,877 | |
| 19 | Employees at | 12/31/2018 | | | | 1,877 |
| 20 | Average Employee Numbers | | | | | 1,886 |
| 21 | Average Employees to Year End Employees | [2] L19 - L20 | | | | <u>-9</u> |

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Adjustments for Pension

| Line No | Description | [1] Reference | [2] Amount | [3] Amount | [4] Total |
|-----------------------------|--|--------------------|-----------------|-----------------|------------------------|
| <u>Pension Costs</u> | | | | | |
| 1 | Pension Contribution in: | | | | |
| 2 | | 2014 | \$ 11,384 | | |
| 3 | | 2015 | 40,421 | | |
| 4 | | 2016 | 29,781 | | |
| 5 | | 2017 | 23,545 | | |
| 6 | | 2018 | 23,898 | | |
| 7 | Average Pension Contribution | Sum (L2 to L6) / 5 | \$ 25,806 | | |
| 8 | Percent to Electric Distribution | | <u>72.19%</u> | | |
| 9 | Total Amount to Electric Distribution | L7 * L8 | \$ 18,628 | | |
| 10 | Pension Capitalization Factor | | <u>36.52%</u> | | |
| 11 | Pension Contribution To Be Capitalized | L9 * L10 | <u>\$ 6,803</u> | | |
| 12 | Pension Contribution To Be Expensed | L9 - L11 | | \$ 11,825 | |
| 13 | 2018 Distribution Pension Expense Budget | | | <u>\$ 9,198</u> | |
| 14 | Additional Pension Expense | L12 - L13 | | | <u><u>\$ 2,627</u></u> |

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Uncollectible Accounts

| Line No | Description | [1] Reference Or Factor | [2] Charge Off Amounts | [3] InPA Charge Off Amounts | [4] Net Charge Off Amounts | [5] Billed Revenue | [6] Percent [4] / [5] | [7] Total |
|---|--|------------------------------------|--------------------------------|--|---------------------------------------|----------------------------|-----------------------------------|------------------|
| Net General Uncollectible Accounts | | | | | | | | |
| 1 | 2015 | | 39,120 | \$ - | \$ 39,120 | \$ 3,570,291 | 1.1000% | |
| 2 | 2016 | | 30,746 | \$ 187 | \$ 30,559 | \$ 3,529,660 | 0.8700% | |
| 3 | 2017 | | 29,212 | \$ 6,876 | \$ 22,336 | \$ 3,289,298 | 0.6800% | |
| 4 | Three Year Average Sum L1 to L3 / 3 | <u>3</u> | | <u>\$ 2,355</u> | <u>\$ 30,672</u> | <u>\$ 3,463,083</u> | <u>0.8857%</u> | |
| 5 | FTY 2018 Tariff Revenue - Non Shopping Revenue | D-5 | | | | 2,130,507 | | |
| 6 | FTY 2018 Tariff Revenue - Shopping Revenue | C-4 | | | | 1,100,721 | | |
| 7 | FTY 2018 Tariff Revenue - Including Shopping Revenue | | | | | <u>3,231,229</u> | | |
| 8 | Total General Pro Form Uncollectible Accounts | L7 * L4 [6] | | | | | | <u>\$ 28,619</u> |
| Net PPA Uncollectible Accounts | | | | | | | | |
| | | | | | <u>PPA</u> | | | |
| 9 | 2015 | | | | \$ 10,279 | | | |
| 10 | 2016 | | | | \$ 8,788 | | | |
| 11 | 2017 | | | | <u>\$ 5,398</u> | | | |
| 12 | Three Year Average PPA Average (L9 to L11) | | | | | | | <u>\$ 8,155</u> |
| 13 | Total Pro Forma Uncollectible Accounts | L8 + L12 | | | | | | \$ 36,774 |
| 14 | FTY 2018 Budget | | | | | | | \$ 25,028 |
| 15 | Total Pro Forma Adjustment for Uncollectible Accounts | L13 - L14 | | | | | | <u>\$ 11,746</u> |

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InPA Balance Recovery

| Line No | Description | [1] Factor or Reference | [2] Amount | [3] Balance |
|---------------------------|--|------------------------------|-----------------|------------------------|
| 1 | InPA Starting Balance at Program Inception (10/1/16) | | | \$ 30,101 |
| 2 | Eligible 2/3 Recovery Balance as of 10/1/16 | L1 * 2/3 | | <u>\$ 20,067</u> |
| Year 2016 Activity | | | | |
| 3 | Base Distribution Collection | | \$ 2,000 | |
| 4 | Total 2016 Recovery | L3 | <u>\$ 2,000</u> | |
| 5 | Eligible Recovery Balance as of 12/31/16 | L2 - L4 | | <u>\$ 18,067</u> |
| Year 2017 Activity | | | | |
| 6 | Base Distribution Collection | | \$ 2,000 | |
| 7 | Universal Service Fund Correction Factor | | (1,353) | |
| 8 | Cash Payments from CAP InPA Customers | | 1,777 | |
| 9 | InPA Charge-off Recovery Match | | - | |
| 10 | Total 2017 Recovery | Sum L6 to L9 | <u>\$ 2,425</u> | |
| 11 | Eligible Recovery Balance as of 12/31/17 | L5 - L10 | | <u>\$ 15,642</u> |
| Year 2018 Activity | | | | |
| 12 | Base Distribution Collection | | \$ 2,000 | |
| 13 | Universal Service Fund Correction Factor | | (676) | |
| 14 | Cash Payments from CAP InPA Customers | | 1,600 | |
| 15 | InPA Charge-off Recovery Match | | 1,777 | |
| 16 | Total 2018 Recovery | Sum L12 to L15 | <u>\$ 4,701</u> | |
| 17 | Eligible Recovery Balance as of 12/31/18 | L11 - L16 | | <u>\$ 10,941</u> |
| 18 | Eligible Recovery Balance as of 1/1/19 | L17 | | \$ 10,941 |
| 19 | Annualized 2019 Base Distribution Rate Amount | L18 / 3 | | <u><u>\$ 3,647</u></u> |

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Interest On Customer Deposit

| Line No | Description | [1] Reference | [2] Interest Rate | [3] Deposit Amount | [4] Interest Sub-Total | [5] Interest Total |
|---|-------------------------------|--------------------|------------------------|-------------------------|-----------------------------|-------------------------|
| <u>Residential Customer Deposits</u> | | | | | | |
| 1 | Monthly Interest Rate | | <u>0.333%</u> | | | |
| 2 | <u>2017 -- January</u> | | | \$ 66 | | |
| 3 | -- February | | | 66 | | |
| 4 | -- March | | | 67 | | |
| 5 | -- April | | | 68 | | |
| 6 | -- May | | | 69 | | |
| 7 | -- June | | | 70 | | |
| 8 | -- July | | | 70 | | |
| 9 | -- August | | | 71 | | |
| 10 | -- September | | | 71 | | |
| 11 | -- October | | | 72 | | |
| 12 | -- November | | | 73 | | |
| 13 | -- December | | | 73 | | |
| 14 | Total Residential | Sum L2 to L13 | | \$ 836 | | |
| <u>Commercial & Industrial Customer Deposits</u> | | | | | | |
| 15 | Monthly Interest Rate | | <u>0.118%</u> | | | |
| 16 | <u>2017 -- January</u> | | | \$ 34 | | |
| 17 | -- February | | | 34 | | |
| 18 | -- March | | | 35 | | |
| 19 | -- April | | | 35 | | |
| 20 | -- May | | | 35 | | |
| 21 | -- June | | | 35 | | |
| 22 | -- July | | | 35 | | |
| 23 | -- August | | | 35 | | |
| 24 | -- September | | | 35 | | |
| 25 | -- October | | | 35 | | |
| 26 | -- November | | | 37 | | |
| 27 | -- December | | | 37 | | |
| 28 | Total C&I | Sum L16 to L49 | | \$ 422 | | |
| 29 | Interest on Customer Deposits | L14 + L28 | | | | \$ 1,258 |

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Storm Expense Normalization

| Line No | Description | [1] Tri-State CPI Factor [A] | [2] Inflation Factor | [3] Expense In Year | [4] Amount For Average [2] * [3] | [5] Total |
|---------|---|--|------------------------------|-----------------------------|---|------------------|
| 1 | 4/1/2013 - 3/31/2014 | 0.01036 | 1.05964 | \$ 69,614 | \$ 73,766 | |
| 2 | 4/1/2014 - 3/31/2015 | 0.01044 | 1.04878 | \$ 23,017 | 24,139 | |
| 3 | 4/1/2015 - 3/31/2016 | (0.00071) | 1.03794 | \$ 27,551 | 28,596 | |
| 4 | 4/1/2016 - 3/31/2017 | 0.01082 | 1.03868 | \$ 12,694 | 13,185 | |
| 5 | 4/1/2017 - 3/31/2018 | 0.01330 | 1.02756 | \$ 72,898 | \$ 74,907 | |
| 6 | 2018 | 0.01408 | 1.01408 | | | |
| 7 | Average Storm Restoration Expense at 2018 cost levels | | | | | \$ 42,919 |
| 8 | FTY 2018 Budget | | | | | 27,731 |
| 9 | Pro Forma Adjustment for Storm Expense Normalization | | | | | \$ 15,188 |

[A] Based on Philadelphia-Camden-Wilmington, PA-NJ-DE-MD metropolitan Statistical Areas

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O&M Cost To Achieve

| Line No | Description | [1] Reference Or Factor | [2] Total CTA Amounts |
|-------------------------------|---------------------------|------------------------------------|----------------------------------|
| <u>Cost To Achieve</u> | | | |
| 1 | 2016 | | \$ 4,243 |
| 2 | 2017 | | 2,972 |
| 3 | 2018 | | <u>465</u> |
| 4 | Total CTA To Be Recovered | Sum L1 to L3 | \$ 7,680 |
| 5 | Annual CTA Recovery | L4 / 3 | <u><u>\$ 2,560</u></u> |

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Taxes Other Than Income Adjustment Summary

| Line No | Description | [1] Percentage or Reference | [2] Electric Budget FTY 2018 | [3] Transmission Elimination [1] * [2] | [4] Distribution Budget FTY 2018 [2] + [3] | [5] Pro Forma Adjustments | [6] Pro Forma Tax Expense FTY 2018 [4] + [5] |
|---------|---|-------------------------------------|---|---|--|-----------------------------------|--|
| 1 | PURTA Taxes | 19.171% | \$ 6,540 | \$ (1,254) | \$ 5,286 | \$ - | \$ 5,286 |
| 2 | Capital Stock | 19.171% | - | - | - | - | - |
| 3 | PA & Local Use Taxes | 19.171% | 433 | (83) | 350 | - | 350 |
| 4 | PA Property Taxes | 19.171% | 5,260 | (1,008) | 4,251 | - | 4,251 |
| 5 | PA Corp Loan Tax | 19.171% | - | - | - | - | - |
| 6 | Philadelphia BIRT | 19.171% | - | - | - | - | - |
| 7 | Local Privilege Tax | 19.171% | - | - | - | - | - |
| 8 | Gross Receipts Tax | | 124,926 | | 124,926 | (3,166) | 121,760 |
| 9 | Payroll Tax | 11.313% | 11,271 | (1,275) | 9,996 | 232 | 10,228 |
| 10 | Total | Sum L1 to L9 | <u>\$ 148,430</u> | <u>\$ (3,620)</u> | <u>\$ 144,810</u> | <u>\$ (2,934)</u> | <u>\$ 141,876</u> |
| 11 | Taxes Other Than Income - Distribution | | | | | | <u>\$ 141,876</u> |

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Payroll Tax Adjustments

| Line No | Description | [1] Reference | [2] Budget FTY 2018 | [3] Pro Forma Adjustments | [4] Increase in Payroll Taxes |
|---------|---|--------------------|-----------------------------|-----------------------------------|--|
| 1 | Total Payroll Charged to Expense | | \$ 138,198 | \$ 3,205 | |
| 2 | Payroll Tax Expense | | 9,996 | | |
| 3 | Payroll Tax - Percent | L2 / L1 | 7.23% | 7.23% | |
| 4 | Pro Forma Adjustment for Payroll Tax | L1 * L3 [3] | | | \$ 232 |

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Gross Receipt Tax

| Line No | Description | [1] Reference | [2] Pro Forma Test Year Amount | [3] Amount | [4] Total |
|--|--|--------------------|---|-----------------|----------------|
| <u>Gross Receipts Tax Pro Forma at Present Rate</u> | | | | | |
| 1 | Residential | | \$ 1,371,556 | | |
| 2 | Commercial & Industrial | | 516,025 | | |
| 3 | Railroads & Railways | | 7,119 | | |
| 4 | Street Lighting | | 19,751 | | |
| 5 | Intercompany | | 1,037 | | |
| 6 | Transmission | | 174,833 | | |
| 7 | Sub-Total | Sum L1 to L6 | \$ 2,090,321 | | |
| 8 | Forfeited Discounts | D-5 | 10,188 | | |
| 9 | Bad Debts | D-10 | (36,774) | | |
| 10 | Sub- Total | L8 + L9 | | (26,586) | |
| 11 | Total Test Year @ Present Rates | L7 + L10 | | | \$ 2,063,735 |
| 12 | Gross Receipts Tax Rate | | | | 5.900% |
| 13 | Pro Forma Gross Receipts Expense at Present Rates | L11 * L12 | | | 121,760 |
| 14 | FTY Budget | | | | 124,926 |
| 15 | Net Adjustment | L13 - L14 | | | \$ (3,166) |

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| Line No | Description | [1] Reference or Factor or A/C Number | [2] [3] [4] Test Year Expense | | | [5] Annualize 2018 Depreciation | [6] Pro Forma Test Year Depreciation [4] + [5] |
|---------------------------|--|--|--|-------------------|------------------------|--|--|
| | | | Balance of 12/31/2017 | 2018 Additions | Total [2] + [3] | | |
| Intangible Plant | | | | | | | |
| 1 | Franchise & Consent | 302 | - | - | - | - | |
| 2 | Miscellaneous Intangible Plant | 303 | 13,370 | 2,032 | 15,401 | 2,032 | |
| 3 | Total Intangible Plant | L1 + L2 | <u>13,370</u> | <u>2,032</u> | <u>15,401</u> | <u>2,032</u> | |
| Transmission Plant | | | | | | | |
| 4 | Land & Land Rights | 350 | - | - | - | - | |
| 5 | Structures & Improvements | 352 | 1,389 | 130 | 1,518 | 130 | |
| 6 | Station Equipment | 353 | 14,316 | 621 | 14,938 | 621 | |
| 7 | Towers & Fixtures | 354 | 3,503 | 47 | 3,550 | 47 | |
| 8 | Poles & Fixtures | 355 | 252 | 1 | 254 | 1 | |
| 9 | Overhead Conductors & Devices | 356 | 3,081 | 81 | 3,162 | 81 | |
| 10 | Underground Conduit | 357 | 221 | 9 | 230 | 9 | |
| 11 | Underground Conductors & Devices | 358 | 1,630 | 43 | 1,673 | 43 | |
| 12 | Roads & Trails | 359 | 8 | - | 8 | - | |
| 13 | Asset Retirement Costs -- Transmission | 359.1 | - | - | - | - | |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>24,400</u> | <u>932</u> | <u>25,332</u> | <u>932</u> | |
| Distribution Plant | | | | | | | |
| 15 | Land & Land Rights | 360 | 0 | - | - | - | |
| 16 | Structures & Improvements | 361 | 2,158 | 157 | 2,315 | 157 | |
| 17 | Station Equipment | 362 | 18,789 | 801 | 19,591 | 801 | |
| 18 | Poles, Towers & Fixtures | 364 | 13,778 | 491 | 14,269 | 491 | |
| 19 | Overhead Conductors & Devices | 365 | 23,594 | 1,114 | 24,708 | 1,114 | |
| 20 | Underground Conduit | 366 | 6,009 | 354 | 6,363 | 354 | |
| 21 | Underground Conductors & Devices | 367 | 24,095 | 1,270 | 25,365 | 1,270 | |
| 22 | Line Transformers | 368 | 12,146 | 421 | 12,566 | 421 | |
| 23 | Services | 369 | 7,934 | 145 | 8,079 | 145 | |
| 24 | Meters | 370 | 19,228 | 243 | 19,471 | 243 | |
| 25 | Installations on Customer Premises | 371 | 5 | - | 5 | - | |
| 26 | Street Lighting & Signal Systems | 373 | 1,507 | 68 | 1,575 | 68 | |
| 27 | Asset Retirement Costs -- Distribution | 374 | - | - | - | - | |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>129,242</u> | <u>5,065</u> | <u>134,307</u> | <u>5,065</u> | |
| General Plant | | | | | | | |
| 29 | Land & Land Rights | 389 | - | - | - | - | |
| 30 | Structures & Improvements | 390 | 1,385 | 83 | 1,468 | 83 | |
| 31 | Office Furniture & Equipment | 391 | 2,690 | 155 | 2,845 | 155 | |
| 32 | Transportation Equipment | 392 | - | - | - | - | |
| 33 | Stores Equipment | 393 | 4 | - | 4 | - | |
| 34 | Tools & Garage Equipment | 394 | 2,217 | 140 | 2,357 | 140 | |
| 35 | Laboratory Equipment | 395 | 20 | - | 20 | - | |
| 36 | Power Operated Equipment | 396 | - | - | - | - | |
| 37 | Communications Equipment | 397 | 8,452 | 293 | 8,744 | 293 | |
| 38 | Miscellaneous Equipment | 398 | 77 | - | 77 | - | |
| 39 | Other Tangible Property | 399 | - | - | - | - | |
| 40 | Asset Retirement Costs -- General Plant | 399.1 | - | - | - | - | |
| 41 | Total General Plant | Sum L29 to L40 | <u>14,845</u> | <u>670</u> | <u>15,515</u> | <u>670</u> | |
| 42 | Total Depreciation | Sum L(3 +14+28+41) | <u>181,857</u> | <u>8,699</u> | <u>190,556</u> | <u>8,699</u> | |
| 43 | Transmission Accounts | | (24,400) | (932) | (25,332) | (932) | |
| 44 | Intangible Account to Transmission | | (2,546) | (161) | (2,707) | (161) | |
| 45 | General Plant to Transmission | 11.31% | (1,679) | (76) | (1,755) | (76) | |
| 46 | Asset Retirement - Distribution & General | | - | - | - | - | |
| 47 | Sub-Total | Sum L42 to L46 | <u>153,232</u> | <u>7,530</u> | <u>160,762</u> | <u>7,530</u> | |
| 48 | Common Plant to Electric Distribution | D-17, page 2, L49 | | | 24,669 | 3,793 | |
| 49 | Total Distribution Depreciation Expense | L47 + L48 | | | <u>\$ 185,431</u> | <u>\$ 11,323</u> | |
| | | | | | | <u>\$ 196,754</u> | |

PECO - Electric Operations
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Depreciation Expense Adjustment of Common Plant

| Line No | Description | [1] Reference or Factor or A/C Number | [2] [3] [4] [5] [6] Test Year Expense | | | Annualize 2018 Depreciation | Pro Forma Test Year Depreciation |
|-----------------------------|---|--|--|-------------------|------------------------|-----------------------------------|--|
| | | | Balance of 12/31/2017 | 2018 Additions | Total [2] + [3] | | |
| Intangible Plant | | | | | | | |
| 1 | PECO Com 303-AMI NONBILL SW EDE EOL | | \$ 651 | \$ - | \$ 651 | \$ - | \$ 651 |
| 2 | PECO Com 303-AMI NONBILL SW IDS EOL | | 579 | - | 579 | - | 579 |
| 3 | PECO Com 303-IAM SW Enhance PA | | 55 | - | 55 | - | 55 |
| 4 | PECO Com 3030-CallRoutingSW | | 732 | - | 732 | - | 732 |
| 5 | PECO Com 3030-CIMS Enhancements PA | | 820 | - | 820 | - | 820 |
| 6 | PECO Com 3030-Client Devices SW PA | | 599 | - | 599 | - | 599 |
| 7 | PECO Com 3030-Data Loss Prevent PA | | 145 | - | 145 | - | 145 |
| 8 | PECO Com 3030-Documentum PA | | 78 | - | 78 | - | 78 |
| 9 | PECO Com 3030-EAM Asset Suite PA | | 1,233 | - | 1,233 | - | 1,233 |
| 10 | PECO Com 3030-EUWebCon | | 944 | - | 944 | - | 944 |
| 11 | PECO Com 3030-Fixed Credit Option S (dup) | | 1,329 | - | 1,329 | - | 1,329 |
| 12 | PECO Com 3030-HR Payroll HCM Cloud | | 171 | - | 171 | - | 171 |
| 13 | PECO Com 3030-HRPC Enhance PA | | 43 | - | 43 | - | 43 |
| 14 | PECO Com 3030-Hyperion Enhance PA | | 240 | - | 240 | - | 240 |
| 15 | PECO Com 3030-HyperionPI | | 152 | - | 152 | - | 152 |
| 16 | PECO Com 3030-I O Directory Svcs PA | | 416 | - | 416 | - | 416 |
| 17 | PECO Com 3030-IAM Consolidate | | 101 | - | 101 | - | 101 |
| 18 | PECO Com 3030-Informatica PA | | 129 | - | 129 | - | 129 |
| 19 | PECO Com 3030-IVR System PA | | 661 | - | 661 | - | 661 |
| 20 | PECO Com 3030-Misc 5 yr FR PA | | 6,694 | 3,778 | 10,473 | 3,778 | 14,251 |
| 21 | PECO Com 3030-Misc 5 yr PA | | 41 | - | 41 | - | 41 |
| 22 | PECO Com 3030-Mobile Disp Enh PA | | 222 | - | 222 | - | 222 |
| 23 | PECO Com 3030-Passport Enhance PA | | 6 | - | 6 | - | 6 |
| 24 | PECO Com 3030-PBF SW Enhance PA | | 70 | - | 70 | - | 70 |
| 25 | PECO Com 3030-Peoplesoft GL Upgrade | | 80 | - | 80 | - | 80 |
| 26 | PECO Com 3030-PeopleSoft SW Enh PA | | 73 | - | 73 | - | 73 |
| 27 | PECO Com 3030-PowePlant Enhance PA | | 186 | - | 186 | - | 186 |
| 28 | PECO Com 3030-Service Mgt SW PA | | 69 | - | 69 | - | 69 |
| 29 | PECO Com 3030-WallStreet SW PA | | 65 | - | 65 | - | 65 |
| 30 | Total Common - Intangible | Sum L1 to L29 | <u>16,585</u> | <u>3,778</u> | <u>20,363</u> | <u>3,778</u> | <u>24,141</u> |
| Common Plant - Other | | | | | | | |
| 31 | PECO Common 3892 PA | | - | - | - | - | - |
| 32 | PECO Common 3901 PA | | 4,014 | 368 | 4,382 | 368 | 4,749 |
| 33 | PECO Common 3902 IL | | 22 | - | 22 | - | 22 |
| 34 | PECO Common 3902 PA | | 1,244 | 166 | 1,410 | 166 | 1,575 |
| 35 | PECO Common 3903 PA | | 14 | 5 | 20 | 5 | 25 |
| 36 | PECO Common 3911 PA | | 22 | - | 22 | - | 22 |
| 37 | PECO Common 3912 PA | | 989 | 258 | 1,247 | 258 | 1,504 |
| 38 | PECO Common 3913 IL | | 444 | 64 | 508 | 64 | 573 |
| 39 | PECO Common 3913 PA | | 4,640 | 705 | 5,345 | 705 | 6,051 |
| 40 | PECO Common 3927 PA | | - | - | - | - | - |
| 41 | PECO Common 3930 PA | | 105 | 18 | 123 | 18 | 141 |
| 42 | PECO Common 3941 PA | | 11 | - | 11 | - | 11 |
| 43 | PECO Common 3942 PA | | 5 | 0 | 5 | 0 | 5 |
| 44 | PECO Common 3943 PA | | - | - | - | - | - |
| 45 | PECO Common 3970 PA | | 1,663 | 66 | 1,729 | 66 | 1,795 |
| 46 | PECO Common 3980 PA | | 116 | 1 | 117 | 1 | 117 |
| 47 | Total Common - Other | Sum L31 to L46 | <u>13,291</u> | <u>1,650</u> | <u>14,940</u> | <u>1,650</u> | <u>16,590</u> |
| 48 | Total All | L30 + L47 | <u>\$ 29,875</u> | <u>\$ 5,428</u> | <u>\$ 35,303</u> | <u>\$ 5,428</u> | <u>\$ 40,731</u> |
| Common Plant Charged To | | | | | | | |
| 49 | Electric - Distribution | | 69.876% | | 24,669 | 3,793 | 28,462 |
| 50 | Electric - Transmission | | 8.914% | | 3,147 | 484 | 3,631 |
| 51 | Gas | | 21.210% | | 7,488 | 1,151 | 8,639 |
| 52 | TOTAL | | <u>100.00%</u> | | <u>35,303</u> | <u>5,428</u> | <u>40,731</u> |

PECO - Electric Operations
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(\$ in Thousands)
Income Tax at Present and Proposed Revenue Levels

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| Line No | Description | [1] Reference | [2] Factor Or Amount | [3] Pro Forma 2018 Present Rates | [4] Proposed Revenue Increase | [5] Pro Forma Tax Expense 12/31/2015 |
|------------------------------|---|---------------------|---------------------------------|---|--|---|
| 1 | Revenue | | | \$ 2,124,362 | \$ 73,401 | \$ 2,197,763 |
| 2 | Operating Expenses | | | (1,775,642) | (5,217) | (1,780,859) |
| 3 | OIBIT | L1 + L2 | | 348,720 | 68,184 | 416,904 |
| 4 | Rate Base | | 4,521,123 | | | |
| 5 | Weighted Cost of Debt | | 0.01944 | | | |
| 6 | Synchronized Interest Expense | L4 * L5 | | (87,909) | - | (87,909) |
| 7 | Base Taxable Income | L3 + L6 | | 260,811 | 68,184 | 328,995 |
| 8 | State Accelerated Tax Depreciation | Sch D-18 P2 | \$ 189,890 | | | |
| 9 | Pro Forma Book Depreciation | Sch D-3 P2 | 196,754 | | | |
| 10 | State Tax Depreciation (Over) Under Book | L9 - L8 | | 6,864 | | 6,864 |
| 11 | Regulatory Asset Programs M-1, Pension & Post Retirement Benefits | | | 3,150 | | 3,150 |
| 12 | Other Property Basis Adjustments (CIAC/ICM) | | | (7,197) | | (7,197) |
| 13 | Removal Costs/Software | | | (47,849) | | (47,849) |
| 14 | AFUDC Equity | | | - | | - |
| 15 | Permanent Adjustments | | | 869 | | 869 |
| 16 | Repair Deduction | | | (94,900) | - | (94,900) |
| 17 | State Taxable Income | Sum L7 to L16 | | \$ 121,748 | \$ 68,184 | \$ 189,063 |
| 18 | State Income Tax before Net Operating Loss | L17 * L18 [2] | 9.99% | (12,163) | (6,812) | (18,974) |
| 19 | State Net Operating Loss Utilization | | | - | - | - |
| 20 | State Income Tax | L18 + L19 | | \$ (12,163) | \$ (6,812) | \$ (18,974) |
| 21 | Federal Accelerated Tax Depreciation | Sch D-18 P2 | \$ 169,738 | | | |
| 22 | Pro Forma Book Depreciation | Sch D-3 P2 | 196,754 | | | |
| 23 | Federal Tax Deducts (Over) Under Book | L22 - L21 | | 27,015 | - | 27,015 |
| 24 | Regulatory Asset Programs M-1, Pension & Post Retirement Benefits | L11 | | 3,150 | | 3,150 |
| 25 | Other Property Basis Adjustments (CIAC/ICM) | L12 | | (7,197) | | (7,197) |
| 26 | Removal Costs/Software | L13 | | (47,849) | | (47,849) |
| 27 | AFUDC Equity | L14 | | - | | - |
| 28 | Repair Deduction | L16 | | (94,900) | | (94,900) |
| 29 | Permanent Adjustments | L15 | | 869 | | 869 |
| 30 | Federal NOL | | | (4,298) | | (4,298) |
| 31 | Federal Taxable Income | L7 + Sum L20 to L30 | | 125,439 | 61,372 | 186,811 |
| 32 | Federal Income Tax Expense | L31 * L32 [2] | 21.00% | (26,342) | (12,888) | (39,230) |
| 33 | Total Tax Expense before Deferred Income Tax | L20 + L32 | | (38,505) | (19,700) | (58,205) |
| Deferred Income Taxes | | | | | | |
| 34 | Deferred Taxes on Timing Differences- Federal | | | (4,987) | | (4,987) |
| 35 | Deferred Taxes on Timing Differences- State | | | (1,133) | | (1,133) |
| 36 | State Net Operating Loss Utilization | | | - | - | - |
| 37 | Excess Deferred Amortization | | | 12,513 | | 12,513 |
| 38 | Federal Net Operating Loss Utilization | | | (903) | | (903) |
| 39 | Federal Income Tax Expense on Flow through adjustment | | | (11,952) | - | (11,952) |
| 40 | Deferred Income Taxes | Sum L34 to L39 | | (6,462) | - | (6,462) |
| 41 | Net Income Tax Expense | L33 + L40 | | (44,967) | (19,700) | (64,666) |
| Other Tax Adjustments | | | | | | |
| 42 | Amortization of Investment Tax Credit | | | | | |
| 43 | Electric Plant | | | 16 | | 16 |
| 44 | Common Plant Allocated | | | 20 | | 20 |
| 45 | Consolidated Income Tax Adjustment | | | - | | - |
| 46 | Combined Income Tax Expense | Sum L41 to L45 | | \$ (44,931) | \$ (19,700) | \$ (64,631) |
| 47 | Federal Income Tax Expense | | | \$ (31,635) | \$ (12,888) | \$ (44,523) |
| 48 | State Income Tax Expense | | | (13,296) | (6,812) | (20,108) |
| 49 | Total Income Tax Expense | L47 + L48 | | \$ (44,931) | \$ (19,700) | \$ (64,631) |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Future Test Year Ended December 31, 2018
(\$ in Thousands)
 Depreciation for Income Tax Calculation

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| Line No | Description | [1] Amount | [2] Amount | [3] Total |
|--|-------------------------------------|-----------------|-----------------|-------------------|
| <u>State Accelerated Tax Depreciation</u> | | | | |
| 1 | Electric Distribution Only | 182,547 | 182,547 | |
| 2 | Electric Plant | 3,087 | | |
| 3 | Percent to Distribution | <u>88.687%</u> | | |
| 4 | Amount To Distribution | | 2,738 | |
| 5 | Common Plant (no Software) | 6,590 | | |
| 6 | Allocation Factor | <u>69.876%</u> | | |
| 7 | Common Plant Allocated to Elec Dist | | 4,605 | |
| 8 | Software Amortization for Tax | - | | |
| 9 | Common Plant Allocated to Elec Dist | <u>69.876%</u> | - | |
| 10 | Total Accelerated Tax Depreciation | | | <u>\$ 189,890</u> |
| <u>Federal Accelerated Tax Depreciation</u> | | | | |
| 11 | Electric Distribution Only | 162,898 | 162,898 | |
| 12 | Electric Plant | 2,526 | | |
| 13 | Percent to Distribution | <u>88.687%</u> | | |
| 14 | Amount To Distribution | | 2,240 | |
| 15 | Common Plant (no Software) | 6,583 | | |
| 16 | Allocation Factor | <u>69.876%</u> | | |
| 17 | Common Plant Allocated to Elec Dist | | 4,600 | |
| 18 | Software Amortization for Tax | - | | |
| 19 | Common Plant Allocated to Elec Dist | <u>69.876%</u> | - | |
| 20 | Total Accelerated Tax Depreciation | | | <u>\$ 169,738</u> |

PECO - Electric Operations
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Section 1301.1(b) Differential

| Line No | Description | [1] Factor Or Reference | [2] 2012 | [3] 2013 | [4] 2014 | [5] 2015 | [6] 2016 | [7] Average |
|---------|--|------------------------------------|---------------|---------------|---------------|---------------|---------------|------------------|
| 1 | PECO Consolidated Taxable Income | | \$ 317,055 | \$ 372,237 | \$ 97,822 | \$ 165,388 | \$ 185,545 | |
| 2 | Consolidated Income Companies Taxable Income | | \$ 651,323 | \$ 1,069,343 | \$ 1,762,414 | \$ 925,343 | \$ 1,249,191 | |
| 3 | Taxable Income Percentage to PECO | L1 / L2 | 48.6786% | 34.8099% | 5.5505% | 17.8732% | 14.8532% | |
| 4 | Consolidated Loss Companies Loss | | \$ 32,437 | \$ 45,145 | \$ 90,836 | \$ 1,598 | \$ 921 | |
| 5 | PECO Allocation of Loss | L3 * L4 | \$ 15,790 | \$ 15,715 | \$ 5,042 | \$ 286 | \$ 137 | |
| 6 | Electric Percentage | | 78.95% | 86.97% | 64.68% | 99.95% | 122.21% | |
| 7 | Loss Allocable to Electric | L5 * L6 | \$ 12,467 | \$ 13,668 | \$ 3,261 | \$ 286 | \$ 167 | |
| 8 | Electric Distribution Percent | | 73.139% | 73.139% | 73.139% | 73.139% | 73.139% | |
| 9 | Loss Allocable to Electric Distribution | L7 * L8 | \$ 9,118 | \$ 9,997 | \$ 2,385 | \$ 209 | \$ 122 | |
| 10 | Average for 2012 to 2016 | Avg L9 | | | | | | 4,366 |
| 11 | Tax Rate | | | | | | | 21.00% |
| 12 | Section 1301.1(b) Differential | L10 * L11 | | | | | \$ 917 | |

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PECO - Electric Operations
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Investment Tax Credit Amortization

[1]

[2]

[3]

| Line No | Description | Amount | Amount | Amount |
|-------------------------------------|--|----------------|-----------|--------------|
| <u>Investment Tax Credit</u> | | | | |
| 1 | <u>Amortization of Investment Tax Credit - 2018</u> | | | |
| 2 | Amortization for Total Electric - Estimated 2018 | \$ 18 | | |
| 3 | Distribution Factor | <u>88.687%</u> | | |
| 4 | Electric Distribution ITC | | 16 | |
| 5 | Common | \$ 29 | | |
| 6 | Distribution Factor | <u>69.876%</u> | | |
| 7 | Common Plant ITC to Electric Distribution | | <u>20</u> | |
| 8 | Total Electric Distribution | | | <u>\$ 36</u> |

PECO - Electric Operations
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Gross Revenue Conversion Factor

| Line No | Description | [1] | [2] | [3] |
|---|--|------------------------|----------|-----------------|
| Line No | Description | Reference | Tax Rate | Factor |
| <u>GROSS REVENUE CONVERSION FACTOR</u> | | | | |
| 1 | Gross Revenue Factor | | | 1.000000 |
| 2 | LPC Revenue | | | 0.004747 |
| 3 | Gross Receipts Tax | | | (0.059000) |
| 4 | Uncollectible Expenses | | | (0.008857) |
| 5 | PUC / OCA & SBA Assessment as a % of Revenue | | | (0.003557) |
| 6 | Net Revenues | Sum L1 to L5 | | 0.933333 |
| 7 | State Income Taxes | L6 [3] * Rate [2] | 9.99% | (0.093240) |
| 8 | Factor After State Taxes | L6 + L7 | | 0.840093 |
| 9 | Federal Income Taxes | L8 [3] * Rate [2] | 21.00% | (0.176419) |
| 10 | Net Operating Income Factor | L8 + L9 | | <u>0.663674</u> |
| 11 | Gross Revenue Conversion Factor | 1 / L10 | | <u>1.506765</u> |
| 12 | Combined Income Tax Factor On Gross Revenues | -L7 - L9 | | <u>26.966%</u> |
| <u>Income Tax Factor</u> | | | | |
| 13 | Gross Revenue Factor | | | 1.000000 |
| 14 | State Income Taxes | L13 [3] * Rate [2] | 9.99% | (0.099900) |
| 15 | Factor After State Taxes | L13 + L14 | | 0.900100 |
| 16 | Federal Income Taxes | L15 [3] * Rate [2] | 21.00% | (0.189021) |
| 17 | Net Operating Income Factor | L15 + L16 | | 0.711079 |
| 18 | Gross Revenue Conversion Factor | 1 / L17 | | <u>1.406314</u> |
| 19 | Combined Income Tax Factor On Taxable Income | -L14 - L16 | | <u>28.892%</u> |

PECO - Electric Operations
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Summary of Measures of Value and Revenue Increase

| Line No | Description | [1] | [2] | [3] | [4] | [5] |
|--|---|----------------|---------|---------------------|------------------|---------------------|
| | | Function | Section | Present Rates | Increase | Proposed Rates |
| Measure of Value | | | | | | |
| 1 | Utility Plant | | C-2 | \$ 6,386,095 | | \$ 6,386,095 |
| 2 | Accumulated Depreciation | | C-3 | (1,821,565) | | (1,821,565) |
| 3 | Net Plant in Service | L1 + L2 | | 4,564,530 | | 4,564,530 |
| 4 | Working Capital | | C-4 | 147,323 | | 147,323 |
| 5 | Pension Assets / (Liability) | | C-5 | 89,703 | | 89,703 |
| 6 | Accum Deferred Income Taxes | | C-6 | (505,842) | | (505,842) |
| 7 | Customer Deposits | | C-7 | (50,574) | | (50,574) |
| 8 | Common Plant - Net of Accum Depre | | C-8 | 261,341 | | 261,341 |
| 9 | Customer Advances for Construction | | C-9 | (959) | | (959) |
| 10 | Unamortized AMR Investment | | C-10 | 34,652 | | 34,652 |
| 11 | Materials and Supplies | | C-11 | 15,876 | | 15,876 |
| 12 | Accum Deferred Income Taxes - Reg Liability | | C-12 | (336,502) | | (336,502) |
| 13 | Total Rate Base | Sum L3 to L12 | | <u>\$ 4,219,547</u> | <u>\$ -</u> | <u>\$ 4,219,547</u> |
| Operating Revenues and Expenses | | | | | | |
| <u>Operating Revenues</u> | | | | | | |
| 14 | Base Customer Charges | | D-2 | \$ 1,293,877 | \$ 42,434 | \$ 1,336,311 |
| 15 | Electric Cost Revenue | | D-5 | 836,700 | | 836,700 |
| 16 | Other Operating Revenues | | D-2 | 22,963 | 230 | 23,193 |
| 17 | Total Revenues | Sum L13 to L15 | | <u>2,153,540</u> | <u>42,664</u> | <u>2,196,204</u> |
| 18 | Operating Expenses | | D-1 | (1,730,539) | (3,030) | (1,733,569) |
| 19 | OIBIT | L17 + L18 | | 423,001 | 39,633 | 462,635 |
| 20 | Income Taxes @ Eff Inc Tax Rate | | D-18 | (111,757) | | (111,757) |
| 21 | Income Taxes @ Statutory Rates | | D-18 | | (16,445) | (128,202) |
| 22 | Net Operating Income | Sum L18 to L20 | | <u>\$ 311,245</u> | <u>\$ 23,188</u> | <u>\$ 334,433</u> |
| 23 | Rate of Return | L21 / L12 | | <u>7.3763%</u> | | <u>7.9258%</u> |
| Revenue Increase Required | | | | | | |
| 24 | Rate of Return at Present Rates | L23 | | 7.3763% | | |
| 25 | Rate of Return Required | | B-7 | <u>7.9258%</u> | | |
| 26 | Change in ROR | L24 - L23 | | <u>0.5495%</u> | | |
| 27 | Change in Operating Income | L25 * L12 | | \$ 23,188 | | |
| 28 | Gross Revenue Conversion Factor | | D-19 | <u>1.829986</u> | | |
| 29 | Change in Revenues | L26 * L27 | | <u>\$ 42,434</u> | | |

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Balance Sheet

| Line No | Description/(Account No) | [1] Total Company Actual HTY 2017 |
|---------------------------------------|--|--|
| <u>Utility Plant</u> | | |
| 1 | Total Plant In Service | \$ 11,195,539 |
| 2 | Construction Work In Progress (107) | <u>254,287</u> |
| 3 | Total Utility Plant | 11,449,826 |
| 4 | Accumulated Provision for Depreciation | (3,408,593) |
| 5 | Net Utility Plant | <u>8,041,233</u> |
| <u>Other Property Investments</u> | | |
| 6 | Non-utility Property (121) | 13,903 |
| 7 | Accumulated Depreciation on NUP (122) | (1,748) |
| 8 | Invest in Subsidiary Company (123.1) | 5,799 |
| 9 | Other Investments (124) | 16,814 |
| 10 | Total Other Property and Investments | <u>34,768</u> |
| <u>Current and Accrued Assets</u> | | |
| 11 | Cash & Other Temporary Investments(131-136) | 272,569 |
| 12 | Notes Receivable (141) | - |
| 13 | Customer Accounts Receivable (142) | 213,588 |
| 14 | Other Accounts Receivable (143) | 112,497 |
| 15 | Accum Provision for Uncollectible (144) | (55,581) |
| 16 | Note Receivables from Associated Companies (145) | - |
| 17 | Accounts Receivable Assoc. Comp. (146) | 7,681 |
| 18 | Fuel Stock (151) | 1,164 |
| 19 | Plant Materials & Supplies (154) | 30,390 |
| 20 | Gas Stored - Current (164.1) | 27,515 |
| 21 | Liquefied Natural Gas Stored (164.2) | 2,138 |
| 22 | Prepayments (165) | 17,382 |
| 23 | Interest & Dividends Receivable (171) | 4 |
| 24 | Accrued Utility Revenues (173) | 162,332 |
| 25 | Miscellaneous Current & Accrued Assets (174) | 8,060 |
| 26 | Total Current and Accrued Assets | <u>799,739</u> |
| <u>Deferred Debits</u> | | |
| 27 | Unamortized Debt Expense (181) | 17,007 |
| 28 | Other Regulatory Assets (182.3) | 409,225 |
| 29 | Miscellaneous Deferred Debits (186) | 887,186 |
| 30 | Unamortized Loss on Reacquired Debt (189) | 491 |
| 31 | Accumulated Deferred Income Taxes (190) | 190,046 |
| 32 | Total Deferred Debits | <u>1,503,955</u> |
| 33 | Total Assets and Other Debits | <u>\$ 10,379,694</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historical Test Year Ended December 31, 2017
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Balance Sheet

| Line No | Description | [1] Total Company Actual HTY 2017 |
|--|--|--|
| <u>Proprietary Capital</u> | | |
| 34 | Common Stock Issued (201) | \$ 1,423,004 |
| 35 | Preferred Stock Issued (204) | - |
| 36 | Other Paid-In Capital (208-211) | 1,066,200 |
| 37 | Capital Stock Expense (214) | (87) |
| 38 | Retained Earnings (215, 215.2, 216) | 4,227,598 |
| 39 | Unappropriated Undistributed Subsidiary Earnings (216.1) | (3,140,936) |
| 40 | Accum Other Comprehensive Income (219) | 1,630 |
| 41 | Total Proprietary Capital & Margins | 3,577,410 |
| <u>Long Term Debt</u> | | |
| 42 | Bonds (221) | 2,925,000 |
| 43 | Advances from Associated Companies (223) | 184,419 |
| 44 | Other Long-Term Debt (224) | - |
| 45 | Unamortized Premium on LTD (225) | - |
| 46 | Unamortized Discount on LTD (226) | (5,486) |
| 47 | Total Long-term Debt | 3,103,933 |
| <u>Other Non-Current Liabilities</u> | | |
| 48 | Obligations under Capital Leases (227) | - |
| 49 | Accum. Prov for Injuries & Damages (228.2) | 43,593 |
| 50 | Accum. Prov for Pensions & Benefits (228.3) | 304,118 |
| 51 | Accum. Miscellaneous Operating Prov (228.4) | 23,582 |
| 52 | Asset Retirement Obligation (230) | 27,223 |
| 53 | Total Other Non-Current Liabilities | 398,516 |
| <u>Current and Accrued Liabilities</u> | | |
| 54 | Notes Payable (231) | - |
| 55 | Accounts Payable (232) | 370,532 |
| 56 | Notes Payable to Assoc. Companies (233) | - |
| 57 | Accounts Payable to Assoc. Companies (234) | 54,459 |
| 58 | Customer Deposits (235) | 65,714 |
| 59 | Taxes Accrued (236) | 17,265 |
| 60 | Interest Accrued (237) | 33,008 |
| 61 | Dividends Declared (238) | - |
| 62 | Tax Collections Payable (241) | 43 |
| 63 | Misc Current & Accrued Liabilities (242) | 87,070 |
| 64 | Total Current & Accrued Liabilities | 628,091 |
| <u>Other Deferred Credits</u> | | |
| 65 | Customer Advances for Construction (252) | 707 |
| 66 | Other Deferred Credits (253) | 1,429 |
| 67 | Other Regulatory Liabilities (254) | 689,415 |
| 68 | Deferred Investment Tax Credit (255) | 1,026 |
| 69 | Unamortized Gain on Reacquired Debt (257) | 697 |
| 70 | Accumulated Deferred Income Taxes (281-283) | 1,978,471 |
| 71 | Total Other Deferred Credits | 2,671,744 |
| 72 | Total Liabilities and Other Credits | \$ 10,379,694 |

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Statement of Net Utility Operating Income

| Line No | Description | [1] Account Number | [2] Electric Per Actual HTY 2017 | [3] Non-Pennsylvania Jurisdiction | [4] Pennsylvania Jurisdiction HTY 2017 [2] + [3] | [5] Reference |
|---------------------------------|--------------------------------------|-------------------------|---|---|--|--------------------|
| <u>Total Operating Revenues</u> | | | | | | |
| 1 | Customer & Distribution Revenues | | \$ 1,323,202 | \$ - | \$ 1,323,202 | B-3 |
| 2 | Electric Cost Revenue | | 688,673 | - | 688,673 | B-3 |
| 3 | Transmission | | 331,204 | (183,177) | 148,026 | B-3 |
| 4 | Other Operating Revenues | | 31,321 | (8,224) | 23,098 | B-3 |
| 5 | Total Operating Revenues | 400 | <u>\$ 2,374,400</u> | <u>\$ (191,401)</u> | <u>\$ 2,183,000</u> | |
| <u>Total Operating Expenses</u> | | | | | | |
| 6 | Operation & Maintenance Expenses | 401,402 | \$ 1,454,562 | \$ (69,690) | \$ 1,384,871 | B-4 |
| 7 | Depreciation & Amortization Expense | 403,404 | 209,711 | (30,576) | 179,135 | D-2 |
| 8 | Amortization of Regulatory Expense | 405 | 12,323 | | 12,323 | D-2 |
| 9 | Taxes Other Than Income Taxes | 408.1 | 148,068 | (3,486) | 144,582 | B-5 |
| 10 | Total Operating Expenses | | <u>\$ 1,824,664</u> | <u>\$ (103,753)</u> | <u>\$ 1,720,911</u> | |
| 11 | Operating Income Before Income Taxes | | \$ 549,736 | \$ (87,648) | \$ 462,088 | |

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Statement of Operating Revenue

| Line No | Description | [1] Electric Per Actual HTY 2017 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction HTY 2017 [1] + [2] |
|--|--|---|---|--|
| Customer & Distribution Revenue | | | | |
| 1 | Residential | \$ 872,642 | \$ - | \$ 872,642 |
| 2 | Small C & I | 245,591 | - | 245,591 |
| 3 | Large C & I | 177,080 | - | 177,080 |
| 4 | Other Customer Classes | 27,890 | - | 27,890 |
| 5 | Sub-Total Customer & Distribution Revenues | <u>\$ 1,323,202</u> | <u>\$ -</u> | <u>\$ 1,323,202</u> |
| Electric Cost Revenue | | | | |
| 6 | Residential | \$ 543,506 | \$ - | \$ 543,506 |
| 7 | Small C & I | 124,466 | - | 124,466 |
| 8 | Large C & I | 20,031 | - | 20,031 |
| 9 | Other Customer Classes | 669 | - | 669 |
| 10 | Sub-Total Purchased Electricity Revenues | <u>\$ 688,673</u> | <u>\$ -</u> | <u>\$ 688,673</u> |
| 11 | Transmission Revenue - All Classes | 148,026 | - | 148,026 |
| 12 | Total Retail Revenues | <u>\$ 2,159,902</u> | <u>\$ -</u> | <u>\$ 2,159,902</u> |
| Other Revenue | | | | |
| 13 | Forfeited Discounts | \$ 11,699 | \$ - | \$ 11,699 |
| 14 | Miscellaneous Service Revenues | 5,040 | - | 5,040 |
| 15 | Rent For Electric Property | 25,610 | (7,915) | 17,695 |
| 16 | Decommissioning Payment | (23,455) | - | (23,455) |
| 17 | Other Electric Revenues | 12,427 | (309) | 12,118 |
| 18 | Transmission of Electricity for Others | 183,177 | (183,177) | - |
| 19 | Total Other Operating Revenues | <u>\$ 214,499</u> | <u>\$ (191,401)</u> | <u>\$ 23,098</u> |
| 20 | Total Operating Revenues | <u><u>\$ 2,374,400</u></u> | <u><u>\$ (191,401)</u></u> | <u><u>\$ 2,183,000</u></u> |

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Operation & Maintenance Expenses

| Line No | Description | Account Number | [1] Electric Per Actual HTY 2017 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction HTY 2017 [1] + [2] |
|--------------------------------|--|----------------|---|---|--|
| Power Supply Expenses | | | | | |
| 1 | Maintenance of Structures | 529 | \$ 25 | | \$ 25 |
| 1a | Purchased Power | 555 | 646,922 | - | 646,922 |
| 2 | Other Expenses | 557 | 1,966 | - | 1,966 |
| 3 | Power Supply | L1 + L2 | <u>648,913</u> | <u>-</u> | <u>648,913</u> |
| Transmission Expense | | | | | |
| Operation | | | | | |
| 4 | Operation & Supervision | 560 | 5,823 | (5,823) | \$ - |
| 5 | Load Dispatching | 561 | - | - | - |
| 6 | Scheduling, System Control & Dispatch | 561.4 | 63,315 | - | 63,315 |
| 7 | Transmission Service Studies | 562 | - | - | - |
| 8 | Generation Service Studies | 562 | - | - | - |
| 9 | Reliability, Planning & Standard Development | 561.8 | 72,966 | - | 72,966 |
| 10 | Station Expense | 562 | 400 | (400) | - |
| 11 | Overhead Lines | 563 | 361 | (361) | - |
| 12 | Underground Lines Expense | 564 | - | - | - |
| 13 | Miscellaneous Expense | 566 | 11,680 | (11,680) | - |
| 14 | Rents | 567 | 8,479 | (8,479) | - |
| 15 | Total Transmission Operation Expense | Sum L4 to L14 | <u>163,024</u> | <u>(26,743)</u> | <u>\$ 136,281</u> |
| Maintenance Expense | | | | | |
| 16 | Maintenance of Structures | 569 | 95 | (95) | \$ - |
| 17 | Maintenance of Computer Hardware | 569.1 | 103 | (103) | - |
| 18 | Maintenance of Computer Software | 569.2 | 292 | (292) | - |
| 19 | Maintenance of Communication Equipment | 569.3 | 182 | (182) | - |
| 20 | Maintenance of Station Equipment | 570 | 9,641 | (9,641) | - |
| 21 | Maintenance Overhead Lines | 571 | 6,755 | (6,755) | - |
| 22 | Maintenance of Underground Lines | 572 | 720 | (720) | - |
| 23 | Maintenance of Misc Transmission Plant | 573 | 5,044 | (5,044) | - |
| 24 | Total Transmission Maintenance | Sum L16 to L23 | <u>22,834</u> | <u>(22,834)</u> | <u>\$ -</u> |
| 25 | Transmission Expense | | <u>185,857</u> | <u>(49,576)</u> | <u>\$ 136,281</u> |
| Regional Market Expense | | | | | |
| 26 | Market Facilitation, Monitoring & Compliance | 573 | 25 | - | \$ 25 |
| 27 | Other | | - | - | - |
| 28 | Regional Market | L26 + L27 | <u>25</u> | <u>-</u> | <u>\$ 25</u> |
| Distribution Expense | | | | | |
| Operations Expense | | | | | |
| 29 | Operation & Supervision | 580 | \$ 389 | | \$ 389 |
| 30 | Load Dispatching | 581 | 21 | | 21 |
| 31 | Station Expense | 582 | 2,161 | | 2,161 |
| 32 | Overhead Lines Expenses | 583 | 5,750 | | 5,750 |
| 33 | Underground Lines Expense | 584 | 7,420 | | 7,420 |
| 34 | Meter Expenses | 586 | 10,548 | | 10,548 |
| 35 | Customer Installations Expense | 587 | 8,324 | | 8,324 |
| 36 | Miscellaneous Expense | 588 | 50,355 | | 50,355 |
| 37 | Rents | 589 | 221 | | 221 |
| 38 | Total Distribution Operations | Sum L29 to L37 | <u>\$ 85,188</u> | <u>-</u> | <u>\$ 85,188</u> |

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Operation & Maintenance Expenses

| Line No | Description | Account Number | [1] Electric Per Actual HTY 2017 | [2] Non-Pennsylvania Jurisdiction | [3] Pennsylvania Jurisdiction HTY 2017 [1] + [2] |
|---|---|-------------------------------|---|---|--|
| Maintenance | | | | | |
| 39 | Maintenance - Energy Efficiency Programs | | \$ - | | \$ - |
| 40 | Maintenance of Structures | 591 | 4,077 | | 4,077 |
| 41 | Maintenance of Station Equipment | 592 | 16,408 | | 16,408 |
| 42 | Maintenance of Overhead Lines | 593 | 104,175 | | 104,175 |
| 43 | Maintenance of Underground Lines | 594 | 33,354 | | 33,354 |
| 44 | Maintenance of Line Transformers | 595 | 1,271 | | 1,271 |
| 45 | Maintenance of Street Lighting & Signal Systems | 596 | 1,096 | | 1,096 |
| 46 | Maintenance of Misc. Distribution | 598 | 15,777 | | 15,777 |
| 47 | Total Distribution Maintenance | Sum L39 to L46 | <u>\$ 176,157</u> | <u>\$ -</u> | <u>\$ 176,157</u> |
| 48 | Distribution Expense | L38 + L47 | <u>\$ 261,345</u> | <u>\$ -</u> | <u>\$ 261,345</u> |
| Customer Accounts | | | | | |
| 49 | Supervision | 901 | \$ - | | \$ - |
| 50 | Meter Reading | 902 | 544 | | 544 |
| 51 | Customer Records and Collection | 903 | 68,456 | | 68,456 |
| 52 | Uncollectible Accounts | 904 | 25,317 | | 25,317 |
| 53 | Miscellaneous Customer Accounts | 905 | 3,892 | | 3,892 |
| 54 | Total Customer Accounts | Sum L49 to L53 | <u>\$ 98,209</u> | <u>\$ -</u> | <u>\$ 98,209</u> |
| Customer Service & Information | | | | | |
| 55 | Customer Assistance | 908 | \$ 66,551 | | \$ 66,551 |
| 56 | Informational & Instructional | 909 | 1,226 | | 1,226 |
| 57 | Miscellaneous Customer & Informational | 910 | 331 | | 331 |
| 58 | Total Customer Service & Information | Sum L55 to L57 | <u>\$ 68,108</u> | <u>\$ -</u> | <u>\$ 68,108</u> |
| Sales | | | | | |
| 59 | Demonstrating & Selling | 912 | \$ 737 | | \$ 737 |
| 60 | Miscellaneous Sales | 916 | - | | - |
| 61 | Total Sales | L59 + L60 | <u>\$ 737</u> | <u>\$ -</u> | <u>\$ 737</u> |
| Administration & General | | | | | |
| Operation | | | | | |
| 62 | Administrative and General Salaries | 920.0 | \$ 24,913 | (1,986) | \$ 22,927 |
| 63 | Office Supplies and Expenses | 921.0 | 13,031 | (1,859) | 11,172 |
| 64 | Administrative Expenses Transferred-Credit | 922.0 | - | - | - |
| 65 | Outside Service Employed | 923.0 | 89,331 | (11,138) | 78,193 |
| 66 | Property Insurance | 924.0 | 264 | (45) | 219 |
| 67 | Injuries and Damages | 925.0 | 13,933 | (151) | 13,782 |
| 68 | Employee Pensions and Benefits | 926.0 | 36,174 | (4,247) | 31,927 |
| 69 | Franchise Requirements | 927.0 | - | - | - |
| 70 | Regulatory Commission Expenses | 928.0 | 8,612 | - | 8,612 |
| 71 | Duplicate Charges-Credit | 929.0 | (3,511) | 344 | (3,167) |
| 72 | General Advertising Expenses | 930.1 | - | - | - |
| 73 | Miscellaneous General Expenses | 930.2 | 3,426 | (460) | 2,965 |
| 74 | Rents | 931.0 | - | - | - |
| 75 | A & G Operation Expenses | Sum L62 to L74 | <u>\$ 186,174</u> | <u>\$ (19,543)</u> | <u>\$ 166,630</u> |
| Maintenance | | | | | |
| 76 | Maintenance of General Plant | 935 | 5,194 | (571) | 4,623 |
| 77 | Administrative & General | L75 + L76 | <u>\$ 191,368</u> | <u>\$ (20,114)</u> | <u>\$ 171,254</u> |
| 78 | Total Electric O & M Expenses | Sum L(3,25,28,48,54,58,61,77) | <u>\$ 1,454,562</u> | <u>\$ (69,690)</u> | <u>\$ 1,384,871</u> |
| 79 | Total Electric Operation Expenses | Sum L(3,15,28,38,54,58,61,75) | \$ 1,250,377 | \$ (46,286) | \$ 1,204,091 |
| 80 | Total Electric Maintenance Expenses | L24 + L47 + L76 | 204,185 | (23,405) | 180,781 |
| 81 | Total Electric O & M Expenses | L79 + L80 | <u>\$ 1,454,562</u> | <u>\$ (69,690)</u> | <u>\$ 1,384,871</u> |

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Operation & Maintenance Expenses - A&G

| Line No | Description | Account Number | [1] Electric Per Actual HTY 2017 | [2] Percentage to Non-Pennsylvania | [3] Non-Pennsylvania Jurisdiction [1] * [2] | [4] Pennsylvania Jurisdiction HTY 2017 [1] + [3] |
|--|--|----------------|---|---|--|--|
| ADMINISTRATION & GENERAL - Distribution | | | | | | |
| Operation | | | | | | |
| 1 | Administrative and General Salaries | 920.0 | \$ 22,919 | 0.000% | \$ - | \$ 22,919 |
| 2 | Office Supplies and Expenses | 921.0 | 11,141 | 0.000% | - | 11,141 |
| 3 | Administrative Expenses Transferred-Credit | 922.0 | - | 0.000% | - | - |
| 4 | Outside Service Employed | 923.0 | 79,926 | 0.000% | - | 79,926 |
| 5 | Property Insurance | 924.0 | 63 | 0.000% | - | 63 |
| 6 | Injuries and Damages | 925.0 | 13,782 | 0.000% | - | 13,782 |
| 7 | Employee Pensions and Benefits | 926.0 | 31,945 | 0.000% | - | 31,945 |
| 8 | Franchise Requirements | 927.0 | - | 0.000% | - | - |
| 9 | Regulatory Commission Expenses | 928.0 | 8,612 | 0.000% | - | 8,612 |
| 10 | Duplicate Charges-Credit | 929.0 | (3,126) | 0.000% | - | (3,126) |
| 11 | General Advertising Expenses | 930.1 | - | 0.000% | - | - |
| 12 | Miscellaneous General Expenses | 930.2 | 2,965 | 0.000% | - | 2,965 |
| 13 | Rents | 931.0 | - | 0.000% | - | - |
| 14 | A & G Operation Expenses - Distribution | Sum L1 to L13 | <u>\$ 168,227</u> | | <u>\$ -</u> | <u>\$ 168,227</u> |
| Maintenance | | | | | | |
| 15 | Maintenance of General Plant | 935 | 4,623 | 0.000% | - | 4,623 |
| 16 | Administrative & General - Distribution | L14 + L15 | <u>\$ 172,850</u> | | <u>\$ -</u> | <u>\$ 172,850</u> |
| ADMINISTRATION & GENERAL - Transmission | | | | | | |
| Operation | | | | | | |
| 17 | Administrative and General Salaries | 920.0 | \$ 1,985 | 100.000% | \$ (1,985) | \$ - |
| 18 | Office Supplies and Expenses | 921.0 | 1,855 | 100.000% | (1,855) | - |
| 19 | Administrative Expenses Transferred-Credit | 922.0 | - | 100.000% | - | - |
| 20 | Outside Service Employed | 923.0 | 11,359 | 100.000% | (11,359) | - |
| 21 | Property Insurance | 924.0 | 8 | 100.000% | (8) | - |
| 22 | Injuries and Damages | 925.0 | 151 | 100.000% | (151) | - |
| 23 | Employee Pensions and Benefits | 926.0 | 4,250 | 100.000% | (4,250) | - |
| 24 | Franchise Requirements | 927.0 | - | 100.000% | - | - |
| 25 | Regulatory Commission Expenses | 928.0 | - | 100.000% | - | - |
| 26 | Duplicate Charges-Credit | 929.0 | (339) | 100.000% | 339 | - |
| 27 | General Advertising Expenses | 930.1 | - | 100.000% | - | - |
| 28 | Miscellaneous General Expenses | 930.2 | 460 | 100.000% | (460) | - |
| 29 | Rents | 931.0 | - | 100.000% | - | - |
| 30 | A & G Operation Expenses - Transmission | Sum L17 to L29 | <u>\$ 19,730</u> | | <u>\$ (19,730)</u> | <u>\$ -</u> |
| Maintenance | | | | | | |
| 31 | Maintenance of General Plant | 935 | 571 | 100.000% | (571) | - |
| 32 | Administrative & General - Transmission | L30 + L31 | <u>\$ 20,301</u> | | <u>\$ (20,301)</u> | <u>\$ -</u> |

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Operation & Maintenance Expenses - A&G

| Line No | Description | Account Number | [1] Electric Per Actual HTY 2017 | [2] Percentage to Non-Pennsylvania | [3] Non-Pennsylvania Jurisdiction [1] * [2] | [4] Pennsylvania Jurisdiction HTY 2017 [1] + [3] |
|---|---|----------------|---|---|--|--|
| ADMINISTRATION & GENERAL - General | | | | | | |
| Operation | | | | | | |
| 33 | Administrative and General Salaries | 920.0 | \$ 9 | 11.313% | \$ (1) | \$ 8 |
| 34 | Office Supplies and Expenses | 921.0 | 35 | 11.313% | (4) | 31 |
| 35 | Administrative Expenses Transferred-Credit | 922.0 | - | 11.313% | - | - |
| 36 | Outside Service Employed | 923.0 | (1,955) | 11.313% | 221 | (1,733) |
| 37 | Property Insurance | 924.0 | 194 | 19.171% | (37) | 156 |
| 38 | Injuries and Damages | 925.0 | - | 11.313% | - | - |
| 39 | Employee Pensions and Benefits | 926.0 | (20) | 11.313% | 2 | (18) |
| 40 | Franchise Requirements | 927.0 | - | 11.313% | - | - |
| 41 | Regulatory Commission Expenses | 928.0 | - | 0.000% | - | - |
| 42 | Duplicate Charges-Credit | 929.0 | (46) | 11.313% | 5 | (41) |
| 43 | General Advertising Expenses | 930.1 | - | 11.313% | - | - |
| 44 | Miscellaneous General Expenses | 930.2 | - | 11.313% | - | - |
| 45 | Rents | 931.0 | - | 11.313% | - | - |
| 46 | A & G Operation Expenses - General | Sum L33 to L45 | <u>\$ (1,783)</u> | | <u>\$ 187</u> | <u>\$ (1,597)</u> |
| Maintenance | | | | | | |
| 47 | Maintenance of General Plant | 935 | - | 11.313% | - | 0 |
| 48 | Administrative & General - General | L46 + L47 | <u>\$ (1,783)</u> | | <u>\$ 187</u> | <u>\$ (1,597)</u> |
| ADMINISTRATION & GENERAL - Total | | | | | | |
| Operation | | | | | | |
| 49 | Administrative and General Salaries | 920.0 | \$ 24,913 | | \$ (1,986) | \$ 22,927 |
| 50 | Office Supplies and Expenses | 921.0 | 13,031 | | (1,859) | 11,172 |
| 51 | Administrative Expenses Transferred-Credit | 922.0 | - | | - | - |
| 52 | Outside Service Employed | 923.0 | 89,331 | | (11,138) | 78,193 |
| 53 | Property Insurance | 924.0 | 264 | | (45) | 219 |
| 54 | Injuries and Damages | 925.0 | 13,933 | | (151) | 13,782 |
| 55 | Employee Pensions and Benefits | 926.0 | 36,174 | | (4,247) | 31,927 |
| 56 | Franchise Requirements | 927.0 | - | | - | - |
| 57 | Regulatory Commission Expenses | 928.0 | 8,612 | | - | 8,612 |
| 58 | Duplicate Charges-Credit | 929.0 | (3,511) | | 344 | (3,167) |
| 59 | General Advertising Expenses | 930.1 | - | | - | - |
| 60 | Miscellaneous General Expenses | 930.2 | 3,426 | | (460) | 2,965 |
| 61 | Rents | 931.0 | - | | - | - |
| 62 | A & G Operation Expenses - Total | Sum L49 to L61 | <u>\$ 186,174</u> | | <u>\$ (19,543)</u> | <u>\$ 166,630</u> |
| Maintenance | | | | | | |
| 63 | Maintenance of General Plant | 935 | 5,194 | | (571) | 4,623 |
| 64 | Administrative & General - Total | L62 + L63 | <u>\$ 191,368</u> | | <u>\$ (20,114)</u> | <u>\$ 171,254</u> |

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Detail of Taxes Other Than Income

| Line No | Description | [1] Function or Schedule | [2] Electric Per Actual HTY 2017 | [3] Non-Pennsylvania Jurisdiction | [4] Pennsylvania Jurisdiction HTY 2017 |
|--------------------------------------|--------------------------------------|----------------------------------|---|---|---|
| Taxes Other Than Income Taxes | | | | | |
| Non-Revenue Related: | | | | | |
| 1 | PA Real Estate Tax | D-16 | \$ 4,207 | \$ (806) | \$ 3,400 |
| 2 | Pennsylvania - PURTA | D-16 | 6,533 | (1,252) | 5,280 |
| 3 | Capital Stock | D-16 | - | - | - |
| 4 | PA and Local Use Taxes | D-16 | 487 | (93) | 394 |
| 5 | Miscellaneous Taxes | D-17 | - | - | - |
| 6 | Subtotal | Sum L1 to L5 | <u>\$ 11,227</u> | <u>\$ (2,152)</u> | <u>\$ 9,075</u> |
| Payroll Taxes | | | | | |
| 7 | Payroll Taxes | D-16 | 11,792 | (1,334) | 10,458 |
| 8 | Other | | - | - | - |
| 9 | Subtotal | L7 + L8 | <u>\$ 11,792</u> | <u>\$ (1,334)</u> | <u>\$ 10,458</u> |
| Revenue Related: | | | | | |
| 10 | State Gross Receipts Pennsylvania | D-16 | \$ 125,049 | \$ - | \$ 125,049 |
| 11 | Total Taxes Other Than Income Taxes | L6 + L9 + L10 | <u><u>\$ 148,068</u></u> | <u><u>\$ (3,486)</u></u> | <u><u>\$ 144,582</u></u> |

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Composite Cost of Long-Term Debt

| Line No | Description | [1] Amount Outstanding | [2] Percent to Total | [3] Effective Interest Rate | [4] Average Weighted Cost Rate [2] * [3] | [5] Annualized Cost |
|--|---|--------------------------------|------------------------------|--|--|-----------------------------|
| First & Refunding Mortgage Bonds - Fixed Rate | | | | | | |
| 1 | 1.70% due 2021 | \$ 300,000 | 9.65% | 1.86% | 0.18% | |
| 2 | 2.375% due 2022 | 350,000 | 11.26% | 2.47% | 0.28% | |
| 3 | 3.15% due 2025 | 350,000 | 11.26% | 3.29% | 0.37% | |
| 4 | 5.90% due 2034 | 75,000 | 2.41% | 6.00% | 0.14% | |
| 5 | 5.95% due 2036 | 300,000 | 9.65% | 6.04% | 0.58% | |
| 6 | 5.70% due 2037 | 175,000 | 5.63% | 5.81% | 0.33% | |
| 7 | 4.80% due 2043 | 250,000 | 8.04% | 4.89% | 0.39% | |
| 8 | 4.15% due 2044 | 300,000 | 9.65% | 4.23% | 0.41% | |
| 9 | 3.70% due 2047 | 325,000 | 10.45% | 3.75% | 0.39% | |
| 10 | 5.35% due 2018 | 500,000 | 16.08% | 5.47% | 0.88% | |
| 11 | Sub-Total Fixed Rate | <u>2,925,000</u> | <u>94.07%</u> | | | |
| Trust Preferred Capital Securities | | | | | | |
| 12 | 7.38% Rate Due 4/6/28 | 80,521 | 2.59% | 7.46% | 0.19% | |
| 13 | 6.50% Rate Due 4/6/28 | 805 | 0.03% | 6.50% | 0.00% | |
| 14 | 5.75% Rate Due 6/15/33 | 103,093 | 3.32% | 5.88% | 0.19% | |
| 15 | Sub-Total Capital Securities | <u>184,419</u> | <u>5.93%</u> | | | |
| 16 | Total Long-Term Debt | 3,109,419 | <u>100.00%</u> | | <u>4.33%</u> | |
| 17 | Adjustment for Tenders & Calls | <u>(13,214)</u> | | | | |
| 18 | Net Long-Term Debt | <u>\$ 3,096,205</u> | | | | |
| 19 | Annualized Cost | \$ 134,638 | | | | |
| 20 | Adjustment for Tenders & Calls Reacquired | <u>2,621</u> | | | | |
| 21 | Total | <u>\$ 137,259</u> | | | | <u>4.43%</u> |

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Rate of Return

| | [1] | [2] | [3] | [4] | [5] | |
|----------------|--------------------|-----------------------|-----------------------------|----------------------|----------------------------|----------------------------------|
| <u>Line No</u> | <u>Description</u> | <u>Capitalization</u> | <u>Capitalization Ratio</u> | <u>Embedded Cost</u> | <u>Statement Reference</u> | <u>Return-%</u> [2] * [3] |
| 1 | Long-Term Debt | \$ 3,096,205 | 46.41% | 4.43% | B-6 | 2.06% |
| 2 | Common Equity | <u>3,575,780</u> | <u>53.59%</u> | 10.95% | | <u>5.87%</u> |
| 3 | Total | <u>\$ 6,671,985</u> | <u>100.00%</u> | | | <u>7.93%</u> |

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Measures of Value

| Line No | Description | [1] | [2] | [4] | [5] | [6] |
|---------|---|---------------|----------|-----------------------------------|-----------------------|---------------------------------|
| | | Reference | | Measures of Value | | |
| | | Function | Schedule | Total Company Per Actual HTY 2017 | Adjustment | Adjusted HTY 2017 [3] + [4] |
| 1 | Utility Plant | | C-2 | \$ 7,975,034 | \$ (1,588,940) | \$ 6,386,095 |
| 2 | Accumulated Depreciation | | C-3 | (2,515,637) | 508,427 | (1,821,565) |
| 3 | Net Plant in Service | L1 + L2 | | \$ 5,459,397 | \$ (1,080,513) | \$ 4,564,530 |
| 4 | Working Capital | | C-4 | 147,323 | | 147,323 |
| 6 | Pension Assets / (Liabilities) | | C-5 | 89,703 | | 89,703 |
| 5 | Accumulated Deferred Income Taxes | | C-6 | (505,842) | | (505,842) |
| 7 | Customer Deposits | | C-7 | (50,574) | | (50,574) |
| 8 | Common Plant | | C-8 | 261,341 | | 261,341 |
| 9 | Customer Advances for Construction | | C-9 | (959) | | (959) |
| 10 | Unamortized AMR Investment | | C-10 | 34,652 | | 34,652 |
| 11 | Material & Supplies | | C-11 | 15,876 | | 15,876 |
| 12 | Accumulated Deferred Income Taxes - Reg Liability | | C-12 | (336,502) | | (336,502) |
| 13 | Total Measures of Value | Sum L3 to L12 | | <u>\$ 5,114,415</u> | <u>\$ (1,080,513)</u> | <u>\$ 4,219,548</u> |

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Pro Forma Utility Plant In Service Summary

| Line No | Description | [1] Schedule | [2] Per Actual December 31 HTY 2017 | [3] Adjustments | [4] Adjusted December 31 HTY 2017 [2] + [3] |
|---------|---------------------------------------|-------------------|--|-----------------------|---|
| 1 | Intangible Plant | Sec. C-2, Sch 2 | \$ 151,747 | \$ (12,919) | \$ 138,828 |
| 2 | Transmission Plant | Sec. C-2, Sch 2 | 1,547,014 | (1,547,014) | - |
| 3 | Distribution Plant | Sec. C-2, Sch 2 | 6,019,876 | - | 6,019,876 |
| 4 | General Plant | Sec. C-2, Sch 2 | <u>256,397</u> | <u>(29,006)</u> | <u>227,391</u> |
| 5 | Sub-Total Plant-In-Service | Sum L1 to L4 | \$ 7,975,034 | \$ (1,588,940) | \$ 6,386,095 |
| 6 | Completed Construction Not Classified | G/L a/c # 106 | <u>-</u> | <u>-</u> | <u>-</u> |
| 7 | Plant-In-Service | L5 + L6 | \$ 7,975,034 | \$ (1,588,940) | \$ 6,386,095 |
| 8 | Construction Work-In-Progress | G/L a/c # 107 | - | - | - |
| 9 | Other | | - | - | - |
| 10 | Total Utility Plant | Sum L7 to L9 | <u>\$ 7,975,034</u> | <u>\$ (1,588,940)</u> | <u>\$ 6,386,095</u> |

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Detail of Pro Forma Utility Plant In Service

| Line No | Description | [1] Account Number | [2] Per Actual December 31 HTY 2017 | [3] Adjustments | [4] Adjusted December 31 HTY 2017 [2] + [3] |
|----------------------------------|---|-----------------------------|--|------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ 163 | \$ (18) | \$ 145 |
| 2 | Miscellaneous Intangible Plant | 303 | 151,584 | (12,901) | 138,683 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 151,747</u> | <u>\$ (12,919)</u> | <u>\$ 138,828</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ 59,802 | \$ (59,802) | \$ - |
| 5 | Structures & Improvements | 352 | 72,935 | (72,935) | - |
| 6 | Station Equipment | 353 | 816,232 | (816,232) | - |
| 7 | Towers & Fixtures | 354 | 266,737 | (266,737) | - |
| 8 | Poles & Fixtures | 355 | 16,533 | (16,533) | - |
| 9 | Overhead Conductors & Devices | 356 | 193,125 | (193,125) | - |
| 10 | Underground Conduit | 357 | 14,956 | (14,956) | - |
| 11 | Underground Conductors & Devices | 358 | 104,556 | (104,556) | - |
| 12 | Roads & Trails | 359 | 2,137 | (2,137) | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 2 | (2) | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 1,547,014</u> | <u>\$ (1,547,014)</u> | <u>\$ -</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ 42,884 | \$ - | \$ 42,884 |
| 16 | Structures & Improvements | 361 | 113,662 | - | 113,662 |
| 17 | Station Equipment | 362 | 1,033,989 | - | 1,033,989 |
| 18 | Poles, Towers & Fixtures | 364 | 685,536 | - | 685,536 |
| 19 | Overhead Conductors & Devices | 365 | 1,177,016 | - | 1,177,016 |
| 20 | Underground Conduit | 366 | 407,268 | - | 407,268 |
| 21 | Underground Conductors & Devices | 367 | 1,187,119 | - | 1,187,119 |
| 22 | Line Transformers | 368 | 578,338 | - | 578,338 |
| 23 | Services | 369 | 410,590 | - | 410,590 |
| 24 | Meters | 370 | 304,939 | - | 304,939 |
| 25 | Installations on Customer Premises | 371 | 13,772 | - | 13,772 |
| 26 | Street Lighting & Signal Systems | 373 | 62,824 | - | 62,824 |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 1,939 | - | 1,939 |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 6,019,876</u> | <u>\$ -</u> | <u>\$ 6,019,876</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ 1,063 | \$ (120) | \$ 943 |
| 30 | Structures & Improvements | 390 | 49,661 | (5,618) | 44,043 |
| 31 | Office Furniture & Equipment | 391 | 15,879 | (1,796) | 14,083 |
| 32 | Transportation Equipment | 392 | - | - | - |
| 33 | Stores Equipment | 393 | 46 | (5) | 41 |
| 34 | Tools & Garage Equipment | 394 | 32,074 | (3,629) | 28,445 |
| 35 | Laboratory Equipment | 395 | 420 | (47) | 372 |
| 36 | Power Operated Equipment | 396 | - | - | - |
| 37 | Communications Equipment | 397 | 154,699 | (17,501) | 137,198 |
| 38 | Miscellaneous Equipment | 398 | 866 | (98) | 768 |
| 39 | Other Tangible Property | 399 | - | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 1,689 | (191) | 1,498 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 256,397</u> | <u>\$ (29,006)</u> | <u>\$ 227,391</u> |
| 42 | Total Plant In Service | L3 + L14 + L28 + L41 | <u>\$ 7,975,034</u> | <u>\$ (1,588,940)</u> | <u>\$ 6,386,095</u> |

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Pro Forma Plant Adjustments

| Line No | Description | [1] Account Number | [2] Per Actual December 31 HTY 2017 | [3] Non-PA Jurisdiction % | [4] Total Pro Forma Adjustments [2] * [3] |
|----------------------------------|---|-----------------------------|--|-----------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ 163 | 11.31% | \$ (18) |
| 2 | Miscellaneous Intangible Plant | 303 | 151,584 | | (12,901) |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ 151,747</u> | | <u>\$ (12,919)</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ 59,802 | 100.00% | \$ (59,802) |
| 5 | Structures & Improvements | 352 | 72,935 | 100.00% | (72,935) |
| 6 | Station Equipment | 353 | 816,232 | 100.00% | (816,232) |
| 7 | Towers & Fixtures | 354 | 266,737 | 100.00% | (266,737) |
| 8 | Poles & Fixtures | 355 | 16,533 | 100.00% | (16,533) |
| 9 | Overhead Conductors & Devices | 356 | 193,125 | 100.00% | (193,125) |
| 10 | Underground Conduit | 357 | 14,956 | 100.00% | (14,956) |
| 11 | Underground Conductors & Devices | 358 | 104,556 | 100.00% | (104,556) |
| 12 | Roads & Trails | 359 | 2,137 | 100.00% | (2,137) |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | 2 | 100.00% | (2) |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ 1,547,014</u> | | <u>\$ (1,547,014)</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ 42,884 | 0.00% | \$ - |
| 16 | Structures & Improvements | 361 | 113,662 | 0.00% | - |
| 17 | Station Equipment | 362 | 1,033,989 | 0.00% | - |
| 18 | Poles, Towers & Fixtures | 364 | 685,536 | 0.00% | - |
| 19 | Overhead Conductors & Devices | 365 | 1,177,016 | 0.00% | - |
| 20 | Underground Conduit | 366 | 407,268 | 0.00% | - |
| 21 | Underground Conductors & Devices | 367 | 1,187,119 | 0.00% | - |
| 22 | Line Transformers | 368 | 578,338 | 0.00% | - |
| 23 | Services | 369 | 410,590 | 0.00% | - |
| 24 | Meters | 370 | 304,939 | 0.00% | - |
| 25 | Installations on Customer Premises | 371 | 13,772 | 0.00% | - |
| 26 | Street Lighting & Signal Systems | 373 | 62,824 | 0.00% | - |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | 1,939 | 0.00% | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ 6,019,876</u> | | <u>\$ -</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ 1,063 | 11.31% | \$ (120) |
| 30 | Structures & Improvements | 390 | 49,661 | 11.31% | (5,618) |
| 31 | Office Furniture & Equipment | 391 | 15,879 | 11.31% | (1,796) |
| 32 | Transportation Equipment | 392 | - | 11.31% | - |
| 33 | Stores Equipment | 393 | 46 | 11.31% | (5) |
| 34 | Tools & Garage Equipment | 394 | 32,074 | 11.31% | (3,629) |
| 35 | Laboratory Equipment | 395 | 420 | 11.31% | (47) |
| 36 | Power Operated Equipment | 396 | - | 11.31% | - |
| 37 | Communications Equipment | 397 | 154,699 | 11.31% | (17,501) |
| 38 | Miscellaneous Equipment | 398 | 866 | 11.31% | (98) |
| 39 | Other Tangible Property | 399 | - | 11.31% | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | 1,689 | 11.31% | (191) |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ 256,397</u> | | <u>\$ (29,006)</u> |
| 42 | Total Plant-In-Service | L3 + L14 + L28 + L41 | <u>\$ 7,975,034</u> | | <u>\$ (1,588,940)</u> |

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Summary of Accumulated Depreciation

| Line No | Description | [1] Account Number | [2] Per Actual December 31 HTY 2017 | [3] Adjustments | [4] Adjusted December 31 HTY 2017 [2] + [3] |
|---------|---|-------------------------|--|----------------------|---|
| 1 | Intangible Plant | | \$ (93,824) | \$ 4,588 | \$ (89,236) |
| 2 | Transmission Plant | | (496,658) | 496,658 | - |
| 3 | Distribution Plant | | (1,676,034) | - | (1,676,034) |
| 4 | General Plant | | (63,476) | 7,181 | (56,295) |
| 5 | Accumulated Depreciation | Sum L1 to L4 | \$ (2,329,992) | \$ 508,427 | \$ (1,821,565) |
| 6 | Completed Construction Not Classified | | - | - | - |
| 7 | Other Utility Plant | | - | - | - |
| 8 | Transportation | | - | - | - |
| 9 | Total Accumulated Depreciation | Sum L5 to L8 | \$ (2,329,992) | \$ 508,427 | \$ (1,821,565) |
| 10 | Accumulated Amortization | | - | - | - |
| 11 | Total Accumulated Depreciation & Amortization | L9 + L10 | <u>\$ (2,329,992)</u> | <u>\$ 508,427</u> | <u>\$ (1,821,565)</u> |

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Accumulated Provision for Depreciation

| Line No | Description | [1] Account Number | [2] Per Actual December 31 HTY 2017 | [3] Adjustment | [4] Adjusted December 31 HTY 2017 [2] + [3] |
|----------------------------------|---|-------------------------|--|--------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | \$ - | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | (93,824) | 4,588 | (89,236) |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ (93,824)</u> | <u>\$ 4,588</u> | <u>\$ (89,236)</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | \$ - | \$ - |
| 5 | Structures & Improvements | 352 | (19,892) | 19,892 | - |
| 6 | Station Equipment | 353 | (187,978) | 187,978 | - |
| 7 | Towers & Fixtures | 354 | (155,693) | 155,693 | - |
| 8 | Poles & Fixtures | 355 | (2,841) | 2,841 | - |
| 9 | Overhead Conductors & Devices | 356 | (80,958) | 80,958 | - |
| 10 | Underground Conduit | 357 | (4,757) | 4,757 | - |
| 11 | Underground Conductors & Devices | 358 | (42,491) | 42,491 | - |
| 12 | Roads & Trails | 359 | (2,048) | 2,048 | - |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | - | - | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ (496,658)</u> | <u>\$ 496,658</u> | <u>\$ -</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | \$ - | \$ - |
| 16 | Structures & Improvements | 361 | (37,111) | - | (37,111) |
| 17 | Station Equipment | 362 | (432,747) | - | (432,747) |
| 18 | Poles, Towers & Fixtures | 364 | (144,204) | - | (144,204) |
| 19 | Overhead Conductors & Devices | 365 | (256,315) | - | (256,315) |
| 20 | Underground Conduit | 366 | (156,650) | - | (156,650) |
| 21 | Underground Conductors & Devices | 367 | (187,943) | - | (187,943) |
| 22 | Line Transformers | 368 | (186,556) | - | (186,556) |
| 23 | Services | 369 | (154,172) | - | (154,172) |
| 24 | Meters | 370 | (77,710) | - | (77,710) |
| 25 | Installations on Customer Premises | 371 | (6,313) | - | (6,313) |
| 26 | Street Lighting & Signal Systems | 373 | (34,041) | - | (34,041) |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | (2,271) | - | (2,271) |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ (1,676,034)</u> | <u>\$ -</u> | <u>\$ (1,676,034)</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | \$ - | \$ - |
| 30 | Structures & Improvements | 390 | (11,273) | 1,275 | (9,997) |
| 31 | Office Furniture & Equipment | 391 | (5,403) | 611 | (4,792) |
| 32 | Transportation Equipment | 392 | - | - | - |
| 33 | Stores Equipment | 393 | (3) | 0 | (3) |
| 34 | Tools & Garage Equipment | 394 | (8,989) | 1,017 | (7,972) |
| 35 | Laboratory Equipment | 395 | (277) | 31 | (246) |
| 36 | Power Operated Equipment | 396 | - | - | - |
| 37 | Communications Equipment | 397 | (36,501) | 4,129 | (32,371) |
| 38 | Miscellaneous Equipment | 398 | (726) | 82 | (644) |
| 39 | Other Tangible Property | 399 | - | - | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | (304) | 34 | (270) |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ (63,476)</u> | <u>\$ 7,181</u> | <u>\$ (56,295)</u> |
| 42 | Total Accumulated Provision For Depreciation | L3 + L14 + L28 + L41 | <u><u>\$ (2,329,992)</u></u> | <u><u>\$ 508,427</u></u> | <u><u>\$ (1,821,565)</u></u> |

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Accumulated Depreciation Adjustments

| Line No | Description | [1] Account Number | [2] Per Actual December 31 HTY 2017 | [3] Non-PA Jurisdiction % | [4] Total Pro Forma Adjustments [2] * [3] |
|----------------------------------|---|-------------------------|--|-----------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| 1 | Franchise & Consent | 302 | \$ - | 11.31% | \$ - |
| 2 | Miscellaneous Intangible Plant | 303 | (93,824) | | 4,588 |
| 3 | Total Intangible Plant | L1 + L2 | <u>\$ (93,824)</u> | | <u>\$ 4,588</u> |
| <u>Transmission Plant</u> | | | | | |
| 4 | Land & Land Rights | 350 | \$ - | 100.00% | \$ - |
| 5 | Structures & Improvements | 352 | (19,892) | 100.00% | 19,892 |
| 6 | Station Equipment | 353 | (187,978) | 100.00% | 187,978 |
| 7 | Towers & Fixtures | 354 | (155,693) | 100.00% | 155,693 |
| 8 | Poles & Fixtures | 355 | (2,841) | 100.00% | 2,841 |
| 9 | Overhead Conductors & Devices | 356 | (80,958) | 100.00% | 80,958 |
| 10 | Underground Conduit | 357 | (4,757) | 100.00% | 4,757 |
| 11 | Underground Conductors & Devices | 358 | (42,491) | 100.00% | 42,491 |
| 12 | Roads & Trails | 359 | (2,048) | 100.00% | 2,048 |
| 13 | Asset Retirement Costs for Transmission Plant | 359.1 | - | 100.00% | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>\$ (496,658)</u> | | <u>\$ 496,658</u> |
| <u>Distribution Plant</u> | | | | | |
| 15 | Land & Land Rights | 360 | \$ - | 0.00% | \$ - |
| 16 | Structures & Improvements | 361 | (37,111) | 0.00% | - |
| 17 | Station Equipment | 362 | (432,747) | 0.00% | - |
| 18 | Poles, Towers & Fixtures | 364 | (144,204) | 0.00% | - |
| 19 | Overhead Conductors & Devices | 365 | (256,315) | 0.00% | - |
| 20 | Underground Conduit | 366 | (156,650) | 0.00% | - |
| 21 | Underground Conductors & Devices | 367 | (187,943) | 0.00% | - |
| 22 | Line Transformers | 368 | (186,556) | 0.00% | - |
| 23 | Services | 369 | (154,172) | 0.00% | - |
| 24 | Meters | 370 | (77,710) | 0.00% | - |
| 25 | Installations on Customer Premises | 371 | (6,313) | 0.00% | - |
| 26 | Street Lighting & Signal Systems | 373 | (34,041) | 0.00% | - |
| 27 | Asset Retirement Costs for Distribution Plant | 374 | (2,271) | 0.00% | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>\$ (1,676,034)</u> | | <u>\$ -</u> |
| <u>General Plant</u> | | | | | |
| 29 | Land & Land Rights | 389 | \$ - | 11.31% | \$ - |
| 30 | Structures & Improvements | 390 | (11,273) | 11.31% | 1,275 |
| 31 | Office Furniture & Equipment | 391 | (5,403) | 11.31% | 611 |
| 32 | Transportation Equipment | 392 | - | 11.31% | - |
| 33 | Stores Equipment | 393 | (3) | 11.31% | 0 |
| 34 | Tools & Garage Equipment | 394 | (8,989) | 11.31% | 1,017 |
| 35 | Laboratory Equipment | 395 | (277) | 11.31% | 31 |
| 36 | Power Operated Equipment | 396 | - | 11.31% | - |
| 37 | Communications Equipment | 397 | (36,501) | 11.31% | 4,129 |
| 38 | Miscellaneous Equipment | 398 | (726) | 11.31% | 82 |
| 39 | Other Tangible Property | 399 | - | 11.31% | - |
| 40 | Asset Retirement Costs for General Plant | 399.1 | (304) | 11.31% | 34 |
| 41 | Total General Plant | Sum L29 to L40 | <u>\$ (63,476)</u> | | <u>\$ 7,181</u> |
| 42 | Total Accumulated Depreciation Adjustments | L3 + L14 + L28 + L41 | <u>\$ (2,329,992)</u> | | <u>\$ 508,427</u> |

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Working Capital Summary

[1]

[2]

| Line No | Description | Actual HTY 2017 | Reference |
|------------|-----------------------------------|--------------------|------------|
| 1 | Operating & Maintenance Expenses | \$ 91,538 | C-4 Page 2 |
| 2 | Accrued Taxes | 59,231 | C-4 Page 6 |
| 3 | Interest Payments | (10,464) | C-4 Page 8 |
| 4 | Average Prepayments | 7,018 | C-4 Page 9 |
| 5 | Total Working Capital Requirement | <u>\$ 147,323</u> | |

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Detail of Working Capital Summary

| Line No | Description | [1] Reference | [2] Actual HTY 2017 Expenses | [3] Factor C-4 Page 4 Col 5 | [4] (Lead) / Lag Dollar Amounts [2] * [3] | [5] Totals |
|------------------------------------|--|--------------------|---|--|--|-------------------|
| <u>Working Capital Requirement</u> | | | | | | |
| 1 | Revenue Lag Days | C-4 Page 3 | | | | 47.25 |
| | Expense Lag Days | | | | | |
| 2 | Payroll (Dist only) | D-6 & C-4 | \$ 148,036 | 16.00 | \$ 2,368,575 | |
| 3 | Pension Expense | D-9 & C-4 | 11,066 | -167.00 | (1,848,023) | |
| 4 | Commodity Purchased - [A] | D-2 & C-4 | 643,798 | 35.46 | 22,828,004 | |
| 5 | Commodity Purchased - [B] | B-3 & C-4 | 5,114 | 12.50 | 63,930 | |
| 6 | PJM Transmission Purchased - By-passable | D-3 & C-4 | 35,859 | 12.50 | 448,232 | |
| 7 | PJM Transmission Purchased - Non By-passable | D-3 & C-4 | 100,447 | 12.50 | 1,255,590 | |
| 8 | Other Expenses | L23 - Sum L2 to L7 | 403,671 | 37.63 | 15,190,133 | |
| 9 | Sub - Total O&M | Sum L2 to L8 | <u>\$ 1,347,991</u> | | <u>\$ 40,306,441</u> | |
| 10 | POR Payments to EGS | C-4 Page 10 | 1,100,721 | 38.14 | 41,984,747 | |
| 11 | Total O&M and POR Payments | | <u>\$ 2,448,712</u> | | <u>\$ 82,291,189</u> | |
| 12 | O & M Expense / POR Payment Lag Days | L11 [4] / [2] | | | | 33.606 |
| 13 | Net (Lead) Lag Days | L1 - L12 | | | | 13.64 |
| 14 | Operating Expenses Per Day | L11 [2] / 365 | | | | <u>\$ 6,709</u> |
| 15 | Working Capital for O & M Expense | L 13 * L 14 | | | | \$ 91,538 |
| 16 | Average Prepayments | C-4 Page 9 | | | | 7,018 |
| 17 | Accrued Taxes | C-4 Page 6 | | | | 59,231 |
| 18 | Interest Payments | C-4 Page 8 | | | | (10,464) |
| 19 | Total Working Capital Requirement | Sum L15 to L18 | | | | <u>\$ 147,323</u> |
| 20 | Pro Forma O & M Expense | D-1 | \$ 1,385,705 | | | |
| | Less: | | | | | |
| 21 | Uncollectible Expense | D-1 | (37,714) | | | |
| 22 | Sub-Total | L21 | <u>\$ (37,714)</u> | | | |
| 23 | Pro Forma Cash O&M Expense | L20 + L22 | <u>\$ 1,347,991</u> | | | |

[A] Contract Purchases of Electricity - All Except [B]

[B] Spot Market Purchases of Electricity - 1% of Total Residential Requirement

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Revenue Lag

| Line No | Description | [1] Reference Or Factor | [2] Accounts Receivable Balance End of Month | [3] Total Monthly Billing Revenue (A) | [4] A/R Turnover [3] / [2] | [5] Days Lag L1 / L17 [4] |
|---------|--|------------------------------------|--|---|---|--|
| 1 | Annual Number of Days | | | | | <u>365</u> |
| 2 | December, 2016 | | \$ 270,126 | | | |
| 3 | January, 2017 | | 329,966 | \$ 329,844 | | |
| 4 | February | | 332,132 | 281,728 | | |
| 5 | March | | 301,152 | 263,667 | | |
| 6 | April | | 302,067 | 246,439 | | |
| 7 | May | | 260,081 | 223,206 | | |
| 8 | June | | 273,784 | 258,967 | | |
| 9 | July | | 333,081 | 331,204 | | |
| 10 | August | | 295,554 | 318,108 | | |
| 11 | September | | 255,677 | 268,092 | | |
| 12 | October | | 227,365 | 261,345 | | |
| 13 | November | | 200,617 | 230,187 | | |
| 14 | December, 2017 | | 253,603 | 276,513 | | |
| 15 | Total | Sum L2 to L14 | \$ 3,635,204 | \$ 3,289,298 | | |
| 16 | Average A/R Balance | <u>13</u> | | | | |
| 17 | Factor | | \$ 279,631 | | <u>11.76</u> | <u>31.04</u> |
| 18 | Collection Days Lag | L17 [5] | | | | 31.04 |
| 19 | Billing and Revenue Recording Days Lag | | | | | 1.000 |
| 20 | Billing Lag (Average Period) | | 365 | / | 12 | * 0.5 = |
| 21 | Total Revenue Lag Days | Sum L18 to L20 | | | | <u>47.25</u> |

(A) Monthly billing revenue includes revenues PECO billed for suppliers

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Summary of Expense Lag Calculations

| Line No | Description | [1] Reference Or Factor | [2] Amount | [3] (Lead) / Lag Days | [4] Weighted Dollar Value [2] * [3] | [5] (Lead) / Lag Days [4] / [2] |
|--------------------------------------|---|------------------------------------|----------------------|-------------------------------|---|--|
| <u>Payroll</u> | | | | | | |
| 1 | Union & Non-Union Payroll | | \$ 140,818 | | | |
| 2 | Paid Bi-Weekly with nine-day lag (14 days / 2 + 9 days) | | | 16.00 | | |
| 3 | Weighted Payroll Dollar Value | | | | \$ 2,253,082 | |
| 4 | Payroll Lag | Sum L1 to L3 | <u>\$ 140,818</u> | | <u>\$ 2,253,082</u> | <u>16.00</u> |
| <u>Pension Payments</u> | | | | | | |
| 5 | Payment | 01/15/17 | \$ 23,898 | (167.0) | \$ (3,990,966) | |
| 6 | Sub-Total | | <u>\$ 23,898</u> | | <u>\$ (3,990,966)</u> | |
| 7 | Mid-point of Service Period | 07/01/17 | | | | |
| 8 | Lag Days for Pension Payment | L6 [4] / [2] | | | | <u>(167.00)</u> |
| <u>Purchased Power Costs</u> | | | | | | |
| 9 | Payment Lag - Contract Purchases | | | C-4 Pg 10 | | <u>35.46</u> |
| 10 | Payment Lag - Spot Market/PJM Transmission Purchases | | | C-4 Pg 10 | | <u>12.50</u> |
| 11 | Payment Lag - POR Payment to EGS | | | C-4 Pg 10 | | <u>38.14</u> |
| <u>Other O&M Expenses</u> | | | | | | |
| 12 | December 2016 | C-4 p5 | \$ 16,078,647 | | \$ 621,303,630 | |
| 13 | March 2017 | C-4 p5 | 14,808,344 | | 525,064,241 | |
| 14 | June 2017 | C-4 p5 | 22,968,377 | | 869,858,852 | |
| 15 | September 2017 | C-4 p5 | <u>15,570,406</u> | | <u>595,927,465</u> | |
| 16 | Total | Sum L12 to L15 | <u>\$ 69,425,774</u> | | <u>\$ 2,612,154,188</u> | <u>37.63</u> |

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General Disbursements Lag

| Line No | Description | [1] Number of CDs | [2] Cash Disbursements | [3] Dollar-Days | [4] Expense Lag-Days [3]/[2] |
|-------------------------------|---------------------------------------|------------------------|-----------------------------|----------------------|--|
| December 2016 | | | | | |
| 1 | Total Disbursements for Month | 20,171 | \$ 107,601,263 | | |
| 2 | Total Disbursements for Expenses | 1,339 | \$ 16,078,647 | \$ 621,303,630 | 38.64 |
| March 2017 | | | | | |
| 3 | Total Disbursements for Month | 17,532 | \$ 126,469,124 | | |
| 4 | Total Disbursements for Expenses | 1,221 | \$ 14,808,344 | \$ 525,064,241 | 35.46 |
| June 2017 | | | | | |
| 5 | Total Disbursements for Month | 22,088 | \$ 110,892,671 | | |
| 6 | Total Disbursements for Expenses | 1,316 | \$ 22,968,377 | \$ 869,858,852 | 37.87 |
| September 2017 | | | | | |
| 7 | Total Disbursements for Month | 18,338 | \$ 114,570,700 | | |
| 8 | Total Disbursements for Expenses | 1,234 | \$ 15,570,406 | \$ 595,927,465 | 38.27 |
| Total Four Test Months | | | | | |
| 9 | Total Test Month Expense Disbursement | 5,110 | \$ 69,425,774 | \$ 2,612,154,188 | 37.63 |

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Tax Expense Working Capital

| Line No | Description | [1] Reference | [2] Adjusted Proposed Rate Amount | [3] Net Revenue Lag-Days | [4] Accrued Taxes [2] * [3] |
|---------|--|--------------------|--|----------------------------------|--|
| 1 | Federal Income Taxes | | \$ 69,234 | 9.75 | \$ 675,032 |
| 2 | State Income Taxes | | 25,362 | 17.25 | 437,489 |
| 3 | PURTA Taxes | | 5,280 | 108.25 | 571,592 |
| 4 | PA Property Taxes | | 3,400 | 77.25 | 262,673 |
| 5 | Gross Receipts Tax | | 126,714 | 155.25 | 19,672,407 |
| 6 | Total | Sum L1 to L5 | | | <u>\$ 21,619,194</u> |
| 7 | Days in Year | | | | <u>365</u> |
| 8 | Average Daily Amount for Working Capital | L6 / L7 | | | <u>\$ 59,231</u> |

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Tax Expense - Lag Days

| Line No | Description | [1] Payment Dates | [2] Mid-Point of Service Period | [3] Lead (Lag) Payment Days [2] - [1] | [4] Payment Amount | [5] Weighted Lead (Lag) Dollars [3] * [4] | [6] Payment Lead (Lag) Days [5] / [4] | [7] Revenue (Lag) Days C-4, Pg3 | [8] Net Payment Lead (Lag) Days [6] - [7] |
|---------|---------------------------|------------------------|--------------------------------------|---|-------------------------|---|---|---|---|
| 1 | Federal Income Tax | 25% | | | \$ (69,234) | | | | |
| 2 | First Payment | 4/15/2017 | 07/01/17 | 77.00 | \$ (17,309) | \$ (1,332,756) | | | |
| 3 | Second Payment | 6/15/2017 | 07/01/17 | 16.00 | (17,309) | (276,936) | | | |
| 4 | Third Payment | 9/15/2017 | 07/01/17 | (76.00) | (17,309) | 1,315,447 | | | |
| 5 | Fourth Payment | 12/15/2017 | 07/01/17 | (167.00) | (17,309) | 2,890,522 | | | |
| 6 | Total | | | | <u>\$ (69,234)</u> | <u>\$ 2,596,277</u> | <u>(37.50)</u> | <u>47.25</u> | <u>9.75</u> |
| 7 | State Income Tax | 25% | | | \$ (25,362) | | | | |
| 8 | First Payment | 03/16/17 | 07/01/17 | 107.00 | \$ (6,340) | \$ (678,425) | | | |
| 9 | Second Payment | 06/15/17 | 07/01/17 | 16.00 | (6,340) | (101,447) | | | |
| 10 | Third Payment | 09/15/17 | 07/01/17 | (76.00) | (6,340) | 481,872 | | | |
| 11 | Fourth Payment | 12/15/17 | 07/01/17 | (167.00) | (6,340) | 1,058,851 | | | |
| 12 | Total | | | | <u>\$ (25,362)</u> | <u>\$ 760,851</u> | <u>(30.00)</u> | <u>47.25</u> | <u>17.25</u> |
| 13 | PURTA | | | | \$ 5,280 | | | | |
| 14 | Payment | 05/01/17 | 07/01/17 | 61.00 | \$ 5,280 | \$ 322,098 | 61.00 | 47.25 | 108.25 |
| 15 | PA Property Tax | 50% | | | \$ 3,400 | | | | |
| 16 | Payment | 06/01/17 | 07/01/17 | 30.00 | \$ 1,700 | \$ 51,004 | | | |
| 17 | Total | | | | <u>\$ 1,700</u> | <u>\$ 51,004</u> | <u>30.00</u> | <u>47.25</u> | <u>77.25</u> |
| 18 | Gross Receipts Tax | | | | | | | | |
| 19 | Payment | 03/15/17 | 07/01/17 | 108.00 | \$ 124,211 | \$ 13,414,763 | 108.00 | 47.25 | 155.25 |

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Interest Payments

| Line No | Description | [1] Reference | [2] No. of Days In The Year | [3] Number of Days | [4] Total |
|---------|--|--------------------|-------------------------------------|----------------------------|--------------------|
| 1 | Measures of Value at December 31, 2017 | A-1 | | | \$ 4,219,547 |
| 2 | Long-Term Debt Ratio | B-7 | | | 46.41% |
| 3 | Embedded Cost of Long-Term Debt | B-7 | | | 4.43% |
| 4 | Pro forma Interest Expense | L1* L2* L3 | | | <u>\$ 86,806</u> |
| 5 | Daily Amount | L4 / L5 [2] | 365 | | \$ 238 |
| 6 | Days to mid-point of interest payments | L5 [2] / 4 | | 91.25 | |
| 7 | Less: Revenue Lag Days | C-4 | | 47.25 | |
| 8 | Interest Payment Lag Days | L7 - L6 | | | (44.0) |
| 9 | Total Interest for Working Capital | L5 * L8 | | | <u>\$ (10,464)</u> |

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Average Prepaid Expense

| Line No | Description | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | [12] | [13] |
|---------|-------------------|---------------------|-----------|----------------------------------|----------|-------------------------|--------------------------|-------------|----------------------|----------------------|------------------|---------------------|---------------------|----------|
| | | TOTAL | ELECTRIC | DISTRIBUTION ELECTRIC | | | ELECTRIC & GAS | | | | | ELECTRIC DIST & GAS | | |
| | | | EPRI Dues | Prepaid Rents & Pole Attachments | EEI Dues | PUC Assessment Electric | Business Support Systems | VEBA Adjust | Facilities Contracts | IT Service Contracts | Fleet Activities | Land Leasing | Customer & Research | Postage |
| | | Sum [2] to [13] | | | | | | | | | | | | |
| 1 | December, 2016 | \$ 6,740 | \$ - | \$ 393 | \$ 0 | \$ 4,055 | \$ - | \$ 798 | \$ 38 | \$ 712 | \$ 294 | \$ 28 | \$ 81 | \$ 341 |
| 2 | January, 2017 | 8,199 | 0 | 731 | 599 | 3,379 | 852 | 798 | 211 | 526 | 301 | 27 | 28 | 745 |
| 3 | February | 8,055 | 395 | 599 | 545 | 2,703 | 694 | 798 | 188 | 693 | 304 | 27 | 460 | 648 |
| 4 | March | 7,446 | 395 | 516 | 490 | 2,027 | 535 | 606 | 165 | 1,302 | 311 | 27 | 327 | 744 |
| 5 | April | 6,562 | 395 | 373 | 436 | 1,352 | 475 | 606 | 143 | 1,518 | 321 | 27 | 495 | 422 |
| 6 | May | 5,498 | 264 | 238 | 381 | 676 | 416 | 606 | 120 | 1,569 | 320 | 27 | 350 | 530 |
| 7 | June | 8,852 | 264 | 181 | 327 | 5,200 | 356 | 145 | 98 | 1,163 | 295 | 27 | 202 | 595 |
| 8 | July | 8,955 | 264 | 647 | 272 | 4,340 | 297 | 145 | 75 | 1,164 | 293 | 26 | 669 | 762 |
| 9 | August | 7,679 | 132 | 502 | 218 | 3,848 | 238 | 145 | 52 | 937 | 271 | 26 | 715 | 594 |
| 10 | September | 10,038 | 132 | 438 | 163 | 6,127 | 178 | 358 | 106 | 1,017 | 275 | 26 | 568 | 651 |
| 11 | October | 9,171 | 132 | 479 | 109 | 5,446 | 119 | 358 | 83 | 904 | 277 | 26 | 705 | 533 |
| 12 | November | 8,188 | 0 | 362 | 54 | 4,765 | 159 | 358 | 61 | 857 | 304 | 26 | 572 | 670 |
| 13 | December, 2017 | 6,605 | 0 | 241 | 0 | 4,084 | 22 | (0) | 38 | 625 | 310 | 26 | 676 | 583 |
| 14 | Total | \$ 101,988 | \$ 2,373 | \$ 5,699 | \$ 3,594 | \$ 48,002 | \$ 4,342 | \$ 5,719 | \$ 1,379 | \$ 12,988 | \$ 3,877 | \$ 345 | \$ 5,851 | \$ 7,818 |
| 15 | Distribution Pct. | Exp Factor | 88.69% | 100.00% | 100.00% | 100.00% | 100.00% | 69.876% | 69.876% | 69.876% | 69.876% | 76.714% | 76.714% | 76.714% |
| 16 | Distribution Amt. | L14 * L15 | \$ 2,105 | \$ 5,699 | \$ 3,594 | \$ 48,002 | \$ 4,342 | \$ 3,996 | \$ 964 | \$ 9,076 | \$ 2,709 | \$ 265 | \$ 4,488 | \$ 5,997 |
| 17 | Number of Months | 13 | | | | | | | | | | | | |
| 18 | Monthly Average | L16 / L17 | \$ 162 | \$ 438 | \$ 276 | \$ 3,692 | \$ 334 | \$ 307 | \$ 74 | \$ 698 | \$ 208 | \$ 20 | \$ 345 | \$ 461 |
| 19 | Rate Case Amount | Sum L18 | \$ 7,018 | | | | | | | | | | | |

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Electric Energy Purchase / POR Lag

| Line No | Description | [1] Midpoint of Prior Month Service Period To End of Month | [2] Payment Date Month After Service Period | [3] Additional Weekend or Holidays Extending Payment Date | [4] Total Working Capital Lag Days | [5] Average |
|---|--|---|---|--|--|------------------|
| Contract Purchases in 2017 | | | | | [1] + [2] + [3] | |
| 1 | January | 15.50 | 19.00 | 1.00 | 35.50 | |
| 2 | February | 15.50 | 19.00 | 1.00 | 35.50 | |
| 3 | March | 14.00 | 19.00 | 1.00 | 34.00 | |
| 4 | April | 15.50 | 19.00 | 1.00 | 35.50 | |
| 5 | May | 15.00 | 19.00 | 3.00 | 37.00 | |
| 6 | June | 15.50 | 19.00 | 1.00 | 35.50 | |
| 7 | July | 15.00 | 19.00 | 1.00 | 35.00 | |
| 8 | August | 15.50 | 19.00 | 2.00 | 36.50 | |
| 9 | September | 15.50 | 19.00 | 1.00 | 35.50 | |
| 10 | October | 15.00 | 19.00 | 1.00 | 35.00 | |
| 11 | November | 15.50 | 19.00 | 1.00 | 35.50 | |
| 12 | December | 15.00 | 19.00 | 1.00 | 35.00 | |
| 13 | Average Payment Lag Days | | | | | 35.46 |
| | | Service Period | Units | Service Period # of Days | Lag Days | Total |
| Spot Market Purchases in 2017 and PJM Transmission Purchased | | | | | | |
| 14 | Service Period Weekly | Wed to Tues | Days | 7.00 | | |
| 15 | Days from Midpoint to End of Service | | | | 3.50 | |
| 16 | Payment Due on Friday of each Week | | | | 9.00 | |
| 17 | Total Payment Lag Days | | | | | 12.50 |
| | | Payment Lag Days | Revenue Percentage | Weighted Lag Days | Lag Days | Total |
| POR Program | | | | | | |
| 18 | Residential | 25.00 | 39% | 9.66 | | |
| 19 | Commercial and Industrial | 20.00 | 61% | 12.27 | | |
| 20 | Weighted Payment Lag Days | | | | 21.93 | |
| 21 | Billing and Revenue Recording Days Lag | | | | 1.00 | |
| 22 | Billing Lag (Average Period) | | | | 15.21 | |
| 23 | Total Payment Lag Days | | | | | 38.14 |

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Pension Assets / (Liability)

| Line No | Description | [1] Reference | [2] Total Amounts | [3] Allocation Factor | [4] Distribution Capital |
|------------|---|--------------------|------------------------|-------------------------------|----------------------------------|
| 1 | Balance at 12/31/2017 - Total | | \$ 340,268 | | |
| 2 | Allocation % to Electric Distribution Capital | | | <u>26.36%</u> | |
| 3 | Balance at 12/31/2017 - Distribution Capital | L1 * L2 | | | <u><u>\$ 89,703</u></u> |

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Accumulated Deferred Income Taxes

| Line No | Description | [1] Reference | [2] Total Amount | [3] Percent to Distribution | [4] Electric Distribution Amount [2] * [3] | [5] Total |
|--|--------------------------------------|--------------------|-----------------------|----------------------------------|--|-------------------|
| Accumulated Deferred Income Tax - A/C # 282 | | | | | | |
| Balance at the end of 2017 | | | | | | |
| 1 | Electric Distribution | | \$ 956,123 | 100.000% | \$ 956,123 | |
| 2 | Electric Common - a/c # 282 | | 4,844 | 88.687% | 4,296 | |
| 3 | Common Plant | | 26,037 | 69.876% | 18,194 | |
| 4 | Software - Common | | - | 69.876% | - | |
| 5 | ADIT on CIAC | | (36,969) | 100.000% | (36,969) | |
| 6 | ADIT on OPEB Contribution Limitation | | (99,299) | 100.000% | (99,299) | |
| 7 | NOL | | (2) | 69.876% | (1) | |
| 8 | Tax Reform - Adjust Deferreds | | (336,502) | 100.000% | <u>(336,502)</u> | |
| 9 | Balance at December 31, 2017 | Sum L1 to L8 [4] | | | | <u>\$ 505,842</u> |

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Customer Deposits

| Line No | Description | [1] Reference Or Factor | [2] Total |
|--|-------------------------|------------------------------------|-------------------|
| 1 | December, 2016 | | \$ 47,424 |
| 2 | January, 2017 | | 48,997 |
| 3 | February | | 49,158 |
| 4 | March | | 49,704 |
| 5 | April | | 50,120 |
| 6 | May | | 50,386 |
| 7 | June | | 50,756 |
| 8 | July | | 50,904 |
| 9 | August | | 51,218 |
| 10 | September | | 51,368 |
| 11 | October | | 51,634 |
| 12 | November | | 52,832 |
| 13 | December, 2017 | | 52,959 |
| 14 | Total | Sum L1 to L13 | <u>\$ 657,460</u> |
| 15 | Average Monthly Balance | L14 / 13 | <u>\$ 50,574</u> |
| <u>Electric Deposits By Customer Classification</u> | | | |
| 16 | HTY 2017 - Residential | | \$ 20,735 |
| 17 | - Small C&I | | 26,667 |
| 18 | - Large C&I | | 3,170 |
| 19 | - Street Lighting | | 2 |
| 20 | Total | Sum L16 to L19 | <u>\$ 50,574</u> |

PECO - Electric Operations
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Common Plant

| Line No | Description | Reference | [1] Total Amount | [2] Percent to Distribution | [3] Electric Distribution Amount [1] * [2] |
|--|---|----------------|-----------------------|----------------------------------|--|
| <u>Common Plant at December 31, 2017</u> | | | | | |
| 1 | Land | | \$ 6,783 | | |
| 2 | Organization | | 677 | | |
| 3 | Software | | 226,306 | | |
| 4 | General Plant | | 476,208 | | |
| 5 | Other | | <u>(0)</u> | | |
| 6 | Total Common Plant at December 31, 2017 | Sum L1 to L5 | <u>\$ 709,975</u> | 69.876% | <u>\$ 496,105</u> |
| <u>Common Plant Accumulated Depreciation at December 31, 2017</u> | | | | | |
| 7 | Software | | \$ (180,170) | | |
| 8 | General Plant | | (155,800) | | |
| 9 | Other | | <u>(0)</u> | | |
| 10 | Total Accumulated Depreciation at December 31, 2017 | Sum L7 to L9 | <u>\$ (335,971)</u> | 69.876% | <u>\$ (234,764)</u> |
| <u>Net Common Plant</u> | | | | | |
| 11 | Net Common Plant | L6 + L10 [1] | <u>\$ 374,004</u> | | |
| 12 | Allocation Factor | | | <u>69.876%</u> | |
| 13 | Total Net Common Plant for Electric | L6 + L10 [3] | | | <u>\$ 261,341</u> |

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Customer Advances for Construction

| Line No | Description | [1] Reference | [2] Total Test Year Amount |
|---------|-------------------------|--------------------|---------------------------------------|
| 1 | December, 2016 | | \$ 426 |
| 2 | January, 2017 | | 325 |
| 3 | February | | 300 |
| 4 | March | | 300 |
| 5 | April | | 857 |
| 6 | May | | 784 |
| 7 | June | | 666 |
| 8 | July | | 1,953 |
| 9 | August | | 1,501 |
| 10 | September | | 1,615 |
| 11 | October | | 1,645 |
| 12 | November | | 1,725 |
| 13 | December, 2017 | | 374 |
| 14 | Total | Sum L1 to L13 | <u>\$ 12,471</u> |
| 15 | Average Monthly Balance | L14 / 13 | <u>\$ 959</u> |

PECO - Electric Operations
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Exhibit **BSY-3**
Schedule **C-10**
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Unamortized AMR Investment

| Line No | Description | [1] Reference | [2] Amount | [3] Balance |
|------------|--|--------------------|-----------------|------------------|
| 1 | AMR Unamortized Balance as of 12/31/17 | | | \$ 34,652 |

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Materials and Supplies

| Line No | Description | Reference | [1] Materials & Supplies | [2] Undistributed Stores Expense | [3] Total [1] + [2] |
|---------|--|---------------|-------------------------------|---------------------------------------|---------------------------------|
| 1 | December, 2016 | | \$ 13,377 | \$ (0) | |
| 2 | January, 2017 | | 13,295 | 254 | |
| 3 | February | | 15,091 | 143 | |
| 4 | March | | 15,853 | 0 | |
| 5 | April | | 15,846 | (75) | |
| 6 | May | | 15,975 | (211) | |
| 7 | June | | 16,474 | 0 | |
| 8 | July | | 16,790 | (110) | |
| 9 | August | | 16,716 | 490 | |
| 10 | September | | 17,008 | 0 | |
| 11 | October | | 16,260 | (184) | |
| 12 | November | | 16,562 | (72) | |
| 13 | December, 2017 | | 16,982 | - | |
| 14 | Total | Sum L1 to L13 | <u>\$ 206,227</u> | <u>\$ 235</u> | |
| 15 | Distribution Expense Allocation Factor | | <u>100.00%</u> | <u>69.876%</u> | |
| 16 | Allocation to Distribution | L14 * L15 | <u>\$ 206,227</u> | <u>\$ 164</u> | |
| 17 | Average Monthly Balance | L16 / 13 | <u>\$ 15,864</u> | <u>\$ 13</u> | <u>\$ 15,876</u> |

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 Schedule C-12
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Accumulated Deferred Income Taxes - Reg Liability

| Line No | Description | [1] Reference | [2] Total Amount | [3] Percent to Distribution | [4] Electric Distribution Amount [2] * [3] | [5] Total |
|---------|-------------|--------------------|-----------------------|----------------------------------|--|----------------|
|---------|-------------|--------------------|-----------------------|----------------------------------|--|----------------|

Accumulated Deferred Income Tax - Reg Liability

| | | | | | | |
|-----------------------------------|----------------------------------|--------------------|------------|---------|------------|-------------------|
| Balance at the end of 2017 | | | | | | |
| 1 | Property Related | | \$ 367,334 | 100.00% | \$ 367,334 | |
| 2 | OPEB Related | | (30,157) | 100.00% | (30,157) | |
| 3 | NOL | | (675) | 100.00% | (675) | |
| 4 | Total Balance at the End of 2017 | Sum L1 to L3 [4] | | | | <u>\$ 336,502</u> |

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Exhibit **BSY-3**
Schedule **D-1**
Witness: **Benjamin S. Yin**
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Net Operating Income and Revenue Increase At Proposed Rates

| Line No | Description | Factor Or Reference | [1] Pro Forma HTY 2017 Present Rates | [2] Revenue Increase | [3] Pro Forma HTY 2017 Proposed Rates [1] + [2] |
|---------------------------|---|---------------------|---|---------------------------|---|
| Operating Revenues | | | | | |
| 1 | Customer & Distribution Revenue | | \$ 1,293,877 | \$ - | \$ 1,293,877 |
| 2 | Electric Supply & Cost Adjustment Revenue | | 688,673 | - | 688,673 |
| 3 | Other Revenues | | 171,124 | 230 | 171,354 |
| 4 | Revenue Increase | | | 42,434 | 42,434 |
| 5 | Total Operating Revenues | Sum L1 to L4 | <u>\$ 2,153,675</u> | <u>\$ 42,664</u> | <u>\$ 2,196,339</u> |
| Operating Expenses | | | | | |
| 6 | Power Supply | | \$ 648,913 | \$ - | \$ 648,913 |
| 7 | Transmission Expense | | 136,281 | - | 136,281 |
| 8 | Regional Market | | 25 | - | 25 |
| 9 | Distribution Expense | | 302,565 | - | 302,565 |
| 10 | Total Customer Accounts | | 78,093 | - | 78,093 |
| 11 | Uncollectible Accounts | 0.8857% | 37,714 | 376 | 38,090 |
| 12 | Total Customer Service & Information | | 8,546 | - | 8,546 |
| 13 | Total Sales | | 762 | - | 762 |
| 14 | Administrative & General | 0.3557% | 172,805 | 151 | 172,956 |
| 15 | Depreciation & Amortization Expense | | 190,303 | - | 190,303 |
| 16 | Amortization of Regulatory Expense | | 10,251 | - | 10,251 |
| 17 | Taxes Other Than Income Taxes | 5.9000% | 144,279 | 2,504 | 146,783 |
| 18 | Other | | - | - | - |
| 19 | Total Operating Expenses | Sum L6 to L18 | <u>\$ 1,730,539</u> | <u>\$ 3,030</u> | <u>\$ 1,733,569</u> |
| 20 | Net Operating Income Before Income Tax | L5 - L19 | \$ 423,136 | \$ 39,633 | \$ 462,770 |
| Income Taxes | | | | | |
| 21 | Pro Forma Income Tax At Present Rates | | \$ 111,757 | | \$ 111,757 |
| 22 | Pro Forma Income Tax on Revenue Increase | | - | 16,445 | 16,445 |
| 23 | Net Operating Income | L20 - L21 - L22 | <u>\$ 311,380</u> | <u>\$ 23,188</u> | <u>\$ 334,568</u> |
| 24 | Other Income | | - | - | - |
| 25 | Other Deductions | | - | - | - |
| 26 | Net Income (Loss) | Sum L23 to L25 | <u><u>\$ 311,380</u></u> | <u><u>\$ 23,188</u></u> | <u><u>\$ 334,568</u></u> |

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Schedule **D-2**
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Adjusted Net Operating Income At Present Rates

| Line No | Description | Account Number | [1] Actual HTY 2017 | [2] Adjustments | [3] Adjusted Present Rates HTY 2017 |
|---------------------------|--|----------------|-----------------------------|----------------------|--|
| Operating Revenues | | | | | |
| 1 | Residential | 440 | \$ 1,416,148 | \$ (33,909) | \$ 1,382,239 |
| 2 | Small C & I | 442 | 370,057 | 15,564 | 385,621 |
| 3 | Large C & I | 442 | 197,111 | (11,884) | 185,227 |
| 4 | Railroads & Railways | 444 | 8,411 | (539) | 7,871 |
| 5 | Street Lighting | 446 | 20,004 | 1,443 | 21,447 |
| 6 | Inter-Company | | 145 | - | 145 |
| 7 | Transmission - All Classes | | 148,026 | - | 148,026 |
| 8 | Sales For Resale | 447 | 135 | - | 135 |
| 9 | Forfeited Discounts | 450 | 11,699 | - | 11,699 |
| 10 | Miscellaneous Service Revenues | 451 | 5,040 | - | 5,040 |
| 11 | Rent For Electric Property | 454 | 17,695 | - | 17,695 |
| 12 | Decommissioning Payment | | (23,455) | - | (23,455) |
| 13 | Other Electric Revenues | 456.1 | 11,983 | - | 11,983 |
| 14 | Transmission of Electricity for Others | | - | - | - |
| 15 | Total Operating Revenues | Sum L1 to L13 | <u>\$ 2,183,000</u> | <u>\$ (29,325)</u> | <u>\$ 2,153,675</u> |
| Operating Expenses | | | | | |
| 16 | Power Supply | | \$ 648,913 | \$ - | \$ 648,913 |
| 17 | Transmission Expense | | 136,281 | - | 136,281 |
| 18 | Regional Market | | 25 | - | 25 |
| 19 | Distribution Expense | | 261,345 | 41,220 | 302,565 |
| 20 | Total Customer Accounts | | 72,892 | 5,201 | 78,093 |
| 21 | Uncollectible Accounts | 0.8857% | 25,317 | 12,397 | 37,714 |
| 22 | Total Customer Service & Information | | 68,108 | (59,561) | 8,546 |
| 23 | Total Sales | | 737 | 25 | 762 |
| 24 | Administrative & General | 0.3557% | 171,254 | 1,552 | 172,805 |
| 25 | Depreciation & Amortization Expense | | 179,135 | 11,168 | 190,303 |
| 26 | Amortization of Regulatory Expense | | 12,323 | (2,072) | 10,251 |
| 27 | Taxes Other Than Income Taxes | 5.9000% | 144,582 | (302) | 144,279 |
| 28 | Other | | - | - | - |
| 29 | Total Operating Expenses | Sum L15 to L27 | <u>\$ 1,720,911</u> | <u>\$ 9,627</u> | <u>\$ 1,730,539</u> |
| 30 | Net Operating Income - BIT | L14 - L28 | <u>\$ 462,088</u> | <u>\$ (38,952)</u> | <u>\$ 423,136</u> |

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| | | | Adjustments to Net Operating Income | | | | | | | [8] | [9] |
|--|--|----------------|-------------------------------------|-----------------|-------------------------|--------------------------------|--------------------------|----------------|------------------------|----------------------|--|
| | | | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] |
| | | | Adjustments | | | | | | | | |
| Line No | Description | Account Number | Actual HTY 2017 | Revenues D-5 | Salaries & Wages D-6 | Rate Case Normalization D-7 | Employee Benefits D-8 | Pension D-9 | Uncollectibles D-10 | IPA Recovery D-11 | Sub-Total Proforma Sum [1] to [8] |
| Operating Revenues | | | | | | | | | | | |
| Customer & Distribution Revenue | | | | | | | | | | | |
| 1 | Residential | 440 | \$ 872,642 | \$ (33,909) | | | | | | | \$ 838,733 |
| 2 | Small C & I | 442 | 245,591 | 15,564 | | | | | | | 261,154 |
| 3 | Large C & I | 442 | 177,080 | (11,884) | | | | | | | 165,196 |
| 4 | Railroads & Railways | 444 | 8,411 | (539) | | | | | | | 7,871 |
| 5 | Street Lighting | 446 | 19,297 | 1,443 | | | | | | | 20,741 |
| 6 | Inter-Company | | 182 | - | | | | | | | 182 |
| 7 | Transmission - All Classes | | 148,026 | - | | | | | | | 148,026 |
| Electric Cost Revenue | | | | | | | | | | | |
| 8 | Residential | 440 | 543,506 | - | | | | | | | 543,506 |
| 9 | Small C & I | 442 | 124,466 | - | | | | | | | 124,466 |
| 10 | Large C & I | 442 | 20,031 | - | | | | | | | 20,031 |
| 11 | Railroads & Railways | 444 | - | - | | | | | | | - |
| 12 | Street Lighting | 446 | 706 | - | | | | | | | 706 |
| 13 | Inter-Company | | (37) | - | | | | | | | (37) |
| 14 | Sales For Resale | 447 | 135 | - | | | | | | | 135 |
| 15 | Forfeited Discounts | 450 | 11,699 | - | | | | | | | 11,699 |
| 16 | Miscellaneous Service Revenues | 451 | 5,040 | - | | | | | | | 5,040 |
| 17 | Rent For Electric Property | 454 | 17,695 | - | | | | | | | 17,695 |
| 18 | Decommissioning Payment | | (23,455) | - | | | | | | | (23,455) |
| 19 | Other Electric Revenues | 456.1 | 11,983 | - | | | | | | | 11,983 |
| 20 | Transmission of Electricity for Others | 456 | - | - | | | | | | | - |
| 21 | Total Operating Revenues | Sum L1 to L19 | \$ 2,183,000 | \$ (29,325) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,153,675 |
| Operating Expenses | | | | | | | | | | | |
| 22 | Power Supply | | \$ 648,913 | | | | | | | | \$ 648,913 |
| 23 | Transmission Expense | | 136,281 | | | | | | | | 136,281 |
| 24 | Regional Market | | 25 | | | | | | | | 25 |
| 25 | Distribution Expense | | 261,345 | | 3,613 | | | | | 3,647 | 268,606 |
| 26 | Total Customer Accounts | | 72,892 | | 1,383 | | | | | | 74,275 |
| 27 | Uncollectible Accounts | | 25,317 | | | | | | 12,397 | | 37,714 |
| 28 | Total Customer Service & Information | | 68,108 | | 57 | | | | | | 68,164 |
| 29 | Total Sales | | 737 | | 25 | | | | | | 762 |
| 30 | Administrative & General | | 171,254 | | 2,140 | 867 | 446 | (1,901) | | | 172,805 |
| 31 | Depreciation & Amortization Expense | | 179,135 | | | | | | | | 179,135 |
| 32 | Amortization of Regulatory Expense | | 12,323 | | | | | | | | 12,323 |
| 33 | Taxes Other Than Income Taxes | | 144,582 | | | | | | | | 144,582 |
| 34 | Other | | - | | | | | | | | - |
| 35 | Total Operating Expenses | Sum L21 to L33 | \$ 1,720,911 | \$ - | \$ 7,218 | \$ 867 | \$ 446 | \$ (1,901) | \$ 12,397 | \$ 3,647 | \$ 1,743,585 |
| 36 | Net Operating Income Before Income Tax | L20 - L34 | \$ 462,088 | \$ (29,325) | \$ (7,218) | \$ (867) | \$ (446) | \$ 1,901 | \$ (12,397) | \$ (3,647) | \$ 410,089 |

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| Line No | Description | Account Number | [10] From Page 1 Sub-total | Adjustments to Net Operating Income | | | | | | [17] Depreciation Annualization | [18] Total Adjusted Sum [10] to [17] |
|--|--|----------------|---------------------------------|--|---|---|--|---|--|--------------------------------------|--|
| | | | | [11] <u>Interest on Cust Deposits</u> D-12 | [12] <u>Storm Recovery Normalization</u> D-13 | [13] <u>Regulatory Initiatives Program</u> D-14 | [14] <u>Energy Efficiency Program</u> D-5D | [15] <u>Costs To Achieve</u> D-15 | [16] <u>Taxes Other Than Income</u> D-16 | | |
| Operating Revenues | | | | | | | | | | | |
| Customer & Distribution Revenue | | | | | | | | | | | |
| 37 | Residential | 440 | \$ 838,733 | | | | | | | \$ 838,733 | |
| 38 | Small C & I | 442 | 261,154 | | | | | | | 261,154 | |
| 39 | Large C & I | 442 | 165,196 | | | | | | | 165,196 | |
| 40 | Railroads & Railways | 444 | 7,871 | | | | | | | 7,871 | |
| 41 | Street Lighting | 446 | 20,741 | | | | | | | 20,741 | |
| 42 | Inter-Company | | 182 | | | | | | | 182 | |
| 43 | Transmission - All Classes | | 148,026 | | | | | | | 148,026 | |
| Electric Cost Revenue | | | | | | | | | | | |
| 44 | Residential | 440 | 543,506 | | | | | | | 543,506 | |
| 45 | Small C & I | 442 | 124,466 | | | | | | | 124,466 | |
| 46 | Large C & I | 442 | 20,031 | | | | | | | 20,031 | |
| 47 | Railroads & Railways | 444 | - | | | | | | | - | |
| 48 | Street Lighting | 446 | 706 | | | | | | | 706 | |
| 49 | Inter-Company | | (37) | | | | | | | (37) | |
| 50 | Sales For Resale | 447 | 135 | | | | | | | 135 | |
| 51 | Forfeited Discounts | 450 | 11,699 | | | | | | | 11,699 | |
| 52 | Miscellaneous Service Revenues | 451 | 5,040 | | | | | | | 5,040 | |
| 53 | Rent For Electric Property | 454 | 17,695 | | | | | | | 17,695 | |
| 54 | Decommissioning Payment | | (23,455) | | | | | | | (23,455) | |
| 55 | Other Electric Revenues | 456 | 11,983 | | | | | | | 11,983 | |
| 56 | Transmission of Electricity for Others | 456 | - | | | | | | | - | |
| 57 | Total Operating Revenues | Sum L36 to L54 | \$ 2,153,675 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,153,675 | |
| Operating Expenses | | | | | | | | | | | |
| 58 | Power Supply | | \$ 648,913 | | | | | | | \$ 648,913 | |
| 59 | Transmission Expense | | 136,281 | | | | | | | 136,281 | |
| 60 | Regional Market | | 25 | | | | | | | 25 | |
| 61 | Distribution Expense | | 268,606 | | 33,960 | | | | | 302,565 | |
| 62 | Total Customer Accounts | | 74,275 | 1,258 | | | | 2,560 | | 78,093 | |
| 63 | Uncollectible Accounts | | 37,714 | | | | | | | 37,714 | |
| 64 | Total Customer Service & Information | | 68,164 | | | | (59,618) | | | 8,546 | |
| 65 | Total Sales | | 762 | | | | | | | 762 | |
| 66 | Administrative & General | | 172,805 | | | | | | | 172,805 | |
| 67 | Depreciation & Amortization Expense | | 179,135 | | | | | | 11,168 | 190,303 | |
| 68 | Amortization of Regulatory Expense | | 12,323 | | | | (2,072) | | | 10,251 | |
| 69 | Taxes Other Than Income Taxes | | 144,582 | | | | | (302) | | 144,279 | |
| 70 | Other | | - | | | | | | | - | |
| 71 | Total Operating Expenses | Sum L56 to L68 | \$ 1,743,585 | \$ 1,258 | \$ 33,960 | \$ - | \$ (61,690) | \$ 2,560 | \$ (302) | \$ 1,730,539 | |
| 72 | Net Operating Income Before Income Tax | L55 - L69 | \$ 410,089 | \$ (1,258) | \$ (33,960) | \$ - | \$ 61,690 | \$ (2,560) | \$ (11,168) | \$ 423,136 | |

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Summary of Adjustments by FERC Account

| Line No | Description | [1] Account Number | [2] Actual HTY 2017 | [3] Adjustments | [4] Pro Forma Adjusted [2] + [3] |
|--|--|-------------------------|-----------------------------|----------------------|---|
| Customer & Distribution Revenue | | | | | |
| 1 | Residential | | \$ 872,642 | \$ (33,909) | \$ 838,733 |
| 2 | Small C & I | | 245,591 | 15,564 | 261,154 |
| 3 | Large C & I | | 177,080 | (11,884) | 165,196 |
| 4 | Railroads & Railways | | 8,411 | (539) | 7,871 |
| 5 | Street Lighting | | 19,297 | 1,443 | 20,741 |
| 6 | Inter-Company | | 182 | - | 182 |
| 7 | Transmission - All Classes | | 148,026 | - | 148,026 |
| 8 | Cust Chg & Distrib Revenue | Sum L1 to L7 | <u>\$ 1,471,228</u> | <u>\$ (29,325)</u> | <u>\$ 1,441,904</u> |
| Electric Cost Revenue | | | | | |
| 9 | Residential | | \$ 543,506 | \$ - | \$ 543,506 |
| 10 | Small C & I | | 124,466 | - | 124,466 |
| 11 | Large C & I | | 20,031 | - | 20,031 |
| 12 | Railroads & Railways | | - | - | - |
| 13 | Street Lighting | | 706 | - | 706 |
| 14 | Inter-Company | | (37) | - | (37) |
| 15 | Revenue for Cost of Electric | Sum L9 to L14 | <u>\$ 688,673</u> | <u>\$ -</u> | <u>\$ 688,673</u> |
| Other Revenue | | | | | |
| 16 | Forfeited Discounts | | 11,699 | - | 11,699 |
| 17 | Miscellaneous Service Revenues | | 5,040 | - | 5,040 |
| 18 | Rent For Electric Property | | 17,695 | - | 17,695 |
| 19 | Decommissioning Payment | | (23,455) | - | (23,455) |
| 20 | Other Electric Revenues | | 11,983 | - | 11,983 |
| 21 | Transmission of Electricity for Others | | - | - | - |
| 22 | Other Revenue | Sum L16 to L21 | <u>\$ 22,963</u> | <u>\$ -</u> | <u>\$ 22,963</u> |
| 23 | Total Operating Revenue | L8 + L15 + L22 | <u>\$ 2,182,865</u> | <u>\$ (29,325)</u> | <u>\$ 2,153,540</u> |
| POWER SUPPLY EXPENSES | | | | | |
| 24a | Maintenance of Structures | 529 | | | |
| 24 | Purchased Power | 555 | \$ 646,922 | \$ - | \$ 646,922 |
| 25 | Other Expenses | 557 | 1,966 | - | 1,966 |
| 26 | Total Power Supply | L24a + L25 | <u>\$ 648,888</u> | <u>\$ -</u> | <u>\$ 648,888</u> |
| Transmission Expense | | | | | |
| <u>Operation</u> | | | | | |
| 27 | Operation & Supervision | 560 | \$ - | \$ - | \$ - |
| 28 | Load Dispatching | 561 | - | - | - |
| 29 | Scheduling, System Control & Dispatch | 561.4 | 63,315 | - | 63,315 |
| 30 | Transmission Service Studies | 561.6 | - | - | - |
| 31 | Generation Service Studies | 561.7 | - | - | - |
| 32 | Reliability, Planning & Standard Development | 561.8 | 72,966 | - | 72,966 |
| 33 | Station Expense | 562 | - | - | - |
| 34 | Overhead Lines | 563 | - | - | - |
| 35 | Underground Lines Expense | 564 | - | - | - |
| 36 | Miscellaneous Expense | 566 | - | - | - |
| 37 | Rents | 567 | - | - | - |
| 38 | Total Transmission Operation Expense | Sum L27 to L37 | <u>\$ 136,281</u> | <u>\$ -</u> | <u>\$ 136,281</u> |
| <u>Maintenance</u> | | | | | |
| 39 | Maintenance of Structures | 569 | \$ - | \$ - | \$ - |
| 40 | Maintenance of Computer Hardware | 569.1 | - | - | - |
| 41 | Maintenance of Computer Software | 569.2 | - | - | - |
| 42 | Maintenance of Communication Equipment | 569.3 | - | - | - |
| 43 | Maintenance of Station Equipment | 570 | - | - | - |
| 44 | Maintenance Overhead Lines | 571 | - | - | - |
| 45 | Maintenance of Underground Lines | 572 | - | - | - |
| 46 | Maintenance of Misc Transmission Plant | 573 | - | - | - |
| 47 | Total Transmission Maintenance | Sum L39 to L46 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 48 | Total Transmission Expense | L38 + L47 | <u>\$ 136,281</u> | <u>\$ -</u> | <u>\$ 136,281</u> |

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Historical Test Year Ended December 31, 2017
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Summary of Adjustments by FERC Account

| Line No | Description | [1] Account Number | [2] Actual HTY 2017 | [3] Adjustments | [4] Pro Forma Adjusted [2] + [3] |
|---|---|-------------------------|--------------------------|----------------------|--|
| Regional Market Expenses | | | | | |
| 49 | Market Facilitation, Monitoring & Compliance | 575.7 | \$ 25 | \$ - | \$ 25 |
| 50 | Other | | - | - | - |
| 51 | Total Regional Market | L49 + L50 | <u>\$ 25</u> | <u>\$ -</u> | <u>\$ 25</u> |
| Distribution Expense | | | | | |
| <u>Operations</u> | | | | | |
| 52 | Operation & Supervision | 580 | \$ 389 | \$ 12 | \$ 401 |
| 53 | Load Dispatching | 581 | 21 | - | 21 |
| 54 | Station Expense | 582 | 2,161 | 1 | 2,162 |
| 55 | Overhead Lines Expenss | 583 | 5,750 | 85 | 5,834 |
| 56 | Underground Lines Expense | 584 | 7,420 | 102 | 7,522 |
| 57 | Meter Expenses | 586 | 10,548 | 103 | 10,651 |
| 58 | Customer Installations Expense | 587 | 8,324 | 204 | 8,527 |
| 59 | Miscellaneous Expense | 588 | 50,355 | 312 | 50,667 |
| 60 | Rents | 589 | 221 | - | 221 |
| 61 | Total Distribution Operations | Sum L52 to L60 | <u>\$ 85,188</u> | <u>\$ 819</u> | <u>\$ 86,007</u> |
| <u>Maintenance</u> | | | | | |
| 62 | Maintenance - Energy Efficiency Programs | | \$ - | \$ - | \$ - |
| 63 | Maintenance of Structures | 591 | 4,077 | 59 | 4,136 |
| 64 | Maintenance of Station Equipment | 592 | 16,408 | 290 | 16,699 |
| 65 | Maintenance of Overhead Lines | 593 | 104,175 | 35,521 | 139,695 |
| 66 | Maintenance of Underground Lines | 594 | 33,354 | 734 | 34,088 |
| 67 | Maintenance of Line Transformers | 595 | 1,271 | 14 | 1,285 |
| 68 | Maintenance of Street Lighting & Signal Systems | 596 | 1,096 | 5 | 1,101 |
| 69 | Maintenance of Misc. Distribution | 598 | 15,777 | 131 | 15,908 |
| 70 | Total Distribution Maintenance | Sum L62 to L69 | <u>\$ 176,157</u> | <u>\$ 36,754</u> | <u>\$ 212,911</u> |
| 71 | Total Distribution Expense | L61 + L70 | <u>\$ 261,345</u> | <u>\$ 37,573</u> | <u>\$ 298,918</u> |
| Customer Accounts | | | | | |
| 72 | Supervision | 901 | \$ - | \$ - | \$ - |
| 73 | Meter Reading | 902 | 544 | 1 | 545 |
| 74 | Customer Records and Collection | 903 | 68,456 | 1,339 | 69,796 |
| 75 | Uncollectible Accounts | 904 | 25,317 | 12,397 | 37,714 |
| 76 | Miscellaneous Customer Accounts | 905 | 3,892 | 4,948 | 8,840 |
| 77 | Total Customer Accounts | Sum L72 to L76 | <u>\$ 98,209</u> | <u>\$ 18,685</u> | <u>\$ 116,894</u> |
| Customer Service & Information | | | | | |
| 78 | Customer Assistance | 908 | \$ 66,551 | \$ (59,561) | \$ 6,990 |
| 79 | Informational & Instructional | 909 | 1,226 | - | 1,226 |
| 80 | Miscellaneous Customer & Informational | 910 | 331 | 0 | 331 |
| 81 | Total Customer Service & Information | Sum L78 to L80 | <u>\$ 68,108</u> | <u>\$ (59,561)</u> | <u>\$ 8,546</u> |
| Sales | | | | | |
| 82 | Demonstrating & Selling | 912 | \$ 737 | \$ 25 | \$ 762 |
| 83 | Miscellaneous Sales | 916 | - | - | - |
| 84 | Total Sales | L82 + L83 | <u>\$ 737</u> | <u>\$ 25</u> | <u>\$ 762</u> |
| Administration & General - General | | | | | |
| <u>Operation</u> | | | | | |
| 85 | Administrative and General Salaries | 920 | \$ 22,927 | \$ 2,017 | \$ 24,944 |
| 86 | Office Supplies and Expenses | 921 | 11,172 | - | 11,172 |
| 87 | Administrative Expenses Transferred-Credit | 922 | - | - | - |
| 88 | Outside Service Employed | 923 | 78,193 | 2,559 | 80,752 |
| 89 | Property Insurance | 924 | 219 | - | 219 |
| 90 | Injuries and Damages | 925 | 13,782 | 71 | 13,853 |
| 91 | Employee Pensions and Benefits | 926 | 31,927 | (1,454) | 30,473 |
| 92 | Franchise Requirements | 927 | - | - | - |
| 93 | Regulatory Commission Expenses | 928 | 8,612 | 867 | 9,479 |
| 94 | Duplicate Charges-Credit | 929 | (3,167) | - | (3,167) |
| 95 | General Advertising Expenses | 930.1 | - | - | - |
| 96 | Miscellaneous General Expenses | 930.2 | 2,965 | 0 | 2,965 |
| 97 | Rents | 931 | - | - | - |
| 98 | A & G Operation Expenses | Sum L85 to L97 | <u>\$ 166,630</u> | <u>\$ 4,061</u> | <u>\$ 170,691</u> |
| <u>Maintenance</u> | | | | | |
| 99 | Maintenance of General Plant | 935 | 4,623 | 51 | 4,674 |
| 100 | Total Administrative & General | L98 + L99 | <u>\$ 171,254</u> | <u>\$ 4,112</u> | <u>\$ 175,365</u> |
| 101 | Total O&M Expenses | | <u>\$ 1,384,847</u> | <u>\$ 834</u> | <u>\$ 1,385,680</u> |
| | L26 + L48 + L51 + L71 + L77 + L81 + L84 + L98 + L99 | | <u>\$ 1,384,847</u> | <u>\$ 834</u> | <u>\$ 1,385,680</u> |

PECO - Electric Operations
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Revenue Adjustments Summary

| Line No | Description | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] |
|--|--|-----------------------------|--------------|----------------------------|---------------------|-----------------------------|-----------------------------------|-------------------------------------|----------------------------------|----------------------------|---|
| | | Reference or Account Number | 2017 Actual | Revenue Annualization D-5A | CAP Rev Credit D-5B | Act 129 Load Reduction D-5C | Energy Efficiency Adjustment D-5D | Tax Repair Catch-up Adjustment D-5E | Leap Year Adj to Pres Rates D-5F | Weather Normalization D-5G | Proforma Adjusted At Present Rates SUM [2] to [9] |
| Customer & Distribution Revenue | | | | | | | | | | | |
| 1 | Residential | 440 | \$ 872,642 | \$ 3,977 | \$ 2,457 | \$ (17,254) | \$ (54,488) | \$ 21,029 | \$ 478 | \$ 9,892 | \$ 838,733 |
| 2 | Small C & I | 442 | 245,591 | 1,265 | | (2,030) | 6,421 | 8,765 | | 1,142 | 261,154 |
| 3 | Large C & I | 442 | 177,080 | 405 | | (2,320) | (14,532) | 5,438 | | (875) | 165,196 |
| 4 | Railroads & Railways | 444 | 8,411 | | | | (752) | 212 | | | 7,871 |
| 5 | Street Lighting | 446 | 19,297 | | | (18) | 150 | 1,311 | | | 20,741 |
| 6 | Inter-Company | | 182 | | | | | | | | 182 |
| 7 | Transmission - All Classes | | 148,026 | | | | | | | | 148,026 |
| 8 | Cust Chg & Distrib Revenue | Sum L1 to L7 | 1,471,228 | 5,648 | 2,457 | (21,622) | (63,201) | 36,756 | 478 | 10,160 | 1,441,904 |
| Electric Cost Revenue | | | | | | | | | | | |
| 9 | Residential | | 543,506 | | | | | | | | 543,506 |
| 10 | Small C & I | | 124,466 | | | | | | | | 124,466 |
| 11 | Large C & I | | 20,031 | | | | | | | | 20,031 |
| 12 | Railroads & Railways | | - | | | | | | | | - |
| 13 | Street Lighting | | 706 | | | | | | | | 706 |
| 14 | Inter-Company | | (37) | | | | | | | | (37) |
| 15 | Transmission - All Classes | | - | | | | | | | | - |
| 16 | Revenue for Cost of Electric | Sum L9 to L15 | 688,673 | - | - | - | - | - | - | - | 688,673 |
| 17 | Test Year STAS Revenue - Reclass | | | | | | | | | | - |
| 18 | Total Customer Revenue | L8 + L16 | 2,159,902 | 5,648 | 2,457 | (21,622) | (63,201) | 36,756 | 478 | 10,160 | 2,130,577 |
| 19 | Sales For Resale | 447 | 135 | | | | | | | | 135 |
| 20 | | | | | | | | | | | - |
| 21 | Forfeited Discounts | 450 | 11,699 | | | | | | | | 11,699 |
| 22 | Miscellaneous Service Revenues | 451 | 5,040 | | | | | | | | 5,040 |
| 23 | Rent For Electric Property | 454 | 17,695 | | | | | | | | 17,695 |
| 24 | Decommissioning Payment | | (23,455) | | | | | | | | (23,455) |
| 25 | Other Electric Revenues | 456.1 | 11,983 | | | | | | | | 11,983 |
| 26 | Transmission of Electricity for Others | | - | | | | | | | | - |
| 27 | Total Revenues | Sum L18 to L26 | 2,183,000 | 5,648 | 2,457 | (21,622) | (63,201) | 36,756 | 478 | 10,160 | 2,153,675 |
| 28 | Other | | | | | | | | | | |
| 29 | Total Revenues | L27 + I28 | \$ 2,183,000 | \$ 5,648 | \$ 2,457 | \$ (21,622) | \$ (63,201) | \$ 36,756 | \$ 478 | \$ 10,160 | \$ 2,153,675 |

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Revenue Annualization

| Line No | Description | [1] | [2] | [3] | [4] | [5] |
|---------|--|-------------------|---------------------|-------------------|-------------------|-----------------------------|
| | | Residential | Residential Heating | Small C&I | Large C&I | Total Sum [1] to [4] |
| 1 | Total Test Year Revenues | \$ 1,169,124 | \$ 247,024 | \$ 370,057 | \$ 197,111 | \$ 1,983,316 |
| 2 | Commodity Billings in Revenues | (438,135) | (105,372) | (124,466) | (20,031) | (688,004) |
| 3 | Distribution Revenue Surcharge | <u>(26,727)</u> | <u>(7,165)</u> | <u>14,798</u> | <u>(9,338)</u> | <u>(28,432)</u> |
| 4 | Revenues net of Commodity - Margin L1 + L2 + L3 | <u>\$ 704,262</u> | <u>\$ 134,488</u> | <u>\$ 260,389</u> | <u>\$ 167,742</u> | <u>\$ 1,266,880</u> |
| 5 | Average Monthly Customers in TY | <u>1,279,985</u> | <u>183,033</u> | <u>150,819</u> | <u>3,105</u> | <u>1,616,941</u> |
| 6 | Average Annual Margin Per Customer L4 / L5 | <u>\$ 0.550</u> | <u>\$ 0.735</u> | <u>\$ 1.726</u> | <u>\$ 54.032</u> | <u>\$ 0.784</u> |
| 7 | Number of Customers at End of Year | <u>1,285,891</u> | <u>184,025</u> | <u>151,552</u> | <u>3,112</u> | <u>1,624,580</u> |
| 8 | Increase in Customers during TY L7 - L5 | <u>5,907</u> | <u>992</u> | <u>733</u> | <u>8</u> | <u>7,639</u> |
| 9 | Annualization of Revenue L6 * L8 | <u>\$ 3,249</u> | <u>\$ 729</u> | <u>\$ 1,265</u> | <u>\$ 405</u> | <u>\$ 5,648</u> |

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CAP Revenue Credits and Adjustments

| Line No | Description | [1] Factor or Reference | [2] Amount | [3] Sub-Total | [4] Total |
|---|--|---------------------------------|-----------------|--------------------|-----------------|
| 1 | CAP Discount Included in TY Budget | | \$ (62,120) | | |
| <u>Annualization To Year End Customers</u> | | | | | |
| 2 | Average Monthly CAP Customer in TY | | 126,401 | | |
| 3 | Average Annual CAP Discount per Customer | L1 / L2 | (0.491) | | |
| 4 | Number of CAP Customer at End of Year | | 119,552 | | |
| 5 | Increase of CAP Customer during TY | L4 - L2 | (6,849) | | |
| 6 | Gross Decrease / (Increase) in CAP Discount | L3 * L5 | | 3,366 | |
| 7 | Reflect impact in write-offs and Working Cap | 27.0% | | <u>(909)</u> | |
| 8 | Net Decrease / (Increase) in CAP Discount for Test Year | L6 + L7 | | | \$ 2,457 |

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Act 129 - Lost Revenue Due To Load Reduction

| Line No | Description | [1] Reference | [2] 2017 Revenue Loss | [3] 2018 & 2019 Revenue Loss | [4] 2018 & 2019 Revenue Loss Over 2018 | [6] Recovery of Incremental Revenue Loss |
|--|---------------------|--------------------|-------------------------------|---|---|---|
| <u>Revenue Impact in 2017 -- Included in Test Year Budget</u> | | | | | | |
| 1 | Residential | | \$ (10,409) | | | |
| 2 | Residential Heating | | (2,259) | | | |
| 3 | Small C & I | | (1,116) | | | |
| 4 | Large C & I | | (761) | | | |
| 5 | Street Lighting | | (15) | | | |
| 6 | Total | Sum L1 to L5 | <u>\$ (14,560)</u> | | | |
| <u>Target Revenue Impact in 2018</u> | | | | | | |
| 7 | Residential | | | \$ (20,101) | | |
| 8 | Residential Heating | | | (4,362) | | |
| 9 | Small C & I | | | (2,309) | | |
| 10 | Large C & I | | | (2,085) | | |
| 11 | Street Lighting | | | (23) | | |
| 12 | Total | Sum L7 to L11 | | <u>\$ (28,880)</u> | | |
| <u>Incremental Revenue Impact Over 2017 Budget</u> | | | | | | |
| 13 | Residential | L7 - L1 | | | \$ (9,692) | |
| 14 | Residential Heating | L8 - L2 | | | (2,103) | |
| 15 | Small C & I | L9 - L3 | | | (1,193) | |
| 16 | Large C & I | L10 - L4 | | | (1,324) | |
| 17 | Street Lighting | L11 - L5 | | | (8) | |
| 18 | Total | Sum L13 to L17 | | | <u>\$ (14,320)</u> | |
| <u>Target Revenue Impact in 2019</u> | | | | | | |
| 19 | Residential | | | \$ (29,072) | | |
| 20 | Residential Heating | | | (6,309) | | |
| 21 | Small C & I | | | (3,982) | | |
| 22 | Large C & I | | | (4,078) | | |
| 23 | Street Lighting | | | (42) | | |
| 24 | Total | Sum L19 to L23 | | <u>\$ (43,483)</u> | | |
| <u>Incremental Revenue Impact Over 2017 Budget</u> | | | | | | |
| 25 | Residential | L19 - L1 | | | \$ (18,663) | |
| 26 | Residential Heating | L20 - L2 | | | (4,050) | |
| 27 | Small C & I | L21 - L3 | | | (2,866) | |
| 28 | Large C & I | L22 - L4 | | | (3,317) | |
| 29 | Street Lighting | L23 - L5 | | | (27) | |
| 30 | Total | Sum L25 to L29 | | | <u>\$ (28,923)</u> | |
| <u>Average Annual Incremental Revenue Not in Budget</u> | | | | | | |
| 31 | Residential | (L13 + L25)/2 | | | | \$ (14,177) |
| 32 | Residential Heating | (L14 + L26)/2 | | | | (3,077) |
| 33 | Small C & I | (L15 + L27)/2 | | | | (2,030) |
| 34 | Large C & I | (L16 + L28)/2 | | | | (2,320) |
| 35 | Street Lighting | (L17 + L29)/2 | | | | (18) |
| 36 | Total | L31 to L35 | | | | <u>\$ (21,622)</u> |

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Energy Efficiency Program Cost Recovery Adjustments

[1]

[2]

| Line No | Description | Reference | Amounts |
|------------|-----------------------------|--------------|-------------|
| 1 | Residential | | \$ (43,545) |
| 2 | Residential Heating | | (10,943) |
| 3 | Small C & I | | 6,421 |
| 4 | Large C & I | | (14,532) |
| 5 | Railroad | | (752) |
| 6 | Street Lighting | | 150 |
| 7 | Inter-Company | | _____ |
| 8 | Reduction in Retail Revenue | Sum L1 to L7 | (63,201) |
| 9 | O & M Expense | | \$ (59,618) |
| 10 | Amortization Expense | | \$ (2,072) |

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Tax Repair Credit Refund Adjustment

[1]

| Line No | Description | Factor or Reference | Budget Amounts |
|------------|---------------------|------------------------|-------------------|
| 1 | Residential | | \$ 17,164 |
| 2 | Residential Heating | | 3,865 |
| 3 | Small C & I | | 8,765 |
| 4 | Large C & I | | 5,438 |
| 5 | Railroad | | 212 |
| 6 | StreetLighting | | 1,311 |
| 7 | Total Gross Revenue | Sum L1 to L6 | <u>\$ 36,756</u> |

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Leap Year Revenue Normalization

| Line No | Description | [1] February Distribution Rev | [2] Number of Days in February | [3] Average Number of Days in Feb | [4] Days Variance [3] - [2] | [5] Change in Revenue [1] / [2] * [4] |
|---------------------------------------|---------------------|---------------------------------------|--|---|--|--|
| KWh-Based Distribution Revenue | | | | | | |
| 1 | Residential | \$ 42,438 | 28 | 28.25 | 0.25 | \$ 379 |
| 2 | Residential Heating | 11,107 | 28 | 28.25 | 0.25 | 99 |
| 3 | Total | <u>\$ 53,545</u> | | | | <u>\$ 478</u> |

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Weather Normalization Adjustment

[1]

[2]

| Line No | Description | Reference | Amount |
|------------|---------------------|-----------|------------------|
| 1 | Residential | | \$ 4,040 |
| 2 | Residential Heating | | 5,852 |
| 3 | Small C & I | | 1,142 |
| 4 | Large C & I | | (875) |
| 5 | Total | | \$ 10,160 |

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Salaries & Wages Adjustment Summary

| Line No | Description | [1] Reference | [2] Distribution Jurisdiction HTY 2017 | [3] Other | [4] Payroll As Distributed [2] + [3] | [5] Pro Forma Payroll Adjustment | [6] Total Pro Forma Payroll [4] + [5] |
|---------------------------|------------------------------------|--------------------|---|----------------|--|---|---|
| <u>OPERATIONS</u> | | | | | | | |
| 1 | POWER SUPPLY EXPENSES | | \$ - | | \$ - | \$ - | \$ - |
| 2 | Transmission Expense | | - | | - | - | - |
| 3 | Regional Market Expenses | | - | | - | - | - |
| 4 | Distribution Expense | | 15,985 | | 15,985 | 819 | 16,804 |
| 5 | Customer Accounts | | 26,984 | | 26,984 | 1,383 | 28,368 |
| 6 | Customer Service & Information | | 1,111 | | 1,111 | 57 | 1,168 |
| 7 | Sales | | 489 | | 489 | 25 | 514 |
| 8 | Administration & General - General | | 40,746 | | 40,746 | 2,089 | 42,835 |
| 9 | Total Operations | Sum L1 to L8 | <u>\$ 85,316</u> | <u>\$ -</u> | <u>\$ 85,316</u> | <u>\$ 4,373</u> | <u>\$ 89,689</u> |
| <u>MAINTENANCE</u> | | | | | | | |
| 10 | Transmission Expense | | - | | - | - | - |
| 11 | Distribution Expense | | 54,506 | | 54,506 | 2,794 | 57,300 |
| 12 | Administration & General - General | | 995 | | 995 | 51 | 1,046 |
| 13 | Total Maintenance | Sum L10 to L12 | <u>\$ 55,502</u> | <u>\$ -</u> | <u>\$ 55,502</u> | <u>\$ 2,845</u> | <u>\$ 58,347</u> |
| 14 | Total Direct Payroll | L9 + L13 | <u>\$ 140,818</u> | <u>\$ -</u> | <u>\$ 140,818</u> | <u>\$ 7,218</u> | <u>\$ 148,036</u> |
| 15 | Percent Increase | L14 [5] / [2] | | | | | <u>5.126%</u> |

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Details of Salaries & Wages Adjustments

| Line No | Description | [1] Reference | [2] Employees With Raises on | | [4] Total | [5] Amount | [6] Amount | [7] Pro Forma Total Payroll |
|---|--|-----------------------|-----------------------------------|--------------------|----------------|-----------------|-----------------|----------------------------------|
| | | | Union 1-Jan | Non-Union 1-Mar | | | | |
| 1 | Number of Employees @ December 31, 2017 | | 956 | 930 | 1,886 | | | |
| 2 | Percentage of Employees @ December 31, 2017 | | 50.7% | 49.3% | 100.0% | | | |
| 3 | Pro Forma Percent for HTY 2017 | | 51.0% | 49.0% | 100.0% | | | |
| 4 | Distribution of Budget S&W Expense | L3 [2] * L4 [6] | \$ 71,817 | \$ 69,001 | | | \$ 140,818 | |
| <u>Annualize March 1, 2017 Wage Increase</u> | | | | | | | | |
| 5 | Number of Months | | 0 | 2 | | | | |
| 6 | Rate for Increase | | 2.50% | 2.50% | | | | |
| 7 | Total Adjustment | L4 * L5 * L6 /12 | - | 288 | | \$ 288 | | |
| 8 | Sub-Total | L4 + L7 | 71,817 | 69,288 | | | | |
| <u>Annualize January 1 and March 1, 2017 Wage Increase</u> | | | | | | | | |
| 9 | Number of Months | | 12 | 12 | | | | |
| 10 | Rate for Increase | | 2.50% | 2.50% | | | | |
| 11 | Total Adjustment | L8 * L9 * L10 /12 | \$ 1,795 | \$ 1,732 | | 3,528 | | |
| <u>Normalize One-Time Contract Payment to Union</u> | | | | | | | | |
| 12 | Total Portion of Payment to Electric Expense | | \$ 1,127 | 72.979% | \$ 822 | | | |
| 13 | Normalize over Union Contract Period | | | | 6 | | | |
| 14 | Annual Normalized Amount | | | | | 137 | | |
| 15 | Annualized S&W Adjustment | L7 + L11 + L14 | | | | | \$ 3,952 | |
| 16 | Annualized S&W for Budgeted Employees | | | | | | \$ 144,770 | |
| <u>Pro Forma For New Employees</u> | | | | | | | | |
| 17 | Number of Employees @ December 31, 2017 | | | 1,886 | | | | |
| 18 | Average Number of Employees in Budget | | | | 1,845 | | | |
| 19 | Annualization for Number of Employees | L17 - L18 | | | | 42 | | |
| 20 | Annual S & W per Employee | L16 [6] / L18 [4] | | | | \$ 78.5 | | |
| 21 | Annualization of S & W For New Employees | L19 * L20 | | | | | 3,266 | |
| 22 | Pro Forma Test Year S&W | L16 + L21 | | | | | \$ 148,036 | |
| 23 | Pro Forma Increase in S&W | L22 - L4 | | | | | \$ 7,218 | |
| 24 | Pro Forma Percent for HTY 2017 | L23 / L4 | | | | | | 5.126% |

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Rate Case Expense Normalization

| Line No | Description | [1] Reference or Factor | [2] Amount | [3] Sub-Total | [4] Total |
|--|---|------------------------------------|-----------------|--------------------|-----------------|
| Expenditures Up to December 31, 2017 | | | | | |
| 1 | External Consultants | | \$ - | | |
| 2 | External Legal | | 159 | | |
| 3 | Materials, IT Costs, Travel, Copies, Etc. | | <u>-</u> | | |
| 4 | Total Recorded @ December 31, 2017 | Sum L1 to L3 | | \$ 159 | |
| Expenditures in 2018 | | | | | |
| 5 | External Consultants | | \$ 58 | | |
| 6 | External Legal | | 1,583 | | |
| 7 | Materials, IT Costs, Travel, Copies, Etc. | | <u>800</u> | | |
| 8 | Sub-Total | Sum L5 to L7 | | <u>\$ 2,441</u> | |
| <u>Total Expenditures For Rate Filing</u> | | | | | |
| 9 | Total Costs | L4 + L8 | | | <u>\$ 2,600</u> |
| 10 | Normalized over 3 years | <u>3</u> | | | <u>\$ 867</u> |

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Adjustments for Employee Benefits

| Line No | Description | [1] Reference | [2] Amount | [3] Amount | [4] | [5] Total |
|-----------------------------------|--|--------------------|-----------------|-----------------|--------------------------------------|---------------------------------------|
| <u>Employee Benefits</u> | | | | | | |
| 1 | Total Benefits Expensed | | \$ 19,775 | | | |
| 2 | Number of Employees for Budget | | 1,845 | | | |
| 3 | Budget Expense Per Employee | L1 / L2 | | \$ 11 | | |
| 4 | Additional Employees for Annualization | L21 | | 42 | | |
| 5 | Total Benefits Pro Forma Adjustment | L3 * L4 | | | | \$ 446 |
| | | <u>Reference</u> | | | <u>Number of Full Time Employees</u> | <u>Number of Full Time Equivalent</u> |
| <u>Number of Employees</u> | | | | | | |
| 6 | Employees at | | | | | |
| 7 | 1/31/2017 | | | 1,816 | | |
| 8 | 2/28/2017 | | | 1,829 | | |
| 9 | 3/31/2017 | | | 1,834 | | |
| 10 | 4/30/2017 | | | 1,825 | | |
| 11 | 5/31/2017 | | | 1,823 | | |
| 12 | 6/30/2017 | | | 1,837 | | |
| 13 | 7/31/2017 | | | 1,832 | | |
| 14 | 8/31/2017 | | | 1,828 | | |
| 15 | 9/30/2017 | | | 1,862 | | |
| 16 | 10/31/2017 | | | 1,876 | | |
| 17 | 11/30/2017 | | | 1,886 | | |
| 18 | 12/31/2017 | | | 1,886 | | |
| 19 | Employees at | 12/31/2017 | | | | 1,886 |
| 20 | Average Employee Numbers | | | | | 1,845 |
| 21 | Average Employees to Year End Employees | L19 - L20 | | | | <u>42</u> |

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Adjustments for Pension

| Line No | Description | [1] Reference | [2] Amount | [4] Amount | [5] Total |
|-----------------------------|--|--------------------|-----------------|------------------|--------------------------|
| <u>Pension Costs</u> | | | | | |
| 1 | Pension Contribution in: | | | | |
| 2 | | 2013 | \$ 11,824 | | |
| 3 | | 2014 | 11,384 | | |
| 4 | | 2015 | 40,421 | | |
| 5 | | 2016 | 29,781 | | |
| 6 | | 2017 | 23,545 | | |
| 7 | Average Pension Contribution | Sum (L2 to L6) / 5 | \$ 23,391 | | |
| 8 | Percent to Electric Distribution | | <u>71.81%</u> | | |
| 9 | Total Amount to Electric Distribution | L7 * L8 | \$ 16,797 | | |
| 10 | Pension Capitalization Factor | | <u>34.12%</u> | | |
| 11 | Pension Contribution To Be Capitalized | L9 * L10 | <u>\$ 5,731</u> | | |
| 12 | Pension Contribution To Be Expensed | L9 - L11 | | \$ 11,066 | |
| 13 | 2017 Distribution Pension Expense | | | <u>\$ 12,967</u> | |
| 14 | Additional Pension Expense | L12 - L13 | | | <u><u>\$ (1,901)</u></u> |

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Uncollectible Accounts

| Line No | Description | [1] Reference Or Factor | [2] Charge Off Amounts | [3] InPA Charge Off Amounts | [4] Net Charge Off Amounts | [5] Billed Revenue | [6] Percent [4] / [5] | [7] Total |
|---|--|------------------------------------|--------------------------------|--|---------------------------------------|----------------------------|-----------------------------------|------------------|
| Net General Uncollectible Accounts | | | | | | | | |
| 1 | 2015 | | 39,120 | \$ - | \$ 39,120 | \$ 3,570,291 | 1.1000% | |
| 2 | 2016 | | 30,746 | \$ 187 | \$ 30,559 | \$ 3,529,660 | 0.8700% | |
| 3 | 2017 | | 29,212 | \$ 6,876 | \$ 22,336 | \$ 3,289,298 | 0.6800% | |
| 4 | Three Year Average Sum L1 to L3 / 3 | <u>3</u> | | <u>\$ 2,355</u> | <u>\$ 30,672</u> | <u>\$ 3,463,083</u> | <u>0.8857%</u> | |
| 5 | HTY 2017 Tariff Revenue - Non Shopping Revenue | D-5 | | | | 2,157,023 | | |
| 6 | HTY 2017 Tariff Revenue - Shopping Revenue | C-4 | | | | 1,100,721 | | |
| 7 | HTY 2017 Tariff Revenue - Including Shopping Revenue | | | | | <u>3,257,744</u> | | |
| 8 | Total General Pro Form Uncollectible Accounts | L7 * L4 [6] | | | | | | <u>\$ 28,854</u> |
| Net PPA Uncollectible Accounts | | | | | | | | |
| | | | | | <u>PPA</u> | | | |
| 9 | 2015 | | | | \$ 10,279 | | | |
| 10 | 2016 | | | | \$ 8,788 | | | |
| 11 | 2017 | | | | <u>\$ 5,398</u> | | | |
| 12 | Three Year Average PPA Average (L9 to L11) | | | | | | | <u>\$ 8,155</u> |
| 13 | Total Pro Forma Uncollectible Accounts | L8 + L12 | | | | | | \$ 37,009 |
| 14 | HTY 2017 Actual Bad Debt Expense | | | | | | | \$ 24,612 |
| 15 | Total Pro Forma Adjustment for Uncollectible Accounts | L13 - L14 | | | | | | <u>\$ 12,397</u> |

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InPA Balance Recovery

| Line No | Description | [1] Factor or Reference | [2] Amount | [3] Balance |
|---------------------------|--|------------------------------|-----------------|------------------------|
| 1 | InPA Starting Balance at Program Inception (10/1/16) | | | \$ 30,101 |
| 2 | Eligible 2/3 Recovery Balance as of 10/1/16 | L1 * 2/3 | | <u>\$ 20,067</u> |
| Year 2016 Activity | | | | |
| 3 | Base Distribution Collection | | \$ 2,000 | |
| 4 | Total 2016 Recovery | L3 | <u>\$ 2,000</u> | |
| 5 | Eligible Recovery Balance as of 12/31/16 | L2 - L4 | | <u>\$ 18,067</u> |
| Year 2017 Activity | | | | |
| 6 | Base Distribution Collection | | \$ 2,000 | |
| 7 | Universal Service Fund Correction Factor | | (1,353) | |
| 8 | Cash Payments from CAP InPA Customers | | 1,777 | |
| 9 | InPA Charge-off Recovery Match | | - | |
| 10 | Total 2017 Recovery | Sum L6 to L9 | <u>\$ 2,425</u> | |
| 11 | Eligible Recovery Balance as of 12/31/17 | L5 - L10 | | <u>\$ 15,642</u> |
| Year 2018 Activity | | | | |
| 12 | Base Distribution Collection | | \$ 2,000 | |
| 13 | Universal Service Fund Correction Factor | | (676) | |
| 14 | Cash Payments from CAP InPA Customers | | 1,600 | |
| 15 | InPA Charge-off Recovery Match | | 1,777 | |
| 16 | Total 2018 Recovery | Sum L12 to L15 | <u>\$ 4,701</u> | |
| 17 | Eligible Recovery Balance as of 12/31/18 | L11 - L16 | | <u>\$ 10,941</u> |
| 18 | Eligible Recovery Balance as of 1/1/19 | L17 | | \$ 10,941 |
| 19 | Annualized Base Distribution Rate Amount | L18 / 3 | | <u><u>\$ 3,647</u></u> |

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Interest On Customer Deposit

| Line No | Description | [1] Reference | [2] Interest Rate | [3] Deposit Amount | [4] Interest Sub-Total | [5] Interest Total |
|---|-------------------------------|--------------------|------------------------|-------------------------|-----------------------------|-------------------------|
| <u>Residential Customer Deposits</u> | | | | | | |
| 1 | Monthly Interest Rate | | <u>0.333%</u> | | | |
| 2 | <u>2017 -- January</u> | | | \$ 66 | | |
| 3 | -- February | | | 66 | | |
| 4 | -- March | | | 67 | | |
| 5 | -- April | | | 68 | | |
| 6 | -- May | | | 69 | | |
| 7 | -- June | | | 70 | | |
| 8 | -- July | | | 70 | | |
| 9 | -- August | | | 71 | | |
| 10 | -- September | | | 71 | | |
| 11 | -- October | | | 72 | | |
| 12 | -- November | | | 73 | | |
| 13 | -- December | | | 73 | | |
| 14 | Total Residential | Sum L2 to L13 | | \$ 836 | | |
| <u>Commercial & Industrial Customer Deposits</u> | | | | | | |
| 15 | Monthly Interest Rate | | <u>0.118%</u> | | | |
| 16 | <u>2017 -- January</u> | | | \$ 34 | | |
| 17 | -- February | | | 34 | | |
| 18 | -- March | | | 35 | | |
| 19 | -- April | | | 35 | | |
| 20 | -- May | | | 35 | | |
| 21 | -- June | | | 35 | | |
| 22 | -- July | | | 35 | | |
| 23 | -- August | | | 35 | | |
| 24 | -- September | | | 35 | | |
| 25 | -- October | | | 35 | | |
| 26 | -- November | | | 37 | | |
| 27 | -- December | | | 37 | | |
| 28 | Total C&I | Sum L16 to L49 | | \$ 422 | | |
| 29 | Interest on Customer Deposits | L14 + L28 | | | | \$ 1,258 |

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Storm Expense Normalization

| | [1] | [2] | [3] | [4] | [5] |
|---------|---|---------------------|--------------------|--|------------------|
| Line No | Tri-State CPI Factor [A] | Inflation Factor | Expense In Year | Amount For Average [2] * [3] | Total |
| 1 | 4/1/2013 - 3/31/2014 | 0.01036 | 1.06000 | \$ 69,614 | \$ 73,791 |
| 2 | 4/1/2014 - 3/31/2015 | 0.01044 | 1.04914 | \$ 23,017 | 24,148 |
| 3 | 4/1/2015 - 3/31/2016 | (0.00071) | 1.03830 | \$ 27,551 | 28,606 |
| 4 | 4/1/2016 - 3/31/2017 | 0.01082 | 1.03904 | \$ 12,694 | 13,190 |
| 5 | 4/1/2017 - 3/31/2018 | 0.01330 | 1.02792 | \$ 72,898 | \$ 74,933 |
| 6 | Average Storm Restoration Expense | | | | \$ 42,934 |
| 7 | HTY 2017 Actual | | | | 8,974 |
| 8 | Pro Forma Adjustment for Storm Expense Normalization | | | | \$ 33,960 |

[A] Based on Philadelphia-Camden-Wilmington, PA-NJ-DE-MD metropolitan Statistical Areas

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O&M Cost To Achieve

| Line No | Description | [1] Reference Or Factor | [2] Total CTA Amounts |
|-------------------------------|---------------------------|------------------------------------|----------------------------------|
| <u>Cost To Achieve</u> | | | |
| 1 | 2016 | | \$ 4,243 |
| 2 | 2017 | | 2,972 |
| 3 | 2018 | | <u>465</u> |
| 4 | Total CTA To Be Recovered | Sum L1 to L3 | \$ 7,680 |
| 5 | Annual CTA Recovery | L4 / 3 | <u><u>\$ 2,560</u></u> |

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Taxes Other Than Income Adjustment Summary

| Line No | Description | [1] Percentage or Reference | [2] Electric Actual HTY 2017 | [3] Transmission Elimination [1] * [2] | [4] Distribution Actual HTY 2017 [2] + [3] | [5] Pro Forma Adjustments | [6] Pro Forma Tax Expense HTY 2017 [4] + [5] |
|---------|---|-------------------------------------|---|---|--|-----------------------------------|--|
| 1 | PURTA Taxes | 19.171% | \$ 6,533 | \$ (1,252) | \$ 5,280 | \$ - | \$ 5,280 |
| 2 | Capital Stock | 19.171% | - | - | - | - | - |
| 3 | PA & Local Use Taxes | 19.171% | 487 | (93) | 394 | - | 394 |
| 4 | PA Property Taxes | 19.171% | 4,207 | (806) | 3,400 | - | 3,400 |
| 5 | PA Corp Loan Tax | 19.171% | - | - | - | - | - |
| 6 | Philadelphia BIRT | 19.171% | - | - | - | - | - |
| 7 | Local Privilege Tax | 19.171% | - | - | - | - | - |
| 8 | Gross Receipts Tax | | 125,049 | | 125,049 | (838) | 124,211 |
| 9 | Payroll Tax | 11.313% | 11,792 | (1,334) | 10,458 | 536 | 10,994 |
| 10 | Total | Sum L1 to L9 | <u>\$ 148,068</u> | <u>\$ (3,486)</u> | <u>\$ 144,582</u> | <u>\$ (302)</u> | <u>\$ 144,279</u> |
| 11 | Taxes Other Than Income - Distribution | | | | | | <u>\$ 144,279</u> |

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Payroll Tax Adjustments

| Line No | Description | [1] Reference | [2] Actual HTY 2017 | [3] Pro Forma Adjustments | [4] Increase in Payroll Taxes |
|---------|---|--------------------|-----------------------------|-----------------------------------|--|
| 1 | Total Payroll Charged to Expense | | \$ 140,818 | \$ 7,218 | |
| 2 | Payroll Tax Expense | | 10,458 | | |
| 3 | Payroll Tax - Percent | L2 / L1 | 7.43% | 7.43% | |
| 4 | Pro Forma Adjustment for Payroll Tax | L1 * L3 [3] | | | \$ 536 |

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Gross Receipt Tax

| Line No | Description | [1] Reference | [2] Pro Forma Test Year Amount | [3] Amount | [4] Total |
|--|--|--------------------|---|-----------------|----------------|
| <u>Gross Receipts Tax Pro Forma at Present Rate</u> | | | | | |
| 1 | Residential | | \$ 1,382,239 | | |
| 2 | Commercial & Industrial | | 570,848 | | |
| 3 | Railroads & Railways | | 7,871 | | |
| 4 | Street Lighting | | 21,447 | | |
| 5 | Intercompany | | 145 | | |
| 6 | Transmission | | 148,026 | | |
| 7 | Sub-Total | Sum L1 to L6 | \$ 2,130,577 | | |
| 8 | Forfeited Discounts | D-5 | 11,699 | | |
| 9 | Bad Debts | D-10 | (37,009) | | |
| 10 | Sub- Total | L8 + L9 | | (25,310) | |
| 11 | Total Test Year @ Present Rates | L7 + L10 | | | \$ 2,105,267 |
| 12 | Gross Receipts Tax Rate | | | | 5.900% |
| 13 | Pro Forma Gross Receipts Expense at Present Rates | L11 * L12 | | | 124,211 |
| 14 | HTY Actual | | | | 125,049 |
| 15 | Net Adjustment | L13 - L14 | | | \$ (838) |

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| Line No | Description | [1] Reference or Factor or A/C Number | [2] [3] [4] Test Year Expense | | | [5] Annualize 2017 Depreciation | [6] Pro Forma Test Year Depreciation [4] + [5] |
|---------------------------|--|--|--|-------------------|------------------------|--|--|
| | | | Balance of 12/31/2016 | 2017 Additions | Total [2] + [3] | | |
| Intangible Plant | | | | | | | |
| 1 | Franchise & Consent | 302 | - | - | - | - | - |
| 2 | Miscellaneous Intangible Plant | 303 | 15,523 | 4,353 | 19,876 | 4,353 | 24,230 |
| 3 | Total Intangible Plant | L1 + L2 | <u>15,523</u> | <u>4,353</u> | <u>19,876</u> | <u>4,353</u> | <u>24,230</u> |
| Transmission Plant | | | | | | | |
| 4 | Land & Land Rights | 350 | - | - | - | - | - |
| 5 | Structures & Improvements | 352 | 1,221 | 87 | 1,309 | 87 | 1,396 |
| 6 | Station Equipment | 353 | 13,156 | 638 | 13,794 | 638 | 14,432 |
| 7 | Towers & Fixtures | 354 | 3,487 | 32 | 3,519 | 32 | 3,552 |
| 8 | Poles & Fixtures | 355 | 254 | (0) | 254 | (0) | 254 |
| 9 | Overhead Conductors & Devices | 356 | 2,923 | 108 | 3,031 | 108 | 3,140 |
| 10 | Underground Conduit | 357 | 218 | 4 | 222 | 4 | 225 |
| 11 | Underground Conductors & Devices | 358 | 1,489 | 136 | 1,625 | 136 | 1,760 |
| 12 | Roads & Trails | 359 | 8 | - | 8 | - | 8 |
| 13 | Asset Retirement Costs -- Transmission | 359.1 | - | - | - | - | - |
| 14 | Total Transmission Plant | Sum L4 to L13 | <u>22,757</u> | <u>1,005</u> | <u>23,762</u> | <u>1,005</u> | <u>24,767</u> |
| Distribution Plant | | | | | | | |
| 15 | Land & Land Rights | 360 | - | - | - | - | - |
| 16 | Structures & Improvements | 361 | 1,939 | 121 | 2,060 | 121 | 2,181 |
| 17 | Station Equipment | 362 | 17,929 | 616 | 18,544 | 616 | 19,160 |
| 18 | Poles, Towers & Fixtures | 364 | 13,195 | 385 | 13,580 | 385 | 13,965 |
| 19 | Overhead Conductors & Devices | 365 | 22,517 | 705 | 23,222 | 705 | 23,927 |
| 20 | Underground Conduit | 366 | 5,703 | 258 | 5,961 | 258 | 6,219 |
| 21 | Underground Conductors & Devices | 367 | 22,675 | 816 | 23,491 | 816 | 24,306 |
| 22 | Line Transformers | 368 | 11,824 | 297 | 12,121 | 297 | 12,419 |
| 23 | Services | 369 | 7,782 | 137 | 7,919 | 137 | 8,056 |
| 24 | Meters | 370 | 18,835 | 245 | 19,080 | 245 | 19,325 |
| 25 | Installations on Customer Premises | 371 | 5 | - | 5 | - | 5 |
| 26 | Street Lighting & Signal Systems | 373 | 1,262 | 102 | 1,364 | 102 | 1,466 |
| 27 | Asset Retirement Costs -- Distribution | 374 | - | - | - | - | - |
| 28 | Total Distribution Plant | Sum L15 to L27 | <u>123,664</u> | <u>3,682</u> | <u>127,346</u> | <u>3,682</u> | <u>131,028</u> |
| General Plant | | | | | | | |
| 29 | Land & Land Rights | 389 | - | - | - | - | - |
| 30 | Structures & Improvements | 390 | 1,377 | 4 | 1,381 | 4 | 1,385 |
| 31 | Office Furniture & Equipment | 391 | 1,859 | 970 | 2,828 | 970 | 3,798 |
| 32 | Transportation Equipment | 392 | - | - | - | - | - |
| 33 | Stores Equipment | 393 | 4 | - | 4 | - | 4 |
| 34 | Tools & Garage Equipment | 394 | 2,060 | 188 | 2,248 | 188 | 2,437 |
| 35 | Laboratory Equipment | 395 | 20 | - | 20 | - | 20 |
| 36 | Power Operated Equipment | 396 | - | - | - | - | - |
| 37 | Communications Equipment | 397 | 7,735 | 636 | 8,371 | 636 | 9,008 |
| 38 | Miscellaneous Equipment | 398 | 112 | - | 112 | - | 112 |
| 39 | Other Tangible Property | 399 | - | - | - | - | - |
| 40 | Asset Retirement Costs -- General Plant | 399.1 | - | - | - | - | - |
| 41 | Total General Plant | Sum L29 to L40 | <u>13,167</u> | <u>1,799</u> | <u>14,965</u> | <u>1,799</u> | <u>16,764</u> |
| 42 | Total Depreciation | Sum L(3+14+28+41) | 175,111 | 10,839 | 185,950 | 10,839 | 196,788 |
| 43 | Transmission Accounts | | (22,757) | (1,005) | (23,762) | (1,005) | (24,767) |
| 44 | Intangible Account to Transmission | | (1,493) | (940) | (2,433) | (940) | (3,373) |
| 45 | General Plant to Transmission | 11.31% | (1,490) | (203) | (1,693) | (203) | (1,896) |
| 46 | Asset Retirement - Distribution & General | | - | - | - | - | - |
| 47 | Sub-Total | Sum L42 to L46 | <u>149,371</u> | <u>8,691</u> | <u>158,062</u> | <u>8,691</u> | <u>166,752</u> |
| 48 | Common Plant to Electric Distribution | D-17, page 2, L51 | | | 21,073 | 2,477 | 23,551 |
| 49 | Total Distribution Depreciation Expense | L47 + L48 | | | <u>\$ 179,135</u> | <u>\$ 11,168</u> | <u>\$ 190,303</u> |

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Depreciation Expense Adjustment of Common Plant

| Line No | Description | [1] Reference or Factor or A/C Number | [2] [3] [4] Test Year Expense | | | [5] Annualize 2017 Depreciation | [6] Pro Forma Test Year Depreciation |
|--------------------------------|---|--|--|-------------------|------------------------|--|---|
| | | | Balance of 12/31/2016 | 2017 Additions | Total [2] + [3] | | |
| Intangible Plant | | | | | | | |
| 1 | PECO Com 303-AMI NONBILL SW EDE EOL | | \$ 40 | \$ 128 | \$ 168 | \$ 128 | \$ 297 |
| 2 | PECO Com 303-AMI NONBILL SW IDS EOL | | - | 122 | 122 | 122 | 243 |
| 3 | PECO Com 303-IAM SW Enhance PA | | 55 | - | 55 | - | 55 |
| 4 | PECO Com 3030-CallRoutingSW | | (373) | 945 | 572 | 945 | 1,517 |
| 5 | PECO Com 3030-CIMS Enhancements PA | | 1,964 | - | 1,964 | - | 1,964 |
| 6 | PECO Com 3030-Client Devices SW PA | | 600 | - | 600 | - | 600 |
| 7 | PECO Com 3030-Data Loss Prevent PA | | 145 | - | 145 | - | 145 |
| 8 | PECO Com 3030-Documentum PA | | 78 | - | 78 | - | 78 |
| 9 | PECO Com 3030-EAM Asset Suite PA | | 1,224 | 10 | 1,234 | 10 | 1,243 |
| 10 | PECO Com 3030-EUWebCon | | 944 | (0) | 944 | (0) | 944 |
| 11 | PECO Com 3030-Fixed Credit Option S (dup) | | - | 622 | 622 | 622 | 1,244 |
| 12 | PECO Com 3030-HR Payroll HCM Cloud | | - | 7 | 7 | 7 | 14 |
| 13 | PECO Com 3030-HRPC Enhance PA | | 146 | 2 | 148 | 2 | 149 |
| 14 | PECO Com 3030-HRPC-PA | | 112 | - | 112 | - | 112 |
| 15 | PECO Com 3030-Hyperion Enhance PA | | 216 | 3 | 220 | 3 | 223 |
| 16 | PECO Com 3030-HyperionPI | | 152 | - | 152 | - | 152 |
| 17 | PECO Com 3030-I O Directory Svcs PA | | 416 | - | 416 | - | 416 |
| 18 | PECO Com 3030-IAM Consolidate | | 101 | (0) | 100 | (0) | 100 |
| 19 | PECO Com 3030-Informatica PA | | 129 | - | 129 | - | 129 |
| 20 | PECO Com 3030-IVR System PA | | 661 | - | 661 | - | 661 |
| 21 | PECO Com 3030-Misc 5 yr FR PA | | 6,586 | 112 | 6,698 | 112 | 6,811 |
| 22 | PECO Com 3030-Misc 5 yr PA | | (3) | 9 | 5 | 9 | 14 |
| 23 | PECO Com 3030-Mobile Disp Enh PA | | 226 | - | 226 | - | 226 |
| 24 | PECO Com 3030-Oracle Lic PA EOL | | 58 | - | 58 | - | 58 |
| 25 | PECO Com 3030-Passport Enhance PA | | 20 | - | 20 | - | 20 |
| 26 | PECO Com 3030-PBF SW Enhance PA | | 129 | - | 129 | - | 129 |
| 27 | PECO Com 3030-Peoplesoft GL Upgrade | | 80 | - | 80 | - | 80 |
| 28 | PECO Com 3030-PeopleSoft SW Enh PA | | 134 | - | 134 | - | 134 |
| 29 | PECO Com 3030-PowePlant Enhance PA | | 232 | - | 232 | - | 232 |
| 30 | PECO Com 3030-Service Mgt SW PA | | 259 | - | 259 | - | 259 |
| 31 | PECO Com 3030-WallStreet SW PA | | 121 | - | 121 | - | 121 |
| 32 | Total Common - Intangible | Sum L 1 to L 31 | <u>14,453</u> | <u>1,960</u> | <u>16,413</u> | <u>1,960</u> | <u>18,373</u> |
| Common Plant - Other | | | | | | | |
| 33 | PECO Common 3892 PA | | - | - | - | - | - |
| 34 | PECO Common 3901 PA | | 3,902 | 69 | 3,971 | 69 | 4,041 |
| 35 | PECO Common 3902 IL | | 22 | - | 22 | - | 22 |
| 36 | PECO Common 3902 PA | | 1,183 | 28 | 1,211 | 28 | 1,240 |
| 37 | PECO Common 3903 PA | | 10 | 1 | 11 | 1 | 12 |
| 38 | PECO Common 3911 PA | | 23 | - | 23 | - | 23 |
| 39 | PECO Common 3912 PA | | 612 | 147 | 759 | 147 | 907 |
| 40 | PECO Common 3913 IL | | 327 | 347 | 674 | 347 | 1,020 |
| 41 | PECO Common 3913 PA | | 4,140 | 983 | 5,123 | 983 | 6,106 |
| 42 | PECO Common 3927 PA | | - | - | - | - | - |
| 43 | PECO Common 3930 PA | | 84 | 3 | 87 | 3 | 89 |
| 44 | PECO Common 3941 PA | | 11 | - | 11 | - | 11 |
| 45 | PECO Common 3942 PA | | 5 | - | 5 | - | 5 |
| 46 | PECO Common 3943 PA | | - | - | - | - | - |
| 47 | PECO Common 3970 PA | | 1,726 | 7 | 1,734 | 7 | 1,741 |
| 48 | PECO Common 3980 PA | | 115 | (1) | 114 | (1) | 114 |
| 49 | Total Common - Other | Sum L 33 to L 48 | <u>12,160</u> | <u>1,585</u> | <u>13,745</u> | <u>1,585</u> | <u>15,331</u> |
| 50 | Total All | L32 + L49 | <u>\$ 26,613</u> | <u>\$ 3,545</u> | <u>\$ 30,158</u> | <u>\$ 3,545</u> | <u>\$ 33,704</u> |
| Common Plant Charged To | | | | | | | |
| 51 | Electric - Distribution | | 69.876% | | 21,073 | 2,477 | 23,551 |
| 52 | Electric - Transmission | | 8.914% | | 2,688 | 316 | 3,004 |
| 53 | Gas | | 21.210% | | 6,397 | 752 | 7,149 |
| 54 | TOTAL | | <u>100.00%</u> | | <u>30,158</u> | <u>3,545</u> | <u>33,704</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historical Test Year Ended December 31, 2017
(\$ in Thousands)
Income Tax at Present and Proposed Revenue Levels

Exhibit **BSY-3**
Schedule **D-18**
Witness: **Benjamin S. Yin**
Page **1 of 4**

| Line No | Description | [1] Reference | [2] Factor Or Amount | [3] Pro Forma 2017 Present Rates | [4] Proposed Revenue Increase | [5] Pro Forma Tax Expense 12/31/2015 |
|------------------------------|---|---------------------|---------------------------------|---|--|---|
| | | | | | | [3] + [4] |
| 1 | Revenue | | | \$ 2,153,675 | \$ 42,664 | \$ 2,196,339 |
| 2 | Operating Expenses | | | (1,730,539) | (3,030) | (1,733,569) |
| 3 | OIBIT | L1 + L2 | | 423,136 | 39,633 | 462,770 |
| 4 | Rate Base | | 4,219,547 | | | |
| 5 | Weighted Cost of Debt | | 0.02057 | | | |
| 6 | Synchronized Interest Expense | L4 * L5 | | (86,806) | - | (86,806) |
| 7 | Base Taxable Income | L3 + L6 | | 336,330 | 39,633 | 375,964 |
| 8 | State Accelerated Tax Depreciation | Sch D-18 P2 | \$ 158,676 | | | |
| 9 | Pro Forma Book Depreciation | Sch D-3 P2 | 190,303 | | | |
| 10 | State Tax Depreciation (Over) Under Book | L9 - L8 | | 31,627 | | 31,627 |
| 11 | Temporary Adjustments | | | 11,343 | | 11,343 |
| 12 | Other Property Basis Adjustments (CIAC/ICM) | | | (27,195) | | (27,195) |
| 13 | Removal Costs/Software | | | (42,319) | | (42,319) |
| 14 | AFUDC Equity | | | - | | - |
| 15 | Permanent Adjustments | | | 750 | | 750 |
| 16 | Repair Deduction | | | (96,300) | - | (96,300) |
| 17 | State Taxable Income | Sum L7 to L16 | | \$ 214,237 | \$ 39,633 | \$ 253,120 |
| 18 | State Income Tax before Net Operating Loss | L17 * L18 [2] | 9.99% | (21,402) | (3,959) | (25,362) |
| 19 | State Net Operating Loss Utilization | | | - | - | - |
| 20 | State Income Tax | L18+L19 | | \$ (21,402) | \$ (3,959) | \$ (25,362) |
| 21 | Federal Accelerated Tax Depreciation | Sch D-18 P2 | \$ 193,671 | | | |
| 22 | Pro Forma Book Depreciation | Sch D-3 P2 | 190,303 | | | |
| 23 | Federal Tax Deducts (Over) Under Book | L22 - L21 | | (3,368) | - | (3,368) |
| 24 | Temporary Adjustments | L11 | | 11,343 | | 11,343 |
| 25 | Other Property Basis Adjustments (CIAC/ICM) | L12 | | (27,195) | | (27,195) |
| 26 | Removal Costs/Software | L13 | | (42,319) | | (42,319) |
| 27 | AFUDC Equity | L14 | | - | | - |
| 28 | Repair Deduction | L16 | | (96,300) | | (96,300) |
| 29 | Permanent Adjustments | L15 | | 750 | | 750 |
| 30 | Federal NOL | | | 4,298 | | 4,298 |
| 31 | Federal Taxable Income | L7 + Sum L20 to L30 | | 162,138 | 35,674 | 197,812 |
| 32 | Federal Income Tax Expense | L31 * L32 [2] | 35.00% | (56,748) | (12,486) | (69,234) |
| 33 | Total Tax Expense before Deferred Income Tax | L20 + L32 | | (78,150) | (16,445) | (94,596) |
| Deferred Income Taxes | | | | | | |
| 34 | Deferred Taxes on Timing Differences- Federal | | | (20,729) | | (20,729) |
| 35 | Deferred Taxes on Timing Differences- State | | | (2,313) | | (2,313) |
| 36 | State Net Operating Loss Utilization | | | - | - | - |
| 37 | Excess Deferred Amortization | | | - | | - |
| 38 | Federal Net Operating Loss Utilization | | | 903 | | 903 |
| 39 | Federal Income Tax Expense on Flow through adjustment | | | (11,467) | - | (11,467) |
| 40 | Deferred Income Taxes | Sum L34 to L39 | | (33,606) | - | (33,606) |
| 41 | Net Income Tax Expense | L33 + L40 | | (111,757) | (16,445) | (128,202) |
| Other Tax Adjustments | | | | | | |
| 42 | Amortization of Investment Tax Credit | | | - | | - |
| 43 | Electric Plant | | | - | | - |
| 44 | Common Plant Allocated | | | - | | - |
| 45 | Consolidated Income Tax Adjustment | | | - | | - |
| 46 | Combined Income Tax Expense | Sum L41 to L45 | | \$ (111,757) | \$ (16,445) | \$ (128,202) |
| 47 | Federal Income Tax Expense | | | \$ (88,042) | \$ (12,486) | \$ (100,528) |
| 48 | State Income Tax Expense | | | (23,715) | (3,959) | (27,674) |
| 49 | Total Income Tax Expense | L47+L48 | | \$ (111,757) | \$ (16,445) | \$ (128,202) |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historical Test Year Ended December 31, 2017
(\$ in Thousands)
 Depreciation for Income Tax Calculation

Exhibit
Schedule
Witness:
 Page

BSY-3
D-18
Benjamin S. Yin
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| Line No | Description | [1] Amount | [2] Amount | [3] Total |
|--|-------------------------------------|-----------------|-----------------|-------------------|
| <u>State Accelerated Tax Depreciation</u> | | | | |
| 1 | Electric Distribution Only | 150,778 | 150,778 | |
| 2 | Electric Plant | 2,294 | | |
| 3 | Percent to Distribution | <u>88.687%</u> | | |
| 4 | Amount To Distribution | | 2,034 | |
| 5 | Common Plant (no Software) | 8,391 | | |
| 6 | Allocation Factor | <u>69.876%</u> | | |
| 7 | Common Plant Allocated to Elec Dist | | 5,863 | |
| 8 | Software Amortization for Tax | - | | |
| 9 | Common Plant Allocated to Elec Dist | <u>69.876%</u> | - | |
| 10 | Total Accelerated Tax Depreciation | | | <u>\$ 158,676</u> |
| <u>Federal Accelerated Tax Depreciation</u> | | | | |
| 11 | Electric Distribution Only | 182,557 | 182,557 | |
| 12 | Electric Plant | 7,210 | | |
| 13 | Percent to Distribution | <u>88.687%</u> | | |
| 14 | Amount To Distribution | | 6,394 | |
| 15 | Common Plant (no Software) | 6,755 | | |
| 16 | Allocation Factor | <u>69.876%</u> | | |
| 17 | Common Plant Allocated to Elec Dist | | 4,720 | |
| 18 | Software Amortization for Tax | - | | |
| 19 | Common Plant Allocated to Elec Dist | <u>69.876%</u> | - | |
| 20 | Total Accelerated Tax Depreciation | | | <u>\$ 193,671</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historical Test Year Ended December 31, 2017
(\$ in Thousands)

Exhibit **BSY-3**
Schedule **D-18**
Witness: **Benjamin S. Yin**
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Section 1301.1(b) Differential

| Line No | Description | [1] Factor Or Reference | [2] 2012 | [3] 2013 | [4] 2014 | [5] 2015 | [6] 2016 | [7] Average |
|---------|--|------------------------------------|---------------|---------------|---------------|---------------|---------------|------------------|
| 1 | PECO Consolidated Taxable Income | | \$ 317,055 | \$ 372,237 | \$ 97,822 | \$ 165,388 | \$ 185,545 | |
| 2 | Consolidated Income Companies Taxable Income | | \$ 651,323 | \$ 1,069,343 | \$ 1,762,414 | \$ 925,343 | \$ 1,249,191 | |
| 3 | Taxable Income Percentage to PECO | L1 / L2 | 48.6786% | 34.8099% | 5.5505% | 17.8732% | 14.8532% | |
| 4 | Consolidated Loss Companies Loss | | \$ 32,437 | \$ 45,145 | \$ 90,836 | \$ 1,598 | \$ 921 | |
| 5 | PECO Allocation of Loss | L3 * L4 | \$ 15,790 | \$ 15,715 | \$ 5,042 | \$ 286 | \$ 137 | |
| 6 | Electric Percentage | | 78.95% | 86.97% | 64.68% | 99.95% | 122.21% | |
| 7 | Loss Allocable to Electric | L5 * L6 | \$ 12,467 | \$ 13,668 | \$ 3,261 | \$ 286 | \$ 167 | |
| 8 | Electric Distribution Percent | | 73.139% | 73.139% | 73.139% | 73.139% | 73.139% | |
| 9 | Loss Allocable to Electric Distribution | L7 * L8 | \$ 9,118 | \$ 9,997 | \$ 2,385 | \$ 209 | \$ 122 | |
| 10 | Average for 2012 to 2016 | Avg L9 | | | | | | 4,366 |
| 11 | Tax Rate | | | | | | | 21.00% |
| 12 | Section 1301.1(b) Differential | L10 * L11 | | | | | | <u>\$ 917</u> |

PECO Exhibit BSY-3

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historical Test Year Ended December 31, 2017
(\$ in Thousands)

Exhibit **BSY-3**
Schedule **D-18**
Witness: **Benjamin S. Yin**
Page **4 of 4**

Investment Tax Credit Amortization

[1]

[2]

[3]

| Line No | Description | Amount | Amount | Amount |
|-------------------------------------|--|------------------|-----------|-------------------------|
| <u>Investment Tax Credit</u> | | | | |
| 1 | <u>Amortization of Investment Tax Credit - 2017</u> | | | |
| 2 | Amortization for Total Electric - Estimated 2017 | \$ 18 | | |
| 3 | Distribution Factor | <u>88.687%</u> | | |
| 4 | Electric Distribution ITC | | 16 | |
| 5 | Common | \$ 34 | | |
| 6 | Distribution Factor | <u>69.876%</u> | | |
| 7 | Common Plant ITC to Electric Distribution | | <u>24</u> | |
| 8 | Total Electric Distribution | | | <u>\$ 39</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historical Test Year Ended December 31, 2017
(\$ in Thousands)

Exhibit
Schedule
Witness:
Page

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D-19
Benjamin S. Yin
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Gross Revenue Conversion Factor

| Line No | Description | [1] | [2] | [3] |
|---|--|------------------------|----------|-----------------|
| Line No | Description | Reference | Tax Rate | Factor |
| <u>GROSS REVENUE CONVERSION FACTOR</u> | | | | |
| 1 | Gross Reveue Factor | | | 1.000000 |
| 2 | LPC Revenue | | | 0.005417 |
| 3 | Gross Receipts Tax | | | (0.059000) |
| 4 | Uncollectible Expenses | | | (0.008857) |
| 5 | PUC / OCA & SBA Assessment as a % of Revenue | | | (0.003557) |
| 6 | Net Revenues | Sum L1 to L5 | | 0.934002 |
| 7 | State Income Taxes | L6 [3] * Rate [2] | 9.99% | (0.093307) |
| 8 | Factor After State Taxes | L6 + L7 | | 0.840695 |
| 9 | Federal Income Taxes | L8 [3] * Rate [2] | 35.00% | (0.294243) |
| 10 | Net Operating Income Factor | L8 + L9 | | <u>0.546452</u> |
| 11 | Gross Revenue Conversion Factor | 1 / L10 | | <u>1.829986</u> |
| 12 | Combined Income Tax Factor On Gross Revenues | -L7 - L9 | | <u>38.755%</u> |
| <u>Income Tax Factor</u> | | | | |
| 13 | Gross Revenue Factor | | | 1.000000 |
| 14 | State Income Taxes | L13 [3] * Rate [2] | 9.99% | (0.099900) |
| 15 | Factor After State Taxes | L13 + L14 | | 0.900100 |
| 16 | Federal Income Taxes | L15 [3] * Rate [2] | 35.00% | (0.315035) |
| 17 | Net Operating Income Factor | L15 + L16 | | 0.585065 |
| 18 | Gross Revenue Conversion Factor | 1 / L17 | | <u>1.709212</u> |
| 19 | Combined Income Tax Factor On Taxable Income | -L14 - L16 | | <u>41.494%</u> |

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Future Test Year Ended December 31, 2018
(\$ in Thousands)

Exhibit **BSY-4**
Witness: **Benjamin S. Yin**
Page 1 of 1

Impact of the Tax Cut Job Act on Income Taxes

| Line No | Description | [1] Reference | [2] Factor Or Amount | [3] Pro Forma 2018 Present Rates |
|------------------------------|---|---------------------|---------------------------------|---|
| 1 | Revenue | | | \$ 2,191,165 |
| 2 | Operating Expenses | | | (1,760,292) |
| 3 | OIBIT | L1 + L2 | | <u>\$ 430,873</u> |
| 4 | | | | |
| 5 | | | | |
| 6 | Interest Expense | | | (87,892) |
| 7 | Base Taxable Income | L3 + L6 | | <u>\$ 342,981</u> |
| 8 | State Accelerated Tax Depreciation | | \$ 189,890 | |
| 9 | Pro Forma Book Depreciation | | <u>196,754</u> | |
| 10 | State Tax Depreciation (Over) Under Book | L9 - L8 | | \$ 6,864 |
| 11 | Regulatory Asset Programs M-1, Pension & Post Retirement Benefits | | | 3,150 |
| 12 | Other Property Basis Adjustments (CIAC/ICM) | | | (7,197) |
| 13 | Removal Costs/Software | | | (47,849) |
| 15 | Permanent Adjustments | | | 869 |
| 16 | Repair Deduction | | | <u>(94,900)</u> |
| 17 | State Taxable Income | Sum L7 to L15 | | <u>\$ 203,918</u> |
| 18 | State Income Tax before Net Operating Loss | L29 * L31 | 9.99% | 20,371 |
| 19 | State Net Operating Loss Utilization | | | - |
| 20 | State Income Tax | | | <u>\$ (20,371)</u> |
| 21 | Federal Accelerated Tax Depreciation | Sch D-18 P2 | \$ 169,738 | |
| 22 | Pro Forma Book Depreciation | Sch D-3 P2 | <u>196,754</u> | |
| 23 | Federal Tax Deducts (Over) Under Book | L21 - L20 | | \$ 27,016 |
| 24 | Regulatory Asset Programs M-1, Pension & Post Retirement Benefits | | | 3,150 |
| 25 | Other Property Basis Adjustments (CIAC/ICM) | | | (7,197) |
| 26 | Removal Costs/Software | | | (47,849) |
| 28 | Repair Deduction | | | (94,900) |
| 28A | Permanent Adjustments | | | 869 |
| 28B | Federal NOL | | | (4,298) |
| 29 | Federal Taxable Income | L7 + Sum L19 to L27 | | <u>\$ 199,401</u> |
| 30 | Federal Income Tax Expense | L29 * | 35.00% | \$ 69,790 |
| 30A | Federal Income Tax Expense | L29 * | 21.00% | 41,874 |
| 31 | Total Tax Expense before Deferred Income Tax | L20 + L30 | 35.00% | <u>\$ 90,162</u> |
| 31A | Total Tax Expense before Deferred Income Tax | L20 + L30A | 21.00% | <u>\$ 62,246</u> |
| DEFERRED INCOME TAXES | | | | |
| 32 | Deferred Taxes on Timing Differences- Federal | | | \$ (10,668) |
| 33 | Deferred Taxes on Timing Differences- State | | | (1,133) |
| 34 | Net Operating Loss Utilization | | | - |
| 34A | Federal Net Operating Loss Utilization | | | (1,504) |
| 35 | Federal Income Tax Expense on Flow through adjustment | | | <u>(14,920)</u> |
| 36 | Deferred Income Taxes | Sum L32 to L34 | 35.00% | <u>(28,225)</u> |
| 36A | Deferred Income Taxes | | 21.00% | (20,389) |
| 37 | Net Income Tax Expense @ 35% | L31 - L36 | | \$ 118,387 |
| 37A | Net Income Tax Expense @ 21% | L31A - L36A | | 82,635 |
| 38 | Change in Income Tax Expense | L37A - L37 | | (35,752) |
| 39 | Excess Deferred Tax Amortization | | | (12,513) |
| 40 | Total Change in Current & Deferred | | | <u>(48,265)</u> |
| 41 | Gross up for Taxes L38 / 0,711079 | | | (67,876) |
| 42 | Rate Base Change Due to TCJA | | | 78,313 |
| 43 | Pre-tax cost of capital using DSIC ROE | | | 9.11% |
| 44 | Change in Revenue Requirement Due to Rate Base | L42 * L43 * 0.5 | | 3,567 |
| 45 | | | | |
| 46 | Total Revenue Requirement Change | L41 - L44 | | (64,309) |
| 47 | W/GRT | L46 / 0.941 | | (68,341) |
| 48 | Allowed Revenue Last Rate Case | | | \$ 1,288,002 |
| 49 | % Change in Revenue | | | 5.31% |

**PECO ENERGY COMPANY
STATEMENT NO. 4**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PECO ENERGY COMPANY – ELECTRIC DIVISION

DOCKET NO. R-2018-3000164

DIRECT TESTIMONY

WITNESS: SCOTT A. BAILEY

SUBJECT: OVERVIEW OF PECO ENERGY
COMPANY'S ACCOUNTING PROCESSES;
ALLOCATION OF COSTS BETWEEN
ELECTRIC AND GAS OPERATIONS;
ELECTRIC DIVISION DEPRECIATION
CLAIMS

DATED: MARCH 29, 2018

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**DIRECT TESTIMONY
OF
SCOTT A. BAILEY**

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name and business address.

A. My name is Scott A. Bailey. My business address is PECO Energy Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

2. Q. By whom are you employed and in what capacity?

A. I am employed by PECO Energy Company (“PECO” or the “Company”) as Vice President and Controller. In that capacity, I am responsible for maintaining PECO’s accounting books and records under United States Generally Accepted Accounting Principles (“GAAP”) and the Federal Energy Regulatory Commission’s (“FERC”) *Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act* (“Uniform System of Accounts”). In addition, I am responsible for PECO’s financial reporting to the U.S. Securities and Exchange Commission (“SEC”), the FERC and the Pennsylvania Public Utility Commission (“PUC” or “Commission”).

3. Q. Please describe your educational background.

A. I received a Bachelor’s Degree in Accountancy from West Chester University.

1 **4. Q. Please describe your professional experience.**

2 A. Upon graduation, I was hired as a staff accountant for Deloitte & Touche LLP in
3 Philadelphia. After 6 years at Deloitte & Touche, I began employment with Exelon
4 Corporation in 2004. I held various roles at Exelon, including Manager of Corporate
5 Accounting and Manager of Power Team Accounting prior to being promoted to
6 Director of Accounting for Power Team in 2007. In 2011, I became Assistant
7 Controller for Exelon Generation overseeing the accounting operations of Exelon's
8 power marketing and fossil generation division. I assumed my current
9 responsibilities as Vice President and Controller of PECO in April 2012.

10 **5. Q. What is the purpose of your testimony?**

11 A. My testimony covers three subjects. First, I will provide a general overview of
12 PECO's accounting processes. Second, I will describe how PECO allocates common
13 costs between its electric and natural gas operations. Third, I will present and explain
14 PECO's claims for accrued and annual depreciation related to the utility plant in
15 service of PECO's Electric Division as of the end of the historic test year (December
16 31, 2017), the future test year (December 31, 2018) ("FTY") and the fully projected
17 future test year (December 31, 2019) ("FPFTY").

18 **6. Q. Please identify the exhibits you are sponsoring.**

19 A. I am sponsoring PECO Exhibits SAB-1, SAB-2 and SAB-3, which are based on the
20 results of the *2013 Depreciation Study – Calculated Annual Depreciation Accruals*
21 *Related to Electric and Common Plant as of December 31, 2013* which was filed with

1 the Commission in 2015 (the “2013 Depreciation Study”) and updated, respectively,
2 to reflect the original cost of PECO’s electric and common plant in service at
3 December 31, 2017 and estimated to be in service at December 31, 2018 and
4 December 31, 2019. I am also sponsoring PECO Exhibit SAB-4, which is PECO’s
5 2013 Depreciation Study that was also used in the Company’s 2015 base rate
6 proceeding (Docket No. R-2015-2468981).

7 **II. OVERVIEW OF PECO’S ACCOUNTING PROCESSES**

8 **7. Q. How are PECO’s accounting records maintained?**

9 A. The Company’s accounting records are kept in accordance with GAAP and the
10 Uniform System of Accounts Prescribed for Public Utilities and Licensees (Class A
11 and B) of the FERC as well as the PUC’s regulations at 52 Pa. Code § 57.42(a). In
12 addition, PECO maintains a continuing property records system in accordance with
13 PUC and FERC requirements.

14 **8. Q. Does the data contained in PECO’s continuing property records accurately**
15 **reflect the original cost of the property in question?**

16 A. Yes, it does. A determination of the original cost of PECO’s electric plant was made
17 in the 1940s with the approval of the PUC. Subsequent plant additions, retirements
18 and adjustments have been recorded on an original cost basis in accordance with
19 GAAP, the PUC’s regulations and the Uniform System of Accounts.

1 **9. Q. Are PECO’s books and records audited?**

2 A. Yes, they are. Exelon Corporation, PECO’s parent, maintains an Audit and Controls
3 Department (often referred to as “Internal Audit”, or “IA”) that routinely audits
4 various aspects of PECO’s operations. In addition, PECO’s books and records are
5 audited annually by its outside auditors.

6 In 2014, the PUC completed a Focused Management and Operations Audit of PECO
7 Energy Company, which included a review of the Company’s internal audit process.¹
8 The PUC’s report made note that “the IA department is responsible for evaluating the
9 design and effectiveness of internal control systems and governance processes
10 throughout the Exelon organization by performing risk based audits on activities
11 affecting the financial, legal, reputational and operational aspects of the Company.
12 The PUC’s review of the internal audit process resulted in no findings or
13 recommendations.

14 **10. Q. How can you be sure that all property reflected in PECO’s plant accounts is, in
15 fact, used and useful?**

16 A. As explained in Mr. Innocenzo’s testimony (PECO Statement No. 1), the assets
17 included in PECO’s rate base in this case are, or by the end of the FTY and the
18 FPFTY will be, in service and used by PECO to provide electric service to its
19 customers. Moreover, PECO has in place a process which requires that: (1) a record
20 be made in the field at the time any property unit is added to service or permanently

¹ See Focused Management and Operations Audit of PECO Energy Company, Docket No. D-2013-2370921 (Issued September 2014).

1 removed from service; and (2) based on the records made in the field, appropriate
2 accounting entries be made to the Company's property accounts to add or remove,
3 respectively, the original cost of any property unit that was added or retired.
4 Individuals with appropriate authority must review and approve the entries that are
5 made to record the addition and removal of property units from the Company's plant
6 accounts. Additionally, IA performed an audit of the controls surrounding PECO's
7 fixed asset process in 2015, which included review of fixed asset accounting records.
8 IA concluded that the processes and general control environment, which includes
9 those activities necessary to provide reasonable assurance that risks are being
10 managed and objectives met, are effective.

11 **III. ALLOCATION OF COSTS BETWEEN ELECTRIC**
12 **AND GAS OPERATIONS**

13 **11. Q. Does PECO maintain separate books and records for its electric and natural gas**
14 **operations?**

15 A. Yes. Under applicable PUC and FERC regulations, PECO is required to maintain
16 separate statements of income and to maintain, separately, certain balance sheet
17 accounts for its electric and natural gas operations.

18 **12. Q. How does the Company allocate "common plant" between its two divisions?**

19 A. "Common plant" (i.e., facilities, such as PECO's headquarters office building in
20 Philadelphia, that are used to provide both electric and gas service) is allocated on the
21 basis of a three-part formula, with equal weight given to relative plant investment,
22 total revenue and number of customers. The allocation factors utilized for purposes

1 of this rate filing are shown on Schedule C-8 of PECO Exhibits BSY-1, BSY-2 and
2 BSY-3.

3 **13. Q. Are operating expenses handled in the same fashion?**

4 A. No, a different method is used to allocate operating expenses. The Company
5 developed factors to allocate operating expenses that cannot be directly assigned
6 between electric and gas operations. PECO reviews these factors annually and
7 updates them as necessary to ensure that they reflect the forces driving the costs to
8 which they apply.

9 **14. Q. Please explain the method used to allocate non-assignable Administrative and**
10 **General expenses and bad debt expense.**

11 A. Non-assignable Administrative and General (“A&G”) expenses consist of the labor
12 and other resources of the Company’s A&G departments, such as Finance,
13 Marketing, and Accounting, which provide service to both the gas and electric
14 divisions. Non-assignable expenses in these areas are allocated to electric operations
15 based upon a percentage calculated by dividing: (1) the previous year’s non-fuel
16 Operating & Maintenance (“O&M”) expenses that were directly assigned to electric
17 operations, by (2) the total of all the previous year’s non-fuel O&M expenses that
18 were directly assigned to gas and electric operations.

19 Bad debt expense associated with customer accounts receivable is allocated to electric
20 operations based on the ratio of accounts receivable written off. The ratio is updated
21 annually based on the prior year’s actual accounts receivable charge-off experience.

1 Bad debt expense is allocated for accounting purposes. However, for ratemaking
2 purposes, uncollectible accounts expense is calculated based on net uncollectible
3 accounts charged off (excluding Customer Assistance Plan in-program arrearage
4 write-offs) as a percentage of total tariff revenue, for the period 2015-2017.

5 **IV. PECO ELECTRIC DIVISION DEPRECIATION CLAIMS**

6 **15. Q. Has a service-life study of PECO's electric and common utility plant in service**
7 **been performed?**

8 A. Yes. With the assistance of Gannett Fleming, Inc., PECO prepared its 2013
9 Depreciation Study which is provided as PECO Exhibit SAB-4. The service lives
10 developed in the study were used in the Company's 2015 base rate proceeding
11 (Docket No. R-2015-2468981) and were not opposed by any party in that proceeding.
12 The service lives from that study continue to be used in support of this proceeding as
13 a service-life study is required to be filed once every five years under the
14 Pennsylvania Public Utility Code. Because PECO filed its most recent study in 2015,
15 a new study is not due to be filed until 2020.

16 **16. Q. Have you prepared exhibits presenting the results of PECO's depreciation**
17 **studies?**

18 A. Yes. PECO Exhibits SAB-1, SAB-2 and SAB-3 are based on the results of the 2013
19 Depreciation Study and updated to reflect PECO's electric and common plant in
20 service as of December 31, 2017, 2018 and 2019 respectively.

21

1 **17. Q. What is the purpose of the depreciation study?**

2 A. PECO is relying principally on data for a FPFTY ending December 31, 2019 to
3 support its proposed increase in revenue requirement in this case. Accordingly, the
4 purpose of the depreciation study is to provide the basis to calculate the estimated
5 2019 annual depreciation accruals related to electric and common plant in service for
6 ratemaking purposes and, using procedures approved by the PUC, to estimate
7 PECO's electric and allocated common plant book reserve at December 31, 2019.

8 **18. Q. Please describe PECO Exhibits SAB-1, SAB-2 and SAB-3.**

9 PECO Exhibit SAB-1 is titled "Annual Depreciation Accruals Related to Utility Plant
10 in Service at December 31, 2017." This exhibit is based on the results of the 2013
11 Depreciation Study and updated to reflect the original cost of PECO's electric and
12 common plant in service at December 31, 2017. The report also includes the detailed
13 depreciation calculations used to determine 2018 depreciation rates, which are used in
14 calculating the estimated 2018 Annual Depreciation Accruals shown in PECO Exhibit
15 SAB-2.

16 PECO Exhibit SAB-2 is titled "Estimated Annual Depreciation Accruals Related to
17 Utility Plant in Service for 2018." This exhibit is based on the results of the 2013
18 Depreciation Study and updated to reflect the estimated original cost of PECO's plant
19 in service at December 31, 2018. PECO Exhibit SAB-2 includes PECO's FTY plant
20 additions for electric and allocated common plant claimed in rate base in this case and
21 reflects the depreciation accruals related to those additions in the column titled "2018
22 Estimated Annual Depreciation Accrual."

1 PECO Exhibit SAB-3 is titled “Estimated Annual Depreciation Accruals Related to
2 Utility Plant in Service for 2019.” This exhibit is based on the results of the 2013
3 Depreciation Study and updated to reflect the estimated original cost of PECO’s plant
4 in service at December 31, 2019. PECO Exhibit SAB-3 includes PECO’s FPFTY
5 plant additions for electric and allocated common plant claimed in rate base in this
6 case and reflects the depreciation accruals related to those additions in the column
7 titled “2019 Estimated Depreciation Accrual.”

8 **19. Q. Has the Commission previously approved PECO’s use of the remaining-life**
9 **method of depreciation?**

10 A. Yes. In 1984, in PECO’s rate proceeding at Docket No. R-842590, the Commission
11 approved PECO’s use of the remaining life method and also approved PECO’s
12 adjusted book reserve as the measure of accrued depreciation for ratemaking.² PECO
13 has employed the remaining-life method in each of the Annual Depreciation Reports
14 filed with the Commission since that time. The remaining life method spreads the
15 undepreciated cost of plant over the estimated remaining life of the depreciable
16 group.

17 **20. Q. How was the accumulated book reserve used in the calculation of annual**
18 **depreciation?**

19 A. The accumulated book reserve, by account, at December 31, 2017, is one of the
20 factors used in calculating the annual depreciation accruals shown in PECO Exhibit

² *Pa. P.U.C. v. Philadelphia Elec. Co.*, Docket No. R-842590 *et al.*, 58 Pa PUC 743, 751-755 (Order entered Jan. 24, 1985).

1 SAB-1. The methodology used to calculate the annual depreciation accrual is
2 consistent with the methodology described in the 2013 Depreciation Study that is
3 provided as PECO Exhibit SAB-4.

4 **21. Q. How was the estimated accumulated book reserve at December 31, 2018**
5 **determined?**

6 A. As shown in Exhibit SAB-2, the December 31, 2018 estimated accumulated book
7 reserve was developed by: (1) adding the 2018 estimated annual depreciation accrual
8 to the actual accumulated book reserve by account as of January 1, 2018; (2)
9 subtracting the 2018 estimated plant retirements by account; and (3) adding 2018
10 estimated salvage or subtracting estimated removal costs that are closed to the
11 accumulated book reserve, by account. The 2018 estimated annual depreciation
12 accruals are estimated by adding the following three items: (1) the estimated
13 depreciable plant net book value balance by account as of December 31, 2017,
14 multiplied by the depreciation rates shown in PECO Exhibit SAB-1; (2) the 2018
15 estimated plant additions multiplied by the depreciation rate (using a half-year
16 convention) for the appropriate account; and (3) the 2018 estimated salvage or cost of
17 removal multiplied by the depreciation rate (using a half-year convention) for the
18 appropriate account.

19 **22. Q. How was the estimated accumulated book reserve at December 31, 2019**
20 **determined?**

21 A. As shown in PECO Exhibit SAB-3, the December 31, 2019 estimated accumulated
22 book reserve was developed by: (1) adding the 2019 estimated annual depreciation

1 accrual to the estimated accumulated book reserve by account as of January 1, 2019;
2 (2) subtracting the 2019 estimated plant retirements by account; and (3) adding 2019
3 estimated salvage or subtracting estimated removal costs that are closed to the
4 accumulated book reserve, by account. The 2019 estimated annual depreciation
5 accruals are estimated by adding the following three items: (1) the estimated
6 depreciable plant net book value balance by account as of December 31, 2018,
7 multiplied by the depreciation rates shown in PECO Exhibit SAB-3; (2) the 2019
8 estimated plant additions multiplied by the depreciation rate (using a half-year
9 convention) for the appropriate account; and (3) the 2019 estimated salvage or cost of
10 removal multiplied by the depreciation rate (using a half-year convention) for the
11 appropriate account.

12 **23. Q. Have you prepared schedules that summarize the development of the original**
13 **cost of gross plant, estimated accumulated book reserve, estimated depreciable**
14 **plant net book value, estimated annual depreciation accrual, and estimated**
15 **annual depreciation accruals, by property account, for utility plant in service at**
16 **December 31, 2019?**

17 A. Yes. PECO Exhibit SAB-3 provides this information. The original cost of gross
18 plant in service at December 31, 2019 was calculated by adding the estimated plant
19 additions by account for 2019 to, and subtracting the estimated plant retirements for
20 2019 from, the estimated original cost of gross plant as of December 31, 2018. I
21 previously explained how the estimated accumulated book reserve at December 31,
22 2018 and estimated annual depreciation accrual related to plant in service at
23 December 31, 2018 were determined.

1 The estimated net book value of depreciable plant at December 31, 2019 was
2 calculated by subtracting the estimated accumulated book reserve at December 31,
3 2019 from the estimated original cost of gross plant at December 31, 2019.

4 The 2019 annual depreciation accruals were estimated by adding the following three
5 items: (1) the estimated net book value balance of depreciable plant by account as of
6 December 31, 2018, multiplied by the depreciation rates shown in PECO Exhibit
7 SAB-3; (2) the 2019 estimated plant additions multiplied by the depreciation rate
8 (using a half-year convention) for the appropriate account; and (3) the 2019
9 estimated salvage or cost of removal multiplied by the depreciation rate (using a half-
10 year convention) for the appropriate account.

11 **V. CONCLUSION**

12 **24. Q. Does this complete your direct testimony at this time?**

13 A. Yes, it does.

**Annual Depreciation Accruals Related to
Utility Plant in Service at December 31, 2017**

Summary –

This exhibit is based on the results of the 2013 Depreciation Study and updated to reflect the original cost of PECO's electric and common plant in service at December 31, 2017. The report also includes the detailed depreciation calculations used to determine 2018 depreciation rates, which are used in calculating the estimated 2018 Annual Depreciation Accruals shown in PECO Exhibit SAB-2.

Note:

The system generated reports show the date for each utility account as of January 1, 2018. The balances as of December 31, 2017 are the same as the balances as of January 1, 2018.

Generation Arrangement Report

PECO Elect 361 Composite 2018

Account: PECO Elect 361 Composite

Dispersion: 50.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$9,016,221.02 | 50.00 | 49.53 | 0.9905 | 1.0000 | \$8,930,995.65 | \$180,324.42 |
| 2016 | 1.50 | \$3,249,640.92 | 50.00 | 48.59 | 0.9717 | 1.0000 | \$3,157,697.54 | \$64,992.82 |
| 2015 | 2.50 | \$12,314,987.09 | 50.00 | 47.65 | 0.9529 | 1.0000 | \$11,735,340.91 | \$246,299.74 |
| 2014 | 3.50 | \$6,167,202.78 | 50.00 | 46.71 | 0.9342 | 1.0000 | \$5,761,638.99 | \$123,344.06 |
| 2013 | 4.50 | \$1,560,836.44 | 50.00 | 45.78 | 0.9156 | 1.0000 | \$1,429,153.62 | \$31,216.73 |
| 2012 | 5.50 | \$2,135,256.09 | 50.00 | 44.86 | 0.8971 | 1.0000 | \$1,915,562.55 | \$42,705.12 |
| 2011 | 6.50 | \$10,771,237.81 | 50.00 | 43.93 | 0.8787 | 1.0000 | \$9,464,549.82 | \$215,424.76 |
| 2010 | 7.50 | \$3,820,147.46 | 50.00 | 43.02 | 0.8604 | 1.0000 | \$3,286,722.05 | \$76,402.95 |
| 2009 | 8.50 | \$1,876,984.56 | 50.00 | 42.11 | 0.8421 | 1.0000 | \$1,580,684.66 | \$37,539.69 |
| 2008 | 9.50 | \$2,647,453.09 | 50.00 | 41.20 | 0.8240 | 1.0000 | \$2,181,568.28 | \$52,949.06 |
| 2007 | 10.50 | \$13,286,062.41 | 50.00 | 40.30 | 0.8060 | 1.0000 | \$10,708,868.96 | \$265,721.25 |
| 2006 | 11.50 | \$2,106,615.67 | 50.00 | 39.41 | 0.7881 | 1.0000 | \$1,660,299.00 | \$42,132.31 |
| 2005 | 12.50 | \$737,477.20 | 50.00 | 38.52 | 0.7704 | 1.0000 | \$568,127.64 | \$14,749.54 |
| 2004 | 13.50 | \$1,765,497.39 | 50.00 | 37.64 | 0.7527 | 1.0000 | \$1,328,947.30 | \$35,309.95 |
| 2003 | 14.50 | \$835,409.26 | 50.00 | 36.76 | 0.7352 | 1.0000 | \$614,215.93 | \$16,708.19 |
| 2002 | 15.50 | \$1,569,850.12 | 50.00 | 35.89 | 0.7179 | 1.0000 | \$1,126,932.91 | \$31,397.00 |
| 2000 | 17.50 | \$130,331.23 | 50.00 | 34.18 | 0.6836 | 1.0000 | \$89,088.49 | \$2,606.62 |
| 1999 | 18.50 | \$116,951.93 | 50.00 | 33.33 | 0.6666 | 1.0000 | \$77,962.88 | \$2,339.04 |
| 1998 | 19.50 | \$627,645.09 | 50.00 | 32.49 | 0.6498 | 1.0000 | \$407,871.32 | \$12,552.90 |
| 1997 | 20.50 | \$107,059.39 | 50.00 | 31.66 | 0.6332 | 1.0000 | \$67,793.11 | \$2,141.19 |
| 1996 | 21.50 | \$1,772,920.80 | 50.00 | 30.84 | 0.6168 | 1.0000 | \$1,093,508.70 | \$35,458.42 |
| 1995 | 22.50 | \$321,431.32 | 50.00 | 30.02 | 0.6005 | 1.0000 | \$193,019.43 | \$6,428.63 |
| 1994 | 23.50 | \$413,327.54 | 50.00 | 29.22 | 0.5844 | 1.0000 | \$241,543.68 | \$8,266.55 |
| 1993 | 24.50 | \$672,062.31 | 50.00 | 28.42 | 0.5685 | 1.0000 | \$382,035.59 | \$13,441.25 |
| 1992 | 25.50 | \$954,070.15 | 50.00 | 27.63 | 0.5527 | 1.0000 | \$527,311.79 | \$19,081.40 |
| 1991 | 26.50 | \$1,502,425.30 | 50.00 | 26.86 | 0.5371 | 1.0000 | \$806,998.77 | \$30,048.51 |
| 1990 | 27.50 | \$856,110.96 | 50.00 | 26.09 | 0.5217 | 1.0000 | \$446,671.22 | \$17,122.22 |
| 1989 | 28.50 | \$2,179,465.82 | 50.00 | 25.33 | 0.5066 | 1.0000 | \$1,104,027.65 | \$43,589.32 |
| 1988 | 29.50 | \$3,459,385.40 | 50.00 | 24.58 | 0.4916 | 1.0000 | \$1,700,511.11 | \$69,187.71 |
| 1987 | 30.50 | \$587,032.46 | 50.00 | 23.84 | 0.4768 | 1.0000 | \$279,882.50 | \$11,740.65 |
| 1986 | 31.50 | \$130,776.52 | 50.00 | 23.11 | 0.4622 | 1.0000 | \$60,443.98 | \$2,615.53 |
| 1985 | 32.50 | \$511,435.49 | 50.00 | 22.39 | 0.4478 | 1.0000 | \$229,033.75 | \$10,228.71 |

Generation Arrangement Report

PECO Elect 361 Composite 2018

Account: PECO Elect 361 Composite

Dispersion: 50.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 1984 | 33.50 | \$96,191.98 | 50.00 | 21.68 | 0.4337 | 1.0000 | \$41,716.01 | \$1,923.84 |
| 1983 | 34.50 | \$17,372.39 | 50.00 | 20.99 | 0.4197 | 1.0000 | \$7,292.03 | \$347.45 |
| 1982 | 35.50 | \$45,147.49 | 50.00 | 20.30 | 0.4061 | 1.0000 | \$18,332.54 | \$902.95 |
| 1981 | 36.50 | \$514,366.18 | 50.00 | 19.63 | 0.3926 | 1.0000 | \$201,942.81 | \$10,287.32 |
| 1980 | 37.50 | \$111,605.71 | 50.00 | 18.97 | 0.3794 | 1.0000 | \$42,343.22 | \$2,232.11 |
| 1979 | 38.50 | \$1,262,355.11 | 50.00 | 18.32 | 0.3665 | 1.0000 | \$462,594.28 | \$25,247.10 |
| 1978 | 39.50 | \$72,816.98 | 50.00 | 17.69 | 0.3538 | 1.0000 | \$25,760.49 | \$1,456.34 |
| 1977 | 40.50 | \$25,031.14 | 50.00 | 17.07 | 0.3414 | 1.0000 | \$8,544.70 | \$500.62 |
| 1976 | 41.50 | \$32,238.27 | 50.00 | 16.46 | 0.3292 | 1.0000 | \$10,614.24 | \$644.77 |
| 1975 | 42.50 | \$1,574,039.78 | 50.00 | 15.87 | 0.3174 | 1.0000 | \$499,630.35 | \$31,480.80 |
| 1974 | 43.50 | \$517,839.97 | 50.00 | 15.29 | 0.3059 | 1.0000 | \$158,406.15 | \$10,356.80 |
| 1973 | 44.50 | \$533,877.05 | 50.00 | 14.73 | 0.2947 | 1.0000 | \$157,328.88 | \$10,677.54 |
| 1972 | 45.50 | \$1,349,474.90 | 50.00 | 14.19 | 0.2838 | 1.0000 | \$382,987.78 | \$26,989.50 |
| 1971 | 46.50 | \$2,466,704.24 | 50.00 | 13.66 | 0.2733 | 1.0000 | \$674,035.76 | \$49,334.08 |
| 1970 | 47.50 | \$1,229,471.32 | 50.00 | 13.15 | 0.2630 | 1.0000 | \$323,397.51 | \$24,589.43 |
| 1969 | 48.50 | \$1,115,074.59 | 50.00 | 12.66 | 0.2532 | 1.0000 | \$282,301.19 | \$22,301.49 |
| 1968 | 49.50 | \$318,682.98 | 50.00 | 12.18 | 0.2436 | 1.0000 | \$77,644.40 | \$6,373.66 |
| 1967 | 50.50 | \$617,761.39 | 50.00 | 11.72 | 0.2345 | 1.0000 | \$144,843.72 | \$12,355.23 |
| 1966 | 51.50 | \$1,316,908.86 | 50.00 | 11.28 | 0.2256 | 1.0000 | \$297,152.34 | \$26,338.18 |
| 1965 | 52.50 | \$281,624.40 | 50.00 | 10.86 | 0.2172 | 1.0000 | \$61,159.70 | \$5,632.49 |
| 1964 | 53.50 | \$426,236.70 | 50.00 | 10.45 | 0.2090 | 1.0000 | \$89,099.18 | \$8,524.73 |
| 1963 | 54.50 | \$1,121,393.74 | 50.00 | 10.06 | 0.2012 | 1.0000 | \$225,676.78 | \$22,427.87 |
| 1962 | 55.50 | \$219,160.02 | 50.00 | 9.69 | 0.1938 | 1.0000 | \$42,470.13 | \$4,383.20 |
| 1961 | 56.50 | \$717,562.45 | 50.00 | 9.33 | 0.1866 | 1.0000 | \$133,929.33 | \$14,351.25 |
| 1960 | 57.50 | \$493,061.93 | 50.00 | 8.99 | 0.1798 | 1.0000 | \$88,656.94 | \$9,861.24 |
| 1959 | 58.50 | \$261,696.90 | 50.00 | 8.66 | 0.1733 | 1.0000 | \$45,343.52 | \$5,233.94 |
| 1958 | 59.50 | \$560,819.26 | 50.00 | 8.35 | 0.1670 | 1.0000 | \$93,653.82 | \$11,216.39 |
| 1957 | 60.50 | \$562,097.59 | 50.00 | 8.05 | 0.1610 | 1.0000 | \$90,483.77 | \$11,241.95 |
| 1956 | 61.50 | \$856,231.91 | 50.00 | 7.76 | 0.1552 | 1.0000 | \$132,874.66 | \$17,124.64 |
| 1955 | 62.50 | \$504,018.05 | 50.00 | 7.48 | 0.1496 | 1.0000 | \$75,402.54 | \$10,080.36 |
| 1954 | 63.50 | \$549,882.07 | 50.00 | 7.21 | 0.1442 | 1.0000 | \$79,300.56 | \$10,997.64 |
| 1953 | 64.50 | \$284,166.65 | 50.00 | 6.95 | 0.1390 | 1.0000 | \$39,492.31 | \$5,683.33 |

Generation Arrangement Report

PECO Elect 361 Composite 2018

Account: PECO Elect 361 Composite

Dispersion: 50.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 1952 | 65.50 | \$108,495.01 | 50.00 | 6.69 | 0.1339 | 1.0000 | \$14,526.34 | \$2,169.90 |
| 1951 | 66.50 | \$101,833.28 | 50.00 | 6.45 | 0.1289 | 1.0000 | \$13,128.32 | \$2,036.67 |
| 1950 | 67.50 | \$239,419.16 | 50.00 | 6.20 | 0.1241 | 1.0000 | \$29,701.50 | \$4,788.38 |
| 1949 | 68.50 | \$255,201.95 | 50.00 | 5.96 | 0.1193 | 1.0000 | \$30,439.65 | \$5,104.04 |
| 1948 | 69.50 | \$158,723.90 | 50.00 | 5.73 | 0.1146 | 1.0000 | \$18,187.40 | \$3,174.48 |
| 1947 | 70.50 | \$2,656,471.75 | 50.00 | 5.50 | 0.1100 | 1.0000 | \$292,109.15 | \$53,129.44 |
| 1946 | 71.50 | \$19,420.13 | 50.00 | 5.27 | 0.1054 | 1.0000 | \$2,046.97 | \$388.40 |
| 1945 | 72.50 | \$4,259.31 | 50.00 | 5.05 | 0.1009 | 1.0000 | \$429.82 | \$85.19 |
| 1944 | 73.50 | \$130,918.06 | 50.00 | 4.82 | 0.0965 | 1.0000 | \$12,630.34 | \$2,618.36 |
| 1943 | 74.50 | \$44,617.52 | 50.00 | 4.60 | 0.0921 | 1.0000 | \$4,108.88 | \$892.35 |
| 1942 | 75.50 | \$308,556.45 | 50.00 | 4.39 | 0.0877 | 1.0000 | \$27,073.41 | \$6,171.13 |
| 1941 | 76.50 | \$16,516.85 | 50.00 | 4.17 | 0.0834 | 1.0000 | \$1,377.68 | \$330.34 |
| 1940 | 77.50 | \$4,671.21 | 50.00 | 3.95 | 0.0791 | 1.0000 | \$369.32 | \$93.42 |
| 1939 | 78.50 | \$3,127.65 | 50.00 | 3.73 | 0.0747 | 1.0000 | \$233.49 | \$62.55 |
| 1938 | 79.50 | \$8,968.05 | 50.00 | 3.51 | 0.0701 | 1.0000 | \$628.99 | \$179.36 |
| 1937 | 80.50 | \$192.77 | 50.00 | 3.27 | 0.0655 | 1.0000 | \$12.62 | \$3.86 |
| 1936 | 81.50 | \$155.83 | 50.00 | 3.03 | 0.0606 | 1.0000 | \$9.44 | \$3.12 |
| 1935 | 82.50 | \$2,714.24 | 50.00 | 2.77 | 0.0554 | 1.0000 | \$150.41 | \$54.28 |
| 1934 | 83.50 | \$1,550.98 | 50.00 | 2.50 | 0.0501 | 1.0000 | \$77.65 | \$31.02 |
| 1933 | 84.50 | \$2,752.59 | 50.00 | 2.23 | 0.0446 | 1.0000 | \$122.84 | \$55.05 |
| 1932 | 85.50 | \$74,343.59 | 50.00 | 1.96 | 0.0392 | 1.0000 | \$2,917.05 | \$1,486.87 |
| 1931 | 86.50 | \$91,044.93 | 50.00 | 1.70 | 0.0340 | 1.0000 | \$3,091.87 | \$1,820.90 |
| 1930 | 87.50 | \$76,132.50 | 50.00 | 1.44 | 0.0288 | 1.0000 | \$2,195.71 | \$1,522.65 |
| 1929 | 88.50 | \$177,812.48 | 50.00 | 1.20 | 0.0239 | 1.0000 | \$4,250.70 | \$3,556.25 |
| 1928 | 89.50 | \$37,409.49 | 50.00 | 0.96 | 0.0193 | 1.0000 | \$720.94 | \$748.19 |
| 1927 | 90.50 | \$100,902.75 | 50.00 | 0.77 | 0.0154 | 1.0000 | \$1,550.38 | \$2,018.05 |
| 1926 | 91.50 | \$83,313.17 | 50.00 | 0.64 | 0.0128 | 1.0000 | \$1,067.23 | \$1,666.26 |
| 1925 | 92.50 | \$192,042.35 | 50.00 | 0.25 | 0.0050 | 1.0000 | \$959.71 | \$3,840.85 |
| 1924 | 93.50 | \$1,161.52 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1923 | 94.50 | \$21,156.62 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1922 | 95.50 | \$2,610.73 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1920 | 97.50 | \$145.31 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |

Generation Arrangement Report

PECO Elect 361 Composite 2018

Account: PECO Elect 361 Composite

Dispersion: 50.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|------------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 1918 | 99.50 | \$109.37 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1917 | 100.50 | \$440,873.40 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1916 | 101.50 | \$233.39 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1915 | 102.50 | \$425.69 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1914 | 103.50 | \$35,689.99 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1913 | 104.50 | \$110.36 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$113,662,307.35 | 50.00 | 34.75 | 0.6919 | 1.0000 | \$78,637,539.18 | \$2,263,195.82 |

Depreciation Reserve Summary

Account: PECO Elect 361 Composite
 Scenario: PECO Elect 361 Composite 2018
 Dispersion: 50 - R2.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$113,662,307.35 | \$37,680,346.96 | 0.3315 | \$75,981,960.39 | 0.6685 |
| Computed | \$113,662,307.35 | \$35,024,768.17 | 0.3081 | \$78,637,539.18 | 0.6919 |
| Difference | | \$2,655,578.79 | 0.0234 | (\$2,655,578.79) | -0.0234 |

Remaining Life Depreciation Accrual

Account: PECO Elect 361 Composite
 Scenario: PECO Elect 361 Composite 2018
 Dispersion: 50.00 - R2.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$113,662,307.35 | 34.75 | \$2,186,768.03 | 1.923917% | 2.878009% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$2,355,839.00) | 0.50 | (\$23,558.39) | 1.000000% | |
| Total: | \$113,662,307.35 * | | \$2,163,209.64 | 1.903190% | 2.847004% |
| Average: | \$112,484,387.85 | | \$2,163,209.64 | 1.923120% | 2.891835% |
| Grand Total: | \$113,662,307.35 * | | \$2,163,209.64 | 1.903190% | 2.847004% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elec 362.0 Composite 2018

Account: PECO Elec 362.0 Composite

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$45,108,936.76 | 50.00 | 49.51 | 0.9901 | 1.0000 | \$44,664,580.91 | \$902,178.74 |
| 2016 | 1.50 | \$45,755,272.94 | 50.00 | 48.53 | 0.9705 | 1.0000 | \$44,405,597.91 | \$915,105.46 |
| 2015 | 2.50 | \$37,622,482.19 | 50.00 | 47.54 | 0.9509 | 1.0000 | \$35,775,085.69 | \$752,449.64 |
| 2014 | 3.50 | \$29,021,542.32 | 50.00 | 46.57 | 0.9313 | 1.0000 | \$27,029,176.82 | \$580,430.85 |
| 2013 | 4.50 | \$19,889,311.13 | 50.00 | 45.59 | 0.9119 | 1.0000 | \$18,136,564.47 | \$397,786.22 |
| 2012 | 5.50 | \$17,470,605.15 | 50.00 | 44.62 | 0.8925 | 1.0000 | \$15,591,863.48 | \$349,412.10 |
| 2011 | 6.50 | \$50,841,208.21 | 50.00 | 43.66 | 0.8731 | 1.0000 | \$44,391,271.30 | \$1,016,824.16 |
| 2010 | 7.50 | \$28,650,361.33 | 50.00 | 42.69 | 0.8539 | 1.0000 | \$24,464,250.78 | \$573,007.23 |
| 2009 | 8.50 | \$28,534,700.24 | 50.00 | 41.74 | 0.8347 | 1.0000 | \$23,819,002.18 | \$570,694.00 |
| 2008 | 9.50 | \$40,030,626.59 | 50.00 | 40.78 | 0.8157 | 1.0000 | \$32,652,356.55 | \$800,612.53 |
| 2007 | 10.50 | \$32,329,632.04 | 50.00 | 39.84 | 0.7967 | 1.0000 | \$25,758,044.30 | \$646,592.64 |
| 2006 | 11.50 | \$32,022,494.45 | 50.00 | 38.89 | 0.7779 | 1.0000 | \$24,910,009.38 | \$640,449.89 |
| 2005 | 12.50 | \$10,352,667.15 | 50.00 | 37.96 | 0.7592 | 1.0000 | \$7,859,453.10 | \$207,053.34 |
| 2004 | 13.50 | \$17,298,271.94 | 50.00 | 37.03 | 0.7406 | 1.0000 | \$12,810,808.31 | \$345,965.44 |
| 2003 | 14.50 | \$16,891,656.77 | 50.00 | 36.11 | 0.7221 | 1.0000 | \$12,197,895.37 | \$337,833.14 |
| 2002 | 15.50 | \$7,493,063.46 | 50.00 | 35.19 | 0.7038 | 1.0000 | \$5,273,664.86 | \$149,861.27 |
| 2001 | 16.50 | \$35,164,038.32 | 50.00 | 34.28 | 0.6856 | 1.0000 | \$24,109,593.71 | \$703,280.77 |
| 2000 | 17.50 | \$10,668,936.05 | 50.00 | 33.38 | 0.6676 | 1.0000 | \$7,122,750.33 | \$213,378.72 |
| 1999 | 18.50 | \$13,396,581.08 | 50.00 | 32.49 | 0.6498 | 1.0000 | \$8,704,500.49 | \$267,931.62 |
| 1998 | 19.50 | \$36,989,230.34 | 50.00 | 31.60 | 0.6321 | 1.0000 | \$23,379,479.19 | \$739,784.61 |
| 1997 | 20.50 | \$7,429,838.42 | 50.00 | 30.73 | 0.6145 | 1.0000 | \$4,565,921.83 | \$148,596.77 |
| 1996 | 21.50 | \$18,476,990.89 | 50.00 | 29.86 | 0.5972 | 1.0000 | \$11,034,243.56 | \$369,539.82 |
| 1995 | 22.50 | \$15,347,853.43 | 50.00 | 29.00 | 0.5800 | 1.0000 | \$8,902,151.42 | \$306,957.07 |
| 1994 | 23.50 | \$7,160,102.45 | 50.00 | 28.15 | 0.5630 | 1.0000 | \$4,031,468.29 | \$143,202.05 |
| 1993 | 24.50 | \$29,221,524.65 | 50.00 | 27.31 | 0.5463 | 1.0000 | \$15,962,438.94 | \$584,430.49 |
| 1992 | 25.50 | \$33,500,399.71 | 50.00 | 26.48 | 0.5297 | 1.0000 | \$17,743,885.43 | \$670,007.99 |
| 1991 | 26.50 | \$24,190,700.18 | 50.00 | 25.66 | 0.5133 | 1.0000 | \$12,416,190.05 | \$483,814.00 |
| 1990 | 27.50 | \$38,153,685.15 | 50.00 | 24.85 | 0.4971 | 1.0000 | \$18,965,034.97 | \$763,073.70 |
| 1989 | 28.50 | \$29,758,225.54 | 50.00 | 24.05 | 0.4811 | 1.0000 | \$14,316,255.08 | \$595,164.51 |
| 1988 | 29.50 | \$26,673,473.12 | 50.00 | 23.27 | 0.4653 | 1.0000 | \$12,411,557.32 | \$533,469.46 |
| 1987 | 30.50 | \$15,301,799.14 | 50.00 | 22.49 | 0.4498 | 1.0000 | \$6,882,206.31 | \$306,035.98 |
| 1986 | 31.50 | \$8,497,961.52 | 50.00 | 21.72 | 0.4344 | 1.0000 | \$3,691,792.46 | \$169,959.23 |

Generation Arrangement Report

PECO Elec 362.0 Composite 2018

Account: PECO Elec 362.0 Composite

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$6,619,404.17 | 50.00 | 20.97 | 0.4193 | 1.0000 | \$2,775,722.15 | \$132,388.08 |
| 1984 | 33.50 | \$7,878,125.49 | 50.00 | 20.22 | 0.4045 | 1.0000 | \$3,186,435.65 | \$157,562.51 |
| 1983 | 34.50 | \$4,181,230.40 | 50.00 | 19.49 | 0.3898 | 1.0000 | \$1,630,047.84 | \$83,624.61 |
| 1982 | 35.50 | \$1,637,414.50 | 50.00 | 18.77 | 0.3755 | 1.0000 | \$614,817.07 | \$32,748.29 |
| 1981 | 36.50 | \$4,736,172.88 | 50.00 | 18.07 | 0.3614 | 1.0000 | \$1,711,517.63 | \$94,723.46 |
| 1980 | 37.50 | \$2,385,613.37 | 50.00 | 17.38 | 0.3475 | 1.0000 | \$829,088.69 | \$47,712.27 |
| 1979 | 38.50 | \$3,938,620.89 | 50.00 | 16.70 | 0.3340 | 1.0000 | \$1,315,434.40 | \$78,772.42 |
| 1978 | 39.50 | \$1,202,351.82 | 50.00 | 16.04 | 0.3207 | 1.0000 | \$385,621.85 | \$24,047.04 |
| 1977 | 40.50 | \$2,832,556.00 | 50.00 | 15.39 | 0.3078 | 1.0000 | \$871,758.98 | \$56,651.12 |
| 1976 | 41.50 | \$545,154.79 | 50.00 | 14.76 | 0.2951 | 1.0000 | \$160,886.77 | \$10,903.10 |
| 1975 | 42.50 | \$9,387,005.02 | 50.00 | 14.14 | 0.2828 | 1.0000 | \$2,654,712.15 | \$187,740.10 |
| 1974 | 43.50 | \$15,235,255.81 | 50.00 | 13.54 | 0.2708 | 1.0000 | \$4,126,155.54 | \$304,705.12 |
| 1973 | 44.50 | \$7,705,334.09 | 50.00 | 12.96 | 0.2592 | 1.0000 | \$1,997,216.80 | \$154,106.68 |
| 1972 | 45.50 | \$16,108,535.89 | 50.00 | 12.40 | 0.2479 | 1.0000 | \$3,993,762.24 | \$322,170.72 |
| 1971 | 46.50 | \$16,181,671.85 | 50.00 | 11.85 | 0.2370 | 1.0000 | \$3,835,476.24 | \$323,633.44 |
| 1970 | 47.50 | \$12,060,374.66 | 50.00 | 11.32 | 0.2265 | 1.0000 | \$2,731,581.65 | \$241,207.49 |
| 1969 | 48.50 | \$14,805,033.31 | 50.00 | 10.82 | 0.2163 | 1.0000 | \$3,202,940.69 | \$296,100.67 |
| 1968 | 49.50 | \$7,506,961.74 | 50.00 | 10.33 | 0.2066 | 1.0000 | \$1,550,702.41 | \$150,139.23 |
| 1967 | 50.50 | \$6,932,988.25 | 50.00 | 9.86 | 0.1972 | 1.0000 | \$1,367,049.67 | \$138,659.77 |
| 1966 | 51.50 | \$3,989,528.77 | 50.00 | 9.41 | 0.1882 | 1.0000 | \$750,720.29 | \$79,790.58 |
| 1965 | 52.50 | \$3,564,393.05 | 50.00 | 8.98 | 0.1795 | 1.0000 | \$639,953.76 | \$71,287.86 |
| 1964 | 53.50 | \$4,354,663.08 | 50.00 | 8.56 | 0.1713 | 1.0000 | \$745,864.22 | \$87,093.26 |
| 1963 | 54.50 | \$5,866,555.20 | 50.00 | 8.17 | 0.1634 | 1.0000 | \$958,489.75 | \$117,331.10 |
| 1962 | 55.50 | \$3,300,960.40 | 50.00 | 7.79 | 0.1558 | 1.0000 | \$514,389.21 | \$66,019.21 |
| 1961 | 56.50 | \$5,774,152.03 | 50.00 | 7.43 | 0.1486 | 1.0000 | \$858,128.77 | \$115,483.04 |
| 1960 | 57.50 | \$5,499,327.46 | 50.00 | 7.09 | 0.1417 | 1.0000 | \$779,352.26 | \$109,986.55 |
| 1959 | 58.50 | \$5,028,860.34 | 50.00 | 6.76 | 0.1351 | 1.0000 | \$679,483.64 | \$100,577.21 |
| 1958 | 59.50 | \$5,780,610.21 | 50.00 | 6.44 | 0.1288 | 1.0000 | \$744,458.62 | \$115,612.20 |
| 1957 | 60.50 | \$4,234,875.55 | 50.00 | 6.14 | 0.1227 | 1.0000 | \$519,664.53 | \$84,697.51 |
| 1956 | 61.50 | \$5,289,370.24 | 50.00 | 5.84 | 0.1169 | 1.0000 | \$618,064.41 | \$105,787.40 |
| 1955 | 62.50 | \$2,921,984.57 | 50.00 | 5.56 | 0.1112 | 1.0000 | \$324,882.22 | \$58,439.69 |
| 1954 | 63.50 | \$3,841,018.31 | 50.00 | 5.28 | 0.1057 | 1.0000 | \$405,908.94 | \$76,820.37 |

Generation Arrangement Report

PECO Elec 362.0 Composite 2018

Account: PECO Elec 362.0 Composite

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 1953 | 64.50 | \$3,849,991.19 | 50.00 | 5.01 | 0.1003 | 1.0000 | \$386,153.15 | \$76,999.82 |
| 1952 | 65.50 | \$1,276,264.40 | 50.00 | 4.75 | 0.0950 | 1.0000 | \$121,274.26 | \$25,525.29 |
| 1951 | 66.50 | \$1,800,143.91 | 50.00 | 4.49 | 0.0898 | 1.0000 | \$161,676.33 | \$36,002.88 |
| 1950 | 67.50 | \$1,756,009.44 | 50.00 | 4.23 | 0.0846 | 1.0000 | \$148,646.10 | \$35,120.19 |
| 1949 | 68.50 | \$1,655,072.89 | 50.00 | 3.98 | 0.0795 | 1.0000 | \$131,596.14 | \$33,101.46 |
| 1948 | 69.50 | \$673,032.06 | 50.00 | 3.72 | 0.0744 | 1.0000 | \$50,062.23 | \$13,460.64 |
| 1947 | 70.50 | \$4,054,934.34 | 50.00 | 3.46 | 0.0693 | 1.0000 | \$280,833.98 | \$81,098.69 |
| 1946 | 71.50 | \$169,585.16 | 50.00 | 3.21 | 0.0641 | 1.0000 | \$10,876.40 | \$3,391.70 |
| 1945 | 72.50 | \$878,883.61 | 50.00 | 2.95 | 0.0590 | 1.0000 | \$51,872.90 | \$17,577.67 |
| 1944 | 73.50 | \$350,162.98 | 50.00 | 2.70 | 0.0539 | 1.0000 | \$18,884.14 | \$7,003.26 |
| 1943 | 74.50 | \$243,190.68 | 50.00 | 2.44 | 0.0489 | 1.0000 | \$11,885.65 | \$4,863.81 |
| 1942 | 75.50 | \$1,151,173.00 | 50.00 | 2.19 | 0.0439 | 1.0000 | \$50,501.92 | \$23,023.46 |
| 1941 | 76.50 | \$165,392.77 | 50.00 | 1.95 | 0.0389 | 1.0000 | \$6,440.29 | \$3,307.86 |
| 1940 | 77.50 | \$80,433.66 | 50.00 | 1.71 | 0.0341 | 1.0000 | \$2,743.12 | \$1,608.67 |
| 1939 | 78.50 | \$70,385.09 | 50.00 | 1.47 | 0.0294 | 1.0000 | \$2,067.74 | \$1,407.70 |
| 1938 | 79.50 | \$47,266.47 | 50.00 | 1.24 | 0.0248 | 1.0000 | \$1,171.11 | \$945.33 |
| 1937 | 80.50 | \$36,657.44 | 50.00 | 1.02 | 0.0203 | 1.0000 | \$745.68 | \$733.15 |
| 1936 | 81.50 | \$776.43 | 50.00 | 0.81 | 0.0161 | 1.0000 | \$12.52 | \$15.53 |
| 1934 | 83.50 | \$14.16 | 50.00 | 0.25 | 0.0050 | 1.0000 | \$0.07 | \$0.28 |
| 1933 | 84.50 | \$6,457.19 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1932 | 85.50 | \$1,721,788.98 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1931 | 86.50 | \$219,623.06 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1930 | 87.50 | \$284,386.82 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1929 | 88.50 | \$1,042,538.68 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1928 | 89.50 | \$56,473.89 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1927 | 90.50 | \$31,667.83 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1926 | 91.50 | \$72,534.23 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1925 | 92.50 | \$258,983.37 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1924 | 93.50 | \$686,168.58 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1923 | 94.50 | \$697,046.71 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1922 | 95.50 | \$4,018.37 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1921 | 96.50 | \$2,280.15 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |

Generation Arrangement Report

PECO Elec 362.0 Composite 2018

Account: PECO Elec 362.0 Composite

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|--------------------|----------|----------------|-----------------|--------------|--------------------|-----------------|
| 1920 | 97.50 | \$53,371.77 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1919 | 98.50 | \$411.69 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1917 | 100.50 | \$1,954.83 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1916 | 101.50 | \$19,748.11 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$1,033,989,100.74 | 50.00 | 31.24 | 0.6218 | 1.0000 | \$642,896,827.53 | \$20,576,592.93 |

Depreciation Reserve Summary

Account: PECO Elec 362.0 Composite
 Scenario: PECO Elec 362.0 Composite 2018
 Dispersion: 50 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------------|-----------------------------|--------|-------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,033,989,100.74 | \$437,502,192.92 | 0.4231 | \$596,486,907.82 | 0.5769 |
| Computed | \$1,033,989,100.74 | \$391,092,273.21 | 0.3782 | \$642,896,827.53 | 0.6218 |
| Difference | | \$46,409,919.71 | 0.0449 | (\$46,409,919.71) | -0.0449 |

Remaining Life Depreciation Accrual

Account: PECO Elec 362.0 Composite
 Scenario: PECO Elec 362.0 Composite 2018
 Dispersion: 50.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------------|----------------|------------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,033,989,100.74 | 31.24 | \$19,091,194.63 | 1.846363% | 3.200606% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$16,577,557.28) | 0.50 | (\$165,775.57) | 1.000000% | |
| Total: | \$1,033,989,100.74 * | | \$18,925,419.06 | 1.830331% | 3.172814% |
| Average: | \$1,025,700,322.10 | | \$18,925,419.06 | 1.845122% | 3.217525% |
| Grand Total: | \$1,033,989,100.74 * | | \$18,925,419.06 | 1.830331% | 3.172814% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 364 Composite 2018

Account: PECO Electric 3640 PA

Dispersion: 53.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$31,014,531.94 | 53.00 | 52.55 | 0.9915 | 1.0000 | \$30,749,579.51 | \$585,179.85 |
| 2016 | 1.50 | \$26,209,491.97 | 53.00 | 51.64 | 0.9744 | 1.0000 | \$25,539,260.48 | \$494,518.72 |
| 2015 | 2.50 | \$25,479,889.08 | 53.00 | 50.75 | 0.9575 | 1.0000 | \$24,397,006.28 | \$480,752.62 |
| 2014 | 3.50 | \$27,265,836.35 | 53.00 | 49.86 | 0.9407 | 1.0000 | \$25,647,926.06 | \$514,449.74 |
| 2013 | 4.50 | \$21,167,134.11 | 53.00 | 48.97 | 0.9239 | 1.0000 | \$19,556,885.71 | \$399,379.89 |
| 2012 | 5.50 | \$22,870,032.15 | 53.00 | 48.09 | 0.9073 | 1.0000 | \$20,749,506.76 | \$431,510.04 |
| 2011 | 6.50 | \$27,265,750.97 | 53.00 | 47.21 | 0.8907 | 1.0000 | \$24,286,564.06 | \$514,448.13 |
| 2010 | 7.50 | \$23,715,911.16 | 53.00 | 46.34 | 0.8743 | 1.0000 | \$20,734,632.67 | \$447,470.02 |
| 2009 | 8.50 | \$15,527,040.47 | 53.00 | 45.47 | 0.8580 | 1.0000 | \$13,321,451.86 | \$292,963.03 |
| 2008 | 9.50 | \$21,147,102.30 | 53.00 | 44.61 | 0.8417 | 1.0000 | \$17,799,869.88 | \$399,001.93 |
| 2007 | 10.50 | \$16,362,614.17 | 53.00 | 43.76 | 0.8256 | 1.0000 | \$13,508,833.12 | \$308,728.57 |
| 2006 | 11.50 | \$21,465,406.61 | 53.00 | 42.91 | 0.8096 | 1.0000 | \$17,377,905.59 | \$405,007.67 |
| 2005 | 12.50 | \$22,186,412.36 | 53.00 | 42.06 | 0.7937 | 1.0000 | \$17,608,889.25 | \$418,611.55 |
| 2004 | 13.50 | \$10,800,747.80 | 53.00 | 41.23 | 0.7779 | 1.0000 | \$8,402,136.29 | \$203,787.69 |
| 2003 | 14.50 | \$29,076,550.14 | 53.00 | 40.40 | 0.7623 | 1.0000 | \$22,164,043.13 | \$548,614.15 |
| 2002 | 15.50 | \$27,555,506.54 | 53.00 | 39.58 | 0.7467 | 1.0000 | \$20,576,439.10 | \$519,915.22 |
| 2001 | 16.50 | \$38,534,993.55 | 53.00 | 38.76 | 0.7313 | 1.0000 | \$28,181,181.44 | \$727,075.35 |
| 2000 | 17.50 | \$7,971,683.97 | 53.00 | 37.95 | 0.7160 | 1.0000 | \$5,707,899.23 | \$150,409.13 |
| 1999 | 18.50 | \$20,783,105.22 | 53.00 | 37.15 | 0.7009 | 1.0000 | \$14,566,017.01 | \$392,134.06 |
| 1998 | 19.50 | \$15,696,201.47 | 53.00 | 36.35 | 0.6858 | 1.0000 | \$10,764,968.10 | \$296,154.74 |
| 1997 | 20.50 | \$13,060,966.61 | 53.00 | 35.56 | 0.6709 | 1.0000 | \$8,762,983.86 | \$246,433.33 |
| 1996 | 21.50 | \$17,507,435.74 | 53.00 | 34.78 | 0.6562 | 1.0000 | \$11,487,774.06 | \$330,328.98 |
| 1995 | 22.50 | \$10,061,646.60 | 53.00 | 34.00 | 0.6416 | 1.0000 | \$6,455,293.54 | \$189,842.39 |
| 1994 | 23.50 | \$10,076,482.55 | 53.00 | 33.24 | 0.6271 | 1.0000 | \$6,318,890.95 | \$190,122.31 |
| 1993 | 24.50 | \$13,384,084.10 | 53.00 | 32.48 | 0.6128 | 1.0000 | \$8,201,215.06 | \$252,529.89 |
| 1992 | 25.50 | \$12,379,299.59 | 53.00 | 31.72 | 0.5986 | 1.0000 | \$7,409,882.22 | \$233,571.69 |
| 1991 | 26.50 | \$8,978,559.65 | 53.00 | 30.98 | 0.5845 | 1.0000 | \$5,248,210.68 | \$169,406.79 |
| 1990 | 27.50 | \$11,400,584.41 | 53.00 | 30.24 | 0.5706 | 1.0000 | \$6,505,558.04 | \$215,105.37 |
| 1989 | 28.50 | \$12,955,316.71 | 53.00 | 29.52 | 0.5569 | 1.0000 | \$7,214,692.69 | \$244,439.94 |
| 1988 | 29.50 | \$10,372,421.75 | 53.00 | 28.80 | 0.5433 | 1.0000 | \$5,635,455.77 | \$195,706.07 |
| 1987 | 30.50 | \$11,682,713.46 | 53.00 | 28.08 | 0.5299 | 1.0000 | \$6,190,540.23 | \$220,428.56 |
| 1986 | 31.50 | \$9,316,486.72 | 53.00 | 27.38 | 0.5167 | 1.0000 | \$4,813,463.10 | \$175,782.77 |

Generation Arrangement Report

PECO Elect 364 Composite 2018

Account: PECO Electric 3640 PA

Dispersion: 53.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$7,927,928.15 | 53.00 | 26.69 | 0.5036 | 1.0000 | \$3,992,300.68 | \$149,583.55 |
| 1984 | 33.50 | \$6,255,249.87 | 53.00 | 26.00 | 0.4907 | 1.0000 | \$3,069,179.59 | \$118,023.58 |
| 1983 | 34.50 | \$4,495,496.90 | 53.00 | 25.33 | 0.4779 | 1.0000 | \$2,148,432.15 | \$84,820.70 |
| 1982 | 35.50 | \$4,558,297.35 | 53.00 | 24.66 | 0.4653 | 1.0000 | \$2,121,128.35 | \$86,005.61 |
| 1981 | 36.50 | \$3,803,748.74 | 53.00 | 24.01 | 0.4529 | 1.0000 | \$1,722,854.37 | \$71,768.84 |
| 1980 | 37.50 | \$3,317,520.22 | 53.00 | 23.36 | 0.4407 | 1.0000 | \$1,462,083.42 | \$62,594.72 |
| 1979 | 38.50 | \$3,098,324.37 | 53.00 | 22.72 | 0.4287 | 1.0000 | \$1,328,189.62 | \$58,458.95 |
| 1978 | 39.50 | \$3,326,324.07 | 53.00 | 22.09 | 0.4168 | 1.0000 | \$1,386,530.64 | \$62,760.83 |
| 1977 | 40.50 | \$3,191,938.48 | 53.00 | 21.48 | 0.4052 | 1.0000 | \$1,293,445.65 | \$60,225.25 |
| 1976 | 41.50 | \$2,570,577.97 | 53.00 | 20.87 | 0.3938 | 1.0000 | \$1,012,194.89 | \$48,501.47 |
| 1975 | 42.50 | \$2,654,681.12 | 53.00 | 20.27 | 0.3825 | 1.0000 | \$1,015,427.83 | \$50,088.32 |
| 1974 | 43.50 | \$3,975,016.94 | 53.00 | 19.69 | 0.3714 | 1.0000 | \$1,476,469.79 | \$75,000.32 |
| 1973 | 44.50 | \$3,226,347.79 | 53.00 | 19.11 | 0.3606 | 1.0000 | \$1,163,345.12 | \$60,874.49 |
| 1972 | 45.50 | \$2,897,022.76 | 53.00 | 18.55 | 0.3499 | 1.0000 | \$1,013,714.23 | \$54,660.81 |
| 1971 | 46.50 | \$2,898,034.77 | 53.00 | 17.99 | 0.3395 | 1.0000 | \$983,766.85 | \$54,679.90 |
| 1970 | 47.50 | \$4,229,891.34 | 53.00 | 17.45 | 0.3292 | 1.0000 | \$1,392,528.66 | \$79,809.27 |
| 1969 | 48.50 | \$4,225,125.57 | 53.00 | 16.92 | 0.3192 | 1.0000 | \$1,348,561.61 | \$79,719.35 |
| 1968 | 49.50 | \$2,377,217.93 | 53.00 | 16.40 | 0.3094 | 1.0000 | \$735,466.71 | \$44,853.17 |
| 1967 | 50.50 | \$1,738,951.87 | 53.00 | 15.89 | 0.2998 | 1.0000 | \$521,290.28 | \$32,810.41 |
| 1966 | 51.50 | \$1,450,395.75 | 53.00 | 15.39 | 0.2904 | 1.0000 | \$421,152.90 | \$27,365.96 |
| 1964 | 53.50 | \$2,190,871.23 | 53.00 | 14.43 | 0.2722 | 1.0000 | \$596,382.37 | \$41,337.19 |
| 1963 | 54.50 | \$2,077,266.23 | 53.00 | 13.96 | 0.2634 | 1.0000 | \$547,254.93 | \$39,193.70 |
| 1962 | 55.50 | \$2,095,748.16 | 53.00 | 13.51 | 0.2549 | 1.0000 | \$534,198.82 | \$39,542.42 |
| 1961 | 56.50 | \$2,378,882.23 | 53.00 | 13.07 | 0.2466 | 1.0000 | \$586,517.57 | \$44,884.57 |
| 1960 | 57.50 | \$2,022,197.30 | 53.00 | 12.64 | 0.2384 | 1.0000 | \$482,153.30 | \$38,154.67 |
| 1959 | 58.50 | \$1,611,115.31 | 53.00 | 12.22 | 0.2305 | 1.0000 | \$371,361.57 | \$30,398.40 |
| 1958 | 59.50 | \$1,791,390.58 | 53.00 | 11.81 | 0.2228 | 1.0000 | \$399,063.05 | \$33,799.82 |
| 1957 | 60.50 | \$1,151,160.27 | 53.00 | 11.41 | 0.2152 | 1.0000 | \$247,771.93 | \$21,720.01 |
| 1956 | 61.50 | \$1,156,279.20 | 53.00 | 11.02 | 0.2079 | 1.0000 | \$240,380.04 | \$21,816.59 |
| 1955 | 62.50 | \$835,190.47 | 53.00 | 10.64 | 0.2007 | 1.0000 | \$167,651.31 | \$15,758.31 |
| 1954 | 63.50 | \$682,150.34 | 53.00 | 10.27 | 0.1938 | 1.0000 | \$132,175.03 | \$12,870.76 |
| 1953 | 64.50 | \$295,956.25 | 53.00 | 9.91 | 0.1870 | 1.0000 | \$55,333.24 | \$5,584.08 |

Generation Arrangement Report

PECO Elect 364 Composite 2018

Account: PECO Electric 3640 PA

Dispersion: 53.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|------------------|----------|----------------|-----------------|--------------|--------------------|-----------------|
| 1951 | 66.50 | \$408,918.42 | 53.00 | 9.21 | 0.1738 | 1.0000 | \$71,077.02 | \$7,715.44 |
| 1950 | 67.50 | \$225,406.06 | 53.00 | 8.88 | 0.1675 | 1.0000 | \$37,749.33 | \$4,252.94 |
| 1949 | 68.50 | \$245,705.15 | 53.00 | 8.55 | 0.1613 | 1.0000 | \$39,624.65 | \$4,635.95 |
| 1948 | 69.50 | \$203,484.04 | 53.00 | 8.22 | 0.1552 | 1.0000 | \$31,578.25 | \$3,839.32 |
| 1947 | 70.50 | \$105,781.96 | 53.00 | 7.91 | 0.1492 | 1.0000 | \$15,785.11 | \$1,995.89 |
| 1946 | 71.50 | \$101,743.20 | 53.00 | 7.60 | 0.1434 | 1.0000 | \$14,586.09 | \$1,919.68 |
| 1945 | 72.50 | \$85,335.13 | 53.00 | 7.29 | 0.1376 | 1.0000 | \$11,741.38 | \$1,610.10 |
| 1944 | 73.50 | \$77,326.31 | 53.00 | 6.99 | 0.1319 | 1.0000 | \$10,200.48 | \$1,458.99 |
| 1943 | 74.50 | \$58,218.59 | 53.00 | 6.69 | 0.1263 | 1.0000 | \$7,353.00 | \$1,098.46 |
| 1942 | 75.50 | \$121,079.57 | 53.00 | 6.39 | 0.1206 | 1.0000 | \$14,604.64 | \$2,284.52 |
| 1941 | 76.50 | (\$7,876.97) | 53.00 | 6.10 | 0.1151 | 1.0000 | (\$906.32) | (\$148.62) |
| 1939 | 78.50 | \$11,711.02 | 53.00 | 5.51 | 0.1040 | 1.0000 | \$1,218.41 | \$220.96 |
| 1938 | 79.50 | \$19,040.49 | 53.00 | 5.22 | 0.0986 | 1.0000 | \$1,876.72 | \$359.25 |
| 1937 | 80.50 | \$8,578.58 | 53.00 | 4.93 | 0.0931 | 1.0000 | \$798.75 | \$161.86 |
| 1936 | 81.50 | \$21,765.69 | 53.00 | 4.65 | 0.0877 | 1.0000 | \$1,908.36 | \$410.67 |
| 1935 | 82.50 | \$18,292.31 | 53.00 | 4.36 | 0.0823 | 1.0000 | \$1,504.91 | \$345.14 |
| 1934 | 83.50 | \$8,968.08 | 53.00 | 4.08 | 0.0769 | 1.0000 | \$689.64 | \$169.21 |
| 1933 | 84.50 | \$7,297.55 | 53.00 | 3.78 | 0.0713 | 1.0000 | \$520.43 | \$137.69 |
| 1932 | 85.50 | \$5,157.07 | 53.00 | 3.49 | 0.0659 | 1.0000 | \$339.91 | \$97.30 |
| 1931 | 86.50 | \$7,640.86 | 53.00 | 3.21 | 0.0605 | 1.0000 | \$462.64 | \$144.17 |
| 1930 | 87.50 | \$7,631.00 | 53.00 | 2.93 | 0.0552 | 1.0000 | \$421.48 | \$143.98 |
| 1929 | 88.50 | \$30,982.45 | 53.00 | 2.65 | 0.0500 | 1.0000 | \$1,548.73 | \$584.57 |
| 1928 | 89.50 | \$6,783.53 | 53.00 | 2.38 | 0.0448 | 1.0000 | \$304.09 | \$127.99 |
| 1924 | 93.50 | (\$20,888.12) | 53.00 | 1.34 | 0.0252 | 1.0000 | (\$526.88) | (\$394.12) |
| | | \$685,536,321.72 | 53.00 | 38.66 | 0.7295 | 1.0000 | \$500,117,723.10 | \$12,934,647.58 |

Depreciation Reserve Summary

Account: PECO Electric 3640 PA
 Scenario: PECO Elect 364 Composite 2018
 Dispersion: 53 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$685,536,321.72 | \$146,478,432.42 | 0.2137 | \$539,057,889.30 | 0.7863 |
| Computed | \$685,536,321.72 | \$185,418,598.62 | 0.2705 | \$500,117,723.10 | 0.7295 |
| Difference | | (\$38,940,166.20) | -0.0568 | \$38,940,166.20 | 0.0568 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3640 PA
 Scenario: PECO Elect 364 Composite 2018
 Dispersion: 53.00 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|------------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$685,536,321.72 | 38.66 | \$13,941,765.15 | 2.033702% | 2.586321% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$5,128,982.43) | 0.50 | (\$48,386.63) | 0.943396% | |
| Total: | \$685,536,321.72 * | | \$13,893,378.52 | 2.026644% | 2.577344% |
| Average: | \$682,971,830.51 | | \$13,893,378.52 | 2.034254% | 2.589664% |
| Grand Total: | \$685,536,321.72 * | | \$13,893,378.52 | 2.026644% | 2.577344% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 365 Composite 2018

Account: PECO Electric 3650 PA

Dispersion: 52.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$70,210,581.58 | 52.00 | 51.53 | 0.9909 | 1.0000 | \$69,572,370.59 | \$1,350,203.49 |
| 2016 | 1.50 | \$57,715,023.83 | 52.00 | 50.59 | 0.9728 | 1.0000 | \$56,144,640.64 | \$1,109,904.30 |
| 2015 | 2.50 | \$53,003,297.58 | 52.00 | 49.65 | 0.9547 | 1.0000 | \$50,603,812.25 | \$1,019,294.18 |
| 2014 | 3.50 | \$71,884,717.41 | 52.00 | 48.71 | 0.9367 | 1.0000 | \$67,337,725.44 | \$1,382,398.41 |
| 2013 | 4.50 | \$35,442,594.52 | 52.00 | 47.78 | 0.9188 | 1.0000 | \$32,566,148.19 | \$681,588.36 |
| 2012 | 5.50 | \$45,429,107.47 | 52.00 | 46.85 | 0.9010 | 1.0000 | \$40,931,999.06 | \$873,636.68 |
| 2011 | 6.50 | \$50,457,775.04 | 52.00 | 45.93 | 0.8833 | 1.0000 | \$44,567,766.01 | \$970,341.83 |
| 2010 | 7.50 | \$47,191,027.40 | 52.00 | 45.01 | 0.8656 | 1.0000 | \$40,850,687.39 | \$907,519.76 |
| 2009 | 8.50 | \$44,005,319.58 | 52.00 | 44.10 | 0.8481 | 1.0000 | \$37,320,482.38 | \$846,256.15 |
| 2008 | 9.50 | \$51,163,116.52 | 52.00 | 43.19 | 0.8306 | 1.0000 | \$42,497,739.18 | \$983,906.09 |
| 2007 | 10.50 | \$40,131,616.19 | 52.00 | 42.29 | 0.8133 | 1.0000 | \$32,638,250.97 | \$771,761.85 |
| 2006 | 11.50 | \$35,555,689.76 | 52.00 | 41.39 | 0.7960 | 1.0000 | \$28,303,398.97 | \$683,763.26 |
| 2005 | 12.50 | \$61,724,072.53 | 52.00 | 40.50 | 0.7789 | 1.0000 | \$48,076,325.21 | \$1,187,001.39 |
| 2004 | 13.50 | \$10,629,703.60 | 52.00 | 39.62 | 0.7619 | 1.0000 | \$8,098,487.55 | \$204,417.38 |
| 2003 | 14.50 | \$19,646,826.45 | 52.00 | 38.74 | 0.7450 | 1.0000 | \$14,636,288.20 | \$377,823.59 |
| 2002 | 15.50 | \$24,001,176.24 | 52.00 | 37.87 | 0.7282 | 1.0000 | \$17,477,363.66 | \$461,561.08 |
| 2001 | 16.50 | \$22,229,270.88 | 52.00 | 37.00 | 0.7115 | 1.0000 | \$15,816,955.68 | \$427,485.98 |
| 2000 | 17.50 | \$2,933,307.78 | 52.00 | 36.14 | 0.6950 | 1.0000 | \$2,038,690.38 | \$56,409.77 |
| 1999 | 18.50 | \$18,104,871.60 | 52.00 | 35.29 | 0.6786 | 1.0000 | \$12,286,494.53 | \$348,170.61 |
| 1998 | 19.50 | \$34,088,041.09 | 52.00 | 34.44 | 0.6624 | 1.0000 | \$22,579,575.28 | \$655,539.25 |
| 1997 | 20.50 | \$21,843,998.42 | 52.00 | 33.61 | 0.6463 | 1.0000 | \$14,118,218.05 | \$420,076.89 |
| 1996 | 21.50 | \$36,438,693.69 | 52.00 | 32.78 | 0.6304 | 1.0000 | \$22,970,064.26 | \$700,744.11 |
| 1995 | 22.50 | \$26,808,358.63 | 52.00 | 31.96 | 0.6146 | 1.0000 | \$16,475,998.60 | \$515,545.36 |
| 1994 | 23.50 | \$20,623,055.44 | 52.00 | 31.15 | 0.5989 | 1.0000 | \$12,352,063.71 | \$396,597.22 |
| 1993 | 24.50 | \$21,500,424.66 | 52.00 | 30.34 | 0.5835 | 1.0000 | \$12,544,735.69 | \$413,469.70 |
| 1992 | 25.50 | \$19,584,338.04 | 52.00 | 29.54 | 0.5681 | 1.0000 | \$11,126,770.18 | \$376,621.89 |
| 1991 | 26.50 | \$14,033,291.05 | 52.00 | 28.76 | 0.5530 | 1.0000 | \$7,760,324.53 | \$269,870.98 |
| 1990 | 27.50 | \$19,668,703.49 | 52.00 | 27.98 | 0.5380 | 1.0000 | \$10,582,093.59 | \$378,244.30 |
| 1989 | 28.50 | \$23,491,002.01 | 52.00 | 27.21 | 0.5232 | 1.0000 | \$12,290,557.84 | \$451,750.04 |
| 1988 | 29.50 | \$14,502,871.79 | 52.00 | 26.45 | 0.5086 | 1.0000 | \$7,375,806.46 | \$278,901.38 |
| 1987 | 30.50 | \$15,284,829.51 | 52.00 | 25.69 | 0.4941 | 1.0000 | \$7,552,577.86 | \$293,939.03 |
| 1986 | 31.50 | \$10,469,005.08 | 52.00 | 24.95 | 0.4799 | 1.0000 | \$5,023,610.00 | \$201,327.02 |

Generation Arrangement Report

PECO Elect 365 Composite 2018

Account: PECO Electric 3650 PA

Dispersion: 52.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$8,694,824.14 | 52.00 | 24.22 | 0.4658 | 1.0000 | \$4,049,882.50 | \$167,208.16 |
| 1984 | 33.50 | \$7,816,890.98 | 52.00 | 23.50 | 0.4520 | 1.0000 | \$3,532,847.59 | \$150,324.83 |
| 1983 | 34.50 | \$5,567,299.00 | 52.00 | 22.79 | 0.4383 | 1.0000 | \$2,440,036.53 | \$107,063.44 |
| 1982 | 35.50 | \$5,693,844.65 | 52.00 | 22.09 | 0.4248 | 1.0000 | \$2,418,817.95 | \$109,497.01 |
| 1981 | 36.50 | \$5,923,776.17 | 52.00 | 21.40 | 0.4116 | 1.0000 | \$2,437,987.67 | \$113,918.77 |
| 1980 | 37.50 | \$6,308,462.31 | 52.00 | 20.72 | 0.3985 | 1.0000 | \$2,514,059.31 | \$121,316.58 |
| 1979 | 38.50 | \$5,375,457.90 | 52.00 | 20.06 | 0.3857 | 1.0000 | \$2,073,377.04 | \$103,374.19 |
| 1978 | 39.50 | \$4,586,974.95 | 52.00 | 19.40 | 0.3731 | 1.0000 | \$1,711,551.90 | \$88,211.06 |
| 1977 | 40.50 | \$3,930,208.73 | 52.00 | 18.76 | 0.3608 | 1.0000 | \$1,417,997.12 | \$75,580.94 |
| 1976 | 41.50 | \$4,380,392.61 | 52.00 | 18.13 | 0.3487 | 1.0000 | \$1,527,468.18 | \$84,238.32 |
| 1975 | 42.50 | \$4,026,271.08 | 52.00 | 17.52 | 0.3369 | 1.0000 | \$1,356,364.71 | \$77,428.29 |
| 1974 | 43.50 | \$6,370,500.83 | 52.00 | 16.92 | 0.3253 | 1.0000 | \$2,072,389.50 | \$122,509.63 |
| 1973 | 44.50 | \$6,269,197.91 | 52.00 | 16.33 | 0.3140 | 1.0000 | \$1,968,641.28 | \$120,561.50 |
| 1972 | 45.50 | \$4,718,903.74 | 52.00 | 15.76 | 0.3030 | 1.0000 | \$1,429,878.11 | \$90,748.15 |
| 1971 | 46.50 | \$5,258,206.75 | 52.00 | 15.20 | 0.2924 | 1.0000 | \$1,537,264.96 | \$101,119.36 |
| 1970 | 47.50 | \$7,749,406.76 | 52.00 | 14.66 | 0.2819 | 1.0000 | \$2,184,933.75 | \$149,027.05 |
| 1969 | 48.50 | \$7,846,167.43 | 52.00 | 14.14 | 0.2719 | 1.0000 | \$2,132,984.26 | \$150,887.84 |
| 1968 | 49.50 | \$3,683,296.70 | 52.00 | 13.63 | 0.2621 | 1.0000 | \$965,254.77 | \$70,832.63 |
| 1967 | 50.50 | \$3,290,757.12 | 52.00 | 13.13 | 0.2526 | 1.0000 | \$831,229.70 | \$63,283.79 |
| 1966 | 51.50 | \$3,008,622.19 | 52.00 | 12.66 | 0.2434 | 1.0000 | \$732,432.63 | \$57,858.12 |
| 1965 | 52.50 | \$2,426,935.15 | 52.00 | 12.20 | 0.2346 | 1.0000 | \$569,402.27 | \$46,671.83 |
| 1964 | 53.50 | \$5,322,722.33 | 52.00 | 11.76 | 0.2261 | 1.0000 | \$1,203,570.42 | \$102,360.04 |
| 1963 | 54.50 | \$4,221,815.06 | 52.00 | 11.33 | 0.2179 | 1.0000 | \$920,103.83 | \$81,188.75 |
| 1962 | 55.50 | \$3,154,954.04 | 52.00 | 10.92 | 0.2101 | 1.0000 | \$662,801.33 | \$60,672.19 |
| 1961 | 56.50 | \$3,585,214.49 | 52.00 | 10.53 | 0.2025 | 1.0000 | \$726,165.69 | \$68,946.43 |
| 1960 | 57.50 | \$2,330,340.72 | 52.00 | 10.16 | 0.1953 | 1.0000 | \$455,145.48 | \$44,814.24 |
| 1959 | 58.50 | \$1,704,544.77 | 52.00 | 9.80 | 0.1884 | 1.0000 | \$321,106.48 | \$32,779.71 |
| 1958 | 59.50 | \$1,037,996.49 | 52.00 | 9.45 | 0.1817 | 1.0000 | \$188,621.91 | \$19,961.47 |
| 1957 | 60.50 | \$856,619.80 | 52.00 | 9.12 | 0.1753 | 1.0000 | \$150,194.73 | \$16,473.46 |
| 1956 | 61.50 | \$642,111.53 | 52.00 | 8.80 | 0.1692 | 1.0000 | \$108,653.66 | \$12,348.30 |
| 1955 | 62.50 | \$211,658.95 | 52.00 | 8.49 | 0.1633 | 1.0000 | \$34,570.07 | \$4,070.36 |
| 1954 | 63.50 | \$70,133.10 | 52.00 | 8.20 | 0.1577 | 1.0000 | \$11,057.77 | \$1,348.71 |

Generation Arrangement Report

PECO Elect 365 Composite 2018

Account: PECO Electric 3650 PA

Dispersion: 52.00 - R2.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|----------------|-----------------|--------------|--------------------|-----------------|
| 1953 | 64.50 | \$142,226.05 | 52.00 | 7.92 | 0.1522 | 1.0000 | \$21,648.47 | \$2,735.12 |
| 1952 | 65.50 | \$69,100.78 | 52.00 | 7.64 | 0.1469 | 1.0000 | \$10,153.75 | \$1,328.86 |
| 1951 | 66.50 | \$394,974.76 | 52.00 | 7.38 | 0.1418 | 1.0000 | \$56,023.52 | \$7,595.67 |
| 1950 | 67.50 | \$217,722.81 | 52.00 | 7.12 | 0.1369 | 1.0000 | \$29,800.68 | \$4,186.98 |
| 1949 | 68.50 | \$152,450.15 | 52.00 | 6.87 | 0.1321 | 1.0000 | \$20,131.45 | \$2,931.73 |
| 1948 | 69.50 | \$50,325.03 | 52.00 | 6.62 | 0.1273 | 1.0000 | \$6,407.82 | \$967.79 |
| 1947 | 70.50 | \$25,799.67 | 52.00 | 6.38 | 0.1227 | 1.0000 | \$3,165.93 | \$496.15 |
| 1946 | 71.50 | \$29,925.61 | 52.00 | 6.15 | 0.1182 | 1.0000 | \$3,536.56 | \$575.49 |
| 1945 | 72.50 | \$16,403.28 | 52.00 | 5.90 | 0.1135 | 1.0000 | \$1,862.26 | \$315.45 |
| 1944 | 73.50 | \$16,848.80 | 52.00 | 5.67 | 0.1091 | 1.0000 | \$1,837.99 | \$324.02 |
| 1943 | 74.50 | \$9,041.98 | 52.00 | 5.44 | 0.1047 | 1.0000 | \$946.76 | \$173.88 |
| 1942 | 75.50 | \$74,631.34 | 52.00 | 5.22 | 0.1004 | 1.0000 | \$7,492.03 | \$1,435.22 |
| 1941 | 76.50 | (\$56,423.94) | 52.00 | 5.00 | 0.0961 | 1.0000 | (\$5,423.53) | (\$1,085.08) |
| 1940 | 77.50 | \$3,551.61 | 52.00 | 4.78 | 0.0919 | 1.0000 | \$326.42 | \$68.30 |
| 1939 | 78.50 | \$7,991.22 | 52.00 | 4.56 | 0.0877 | 1.0000 | \$701.07 | \$153.68 |
| 1938 | 79.50 | \$469.97 | 52.00 | 4.35 | 0.0836 | 1.0000 | \$39.28 | \$9.04 |
| 1937 | 80.50 | \$232.10 | 52.00 | 4.13 | 0.0794 | 1.0000 | \$18.43 | \$4.46 |
| 1936 | 81.50 | \$124.06 | 52.00 | 3.91 | 0.0752 | 1.0000 | \$9.33 | \$2.39 |
| 1935 | 82.50 | \$94.49 | 52.00 | 3.69 | 0.0710 | 1.0000 | \$6.70 | \$1.82 |
| 1934 | 83.50 | \$254.21 | 52.00 | 3.46 | 0.0666 | 1.0000 | \$16.92 | \$4.89 |
| 1933 | 84.50 | \$153.95 | 52.00 | 3.22 | 0.0620 | 1.0000 | \$9.55 | \$2.96 |
| 1932 | 85.50 | \$41.32 | 52.00 | 2.96 | 0.0568 | 1.0000 | \$2.35 | \$0.79 |
| 1931 | 86.50 | \$78.12 | 52.00 | 2.69 | 0.0517 | 1.0000 | \$4.04 | \$1.50 |
| | | \$1,177,016,234.61 | 52.00 | 38.41 | 0.7386 | 1.0000 | \$869,363,533.23 | \$22,634,927.59 |

Depreciation Reserve Summary

Account: PECO Electric 3650 PA
 Scenario: PECO Elect 365 Composite 2018
 Dispersion: 52 - R2.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,177,016,234.61 | \$259,240,074.81 | 0.2203 | \$917,776,159.80 | 0.7797 |
| Computed | \$1,177,016,234.61 | \$307,652,701.38 | 0.2614 | \$869,363,533.23 | 0.7386 |
| Difference | | (\$48,412,626.57) | -0.0411 | \$48,412,626.57 | 0.0411 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3650 PA
 Scenario: PECO Elect 365 Composite 2018
 Dispersion: 52.00 - R2.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------------|----------------|------------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,177,016,234.61 | 38.41 | \$23,895,408.39 | 2.030168% | 2.603621% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$7,595,917.08) | 0.50 | (\$73,037.66) | 0.961538% | |
| Total: | \$1,177,016,234.61 * | | \$23,822,370.73 | 2.023963% | 2.595662% |
| Average: | \$1,173,218,276.07 | | \$23,822,370.73 | 2.030515% | 2.606448% |
| Grand Total: | \$1,177,016,234.61 * | | \$23,822,370.73 | 2.023963% | 2.595662% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 366 Composite 2018

Account: PECO Electric 3660 PA

Dispersion: 65.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$13,925,123.04 | 65.00 | 64.50 | 0.9923 | 1.0000 | \$13,818,113.40 | \$214,232.66 |
| 2016 | 1.50 | \$26,029,201.13 | 65.00 | 63.50 | 0.9769 | 1.0000 | \$25,429,121.13 | \$400,449.25 |
| 2015 | 2.50 | \$20,317,407.40 | 65.00 | 62.50 | 0.9616 | 1.0000 | \$19,536,704.77 | \$312,575.50 |
| 2014 | 3.50 | \$14,049,942.66 | 65.00 | 61.50 | 0.9462 | 1.0000 | \$13,294,277.26 | \$216,152.96 |
| 2013 | 4.50 | \$8,980,501.51 | 65.00 | 60.51 | 0.9309 | 1.0000 | \$8,359,531.51 | \$138,161.56 |
| 2012 | 5.50 | \$7,897,628.67 | 65.00 | 59.51 | 0.9155 | 1.0000 | \$7,230,336.43 | \$121,501.98 |
| 2011 | 6.50 | \$16,308,668.82 | 65.00 | 58.51 | 0.9002 | 1.0000 | \$14,680,405.91 | \$250,902.60 |
| 2010 | 7.50 | \$7,734,730.93 | 65.00 | 57.51 | 0.8848 | 1.0000 | \$6,843,820.92 | \$118,995.86 |
| 2009 | 8.50 | \$12,644,106.36 | 65.00 | 56.52 | 0.8695 | 1.0000 | \$10,994,048.17 | \$194,524.71 |
| 2008 | 9.50 | \$4,876,761.06 | 65.00 | 55.52 | 0.8542 | 1.0000 | \$4,165,622.97 | \$75,027.09 |
| 2007 | 10.50 | \$11,781,024.16 | 65.00 | 54.53 | 0.8389 | 1.0000 | \$9,882,783.81 | \$181,246.53 |
| 2006 | 11.50 | \$5,013,924.89 | 65.00 | 53.53 | 0.8236 | 1.0000 | \$4,129,374.32 | \$77,137.31 |
| 2005 | 12.50 | \$5,710,775.06 | 65.00 | 52.54 | 0.8083 | 1.0000 | \$4,616,085.32 | \$87,858.08 |
| 2004 | 13.50 | \$4,264,823.32 | 65.00 | 51.55 | 0.7931 | 1.0000 | \$3,382,271.54 | \$65,612.67 |
| 2003 | 14.50 | \$9,069,565.76 | 65.00 | 50.56 | 0.7778 | 1.0000 | \$7,054,561.22 | \$139,531.78 |
| 2002 | 15.50 | \$7,197,923.19 | 65.00 | 49.57 | 0.7626 | 1.0000 | \$5,489,289.06 | \$110,737.28 |
| 2001 | 16.50 | \$14,913,973.59 | 65.00 | 48.58 | 0.7474 | 1.0000 | \$11,147,346.53 | \$229,445.75 |
| 2000 | 17.50 | \$920,580.31 | 65.00 | 47.60 | 0.7323 | 1.0000 | \$674,133.28 | \$14,162.77 |
| 1999 | 18.50 | \$2,533,618.18 | 65.00 | 46.62 | 0.7172 | 1.0000 | \$1,817,065.10 | \$38,978.74 |
| 1998 | 19.50 | \$3,094,798.83 | 65.00 | 45.64 | 0.7021 | 1.0000 | \$2,172,890.16 | \$47,612.29 |
| 1997 | 20.50 | \$5,522,605.73 | 65.00 | 44.66 | 0.6871 | 1.0000 | \$3,794,400.42 | \$84,963.17 |
| 1996 | 21.50 | \$5,185,193.58 | 65.00 | 43.69 | 0.6721 | 1.0000 | \$3,484,936.01 | \$79,772.21 |
| 1995 | 22.50 | \$5,302,379.95 | 65.00 | 42.72 | 0.6572 | 1.0000 | \$3,484,481.21 | \$81,575.08 |
| 1994 | 23.50 | \$3,397,378.44 | 65.00 | 41.75 | 0.6423 | 1.0000 | \$2,182,122.30 | \$52,267.36 |
| 1993 | 24.50 | \$7,757,718.49 | 65.00 | 40.79 | 0.6275 | 1.0000 | \$4,867,798.72 | \$119,349.52 |
| 1992 | 25.50 | \$3,738,378.43 | 65.00 | 39.83 | 0.6127 | 1.0000 | \$2,290,680.53 | \$57,513.51 |
| 1991 | 26.50 | \$4,243,150.92 | 65.00 | 38.87 | 0.5981 | 1.0000 | \$2,537,724.35 | \$65,279.24 |
| 1990 | 27.50 | \$17,886,004.59 | 65.00 | 37.93 | 0.5835 | 1.0000 | \$10,436,513.02 | \$275,169.30 |
| 1989 | 28.50 | \$5,767,624.44 | 65.00 | 36.98 | 0.5690 | 1.0000 | \$3,281,757.48 | \$88,732.68 |
| 1988 | 29.50 | \$5,187,888.62 | 65.00 | 36.05 | 0.5546 | 1.0000 | \$2,877,227.93 | \$79,813.67 |
| 1987 | 30.50 | \$6,228,572.02 | 65.00 | 35.12 | 0.5403 | 1.0000 | \$3,365,269.90 | \$95,824.18 |
| 1986 | 31.50 | \$2,947,266.30 | 65.00 | 34.20 | 0.5261 | 1.0000 | \$1,550,580.74 | \$45,342.56 |

Generation Arrangement Report

PECO Elect 366 Composite 2018

Account: PECO Electric 3660 PA

Dispersion: 65.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$2,741,344.34 | 65.00 | 33.28 | 0.5120 | 1.0000 | \$1,403,618.17 | \$42,174.53 |
| 1984 | 33.50 | \$3,132,810.68 | 65.00 | 32.37 | 0.4980 | 1.0000 | \$1,560,243.31 | \$48,197.09 |
| 1983 | 34.50 | \$2,638,556.79 | 65.00 | 31.47 | 0.4842 | 1.0000 | \$1,277,656.74 | \$40,593.18 |
| 1982 | 35.50 | \$2,324,255.99 | 65.00 | 30.58 | 0.4705 | 1.0000 | \$1,093,566.47 | \$35,757.78 |
| 1981 | 36.50 | \$2,608,634.59 | 65.00 | 29.70 | 0.4570 | 1.0000 | \$1,192,049.96 | \$40,132.84 |
| 1980 | 37.50 | \$1,966,353.95 | 65.00 | 28.83 | 0.4435 | 1.0000 | \$872,118.93 | \$30,251.60 |
| 1979 | 38.50 | \$1,992,614.80 | 65.00 | 27.97 | 0.4303 | 1.0000 | \$857,388.04 | \$30,655.61 |
| 1978 | 39.50 | \$1,027,980.27 | 65.00 | 27.11 | 0.4172 | 1.0000 | \$428,823.09 | \$15,815.08 |
| 1977 | 40.50 | \$1,365,572.30 | 65.00 | 26.27 | 0.4042 | 1.0000 | \$551,996.14 | \$21,008.80 |
| 1976 | 41.50 | \$4,656,426.15 | 65.00 | 25.44 | 0.3914 | 1.0000 | \$1,822,633.64 | \$71,637.33 |
| 1975 | 42.50 | \$2,406,110.75 | 65.00 | 24.62 | 0.3788 | 1.0000 | \$911,499.90 | \$37,017.09 |
| 1974 | 43.50 | \$4,490,099.11 | 65.00 | 23.81 | 0.3664 | 1.0000 | \$1,645,048.42 | \$69,078.45 |
| 1973 | 44.50 | \$3,793,578.71 | 65.00 | 23.02 | 0.3541 | 1.0000 | \$1,343,394.48 | \$58,362.75 |
| 1972 | 45.50 | \$5,376,130.46 | 65.00 | 22.23 | 0.3420 | 1.0000 | \$1,838,768.78 | \$82,709.70 |
| 1971 | 46.50 | \$6,715,834.16 | 65.00 | 21.45 | 0.3301 | 1.0000 | \$2,216,723.80 | \$103,320.53 |
| 1970 | 47.50 | \$9,421,543.18 | 65.00 | 20.70 | 0.3184 | 1.0000 | \$2,999,706.61 | \$144,946.82 |
| 1969 | 48.50 | \$7,206,334.84 | 65.00 | 19.94 | 0.3068 | 1.0000 | \$2,210,927.08 | \$110,866.69 |
| 1968 | 49.50 | \$6,677,713.48 | 65.00 | 19.21 | 0.2955 | 1.0000 | \$1,973,048.88 | \$102,734.05 |
| 1967 | 50.50 | \$5,218,430.11 | 65.00 | 18.48 | 0.2842 | 1.0000 | \$1,483,272.96 | \$80,283.54 |
| 1966 | 51.50 | \$3,586,242.58 | 65.00 | 17.76 | 0.2733 | 1.0000 | \$979,941.14 | \$55,172.96 |
| 1965 | 52.50 | \$3,920,741.25 | 65.00 | 17.05 | 0.2624 | 1.0000 | \$1,028,665.98 | \$60,319.10 |
| 1964 | 53.50 | \$4,665,532.00 | 65.00 | 16.36 | 0.2517 | 1.0000 | \$1,174,312.27 | \$71,777.42 |
| 1963 | 54.50 | \$2,555,045.49 | 65.00 | 15.67 | 0.2411 | 1.0000 | \$616,126.58 | \$39,308.39 |
| 1962 | 55.50 | \$2,009,026.52 | 65.00 | 15.00 | 0.2308 | 1.0000 | \$463,676.43 | \$30,908.10 |
| 1961 | 56.50 | \$2,438,499.32 | 65.00 | 14.34 | 0.2206 | 1.0000 | \$537,912.42 | \$37,515.37 |
| 1960 | 57.50 | \$1,606,604.48 | 65.00 | 13.69 | 0.2107 | 1.0000 | \$338,446.51 | \$24,716.99 |
| 1959 | 58.50 | \$1,620,295.56 | 65.00 | 13.06 | 0.2009 | 1.0000 | \$325,588.34 | \$24,927.62 |
| 1958 | 59.50 | \$910,861.54 | 65.00 | 12.45 | 0.1915 | 1.0000 | \$174,414.81 | \$14,013.25 |
| 1957 | 60.50 | \$1,718,094.34 | 65.00 | 11.86 | 0.1825 | 1.0000 | \$313,540.08 | \$26,432.22 |
| 1956 | 61.50 | \$2,963,954.88 | 65.00 | 11.29 | 0.1737 | 1.0000 | \$514,961.56 | \$45,599.31 |
| 1955 | 62.50 | \$1,123,491.77 | 65.00 | 10.76 | 0.1655 | 1.0000 | \$185,919.76 | \$17,284.49 |
| 1954 | 63.50 | \$1,354,823.40 | 65.00 | 10.24 | 0.1575 | 1.0000 | \$213,403.29 | \$20,843.44 |

Generation Arrangement Report

PECO Elect 366 Composite 2018

Account: PECO Electric 3660 PA

Dispersion: 65.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 1953 | 64.50 | \$992,616.77 | 65.00 | 9.75 | 0.1500 | 1.0000 | \$148,913.00 | \$15,271.03 |
| 1952 | 65.50 | \$801,698.49 | 65.00 | 9.28 | 0.1428 | 1.0000 | \$114,512.07 | \$12,333.82 |
| 1951 | 66.50 | \$2,313,839.32 | 65.00 | 8.84 | 0.1361 | 1.0000 | \$314,854.75 | \$35,597.53 |
| 1950 | 67.50 | \$2,048,576.61 | 65.00 | 8.43 | 0.1296 | 1.0000 | \$265,544.76 | \$31,516.56 |
| 1949 | 68.50 | \$1,634,674.42 | 65.00 | 8.03 | 0.1235 | 1.0000 | \$201,909.00 | \$25,148.84 |
| 1948 | 69.50 | \$1,650,060.56 | 65.00 | 7.65 | 0.1177 | 1.0000 | \$194,224.73 | \$25,385.55 |
| 1947 | 70.50 | \$2,234,694.71 | 65.00 | 7.29 | 0.1122 | 1.0000 | \$250,646.07 | \$34,379.92 |
| 1946 | 71.50 | \$161,654.06 | 65.00 | 6.95 | 0.1069 | 1.0000 | \$17,278.12 | \$2,486.99 |
| 1945 | 72.50 | \$132,482.37 | 65.00 | 6.62 | 0.1019 | 1.0000 | \$13,497.30 | \$2,038.19 |
| 1944 | 73.50 | \$114,359.28 | 65.00 | 6.30 | 0.0969 | 1.0000 | \$11,087.07 | \$1,759.37 |
| 1943 | 74.50 | \$53,687.16 | 65.00 | 6.00 | 0.0923 | 1.0000 | \$4,956.61 | \$825.96 |
| 1942 | 75.50 | \$1,615,068.11 | 65.00 | 5.70 | 0.0877 | 1.0000 | \$141,614.75 | \$24,847.20 |
| 1941 | 76.50 | \$426,976.31 | 65.00 | 5.42 | 0.0833 | 1.0000 | \$35,583.59 | \$6,568.87 |
| 1940 | 77.50 | \$51,688.96 | 65.00 | 5.13 | 0.0789 | 1.0000 | \$4,078.46 | \$795.21 |
| 1939 | 78.50 | \$53,843.80 | 65.00 | 4.86 | 0.0747 | 1.0000 | \$4,024.63 | \$828.37 |
| 1938 | 79.50 | \$60,878.12 | 65.00 | 4.58 | 0.0705 | 1.0000 | \$4,289.04 | \$936.59 |
| 1937 | 80.50 | \$57,663.93 | 65.00 | 4.32 | 0.0664 | 1.0000 | \$3,829.81 | \$887.14 |
| 1936 | 81.50 | \$101,344.23 | 65.00 | 4.04 | 0.0622 | 1.0000 | \$6,306.57 | \$1,559.14 |
| 1935 | 82.50 | \$138,907.36 | 65.00 | 3.79 | 0.0583 | 1.0000 | \$8,095.27 | \$2,137.04 |
| 1934 | 83.50 | \$789,371.74 | 65.00 | 3.52 | 0.0542 | 1.0000 | \$42,767.34 | \$12,144.18 |
| 1933 | 84.50 | \$738,881.10 | 65.00 | 3.27 | 0.0503 | 1.0000 | \$37,167.51 | \$11,367.40 |
| 1932 | 85.50 | \$665,213.60 | 65.00 | 3.04 | 0.0467 | 1.0000 | \$31,072.14 | \$10,234.06 |
| 1931 | 86.50 | \$946,789.75 | 65.00 | 2.77 | 0.0426 | 1.0000 | \$40,371.89 | \$14,566.00 |
| 1930 | 87.50 | \$712,652.38 | 65.00 | 2.55 | 0.0392 | 1.0000 | \$27,950.45 | \$10,963.88 |
| 1929 | 88.50 | \$341,240.45 | 65.00 | 2.29 | 0.0353 | 1.0000 | \$12,039.60 | \$5,249.85 |
| 1928 | 89.50 | \$1,549,326.03 | 65.00 | 2.09 | 0.0321 | 1.0000 | \$49,703.87 | \$23,835.79 |
| 1927 | 90.50 | \$1,922,299.73 | 65.00 | 1.84 | 0.0283 | 1.0000 | \$54,389.24 | \$29,573.84 |
| 1926 | 91.50 | \$1,035,787.32 | 65.00 | 1.65 | 0.0254 | 1.0000 | \$26,263.75 | \$15,935.19 |
| 1925 | 92.50 | \$1,243,581.93 | 65.00 | 1.41 | 0.0217 | 1.0000 | \$27,010.98 | \$19,132.03 |
| 1924 | 93.50 | \$1,067,468.85 | 65.00 | 1.24 | 0.0191 | 1.0000 | \$20,352.76 | \$16,422.60 |
| 1923 | 94.50 | \$483,071.64 | 65.00 | 1.01 | 0.0156 | 1.0000 | \$7,530.75 | \$7,431.87 |
| 1922 | 95.50 | \$231,873.66 | 65.00 | 0.86 | 0.0133 | 1.0000 | \$3,080.29 | \$3,567.29 |

Generation Arrangement Report

PECO Elect 366 Composite 2018

Account: PECO Electric 3660 PA

Dispersion: 65.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|------------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 1921 | 96.50 | \$207,301.45 | 65.00 | 0.63 | 0.0097 | 1.0000 | \$2,018.65 | \$3,189.25 |
| 1920 | 97.50 | \$161,882.58 | 65.00 | 0.32 | 0.0050 | 1.0000 | \$809.33 | \$2,490.50 |
| 1919 | 98.50 | \$266,286.94 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1918 | 99.50 | \$64,691.61 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1917 | 100.50 | \$104,315.41 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1916 | 101.50 | \$108,965.03 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1915 | 102.50 | \$16,938.21 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1914 | 103.50 | \$110,415.30 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1913 | 104.50 | \$251,098.09 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1912 | 105.50 | \$106,491.27 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1911 | 106.50 | \$363,794.27 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1910 | 107.50 | \$64,830.49 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1909 | 108.50 | \$43,573.58 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1908 | 109.50 | \$115,630.67 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1907 | 110.50 | \$79,320.87 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1906 | 111.50 | \$65,020.98 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1905 | 112.50 | \$2,102,280.53 | 65.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$407,267,888.20 | 65.00 | 41.18 | 0.6275 | 1.0000 | \$255,548,444.16 | \$6,206,219.00 |

Depreciation Reserve Summary

Account: PECO Electric 3660 PA
 Scenario: PECO Elect 366 Composite 2018
 Dispersion: 65 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$407,267,888.20 | \$157,087,241.73 | 0.3857 | \$250,180,646.47 | 0.6143 |
| Computed | \$407,267,888.20 | \$151,719,444.04 | 0.3725 | \$255,548,444.16 | 0.6275 |
| Difference | | \$5,367,797.69 | 0.0132 | (\$5,367,797.69) | -0.0132 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3660 PA
 Scenario: PECO Elect 366 Composite 2018
 Dispersion: 65.00 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$407,267,888.20 | 41.18 | \$6,075,857.25 | 1.491858% | 2.428588% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$7,455,528.71) | 0.50 | (\$57,350.22) | 0.769231% | |
| Total: | \$407,267,888.20 * | | \$6,018,507.03 | 1.477776% | 2.405665% |
| Average: | \$403,540,123.85 | | \$6,018,507.03 | 1.491427% | 2.442052% |
| Grand Total: | \$407,267,888.20 * | | \$6,018,507.03 | 1.477776% | 2.405665% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 367 Composite 2018

Account: PECO Electric 3670 PA

Dispersion: 53.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$77,421,483.77 | 53.00 | 52.59 | 0.9922 | 1.0000 | \$76,819,072.63 | \$1,460,782.71 |
| 2016 | 1.50 | \$72,596,619.25 | 53.00 | 51.77 | 0.9767 | 1.0000 | \$70,907,566.55 | \$1,369,747.53 |
| 2015 | 2.50 | \$56,818,453.82 | 53.00 | 50.95 | 0.9613 | 1.0000 | \$54,620,622.19 | \$1,072,046.30 |
| 2014 | 3.50 | \$46,193,337.41 | 53.00 | 50.14 | 0.9460 | 1.0000 | \$43,698,252.11 | \$871,572.40 |
| 2013 | 4.50 | \$45,452,484.61 | 53.00 | 49.33 | 0.9308 | 1.0000 | \$42,305,358.68 | \$857,594.05 |
| 2012 | 5.50 | \$36,909,227.30 | 53.00 | 48.53 | 0.9156 | 1.0000 | \$33,794,024.61 | \$696,400.52 |
| 2011 | 6.50 | \$53,816,379.03 | 53.00 | 47.73 | 0.9005 | 1.0000 | \$48,462,848.43 | \$1,015,403.38 |
| 2010 | 7.50 | \$35,964,521.35 | 53.00 | 46.93 | 0.8855 | 1.0000 | \$31,847,284.08 | \$678,575.87 |
| 2009 | 8.50 | \$57,429,123.55 | 53.00 | 46.14 | 0.8706 | 1.0000 | \$49,998,541.87 | \$1,083,568.37 |
| 2008 | 9.50 | \$46,059,640.19 | 53.00 | 45.36 | 0.8558 | 1.0000 | \$39,416,672.76 | \$869,049.81 |
| 2007 | 10.50 | \$55,966,016.55 | 53.00 | 44.57 | 0.8410 | 1.0000 | \$47,068,939.82 | \$1,055,962.58 |
| 2006 | 11.50 | \$43,773,824.63 | 53.00 | 43.80 | 0.8264 | 1.0000 | \$36,173,386.05 | \$825,921.22 |
| 2005 | 12.50 | \$53,032,211.52 | 53.00 | 43.02 | 0.8118 | 1.0000 | \$43,050,726.32 | \$1,000,607.76 |
| 2004 | 13.50 | \$7,062,046.13 | 53.00 | 42.26 | 0.7973 | 1.0000 | \$5,630,672.95 | \$133,246.15 |
| 2003 | 14.50 | \$24,776,087.12 | 53.00 | 41.49 | 0.7829 | 1.0000 | \$19,397,363.34 | \$467,473.34 |
| 2002 | 15.50 | \$25,108,966.61 | 53.00 | 40.74 | 0.7686 | 1.0000 | \$19,298,389.39 | \$473,754.09 |
| 2001 | 16.50 | \$39,262,668.14 | 53.00 | 39.98 | 0.7543 | 1.0000 | \$29,617,624.29 | \$740,805.06 |
| 2000 | 17.50 | \$7,975,480.89 | 53.00 | 39.23 | 0.7402 | 1.0000 | \$5,903,429.75 | \$150,480.77 |
| 1999 | 18.50 | \$9,964,427.59 | 53.00 | 38.49 | 0.7261 | 1.0000 | \$7,235,556.89 | \$188,008.07 |
| 1998 | 19.50 | \$12,448,195.34 | 53.00 | 37.75 | 0.7122 | 1.0000 | \$8,865,278.15 | \$234,871.61 |
| 1997 | 20.50 | \$15,755,830.01 | 53.00 | 37.01 | 0.6983 | 1.0000 | \$11,002,409.87 | \$297,279.81 |
| 1996 | 21.50 | \$17,332,729.05 | 53.00 | 36.28 | 0.6845 | 1.0000 | \$11,864,760.86 | \$327,032.62 |
| 1995 | 22.50 | \$9,734,638.74 | 53.00 | 35.56 | 0.6709 | 1.0000 | \$6,530,821.25 | \$183,672.43 |
| 1994 | 23.50 | \$11,057,420.18 | 53.00 | 34.84 | 0.6573 | 1.0000 | \$7,268,330.08 | \$208,630.57 |
| 1993 | 24.50 | \$20,089,865.34 | 53.00 | 34.13 | 0.6439 | 1.0000 | \$12,935,350.33 | \$379,054.06 |
| 1992 | 25.50 | \$15,740,590.77 | 53.00 | 33.42 | 0.6305 | 1.0000 | \$9,925,046.17 | \$296,992.28 |
| 1991 | 26.50 | \$16,319,562.08 | 53.00 | 32.72 | 0.6173 | 1.0000 | \$10,074,306.64 | \$307,916.27 |
| 1990 | 27.50 | \$27,423,339.18 | 53.00 | 32.02 | 0.6042 | 1.0000 | \$16,569,551.07 | \$517,421.49 |
| 1989 | 28.50 | \$23,709,440.54 | 53.00 | 31.34 | 0.5912 | 1.0000 | \$14,017,899.80 | \$447,347.93 |
| 1988 | 29.50 | \$21,753,866.61 | 53.00 | 30.65 | 0.5784 | 1.0000 | \$12,582,212.73 | \$410,450.31 |
| 1987 | 30.50 | \$17,187,655.05 | 53.00 | 29.98 | 0.5657 | 1.0000 | \$9,722,584.87 | \$324,295.38 |
| 1986 | 31.50 | \$14,319,809.49 | 53.00 | 29.32 | 0.5531 | 1.0000 | \$7,920,611.76 | \$270,185.08 |

Generation Arrangement Report

PECO Elect 367 Composite 2018

Account: PECO Electric 3670 PA

Dispersion: 53.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$13,439,382.05 | 53.00 | 28.66 | 0.5407 | 1.0000 | \$7,266,434.87 | \$253,573.25 |
| 1984 | 33.50 | \$11,686,955.30 | 53.00 | 28.00 | 0.5284 | 1.0000 | \$6,175,249.72 | \$220,508.59 |
| 1983 | 34.50 | \$11,390,349.32 | 53.00 | 27.36 | 0.5162 | 1.0000 | \$5,880,115.12 | \$214,912.25 |
| 1982 | 35.50 | \$7,604,415.87 | 53.00 | 26.72 | 0.5042 | 1.0000 | \$3,834,425.98 | \$143,479.54 |
| 1981 | 36.50 | \$9,010,180.25 | 53.00 | 26.10 | 0.4924 | 1.0000 | \$4,436,491.66 | \$170,003.40 |
| 1980 | 37.50 | \$7,813,995.10 | 53.00 | 25.48 | 0.4807 | 1.0000 | \$3,756,116.61 | \$147,433.87 |
| 1979 | 38.50 | \$8,620,509.98 | 53.00 | 24.87 | 0.4692 | 1.0000 | \$4,044,382.04 | \$162,651.13 |
| 1978 | 39.50 | \$7,300,681.34 | 53.00 | 24.26 | 0.4578 | 1.0000 | \$3,342,114.43 | \$137,748.70 |
| 1977 | 40.50 | \$6,878,442.78 | 53.00 | 23.67 | 0.4466 | 1.0000 | \$3,071,987.15 | \$129,781.94 |
| 1976 | 41.50 | \$6,376,207.31 | 53.00 | 23.09 | 0.4356 | 1.0000 | \$2,777,321.35 | \$120,305.80 |
| 1975 | 42.50 | \$4,942,089.39 | 53.00 | 22.51 | 0.4247 | 1.0000 | \$2,098,977.26 | \$93,246.97 |
| 1974 | 43.50 | \$8,054,942.28 | 53.00 | 21.94 | 0.4140 | 1.0000 | \$3,334,909.62 | \$151,980.04 |
| 1973 | 44.50 | \$7,013,007.71 | 53.00 | 21.39 | 0.4035 | 1.0000 | \$2,829,752.72 | \$132,320.90 |
| 1972 | 45.50 | \$5,915,408.60 | 53.00 | 20.84 | 0.3932 | 1.0000 | \$2,325,741.81 | \$111,611.48 |
| 1971 | 46.50 | \$5,906,481.25 | 53.00 | 20.30 | 0.3830 | 1.0000 | \$2,262,214.34 | \$111,443.04 |
| 1970 | 47.50 | \$5,053,006.79 | 53.00 | 19.77 | 0.3730 | 1.0000 | \$1,884,895.74 | \$95,339.75 |
| 1969 | 48.50 | \$4,929,523.98 | 53.00 | 19.25 | 0.3632 | 1.0000 | \$1,790,551.60 | \$93,009.89 |
| 1968 | 49.50 | \$3,272,574.71 | 53.00 | 18.74 | 0.3537 | 1.0000 | \$1,157,354.42 | \$61,746.69 |
| 1967 | 50.50 | \$3,585,229.71 | 53.00 | 18.24 | 0.3442 | 1.0000 | \$1,234,155.31 | \$67,645.84 |
| 1966 | 51.50 | \$3,148,107.02 | 53.00 | 17.75 | 0.3350 | 1.0000 | \$1,054,609.41 | \$59,398.25 |
| 1965 | 52.50 | \$2,009,038.21 | 53.00 | 17.28 | 0.3260 | 1.0000 | \$654,852.78 | \$37,906.38 |
| 1964 | 53.50 | \$5,736,774.48 | 53.00 | 16.81 | 0.3171 | 1.0000 | \$1,819,092.30 | \$108,241.03 |
| 1963 | 54.50 | \$1,491,945.48 | 53.00 | 16.35 | 0.3084 | 1.0000 | \$460,146.20 | \$28,149.91 |
| 1962 | 55.50 | \$1,512,492.33 | 53.00 | 15.90 | 0.2999 | 1.0000 | \$453,652.50 | \$28,537.59 |
| 1961 | 56.50 | \$1,721,087.06 | 53.00 | 15.46 | 0.2916 | 1.0000 | \$501,922.06 | \$32,473.34 |
| 1960 | 57.50 | \$1,025,027.70 | 53.00 | 15.03 | 0.2835 | 1.0000 | \$290,624.24 | \$19,340.15 |
| 1959 | 58.50 | \$1,094,914.68 | 53.00 | 14.61 | 0.2756 | 1.0000 | \$301,750.25 | \$20,658.77 |
| 1958 | 59.50 | \$544,704.44 | 53.00 | 14.20 | 0.2678 | 1.0000 | \$145,891.46 | \$10,277.44 |
| 1957 | 60.50 | \$1,550,085.34 | 53.00 | 13.79 | 0.2603 | 1.0000 | \$403,423.87 | \$29,246.89 |
| 1956 | 61.50 | \$1,921,437.45 | 53.00 | 13.40 | 0.2528 | 1.0000 | \$485,835.33 | \$36,253.54 |
| 1955 | 62.50 | \$829,401.14 | 53.00 | 13.02 | 0.2456 | 1.0000 | \$203,709.28 | \$15,649.08 |
| 1954 | 63.50 | \$85,919.42 | 53.00 | 12.64 | 0.2385 | 1.0000 | \$20,494.27 | \$1,621.12 |

Generation Arrangement Report

PECO Elect 367 Composite 2018

Account: PECO Electric 3670 PA

Dispersion: 53.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|----------------|-----------------|--------------|--------------------|-----------------|
| 1953 | 64.50 | \$631,142.51 | 53.00 | 12.28 | 0.2316 | 1.0000 | \$146,180.47 | \$11,908.35 |
| 1952 | 65.50 | \$439,171.50 | 53.00 | 11.92 | 0.2249 | 1.0000 | \$98,750.15 | \$8,286.25 |
| 1951 | 66.50 | \$1,342,302.89 | 53.00 | 11.57 | 0.2182 | 1.0000 | \$292,904.48 | \$25,326.47 |
| 1950 | 67.50 | \$1,090,775.35 | 53.00 | 11.22 | 0.2117 | 1.0000 | \$230,937.74 | \$20,580.67 |
| 1949 | 68.50 | \$1,465,499.24 | 53.00 | 10.88 | 0.2054 | 1.0000 | \$300,954.44 | \$27,650.93 |
| 1948 | 69.50 | \$575,187.43 | 53.00 | 10.55 | 0.1991 | 1.0000 | \$114,537.70 | \$10,852.59 |
| 1947 | 70.50 | \$79,436.51 | 53.00 | 10.23 | 0.1930 | 1.0000 | \$15,332.37 | \$1,498.80 |
| 1946 | 71.50 | \$56,280.80 | 53.00 | 9.91 | 0.1870 | 1.0000 | \$10,525.01 | \$1,061.90 |
| 1945 | 72.50 | \$61,298.96 | 53.00 | 9.60 | 0.1811 | 1.0000 | \$11,101.86 | \$1,156.58 |
| 1944 | 73.50 | \$36,824.67 | 53.00 | 9.29 | 0.1753 | 1.0000 | \$6,455.90 | \$694.81 |
| 1941 | 76.50 | \$154,764.06 | 53.00 | 8.39 | 0.1583 | 1.0000 | \$24,504.01 | \$2,920.08 |
| 1940 | 77.50 | \$7,477.39 | 53.00 | 8.10 | 0.1528 | 1.0000 | \$1,142.89 | \$141.08 |
| 1939 | 78.50 | \$37,964.45 | 53.00 | 7.81 | 0.1474 | 1.0000 | \$5,597.10 | \$716.31 |
| 1938 | 79.50 | \$37,820.34 | 53.00 | 7.53 | 0.1421 | 1.0000 | \$5,374.29 | \$713.59 |
| 1937 | 80.50 | \$44,489.07 | 53.00 | 7.25 | 0.1369 | 1.0000 | \$6,088.87 | \$839.42 |
| 1936 | 81.50 | \$5,302.89 | 53.00 | 6.98 | 0.1317 | 1.0000 | \$698.37 | \$100.05 |
| 1935 | 82.50 | \$13,739.60 | 53.00 | 6.71 | 0.1266 | 1.0000 | \$1,739.88 | \$259.24 |
| 1934 | 83.50 | \$64,462.19 | 53.00 | 6.45 | 0.1217 | 1.0000 | \$7,843.10 | \$1,216.27 |
| 1933 | 84.50 | \$79,990.56 | 53.00 | 6.18 | 0.1167 | 1.0000 | \$9,331.15 | \$1,509.26 |
| 1932 | 85.50 | \$90,588.37 | 53.00 | 5.93 | 0.1119 | 1.0000 | \$10,132.52 | \$1,709.21 |
| 1931 | 86.50 | \$130,527.77 | 53.00 | 5.68 | 0.1072 | 1.0000 | \$13,988.25 | \$2,462.79 |
| 1930 | 87.50 | \$170,591.53 | 53.00 | 5.44 | 0.1026 | 1.0000 | \$17,503.23 | \$3,218.71 |
| 1929 | 88.50 | \$115,427.19 | 53.00 | 5.20 | 0.0982 | 1.0000 | \$11,330.43 | \$2,177.87 |
| 1928 | 89.50 | \$119,828.25 | 53.00 | 4.97 | 0.0938 | 1.0000 | \$11,244.59 | \$2,260.91 |
| 1927 | 90.50 | \$123,982.85 | 53.00 | 4.75 | 0.0896 | 1.0000 | \$11,111.53 | \$2,339.30 |
| 1926 | 91.50 | \$111,404.32 | 53.00 | 4.53 | 0.0855 | 1.0000 | \$9,524.10 | \$2,101.97 |
| 1925 | 92.50 | \$110,673.99 | 53.00 | 4.31 | 0.0814 | 1.0000 | \$9,009.30 | \$2,088.19 |
| 1924 | 93.50 | \$2,170.56 | 53.00 | 4.08 | 0.0769 | 1.0000 | \$166.95 | \$40.95 |
| | | \$1,187,119,385.55 | 53.00 | 40.90 | 0.7718 | 1.0000 | \$916,208,702.70 | \$22,398,478.97 |

Depreciation Reserve Summary

Account: PECO Electric 3670 PA
 Scenario: PECO Elect 367 Composite 2018
 Dispersion: 53 - R1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,187,119,385.55 | \$190,405,488.02 | 0.1604 | \$996,713,897.53 | 0.8396 |
| Computed | \$1,187,119,385.55 | \$270,910,682.85 | 0.2282 | \$916,208,702.70 | 0.7718 |
| Difference | | (\$80,505,194.83) | -0.0678 | \$80,505,194.83 | 0.0678 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3670 PA
 Scenario: PECO Elect 367 Composite 2018
 Dispersion: 53.00 - R1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------------|----------------|------------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,187,119,385.55 | 40.90 | \$24,366,582.74 | 2.052581% | 2.444692% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$9,481,246.68) | 0.50 | (\$89,445.72) | 0.943396% | |
| Total: | \$1,187,119,385.55 * | | \$24,277,137.02 | 2.045046% | 2.435718% |
| Average: | \$1,182,378,762.21 | | \$24,277,137.02 | 2.053245% | 2.447358% |
| Grand Total: | \$1,187,119,385.55 * | | \$24,277,137.02 | 2.045046% | 2.435718% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3680 PA

Dispersion: 46.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$21,846,647.75 | 46.00 | 45.59 | 0.9910 | 1.0000 | \$21,650,905.74 | \$474,927.13 |
| 2016 | 1.50 | \$25,954,705.45 | 46.00 | 44.77 | 0.9732 | 1.0000 | \$25,259,551.92 | \$564,232.73 |
| 2015 | 2.50 | \$21,629,765.90 | 46.00 | 43.95 | 0.9555 | 1.0000 | \$20,666,981.83 | \$470,212.30 |
| 2014 | 3.50 | \$28,871,728.93 | 46.00 | 43.14 | 0.9379 | 1.0000 | \$27,077,763.22 | \$627,646.28 |
| 2013 | 4.50 | \$19,021,576.86 | 46.00 | 42.34 | 0.9204 | 1.0000 | \$17,506,597.85 | \$413,512.54 |
| 2012 | 5.50 | \$20,277,195.12 | 46.00 | 41.54 | 0.9030 | 1.0000 | \$18,309,776.84 | \$440,808.59 |
| 2011 | 6.50 | \$21,276,011.11 | 46.00 | 40.74 | 0.8857 | 1.0000 | \$18,843,786.18 | \$462,521.98 |
| 2010 | 7.50 | \$18,982,024.05 | 46.00 | 39.95 | 0.8685 | 1.0000 | \$16,486,187.56 | \$412,652.70 |
| 2009 | 8.50 | \$13,106,067.37 | 46.00 | 39.17 | 0.8514 | 1.0000 | \$11,159,120.19 | \$284,914.51 |
| 2008 | 9.50 | \$16,490,036.20 | 46.00 | 38.39 | 0.8345 | 1.0000 | \$13,760,681.34 | \$358,479.05 |
| 2007 | 10.50 | \$15,582,667.97 | 46.00 | 37.61 | 0.8176 | 1.0000 | \$12,741,111.35 | \$338,753.65 |
| 2006 | 11.50 | \$11,589,445.72 | 46.00 | 36.84 | 0.8009 | 1.0000 | \$9,282,297.57 | \$251,944.47 |
| 2005 | 12.50 | \$15,749,065.32 | 46.00 | 36.08 | 0.7843 | 1.0000 | \$12,352,196.95 | \$342,370.99 |
| 2004 | 13.50 | \$10,841,785.44 | 46.00 | 35.32 | 0.7678 | 1.0000 | \$8,324,452.83 | \$235,690.99 |
| 2003 | 14.50 | \$4,095,123.59 | 46.00 | 34.56 | 0.7514 | 1.0000 | \$3,077,107.77 | \$89,024.43 |
| 2002 | 15.50 | \$11,447,455.70 | 46.00 | 33.82 | 0.7351 | 1.0000 | \$8,415,478.17 | \$248,857.73 |
| 2001 | 16.50 | \$25,823,777.13 | 46.00 | 33.07 | 0.7190 | 1.0000 | \$18,567,238.31 | \$561,386.46 |
| 1999 | 18.50 | \$9,884,472.26 | 46.00 | 31.61 | 0.6871 | 1.0000 | \$6,791,479.36 | \$214,879.83 |
| 1998 | 19.50 | \$11,267,265.68 | 46.00 | 30.88 | 0.6713 | 1.0000 | \$7,564,071.92 | \$244,940.56 |
| 1997 | 20.50 | \$12,502,146.40 | 46.00 | 30.16 | 0.6557 | 1.0000 | \$8,197,561.53 | \$271,785.79 |
| 1996 | 21.50 | \$7,506,573.32 | 46.00 | 29.45 | 0.6402 | 1.0000 | \$4,805,926.88 | \$163,186.38 |
| 1995 | 22.50 | \$13,727,547.88 | 46.00 | 28.75 | 0.6249 | 1.0000 | \$8,578,585.56 | \$298,424.95 |
| 1994 | 23.50 | \$12,095,064.88 | 46.00 | 28.05 | 0.6098 | 1.0000 | \$7,375,097.47 | \$262,936.19 |
| 1993 | 24.50 | \$9,474,050.99 | 46.00 | 27.36 | 0.5948 | 1.0000 | \$5,634,839.16 | \$205,957.63 |
| 1992 | 25.50 | \$9,394,141.73 | 46.00 | 26.68 | 0.5799 | 1.0000 | \$5,448,056.72 | \$204,220.47 |
| 1991 | 26.50 | \$9,225,964.74 | 46.00 | 26.00 | 0.5653 | 1.0000 | \$5,215,144.94 | \$200,564.45 |
| 1990 | 27.50 | \$15,625,591.77 | 46.00 | 25.34 | 0.5508 | 1.0000 | \$8,606,659.68 | \$339,686.78 |
| 1989 | 28.50 | \$18,557,357.02 | 46.00 | 24.68 | 0.5365 | 1.0000 | \$9,956,361.07 | \$403,420.80 |
| 1988 | 29.50 | \$13,420,606.71 | 46.00 | 24.03 | 0.5224 | 1.0000 | \$7,011,305.36 | \$291,752.32 |
| 1987 | 30.50 | \$11,683,339.23 | 46.00 | 23.39 | 0.5085 | 1.0000 | \$5,941,368.86 | \$253,985.64 |
| 1986 | 31.50 | \$11,237,039.38 | 46.00 | 22.76 | 0.4948 | 1.0000 | \$5,560,517.19 | \$244,283.46 |
| 1985 | 32.50 | \$10,728,723.68 | 46.00 | 22.14 | 0.4813 | 1.0000 | \$5,163,978.81 | \$233,233.12 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3680 PA

Dispersion: 46.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1984 | 33.50 | \$7,520,129.43 | 46.00 | 21.53 | 0.4681 | 1.0000 | \$3,519,825.94 | \$163,481.07 |
| 1983 | 34.50 | \$4,652,262.32 | 46.00 | 20.93 | 0.4550 | 1.0000 | \$2,116,758.49 | \$101,136.14 |
| 1982 | 35.50 | \$5,122,145.94 | 46.00 | 20.34 | 0.4422 | 1.0000 | \$2,264,798.26 | \$111,351.00 |
| 1981 | 36.50 | \$4,263,626.69 | 46.00 | 19.76 | 0.4295 | 1.0000 | \$1,831,418.35 | \$92,687.54 |
| 1980 | 37.50 | \$3,709,780.83 | 46.00 | 19.19 | 0.4171 | 1.0000 | \$1,547,432.37 | \$80,647.41 |
| 1979 | 38.50 | \$4,116,748.53 | 46.00 | 18.63 | 0.4050 | 1.0000 | \$1,667,170.42 | \$89,494.53 |
| 1978 | 39.50 | \$4,662,195.77 | 46.00 | 18.08 | 0.3931 | 1.0000 | \$1,832,544.20 | \$101,352.08 |
| 1977 | 40.50 | \$2,947,847.20 | 46.00 | 17.54 | 0.3814 | 1.0000 | \$1,124,272.21 | \$64,083.63 |
| 1976 | 41.50 | \$1,634,508.92 | 46.00 | 17.02 | 0.3699 | 1.0000 | \$604,684.78 | \$35,532.80 |
| 1975 | 42.50 | \$2,449,856.34 | 46.00 | 16.50 | 0.3588 | 1.0000 | \$878,907.41 | \$53,257.75 |
| 1974 | 43.50 | \$5,833,584.45 | 46.00 | 16.00 | 0.3478 | 1.0000 | \$2,028,844.50 | \$126,817.05 |
| 1973 | 44.50 | \$6,014,693.30 | 46.00 | 15.51 | 0.3371 | 1.0000 | \$2,027,486.58 | \$130,754.20 |
| 1972 | 45.50 | \$3,854,136.40 | 46.00 | 15.03 | 0.3266 | 1.0000 | \$1,258,935.84 | \$83,785.57 |
| 1971 | 46.50 | \$3,626,299.00 | 46.00 | 14.56 | 0.3164 | 1.0000 | \$1,147,518.50 | \$78,832.59 |
| 1970 | 47.50 | \$6,441,296.87 | 46.00 | 14.10 | 0.3065 | 1.0000 | \$1,974,196.08 | \$140,028.19 |
| 1969 | 48.50 | \$9,580,227.04 | 46.00 | 13.65 | 0.2968 | 1.0000 | \$2,843,251.95 | \$208,265.81 |
| 1968 | 49.50 | \$6,519,211.79 | 46.00 | 13.22 | 0.2873 | 1.0000 | \$1,873,001.11 | \$141,722.00 |
| 1967 | 50.50 | \$3,143,995.32 | 46.00 | 12.79 | 0.2781 | 1.0000 | \$874,309.88 | \$68,347.72 |
| 1966 | 51.50 | \$1,615,802.46 | 46.00 | 12.38 | 0.2691 | 1.0000 | \$434,824.60 | \$35,126.14 |
| 1965 | 52.50 | \$938,161.83 | 46.00 | 11.98 | 0.2604 | 1.0000 | \$244,260.78 | \$20,394.82 |
| 1964 | 53.50 | \$861,288.81 | 46.00 | 11.58 | 0.2518 | 1.0000 | \$216,905.01 | \$18,723.67 |
| 1963 | 54.50 | \$1,097,021.59 | 46.00 | 11.20 | 0.2435 | 1.0000 | \$267,164.76 | \$23,848.30 |
| 1962 | 55.50 | \$748,812.89 | 46.00 | 10.83 | 0.2355 | 1.0000 | \$176,317.41 | \$16,278.54 |
| 1961 | 56.50 | \$791,247.94 | 46.00 | 10.47 | 0.2276 | 1.0000 | \$180,064.64 | \$17,201.04 |
| 1960 | 57.50 | \$995,339.48 | 46.00 | 10.11 | 0.2199 | 1.0000 | \$218,861.63 | \$21,637.81 |
| 1959 | 58.50 | \$766,927.84 | 46.00 | 9.77 | 0.2124 | 1.0000 | \$162,877.95 | \$16,672.34 |
| 1958 | 59.50 | \$680,328.68 | 46.00 | 9.43 | 0.2050 | 1.0000 | \$139,497.88 | \$14,789.75 |
| 1957 | 60.50 | \$749,424.53 | 46.00 | 9.10 | 0.1979 | 1.0000 | \$148,326.13 | \$16,291.84 |
| 1956 | 61.50 | \$973,365.95 | 46.00 | 8.78 | 0.1909 | 1.0000 | \$185,818.05 | \$21,160.13 |
| 1955 | 62.50 | \$815,240.55 | 46.00 | 8.47 | 0.1840 | 1.0000 | \$150,025.11 | \$17,722.62 |
| 1954 | 63.50 | \$645,052.34 | 46.00 | 8.15 | 0.1773 | 1.0000 | \$114,345.98 | \$14,022.88 |
| 1953 | 64.50 | \$442,491.67 | 46.00 | 7.85 | 0.1706 | 1.0000 | \$75,504.94 | \$9,619.38 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3680 PA

Dispersion: 46.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|-----------------|----------|----------------|-----------------|--------------|--------------------|------------|
| 1952 | 65.50 | \$365,152.94 | 46.00 | 7.55 | 0.1641 | 1.0000 | \$59,926.90 | \$7,938.11 |
| 1951 | 66.50 | \$255,607.56 | 46.00 | 7.26 | 0.1578 | 1.0000 | \$40,330.60 | \$5,556.69 |
| 1950 | 67.50 | \$171,700.63 | 46.00 | 6.97 | 0.1515 | 1.0000 | \$26,005.82 | \$3,732.62 |
| 1949 | 68.50 | \$143,824.85 | 46.00 | 6.68 | 0.1452 | 1.0000 | \$20,889.02 | \$3,126.63 |
| 1948 | 69.50 | \$104,983.29 | 46.00 | 6.40 | 0.1391 | 1.0000 | \$14,605.63 | \$2,282.25 |
| 1947 | 70.50 | \$79,335.91 | 46.00 | 6.12 | 0.1331 | 1.0000 | \$10,559.88 | \$1,724.69 |
| 1946 | 71.50 | \$43,366.60 | 46.00 | 5.85 | 0.1272 | 1.0000 | \$5,516.43 | \$942.75 |
| 1945 | 72.50 | \$5,981.21 | 46.00 | 5.59 | 0.1215 | 1.0000 | \$726.97 | \$130.03 |
| 1944 | 73.50 | \$3,398.84 | 46.00 | 5.33 | 0.1159 | 1.0000 | \$393.88 | \$73.89 |
| 1943 | 74.50 | \$668.75 | 46.00 | 5.08 | 0.1104 | 1.0000 | \$73.81 | \$14.54 |
| 1942 | 75.50 | \$4,820.11 | 46.00 | 4.83 | 0.1050 | 1.0000 | \$506.13 | \$104.78 |
| 1941 | 76.50 | \$14,081.74 | 46.00 | 4.59 | 0.0998 | 1.0000 | \$1,405.20 | \$306.12 |
| 1940 | 77.50 | \$4,006.35 | 46.00 | 4.36 | 0.0947 | 1.0000 | \$379.49 | \$87.09 |
| 1939 | 78.50 | \$3,949.55 | 46.00 | 4.14 | 0.0900 | 1.0000 | \$355.32 | \$85.86 |
| 1938 | 79.50 | \$3,250.72 | 46.00 | 3.91 | 0.0851 | 1.0000 | \$276.60 | \$70.67 |
| 1937 | 80.50 | \$3,838.56 | 46.00 | 3.69 | 0.0802 | 1.0000 | \$307.91 | \$83.45 |
| 1936 | 81.50 | \$877.08 | 46.00 | 3.46 | 0.0752 | 1.0000 | \$65.98 | \$19.07 |
| 1935 | 82.50 | \$87.02 | 46.00 | 3.22 | 0.0700 | 1.0000 | \$6.09 | \$1.89 |
| 1934 | 83.50 | \$264.88 | 46.00 | 2.97 | 0.0646 | 1.0000 | \$17.12 | \$5.76 |
| 1933 | 84.50 | \$109.54 | 46.00 | 2.68 | 0.0583 | 1.0000 | \$6.39 | \$2.38 |
| 1932 | 85.50 | \$62.37 | 46.00 | 2.37 | 0.0514 | 1.0000 | \$3.21 | \$1.36 |
| 1931 | 86.50 | \$97.20 | 46.00 | 2.03 | 0.0442 | 1.0000 | \$4.30 | \$2.11 |
| 1930 | 87.50 | \$28.45 | 46.00 | 1.70 | 0.0370 | 1.0000 | \$1.05 | \$0.62 |
| 1929 | 88.50 | \$48.34 | 46.00 | 1.37 | 0.0298 | 1.0000 | \$1.44 | \$1.05 |
| 1928 | 89.50 | \$9.61 | 46.00 | 1.07 | 0.0234 | 1.0000 | \$0.22 | \$0.21 |
| 1927 | 90.50 | \$9.95 | 46.00 | 0.78 | 0.0170 | 1.0000 | \$0.17 | \$0.22 |
| 1926 | 91.50 | \$2.14 | 46.00 | 0.48 | 0.0104 | 1.0000 | \$0.02 | \$0.05 |
| 1925 | 92.50 | \$3.17 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1924 | 93.50 | \$12.80 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1923 | 94.50 | \$5.92 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1922 | 95.50 | \$1.03 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1917 | 100.50 | \$0.67 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3680 PA

Dispersion: 46.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|-----------------|
| 1914 | 103.50 | \$0.89 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1913 | 104.50 | \$0.81 | 46.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$578,337,607.46 | 46.00 | 31.79 | 0.6910 | 1.0000 | \$399,644,707.39 | \$12,572,556.13 |

Depreciation Reserve Summary

Account: PECO Electric 3680 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 46 - R1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$578,337,607.46 | \$186,667,351.98 | 0.3228 | \$391,670,255.48 | 0.6772 |
| Computed | \$578,337,607.46 | \$178,692,900.07 | 0.3090 | \$399,644,707.39 | 0.6910 |
| Difference | | \$7,974,451.91 | 0.0138 | (\$7,974,451.91) | -0.0138 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3680 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 46.00 - R1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|------------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$578,337,607.46 | 31.79 | \$12,321,685.13 | 2.130535% | 3.145933% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$7,488,542.11) | 0.50 | (\$81,397.20) | 1.086957% | |
| Total: | \$578,337,607.46 * | | \$12,240,287.93 | 2.116461% | 3.125151% |
| Average: | \$574,593,336.41 | | \$12,240,287.93 | 2.130252% | 3.155315% |
| Grand Total: | \$578,337,607.46 * | | \$12,240,287.93 | 2.116461% | 3.125151% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3691 PA

Dispersion: 50.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$7,186,213.59 | 50.00 | 49.50 | 0.9900 | 1.0000 | \$7,114,422.96 | \$143,724.27 |
| 2016 | 1.50 | \$6,206,046.31 | 50.00 | 48.50 | 0.9700 | 1.0000 | \$6,020,048.31 | \$124,120.93 |
| 2015 | 2.50 | \$4,305,647.86 | 50.00 | 47.50 | 0.9501 | 1.0000 | \$4,090,616.72 | \$86,112.96 |
| 2014 | 3.50 | \$4,550,666.39 | 50.00 | 46.50 | 0.9301 | 1.0000 | \$4,232,513.64 | \$91,013.33 |
| 2013 | 4.50 | \$3,844,077.59 | 50.00 | 45.51 | 0.9101 | 1.0000 | \$3,498,620.21 | \$76,881.55 |
| 2012 | 5.50 | \$3,739,278.37 | 50.00 | 44.51 | 0.8902 | 1.0000 | \$3,328,655.45 | \$74,785.57 |
| 2011 | 6.50 | \$3,950,194.03 | 50.00 | 43.51 | 0.8703 | 1.0000 | \$3,437,718.87 | \$79,003.88 |
| 2010 | 7.50 | \$4,363,202.14 | 50.00 | 42.52 | 0.8504 | 1.0000 | \$3,710,257.17 | \$87,264.04 |
| 2009 | 8.50 | \$4,787,004.99 | 50.00 | 41.52 | 0.8305 | 1.0000 | \$3,975,421.86 | \$95,740.10 |
| 2008 | 9.50 | \$4,814,246.19 | 50.00 | 40.53 | 0.8106 | 1.0000 | \$3,902,431.64 | \$96,284.92 |
| 2007 | 10.50 | \$4,111,380.27 | 50.00 | 39.54 | 0.7908 | 1.0000 | \$3,251,185.19 | \$82,227.61 |
| 2006 | 11.50 | \$5,282,820.25 | 50.00 | 38.55 | 0.7710 | 1.0000 | \$4,072,950.33 | \$105,656.41 |
| 2005 | 12.50 | \$5,943,570.54 | 50.00 | 37.56 | 0.7512 | 1.0000 | \$4,464,999.18 | \$118,871.41 |
| 2004 | 13.50 | \$5,602,117.89 | 50.00 | 36.58 | 0.7315 | 1.0000 | \$4,098,152.51 | \$112,042.36 |
| 2003 | 14.50 | \$4,192,458.48 | 50.00 | 35.59 | 0.7119 | 1.0000 | \$2,984,602.49 | \$83,849.17 |
| 2002 | 15.50 | \$7,558,651.16 | 50.00 | 34.62 | 0.6923 | 1.0000 | \$5,233,114.39 | \$151,173.02 |
| 2001 | 16.50 | \$8,453,928.46 | 50.00 | 33.64 | 0.6728 | 1.0000 | \$5,688,151.89 | \$169,078.57 |
| 2000 | 17.50 | \$2,083,350.28 | 50.00 | 32.67 | 0.6534 | 1.0000 | \$1,361,345.69 | \$41,667.01 |
| 1999 | 18.50 | \$3,001,973.21 | 50.00 | 31.71 | 0.6341 | 1.0000 | \$1,903,669.95 | \$60,039.46 |
| 1998 | 19.50 | \$2,688,649.21 | 50.00 | 30.75 | 0.6150 | 1.0000 | \$1,653,385.91 | \$53,772.98 |
| 1997 | 20.50 | \$3,153,006.39 | 50.00 | 29.79 | 0.5959 | 1.0000 | \$1,878,845.25 | \$63,060.13 |
| 1996 | 21.50 | \$1,390,992.95 | 50.00 | 28.85 | 0.5770 | 1.0000 | \$802,549.63 | \$27,819.86 |
| 1995 | 22.50 | \$3,095,218.02 | 50.00 | 27.91 | 0.5582 | 1.0000 | \$1,727,720.91 | \$61,904.36 |
| 1994 | 23.50 | \$1,532,668.02 | 50.00 | 26.98 | 0.5396 | 1.0000 | \$827,008.27 | \$30,653.36 |
| 1993 | 24.50 | \$1,661,707.15 | 50.00 | 26.06 | 0.5212 | 1.0000 | \$866,018.66 | \$33,234.14 |
| 1992 | 25.50 | \$1,492,596.98 | 50.00 | 25.15 | 0.5029 | 1.0000 | \$750,675.78 | \$29,851.94 |
| 1991 | 26.50 | \$1,480,578.92 | 50.00 | 24.25 | 0.4849 | 1.0000 | \$717,955.01 | \$29,611.58 |
| 1990 | 27.50 | \$1,895,672.06 | 50.00 | 23.36 | 0.4671 | 1.0000 | \$885,511.39 | \$37,913.44 |
| 1989 | 28.50 | \$2,291,527.06 | 50.00 | 22.48 | 0.4496 | 1.0000 | \$1,030,194.53 | \$45,830.54 |
| 1988 | 29.50 | \$1,976,543.26 | 50.00 | 21.61 | 0.4323 | 1.0000 | \$854,383.50 | \$39,530.87 |
| 1987 | 30.50 | \$1,874,460.01 | 50.00 | 20.76 | 0.4152 | 1.0000 | \$778,310.25 | \$37,489.20 |
| 1986 | 31.50 | \$1,740,765.95 | 50.00 | 19.92 | 0.3984 | 1.0000 | \$693,603.55 | \$34,815.32 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3691 PA

Dispersion: 50.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 1985 | 32.50 | \$1,495,069.28 | 50.00 | 19.10 | 0.3820 | 1.0000 | \$571,057.46 | \$29,901.39 |
| 1984 | 33.50 | \$1,591,658.80 | 50.00 | 18.29 | 0.3658 | 1.0000 | \$582,178.39 | \$31,833.18 |
| 1983 | 34.50 | \$1,304,697.01 | 50.00 | 17.49 | 0.3499 | 1.0000 | \$456,471.36 | \$26,093.94 |
| 1982 | 35.50 | \$1,334,846.61 | 50.00 | 16.71 | 0.3343 | 1.0000 | \$446,199.66 | \$26,696.93 |
| 1981 | 36.50 | \$967,258.89 | 50.00 | 15.95 | 0.3190 | 1.0000 | \$308,535.48 | \$19,345.18 |
| 1980 | 37.50 | \$1,461,900.28 | 50.00 | 15.20 | 0.3040 | 1.0000 | \$444,402.25 | \$29,238.01 |
| 1979 | 38.50 | \$1,234,425.93 | 50.00 | 14.46 | 0.2893 | 1.0000 | \$357,114.81 | \$24,688.52 |
| 1978 | 39.50 | \$1,232,560.53 | 50.00 | 13.75 | 0.2749 | 1.0000 | \$338,833.06 | \$24,651.21 |
| 1977 | 40.50 | \$1,216,690.79 | 50.00 | 13.04 | 0.2608 | 1.0000 | \$317,298.76 | \$24,333.82 |
| 1976 | 41.50 | \$1,068,828.05 | 50.00 | 12.35 | 0.2469 | 1.0000 | \$263,945.88 | \$21,376.56 |
| 1975 | 42.50 | \$1,088,418.28 | 50.00 | 11.67 | 0.2334 | 1.0000 | \$254,018.31 | \$21,768.37 |
| 1974 | 43.50 | \$1,118,866.64 | 50.00 | 11.01 | 0.2201 | 1.0000 | \$246,285.96 | \$22,377.33 |
| 1973 | 44.50 | \$992,040.64 | 50.00 | 10.36 | 0.2072 | 1.0000 | \$205,593.96 | \$19,840.81 |
| 1972 | 45.50 | \$847,480.70 | 50.00 | 9.74 | 0.1948 | 1.0000 | \$165,118.02 | \$16,949.61 |
| 1971 | 46.50 | \$757,708.28 | 50.00 | 9.15 | 0.1830 | 1.0000 | \$138,639.36 | \$15,154.17 |
| 1970 | 47.50 | \$935,992.06 | 50.00 | 8.59 | 0.1717 | 1.0000 | \$160,732.00 | \$18,719.84 |
| 1969 | 48.50 | \$998,911.17 | 50.00 | 8.06 | 0.1611 | 1.0000 | \$160,946.38 | \$19,978.22 |
| 1968 | 49.50 | \$721,646.18 | 50.00 | 7.56 | 0.1512 | 1.0000 | \$109,097.28 | \$14,432.92 |
| 1967 | 50.50 | \$653,352.49 | 50.00 | 7.09 | 0.1419 | 1.0000 | \$92,700.20 | \$13,067.05 |
| 1966 | 51.50 | \$682,756.72 | 50.00 | 6.66 | 0.1332 | 1.0000 | \$90,946.60 | \$13,655.13 |
| 1965 | 52.50 | \$473,626.73 | 50.00 | 6.26 | 0.1251 | 1.0000 | \$59,251.74 | \$9,472.53 |
| 1964 | 53.50 | \$684,907.19 | 50.00 | 5.88 | 0.1175 | 1.0000 | \$80,491.35 | \$13,698.14 |
| 1963 | 54.50 | \$589,854.87 | 50.00 | 5.52 | 0.1104 | 1.0000 | \$65,121.51 | \$11,797.10 |
| 1962 | 55.50 | \$485,099.92 | 50.00 | 5.18 | 0.1037 | 1.0000 | \$50,299.37 | \$9,702.00 |
| 1961 | 56.50 | \$428,812.94 | 50.00 | 4.87 | 0.0973 | 1.0000 | \$41,732.70 | \$8,576.26 |
| 1960 | 57.50 | \$378,425.13 | 50.00 | 4.56 | 0.0912 | 1.0000 | \$34,526.73 | \$7,568.50 |
| 1959 | 58.50 | \$434,281.91 | 50.00 | 4.27 | 0.0854 | 1.0000 | \$37,084.02 | \$8,685.64 |
| 1958 | 59.50 | \$435,086.84 | 50.00 | 3.99 | 0.0797 | 1.0000 | \$34,689.48 | \$8,701.74 |
| 1957 | 60.50 | \$389,921.62 | 50.00 | 3.71 | 0.0742 | 1.0000 | \$28,938.96 | \$7,798.43 |
| 1956 | 61.50 | \$421,134.51 | 50.00 | 3.44 | 0.0688 | 1.0000 | \$28,979.56 | \$8,422.69 |
| 1955 | 62.50 | \$278,684.87 | 50.00 | 3.18 | 0.0635 | 1.0000 | \$17,699.31 | \$5,573.70 |
| 1954 | 63.50 | \$3,592.86 | 50.00 | 2.91 | 0.0583 | 1.0000 | \$209.42 | \$71.86 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3691 PA

Dispersion: 50.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|------------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 1953 | 64.50 | \$18,178.94 | 50.00 | 2.66 | 0.0532 | 1.0000 | \$966.28 | \$363.58 |
| 1952 | 65.50 | \$56,414.98 | 50.00 | 2.41 | 0.0481 | 1.0000 | \$2,714.38 | \$1,128.30 |
| | | \$147,034,346.62 | 50.00 | 32.65 | 0.6531 | 1.0000 | \$96,027,861.12 | \$2,940,686.93 |

Depreciation Reserve Summary

Account: PECO Electric 3691 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 50 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$147,034,346.62 | \$50,874,107.48 | 0.3460 | \$96,160,239.14 | 0.6540 |
| Computed | \$147,034,346.62 | \$51,006,485.50 | 0.3469 | \$96,027,861.12 | 0.6531 |
| Difference | | (\$132,378.02) | -0.0009 | \$132,378.02 | 0.0009 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3691 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 50.00 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$147,034,346.62 | 32.65 | \$2,944,740.78 | 2.002757% | 3.062327% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,566,653.59) | 0.50 | (\$15,666.54) | 1.000000% | |
| Total: | \$147,034,346.62 * | | \$2,929,074.24 | 1.992102% | 3.046035% |
| Average: | \$146,251,019.83 | | \$2,929,074.24 | 2.002772% | 3.071052% |
| Grand Total: | \$147,034,346.62 * | | \$2,929,074.24 | 1.992102% | 3.046035% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3692 PA

Dispersion: 53.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$2,318,317.75 | 53.00 | 52.51 | 0.9907 | 1.0000 | \$2,296,770.77 | \$43,741.84 |
| 2016 | 1.50 | \$2,676,347.41 | 53.00 | 51.52 | 0.9722 | 1.0000 | \$2,601,862.11 | \$50,497.12 |
| 2015 | 2.50 | \$1,501,694.76 | 53.00 | 50.54 | 0.9537 | 1.0000 | \$1,432,113.05 | \$28,333.86 |
| 2014 | 3.50 | \$1,735,573.54 | 53.00 | 49.57 | 0.9352 | 1.0000 | \$1,623,120.68 | \$32,746.67 |
| 2013 | 4.50 | \$1,432,948.12 | 53.00 | 48.59 | 0.9168 | 1.0000 | \$1,313,775.11 | \$27,036.76 |
| 2012 | 5.50 | \$1,118,129.21 | 53.00 | 47.62 | 0.8985 | 1.0000 | \$1,004,644.12 | \$21,096.78 |
| 2011 | 6.50 | \$6,136,547.63 | 53.00 | 46.65 | 0.8802 | 1.0000 | \$5,401,644.89 | \$115,783.92 |
| 2010 | 7.50 | \$1,819,009.29 | 53.00 | 45.69 | 0.8621 | 1.0000 | \$1,568,079.05 | \$34,320.93 |
| 2009 | 8.50 | \$3,797,917.50 | 53.00 | 44.73 | 0.8439 | 1.0000 | \$3,205,209.04 | \$71,658.82 |
| 2008 | 9.50 | \$4,829,251.69 | 53.00 | 43.77 | 0.8259 | 1.0000 | \$3,988,550.86 | \$91,117.96 |
| 2007 | 10.50 | \$4,969,648.30 | 53.00 | 42.82 | 0.8080 | 1.0000 | \$4,015,348.73 | \$93,766.95 |
| 2006 | 11.50 | \$6,515,589.59 | 53.00 | 41.88 | 0.7901 | 1.0000 | \$5,148,208.72 | \$122,935.65 |
| 2005 | 12.50 | \$11,643,465.02 | 53.00 | 40.94 | 0.7724 | 1.0000 | \$8,993,310.88 | \$219,688.02 |
| 2004 | 13.50 | \$1,419,710.25 | 53.00 | 40.00 | 0.7548 | 1.0000 | \$1,071,567.55 | \$26,786.99 |
| 2003 | 14.50 | \$8,143,213.99 | 53.00 | 39.08 | 0.7373 | 1.0000 | \$6,003,735.84 | \$153,645.55 |
| 2002 | 15.50 | \$11,357,397.67 | 53.00 | 38.15 | 0.7199 | 1.0000 | \$8,175,884.68 | \$214,290.52 |
| 2001 | 16.50 | \$11,333,085.66 | 53.00 | 37.24 | 0.7026 | 1.0000 | \$7,962,659.80 | \$213,831.80 |
| 2000 | 17.50 | \$1,216,290.02 | 53.00 | 36.33 | 0.6855 | 1.0000 | \$833,719.67 | \$22,948.87 |
| 1999 | 18.50 | \$9,400,038.80 | 53.00 | 35.43 | 0.6685 | 1.0000 | \$6,283,542.04 | \$177,359.22 |
| 1998 | 19.50 | \$5,674,067.75 | 53.00 | 34.53 | 0.6516 | 1.0000 | \$3,697,182.08 | \$107,057.88 |
| 1997 | 20.50 | \$9,494,947.97 | 53.00 | 33.65 | 0.6349 | 1.0000 | \$6,028,101.17 | \$179,149.96 |
| 1996 | 21.50 | \$3,958,644.25 | 53.00 | 32.77 | 0.6183 | 1.0000 | \$2,447,655.60 | \$74,691.40 |
| 1995 | 22.50 | \$9,648,822.80 | 53.00 | 31.90 | 0.6019 | 1.0000 | \$5,807,841.61 | \$182,053.26 |
| 1994 | 23.50 | \$5,402,076.18 | 53.00 | 31.04 | 0.5857 | 1.0000 | \$3,163,867.64 | \$101,925.97 |
| 1993 | 24.50 | \$10,195,507.20 | 53.00 | 30.19 | 0.5696 | 1.0000 | \$5,807,313.21 | \$192,368.06 |
| 1992 | 25.50 | \$8,434,642.86 | 53.00 | 29.34 | 0.5537 | 1.0000 | \$4,670,073.95 | \$159,144.20 |
| 1991 | 26.50 | \$7,579,207.10 | 53.00 | 28.51 | 0.5379 | 1.0000 | \$4,077,065.84 | \$143,003.91 |
| 1990 | 27.50 | \$10,389,273.65 | 53.00 | 27.68 | 0.5224 | 1.0000 | \$5,426,899.72 | \$196,024.03 |
| 1989 | 28.50 | \$10,688,149.23 | 53.00 | 26.87 | 0.5070 | 1.0000 | \$5,418,477.51 | \$201,663.19 |
| 1988 | 29.50 | \$11,366,486.31 | 53.00 | 26.06 | 0.4917 | 1.0000 | \$5,589,424.94 | \$214,462.01 |
| 1987 | 30.50 | \$11,258,118.28 | 53.00 | 25.27 | 0.4767 | 1.0000 | \$5,366,974.43 | \$212,417.33 |
| 1986 | 31.50 | \$9,730,710.30 | 53.00 | 24.48 | 0.4619 | 1.0000 | \$4,494,871.43 | \$183,598.31 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3692 PA

Dispersion: 53.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$7,940,429.35 | 53.00 | 23.71 | 0.4473 | 1.0000 | \$3,551,716.43 | \$149,819.42 |
| 1984 | 33.50 | \$7,561,224.62 | 53.00 | 22.94 | 0.4329 | 1.0000 | \$3,272,934.27 | \$142,664.62 |
| 1983 | 34.50 | \$5,748,400.14 | 53.00 | 22.19 | 0.4186 | 1.0000 | \$2,406,419.50 | \$108,460.38 |
| 1982 | 35.50 | \$2,978,671.50 | 53.00 | 21.44 | 0.4046 | 1.0000 | \$1,205,170.71 | \$56,201.35 |
| 1981 | 36.50 | \$4,954,431.94 | 53.00 | 20.71 | 0.3908 | 1.0000 | \$1,936,166.92 | \$93,479.85 |
| 1980 | 37.50 | \$5,001,487.76 | 53.00 | 19.99 | 0.3772 | 1.0000 | \$1,886,601.10 | \$94,367.69 |
| 1979 | 38.50 | \$4,477,873.31 | 53.00 | 19.28 | 0.3638 | 1.0000 | \$1,629,268.20 | \$84,488.18 |
| 1978 | 39.50 | \$4,269,910.59 | 53.00 | 18.59 | 0.3507 | 1.0000 | \$1,497,588.82 | \$80,564.35 |
| 1977 | 40.50 | \$2,535,014.56 | 53.00 | 17.91 | 0.3379 | 1.0000 | \$856,631.27 | \$47,830.46 |
| 1976 | 41.50 | \$2,070,490.85 | 53.00 | 17.24 | 0.3253 | 1.0000 | \$673,569.74 | \$39,065.87 |
| 1975 | 42.50 | \$1,409,730.34 | 53.00 | 16.59 | 0.3130 | 1.0000 | \$441,220.27 | \$26,598.69 |
| 1974 | 43.50 | \$1,490,586.77 | 53.00 | 15.95 | 0.3009 | 1.0000 | \$448,549.17 | \$28,124.28 |
| 1973 | 44.50 | \$1,599,263.12 | 53.00 | 15.32 | 0.2891 | 1.0000 | \$462,413.79 | \$30,174.78 |
| 1972 | 45.50 | \$638,461.23 | 53.00 | 14.72 | 0.2777 | 1.0000 | \$177,274.89 | \$12,046.44 |
| 1971 | 46.50 | \$454,578.23 | 53.00 | 14.12 | 0.2665 | 1.0000 | \$121,135.39 | \$8,576.95 |
| 1970 | 47.50 | \$307,968.90 | 53.00 | 13.55 | 0.2556 | 1.0000 | \$78,720.19 | \$5,810.73 |
| 1969 | 48.50 | \$278,282.46 | 53.00 | 12.99 | 0.2451 | 1.0000 | \$68,195.97 | \$5,250.61 |
| 1968 | 49.50 | \$282,709.01 | 53.00 | 12.45 | 0.2349 | 1.0000 | \$66,409.19 | \$5,334.13 |
| 1967 | 50.50 | \$214,648.29 | 53.00 | 11.93 | 0.2250 | 1.0000 | \$48,301.02 | \$4,049.97 |
| 1966 | 51.50 | \$257,594.27 | 53.00 | 11.42 | 0.2155 | 1.0000 | \$55,507.40 | \$4,860.27 |
| 1965 | 52.50 | \$245,670.06 | 53.00 | 10.93 | 0.2063 | 1.0000 | \$50,676.73 | \$4,635.28 |
| 1964 | 53.50 | \$157,791.90 | 53.00 | 10.46 | 0.1974 | 1.0000 | \$31,150.87 | \$2,977.21 |
| 1963 | 54.50 | \$112,768.83 | 53.00 | 10.01 | 0.1889 | 1.0000 | \$21,301.35 | \$2,127.71 |
| 1962 | 55.50 | \$170,454.89 | 53.00 | 9.58 | 0.1807 | 1.0000 | \$30,802.33 | \$3,216.13 |
| 1961 | 56.50 | \$196,381.51 | 53.00 | 9.16 | 0.1729 | 1.0000 | \$33,945.11 | \$3,705.31 |
| 1960 | 57.50 | \$179,678.73 | 53.00 | 8.76 | 0.1653 | 1.0000 | \$29,706.60 | \$3,390.16 |
| 1959 | 58.50 | \$103,139.01 | 53.00 | 8.38 | 0.1581 | 1.0000 | \$16,307.39 | \$1,946.02 |
| 1958 | 59.50 | \$70,884.90 | 53.00 | 8.01 | 0.1512 | 1.0000 | \$10,717.45 | \$1,337.45 |
| 1957 | 60.50 | \$82,707.73 | 53.00 | 7.66 | 0.1446 | 1.0000 | \$11,956.59 | \$1,560.52 |
| 1956 | 61.50 | \$96,024.31 | 53.00 | 7.33 | 0.1382 | 1.0000 | \$13,271.67 | \$1,811.78 |
| 1955 | 62.50 | \$70,194.78 | 53.00 | 7.00 | 0.1321 | 1.0000 | \$9,273.87 | \$1,324.43 |
| 1954 | 63.50 | \$98,536.63 | 53.00 | 6.69 | 0.1263 | 1.0000 | \$12,441.99 | \$1,859.18 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3692 PA

Dispersion: 53.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|----------------|
| 1953 | 64.50 | \$112,843.84 | 53.00 | 6.39 | 0.1206 | 1.0000 | \$13,612.66 | \$2,129.13 |
| 1952 | 65.50 | \$46,078.38 | 53.00 | 6.11 | 0.1152 | 1.0000 | \$5,308.48 | \$869.40 |
| 1949 | 68.50 | \$45,361.39 | 53.00 | 5.28 | 0.0996 | 1.0000 | \$4,516.15 | \$855.88 |
| 1948 | 69.50 | \$31,880.54 | 53.00 | 5.01 | 0.0946 | 1.0000 | \$3,015.49 | \$601.52 |
| 1947 | 70.50 | \$22,197.64 | 53.00 | 4.75 | 0.0897 | 1.0000 | \$1,990.70 | \$418.82 |
| 1946 | 71.50 | \$18,907.14 | 53.00 | 4.50 | 0.0848 | 1.0000 | \$1,603.83 | \$356.74 |
| 1945 | 72.50 | \$5,684.12 | 53.00 | 4.24 | 0.0800 | 1.0000 | \$454.78 | \$107.25 |
| 1944 | 73.50 | \$4,582.40 | 53.00 | 3.99 | 0.0752 | 1.0000 | \$344.71 | \$86.46 |
| 1943 | 74.50 | \$1,325.42 | 53.00 | 3.73 | 0.0705 | 1.0000 | \$93.40 | \$25.01 |
| 1942 | 75.50 | \$5,628.11 | 53.00 | 3.47 | 0.0654 | 1.0000 | \$368.20 | \$106.19 |
| 1941 | 76.50 | \$12,332.43 | 53.00 | 3.21 | 0.0606 | 1.0000 | \$746.97 | \$232.69 |
| 1940 | 77.50 | \$7,540.89 | 53.00 | 2.95 | 0.0557 | 1.0000 | \$420.29 | \$142.28 |
| | | \$263,555,182.90 | 53.00 | 31.39 | 0.5923 | 1.0000 | \$156,107,318.59 | \$4,972,739.30 |

Depreciation Reserve Summary

Account: PECO Electric 3692 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 53 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$263,555,182.90 | \$103,327,064.17 | 0.3921 | \$160,228,118.73 | 0.6079 |
| Computed | \$263,555,182.90 | \$107,447,864.31 | 0.4077 | \$156,107,318.59 | 0.5923 |
| Difference | | (\$4,120,800.14) | -0.0156 | \$4,120,800.14 | 0.0156 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3692 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 53.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$263,555,182.90 | 31.39 | \$5,104,005.77 | 1.936599% | 3.185462% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,854,798.96) | 0.50 | (\$17,498.10) | 0.943396% | |
| Total: | \$263,555,182.90 * | | \$5,086,507.67 | 1.929959% | 3.174541% |
| Average: | \$262,627,783.42 | | \$5,086,507.67 | 1.936774% | 3.193022% |
| Grand Total: | \$263,555,182.90 * | | \$5,086,507.67 | 1.929959% | 3.174541% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elec SM Composite 2018

Account: PECO Elec SM Composite

Dispersion: 15.00 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|------------------|----------|----------------|-----------------|--------------|--------------------|-----------------|
| 2017 | 0.50 | \$10,399,082.09 | 15.00 | 14.50 | 0.9667 | 1.0000 | \$10,052,446.01 | \$693,272.14 |
| 2016 | 1.50 | \$10,390,355.76 | 15.00 | 13.50 | 0.9001 | 1.0000 | \$9,351,902.06 | \$692,690.38 |
| 2015 | 2.50 | \$39,544,757.45 | 15.00 | 12.51 | 0.8338 | 1.0000 | \$32,973,097.04 | \$2,636,317.16 |
| 2014 | 3.50 | \$93,432,824.75 | 15.00 | 11.53 | 0.7687 | 1.0000 | \$71,817,987.76 | \$6,228,854.98 |
| 2013 | 4.50 | \$123,628,613.94 | 15.00 | 10.58 | 0.7054 | 1.0000 | \$87,210,855.45 | \$8,241,907.60 |
| 2012 | 5.50 | \$22,671,526.77 | 15.00 | 9.67 | 0.6450 | 1.0000 | \$14,622,070.39 | \$1,511,435.12 |
| 2011 | 6.50 | \$2,469,557.23 | 15.00 | 8.82 | 0.5880 | 1.0000 | \$1,452,039.59 | \$164,637.15 |
| | | \$302,536,717.99 | 15.00 | 11.28 | 0.7519 | 1.0000 | \$227,480,398.30 | \$20,169,114.53 |

Depreciation Reserve Summary

Account: PECO Elec SM Composite
 Scenario: PECO Elec SM Composite 2018
 Dispersion: 15 - S2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$302,536,717.99 | \$77,491,336.54 | 0.2561 | \$225,045,381.45 | 0.7439 |
| Computed | \$302,536,717.99 | \$75,056,319.69 | 0.2481 | \$227,480,398.30 | 0.7519 |
| Difference | | \$2,435,016.85 | 0.0080 | (\$2,435,016.85) | -0.0080 |

Remaining Life Depreciation Accrual

Account: PECO Elec SM Composite
 Scenario: PECO Elec SM Composite 2018
 Dispersion: 15.00 - S2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|------------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$302,536,717.99 | 11.28 | \$19,953,217.94 | 6.595305% | 8.866309% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$2,055,625.89) | 0.50 | (\$68,520.86) | 3.333333% | |
| Total: | \$302,536,717.99 * | | \$19,884,697.08 | 6.572656% | 8.835861% |
| Average: | \$301,508,905.05 | | \$19,884,697.08 | 6.595061% | 8.876401% |
| Grand Total: | \$302,536,717.99 * | | \$19,884,697.08 | 6.572656% | 8.835861% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 3701 Composite 2018

Account: PECO Electric 3701 PA

Dispersion: 35.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2017 | 0.50 | \$395,327.10 | 35.00 | 34.55 | 0.9871 | 1.0000 | \$390,218.03 | \$11,295.06 |
| 2016 | 1.50 | \$244,754.76 | 35.00 | 33.65 | 0.9614 | 1.0000 | \$235,299.62 | \$6,992.99 |
| 2015 | 2.50 | \$1,038,877.16 | 35.00 | 32.76 | 0.9359 | 1.0000 | \$972,262.71 | \$29,682.20 |
| 2014 | 3.50 | \$482,213.62 | 35.00 | 31.87 | 0.9106 | 1.0000 | \$439,102.08 | \$13,777.53 |
| 2013 | 4.50 | \$239,279.78 | 35.00 | 30.99 | 0.8855 | 1.0000 | \$211,893.99 | \$6,836.57 |
| | | \$2,400,452.42 | 35.00 | 32.79 | 0.9368 | 1.0000 | \$2,248,776.43 | \$68,584.35 |

Depreciation Reserve Summary

Account: PECO Electric 3701 PA
 Scenario: PECO Elect 3701 Composite 2018
 Dispersion: 35 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$2,400,452.42 | \$218,899.28 | 0.0912 | \$2,181,553.14 | 0.9088 |
| Computed | \$2,400,452.42 | \$151,675.99 | 0.0632 | \$2,248,776.43 | 0.9368 |
| Difference | | \$67,223.29 | 0.0280 | (\$67,223.29) | -0.0280 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3701 PA
 Scenario: PECO Elect 3701 Composite 2018
 Dispersion: 35.00 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$2,400,452.42 | 32.79 | \$66,534.14 | 2.771734% | 3.049852% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$8,565.77) | 0.50 | (\$122.37) | 1.428593% | |
| Total: | \$2,400,452.42 * | | \$66,411.77 | 2.766636% | 3.044243% |
| Average: | \$2,396,169.54 | | \$66,411.77 | 2.771581% | 3.050231% |
| Grand Total: | \$2,400,452.42 * | | \$66,411.77 | 2.766636% | 3.044243% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3710 PA

Dispersion: 35.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|-------------|
| 1999 | 18.50 | \$156,401.81 | 35.00 | 18.01 | 0.5144 | 1.0000 | \$80,458.04 | \$4,468.62 |
| 1998 | 19.50 | \$742,575.59 | 35.00 | 17.20 | 0.4913 | 1.0000 | \$364,851.40 | \$21,216.45 |
| 1997 | 20.50 | \$51,638.40 | 35.00 | 16.40 | 0.4687 | 1.0000 | \$24,201.00 | \$1,475.38 |
| 1996 | 21.50 | \$24,135.77 | 35.00 | 15.63 | 0.4465 | 1.0000 | \$10,776.23 | \$689.59 |
| 1995 | 22.50 | \$36,305.98 | 35.00 | 14.87 | 0.4247 | 1.0000 | \$15,419.99 | \$1,037.31 |
| 1994 | 23.50 | \$19,065.30 | 35.00 | 14.12 | 0.4034 | 1.0000 | \$7,691.68 | \$544.72 |
| | | \$1,030,122.85 | 35.00 | 17.10 | 0.4887 | 1.0000 | \$503,398.34 | \$29,432.08 |

Depreciation Reserve Summary

Account: PECO Electric 3710 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 35 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,030,122.85 | \$948,215.71 | 0.9205 | \$81,907.14 | 0.0795 |
| Computed | \$1,030,122.85 | \$526,724.51 | 0.5113 | \$503,398.34 | 0.4887 |
| Difference | | \$421,491.20 | 0.4092 | (\$421,491.20) | -0.4092 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3710 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 35.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|-------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,030,122.85 | 17.10 | \$4,788.85 | 0.464881% | 5.846678% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$12,865.54) | 0.50 | (\$183.79) | 1.428545% | |
| Total: | \$1,030,122.85 * | | \$4,605.06 | 0.447040% | 5.622290% |
| Average: | \$1,023,690.08 | | \$4,605.06 | 0.449849% | 6.101484% |
| Grand Total: | \$1,030,122.85 * | | \$4,605.06 | 0.447040% | 5.622290% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 371.1 Account 2018

Account: PECO Electric 3711 ACT 129 DLC PA

Dispersion: 15.00 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|--------------|
| 2012 | 5.50 | \$2,805,973.06 | 15.00 | 9.67 | 0.6450 | 1.0000 | \$1,809,720.89 | \$187,064.87 |
| 2011 | 6.50 | \$7,305,107.16 | 15.00 | 8.82 | 0.5880 | 1.0000 | \$4,295,225.34 | \$487,007.14 |
| 2010 | 7.50 | \$2,631,142.96 | 15.00 | 8.02 | 0.5348 | 1.0000 | \$1,407,216.42 | \$175,409.53 |
| | | \$12,742,223.18 | 15.00 | 8.84 | 0.5895 | 1.0000 | \$7,512,162.64 | \$849,481.55 |

Depreciation Reserve Summary

Account: PECO Electric 3711 ACT 129 DLC PA

Scenario: PECO Elect 371.1 Account 2018

Dispersion: 15 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$12,742,223.18 | \$5,365,250.31 | 0.4211 | \$7,376,972.87 | 0.5789 |
| Computed | \$12,742,223.18 | \$5,230,060.54 | 0.4105 | \$7,512,162.64 | 0.5895 |
| Difference | | \$135,189.77 | 0.0106 | (\$135,189.77) | -0.0106 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3711 ACT 129 DLC PA

Scenario: PECO Elect 371.1 Account 2018

Dispersion: 15.00 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$12,742,223.18 | 8.84 | \$834,194.20 | 6.546693% | 11.308083% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$306,611.75) | 0.50 | (\$10,220.39) | 3.333333% | |
| Total: | \$12,742,223.18 * | | \$823,973.81 | 6.466484% | 11.169538% |
| Average: | \$12,588,917.31 | | \$823,973.81 | 6.545232% | 11.406586% |
| Grand Total: | \$12,742,223.18 * | | \$823,973.81 | 6.466484% | 11.169538% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3730 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$535,654.52 | 24.00 | 23.58 | 0.9825 | 1.0000 | \$526,278.55 | \$22,318.94 |
| 2016 | 1.50 | \$378,307.29 | 24.00 | 22.85 | 0.9523 | 1.0000 | \$360,257.96 | \$15,762.80 |
| 2015 | 2.50 | \$396,778.68 | 24.00 | 22.21 | 0.9256 | 1.0000 | \$367,251.38 | \$16,532.45 |
| 2014 | 3.50 | \$361,819.67 | 24.00 | 21.63 | 0.9012 | 1.0000 | \$326,064.82 | \$15,075.82 |
| 2013 | 4.50 | \$358,107.80 | 24.00 | 21.09 | 0.8786 | 1.0000 | \$314,646.98 | \$14,921.16 |
| 2012 | 5.50 | \$547,168.91 | 24.00 | 20.58 | 0.8575 | 1.0000 | \$469,200.43 | \$22,798.70 |
| 2011 | 6.50 | \$400,338.80 | 24.00 | 20.10 | 0.8376 | 1.0000 | \$335,311.04 | \$16,680.78 |
| 2010 | 7.50 | \$393,053.44 | 24.00 | 19.65 | 0.8186 | 1.0000 | \$321,765.98 | \$16,377.23 |
| 2009 | 8.50 | \$220,601.18 | 24.00 | 19.21 | 0.8006 | 1.0000 | \$176,603.19 | \$9,191.72 |
| 2008 | 9.50 | \$148,816.38 | 24.00 | 18.80 | 0.7832 | 1.0000 | \$116,554.03 | \$6,200.68 |
| 2007 | 10.50 | \$103,691.72 | 24.00 | 18.40 | 0.7665 | 1.0000 | \$79,476.89 | \$4,320.49 |
| 2006 | 11.50 | \$182,025.50 | 24.00 | 18.01 | 0.7503 | 1.0000 | \$136,565.86 | \$7,584.40 |
| 2005 | 12.50 | \$339,092.32 | 24.00 | 17.63 | 0.7344 | 1.0000 | \$249,033.90 | \$14,128.85 |
| 2004 | 13.50 | \$611,426.71 | 24.00 | 17.25 | 0.7189 | 1.0000 | \$439,568.75 | \$25,476.11 |
| 2003 | 14.50 | \$1,599,088.31 | 24.00 | 16.89 | 0.7038 | 1.0000 | \$1,125,363.29 | \$66,628.68 |
| 2002 | 15.50 | \$406,895.17 | 24.00 | 16.53 | 0.6889 | 1.0000 | \$280,310.20 | \$16,953.97 |
| 2001 | 16.50 | \$1,845,825.72 | 24.00 | 16.18 | 0.6744 | 1.0000 | \$1,244,761.33 | \$76,909.41 |
| 2000 | 17.50 | \$69,823.18 | 24.00 | 15.84 | 0.6601 | 1.0000 | \$46,092.50 | \$2,909.30 |
| 1999 | 18.50 | \$8,422,788.04 | 24.00 | 15.51 | 0.6462 | 1.0000 | \$5,442,735.94 | \$350,949.50 |
| 1998 | 19.50 | \$10,940,897.04 | 24.00 | 15.18 | 0.6325 | 1.0000 | \$6,920,571.11 | \$455,870.71 |
| 1997 | 20.50 | \$3,819,590.53 | 24.00 | 14.86 | 0.6192 | 1.0000 | \$2,364,980.08 | \$159,149.61 |
| 1996 | 21.50 | \$1,743,588.99 | 24.00 | 14.55 | 0.6061 | 1.0000 | \$1,056,765.40 | \$72,649.54 |
| 1995 | 22.50 | \$1,694,864.04 | 24.00 | 14.24 | 0.5932 | 1.0000 | \$1,005,470.63 | \$70,619.34 |
| 1994 | 23.50 | \$385,808.18 | 24.00 | 13.94 | 0.5807 | 1.0000 | \$224,025.49 | \$16,075.34 |
| 1993 | 24.50 | \$280,936.02 | 24.00 | 13.64 | 0.5683 | 1.0000 | \$159,667.81 | \$11,705.67 |
| 1992 | 25.50 | \$286,271.24 | 24.00 | 13.35 | 0.5563 | 1.0000 | \$159,241.54 | \$11,927.97 |
| 1991 | 26.50 | \$337,250.96 | 24.00 | 13.07 | 0.5444 | 1.0000 | \$183,605.06 | \$14,052.12 |
| 1990 | 27.50 | \$432,465.27 | 24.00 | 12.79 | 0.5328 | 1.0000 | \$230,429.36 | \$18,019.39 |
| 1989 | 28.50 | \$288,605.42 | 24.00 | 12.51 | 0.5214 | 1.0000 | \$150,486.00 | \$12,025.23 |
| 1988 | 29.50 | \$442,995.30 | 24.00 | 12.25 | 0.5103 | 1.0000 | \$226,039.57 | \$18,458.14 |
| 1987 | 30.50 | \$247,254.10 | 24.00 | 11.98 | 0.4993 | 1.0000 | \$123,449.57 | \$10,302.25 |
| 1986 | 31.50 | \$130,099.45 | 24.00 | 11.72 | 0.4885 | 1.0000 | \$63,557.52 | \$5,420.81 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3730 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|----------------|
| 1985 | 32.50 | \$589,038.92 | 24.00 | 11.47 | 0.4780 | 1.0000 | \$281,546.74 | \$24,543.29 |
| 1984 | 33.50 | \$532,706.98 | 24.00 | 11.22 | 0.4676 | 1.0000 | \$249,112.89 | \$22,196.12 |
| 1983 | 34.50 | \$503,366.69 | 24.00 | 10.98 | 0.4575 | 1.0000 | \$230,273.31 | \$20,973.61 |
| 1982 | 35.50 | \$305,327.65 | 24.00 | 10.74 | 0.4475 | 1.0000 | \$136,626.76 | \$12,721.99 |
| 1981 | 36.50 | \$191,229.19 | 24.00 | 10.50 | 0.4377 | 1.0000 | \$83,694.88 | \$7,967.88 |
| 1980 | 37.50 | \$181,993.10 | 24.00 | 10.27 | 0.4280 | 1.0000 | \$77,896.65 | \$7,583.05 |
| 1979 | 38.50 | \$258,279.37 | 24.00 | 10.05 | 0.4185 | 1.0000 | \$108,101.93 | \$10,761.64 |
| 1978 | 39.50 | \$199,857.01 | 24.00 | 9.82 | 0.4093 | 1.0000 | \$81,800.81 | \$8,327.38 |
| 1977 | 40.50 | \$234,045.39 | 24.00 | 9.60 | 0.4001 | 1.0000 | \$93,647.22 | \$9,751.89 |
| 1976 | 41.50 | \$165,511.02 | 24.00 | 9.39 | 0.3911 | 1.0000 | \$64,737.50 | \$6,896.29 |
| 1975 | 42.50 | \$95,995.79 | 24.00 | 9.18 | 0.3823 | 1.0000 | \$36,699.39 | \$3,999.82 |
| 1974 | 43.50 | \$92,268.42 | 24.00 | 8.97 | 0.3736 | 1.0000 | \$34,470.24 | \$3,844.52 |
| 1973 | 44.50 | \$92,420.05 | 24.00 | 8.76 | 0.3650 | 1.0000 | \$33,736.88 | \$3,850.84 |
| 1972 | 45.50 | \$123,552.52 | 24.00 | 8.56 | 0.3567 | 1.0000 | \$44,068.63 | \$5,148.02 |
| 1971 | 46.50 | \$78,949.57 | 24.00 | 8.36 | 0.3484 | 1.0000 | \$27,505.23 | \$3,289.57 |
| 1970 | 47.50 | \$35,144.05 | 24.00 | 8.17 | 0.3402 | 1.0000 | \$11,957.12 | \$1,464.34 |
| 1969 | 48.50 | \$17,569.37 | 24.00 | 7.97 | 0.3322 | 1.0000 | \$5,836.55 | \$732.06 |
| 1968 | 49.50 | \$16,536.48 | 24.00 | 7.78 | 0.3243 | 1.0000 | \$5,362.74 | \$689.02 |
| 1967 | 50.50 | \$12,609.28 | 24.00 | 7.60 | 0.3165 | 1.0000 | \$3,991.02 | \$525.39 |
| 1966 | 51.50 | \$17,229.97 | 24.00 | 7.41 | 0.3089 | 1.0000 | \$5,322.72 | \$717.92 |
| 1965 | 52.50 | \$16,492.25 | 24.00 | 7.23 | 0.3014 | 1.0000 | \$4,970.20 | \$687.18 |
| 1964 | 53.50 | \$7,770.98 | 24.00 | 7.05 | 0.2939 | 1.0000 | \$2,284.01 | \$323.79 |
| 1963 | 54.50 | \$15,364.43 | 24.00 | 6.88 | 0.2866 | 1.0000 | \$4,403.00 | \$640.18 |
| 1962 | 55.50 | \$19,342.01 | 24.00 | 6.70 | 0.2793 | 1.0000 | \$5,403.02 | \$805.92 |
| 1961 | 56.50 | \$15,126.31 | 24.00 | 6.53 | 0.2722 | 1.0000 | \$4,117.50 | \$630.26 |
| 1960 | 57.50 | \$19,561.65 | 24.00 | 6.37 | 0.2653 | 1.0000 | \$5,189.32 | \$815.07 |
| 1959 | 58.50 | \$15,795.40 | 24.00 | 6.20 | 0.2583 | 1.0000 | \$4,080.55 | \$658.14 |
| | | \$42,205,013.73 | 24.00 | 15.28 | 0.6367 | 1.0000 | \$26,872,968.98 | \$1,758,542.24 |

Depreciation Reserve Summary

Account: PECO Electric 3730 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 24 - L0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|--------|-------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$42,205,013.73 | \$30,970,713.12 | 0.7338 | \$11,234,300.61 | 0.2662 |
| Computed | \$42,205,013.73 | \$15,332,044.75 | 0.3633 | \$26,872,968.98 | 0.6367 |
| Difference | | \$15,638,668.37 | 0.3705 | (\$15,638,668.37) | -0.3705 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3730 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 24.00 - L0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$42,205,013.73 | 15.28 | \$735,162.22 | 1.741884% | 6.543907% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,907,947.07) | 0.50 | (\$39,748.90) | 2.083333% | |
| Total: | \$42,205,013.73 * | | \$695,413.32 | 1.647703% | 6.190090% |
| Average: | \$41,251,040.20 | | \$695,413.32 | 1.685808% | 6.764506% |
| Grand Total: | \$42,205,013.73 * | | \$695,413.32 | 1.647703% | 6.190090% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3731 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2017 | 0.50 | \$126,423.99 | 24.00 | 23.58 | 0.9825 | 1.0000 | \$124,211.09 | \$5,267.67 |
| 2016 | 1.50 | \$75,530.00 | 24.00 | 22.85 | 0.9523 | 1.0000 | \$71,926.41 | \$3,147.08 |
| 2015 | 2.50 | \$100,192.71 | 24.00 | 22.21 | 0.9256 | 1.0000 | \$92,736.61 | \$4,174.70 |
| 2014 | 3.50 | \$83,703.28 | 24.00 | 21.63 | 0.9012 | 1.0000 | \$75,431.76 | \$3,487.64 |
| 2013 | 4.50 | \$116,706.97 | 24.00 | 21.09 | 0.8786 | 1.0000 | \$102,543.13 | \$4,862.79 |
| 2012 | 5.50 | \$99,692.40 | 24.00 | 20.58 | 0.8575 | 1.0000 | \$85,486.80 | \$4,153.85 |
| 2011 | 6.50 | \$84,841.70 | 24.00 | 20.10 | 0.8376 | 1.0000 | \$71,060.71 | \$3,535.07 |
| 2010 | 7.50 | \$170,554.66 | 24.00 | 19.65 | 0.8186 | 1.0000 | \$139,621.44 | \$7,106.44 |
| 2009 | 8.50 | \$59,340.99 | 24.00 | 19.21 | 0.8006 | 1.0000 | \$47,505.68 | \$2,472.54 |
| 2008 | 9.50 | \$115,820.24 | 24.00 | 18.80 | 0.7832 | 1.0000 | \$90,711.22 | \$4,825.84 |
| 2007 | 10.50 | \$14,466.23 | 24.00 | 18.40 | 0.7665 | 1.0000 | \$11,087.97 | \$602.76 |
| 2006 | 11.50 | \$5,613.46 | 24.00 | 18.01 | 0.7503 | 1.0000 | \$4,211.54 | \$233.89 |
| 2005 | 12.50 | \$5,988.78 | 24.00 | 17.63 | 0.7344 | 1.0000 | \$4,398.24 | \$249.53 |
| 2004 | 13.50 | \$2,724.83 | 24.00 | 17.25 | 0.7189 | 1.0000 | \$1,958.94 | \$113.53 |
| 2003 | 14.50 | \$27,636.89 | 24.00 | 16.89 | 0.7038 | 1.0000 | \$19,449.55 | \$1,151.54 |
| 2002 | 15.50 | \$99,116.60 | 24.00 | 16.53 | 0.6889 | 1.0000 | \$68,281.45 | \$4,129.86 |
| 2001 | 16.50 | \$285,969.03 | 24.00 | 16.18 | 0.6744 | 1.0000 | \$192,847.67 | \$11,915.38 |
| 2000 | 17.50 | \$21,203.53 | 24.00 | 15.84 | 0.6601 | 1.0000 | \$13,997.12 | \$883.48 |
| 1999 | 18.50 | \$56,560.37 | 24.00 | 15.51 | 0.6462 | 1.0000 | \$36,548.84 | \$2,356.68 |
| 1998 | 19.50 | \$400,414.87 | 24.00 | 15.18 | 0.6325 | 1.0000 | \$253,279.01 | \$16,683.95 |
| 1997 | 20.50 | \$22,310.49 | 24.00 | 14.86 | 0.6192 | 1.0000 | \$13,814.01 | \$929.60 |
| 1996 | 21.50 | \$8,622.32 | 24.00 | 14.55 | 0.6061 | 1.0000 | \$5,225.87 | \$359.26 |
| 1995 | 22.50 | \$8,556.69 | 24.00 | 14.24 | 0.5932 | 1.0000 | \$5,076.22 | \$356.53 |
| 1986 | 31.50 | \$44.93 | 24.00 | 11.72 | 0.4885 | 1.0000 | \$21.95 | \$1.87 |
| 1985 | 32.50 | \$69.81 | 24.00 | 11.47 | 0.4780 | 1.0000 | \$33.37 | \$2.91 |
| | | \$1,992,105.77 | 24.00 | 18.45 | 0.7688 | 1.0000 | \$1,531,466.60 | \$83,004.41 |

Depreciation Reserve Summary

Account: PECO Electric 3731 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 24 - L0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,992,105.77 | \$474,683.62 | 0.2383 | \$1,517,422.15 | 0.7617 |
| Computed | \$1,992,105.77 | \$460,639.17 | 0.2312 | \$1,531,466.60 | 0.7688 |
| Difference | | \$14,044.45 | 0.0071 | (\$14,044.45) | -0.0071 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3731 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 24.00 - L0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,992,105.77 | 18.45 | \$82,243.21 | 4.128456% | 5.419929% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$64,513.94) | 0.50 | (\$1,344.04) | 2.083333% | |
| Total: | \$1,992,105.77 * | | \$80,899.17 | 4.060988% | 5.331355% |
| Average: | \$1,959,848.80 | | \$80,899.17 | 4.127827% | 5.447150% |
| Grand Total: | \$1,992,105.77 * | | \$80,899.17 | 4.060988% | 5.331355% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3732 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$7,030,764.65 | 24.00 | 23.58 | 0.9825 | 1.0000 | \$6,907,699.79 | \$292,948.53 |
| 2016 | 1.50 | \$1,397,018.41 | 24.00 | 22.85 | 0.9523 | 1.0000 | \$1,330,365.58 | \$58,209.10 |
| 2015 | 2.50 | \$971,596.88 | 24.00 | 22.21 | 0.9256 | 1.0000 | \$899,293.02 | \$40,483.20 |
| 2014 | 3.50 | \$1,062,349.24 | 24.00 | 21.63 | 0.9012 | 1.0000 | \$957,368.38 | \$44,264.55 |
| 2013 | 4.50 | \$585,368.18 | 24.00 | 21.09 | 0.8786 | 1.0000 | \$514,326.49 | \$24,390.34 |
| 2012 | 5.50 | \$354,900.46 | 24.00 | 20.58 | 0.8575 | 1.0000 | \$304,329.15 | \$14,787.52 |
| 2011 | 6.50 | \$402,492.01 | 24.00 | 20.10 | 0.8376 | 1.0000 | \$337,114.50 | \$16,770.50 |
| 2010 | 7.50 | \$301,303.14 | 24.00 | 19.65 | 0.8186 | 1.0000 | \$246,656.28 | \$12,554.30 |
| 2009 | 8.50 | \$252,564.27 | 24.00 | 19.21 | 0.8006 | 1.0000 | \$202,191.38 | \$10,523.51 |
| 2008 | 9.50 | \$217,799.40 | 24.00 | 18.80 | 0.7832 | 1.0000 | \$170,582.01 | \$9,074.98 |
| 2007 | 10.50 | \$67,624.50 | 24.00 | 18.40 | 0.7665 | 1.0000 | \$51,832.35 | \$2,817.69 |
| 2006 | 11.50 | \$11,024.63 | 24.00 | 18.01 | 0.7503 | 1.0000 | \$8,271.30 | \$459.36 |
| 2005 | 12.50 | \$5.55 | 24.00 | 17.63 | 0.7344 | 1.0000 | \$4.08 | \$0.23 |
| 2004 | 13.50 | \$24,904.15 | 24.00 | 17.25 | 0.7189 | 1.0000 | \$17,904.17 | \$1,037.67 |
| 2003 | 14.50 | \$7,082.16 | 24.00 | 16.89 | 0.7038 | 1.0000 | \$4,984.09 | \$295.09 |
| 2002 | 15.50 | \$23,993.13 | 24.00 | 16.53 | 0.6889 | 1.0000 | \$16,528.87 | \$999.71 |
| 2001 | 16.50 | \$48,032.09 | 24.00 | 16.18 | 0.6744 | 1.0000 | \$32,391.19 | \$2,001.34 |
| 2000 | 17.50 | \$1,082.52 | 24.00 | 15.84 | 0.6601 | 1.0000 | \$714.61 | \$45.11 |
| 1999 | 18.50 | \$29,538.14 | 24.00 | 15.51 | 0.6462 | 1.0000 | \$19,087.30 | \$1,230.76 |
| 1998 | 19.50 | \$190,193.07 | 24.00 | 15.18 | 0.6325 | 1.0000 | \$120,305.00 | \$7,924.71 |
| 1997 | 20.50 | \$36,214.21 | 24.00 | 14.86 | 0.6192 | 1.0000 | \$22,422.79 | \$1,508.93 |
| 1996 | 21.50 | \$79,308.71 | 24.00 | 14.55 | 0.6061 | 1.0000 | \$48,067.92 | \$3,304.53 |
| 1995 | 22.50 | \$44,330.96 | 24.00 | 14.24 | 0.5932 | 1.0000 | \$26,299.15 | \$1,847.12 |
| 1994 | 23.50 | \$3,738.37 | 24.00 | 13.94 | 0.5807 | 1.0000 | \$2,170.74 | \$155.77 |
| 1993 | 24.50 | \$10,784.76 | 24.00 | 13.64 | 0.5683 | 1.0000 | \$6,129.43 | \$449.37 |
| 1992 | 25.50 | \$15,569.54 | 24.00 | 13.35 | 0.5563 | 1.0000 | \$8,660.73 | \$648.73 |
| 1991 | 26.50 | \$19,882.55 | 24.00 | 13.07 | 0.5444 | 1.0000 | \$10,824.39 | \$828.44 |
| 1990 | 27.50 | \$23,025.08 | 24.00 | 12.79 | 0.5328 | 1.0000 | \$12,268.39 | \$959.38 |
| 1989 | 28.50 | \$10,762.02 | 24.00 | 12.51 | 0.5214 | 1.0000 | \$5,611.58 | \$448.42 |
| 1988 | 29.50 | \$2,480.56 | 24.00 | 12.25 | 0.5103 | 1.0000 | \$1,265.71 | \$103.36 |
| 1987 | 30.50 | \$5,395.91 | 24.00 | 11.98 | 0.4993 | 1.0000 | \$2,694.08 | \$224.83 |
| 1986 | 31.50 | \$5,800.43 | 24.00 | 11.72 | 0.4885 | 1.0000 | \$2,833.69 | \$241.68 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3732 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$7,781.06 | 24.00 | 11.47 | 0.4780 | 1.0000 | \$3,719.16 | \$324.21 |
| 1984 | 33.50 | \$4,653.18 | 24.00 | 11.22 | 0.4676 | 1.0000 | \$2,175.99 | \$193.88 |
| 1983 | 34.50 | \$5,542.11 | 24.00 | 10.98 | 0.4575 | 1.0000 | \$2,535.33 | \$230.92 |
| 1982 | 35.50 | \$4,104.06 | 24.00 | 10.74 | 0.4475 | 1.0000 | \$1,836.47 | \$171.00 |
| 1981 | 36.50 | \$159.80 | 24.00 | 10.50 | 0.4377 | 1.0000 | \$69.94 | \$6.66 |
| 1980 | 37.50 | \$1.18 | 24.00 | 10.27 | 0.4280 | 1.0000 | \$0.51 | \$0.05 |
| 1979 | 38.50 | \$0.90 | 24.00 | 10.05 | 0.4185 | 1.0000 | \$0.38 | \$0.04 |
| 1978 | 39.50 | \$0.73 | 24.00 | 9.82 | 0.4093 | 1.0000 | \$0.30 | \$0.03 |
| 1974 | 43.50 | \$0.40 | 24.00 | 8.97 | 0.3736 | 1.0000 | \$0.15 | \$0.02 |
| 1971 | 46.50 | \$0.81 | 24.00 | 8.36 | 0.3484 | 1.0000 | \$0.28 | \$0.03 |
| 1919 | 98.50 | \$0.89 | 24.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1918 | 99.50 | \$0.95 | 24.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1917 | 100.50 | \$0.56 | 24.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1916 | 101.50 | \$0.80 | 24.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1915 | 102.50 | \$0.36 | 24.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1914 | 103.50 | \$0.46 | 24.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$13,259,177.93 | 24.00 | 22.27 | 0.9278 | 1.0000 | \$12,301,536.66 | \$552,465.58 |

Depreciation Reserve Summary

Account: PECO Electric 3732 PA
Scenario: PECO Electric Groups 2018
Dispersion: 24 - L0
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$13,259,177.93 | (\$1,843,670.32) | -0.1390 | \$15,102,848.25 | 1.1390 |
| Computed | \$13,259,177.93 | \$957,641.27 | 0.0722 | \$12,301,536.66 | 0.9278 |
| Difference | | (\$2,801,311.59) | -0.2113 | \$2,801,311.59 | 0.2113 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3732 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 24.00 - L0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$13,259,177.93 | 22.27 | \$678,273.29 | 5.115500% | 4.491029% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$233,166.44) | 0.50 | (\$4,857.63) | 2.083332% | |
| Total: | \$13,259,177.93 * | | \$673,415.66 | 5.078864% | 4.458865% |
| Average: | \$13,142,594.71 | | \$673,415.66 | 5.123917% | 4.493552% |
| Grand Total: | \$13,259,177.93 * | | \$673,415.66 | 5.078864% | 4.458865% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3733 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2003 | 14.50 | (\$6.52) | 24.00 | 16.89 | 0.7038 | 1.0000 | (\$4.59) | (\$0.27) |
| 2002 | 15.50 | \$7.10 | 24.00 | 16.53 | 0.6889 | 1.0000 | \$4.89 | \$0.30 |
| 2001 | 16.50 | \$96.72 | 24.00 | 16.18 | 0.6744 | 1.0000 | \$65.22 | \$4.03 |
| 2000 | 17.50 | \$8,020.39 | 24.00 | 15.84 | 0.6601 | 1.0000 | \$5,294.51 | \$334.18 |
| 1999 | 18.50 | \$795,348.18 | 24.00 | 15.51 | 0.6462 | 1.0000 | \$513,947.41 | \$33,139.51 |
| 1998 | 19.50 | \$1,030,878.48 | 24.00 | 15.18 | 0.6325 | 1.0000 | \$652,073.39 | \$42,953.27 |
| 1997 | 20.50 | \$354,735.94 | 24.00 | 14.86 | 0.6192 | 1.0000 | \$219,642.24 | \$14,780.66 |
| 1996 | 21.50 | \$145,037.08 | 24.00 | 14.55 | 0.6061 | 1.0000 | \$87,904.99 | \$6,043.21 |
| 1995 | 22.50 | \$153,962.44 | 24.00 | 14.24 | 0.5932 | 1.0000 | \$91,337.54 | \$6,415.10 |
| 1994 | 23.50 | \$65,942.84 | 24.00 | 13.94 | 0.5807 | 1.0000 | \$38,290.73 | \$2,747.62 |
| 1993 | 24.50 | \$165,557.05 | 24.00 | 13.64 | 0.5683 | 1.0000 | \$94,093.07 | \$6,898.21 |
| 1992 | 25.50 | \$123,795.25 | 24.00 | 13.35 | 0.5563 | 1.0000 | \$68,862.48 | \$5,158.14 |
| 1991 | 26.50 | \$137,323.13 | 24.00 | 13.07 | 0.5444 | 1.0000 | \$74,761.01 | \$5,721.80 |
| 1990 | 27.50 | \$218,921.68 | 24.00 | 12.79 | 0.5328 | 1.0000 | \$116,647.48 | \$9,121.74 |
| 1989 | 28.50 | \$178,106.10 | 24.00 | 12.51 | 0.5214 | 1.0000 | \$92,868.93 | \$7,421.09 |
| 1988 | 29.50 | \$247,965.27 | 24.00 | 12.25 | 0.5103 | 1.0000 | \$126,524.96 | \$10,331.89 |
| 1987 | 30.50 | \$162,745.82 | 24.00 | 11.98 | 0.4993 | 1.0000 | \$81,256.09 | \$6,781.08 |
| 1986 | 31.50 | \$139,650.24 | 24.00 | 11.72 | 0.4885 | 1.0000 | \$68,223.37 | \$5,818.76 |
| 1985 | 32.50 | \$177,432.44 | 24.00 | 11.47 | 0.4780 | 1.0000 | \$84,808.53 | \$7,393.02 |
| 1984 | 33.50 | \$90,923.20 | 24.00 | 11.22 | 0.4676 | 1.0000 | \$42,518.95 | \$3,788.47 |
| 1983 | 34.50 | \$93,250.15 | 24.00 | 10.98 | 0.4575 | 1.0000 | \$42,658.80 | \$3,885.42 |
| 1982 | 35.50 | \$103,329.24 | 24.00 | 10.74 | 0.4475 | 1.0000 | \$46,237.34 | \$4,305.39 |
| 1981 | 36.50 | \$85,402.36 | 24.00 | 10.50 | 0.4377 | 1.0000 | \$37,377.87 | \$3,558.43 |
| 1980 | 37.50 | \$68,989.98 | 24.00 | 10.27 | 0.4280 | 1.0000 | \$29,529.08 | \$2,874.58 |
| 1979 | 38.50 | \$102,910.86 | 24.00 | 10.05 | 0.4185 | 1.0000 | \$43,072.98 | \$4,287.95 |
| 1978 | 39.50 | \$90,886.18 | 24.00 | 9.82 | 0.4093 | 1.0000 | \$37,199.41 | \$3,786.92 |
| 1977 | 40.50 | \$100,033.87 | 24.00 | 9.60 | 0.4001 | 1.0000 | \$40,025.97 | \$4,168.08 |
| 1976 | 41.50 | \$116,014.53 | 24.00 | 9.39 | 0.3911 | 1.0000 | \$45,377.59 | \$4,833.94 |
| 1975 | 42.50 | \$85,636.53 | 24.00 | 9.18 | 0.3823 | 1.0000 | \$32,739.02 | \$3,568.19 |
| 1974 | 43.50 | \$93,741.83 | 24.00 | 8.97 | 0.3736 | 1.0000 | \$35,020.69 | \$3,905.91 |
| 1973 | 44.50 | \$95,181.47 | 24.00 | 8.76 | 0.3650 | 1.0000 | \$34,744.91 | \$3,965.89 |
| 1972 | 45.50 | \$55,121.13 | 24.00 | 8.56 | 0.3567 | 1.0000 | \$19,660.57 | \$2,296.71 |

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3733 PA

Dispersion: 24.00 - L0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|--------------|
| 1971 | 46.50 | \$28,007.23 | 24.00 | 8.36 | 0.3484 | 1.0000 | \$9,757.44 | \$1,166.97 |
| 1970 | 47.50 | \$14,916.81 | 24.00 | 8.17 | 0.3402 | 1.0000 | \$5,075.17 | \$621.53 |
| 1969 | 48.50 | \$11,545.02 | 24.00 | 7.97 | 0.3322 | 1.0000 | \$3,835.26 | \$481.04 |
| 1968 | 49.50 | \$9,204.50 | 24.00 | 7.78 | 0.3243 | 1.0000 | \$2,985.00 | \$383.52 |
| 1967 | 50.50 | \$8,736.44 | 24.00 | 7.60 | 0.3165 | 1.0000 | \$2,765.21 | \$364.02 |
| 1966 | 51.50 | \$7,471.52 | 24.00 | 7.41 | 0.3089 | 1.0000 | \$2,308.12 | \$311.31 |
| 1965 | 52.50 | \$839.66 | 24.00 | 7.23 | 0.3014 | 1.0000 | \$253.04 | \$34.99 |
| | | \$5,367,662.14 | 24.00 | 13.10 | 0.5458 | 1.0000 | \$2,929,744.67 | \$223,652.59 |

Depreciation Reserve Summary

Account: PECO Electric 3733 PA
Scenario: PECO Electric Groups 2018
Dispersion: 24 - L0
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$5,367,662.14 | \$4,702,836.20 | 0.8761 | \$664,825.94 | 0.1239 |
| Computed | \$5,367,662.14 | \$2,437,917.47 | 0.4542 | \$2,929,744.67 | 0.5458 |
| Difference | | \$2,264,918.73 | 0.4220 | (\$2,264,918.73) | -0.4220 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3733 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 24.00 - L0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$5,367,662.14 | 13.10 | \$50,751.88 | 0.945512% | 7.633859% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$302,453.10) | 0.50 | (\$6,301.11) | 2.083335% | |
| Total: | \$5,367,662.14 * | | \$44,450.77 | 0.828122% | 6.686076% |
| Average: | \$5,216,435.59 | | \$44,450.77 | 0.852129% | 8.654755% |
| Grand Total: | \$5,367,662.14 * | | \$44,450.77 | 0.828122% | 6.686076% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 390 Composite 2018

Account: PECO Elect 390 Composite

Dispersion: 40.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$1,177,460.94 | 40.00 | 39.63 | 0.9907 | 1.0000 | \$1,166,540.24 | \$29,436.52 |
| 2016 | 1.50 | \$920,170.92 | 40.00 | 38.89 | 0.9723 | 1.0000 | \$894,652.74 | \$23,004.27 |
| 2015 | 2.50 | \$2,297,701.58 | 40.00 | 38.16 | 0.9540 | 1.0000 | \$2,191,952.72 | \$57,442.54 |
| 2014 | 3.50 | \$1,935,577.56 | 40.00 | 37.43 | 0.9358 | 1.0000 | \$1,811,326.85 | \$48,389.44 |
| 2013 | 4.50 | \$553,357.27 | 40.00 | 36.71 | 0.9178 | 1.0000 | \$507,863.06 | \$13,833.93 |
| 2012 | 5.50 | \$2,710,848.28 | 40.00 | 36.00 | 0.8999 | 1.0000 | \$2,439,433.94 | \$67,771.21 |
| 2011 | 6.50 | \$2,774,724.43 | 40.00 | 35.28 | 0.8821 | 1.0000 | \$2,447,616.36 | \$69,368.11 |
| 2010 | 7.50 | \$6,265,992.75 | 40.00 | 34.58 | 0.8645 | 1.0000 | \$5,416,669.05 | \$156,649.82 |
| 2009 | 8.50 | \$585,768.72 | 40.00 | 33.88 | 0.8469 | 1.0000 | \$496,097.48 | \$14,644.22 |
| 2008 | 9.50 | \$187,650.44 | 40.00 | 33.18 | 0.8295 | 1.0000 | \$155,653.18 | \$4,691.26 |
| 2007 | 10.50 | \$386,939.74 | 40.00 | 32.49 | 0.8122 | 1.0000 | \$314,257.57 | \$9,673.49 |
| 2006 | 11.50 | \$229,769.87 | 40.00 | 31.80 | 0.7949 | 1.0000 | \$182,650.09 | \$5,744.25 |
| 2005 | 12.50 | \$443,060.15 | 40.00 | 31.11 | 0.7778 | 1.0000 | \$344,612.87 | \$11,076.50 |
| 2004 | 13.50 | \$100,945.76 | 40.00 | 30.43 | 0.7608 | 1.0000 | \$76,795.31 | \$2,523.64 |
| 2003 | 14.50 | \$3,789,268.44 | 40.00 | 29.75 | 0.7438 | 1.0000 | \$2,818,535.27 | \$94,731.71 |
| 2002 | 15.50 | \$172,481.25 | 40.00 | 29.08 | 0.7270 | 1.0000 | \$125,387.61 | \$4,312.03 |
| 2001 | 16.50 | \$672,471.52 | 40.00 | 28.41 | 0.7102 | 1.0000 | \$477,618.21 | \$16,811.79 |
| 1999 | 18.50 | \$499,294.52 | 40.00 | 27.09 | 0.6771 | 1.0000 | \$338,097.22 | \$12,482.36 |
| 1998 | 19.50 | \$5,149,515.88 | 40.00 | 26.43 | 0.6608 | 1.0000 | \$3,402,767.30 | \$128,737.90 |
| 1997 | 20.50 | \$824,467.83 | 40.00 | 25.78 | 0.6446 | 1.0000 | \$531,451.78 | \$20,611.70 |
| 1996 | 21.50 | \$52,142.08 | 40.00 | 25.14 | 0.6285 | 1.0000 | \$32,773.78 | \$1,303.55 |
| 1995 | 22.50 | \$160,864.09 | 40.00 | 24.51 | 0.6127 | 1.0000 | \$98,558.41 | \$4,021.60 |
| 1994 | 23.50 | \$236,579.53 | 40.00 | 23.88 | 0.5970 | 1.0000 | \$141,229.86 | \$5,914.49 |
| 1993 | 24.50 | \$2,308,233.21 | 40.00 | 23.26 | 0.5815 | 1.0000 | \$1,342,132.06 | \$57,705.83 |
| 1992 | 25.50 | \$2,758,129.60 | 40.00 | 22.64 | 0.5661 | 1.0000 | \$1,561,388.42 | \$68,953.24 |
| 1991 | 26.50 | \$1,028.95 | 40.00 | 22.04 | 0.5510 | 1.0000 | \$566.93 | \$25.72 |
| 1990 | 27.50 | \$342,603.06 | 40.00 | 21.44 | 0.5360 | 1.0000 | \$183,643.97 | \$8,565.08 |
| 1989 | 28.50 | \$572,534.38 | 40.00 | 20.85 | 0.5213 | 1.0000 | \$298,463.69 | \$14,313.36 |
| 1988 | 29.50 | \$726,378.66 | 40.00 | 20.27 | 0.5068 | 1.0000 | \$368,102.08 | \$18,159.47 |
| 1987 | 30.50 | \$295,387.48 | 40.00 | 19.70 | 0.4925 | 1.0000 | \$145,467.18 | \$7,384.69 |
| 1986 | 31.50 | \$1,534,530.32 | 40.00 | 19.13 | 0.4783 | 1.0000 | \$734,035.20 | \$38,363.26 |
| 1985 | 32.50 | \$604,008.13 | 40.00 | 18.58 | 0.4645 | 1.0000 | \$280,548.96 | \$15,100.20 |

Generation Arrangement Report

PECO Elect 390 Composite 2018

Account: PECO Elect 390 Composite

Dispersion: 40.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 1984 | 33.50 | \$430,134.04 | 40.00 | 18.03 | 0.4508 | 1.0000 | \$193,904.22 | \$10,753.35 |
| 1983 | 34.50 | \$136,913.89 | 40.00 | 17.49 | 0.4374 | 1.0000 | \$59,881.33 | \$3,422.85 |
| 1982 | 35.50 | \$376,512.59 | 40.00 | 16.97 | 0.4241 | 1.0000 | \$159,690.43 | \$9,412.81 |
| 1981 | 36.50 | \$120,378.95 | 40.00 | 16.45 | 0.4111 | 1.0000 | \$49,491.33 | \$3,009.47 |
| 1980 | 37.50 | \$514,893.54 | 40.00 | 15.93 | 0.3983 | 1.0000 | \$205,098.86 | \$12,872.34 |
| 1979 | 38.50 | \$49,431.66 | 40.00 | 15.43 | 0.3858 | 1.0000 | \$19,068.94 | \$1,235.79 |
| 1978 | 39.50 | \$12,528.42 | 40.00 | 14.94 | 0.3734 | 1.0000 | \$4,678.09 | \$313.21 |
| 1976 | 41.50 | \$1,405.70 | 40.00 | 13.97 | 0.3493 | 1.0000 | \$491.02 | \$35.14 |
| 1975 | 42.50 | \$3,532.85 | 40.00 | 13.50 | 0.3376 | 1.0000 | \$1,192.65 | \$88.32 |
| 1974 | 43.50 | \$1,278,309.22 | 40.00 | 13.04 | 0.3261 | 1.0000 | \$416,808.73 | \$31,957.73 |
| 1973 | 44.50 | \$9,317.39 | 40.00 | 12.59 | 0.3147 | 1.0000 | \$2,932.58 | \$232.93 |
| 1972 | 45.50 | \$6,218.08 | 40.00 | 12.14 | 0.3036 | 1.0000 | \$1,887.89 | \$155.45 |
| 1971 | 46.50 | \$27,057.89 | 40.00 | 11.71 | 0.2927 | 1.0000 | \$7,919.56 | \$676.45 |
| 1970 | 47.50 | \$3,533.50 | 40.00 | 11.28 | 0.2820 | 1.0000 | \$996.30 | \$88.34 |
| 1969 | 48.50 | \$2,925,315.52 | 40.00 | 10.86 | 0.2714 | 1.0000 | \$793,962.51 | \$73,132.89 |
| 1968 | 49.50 | \$11,514.21 | 40.00 | 10.44 | 0.2611 | 1.0000 | \$3,005.81 | \$287.86 |
| 1967 | 50.50 | \$2,284.74 | 40.00 | 10.03 | 0.2509 | 1.0000 | \$573.17 | \$57.12 |
| 1966 | 51.50 | \$7,150.71 | 40.00 | 9.64 | 0.2409 | 1.0000 | \$1,722.49 | \$178.77 |
| 1964 | 53.50 | \$35,896.35 | 40.00 | 8.86 | 0.2214 | 1.0000 | \$7,947.65 | \$897.41 |
| 1963 | 54.50 | \$35,103.26 | 40.00 | 8.48 | 0.2119 | 1.0000 | \$7,439.13 | \$877.58 |
| 1962 | 55.50 | \$1,494.46 | 40.00 | 8.10 | 0.2026 | 1.0000 | \$302.81 | \$37.36 |
| 1961 | 56.50 | \$10,696.14 | 40.00 | 7.74 | 0.1935 | 1.0000 | \$2,069.22 | \$267.40 |
| 1960 | 57.50 | \$6,328.45 | 40.00 | 7.38 | 0.1845 | 1.0000 | \$1,167.52 | \$158.21 |
| 1959 | 58.50 | \$18,148.40 | 40.00 | 7.03 | 0.1756 | 1.0000 | \$3,187.37 | \$453.71 |
| 1958 | 59.50 | \$508,021.10 | 40.00 | 6.68 | 0.1670 | 1.0000 | \$84,826.11 | \$12,700.53 |
| 1957 | 60.50 | \$1,158.59 | 40.00 | 6.34 | 0.1584 | 1.0000 | \$183.55 | \$28.96 |
| 1956 | 61.50 | \$10,888.67 | 40.00 | 6.00 | 0.1501 | 1.0000 | \$1,634.25 | \$272.22 |
| 1955 | 62.50 | \$1,783,044.53 | 40.00 | 5.67 | 0.1418 | 1.0000 | \$252,883.00 | \$44,576.11 |
| 1954 | 63.50 | \$959.98 | 40.00 | 5.35 | 0.1338 | 1.0000 | \$128.43 | \$24.00 |
| 1952 | 65.50 | \$981.95 | 40.00 | 4.72 | 0.1180 | 1.0000 | \$115.92 | \$24.55 |
| 1951 | 66.50 | \$1,377.12 | 40.00 | 4.41 | 0.1103 | 1.0000 | \$151.92 | \$34.43 |
| 1950 | 67.50 | \$5,950.18 | 40.00 | 4.11 | 0.1028 | 1.0000 | \$611.82 | \$148.75 |

Generation Arrangement Report

PECO Elect 390 Composite 2018

Account: PECO Elect 390 Composite

Dispersion: 40.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|----------------|
| 1949 | 68.50 | \$13,572.45 | 40.00 | 3.81 | 0.0953 | 1.0000 | \$1,293.49 | \$339.31 |
| 1948 | 69.50 | \$215.87 | 40.00 | 3.52 | 0.0880 | 1.0000 | \$19.00 | \$5.40 |
| 1946 | 71.50 | \$19,578.90 | 40.00 | 2.93 | 0.0734 | 1.0000 | \$1,436.16 | \$489.47 |
| 1941 | 76.50 | \$129.90 | 40.00 | 1.35 | 0.0338 | 1.0000 | \$4.39 | \$3.25 |
| 1935 | 82.50 | \$50.25 | 40.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1931 | 86.50 | \$1,075.45 | 40.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1929 | 88.50 | \$14,004.80 | 40.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1927 | 90.50 | \$5,751.36 | 40.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$49,660,748.40 | 40.00 | 27.09 | 0.6769 | 1.0000 | \$33,615,597.07 | \$1,240,996.66 |

Depreciation Reserve Summary

Account: PECO Elect 390 Composite
 Scenario: PECO Elect 390 Composite 2018
 Dispersion: 40 - R1
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$49,660,748.40 | \$11,502,854.81 | 0.2316 | \$38,157,893.59 | 0.7684 |
| Computed | \$49,660,748.40 | \$16,045,151.33 | 0.3231 | \$33,615,597.07 | 0.6769 |
| Difference | | (\$4,542,296.52) | -0.0915 | \$4,542,296.52 | 0.0915 |

Remaining Life Depreciation Accrual

Account: PECO Elect 390 Composite
 Scenario: PECO Elect 390 Composite 2018
 Dispersion: 40.00 - R1
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$49,660,748.40 | 27.09 | \$1,408,685.91 | 2.836618% | 3.691729% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,025,032.06) | 0.50 | (\$12,812.90) | 1.250000% | |
| Total: | \$49,660,748.40 * | | \$1,395,873.01 | 2.810817% | 3.658150% |
| Average: | \$49,148,232.37 | | \$1,395,873.01 | 2.840129% | 3.707953% |
| Grand Total: | \$49,660,748.40 * | | \$1,395,873.01 | 2.810817% | 3.658150% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3911 PA

Dispersion: 10.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2011 | 6.50 | \$83,462.18 | 10.00 | 3.50 | 0.3500 | 1.0000 | \$29,211.76 | \$8,346.22 |
| 2008 | 9.50 | \$58,817.03 | 10.00 | 0.50 | 0.0500 | 1.0000 | \$2,940.85 | \$5,881.70 |
| | | \$142,279.21 | 10.00 | 2.26 | 0.2260 | 1.0000 | \$32,152.61 | \$14,227.92 |

Depreciation Reserve Summary

Account: PECO Electric 3911 PA
Scenario: PECO Electric Groups 2018
Dispersion: 10 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$142,279.21 | \$100,604.75 | 0.7071 | \$41,674.46 | 0.2929 |
| Computed | \$142,279.21 | \$110,126.60 | 0.7740 | \$32,152.61 | 0.2260 |
| Difference | | (\$9,521.85) | -0.0669 | \$9,521.85 | 0.0669 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3911 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 10.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$142,279.21 | 2.26 | \$18,441.45 | 12.961454% | 44.251214% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$58,817.03) | 0.50 | (\$2,940.85) | 4.999997% | |
| Total: | \$142,279.21 * | | \$15,500.60 | 10.894497% | 37.194494% |
| Average: | \$112,870.70 | | \$15,500.60 | 13.733064% | 126.371059% |
| Grand Total: | \$142,279.21 * | | \$15,500.60 | 10.894497% | 37.194494% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3912 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|-------------|
| 2016 | 1.50 | \$145,009.33 | 15.00 | 13.50 | 0.9000 | 1.0000 | \$130,508.40 | \$9,667.29 |
| 2015 | 2.50 | \$252,830.77 | 15.00 | 12.50 | 0.8333 | 1.0000 | \$210,692.31 | \$16,855.38 |
| 2013 | 4.50 | \$11,777.35 | 15.00 | 10.50 | 0.7000 | 1.0000 | \$8,244.15 | \$785.16 |
| 2012 | 5.50 | \$1,193.88 | 15.00 | 9.50 | 0.6333 | 1.0000 | \$756.12 | \$79.59 |
| 2009 | 8.50 | \$78,405.46 | 15.00 | 6.50 | 0.4333 | 1.0000 | \$33,975.70 | \$5,227.03 |
| 2003 | 14.50 | \$312,955.49 | 15.00 | 0.50 | 0.0333 | 1.0000 | \$10,431.85 | \$20,863.70 |
| | | \$802,172.28 | 15.00 | 7.38 | 0.4919 | 1.0000 | \$394,608.52 | \$53,478.15 |

Depreciation Reserve Summary

Account: PECO Electric 3912 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 15 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$802,172.28 | \$370,070.70 | 0.4613 | \$432,101.58 | 0.5387 |
| Computed | \$802,172.28 | \$407,563.76 | 0.5081 | \$394,608.52 | 0.4919 |
| Difference | | (\$37,493.06) | -0.0467 | \$37,493.06 | 0.0467 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3912 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$802,172.28 | 7.38 | \$58,559.28 | 7.300088% | 13.552203% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$312,955.49) | 0.50 | (\$10,431.85) | 3.333333% | |
| Total: | \$802,172.28 * | | \$48,127.43 | 5.999638% | 11.137991% |
| Average: | \$645,694.54 | | \$48,127.43 | 7.453592% | 17.461274% |
| Grand Total: | \$802,172.28 * | | \$48,127.43 | 5.999638% | 11.137991% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elect 391.3 Composite 2018

Account: PECO Electric 3913 PA

Dispersion: 5.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$5,699,883.96 | 5.00 | 4.50 | 0.9000 | 1.0000 | \$5,129,895.56 | \$1,139,976.79 |
| 2016 | 1.50 | \$2,950,105.55 | 5.00 | 3.50 | 0.7000 | 1.0000 | \$2,065,073.88 | \$590,021.11 |
| 2015 | 2.50 | \$3,921,751.47 | 5.00 | 2.50 | 0.5000 | 1.0000 | \$1,960,875.74 | \$784,350.29 |
| 2014 | 3.50 | \$2,273,628.05 | 5.00 | 1.50 | 0.3000 | 1.0000 | \$682,088.41 | \$454,725.61 |
| 2013 | 4.50 | \$89,557.73 | 5.00 | 0.50 | 0.1000 | 1.0000 | \$8,955.77 | \$17,911.55 |
| | | \$14,934,926.76 | 5.00 | 3.30 | 0.6593 | 1.0000 | \$9,846,889.37 | \$2,986,985.35 |

Depreciation Reserve Summary

Account: PECO Electric 3913 PA
 Scenario: PECO Elect 391.3 Composite 2018
 Dispersion: 5 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$14,934,926.76 | \$5,031,807.12 | 0.3369 | \$9,903,119.64 | 0.6631 |
| Computed | \$14,934,926.76 | \$5,088,037.39 | 0.3407 | \$9,846,889.37 | 0.6593 |
| Difference | | (\$56,230.27) | -0.0038 | \$56,230.27 | 0.0038 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3913 PA
 Scenario: PECO Elect 391.3 Composite 2018
 Dispersion: 5.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$14,934,926.76 | 3.30 | \$3,004,042.24 | 20.114208% | 30.334302% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$89,557.73) | 0.50 | (\$8,955.77) | 9.999997% | |
| Total: | \$14,934,926.76 * | | \$2,995,086.47 | 20.054243% | 30.243868% |
| Average: | \$14,890,147.90 | | \$2,995,086.47 | 20.114552% | 30.381243% |
| Grand Total: | \$14,934,926.76 * | | \$2,995,086.47 | 20.054243% | 30.243868% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3930 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|------------|
| 2013 | 4.50 | \$44,814.19 | 15.00 | 10.50 | 0.7000 | 1.0000 | \$31,369.93 | \$2,987.61 |
| 2008 | 9.50 | \$1,656.92 | 15.00 | 5.50 | 0.3667 | 1.0000 | \$607.54 | \$110.46 |
| | | \$46,471.11 | 15.00 | 10.32 | 0.6881 | 1.0000 | \$31,977.47 | \$3,098.07 |

Depreciation Reserve Summary

Account: PECO Electric 3930 PA
Scenario: PECO Electric Groups 2018
Dispersion: 15 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$46,471.11 | \$2,947.98 | 0.0634 | \$43,523.13 | 0.9366 |
| Computed | \$46,471.11 | \$14,493.64 | 0.3119 | \$31,977.47 | 0.6881 |
| Difference | | (\$11,545.66) | -0.2484 | \$11,545.66 | 0.2484 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3930 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|----------------------|----------------|-------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$46,471.11 | 10.32 | \$4,216.65 | 9.073707% | 9.688302% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$0.00) | 0.50 | (\$0.00) | 0.000000% | |
| Total: | \$46,471.11 * | | \$4,216.65 | 9.073707% | 9.688302% |
| Average: | \$46,471.11 | | \$4,216.65 | 9.073707% | 9.688302% |
| Grand Total: | \$46,471.11 * | | \$4,216.65 | 9.073707% | 9.688302% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elec 394 Composite 2018

Account: PECO Electric 394 Composite

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$5,164,058.88 | 15.00 | 14.50 | 0.9667 | 1.0000 | \$4,991,923.58 | \$344,270.59 |
| 2016 | 1.50 | \$4,440,979.77 | 15.00 | 13.50 | 0.9000 | 1.0000 | \$3,996,881.79 | \$296,065.32 |
| 2015 | 2.50 | \$3,157,790.51 | 15.00 | 12.50 | 0.8333 | 1.0000 | \$2,631,492.09 | \$210,519.37 |
| 2014 | 3.50 | \$3,347,957.09 | 15.00 | 11.50 | 0.7667 | 1.0000 | \$2,566,767.10 | \$223,197.14 |
| 2013 | 4.50 | \$2,621,157.61 | 15.00 | 10.50 | 0.7000 | 1.0000 | \$1,834,810.33 | \$174,743.84 |
| 2012 | 5.50 | \$1,690,962.99 | 15.00 | 9.50 | 0.6333 | 1.0000 | \$1,070,943.23 | \$112,730.87 |
| 2011 | 6.50 | \$2,711,264.82 | 15.00 | 8.50 | 0.5667 | 1.0000 | \$1,536,383.40 | \$180,750.99 |
| 2010 | 7.50 | \$1,954,316.24 | 15.00 | 7.50 | 0.5000 | 1.0000 | \$977,158.12 | \$130,287.75 |
| 2009 | 8.50 | \$967,257.27 | 15.00 | 6.50 | 0.4333 | 1.0000 | \$419,144.82 | \$64,483.82 |
| 2008 | 9.50 | \$521,432.98 | 15.00 | 5.50 | 0.3667 | 1.0000 | \$191,192.09 | \$34,762.20 |
| 2007 | 10.50 | \$1,052,519.06 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$315,755.72 | \$70,167.94 |
| 2006 | 11.50 | \$1,605,606.17 | 15.00 | 3.50 | 0.2333 | 1.0000 | \$374,641.44 | \$107,040.41 |
| 2005 | 12.50 | \$1,653,065.02 | 15.00 | 2.50 | 0.1667 | 1.0000 | \$275,510.84 | \$110,204.33 |
| 2004 | 13.50 | \$654,752.82 | 15.00 | 1.50 | 0.1000 | 1.0000 | \$65,475.28 | \$43,650.19 |
| 2003 | 14.50 | \$530,656.67 | 15.00 | 0.50 | 0.0333 | 1.0000 | \$17,688.56 | \$35,377.11 |
| | | \$32,073,777.90 | 15.00 | 9.95 | 0.6630 | 1.0000 | \$21,265,768.38 | \$2,138,251.86 |

Depreciation Reserve Summary

Account: PECO Electric 394 Composite
 Scenario: PECO Elec 394 Composite 2018
 Dispersion: 15 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$32,073,777.90 | \$8,989,047.39 | 0.2803 | \$23,084,730.51 | 0.7197 |
| Computed | \$32,073,777.90 | \$10,808,009.52 | 0.3370 | \$21,265,768.38 | 0.6630 |
| Difference | | (\$1,818,962.13) | -0.0567 | \$1,818,962.13 | 0.0567 |

Remaining Life Depreciation Accrual

Account: PECO Electric 394 Composite
 Scenario: PECO Elec 394 Composite 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$32,073,777.90 | 9.95 | \$2,321,146.74 | 7.236898% | 10.054901% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$530,656.67) | 0.50 | (\$17,688.56) | 3.333334% | |
| Total: | \$32,073,777.90 * | | \$2,303,458.18 | 7.181749% | 9.978276% |
| Average: | \$31,808,449.57 | | \$2,303,458.18 | 7.241655% | 10.094297% |
| Grand Total: | \$32,073,777.90 * | | \$2,303,458.18 | 7.181749% | 9.978276% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3951 PA

Dispersion: 20.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|-------------|
| 2007 | 10.50 | \$90,148.95 | 20.00 | 9.50 | 0.4750 | 1.0000 | \$42,820.75 | \$4,507.45 |
| 2006 | 11.50 | \$6,644.07 | 20.00 | 8.50 | 0.4250 | 1.0000 | \$2,823.73 | \$332.20 |
| 2005 | 12.50 | \$158,343.65 | 20.00 | 7.50 | 0.3750 | 1.0000 | \$59,378.87 | \$7,917.18 |
| 2003 | 14.50 | \$55,889.29 | 20.00 | 5.50 | 0.2750 | 1.0000 | \$15,369.55 | \$2,794.46 |
| 1998 | 19.50 | \$7,307.66 | 20.00 | 0.50 | 0.0250 | 1.0000 | \$182.69 | \$365.38 |
| | | \$318,333.62 | 20.00 | 7.58 | 0.3788 | 1.0000 | \$120,575.60 | \$15,916.68 |

Depreciation Reserve Summary

Account: PECO Electric 3951 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 20 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$318,333.62 | \$208,141.25 | 0.6538 | \$110,192.37 | 0.3462 |
| Computed | \$318,333.62 | \$197,758.02 | 0.6212 | \$120,575.60 | 0.3788 |
| Difference | | \$10,383.23 | 0.0326 | (\$10,383.23) | -0.0326 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3951 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 20.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$318,333.62 | 7.58 | \$14,546.04 | 4.569431% | 13.200583% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$7,307.66) | 0.50 | (\$182.69) | 2.499979% | |
| Total: | \$318,333.62 * | | \$14,363.35 | 4.512042% | 13.034791% |
| Average: | \$314,679.79 | | \$14,363.35 | 4.564432% | 13.481830% |
| Grand Total: | \$318,333.62 * | | \$14,363.35 | 4.512042% | 13.034791% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3952 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|------------|
| 2007 | 10.50 | \$101,381.74 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$30,414.52 | \$6,758.78 |
| | | \$101,381.74 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$30,414.52 | \$6,758.78 |

Depreciation Reserve Summary

Account: PECO Electric 3952 PA
Scenario: PECO Electric Groups 2018
Dispersion: 15 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$101,381.74 | \$68,699.58 | 0.6776 | \$32,682.16 | 0.3224 |
| Computed | \$101,381.74 | \$70,967.22 | 0.7000 | \$30,414.52 | 0.3000 |
| Difference | | (\$2,267.64) | -0.0224 | \$2,267.64 | 0.0224 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3952 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|-------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$101,381.74 | 4.50 | \$7,262.70 | 7.163718% | 22.222222% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$0.00) | 0.50 | (\$0.00) | 0.000000% | |
| Total: | \$101,381.74 * | | \$7,262.70 | 7.163718% | 22.222222% |
| Average: | \$101,381.74 | | \$7,262.70 | 7.163718% | 22.222222% |
| Grand Total: | \$101,381.74 * | | \$7,262.70 | 7.163718% | 22.222222% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric 397 2018

Account: PECO Electric 3970 PA

Dispersion: 20.00 - L3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|------------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$2,809,456.55 | 20.00 | 19.50 | 0.9750 | 1.0000 | \$2,739,220.14 | \$140,472.83 |
| 2016 | 1.50 | \$11,083,464.92 | 20.00 | 18.50 | 0.9250 | 1.0000 | \$10,252,205.05 | \$554,173.25 |
| 2015 | 2.50 | \$6,141,488.85 | 20.00 | 17.50 | 0.8750 | 1.0000 | \$5,373,968.57 | \$307,074.44 |
| 2014 | 3.50 | \$22,624,548.76 | 20.00 | 16.51 | 0.8253 | 1.0000 | \$18,672,212.28 | \$1,131,227.44 |
| 2013 | 4.50 | \$6,561,834.43 | 20.00 | 15.52 | 0.7762 | 1.0000 | \$5,093,146.28 | \$328,091.72 |
| 2012 | 5.50 | \$4,096,457.75 | 20.00 | 14.56 | 0.7279 | 1.0000 | \$2,981,842.83 | \$204,822.89 |
| 2011 | 6.50 | \$34,318,099.55 | 20.00 | 13.61 | 0.6807 | 1.0000 | \$23,360,645.54 | \$1,715,904.98 |
| 2010 | 7.50 | \$24,262,320.59 | 20.00 | 12.69 | 0.6347 | 1.0000 | \$15,399,653.74 | \$1,213,116.03 |
| 2009 | 8.50 | \$720,540.73 | 20.00 | 11.80 | 0.5900 | 1.0000 | \$425,148.07 | \$36,027.04 |
| 2008 | 9.50 | \$116,728.03 | 20.00 | 10.94 | 0.5470 | 1.0000 | \$63,845.64 | \$5,836.40 |
| 2007 | 10.50 | \$1,066,605.25 | 20.00 | 10.12 | 0.5060 | 1.0000 | \$539,667.71 | \$53,330.26 |
| 2006 | 11.50 | \$620,782.17 | 20.00 | 9.36 | 0.4679 | 1.0000 | \$290,465.10 | \$31,039.11 |
| 2004 | 13.50 | \$374.23 | 20.00 | 8.06 | 0.4029 | 1.0000 | \$150.80 | \$18.71 |
| 2003 | 14.50 | \$328,676.04 | 20.00 | 7.54 | 0.3772 | 1.0000 | \$123,967.65 | \$16,433.80 |
| 2002 | 15.50 | \$1,159,560.47 | 20.00 | 7.12 | 0.3559 | 1.0000 | \$412,688.27 | \$57,978.02 |
| 1998 | 19.50 | \$27,839.15 | 20.00 | 6.10 | 0.3050 | 1.0000 | \$8,491.36 | \$1,391.96 |
| | | \$115,938,777.47 | 20.00 | 14.79 | 0.7395 | 1.0000 | \$85,737,319.04 | \$5,796,938.87 |

Depreciation Reserve Summary

Account: PECO Electric 3970 PA
Scenario: PECO Electric 397 2018
Dispersion: 20 - L3
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$115,938,777.47 | \$26,582,587.44 | 0.2293 | \$89,356,190.03 | 0.7707 |
| Computed | \$115,938,777.47 | \$30,201,458.43 | 0.2605 | \$85,737,319.04 | 0.7395 |
| Difference | | (\$3,618,870.99) | -0.0312 | \$3,618,870.99 | 0.0312 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3970 PA
 Scenario: PECO Electric 397 2018
 Dispersion: 20.00 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$115,938,777.47 | 14.79 | \$6,041,620.95 | 5.211044% | 6.761279% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$667,206.90) | 0.50 | (\$16,680.17) | 2.500000% | |
| Total: | \$115,938,777.47 * | | \$6,024,940.78 | 5.196657% | 6.742612% |
| Average: | \$115,605,174.02 | | \$6,024,940.78 | 5.211653% | 6.767879% |
| Grand Total: | \$115,938,777.47 * | | \$6,024,940.78 | 5.196657% | 6.742612% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Elec 397 SM 2018

Account: PECO Elec 3979 SM Comm Equip PA

Dispersion: 15.00 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$10,224,847.86 | 15.00 | 14.50 | 0.9667 | 1.0000 | \$9,884,019.58 | \$681,656.52 |
| 2016 | 1.50 | \$994,352.70 | 15.00 | 13.50 | 0.9001 | 1.0000 | \$894,973.12 | \$66,290.18 |
| 2015 | 2.50 | \$563,997.38 | 15.00 | 12.51 | 0.8338 | 1.0000 | \$470,270.69 | \$37,599.83 |
| 2014 | 3.50 | \$746,106.50 | 15.00 | 11.53 | 0.7687 | 1.0000 | \$573,501.53 | \$49,740.43 |
| 2013 | 4.50 | \$2,040,531.48 | 15.00 | 10.58 | 0.7054 | 1.0000 | \$1,439,444.24 | \$136,035.43 |
| 2012 | 5.50 | \$74,140.05 | 15.00 | 9.67 | 0.6450 | 1.0000 | \$47,816.85 | \$4,942.67 |
| 2011 | 6.50 | \$24,116,291.04 | 15.00 | 8.82 | 0.5880 | 1.0000 | \$14,179,792.58 | \$1,607,752.74 |
| | | \$38,760,267.01 | 15.00 | 10.64 | 0.7092 | 1.0000 | \$27,489,818.58 | \$2,584,017.80 |

Depreciation Reserve Summary

Account: PECO Elec 3979 SM Comm Equip PA

Scenario: PECO Elec 397 SM 2018

Dispersion: 15 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$38,760,267.01 | \$9,958,599.25 | 0.2569 | \$28,801,667.76 | 0.7431 |
| Computed | \$38,760,267.01 | \$11,270,448.43 | 0.2908 | \$27,489,818.58 | 0.7092 |
| Difference | | (\$1,311,849.18) | -0.0338 | \$1,311,849.18 | 0.0338 |

Remaining Life Depreciation Accrual

Account: PECO Elec 3979 SM Comm Equip PA
 Scenario: PECO Elec 397 SM 2018
 Dispersion: 15.00 - S2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$38,760,267.01 | 10.64 | \$2,707,330.52 | 6.984809% | 9.399909% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$599,370.03) | 0.50 | (\$19,979.00) | 3.333333% | |
| Total: | \$38,760,267.01 * | | \$2,687,351.52 | 6.933264% | 9.330541% |
| Average: | \$38,460,581.99 | | \$2,687,351.52 | 6.987288% | 9.428648% |
| Grand Total: | \$38,760,267.01 * | | \$2,687,351.52 | 6.933264% | 9.330541% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Electric Groups 2018

Account: PECO Electric 3980 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2008 | 9.50 | (\$49,903.05) | 15.00 | 5.50 | 0.3667 | 1.0000 | (\$18,297.79) | (\$3,326.87) |
| 2007 | 10.50 | \$75,720.10 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$22,716.03 | \$5,048.01 |
| 2004 | 13.50 | \$626,876.02 | 15.00 | 1.50 | 0.1000 | 1.0000 | \$62,687.60 | \$41,791.73 |
| 2003 | 14.50 | \$212,904.36 | 15.00 | 0.50 | 0.0333 | 1.0000 | \$7,096.81 | \$14,193.62 |
| | | \$865,597.43 | 15.00 | 1.29 | 0.0857 | 1.0000 | \$74,202.66 | \$57,706.50 |

Depreciation Reserve Summary

Account: PECO Electric 3980 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 15 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$865,597.43 | \$726,117.59 | 0.8389 | \$139,479.84 | 0.1611 |
| Computed | \$865,597.43 | \$791,394.77 | 0.9143 | \$74,202.66 | 0.0857 |
| Difference | | (\$65,277.18) | -0.0754 | \$65,277.18 | 0.0754 |

Remaining Life Depreciation Accrual

Account: PECO Electric 3980 PA
 Scenario: PECO Electric Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$865,597.43 | 1.29 | \$108,471.77 | 12.531434% | 77.768783% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$212,904.36) | 0.50 | (\$7,096.81) | 3.333332% | |
| Total: | \$865,597.43 * | | \$101,374.96 | 11.711560% | 72.680728% |
| Average: | \$759,145.25 | | \$101,374.96 | 13.353830% | 306.939588% |
| Grand Total: | \$865,597.43 * | | \$101,374.96 | 11.711560% | 72.680728% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common 390 Composite 2018

Account: PECO Common 390 Composite

Dispersion: 50.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$12,427,246.25 | 50.00 | 49.63 | 0.9926 | 1.0000 | \$12,334,958.29 | \$248,544.93 |
| 2016 | 1.50 | \$3,922,429.31 | 50.00 | 48.89 | 0.9778 | 1.0000 | \$3,835,323.43 | \$78,448.59 |
| 2015 | 2.50 | \$3,689,817.28 | 50.00 | 48.16 | 0.9631 | 1.0000 | \$3,553,695.70 | \$73,796.35 |
| 2014 | 3.50 | \$4,711,309.86 | 50.00 | 47.43 | 0.9485 | 1.0000 | \$4,468,723.78 | \$94,226.20 |
| 2013 | 4.50 | \$6,922,683.16 | 50.00 | 46.70 | 0.9340 | 1.0000 | \$6,465,810.68 | \$138,453.66 |
| 2012 | 5.50 | \$4,799,504.11 | 50.00 | 45.98 | 0.9196 | 1.0000 | \$4,413,520.30 | \$95,990.08 |
| 2011 | 6.50 | \$2,961,975.47 | 50.00 | 45.26 | 0.9052 | 1.0000 | \$2,681,304.51 | \$59,239.51 |
| 2010 | 7.50 | \$25,020,314.81 | 50.00 | 44.55 | 0.8910 | 1.0000 | \$22,292,673.25 | \$500,406.30 |
| 2009 | 8.50 | \$14,691,479.54 | 50.00 | 43.84 | 0.8768 | 1.0000 | \$12,881,480.53 | \$293,829.59 |
| 2008 | 9.50 | \$6,692,708.16 | 50.00 | 43.13 | 0.8627 | 1.0000 | \$5,773,791.41 | \$133,854.16 |
| 2007 | 10.50 | \$4,747,001.74 | 50.00 | 42.43 | 0.8487 | 1.0000 | \$4,028,595.20 | \$94,940.03 |
| 2006 | 11.50 | \$513,882.40 | 50.00 | 41.74 | 0.8347 | 1.0000 | \$428,938.82 | \$10,277.65 |
| 2005 | 12.50 | \$1,579,625.81 | 50.00 | 41.04 | 0.8208 | 1.0000 | \$1,296,575.74 | \$31,592.52 |
| 2004 | 13.50 | \$2,762,518.44 | 50.00 | 40.35 | 0.8070 | 1.0000 | \$2,229,295.04 | \$55,250.37 |
| 2003 | 14.50 | \$23,003,379.84 | 50.00 | 39.66 | 0.7932 | 1.0000 | \$18,246,540.00 | \$460,067.60 |
| 2002 | 15.50 | \$2,857,217.59 | 50.00 | 38.98 | 0.7795 | 1.0000 | \$2,227,218.94 | \$57,144.35 |
| 2001 | 16.50 | \$815,059.23 | 50.00 | 38.29 | 0.7659 | 1.0000 | \$624,223.22 | \$16,301.18 |
| 2000 | 17.50 | \$417,130.00 | 50.00 | 37.61 | 0.7523 | 1.0000 | \$313,794.14 | \$8,342.60 |
| 1999 | 18.50 | \$2,083,459.01 | 50.00 | 36.94 | 0.7388 | 1.0000 | \$1,539,157.40 | \$41,669.18 |
| 1998 | 19.50 | \$44,541,527.69 | 50.00 | 36.26 | 0.7253 | 1.0000 | \$32,305,457.91 | \$890,830.55 |
| 1997 | 20.50 | \$5,568,310.85 | 50.00 | 35.60 | 0.7119 | 1.0000 | \$3,964,109.51 | \$111,366.22 |
| 1996 | 21.50 | \$3,165,132.68 | 50.00 | 34.93 | 0.6986 | 1.0000 | \$2,211,159.58 | \$63,302.65 |
| 1995 | 22.50 | \$24,083,737.99 | 50.00 | 34.27 | 0.6854 | 1.0000 | \$16,506,250.17 | \$481,674.76 |
| 1994 | 23.50 | \$3,102,266.77 | 50.00 | 33.61 | 0.6722 | 1.0000 | \$2,085,408.71 | \$62,045.34 |
| 1993 | 24.50 | \$7,602,022.52 | 50.00 | 32.96 | 0.6592 | 1.0000 | \$5,011,019.45 | \$152,040.45 |
| 1992 | 25.50 | \$4,123,431.27 | 50.00 | 32.31 | 0.6462 | 1.0000 | \$2,664,579.59 | \$82,468.63 |
| 1991 | 26.50 | \$2,611,302.51 | 50.00 | 31.67 | 0.6333 | 1.0000 | \$1,653,865.07 | \$52,226.05 |
| 1990 | 27.50 | \$1,763,907.63 | 50.00 | 31.03 | 0.6206 | 1.0000 | \$1,094,668.44 | \$35,278.15 |
| 1989 | 28.50 | \$429,451.01 | 50.00 | 30.40 | 0.6079 | 1.0000 | \$261,081.87 | \$8,589.02 |
| 1988 | 29.50 | \$1,748,466.10 | 50.00 | 29.77 | 0.5954 | 1.0000 | \$1,041,048.40 | \$34,969.32 |
| 1987 | 30.50 | \$1,850,237.45 | 50.00 | 29.15 | 0.5830 | 1.0000 | \$1,078,669.34 | \$37,004.75 |
| 1986 | 31.50 | \$1,292,602.25 | 50.00 | 28.53 | 0.5707 | 1.0000 | \$737,677.23 | \$25,852.04 |

Generation Arrangement Report

PECO Common 390 Composite 2018

Account: PECO Common 390 Composite

Dispersion: 50.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1985 | 32.50 | \$701,203.66 | 50.00 | 27.93 | 0.5585 | 1.0000 | \$391,630.58 | \$14,024.07 |
| 1984 | 33.50 | \$1,975,667.92 | 50.00 | 27.32 | 0.5465 | 1.0000 | \$1,079,633.86 | \$39,513.36 |
| 1983 | 34.50 | \$1,348,906.14 | 50.00 | 26.73 | 0.5345 | 1.0000 | \$721,050.18 | \$26,978.12 |
| 1982 | 35.50 | \$329,087.17 | 50.00 | 26.14 | 0.5228 | 1.0000 | \$172,032.60 | \$6,581.74 |
| 1981 | 36.50 | \$1,014,211.81 | 50.00 | 25.55 | 0.5111 | 1.0000 | \$518,359.95 | \$20,284.24 |
| 1980 | 37.50 | \$405,961.86 | 50.00 | 24.98 | 0.4996 | 1.0000 | \$202,809.66 | \$8,119.24 |
| 1979 | 38.50 | \$82,947.09 | 50.00 | 24.41 | 0.4882 | 1.0000 | \$40,494.49 | \$1,658.94 |
| 1978 | 39.50 | \$398,163.55 | 50.00 | 23.85 | 0.4769 | 1.0000 | \$189,902.72 | \$7,963.27 |
| 1977 | 40.50 | \$217,809.41 | 50.00 | 23.29 | 0.4658 | 1.0000 | \$101,465.28 | \$4,356.19 |
| 1976 | 41.50 | \$104,333.63 | 50.00 | 22.74 | 0.4549 | 1.0000 | \$47,458.41 | \$2,086.67 |
| 1975 | 42.50 | \$81,460.68 | 50.00 | 22.20 | 0.4440 | 1.0000 | \$36,172.26 | \$1,629.21 |
| 1974 | 43.50 | \$82,412.58 | 50.00 | 21.67 | 0.4334 | 1.0000 | \$35,714.59 | \$1,648.25 |
| 1973 | 44.50 | \$9,578.53 | 50.00 | 21.14 | 0.4228 | 1.0000 | \$4,049.94 | \$191.57 |
| 1972 | 45.50 | \$26,224,364.26 | 50.00 | 20.62 | 0.4124 | 1.0000 | \$10,815,058.61 | \$524,487.29 |
| 1971 | 46.50 | \$13,302.70 | 50.00 | 20.11 | 0.4021 | 1.0000 | \$5,349.54 | \$266.05 |
| 1970 | 47.50 | \$4,568,141.84 | 50.00 | 19.60 | 0.3920 | 1.0000 | \$1,790,754.15 | \$91,362.84 |
| 1969 | 48.50 | \$24,432.95 | 50.00 | 19.10 | 0.3820 | 1.0000 | \$9,333.76 | \$488.66 |
| 1968 | 49.50 | \$3,209,029.32 | 50.00 | 18.61 | 0.3722 | 1.0000 | \$1,194,284.03 | \$64,180.59 |
| 1967 | 50.50 | \$638,876.35 | 50.00 | 18.12 | 0.3624 | 1.0000 | \$231,555.56 | \$12,777.53 |
| 1966 | 51.50 | \$9,078.19 | 50.00 | 17.64 | 0.3529 | 1.0000 | \$3,203.31 | \$181.56 |
| 1965 | 52.50 | \$230,964.86 | 50.00 | 17.17 | 0.3434 | 1.0000 | \$79,315.09 | \$4,619.30 |
| 1964 | 53.50 | \$448.18 | 50.00 | 16.70 | 0.3341 | 1.0000 | \$149.73 | \$8.96 |
| 1963 | 54.50 | \$102,934.00 | 50.00 | 16.25 | 0.3249 | 1.0000 | \$33,443.66 | \$2,058.68 |
| 1962 | 55.50 | \$13,782.07 | 50.00 | 15.79 | 0.3158 | 1.0000 | \$4,352.98 | \$275.64 |
| 1961 | 56.50 | \$798,747.44 | 50.00 | 15.35 | 0.3069 | 1.0000 | \$245,143.98 | \$15,974.95 |
| 1960 | 57.50 | \$42,053.63 | 50.00 | 14.91 | 0.2981 | 1.0000 | \$12,536.58 | \$841.07 |
| 1959 | 58.50 | \$506,068.46 | 50.00 | 14.47 | 0.2894 | 1.0000 | \$146,468.62 | \$10,121.37 |
| 1958 | 59.50 | \$114,683.49 | 50.00 | 14.04 | 0.2809 | 1.0000 | \$32,211.17 | \$2,293.67 |
| 1957 | 60.50 | \$46,520.58 | 50.00 | 13.62 | 0.2724 | 1.0000 | \$12,673.67 | \$930.41 |
| 1956 | 61.50 | \$1,395,306.57 | 50.00 | 13.21 | 0.2641 | 1.0000 | \$368,512.67 | \$27,906.13 |
| 1955 | 62.50 | \$35,565.89 | 50.00 | 12.80 | 0.2559 | 1.0000 | \$9,101.69 | \$711.32 |
| 1954 | 63.50 | \$1,992.49 | 50.00 | 12.39 | 0.2478 | 1.0000 | \$493.79 | \$39.85 |

Generation Arrangement Report

PECO Common 390 Composite 2018

Account: PECO Common 390 Composite

Dispersion: 50.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|--------|------------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 1953 | 64.50 | \$79,248.67 | 50.00 | 11.99 | 0.2399 | 1.0000 | \$19,008.37 | \$1,584.97 |
| 1952 | 65.50 | \$63,925.13 | 50.00 | 11.60 | 0.2320 | 1.0000 | \$14,830.05 | \$1,278.50 |
| 1951 | 66.50 | \$17,478.70 | 50.00 | 11.21 | 0.2242 | 1.0000 | \$3,919.48 | \$349.57 |
| 1950 | 67.50 | \$3,326.06 | 50.00 | 10.83 | 0.2166 | 1.0000 | \$720.46 | \$66.52 |
| 1949 | 68.50 | \$60,980.97 | 50.00 | 10.45 | 0.2091 | 1.0000 | \$12,749.77 | \$1,219.62 |
| 1948 | 69.50 | \$238.29 | 50.00 | 10.08 | 0.2017 | 1.0000 | \$48.05 | \$4.77 |
| 1947 | 70.50 | \$293.41 | 50.00 | 9.72 | 0.1943 | 1.0000 | \$57.02 | \$5.87 |
| 1946 | 71.50 | \$1,117.60 | 50.00 | 9.36 | 0.1871 | 1.0000 | \$209.11 | \$22.35 |
| 1944 | 73.50 | \$452,388.51 | 50.00 | 8.65 | 0.1730 | 1.0000 | \$78,250.33 | \$9,047.77 |
| 1942 | 75.50 | \$3,975.39 | 50.00 | 7.96 | 0.1592 | 1.0000 | \$633.00 | \$79.51 |
| 1941 | 76.50 | \$1,241.54 | 50.00 | 7.63 | 0.1525 | 1.0000 | \$189.35 | \$24.83 |
| 1938 | 79.50 | \$8,310.34 | 50.00 | 6.64 | 0.1329 | 1.0000 | \$1,104.40 | \$166.21 |
| 1937 | 80.50 | \$121.50 | 50.00 | 6.33 | 0.1265 | 1.0000 | \$15.37 | \$2.43 |
| 1933 | 84.50 | \$25.47 | 50.00 | 5.10 | 0.1019 | 1.0000 | \$2.60 | \$0.51 |
| 1931 | 86.50 | \$403.82 | 50.00 | 4.50 | 0.0901 | 1.0000 | \$36.37 | \$8.08 |
| 1930 | 87.50 | \$122.02 | 50.00 | 4.21 | 0.0842 | 1.0000 | \$10.27 | \$2.44 |
| 1927 | 90.50 | \$13,978.16 | 50.00 | 3.32 | 0.0665 | 1.0000 | \$929.18 | \$279.56 |
| 1925 | 92.50 | \$5,647.17 | 50.00 | 2.71 | 0.0541 | 1.0000 | \$305.70 | \$112.94 |
| 1924 | 93.50 | \$5,907.45 | 50.00 | 2.38 | 0.0476 | 1.0000 | \$281.43 | \$118.15 |
| 1922 | 95.50 | \$232.91 | 50.00 | 1.72 | 0.0345 | 1.0000 | \$8.03 | \$4.66 |
| 1914 | 103.50 | \$1,915.22 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1892 | 125.50 | \$662.94 | 50.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$271,950,717.30 | 50.00 | 36.57 | 0.7315 | 1.0000 | \$198,918,641.10 | \$5,438,962.78 |

Depreciation Reserve Summary

Account: PECO Common 390 Composite
 Scenario: PECO Common 390 Composite 2018
 Dispersion: 50 - R1
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|------------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$271,950,717.30 | \$75,057,589.90 | 0.2760 | \$196,893,127.40 | 0.7240 |
| Computed | \$271,950,717.30 | \$73,032,076.20 | 0.2685 | \$198,918,641.10 | 0.7315 |
| Difference | | \$2,025,513.70 | 0.0074 | (\$2,025,513.70) | -0.0074 |

Remaining Life Depreciation Accrual

Account: PECO Common 390 Composite
 Scenario: PECO Common 390 Composite 2018
 Dispersion: 50.00 - R1
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|---------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$271,950,717.30 | 36.57 | \$5,383,579.85 | 1.979616% | 2.734265% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$2,993,457.87) | 0.50 | (\$29,934.58) | 1.000000% | |
| Total: | \$271,950,717.30 * | | \$5,353,645.27 | 1.968609% | 2.719062% |
| Average: | \$270,453,988.37 | | \$5,353,645.27 | 1.979503% | 2.739889% |
| Grand Total: | \$271,950,717.30 * | | \$5,353,645.27 | 1.968609% | 2.719062% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3911 PA

Dispersion: 10.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|-------------|
| 2013 | 4.50 | \$4,856.00 | 10.00 | 5.50 | 0.5500 | 1.0000 | \$2,670.80 | \$485.60 |
| 2012 | 5.50 | \$23,764.11 | 10.00 | 4.50 | 0.4500 | 1.0000 | \$10,693.85 | \$2,376.41 |
| 2009 | 8.50 | \$61,698.40 | 10.00 | 1.50 | 0.1500 | 1.0000 | \$9,254.76 | \$6,169.84 |
| 2008 | 9.50 | \$34,287.87 | 10.00 | 0.50 | 0.0500 | 1.0000 | \$1,714.39 | \$3,428.79 |
| | | \$124,606.38 | 10.00 | 1.95 | 0.1953 | 1.0000 | \$24,333.80 | \$12,460.64 |

Depreciation Reserve Summary

Account: PECO Common 3911 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 10 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$124,606.38 | \$69,711.55 | 0.5595 | \$54,894.83 | 0.4405 |
| Computed | \$124,606.38 | \$100,272.58 | 0.8047 | \$24,333.80 | 0.1953 |
| Difference | | (\$30,561.03) | -0.2453 | \$30,561.03 | 0.2453 |

Remaining Life Depreciation Accrual

Account: PECO Common 3911 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 10.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$124,606.38 | 1.95 | \$28,110.05 | 22.559080% | 51.207105% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$34,287.87) | 0.50 | (\$1,714.39) | 4.999990% | |
| Total: | \$124,606.38 * | | \$26,395.66 | 21.183236% | 48.084061% |
| Average: | \$107,462.45 | | \$26,395.66 | 24.562686% | 69.920629% |
| Grand Total: | \$124,606.38 * | | \$26,395.66 | 21.183236% | 48.084061% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3912 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|--------------|
| 2017 | 0.50 | \$4,998,691.09 | 15.00 | 14.50 | 0.9667 | 1.0000 | \$4,832,068.05 | \$333,246.07 |
| 2016 | 1.50 | \$2,381,502.67 | 15.00 | 13.50 | 0.9000 | 1.0000 | \$2,143,352.40 | \$158,766.84 |
| 2015 | 2.50 | \$705,681.80 | 15.00 | 12.50 | 0.8333 | 1.0000 | \$588,068.17 | \$47,045.45 |
| 2014 | 3.50 | \$269,581.12 | 15.00 | 11.50 | 0.7667 | 1.0000 | \$206,678.86 | \$17,972.07 |
| 2013 | 4.50 | \$551,666.18 | 15.00 | 10.50 | 0.7000 | 1.0000 | \$386,166.33 | \$36,777.75 |
| 2012 | 5.50 | \$264,226.94 | 15.00 | 9.50 | 0.6333 | 1.0000 | \$167,343.73 | \$17,615.13 |
| 2011 | 6.50 | \$486,527.93 | 15.00 | 8.50 | 0.5667 | 1.0000 | \$275,699.16 | \$32,435.20 |
| 2010 | 7.50 | \$953,124.79 | 15.00 | 7.50 | 0.5000 | 1.0000 | \$476,562.40 | \$63,541.65 |
| 2009 | 8.50 | \$68,987.13 | 15.00 | 6.50 | 0.4333 | 1.0000 | \$29,894.42 | \$4,599.14 |
| 2008 | 9.50 | \$863,609.06 | 15.00 | 5.50 | 0.3667 | 1.0000 | \$316,656.66 | \$57,573.94 |
| 2007 | 10.50 | \$25,407.89 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$7,622.37 | \$1,693.86 |
| 2006 | 11.50 | \$573,068.01 | 15.00 | 3.50 | 0.2333 | 1.0000 | \$133,715.87 | \$38,204.53 |
| 2005 | 12.50 | \$665,143.95 | 15.00 | 2.50 | 0.1667 | 1.0000 | \$110,857.32 | \$44,342.93 |
| 2004 | 13.50 | \$239,473.43 | 15.00 | 1.50 | 0.1000 | 1.0000 | \$23,947.34 | \$15,964.90 |
| 2003 | 14.50 | \$1,931,581.95 | 15.00 | 0.50 | 0.0333 | 1.0000 | \$64,386.07 | \$128,772.13 |
| | | \$14,978,273.94 | 15.00 | 9.78 | 0.6518 | 1.0000 | \$9,763,019.14 | \$998,551.60 |

Depreciation Reserve Summary

Account: PECO Common 3912 PA
Scenario: PECO Common Groups 2018
Dispersion: 15 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$14,978,273.94 | \$4,846,264.92 | 0.3236 | \$10,132,009.02 | 0.6764 |
| Computed | \$14,978,273.94 | \$5,215,254.80 | 0.3482 | \$9,763,019.14 | 0.6518 |
| Difference | | (\$368,989.88) | -0.0246 | \$368,989.88 | 0.0246 |

Remaining Life Depreciation Accrual

Account: PECO Common 3912 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$14,978,273.94 | 9.78 | \$1,036,291.55 | 6.918631% | 10.227898% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,931,581.95) | 0.50 | (\$64,386.07) | 3.333334% | |
| Total: | \$14,978,273.94 * | | \$971,905.48 | 6.488768% | 9.592426% |
| Average: | \$14,012,482.97 | | \$971,905.48 | 6.935998% | 10.603124% |
| Grand Total: | \$14,978,273.94 * | | \$971,905.48 | 6.488768% | 9.592426% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common 391.3 Composite 2018

Account: PECO Common 3913 Composite

Dispersion: 5.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$8,172,314.98 | 5.00 | 4.50 | 0.9000 | 1.0000 | \$7,355,083.48 | \$1,634,463.00 |
| 2016 | 1.50 | \$9,223,024.15 | 5.00 | 3.50 | 0.7000 | 1.0000 | \$6,456,116.91 | \$1,844,604.83 |
| 2015 | 2.50 | \$5,077,190.59 | 5.00 | 2.50 | 0.5000 | 1.0000 | \$2,538,595.30 | \$1,015,438.12 |
| 2014 | 3.50 | \$4,093,234.77 | 5.00 | 1.50 | 0.3000 | 1.0000 | \$1,227,970.43 | \$818,646.95 |
| 2013 | 4.50 | \$2,003,443.33 | 5.00 | 0.50 | 0.1000 | 1.0000 | \$200,344.33 | \$400,688.67 |
| 2012 | 5.50 | (\$2,682.00) | 5.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$28,566,525.82 | 5.00 | 3.11 | 0.6223 | 1.0000 | \$17,778,110.45 | \$5,713,841.56 |

Depreciation Reserve Summary

Account: PECO Common 3913 Composite
 Scenario: PECO Common 391.3 Composite 2018
 Dispersion: 5 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$28,566,525.82 | \$10,280,655.18 | 0.3599 | \$18,285,870.64 | 0.6401 |
| Computed | \$28,566,525.82 | \$10,788,415.37 | 0.3777 | \$17,778,110.45 | 0.6223 |
| Difference | | (\$507,760.19) | -0.0178 | \$507,760.19 | 0.0178 |

Remaining Life Depreciation Accrual

Account: PECO Common 3913 Composite
 Scenario: PECO Common 391.3 Composite 2018
 Dispersion: 5.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$28,566,525.82 | 3.11 | \$5,877,034.77 | 20.573152% | 32.139759% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$2,003,443.33) | 0.50 | (\$200,344.33) | 10.000000% | |
| Total: | \$28,566,525.82 * | | \$5,676,690.44 | 19.871826% | 31.044135% |
| Average: | \$27,564,804.16 | | \$5,676,690.44 | 20.593981% | 32.843332% |
| Grand Total: | \$28,566,525.82 * | | \$5,676,690.44 | 19.871826% | 31.044135% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3921 PA

Dispersion: 6.00 - L3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|----------|
| 2017 | 0.50 | \$2,306.80 | 6.00 | 5.50 | 0.9167 | 1.0000 | \$2,114.57 | \$384.47 |
| 2015 | 2.50 | \$752.09 | 6.00 | 3.59 | 0.5978 | 1.0000 | \$449.60 | \$125.35 |
| 2002 | 15.50 | \$90,582.44 | 6.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$93,641.33 | 6.00 | 5.03 | 0.0274 | 1.0000 | \$2,564.17 | \$509.82 |

Depreciation Reserve Summary

Account: PECO Common 3921 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 6 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$93,641.33 | \$92,683.45 | 0.9898 | \$957.88 | 0.0102 |
| Computed | \$93,641.33 | \$91,077.16 | 0.9726 | \$2,564.17 | 0.0274 |
| Difference | | \$1,606.29 | 0.0172 | (\$1,606.29) | -0.0172 |

Remaining Life Depreciation Accrual

Account: PECO Common 3921 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 6.00 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|----------------------|----------------|-------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$93,641.33 | 5.03 | \$190.45 | 0.203381% | 19.882269% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$49.68) | 0.50 | (\$4.14) | 8.333333% | |
| Total: | \$93,641.33 * | | \$186.31 | 0.198959% | 19.450065% |
| Average: | \$93,616.49 | | \$186.31 | 0.199012% | 19.967877% |
| Grand Total: | \$93,641.33 * | | \$186.31 | 0.198959% | 19.450065% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3922 PA

Dispersion: 12.00 - L4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$4,355,669.16 | 12.00 | 11.50 | 0.9583 | 1.0000 | \$4,174,182.96 | \$362,972.43 |
| 2016 | 1.50 | \$5,548,764.84 | 12.00 | 10.50 | 0.8750 | 1.0000 | \$4,855,169.26 | \$462,397.07 |
| 2015 | 2.50 | \$4,278,140.61 | 12.00 | 9.50 | 0.7917 | 1.0000 | \$3,386,861.34 | \$356,511.72 |
| 2014 | 3.50 | \$4,332,776.39 | 12.00 | 8.50 | 0.7084 | 1.0000 | \$3,069,158.27 | \$361,064.70 |
| 2013 | 4.50 | \$3,195,720.52 | 12.00 | 7.51 | 0.6256 | 1.0000 | \$1,999,317.42 | \$266,310.04 |
| 2012 | 5.50 | \$793,430.84 | 12.00 | 6.54 | 0.5452 | 1.0000 | \$432,552.48 | \$66,119.24 |
| 2011 | 6.50 | \$1,269,982.95 | 12.00 | 5.63 | 0.4688 | 1.0000 | \$595,385.43 | \$105,831.91 |
| 2010 | 7.50 | \$4,088,837.63 | 12.00 | 4.77 | 0.3975 | 1.0000 | \$1,625,323.94 | \$340,736.47 |
| 2009 | 8.50 | \$662,031.71 | 12.00 | 3.98 | 0.3319 | 1.0000 | \$219,720.06 | \$55,169.31 |
| 2008 | 9.50 | \$802,845.20 | 12.00 | 3.30 | 0.2747 | 1.0000 | \$220,527.41 | \$66,903.77 |
| 2007 | 10.50 | \$601,846.45 | 12.00 | 2.78 | 0.2320 | 1.0000 | \$139,655.09 | \$50,153.87 |
| 2006 | 11.50 | \$457,469.96 | 12.00 | 2.48 | 0.2071 | 1.0000 | \$94,719.34 | \$38,122.50 |
| 2005 | 12.50 | \$270,137.99 | 12.00 | 2.32 | 0.1931 | 1.0000 | \$52,172.98 | \$22,511.50 |
| 2004 | 13.50 | \$39,689.27 | 12.00 | 2.18 | 0.1817 | 1.0000 | \$7,209.92 | \$3,307.44 |
| 2003 | 14.50 | \$89,864.95 | 12.00 | 2.00 | 0.1663 | 1.0000 | \$14,942.93 | \$7,488.75 |
| 2002 | 15.50 | \$764,523.24 | 12.00 | 1.78 | 0.1483 | 1.0000 | \$113,382.81 | \$63,710.27 |
| | | \$31,551,731.71 | 12.00 | 7.99 | 0.6656 | 1.0000 | \$21,000,281.63 | \$2,629,310.98 |

Depreciation Reserve Summary

Account: PECO Common 3922 PA
Scenario: PECO Common Groups 2018
Dispersion: 12 - L4
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$31,551,731.71 | \$14,085,642.35 | 0.4464 | \$17,466,089.36 | 0.5536 |
| Computed | \$31,551,731.71 | \$10,551,450.08 | 0.3344 | \$21,000,281.63 | 0.6656 |
| Difference | | \$3,534,192.27 | 0.1120 | (\$3,534,192.27) | -0.1120 |

Remaining Life Depreciation Accrual

Account: PECO Common 3922 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 12.00 - L4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$31,551,731.71 | 7.99 | \$2,186,817.48 | 6.930895% | 12.520361% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,132,620.81) | 0.50 | (\$47,192.53) | 4.166666% | |
| Total: | \$31,551,731.71 * | | \$2,139,624.95 | 6.781323% | 12.250166% |
| Average: | \$30,985,421.31 | | \$2,139,624.95 | 6.905263% | 12.660668% |
| Grand Total: | \$31,551,731.71 * | | \$2,139,624.95 | 6.781323% | 12.250166% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3923 PA

Dispersion: 14.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$8,610,426.79 | 14.00 | 13.50 | 0.9643 | 1.0000 | \$8,303,177.51 | \$615,030.49 |
| 2016 | 1.50 | \$9,193,523.00 | 14.00 | 12.50 | 0.8930 | 1.0000 | \$8,210,128.42 | \$656,680.21 |
| 2015 | 2.50 | \$3,593,131.40 | 14.00 | 11.51 | 0.8219 | 1.0000 | \$2,953,364.69 | \$256,652.24 |
| 2014 | 3.50 | \$10,424,413.99 | 14.00 | 10.52 | 0.7512 | 1.0000 | \$7,831,211.07 | \$744,601.00 |
| 2013 | 4.50 | \$7,492,009.97 | 14.00 | 9.54 | 0.6812 | 1.0000 | \$5,103,548.04 | \$535,143.57 |
| 2012 | 5.50 | \$4,696,834.45 | 14.00 | 8.57 | 0.6123 | 1.0000 | \$2,875,642.39 | \$335,488.18 |
| 2011 | 6.50 | \$4,044,377.53 | 14.00 | 7.63 | 0.5449 | 1.0000 | \$2,203,957.64 | \$288,884.11 |
| 2010 | 7.50 | \$7,893,545.70 | 14.00 | 6.72 | 0.4799 | 1.0000 | \$3,787,895.08 | \$563,824.69 |
| 2009 | 8.50 | \$3,157,176.58 | 14.00 | 5.85 | 0.4178 | 1.0000 | \$1,318,934.54 | \$225,512.61 |
| 2008 | 9.50 | \$8,295,138.21 | 14.00 | 5.03 | 0.3591 | 1.0000 | \$2,978,974.72 | \$592,509.87 |
| 2007 | 10.50 | \$4,271,152.00 | 14.00 | 4.26 | 0.3043 | 1.0000 | \$1,299,765.77 | \$305,082.29 |
| 2006 | 11.50 | \$2,122,365.72 | 14.00 | 3.55 | 0.2533 | 1.0000 | \$537,647.21 | \$151,597.55 |
| 2005 | 12.50 | \$203,406.18 | 14.00 | 2.89 | 0.2062 | 1.0000 | \$41,932.98 | \$14,529.01 |
| 2004 | 13.50 | \$912,469.90 | 14.00 | 2.31 | 0.1652 | 1.0000 | \$150,778.87 | \$65,176.42 |
| 2002 | 15.50 | \$6,881.87 | 14.00 | 1.50 | 0.1072 | 1.0000 | \$737.52 | \$491.56 |
| 2001 | 16.50 | \$2,173.23 | 14.00 | 1.21 | 0.0864 | 1.0000 | \$187.72 | \$155.23 |
| 1997 | 20.50 | \$202,652.05 | 14.00 | 0.32 | 0.0229 | 1.0000 | \$4,635.22 | \$14,475.15 |
| 1996 | 21.50 | \$334,571.82 | 14.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1994 | 23.50 | \$141,407.95 | 14.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1992 | 25.50 | (\$345,713.56) | 14.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$75,251,944.78 | 14.00 | 8.87 | 0.6326 | 1.0000 | \$47,602,519.37 | \$5,365,834.18 |

Depreciation Reserve Summary

Account: PECO Common 3923 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 14 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$75,251,944.78 | \$30,514,201.20 | 0.4055 | \$44,737,743.58 | 0.5945 |
| Computed | \$75,251,944.78 | \$27,649,425.41 | 0.3674 | \$47,602,519.37 | 0.6326 |
| Difference | | \$2,864,775.79 | 0.0381 | (\$2,864,775.79) | -0.0381 |

Remaining Life Depreciation Accrual

Account: PECO Common 3923 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 14.00 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$75,251,944.78 | 8.87 | \$5,042,911.84 | 6.701371% | 11.272164% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,772,922.49) | 0.50 | (\$63,318.66) | 3.571429% | |
| Total: | \$75,251,944.78 * | | \$4,979,593.18 | 6.617229% | 11.130631% |
| Average: | \$74,365,483.54 | | \$4,979,593.18 | 6.696108% | 11.355639% |
| Grand Total: | \$75,251,944.78 * | | \$4,979,593.18 | 6.617229% | 11.130631% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3924 PA

Dispersion: 11.00 - L2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2009 | 8.50 | \$57,897.77 | 11.00 | 4.95 | 0.4499 | 1.0000 | \$26,046.83 | \$5,263.43 |
| 2002 | 15.50 | \$44,306.19 | 11.00 | 3.19 | 0.2900 | 1.0000 | \$12,847.99 | \$4,027.84 |
| 1995 | 22.50 | \$177,146.57 | 11.00 | 1.65 | 0.1497 | 1.0000 | \$26,514.86 | \$16,104.23 |
| | | \$279,350.53 | 11.00 | 2.58 | 0.2341 | 1.0000 | \$65,409.68 | \$25,395.50 |

Depreciation Reserve Summary

Account: PECO Common 3924 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 11 - L2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$279,350.53 | \$282,605.32 | 1.0117 | (\$3,254.79) | -0.0117 |
| Computed | \$279,350.53 | \$213,940.85 | 0.7659 | \$65,409.68 | 0.2341 |
| Difference | | \$68,664.47 | 0.2458 | (\$68,664.47) | -0.2458 |

Remaining Life Depreciation Accrual

Account: PECO Common 3924 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 11.00 - L2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$279,350.53 | 2.58 | (\$1,263.68) | -0.452364% | 38.825302% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$91,161.50) | 0.50 | (\$4,143.70) | 4.545450% | |
| Total: | \$279,350.53 * | | (\$5,407.38) | -1.935698% | 166.136127% |
| Average: | \$233,769.78 | | (\$5,407.38) | -2.313123% | 11.072637% |
| Grand Total: | \$279,350.53 * | | (\$5,407.38) | -1.935698% | 166.136127% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3925 PA

Dispersion: 15.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|---------------|
| 2017 | 0.50 | \$672,745.63 | 15.00 | 14.55 | 0.9699 | 1.0000 | \$652,504.41 | \$44,849.71 |
| 2016 | 1.50 | \$850,547.86 | 15.00 | 13.66 | 0.9106 | 1.0000 | \$774,512.69 | \$56,703.19 |
| 2015 | 2.50 | \$445,680.25 | 15.00 | 12.79 | 0.8525 | 1.0000 | \$379,961.73 | \$29,712.02 |
| 2014 | 3.50 | \$303,236.60 | 15.00 | 11.94 | 0.7958 | 1.0000 | \$241,329.32 | \$20,215.77 |
| 2013 | 4.50 | \$70,130.41 | 15.00 | 11.11 | 0.7406 | 1.0000 | \$51,938.07 | \$4,675.36 |
| 2012 | 5.50 | \$98,806.05 | 15.00 | 10.30 | 0.6869 | 1.0000 | \$67,868.97 | \$6,587.07 |
| 2011 | 6.50 | \$45,336.50 | 15.00 | 9.52 | 0.6349 | 1.0000 | \$28,783.51 | \$3,022.43 |
| 2010 | 7.50 | \$308,073.67 | 15.00 | 8.77 | 0.5846 | 1.0000 | \$180,112.60 | \$20,538.24 |
| 2009 | 8.50 | \$7,165.37 | 15.00 | 8.04 | 0.5363 | 1.0000 | \$3,842.62 | \$477.69 |
| 2008 | 9.50 | (\$265,209.35) | 15.00 | 7.35 | 0.4900 | 1.0000 | (\$129,949.13) | (\$17,680.62) |
| 2007 | 10.50 | \$634,158.18 | 15.00 | 6.69 | 0.4458 | 1.0000 | \$282,720.14 | \$42,277.21 |
| 2006 | 11.50 | \$77,184.28 | 15.00 | 6.06 | 0.4039 | 1.0000 | \$31,178.49 | \$5,145.62 |
| 2005 | 12.50 | \$23,623.28 | 15.00 | 5.47 | 0.3645 | 1.0000 | \$8,611.62 | \$1,574.89 |
| 2004 | 13.50 | \$9,379.42 | 15.00 | 4.91 | 0.3277 | 1.0000 | \$3,073.17 | \$625.29 |
| 2003 | 14.50 | \$23,049.70 | 15.00 | 4.40 | 0.2934 | 1.0000 | \$6,762.40 | \$1,536.65 |
| 2002 | 15.50 | \$174,201.67 | 15.00 | 3.93 | 0.2618 | 1.0000 | \$45,610.00 | \$11,613.44 |
| 2001 | 16.50 | \$16,382.93 | 15.00 | 3.49 | 0.2329 | 1.0000 | \$3,815.25 | \$1,092.20 |
| 2000 | 17.50 | \$67,159.32 | 15.00 | 3.10 | 0.2065 | 1.0000 | \$13,866.80 | \$4,477.29 |
| 1997 | 20.50 | \$239,239.39 | 15.00 | 2.09 | 0.1397 | 1.0000 | \$33,413.24 | \$15,949.29 |
| 1996 | 21.50 | \$209,721.43 | 15.00 | 1.80 | 0.1200 | 1.0000 | \$25,166.90 | \$13,981.43 |
| 1995 | 22.50 | \$132,685.56 | 15.00 | 1.51 | 0.1010 | 1.0000 | \$13,395.63 | \$8,845.70 |
| 1994 | 23.50 | \$125,649.32 | 15.00 | 1.24 | 0.0824 | 1.0000 | \$10,349.16 | \$8,376.62 |
| 1988 | 29.50 | \$18,644.38 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1978 | 39.50 | \$24,007.27 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1976 | 41.50 | \$1,544.50 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1975 | 42.50 | \$25,351.71 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1974 | 43.50 | \$814.23 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1973 | 44.50 | \$67,709.54 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1972 | 45.50 | \$4,524.32 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1971 | 46.50 | \$6,644.50 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1970 | 47.50 | \$27,731.60 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1969 | 48.50 | \$11,345.85 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3925 PA

Dispersion: 15.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 1968 | 49.50 | \$54,611.08 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1967 | 50.50 | \$23,398.38 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1966 | 51.50 | \$3,152.61 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1963 | 54.50 | \$1,026.82 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1962 | 55.50 | \$972.68 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1961 | 56.50 | \$3,539.00 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1960 | 57.50 | \$5,673.50 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$4,549,639.44 | 15.00 | 9.59 | 0.5998 | 1.0000 | \$2,728,867.59 | \$284,596.50 |

Depreciation Reserve Summary

Account: PECO Common 3925 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$4,549,639.44 | \$2,154,027.30 | 0.4735 | \$2,395,612.14 | 0.5265 |
| Computed | \$4,549,639.44 | \$1,820,771.85 | 0.4002 | \$2,728,867.59 | 0.5998 |
| Difference | | \$333,255.45 | 0.0732 | (\$333,255.45) | -0.0732 |

Remaining Life Depreciation Accrual

Account: PECO Common 3925 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$4,549,639.44 | 9.59 | \$249,840.94 | 5.491445% | 10.429107% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$378,429.90) | 0.50 | (\$12,614.33) | 3.333333% | |
| Total: | \$4,549,639.44 * | | \$237,226.61 | 5.214185% | 9.902547% |
| Average: | \$4,360,424.49 | | \$237,226.61 | 5.440448% | 10.751764% |
| Grand Total: | \$4,549,639.44 * | | \$237,226.61 | 5.214185% | 9.902547% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3926 PA

Dispersion: 15.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$118,132.30 | 15.00 | 14.55 | 0.9699 | 1.0000 | \$114,578.00 | \$7,875.49 |
| 2016 | 1.50 | \$125,532.09 | 15.00 | 13.66 | 0.9106 | 1.0000 | \$114,310.08 | \$8,368.81 |
| 2015 | 2.50 | \$200,945.00 | 15.00 | 12.79 | 0.8525 | 1.0000 | \$171,314.32 | \$13,396.33 |
| 2014 | 3.50 | \$322,483.80 | 15.00 | 11.94 | 0.7958 | 1.0000 | \$256,647.11 | \$21,498.92 |
| 2012 | 5.50 | \$248,450.64 | 15.00 | 10.30 | 0.6869 | 1.0000 | \$170,658.46 | \$16,563.38 |
| 2011 | 6.50 | \$5,537.55 | 15.00 | 9.52 | 0.6349 | 1.0000 | \$3,515.71 | \$369.17 |
| 2010 | 7.50 | \$281,323.47 | 15.00 | 8.77 | 0.5846 | 1.0000 | \$164,473.32 | \$18,754.90 |
| 2009 | 8.50 | \$231,325.16 | 15.00 | 8.04 | 0.5363 | 1.0000 | \$124,054.39 | \$15,421.68 |
| 2008 | 9.50 | \$149,463.48 | 15.00 | 7.35 | 0.4900 | 1.0000 | \$73,235.16 | \$9,964.23 |
| 2007 | 10.50 | \$365,024.87 | 15.00 | 6.69 | 0.4458 | 1.0000 | \$162,735.24 | \$24,334.99 |
| 2006 | 11.50 | \$906,063.59 | 15.00 | 6.06 | 0.4039 | 1.0000 | \$366,003.18 | \$60,404.24 |
| 2005 | 12.50 | \$310,885.69 | 15.00 | 5.47 | 0.3645 | 1.0000 | \$113,330.19 | \$20,725.71 |
| 2003 | 14.50 | \$302,059.24 | 15.00 | 4.40 | 0.2934 | 1.0000 | \$88,619.22 | \$20,137.28 |
| 2002 | 15.50 | \$1,179,478.95 | 15.00 | 3.93 | 0.2618 | 1.0000 | \$308,814.67 | \$78,631.93 |
| 2000 | 17.50 | \$5,141.00 | 15.00 | 3.10 | 0.2065 | 1.0000 | \$1,061.49 | \$342.73 |
| 1996 | 21.50 | \$28,685.34 | 15.00 | 1.80 | 0.1200 | 1.0000 | \$3,442.29 | \$1,912.36 |
| 1995 | 22.50 | \$70,184.76 | 15.00 | 1.51 | 0.1010 | 1.0000 | \$7,085.69 | \$4,678.98 |
| 1994 | 23.50 | \$74,146.19 | 15.00 | 1.24 | 0.0824 | 1.0000 | \$6,107.08 | \$4,943.08 |
| 1993 | 24.50 | \$27,544.80 | 15.00 | 0.96 | 0.0642 | 1.0000 | \$1,767.39 | \$1,836.32 |
| 1992 | 25.50 | \$6,119.39 | 15.00 | 0.71 | 0.0475 | 1.0000 | \$290.49 | \$407.96 |
| 1983 | 34.50 | \$2,890.72 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1974 | 43.50 | \$3,888.93 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1973 | 44.50 | \$3,536.26 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1972 | 45.50 | \$17,323.55 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1965 | 52.50 | \$84,406.50 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1962 | 55.50 | \$57.56 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1946 | 71.50 | \$920.22 | 15.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$5,071,551.05 | 15.00 | 6.81 | 0.4441 | 1.0000 | \$2,252,043.51 | \$330,568.49 |

Depreciation Reserve Summary

Account: PECO Common 3926 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$5,071,551.05 | \$3,639,342.92 | 0.7176 | \$1,432,208.13 | 0.2824 |
| Computed | \$5,071,551.05 | \$2,819,507.54 | 0.5559 | \$2,252,043.51 | 0.4441 |
| Difference | | \$819,835.38 | 0.1617 | (\$819,835.38) | -0.1617 |

Remaining Life Depreciation Accrual

Account: PECO Common 3926 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$5,071,551.05 | 6.81 | \$210,228.13 | 4.145243% | 14.678602% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$450,454.20) | 0.50 | (\$15,015.14) | 3.333333% | |
| Total: | \$5,071,551.05 * | | \$195,212.99 | 3.849177% | 13.630211% |
| Average: | \$4,846,323.95 | | \$195,212.99 | 4.028063% | 16.173658% |
| Grand Total: | \$5,071,551.05 * | | \$195,212.99 | 3.849177% | 13.630211% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3927 PA

Dispersion: 8.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|--------------|
| 2017 | 0.50 | \$4,348,812.79 | 8.00 | 7.50 | 0.9376 | 1.0000 | \$4,077,327.97 | \$543,601.60 |
| | | \$4,348,812.79 | 8.00 | 7.50 | 0.9376 | 1.0000 | \$4,077,327.97 | \$543,601.60 |

Depreciation Reserve Summary

Account: PECO Common 3927 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 8 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$4,348,812.79 | \$102,500.89 | 0.0236 | \$4,246,311.90 | 0.9764 |
| Computed | \$4,348,812.79 | \$271,484.82 | 0.0624 | \$4,077,327.97 | 0.9376 |
| Difference | | (\$168,983.93) | -0.0389 | \$168,983.93 | 0.0389 |

Remaining Life Depreciation Accrual

Account: PECO Common 3927 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 8.00 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$4,348,812.79 | 7.50 | \$566,131.06 | 13.018060% | 13.332301% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$2,565.99) | 0.50 | (\$160.37) | 6.249830% | |
| Total: | \$4,348,812.79 * | | \$565,970.69 | 13.014372% | 13.328524% |
| Average: | \$4,347,529.80 | | \$565,970.69 | 13.018213% | 13.332552% |
| Grand Total: | \$4,348,812.79 * | | \$565,970.69 | 13.014372% | 13.328524% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3930 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2017 | 0.50 | \$466,036.51 | 15.00 | 14.50 | 0.9667 | 1.0000 | \$450,501.96 | \$31,069.10 |
| 2016 | 1.50 | \$115,923.80 | 15.00 | 13.50 | 0.9000 | 1.0000 | \$104,331.42 | \$7,728.25 |
| 2015 | 2.50 | \$770.40 | 15.00 | 12.50 | 0.8333 | 1.0000 | \$642.00 | \$51.36 |
| 2014 | 3.50 | \$770.40 | 15.00 | 11.50 | 0.7667 | 1.0000 | \$590.64 | \$51.36 |
| 2013 | 4.50 | \$46,416.68 | 15.00 | 10.50 | 0.7000 | 1.0000 | \$32,491.68 | \$3,094.45 |
| 2011 | 6.50 | \$5,183.04 | 15.00 | 8.50 | 0.5667 | 1.0000 | \$2,937.06 | \$345.54 |
| 2010 | 7.50 | \$60,242.00 | 15.00 | 7.50 | 0.5000 | 1.0000 | \$30,121.00 | \$4,016.13 |
| 2009 | 8.50 | \$54,743.00 | 15.00 | 6.50 | 0.4333 | 1.0000 | \$23,721.97 | \$3,649.53 |
| 2008 | 9.50 | \$83,816.00 | 15.00 | 5.50 | 0.3667 | 1.0000 | \$30,732.53 | \$5,587.73 |
| 2007 | 10.50 | \$270,798.56 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$81,239.57 | \$18,053.24 |
| 2006 | 11.50 | \$134,383.00 | 15.00 | 3.50 | 0.2333 | 1.0000 | \$31,356.03 | \$8,958.87 |
| 2003 | 14.50 | \$14,209.71 | 15.00 | 0.50 | 0.0333 | 1.0000 | \$473.66 | \$947.31 |
| | | \$1,253,293.10 | 15.00 | 9.44 | 0.6297 | 1.0000 | \$789,139.51 | \$83,552.87 |

Depreciation Reserve Summary

Account: PECO Common 3930 PA
Scenario: PECO Common Groups 2018
Dispersion: 15 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,253,293.10 | \$207,643.27 | 0.1657 | \$1,045,649.83 | 0.8343 |
| Computed | \$1,253,293.10 | \$464,153.59 | 0.3703 | \$789,139.51 | 0.6297 |
| Difference | | (\$256,510.32) | -0.2047 | \$256,510.32 | 0.2047 |

Remaining Life Depreciation Accrual

Account: PECO Common 3930 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,253,293.10 | 9.44 | \$110,711.79 | 8.833671% | 10.587846% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$14,209.71) | 0.50 | (\$473.66) | 3.333354% | |
| Total: | \$1,253,293.10 * | | \$110,238.13 | 8.795878% | 10.542548% |
| Average: | \$1,246,188.25 | | \$110,238.13 | 8.846026% | 10.614671% |
| Grand Total: | \$1,253,293.10 * | | \$110,238.13 | 8.795878% | 10.542548% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3941 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|--------------------|----------|-------------------|--------------------|-----------------|-----------------------|----------|
| 2007 | 10.50 | \$11,617.00 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$3,485.10 | \$774.47 |
| | | \$11,617.00 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$3,485.10 | \$774.47 |

Depreciation Reserve Summary

Account: PECO Common 3941 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$11,617.00 | (\$42,829.02) | -3.6868 | \$54,446.02 | 4.6868 |
| Computed | \$11,617.00 | \$8,131.90 | 0.7000 | \$3,485.10 | 0.3000 |
| Difference | | (\$50,960.92) | -4.3868 | \$50,960.92 | 4.3868 |

Remaining Life Depreciation Accrual

Account: PECO Common 3941 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|----------------------|----------------|--------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$11,617.00 | 4.50 | \$12,099.12 | 104.150087% | 22.222222% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$0.00) | 0.50 | (\$0.00) | 0.000000% | |
| Total: | \$11,617.00 * | | \$12,099.12 | 104.150087% | 22.222222% |
| Average: | \$11,617.00 | | \$12,099.12 | 104.150087% | 22.222222% |
| Grand Total: | \$11,617.00 * | | \$12,099.12 | 104.150087% | 22.222222% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3942 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|------------|
| 2016 | 1.50 | \$2,088.50 | 15.00 | 13.50 | 0.9000 | 1.0000 | \$1,879.65 | \$139.23 |
| 2014 | 3.50 | \$55,267.65 | 15.00 | 11.50 | 0.7667 | 1.0000 | \$42,371.87 | \$3,684.51 |
| 2006 | 11.50 | \$10,804.91 | 15.00 | 3.50 | 0.2333 | 1.0000 | \$2,521.15 | \$720.33 |
| 2005 | 12.50 | \$10,526.02 | 15.00 | 2.50 | 0.1667 | 1.0000 | \$1,754.34 | \$701.73 |
| | | \$78,687.08 | 15.00 | 9.25 | 0.6167 | 1.0000 | \$48,527.00 | \$5,245.81 |

Depreciation Reserve Summary

Account: PECO Common 3942 PA
Scenario: PECO Common Groups 2018
Dispersion: 15 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$78,687.08 | \$27,422.49 | 0.3485 | \$51,264.59 | 0.6515 |
| Computed | \$78,687.08 | \$30,160.08 | 0.3833 | \$48,527.00 | 0.6167 |
| Difference | | (\$2,737.59) | -0.0348 | \$2,737.59 | 0.0348 |

Remaining Life Depreciation Accrual

Account: PECO Common 3942 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|----------------------|----------------|-------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$78,687.08 | 9.25 | \$5,541.74 | 7.042758% | 10.810076% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$0.00) | 0.50 | (\$0.00) | 0.000000% | |
| Total: | \$78,687.08 * | | \$5,541.74 | 7.042758% | 10.810076% |
| Average: | \$78,687.08 | | \$5,541.74 | 7.042758% | 10.810076% |
| Grand Total: | \$78,687.08 * | | \$5,541.74 | 7.042758% | 10.810076% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3943 PA

Dispersion: 20.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2017 | 0.50 | \$274,139.59 | 20.00 | 19.50 | 0.9750 | 1.0000 | \$267,286.10 | \$13,706.98 |
| 2016 | 1.50 | \$263,152.21 | 20.00 | 18.50 | 0.9250 | 1.0000 | \$243,415.79 | \$13,157.61 |
| 2015 | 2.50 | \$83,948.79 | 20.00 | 17.50 | 0.8750 | 1.0000 | \$73,455.19 | \$4,197.44 |
| 2014 | 3.50 | \$126,931.56 | 20.00 | 16.50 | 0.8250 | 1.0000 | \$104,718.54 | \$6,346.58 |
| 2013 | 4.50 | \$60,134.71 | 20.00 | 15.50 | 0.7750 | 1.0000 | \$46,604.40 | \$3,006.74 |
| 2012 | 5.50 | \$22,052.17 | 20.00 | 14.50 | 0.7250 | 1.0000 | \$15,987.82 | \$1,102.61 |
| 2011 | 6.50 | \$50,175.40 | 20.00 | 13.50 | 0.6750 | 1.0000 | \$33,868.40 | \$2,508.77 |
| 2010 | 7.50 | \$73,469.80 | 20.00 | 12.50 | 0.6250 | 1.0000 | \$45,918.63 | \$3,673.49 |
| 2008 | 9.50 | \$12,963.09 | 20.00 | 10.50 | 0.5250 | 1.0000 | \$6,805.62 | \$648.15 |
| 2007 | 10.50 | \$21,453.01 | 20.00 | 9.50 | 0.4750 | 1.0000 | \$10,190.18 | \$1,072.65 |
| 2006 | 11.50 | \$3,478.87 | 20.00 | 8.50 | 0.4250 | 1.0000 | \$1,478.52 | \$173.94 |
| 2004 | 13.50 | \$54,167.87 | 20.00 | 6.50 | 0.3250 | 1.0000 | \$17,604.56 | \$2,708.39 |
| 2003 | 14.50 | \$286,764.74 | 20.00 | 5.50 | 0.2750 | 1.0000 | \$78,860.30 | \$14,338.24 |
| 2002 | 15.50 | \$223,879.62 | 20.00 | 4.50 | 0.2250 | 1.0000 | \$50,372.91 | \$11,193.98 |
| 2001 | 16.50 | \$94,843.94 | 20.00 | 3.50 | 0.1750 | 1.0000 | \$16,597.69 | \$4,742.20 |
| 2000 | 17.50 | \$23,910.82 | 20.00 | 2.50 | 0.1250 | 1.0000 | \$2,988.85 | \$1,195.54 |
| 1999 | 18.50 | \$824,190.47 | 20.00 | 1.50 | 0.0750 | 1.0000 | \$61,814.29 | \$41,209.52 |
| | | \$2,499,656.66 | 20.00 | 8.62 | 0.4312 | 1.0000 | \$1,077,967.79 | \$124,982.83 |

Depreciation Reserve Summary

Account: PECO Common 3943 PA
Scenario: PECO Common Groups 2018
Dispersion: 20 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$2,499,656.66 | \$1,383,777.30 | 0.5536 | \$1,115,879.36 | 0.4464 |
| Computed | \$2,499,656.66 | \$1,421,688.87 | 0.5688 | \$1,077,967.79 | 0.4312 |
| Difference | | (\$37,911.57) | -0.0152 | \$37,911.57 | 0.0152 |

Remaining Life Depreciation Accrual

Account: PECO Common 3943 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 20.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$2,499,656.66 | 8.62 | \$129,378.41 | 5.175847% | 11.594301% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$0.00) | 0.50 | (\$0.00) | 0.000000% | |
| Total: | \$2,499,656.66 * | | \$129,378.41 | 5.175847% | 11.594301% |
| Average: | \$2,499,656.66 | | \$129,378.41 | 5.175847% | 11.594301% |
| Grand Total: | \$2,499,656.66 * | | \$129,378.41 | 5.175847% | 11.594301% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3961 PA

Dispersion: 11.00 - L2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Avg Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|-------------|
| 2002 | 15.50 | \$93,979.86 | 11.00 | 3.19 | 0.2900 | 1.0000 | \$27,252.44 | \$8,543.62 |
| 1998 | 19.50 | \$35,800.78 | 11.00 | 2.26 | 0.2051 | 1.0000 | \$7,341.27 | \$3,254.62 |
| 1986 | 31.50 | \$5,472.23 | 11.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1981 | 36.50 | \$6,017.00 | 11.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1980 | 37.50 | \$3,955.00 | 11.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1977 | 40.50 | \$11,826.57 | 11.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| 1973 | 44.50 | \$28,014.86 | 11.00 | 0.00 | 0.0000 | 0.0000 | \$0.00 | \$0.00 |
| | | \$185,066.30 | 11.00 | 2.93 | 0.1869 | 1.0000 | \$34,593.71 | \$11,798.24 |

Depreciation Reserve Summary

Account: PECO Common 3961 PA
Scenario: PECO Common Groups 2018
Dispersion: 11 - L2
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|--------------|-----------------------------|--------|------------------|---------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$185,066.30 | \$179,896.69 | 0.9721 | \$5,169.61 | 0.0279 |
| Computed | \$185,066.30 | \$150,472.59 | 0.8131 | \$34,593.71 | 0.1869 |
| Difference | | \$29,424.10 | 0.1590 | (\$29,424.10) | -0.1590 |

Remaining Life Depreciation Accrual

Account: PECO Common 3961 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 11.00 - L2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-----------------------|----------------|-------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$185,066.30 | 2.93 | \$1,763.10 | 0.952688% | 34.105156% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$31,673.07) | 0.50 | (\$1,439.69) | 4.545470% | |
| Total: | \$185,066.30 * | | \$323.41 | 0.174756% | 6.256053% |
| Average: | \$169,229.77 | | \$323.41 | 0.191109% | -3.031929% |
| Grand Total: | \$185,066.30 * | | \$323.41 | 0.174756% | 6.256053% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3970 PA

Dispersion: 20.00 - L3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|----------------|
| 2017 | 0.50 | \$126,086.34 | 20.00 | 19.50 | 0.9750 | 1.0000 | \$122,934.18 | \$6,304.32 |
| 2016 | 1.50 | \$422,687.58 | 20.00 | 18.50 | 0.9250 | 1.0000 | \$390,986.01 | \$21,134.38 |
| 2015 | 2.50 | \$1,889,807.96 | 20.00 | 17.50 | 0.8750 | 1.0000 | \$1,653,632.99 | \$94,490.40 |
| 2014 | 3.50 | \$1,089,078.66 | 20.00 | 16.51 | 0.8253 | 1.0000 | \$898,824.91 | \$54,453.93 |
| 2013 | 4.50 | \$34,962.40 | 20.00 | 15.52 | 0.7762 | 1.0000 | \$27,137.02 | \$1,748.12 |
| 2012 | 5.50 | \$760,397.04 | 20.00 | 14.56 | 0.7279 | 1.0000 | \$553,498.80 | \$38,019.85 |
| 2009 | 8.50 | \$69,265.89 | 20.00 | 11.80 | 0.5900 | 1.0000 | \$40,869.67 | \$3,463.29 |
| 2008 | 9.50 | \$1,390,893.17 | 20.00 | 10.94 | 0.5470 | 1.0000 | \$760,763.83 | \$69,544.66 |
| 2007 | 10.50 | \$6,682,064.26 | 20.00 | 10.12 | 0.5060 | 1.0000 | \$3,380,908.08 | \$334,103.21 |
| 2006 | 11.50 | \$7,909,519.60 | 20.00 | 9.36 | 0.4679 | 1.0000 | \$3,700,878.57 | \$395,475.98 |
| 2005 | 12.50 | \$50,000.00 | 20.00 | 8.67 | 0.4333 | 1.0000 | \$21,663.33 | \$2,500.00 |
| 2003 | 14.50 | \$644,013.54 | 20.00 | 7.54 | 0.3772 | 1.0000 | \$242,904.37 | \$32,200.68 |
| 2002 | 15.50 | \$50,892.16 | 20.00 | 7.12 | 0.3559 | 1.0000 | \$18,112.55 | \$2,544.61 |
| 2001 | 16.50 | \$122,375.76 | 20.00 | 6.78 | 0.3388 | 1.0000 | \$41,456.21 | \$6,118.79 |
| 1999 | 18.50 | \$1,031,170.51 | 20.00 | 6.28 | 0.3142 | 1.0000 | \$323,985.48 | \$51,558.53 |
| 1998 | 19.50 | \$7,398,704.24 | 20.00 | 6.10 | 0.3050 | 1.0000 | \$2,256,717.19 | \$369,935.21 |
| 1997 | 20.50 | \$2,320,209.43 | 20.00 | 5.93 | 0.2966 | 1.0000 | \$688,070.08 | \$116,010.47 |
| 1996 | 21.50 | \$14,418.94 | 20.00 | 5.77 | 0.2883 | 1.0000 | \$4,156.37 | \$720.95 |
| | | \$32,006,547.48 | 20.00 | 9.45 | 0.4726 | 1.0000 | \$15,127,499.64 | \$1,600,327.37 |

Depreciation Reserve Summary

Account: PECO Common 3970 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 20 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|-----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$32,006,547.48 | \$15,508,096.33 | 0.4845 | \$16,498,451.15 | 0.5155 |
| Computed | \$32,006,547.48 | \$16,879,047.84 | 0.5274 | \$15,127,499.64 | 0.4726 |
| Difference | | (\$1,370,951.51) | -0.0428 | \$1,370,951.51 | 0.0428 |

Remaining Life Depreciation Accrual

Account: PECO Common 3970 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 20.00 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|--------------------------|----------------|-----------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$32,006,547.48 | 9.45 | \$1,745,359.38 | 5.453132% | 10.578929% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$1,918,678.02) | 0.50 | (\$47,966.95) | 2.500000% | |
| Total: | \$32,006,547.48 * | | \$1,697,392.43 | 5.303266% | 10.288193% |
| Average: | \$31,047,208.47 | | \$1,697,392.43 | 5.467134% | 10.923355% |
| Grand Total: | \$32,006,547.48 * | | \$1,697,392.43 | 5.303266% | 10.288193% |

* Excluding 2018 Retirements

Generation Arrangement Report

PECO Common Groups 2018

Account: PECO Common 3980 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2018

| Vintage | Age | Surviving Plant | Ava Life | Remaining Life | Net Plant Ratio | Alloc Factor | Computed Net Plant | Accrual |
|---------|-------|-----------------|----------|----------------|-----------------|--------------|--------------------|--------------|
| 2015 | 2.50 | \$16,773.27 | 15.00 | 12.50 | 0.8333 | 1.0000 | \$13,977.73 | \$1,118.22 |
| 2014 | 3.50 | \$497,037.52 | 15.00 | 11.50 | 0.7667 | 1.0000 | \$381,062.10 | \$33,135.83 |
| 2012 | 5.50 | \$67,989.42 | 15.00 | 9.50 | 0.6333 | 1.0000 | \$43,059.97 | \$4,532.63 |
| 2011 | 6.50 | \$22,622.02 | 15.00 | 8.50 | 0.5667 | 1.0000 | \$12,819.14 | \$1,508.13 |
| 2010 | 7.50 | \$511,435.53 | 15.00 | 7.50 | 0.5000 | 1.0000 | \$255,717.77 | \$34,095.70 |
| 2009 | 8.50 | \$18,269.07 | 15.00 | 6.50 | 0.4333 | 1.0000 | \$7,916.60 | \$1,217.94 |
| 2008 | 9.50 | \$29,625.38 | 15.00 | 5.50 | 0.3667 | 1.0000 | \$10,862.64 | \$1,975.03 |
| 2007 | 10.50 | \$20,663.73 | 15.00 | 4.50 | 0.3000 | 1.0000 | \$6,199.12 | \$1,377.58 |
| 2004 | 13.50 | \$13,659.19 | 15.00 | 1.50 | 0.1000 | 1.0000 | \$1,365.92 | \$910.61 |
| 2003 | 14.50 | \$481,230.78 | 15.00 | 0.50 | 0.0333 | 1.0000 | \$16,041.03 | \$32,082.05 |
| | | \$1,679,305.91 | 15.00 | 6.69 | 0.4460 | 1.0000 | \$749,022.00 | \$111,953.73 |

Depreciation Reserve Summary

Account: PECO Common 3980 PA
Scenario: PECO Common Groups 2018
Dispersion: 15 - SQ
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | <u>Depreciation Reserve</u> | | <u>Net Plant</u> | |
|------------|----------------|-----------------------------|---------|------------------|--------|
| | | Amount | Ratio | Amount | Ratio |
| Recorded | \$1,679,305.91 | \$859,719.46 | 0.5119 | \$819,586.45 | 0.4881 |
| Computed | \$1,679,305.91 | \$930,283.91 | 0.5540 | \$749,022.00 | 0.4460 |
| Difference | | (\$70,564.45) | -0.0420 | \$70,564.45 | 0.0420 |

Remaining Life Depreciation Accrual

Account: PECO Common 3980 PA
 Scenario: PECO Common Groups 2018
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2018

| | Plant Amt | Remaining Life | Accrual (Dollars) | Accrual Rate (Gross Plant) | Accrual Rate (Net Plant) |
|---------------------|-------------------------|----------------|---------------------|----------------------------|--------------------------|
| Pre- 2018 Additions | \$1,679,305.91 | 6.69 | \$122,500.74 | 7.294725% | 14.946653% |
| 2018 Additions | \$0.00 | 0.00 | \$0.00 | 0.000000% | |
| 2018 Retirements | (\$481,230.78) | 0.50 | (\$16,041.03) | 3.333334% | |
| Total: | \$1,679,305.91 * | | \$106,459.71 | 6.339507% | 12.989443% |
| Average: | \$1,438,690.52 | | \$106,459.71 | 7.399765% | 18.387744% |
| Grand Total: | \$1,679,305.91 * | | \$106,459.71 | 6.339507% | 12.989443% |

* Excluding 2018 Retirements

**Estimated Annual Depreciation Accruals Related to
Utility Plant in Service for 2018**

Summary –

This exhibit is based on the results of the 2013 Depreciation Study and updated to reflect the estimated original cost of PECO's electric and common plant in service at December 31, 2018.

Estimated Annual Depreciation Accruals Related to Utility Plant In Service for 2018

| Utility Account | 2013 Service Life Study - Average Service Life | 2013 Service Life Study - Dispersion Curve | 2018 Depreciation Rate | Original Cost of Gross Plant - January 1, 2018 | 2018 Estimated Plant Additions | 2018 Estimated Plant Retirements | Estimated Original Cost of Gross Plant - December 31, 2018 | Accumulated Book Reserve - January 1, 2018 | 2018 Estimated Annual Depreciation Accrual | 2018 Estimated Plant Retirements | 2018 - Estimated Cost of (Removal) / Salvage | Estimated Accumulated Book Reserve - December 31, 2018 | Estimated Depreciable Plant Net Book Value - December 31, 2018 |
|--|--|--|------------------------|--|--------------------------------|----------------------------------|--|--|--|----------------------------------|--|--|--|
| 361 Structures and Improvements | 50 | R2.5 | 2.88% | 113,662,305 | 12,102,521 | (335,999) | 125,428,827 | 37,110,641 | 2,315,281 | (335,999) | (415,401) | 38,674,522 | 86,754,305 |
| 362 Station Equipment | 50 | R3 | 3.20% | 1,033,989,100 | 60,673,117 | (1,368,617) | 1,093,293,600 | 432,746,600 | 19,614,936 | (1,368,617) | (3,165,239) | 447,827,680 | 645,465,920 |
| 364 Poles, Towers and Fixtures | 53 | R2 | 2.59% | 685,536,322 | 34,264,935 | (3,248,571) | 716,552,686 | 144,204,165 | 14,268,511 | (3,248,571) | (4,837,437) | 150,386,668 | 566,166,018 |
| 365 Overhead Conductions & Devices | 52 | R2.5 | 2.60% | 1,177,016,237 | 80,671,026 | (5,539,337) | 1,252,147,926 | 256,315,214 | 24,726,463 | (5,539,337) | (8,088,980) | 267,413,360 | 984,734,566 |
| 366 Underground Conduit | 65 | R4 | 2.43% | 407,267,888 | 26,435,108 | (287,392) | 433,415,604 | 156,650,276 | 6,363,091 | (287,392) | (1,799,470) | 160,926,505 | 272,489,099 |
| 367 Underground Conductors & Devices | 53 | R1.5 | 2.44% | 1,187,119,385 | 92,569,013 | (8,096,960) | 1,271,591,438 | 187,943,128 | 25,365,198 | (8,096,960) | (8,590,536) | 196,620,830 | 1,074,970,608 |
| 368 Line Transformers | 46 | R1.5 | 3.15% | 578,337,607 | 33,238,447 | (8,066,974) | 603,509,080 | 186,555,510 | 12,566,108 | (8,066,974) | (264,832) | 190,789,812 | 412,719,268 |
| 369.1 Services - Aerial | 50 | R4 | 3.06% | 147,034,347 | 8,048,360 | (217,041) | 154,865,666 | 50,866,429 | 3,009,012 | (217,041) | (336,761) | 53,321,639 | 101,544,027 |
| 369.2 Services - Underground | 53 | R3 | 3.19% | 263,555,184 | 2,897,642 | (212,575) | 266,240,251 | 103,305,902 | 5,070,288 | (212,575) | (300,551) | 107,863,064 | 158,377,187 |
| 370.1 Meter Transformers | 35 | R2 | 3.05% | 2,400,451 | 815,134 | - | 3,215,585 | 218,899 | 75,841 | - | - | 294,740 | 2,920,845 |
| 370.2 Smart Meters | 15 | S2 | 8.87% | 302,538,503 | 18,576,943 | (22,442) | 321,093,004 | 77,491,337 | 19,395,202 | (22,442) | - | 96,864,097 | 224,228,907 |
| 371 Installs on Customers' Premises | 35 | R3 | 5.85% | 1,030,123 | - | - | 1,030,123 | 948,216 | 4,663 | - | - | 952,879 | 77,244 |
| 371.1 Installs on Customers' Premises - DLC Switches | 15 | S2 | 11.31% | 12,742,223 | - | - | 12,742,223 | 5,365,250 | 792,288 | - | - | 6,157,538 | 6,584,685 |
| 373 Street Lighting and Signal Systems | 24 | L0 | 6.54% | 42,205,013 | 745,518 | (165,313) | 42,785,218 | 30,991,344 | 721,253 | (165,313) | 128,574 | 31,675,858 | 11,109,360 |
| 373.1 Aerial Street Lighting | 24 | L0 | 5.42% | 1,992,106 | 144,193 | (52,264) | 2,084,035 | 474,669 | 82,097 | (52,264) | (4,460) | 500,042 | 1,583,993 |
| 373.2 Underground Street Lighting | 24 | L0 | 4.49% | 13,259,178 | 4,475,150 | (732,598) | 17,001,730 | (2,127,391) | 722,898 | (732,598) | (178,461) | (2,315,552) | 19,317,282 |
| 373.3 Private Outdoor Lighting | 24 | L0 | 7.63% | 5,367,662 | - | - | 5,367,662 | 4,702,836 | 49,013 | - | - | 4,751,849 | 615,813 |
| 374 Asset Retirement costs (Note A) | N/A | N/A | N/A | 1,938,911 | - | (23,072) | 1,915,839 | 2,270,869 | (250,275) | (23,072) | - | 1,997,522 | (81,683) |
| Distribution Subtotal | | | | 5,976,992,545 | 375,657,107 | (28,369,155) | 6,324,280,497 | 1,676,033,894 | 134,891,868 | (28,369,155) | (27,853,554) | 1,754,703,053 | 4,569,577,445 |
| Intangible Plant Allocated to Distribution (Note B) | | | | 138,683,389 | 20,173,012 | (542,035) | 158,314,367 | 89,235,901 | 14,992,824 | (542,035) | - | 103,686,690 | 54,627,676 |
| General Plant Allocated to Distribution (Note C) | | | | 226,447,592 | 13,264,470 | (4,217,860) | 235,494,202 | 56,295,063 | 13,880,626 | (4,217,860) | (381,379) | 65,576,450 | 169,917,752 |
| Common Plant Allocated to Distribution (Note D) | | | | 490,892,357 | 78,019,956 | (13,262,317) | 555,649,996 | 234,764,478 | 30,549,067 | (13,262,317) | (1,108,717) | 250,942,511 | 304,707,485 |
| Depreciable Total | | | | 6,833,015,883 | 487,114,545 | (46,391,367) | 7,273,739,062 | 2,056,329,336 | 194,314,385 | (46,391,367) | (29,343,650) | 2,174,908,704 | 5,098,830,358 |

| | |
|---|--------------------|
| Fleet Depreciation (Note E) | (5,818,030) |
| ARC Amortization (Note A) | 94,081 |
| Act 129 (Note F) | (792,288) |
| Regulatory Assets (Note G) | (2,367,598) |
| Adjusted 2018 estimated annual depreciation accrual | <u>185,430,550</u> |
| Note H | |

Notes:

- Note A:** Asset Retirement Costs (ARC) are depreciable plant, but the ARC depreciation expense is not included in the revenue requirements calculation and not included in the claim for the current proceeding.
- Note B:** The Intangible Plant allocated to Electric Distribution is individually depreciated based on the service lives estimated at the time the plant is placed into service. The amortization rates for Intangible Plant are weighted based on the relative amount of underlying plant booked to the Intangible Plant accounts.
- Note C:** The General Plant allocated to Electric Distribution relates to various General Plant utility accounts identified in the 2013 Depreciation Study; the depreciation rates are calculated the same as Electric Distribution Plant. The General Plant amounts are allocated to Electric Distribution plant based on a labor allocation methodology as explained in Mr. Yin's testimony (PECO Statement No. 3).
- Note D:** The Common Plant allocated to Electric Distribution relates to various Common Plant utility accounts identified in the 2013 Depreciation Study; the depreciation rates are calculated the same as Electric Distribution Plant. The Common Plant amounts are allocated to Electric plant based on the Common Allocation Factor determined each year and further allocated to Electric Distribution plant based on a labor allocation methodology.
- Note E:** Included in the 2018 Estimated Annual Depreciation Accrual column for the Common Plant allocated to Distribution row is \$5.8 million relating to PECO Fleet depreciation. PECO Fleet depreciation is reversed from depreciation expense and redistributed to both capital and expense accounts/projects. As a result, a \$5.8 million credit is shown for Fleet depreciation expense. The amount of Fleet depreciation that is capitalized to Electric Distribution capital projects is included in the 2018 Estimated Plant Additions column and related depreciation is in the 2018 Estimated Annual Depreciation Accrual column.
- Note F:** ACT 129 costs for Direct Load Control (DLC) switches were fully recovered in 2013 and are not included in the claim for the current proceeding.
- Note G:** Included in the 2018 Estimated Annual Depreciation Accrual is \$2.4 million relating to PECO Regulatory Asset amortization. Regulatory Asset amortization expense is charged to a Regulatory Asset.
- Note H:** Agrees to Electric Distribution depreciation expense included in the revenue requirements calculation in Exhibit BS-2, Schedule D-17, page 1 of 2.

Estimated Annual Depreciation Accruals Related to Utility Plant In Service for 2019

| Utility Account | 2013 Service Life Study - Average Service Life | 2013 Service Life Study - Dispersion Curve | 2019 Depreciation Rate | Original Cost of Gross Plant - January 1, 2019 | 2019 Estimated Plant Additions | 2019 Estimated Plant Retirements | Estimated Original Cost of Gross Plant - December 31, 2019 | Accumulated Book Reserve - January 1, 2019 | 2019 Estimated Annual Depreciation Accrual | 2019 Estimated Plant Retirements | 2019 - Estimated Cost of (Removal) / Salvage | Estimated Accumulated Book Reserve - December 31, 2019 | Estimated Depreciable Plant Net Book Value - December 31, 2019 |
|--|--|--|------------------------|--|--------------------------------|----------------------------------|--|--|--|----------------------------------|--|--|--|
| 361 Structures and Improvements | 50 | R2.5 | 2.88% | 125,428,827 | 14,168,298 | (335,999) | 139,261,126 | 38,674,522 | 2,747,729 | (335,999) | (415,401) | 40,670,851 | 98,590,275 |
| 362 Station Equipment | 50 | R3 | 3.20% | 1,093,293,600 | 71,208,079 | (1,368,617) | 1,163,133,062 | 447,827,680 | 21,820,316 | (1,368,617) | (3,165,239) | 465,114,140 | 698,018,922 |
| 364 Poles, Towers and Fixtures | 53 | R2 | 2.59% | 716,552,686 | 40,717,827 | (3,248,571) | 754,021,942 | 150,386,668 | 15,619,354 | (3,248,571) | (4,837,437) | 157,920,014 | 596,101,928 |
| 365 Overhead Conductors & Devices | 52 | R2.5 | 2.60% | 1,252,147,926 | 95,318,697 | (5,539,337) | 1,341,927,286 | 267,413,360 | 27,792,794 | (5,539,337) | (8,088,980) | 281,577,837 | 1,060,349,449 |
| 366 Underground Conduit | 65 | R4 | 2.43% | 433,415,604 | 31,094,535 | (287,392) | 464,222,747 | 160,926,505 | 7,338,492 | (287,392) | (1,799,470) | 166,178,135 | 298,044,612 |
| 367 Underground Conductors & Devices | 53 | R1.5 | 2.44% | 1,271,591,438 | 109,262,925 | (8,096,960) | 1,372,757,403 | 196,620,830 | 28,859,888 | (8,096,960) | (8,590,536) | 208,793,222 | 1,163,964,181 |
| 368 Line Transformers | 46 | R1.5 | 3.15% | 603,509,080 | 38,767,345 | (8,066,974) | 634,209,451 | 190,789,812 | 13,723,523 | (8,066,974) | (264,832) | 196,181,529 | 438,027,922 |
| 369.1 Services - Aerial | 50 | R4 | 3.06% | 154,865,666 | 9,432,120 | (217,041) | 164,080,745 | 53,321,639 | 3,298,687 | (217,041) | (336,761) | 56,066,524 | 108,014,221 |
| 369.2 Services - Underground | 53 | R3 | 3.19% | 266,240,251 | 3,425,425 | (212,575) | 269,453,101 | 107,863,064 | 5,180,774 | (212,575) | (300,551) | 112,530,712 | 156,922,389 |
| 370.1 Meter Transformers | 35 | R2 | 3.05% | 3,215,585 | 949,652 | - | 4,165,237 | 294,740 | 104,001 | - | - | 398,741 | 3,766,496 |
| 370.2 Smart Meters | 15 | S2 | 8.87% | 321,093,004 | 21,642,614 | (22,442) | 342,713,176 | 96,864,097 | 20,036,966 | (22,442) | - | 116,878,621 | 225,834,555 |
| 371 Installs on Customers' Premises | 35 | R3 | 5.85% | 1,030,123 | - | - | 1,030,123 | 952,879 | 4,663 | - | - | 957,542 | 72,581 |
| 371.1 Installs on Customers' Premises - DLC Switches | 15 | S2 | 11.31% | 12,742,223 | - | - | 12,742,223 | 6,157,538 | 792,288 | - | - | 6,949,826 | 5,792,397 |
| 373 Street Lighting and Signal Systems | 24 | L0 | 6.54% | 42,785,218 | 847,330 | (165,313) | 43,467,235 | 31,675,858 | 742,566 | (165,313) | 128,574 | 32,381,685 | 11,085,550 |
| 373.1 Aerial Street Lighting | 24 | L0 | 5.42% | 2,084,035 | 168,725 | (52,264) | 2,200,496 | 500,042 | 87,232 | (52,264) | (4,460) | 530,550 | 1,669,946 |
| 373.2 Underground Street Lighting | 24 | L0 | 4.49% | 17,001,730 | 5,243,114 | (732,598) | 21,512,246 | (2,315,552) | 883,663 | (732,598) | (178,461) | (2,342,948) | 23,855,194 |
| 373.3 Private Outdoor Lighting | 24 | L0 | 7.63% | 5,367,662 | - | - | 5,367,662 | 4,751,849 | 49,013 | - | - | 4,800,862 | 566,800 |
| 374 Asset Retirement costs (Note A) | N/A | N/A | N/A | 1,915,839 | - | (23,072) | 1,892,767 | 1,997,522 | 15,985 | (23,072) | - | 1,990,435 | (97,668) |
| Distribution Subtotal | | | | 6,324,280,497 | 442,246,686 | (28,369,155) | 6,738,158,028 | 1,754,703,053 | 149,097,934 | (28,369,155) | (27,853,554) | 1,847,578,278 | 4,890,579,751 |
| Intangible Plant Allocated to Distribution (Note B) | | | | 158,314,367 | 17,733,629 | (542,035) | 175,505,961 | 103,686,690 | 15,375,338 | (542,035) | - | 118,519,994 | 56,985,967 |
| General Plant Allocated to Distribution (Note C) | | | | 235,494,202 | 4,716,817 | (4,217,860) | 235,993,159 | 65,576,450 | 14,457,539 | (4,217,860) | (381,379) | 75,434,750 | 160,558,409 |
| Common Plant Allocated to Distribution (Note D) | | | | 555,649,996 | 55,162,223 | (13,262,317) | 597,549,902 | 250,942,511 | 40,046,919 | (13,262,317) | (1,108,717) | 276,618,396 | 320,931,506 |
| Depreciable Total | | | | 7,273,739,062 | 519,859,355 | (46,391,367) | 7,747,207,050 | 2,174,908,704 | 218,977,730 | (46,391,367) | (29,343,650) | 2,318,151,417 | 5,429,055,632 |

| | |
|--|--------------------|
| Fleet Depreciation (Note E) | (6,726,538) |
| ARC Amortization (Note A) | (172,179) |
| Act 129 (Note F) | (792,288) |
| Regulatory Assets (Note G) | (2,124,512) |
| Adjusted 2019 estimated annual depreciation accrual. | 209,162,213 |
| | Note H |

Notes:

Note A: Asset Retirement Costs (ARC) are depreciable plant, but the ARC depreciation expense is not included in the revenue requirements calculation and not included in the claim for the current proceeding.

Note B: The Intangible Plant allocated to Electric Distribution is individually depreciated based on the service lives estimated at the time the plant is placed into service. The amortization rates for Intangible Plant are weighted based on the relative amount of underlying plant booked to the Intangible Plant accounts and therefore, not included in the 2013 Depreciation Study.

Note C: The General Plant allocated to Electric Distribution relates to various General Plant utility accounts identified in the 2013 Depreciation Study; the depreciation rates are calculated the same as Electric Distribution Plant. The General Plant amounts are allocated to Electric Distribution plant based on a labor allocation methodology as explained in Mr. Yin's testimony (PECO Statement No. 3).

Note D: The Common Plant allocated to Electric Distribution relates to various Common Plant utility accounts identified in the 2013 Depreciation Study; the depreciation rates are calculated the same as Electric Distribution Plant. The Common Plant amounts are allocated to Electric plant based on the Common Allocation Factor determined each year and further allocated to Electric Distribution plant based on a labor allocation methodology.

Note E: Included in the 2018 Estimated Annual Depreciation Accrual column for the Common Plant allocated to Distribution row is \$6.7 million relating to PECO Fleet depreciation. PECO Fleet depreciation is reversed from depreciation expense and redistributed to both capital and expense accounts/projects. As a result, a \$6.7 million credit is shown for Fleet depreciation expense. The amount of Fleet depreciation that is capitalized to Electric Distribution capital projects is included in the 2018 Estimated Plant Additions column and related depreciation is in the 2018 Estimated Annual Depreciation Accrual column.

Note F: ACT 129 costs for Direct Load Control (DLC) switches were fully recovered in 2013 and are not included in the claim for the current proceeding.

Note G: Included in the 2018 Estimated Annual Depreciation Accrual is \$2.1 million relating to PECO Regulatory Asset amortization. Regulatory Asset amortization expense is charged to a Regulatory Asset.

Note H: Agrees to Electric Distribution depreciation expense included in the revenue requirements calculation in Exhibit BSY-1, Schedule D-17, page 1 of 2.

2013 PECO Depreciation Study

Summary –

This exhibit includes the results of PECO's 2013 Depreciation Study -- Calculated Annual Depreciation Accruals Related to Electric and Common Plant as of December 31, 2013.

PECO ENERGY COMPANY

PHILADELPHIA, PENNSYLVANIA

2013 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC AND COMMON PLANT
AS OF DECEMBER 31, 2013

Prepared by:



Gannett Fleming

*Excellence Delivered **As Promised***

PECO ENERGY COMPANY
Philadelphia, Pennsylvania

2013 DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC AND COMMON PLANT
AS OF DECEMBER 31, 2013

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Valley Forge, Pennsylvania



*Excellence Delivered **As Promised***

February 12, 2015

PECO Energy Company
2301 Market Street
Philadelphia, PA 19101

Attention Ms. Caroline Fulginiti
Director of Plant Accounting

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric and common plant of PECO Energy Company (PECO) as of December 31, 2013. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual depreciation accrual rates, the statistical support for the service life estimates and the detailed tabulations of annual depreciation.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads "John F. Wiedmayer".

JOHN F. WIEDMAYER
Project Manager, Depreciation Studies

JFW:krm

058927

Gannett Fleming Valuation and Rate Consultants, LLC

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PECO ENERGY COMPANY

DEPRECIATION STUDY

EXECUTIVE SUMMARY

Pursuant to PECO Energy Company's ("PECO" or "Company") request, Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming") conducted a depreciation study related to PECO's electric and common plant as of December 31, 2013. The purpose of this study was to determine the annual depreciation accrual rates and amounts for book and ratemaking purposes.

The depreciation rates are based on the straight line method using the average service life ("ASL") procedure and were applied on a remaining life basis. The calculations were based on attained ages and estimated average service life for each depreciable group of assets.

The most significant change since the previous depreciation study as of December 31, 2008 is related to increased service lives for several major accounts which resulted in a decrease in depreciation expense. For Electric Distribution and General Plant, depreciation decreased \$4.469 million or approximately 3.7 percent. For Common Plant, depreciation decreased \$1.309 million or approximately 6.7 percent.

The two Electric Distribution Plant accounts with the largest decreases were Accounts 362, Station Equipment and 368, Line Transformers. The service life estimates for both accounts were lengthened from 45 to 50 years for station equipment and 45 to 46 years for line transformers. These two changes comprise over 73 percent of the overall decrease in depreciation expense related to Electric Distribution and General Plant.

The two Common Plant accounts responsible for the \$1.309 million decrease in depreciation expense were Accounts 392.2, Light Trucks and 392.3, Heavy Trucks. The service life estimates were lengthened from 10 to 12 years for light trucks and 13 to 14 years for heavy trucks. These two changes comprise nearly 100 percent of the overall decrease in depreciation expense related to Common Plant. PECO's current depreciation rates are based on service life estimates approved in the most recent service life study filed in April 2010.

Gannett Fleming recommends the calculated annual depreciation accrual rates set forth herein apply specifically to electric and common plant in service as of December 31, 2013 as summarized by Tables 1 and 2, respectively, of the study. Supporting analysis and calculations are provided within the study.

The study results set forth an annual depreciation expense of \$133.221 million when applied to depreciable plant balances as of December 31, 2013. The results are summarized at the functional level as follows:

SUMMARY OF ORIGINAL COST, PROPOSED ACCRUAL RATES AND AMOUNTS

| <u>FUNCTION</u> (1) | <u>ORIGINAL COST</u> <u>AS OF</u> <u>DECEMBER 31, 2013</u> (2) | <u>ACCRUAL</u> <u>RATE</u> (3)=(4)/(2) | <u>ACCRUAL</u> <u>AMOUNT</u> (4) |
|-----------------------------|---|--|--|
| <u>ELECTRIC PLANT</u> | | | |
| Distribution Plant | 4,946,029,504 | 2.11 | 104,549,990 |
| General Plant | 174,591,667 | 6.06 | 10,587,899 |
| Total Electric Plant | 5,120,621,171 | 2.25 | 115,137,889 |
| <u>COMMON PLANT</u> | | | |
| General Plant | 424,202,073 | 4.26 | 18,082,845 |
| Total Common Plant | 424,202,073 | 4.26 | 18,082,845 |
| Total | 5,544,823,244 | 2.40 | 133,220,734 |

PART I. INTRODUCTION

PECO ENERGY COMPANY

DEPRECIATION STUDY

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study for PECO Energy Company ("PECO"), to determine the annual depreciation accrual rates and amounts for book purposes applicable to the original cost of electric and common plant as of December 31, 2013. The rates and amounts are based on the straight line remaining life method of depreciation. This report also describes the concepts, methods and judgments which underlie the recommended annual depreciation accrual rates related to electric and common plant in service as of December 31, 2013.

The service life estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through 2013, a review of Company practice and outlook as they relate to plant operation and retirement, and consideration of current practice in the electric industry, including knowledge of service life estimates used for other electric companies.

PLAN OF REPORT

Part I, Introduction, contains statements with respect to the plan of the report, and the basis of the study. Part II, Estimation of Survivor Curves, presents descriptions of the considerations and the methods used in the service life studies. Part III, Service Life Considerations, presents the factors and judgment utilized in the average service life analysis. Part IV, Net Salvage Considerations, presents a discussion of the method used by PECO for the recovery of net salvage. Part V, Calculation of Annual and Accrued Depreciation, describes the procedures used in the calculation of group depreciation. Part VI, Results of Study, presents summaries by depreciable group of

annual depreciation accrual rates and amounts, as well as composite remaining lives. Part VII, Service Life Statistics presents the statistical analysis of service life estimates, and Part VIII, Detailed Depreciation Calculations presents the detailed tabulations of annual and accrued depreciation.

BASIS OF THE STUDY

Depreciation

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

For most accounts, the annual depreciation was calculated by the straight line method using the average service life procedure and the remaining life basis. For certain General Plant accounts, the annual depreciation is based on amortization

accounting. Both types of calculations were based on original cost, attained ages, and estimates of service lives.

The straight line method, average service life procedure is a commonly used depreciation calculation procedure that has been widely accepted in jurisdictions throughout North America. Gannett Fleming recommends its continued use in this study. Amortization accounting is used for certain General Plant accounts because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented beginning on page V-4 of the report.

Service Life Estimates

The service life estimates used in the depreciation and amortization calculations were based on informed judgment which incorporated a review of management's plans, policies and outlook, a general knowledge of the electric utility industry, and comparisons of the service life estimates from our studies of other electric utilities. The use of survivor curves to reflect the expected dispersion of retirement provides a consistent method of estimating depreciation for utility plant. Iowa type survivor curves were used to depict the estimated survivor curves for the plant accounts not subject to amortization accounting.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data analyses and the probable future. The combination of the historical experience and estimates of future experience yielded estimated survivor curves from which the average service lives were derived.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through discussions with operating and management personnel and was incorporated in the interpretation and extrapolation of the statistical analyses.

**PART II. ESTIMATION OF
SURVIVOR CURVES**

PART II. ESTIMATION OF SURVIVOR CURVES

The calculation of annual depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. The estimation of survivor curves is discussed below.

SURVIVOR CURVES

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

This study has incorporated the use of Iowa curves developed from a retirement rate analysis of historical retirement history. A discussion of the concepts of survivor curves and of the development of survivor curves using the retirement rate method is presented below.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements (or the portion of the frequency curve with the highest level of retirements) in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family. A higher number designates a higher mode curve.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves,

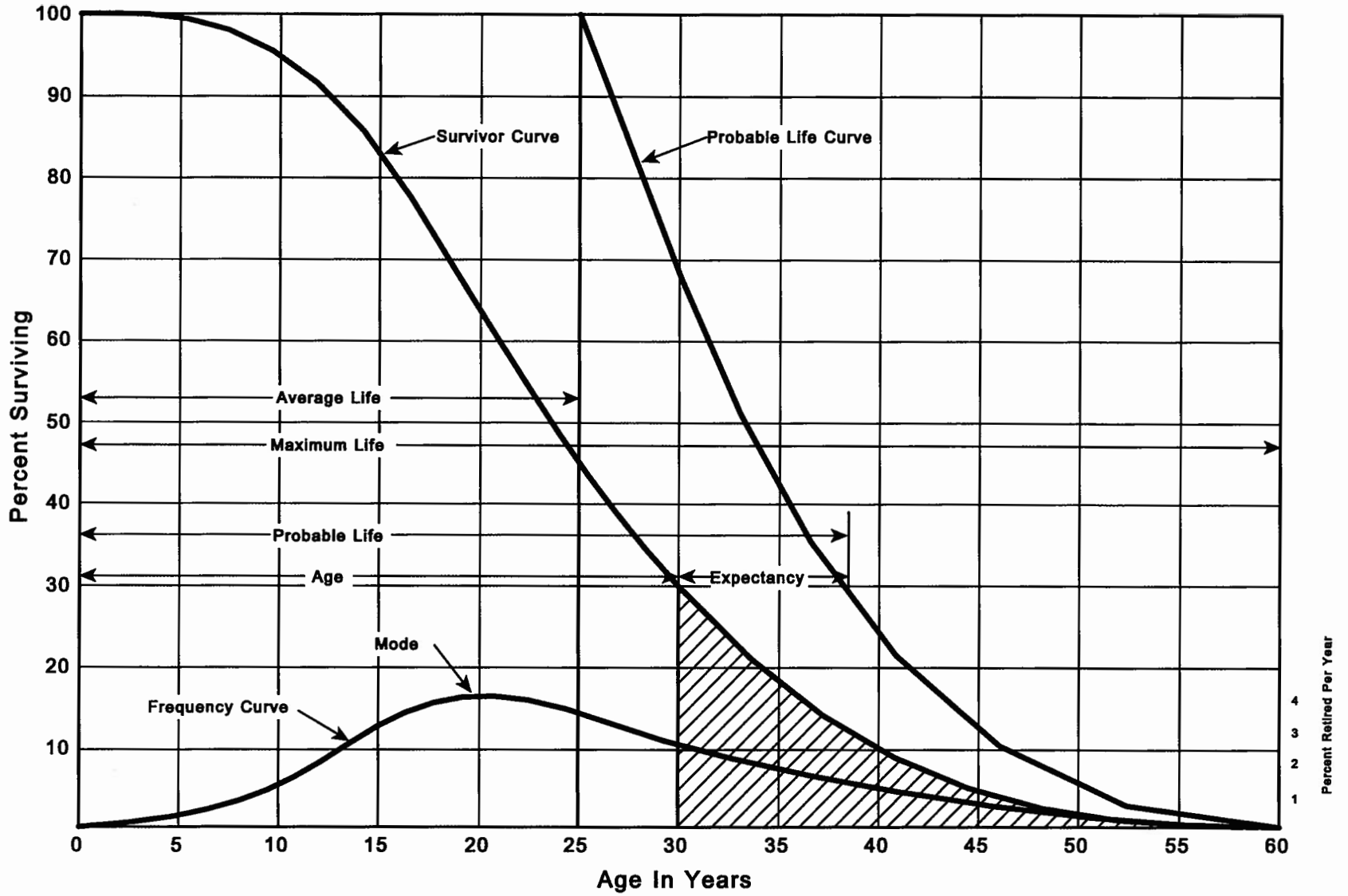


Figure 1. A Typical Survivor Curve and Derived Curves

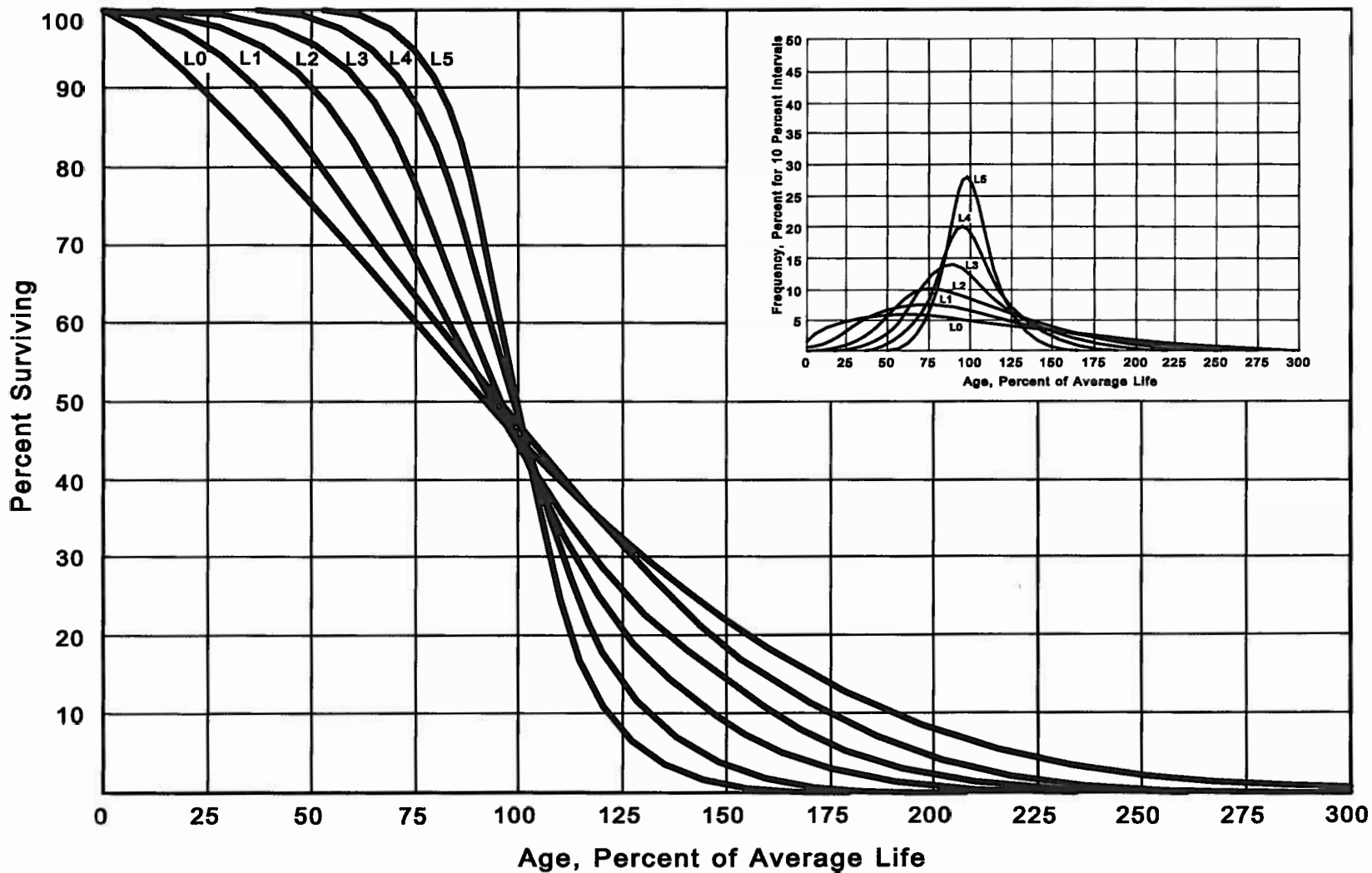


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

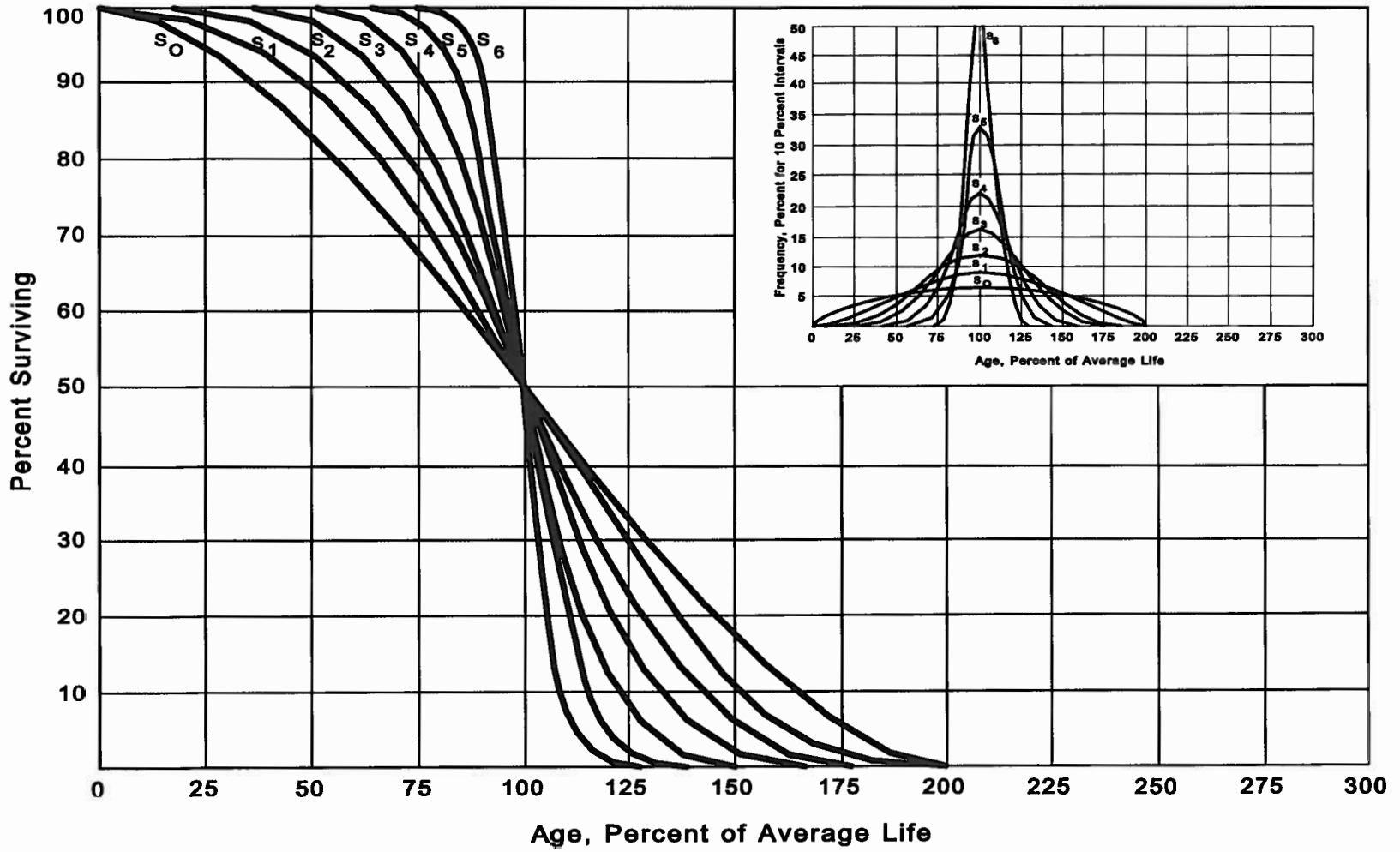


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

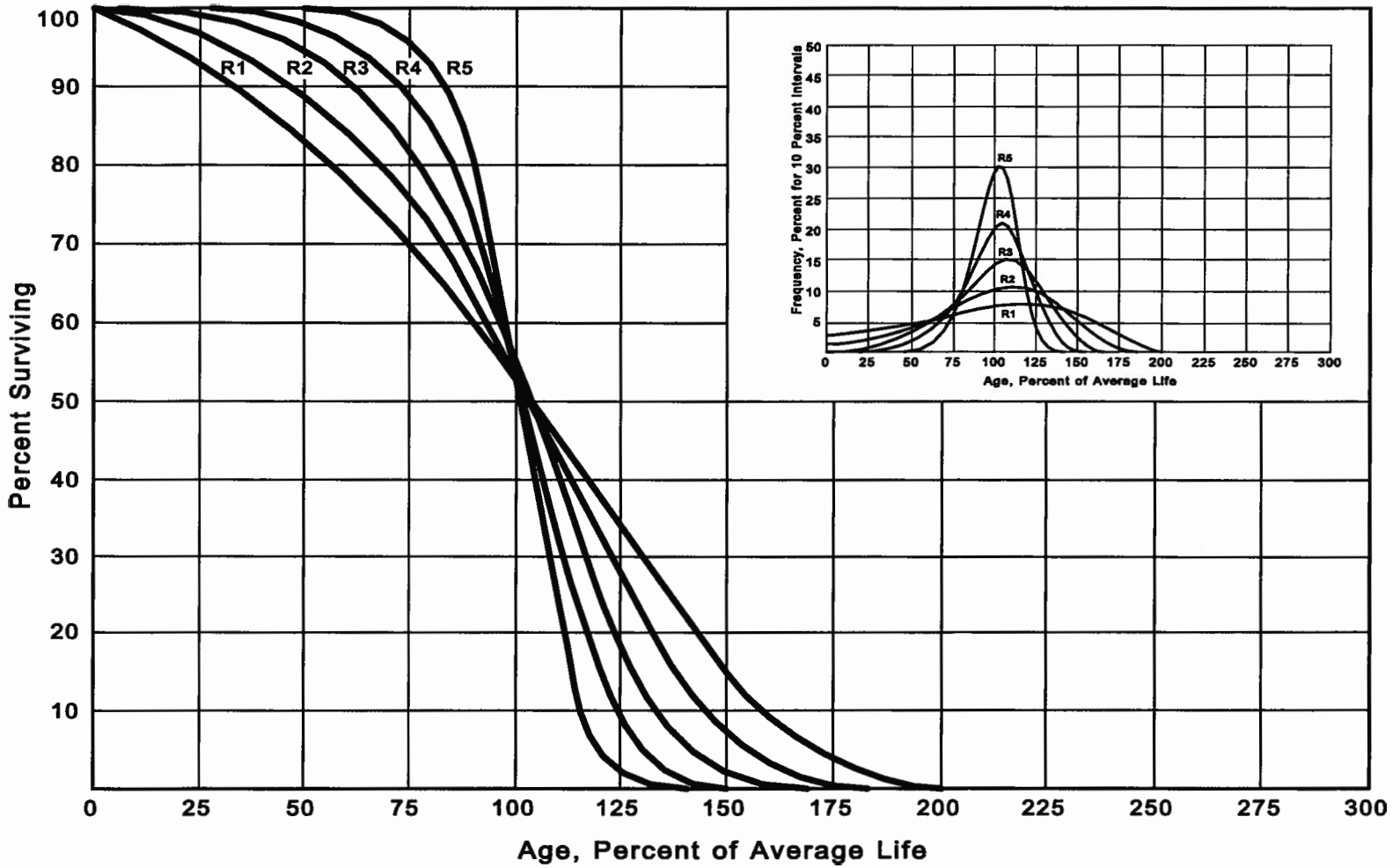


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

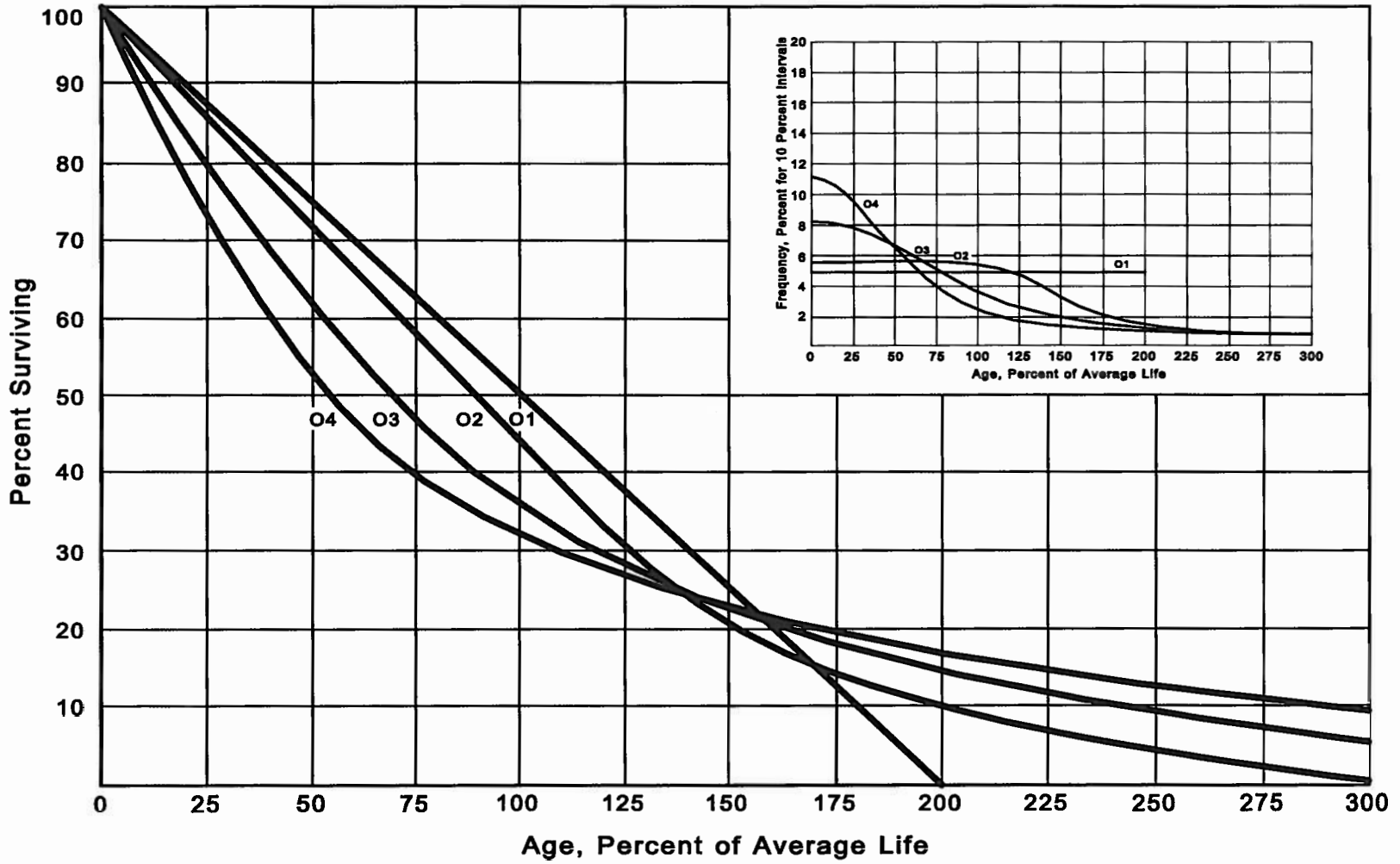


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125. These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."¹ In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student submitted a thesis presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"² "Engineering Valuation and Depreciation,"³ and "Depreciation Systems."⁴

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes

¹Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

²Winfrey, Robley, Supra Note 1.

³Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁴Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records

A hypothetical property group is used to illustrate the retirement rate method. This property group is observed for the experience band 2004-2013 during which there were placements during the years 1999-2013. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on pages II-11 and II-12. In Schedule 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1999 were retired in 2004. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the stair step line drawn on the table beginning with the 2004 retirements of 1999 installations and ending with the 2013 retirements of the 2008 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2004-2013
SUMMARIZED BY AGE INTERVAL

Experience Band 2004-2013

Placement Band 1999-2013

| Year Placed | Retirements, Thousands of Dollars | | | | | | | | | | Total During Age Interval | Age Interval |
|----------------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|------------------------------|-----------------|
| | During Year | | | | | | | | | | | |
| (1) | 2004 (2) | 2005 (3) | 2006 (4) | 2007 (5) | 2008 (6) | 2009 (7) | 2010 (8) | 2011 (9) | 2012 (10) | 2013 (11) | (12) | (13) |
| 1999 | 10 | 11 | 12 | 13 | 14 | 16 | 23 | 24 | 25 | 26 | 26 | 13½-14½ |
| 2000 | 11 | 12 | 13 | 15 | 16 | 18 | 20 | 21 | 22 | 19 | 44 | 12½-13½ |
| 2001 | 11 | 12 | 13 | 14 | 16 | 17 | 19 | 21 | 22 | 18 | 64 | 11½-12½ |
| 2002 | 8 | 9 | 10 | 11 | 11 | 13 | 14 | 15 | 16 | 17 | 83 | 10½-11½ |
| 2003 | 9 | 10 | 11 | 12 | 13 | 14 | 16 | 17 | 19 | 20 | 93 | 9½-10½ |
| 2004 | 4 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 20 | 105 | 8½-9½ |
| 2005 | | 5 | 11 | 12 | 13 | 14 | 15 | 16 | 18 | 20 | 113 | 7½-8½ |
| 2006 | | | 6 | 12 | 13 | 15 | 16 | 17 | 19 | 19 | 124 | 6½-7½ |
| 2007 | | | | 6 | 13 | 15 | 16 | 17 | 19 | 19 | 131 | 5½-6½ |
| 2008 | | | | | 7 | 14 | 16 | 17 | 19 | 20 | 143 | 4½-5½ |
| 2009 | | | | | | 8 | 18 | 20 | 22 | 23 | 146 | 3½-4½ |
| 2010 | | | | | | | 9 | 20 | 22 | 25 | 150 | 2½-3½ |
| 2011 | | | | | | | | 11 | 23 | 25 | 151 | 1½-2½ |
| 2012 | | | | | | | | | 11 | 24 | 153 | ½-1½ |
| 2013 | | | | | | | | | | 13 | 80 | 0-½ |
| Total | 53 | 68 | 86 | 106 | 128 | 157 | 196 | 231 | 273 | 308 | 1,606 | |



SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2004-2013
SUMMARIZED BY AGE INTERVAL

Experience Band 2004-2013

Placement Band 1999-2013

| Year Placed | Acquisitions, Transfers and Sales, Thousands of Dollars | | | | | | | | | | Total During Age Interval | Age Interval |
|----------------|---|----------|----------|----------|----------|----------|-----------------|-------------------|-----------------|--------------------|------------------------------|-----------------|
| | During Year | | | | | | | | | | | |
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 1999 | - | - | - | - | - | - | 60 ^a | - | - | - | - | 13½-14½ |
| 2000 | - | - | - | - | - | - | - | - | - | - | - | 12½-13½ |
| 2001 | - | - | - | - | - | - | - | - | - | - | - | 11½-12½ |
| 2002 | - | - | - | - | - | - | - | (5) ^b | - | - | 60 | 10½-11½ |
| 2003 | - | - | - | - | - | - | - | 6 ^a | - | - | - | 9½-10½ |
| 2004 | - | - | - | - | - | - | - | - | - | - | (5) | 8½-9½ |
| 2005 | - | - | - | - | - | - | - | - | - | - | 6 | 7½-8½ |
| 2006 | - | - | - | - | - | - | - | - | - | - | - | 6½-7½ |
| 2007 | - | - | - | - | - | - | - | (12) ^b | - | - | - | 5½-6½ |
| 2008 | - | - | - | - | - | - | - | - | 22 ^a | - | - | 4½-5½ |
| 2009 | - | - | - | - | - | - | - | (19) ^b | - | - | 10 | 3½-4½ |
| 2010 | - | - | - | - | - | - | - | - | - | - | - | 2½-3½ |
| 2011 | - | - | - | - | - | - | - | - | - | (102) ^c | (121) | 1½-2½ |
| 2012 | - | - | - | - | - | - | - | - | - | - | - | ½-1½ |
| 2013 | - | - | - | - | - | - | - | - | - | - | - | 0-½ |
| Total | - | - | - | - | - | - | 60 | (30) | 22 | (102) | (50) | |

^a Transfer Affecting Exposures at Beginning of Year^b Transfer Affecting Exposures at End of Year^c Sale with Continued Use

Parentheses Denote Credit Amount.

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on page II-14. The surviving plant at the beginning of each year from 2004 through 2013 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2009 are calculated in the following manner:

| | | |
|---------------------|-----------------------------------|-------------|
| Exposures at age 0 | = amount of addition | = \$750,000 |
| Exposures at age ½ | = \$750,000 - \$ 8,000 | = \$742,000 |
| Exposures at age 1½ | = \$742,000 - \$18,000 | = \$724,000 |
| Exposures at age 2½ | = \$724,000 - \$20,000 - \$19,000 | = \$685,000 |
| Exposures at age 3½ | = \$685,000 - \$22,000 | = \$663,000 |



SCHEDULE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 2004-2013
SUMMARIZED BY AGE INTERVAL

Experience Band 2004-2013

Placement Band 1999-2013

| Year Placed | Exposures, Thousands of Dollars | | | | | | | | | | Total at Beginning of Age Interval | Age Interval |
|----------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--|-----------------|
| | Annual Survivors at the Beginning of the Year | | | | | | | | | | | |
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 1999 | 255 | 245 | 234 | 222 | 209 | 195 | 239 | 216 | 192 | 167 | 167 | 13½-14½ |
| 2000 | 279 | 268 | 256 | 243 | 228 | 212 | 194 | 174 | 153 | 131 | 323 | 12½-13½ |
| 2001 | 307 | 296 | 284 | 271 | 257 | 241 | 224 | 205 | 184 | 162 | 531 | 11½-12½ |
| 2002 | 338 | 330 | 321 | 311 | 300 | 289 | 276 | 262 | 242 | 226 | 823 | 10½-11½ |
| 2003 | 376 | 367 | 357 | 346 | 334 | 321 | 307 | 297 | 280 | 261 | 1,097 | 9½-10½ |
| 2004 | 420 ^a | 416 | 407 | 397 | 386 | 374 | 361 | 347 | 332 | 316 | 1,503 | 8½-9½ |
| 2005 | | 460 ^a | 455 | 444 | 432 | 419 | 405 | 390 | 374 | 356 | 1,952 | 7½-8½ |
| 2006 | | | 510 ^a | 504 | 492 | 479 | 464 | 448 | 431 | 412 | 2,463 | 6½-7½ |
| 2007 | | | | 580 ^a | 574 | 561 | 546 | 530 | 501 | 482 | 3,057 | 5½-6½ |
| 2008 | | | | | 660 ^a | 653 | 639 | 623 | 628 | 609 | 3,789 | 4½-5½ |
| 2009 | | | | | | 750 ^a | 742 | 724 | 685 | 663 | 4,332 | 3½-4½ |
| 2010 | | | | | | | 850 ^a | 841 | 821 | 799 | 4,955 | 2½-3½ |
| 2011 | | | | | | | | 960 ^a | 949 | 926 | 5,719 | 1½-2½ |
| 2012 | | | | | | | | | 1,080 ^a | 1,069 | 6,579 | ½-1½ |
| 2013 | | | | | | | | | | 1,220 ^a | 7,490 | 0-½ |
| Total | <u>1,975</u> | <u>2,382</u> | <u>2,824</u> | <u>3,318</u> | <u>3,872</u> | <u>4,494</u> | <u>5,247</u> | <u>6,017</u> | <u>6,852</u> | <u>7,799</u> | <u>44,780</u> | |

For the entire experience band 2004-2013, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table

The original life table, illustrated in Schedule 4 on page II-16, is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

| | | | |
|-------------------------------|---|---------------------------|----------|
| Percent surviving at age 4½ | = | 88.15 | |
| Exposures at age 4½ | = | 3,789,000 | |
| Retirements from age 4½ to 5½ | = | 143,000 | |
| Retirement Ratio | = | $143,000 \div 3,789,000$ | = 0.0377 |
| Survivor Ratio | = | $1.000 - 0.0377$ | = 0.9623 |
| Percent surviving at age 5½ | = | $(88.15) \times (0.9623)$ | = 84.83 |

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

SCHEDULE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2004-2013

Placement Band 1999-2013

(Exposure and Retirement Amounts are in Thousands of Dollars)

| Age at Beginning of Interval | Exposures at Beginning of Age Interval | Retirements During Age Interval | Retirement Ratio | Survivor Ratio | Percent Surviving at Beginning of Age Interval |
|------------------------------|--|---------------------------------|------------------|----------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 0.0 | 7,490 | 80 | 0.0107 | 0.9893 | 100.00 |
| 0.5 | 6,579 | 153 | 0.0233 | 0.9767 | 98.93 |
| 1.5 | 5,719 | 151 | 0.0264 | 0.9736 | 96.62 |
| 2.5 | 4,955 | 150 | 0.0303 | 0.9697 | 94.07 |
| 3.5 | 4,332 | 146 | 0.0337 | 0.9663 | 91.22 |
| 4.5 | 3,789 | 143 | 0.0377 | 0.9623 | 88.15 |
| 5.5 | 3,057 | 131 | 0.0429 | 0.9571 | 84.83 |
| 6.5 | 2,463 | 124 | 0.0503 | 0.9497 | 81.19 |
| 7.5 | 1,952 | 113 | 0.0579 | 0.9421 | 77.11 |
| 8.5 | 1,503 | 105 | 0.0699 | 0.9301 | 72.65 |
| 9.5 | 1,097 | 93 | 0.0848 | 0.9152 | 67.57 |
| 10.5 | 823 | 83 | 0.1009 | 0.8991 | 61.84 |
| 11.5 | 531 | 64 | 0.1205 | 0.8795 | 55.60 |
| 12.5 | 323 | 44 | 0.1362 | 0.8638 | 48.90 |
| 13.5 | <u>167</u> | <u>26</u> | 0.1557 | 0.8443 | 42.24 |
| Total | <u>44,780</u> | <u>1,606</u> | | | 35.66 |

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.

Column 3 from Schedule 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 Divided by Column 2.

Column 5 = 1.0000 Minus Column 4.

Column 6 = Column 5 Multiplied by Column 6 as of the Preceding Age Interval.

The original survivor curve is plotted from the original life table (column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve

The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.



FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

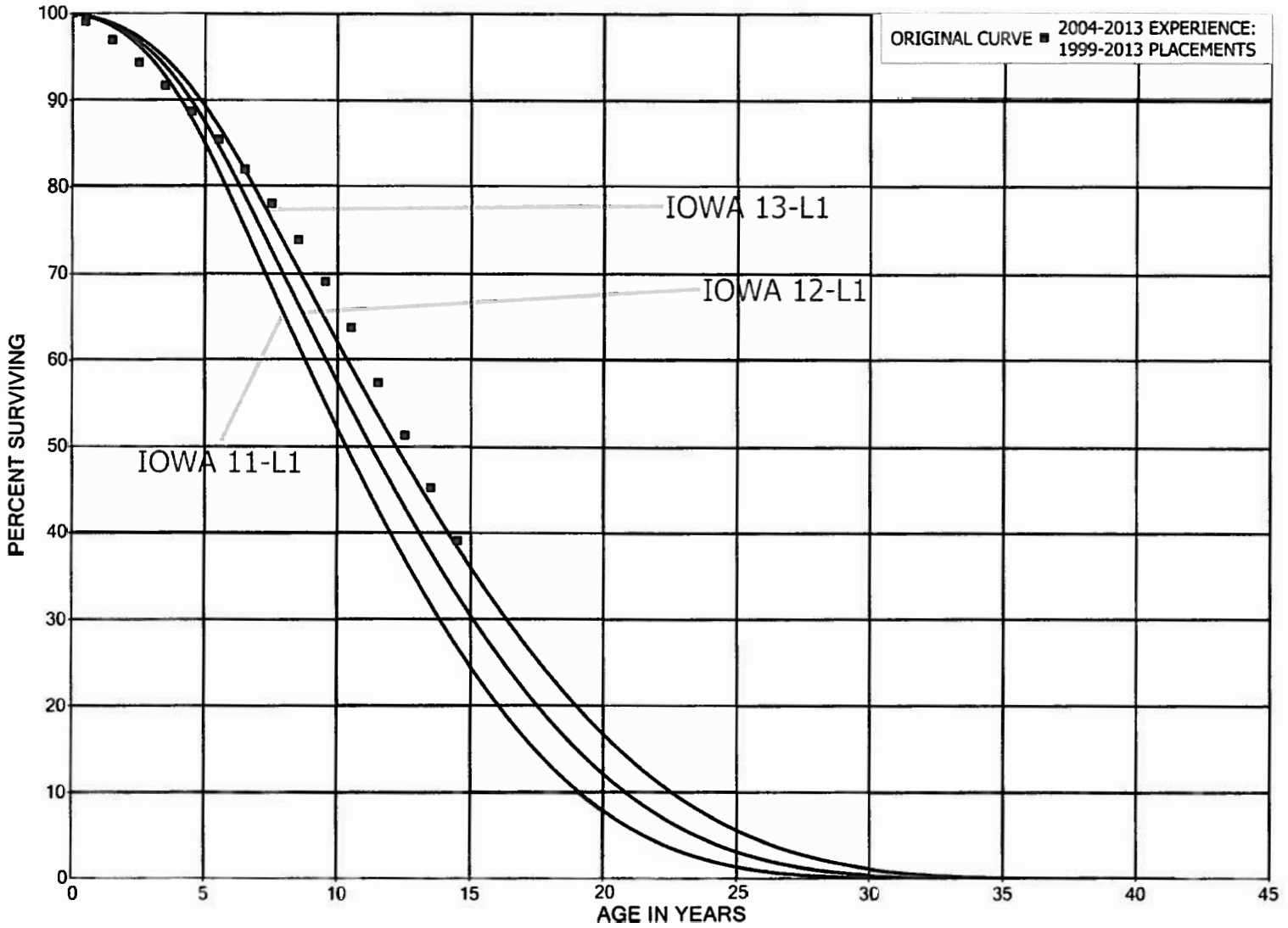




FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

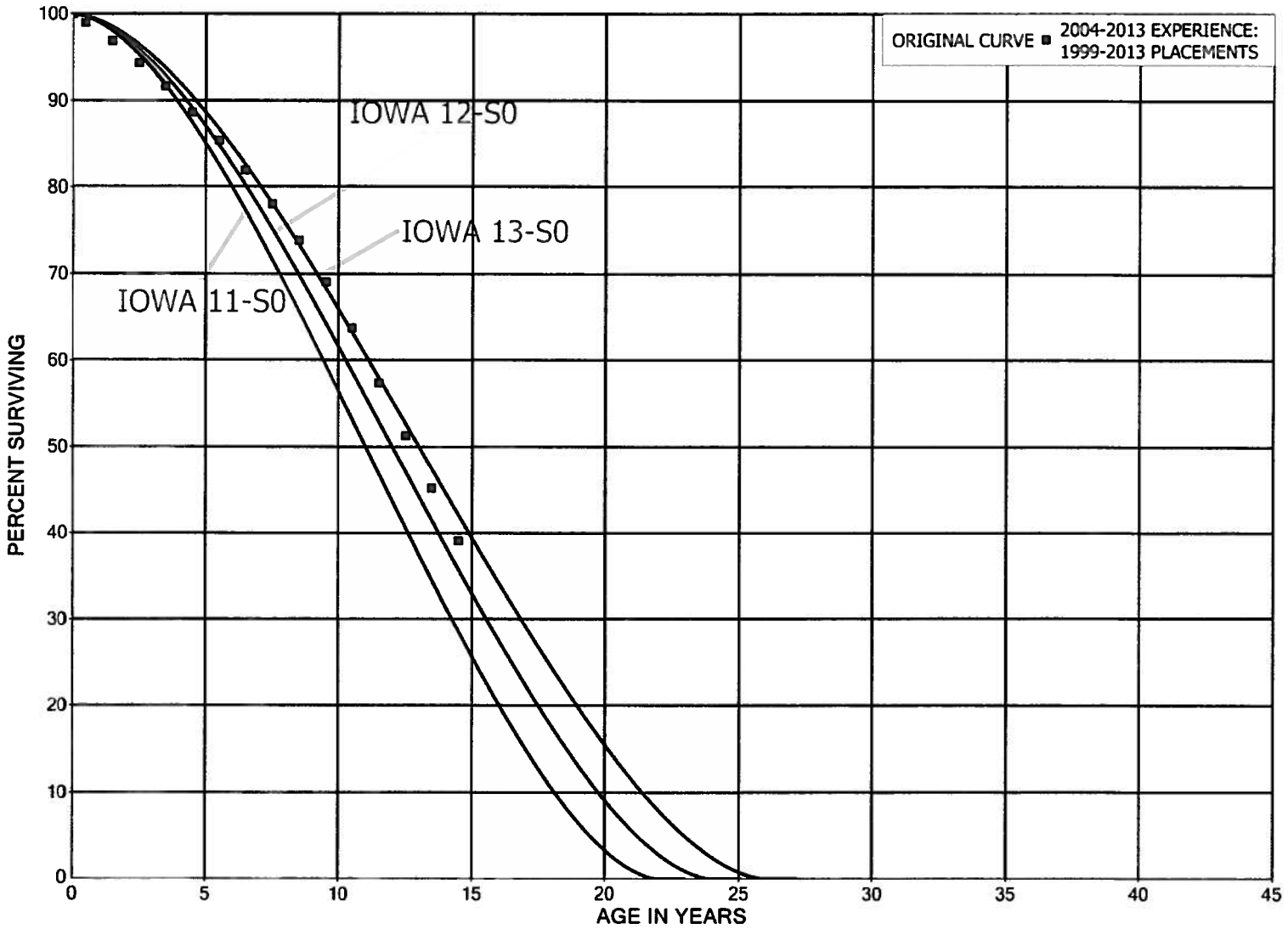




FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

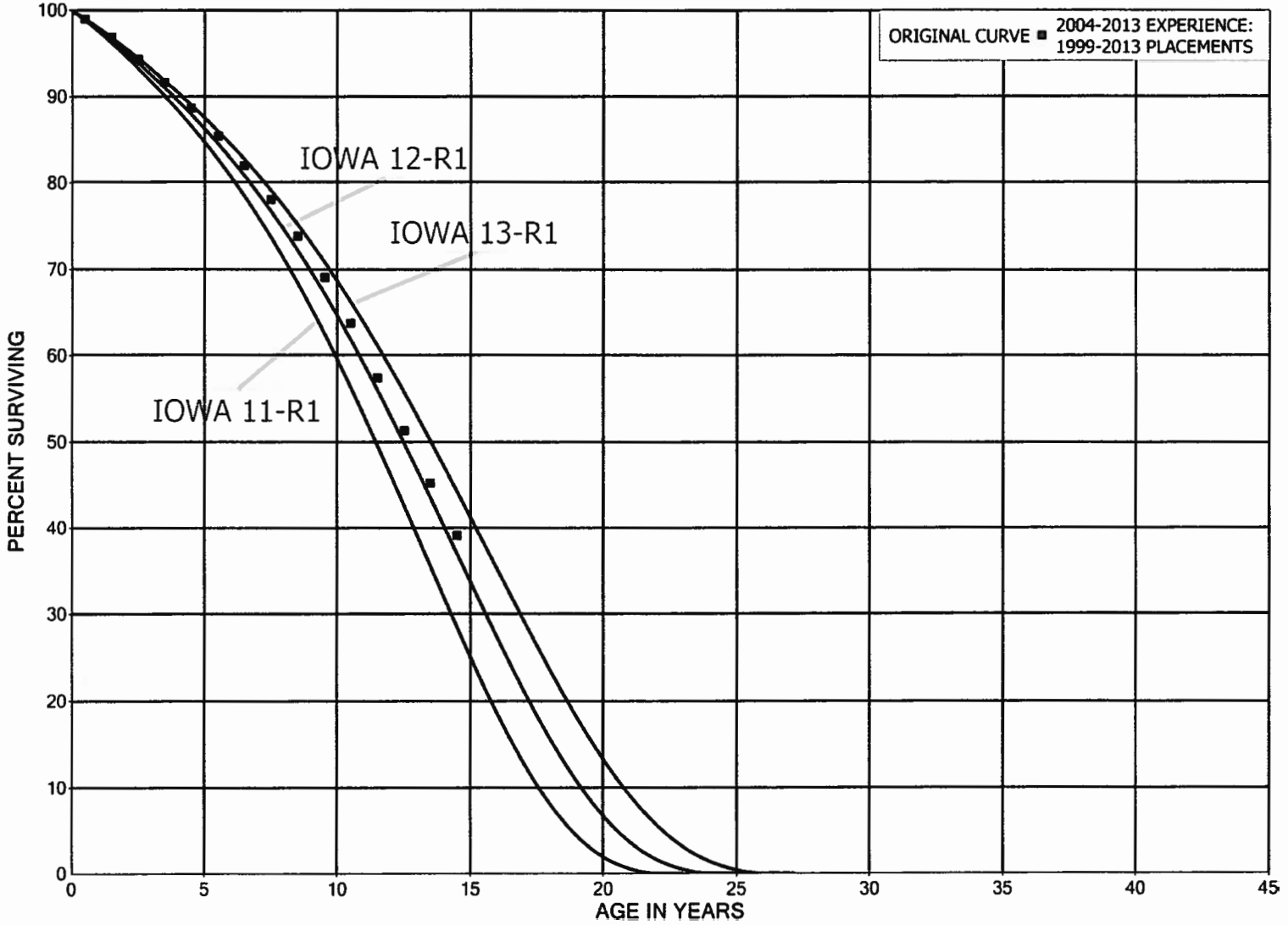
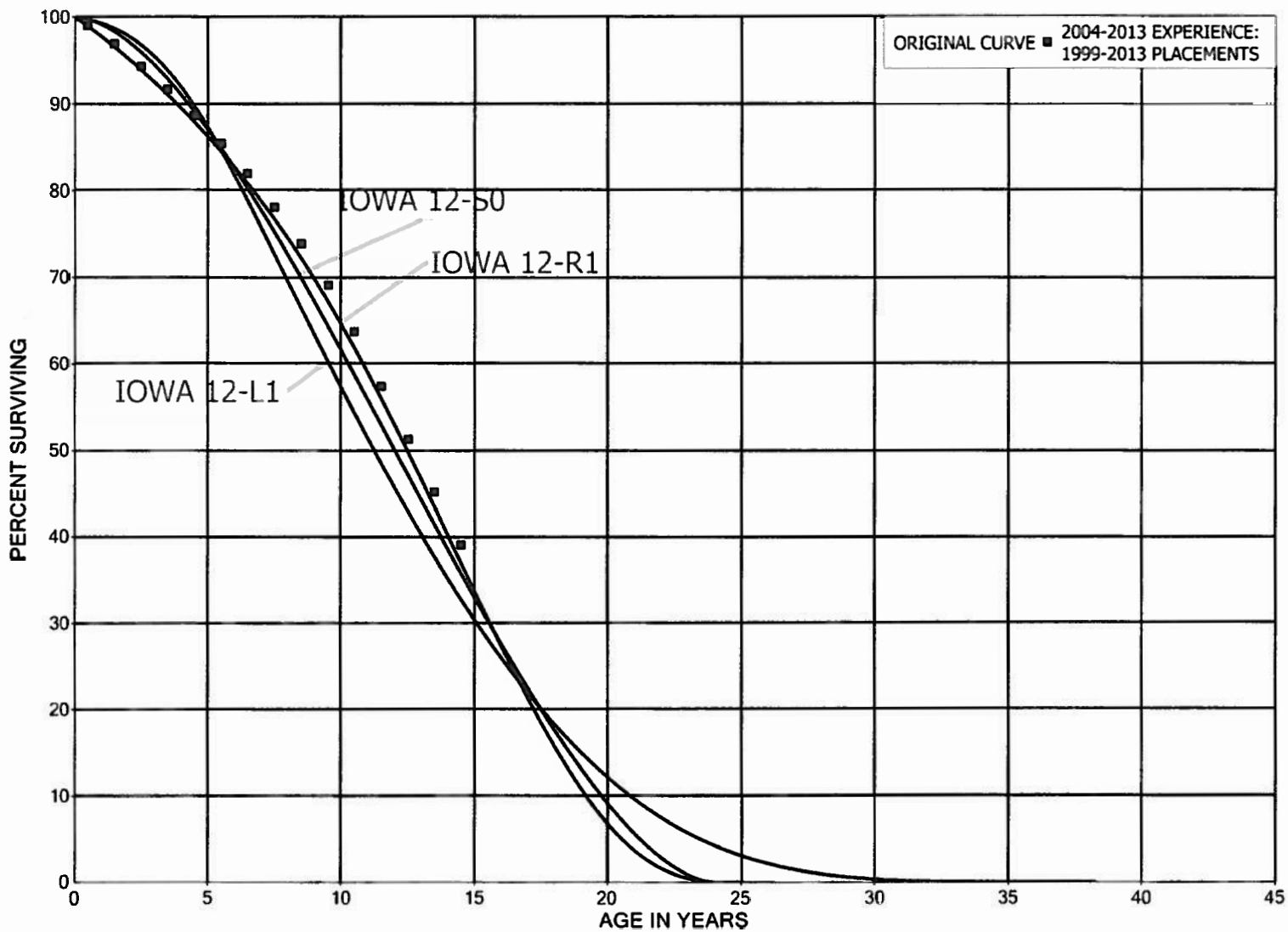


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1, S0 AND R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES



PART III. SERVICE LIFE CONSIDERATIONS

PART III. SERVICE LIFE CONSIDERATIONS

FIELD TRIPS

In order to be familiar with the operation of the Company and observe representative portions of the plant, a field trip was conducted for the study. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

The following is a list of the locations visited during the most recent field trips.

September 24, 2015

Plymouth Service Center
Plymouth Transmission Substation
Plymouth Distribution Substation

September 26, 2015

PECO Energy Headquarters Building – 2301 Market Street

LIFE ANALYSIS

The retirement rate method of life analysis is an actuarial method of developing survivor curves using the average rates at which property is retired from each depreciable group. The method involves the analysis of historical retirements of property of various ages, in relation to the property units exposed to retirement at those same ages. Application of this method requires an extensive compilation of historical aged retirement data as well as related plant accounting data including additions, acquisitions, sales and transfers. Plant accounting data for the years 1975 through 2013 were available to study. The life analyses were performed using Gannett Fleming's depreciation software programs. The actuarial data may or may not produce a complete life cycle of experience. A complete life cycle is indicated by the life table

reaching zero percent surviving for the last age interval shown on the life table. The curve-fitting portion of Gannett Fleming's depreciation software program matches the stub survivor curves (i.e., from the original life tables) with each member of the Iowa curve family. The curve-fitting results are based on a least squares solution of the differences between the stub curve and the Iowa curve. Survivor data developed by the actuarial analysis and set forth on the original life table are graphed and compared visually and statistically with the Iowa curves. There are two distinct steps in the estimation of service lives and retirement dispersions which must be recognized in the interpretation of the service life analysis results. The first step, life analysis, refers to the application of statistical procedures to determine life and dispersion indications based solely on past experience. The second step, life estimation, refers to the exercise of informed judgment in making sound estimates of service lives and retirement dispersions. Life estimation incorporates known historical experience, estimated historical trends and estimated future trends or events in order to define complete patterns of estimated service life characteristics. The results of the life analyses, performed as the first step, are only one of the relevant factors to be considered during the decision making process of life estimation.

LIFE ESTIMATION

The service life estimates were based on informed judgment which considered a number of factors. The primary factors were the statistical analyses of PECO's property accounting data; current Company policies and outlook as determined during conversations with engineering management and other technical subject matters experts from the company's operations, facilities and IT departments; and the survivor curve estimates from previous studies of this company and other electric companies.

For many of the plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses using the retirement rate method resulted in

reasonable indications of the survivor patterns experienced. These accounts represent 62 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in the section beginning on page VII-3.

| <u>Account No.</u> | <u>Account Description</u> |
|-----------------------|--|
| <u>ELECTRIC PLANT</u> | |
| DISTRIBUTION | |
| 364 | Poles, Towers and Fixtures |
| 365 | Overhead Conductors and Devices |
| 367 | Underground Conductors and Devices |
| 368 | Line Transformers |
| 369.2 | Services – Underground |
| 371 | Installations on Customers' Premises |
| 373 | Street Lighting and Signal Systems (All Subaccounts) |
| GENERAL | |
| 390 | Structures and Improvements |
| <u>COMMON PLANT</u> | |
| GENERAL | |
| 392.1 | Transportation Equipment – Automobiles |
| 392.2 | Transportation Equipment – Light Trucks |
| 392.3 | Transportation Equipment – Heavy Trucks |
| 392.4 | Transportation Equipment – Tractors |
| 396 | Power Operated Equipment |

Account 364, Poles, Towers and Fixtures is used to illustrate the manner in which the study was conducted for the accounts in the preceding list. Aged plant accounting data have been compiled for most accounts for the years 1975 through 2013. These data have been coded according to account or property group, type of transaction, year in which the transaction took place and year in which the utility plant was placed in service. The retirements, other plant transactions and plant additions were analyzed by the retirement rate method.

The survivor curve estimate for this account is the 53-R2 and is based on the statistical indications for the period 1975-2013. Discussions with Engineering management focused on topics such as retirement causes, maintenance practices, company plans and service life outlook for the assets included in this account. Account 364 is comprised of poles, anchors, guy wires, crossarms, etc. Of the approximate 410,000 poles owned by PECO, the vast majority are wood poles. The existing survivor curve estimate for this account is the 53-R2. The company has a pole inspection program in which poles are inspected on a ten-year cycle. The pole inspection includes a test and treat program. Poles are sonically tested and borings are inspected to quantify the condition of the poles. Poles showing signs of advanced rot and decay are removed while other poles in fair condition can be treated before the pole is significantly weakened. The pole inspection program at PECO has been in place for approximately 15 years. Some mitigation techniques are used for rot and decay particularly at the groundline. These techniques include the use of a preservative paste and fiberglass wrap around the base of the pole after the decay has been chipped away. Other techniques include the installation of a steel reinforcement rod at the base of the pole known as a C-truss. C-trusses are installed on poles that are starting to deteriorate at the base but are, otherwise, in relatively good condition. The addition of a C-truss is to provide the pole with additional support which will enhance reliability and is expected provide poles with an additional service life of 15 to 20 years. In 2013, approximately 250 poles had C-trusses added. Visual inspections also are performed as part of the pole inspection program and these inspections provide information on other problems such as damaged hardware, woodpecker holes, cracks, splits and decayed pole tops.

The mitigation techniques employed by PECO can impact the service life of poles; however, the test and treat program also identifies poles for proactive replacement. Retirements for poles typically occur due to decay, relocations, the test and treat program, vehicle accidents, storm damage, upgrades, woodpecker damage and clearance requirements. Some of these causes of retirements such as vehicle accidents, relocations, clearance requirements necessitating a taller pole, affect poles of all vintages equally while other retirement causes such as decay and inadequacy are more common to older poles.

The 53-R2 survivor curve estimate for this account takes into consideration the statistical indications for the overall experience band, 1975-2013. More recent experience bands such as the most recent 30 and 20 year band also are supportive of the 53-R2 survivor curve. The 53-R2 represents a good fit of the historical data through the representative data points, as shown on page VII-14; is consistent with management outlook for a continuation of the historical experience; is the same survivor curve as the existing, PA PUC approved estimate and is within the typical range of service lives experienced for Account 364, Poles, Towers and Fixtures by other electric companies in the mid-Atlantic and Northeast regions. Based on a consideration of these factors, a continuation of the 53-R2 survivor curve estimate is appropriate.

Similar studies were performed for the remaining plant accounts. Each of the judgments represented a consideration of statistical analyses of aged plant activity, management's outlook for the future, and the typical range of lives used by other electric companies.

The selected amortization periods for certain other General Plant accounts are described in the section "Calculated Annual and Accrued Amortization."

Generally, the survivor curve estimates for the remainder of the accounts were based on judgments which considered the nature of the plant and equipment, a review of available historical retirement data and a general knowledge of the service lives for similar equipment in other electric companies.

One of the larger distribution plant accounts in which the historical plant accounting data was not relied upon was Account 362, Station Equipment. This account includes equipment and devices typically found in a substation yard. Some of the assets in this account include power transformers, circuit breakers, relays, busbar and supporting structures, etc. Based on discussions with engineering conducted during our management meeting and field review, a range of service lives were determined for the major equipment types within this account as follows: 45 to 55 years for power transformers; 40 to 50 years for circuit breakers; 50 years for electromechanical relays, 25 years for solid state relays; 50 years or more for busbar, and supporting structures. The historical data indicated service lives of 70 years or more for the overall experience band 1975-2013. More recent experience bands indicated service lives of 80 years or more. These results were well beyond what is typically experienced for this account and well beyond the expectations of the company's engineering management. While the indications from the life analyses of 70 years or more are beyond the range of service lives typically experienced and estimated for Account 362, Station Equipment, the results were a factor considered in the decision to increase the average service life estimate from 45 years to 50 years for Account 362,

Station Equipment. The survivor curve estimate for Account 362, Station Equipment is the 50-R3 and is based primarily on informed judgment with consideration of all relevant factors. The existing estimate for this account is the 45-R2.5. Assets in this account include transformers, circuit breakers and protective relays. Retirements are often due to failure, but also occur to in connection with proactive replacement programs (such as upgrading the 4 kV system) and other upgrades required to meet the load. The 50-R3 survivor curve is a reasonable estimate for station equipment. The service life estimate appropriately considers the approximate average service lives for some of the major asset groups within this account, is consistent with management's expectations and is within the typical service life range used by other electric companies for station equipment.

PART IV. NET SALVAGE CONSIDERATIONS

PART IV. NET SALVAGE CONSIDERATIONS

Net Salvage Considerations

Inasmuch as this report relates primarily to Pennsylvania rate regulation practices, under which experienced costs of negative net salvage (i.e., primarily removal costs) are amortized after their occurrence, no adjustments for expected salvage were made to either the annual depreciation accrual or the calculated accrued depreciation for individual accounts. The annual provision for recovering negative net salvage in Pennsylvania typically is based on the amortization of experienced net salvage over a five year period. However, PECO had requested in their 1989 rate case (Docket R-891364) to amortize experienced negative net salvage over the account's remaining life. The Pennsylvania Public Utility Commission (PA PUC) granted PECO's request and the company has been utilizing this method since 1989.

**PART V. CALCULATION OF ANNUAL AND
ACCRUED DEPRECIATION**

PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

GROUP DEPRECIATION PROCEDURES

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group. In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10} \right) = \$400.$$

Remaining Life Annual Accruals

For the purpose of calculating remaining life accruals as of December 31, 2013, the depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation follow. The detailed calculations as of December 31, 2013, are set forth in the Results of Study section of the report.

Average Service Life Procedure

In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighted average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account based upon the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$\text{Ratio} = 1 - \frac{\text{Average Remaining Life}}{\text{Average Service Life}}$$

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable utility plant in service. The accounts and their amortization periods are as follows:

| <u>ACCT</u> | <u>TITLE</u> | <u>AMORTIZATION PERIOD, YEARS</u> |
|-----------------|----------------------------------|---|
| <u>Electric</u> | | |
| 391 | Office Furniture and Equipment | |
| 391.1 | Office Machines | 10 |
| 391.2 | Furniture and Fixtures | 15 |
| 391.3 | Computers | 5 |
| 391.4 | Smart Meter Computer Equipment | 5 |
| 393 | Stores Equipment | 15 |
| 394 | Tools, Shop and Garage Equipment | 15 |
| 395.1 | Laboratory Equipment - Testing | 20 |
| 395.2 | Laboratory Equipment - Meters | 15 |
| 398, | Miscellaneous Equipment | 15 |

| <u>ACCT</u> | <u>TITLE</u> | <u>AMORTIZATION PERIOD, YEARS</u> |
|---------------|----------------------------------|---|
| <u>Common</u> | | |
| 391 | Office Furniture and Equipment | |
| 391.1 | Office Machines | 10 |
| 391.2 | Furniture and Fixtures | 15 |
| 391.3 | Computers | 5 |
| 393 | Stores Equipment | 15 |
| 394 | Tools, Shop and Garage Equipment | |
| 394.1 | Construction Tools | 15 |
| 394.2 | Common Tools | 15 |
| 394.3 | Garage Equipment | 20 |
| 398 | Miscellaneous Equipment | 15 |

For the purpose of calculating annual amortization amounts as of December 31, 2013, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

PART VI. RESULTS OF STUDY

PART VI. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual accrual rates and amounts resulting from an updated service life study are the principal results of this report. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation, using the average service life procedure based on estimates which reflect considerations of current historical evidence and expected future conditions. The annual depreciation accrual rates are applicable specifically to the electric and common plant in service as of December 31, 2013.

DESCRIPTION OF DETAILED TABULATIONS

Tables 1 and 2 present summary results of the study as applied to the original cost of electric and common plant respectively, at December 31, 2013. The summary schedules for each business division are presented on pages VI-4 and VI-5 of this report.

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on page VII-3, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth

survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation applicable to depreciable assets as of December 31, 2013 are presented in account sequence starting on page VIII-3 of the supporting documents. The tables indicate the estimated survivor curve for the account and set forth, for each installation year, the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life, and the calculated annual accrual amount.

PECO ENERGY COMPANY
ELECTRIC PLANT

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AT DECEMBER 31, 2013

| ACCOUNT (1) | SURVIVOR CURVE (2) | ORIGINAL COST AT 12/31/2013 (3) | BOOK RESERVE AT 12/31/2013 (4) | FUTURE ACCRUALS (NET PLANT) (5)=(3)-(4) | COMPOSITE REMAINING LIFE (6) | CALCULATED ANNUAL ACCRUAL | | | |
|--|---|---------------------------------------|--------------------------------------|--|---------------------------------------|----------------------------|--------------------------|-------------|-------------|
| | | | | | | AMOUNT (7) | RATE (%) | | |
| | | | | | | GROSS PLANT (8)=(7)/(3) | NET PLANT (9)=(7)/(5) | | |
| DEPRECIABLE PLANT | | | | | | | | | |
| DISTRIBUTION PLANT | | | | | | | | | |
| 361 | STRUCTURES AND IMPROVEMENTS | 50 - R2.5 | 83,803,892 | 32,234,559 | 51,569,333 | 35.8 | 1,441,525 | 1.72 | 2.80 |
| 362 | STATION EQUIPMENT | 50 - R3 | 881,837,098 | 374,571,979 | 507,265,120 | 34.1 | 14,871,225 | 1.69 | 2.93 |
| 364 | POLES, TOWERS AND FIXTURES | 53 - R2 | 589,555,624 | 124,607,017 | 464,948,608 | 38.2 | 12,172,293 | 2.06 | 2.62 |
| 365 | OVERHEAD CONDUCTORS AND DEVICES | 52 - R2.5 | 947,518,109 | 226,301,807 | 721,216,303 | 37.5 | 19,208,709 | 2.03 | 2.66 |
| 366 | UNDERGROUND CONDUIT | 65 - R4 | 335,071,756 | 142,874,168 | 192,197,588 | 42.9 | 4,479,754 | 1.34 | 2.33 |
| 367 | UNDERGROUND CONDUCTORS AND DEVICES | 53 - R1.5 | 968,084,286 | 163,079,531 | 805,004,755 | 39.6 | 20,341,433 | 2.10 | 2.53 |
| 368 | LINE TRANSFORMERS | 46 - R1.5 | 511,328,732 | 170,872,067 | 340,456,665 | 32.7 | 10,423,315 | 2.04 | 3.06 |
| 369.1 | SERVICES - AERIAL | 50 - R4 | 126,332,325 | 41,927,557 | 84,404,769 | 33.4 | 2,523,762 | 2.00 | 2.99 |
| 369.2 | SERVICES - UNDERGROUND | 53 - R3 | 256,482,936 | 83,856,507 | 172,626,430 | 33.8 | 5,101,572 | 1.99 | 2.96 |
| 370.1 | METER TRANSFORMERS | 35 - R2 | 239,371 | 9,173 | 230,198 | 34.5 | 6,663 | 2.78 | 2.89 |
| 370.2 | SMART METERS | 15 - S2 | 178,126,407 | 7,899,249 | 170,227,158 | 14.3 | 11,896,544 | 6.68 | 6.99 |
| 371 | INSTALLATIONS ON CUSTOMERS' PREMISES | 35 - R3 | 1,030,123 | 929,098 | 101,025 | 20.7 | 4,884 | 0.47 | 4.83 |
| 371.1 | INSTALLATIONS ON CUSTOMERS' PREMISES - DLC SWITCHES | 15 - S2 | 12,747,081 | 2,111,945 | 10,635,136 | 12.5 | 849,057 | 6.66 | 7.98 |
| 373 | STREET LIGHTING AND SIGNAL SYSTEMS | 24 - L0 | 41,096,407 | 27,364,079 | 13,732,328 | 17.3 | 791,532 | 1.93 | 5.76 |
| 373.1 | AERIAL STREET LIGHTING | 24 - L0 | 1,810,791 | 343,835 | 1,466,956 | 19.0 | 77,380 | 4.27 | 5.27 |
| 373.2 | UNDERGROUND STREET LIGHTING | 24 - L0 | 5,596,903 | (320,997) | 5,917,900 | 19.7 | 300,990 | 5.38 | 5.09 |
| 373.3 | PRIVATE OUTDOOR LIGHTING | 24 - L0 | 5,367,662 | 4,408,206 | 959,456 | 16.2 | 59,352 | 1.11 | 6.19 |
| TOTAL DISTRIBUTION PLANT | | | 4,946,029,504 | 1,403,069,778 | 3,542,959,727 | | 104,549,990 | 2.11 | 2.95 |
| GENERAL PLANT | | | | | | | | | |
| 390 | STRUCTURES AND IMPROVEMENTS | 40 - R1 | 42,161,846 | 9,362,865 | 32,798,981 | 25.2 | 1,301,378 | 3.09 | 3.97 |
| 391.1 | OFFICE FURNITURE AND EQUIPMENT - OFFICE MACHINES | 10 - SQ | 142,279 | 39,746 | 102,533 | 6.1 | 16,751 | 11.77 | 16.34 |
| 391.2 | OFFICE FURNITURE AND EQUIPMENT - FURNITURE AND FIXTURES | 15 - SQ | 1,700,562 | 1,178,455 | 522,108 | 2.1 | 249,503 | 14.67 | 47.79 |
| 391.3 | OFFICE FURNITURE AND EQUIPMENT - COMPUTERS | 5 - SQ | 1,986,228 | 826,015 | 1,160,213 | 3.3 | 350,203 | 17.63 | 30.18 |
| 391.4 | OFFICE FURNITURE AND EQUIPMENT - SMART METER COMP. EQUIP. | 5 - SQ | 2,549,877 | 1,131,004 | 1,418,873 | 2.6 | 540,866 | 21.21 | 38.12 |
| 393 | STORES EQUIPMENT | 15 - SQ | 56,646 | (5,671) | 62,316 | 6.7 | 9,242 | 16.32 | 14.83 |
| 394 | TOOLS, SHOP AND GARAGE EQUIPMENT | 15 - SQ | 19,708,330 | 4,472,275 | 15,236,055 | 7.3 | 2,078,780 | 10.55 | 13.64 |
| 395.1 | LABORATORY EQUIPMENT - TESTING | 20 - SQ | 318,334 | 153,335 | 164,999 | 11.7 | 14,113 | 4.43 | 8.55 |
| 395.2 | LABORATORY EQUIPMENT - METERS | 15 - SQ | 101,382 | 42,402 | 58,979 | 8.5 | 6,939 | 6.84 | 11.77 |
| 397 | COMMUNICATION EQUIPMENT | 20 - L3 | 78,282,308 | 11,038,806 | 67,243,503 | 16.7 | 4,029,185 | 5.15 | 5.99 |
| 397.1 | COMMUNICATION EQUIPMENT - SMART METERS | 15 - S2 | 26,240,097 | 2,793,364 | 23,446,733 | 12.7 | 1,851,874 | 7.06 | 7.90 |
| 398 | MISCELLANEOUS EQUIPMENT | 15 - SQ | 1,343,779 | 744,307 | 599,472 | 4.3 | 139,065 | 10.35 | 23.20 |
| TOTAL GENERAL PLANT | | | 174,591,867 | 31,776,902 | 142,814,965 | | 10,587,899 | 6.06 | 7.41 |
| TOTAL DEPRECIABLE PLANT | | | 5,120,621,171 | 1,434,846,679 | 3,685,774,491 | | 115,137,889 | | |
| NONDEPRECIABLE AND ACCOUNTS NOT STUDIED | | | | | | | | | |
| TRANSMISSION PLANT | | | 1,224,332,627 | 452,456,905 | | | | | |
| 121 | NON-UTILITY PROPERTY | | 14,121,197 | 1,839,111 | | | | | |
| 302 | FRANCHISES AND CONSENTS | | 162,934 | 0 | | | | | |
| 303 | MISCELLANEOUS INTANGIBLE PLANT* | | 67,520,895 | 27,163,919 | | | | | |
| 350 | LAND AND LAND RIGHTS | | 60,629,684 | 0 | | | | | |
| 359.1 | TRANSMISSION ARO COSTS | | 1,127,467 | 1,023,682 | | | | | |
| 360 | LAND AND LAND RIGHTS | | 42,597,885 | 0 | | | | | |
| 370 | METERS** | | 170,878,589 | 84,776,229 | | | | | |
| 374 | DISTRIBUTION ARO COSTS | | 3,020,255 | 1,666,043 | | | | | |
| 389 | LAND AND LAND RIGHTS | | 1,063,459 | 0 | | | | | |
| 399.1 | GENERAL ARO COSTS | | 375,219 | 204,383 | | | | | |
| TOTAL NONDEPRECIABLE AND ACCOUNTS NOT STUDIED | | | 361,497,584 | 116,673,367 | | | | | |
| TOTAL ELECTRIC PLANT | | | 5,706,451,381 | 2,003,976,951 | | | | | |

* Miscellaneous Intangible Plant is individually depreciated over 5 years.

** Account 370 is to be fully retired in 2014 due to the replacement of AMR meters with AMI. The unrecovered costs are being recovered over 10 years through a regulatory asset as approved by the PA PUC

PECO ENERGY COMPANY
COMMON PLANT

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO COMMON PLANT AT DECEMBER 31, 2013.

| ACCOUNT (1) | SURVIVOR CURVE (2) | ORIGINAL COST AT 12/31/2013 (3) | BOOK RESERVE AT 12/31/2013 (4) | FUTURE ACCRUALS (NET PLANT) (5)=(3)-(4) | COMPOSITE REMAINING LIFE (6) | CALCULATED ANNUAL ACCRUAL RATE (%) | | | |
|--|---|---------------------------------------|--------------------------------------|--|---------------------------------------|---------------------------------------|----------------------------|--------------------------|-------------|
| | | | | | | AMOUNT (7) | GROSS PLANT (8)=(7)/(3) | NET PLANT (9)=(7)/(5) | |
| DEPRECIABLE PLANT | | | | | | | | | |
| GENERAL PLANT | | | | | | | | | |
| 390 | STRUCTURES AND IMPROVEMENTS | 50 - R1 | 260,341,917 | 69,867,879 | 190,474,038 | 38.6 | 4,939,278 | 1.90 | 2.59 |
| 391.1 | OFFICE FURNITURE AND EQUIPMENT - OFFICE MACHINES | 10 - SQ | 124,083 | (19,277) | 143,360 | 5.6 | 25,792 | 20.79 | 17.99 |
| 391.2 | OFFICE FURNITURE AND EQUIPMENT - FURNITURE AND FIXTURES | 15 - SQ | 7,042,363 | 3,142,212 | 3,900,152 | 8.0 | 486,812 | 6.91 | 12.48 |
| 391.3 | OFFICE FURNITURE AND EQUIPMENT - COMPUTERS | 5 - SQ | 25,736,935 | 13,894,720 | 11,842,215 | 2.6 | 4,611,610 | 17.92 | 38.94 |
| 392.1 | TRANSPORTATION EQUIPMENT - AUTOMOBILES | 6 - L3 | 90,582 | 88,905 | 1,678 | 1.0 | 1,678 | 1.85 | 100.02 |
| 392.2 | TRANSPORTATION EQUIPMENT - LIGHT TRUCKS | 12 - L4 | 24,049,876 | 13,101,241 | 10,948,635 | 9.4 | 1,161,383 | 4.83 | 10.61 |
| 392.3 | TRANSPORTATION EQUIPMENT - HEAVY TRUCKS | 14 - R4 | 60,091,642 | 24,479,015 | 35,612,627 | 9.3 | 3,840,415 | 6.39 | 10.78 |
| 392.4 | TRANSPORTATION EQUIPMENT - TRACTORS | 11 - L2 | 353,657 | 328,696 | 24,960 | 6.8 | 3,664 | 1.04 | 14.68 |
| 392.5 | TRANSPORTATION EQUIPMENT - TRAILERS | 15 - R2 | 2,533,073 | 1,576,628 | 956,444 | 8.3 | 115,261 | 4.55 | 12.05 |
| 392.6 | TRANSPORTATION EQUIPMENT - OTHER VEHICLES | 15 - R2 | 4,628,862 | 2,948,715 | 1,680,147 | 9.6 | 174,221 | 3.76 | 10.37 |
| 393 | STORES EQUIPMENT | 15 - SQ | 755,249 | (63,406) | 818,655 | 4.5 | 181,645 | 24.05 | 22.19 |
| 394.1 | TOOLS, SHOP AND GARAGE EQUIPMENT - CONSTRUCTION TOOLS | 15 - SQ | 14,009 | (88,773) | 102,782 | 3.7 | 28,006 | 199.92 | 27.25 |
| 394.2 | TOOLS, SHOP AND GARAGE EQUIPMENT - COMMON TOOLS | 15 - SQ | 21,331 | 9,877 | 11,454 | 7.0 | 1,637 | 7.67 | 14.29 |
| 394.3 | TOOLS, SHOP AND GARAGE EQUIPMENT - GARAGE EQUIPMENT | 20 - SQ | 4,797,836 | 3,713,524 | 1,084,313 | 3.3 | 323,905 | 6.75 | 29.87 |
| 396 | POWER OPERATED EQUIPMENT | 11 - L2 | 185,066 | 168,226 | 16,840 | 4.0 | 4,161 | 2.25 | 24.71 |
| 397 | COMMUNICATION EQUIPMENT | 20 - L3 | 31,826,683 | 11,631,442 | 20,195,241 | 9.8 | 2,061,443 | 6.48 | 10.21 |
| 398 | MISCELLANEOUS EQUIPMENT | 15 - SQ | 1,608,907 | 432,700 | 1,176,207 | 9.6 | 121,934 | 7.58 | 10.37 |
| TOTAL GENERAL PLANT | | | 424,202,073 | 146,212,324 | 278,989,749 | | 18,082,845 | 4.26 | 6.48 |
| TOTAL DEPRECIABLE PLANT | | | 424,202,073 | 146,212,324 | 278,989,749 | | 18,082,845 | | |
| NONDEPRECIABLE AND ACCOUNTS NOT STUDIED | | | | | | | | | |
| 301 | ORGANIZATION | | 677,136 | 0 | | | | | |
| 303 | MISCELLANEOUS INTANGIBLE PLANT* | | 168,281,271 | 139,095,861 | | | | | |
| 389 | LAND AND LAND RIGHTS | | 6,814,775 | 0 | | | | | |
| 399.1 | GENERAL ARO COSTS | | 136,831 | (15,047) | | | | | |
| TOTAL NONDEPRECIABLE AND ACCOUNTS NOT STUDIED | | | 176,910,013 | 139,080,814 | | | | | |
| TOTAL COMMON PLANT | | | 600,112,086 | 284,293,138 | | | | | |

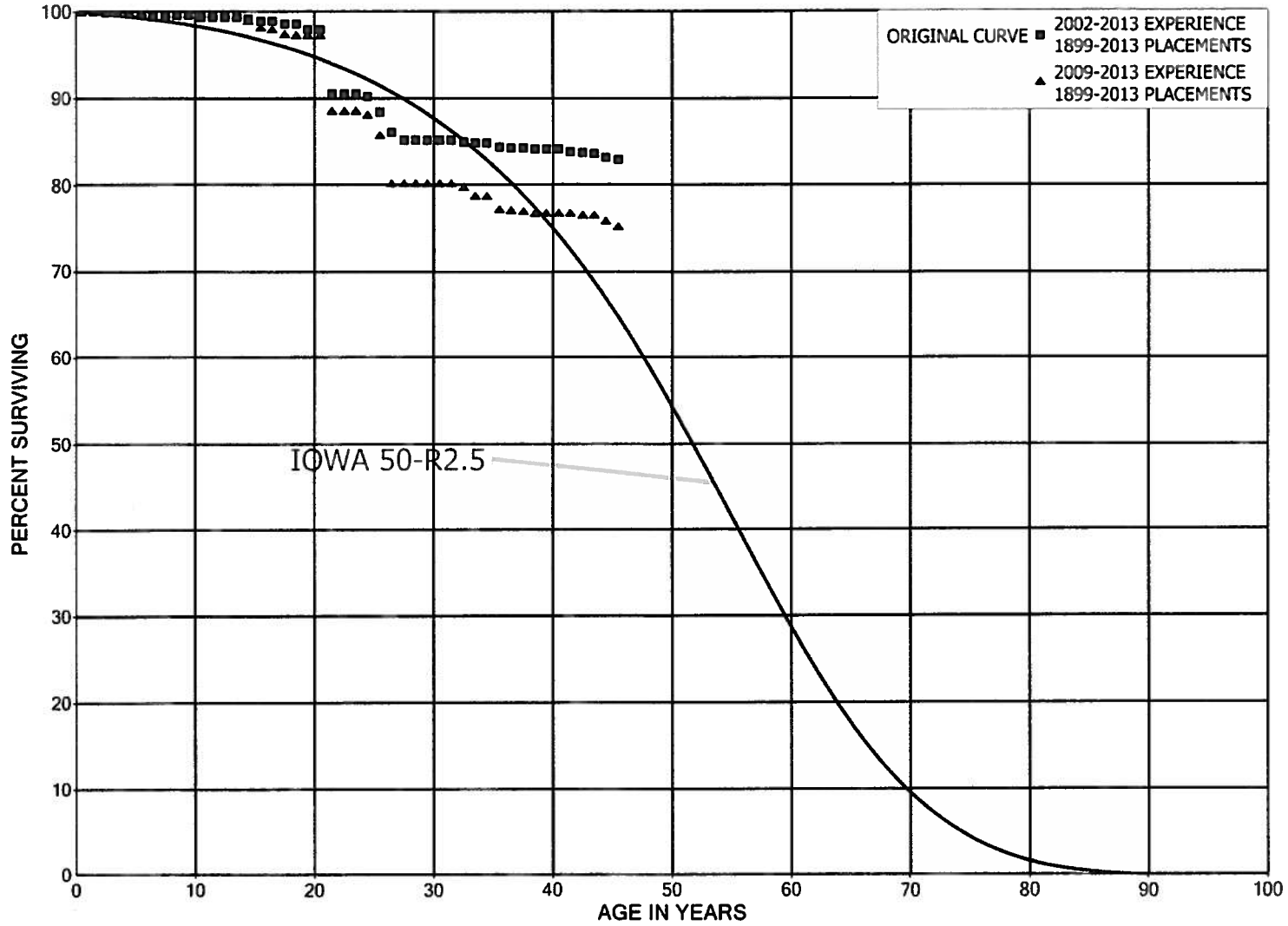
* Miscellaneous intangible Plant is individually depreciated over 5 years.

PART VII. SERVICE LIFE STATISTICS

ELECTRIC PLANT



PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 361 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1899-2013

EXPERIENCE BAND 2002-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 39,533,599 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 38,686,662 | 21,265 | 0.0005 | 0.9995 | 100.00 |
| 1.5 | 36,564,540 | 33,911 | 0.0009 | 0.9991 | 99.95 |
| 2.5 | 26,887,544 | 5,105 | 0.0002 | 0.9998 | 99.85 |
| 3.5 | 23,762,592 | 30,552 | 0.0013 | 0.9987 | 99.83 |
| 4.5 | 22,400,361 | 668 | 0.0000 | 1.0000 | 99.71 |
| 5.5 | 22,606,709 | 36,434 | 0.0016 | 0.9984 | 99.70 |
| 6.5 | 9,616,454 | | 0.0000 | 1.0000 | 99.54 |
| 7.5 | 8,302,618 | | 0.0000 | 1.0000 | 99.54 |
| 8.5 | 8,315,772 | | 0.0000 | 1.0000 | 99.54 |
| 9.5 | 7,395,592 | 16,796 | 0.0023 | 0.9977 | 99.54 |
| 10.5 | 7,916,786 | | 0.0000 | 1.0000 | 99.32 |
| 11.5 | 7,159,610 | 1,088 | 0.0002 | 0.9998 | 99.32 |
| 12.5 | 9,379,930 | 1,629 | 0.0002 | 0.9998 | 99.30 |
| 13.5 | 12,816,015 | 32,478 | 0.0025 | 0.9975 | 99.28 |
| 14.5 | 13,679,590 | 27,088 | 0.0020 | 0.9980 | 99.03 |
| 15.5 | 13,099,827 | 6,861 | 0.0005 | 0.9995 | 98.84 |
| 16.5 | 13,497,341 | 35,590 | 0.0026 | 0.9974 | 98.78 |
| 17.5 | 11,785,023 | 3,278 | 0.0003 | 0.9997 | 98.52 |
| 18.5 | 12,360,268 | 82,575 | 0.0067 | 0.9933 | 98.50 |
| 19.5 | 11,917,526 | | 0.0000 | 1.0000 | 97.84 |
| 20.5 | 11,783,908 | 880,678 | 0.0747 | 0.9253 | 97.84 |
| 21.5 | 10,092,319 | 1,223 | 0.0001 | 0.9999 | 90.53 |
| 22.5 | 10,231,306 | | 0.0000 | 1.0000 | 90.51 |
| 23.5 | 9,594,936 | 37,291 | 0.0039 | 0.9961 | 90.51 |
| 24.5 | 7,398,560 | 144,725 | 0.0196 | 0.9804 | 90.16 |
| 25.5 | 3,550,196 | 93,035 | 0.0262 | 0.9738 | 88.40 |
| 26.5 | 4,512,915 | 46,245 | 0.0102 | 0.9898 | 86.08 |
| 27.5 | 4,854,666 | 1,688 | 0.0003 | 0.9997 | 85.20 |
| 28.5 | 4,886,230 | 772 | 0.0002 | 0.9998 | 85.17 |
| 29.5 | 6,172,871 | 468 | 0.0001 | 0.9999 | 85.16 |
| 30.5 | 8,669,333 | 2,487 | 0.0003 | 0.9997 | 85.15 |
| 31.5 | 9,860,482 | 15,352 | 0.0016 | 0.9984 | 85.13 |
| 32.5 | 10,468,491 | 19,085 | 0.0018 | 0.9982 | 84.99 |
| 33.5 | 10,671,786 | 988 | 0.0001 | 0.9999 | 84.84 |
| 34.5 | 10,035,410 | 51,981 | 0.0052 | 0.9948 | 84.83 |
| 35.5 | 11,278,703 | 9,521 | 0.0008 | 0.9992 | 84.39 |
| 36.5 | 11,542,317 | 4,793 | 0.0004 | 0.9996 | 84.32 |
| 37.5 | 11,931,099 | 21,160 | 0.0018 | 0.9982 | 84.29 |
| 38.5 | 11,448,574 | | 0.0000 | 1.0000 | 84.14 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-2013

EXPERIENCE BAND 2002-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 11,343,892 | | 0.0000 | 1.0000 | 84.14 |
| 40.5 | 11,569,946 | 35,999 | 0.0031 | 0.9969 | 84.14 |
| 41.5 | 10,712,492 | 20,170 | 0.0019 | 0.9981 | 83.87 |
| 42.5 | 8,470,241 | 14,705 | 0.0017 | 0.9983 | 83.72 |
| 43.5 | 7,788,252 | 33,829 | 0.0043 | 0.9957 | 83.57 |
| 44.5 | 7,222,941 | 26,323 | 0.0036 | 0.9964 | 83.21 |
| 45.5 | 7,758,825 | 11,864 | 0.0015 | 0.9985 | 82.90 |
| 46.5 | 7,691,111 | 27,356 | 0.0036 | 0.9964 | 82.78 |
| 47.5 | 6,763,700 | 3,390 | 0.0005 | 0.9995 | 82.48 |
| 48.5 | 6,771,165 | | 0.0000 | 1.0000 | 82.44 |
| 49.5 | 6,264,234 | 22,696 | 0.0036 | 0.9964 | 82.44 |
| 50.5 | 5,315,889 | 7,646 | 0.0014 | 0.9986 | 82.14 |
| 51.5 | 5,330,050 | 3,553 | 0.0007 | 0.9993 | 82.03 |
| 52.5 | 4,897,851 | 31,644 | 0.0065 | 0.9935 | 81.97 |
| 53.5 | 4,528,704 | 12,669 | 0.0028 | 0.9972 | 81.44 |
| 54.5 | 6,911,018 | 12,637 | 0.0018 | 0.9982 | 81.21 |
| 55.5 | 6,472,041 | 52,473 | 0.0081 | 0.9919 | 81.06 |
| 56.5 | 5,863,591 | 21,103 | 0.0036 | 0.9964 | 80.41 |
| 57.5 | 5,119,572 | | 0.0000 | 1.0000 | 80.12 |
| 58.5 | 4,651,516 | 55,458 | 0.0119 | 0.9881 | 80.12 |
| 59.5 | 4,374,705 | 7,301 | 0.0017 | 0.9983 | 79.16 |
| 60.5 | 4,101,283 | 6,988 | 0.0017 | 0.9983 | 79.03 |
| 61.5 | 3,994,707 | 11,549 | 0.0029 | 0.9971 | 78.90 |
| 62.5 | 3,883,044 | 6,002 | 0.0015 | 0.9985 | 78.67 |
| 63.5 | 3,646,740 | 899 | 0.0002 | 0.9998 | 78.55 |
| 64.5 | 3,390,171 | 1,743 | 0.0005 | 0.9995 | 78.53 |
| 65.5 | 3,232,424 | 1,909 | 0.0006 | 0.9994 | 78.49 |
| 66.5 | 579,741 | 881 | 0.0015 | 0.9985 | 78.44 |
| 67.5 | 561,111 | 10,249 | 0.0183 | 0.9817 | 78.32 |
| 68.5 | 548,755 | 7,257 | 0.0132 | 0.9868 | 76.89 |
| 69.5 | 484,890 | 6,012 | 0.0124 | 0.9876 | 75.87 |
| 70.5 | 525,726 | 3,734 | 0.0071 | 0.9929 | 74.93 |
| 71.5 | 332,115 | 382 | 0.0012 | 0.9988 | 74.40 |
| 72.5 | 494,420 | 502 | 0.0010 | 0.9990 | 74.32 |
| 73.5 | 528,610 | | 0.0000 | 1.0000 | 74.24 |
| 74.5 | 626,761 | 2,411 | 0.0038 | 0.9962 | 74.24 |
| 75.5 | 703,698 | 122 | 0.0002 | 0.9998 | 73.95 |
| 76.5 | 897,234 | 149 | 0.0002 | 0.9998 | 73.94 |
| 77.5 | 931,765 | 767 | 0.0008 | 0.9992 | 73.93 |
| 78.5 | 1,105,272 | 2,164 | 0.0020 | 0.9980 | 73.87 |

PECO ENERGY COMPANY
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ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-2013

EXPERIENCE BAND 2002-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 79.5 | 1,313,031 | 1,215 | 0.0009 | 0.9991 | 73.72 |
| 80.5 | 1,308,979 | 37,561 | 0.0287 | 0.9713 | 73.66 |
| 81.5 | 1,197,156 | 10,961 | 0.0092 | 0.9908 | 71.54 |
| 82.5 | 1,095,600 | 101,673 | 0.0928 | 0.9072 | 70.89 |
| 83.5 | 919,368 | 1,554 | 0.0017 | 0.9983 | 64.31 |
| 84.5 | 1,194,061 | 1,495 | 0.0013 | 0.9987 | 64.20 |
| 85.5 | 1,154,997 | 914 | 0.0008 | 0.9992 | 64.12 |
| 86.5 | 1,053,731 | 2,726 | 0.0026 | 0.9974 | 64.07 |
| 87.5 | 860,802 | 144,359 | 0.1677 | 0.8323 | 63.90 |
| 88.5 | 524,511 | 1,000 | 0.0019 | 0.9981 | 53.19 |
| 89.5 | 522,349 | 3,305 | 0.0063 | 0.9937 | 53.08 |
| 90.5 | 497,887 | 449 | 0.0009 | 0.9991 | 52.75 |
| 91.5 | 494,828 | 1,287 | 0.0026 | 0.9974 | 52.70 |
| 92.5 | 493,541 | | 0.0000 | 1.0000 | 52.56 |
| 93.5 | 493,396 | | 0.0000 | 1.0000 | 52.56 |
| 94.5 | 493,396 | | 0.0000 | 1.0000 | 52.56 |
| 95.5 | 493,286 | 324 | 0.0007 | 0.9993 | 52.56 |
| 96.5 | 38,872 | 790 | 0.0203 | 0.9797 | 52.53 |
| 97.5 | 37,849 | | 0.0000 | 1.0000 | 51.46 |
| 98.5 | 37,423 | | 0.0000 | 1.0000 | 51.46 |
| 99.5 | 110 | | 0.0000 | 1.0000 | 51.46 |
| 100.5 | | | | | 51.46 |
| 101.5 | | | | | |
| 102.5 | 2,367 | | 0.0000 | | |
| 103.5 | 2,367 | | 0.0000 | | |
| 104.5 | 2,367 | 21 | 0.0089 | | |
| 105.5 | 2,346 | | 0.0000 | | |
| 106.5 | 2,346 | | 0.0000 | | |
| 107.5 | 2,346 | | 0.0000 | | |
| 108.5 | 2,346 | 87 | 0.0369 | | |
| 109.5 | 2,259 | | 0.0000 | | |
| 110.5 | 2,259 | 2,259 | 1.0000 | | |
| 111.5 | | | | | |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1899-2013

EXPERIENCE BAND 2009-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 19,657,167 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 21,446,053 | 21,265 | 0.0010 | 0.9990 | 100.00 |
| 1.5 | 31,475,606 | 33,911 | 0.0011 | 0.9989 | 99.90 |
| 2.5 | 23,766,242 | 5,105 | 0.0002 | 0.9998 | 99.79 |
| 3.5 | 20,293,199 | 18,558 | 0.0009 | 0.9991 | 99.77 |
| 4.5 | 19,305,365 | 668 | 0.0000 | 1.0000 | 99.68 |
| 5.5 | 18,796,099 | 26,667 | 0.0014 | 0.9986 | 99.68 |
| 6.5 | 6,938,604 | | 0.0000 | 1.0000 | 99.54 |
| 7.5 | 5,211,440 | | 0.0000 | 1.0000 | 99.54 |
| 8.5 | 4,666,068 | | 0.0000 | 1.0000 | 99.54 |
| 9.5 | 2,826,678 | | 0.0000 | 1.0000 | 99.54 |
| 10.5 | 2,491,220 | | 0.0000 | 1.0000 | 99.54 |
| 11.5 | 986,171 | 1,088 | 0.0011 | 0.9989 | 99.54 |
| 12.5 | 2,400,333 | 1,629 | 0.0007 | 0.9993 | 99.43 |
| 13.5 | 2,620,171 | 15,682 | 0.0060 | 0.9940 | 99.36 |
| 14.5 | 3,305,395 | 27,088 | 0.0082 | 0.9918 | 98.76 |
| 15.5 | 3,321,256 | 6,861 | 0.0021 | 0.9979 | 97.95 |
| 16.5 | 4,151,331 | 24,315 | 0.0059 | 0.9941 | 97.75 |
| 17.5 | 3,857,744 | 3,278 | 0.0008 | 0.9992 | 97.18 |
| 18.5 | 5,270,273 | 3,004 | 0.0006 | 0.9994 | 97.10 |
| 19.5 | 7,083,363 | | 0.0000 | 1.0000 | 97.04 |
| 20.5 | 9,923,852 | 880,678 | 0.0887 | 0.9113 | 97.04 |
| 21.5 | 8,686,304 | 1,223 | 0.0001 | 0.9999 | 88.43 |
| 22.5 | 7,632,980 | | 0.0000 | 1.0000 | 88.42 |
| 23.5 | 7,435,228 | 37,291 | 0.0050 | 0.9950 | 88.42 |
| 24.5 | 5,310,013 | 144,725 | 0.0273 | 0.9727 | 87.97 |
| 25.5 | 1,447,916 | 93,035 | 0.0643 | 0.9357 | 85.58 |
| 26.5 | 802,828 | 186 | 0.0002 | 0.9998 | 80.08 |
| 27.5 | 1,186,232 | | 0.0000 | 1.0000 | 80.06 |
| 28.5 | 786,870 | | 0.0000 | 1.0000 | 80.06 |
| 29.5 | 1,959,427 | 468 | 0.0002 | 0.9998 | 80.06 |
| 30.5 | 2,042,091 | | 0.0000 | 1.0000 | 80.04 |
| 31.5 | 2,021,974 | 11,044 | 0.0055 | 0.9945 | 80.04 |
| 32.5 | 1,528,803 | 18,362 | 0.0120 | 0.9880 | 79.60 |
| 33.5 | 3,033,136 | | 0.0000 | 1.0000 | 78.65 |
| 34.5 | 2,283,159 | 45,501 | 0.0199 | 0.9801 | 78.65 |
| 35.5 | 2,707,213 | 5,856 | 0.0022 | 0.9978 | 77.08 |
| 36.5 | 4,050,242 | 2,416 | 0.0006 | 0.9994 | 76.91 |
| 37.5 | 6,496,168 | 21,160 | 0.0033 | 0.9967 | 76.87 |
| 38.5 | 6,133,142 | | 0.0000 | 1.0000 | 76.62 |

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PECO ENERGY COMPANY
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ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-2013

EXPERIENCE BAND 2009-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 6,752,827 | | 0.0000 | 1.0000 | 76.62 |
| 40.5 | 6,547,230 | 708 | 0.0001 | 0.9999 | 76.62 |
| 41.5 | 5,819,914 | 12,102 | 0.0021 | 0.9979 | 76.61 |
| 42.5 | 4,681,663 | | 0.0000 | 1.0000 | 76.45 |
| 43.5 | 3,747,365 | 33,829 | 0.0090 | 0.9910 | 76.45 |
| 44.5 | 3,024,275 | 26,014 | 0.0086 | 0.9914 | 75.76 |
| 45.5 | 3,799,819 | | 0.0000 | 1.0000 | 75.11 |
| 46.5 | 3,601,032 | 2,376 | 0.0007 | 0.9993 | 75.11 |
| 47.5 | 2,976,529 | | 0.0000 | 1.0000 | 75.06 |
| 48.5 | 3,232,825 | | 0.0000 | 1.0000 | 75.06 |
| 49.5 | 2,858,348 | 12,262 | 0.0043 | 0.9957 | 75.06 |
| 50.5 | 2,315,757 | 7,508 | 0.0032 | 0.9968 | 74.74 |
| 51.5 | 2,672,373 | 3,343 | 0.0013 | 0.9987 | 74.49 |
| 52.5 | 2,813,620 | 30,504 | 0.0108 | 0.9892 | 74.40 |
| 53.5 | 2,795,346 | 8,989 | 0.0032 | 0.9968 | 73.59 |
| 54.5 | 2,977,533 | 12,637 | 0.0042 | 0.9958 | 73.36 |
| 55.5 | 2,806,719 | 8,959 | 0.0032 | 0.9968 | 73.05 |
| 56.5 | 2,351,918 | 20,053 | 0.0085 | 0.9915 | 72.81 |
| 57.5 | 1,638,770 | | 0.0000 | 1.0000 | 72.19 |
| 58.5 | 1,365,301 | 54,984 | 0.0403 | 0.9597 | 72.19 |
| 59.5 | 1,016,924 | 7,217 | 0.0071 | 0.9929 | 69.28 |
| 60.5 | 887,417 | 6,988 | 0.0079 | 0.9921 | 68.79 |
| 61.5 | 3,427,942 | 11,549 | 0.0034 | 0.9966 | 68.25 |
| 62.5 | 3,331,749 | | 0.0000 | 1.0000 | 68.02 |
| 63.5 | 3,098,114 | 154 | 0.0000 | 1.0000 | 68.02 |
| 64.5 | 2,975,339 | 552 | 0.0002 | 0.9998 | 68.02 |
| 65.5 | 2,859,596 | | 0.0000 | 1.0000 | 68.00 |
| 66.5 | 527,479 | 623 | 0.0012 | 0.9988 | 68.00 |
| 67.5 | 524,737 | 10,249 | 0.0195 | 0.9805 | 67.92 |
| 68.5 | 518,829 | 3,305 | 0.0064 | 0.9936 | 66.60 |
| 69.5 | 389,391 | 6,012 | 0.0154 | 0.9846 | 66.17 |
| 70.5 | 347,027 | 3,717 | 0.0107 | 0.9893 | 65.15 |
| 71.5 | 34,817 | 382 | 0.0110 | 0.9890 | 64.45 |
| 72.5 | 17,968 | 4 | 0.0002 | 0.9998 | 63.75 |
| 73.5 | 18,460 | | 0.0000 | 1.0000 | 63.73 |
| 74.5 | 16,687 | 2,317 | 0.1389 | 0.8611 | 63.73 |
| 75.5 | 8,517 | 122 | 0.0143 | 0.9857 | 54.88 |
| 76.5 | 82,546 | 149 | 0.0018 | 0.9982 | 54.10 |
| 77.5 | 174,917 | 667 | 0.0038 | 0.9962 | 54.00 |
| 78.5 | 290,281 | | 0.0000 | 1.0000 | 53.80 |

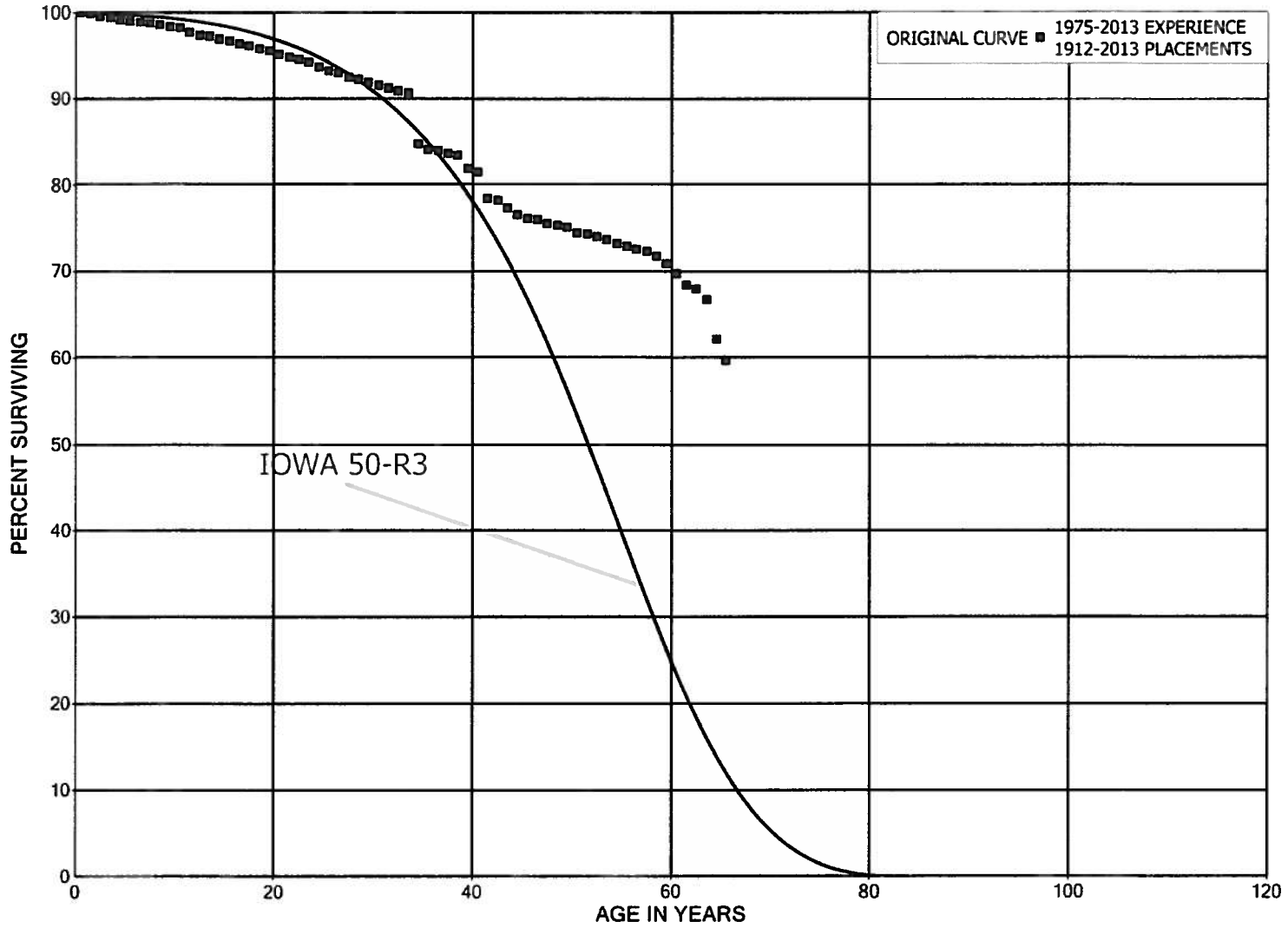
PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1899-2013 | | | EXPERIENCE BAND 2009-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 466,607 | 214 | 0.0005 | 0.9995 | 53.80 | |
| 80.5 | 502,761 | 5,284 | 0.0105 | 0.9895 | 53.77 | |
| 81.5 | 524,548 | 1,608 | 0.0031 | 0.9969 | 53.21 | |
| 82.5 | 519,800 | 37,168 | 0.0715 | 0.9285 | 53.04 | |
| 83.5 | 599,630 | 1,554 | 0.0026 | 0.9974 | 49.25 | |
| 84.5 | 422,792 | 1,495 | 0.0035 | 0.9965 | 49.12 | |
| 85.5 | 551,131 | 331 | 0.0006 | 0.9994 | 48.95 | |
| 86.5 | 596,201 | 2,726 | 0.0046 | 0.9954 | 48.92 | |
| 87.5 | 365,498 | 144,359 | 0.3950 | 0.6050 | 48.70 | |
| 88.5 | 29,241 | 1,000 | 0.0342 | 0.9658 | 29.46 | |
| 89.5 | 27,529 | 3,167 | 0.1150 | 0.8850 | 28.45 | |
| 90.5 | 4,601 | 449 | 0.0976 | 0.9024 | 25.18 | |
| 91.5 | 455,631 | 1,287 | 0.0028 | 0.9972 | 22.72 | |
| 92.5 | 454,578 | | 0.0000 | 1.0000 | 22.66 | |
| 93.5 | 455,649 | | 0.0000 | 1.0000 | 22.66 | |
| 94.5 | 493,285 | | 0.0000 | 1.0000 | 22.66 | |
| 95.5 | 493,286 | 324 | 0.0007 | 0.9993 | 22.66 | |
| 96.5 | 38,872 | 790 | 0.0203 | 0.9797 | 22.64 | |
| 97.5 | 37,849 | | 0.0000 | 1.0000 | 22.18 | |
| 98.5 | 37,423 | | 0.0000 | 1.0000 | 22.18 | |
| 99.5 | 110 | | 0.0000 | 1.0000 | 22.18 | |
| 100.5 | | | | | 22.18 | |
| 101.5 | | | | | | |
| 102.5 | | | | | | |
| 103.5 | | | | | | |
| 104.5 | | | | | | |
| 105.5 | | | | | | |
| 106.5 | | | | | | |
| 107.5 | | | | | | |
| 108.5 | | | | | | |
| 109.5 | 2,259 | | 0.0000 | | | |
| 110.5 | 2,259 | 2,259 | 1.0000 | | | |
| 111.5 | | | | | | |

PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 362 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1912-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 703,864,425 | 29,806 | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 700,884,011 | 745,815 | 0.0011 | 0.9989 | 100.00 |
| 1.5 | 684,164,785 | 2,538,812 | 0.0037 | 0.9963 | 99.89 |
| 2.5 | 646,745,102 | 670,137 | 0.0010 | 0.9990 | 99.52 |
| 3.5 | 632,842,648 | 1,963,607 | 0.0031 | 0.9969 | 99.42 |
| 4.5 | 619,891,234 | 1,304,425 | 0.0021 | 0.9979 | 99.11 |
| 5.5 | 601,724,678 | 476,649 | 0.0008 | 0.9992 | 98.90 |
| 6.5 | 587,411,091 | 596,485 | 0.0010 | 0.9990 | 98.82 |
| 7.5 | 564,080,004 | 1,098,560 | 0.0019 | 0.9981 | 98.72 |
| 8.5 | 557,617,243 | 1,333,793 | 0.0024 | 0.9976 | 98.53 |
| 9.5 | 542,896,774 | 718,722 | 0.0013 | 0.9987 | 98.29 |
| 10.5 | 530,526,544 | 2,762,304 | 0.0052 | 0.9948 | 98.16 |
| 11.5 | 526,585,439 | 1,697,583 | 0.0032 | 0.9968 | 97.65 |
| 12.5 | 494,426,556 | 1,083,895 | 0.0022 | 0.9978 | 97.34 |
| 13.5 | 489,489,929 | 1,302,706 | 0.0027 | 0.9973 | 97.12 |
| 14.5 | 482,106,479 | 1,172,172 | 0.0024 | 0.9976 | 96.86 |
| 15.5 | 449,028,248 | 1,448,613 | 0.0032 | 0.9968 | 96.63 |
| 16.5 | 446,953,122 | 1,337,790 | 0.0030 | 0.9970 | 96.32 |
| 17.5 | 432,073,085 | 1,226,204 | 0.0028 | 0.9972 | 96.03 |
| 18.5 | 422,718,476 | 1,267,709 | 0.0030 | 0.9970 | 95.76 |
| 19.5 | 419,005,887 | 1,657,953 | 0.0040 | 0.9960 | 95.47 |
| 20.5 | 393,709,860 | 1,332,687 | 0.0034 | 0.9966 | 95.09 |
| 21.5 | 363,585,752 | 1,037,726 | 0.0029 | 0.9971 | 94.77 |
| 22.5 | 340,605,535 | 1,154,628 | 0.0034 | 0.9966 | 94.50 |
| 23.5 | 304,009,412 | 1,826,309 | 0.0060 | 0.9940 | 94.18 |
| 24.5 | 274,723,555 | 1,151,104 | 0.0042 | 0.9958 | 93.61 |
| 25.5 | 264,904,415 | 706,160 | 0.0027 | 0.9973 | 93.22 |
| 26.5 | 250,392,232 | 1,574,558 | 0.0063 | 0.9937 | 92.97 |
| 27.5 | 244,866,076 | 587,514 | 0.0024 | 0.9976 | 92.39 |
| 28.5 | 238,032,656 | 908,532 | 0.0038 | 0.9962 | 92.17 |
| 29.5 | 230,357,113 | 667,095 | 0.0029 | 0.9971 | 91.81 |
| 30.5 | 229,233,972 | 953,375 | 0.0042 | 0.9958 | 91.55 |
| 31.5 | 226,961,709 | 813,858 | 0.0036 | 0.9964 | 91.17 |
| 32.5 | 228,939,368 | 504,327 | 0.0022 | 0.9978 | 90.84 |
| 33.5 | 226,505,546 | 14,911,980 | 0.0658 | 0.9342 | 90.64 |
| 34.5 | 207,935,531 | 1,370,326 | 0.0066 | 0.9934 | 84.67 |
| 35.5 | 205,569,764 | 536,583 | 0.0026 | 0.9974 | 84.11 |
| 36.5 | 202,399,072 | 596,112 | 0.0029 | 0.9971 | 83.90 |
| 37.5 | 201,491,311 | 605,371 | 0.0030 | 0.9970 | 83.65 |
| 38.5 | 191,465,094 | 3,678,321 | 0.0192 | 0.9808 | 83.40 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1912-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 172,718,854 | 537,346 | 0.0031 | 0.9969 | 81.79 |
| 40.5 | 164,359,182 | 6,444,907 | 0.0392 | 0.9608 | 81.54 |
| 41.5 | 141,874,343 | 395,753 | 0.0028 | 0.9972 | 78.34 |
| 42.5 | 126,996,997 | 1,402,089 | 0.0110 | 0.9890 | 78.12 |
| 43.5 | 115,097,414 | 1,155,353 | 0.0100 | 0.9900 | 77.26 |
| 44.5 | 99,570,468 | 480,354 | 0.0048 | 0.9952 | 76.49 |
| 45.5 | 92,754,377 | 221,766 | 0.0024 | 0.9976 | 76.12 |
| 46.5 | 86,684,767 | 439,197 | 0.0051 | 0.9949 | 75.94 |
| 47.5 | 83,007,747 | 317,516 | 0.0038 | 0.9962 | 75.55 |
| 48.5 | 79,850,284 | 250,391 | 0.0031 | 0.9969 | 75.26 |
| 49.5 | 75,509,297 | 672,784 | 0.0089 | 0.9911 | 75.03 |
| 50.5 | 71,191,326 | 107,633 | 0.0015 | 0.9985 | 74.36 |
| 51.5 | 68,783,614 | 292,205 | 0.0042 | 0.9958 | 74.24 |
| 52.5 | 62,923,834 | 308,932 | 0.0049 | 0.9951 | 73.93 |
| 53.5 | 57,226,876 | 279,447 | 0.0049 | 0.9951 | 73.57 |
| 54.5 | 52,038,292 | 263,557 | 0.0051 | 0.9949 | 73.21 |
| 55.5 | 46,519,776 | 186,100 | 0.0040 | 0.9960 | 72.84 |
| 56.5 | 42,050,992 | 149,357 | 0.0036 | 0.9964 | 72.54 |
| 57.5 | 36,530,512 | 298,666 | 0.0082 | 0.9918 | 72.29 |
| 58.5 | 33,224,461 | 409,865 | 0.0123 | 0.9877 | 71.70 |
| 59.5 | 29,047,393 | 458,537 | 0.0158 | 0.9842 | 70.81 |
| 60.5 | 24,475,114 | 441,494 | 0.0180 | 0.9820 | 69.69 |
| 61.5 | 22,769,616 | 144,928 | 0.0064 | 0.9936 | 68.44 |
| 62.5 | 20,794,570 | 392,114 | 0.0189 | 0.9811 | 68.00 |
| 63.5 | 18,637,115 | 1,265,887 | 0.0679 | 0.9321 | 66.72 |
| 64.5 | 15,697,982 | 618,398 | 0.0394 | 0.9606 | 62.19 |
| 65.5 | 14,370,208 | 92,268 | 0.0064 | 0.9936 | 59.74 |
| 66.5 | 10,096,421 | 236,975 | 0.0235 | 0.9765 | 59.35 |
| 67.5 | 9,628,687 | 47,192 | 0.0049 | 0.9951 | 57.96 |
| 68.5 | 8,701,457 | 103,042 | 0.0118 | 0.9882 | 57.68 |
| 69.5 | 8,245,836 | 35,715 | 0.0043 | 0.9957 | 56.99 |
| 70.5 | 7,936,754 | 75,382 | 0.0095 | 0.9905 | 56.75 |
| 71.5 | 6,689,262 | 31,212 | 0.0047 | 0.9953 | 56.21 |
| 72.5 | 6,478,549 | 7,015 | 0.0011 | 0.9989 | 55.95 |
| 73.5 | 6,390,697 | 14,612 | 0.0023 | 0.9977 | 55.88 |
| 74.5 | 6,303,039 | 3,572 | 0.0006 | 0.9994 | 55.76 |
| 75.5 | 6,251,630 | 8,539 | 0.0014 | 0.9986 | 55.73 |
| 76.5 | 6,206,084 | 23,538 | 0.0038 | 0.9962 | 55.65 |
| 77.5 | 6,181,742 | 4,734 | 0.0008 | 0.9992 | 55.44 |
| 78.5 | 6,177,008 | 143,953 | 0.0233 | 0.9767 | 55.40 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

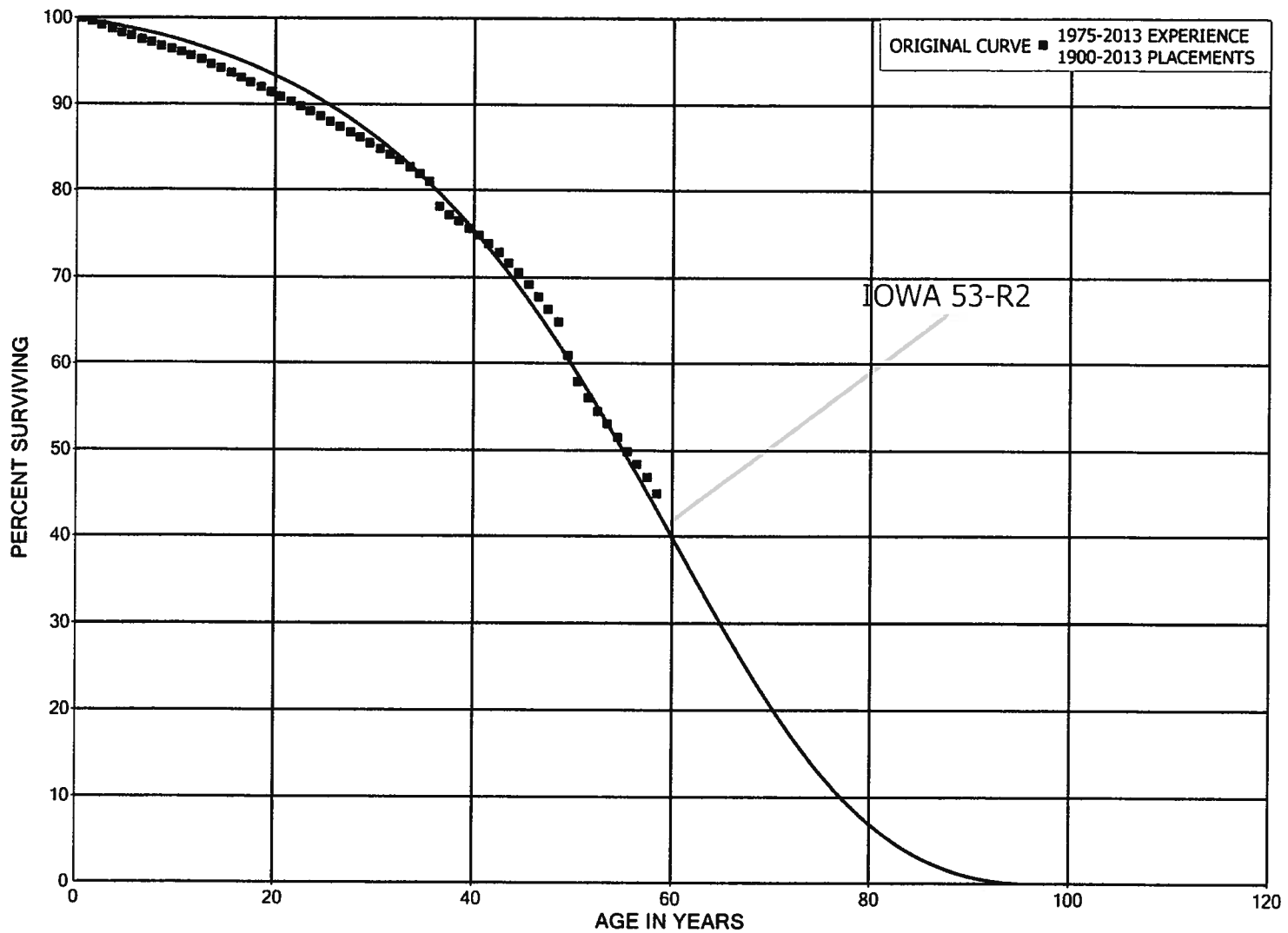
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1912-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 79.5 | 6,033,041 | 21,463 | 0.0036 | 0.9964 | 54.10 |
| 80.5 | 6,004,951 | 75,866 | 0.0126 | 0.9874 | 53.91 |
| 81.5 | 4,220,328 | 89,303 | 0.0212 | 0.9788 | 53.23 |
| 82.5 | 3,903,059 | 107,009 | 0.0274 | 0.9726 | 52.10 |
| 83.5 | 3,505,310 | 5,612 | 0.0016 | 0.9984 | 50.68 |
| 84.5 | 2,455,061 | 374,479 | 0.1525 | 0.8475 | 50.60 |
| 85.5 | 2,013,960 | 3,449 | 0.0017 | 0.9983 | 42.88 |
| 86.5 | 1,971,722 | 7,878 | 0.0040 | 0.9960 | 42.80 |
| 87.5 | 1,825,332 | 1,498 | 0.0008 | 0.9992 | 42.63 |
| 88.5 | 1,550,903 | 392 | 0.0003 | 0.9997 | 42.60 |
| 89.5 | 853,876 | 57,898 | 0.0678 | 0.9322 | 42.59 |
| 90.5 | 94,687 | 254 | 0.0027 | 0.9973 | 39.70 |
| 91.5 | 90,394 | 55 | 0.0006 | 0.9994 | 39.59 |
| 92.5 | 86,450 | 3,898 | 0.0451 | 0.9549 | 39.57 |
| 93.5 | 24,625 | 112 | 0.0045 | 0.9955 | 37.78 |
| 94.5 | 24,099 | 658 | 0.0273 | 0.9727 | 37.61 |
| 95.5 | 23,440 | 755 | 0.0322 | 0.9678 | 36.59 |
| 96.5 | 20,728 | 77 | 0.0037 | 0.9963 | 35.41 |
| 97.5 | | | | | 35.28 |

PECO ENERGY COMPANY
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ACCOUNT 364 POLES, TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



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PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 573,769,435 | 502,046 | 0.0009 | 0.9991 | 100.00 |
| 0.5 | 557,234,880 | 1,399,245 | 0.0025 | 0.9975 | 99.91 |
| 1.5 | 535,152,809 | 2,787,679 | 0.0052 | 0.9948 | 99.66 |
| 2.5 | 509,315,597 | 1,862,350 | 0.0037 | 0.9963 | 99.14 |
| 3.5 | 484,612,171 | 2,204,044 | 0.0045 | 0.9955 | 98.78 |
| 4.5 | 472,916,057 | 1,747,650 | 0.0037 | 0.9963 | 98.33 |
| 5.5 | 455,917,707 | 1,928,168 | 0.0042 | 0.9958 | 97.97 |
| 6.5 | 441,040,141 | 1,875,942 | 0.0043 | 0.9957 | 97.55 |
| 7.5 | 420,278,517 | 1,704,962 | 0.0041 | 0.9959 | 97.14 |
| 8.5 | 398,564,051 | 1,413,360 | 0.0035 | 0.9965 | 96.74 |
| 9.5 | 354,330,180 | 1,329,037 | 0.0038 | 0.9962 | 96.40 |
| 10.5 | 331,482,080 | 1,500,212 | 0.0045 | 0.9955 | 96.04 |
| 11.5 | 319,716,757 | 1,471,512 | 0.0046 | 0.9954 | 95.60 |
| 12.5 | 297,544,427 | 1,605,394 | 0.0054 | 0.9946 | 95.16 |
| 13.5 | 296,932,644 | 1,644,096 | 0.0055 | 0.9945 | 94.65 |
| 14.5 | 277,840,320 | 1,466,503 | 0.0053 | 0.9947 | 94.13 |
| 15.5 | 263,530,101 | 1,582,795 | 0.0060 | 0.9940 | 93.63 |
| 16.5 | 251,235,528 | 1,551,164 | 0.0062 | 0.9938 | 93.07 |
| 17.5 | 234,169,464 | 1,465,806 | 0.0063 | 0.9937 | 92.49 |
| 18.5 | 224,709,599 | 1,349,869 | 0.0060 | 0.9940 | 91.91 |
| 19.5 | 214,901,471 | 1,303,911 | 0.0061 | 0.9939 | 91.36 |
| 20.5 | 201,253,829 | 1,207,643 | 0.0060 | 0.9940 | 90.81 |
| 21.5 | 188,674,365 | 1,155,521 | 0.0061 | 0.9939 | 90.26 |
| 22.5 | 179,423,631 | 1,119,495 | 0.0062 | 0.9938 | 89.71 |
| 23.5 | 167,716,991 | 1,091,971 | 0.0065 | 0.9935 | 89.15 |
| 24.5 | 154,691,608 | 1,032,123 | 0.0067 | 0.9933 | 88.57 |
| 25.5 | 143,770,802 | 1,019,867 | 0.0071 | 0.9929 | 87.98 |
| 26.5 | 131,282,596 | 895,666 | 0.0068 | 0.9932 | 87.35 |
| 27.5 | 121,111,454 | 834,657 | 0.0069 | 0.9931 | 86.76 |
| 28.5 | 112,453,751 | 823,524 | 0.0073 | 0.9927 | 86.16 |
| 29.5 | 105,422,095 | 791,365 | 0.0075 | 0.9925 | 85.53 |
| 30.5 | 100,253,151 | 863,999 | 0.0086 | 0.9914 | 84.89 |
| 31.5 | 94,871,537 | 783,285 | 0.0083 | 0.9917 | 84.16 |
| 32.5 | 90,452,981 | 770,983 | 0.0085 | 0.9915 | 83.46 |
| 33.5 | 86,543,464 | 834,305 | 0.0096 | 0.9904 | 82.75 |
| 34.5 | 82,561,385 | 894,215 | 0.0108 | 0.9892 | 81.95 |
| 35.5 | 78,274,868 | 2,791,566 | 0.0357 | 0.9643 | 81.06 |
| 36.5 | 72,424,946 | 894,030 | 0.0123 | 0.9877 | 78.17 |
| 37.5 | 68,879,423 | 662,276 | 0.0096 | 0.9904 | 77.21 |
| 38.5 | 65,510,687 | 699,859 | 0.0107 | 0.9893 | 76.47 |

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PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 60,679,091 | 631,074 | 0.0104 | 0.9896 | 75.65 |
| 40.5 | 56,685,291 | 741,622 | 0.0131 | 0.9869 | 74.86 |
| 41.5 | 52,947,571 | 730,582 | 0.0138 | 0.9862 | 73.88 |
| 42.5 | 49,143,470 | 808,560 | 0.0165 | 0.9835 | 72.86 |
| 43.5 | 43,869,279 | 731,929 | 0.0167 | 0.9833 | 71.67 |
| 44.5 | 38,726,127 | 733,804 | 0.0189 | 0.9811 | 70.47 |
| 45.5 | 35,661,607 | 732,741 | 0.0205 | 0.9795 | 69.13 |
| 46.5 | 33,190,981 | 699,055 | 0.0211 | 0.9789 | 67.71 |
| 47.5 | 31,054,391 | 673,614 | 0.0217 | 0.9783 | 66.29 |
| 48.5 | 30,605,491 | 1,859,728 | 0.0608 | 0.9392 | 64.85 |
| 49.5 | 26,542,548 | 1,265,374 | 0.0477 | 0.9523 | 60.91 |
| 50.5 | 23,082,213 | 760,134 | 0.0329 | 0.9671 | 58.01 |
| 51.5 | 20,437,728 | 560,085 | 0.0274 | 0.9726 | 56.10 |
| 52.5 | 17,231,479 | 466,734 | 0.0271 | 0.9729 | 54.56 |
| 53.5 | 14,540,476 | 426,825 | 0.0294 | 0.9706 | 53.08 |
| 54.5 | 12,369,707 | 397,549 | 0.0321 | 0.9679 | 51.52 |
| 55.5 | 10,011,619 | 304,616 | 0.0304 | 0.9696 | 49.87 |
| 56.5 | 8,395,084 | 271,021 | 0.0323 | 0.9677 | 48.35 |
| 57.5 | 6,793,093 | 262,637 | 0.0387 | 0.9613 | 46.79 |
| 58.5 | 5,581,304 | 374,324 | 0.0671 | 0.9329 | 44.98 |
| 59.5 | 4,413,889 | 235,040 | 0.0533 | 0.9467 | 41.96 |
| 60.5 | 3,850,840 | 209,565 | 0.0544 | 0.9456 | 39.73 |
| 61.5 | 3,646,702 | 237,539 | 0.0651 | 0.9349 | 37.57 |
| 62.5 | 2,924,921 | 201,902 | 0.0690 | 0.9310 | 35.12 |
| 63.5 | 2,451,877 | 123,358 | 0.0503 | 0.9497 | 32.69 |
| 64.5 | 2,035,812 | 109,359 | 0.0537 | 0.9463 | 31.05 |
| 65.5 | 1,674,791 | 140,497 | 0.0839 | 0.9161 | 29.38 |
| 66.5 | 1,400,348 | 147,672 | 0.1055 | 0.8945 | 26.92 |
| 67.5 | 1,183,099 | 85,551 | 0.0723 | 0.9277 | 24.08 |
| 68.5 | 989,299 | 56,104 | 0.0567 | 0.9433 | 22.34 |
| 69.5 | 835,279 | 41,608 | 0.0498 | 0.9502 | 21.07 |
| 70.5 | 719,491 | 27,556 | 0.0383 | 0.9617 | 20.02 |
| 71.5 | 551,551 | 17,709 | 0.0321 | 0.9679 | 19.25 |
| 72.5 | 533,842 | 29,581 | 0.0554 | 0.9446 | 18.64 |
| 73.5 | 504,260 | 36,423 | 0.0722 | 0.9278 | 17.60 |
| 74.5 | 628,253 | 33,047 | 0.0526 | 0.9474 | 16.33 |
| 75.5 | 570,391 | 113,542 | 0.1991 | 0.8009 | 15.47 |
| 76.5 | 445,515 | 53,288 | 0.1196 | 0.8804 | 12.39 |
| 77.5 | 362,699 | 17,193 | 0.0474 | 0.9526 | 10.91 |
| 78.5 | 320,265 | 10,016 | 0.0313 | 0.9687 | 10.39 |

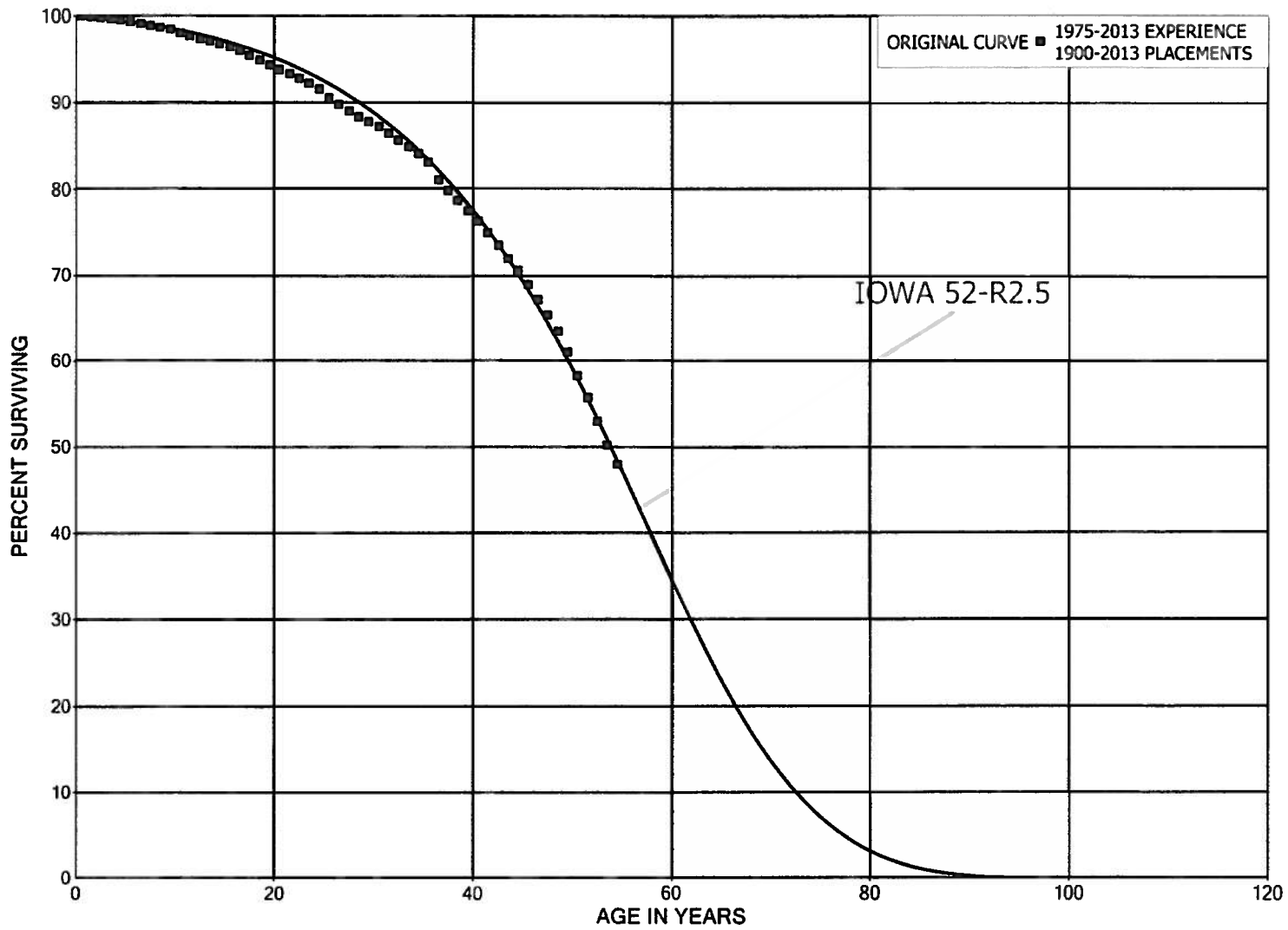
PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1900-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 297,639 | 8,326 | 0.0280 | 0.9720 | 10.07 | |
| 80.5 | 278,737 | 9,458 | 0.0339 | 0.9661 | 9.79 | |
| 81.5 | 261,616 | 9,298 | 0.0355 | 0.9645 | 9.45 | |
| 82.5 | 240,755 | 10,252 | 0.0426 | 0.9574 | 9.12 | |
| 83.5 | 218,690 | 7,702 | 0.0352 | 0.9648 | 8.73 | |
| 84.5 | 181,623 | 1,427 | 0.0079 | 0.9921 | 8.42 | |
| 85.5 | 168,706 | | 0.0000 | 1.0000 | 8.36 | |
| 86.5 | 168,706 | | 0.0000 | 1.0000 | 8.36 | |
| 87.5 | 168,706 | | 0.0000 | 1.0000 | 8.36 | |
| 88.5 | 168,706 | | 0.0000 | 1.0000 | 8.36 | |
| 89.5 | 168,706 | | 0.0000 | 1.0000 | 8.36 | |
| 90.5 | 168,706 | 8,301 | 0.0492 | 0.9508 | 8.36 | |
| 91.5 | 160,405 | 8,306 | 0.0518 | 0.9482 | 7.95 | |
| 92.5 | 152,099 | 22,608 | 0.1486 | 0.8514 | 7.53 | |
| 93.5 | 129,491 | 41,534 | 0.3207 | 0.6793 | 6.41 | |
| 94.5 | 87,957 | 74,127 | 0.8428 | 0.1572 | 4.36 | |
| 95.5 | 13,830 | 13,830 | 1.0000 | | 0.69 | |
| 96.5 | | | | | | |

PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 899,245,496 | 388,183 | 0.0004 | 0.9996 | 100.00 |
| 0.5 | 872,426,862 | 839,907 | 0.0010 | 0.9990 | 99.96 |
| 1.5 | 832,889,670 | 1,290,647 | 0.0015 | 0.9985 | 99.86 |
| 2.5 | 787,810,492 | 936,773 | 0.0012 | 0.9988 | 99.71 |
| 3.5 | 743,016,314 | 859,962 | 0.0012 | 0.9988 | 99.59 |
| 4.5 | 710,490,171 | 987,378 | 0.0014 | 0.9986 | 99.47 |
| 5.5 | 670,308,150 | 1,450,009 | 0.0022 | 0.9978 | 99.33 |
| 6.5 | 634,711,982 | 1,737,770 | 0.0027 | 0.9973 | 99.12 |
| 7.5 | 602,703,609 | 1,701,660 | 0.0028 | 0.9972 | 98.85 |
| 8.5 | 543,921,913 | 1,240,289 | 0.0023 | 0.9977 | 98.57 |
| 9.5 | 455,979,264 | 1,614,997 | 0.0035 | 0.9965 | 98.34 |
| 10.5 | 467,114,896 | 1,581,649 | 0.0034 | 0.9966 | 98.00 |
| 11.5 | 465,594,156 | 1,582,196 | 0.0034 | 0.9966 | 97.66 |
| 12.5 | 475,737,277 | 1,557,774 | 0.0033 | 0.9967 | 97.33 |
| 13.5 | 492,252,700 | 1,596,294 | 0.0032 | 0.9968 | 97.01 |
| 14.5 | 477,430,517 | 1,752,710 | 0.0037 | 0.9963 | 96.70 |
| 15.5 | 445,063,204 | 2,063,677 | 0.0046 | 0.9954 | 96.34 |
| 16.5 | 423,408,597 | 2,418,464 | 0.0057 | 0.9943 | 95.90 |
| 17.5 | 386,725,083 | 2,145,497 | 0.0055 | 0.9945 | 95.35 |
| 18.5 | 359,737,216 | 2,002,621 | 0.0056 | 0.9944 | 94.82 |
| 19.5 | 338,687,782 | 1,994,054 | 0.0059 | 0.9941 | 94.29 |
| 20.5 | 315,974,324 | 1,707,231 | 0.0054 | 0.9946 | 93.74 |
| 21.5 | 295,155,345 | 1,621,103 | 0.0055 | 0.9945 | 93.23 |
| 22.5 | 280,265,551 | 1,490,766 | 0.0053 | 0.9947 | 92.72 |
| 23.5 | 260,009,639 | 1,885,236 | 0.0073 | 0.9927 | 92.23 |
| 24.5 | 234,703,408 | 2,602,200 | 0.0111 | 0.9889 | 91.56 |
| 25.5 | 218,118,116 | 2,037,610 | 0.0093 | 0.9907 | 90.54 |
| 26.5 | 200,880,036 | 1,680,409 | 0.0084 | 0.9916 | 89.70 |
| 27.5 | 188,710,568 | 1,346,532 | 0.0071 | 0.9929 | 88.95 |
| 28.5 | 178,521,270 | 1,221,195 | 0.0068 | 0.9932 | 88.31 |
| 29.5 | 169,305,571 | 1,086,173 | 0.0064 | 0.9936 | 87.71 |
| 30.5 | 162,540,714 | 1,429,431 | 0.0088 | 0.9912 | 87.14 |
| 31.5 | 155,259,282 | 1,309,222 | 0.0084 | 0.9916 | 86.38 |
| 32.5 | 147,914,330 | 1,331,341 | 0.0090 | 0.9910 | 85.65 |
| 33.5 | 140,341,817 | 1,426,567 | 0.0102 | 0.9898 | 84.88 |
| 34.5 | 133,368,290 | 1,583,932 | 0.0119 | 0.9881 | 84.02 |
| 35.5 | 127,064,138 | 3,011,218 | 0.0237 | 0.9763 | 83.02 |
| 36.5 | 120,049,909 | 1,853,985 | 0.0154 | 0.9846 | 81.05 |
| 37.5 | 113,625,898 | 1,501,682 | 0.0132 | 0.9868 | 79.80 |
| 38.5 | 107,904,396 | 1,682,568 | 0.0156 | 0.9844 | 78.74 |

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PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1900-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 99,437,892 | 1,516,695 | 0.0153 | 0.9847 | 77.52 |
| 40.5 | 91,238,286 | 1,679,707 | 0.0184 | 0.9816 | 76.33 |
| 41.5 | 84,472,321 | 1,548,707 | 0.0183 | 0.9817 | 74.93 |
| 42.5 | 77,186,666 | 1,624,307 | 0.0210 | 0.9790 | 73.55 |
| 43.5 | 67,106,923 | 1,332,921 | 0.0199 | 0.9801 | 72.01 |
| 44.5 | 57,072,893 | 1,299,438 | 0.0228 | 0.9772 | 70.58 |
| 45.5 | 51,808,926 | 1,328,001 | 0.0256 | 0.9744 | 68.97 |
| 46.5 | 46,902,800 | 1,235,490 | 0.0263 | 0.9737 | 67.20 |
| 47.5 | 42,296,302 | 1,240,306 | 0.0293 | 0.9707 | 65.43 |
| 48.5 | 38,889,641 | 1,490,885 | 0.0383 | 0.9617 | 63.51 |
| 49.5 | 31,269,801 | 1,407,422 | 0.0450 | 0.9550 | 61.08 |
| 50.5 | 24,924,563 | 1,111,700 | 0.0446 | 0.9554 | 58.33 |
| 51.5 | 20,126,910 | 1,010,787 | 0.0502 | 0.9498 | 55.73 |
| 52.5 | 14,905,725 | 783,334 | 0.0526 | 0.9474 | 52.93 |
| 53.5 | 11,282,983 | 484,049 | 0.0429 | 0.9571 | 50.15 |
| 54.5 | 8,679,443 | 357,524 | 0.0412 | 0.9588 | 48.00 |
| 55.5 | 7,041,699 | 323,332 | 0.0459 | 0.9541 | 46.02 |
| 56.5 | 5,657,556 | 263,053 | 0.0465 | 0.9535 | 43.91 |
| 57.5 | 4,569,932 | 238,365 | 0.0522 | 0.9478 | 41.86 |
| 58.5 | 4,062,461 | 428,484 | 0.1055 | 0.8945 | 39.68 |
| 59.5 | 3,544,390 | 261,198 | 0.0737 | 0.9263 | 35.50 |
| 60.5 | 3,097,912 | 192,656 | 0.0622 | 0.9378 | 32.88 |
| 61.5 | 2,828,452 | 192,214 | 0.0680 | 0.9320 | 30.83 |
| 62.5 | 2,077,132 | 178,463 | 0.0859 | 0.9141 | 28.74 |
| 63.5 | 1,579,631 | 196,524 | 0.1244 | 0.8756 | 26.27 |
| 64.5 | 1,155,234 | 173,809 | 0.1505 | 0.8495 | 23.00 |
| 65.5 | 900,582 | 179,649 | 0.1995 | 0.8005 | 19.54 |
| 66.5 | 679,789 | 90,116 | 0.1326 | 0.8674 | 15.64 |
| 67.5 | 596,934 | 69,744 | 0.1168 | 0.8832 | 13.57 |
| 68.5 | 496,177 | 56,518 | 0.1139 | 0.8861 | 11.98 |
| 69.5 | 405,943 | 49,298 | 0.1214 | 0.8786 | 10.62 |
| 70.5 | 337,897 | 52,928 | 0.1566 | 0.8434 | 9.33 |
| 71.5 | 226,796 | 35,474 | 0.1564 | 0.8436 | 7.87 |
| 72.5 | 191,322 | 64,826 | 0.3388 | 0.6612 | 6.64 |
| 73.5 | 118,298 | 19,391 | 0.1639 | 0.8361 | 4.39 |
| 74.5 | 295,306 | 25,575 | 0.0866 | 0.9134 | 3.67 |
| 75.5 | 268,537 | 20,151 | 0.0750 | 0.9250 | 3.35 |
| 76.5 | 247,778 | 14,475 | 0.0584 | 0.9416 | 3.10 |
| 77.5 | 232,954 | 9,421 | 0.0404 | 0.9596 | 2.92 |
| 78.5 | 223,255 | 1,942 | 0.0087 | 0.9913 | 2.80 |

74/208

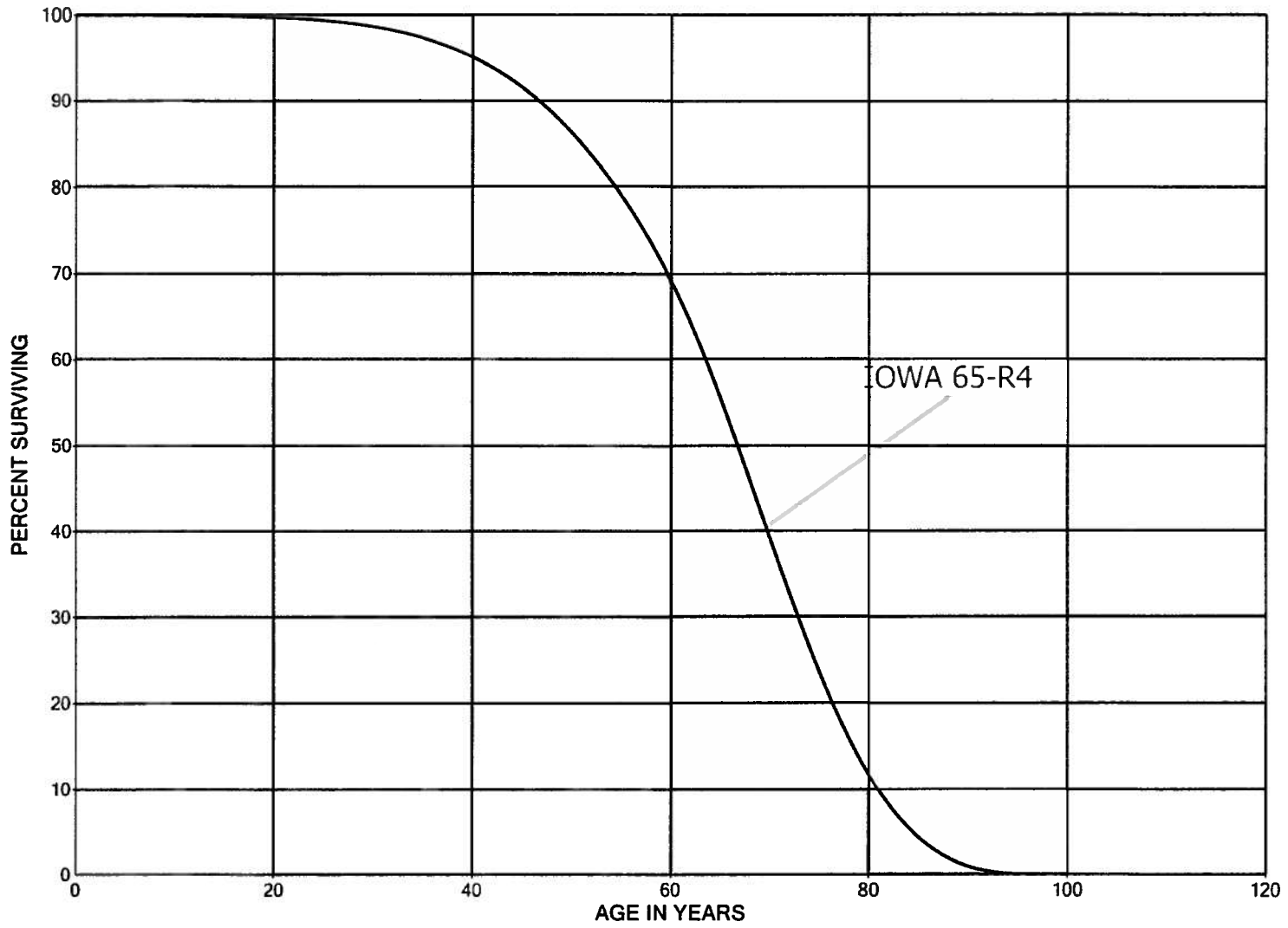
PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

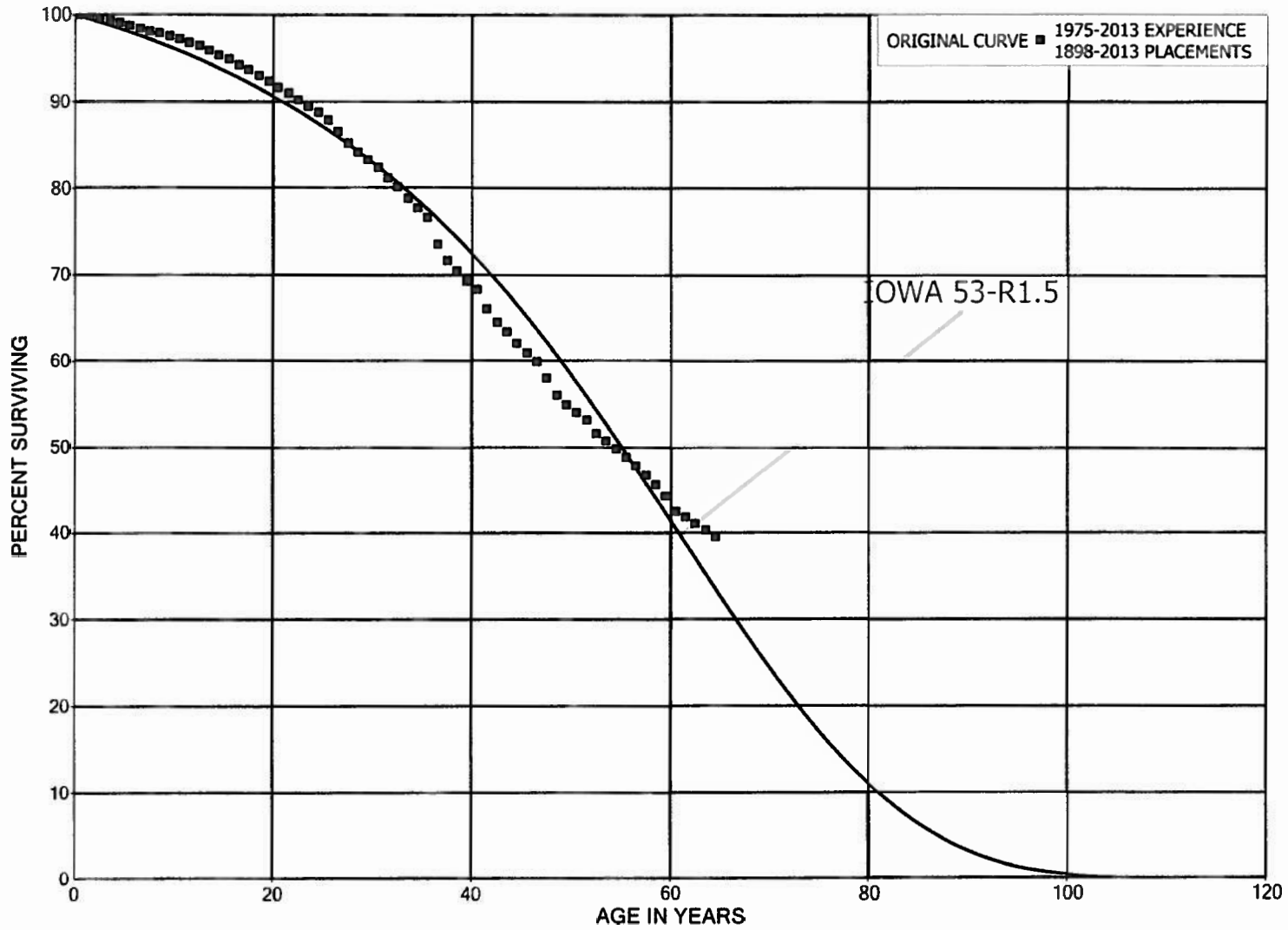
| PLACEMENT BAND 1900-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 220,524 | 1,614 | 0.0073 | 0.9927 | 2.78 | |
| 80.5 | 218,389 | 180 | 0.0008 | 0.9992 | 2.76 | |
| 81.5 | 218,058 | 83 | 0.0004 | 0.9996 | 2.75 | |
| 82.5 | 217,679 | | 0.0000 | 1.0000 | 2.75 | |
| 83.5 | 217,679 | 1 | 0.0000 | 1.0000 | 2.75 | |
| 84.5 | 217,678 | 0 | 0.0000 | 1.0000 | 2.75 | |
| 85.5 | 217,678 | | 0.0000 | 1.0000 | 2.75 | |
| 86.5 | 217,678 | | 0.0000 | 1.0000 | 2.75 | |
| 87.5 | 217,678 | | 0.0000 | 1.0000 | 2.75 | |
| 88.5 | 217,678 | | 0.0000 | 1.0000 | 2.75 | |
| 89.5 | 217,678 | | 0.0000 | 1.0000 | 2.75 | |
| 90.5 | 217,678 | 48,863 | 0.2245 | 0.7755 | 2.75 | |
| 91.5 | 168,814 | 68,569 | 0.4062 | 0.5938 | 2.13 | |
| 92.5 | 100,245 | 11,697 | 0.1167 | 0.8833 | 1.27 | |
| 93.5 | 88,548 | 63,964 | 0.7224 | 0.2776 | 1.12 | |
| 94.5 | 24,584 | 24,236 | 0.9859 | 0.0141 | 0.31 | |
| 95.5 | 348 | | 0.0000 | 1.0000 | 0.00 | |
| 96.5 | 348 | 348 | 1.0000 | | 0.00 | |
| 97.5 | | | | | | |

PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 366 UNDERGROUND CONDUIT
SMOOTH SURVIVOR CURVE





PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1898-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 941,039,328 | 497,884 | 0.0005 | 0.9995 | 100.00 |
| 0.5 | 902,349,530 | 1,441,822 | 0.0016 | 0.9984 | 99.95 |
| 1.5 | 871,858,381 | 2,210,201 | 0.0025 | 0.9975 | 99.79 |
| 2.5 | 822,848,236 | 1,793,055 | 0.0022 | 0.9978 | 99.53 |
| 3.5 | 794,608,608 | 2,321,044 | 0.0029 | 0.9971 | 99.32 |
| 4.5 | 744,587,456 | 2,122,419 | 0.0029 | 0.9971 | 99.03 |
| 5.5 | 705,257,496 | 2,292,634 | 0.0033 | 0.9967 | 98.75 |
| 6.5 | 653,443,537 | 2,098,915 | 0.0032 | 0.9968 | 98.42 |
| 7.5 | 613,243,873 | 2,038,823 | 0.0033 | 0.9967 | 98.11 |
| 8.5 | 562,543,511 | 1,768,803 | 0.0031 | 0.9969 | 97.78 |
| 9.5 | 530,366,126 | 1,870,897 | 0.0035 | 0.9965 | 97.47 |
| 10.5 | 512,455,599 | 1,974,099 | 0.0039 | 0.9961 | 97.13 |
| 11.5 | 501,032,064 | 1,987,738 | 0.0040 | 0.9960 | 96.76 |
| 12.5 | 469,058,187 | 2,775,703 | 0.0059 | 0.9941 | 96.37 |
| 13.5 | 464,335,103 | 2,337,549 | 0.0050 | 0.9950 | 95.80 |
| 14.5 | 454,460,681 | 2,461,754 | 0.0054 | 0.9946 | 95.32 |
| 15.5 | 441,458,408 | 2,671,235 | 0.0061 | 0.9939 | 94.80 |
| 16.5 | 423,902,320 | 2,899,964 | 0.0068 | 0.9932 | 94.23 |
| 17.5 | 406,284,845 | 2,868,219 | 0.0071 | 0.9929 | 93.59 |
| 18.5 | 395,542,968 | 2,844,565 | 0.0072 | 0.9928 | 92.92 |
| 19.5 | 382,464,113 | 2,813,577 | 0.0074 | 0.9926 | 92.26 |
| 20.5 | 361,369,150 | 2,638,114 | 0.0073 | 0.9927 | 91.58 |
| 21.5 | 343,643,089 | 2,691,865 | 0.0078 | 0.9922 | 90.91 |
| 22.5 | 325,819,429 | 2,712,313 | 0.0083 | 0.9917 | 90.20 |
| 23.5 | 297,332,305 | 2,409,088 | 0.0081 | 0.9919 | 89.45 |
| 24.5 | 272,531,753 | 2,876,421 | 0.0106 | 0.9894 | 88.72 |
| 25.5 | 249,953,992 | 3,676,255 | 0.0147 | 0.9853 | 87.79 |
| 26.5 | 232,779,223 | 3,583,470 | 0.0154 | 0.9846 | 86.49 |
| 27.5 | 214,813,126 | 2,550,437 | 0.0119 | 0.9881 | 85.16 |
| 28.5 | 198,387,058 | 2,049,623 | 0.0103 | 0.9897 | 84.15 |
| 29.5 | 184,289,938 | 1,957,009 | 0.0106 | 0.9894 | 83.28 |
| 30.5 | 170,678,782 | 2,451,335 | 0.0144 | 0.9856 | 82.40 |
| 31.5 | 160,357,698 | 2,050,750 | 0.0128 | 0.9872 | 81.21 |
| 32.5 | 149,465,214 | 2,449,893 | 0.0164 | 0.9836 | 80.18 |
| 33.5 | 139,422,980 | 2,051,286 | 0.0147 | 0.9853 | 78.86 |
| 34.5 | 128,322,062 | 1,768,257 | 0.0138 | 0.9862 | 77.70 |
| 35.5 | 118,927,022 | 4,844,787 | 0.0407 | 0.9593 | 76.63 |
| 36.5 | 107,091,481 | 2,819,978 | 0.0263 | 0.9737 | 73.51 |
| 37.5 | 98,232,783 | 1,557,701 | 0.0159 | 0.9841 | 71.57 |
| 38.5 | 91,797,150 | 1,474,875 | 0.0161 | 0.9839 | 70.44 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1898-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 81,717,092 | 1,215,349 | 0.0149 | 0.9851 | 69.31 |
| 40.5 | 73,127,810 | 2,393,982 | 0.0327 | 0.9673 | 68.28 |
| 41.5 | 64,700,331 | 1,465,327 | 0.0226 | 0.9774 | 66.04 |
| 42.5 | 57,289,344 | 1,026,305 | 0.0179 | 0.9821 | 64.54 |
| 43.5 | 51,445,469 | 1,051,060 | 0.0204 | 0.9796 | 63.39 |
| 44.5 | 46,515,588 | 901,459 | 0.0194 | 0.9806 | 62.09 |
| 45.5 | 46,377,546 | 684,847 | 0.0148 | 0.9852 | 60.89 |
| 46.5 | 42,415,200 | 1,352,003 | 0.0319 | 0.9681 | 59.99 |
| 47.5 | 38,516,694 | 1,333,994 | 0.0346 | 0.9654 | 58.08 |
| 48.5 | 35,866,327 | 731,703 | 0.0204 | 0.9796 | 56.07 |
| 49.5 | 30,370,320 | 487,002 | 0.0160 | 0.9840 | 54.92 |
| 50.5 | 28,796,598 | 436,276 | 0.0152 | 0.9848 | 54.04 |
| 51.5 | 27,277,883 | 801,404 | 0.0294 | 0.9706 | 53.22 |
| 52.5 | 24,884,807 | 432,766 | 0.0174 | 0.9826 | 51.66 |
| 53.5 | 24,318,164 | 442,224 | 0.0182 | 0.9818 | 50.76 |
| 54.5 | 23,264,196 | 448,228 | 0.0193 | 0.9807 | 49.84 |
| 55.5 | 22,402,723 | 456,885 | 0.0204 | 0.9796 | 48.88 |
| 56.5 | 20,421,113 | 482,681 | 0.0236 | 0.9764 | 47.88 |
| 57.5 | 18,274,986 | 450,215 | 0.0246 | 0.9754 | 46.75 |
| 58.5 | 17,144,761 | 505,347 | 0.0295 | 0.9705 | 45.60 |
| 59.5 | 16,566,882 | 637,801 | 0.0385 | 0.9615 | 44.25 |
| 60.5 | 15,322,350 | 273,690 | 0.0179 | 0.9821 | 42.55 |
| 61.5 | 14,613,232 | 259,291 | 0.0177 | 0.9823 | 41.79 |
| 62.5 | 12,944,867 | 240,084 | 0.0185 | 0.9815 | 41.05 |
| 63.5 | 11,484,713 | 222,436 | 0.0194 | 0.9806 | 40.29 |
| 64.5 | 9,553,802 | 285,639 | 0.0299 | 0.9701 | 39.51 |
| 65.5 | 8,591,781 | 153,344 | 0.0178 | 0.9822 | 38.33 |
| 66.5 | 8,374,486 | 117,676 | 0.0141 | 0.9859 | 37.64 |
| 67.5 | 8,255,148 | 127,048 | 0.0154 | 0.9846 | 37.11 |
| 68.5 | 8,077,068 | 97,863 | 0.0121 | 0.9879 | 36.54 |
| 69.5 | 7,948,890 | 172,440 | 0.0217 | 0.9783 | 36.10 |
| 70.5 | 7,823,431 | 169,340 | 0.0216 | 0.9784 | 35.32 |
| 71.5 | 7,683,825 | 232,501 | 0.0303 | 0.9697 | 34.55 |
| 72.5 | 7,261,950 | 332,529 | 0.0458 | 0.9542 | 33.51 |
| 73.5 | 6,921,273 | 433,817 | 0.0627 | 0.9373 | 31.97 |
| 74.5 | 6,477,423 | 581,456 | 0.0898 | 0.9102 | 29.97 |
| 75.5 | 5,850,230 | 493,159 | 0.0843 | 0.9157 | 27.28 |
| 76.5 | 5,299,435 | 960,754 | 0.1813 | 0.8187 | 24.98 |
| 77.5 | 4,331,447 | 544,293 | 0.1257 | 0.8743 | 20.45 |
| 78.5 | 3,768,077 | 324,029 | 0.0860 | 0.9140 | 17.88 |

PECO ENERGY COMPANY
ELECTRIC PLANT

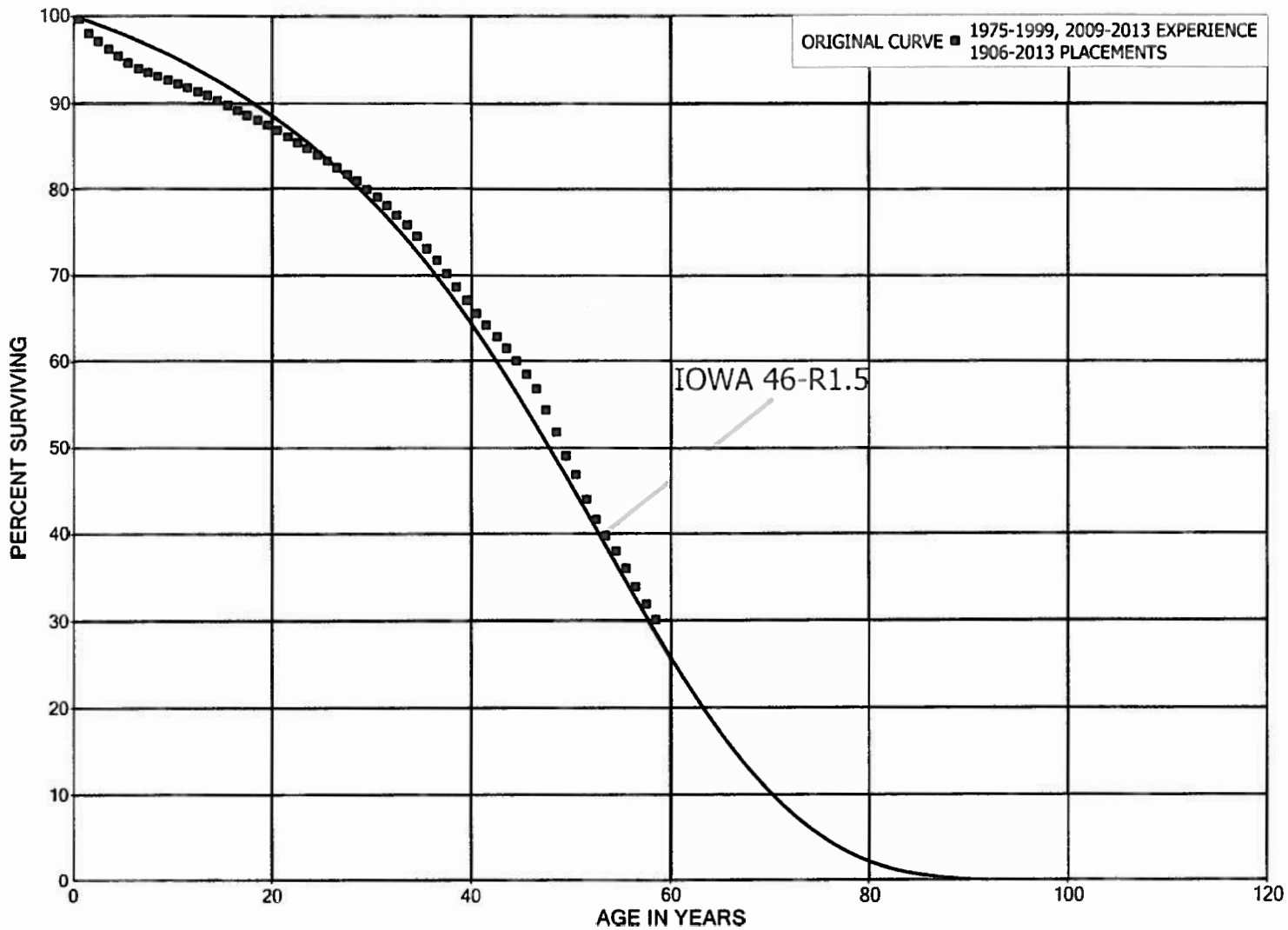
ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1898-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 3,353,170 | 546,659 | 0.1630 | 0.8370 | 16.34 | |
| 80.5 | 2,691,616 | 303,586 | 0.1128 | 0.8872 | 13.68 | |
| 81.5 | 2,254,846 | 234,758 | 0.1041 | 0.8959 | 12.14 | |
| 82.5 | 1,825,635 | 178,888 | 0.0980 | 0.9020 | 10.87 | |
| 83.5 | 1,387,453 | 147,138 | 0.1060 | 0.8940 | 9.81 | |
| 84.5 | 1,062,850 | 97,077 | 0.0913 | 0.9087 | 8.77 | |
| 85.5 | 776,602 | 79,501 | 0.1024 | 0.8976 | 7.97 | |
| 86.5 | 495,655 | 43,342 | 0.0874 | 0.9126 | 7.15 | |
| 87.5 | 267,593 | 29,178 | 0.1090 | 0.8910 | 6.53 | |
| 88.5 | 50,566 | 4,910 | 0.0971 | 0.9029 | 5.81 | |
| 89.5 | 41,884 | 4,535 | 0.1083 | 0.8917 | 5.25 | |
| 90.5 | 37,349 | | 0.0000 | 1.0000 | 4.68 | |
| 91.5 | 37,349 | 20,645 | 0.5527 | 0.4473 | 4.68 | |
| 92.5 | 16,704 | 6,566 | 0.3931 | 0.6069 | 2.09 | |
| 93.5 | 10,138 | 2,122 | 0.2093 | 0.7907 | 1.27 | |
| 94.5 | 8,016 | | 0.0000 | 1.0000 | 1.00 | |
| 95.5 | 8,016 | 7,255 | 0.9050 | 0.0950 | 1.00 | |
| 96.5 | 761 | 761 | 1.0000 | | 0.10 | |
| 97.5 | | | | | | |



PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 368 LINE TRANSFORMERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE

| PLACEMENT BAND 1906-2013 | | | EXPERIENCE BAND 1975-1999, 2009-2013 | | |
|--------------------------------|--|---------------------------------------|---|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 0.0 | 355,465,576 | 1,469,548 | 0.0041 | 0.9959 | 100.00 |
| 0.5 | 350,864,494 | 5,625,778 | 0.0160 | 0.9840 | 99.59 |
| 1.5 | 338,800,626 | 3,310,782 | 0.0098 | 0.9902 | 97.99 |
| 2.5 | 319,411,436 | 2,881,800 | 0.0090 | 0.9910 | 97.03 |
| 3.5 | 310,644,888 | 2,571,411 | 0.0083 | 0.9917 | 96.16 |
| 4.5 | 300,739,950 | 2,274,422 | 0.0076 | 0.9924 | 95.36 |
| 5.5 | 286,718,837 | 1,943,060 | 0.0068 | 0.9932 | 94.64 |
| 6.5 | 279,698,961 | 1,528,967 | 0.0055 | 0.9945 | 94.00 |
| 7.5 | 287,816,759 | 1,276,984 | 0.0044 | 0.9956 | 93.48 |
| 8.5 | 263,329,915 | 1,261,513 | 0.0048 | 0.9952 | 93.07 |
| 9.5 | 246,603,534 | 1,267,538 | 0.0051 | 0.9949 | 92.62 |
| 10.5 | 234,522,941 | 1,055,365 | 0.0045 | 0.9955 | 92.15 |
| 11.5 | 222,515,439 | 1,156,771 | 0.0052 | 0.9948 | 91.73 |
| 12.5 | 191,999,464 | 989,739 | 0.0052 | 0.9948 | 91.26 |
| 13.5 | 194,756,598 | 1,031,291 | 0.0053 | 0.9947 | 90.79 |
| 14.5 | 186,847,276 | 1,136,472 | 0.0061 | 0.9939 | 90.31 |
| 15.5 | 177,948,305 | 1,170,360 | 0.0066 | 0.9934 | 89.76 |
| 16.5 | 170,445,905 | 1,053,061 | 0.0062 | 0.9938 | 89.17 |
| 17.5 | 167,556,076 | 1,046,461 | 0.0062 | 0.9938 | 88.61 |
| 18.5 | 166,753,360 | 1,154,193 | 0.0069 | 0.9931 | 88.06 |
| 19.5 | 170,793,146 | 1,259,829 | 0.0074 | 0.9926 | 87.45 |
| 20.5 | 171,240,718 | 1,369,399 | 0.0080 | 0.9920 | 86.81 |
| 21.5 | 168,857,094 | 1,346,252 | 0.0080 | 0.9920 | 86.11 |
| 22.5 | 168,205,698 | 1,467,103 | 0.0087 | 0.9913 | 85.43 |
| 23.5 | 161,511,226 | 1,389,641 | 0.0086 | 0.9914 | 84.68 |
| 24.5 | 147,126,906 | 1,238,309 | 0.0084 | 0.9916 | 83.95 |
| 25.5 | 130,725,959 | 1,208,499 | 0.0092 | 0.9908 | 83.25 |
| 26.5 | 116,271,796 | 1,058,192 | 0.0091 | 0.9909 | 82.48 |
| 27.5 | 104,059,473 | 1,059,387 | 0.0102 | 0.9898 | 81.73 |
| 28.5 | 91,688,936 | 1,016,869 | 0.0111 | 0.9889 | 80.89 |
| 29.5 | 79,148,330 | 943,545 | 0.0119 | 0.9881 | 80.00 |
| 30.5 | 65,912,426 | 785,510 | 0.0119 | 0.9881 | 79.04 |
| 31.5 | 54,319,710 | 797,145 | 0.0147 | 0.9853 | 78.10 |
| 32.5 | 46,726,847 | 653,998 | 0.0140 | 0.9860 | 76.95 |
| 33.5 | 43,085,526 | 771,220 | 0.0179 | 0.9821 | 75.88 |
| 34.5 | 43,612,840 | 833,704 | 0.0191 | 0.9809 | 74.52 |
| 35.5 | 43,890,524 | 821,056 | 0.0187 | 0.9813 | 73.09 |
| 36.5 | 43,072,716 | 930,774 | 0.0216 | 0.9784 | 71.73 |
| 37.5 | 43,812,931 | 980,713 | 0.0224 | 0.9776 | 70.18 |
| 38.5 | 47,047,473 | 1,023,557 | 0.0218 | 0.9782 | 68.61 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1906-2013 | | | EXPERIENCE BAND 1975-1999, 2009-2013 | | |
|--------------------------------|--|---------------------------------------|---|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 50,253,949 | 1,170,583 | 0.0233 | 0.9767 | 67.11 |
| 40.5 | 49,661,698 | 1,069,722 | 0.0215 | 0.9785 | 65.55 |
| 41.5 | 47,342,302 | 990,585 | 0.0209 | 0.9791 | 64.14 |
| 42.5 | 43,207,487 | 913,468 | 0.0211 | 0.9789 | 62.80 |
| 43.5 | 34,724,434 | 813,239 | 0.0234 | 0.9766 | 61.47 |
| 44.5 | 22,952,988 | 599,483 | 0.0261 | 0.9739 | 60.03 |
| 45.5 | 15,440,600 | 434,870 | 0.0282 | 0.9718 | 58.46 |
| 46.5 | 11,729,026 | 498,379 | 0.0425 | 0.9575 | 56.81 |
| 47.5 | 9,893,444 | 457,259 | 0.0462 | 0.9538 | 54.40 |
| 48.5 | 9,410,480 | 504,870 | 0.0536 | 0.9464 | 51.89 |
| 49.5 | 8,805,269 | 401,613 | 0.0456 | 0.9544 | 49.10 |
| 50.5 | 7,921,662 | 501,622 | 0.0633 | 0.9367 | 46.86 |
| 51.5 | 7,536,208 | 390,937 | 0.0519 | 0.9481 | 43.90 |
| 52.5 | 7,629,947 | 340,805 | 0.0447 | 0.9553 | 41.62 |
| 53.5 | 7,346,772 | 345,097 | 0.0470 | 0.9530 | 39.76 |
| 54.5 | 7,199,544 | 375,397 | 0.0521 | 0.9479 | 37.89 |
| 55.5 | 6,774,563 | 390,058 | 0.0576 | 0.9424 | 35.92 |
| 56.5 | 6,147,977 | 361,734 | 0.0588 | 0.9412 | 33.85 |
| 57.5 | 5,042,799 | 284,271 | 0.0564 | 0.9436 | 31.86 |
| 58.5 | 3,997,347 | 236,637 | 0.0592 | 0.9408 | 30.06 |
| 59.5 | 3,207,409 | 202,329 | 0.0631 | 0.9369 | 28.28 |
| 60.5 | 2,631,787 | 155,127 | 0.0589 | 0.9411 | 26.50 |
| 61.5 | 2,148,544 | 119,485 | 0.0556 | 0.9444 | 24.94 |
| 62.5 | 1,747,855 | 101,160 | 0.0579 | 0.9421 | 23.55 |
| 63.5 | 1,408,822 | 73,062 | 0.0519 | 0.9481 | 22.19 |
| 64.5 | 1,137,399 | 53,358 | 0.0469 | 0.9531 | 21.04 |
| 65.5 | 918,370 | 41,014 | 0.0447 | 0.9553 | 20.05 |
| 66.5 | 763,700 | 43,046 | 0.0564 | 0.9436 | 19.15 |
| 67.5 | 695,714 | 65,238 | 0.0938 | 0.9062 | 18.07 |
| 68.5 | 612,162 | 96,119 | 0.1570 | 0.8430 | 16.38 |
| 69.5 | 519,474 | 76,537 | 0.1473 | 0.8527 | 13.81 |
| 70.5 | 433,231 | 63,402 | 0.1463 | 0.8537 | 11.77 |
| 71.5 | 385,078 | 78,301 | 0.2033 | 0.7967 | 10.05 |
| 72.5 | 277,928 | 76,105 | 0.2738 | 0.7262 | 8.01 |
| 73.5 | 192,740 | 51,132 | 0.2653 | 0.7347 | 5.81 |
| 74.5 | 138,235 | 30,573 | 0.2212 | 0.7788 | 4.27 |
| 75.5 | 91,026 | 11,291 | 0.1240 | 0.8760 | 3.33 |
| 76.5 | 65,532 | 15,907 | 0.2427 | 0.7573 | 2.91 |
| 77.5 | 62,334 | 13,190 | 0.2116 | 0.7884 | 2.21 |
| 78.5 | 56,422 | 15,003 | 0.2659 | 0.7341 | 1.74 |

PECO ENERGY COMPANY
ELECTRIC PLANT

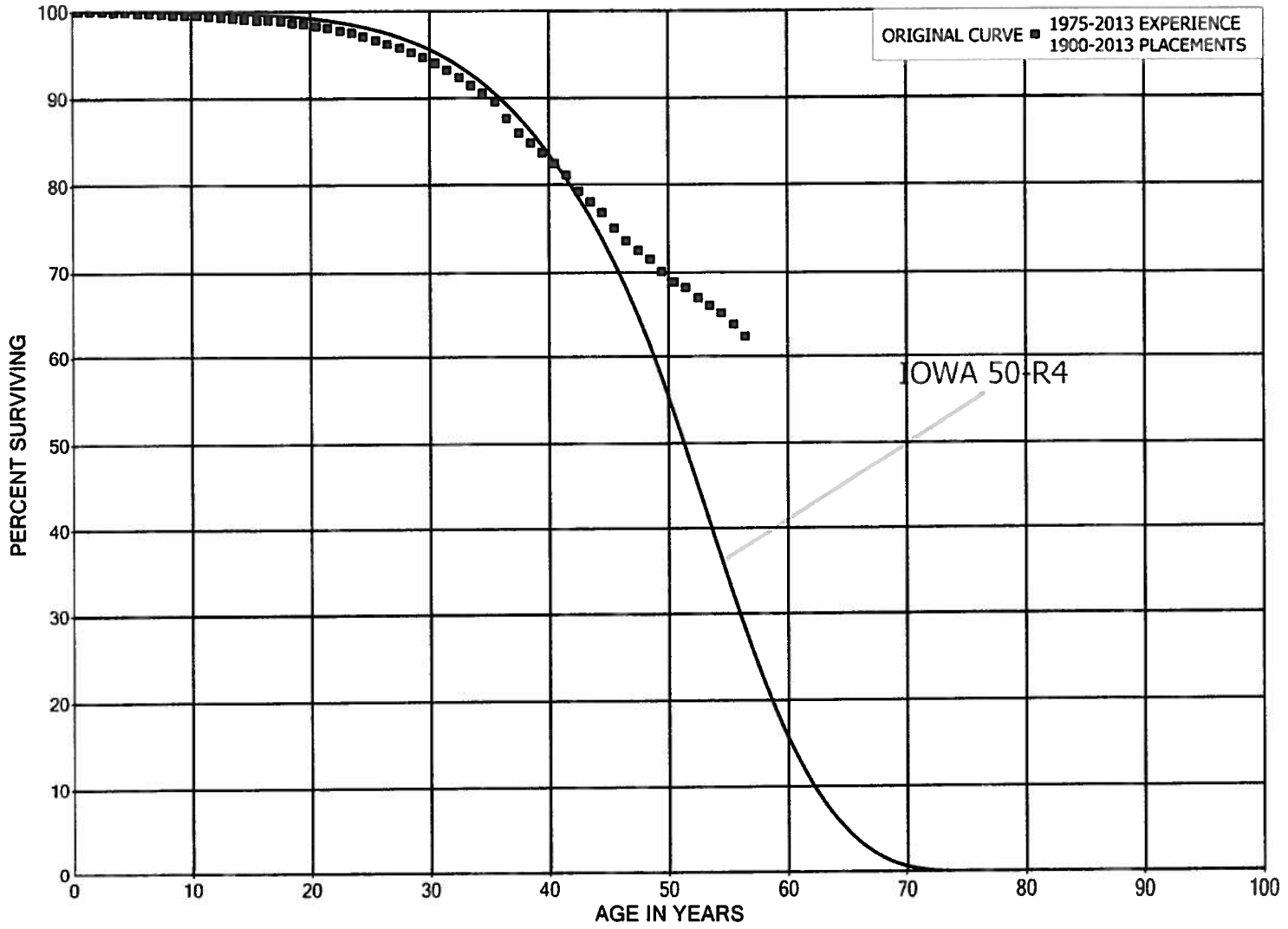
ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1906-2013 | | | EXPERIENCE BAND 1975-1999, 2009-2013 | | | |
|--------------------------------|--|---------------------------------------|---|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 58,289 | 15,417 | 0.2645 | 0.7355 | 1.28 | |
| 80.5 | 47,012 | 13,996 | 0.2977 | 0.7023 | 0.94 | |
| 81.5 | 38,430 | 12,521 | 0.3258 | 0.6742 | 0.66 | |
| 82.5 | 22,748 | 8,953 | 0.3936 | 0.6064 | 0.44 | |
| 83.5 | 14,711 | 7,380 | 0.5016 | 0.4984 | 0.27 | |
| 84.5 | 14,208 | 5,691 | 0.4006 | 0.5994 | 0.13 | |
| 85.5 | 12,260 | 3,508 | 0.2862 | 0.7138 | 0.08 | |
| 86.5 | 8,874 | 3,855 | 0.4343 | 0.5657 | 0.06 | |
| 87.5 | 4,980 | 3,119 | 0.6262 | 0.3738 | 0.03 | |
| 88.5 | 1,798 | 1,113 | 0.6190 | 0.3810 | 0.01 | |
| 89.5 | 387 | 214 | 0.5529 | 0.4471 | 0.00 | |
| 90.5 | 33 | 16 | 0.4878 | 0.5122 | 0.00 | |
| 91.5 | 572 | 242 | 0.4221 | 0.5779 | 0.00 | |
| 92.5 | 331 | 134 | 0.4064 | 0.5936 | 0.00 | |
| 93.5 | 196 | 116 | 0.5917 | 0.4083 | 0.00 | |
| 94.5 | 90 | 63 | 0.7002 | 0.2998 | 0.00 | |
| 95.5 | 41 | 22 | 0.5267 | 0.4733 | 0.00 | |
| 96.5 | 8 | 5 | 0.5997 | 0.4003 | 0.00 | |
| 97.5 | 3 | 1 | 0.4637 | 0.5363 | 0.00 | |
| 98.5 | 2 | | 0.0000 | 1.0000 | 0.00 | |
| 99.5 | 1 | | 0.0000 | 1.0000 | 0.00 | |
| 100.5 | | | | | 0.00 | |



PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 369.1 SERVICES - AERIAL
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - AERIAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 114,786,048 | 17,735 | 0.0002 | 0.9998 | 100.00 |
| 0.5 | 111,816,018 | 39,504 | 0.0004 | 0.9996 | 99.98 |
| 1.5 | 109,240,669 | 48,971 | 0.0004 | 0.9996 | 99.95 |
| 2.5 | 106,230,116 | 39,126 | 0.0004 | 0.9996 | 99.90 |
| 3.5 | 102,744,230 | 50,161 | 0.0005 | 0.9995 | 99.87 |
| 4.5 | 99,259,793 | 70,458 | 0.0007 | 0.9993 | 99.82 |
| 5.5 | 95,742,921 | 53,162 | 0.0006 | 0.9994 | 99.75 |
| 6.5 | 92,525,339 | 62,168 | 0.0007 | 0.9993 | 99.69 |
| 7.5 | 88,063,374 | 58,187 | 0.0007 | 0.9993 | 99.63 |
| 8.5 | 83,017,520 | 40,920 | 0.0005 | 0.9995 | 99.56 |
| 9.5 | 69,947,941 | 39,889 | 0.0006 | 0.9994 | 99.51 |
| 10.5 | 68,285,405 | 42,442 | 0.0006 | 0.9994 | 99.45 |
| 11.5 | 64,258,763 | 51,903 | 0.0008 | 0.9992 | 99.39 |
| 12.5 | 57,304,653 | 85,375 | 0.0015 | 0.9985 | 99.31 |
| 13.5 | 58,544,975 | 56,918 | 0.0010 | 0.9990 | 99.16 |
| 14.5 | 56,056,128 | 48,256 | 0.0009 | 0.9991 | 99.07 |
| 15.5 | 53,909,120 | 46,314 | 0.0009 | 0.9991 | 98.98 |
| 16.5 | 51,273,673 | 57,882 | 0.0011 | 0.9989 | 98.90 |
| 17.5 | 50,371,643 | 65,816 | 0.0013 | 0.9987 | 98.79 |
| 18.5 | 47,770,555 | 82,187 | 0.0017 | 0.9983 | 98.66 |
| 19.5 | 46,819,573 | 93,275 | 0.0020 | 0.9980 | 98.49 |
| 20.5 | 45,481,286 | 115,175 | 0.0025 | 0.9975 | 98.29 |
| 21.5 | 44,001,695 | 124,507 | 0.0028 | 0.9972 | 98.04 |
| 22.5 | 42,529,703 | 124,937 | 0.0029 | 0.9971 | 97.76 |
| 23.5 | 40,691,170 | 173,219 | 0.0043 | 0.9957 | 97.48 |
| 24.5 | 38,320,489 | 177,700 | 0.0046 | 0.9954 | 97.06 |
| 25.5 | 36,191,170 | 158,818 | 0.0044 | 0.9956 | 96.61 |
| 26.5 | 34,167,439 | 177,660 | 0.0052 | 0.9948 | 96.19 |
| 27.5 | 32,247,051 | 187,319 | 0.0058 | 0.9942 | 95.69 |
| 28.5 | 30,558,758 | 179,272 | 0.0059 | 0.9941 | 95.13 |
| 29.5 | 28,775,559 | 178,243 | 0.0062 | 0.9938 | 94.57 |
| 30.5 | 27,285,089 | 241,285 | 0.0088 | 0.9912 | 93.99 |
| 31.5 | 25,701,901 | 232,094 | 0.0090 | 0.9910 | 93.16 |
| 32.5 | 24,493,469 | 254,327 | 0.0104 | 0.9896 | 92.32 |
| 33.5 | 22,766,493 | 203,635 | 0.0089 | 0.9911 | 91.36 |
| 34.5 | 21,319,734 | 251,007 | 0.0118 | 0.9882 | 90.54 |
| 35.5 | 19,829,431 | 424,074 | 0.0214 | 0.9786 | 89.47 |
| 36.5 | 18,171,604 | 330,067 | 0.0182 | 0.9818 | 87.56 |
| 37.5 | 16,761,018 | 218,210 | 0.0130 | 0.9870 | 85.97 |
| 38.5 | 15,430,101 | 204,545 | 0.0133 | 0.9867 | 84.85 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - AERIAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 14,049,192 | 209,444 | 0.0149 | 0.9851 | 83.73 |
| 40.5 | 12,808,349 | 205,474 | 0.0160 | 0.9840 | 82.48 |
| 41.5 | 11,732,644 | 276,275 | 0.0235 | 0.9765 | 81.15 |
| 42.5 | 10,668,974 | 164,850 | 0.0155 | 0.9845 | 79.24 |
| 43.5 | 9,520,612 | 150,907 | 0.0159 | 0.9841 | 78.02 |
| 44.5 | 8,313,090 | 188,024 | 0.0226 | 0.9774 | 76.78 |
| 45.5 | 7,374,894 | 139,332 | 0.0189 | 0.9811 | 75.05 |
| 46.5 | 6,572,066 | 100,500 | 0.0153 | 0.9847 | 73.63 |
| 47.5 | 5,765,721 | 82,953 | 0.0144 | 0.9856 | 72.50 |
| 48.5 | 5,233,423 | 99,952 | 0.0191 | 0.9809 | 71.46 |
| 49.5 | 4,441,723 | 76,506 | 0.0172 | 0.9828 | 70.09 |
| 50.5 | 3,758,479 | 39,448 | 0.0105 | 0.9895 | 68.89 |
| 51.5 | 3,228,539 | 57,893 | 0.0179 | 0.9821 | 68.16 |
| 52.5 | 2,738,846 | 37,762 | 0.0138 | 0.9862 | 66.94 |
| 53.5 | 2,341,285 | 30,058 | 0.0128 | 0.9872 | 66.02 |
| 54.5 | 1,868,743 | 37,672 | 0.0202 | 0.9798 | 65.17 |
| 55.5 | 1,384,617 | 30,518 | 0.0220 | 0.9780 | 63.86 |
| 56.5 | 951,896 | 31,433 | 0.0330 | 0.9670 | 62.45 |
| 57.5 | 487,712 | 24,018 | 0.0492 | 0.9508 | 60.39 |
| 58.5 | 175,626 | 20,871 | 0.1188 | 0.8812 | 57.41 |
| 59.5 | 151,913 | 13,482 | 0.0887 | 0.9113 | 50.59 |
| 60.5 | 119,545 | 19,132 | 0.1600 | 0.8400 | 46.10 |
| 61.5 | 40,618 | 11,815 | 0.2909 | 0.7091 | 38.72 |
| 62.5 | 28,807 | 8,091 | 0.2809 | 0.7191 | 27.46 |
| 63.5 | 20,716 | 10,641 | 0.5136 | 0.4864 | 19.75 |
| 64.5 | 10,084 | 2,538 | 0.2517 | 0.7483 | 9.60 |
| 65.5 | 7,546 | 2,637 | 0.3495 | 0.6505 | 7.19 |
| 66.5 | 4,908 | 829 | 0.1688 | 0.8312 | 4.67 |
| 67.5 | 4,080 | 1,032 | 0.2530 | 0.7470 | 3.89 |
| 68.5 | 3,048 | 874 | 0.2867 | 0.7133 | 2.90 |
| 69.5 | 2,174 | 809 | 0.3720 | 0.6280 | 2.07 |
| 70.5 | 1,365 | 1,210 | 0.8866 | 0.1134 | 1.30 |
| 71.5 | 155 | 108 | 0.6981 | 0.3019 | 0.15 |
| 72.5 | 47 | 42 | 0.9048 | 0.0952 | 0.04 |
| 73.5 | 4 | 4 | 1.0000 | | 0.00 |
| 74.5 | 7,882 | | 0.0000 | 1.0000 | |
| 75.5 | 7,882 | | 0.0000 | | |
| 76.5 | 7,882 | | 0.0000 | | |
| 77.5 | 7,882 | | 0.0000 | | |
| 78.5 | 7,882 | | 0.0000 | | |

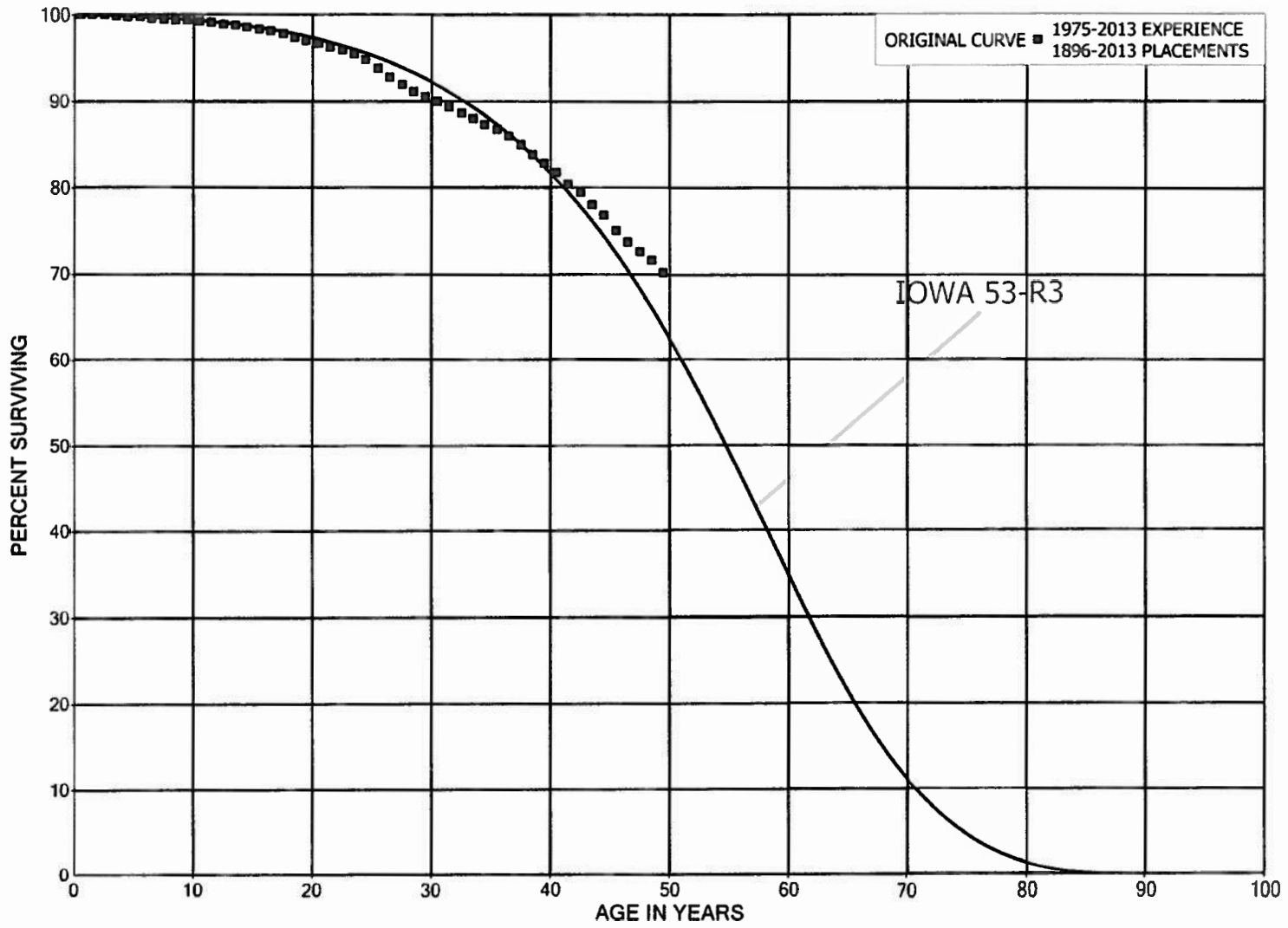
PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - AERIAL

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1900-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 79.5 | 7,882 | | 0.0000 | | |
| 80.5 | 7,882 | | 0.0000 | | |
| 81.5 | 7,882 | | 0.0000 | | |
| 82.5 | 7,882 | | 0.0000 | | |
| 83.5 | 7,882 | | 0.0000 | | |
| 84.5 | 7,882 | | 0.0000 | | |
| 85.5 | 7,882 | | 0.0000 | | |
| 86.5 | 7,882 | | 0.0000 | | |
| 87.5 | 7,882 | | 0.0000 | | |
| 88.5 | 7,882 | | 0.0000 | | |
| 89.5 | 7,882 | | 0.0000 | | |
| 90.5 | 7,882 | 5,964 | 0.7567 | | |
| 91.5 | 1,918 | | 0.0000 | | |
| 92.5 | 1,918 | 1,918 | 1.0000 | | |
| 93.5 | | | | | |

PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 369.2 SERVICES - UNDERGROUND
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE

PLACEMENT BAND 1896-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 257,581,647 | 26,131 | 0.0001 | 0.9999 | 100.00 |
| 0.5 | 257,623,514 | 91,340 | 0.0004 | 0.9996 | 99.99 |
| 1.5 | 258,746,451 | 123,423 | 0.0005 | 0.9995 | 99.95 |
| 2.5 | 253,925,516 | 133,196 | 0.0005 | 0.9995 | 99.91 |
| 3.5 | 253,115,404 | 225,089 | 0.0009 | 0.9991 | 99.85 |
| 4.5 | 249,830,424 | 157,981 | 0.0006 | 0.9994 | 99.77 |
| 5.5 | 245,597,418 | 583,032 | 0.0024 | 0.9976 | 99.70 |
| 6.5 | 240,586,609 | 184,233 | 0.0008 | 0.9992 | 99.47 |
| 7.5 | 234,286,101 | 142,045 | 0.0006 | 0.9994 | 99.39 |
| 8.5 | 222,917,512 | 127,988 | 0.0006 | 0.9994 | 99.33 |
| 9.5 | 195,780,559 | 164,210 | 0.0008 | 0.9992 | 99.27 |
| 10.5 | 193,176,663 | 253,055 | 0.0013 | 0.9987 | 99.19 |
| 11.5 | 190,546,484 | 356,577 | 0.0019 | 0.9981 | 99.06 |
| 12.5 | 182,030,179 | 348,004 | 0.0019 | 0.9981 | 98.87 |
| 13.5 | 189,758,095 | 326,618 | 0.0017 | 0.9983 | 98.68 |
| 14.5 | 180,334,896 | 391,670 | 0.0022 | 0.9978 | 98.51 |
| 15.5 | 174,477,211 | 470,373 | 0.0027 | 0.9973 | 98.30 |
| 16.5 | 164,652,161 | 583,920 | 0.0035 | 0.9965 | 98.04 |
| 17.5 | 160,297,646 | 596,380 | 0.0037 | 0.9963 | 97.69 |
| 18.5 | 150,287,422 | 573,473 | 0.0038 | 0.9962 | 97.32 |
| 19.5 | 144,463,945 | 520,233 | 0.0036 | 0.9964 | 96.95 |
| 20.5 | 133,947,154 | 543,944 | 0.0041 | 0.9959 | 96.60 |
| 21.5 | 125,191,280 | 446,634 | 0.0036 | 0.9964 | 96.21 |
| 22.5 | 117,281,703 | 645,968 | 0.0055 | 0.9945 | 95.87 |
| 23.5 | 106,419,196 | 627,611 | 0.0059 | 0.9941 | 95.34 |
| 24.5 | 95,173,687 | 1,029,945 | 0.0108 | 0.9892 | 94.78 |
| 25.5 | 82,870,133 | 890,542 | 0.0107 | 0.9893 | 93.75 |
| 26.5 | 70,765,192 | 690,212 | 0.0098 | 0.9902 | 92.75 |
| 27.5 | 60,376,267 | 478,729 | 0.0079 | 0.9921 | 91.84 |
| 28.5 | 51,980,450 | 315,669 | 0.0061 | 0.9939 | 91.11 |
| 29.5 | 44,090,784 | 299,571 | 0.0068 | 0.9932 | 90.56 |
| 30.5 | 38,032,189 | 274,560 | 0.0072 | 0.9928 | 89.94 |
| 31.5 | 34,771,031 | 285,611 | 0.0082 | 0.9918 | 89.29 |
| 32.5 | 29,523,338 | 189,665 | 0.0064 | 0.9936 | 88.56 |
| 33.5 | 24,341,231 | 195,895 | 0.0080 | 0.9920 | 87.99 |
| 34.5 | 19,702,401 | 122,999 | 0.0062 | 0.9938 | 87.28 |
| 35.5 | 15,288,765 | 139,472 | 0.0091 | 0.9909 | 86.74 |
| 36.5 | 12,610,451 | 140,659 | 0.0112 | 0.9888 | 85.95 |
| 37.5 | 10,393,121 | 138,520 | 0.0133 | 0.9867 | 84.99 |
| 38.5 | 8,943,647 | 110,568 | 0.0124 | 0.9876 | 83.86 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1896-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 7,406,074 | 85,000 | 0.0115 | 0.9885 | 82.82 |
| 40.5 | 5,797,252 | 99,920 | 0.0172 | 0.9828 | 81.87 |
| 41.5 | 5,118,046 | 60,231 | 0.0118 | 0.9882 | 80.46 |
| 42.5 | 4,647,670 | 82,660 | 0.0178 | 0.9822 | 79.51 |
| 43.5 | 4,273,748 | 70,923 | 0.0166 | 0.9834 | 78.10 |
| 44.5 | 3,937,820 | 88,099 | 0.0224 | 0.9776 | 76.80 |
| 45.5 | 3,571,962 | 63,662 | 0.0178 | 0.9822 | 75.08 |
| 46.5 | 3,310,846 | 49,196 | 0.0149 | 0.9851 | 73.74 |
| 47.5 | 3,023,569 | 44,583 | 0.0147 | 0.9853 | 72.65 |
| 48.5 | 2,748,962 | 54,793 | 0.0199 | 0.9801 | 71.58 |
| 49.5 | 2,567,773 | 165,739 | 0.0645 | 0.9355 | 70.15 |
| 50.5 | 2,310,300 | 89,400 | 0.0387 | 0.9613 | 65.62 |
| 51.5 | 2,065,758 | 37,556 | 0.0182 | 0.9818 | 63.08 |
| 52.5 | 1,853,506 | 35,593 | 0.0192 | 0.9808 | 61.94 |
| 53.5 | 1,649,610 | 32,048 | 0.0194 | 0.9806 | 60.75 |
| 54.5 | 1,513,856 | 29,885 | 0.0197 | 0.9803 | 59.57 |
| 55.5 | 1,425,030 | 37,212 | 0.0261 | 0.9739 | 58.39 |
| 56.5 | 1,308,517 | 34,937 | 0.0267 | 0.9733 | 56.87 |
| 57.5 | 1,180,287 | 24,246 | 0.0205 | 0.9795 | 55.35 |
| 58.5 | 1,096,723 | 26,374 | 0.0240 | 0.9760 | 54.21 |
| 59.5 | 968,998 | 55,609 | 0.0574 | 0.9426 | 52.91 |
| 60.5 | 818,986 | 26,043 | 0.0318 | 0.9682 | 49.87 |
| 61.5 | 759,610 | 29,703 | 0.0391 | 0.9609 | 48.29 |
| 62.5 | 734,265 | 25,782 | 0.0351 | 0.9649 | 46.40 |
| 63.5 | 715,356 | 77,798 | 0.1088 | 0.8912 | 44.77 |
| 64.5 | 595,187 | 32,094 | 0.0539 | 0.9461 | 39.90 |
| 65.5 | 534,948 | 115,965 | 0.2168 | 0.7832 | 37.75 |
| 66.5 | 408,261 | 165,423 | 0.4052 | 0.5948 | 29.57 |
| 67.5 | 222,777 | 53,990 | 0.2423 | 0.7577 | 17.59 |
| 68.5 | 163,353 | 9,854 | 0.0603 | 0.9397 | 13.32 |
| 69.5 | 151,241 | 13,751 | 0.0909 | 0.9091 | 12.52 |
| 70.5 | 136,110 | 17,892 | 0.1315 | 0.8685 | 11.38 |
| 71.5 | 111,959 | 12,979 | 0.1159 | 0.8841 | 9.89 |
| 72.5 | 85,121 | 10,327 | 0.1213 | 0.8787 | 8.74 |
| 73.5 | 66,255 | 9,967 | 0.1504 | 0.8496 | 7.68 |
| 74.5 | 160,417 | 10,289 | 0.0641 | 0.9359 | 6.52 |
| 75.5 | 150,128 | 6,531 | 0.0435 | 0.9565 | 6.11 |
| 76.5 | 143,597 | 1,718 | 0.0120 | 0.9880 | 5.84 |
| 77.5 | 141,954 | 1,425 | 0.0100 | 0.9900 | 5.77 |
| 78.5 | 140,551 | 1,584 | 0.0113 | 0.9887 | 5.71 |

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PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

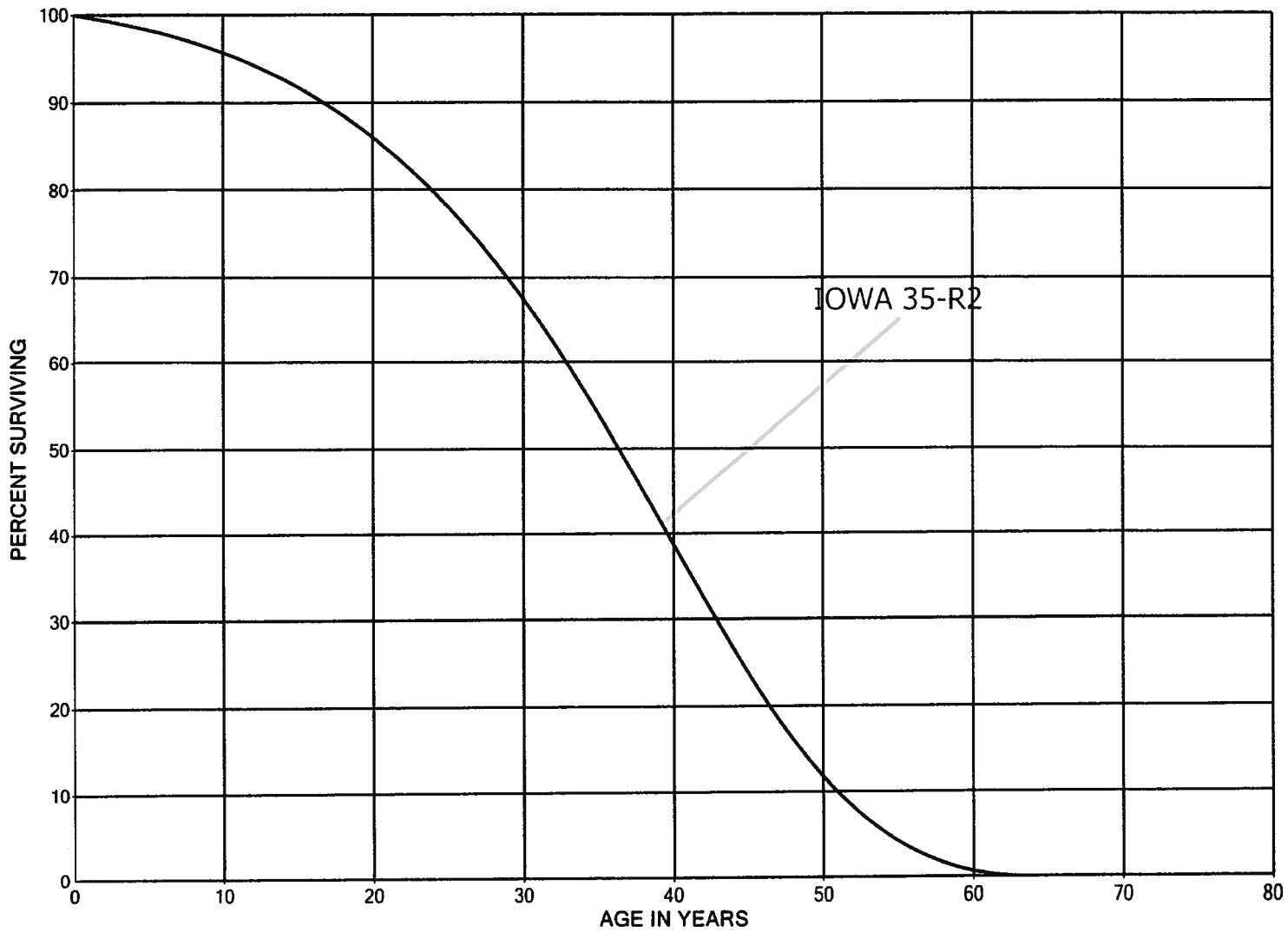
PLACEMENT BAND 1896-2013

EXPERIENCE BAND 1975-2013

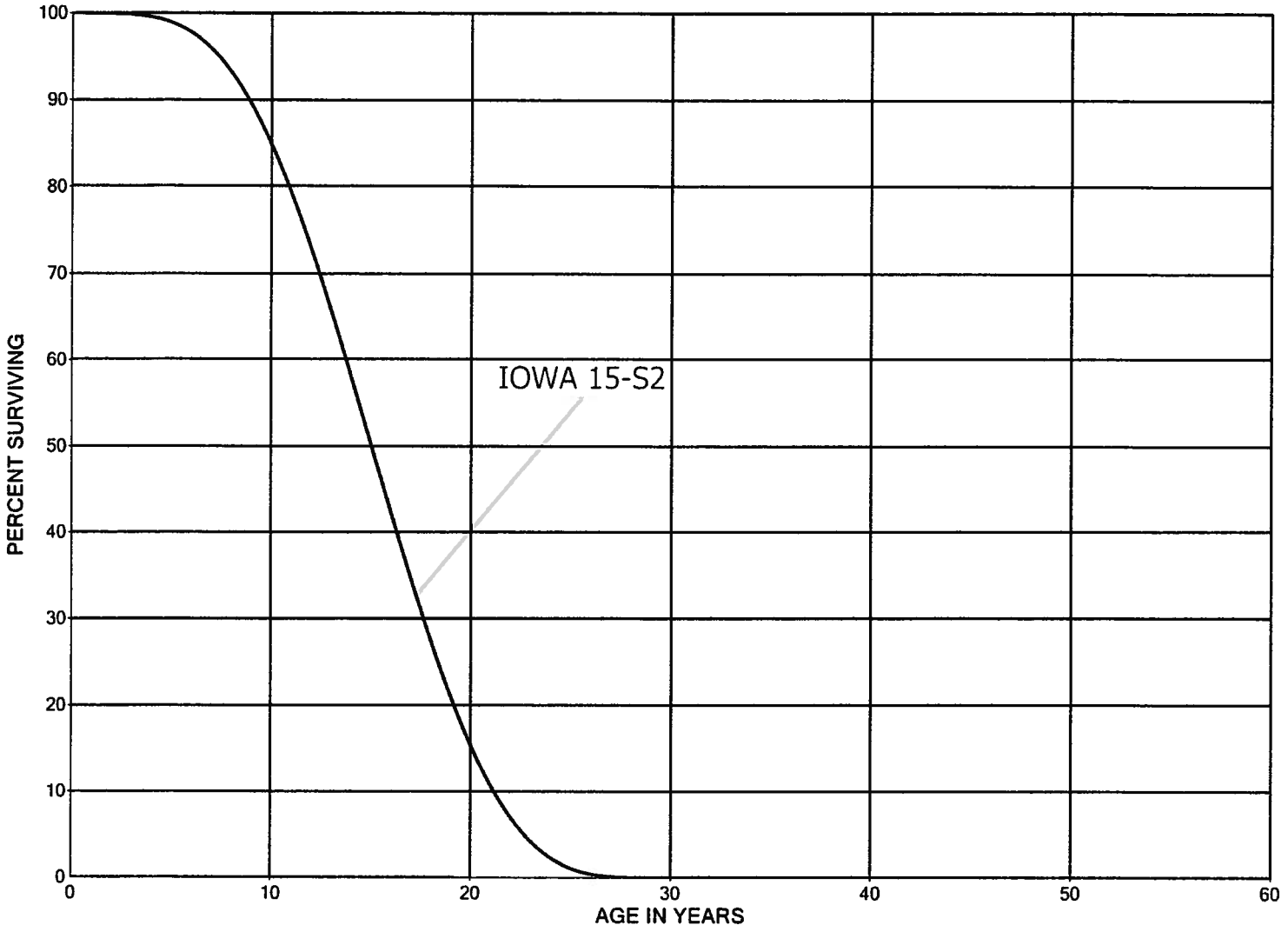
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 79.5 | 138,967 | 2,064 | 0.0149 | 0.9851 | 5.65 |
| 80.5 | 136,903 | 2,385 | 0.0174 | 0.9826 | 5.56 |
| 81.5 | 134,518 | 646 | 0.0048 | 0.9952 | 5.47 |
| 82.5 | 133,872 | 9,691 | 0.0724 | 0.9276 | 5.44 |
| 83.5 | 124,181 | 6,742 | 0.0543 | 0.9457 | 5.05 |
| 84.5 | 117,439 | 6,172 | 0.0526 | 0.9474 | 4.77 |
| 85.5 | 111,267 | 6,020 | 0.0541 | 0.9459 | 4.52 |
| 86.5 | 105,247 | 1,097 | 0.0104 | 0.9896 | 4.28 |
| 87.5 | 104,150 | 17 | 0.0002 | 0.9998 | 4.23 |
| 88.5 | 104,133 | 4 | 0.0000 | 1.0000 | 4.23 |
| 89.5 | 104,130 | | 0.0000 | 1.0000 | 4.23 |
| 90.5 | 104,130 | 1,535 | 0.0147 | 0.9853 | 4.23 |
| 91.5 | 102,595 | | 0.0000 | 1.0000 | 4.17 |
| 92.5 | 102,595 | 8,716 | 0.0850 | 0.9150 | 4.17 |
| 93.5 | 93,879 | 11,641 | 0.1240 | 0.8760 | 3.82 |
| 94.5 | 82,238 | 24,061 | 0.2926 | 0.7074 | 3.34 |
| 95.5 | 58,177 | 25,591 | 0.4399 | 0.5601 | 2.36 |
| 96.5 | 32,586 | 32,586 | 1.0000 | | 1.32 |
| 97.5 | | | | | |



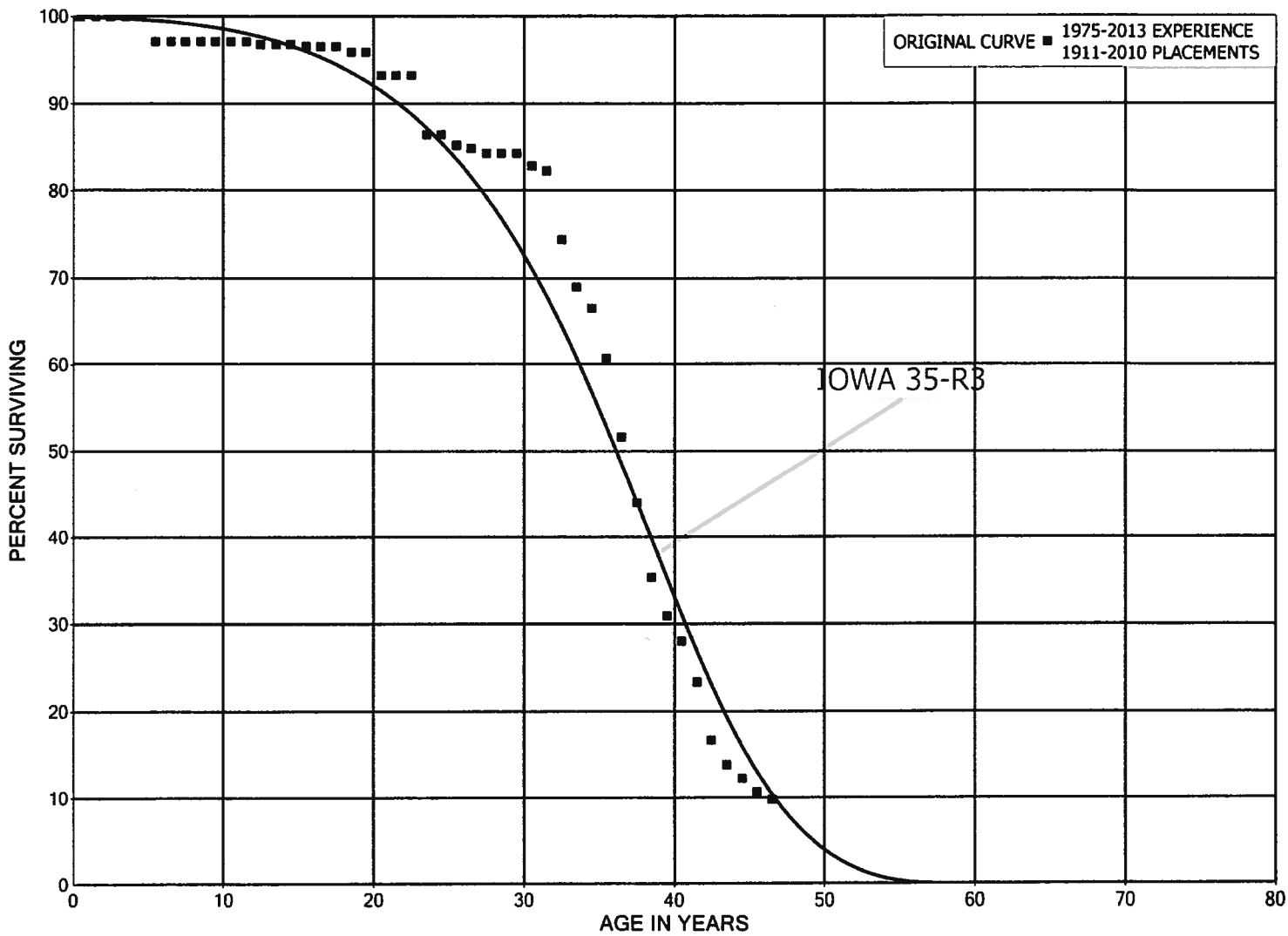
PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 370.1 METER TRANSFORMERS
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 370.2 SMART METERS
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1911-2010

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 3,710,593 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 3,710,593 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 1,078,447 | | 0.0000 | 1.0000 | 100.00 |
| 2.5 | 1,078,447 | | 0.0000 | 1.0000 | 100.00 |
| 3.5 | 1,078,447 | | 0.0000 | 1.0000 | 100.00 |
| 4.5 | 1,080,509 | 31,513 | 0.0292 | 0.9708 | 100.00 |
| 5.5 | 1,050,974 | | 0.0000 | 1.0000 | 97.08 |
| 6.5 | 1,052,552 | | 0.0000 | 1.0000 | 97.08 |
| 7.5 | 1,059,537 | | 0.0000 | 1.0000 | 97.08 |
| 8.5 | 1,074,590 | | 0.0000 | 1.0000 | 97.08 |
| 9.5 | 1,082,318 | | 0.0000 | 1.0000 | 97.08 |
| 10.5 | 1,102,777 | | 0.0000 | 1.0000 | 97.08 |
| 11.5 | 1,131,693 | 4,811 | 0.0043 | 0.9957 | 97.08 |
| 12.5 | 1,152,862 | | 0.0000 | 1.0000 | 96.67 |
| 13.5 | 1,186,315 | | 0.0000 | 1.0000 | 96.67 |
| 14.5 | 1,049,073 | 1,855 | 0.0018 | 0.9982 | 96.67 |
| 15.5 | 313,613 | | 0.0000 | 1.0000 | 96.50 |
| 16.5 | 276,752 | | 0.0000 | 1.0000 | 96.50 |
| 17.5 | 277,615 | 1,982 | 0.0071 | 0.9929 | 96.50 |
| 18.5 | 248,499 | | 0.0000 | 1.0000 | 95.81 |
| 19.5 | 235,332 | 6,573 | 0.0279 | 0.9721 | 95.81 |
| 20.5 | 235,225 | | 0.0000 | 1.0000 | 93.13 |
| 21.5 | 242,264 | | 0.0000 | 1.0000 | 93.13 |
| 22.5 | 261,395 | 18,874 | 0.0722 | 0.9278 | 93.13 |
| 23.5 | 245,857 | | 0.0000 | 1.0000 | 86.41 |
| 24.5 | 263,418 | 3,733 | 0.0142 | 0.9858 | 86.41 |
| 25.5 | 259,764 | 999 | 0.0038 | 0.9962 | 85.19 |
| 26.5 | 258,765 | 1,728 | 0.0067 | 0.9933 | 84.86 |
| 27.5 | 260,124 | | 0.0000 | 1.0000 | 84.29 |
| 28.5 | 261,501 | | 0.0000 | 1.0000 | 84.29 |
| 29.5 | 261,501 | 4,510 | 0.0172 | 0.9828 | 84.29 |
| 30.5 | 257,040 | 1,578 | 0.0061 | 0.9939 | 82.84 |
| 31.5 | 255,608 | 24,496 | 0.0958 | 0.9042 | 82.33 |
| 32.5 | 232,121 | 16,972 | 0.0731 | 0.9269 | 74.44 |
| 33.5 | 216,776 | 7,729 | 0.0357 | 0.9643 | 69.00 |
| 34.5 | 209,048 | 18,106 | 0.0866 | 0.9134 | 66.54 |
| 35.5 | 191,008 | 28,916 | 0.1514 | 0.8486 | 60.77 |
| 36.5 | 162,469 | 23,998 | 0.1477 | 0.8523 | 51.57 |
| 37.5 | 138,471 | 27,170 | 0.1962 | 0.8038 | 43.96 |
| 38.5 | 111,746 | 14,289 | 0.1279 | 0.8721 | 35.33 |

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PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1911-2010 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 39.5 | 97,457 | 8,971 | 0.0920 | 0.9080 | 30.81 | |
| 40.5 | 88,716 | 14,778 | 0.1666 | 0.8334 | 27.98 | |
| 41.5 | 73,939 | 21,266 | 0.2876 | 0.7124 | 23.32 | |
| 42.5 | 52,881 | 9,172 | 0.1734 | 0.8266 | 16.61 | |
| 43.5 | 53,686 | 5,898 | 0.1099 | 0.8901 | 13.73 | |
| 44.5 | 50,658 | 6,466 | 0.1276 | 0.8724 | 12.22 | |
| 45.5 | 48,552 | 4,162 | 0.0857 | 0.9143 | 10.66 | |
| 46.5 | 46,233 | 17,555 | 0.3797 | 0.6203 | 9.75 | |
| 47.5 | 30,071 | 3,336 | 0.1109 | 0.8891 | 6.05 | |
| 48.5 | 27,364 | 51 | 0.0019 | 0.9981 | 5.38 | |
| 49.5 | 28,233 | 79 | 0.0028 | 0.9972 | 5.37 | |
| 50.5 | 32,442 | 8,709 | 0.2684 | 0.7316 | 5.35 | |
| 51.5 | 24,680 | 628 | 0.0254 | 0.9746 | 3.91 | |
| 52.5 | 24,154 | 1,376 | 0.0570 | 0.9430 | 3.81 | |
| 53.5 | 23,561 | | 0.0000 | 1.0000 | 3.60 | |
| 54.5 | 23,561 | 1,542 | 0.0654 | 0.9346 | 3.60 | |
| 55.5 | 22,084 | 146 | 0.0066 | 0.9934 | 3.36 | |
| 56.5 | 21,938 | 1,009 | 0.0460 | 0.9540 | 3.34 | |
| 57.5 | 21,017 | 1,628 | 0.0775 | 0.9225 | 3.19 | |
| 58.5 | 19,413 | | 0.0000 | 1.0000 | 2.94 | |
| 59.5 | 19,413 | 67 | 0.0034 | 0.9966 | 2.94 | |
| 60.5 | 19,406 | 377 | 0.0194 | 0.9806 | 2.93 | |
| 61.5 | 19,029 | | 0.0000 | 1.0000 | 2.87 | |
| 62.5 | 19,029 | 444 | 0.0234 | 0.9766 | 2.87 | |
| 63.5 | 18,708 | | 0.0000 | 1.0000 | 2.81 | |
| 64.5 | 18,708 | 230 | 0.0123 | 0.9877 | 2.81 | |
| 65.5 | 18,479 | | 0.0000 | 1.0000 | 2.77 | |
| 66.5 | 18,479 | 208 | 0.0113 | 0.9887 | 2.77 | |
| 67.5 | 18,271 | 1,268 | 0.0694 | 0.9306 | 2.74 | |
| 68.5 | 17,002 | 1,378 | 0.0810 | 0.9190 | 2.55 | |
| 69.5 | 15,624 | 4,360 | 0.2790 | 0.7210 | 2.34 | |
| 70.5 | 11,265 | 1,843 | 0.1636 | 0.8364 | 1.69 | |
| 71.5 | 9,421 | 1,393 | 0.1478 | 0.8522 | 1.41 | |
| 72.5 | 8,029 | 629 | 0.0784 | 0.9216 | 1.20 | |
| 73.5 | 7,400 | 920 | 0.1243 | 0.8757 | 1.11 | |
| 74.5 | 6,480 | 4,288 | 0.6617 | 0.3383 | 0.97 | |
| 75.5 | 2,192 | 947 | 0.4320 | 0.5680 | 0.33 | |
| 76.5 | 1,245 | 101 | 0.0813 | 0.9187 | 0.19 | |
| 77.5 | 1,144 | 784 | 0.6853 | 0.3147 | 0.17 | |
| 78.5 | 360 | | 0.0000 | 1.0000 | 0.05 | |

PECO ENERGY COMPANY
ELECTRIC PLANT

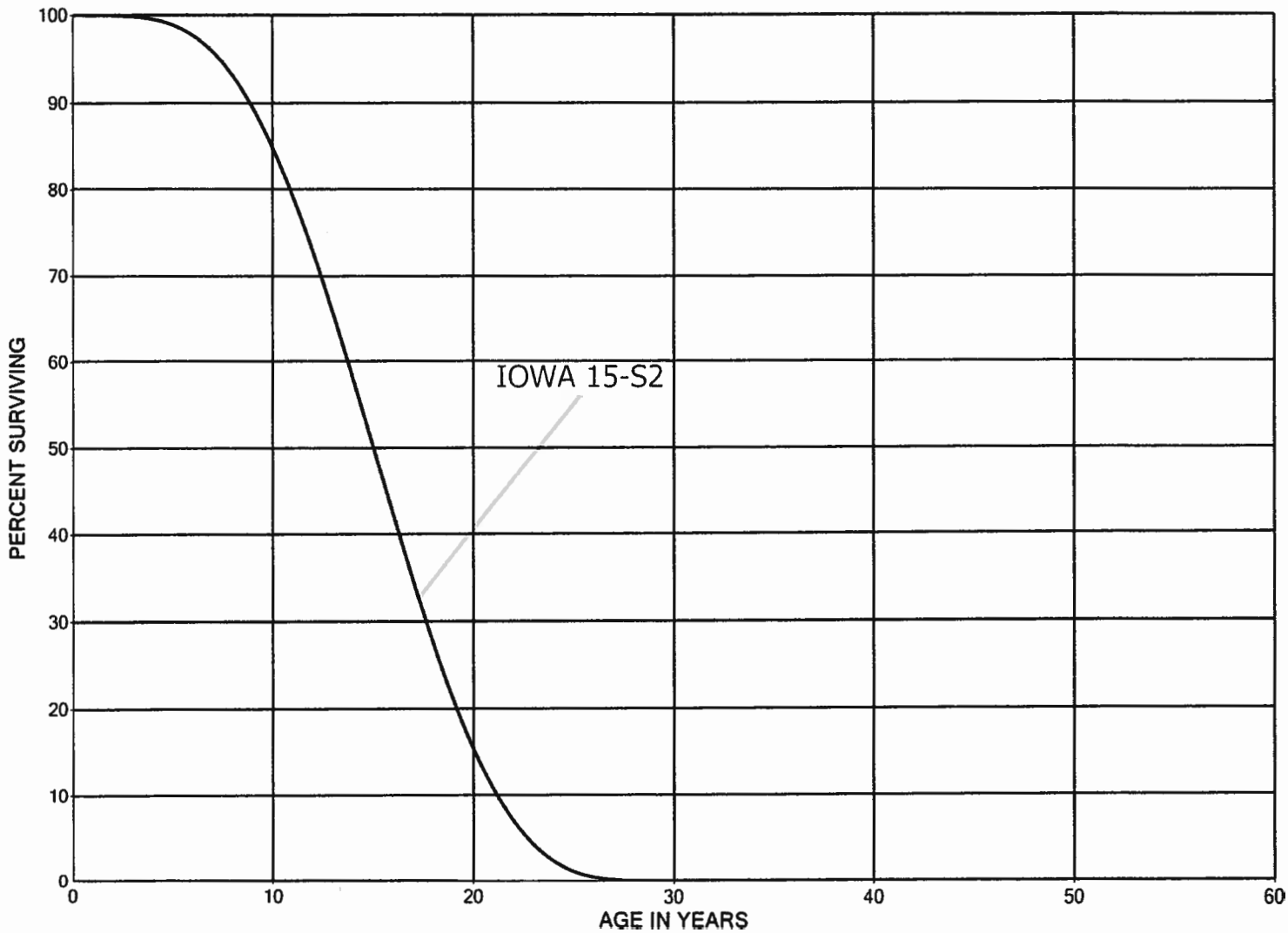
ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1911-2010 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 360 | 64 | 0.1790 | 0.8210 | 0.05 | |
| 80.5 | 295 | | 0.0000 | 1.0000 | 0.04 | |
| 81.5 | 295 | 88 | 0.2977 | 0.7023 | 0.04 | |
| 82.5 | 207 | 24 | 0.1153 | 0.8847 | 0.03 | |
| 83.5 | 184 | | 0.0000 | 1.0000 | 0.03 | |
| 84.5 | 184 | 60 | 0.3261 | 0.6739 | 0.03 | |
| 85.5 | 124 | | 0.0000 | 1.0000 | 0.02 | |
| 86.5 | 124 | | 0.0000 | 1.0000 | 0.02 | |
| 87.5 | 124 | 124 | 1.0000 | | 0.02 | |
| 88.5 | | | | | | |

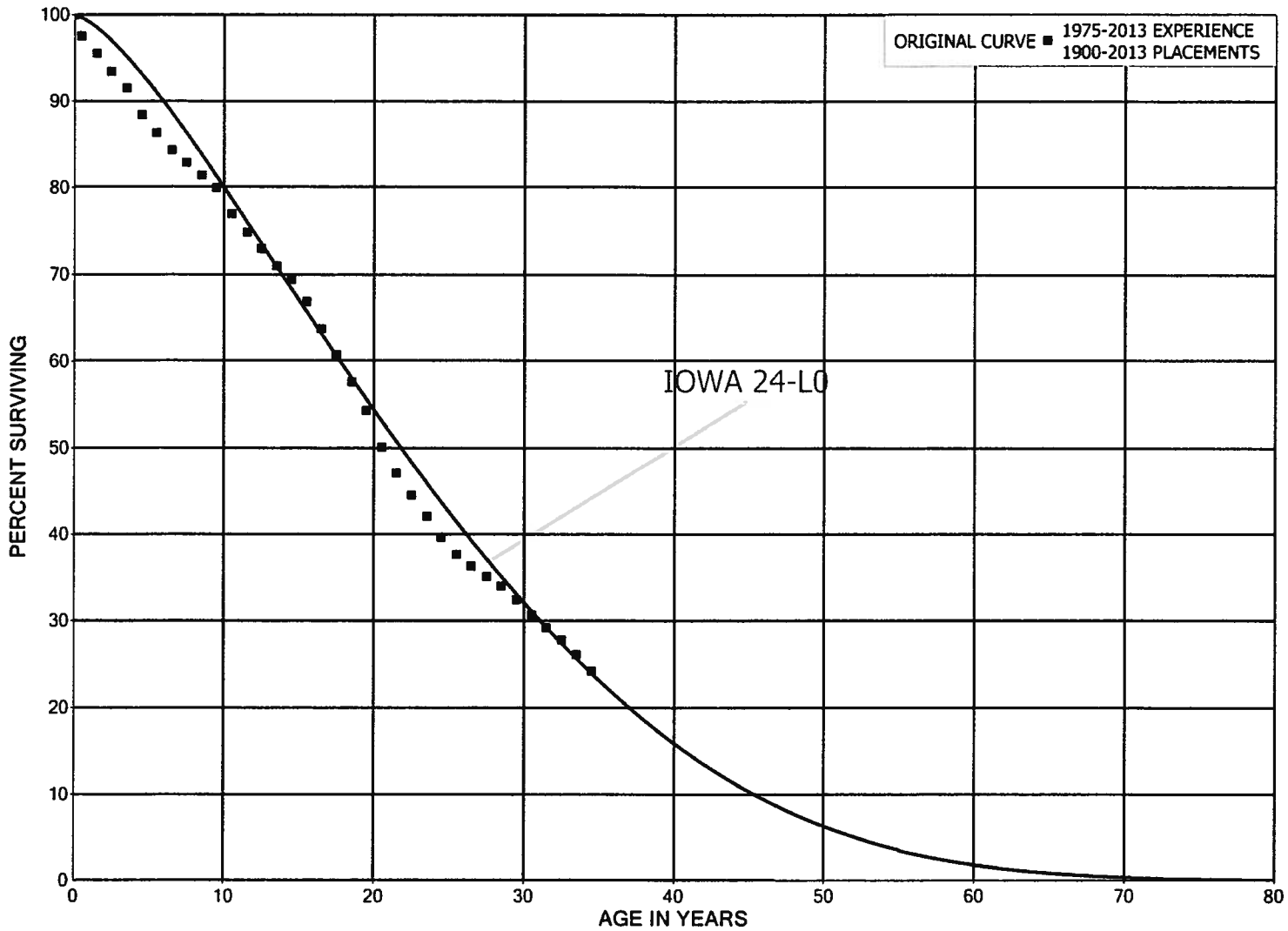


PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 371.1 INSTALLATIONS ON CUSTOMERS' PREMISES - DLC SWITCHES
SMOOTH SURVIVOR CURVE





PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS - ALL SUBACCOUNTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS - ALL SUBACCOUNTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 77,541,086 | 1,967,745 | 0.0254 | 0.9746 | 100.00 |
| 0.5 | 74,943,490 | 1,487,600 | 0.0198 | 0.9802 | 97.46 |
| 1.5 | 73,405,855 | 1,619,281 | 0.0221 | 0.9779 | 95.53 |
| 2.5 | 71,673,236 | 1,450,962 | 0.0202 | 0.9798 | 93.42 |
| 3.5 | 69,998,900 | 2,362,716 | 0.0338 | 0.9662 | 91.53 |
| 4.5 | 67,515,341 | 1,654,620 | 0.0245 | 0.9755 | 88.44 |
| 5.5 | 65,870,650 | 1,490,955 | 0.0226 | 0.9774 | 86.27 |
| 6.5 | 64,803,758 | 1,122,381 | 0.0173 | 0.9827 | 84.32 |
| 7.5 | 64,073,599 | 1,126,457 | 0.0176 | 0.9824 | 82.86 |
| 8.5 | 63,054,804 | 1,133,950 | 0.0180 | 0.9820 | 81.40 |
| 9.5 | 41,360,528 | 1,570,358 | 0.0380 | 0.9620 | 79.94 |
| 10.5 | 50,991,860 | 1,388,689 | 0.0272 | 0.9728 | 76.90 |
| 11.5 | 53,637,038 | 1,348,013 | 0.0251 | 0.9749 | 74.81 |
| 12.5 | 52,057,356 | 1,416,945 | 0.0272 | 0.9728 | 72.93 |
| 13.5 | 53,066,296 | 1,198,761 | 0.0226 | 0.9774 | 70.94 |
| 14.5 | 43,026,558 | 1,563,687 | 0.0363 | 0.9637 | 69.34 |
| 15.5 | 28,964,126 | 1,333,673 | 0.0460 | 0.9540 | 66.82 |
| 16.5 | 23,547,629 | 1,106,776 | 0.0470 | 0.9530 | 63.74 |
| 17.5 | 20,599,630 | 1,046,576 | 0.0508 | 0.9492 | 60.75 |
| 18.5 | 17,819,427 | 1,052,846 | 0.0591 | 0.9409 | 57.66 |
| 19.5 | 16,449,739 | 1,270,473 | 0.0772 | 0.9228 | 54.26 |
| 20.5 | 14,873,745 | 906,880 | 0.0610 | 0.9390 | 50.06 |
| 21.5 | 13,627,366 | 719,399 | 0.0528 | 0.9472 | 47.01 |
| 22.5 | 12,439,453 | 698,019 | 0.0561 | 0.9439 | 44.53 |
| 23.5 | 11,070,122 | 624,406 | 0.0564 | 0.9436 | 42.03 |
| 24.5 | 9,939,896 | 511,968 | 0.0515 | 0.9485 | 39.66 |
| 25.5 | 8,773,963 | 299,539 | 0.0341 | 0.9659 | 37.62 |
| 26.5 | 8,019,487 | 284,561 | 0.0355 | 0.9645 | 36.33 |
| 27.5 | 7,408,487 | 226,190 | 0.0305 | 0.9695 | 35.04 |
| 28.5 | 6,362,444 | 295,541 | 0.0465 | 0.9535 | 33.97 |
| 29.5 | 5,413,587 | 304,942 | 0.0563 | 0.9437 | 32.40 |
| 30.5 | 4,491,600 | 207,699 | 0.0462 | 0.9538 | 30.57 |
| 31.5 | 3,859,294 | 189,048 | 0.0490 | 0.9510 | 29.16 |
| 32.5 | 3,390,142 | 200,297 | 0.0591 | 0.9409 | 27.73 |
| 33.5 | 2,941,228 | 220,554 | 0.0750 | 0.9250 | 26.09 |
| 34.5 | 2,340,978 | 92,671 | 0.0396 | 0.9604 | 24.13 |
| 35.5 | 1,957,461 | 42,541 | 0.0217 | 0.9783 | 23.18 |
| 36.5 | 1,584,306 | 40,081 | 0.0253 | 0.9747 | 22.68 |
| 37.5 | 1,263,139 | 22,723 | 0.0180 | 0.9820 | 22.10 |
| 38.5 | 1,060,963 | 17,704 | 0.0167 | 0.9833 | 21.70 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS - ALL SUBACCOUNTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1900-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 39.5 | 854,639 | 15,028 | 0.0176 | 0.9824 | 21.34 | |
| 40.5 | 659,479 | 29,433 | 0.0446 | 0.9554 | 20.97 | |
| 41.5 | 453,197 | 18,488 | 0.0408 | 0.9592 | 20.03 | |
| 42.5 | 329,467 | 6,098 | 0.0185 | 0.9815 | 19.21 | |
| 43.5 | 285,632 | 10,411 | 0.0364 | 0.9636 | 18.86 | |
| 44.5 | 259,551 | 9,236 | 0.0356 | 0.9644 | 18.17 | |
| 45.5 | 240,672 | 10,317 | 0.0429 | 0.9571 | 17.52 | |
| 46.5 | 219,135 | 15,789 | 0.0721 | 0.9279 | 16.77 | |
| 47.5 | 197,875 | 12,262 | 0.0620 | 0.9380 | 15.56 | |
| 48.5 | 177,268 | 10,626 | 0.0599 | 0.9401 | 14.60 | |
| 49.5 | 168,355 | 21,829 | 0.1297 | 0.8703 | 13.72 | |
| 50.5 | 140,002 | 14,960 | 0.1069 | 0.8931 | 11.95 | |
| 51.5 | 110,705 | 14,334 | 0.1295 | 0.8705 | 10.67 | |
| 52.5 | 89,334 | 10,765 | 0.1205 | 0.8795 | 9.29 | |
| 53.5 | 67,701 | 10,553 | 0.1559 | 0.8441 | 8.17 | |
| 54.5 | 42,346 | 6,689 | 0.1580 | 0.8420 | 6.90 | |
| 55.5 | 39,310 | 2,912 | 0.0741 | 0.9259 | 5.81 | |
| 56.5 | 49,569 | 3,361 | 0.0678 | 0.9322 | 5.38 | |
| 57.5 | 61,752 | 4,327 | 0.0701 | 0.9299 | 5.01 | |
| 58.5 | 67,578 | 2,345 | 0.0347 | 0.9653 | 4.66 | |
| 59.5 | 69,461 | 2,013 | 0.0290 | 0.9710 | 4.50 | |
| 60.5 | 81,374 | 5,306 | 0.0652 | 0.9348 | 4.37 | |
| 61.5 | 79,697 | 3,284 | 0.0412 | 0.9588 | 4.08 | |
| 62.5 | 77,931 | 10,415 | 0.1336 | 0.8664 | 3.92 | |
| 63.5 | 69,714 | 2,551 | 0.0366 | 0.9634 | 3.39 | |
| 64.5 | 67,163 | 9,859 | 0.1468 | 0.8532 | 3.27 | |
| 65.5 | 58,698 | 2,579 | 0.0439 | 0.9561 | 2.79 | |
| 66.5 | 65,828 | 1,692 | 0.0257 | 0.9743 | 2.67 | |
| 67.5 | 81,223 | 1,766 | 0.0217 | 0.9783 | 2.60 | |
| 68.5 | 83,284 | 7,942 | 0.0954 | 0.9046 | 2.54 | |
| 69.5 | 75,342 | 21,288 | 0.2825 | 0.7175 | 2.30 | |
| 70.5 | 54,054 | 5,451 | 0.1008 | 0.8992 | 1.65 | |
| 71.5 | 48,603 | 1,085 | 0.0223 | 0.9777 | 1.48 | |
| 72.5 | 47,518 | 663 | 0.0140 | 0.9860 | 1.45 | |
| 73.5 | 46,855 | 1,508 | 0.0322 | 0.9678 | 1.43 | |
| 74.5 | 55,123 | 3,323 | 0.0603 | 0.9397 | 1.38 | |
| 75.5 | 51,801 | 1,010 | 0.0195 | 0.9805 | 1.30 | |
| 76.5 | 50,791 | 2,568 | 0.0506 | 0.9494 | 1.27 | |
| 77.5 | 48,223 | 1,185 | 0.0246 | 0.9754 | 1.21 | |
| 78.5 | 47,038 | 270 | 0.0057 | 0.9943 | 1.18 | |

PECO ENERGY COMPANY
ELECTRIC PLANT

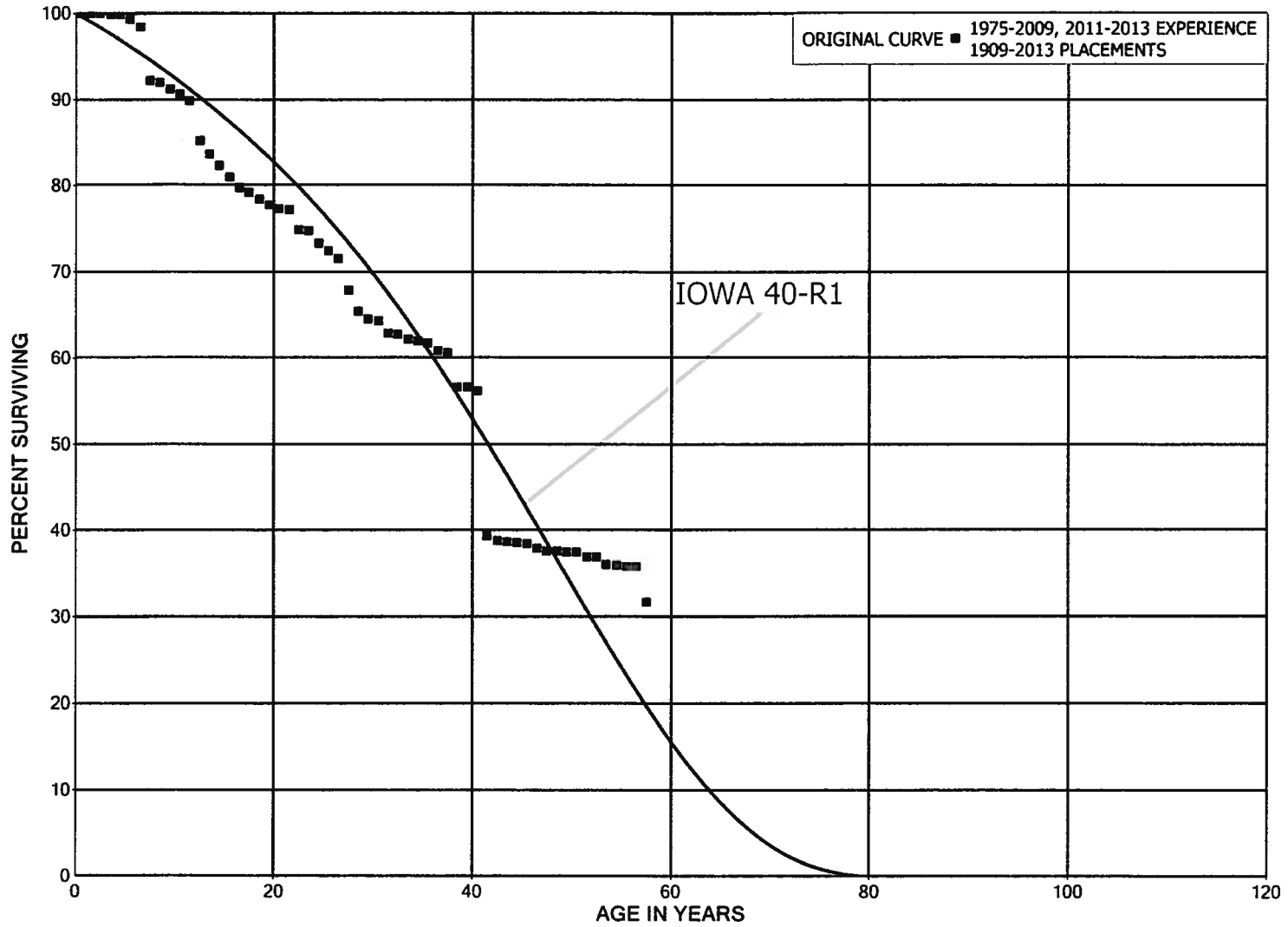
ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS - ALL SUBACCOUNTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1900-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 79.5 | 46,768 | 311 | 0.0066 | 0.9934 | 1.17 | |
| 80.5 | 46,457 | | 0.0000 | 1.0000 | 1.17 | |
| 81.5 | 46,457 | 1,057 | 0.0228 | 0.9772 | 1.17 | |
| 82.5 | 45,400 | 32 | 0.0007 | 0.9993 | 1.14 | |
| 83.5 | 45,368 | | 0.0000 | 1.0000 | 1.14 | |
| 84.5 | 45,368 | | 0.0000 | 1.0000 | 1.14 | |
| 85.5 | 45,368 | | 0.0000 | 1.0000 | 1.14 | |
| 86.5 | 45,368 | | 0.0000 | 1.0000 | 1.14 | |
| 87.5 | 45,368 | | 0.0000 | 1.0000 | 1.14 | |
| 88.5 | 45,368 | 1 | 0.0000 | 1.0000 | 1.14 | |
| 89.5 | 45,367 | 99 | 0.0022 | 0.9978 | 1.14 | |
| 90.5 | 45,268 | 4,389 | 0.0970 | 0.9030 | 1.14 | |
| 91.5 | 40,879 | 8,281 | 0.2026 | 0.7974 | 1.03 | |
| 92.5 | 32,598 | 13,356 | 0.4097 | 0.5903 | 0.82 | |
| 93.5 | 19,242 | 6,267 | 0.3257 | 0.6743 | 0.48 | |
| 94.5 | 12,971 | 5,320 | 0.4101 | 0.5899 | 0.33 | |
| 95.5 | 7,482 | 3,883 | 0.5190 | 0.4810 | 0.19 | |
| 96.5 | 3,343 | 2,186 | 0.6539 | 0.3461 | 0.09 | |
| 97.5 | 1,032 | 343 | 0.3322 | 0.6678 | 0.03 | |
| 98.5 | 672 | 607 | 0.9021 | 0.0979 | 0.02 | |
| 99.5 | | | | | 0.00 | |



PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 390 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

| PLACEMENT BAND 1909-2013 | | EXPERIENCE BAND 1975-2009, 2011-2013 | | | |
|--------------------------------|--|---|----------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 0.0 | 30,781,591 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 38,880,521 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 37,866,145 | | 0.0000 | 1.0000 | 100.00 |
| 2.5 | 35,444,687 | 41,469 | 0.0012 | 0.9988 | 100.00 |
| 3.5 | 28,815,357 | 16,578 | 0.0006 | 0.9994 | 99.88 |
| 4.5 | 28,050,901 | 139,056 | 0.0050 | 0.9950 | 99.83 |
| 5.5 | 30,829,290 | 275,539 | 0.0089 | 0.9911 | 99.33 |
| 6.5 | 27,970,310 | 1,796,156 | 0.0642 | 0.9358 | 98.44 |
| 7.5 | 30,002,464 | 55,081 | 0.0018 | 0.9982 | 92.12 |
| 8.5 | 28,877,457 | 253,953 | 0.0088 | 0.9912 | 91.95 |
| 9.5 | 29,201,692 | 159,870 | 0.0055 | 0.9945 | 91.14 |
| 10.5 | 25,147,154 | 226,585 | 0.0090 | 0.9910 | 90.64 |
| 11.5 | 25,280,337 | 1,307,398 | 0.0517 | 0.9483 | 89.83 |
| 12.5 | 28,475,934 | 535,319 | 0.0188 | 0.9812 | 85.18 |
| 13.5 | 29,099,828 | 452,414 | 0.0155 | 0.9845 | 83.58 |
| 14.5 | 28,122,219 | 470,499 | 0.0167 | 0.9833 | 82.28 |
| 15.5 | 22,564,327 | 327,902 | 0.0145 | 0.9855 | 80.90 |
| 16.5 | 18,397,226 | 121,604 | 0.0066 | 0.9934 | 79.73 |
| 17.5 | 17,921,318 | 184,273 | 0.0103 | 0.9897 | 79.20 |
| 18.5 | 20,297,922 | 176,377 | 0.0087 | 0.9913 | 78.39 |
| 19.5 | 17,256,880 | 89,720 | 0.0052 | 0.9948 | 77.71 |
| 20.5 | 15,209,971 | 31,666 | 0.0021 | 0.9979 | 77.30 |
| 21.5 | 11,654,216 | 356,284 | 0.0306 | 0.9694 | 77.14 |
| 22.5 | 10,843,746 | 15,860 | 0.0015 | 0.9985 | 74.78 |
| 23.5 | 9,246,328 | 171,387 | 0.0185 | 0.9815 | 74.67 |
| 24.5 | 9,660,395 | 124,873 | 0.0129 | 0.9871 | 73.29 |
| 25.5 | 9,760,295 | 114,853 | 0.0118 | 0.9882 | 72.34 |
| 26.5 | 9,659,246 | 496,768 | 0.0514 | 0.9486 | 71.49 |
| 27.5 | 7,561,404 | 273,620 | 0.0362 | 0.9638 | 67.81 |
| 28.5 | 6,874,757 | 84,259 | 0.0123 | 0.9877 | 65.36 |
| 29.5 | 6,378,552 | 28,969 | 0.0045 | 0.9955 | 64.56 |
| 30.5 | 6,685,549 | 146,943 | 0.0220 | 0.9780 | 64.27 |
| 31.5 | 6,206,134 | 15,538 | 0.0025 | 0.9975 | 62.85 |
| 32.5 | 6,065,107 | 46,145 | 0.0076 | 0.9924 | 62.70 |
| 33.5 | 5,522,095 | 27,992 | 0.0051 | 0.9949 | 62.22 |
| 34.5 | 5,374,992 | 10,917 | 0.0020 | 0.9980 | 61.90 |
| 35.5 | 4,078,268 | 64,477 | 0.0158 | 0.9842 | 61.78 |
| 36.5 | 5,284,833 | 12,019 | 0.0023 | 0.9977 | 60.80 |
| 37.5 | 5,274,403 | 352,826 | 0.0669 | 0.9331 | 60.66 |
| 38.5 | 4,925,458 | 2,313 | 0.0005 | 0.9995 | 56.61 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1909-2013 | | | EXPERIENCE BAND 1975-2009, 2011-2013 | | |
|--------------------------------|--|---------------------------------------|---|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 3,668,895 | 29,569 | 0.0081 | 0.9919 | 56.58 |
| 40.5 | 1,155,866 | 347,590 | 0.3007 | 0.6993 | 56.12 |
| 41.5 | 3,817,075 | 47,809 | 0.0125 | 0.9875 | 39.25 |
| 42.5 | 3,915,294 | 13,794 | 0.0035 | 0.9965 | 38.75 |
| 43.5 | 3,894,617 | 10,532 | 0.0027 | 0.9973 | 38.62 |
| 44.5 | 972,837 | 2,915 | 0.0030 | 0.9970 | 38.51 |
| 45.5 | 966,307 | 15,297 | 0.0158 | 0.9842 | 38.40 |
| 46.5 | 953,337 | 6,218 | 0.0065 | 0.9935 | 37.79 |
| 47.5 | 1,006,873 | 271 | 0.0003 | 0.9997 | 37.54 |
| 48.5 | 1,001,073 | 4,053 | 0.0040 | 0.9960 | 37.53 |
| 49.5 | 956,438 | 941 | 0.0010 | 0.9990 | 37.38 |
| 50.5 | 929,569 | 11,801 | 0.0127 | 0.9873 | 37.34 |
| 51.5 | 428,996 | 932 | 0.0022 | 0.9978 | 36.87 |
| 52.5 | 923,794 | 22,365 | 0.0242 | 0.9758 | 36.79 |
| 53.5 | 897,093 | 719 | 0.0008 | 0.9992 | 35.90 |
| 54.5 | 889,108 | 3,322 | 0.0037 | 0.9963 | 35.87 |
| 55.5 | 2,716,666 | | 0.0000 | 1.0000 | 35.74 |
| 56.5 | 2,536,500 | 293,501 | 0.1157 | 0.8843 | 35.74 |
| 57.5 | 2,231,128 | 2,518 | 0.0011 | 0.9989 | 31.60 |
| 58.5 | 314,849 | | 0.0000 | 1.0000 | 31.57 |
| 59.5 | 309,316 | 10,268 | 0.0332 | 0.9668 | 31.57 |
| 60.5 | 291,558 | | 0.0000 | 1.0000 | 30.52 |
| 61.5 | 303,825 | 414 | 0.0014 | 0.9986 | 30.52 |
| 62.5 | 302,250 | 101 | 0.0003 | 0.9997 | 30.48 |
| 63.5 | 276,149 | | 0.0000 | 1.0000 | 30.47 |
| 64.5 | 282,156 | 3,350 | 0.0119 | 0.9881 | 30.47 |
| 65.5 | 282,391 | 215,824 | 0.7643 | 0.2357 | 30.10 |
| 66.5 | 66,567 | 3,889 | 0.0584 | 0.9416 | 7.10 |
| 67.5 | 42,909 | | 0.0000 | 1.0000 | 6.68 |
| 68.5 | 41,538 | | 0.0000 | 1.0000 | 6.68 |
| 69.5 | 41,668 | 681 | 0.0163 | 0.9837 | 6.68 |
| 70.5 | 40,987 | 61 | 0.0015 | 0.9985 | 6.57 |
| 71.5 | 40,926 | 4,669 | 0.1141 | 0.8859 | 6.56 |
| 72.5 | 36,127 | | 0.0000 | 1.0000 | 5.81 |
| 73.5 | 36,127 | 182 | 0.0050 | 0.9950 | 5.81 |
| 74.5 | 35,895 | | 0.0000 | 1.0000 | 5.78 |
| 75.5 | 35,945 | | 0.0000 | 1.0000 | 5.78 |
| 76.5 | 35,920 | | 0.0000 | 1.0000 | 5.78 |
| 77.5 | 35,920 | 834 | 0.0232 | 0.9768 | 5.78 |
| 78.5 | 33,936 | | 0.0000 | 1.0000 | 5.65 |

PECO ENERGY COMPANY
ELECTRIC PLANT

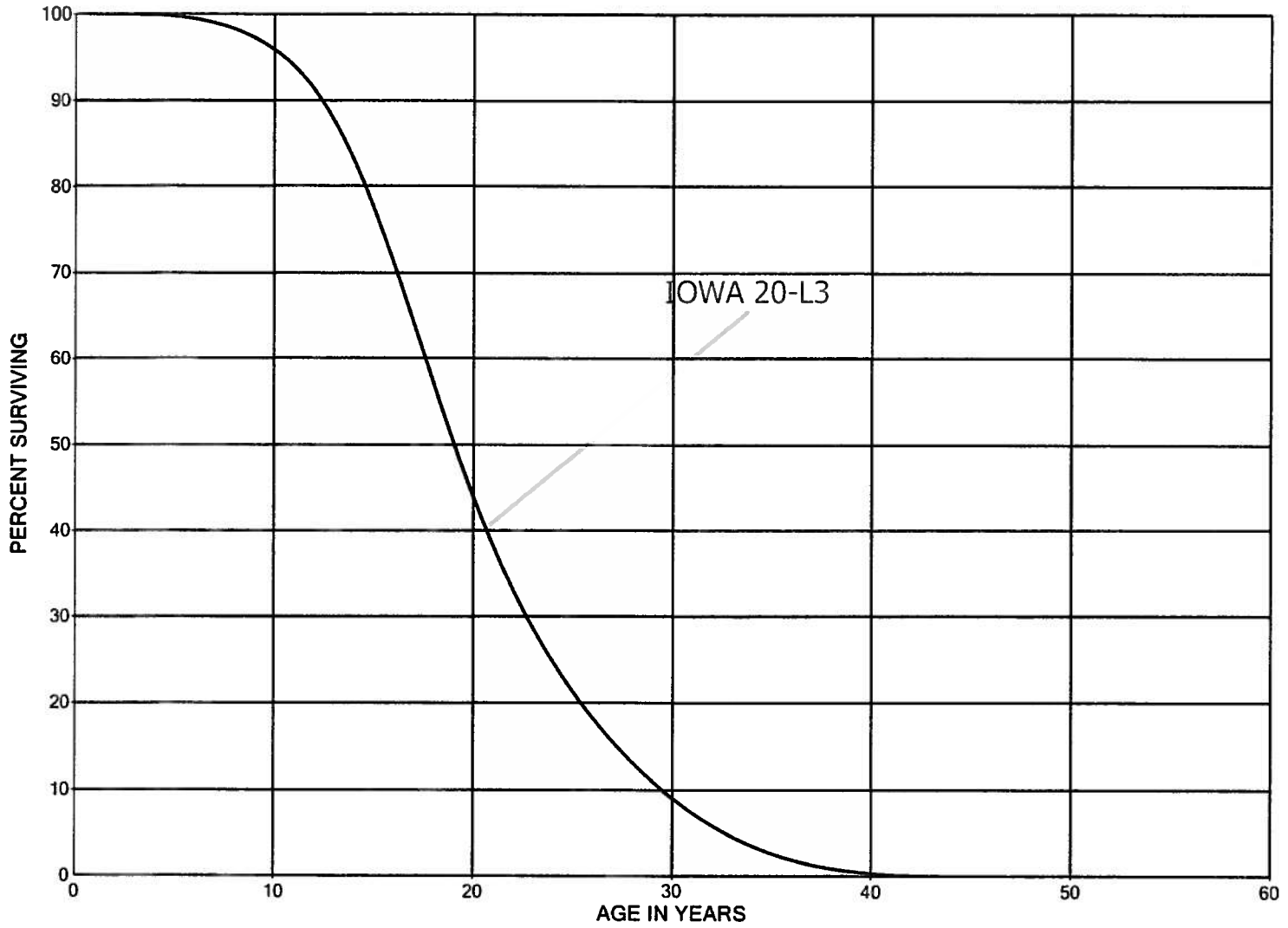
ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1909-2013 | | | EXPERIENCE BAND 1975-2009, 2011-2013 | | |
|--------------------------------|--|---------------------------------------|---|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 79.5 | 35,012 | | 0.0000 | 1.0000 | 5.65 |
| 80.5 | 20,805 | | 0.0000 | 1.0000 | 5.65 |
| 81.5 | 35,012 | 202 | 0.0058 | 0.9942 | 5.65 |
| 82.5 | 14,005 | | 0.0000 | 1.0000 | 5.62 |
| 83.5 | 19,756 | | 0.0000 | 1.0000 | 5.62 |
| 84.5 | 5,751 | | 0.0000 | 1.0000 | 5.62 |
| 85.5 | 5,751 | | 0.0000 | 1.0000 | 5.62 |
| 86.5 | | | | | 5.62 |
| 87.5 | | | | | |
| 88.5 | | | | | |
| 89.5 | | | | | |
| 90.5 | | | | | |
| 91.5 | | | | | |
| 92.5 | | | | | |
| 93.5 | 292 | | 0.0000 | | |
| 94.5 | 292 | 292 | 1.0000 | | |
| 95.5 | | | | | |

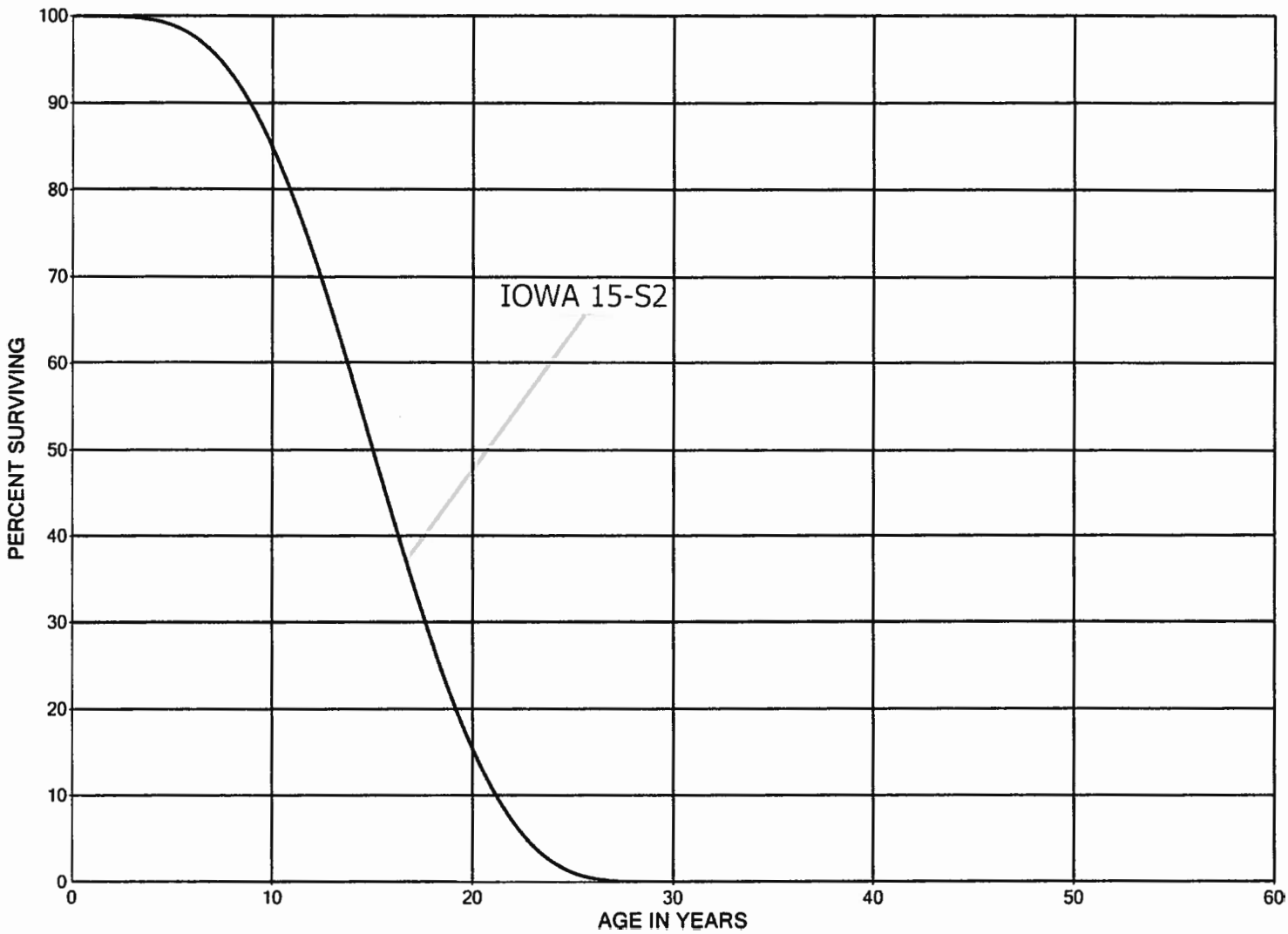


PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 397 COMMUNICATION EQUIPMENT
SMOOTH SURVIVOR CURVE





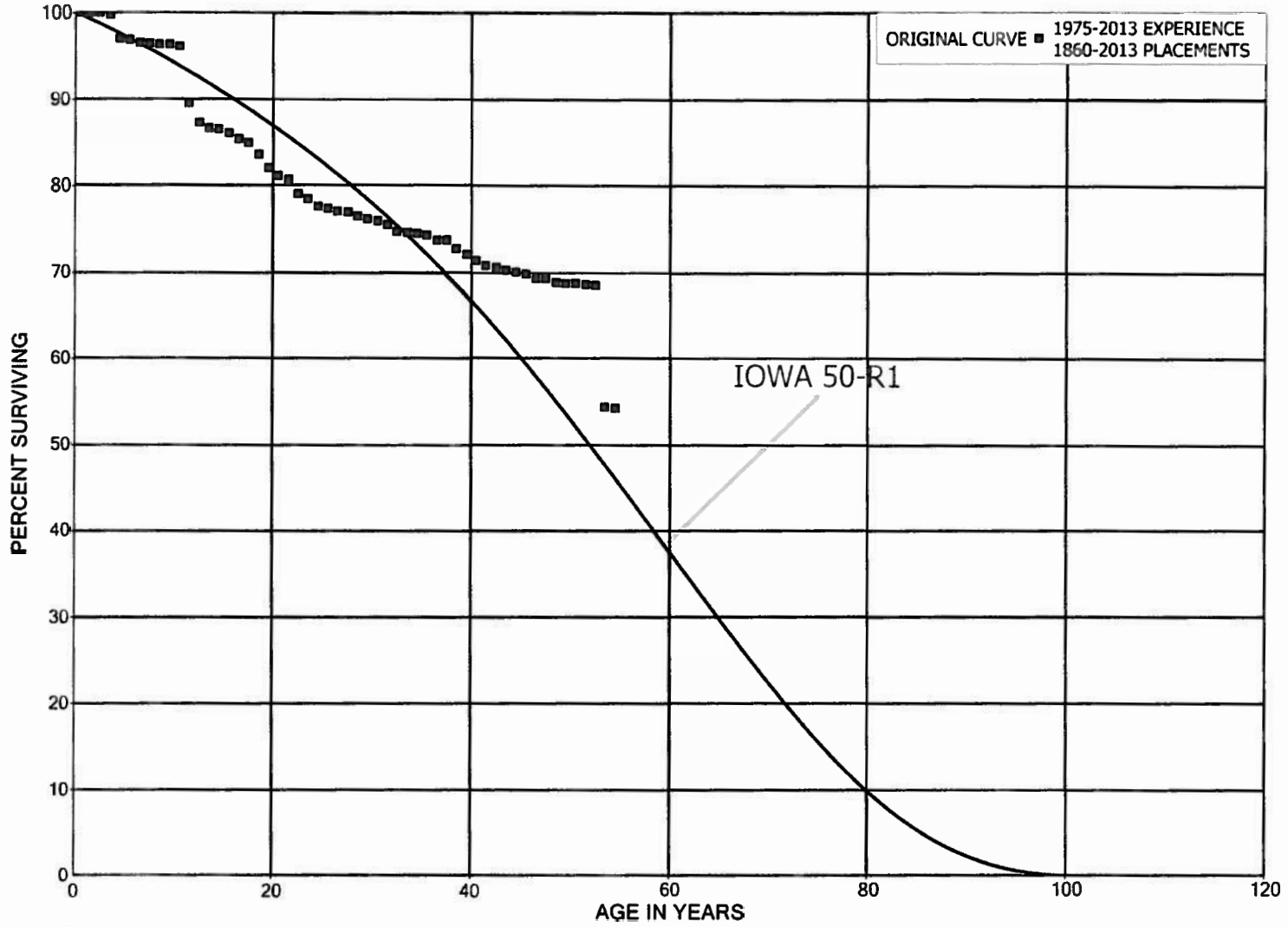
PECO ENERGY COMPANY
ELECTRIC PLANT
ACCOUNT 397.1 COMMUNICATION EQUIPMENT - SMART METER EQUIPMENT
SMOOTH SURVIVOR CURVE



COMMON PLANT



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 390 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1860-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 267,331,856 | 20,000 | 0.0001 | 0.9999 | 100.00 |
| 0.5 | 259,105,266 | 96,401 | 0.0004 | 0.9996 | 99.99 |
| 1.5 | 252,358,542 | 84,157 | 0.0003 | 0.9997 | 99.96 |
| 2.5 | 280,361,483 | 442,515 | 0.0016 | 0.9984 | 99.92 |
| 3.5 | 252,126,529 | 7,173,746 | 0.0285 | 0.9715 | 99.76 |
| 4.5 | 235,062,682 | 211,248 | 0.0009 | 0.9991 | 96.93 |
| 5.5 | 228,560,271 | 872,195 | 0.0038 | 0.9962 | 96.84 |
| 6.5 | 226,926,745 | 214,195 | 0.0009 | 0.9991 | 96.47 |
| 7.5 | 224,930,045 | 108,682 | 0.0005 | 0.9995 | 96.38 |
| 8.5 | 223,083,246 | 197,721 | 0.0009 | 0.9991 | 96.33 |
| 9.5 | 220,405,175 | 513,504 | 0.0023 | 0.9977 | 96.25 |
| 10.5 | 196,937,060 | 13,374,620 | 0.0679 | 0.9321 | 96.02 |
| 11.5 | 180,652,096 | 4,531,484 | 0.0251 | 0.9749 | 89.50 |
| 12.5 | 170,548,906 | 1,185,345 | 0.0070 | 0.9930 | 87.26 |
| 13.5 | 169,765,351 | 331,170 | 0.0020 | 0.9980 | 86.65 |
| 14.5 | 167,400,648 | 829,654 | 0.0050 | 0.9950 | 86.48 |
| 15.5 | 122,107,586 | 942,955 | 0.0077 | 0.9923 | 86.05 |
| 16.5 | 115,533,097 | 642,565 | 0.0056 | 0.9944 | 85.39 |
| 17.5 | 111,335,699 | 1,633,070 | 0.0147 | 0.9853 | 84.91 |
| 18.5 | 86,783,334 | 1,639,382 | 0.0189 | 0.9811 | 83.67 |
| 19.5 | 84,416,081 | 880,493 | 0.0104 | 0.9896 | 82.09 |
| 20.5 | 75,522,654 | 426,452 | 0.0056 | 0.9944 | 81.23 |
| 21.5 | 70,576,460 | 1,498,214 | 0.0212 | 0.9788 | 80.77 |
| 22.5 | 66,364,197 | 493,263 | 0.0074 | 0.9926 | 79.06 |
| 23.5 | 64,075,511 | 681,586 | 0.0106 | 0.9894 | 78.47 |
| 24.5 | 62,922,446 | 224,842 | 0.0036 | 0.9964 | 77.63 |
| 25.5 | 60,925,104 | 190,356 | 0.0031 | 0.9969 | 77.36 |
| 26.5 | 58,524,342 | 138,609 | 0.0024 | 0.9976 | 77.12 |
| 27.5 | 57,041,228 | 327,675 | 0.0057 | 0.9943 | 76.93 |
| 28.5 | 55,861,158 | 210,557 | 0.0038 | 0.9962 | 76.49 |
| 29.5 | 53,646,512 | 173,466 | 0.0032 | 0.9968 | 76.20 |
| 30.5 | 52,581,065 | 299,200 | 0.0057 | 0.9943 | 75.96 |
| 31.5 | 51,939,463 | 531,941 | 0.0102 | 0.9898 | 75.52 |
| 32.5 | 50,415,280 | 57,503 | 0.0011 | 0.9989 | 74.75 |
| 33.5 | 49,960,943 | 128,953 | 0.0026 | 0.9974 | 74.66 |
| 34.5 | 49,751,633 | 122,340 | 0.0025 | 0.9975 | 74.47 |
| 35.5 | 49,300,054 | 371,522 | 0.0075 | 0.9925 | 74.29 |
| 36.5 | 48,705,939 | 29,819 | 0.0006 | 0.9994 | 73.73 |
| 37.5 | 48,568,756 | 602,526 | 0.0124 | 0.9876 | 73.68 |
| 38.5 | 47,884,915 | 488,982 | 0.0102 | 0.9898 | 72.77 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1860-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 47,409,270 | 402,802 | 0.0085 | 0.9915 | 72.03 |
| 40.5 | 46,996,369 | 413,178 | 0.0088 | 0.9912 | 71.41 |
| 41.5 | 17,278,121 | 33,026 | 0.0019 | 0.9981 | 70.79 |
| 42.5 | 17,226,536 | 97,178 | 0.0056 | 0.9944 | 70.65 |
| 43.5 | 12,574,389 | 38,195 | 0.0030 | 0.9970 | 70.25 |
| 44.5 | 12,521,672 | 44,154 | 0.0035 | 0.9965 | 70.04 |
| 45.5 | 8,992,899 | 59,355 | 0.0066 | 0.9934 | 69.79 |
| 46.5 | 8,285,465 | 4,229 | 0.0005 | 0.9995 | 69.33 |
| 47.5 | 8,322,042 | 53,338 | 0.0064 | 0.9936 | 69.30 |
| 48.5 | 8,045,351 | 8,516 | 0.0011 | 0.9989 | 68.85 |
| 49.5 | 8,056,661 | 3,848 | 0.0005 | 0.9995 | 68.78 |
| 50.5 | 7,987,160 | 10,995 | 0.0014 | 0.9986 | 68.75 |
| 51.5 | 8,055,853 | 18,422 | 0.0023 | 0.9977 | 68.65 |
| 52.5 | 7,244,597 | 1,489,638 | 0.2056 | 0.7944 | 68.50 |
| 53.5 | 5,748,119 | 11,752 | 0.0020 | 0.9980 | 54.41 |
| 54.5 | 5,219,152 | 36,838 | 0.0071 | 0.9929 | 54.30 |
| 55.5 | 2,727,680 | 23,260 | 0.0085 | 0.9915 | 53.92 |
| 56.5 | 2,659,658 | 2,475 | 0.0009 | 0.9991 | 53.46 |
| 57.5 | 1,235,916 | 21,365 | 0.0173 | 0.9827 | 53.41 |
| 58.5 | 1,169,212 | 8,318 | 0.0071 | 0.9929 | 52.48 |
| 59.5 | 1,147,534 | 12,353 | 0.0108 | 0.9892 | 52.11 |
| 60.5 | 1,057,580 | 5,565 | 0.0053 | 0.9947 | 51.55 |
| 61.5 | 987,731 | 8,735 | 0.0088 | 0.9912 | 51.28 |
| 62.5 | 961,276 | 3,288 | 0.0034 | 0.9966 | 50.82 |
| 63.5 | 977,673 | 20,784 | 0.0213 | 0.9787 | 50.65 |
| 64.5 | 896,158 | 11,694 | 0.0130 | 0.9870 | 49.57 |
| 65.5 | 884,226 | 1,332 | 0.0015 | 0.9985 | 48.93 |
| 66.5 | 874,287 | 381 | 0.0004 | 0.9996 | 48.85 |
| 67.5 | 864,605 | | 0.0000 | 1.0000 | 48.83 |
| 68.5 | 864,419 | 2,039 | 0.0024 | 0.9976 | 48.83 |
| 69.5 | 315,296 | 25 | 0.0001 | 0.9999 | 48.72 |
| 70.5 | 315,271 | 2,952 | 0.0094 | 0.9906 | 48.71 |
| 71.5 | 308,042 | | 0.0000 | 1.0000 | 48.26 |
| 72.5 | 306,801 | 6,638 | 0.0216 | 0.9784 | 48.26 |
| 73.5 | 300,163 | 316 | 0.0011 | 0.9989 | 47.21 |
| 74.5 | 299,955 | 9,660 | 0.0322 | 0.9678 | 47.16 |
| 75.5 | 281,985 | 4,965 | 0.0176 | 0.9824 | 45.64 |
| 76.5 | 276,898 | 18,852 | 0.0681 | 0.9319 | 44.84 |
| 77.5 | 258,072 | 8,602 | 0.0333 | 0.9667 | 41.79 |
| 78.5 | 239,964 | 108 | 0.0005 | 0.9995 | 40.40 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1860-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 79.5 | 239,879 | 8,300 | 0.0346 | 0.9654 | 40.38 |
| 80.5 | 231,554 | 1,542 | 0.0067 | 0.9933 | 38.98 |
| 81.5 | 179,503 | 19,278 | 0.1074 | 0.8926 | 38.72 |
| 82.5 | 160,640 | | 0.0000 | 1.0000 | 34.56 |
| 83.5 | 169,080 | | 0.0000 | 1.0000 | 34.56 |
| 84.5 | 169,080 | 201 | 0.0012 | 0.9988 | 34.56 |
| 85.5 | 168,879 | | 0.0000 | 1.0000 | 34.52 |
| 86.5 | 154,901 | 2,543 | 0.0164 | 0.9836 | 34.52 |
| 87.5 | 152,358 | | 0.0000 | 1.0000 | 33.95 |
| 88.5 | 146,711 | 3,206 | 0.0218 | 0.9782 | 33.95 |
| 89.5 | 137,598 | 111,106 | 0.8075 | 0.1925 | 33.21 |
| 90.5 | 26,492 | | 0.0000 | 1.0000 | 6.39 |
| 91.5 | 26,259 | 222 | 0.0085 | 0.9915 | 6.39 |
| 92.5 | 26,037 | | 0.0000 | 1.0000 | 6.34 |
| 93.5 | 25,744 | 22,859 | 0.8879 | 0.1121 | 6.34 |
| 94.5 | 2,885 | | 0.0000 | 1.0000 | 0.71 |
| 95.5 | 2,885 | | 0.0000 | 1.0000 | 0.71 |
| 96.5 | 2,885 | | 0.0000 | 1.0000 | 0.71 |
| 97.5 | 2,885 | | 0.0000 | 1.0000 | 0.71 |
| 98.5 | 2,885 | | 0.0000 | 1.0000 | 0.71 |
| 99.5 | 970 | | 0.0000 | 1.0000 | 0.71 |
| 100.5 | 970 | | 0.0000 | 1.0000 | 0.71 |
| 101.5 | 970 | 151 | 0.1556 | 0.8444 | 0.71 |
| 102.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 103.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 104.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 105.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 106.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 107.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 108.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 109.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 110.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 111.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 112.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 113.5 | 819 | | 0.0000 | 1.0000 | 0.60 |
| 114.5 | 1,359 | | 0.0000 | 1.0000 | 0.60 |
| 115.5 | 1,359 | | 0.0000 | 1.0000 | 0.60 |
| 116.5 | 1,359 | | 0.0000 | 1.0000 | 0.60 |
| 117.5 | 1,359 | | 0.0000 | 1.0000 | 0.60 |
| 118.5 | 1,359 | 540 | 0.3973 | 0.6027 | 0.60 |

PECO ENERGY COMPANY
COMMON PLANT

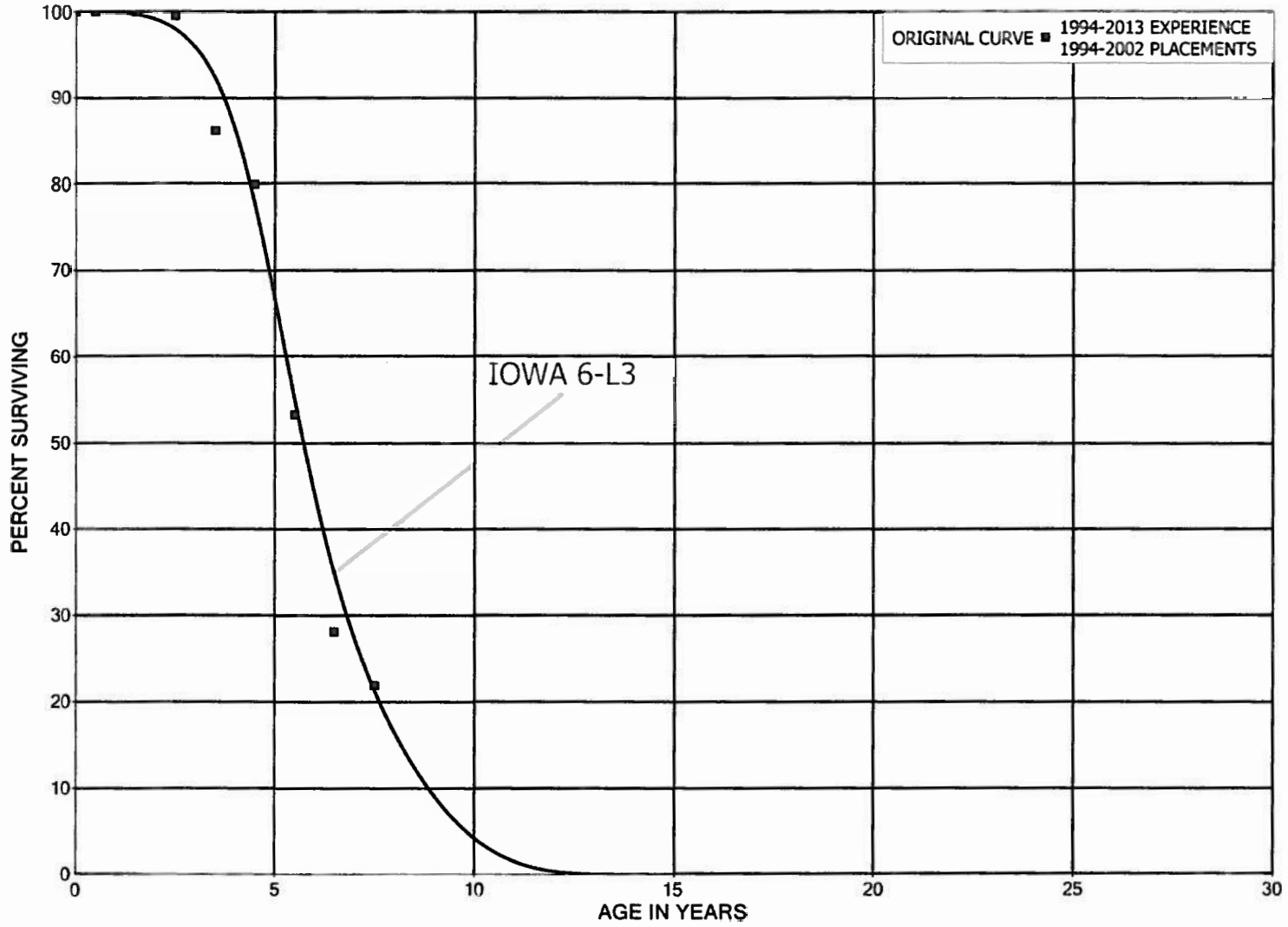
ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1860-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 119.5 | 819 | | 0.0000 | 1.0000 | 0.36 |
| 120.5 | 819 | 156 | 0.1904 | 0.8096 | 0.36 |
| 121.5 | | | | | 0.29 |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - AUTOMOBILES
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

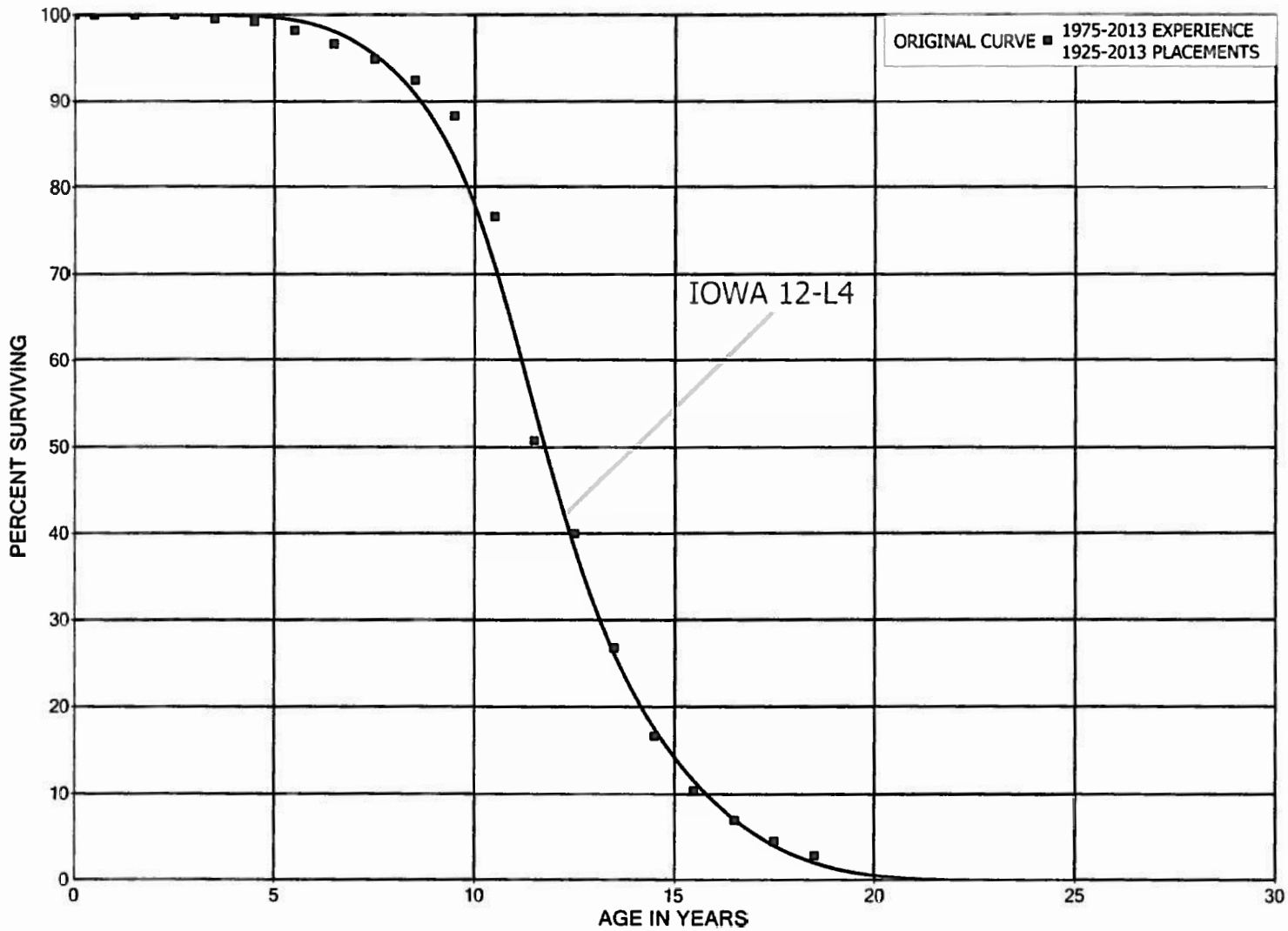
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - AUTOMOBILES

ORIGINAL LIFE TABLE

| PLACEMENT BAND 1994-2002 | | | EXPERIENCE BAND 1994-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 0.0 | 594,791 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 594,791 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 594,791 | 2,698 | 0.0045 | 0.9955 | 100.00 |
| 2.5 | 592,093 | 79,818 | 0.1348 | 0.8652 | 99.55 |
| 3.5 | 512,275 | 36,949 | 0.0721 | 0.9279 | 86.13 |
| 4.5 | 475,326 | 158,583 | 0.3336 | 0.6664 | 79.91 |
| 5.5 | 316,743 | 150,072 | 0.4738 | 0.5262 | 53.25 |
| 6.5 | 166,671 | 36,785 | 0.2207 | 0.7793 | 28.02 |
| 7.5 | 129,886 | 23,593 | 0.1816 | 0.8184 | 21.84 |
| 8.5 | 106,293 | | 0.0000 | 1.0000 | 17.87 |
| 9.5 | 106,293 | 15,711 | 0.1478 | 0.8522 | 17.87 |
| 10.5 | 90,582 | | 0.0000 | 1.0000 | 15.23 |
| 11.5 | | | | | 15.23 |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - LIGHT TRUCKS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - LIGHT TRUCKS

ORIGINAL LIFE TABLE

| PLACEMENT BAND 1925-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 0.0 | 32,861,018 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 27,356,070 | 200 | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 27,639,453 | 18,422 | 0.0007 | 0.9993 | 100.00 |
| 2.5 | 27,176,301 | 119,487 | 0.0044 | 0.9956 | 99.93 |
| 3.5 | 26,308,464 | 95,644 | 0.0036 | 0.9964 | 99.49 |
| 4.5 | 25,859,503 | 236,971 | 0.0092 | 0.9908 | 99.13 |
| 5.5 | 25,440,510 | 417,221 | 0.0164 | 0.9836 | 98.22 |
| 6.5 | 24,721,391 | 466,049 | 0.0189 | 0.9811 | 96.61 |
| 7.5 | 23,886,182 | 614,786 | 0.0257 | 0.9743 | 94.79 |
| 8.5 | 22,771,927 | 1,013,858 | 0.0445 | 0.9555 | 92.35 |
| 9.5 | 21,414,766 | 2,834,318 | 0.1324 | 0.8676 | 88.24 |
| 10.5 | 15,997,410 | 5,408,477 | 0.3381 | 0.6619 | 76.56 |
| 11.5 | 8,069,501 | 1,705,612 | 0.2114 | 0.7886 | 50.68 |
| 12.5 | 3,724,083 | 1,232,206 | 0.3309 | 0.6691 | 39.97 |
| 13.5 | 2,388,563 | 903,161 | 0.3781 | 0.6219 | 26.74 |
| 14.5 | 1,520,413 | 571,222 | 0.3757 | 0.6243 | 16.63 |
| 15.5 | 976,146 | 318,061 | 0.3258 | 0.6742 | 10.38 |
| 16.5 | 610,460 | 214,899 | 0.3520 | 0.6480 | 7.00 |
| 17.5 | 398,530 | 153,683 | 0.3856 | 0.6144 | 4.54 |
| 18.5 | 247,878 | 37,052 | 0.1495 | 0.8505 | 2.79 |
| 19.5 | 221,668 | 20,477 | 0.0924 | 0.9076 | 2.37 |
| 20.5 | 205,533 | 23,748 | 0.1155 | 0.8845 | 2.15 |
| 21.5 | 181,998 | 15,190 | 0.0835 | 0.9165 | 1.90 |
| 22.5 | 167,296 | 4,971 | 0.0297 | 0.9703 | 1.74 |
| 23.5 | 163,248 | 8,684 | 0.0532 | 0.9468 | 1.69 |
| 24.5 | 154,888 | 66,118 | 0.4269 | 0.5731 | 1.60 |
| 25.5 | 90,110 | 4,218 | 0.0468 | 0.9532 | 0.92 |
| 26.5 | 87,210 | 13,317 | 0.1527 | 0.8473 | 0.88 |
| 27.5 | 74,166 | 3,626 | 0.0489 | 0.9511 | 0.74 |
| 28.5 | 70,862 | 13,658 | 0.1927 | 0.8073 | 0.71 |
| 29.5 | 57,204 | 9,338 | 0.1632 | 0.8368 | 0.57 |
| 30.5 | 47,866 | 11,141 | 0.2328 | 0.7672 | 0.48 |
| 31.5 | 36,724 | 2,359 | 0.0642 | 0.9358 | 0.37 |
| 32.5 | 34,365 | 7,767 | 0.2260 | 0.7740 | 0.34 |
| 33.5 | 26,913 | 1,781 | 0.0662 | 0.9338 | 0.26 |
| 34.5 | 25,133 | 10,194 | 0.4056 | 0.5944 | 0.25 |
| 35.5 | 15,003 | 6,089 | 0.4058 | 0.5942 | 0.15 |
| 36.5 | 8,915 | 462 | 0.0519 | 0.9481 | 0.09 |
| 37.5 | 8,653 | 2,174 | 0.2513 | 0.7487 | 0.08 |
| 38.5 | 6,479 | 181 | 0.0279 | 0.9721 | 0.06 |

PECO ENERGY COMPANY
COMMON PLANT

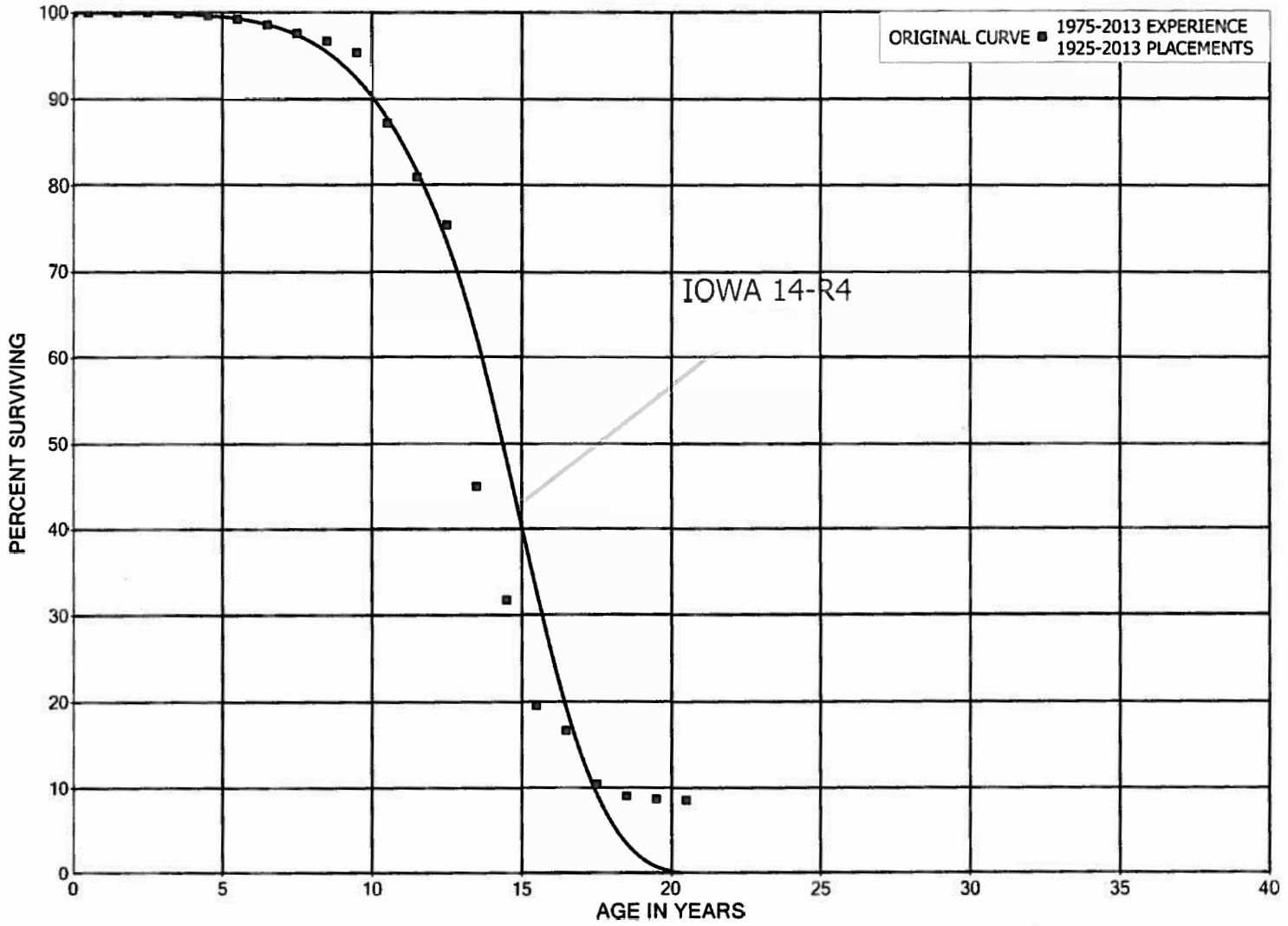
ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - LIGHT TRUCKS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1925-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 39.5 | 6,298 | 508 | 0.0806 | 0.9194 | 0.06 | |
| 40.5 | 5,790 | 1,105 | 0.1909 | 0.8091 | 0.06 | |
| 41.5 | 4,685 | 415 | 0.0886 | 0.9114 | 0.04 | |
| 42.5 | 4,270 | 379 | 0.0888 | 0.9112 | 0.04 | |
| 43.5 | 3,891 | 1,744 | 0.4482 | 0.5518 | 0.04 | |
| 44.5 | 2,147 | 354 | 0.1650 | 0.8350 | 0.02 | |
| 45.5 | 2,573 | | 0.0000 | 1.0000 | 0.02 | |
| 46.5 | 2,573 | | 0.0000 | 1.0000 | 0.02 | |
| 47.5 | 2,573 | 158 | 0.0613 | 0.9387 | 0.02 | |
| 48.5 | 2,507 | | 0.0000 | 1.0000 | 0.02 | |
| 49.5 | 2,641 | 321 | 0.1216 | 0.8784 | 0.02 | |
| 50.5 | 2,320 | 1,280 | 0.5518 | 0.4482 | 0.01 | |
| 51.5 | 1,040 | | 0.0000 | 1.0000 | 0.01 | |
| 52.5 | 1,040 | 34 | 0.0327 | 0.9673 | 0.01 | |
| 53.5 | 1,006 | | 0.0000 | 1.0000 | 0.01 | |
| 54.5 | 1,006 | | 0.0000 | 1.0000 | 0.01 | |
| 55.5 | 1,006 | | 0.0000 | 1.0000 | 0.01 | |
| 56.5 | 1,006 | | 0.0000 | 1.0000 | 0.01 | |
| 57.5 | 1,006 | | 0.0000 | 1.0000 | 0.01 | |
| 58.5 | 1,006 | | 0.0000 | 1.0000 | 0.01 | |
| 59.5 | 1,006 | 432 | 0.4293 | 0.5707 | 0.01 | |
| 60.5 | 574 | 349 | 0.6079 | 0.3921 | 0.00 | |
| 61.5 | 225 | | 0.0000 | 1.0000 | 0.00 | |
| 62.5 | 225 | | 0.0000 | 1.0000 | 0.00 | |
| 63.5 | 225 | 92 | 0.4068 | 0.5932 | 0.00 | |
| 64.5 | 133 | 133 | 1.0000 | | 0.00 | |
| 65.5 | | | | | | |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

ORIGINAL LIFE TABLE

| PLACEMENT BAND 1925-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 0.0 | 82,343,203 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 72,636,655 | 200 | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 69,093,074 | 18,422 | 0.0003 | 0.9997 | 100.00 |
| 2.5 | 67,538,995 | 93,883 | 0.0014 | 0.9986 | 99.97 |
| 3.5 | 60,538,260 | 165,514 | 0.0027 | 0.9973 | 99.83 |
| 4.5 | 57,524,284 | 236,971 | 0.0041 | 0.9959 | 99.56 |
| 5.5 | 49,612,998 | 331,845 | 0.0067 | 0.9933 | 99.15 |
| 6.5 | 45,309,949 | 458,384 | 0.0101 | 0.9899 | 98.49 |
| 7.5 | 42,657,922 | 384,385 | 0.0090 | 0.9910 | 97.49 |
| 8.5 | 41,744,311 | 568,474 | 0.0136 | 0.9864 | 96.61 |
| 9.5 | 39,174,920 | 3,333,873 | 0.0851 | 0.9149 | 95.30 |
| 10.5 | 35,553,175 | 2,556,516 | 0.0719 | 0.9281 | 87.19 |
| 11.5 | 31,689,069 | 2,145,981 | 0.0677 | 0.9323 | 80.92 |
| 12.5 | 25,471,237 | 10,284,201 | 0.4038 | 0.5962 | 75.44 |
| 13.5 | 11,265,073 | 3,320,240 | 0.2947 | 0.7053 | 44.98 |
| 14.5 | 7,979,846 | 3,062,061 | 0.3837 | 0.6163 | 31.72 |
| 15.5 | 4,944,739 | 737,900 | 0.1492 | 0.8508 | 19.55 |
| 16.5 | 3,680,758 | 1,381,987 | 0.3755 | 0.6245 | 16.63 |
| 17.5 | 1,573,285 | 224,773 | 0.1429 | 0.8571 | 10.39 |
| 18.5 | 1,351,544 | 37,052 | 0.0274 | 0.9726 | 8.90 |
| 19.5 | 968,262 | 20,477 | 0.0211 | 0.9789 | 8.66 |
| 20.5 | 952,127 | 23,748 | 0.0249 | 0.9751 | 8.48 |
| 21.5 | 463,544 | 15,190 | 0.0328 | 0.9672 | 8.26 |
| 22.5 | 448,843 | 4,971 | 0.0111 | 0.9889 | 7.99 |
| 23.5 | 348,826 | 8,684 | 0.0249 | 0.9751 | 7.91 |
| 24.5 | 289,686 | 66,118 | 0.2282 | 0.7718 | 7.71 |
| 25.5 | 224,907 | 4,218 | 0.0188 | 0.9812 | 5.95 |
| 26.5 | 222,007 | 13,317 | 0.0600 | 0.9400 | 5.84 |
| 27.5 | 208,963 | 3,626 | 0.0174 | 0.9826 | 5.49 |
| 28.5 | 205,659 | 13,658 | 0.0664 | 0.9336 | 5.39 |
| 29.5 | 192,001 | 9,338 | 0.0486 | 0.9514 | 5.03 |
| 30.5 | 182,663 | 11,141 | 0.0610 | 0.9390 | 4.79 |
| 31.5 | 171,521 | 2,359 | 0.0138 | 0.9862 | 4.50 |
| 32.5 | 169,162 | 7,767 | 0.0459 | 0.9541 | 4.44 |
| 33.5 | 161,711 | 1,781 | 0.0110 | 0.9890 | 4.23 |
| 34.5 | 159,930 | 10,194 | 0.0637 | 0.9363 | 4.19 |
| 35.5 | 149,800 | 6,089 | 0.0406 | 0.9594 | 3.92 |
| 36.5 | 143,712 | 462 | 0.0032 | 0.9968 | 3.76 |
| 37.5 | 143,450 | 2,174 | 0.0152 | 0.9848 | 3.75 |
| 38.5 | 141,276 | 181 | 0.0013 | 0.9987 | 3.69 |

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PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1925-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 39.5 | 141,095 | 508 | 0.0036 | 0.9964 | 3.69 | |
| 40.5 | 140,587 | 1,105 | 0.0079 | 0.9921 | 3.67 | |
| 41.5 | 139,482 | 415 | 0.0030 | 0.9970 | 3.64 | |
| 42.5 | 139,067 | 379 | 0.0027 | 0.9973 | 3.63 | |
| 43.5 | 138,688 | 1,744 | 0.0126 | 0.9874 | 3.62 | |
| 44.5 | 136,944 | 354 | 0.0026 | 0.9974 | 3.58 | |
| 45.5 | 137,371 | | 0.0000 | 1.0000 | 3.57 | |
| 46.5 | 137,371 | | 0.0000 | 1.0000 | 3.57 | |
| 47.5 | 137,371 | 158 | 0.0011 | 0.9989 | 3.57 | |
| 48.5 | 137,304 | | 0.0000 | 1.0000 | 3.56 | |
| 49.5 | 137,438 | 321 | 0.0023 | 0.9977 | 3.56 | |
| 50.5 | 137,117 | 1,280 | 0.0093 | 0.9907 | 3.56 | |
| 51.5 | 135,837 | | 0.0000 | 1.0000 | 3.52 | |
| 52.5 | 135,837 | 34 | 0.0003 | 0.9997 | 3.52 | |
| 53.5 | 135,803 | | 0.0000 | 1.0000 | 3.52 | |
| 54.5 | 135,803 | | 0.0000 | 1.0000 | 3.52 | |
| 55.5 | 135,803 | | 0.0000 | 1.0000 | 3.52 | |
| 56.5 | 135,803 | | 0.0000 | 1.0000 | 3.52 | |
| 57.5 | 135,803 | | 0.0000 | 1.0000 | 3.52 | |
| 58.5 | 1,006 | | 0.0000 | 1.0000 | 3.52 | |
| 59.5 | 1,006 | 432 | 0.4293 | 0.5707 | 3.52 | |
| 60.5 | 574 | 349 | 0.6079 | 0.3921 | 2.01 | |
| 61.5 | 225 | | 0.0000 | 1.0000 | 0.79 | |
| 62.5 | 225 | | 0.0000 | 1.0000 | 0.79 | |
| 63.5 | 225 | 92 | 0.4068 | 0.5932 | 0.79 | |
| 64.5 | 133 | 133 | 1.0000 | | 0.47 | |
| 65.5 | | | | | | |

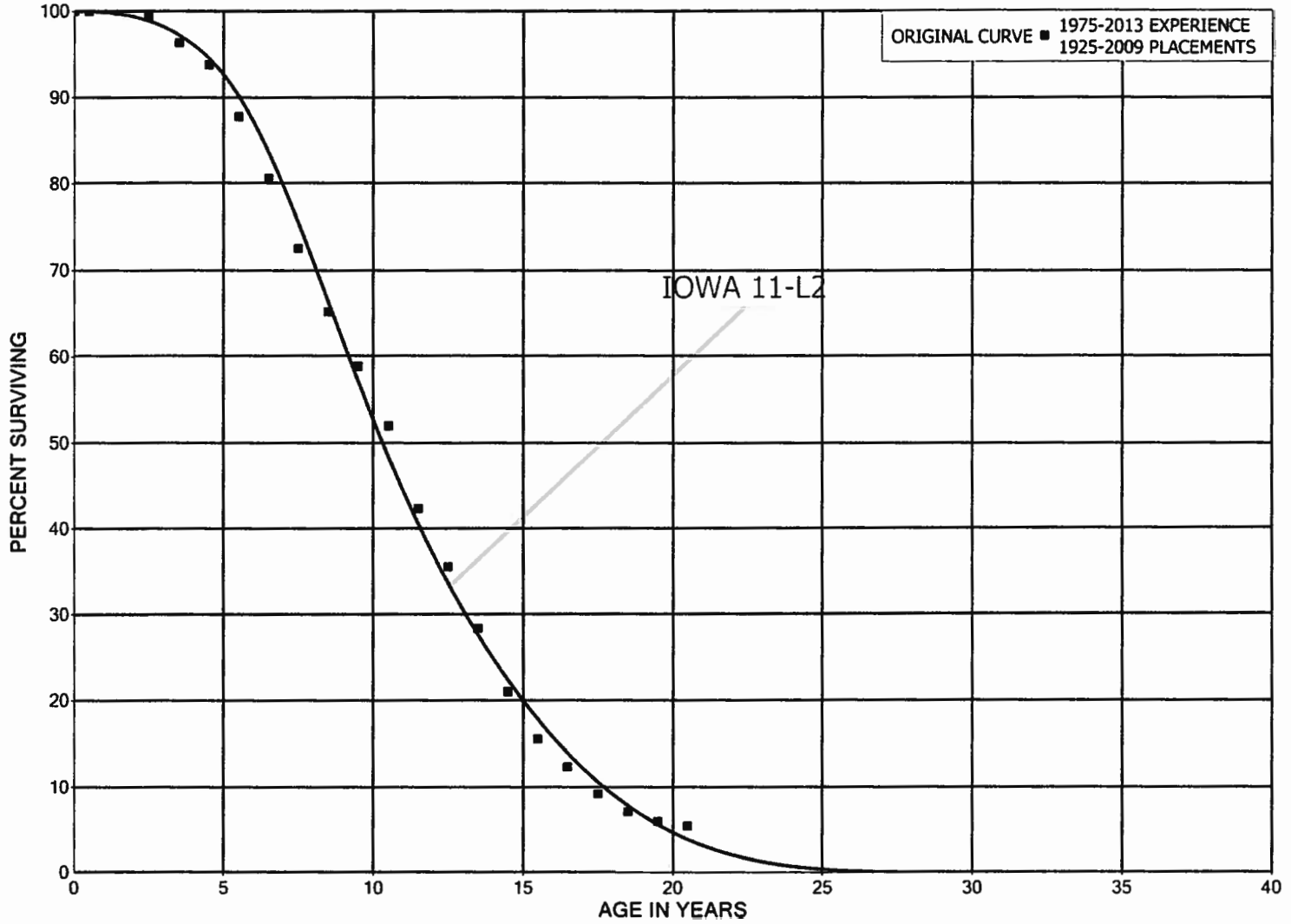


Gannett Fleming

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PECO - Elect. Dist. & Common
December 31, 2013

PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - TRACTORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - TRACTORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2009

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 1,815,986 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 2,227,395 | 200 | 0.0001 | 0.9999 | 100.00 |
| 1.5 | 2,751,680 | 18,422 | 0.0067 | 0.9933 | 99.99 |
| 2.5 | 3,095,942 | 93,883 | 0.0303 | 0.9697 | 99.32 |
| 3.5 | 3,564,308 | 95,644 | 0.0268 | 0.9732 | 96.31 |
| 4.5 | 3,719,480 | 236,971 | 0.0637 | 0.9363 | 93.73 |
| 5.5 | 4,103,332 | 331,845 | 0.0809 | 0.9191 | 87.75 |
| 6.5 | 4,071,436 | 411,701 | 0.1011 | 0.8989 | 80.66 |
| 7.5 | 3,780,239 | 384,385 | 0.1017 | 0.8983 | 72.50 |
| 8.5 | 3,448,914 | 332,635 | 0.0964 | 0.9036 | 65.13 |
| 9.5 | 3,235,545 | 377,878 | 0.1168 | 0.8832 | 58.85 |
| 10.5 | 2,994,241 | 555,417 | 0.1855 | 0.8145 | 51.97 |
| 11.5 | 2,613,007 | 418,195 | 0.1600 | 0.8400 | 42.33 |
| 12.5 | 2,284,749 | 469,541 | 0.2055 | 0.7945 | 35.56 |
| 13.5 | 1,883,962 | 484,356 | 0.2571 | 0.7429 | 28.25 |
| 14.5 | 1,434,618 | 376,259 | 0.2623 | 0.7377 | 20.99 |
| 15.5 | 1,085,313 | 226,215 | 0.2084 | 0.7916 | 15.48 |
| 16.5 | 861,913 | 214,899 | 0.2493 | 0.7507 | 12.26 |
| 17.5 | 649,982 | 153,683 | 0.2364 | 0.7636 | 9.20 |
| 18.5 | 247,878 | 37,052 | 0.1495 | 0.8505 | 7.02 |
| 19.5 | 221,668 | 20,477 | 0.0924 | 0.9076 | 5.97 |
| 20.5 | 205,533 | 23,748 | 0.1155 | 0.8845 | 5.42 |
| 21.5 | 181,998 | 15,190 | 0.0835 | 0.9165 | 4.80 |
| 22.5 | 167,296 | 4,971 | 0.0297 | 0.9703 | 4.40 |
| 23.5 | 163,248 | 8,684 | 0.0532 | 0.9468 | 4.27 |
| 24.5 | 154,888 | 66,118 | 0.4269 | 0.5731 | 4.04 |
| 25.5 | 90,110 | 4,218 | 0.0468 | 0.9532 | 2.31 |
| 26.5 | 87,210 | 13,317 | 0.1527 | 0.8473 | 2.21 |
| 27.5 | 74,166 | 3,626 | 0.0489 | 0.9511 | 1.87 |
| 28.5 | 70,862 | 13,658 | 0.1927 | 0.8073 | 1.78 |
| 29.5 | 57,204 | 9,338 | 0.1632 | 0.8368 | 1.44 |
| 30.5 | 47,866 | 11,141 | 0.2328 | 0.7672 | 1.20 |
| 31.5 | 36,724 | 2,359 | 0.0642 | 0.9358 | 0.92 |
| 32.5 | 34,365 | 7,767 | 0.2260 | 0.7740 | 0.86 |
| 33.5 | 26,913 | 1,781 | 0.0662 | 0.9338 | 0.67 |
| 34.5 | 25,133 | 10,194 | 0.4056 | 0.5944 | 0.62 |
| 35.5 | 15,003 | 6,089 | 0.4058 | 0.5942 | 0.37 |
| 36.5 | 8,915 | 462 | 0.0519 | 0.9481 | 0.22 |
| 37.5 | 8,653 | 2,174 | 0.2513 | 0.7487 | 0.21 |
| 38.5 | 6,479 | 181 | 0.0279 | 0.9721 | 0.16 |

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PECO ENERGY COMPANY
COMMON PLANT

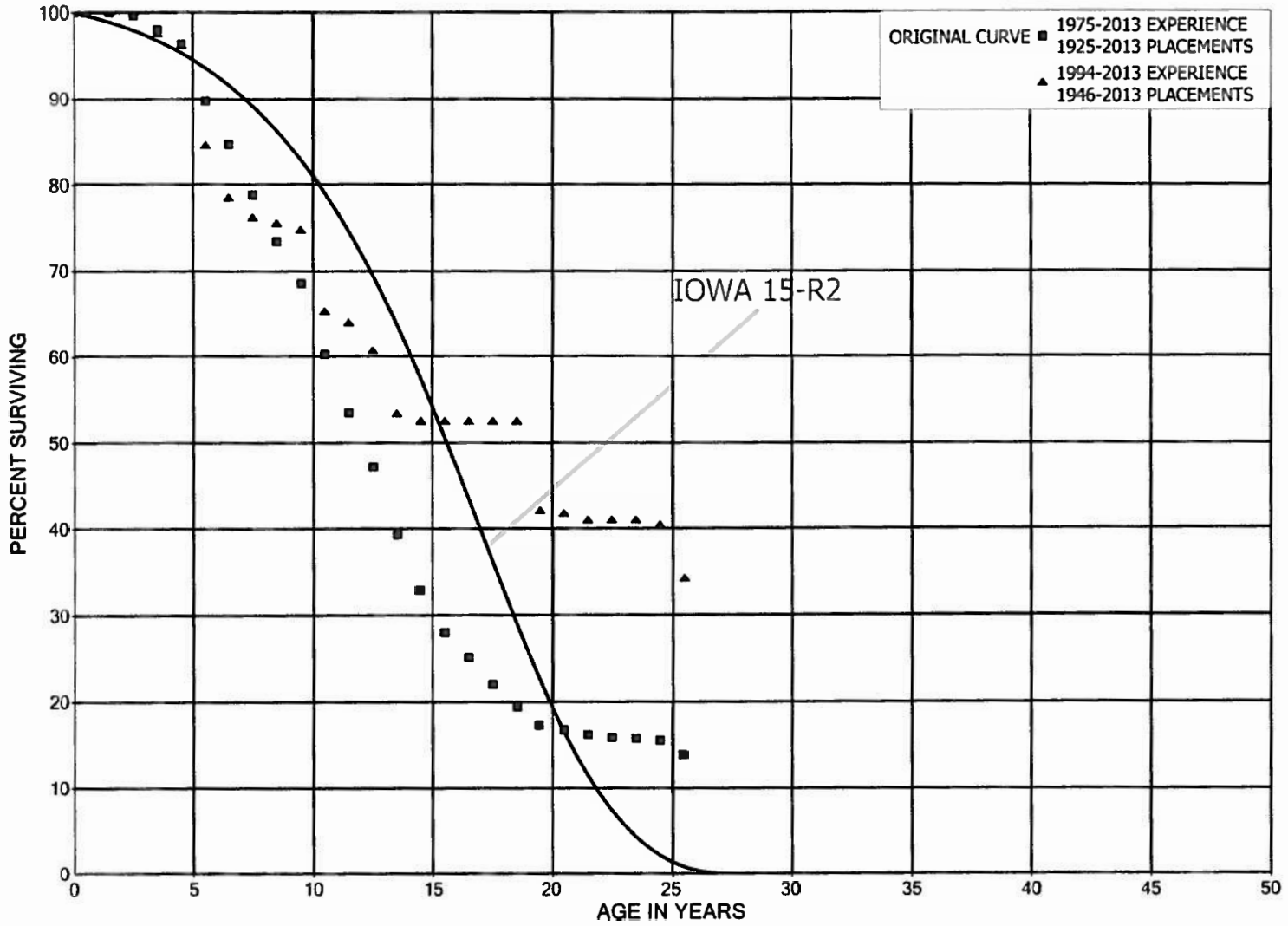
ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - TRACTORS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1925-2009 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 39.5 | 6,298 | 508 | 0.0806 | 0.9194 | 0.15 | |
| 40.5 | 5,790 | 1,105 | 0.1909 | 0.8091 | 0.14 | |
| 41.5 | 4,685 | 415 | 0.0886 | 0.9114 | 0.11 | |
| 42.5 | 4,270 | 379 | 0.0888 | 0.9112 | 0.10 | |
| 43.5 | 3,891 | 1,744 | 0.4482 | 0.5518 | 0.09 | |
| 44.5 | 2,147 | 354 | 0.1650 | 0.8350 | 0.05 | |
| 45.5 | 2,573 | | 0.0000 | 1.0000 | 0.04 | |
| 46.5 | 2,573 | | 0.0000 | 1.0000 | 0.04 | |
| 47.5 | 2,573 | 158 | 0.0613 | 0.9387 | 0.04 | |
| 48.5 | 2,507 | | 0.0000 | 1.0000 | 0.04 | |
| 49.5 | 2,641 | 321 | 0.1216 | 0.8784 | 0.04 | |
| 50.5 | 2,320 | 1,280 | 0.5518 | 0.4482 | 0.04 | |
| 51.5 | 1,040 | | 0.0000 | 1.0000 | 0.02 | |
| 52.5 | 1,040 | 34 | 0.0327 | 0.9673 | 0.02 | |
| 53.5 | 1,006 | | 0.0000 | 1.0000 | 0.02 | |
| 54.5 | 1,006 | | 0.0000 | 1.0000 | 0.02 | |
| 55.5 | 1,006 | | 0.0000 | 1.0000 | 0.02 | |
| 56.5 | 1,006 | | 0.0000 | 1.0000 | 0.02 | |
| 57.5 | 1,006 | | 0.0000 | 1.0000 | 0.02 | |
| 58.5 | 1,006 | | 0.0000 | 1.0000 | 0.02 | |
| 59.5 | 1,006 | 432 | 0.4293 | 0.5707 | 0.02 | |
| 60.5 | 574 | 349 | 0.6079 | 0.3921 | 0.01 | |
| 61.5 | 225 | | 0.0000 | 1.0000 | 0.00 | |
| 62.5 | 225 | | 0.0000 | 1.0000 | 0.00 | |
| 63.5 | 225 | 92 | 0.4068 | 0.5932 | 0.00 | |
| 64.5 | 133 | 133 | 1.0000 | | 0.00 | |
| 65.5 | | | | | | |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 392.5 TRANSPORTATION EQUIPMENT - TRAILERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.5 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 4,349,318 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 4,647,881 | 200 | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 5,227,079 | 18,411 | 0.0035 | 0.9965 | 100.00 |
| 2.5 | 5,554,150 | 93,827 | 0.0169 | 0.9831 | 99.64 |
| 3.5 | 5,758,305 | 98,087 | 0.0170 | 0.9830 | 97.96 |
| 4.5 | 5,989,313 | 411,278 | 0.0687 | 0.9313 | 96.29 |
| 5.5 | 6,232,732 | 344,481 | 0.0553 | 0.9447 | 89.68 |
| 6.5 | 5,923,182 | 411,454 | 0.0695 | 0.9305 | 84.72 |
| 7.5 | 5,578,375 | 384,154 | 0.0689 | 0.9311 | 78.84 |
| 8.5 | 5,249,777 | 349,340 | 0.0665 | 0.9335 | 73.41 |
| 9.5 | 4,995,804 | 596,655 | 0.1194 | 0.8806 | 68.52 |
| 10.5 | 4,498,141 | 506,829 | 0.1127 | 0.8873 | 60.34 |
| 11.5 | 4,036,497 | 476,565 | 0.1181 | 0.8819 | 53.54 |
| 12.5 | 3,634,403 | 614,260 | 0.1690 | 0.8310 | 47.22 |
| 13.5 | 2,981,681 | 488,254 | 0.1638 | 0.8362 | 39.24 |
| 14.5 | 2,541,465 | 376,034 | 0.1480 | 0.8520 | 32.81 |
| 15.5 | 2,192,370 | 226,079 | 0.1031 | 0.8969 | 27.96 |
| 16.5 | 1,729,864 | 214,770 | 0.1242 | 0.8758 | 25.08 |
| 17.5 | 1,309,169 | 153,591 | 0.1173 | 0.8827 | 21.96 |
| 18.5 | 968,678 | 105,980 | 0.1094 | 0.8906 | 19.39 |
| 19.5 | 697,616 | 20,465 | 0.0293 | 0.9707 | 17.26 |
| 20.5 | 681,490 | 23,734 | 0.0348 | 0.9652 | 16.76 |
| 21.5 | 657,969 | 15,181 | 0.0231 | 0.9769 | 16.17 |
| 22.5 | 643,276 | 4,968 | 0.0077 | 0.9923 | 15.80 |
| 23.5 | 639,230 | 8,679 | 0.0136 | 0.9864 | 15.68 |
| 24.5 | 630,876 | 66,078 | 0.1047 | 0.8953 | 15.47 |
| 25.5 | 526,213 | 4,215 | 0.0080 | 0.9920 | 13.85 |
| 26.5 | 523,315 | 13,309 | 0.0254 | 0.9746 | 13.74 |
| 27.5 | 510,278 | 3,624 | 0.0071 | 0.9929 | 13.39 |
| 28.5 | 506,976 | 13,650 | 0.0269 | 0.9731 | 13.29 |
| 29.5 | 493,326 | 9,332 | 0.0189 | 0.9811 | 12.93 |
| 30.5 | 483,994 | 15,335 | 0.0317 | 0.9683 | 12.69 |
| 31.5 | 468,659 | 4,258 | 0.0091 | 0.9909 | 12.29 |
| 32.5 | 464,402 | 70,463 | 0.1517 | 0.8483 | 12.17 |
| 33.5 | 394,254 | 1,780 | 0.0045 | 0.9955 | 10.33 |
| 34.5 | 392,475 | 10,188 | 0.0260 | 0.9740 | 10.28 |
| 35.5 | 358,344 | 6,085 | 0.0170 | 0.9830 | 10.01 |
| 36.5 | 352,259 | 23,362 | 0.0663 | 0.9337 | 9.84 |
| 37.5 | 327,553 | 51,673 | 0.1578 | 0.8422 | 9.19 |
| 38.5 | 250,528 | 181 | 0.0007 | 0.9993 | 7.74 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.5 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1925-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 249,533 | 23,507 | 0.0942 | 0.9058 | 7.74 |
| 40.5 | 158,316 | 1,105 | 0.0070 | 0.9930 | 7.01 |
| 41.5 | 152,687 | 415 | 0.0027 | 0.9973 | 6.96 |
| 42.5 | 145,628 | 379 | 0.0026 | 0.9974 | 6.94 |
| 43.5 | 117,518 | 1,743 | 0.0148 | 0.9852 | 6.92 |
| 44.5 | 104,429 | 1,154 | 0.0111 | 0.9889 | 6.82 |
| 45.5 | 49,444 | 800 | 0.0162 | 0.9838 | 6.74 |
| 46.5 | 25,246 | | 0.0000 | 1.0000 | 6.63 |
| 47.5 | 22,093 | 158 | 0.0071 | 0.9929 | 6.63 |
| 48.5 | 22,027 | | 0.0000 | 1.0000 | 6.59 |
| 49.5 | 22,160 | 1,121 | 0.0506 | 0.9494 | 6.59 |
| 50.5 | 20,013 | 1,279 | 0.0639 | 0.9361 | 6.25 |
| 51.5 | 17,761 | | 0.0000 | 1.0000 | 5.85 |
| 52.5 | 14,222 | 34 | 0.0024 | 0.9976 | 5.85 |
| 53.5 | 1,940 | | 0.0000 | 1.0000 | 5.84 |
| 54.5 | 1,940 | | 0.0000 | 1.0000 | 5.84 |
| 55.5 | 1,940 | | 0.0000 | 1.0000 | 5.84 |
| 56.5 | 1,111 | | 0.0000 | 1.0000 | 5.84 |
| 57.5 | 1,005 | | 0.0000 | 1.0000 | 5.84 |
| 58.5 | 1,005 | | 0.0000 | 1.0000 | 5.84 |
| 59.5 | 1,005 | 431 | 0.4293 | 0.5707 | 5.84 |
| 60.5 | 574 | 349 | 0.6079 | 0.3921 | 3.33 |
| 61.5 | 225 | | 0.0000 | 1.0000 | 1.31 |
| 62.5 | 225 | | 0.0000 | 1.0000 | 1.31 |
| 63.5 | 225 | 91 | 0.4068 | 0.5932 | 1.31 |
| 64.5 | 133 | 133 | 1.0000 | | 0.78 |
| 65.5 | | | | | |

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PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.5 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1946-2013

EXPERIENCE BAND 1994-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 3,240,258 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 3,244,496 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 3,189,743 | 2,697 | 0.0008 | 0.9992 | 100.00 |
| 2.5 | 3,165,538 | 79,770 | 0.0252 | 0.9748 | 99.92 |
| 3.5 | 2,817,201 | 39,427 | 0.0140 | 0.9860 | 97.40 |
| 4.5 | 2,772,931 | 332,937 | 0.1201 | 0.8799 | 96.03 |
| 5.5 | 2,488,344 | 180,961 | 0.0727 | 0.9273 | 84.50 |
| 6.5 | 1,943,113 | 57,193 | 0.0294 | 0.9706 | 78.36 |
| 7.5 | 1,808,736 | 14,373 | 0.0079 | 0.9921 | 76.05 |
| 8.5 | 1,782,381 | 18,912 | 0.0106 | 0.9894 | 75.45 |
| 9.5 | 1,739,640 | 221,327 | 0.1272 | 0.8728 | 74.65 |
| 10.5 | 1,480,815 | 29,997 | 0.0203 | 0.9797 | 65.15 |
| 11.5 | 1,276,616 | 63,300 | 0.0496 | 0.9504 | 63.83 |
| 12.5 | 1,196,933 | 145,000 | 0.1211 | 0.8789 | 60.67 |
| 13.5 | 941,242 | 15,830 | 0.0168 | 0.9832 | 53.32 |
| 14.5 | 925,411 | | 0.0000 | 1.0000 | 52.42 |
| 15.5 | 954,827 | | 0.0000 | 1.0000 | 52.42 |
| 16.5 | 715,588 | | 0.0000 | 1.0000 | 52.42 |
| 17.5 | 507,604 | | 0.0000 | 1.0000 | 52.42 |
| 18.5 | 350,608 | 69,773 | 0.1990 | 0.8010 | 52.42 |
| 19.5 | 169,975 | 1,664 | 0.0098 | 0.9902 | 41.99 |
| 20.5 | 300,363 | 5,409 | 0.0180 | 0.9820 | 41.58 |
| 21.5 | 307,917 | | 0.0000 | 1.0000 | 40.83 |
| 22.5 | 316,739 | 193 | 0.0006 | 0.9994 | 40.83 |
| 23.5 | 353,658 | 4,287 | 0.0121 | 0.9879 | 40.80 |
| 24.5 | 391,244 | 60,568 | 0.1548 | 0.8452 | 40.31 |
| 25.5 | 403,629 | 1,643 | 0.0041 | 0.9959 | 34.07 |
| 26.5 | 425,385 | 8,551 | 0.0201 | 0.9799 | 33.93 |
| 27.5 | 442,987 | 2,177 | 0.0049 | 0.9951 | 33.25 |
| 28.5 | 442,107 | 10,009 | 0.0226 | 0.9774 | 33.08 |
| 29.5 | 432,745 | 6,840 | 0.0158 | 0.9842 | 32.34 |
| 30.5 | 432,968 | 11,180 | 0.0258 | 0.9742 | 31.82 |
| 31.5 | 423,223 | 2,687 | 0.0063 | 0.9937 | 31.00 |
| 32.5 | 426,708 | 64,487 | 0.1511 | 0.8489 | 30.81 |
| 33.5 | 375,385 | 669 | 0.0018 | 0.9982 | 26.15 |
| 34.5 | 374,716 | 647 | 0.0017 | 0.9983 | 26.10 |
| 35.5 | 351,167 | 6,036 | 0.0172 | 0.9828 | 26.06 |
| 36.5 | 346,375 | 23,362 | 0.0674 | 0.9326 | 25.61 |
| 37.5 | 322,595 | 51,333 | 0.1591 | 0.8409 | 23.88 |
| 38.5 | 247,601 | 116 | 0.0005 | 0.9995 | 20.08 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.5 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE, CONT.

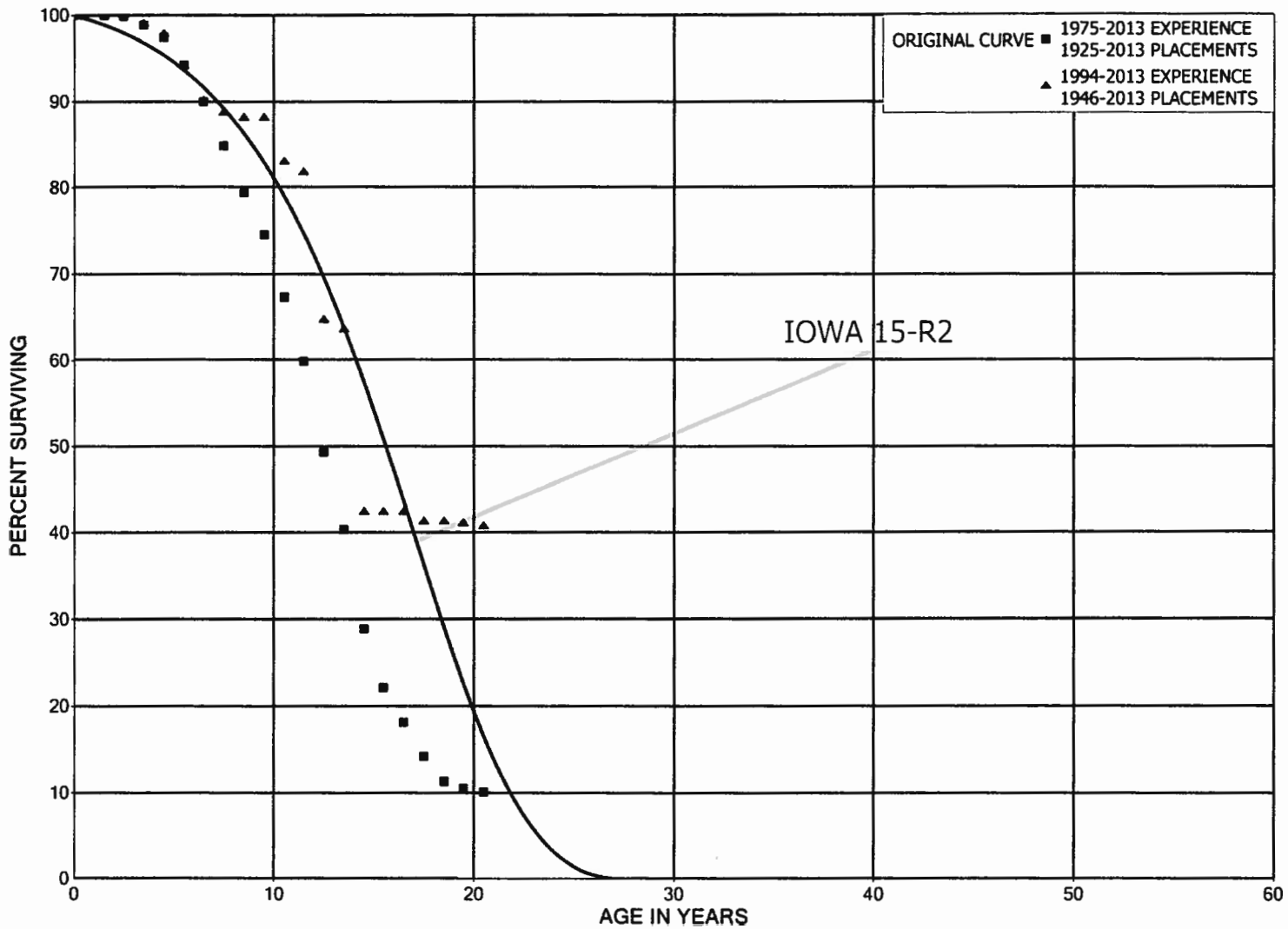
PLACEMENT BAND 1946-2013

EXPERIENCE BAND 1994-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 39.5 | 247,024 | 23,000 | 0.0931 | 0.9069 | 20.07 |
| 40.5 | 156,315 | 1,105 | 0.0071 | 0.9929 | 18.20 |
| 41.5 | 150,686 | 415 | 0.0028 | 0.9972 | 18.08 |
| 42.5 | 143,627 | 221 | 0.0015 | 0.9985 | 18.03 |
| 43.5 | 115,674 | 1,691 | 0.0146 | 0.9854 | 18.00 |
| 44.5 | 102,958 | 1,154 | 0.0112 | 0.9888 | 17.74 |
| 45.5 | 48,473 | 800 | 0.0165 | 0.9835 | 17.54 |
| 46.5 | 24,274 | | 0.0000 | 1.0000 | 17.25 |
| 47.5 | 21,156 | | 0.0000 | 1.0000 | 17.25 |
| 48.5 | 21,156 | | 0.0000 | 1.0000 | 17.25 |
| 49.5 | 21,156 | 1,121 | 0.0530 | 0.9470 | 17.25 |
| 50.5 | 19,008 | 1,279 | 0.0673 | 0.9327 | 16.33 |
| 51.5 | 16,756 | | 0.0000 | 1.0000 | 15.23 |
| 52.5 | 13,217 | 34 | 0.0026 | 0.9974 | 15.23 |
| 53.5 | 935 | | 0.0000 | 1.0000 | 15.19 |
| 54.5 | 935 | | 0.0000 | 1.0000 | 15.19 |
| 55.5 | 935 | | 0.0000 | 1.0000 | 15.19 |
| 56.5 | 106 | | 0.0000 | 1.0000 | 15.19 |
| 57.5 | | | | | 15.19 |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 392.6 TRANSPORTATION EQUIPMENT - OTHER VEHICLES
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.6 TRANSPORTATION EQUIPMENT - OTHER VEHICLES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 13,450,589 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 13,726,085 | 200 | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 12,804,623 | 18,411 | 0.0014 | 0.9986 | 100.00 |
| 2.5 | 10,528,028 | 102,247 | 0.0097 | 0.9903 | 99.85 |
| 3.5 | 7,408,791 | 113,472 | 0.0153 | 0.9847 | 98.88 |
| 4.5 | 7,372,524 | 241,679 | 0.0328 | 0.9672 | 97.37 |
| 5.5 | 7,601,832 | 339,446 | 0.0447 | 0.9553 | 94.18 |
| 6.5 | 7,197,130 | 411,454 | 0.0572 | 0.9428 | 89.97 |
| 7.5 | 6,000,044 | 384,154 | 0.0640 | 0.9360 | 84.83 |
| 8.5 | 5,358,032 | 332,435 | 0.0620 | 0.9380 | 79.40 |
| 9.5 | 5,229,198 | 504,804 | 0.0965 | 0.9035 | 74.47 |
| 10.5 | 4,558,826 | 503,955 | 0.1105 | 0.8895 | 67.28 |
| 11.5 | 3,058,342 | 538,220 | 0.1760 | 0.8240 | 59.85 |
| 12.5 | 2,610,061 | 477,318 | 0.1829 | 0.8171 | 49.31 |
| 13.5 | 2,196,315 | 625,153 | 0.2846 | 0.7154 | 40.30 |
| 14.5 | 1,606,153 | 376,034 | 0.2341 | 0.7659 | 28.83 |
| 15.5 | 1,257,057 | 226,079 | 0.1798 | 0.8202 | 22.08 |
| 16.5 | 1,033,791 | 223,038 | 0.2157 | 0.7843 | 18.11 |
| 17.5 | 757,248 | 153,591 | 0.2028 | 0.7972 | 14.20 |
| 18.5 | 536,502 | 37,030 | 0.0690 | 0.9310 | 11.32 |
| 19.5 | 436,162 | 20,465 | 0.0469 | 0.9531 | 10.54 |
| 20.5 | 369,742 | 23,734 | 0.0642 | 0.9358 | 10.04 |
| 21.5 | 304,692 | 15,181 | 0.0498 | 0.9502 | 9.40 |
| 22.5 | 289,999 | 4,968 | 0.0171 | 0.9829 | 8.93 |
| 23.5 | 285,953 | 8,679 | 0.0304 | 0.9696 | 8.78 |
| 24.5 | 277,599 | 66,078 | 0.2380 | 0.7620 | 8.51 |
| 25.5 | 212,859 | 4,215 | 0.0198 | 0.9802 | 6.49 |
| 26.5 | 209,961 | 13,309 | 0.0634 | 0.9366 | 6.36 |
| 27.5 | 196,925 | 3,624 | 0.0184 | 0.9816 | 5.95 |
| 28.5 | 194,543 | 13,650 | 0.0702 | 0.9298 | 5.84 |
| 29.5 | 180,893 | 9,332 | 0.0516 | 0.9484 | 5.43 |
| 30.5 | 168,670 | 11,135 | 0.0660 | 0.9340 | 5.15 |
| 31.5 | 157,535 | 8,458 | 0.0537 | 0.9463 | 4.81 |
| 32.5 | 149,078 | 12,363 | 0.0829 | 0.9171 | 4.56 |
| 33.5 | 137,030 | 1,780 | 0.0130 | 0.9870 | 4.18 |
| 34.5 | 135,251 | 10,188 | 0.0753 | 0.9247 | 4.12 |
| 35.5 | 125,127 | 6,085 | 0.0486 | 0.9514 | 3.81 |
| 36.5 | 119,042 | 462 | 0.0039 | 0.9961 | 3.63 |
| 37.5 | 118,781 | 2,173 | 0.0183 | 0.9817 | 3.61 |
| 38.5 | 116,608 | 181 | 0.0016 | 0.9984 | 3.55 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.6 TRANSPORTATION EQUIPMENT - OTHER VEHICLES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1925-2013 | | | EXPERIENCE BAND 1975-2013 | | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|--|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL | |
| 39.5 | 112,538 | 507 | 0.0045 | 0.9955 | 3.54 | |
| 40.5 | 108,495 | 1,105 | 0.0102 | 0.9898 | 3.53 | |
| 41.5 | 90,066 | 415 | 0.0046 | 0.9954 | 3.49 | |
| 42.5 | 89,652 | 379 | 0.0042 | 0.9958 | 3.47 | |
| 43.5 | 89,273 | 1,743 | 0.0195 | 0.9805 | 3.46 | |
| 44.5 | 87,530 | 354 | 0.0040 | 0.9960 | 3.39 | |
| 45.5 | 87,956 | | 0.0000 | 1.0000 | 3.38 | |
| 46.5 | 87,956 | | 0.0000 | 1.0000 | 3.38 | |
| 47.5 | 87,956 | 158 | 0.0018 | 0.9982 | 3.38 | |
| 48.5 | 3,484 | | 0.0000 | 1.0000 | 3.37 | |
| 49.5 | 3,617 | 321 | 0.0887 | 0.9113 | 3.37 | |
| 50.5 | 3,296 | 1,279 | 0.3881 | 0.6119 | 3.07 | |
| 51.5 | 1,959 | | 0.0000 | 1.0000 | 1.88 | |
| 52.5 | 1,959 | 34 | 0.0174 | 0.9826 | 1.88 | |
| 53.5 | 1,925 | | 0.0000 | 1.0000 | 1.85 | |
| 54.5 | 1,925 | | 0.0000 | 1.0000 | 1.85 | |
| 55.5 | 1,925 | | 0.0000 | 1.0000 | 1.85 | |
| 56.5 | 1,925 | | 0.0000 | 1.0000 | 1.85 | |
| 57.5 | 1,925 | | 0.0000 | 1.0000 | 1.85 | |
| 58.5 | 1,925 | | 0.0000 | 1.0000 | 1.85 | |
| 59.5 | 1,925 | 431 | 0.2241 | 0.7759 | 1.85 | |
| 60.5 | 1,494 | 349 | 0.2334 | 0.7666 | 1.43 | |
| 61.5 | 1,145 | | 0.0000 | 1.0000 | 1.10 | |
| 62.5 | 1,145 | | 0.0000 | 1.0000 | 1.10 | |
| 63.5 | 1,145 | 91 | 0.0799 | 0.9201 | 1.10 | |
| 64.5 | 1,054 | 133 | 0.1266 | 0.8734 | 1.01 | |
| 65.5 | 920 | | 0.0000 | 1.0000 | 0.88 | |
| 66.5 | 920 | | 0.0000 | 1.0000 | 0.88 | |
| 67.5 | | | | | 0.88 | |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.6 TRANSPORTATION EQUIPMENT - OTHER VEHICLES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1946-2013

EXPERIENCE BAND 1994-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 12,394,391 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 12,366,034 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 10,974,422 | 2,697 | 0.0002 | 0.9998 | 100.00 |
| 2.5 | 8,333,752 | 88,190 | 0.0106 | 0.9894 | 99.98 |
| 3.5 | 4,668,668 | 54,812 | 0.0117 | 0.9883 | 98.92 |
| 4.5 | 4,384,853 | 163,338 | 0.0373 | 0.9627 | 97.76 |
| 5.5 | 4,080,478 | 175,926 | 0.0431 | 0.9569 | 94.11 |
| 6.5 | 3,544,205 | 57,193 | 0.0161 | 0.9839 | 90.06 |
| 7.5 | 2,580,949 | 14,373 | 0.0056 | 0.9944 | 88.60 |
| 8.5 | 2,267,331 | 2,007 | 0.0009 | 0.9991 | 88.11 |
| 9.5 | 2,265,324 | 129,476 | 0.0572 | 0.9428 | 88.03 |
| 10.5 | 1,836,679 | 27,123 | 0.0148 | 0.9852 | 83.00 |
| 11.5 | 594,668 | 124,954 | 0.2101 | 0.7899 | 81.78 |
| 12.5 | 469,713 | 8,059 | 0.0172 | 0.9828 | 64.59 |
| 13.5 | 457,337 | 152,729 | 0.3340 | 0.6660 | 63.48 |
| 14.5 | 304,607 | | 0.0000 | 1.0000 | 42.28 |
| 15.5 | 310,016 | | 0.0000 | 1.0000 | 42.28 |
| 16.5 | 310,016 | 8,268 | 0.0267 | 0.9733 | 42.28 |
| 17.5 | 245,470 | | 0.0000 | 1.0000 | 41.16 |
| 18.5 | 179,572 | 823 | 0.0046 | 0.9954 | 41.16 |
| 19.5 | 176,936 | 1,664 | 0.0094 | 0.9906 | 40.97 |
| 20.5 | 134,756 | 5,409 | 0.0401 | 0.9599 | 40.58 |
| 21.5 | 113,581 | | 0.0000 | 1.0000 | 38.95 |
| 22.5 | 115,759 | 193 | 0.0017 | 0.9983 | 38.95 |
| 23.5 | 124,946 | 4,287 | 0.0343 | 0.9657 | 38.89 |
| 24.5 | 128,286 | 60,568 | 0.4721 | 0.5279 | 37.55 |
| 25.5 | 76,484 | 1,643 | 0.0215 | 0.9785 | 19.82 |
| 26.5 | 74,841 | 8,551 | 0.1143 | 0.8857 | 19.40 |
| 27.5 | 66,290 | 2,177 | 0.0328 | 0.9672 | 17.18 |
| 28.5 | 149,818 | 10,009 | 0.0668 | 0.9332 | 16.62 |
| 29.5 | 140,455 | 6,840 | 0.0487 | 0.9513 | 15.51 |
| 30.5 | 136,761 | 6,980 | 0.0510 | 0.9490 | 14.75 |
| 31.5 | 130,301 | 6,887 | 0.0529 | 0.9471 | 14.00 |
| 32.5 | 125,247 | 6,387 | 0.0510 | 0.9490 | 13.26 |
| 33.5 | 118,977 | 669 | 0.0056 | 0.9944 | 12.58 |
| 34.5 | 118,307 | 647 | 0.0055 | 0.9945 | 12.51 |
| 35.5 | 118,765 | 6,036 | 0.0508 | 0.9492 | 12.44 |
| 36.5 | 113,144 | 462 | 0.0041 | 0.9959 | 11.81 |
| 37.5 | 112,903 | 1,833 | 0.0162 | 0.9838 | 11.76 |
| 38.5 | 112,760 | 116 | 0.0010 | 0.9990 | 11.57 |

PECO ENERGY COMPANY
COMMON PLANT

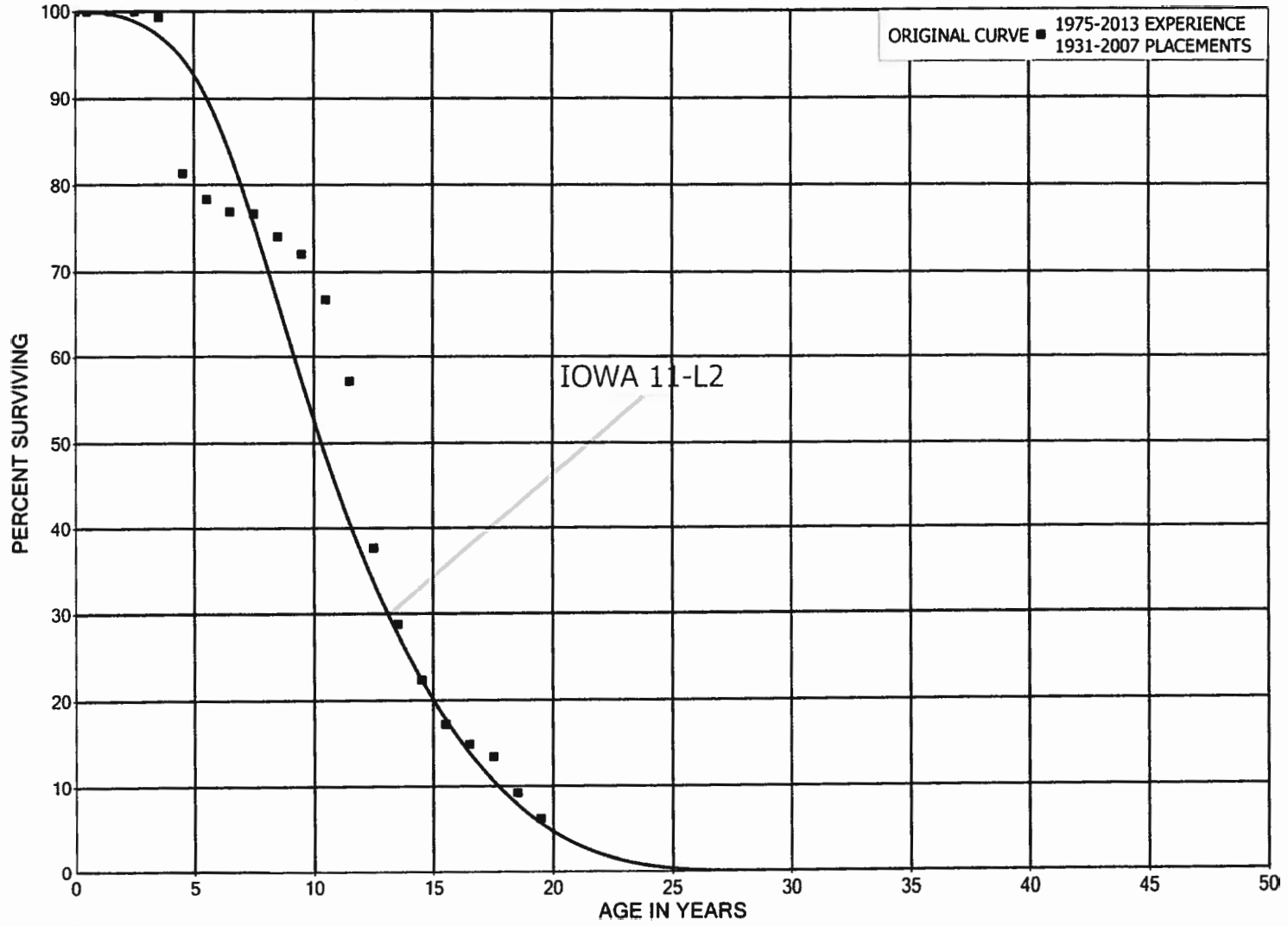
ACCOUNT 392.6 TRANSPORTATION EQUIPMENT - OTHER VEHICLES

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1946-2013 | | | EXPERIENCE BAND 1994-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 109,109 | | 0.0000 | 1.0000 | 11.56 |
| 40.5 | 105,573 | 1,105 | 0.0105 | 0.9895 | 11.56 |
| 41.5 | 87,144 | 415 | 0.0048 | 0.9952 | 11.44 |
| 42.5 | 86,730 | 221 | 0.0026 | 0.9974 | 11.38 |
| 43.5 | 86,509 | 1,691 | 0.0195 | 0.9805 | 11.36 |
| 44.5 | 85,139 | 354 | 0.0042 | 0.9958 | 11.13 |
| 45.5 | 86,064 | | 0.0000 | 1.0000 | 11.09 |
| 46.5 | 86,064 | | 0.0000 | 1.0000 | 11.09 |
| 47.5 | 87,018 | | 0.0000 | 1.0000 | 11.09 |
| 48.5 | 2,612 | | 0.0000 | 1.0000 | 11.09 |
| 49.5 | 2,612 | 321 | 0.1229 | 0.8771 | 11.09 |
| 50.5 | 2,291 | 1,279 | 0.5584 | 0.4416 | 9.72 |
| 51.5 | 954 | | 0.0000 | 1.0000 | 4.29 |
| 52.5 | 954 | 34 | 0.0357 | 0.9643 | 4.29 |
| 53.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 54.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 55.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 56.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 57.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 58.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 59.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 60.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 61.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 62.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 63.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 64.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 65.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 66.5 | 920 | | 0.0000 | 1.0000 | 4.14 |
| 67.5 | | | | | 4.14 |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 396 POWER OPERATED EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 396 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1931-2007

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 1,161,568 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 1,166,658 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 1,464,469 | | 0.0000 | 1.0000 | 100.00 |
| 2.5 | 1,682,710 | 12,459 | 0.0074 | 0.9926 | 100.00 |
| 3.5 | 1,943,469 | 350,512 | 0.1804 | 0.8196 | 99.26 |
| 4.5 | 1,838,141 | 66,205 | 0.0360 | 0.9640 | 81.36 |
| 5.5 | 1,995,341 | 38,863 | 0.0195 | 0.9805 | 78.43 |
| 6.5 | 2,151,118 | 5,327 | 0.0025 | 0.9975 | 76.90 |
| 7.5 | 2,461,068 | 84,207 | 0.0342 | 0.9658 | 76.71 |
| 8.5 | 2,397,697 | 63,814 | 0.0266 | 0.9734 | 74.08 |
| 9.5 | 2,504,489 | 187,803 | 0.0750 | 0.9250 | 72.11 |
| 10.5 | 2,350,183 | 334,097 | 0.1422 | 0.8578 | 66.71 |
| 11.5 | 1,926,536 | 658,859 | 0.3420 | 0.6580 | 57.22 |
| 12.5 | 1,268,427 | 299,135 | 0.2358 | 0.7642 | 37.65 |
| 13.5 | 973,119 | 218,484 | 0.2245 | 0.7755 | 28.77 |
| 14.5 | 755,799 | 175,432 | 0.2321 | 0.7679 | 22.31 |
| 15.5 | 544,889 | 72,946 | 0.1339 | 0.8661 | 17.13 |
| 16.5 | 481,688 | 45,535 | 0.0945 | 0.9055 | 14.84 |
| 17.5 | 437,156 | 137,826 | 0.3153 | 0.6847 | 13.44 |
| 18.5 | 335,510 | 108,635 | 0.3238 | 0.6762 | 9.20 |
| 19.5 | 229,526 | 120,673 | 0.5257 | 0.4743 | 6.22 |
| 20.5 | 120,391 | 8,739 | 0.0726 | 0.9274 | 2.95 |
| 21.5 | 117,234 | 12,332 | 0.1052 | 0.8948 | 2.74 |
| 22.5 | 104,902 | 5,581 | 0.0532 | 0.9468 | 2.45 |
| 23.5 | 100,365 | 1,188 | 0.0118 | 0.9882 | 2.32 |
| 24.5 | 99,178 | 1,045 | 0.0105 | 0.9895 | 2.29 |
| 25.5 | 98,133 | | 0.0000 | 1.0000 | 2.27 |
| 26.5 | 103,399 | | 0.0000 | 1.0000 | 2.27 |
| 27.5 | 105,962 | 5,023 | 0.0474 | 0.9526 | 2.27 |
| 28.5 | 100,938 | 323 | 0.0032 | 0.9968 | 2.16 |
| 29.5 | 100,615 | 263 | 0.0026 | 0.9974 | 2.15 |
| 30.5 | 100,352 | 2,105 | 0.0210 | 0.9790 | 2.15 |
| 31.5 | 98,247 | | 0.0000 | 1.0000 | 2.10 |
| 32.5 | 92,230 | | 0.0000 | 1.0000 | 2.10 |
| 33.5 | 88,275 | 632 | 0.0072 | 0.9928 | 2.10 |
| 34.5 | 87,643 | | 0.0000 | 1.0000 | 2.09 |
| 35.5 | 87,643 | 35,916 | 0.4098 | 0.5902 | 2.09 |
| 36.5 | 39,900 | 2,464 | 0.0618 | 0.9382 | 1.23 |
| 37.5 | 37,435 | 1,386 | 0.0370 | 0.9630 | 1.16 |
| 38.5 | 36,141 | | 0.0000 | 1.0000 | 1.11 |

PECO ENERGY COMPANY
COMMON PLANT

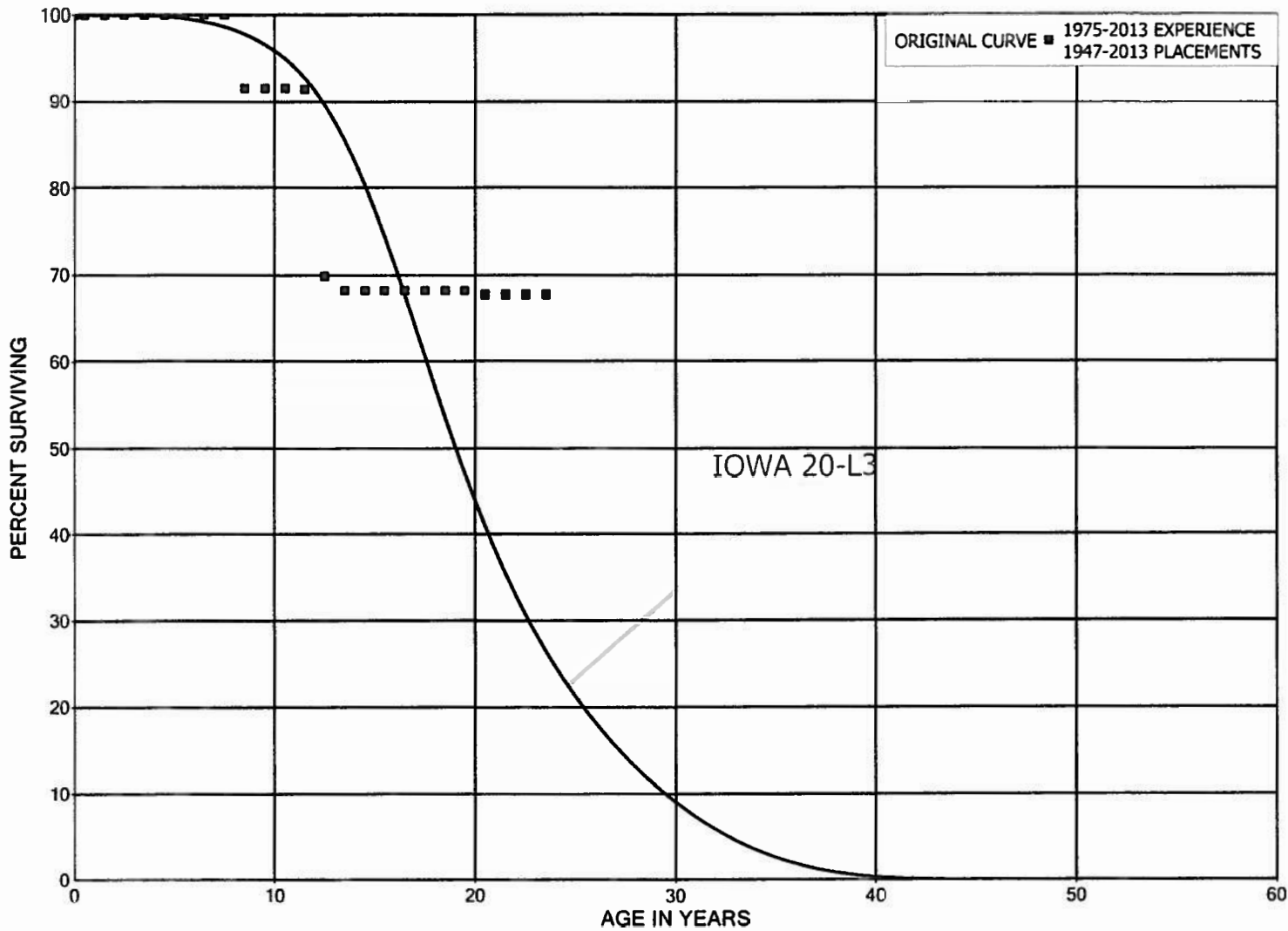
ACCOUNT 396 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1931-2007 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 36,141 | | 0.0000 | 1.0000 | 1.11 |
| 40.5 | 8,127 | | 0.0000 | 1.0000 | 1.11 |
| 41.5 | 8,127 | 92 | 0.0114 | 0.9886 | 1.11 |
| 42.5 | 8,034 | | 0.0000 | 1.0000 | 1.10 |
| 43.5 | 8,512 | | 0.0000 | 1.0000 | 1.10 |
| 44.5 | 8,512 | 8,034 | 0.9439 | 0.0561 | 1.10 |
| 45.5 | 477 | | 0.0000 | 1.0000 | 0.06 |
| 46.5 | 477 | 477 | 1.0000 | | 0.06 |
| 47.5 | | | | | |



PECO ENERGY COMPANY
COMMON PLANT
ACCOUNT 397 COMMUNICATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 397 COMMUNICATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1947-2013

EXPERIENCE BAND 1975-2013

| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
|--------------------------------|--|---------------------------------------|----------------|---------------|----------------------------------|
| 0.0 | 38,560,980 | | 0.0000 | 1.0000 | 100.00 |
| 0.5 | 38,560,632 | | 0.0000 | 1.0000 | 100.00 |
| 1.5 | 37,800,235 | | 0.0000 | 1.0000 | 100.00 |
| 2.5 | 37,800,235 | | 0.0000 | 1.0000 | 100.00 |
| 3.5 | 37,800,235 | | 0.0000 | 1.0000 | 100.00 |
| 4.5 | 37,730,969 | | 0.0000 | 1.0000 | 100.00 |
| 5.5 | 36,329,809 | | 0.0000 | 1.0000 | 100.00 |
| 6.5 | 29,647,745 | | 0.0000 | 1.0000 | 100.00 |
| 7.5 | 21,738,225 | 1,838,121 | 0.0846 | 0.9154 | 100.00 |
| 8.5 | 19,850,104 | | 0.0000 | 1.0000 | 91.54 |
| 9.5 | 19,850,104 | | 0.0000 | 1.0000 | 91.54 |
| 10.5 | 19,206,091 | 30,329 | 0.0016 | 0.9984 | 91.54 |
| 11.5 | 19,135,886 | 4,524,028 | 0.2364 | 0.7636 | 91.40 |
| 12.5 | 14,489,482 | 338,198 | 0.0233 | 0.9767 | 69.79 |
| 13.5 | 14,157,072 | | 0.0000 | 1.0000 | 68.16 |
| 14.5 | 13,125,902 | | 0.0000 | 1.0000 | 68.16 |
| 15.5 | 5,727,197 | | 0.0000 | 1.0000 | 68.16 |
| 16.5 | 3,406,988 | | 0.0000 | 1.0000 | 68.16 |
| 17.5 | 3,392,569 | | 0.0000 | 1.0000 | 68.16 |
| 18.5 | 2,024,650 | | 0.0000 | 1.0000 | 68.16 |
| 19.5 | 2,024,650 | 11,017 | 0.0054 | 0.9946 | 68.16 |
| 20.5 | 2,013,667 | | 0.0000 | 1.0000 | 67.79 |
| 21.5 | 2,013,667 | | 0.0000 | 1.0000 | 67.79 |
| 22.5 | 2,013,667 | | 0.0000 | 1.0000 | 67.79 |
| 23.5 | 873,126 | | 0.0000 | 1.0000 | 67.79 |
| 24.5 | 873,126 | | 0.0000 | 1.0000 | 67.79 |
| 25.5 | 873,126 | | 0.0000 | 1.0000 | 67.79 |
| 26.5 | 873,126 | | 0.0000 | 1.0000 | 67.79 |
| 27.5 | 817,124 | 3,620 | 0.0044 | 0.9956 | 67.79 |
| 28.5 | 375,725 | 5,788 | 0.0154 | 0.9846 | 67.49 |
| 29.5 | 369,937 | | 0.0000 | 1.0000 | 66.45 |
| 30.5 | 369,937 | | 0.0000 | 1.0000 | 66.45 |
| 31.5 | 369,937 | | 0.0000 | 1.0000 | 66.45 |
| 32.5 | 18,831 | | 0.0000 | 1.0000 | 66.45 |
| 33.5 | 18,831 | | 0.0000 | 1.0000 | 66.45 |
| 34.5 | 2,020 | | 0.0000 | 1.0000 | 66.45 |
| 35.5 | 2,020 | 34 | 0.0169 | 0.9831 | 66.45 |
| 36.5 | 1,986 | | 0.0000 | 1.0000 | 65.33 |
| 37.5 | 1,986 | | 0.0000 | 1.0000 | 65.33 |
| 38.5 | 1,986 | | 0.0000 | 1.0000 | 65.33 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 397 COMMUNICATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

| PLACEMENT BAND 1947-2013 | | | EXPERIENCE BAND 1975-2013 | | |
|--------------------------------|--|---------------------------------------|---------------------------|---------------|----------------------------------|
| AGE AT BEGIN OF INTERVAL | EXPOSURES AT BEGINNING OF AGE INTERVAL | RETIREMENTS DURING AGE INTERVAL | RETMT RATIO | SURV RATIO | PCT SURV BEGIN OF INTERVAL |
| 39.5 | 1,986 | | 0.0000 | 1.0000 | 65.33 |
| 40.5 | 1,986 | | 0.0000 | 1.0000 | 65.33 |
| 41.5 | 1,986 | | 0.0000 | 1.0000 | 65.33 |
| 42.5 | 1,986 | 1,986 | 1.0000 | | 65.33 |
| 43.5 | | | | | |

**PART VIII. DETAILED DEPRECIATION
CALCULATIONS**

ELECTRIC PLANT

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R2.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1913 | 110.36 | 110 | 110 | | | |
| 1914 | 37,312.60 | 37,313 | 37,313 | | | |
| 1915 | 425.69 | 426 | 426 | | | |
| 1916 | 233.39 | 233 | 233 | | | |
| 1917 | 454,090.08 | 454,090 | 454,090 | | | |
| 1918 | 109.37 | 109 | 109 | | | |
| 1920 | 145.31 | 145 | 145 | | | |
| 1922 | 2,610.73 | 2,591 | 2,611 | | | |
| 1923 | 21,156.62 | 20,894 | 21,157 | | | |
| 1924 | 1,161.52 | 1,141 | 1,162 | | | |
| 1925 | 192,042.35 | 187,702 | 192,042 | | | |
| 1926 | 84,665.52 | 82,312 | 84,666 | | | |
| 1927 | 101,171.75 | 97,813 | 101,172 | | | |
| 1928 | 37,802.80 | 36,344 | 37,803 | | | |
| 1929 | 177,812.48 | 169,989 | 177,812 | | | |
| 1930 | 76,537.88 | 72,742 | 76,538 | | | |
| 1931 | 91,044.93 | 86,037 | 91,045 | | | |
| 1932 | 74,343.59 | 69,868 | 74,344 | | | |
| 1933 | 2,752.59 | 2,574 | 2,753 | | | |
| 1934 | 1,550.98 | 1,443 | 1,551 | | | |
| 1935 | 2,714.24 | 2,512 | 2,714 | | | |
| 1936 | 155.83 | 144 | 156 | | | |
| 1937 | 192.77 | 177 | 193 | | | |
| 1938 | 8,968.05 | 8,184 | 8,968 | | | |
| 1939 | 3,127.65 | 2,841 | 3,128 | | | |
| 1940 | 4,671.21 | 4,222 | 4,671 | | | |
| 1941 | 16,816.45 | 15,125 | 16,736 | 80 | 5.03 | 16 |
| 1942 | 309,215.90 | 276,686 | 306,150 | 3,066 | 5.26 | 583 |
| 1943 | 44,617.52 | 39,719 | 43,949 | 669 | 5.49 | 122 |
| 1944 | 130,918.06 | 115,941 | 128,288 | 2,630 | 5.72 | 460 |
| 1945 | 4,259.31 | 3,752 | 4,152 | 107 | 5.95 | 18 |
| 1946 | 19,420.13 | 17,016 | 18,828 | 592 | 6.19 | 96 |
| 1947 | 2,656,471.75 | 2,314,318 | 2,560,769 | 95,703 | 6.44 | 14,861 |
| 1948 | 158,723.90 | 137,487 | 152,128 | 6,596 | 6.69 | 986 |
| 1949 | 255,678.41 | 220,190 | 243,638 | 12,040 | 6.94 | 1,735 |
| 1950 | 239,826.87 | 205,292 | 227,154 | 12,673 | 7.20 | 1,760 |
| 1951 | 104,331.35 | 88,744 | 98,194 | 6,137 | 7.47 | 822 |
| 1952 | 108,495.01 | 91,678 | 101,441 | 7,054 | 7.75 | 910 |
| 1953 | 284,166.65 | 238,473 | 263,868 | 20,299 | 8.04 | 2,525 |
| 1954 | 549,882.07 | 458,162 | 506,952 | 42,930 | 8.34 | 5,147 |
| 1955 | 511,311.45 | 422,752 | 467,771 | 43,540 | 8.66 | 5,028 |
| 1956 | 856,686.93 | 702,655 | 777,481 | 79,206 | 8.99 | 8,810 |
| 1957 | 562,461.11 | 457,506 | 506,226 | 56,235 | 9.33 | 6,027 |
| 1958 | 561,016.15 | 452,403 | 500,579 | 60,437 | 9.68 | 6,243 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R2.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1959 | 261,696.90 | 209,043 | 231,304 | 30,393 | 10.06 | 3,021 |
| 1960 | 493,061.93 | 390,012 | 431,544 | 61,518 | 10.45 | 5,887 |
| 1961 | 730,800.26 | 572,217 | 633,152 | 97,648 | 10.85 | 9,000 |
| 1962 | 219,160.02 | 169,718 | 187,791 | 31,369 | 11.28 | 2,781 |
| 1963 | 1,121,393.74 | 858,539 | 949,965 | 171,429 | 11.72 | 14,627 |
| 1964 | 426,944.31 | 322,941 | 357,331 | 69,613 | 12.18 | 5,715 |
| 1965 | 281,624.40 | 210,317 | 232,714 | 48,910 | 12.66 | 3,863 |
| 1966 | 1,354,204.91 | 998,049 | 1,104,331 | 249,874 | 13.15 | 19,002 |
| 1967 | 617,761.39 | 448,989 | 496,802 | 120,959 | 13.66 | 8,855 |
| 1968 | 318,856.35 | 228,365 | 252,684 | 66,172 | 14.19 | 4,663 |
| 1969 | 1,115,074.59 | 786,574 | 870,336 | 244,739 | 14.73 | 16,615 |
| 1970 | 1,232,465.16 | 855,577 | 946,687 | 285,778 | 15.29 | 18,691 |
| 1971 | 2,476,213.99 | 1,690,264 | 1,870,260 | 605,954 | 15.87 | 38,182 |
| 1972 | 1,356,702.30 | 910,076 | 1,006,990 | 349,712 | 16.46 | 21,246 |
| 1973 | 539,178.57 | 355,103 | 392,918 | 146,261 | 17.07 | 8,568 |
| 1974 | 518,042.22 | 334,759 | 370,407 | 147,635 | 17.69 | 8,346 |
| 1975 | 1,580,648.81 | 1,001,499 | 1,108,149 | 472,500 | 18.32 | 25,791 |
| 1976 | 32,238.27 | 20,007 | 22,138 | 10,100 | 18.97 | 532 |
| 1977 | 25,031.14 | 15,204 | 16,823 | 8,208 | 19.63 | 418 |
| 1978 | 72,816.98 | 43,253 | 47,859 | 24,958 | 20.30 | 1,229 |
| 1979 | 1,268,748.90 | 736,128 | 814,518 | 454,231 | 20.99 | 21,640 |
| 1980 | 111,605.71 | 63,213 | 69,945 | 41,661 | 21.68 | 1,922 |
| 1981 | 514,366.18 | 284,033 | 314,280 | 200,086 | 22.39 | 8,936 |
| 1982 | 45,147.49 | 24,280 | 26,866 | 18,281 | 23.11 | 791 |
| 1983 | 19,090.78 | 9,988 | 11,052 | 8,039 | 23.84 | 337 |
| 1984 | 96,191.98 | 48,904 | 54,112 | 42,080 | 24.58 | 1,712 |
| 1985 | 511,435.49 | 252,342 | 279,214 | 232,221 | 25.33 | 9,168 |
| 1986 | 130,776.52 | 62,537 | 69,197 | 61,580 | 26.09 | 2,360 |
| 1987 | 597,199.87 | 276,384 | 305,816 | 291,384 | 26.86 | 10,848 |
| 1988 | 3,736,648.97 | 1,671,777 | 1,849,804 | 1,886,845 | 27.63 | 68,290 |
| 1989 | 2,184,115.94 | 942,664 | 1,043,048 | 1,141,068 | 28.42 | 40,150 |
| 1990 | 856,561.14 | 355,987 | 393,896 | 462,665 | 29.22 | 15,834 |
| 1991 | 1,521,438.89 | 607,967 | 672,709 | 848,730 | 30.02 | 28,272 |
| 1992 | 954,070.15 | 365,600 | 404,533 | 549,537 | 30.84 | 17,819 |
| 1993 | 672,062.31 | 246,512 | 272,763 | 399,299 | 31.66 | 12,612 |
| 1994 | 413,327.54 | 144,747 | 160,161 | 253,167 | 32.49 | 7,792 |
| 1995 | 321,431.32 | 107,165 | 118,577 | 202,854 | 33.33 | 6,086 |
| 1996 | 1,772,920.80 | 560,952 | 620,687 | 1,152,234 | 34.18 | 33,711 |
| 1997 | 107,059.39 | 32,054 | 35,467 | 71,592 | 35.03 | 2,044 |
| 1998 | 629,112.37 | 177,536 | 196,442 | 432,670 | 35.89 | 12,055 |
| 1999 | 116,951.93 | 30,969 | 34,267 | 82,685 | 36.76 | 2,249 |
| 2000 | 130,331.23 | 32,218 | 35,649 | 94,682 | 37.64 | 2,515 |
| 2002 | 1,689,105.40 | 357,753 | 395,850 | 1,293,255 | 39.41 | 32,815 |
| 2003 | 971,652.47 | 188,501 | 208,574 | 763,078 | 40.30 | 18,935 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R2.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2004 | 1,880,972.33 | 331,051 | 366,304 | 1,514,668 | 41.20 | 36,764 |
| 2005 | 737,477.20 | 116,374 | 128,767 | 608,710 | 42.11 | 14,455 |
| 2006 | 2,130,310.03 | 297,391 | 329,060 | 1,801,250 | 43.02 | 41,870 |
| 2007 | 13,305,618.67 | 1,615,302 | 1,787,315 | 11,518,304 | 43.93 | 262,197 |
| 2008 | 2,647,453.09 | 272,158 | 301,140 | 2,346,313 | 44.86 | 52,303 |
| 2009 | 1,895,734.98 | 160,000 | 177,038 | 1,718,697 | 45.78 | 37,543 |
| 2010 | 3,851,492.91 | 253,428 | 280,416 | 3,571,077 | 46.71 | 76,452 |
| 2011 | 10,780,361.04 | 506,677 | 560,633 | 10,219,728 | 47.65 | 214,475 |
| 2012 | 2,249,938.81 | 63,448 | 70,204 | 2,179,735 | 48.59 | 44,860 |
| 2013 | 1,428,054.51 | 13,424 | 14,854 | 1,413,201 | 49.53 | 28,532 |
| | 83,803,891.89 | 29,229,825 | 32,234,559 | 51,569,333 | | 1,441,525 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 35.8 1.72 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1916 | 20,651.16 | 20,651 | 20,651 | | | |
| 1917 | 1,957.35 | 1,957 | 1,957 | | | |
| 1919 | 414.22 | 414 | 414 | | | |
| 1920 | 57,926.56 | 57,927 | 57,927 | | | |
| 1921 | 3,888.80 | 3,889 | 3,889 | | | |
| 1922 | 4,039.42 | 4,039 | 4,039 | | | |
| 1923 | 701,290.95 | 701,291 | 701,291 | | | |
| 1924 | 696,634.50 | 696,634 | 696,634 | | | |
| 1925 | 272,930.95 | 272,931 | 272,931 | | | |
| 1926 | 138,512.73 | 138,513 | 138,513 | | | |
| 1927 | 38,788.70 | 38,789 | 38,789 | | | |
| 1928 | 66,622.14 | 66,622 | 66,622 | | | |
| 1929 | 1,044,637.04 | 1,044,637 | 1,044,637 | | | |
| 1930 | 290,740.25 | 288,647 | 290,740 | | | |
| 1931 | 227,966.47 | 225,596 | 227,966 | | | |
| 1932 | 1,723,943.60 | 1,698,429 | 1,723,944 | | | |
| 1933 | 6,625.76 | 6,499 | 6,626 | | | |
| 1934 | 14.16 | 14 | 14 | | | |
| 1936 | 804.19 | 777 | 804 | | | |
| 1937 | 37,006.66 | 35,586 | 37,007 | | | |
| 1938 | 47,837.10 | 45,761 | 47,837 | | | |
| 1939 | 73,046.12 | 69,511 | 73,046 | | | |
| 1940 | 80,837.38 | 76,504 | 80,837 | | | |
| 1941 | 179,500.86 | 168,982 | 179,501 | | | |
| 1942 | 1,172,110.41 | 1,097,330 | 1,172,110 | | | |
| 1943 | 274,012.19 | 255,105 | 274,012 | | | |
| 1944 | 352,579.34 | 326,418 | 352,579 | | | |
| 1945 | 880,038.60 | 810,340 | 880,039 | | | |
| 1946 | 230,759.11 | 211,283 | 230,759 | | | |
| 1947 | 4,181,518.91 | 3,806,855 | 4,181,519 | | | |
| 1948 | 717,015.90 | 649,043 | 717,016 | | | |
| 1949 | 1,673,245.39 | 1,505,921 | 1,673,245 | | | |
| 1950 | 1,765,340.60 | 1,579,274 | 1,765,341 | | | |
| 1951 | 1,818,196.39 | 1,616,377 | 1,818,196 | | | |
| 1952 | 1,281,962.23 | 1,132,485 | 1,280,933 | 1,029 | 5.83 | 177 |
| 1953 | 4,219,940.97 | 3,702,576 | 4,187,916 | 32,025 | 6.13 | 5,224 |
| 1954 | 3,875,966.93 | 3,377,518 | 3,820,249 | 55,718 | 6.43 | 8,665 |
| 1955 | 3,030,188.28 | 2,621,113 | 2,964,693 | 65,495 | 6.75 | 9,703 |
| 1956 | 5,381,013.03 | 4,619,062 | 5,224,537 | 156,476 | 7.08 | 22,101 |
| 1957 | 4,294,797.85 | 3,657,450 | 4,136,875 | 157,923 | 7.42 | 21,283 |
| 1958 | 5,839,484.71 | 4,929,693 | 5,575,886 | 263,599 | 7.79 | 33,838 |
| 1959 | 5,085,370.80 | 4,255,438 | 4,813,249 | 272,122 | 8.16 | 33,348 |
| 1960 | 5,536,337.86 | 4,588,517 | 5,189,988 | 346,350 | 8.56 | 40,461 |
| 1961 | 5,860,285.06 | 4,808,950 | 5,439,316 | 420,969 | 8.97 | 46,931 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1962 | 3,345,430.31 | 2,716,489 | 3,072,571 | 272,859 | 9.40 | 29,028 |
| 1963 | 5,937,574.65 | 4,767,872 | 5,392,853 | 544,722 | 9.85 | 55,302 |
| 1964 | 4,400,996.80 | 3,492,631 | 3,950,451 | 450,546 | 10.32 | 43,658 |
| 1965 | 3,582,502.62 | 2,807,966 | 3,176,039 | 406,464 | 10.81 | 37,601 |
| 1966 | 4,046,588.76 | 3,130,441 | 3,540,785 | 505,804 | 11.32 | 44,682 |
| 1967 | 6,975,624.84 | 5,322,402 | 6,020,072 | 955,553 | 11.85 | 80,637 |
| 1968 | 7,598,947.95 | 5,715,929 | 6,465,183 | 1,133,765 | 12.39 | 91,506 |
| 1969 | 14,957,830.46 | 11,080,761 | 12,533,247 | 2,424,583 | 12.96 | 187,082 |
| 1970 | 12,240,359.64 | 8,925,670 | 10,095,663 | 2,144,697 | 13.54 | 158,397 |
| 1971 | 16,359,862.24 | 11,733,293 | 13,271,315 | 3,088,547 | 14.14 | 218,426 |
| 1972 | 16,200,309.42 | 11,421,218 | 12,918,332 | 3,281,977 | 14.75 | 222,507 |
| 1973 | 7,737,293.94 | 5,355,755 | 6,057,797 | 1,679,497 | 15.39 | 109,129 |
| 1974 | 15,303,649.97 | 10,397,300 | 11,760,197 | 3,543,453 | 16.03 | 221,051 |
| 1975 | 9,412,695.95 | 6,268,856 | 7,090,589 | 2,322,107 | 16.70 | 139,048 |
| 1976 | 560,109.67 | 365,416 | 413,315 | 146,795 | 17.38 | 8,446 |
| 1977 | 2,834,863.11 | 1,810,344 | 2,047,647 | 787,216 | 18.07 | 43,565 |
| 1978 | 1,209,386.82 | 755,383 | 854,400 | 354,987 | 18.77 | 18,912 |
| 1979 | 3,949,218.14 | 2,409,813 | 2,725,696 | 1,223,522 | 19.49 | 62,777 |
| 1980 | 2,390,599.05 | 1,423,841 | 1,610,481 | 780,118 | 20.22 | 38,582 |
| 1981 | 4,758,302.03 | 2,762,670 | 3,124,806 | 1,633,496 | 20.97 | 77,897 |
| 1982 | 1,639,739.34 | 927,437 | 1,049,007 | 590,732 | 21.72 | 27,198 |
| 1983 | 4,187,908.48 | 2,304,187 | 2,606,224 | 1,581,684 | 22.49 | 70,328 |
| 1984 | 7,890,002.15 | 4,219,573 | 4,772,682 | 3,117,320 | 23.26 | 134,021 |
| 1985 | 6,635,973.77 | 3,444,070 | 3,895,525 | 2,740,449 | 24.05 | 113,948 |
| 1986 | 8,511,737.62 | 4,281,404 | 4,842,618 | 3,669,120 | 24.85 | 147,651 |
| 1987 | 15,603,736.41 | 7,595,899 | 8,591,583 | 7,012,153 | 25.66 | 273,272 |
| 1988 | 26,754,488.62 | 12,585,311 | 14,235,017 | 12,519,472 | 26.48 | 472,790 |
| 1989 | 29,873,594.76 | 13,556,637 | 15,333,666 | 14,539,929 | 27.31 | 532,403 |
| 1990 | 38,318,979.49 | 16,745,394 | 18,940,411 | 19,378,568 | 28.15 | 688,404 |
| 1991 | 24,303,925.32 | 10,207,649 | 11,545,686 | 12,758,239 | 29.00 | 439,939 |
| 1992 | 33,710,055.52 | 13,578,410 | 15,358,293 | 18,351,763 | 29.86 | 614,594 |
| 1993 | 29,456,635.26 | 11,352,587 | 12,840,705 | 16,615,930 | 30.73 | 540,707 |
| 1994 | 7,174,134.24 | 2,640,081 | 2,986,148 | 4,187,986 | 31.60 | 132,531 |
| 1995 | 15,353,677.42 | 5,376,858 | 6,081,666 | 9,272,011 | 32.49 | 285,380 |
| 1996 | 18,554,811.60 | 6,167,619 | 6,976,082 | 11,578,730 | 33.38 | 346,876 |
| 1997 | 7,436,205.86 | 2,337,943 | 2,644,405 | 4,791,801 | 34.28 | 139,784 |
| 1998 | 37,307,013.11 | 11,050,337 | 12,498,836 | 24,808,177 | 35.19 | 704,978 |
| 1999 | 13,436,454.64 | 3,732,647 | 4,221,929 | 9,214,526 | 36.11 | 255,179 |
| 2000 | 10,670,078.00 | 2,767,818 | 3,130,629 | 7,539,449 | 37.03 | 203,604 |
| 2001 | 34,971,412.15 | 8,421,116 | 9,524,971 | 25,446,441 | 37.96 | 670,349 |
| 2002 | 7,498,690.05 | 1,666,209 | 1,884,619 | 5,614,071 | 38.89 | 144,358 |
| 2003 | 16,906,595.41 | 3,435,420 | 3,885,741 | 13,020,854 | 39.84 | 326,829 |
| 2004 | 17,324,179.14 | 3,194,579 | 3,613,330 | 13,710,849 | 40.78 | 336,215 |
| 2005 | 10,612,847.86 | 1,753,242 | 1,983,060 | 8,629,788 | 41.74 | 206,751 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2006 | 32,124,414.82 | 4,696,589 | 5,312,227 | 26,812,188 | 42.69 | 628,067 |
| 2007 | 32,424,871.98 | 4,111,474 | 4,650,414 | 27,774,458 | 43.66 | 636,153 |
| 2008 | 40,203,469.83 | 4,325,893 | 4,892,939 | 35,310,531 | 44.62 | 791,361 |
| 2009 | 28,583,403.85 | 2,521,056 | 2,851,521 | 25,731,883 | 45.59 | 564,419 |
| 2010 | 28,776,966.81 | 1,974,100 | 2,232,868 | 26,544,099 | 46.57 | 569,983 |
| 2011 | 50,882,240.41 | 2,503,406 | 2,831,557 | 48,050,683 | 47.54 | 1,010,742 |
| 2012 | 17,994,560.56 | 532,639 | 602,458 | 17,392,103 | 48.52 | 358,452 |
| 2013 | 19,725,365.89 | 193,309 | 218,649 | 19,506,717 | 49.51 | 393,995 |
| | 881,837,098.37 | 332,080,291 | 374,571,979 | 507,265,120 | | 14,871,225 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | 34.1 | 1.69 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1928 | 11,490.17 | 10,736 | 8,714 | 2,776 | 3.48 | 798 |
| 1929 | 29,364.62 | 27,276 | 22,139 | 7,226 | 3.77 | 1,917 |
| 1930 | 11,813.56 | 10,911 | 8,856 | 2,958 | 4.05 | 730 |
| 1931 | 11,562.68 | 10,616 | 8,617 | 2,946 | 4.34 | 679 |
| 1932 | 7,663.05 | 6,994 | 5,677 | 1,986 | 4.63 | 429 |
| 1933 | 10,576.38 | 9,595 | 7,788 | 2,788 | 4.92 | 567 |
| 1934 | 12,610.71 | 11,369 | 9,228 | 3,383 | 5.22 | 648 |
| 1935 | 25,240.77 | 22,617 | 18,357 | 6,884 | 5.51 | 1,249 |
| 1936 | 29,527.74 | 26,297 | 21,344 | 8,184 | 5.80 | 1,411 |
| 1937 | 11,333.50 | 10,031 | 8,142 | 3,192 | 6.09 | 524 |
| 1938 | 24,815.46 | 21,823 | 17,713 | 7,102 | 6.39 | 1,111 |
| 1939 | 8,290.58 | 7,246 | 5,881 | 2,410 | 6.68 | 361 |
| 1942 | 140,384.26 | 120,280 | 97,627 | 42,757 | 7.59 | 5,633 |
| 1943 | 74,180.13 | 63,123 | 51,235 | 22,945 | 7.90 | 2,904 |
| 1944 | 97,915.05 | 82,729 | 67,148 | 30,767 | 8.22 | 3,743 |
| 1945 | 108,248.53 | 90,806 | 73,704 | 34,545 | 8.54 | 4,045 |
| 1946 | 130,530.33 | 108,685 | 88,216 | 42,314 | 8.87 | 4,770 |
| 1947 | 133,945.87 | 110,670 | 89,827 | 44,119 | 9.21 | 4,790 |
| 1948 | 251,662.65 | 206,316 | 167,459 | 84,204 | 9.55 | 8,817 |
| 1949 | 292,924.95 | 238,209 | 193,346 | 99,579 | 9.90 | 10,058 |
| 1950 | 271,332.21 | 218,756 | 177,557 | 93,775 | 10.27 | 9,131 |
| 1951 | 485,498.70 | 388,035 | 314,954 | 170,545 | 10.64 | 16,029 |
| 1953 | 330,575.38 | 259,472 | 210,604 | 119,971 | 11.40 | 10,524 |
| 1954 | 802,091.53 | 623,514 | 506,084 | 296,008 | 11.80 | 25,085 |
| 1955 | 970,190.28 | 746,678 | 606,052 | 364,138 | 12.21 | 29,823 |
| 1956 | 1,349,954.99 | 1,028,261 | 834,603 | 515,352 | 12.63 | 40,804 |
| 1957 | 1,332,244.30 | 1,003,713 | 814,679 | 517,565 | 13.07 | 39,599 |
| 1958 | 1,991,874.33 | 1,484,126 | 1,204,613 | 787,261 | 13.51 | 58,272 |
| 1959 | 1,847,386.07 | 1,360,785 | 1,104,501 | 742,885 | 13.96 | 53,215 |
| 1960 | 2,281,785.35 | 1,660,957 | 1,348,141 | 933,644 | 14.42 | 64,746 |
| 1961 | 2,682,199.02 | 1,928,152 | 1,565,013 | 1,117,186 | 14.90 | 74,979 |
| 1962 | 2,364,055.17 | 1,677,581 | 1,361,634 | 1,002,421 | 15.39 | 65,135 |
| 1963 | 2,331,853.13 | 1,632,740 | 1,325,238 | 1,006,615 | 15.89 | 63,349 |
| 1964 | 2,440,954.90 | 1,685,650 | 1,368,183 | 1,072,772 | 16.40 | 65,413 |
| 1966 | 1,590,218.01 | 1,066,639 | 865,753 | 724,465 | 17.45 | 41,517 |
| 1967 | 1,895,207.12 | 1,251,917 | 1,016,137 | 879,070 | 17.99 | 48,864 |
| 1968 | 2,569,326.52 | 1,670,550 | 1,355,927 | 1,213,400 | 18.54 | 65,448 |
| 1969 | 4,553,818.86 | 2,911,848 | 2,363,445 | 2,190,374 | 19.11 | 114,619 |
| 1970 | 4,548,910.57 | 2,859,809 | 2,321,207 | 2,227,704 | 19.68 | 113,196 |
| 1971 | 3,111,557.70 | 1,921,542 | 1,559,648 | 1,551,910 | 20.27 | 76,562 |
| 1972 | 3,093,262.75 | 1,875,229 | 1,522,058 | 1,571,205 | 20.87 | 75,285 |
| 1973 | 3,415,748.88 | 2,031,414 | 1,648,827 | 1,766,922 | 21.48 | 82,259 |
| 1974 | 4,211,979.34 | 2,456,468 | 1,993,829 | 2,218,150 | 22.09 | 100,414 |
| 1975 | 2,804,157.88 | 1,602,071 | 1,300,345 | 1,503,813 | 22.72 | 66,189 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1976 | 2,705,400.67 | 1,512,995 | 1,228,045 | 1,477,356 | 23.36 | 63,243 |
| 1977 | 3,347,157.66 | 1,830,828 | 1,486,019 | 1,861,139 | 24.01 | 77,515 |
| 1978 | 3,476,641.21 | 1,859,030 | 1,508,909 | 1,967,732 | 24.66 | 79,794 |
| 1979 | 3,232,297.62 | 1,687,518 | 1,369,699 | 1,862,599 | 25.33 | 73,533 |
| 1980 | 3,454,050.73 | 1,759,597 | 1,428,203 | 2,025,848 | 26.00 | 77,917 |
| 1981 | 3,954,711.87 | 1,963,198 | 1,593,459 | 2,361,253 | 26.69 | 88,470 |
| 1982 | 4,730,730.14 | 2,286,835 | 1,856,144 | 2,874,586 | 27.38 | 104,989 |
| 1983 | 4,656,071.37 | 2,188,354 | 1,776,210 | 2,879,861 | 28.09 | 102,523 |
| 1984 | 6,458,866.77 | 2,949,119 | 2,393,696 | 4,065,171 | 28.80 | 141,152 |
| 1985 | 8,149,898.72 | 3,610,568 | 2,930,571 | 5,219,328 | 29.52 | 176,807 |
| 1986 | 9,595,978.81 | 4,120,801 | 3,344,710 | 6,251,269 | 30.24 | 206,722 |
| 1987 | 12,031,388.37 | 4,998,681 | 4,057,254 | 7,974,134 | 30.98 | 257,396 |
| 1988 | 10,665,282.64 | 4,282,218 | 3,475,726 | 7,189,557 | 31.72 | 226,657 |
| 1989 | 13,327,279.14 | 5,159,923 | 4,188,128 | 9,139,151 | 32.48 | 281,378 |
| 1990 | 11,694,046.36 | 4,359,891 | 3,538,770 | 8,155,276 | 33.24 | 245,345 |
| 1991 | 9,198,407.14 | 3,297,537 | 2,676,495 | 6,521,912 | 34.00 | 191,821 |
| 1992 | 12,669,077.38 | 4,355,249 | 3,535,003 | 9,134,074 | 34.78 | 262,624 |
| 1993 | 13,672,541.68 | 4,499,087 | 3,651,751 | 10,020,791 | 35.56 | 281,800 |
| 1994 | 10,309,974.76 | 3,238,879 | 2,628,884 | 7,681,091 | 36.35 | 211,309 |
| 1995 | 10,266,705.79 | 3,070,361 | 2,492,104 | 7,774,602 | 37.15 | 209,276 |
| 1996 | 17,832,260.86 | 5,063,649 | 4,109,986 | 13,722,275 | 37.95 | 361,588 |
| 1997 | 13,280,613.24 | 3,568,235 | 2,896,211 | 10,384,402 | 38.76 | 267,915 |
| 1998 | 15,917,595.99 | 4,030,494 | 3,271,411 | 12,646,185 | 39.58 | 319,509 |
| 1999 | 21,103,107.00 | 5,017,053 | 4,072,166 | 17,030,941 | 40.40 | 421,558 |
| 2000 | 8,084,935.40 | 1,795,502 | 1,457,346 | 6,627,589 | 41.23 | 160,747 |
| 2001 | 39,065,372.41 | 8,056,452 | 6,539,139 | 32,526,233 | 42.07 | 773,146 |
| 2002 | 27,935,224.54 | 5,318,308 | 4,316,684 | 23,618,541 | 42.91 | 550,420 |
| 2003 | 29,418,219.58 | 5,128,772 | 4,162,844 | 25,255,376 | 43.76 | 577,134 |
| 2004 | 10,926,784.62 | 1,729,710 | 1,403,945 | 9,522,840 | 44.61 | 213,469 |
| 2005 | 22,447,496.26 | 3,189,340 | 2,588,675 | 19,858,821 | 45.47 | 436,746 |
| 2006 | 21,683,000.42 | 2,724,686 | 2,211,532 | 19,471,468 | 46.34 | 420,187 |
| 2007 | 16,521,123.92 | 1,804,933 | 1,465,001 | 15,056,123 | 47.21 | 318,918 |
| 2008 | 21,341,847.96 | 1,977,109 | 1,604,750 | 19,737,098 | 48.09 | 410,420 |
| 2009 | 15,655,791.57 | 1,190,466 | 966,260 | 14,689,532 | 48.97 | 299,970 |
| 2010 | 24,068,524.15 | 1,426,060 | 1,157,483 | 22,911,041 | 49.86 | 459,507 |
| 2011 | 27,208,072.60 | 1,154,983 | 937,459 | 26,270,614 | 50.75 | 517,648 |
| 2012 | 23,058,220.76 | 587,293 | 476,685 | 22,581,536 | 51.65 | 437,203 |
| 2013 | 21,710,660.24 | 184,324 | 149,610 | 21,561,051 | 52.55 | 410,296 |
| | 589,555,624.33 | 153,520,274 | 124,607,017 | 464,948,608 | | 12,172,293 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 38.2 2.06 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 52-R2.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1931 | 295.67 | 275 | 248 | 48 | 3.67 | 13 |
| 1932 | 152.01 | 141 | 127 | 25 | 3.89 | 6 |
| 1933 | 520.18 | 479 | 431 | 89 | 4.12 | 22 |
| 1934 | 788.92 | 723 | 651 | 138 | 4.33 | 32 |
| 1935 | 277.88 | 254 | 229 | 49 | 4.55 | 11 |
| 1936 | 348.02 | 316 | 285 | 63 | 4.77 | 13 |
| 1937 | 608.38 | 550 | 495 | 113 | 4.99 | 23 |
| 1938 | 1,193.89 | 1,074 | 967 | 227 | 5.21 | 44 |
| 1939 | 21,278.37 | 19,052 | 17,162 | 4,116 | 5.44 | 757 |
| 1940 | 8,198.90 | 7,306 | 6,581 | 1,618 | 5.66 | 286 |
| 1942 | 58,173.38 | 51,316 | 46,226 | 11,947 | 6.13 | 1,949 |
| 1943 | 18,748.48 | 16,452 | 14,820 | 3,928 | 6.37 | 617 |
| 1944 | 33,715.19 | 29,429 | 26,510 | 7,205 | 6.61 | 1,090 |
| 1945 | 31,013.93 | 26,923 | 24,253 | 6,761 | 6.86 | 986 |
| 1946 | 52,260.33 | 45,115 | 40,640 | 11,620 | 7.11 | 1,634 |
| 1947 | 41,421.58 | 35,551 | 32,025 | 9,397 | 7.37 | 1,275 |
| 1948 | 81,477.15 | 69,507 | 62,613 | 18,864 | 7.64 | 2,469 |
| 1949 | 234,465.70 | 198,799 | 179,082 | 55,384 | 7.91 | 7,002 |
| 1950 | 326,466.87 | 275,048 | 247,768 | 78,699 | 8.19 | 9,609 |
| 1951 | 574,165.47 | 480,421 | 432,771 | 141,394 | 8.49 | 16,654 |
| 1952 | 100,700.99 | 83,678 | 75,379 | 25,322 | 8.79 | 2,881 |
| 1953 | 204,544.87 | 168,711 | 151,978 | 52,567 | 9.11 | 5,770 |
| 1954 | 95,209.53 | 77,907 | 70,180 | 25,030 | 9.45 | 2,649 |
| 1955 | 279,260.89 | 226,684 | 204,201 | 75,060 | 9.79 | 7,667 |
| 1956 | 842,158.20 | 677,777 | 610,553 | 231,605 | 10.15 | 22,818 |
| 1957 | 1,120,652.65 | 893,720 | 805,078 | 315,575 | 10.53 | 29,969 |
| 1958 | 1,326,563.99 | 1,047,986 | 944,044 | 382,520 | 10.92 | 35,029 |
| 1959 | 2,144,192.20 | 1,677,016 | 1,510,685 | 633,507 | 11.33 | 55,914 |
| 1960 | 2,873,816.69 | 2,223,903 | 2,003,330 | 870,487 | 11.76 | 74,021 |
| 1961 | 4,281,140.28 | 3,276,699 | 2,951,706 | 1,329,434 | 12.20 | 108,970 |
| 1962 | 3,825,011.07 | 2,893,774 | 2,606,761 | 1,218,250 | 12.66 | 96,228 |
| 1963 | 5,040,622.49 | 3,767,865 | 3,394,157 | 1,646,465 | 13.13 | 125,397 |
| 1964 | 6,301,558.33 | 4,649,794 | 4,188,614 | 2,112,944 | 13.63 | 155,022 |
| 1965 | 2,781,613.43 | 2,025,766 | 1,824,845 | 956,768 | 14.13 | 67,712 |
| 1966 | 3,453,665.20 | 2,480,008 | 2,234,033 | 1,219,632 | 14.66 | 83,195 |
| 1967 | 3,736,121.37 | 2,644,016 | 2,381,775 | 1,354,346 | 15.20 | 89,102 |
| 1968 | 4,132,264.44 | 2,879,858 | 2,594,225 | 1,538,039 | 15.76 | 97,591 |
| 1969 | 8,773,712.61 | 6,018,416 | 5,421,492 | 3,352,221 | 16.33 | 205,280 |
| 1970 | 8,587,837.75 | 5,793,527 | 5,218,908 | 3,368,930 | 16.92 | 199,109 |
| 1971 | 5,770,194.59 | 3,826,101 | 3,446,617 | 2,323,578 | 17.52 | 132,624 |
| 1972 | 5,134,483.22 | 3,344,346 | 3,012,644 | 2,121,839 | 18.13 | 117,035 |
| 1973 | 6,773,341.56 | 4,329,723 | 3,900,288 | 2,873,054 | 18.76 | 153,148 |
| 1974 | 6,836,898.57 | 4,286,188 | 3,861,071 | 2,975,828 | 19.40 | 153,393 |
| 1975 | 4,292,684.76 | 2,636,696 | 2,375,181 | 1,917,504 | 20.06 | 95,588 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 52-R2.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1976 | 4,662,987.16 | 2,804,973 | 2,526,767 | 2,136,220 | 20.72 | 103,099 |
| 1977 | 4,158,987.53 | 2,447,398 | 2,204,658 | 1,954,330 | 21.40 | 91,324 |
| 1978 | 4,829,276.39 | 2,777,751 | 2,502,245 | 2,327,031 | 22.09 | 105,343 |
| 1979 | 5,641,633.66 | 3,169,075 | 2,854,757 | 2,786,877 | 22.79 | 122,285 |
| 1980 | 6,602,423.32 | 3,618,656 | 3,259,747 | 3,342,676 | 23.50 | 142,242 |
| 1981 | 6,170,335.71 | 3,296,378 | 2,969,433 | 3,200,903 | 24.22 | 132,159 |
| 1982 | 5,920,145.83 | 3,079,601 | 2,774,157 | 3,145,989 | 24.95 | 126,092 |
| 1983 | 5,768,799.17 | 2,917,686 | 2,628,301 | 3,140,498 | 25.70 | 122,198 |
| 1984 | 8,083,129.36 | 3,971,646 | 3,577,726 | 4,505,403 | 26.45 | 170,337 |
| 1985 | 8,979,434.53 | 4,280,766 | 3,856,187 | 5,123,248 | 27.21 | 188,285 |
| 1986 | 10,771,030.34 | 4,975,354 | 4,481,884 | 6,289,146 | 27.98 | 224,773 |
| 1987 | 15,743,500.03 | 7,036,085 | 6,338,225 | 9,405,275 | 28.76 | 327,026 |
| 1988 | 14,888,643.10 | 6,430,703 | 5,792,887 | 9,095,756 | 29.54 | 307,913 |
| 1989 | 24,163,303.01 | 10,064,982 | 9,066,707 | 15,096,596 | 30.34 | 497,581 |
| 1990 | 20,137,664.60 | 8,078,224 | 7,277,002 | 12,860,663 | 31.14 | 412,995 |
| 1991 | 14,356,883.72 | 5,532,856 | 4,984,091 | 9,372,793 | 31.96 | 293,266 |
| 1992 | 20,026,479.46 | 7,402,187 | 6,668,016 | 13,358,463 | 32.78 | 407,519 |
| 1993 | 21,962,589.26 | 7,767,070 | 6,996,709 | 14,965,880 | 33.61 | 445,281 |
| 1994 | 21,073,991.02 | 7,112,472 | 6,407,036 | 14,666,955 | 34.45 | 425,746 |
| 1995 | 27,281,667.83 | 8,766,964 | 7,897,430 | 19,384,238 | 35.29 | 549,284 |
| 1996 | 37,009,135.76 | 11,287,786 | 10,168,230 | 26,840,906 | 36.14 | 742,692 |
| 1997 | 22,130,480.71 | 6,383,758 | 5,750,598 | 16,379,883 | 37.00 | 442,700 |
| 1998 | 34,565,410.53 | 9,392,459 | 8,460,887 | 26,104,524 | 37.87 | 689,319 |
| 1999 | 18,318,818.01 | 4,671,299 | 4,207,986 | 14,110,832 | 38.74 | 364,245 |
| 2000 | 2,969,086.30 | 706,880 | 636,770 | 2,332,316 | 39.62 | 58,867 |
| 2001 | 22,542,626.79 | 4,985,302 | 4,490,845 | 18,051,782 | 40.50 | 445,723 |
| 2002 | 24,295,671.40 | 4,957,289 | 4,465,610 | 19,830,061 | 41.39 | 479,103 |
| 2003 | 19,869,584.76 | 3,710,248 | 3,342,255 | 16,527,330 | 42.29 | 390,809 |
| 2004 | 10,735,302.54 | 1,818,775 | 1,638,383 | 9,096,920 | 43.19 | 210,626 |
| 2005 | 62,368,570.72 | 9,475,033 | 8,535,271 | 53,833,300 | 44.10 | 1,220,710 |
| 2006 | 35,827,201.53 | 4,815,892 | 4,338,237 | 31,488,965 | 45.01 | 699,599 |
| 2007 | 40,423,684.18 | 4,718,657 | 4,250,647 | 36,173,037 | 45.93 | 787,569 |
| 2008 | 51,509,209.22 | 5,101,472 | 4,595,493 | 46,913,716 | 46.85 | 1,001,360 |
| 2009 | 44,306,428.92 | 3,595,467 | 3,238,858 | 41,067,571 | 47.78 | 859,514 |
| 2010 | 47,783,933.11 | 3,023,289 | 2,723,430 | 45,060,503 | 48.71 | 925,077 |
| 2011 | 50,637,575.14 | 2,288,312 | 2,061,350 | 48,576,225 | 49.65 | 978,373 |
| 2012 | 45,771,630.05 | 1,250,023 | 1,126,042 | 44,645,588 | 50.58 | 882,673 |
| 2013 | 35,037,034.67 | 316,735 | 285,321 | 34,751,714 | 51.53 | 674,398 |
| | 947,518,109.35 | 251,218,393 | 226,301,807 | 721,216,303 | | 19,208,709 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.5 2.03

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 65-R4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1905 | 2,269,418.86 | 2,269,419 | 2,269,419 | | | |
| 1906 | 70,192.26 | 70,192 | 70,192 | | | |
| 1907 | 85,629.32 | 85,629 | 85,629 | | | |
| 1908 | 124,825.99 | 124,826 | 124,826 | | | |
| 1909 | 47,039.57 | 47,040 | 47,040 | | | |
| 1910 | 69,986.75 | 69,987 | 69,987 | | | |
| 1911 | 392,719.49 | 392,719 | 392,719 | | | |
| 1912 | 114,959.77 | 114,960 | 114,960 | | | |
| 1913 | 271,063.58 | 271,064 | 271,064 | | | |
| 1914 | 119,195.98 | 119,196 | 119,196 | | | |
| 1915 | 20,145.39 | 20,083 | 20,145 | | | |
| 1916 | 116,675.32 | 115,885 | 116,675 | | | |
| 1917 | 109,552.32 | 108,608 | 109,552 | | | |
| 1918 | 66,975.76 | 66,182 | 66,976 | | | |
| 1919 | 274,097.06 | 270,049 | 274,097 | | | |
| 1920 | 165,507.31 | 162,528 | 165,507 | | | |
| 1921 | 211,440.82 | 206,952 | 211,441 | | | |
| 1922 | 236,397.38 | 230,615 | 236,397 | | | |
| 1923 | 490,850.53 | 477,107 | 490,851 | | | |
| 1924 | 1,081,301.76 | 1,047,371 | 1,081,302 | | | |
| 1925 | 1,279,640.92 | 1,234,751 | 1,279,641 | | | |
| 1926 | 1,057,347.03 | 1,016,512 | 1,057,347 | | | |
| 1927 | 1,949,169.30 | 1,866,408 | 1,949,169 | | | |
| 1928 | 1,568,093.71 | 1,495,475 | 1,568,094 | | | |
| 1929 | 348,174.79 | 330,714 | 348,175 | | | |
| 1930 | 726,115.34 | 686,796 | 726,115 | | | |
| 1931 | 961,991.42 | 906,052 | 961,991 | | | |
| 1932 | 672,224.64 | 630,446 | 672,225 | | | |
| 1933 | 747,723.63 | 698,262 | 747,724 | | | |
| 1934 | 795,411.94 | 739,487 | 795,412 | | | |
| 1935 | 139,998.25 | 129,552 | 139,922 | 76 | 4.85 | 16 |
| 1936 | 102,546.77 | 94,469 | 102,031 | 516 | 5.12 | 101 |
| 1937 | 58,811.90 | 53,926 | 58,243 | 569 | 5.40 | 105 |
| 1938 | 61,881.22 | 56,464 | 60,984 | 897 | 5.69 | 158 |
| 1939 | 54,603.84 | 49,572 | 53,540 | 1,064 | 5.99 | 178 |
| 1940 | 52,479.88 | 47,394 | 51,188 | 1,292 | 6.30 | 205 |
| 1941 | 431,022.78 | 387,192 | 418,185 | 12,838 | 6.61 | 1,942 |
| 1942 | 1,659,257.76 | 1,482,099 | 1,600,736 | 58,522 | 6.94 | 8,433 |
| 1943 | 53,899.64 | 47,855 | 51,686 | 2,214 | 7.29 | 304 |
| 1944 | 116,883.92 | 103,128 | 111,383 | 5,501 | 7.65 | 719 |
| 1945 | 133,201.88 | 116,746 | 126,091 | 7,111 | 8.03 | 886 |
| 1946 | 163,510.10 | 142,329 | 153,722 | 9,788 | 8.42 | 1,162 |
| 1947 | 2,238,946.04 | 1,934,449 | 2,089,295 | 149,651 | 8.84 | 16,929 |
| 1948 | 1,653,887.51 | 1,417,762 | 1,531,249 | 122,639 | 9.28 | 13,215 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 65-R4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1949 | 1,638,617.04 | 1,392,824 | 1,504,315 | 134,302 | 9.75 | 13,775 |
| 1950 | 2,053,305.57 | 1,729,828 | 1,868,295 | 185,011 | 10.24 | 18,067 |
| 1951 | 2,321,665.21 | 1,937,708 | 2,092,815 | 228,850 | 10.75 | 21,288 |
| 1952 | 809,503.12 | 668,771 | 722,304 | 87,199 | 11.30 | 7,717 |
| 1953 | 998,103.07 | 815,989 | 881,306 | 116,797 | 11.86 | 9,848 |
| 1954 | 1,361,915.92 | 1,101,055 | 1,189,191 | 172,725 | 12.45 | 13,873 |
| 1955 | 1,135,310.59 | 907,204 | 979,823 | 155,488 | 13.06 | 11,906 |
| 1956 | 2,985,324.94 | 2,356,556 | 2,545,190 | 440,135 | 13.69 | 32,150 |
| 1957 | 1,740,855.06 | 1,356,788 | 1,465,394 | 275,461 | 14.34 | 19,209 |
| 1958 | 931,597.96 | 716,613 | 773,975 | 157,623 | 15.00 | 10,508 |
| 1959 | 1,629,127.68 | 1,236,378 | 1,335,346 | 293,782 | 15.67 | 18,748 |
| 1960 | 1,623,275.05 | 1,214,713 | 1,311,947 | 311,328 | 16.36 | 19,030 |
| 1961 | 2,459,975.03 | 1,814,699 | 1,959,960 | 500,015 | 17.05 | 29,326 |
| 1962 | 2,021,755.73 | 1,469,351 | 1,586,968 | 434,788 | 17.76 | 24,481 |
| 1963 | 2,584,823.34 | 1,849,932 | 1,998,013 | 586,810 | 18.48 | 31,754 |
| 1964 | 4,712,560.08 | 3,320,564 | 3,586,364 | 1,126,196 | 19.20 | 58,656 |
| 1965 | 3,942,641.68 | 2,733,157 | 2,951,937 | 990,705 | 19.94 | 49,684 |
| 1966 | 3,606,447.36 | 2,458,479 | 2,655,272 | 951,175 | 20.69 | 45,973 |
| 1967 | 5,238,458.60 | 3,508,981 | 3,789,863 | 1,448,596 | 21.46 | 67,502 |
| 1968 | 6,731,238.63 | 4,429,155 | 4,783,694 | 1,947,545 | 22.23 | 87,609 |
| 1969 | 7,250,164.39 | 4,682,519 | 5,057,339 | 2,192,825 | 23.02 | 95,257 |
| 1970 | 9,466,043.65 | 5,998,537 | 6,478,699 | 2,987,345 | 23.81 | 125,466 |
| 1971 | 6,753,463.92 | 4,195,454 | 4,531,286 | 2,222,178 | 24.62 | 90,259 |
| 1972 | 5,389,338.78 | 3,280,059 | 3,542,617 | 1,846,722 | 25.44 | 72,591 |
| 1973 | 3,804,291.37 | 2,266,787 | 2,448,236 | 1,356,055 | 26.27 | 51,620 |
| 1974 | 4,501,742.63 | 2,623,481 | 2,833,482 | 1,668,261 | 27.12 | 61,514 |
| 1975 | 2,411,246.39 | 1,373,663 | 1,483,620 | 927,626 | 27.97 | 33,165 |
| 1976 | 4,661,379.96 | 2,593,871 | 2,801,502 | 1,859,878 | 28.83 | 64,512 |
| 1977 | 1,366,456.46 | 742,095 | 801,497 | 564,959 | 29.70 | 19,022 |
| 1978 | 1,028,709.92 | 544,743 | 588,348 | 440,362 | 30.58 | 14,400 |
| 1979 | 1,994,083.88 | 1,028,648 | 1,110,988 | 883,096 | 31.47 | 28,062 |
| 1980 | 1,967,507.12 | 987,689 | 1,066,750 | 900,757 | 32.37 | 27,827 |
| 1981 | 2,611,207.65 | 1,274,269 | 1,376,270 | 1,234,938 | 33.28 | 37,108 |
| 1982 | 2,325,589.28 | 1,101,980 | 1,190,190 | 1,135,399 | 34.20 | 33,199 |
| 1983 | 2,640,503.24 | 1,213,813 | 1,310,975 | 1,329,528 | 35.12 | 37,857 |
| 1984 | 3,135,357.48 | 1,396,426 | 1,508,205 | 1,627,152 | 36.05 | 45,136 |
| 1985 | 2,743,693.12 | 1,182,312 | 1,276,952 | 1,466,741 | 36.99 | 39,652 |
| 1986 | 2,949,179.87 | 1,228,215 | 1,326,529 | 1,622,651 | 37.93 | 42,780 |
| 1987 | 6,233,509.21 | 2,504,936 | 2,705,447 | 3,528,062 | 38.88 | 90,742 |
| 1988 | 5,190,247.44 | 2,009,820 | 2,170,699 | 3,019,548 | 39.83 | 75,811 |
| 1989 | 5,770,720.62 | 2,149,363 | 2,321,412 | 3,449,309 | 40.79 | 84,563 |
| 1990 | 17,889,748.96 | 6,398,984 | 6,911,201 | 10,978,548 | 41.75 | 262,959 |
| 1991 | 4,244,229.57 | 1,454,795 | 1,571,246 | 2,672,984 | 42.72 | 62,570 |
| 1992 | 3,739,437.32 | 1,225,975 | 1,324,110 | 2,415,327 | 43.69 | 55,283 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 65-R4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1993 | 7,758,226.40 | 2,427,704 | 2,622,033 | 5,136,193 | 44.66 | 115,007 |
| 1994 | 3,397,609.04 | 1,011,978 | 1,092,983 | 2,304,626 | 45.64 | 50,496 |
| 1995 | 5,302,887.87 | 1,499,498 | 1,619,528 | 3,683,360 | 46.62 | 79,008 |
| 1996 | 5,185,533.67 | 1,388,116 | 1,499,230 | 3,686,304 | 47.60 | 77,443 |
| 1997 | 5,522,753.23 | 1,395,158 | 1,506,836 | 4,015,917 | 48.58 | 82,666 |
| 1998 | 3,094,865.71 | 734,659 | 793,466 | 2,301,400 | 49.57 | 46,427 |
| 1999 | 2,533,660.09 | 562,853 | 607,907 | 1,925,753 | 50.56 | 38,088 |
| 2000 | 920,620.28 | 190,495 | 205,743 | 714,877 | 51.55 | 13,868 |
| 2001 | 14,933,710.32 | 2,862,643 | 3,091,788 | 11,841,922 | 52.54 | 225,389 |
| 2002 | 7,199,755.72 | 1,270,469 | 1,372,166 | 5,827,590 | 53.53 | 108,866 |
| 2003 | 9,069,822.41 | 1,460,967 | 1,577,913 | 7,491,909 | 54.53 | 137,391 |
| 2004 | 4,264,851.50 | 622,029 | 671,820 | 3,593,032 | 55.52 | 64,716 |
| 2005 | 5,710,882.24 | 745,042 | 804,680 | 4,906,202 | 56.52 | 86,805 |
| 2006 | 5,014,038.66 | 577,768 | 624,016 | 4,390,023 | 57.51 | 76,335 |
| 2007 | 11,781,086.88 | 1,176,342 | 1,270,504 | 10,510,583 | 58.51 | 179,637 |
| 2008 | 4,876,825.74 | 411,897 | 444,868 | 4,431,958 | 59.51 | 74,474 |
| 2009 | 12,644,144.28 | 873,457 | 943,375 | 11,700,769 | 60.51 | 193,369 |
| 2010 | 7,789,316.48 | 419,455 | 453,031 | 7,336,285 | 61.50 | 119,289 |
| 2011 | 16,420,841.09 | 631,546 | 682,099 | 15,738,742 | 62.50 | 251,820 |
| 2012 | 7,914,336.27 | 182,663 | 197,285 | 7,717,051 | 63.50 | 121,528 |
| 2013 | 9,776,834.93 | 75,184 | 81,202 | 9,695,633 | 64.50 | 150,320 |
| | 335,071,756.13 | 132,935,354 | 142,874,168 | 192,197,588 | | 4,479,754 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 42.9 1.34 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R1.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1924 | 3,771.67 | 3,419 | 2,499 | 1,273 | 4.95 | 257 |
| 1925 | 187,849.54 | 169,455 | 123,840 | 64,010 | 5.19 | 12,333 |
| 1926 | 184,719.48 | 165,830 | 121,190 | 63,529 | 5.42 | 11,721 |
| 1927 | 201,446.62 | 179,896 | 131,470 | 69,977 | 5.67 | 12,342 |
| 1928 | 189,171.04 | 168,077 | 122,833 | 66,338 | 5.91 | 11,225 |
| 1929 | 177,465.65 | 156,805 | 114,595 | 62,871 | 6.17 | 10,190 |
| 1930 | 259,294.30 | 227,837 | 166,506 | 92,788 | 6.43 | 14,430 |
| 1931 | 194,452.92 | 169,870 | 124,143 | 70,310 | 6.70 | 10,494 |
| 1932 | 133,183.17 | 115,668 | 84,531 | 48,652 | 6.97 | 6,980 |
| 1933 | 114,895.02 | 99,200 | 72,496 | 42,399 | 7.24 | 5,856 |
| 1934 | 90,877.84 | 77,983 | 56,991 | 33,887 | 7.52 | 4,506 |
| 1935 | 19,076.65 | 16,266 | 11,887 | 7,190 | 7.81 | 921 |
| 1936 | 7,233.69 | 6,130 | 4,480 | 2,754 | 8.09 | 340 |
| 1937 | 59,734.39 | 50,290 | 36,752 | 22,982 | 8.38 | 2,742 |
| 1938 | 50,302.76 | 42,065 | 30,742 | 19,561 | 8.68 | 2,254 |
| 1939 | 49,854.10 | 41,407 | 30,261 | 19,593 | 8.98 | 2,182 |
| 1940 | 9,713.04 | 8,012 | 5,855 | 3,858 | 9.28 | 416 |
| 1941 | 198,347.98 | 162,459 | 118,727 | 79,621 | 9.59 | 8,303 |
| 1944 | 45,872.65 | 36,741 | 26,851 | 19,022 | 10.55 | 1,803 |
| 1945 | 75,719.00 | 60,175 | 43,977 | 31,742 | 10.88 | 2,917 |
| 1946 | 68,747.35 | 54,194 | 39,606 | 29,141 | 11.22 | 2,597 |
| 1947 | 96,042.30 | 75,095 | 54,880 | 41,162 | 11.56 | 3,561 |
| 1948 | 688,903.60 | 534,093 | 390,321 | 298,583 | 11.91 | 25,070 |
| 1949 | 1,741,348.36 | 1,338,209 | 977,978 | 763,370 | 12.27 | 62,214 |
| 1950 | 1,286,572.21 | 979,738 | 716,004 | 570,568 | 12.64 | 45,140 |
| 1951 | 1,570,335.77 | 1,184,865 | 865,913 | 704,423 | 13.01 | 54,145 |
| 1952 | 510,418.55 | 381,369 | 278,709 | 231,710 | 13.40 | 17,292 |
| 1953 | 729,037.04 | 539,349 | 394,162 | 334,875 | 13.79 | 24,284 |
| 1954 | 98,641.39 | 72,231 | 52,787 | 45,854 | 14.19 | 3,231 |
| 1955 | 897,840.42 | 650,512 | 475,401 | 422,439 | 14.60 | 28,934 |
| 1956 | 2,081,924.67 | 1,491,907 | 1,090,302 | 991,623 | 15.02 | 66,020 |
| 1957 | 1,742,635.45 | 1,234,640 | 902,289 | 840,346 | 15.45 | 54,391 |
| 1958 | 612,064.01 | 428,561 | 313,197 | 298,867 | 15.89 | 18,808 |
| 1959 | 1,216,357.20 | 841,354 | 614,871 | 601,486 | 16.34 | 36,811 |
| 1960 | 1,109,255.31 | 757,644 | 553,695 | 555,560 | 16.80 | 33,069 |
| 1961 | 1,905,329.01 | 1,284,478 | 938,711 | 966,618 | 17.27 | 55,971 |
| 1962 | 1,675,445.73 | 1,114,322 | 814,359 | 861,087 | 17.75 | 48,512 |
| 1963 | 1,662,634.90 | 1,090,439 | 796,905 | 865,730 | 18.24 | 47,463 |
| 1964 | 5,951,474.95 | 3,847,152 | 2,811,542 | 3,139,933 | 18.74 | 167,552 |
| 1965 | 2,124,927.23 | 1,353,132 | 988,884 | 1,136,043 | 19.25 | 59,015 |
| 1966 | 3,444,737.32 | 2,159,781 | 1,578,392 | 1,866,345 | 19.77 | 94,403 |
| 1967 | 3,935,674.98 | 2,428,233 | 1,774,580 | 2,161,095 | 20.30 | 106,458 |
| 1968 | 3,598,462.05 | 2,183,511 | 1,595,734 | 2,002,728 | 20.84 | 96,100 |
| 1969 | 5,414,304.87 | 3,230,174 | 2,360,647 | 3,053,658 | 21.38 | 142,828 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R1.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1970 | 5,495,331.93 | 3,220,484 | 2,353,566 | 3,141,766 | 21.94 | 143,198 |
| 1971 | 6,369,578.92 | 3,664,291 | 2,677,905 | 3,691,674 | 22.51 | 164,002 |
| 1972 | 6,368,623.02 | 3,595,279 | 2,627,470 | 3,741,153 | 23.08 | 162,095 |
| 1973 | 7,619,588.21 | 4,216,680 | 3,081,597 | 4,537,991 | 23.67 | 191,719 |
| 1974 | 8,690,387.98 | 4,712,450 | 3,443,911 | 5,246,477 | 24.26 | 216,260 |
| 1975 | 5,315,526.72 | 2,821,216 | 2,061,776 | 3,253,751 | 24.87 | 130,830 |
| 1976 | 6,849,647.02 | 3,556,679 | 2,599,261 | 4,250,386 | 25.48 | 166,813 |
| 1977 | 7,338,829.05 | 3,724,823 | 2,722,143 | 4,616,686 | 26.10 | 176,885 |
| 1978 | 7,787,547.69 | 3,861,456 | 2,821,996 | 4,965,552 | 26.72 | 185,837 |
| 1979 | 9,151,057.92 | 4,427,007 | 3,235,307 | 5,915,751 | 27.36 | 216,219 |
| 1980 | 8,257,946.89 | 3,895,274 | 2,846,710 | 5,411,237 | 28.00 | 193,258 |
| 1981 | 9,493,690.57 | 4,359,977 | 3,186,320 | 6,307,371 | 28.66 | 220,076 |
| 1982 | 8,005,717.09 | 3,576,874 | 2,614,020 | 5,391,697 | 29.32 | 183,891 |
| 1983 | 11,827,598.86 | 5,137,199 | 3,754,323 | 8,073,276 | 29.98 | 269,289 |
| 1984 | 12,259,012.46 | 5,167,296 | 3,776,318 | 8,482,694 | 30.66 | 276,670 |
| 1985 | 14,081,265.72 | 5,754,732 | 4,205,623 | 9,875,643 | 31.34 | 315,113 |
| 1986 | 14,965,757.67 | 5,924,195 | 4,329,468 | 10,636,290 | 32.02 | 332,176 |
| 1987 | 17,904,142.78 | 6,850,841 | 5,006,672 | 12,897,471 | 32.72 | 394,177 |
| 1988 | 22,670,043.98 | 8,374,994 | 6,120,540 | 16,549,504 | 33.42 | 495,198 |
| 1989 | 24,637,098.42 | 8,771,793 | 6,410,525 | 18,226,573 | 34.13 | 534,034 |
| 1990 | 28,403,388.06 | 9,732,137 | 7,112,355 | 21,291,033 | 34.84 | 611,109 |
| 1991 | 16,883,295.83 | 5,555,617 | 4,060,107 | 12,823,189 | 35.56 | 360,607 |
| 1992 | 16,302,712.35 | 5,143,017 | 3,758,575 | 12,544,137 | 36.28 | 345,759 |
| 1993 | 20,750,298.95 | 6,260,365 | 4,575,145 | 16,175,154 | 37.01 | 437,048 |
| 1994 | 11,396,097.53 | 3,279,113 | 2,396,413 | 8,999,685 | 37.75 | 238,402 |
| 1995 | 10,029,871.80 | 2,745,878 | 2,006,719 | 8,023,153 | 38.49 | 208,448 |
| 1996 | 17,834,982.21 | 4,633,707 | 3,386,365 | 14,448,617 | 39.23 | 368,305 |
| 1997 | 16,162,099.83 | 3,970,381 | 2,901,599 | 13,260,501 | 39.98 | 331,678 |
| 1998 | 12,729,112.35 | 2,946,917 | 2,153,640 | 10,575,472 | 40.73 | 259,648 |
| 1999 | 10,202,888.94 | 2,215,761 | 1,619,303 | 8,583,586 | 41.49 | 206,883 |
| 2000 | 8,143,006.93 | 1,650,099 | 1,205,911 | 6,937,096 | 42.26 | 164,153 |
| 2001 | 40,371,808.36 | 7,594,341 | 5,550,030 | 34,821,778 | 43.03 | 809,244 |
| 2002 | 25,702,281.00 | 4,461,402 | 3,260,443 | 22,441,838 | 43.80 | 512,371 |
| 2003 | 25,253,805.45 | 4,016,870 | 2,935,574 | 22,318,231 | 44.57 | 500,746 |
| 2004 | 7,192,324.45 | 1,036,774 | 757,686 | 6,434,638 | 45.36 | 141,857 |
| 2005 | 54,005,675.25 | 6,989,955 | 5,108,338 | 48,897,337 | 46.14 | 1,059,760 |
| 2006 | 44,532,682.38 | 5,100,328 | 3,727,377 | 40,805,305 | 46.93 | 869,493 |
| 2007 | 56,839,847.58 | 5,651,586 | 4,130,242 | 52,709,606 | 47.73 | 1,104,329 |
| 2008 | 46,739,211.91 | 3,941,985 | 2,880,847 | 43,858,365 | 48.53 | 903,737 |
| 2009 | 58,242,154.16 | 4,033,269 | 2,947,558 | 55,294,596 | 49.33 | 1,120,912 |
| 2010 | 36,743,784.11 | 1,982,695 | 1,448,976 | 35,294,808 | 50.14 | 703,925 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R1.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2011 | 54,906,298.31 | 2,123,776 | 1,552,079 | 53,354,219 | 50.95 | 1,047,188 |
| 2012 | 37,590,885.53 | 872,484 | 637,621 | 36,953,265 | 51.77 | 713,797 |
| 2013 | 49,621,283.73 | 384,069 | 280,682 | 49,340,602 | 52.59 | 938,213 |
| | 968,084,286.08 | 223,148,634 | 163,079,531 | 805,004,755 | | 20,341,433 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 39.6 2.10 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 46-R1.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1913 | 0.81 | 1 | 1 | | | |
| 1914 | 0.89 | 1 | 1 | | | |
| 1917 | 11.48 | 11 | 11 | | | |
| 1922 | 16.78 | 17 | 17 | | | |
| 1923 | 140.42 | 138 | 140 | | | |
| 1924 | 297.53 | 291 | 298 | | | |
| 1925 | 63.58 | 62 | 64 | | | |
| 1926 | 39.77 | 38 | 40 | | | |
| 1927 | 268.26 | 257 | 268 | | | |
| 1928 | 270.36 | 257 | 270 | | | |
| 1929 | 1,286.76 | 1,213 | 1,287 | | | |
| 1930 | 757.43 | 709 | 757 | | | |
| 1931 | 2,555.52 | 2,378 | 2,556 | | | |
| 1932 | 1,487.08 | 1,376 | 1,487 | | | |
| 1933 | 1,871.49 | 1,723 | 1,871 | | | |
| 1934 | 2,959.09 | 2,709 | 2,959 | | | |
| 1935 | 645.52 | 588 | 646 | | | |
| 1936 | 4,518.89 | 4,093 | 4,493 | 26 | 4.34 | 6 |
| 1937 | 14,424.09 | 12,991 | 14,262 | 162 | 4.57 | 35 |
| 1938 | 9,842.07 | 8,813 | 9,675 | 167 | 4.81 | 35 |
| 1939 | 10,279.55 | 9,149 | 10,044 | 236 | 5.06 | 47 |
| 1940 | 9,280.00 | 8,209 | 9,012 | 268 | 5.31 | 50 |
| 1941 | 29,546.47 | 25,969 | 28,510 | 1,036 | 5.57 | 186 |
| 1942 | 9,400.92 | 8,207 | 9,010 | 391 | 5.84 | 67 |
| 1943 | 1,239.23 | 1,075 | 1,180 | 59 | 6.11 | 10 |
| 1944 | 5,976.24 | 5,146 | 5,649 | 327 | 6.39 | 51 |
| 1945 | 10,062.48 | 8,603 | 9,445 | 617 | 6.67 | 93 |
| 1946 | 69,268.28 | 58,788 | 64,539 | 4,729 | 6.96 | 679 |
| 1947 | 120,159.37 | 101,221 | 111,124 | 9,035 | 7.25 | 1,246 |
| 1948 | 154,412.96 | 129,103 | 141,733 | 12,680 | 7.54 | 1,682 |
| 1949 | 206,182.76 | 171,043 | 187,777 | 18,406 | 7.84 | 2,348 |
| 1950 | 240,398.21 | 197,807 | 217,159 | 23,239 | 8.15 | 2,851 |
| 1951 | 348,655.17 | 284,534 | 312,371 | 36,284 | 8.46 | 4,289 |
| 1952 | 489,804.48 | 396,423 | 435,206 | 54,598 | 8.77 | 6,226 |
| 1953 | 582,754.53 | 467,468 | 513,202 | 69,553 | 9.10 | 7,643 |
| 1954 | 836,327.92 | 664,881 | 729,928 | 106,400 | 9.43 | 11,283 |
| 1955 | 1,042,652.03 | 821,433 | 901,796 | 140,856 | 9.76 | 14,432 |
| 1956 | 1,227,626.00 | 957,818 | 1,051,524 | 176,102 | 10.11 | 17,419 |
| 1957 | 931,948.16 | 720,032 | 790,475 | 141,473 | 10.46 | 13,525 |
| 1958 | 837,050.12 | 639,983 | 702,594 | 134,456 | 10.83 | 12,415 |
| 1959 | 934,258.50 | 706,785 | 775,932 | 158,326 | 11.20 | 14,136 |
| 1960 | 1,200,231.14 | 898,085 | 985,947 | 214,284 | 11.58 | 18,505 |
| 1961 | 945,436.60 | 699,415 | 767,840 | 177,597 | 11.97 | 14,837 |
| 1962 | 888,573.38 | 649,432 | 712,968 | 175,605 | 12.38 | 14,185 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 46-R1.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1963 | 1,291,400.56 | 932,340 | 1,023,553 | 267,848 | 12.79 | 20,942 |
| 1964 | 1,004,533.41 | 716,062 | 786,116 | 218,417 | 13.21 | 16,534 |
| 1965 | 1,083,925.07 | 762,281 | 836,857 | 247,068 | 13.65 | 18,100 |
| 1966 | 1,851,269.52 | 1,283,818 | 1,409,417 | 441,853 | 14.10 | 31,337 |
| 1967 | 3,570,841.57 | 2,441,384 | 2,680,231 | 890,611 | 14.55 | 61,210 |
| 1968 | 7,340,819.65 | 4,943,895 | 5,427,568 | 1,913,252 | 15.02 | 127,380 |
| 1969 | 10,720,236.52 | 7,107,946 | 7,803,334 | 2,916,903 | 15.50 | 188,187 |
| 1970 | 7,157,818.06 | 4,668,114 | 5,124,807 | 2,033,011 | 16.00 | 127,063 |
| 1971 | 4,003,324.32 | 2,567,332 | 2,818,500 | 1,184,824 | 16.50 | 71,808 |
| 1972 | 4,230,751.10 | 2,665,373 | 2,926,133 | 1,304,618 | 17.02 | 76,652 |
| 1973 | 6,563,903.69 | 4,061,087 | 4,458,393 | 2,105,511 | 17.54 | 120,041 |
| 1974 | 6,324,170.08 | 3,838,518 | 4,214,050 | 2,110,120 | 18.08 | 116,710 |
| 1975 | 2,636,828.66 | 1,568,913 | 1,722,404 | 914,425 | 18.63 | 49,083 |
| 1976 | 1,750,674.98 | 1,020,346 | 1,120,169 | 630,506 | 19.19 | 32,856 |
| 1977 | 3,141,433.23 | 1,791,968 | 1,967,281 | 1,174,152 | 19.76 | 59,421 |
| 1978 | 4,946,121.64 | 2,759,095 | 3,029,024 | 1,917,098 | 20.34 | 94,253 |
| 1979 | 4,349,329.20 | 2,370,384 | 2,602,285 | 1,747,044 | 20.93 | 83,471 |
| 1980 | 3,905,993.94 | 2,077,833 | 2,281,113 | 1,624,881 | 21.53 | 75,471 |
| 1981 | 4,469,904.76 | 2,318,540 | 2,545,368 | 1,924,537 | 22.14 | 86,926 |
| 1982 | 5,351,481.49 | 2,703,675 | 2,968,182 | 2,383,299 | 22.76 | 104,714 |
| 1983 | 4,846,793.22 | 2,382,296 | 2,615,362 | 2,231,431 | 23.39 | 95,401 |
| 1984 | 7,813,995.78 | 3,732,043 | 4,097,158 | 3,716,838 | 24.03 | 154,675 |
| 1985 | 11,120,809.13 | 5,154,273 | 5,658,528 | 5,462,281 | 24.68 | 221,324 |
| 1986 | 11,621,309.12 | 5,219,479 | 5,730,114 | 5,891,195 | 25.34 | 232,486 |
| 1987 | 12,058,316.22 | 5,242,715 | 5,755,623 | 6,302,693 | 26.00 | 242,411 |
| 1988 | 13,823,679.12 | 5,805,945 | 6,373,955 | 7,449,724 | 26.68 | 279,225 |
| 1989 | 19,076,112.61 | 7,730,022 | 8,486,269 | 10,589,844 | 27.36 | 387,056 |
| 1990 | 16,033,747.89 | 6,256,689 | 6,868,796 | 9,164,952 | 28.05 | 326,736 |
| 1991 | 9,451,742.26 | 3,544,403 | 3,891,161 | 5,560,581 | 28.75 | 193,412 |
| 1992 | 9,608,812.95 | 3,457,059 | 3,795,272 | 5,813,541 | 29.45 | 197,404 |
| 1993 | 9,676,803.03 | 3,332,207 | 3,658,205 | 6,018,598 | 30.16 | 199,556 |
| 1994 | 12,336,739.80 | 4,055,086 | 4,451,805 | 7,884,935 | 30.88 | 255,341 |
| 1995 | 13,985,466.72 | 4,375,074 | 4,803,098 | 9,182,369 | 31.61 | 290,489 |
| 1996 | 7,638,812.67 | 2,268,422 | 2,490,347 | 5,148,466 | 32.34 | 159,198 |
| 1997 | 12,709,644.69 | 3,572,554 | 3,922,066 | 8,787,579 | 33.07 | 265,727 |
| 1998 | 11,441,901.67 | 3,029,587 | 3,325,979 | 8,115,923 | 33.82 | 239,974 |
| 1999 | 10,027,702.49 | 2,491,684 | 2,735,452 | 7,292,250 | 34.57 | 210,942 |
| 2001 | 26,150,034.14 | 5,639,255 | 6,190,957 | 19,959,077 | 36.08 | 553,189 |
| 2002 | 11,605,160.67 | 2,310,936 | 2,537,020 | 9,068,141 | 36.84 | 246,149 |
| 2003 | 4,145,381.51 | 756,076 | 830,045 | 3,315,337 | 37.61 | 88,150 |
| 2004 | 10,954,364.54 | 1,812,181 | 1,989,471 | 8,964,894 | 38.39 | 233,522 |
| 2005 | 16,541,118.48 | 2,456,025 | 2,696,304 | 13,844,814 | 39.17 | 353,455 |
| 2006 | 13,156,550.81 | 1,730,350 | 1,899,634 | 11,256,917 | 39.95 | 281,775 |
| 2007 | 17,074,498.38 | 1,952,469 | 2,143,484 | 14,931,014 | 40.74 | 366,495 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 46-R1.5 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2008 | 18,356,896.41 | 1,779,885 | 1,954,016 | 16,402,880 | 41.54 | 394,870 |
| 2009 | 14,316,710.14 | 1,139,181 | 1,250,630 | 13,066,080 | 42.34 | 308,599 |
| 2010 | 21,075,725.39 | 1,310,278 | 1,438,466 | 19,637,259 | 43.14 | 455,198 |
| 2011 | 23,562,607.41 | 1,050,185 | 1,152,927 | 22,409,680 | 43.95 | 509,890 |
| 2012 | 22,286,057.87 | 595,929 | 654,230 | 21,631,828 | 44.77 | 483,177 |
| 2013 | 21,963,493.29 | 195,695 | 214,840 | 21,748,653 | 45.59 | 477,049 |
| | 511,328,732.18 | 155,645,162 | 170,872,067 | 340,456,665 | | 10,423,315 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 32.7 2.04 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - AERIAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1952 | 59,809.51 | 55,707 | 55,771 | 4,039 | 3.43 | 1,178 |
| 1953 | 19,133.04 | 17,717 | 17,737 | 1,396 | 3.70 | 377 |
| 1954 | 3,772.02 | 3,473 | 3,477 | 295 | 3.97 | 74 |
| 1955 | 289,752.62 | 265,066 | 265,369 | 24,384 | 4.26 | 5,724 |
| 1956 | 435,320.35 | 395,706 | 396,158 | 39,162 | 4.55 | 8,607 |
| 1957 | 402,570.38 | 363,441 | 363,857 | 38,713 | 4.86 | 7,966 |
| 1958 | 447,947.84 | 401,540 | 401,999 | 45,949 | 5.18 | 8,870 |
| 1959 | 445,717.59 | 396,600 | 397,053 | 48,665 | 5.51 | 8,832 |
| 1960 | 387,267.24 | 341,802 | 342,193 | 45,074 | 5.87 | 7,679 |
| 1961 | 445,319.50 | 389,655 | 390,101 | 55,218 | 6.25 | 8,835 |
| 1962 | 505,958.66 | 438,666 | 439,168 | 66,791 | 6.65 | 10,044 |
| 1963 | 616,629.61 | 529,192 | 529,797 | 86,833 | 7.09 | 12,247 |
| 1964 | 710,198.89 | 602,959 | 603,648 | 106,551 | 7.55 | 14,113 |
| 1965 | 485,206.26 | 407,088 | 407,553 | 77,653 | 8.05 | 9,646 |
| 1966 | 734,345.65 | 608,332 | 609,028 | 125,318 | 8.58 | 14,606 |
| 1967 | 698,073.76 | 570,466 | 571,118 | 126,956 | 9.14 | 13,890 |
| 1968 | 764,473.74 | 615,554 | 616,258 | 148,216 | 9.74 | 15,217 |
| 1969 | 1,066,652.69 | 845,642 | 846,609 | 220,044 | 10.36 | 21,240 |
| 1970 | 992,408.65 | 774,079 | 774,964 | 217,445 | 11.00 | 19,768 |
| 1971 | 790,808.56 | 606,234 | 606,927 | 183,882 | 11.67 | 15,757 |
| 1972 | 873,694.25 | 657,892 | 658,644 | 215,050 | 12.35 | 17,413 |
| 1973 | 1,033,514.42 | 763,974 | 764,848 | 268,666 | 13.04 | 20,603 |
| 1974 | 1,178,572.06 | 854,700 | 855,677 | 322,895 | 13.74 | 23,500 |
| 1975 | 1,123,528.13 | 798,604 | 799,517 | 324,011 | 14.46 | 22,407 |
| 1976 | 1,092,522.22 | 760,395 | 761,264 | 331,258 | 15.20 | 21,793 |
| 1977 | 1,245,427.83 | 848,136 | 849,106 | 396,322 | 15.95 | 24,848 |
| 1978 | 1,253,030.12 | 834,267 | 835,221 | 417,809 | 16.71 | 25,004 |
| 1979 | 1,256,338.72 | 816,871 | 817,805 | 438,534 | 17.49 | 25,073 |
| 1980 | 1,481,927.80 | 939,839 | 940,914 | 541,014 | 18.29 | 29,580 |
| 1981 | 980,566.58 | 605,990 | 606,683 | 373,884 | 19.10 | 19,575 |
| 1982 | 1,350,227.66 | 812,297 | 813,226 | 537,002 | 19.92 | 26,958 |
| 1983 | 1,320,347.29 | 772,139 | 773,022 | 547,325 | 20.76 | 26,364 |
| 1984 | 1,606,419.16 | 912,125 | 913,168 | 693,251 | 21.61 | 32,080 |
| 1985 | 1,506,368.25 | 829,105 | 830,053 | 676,315 | 22.48 | 30,085 |
| 1986 | 1,751,643.37 | 933,276 | 934,343 | 817,300 | 23.36 | 34,987 |
| 1987 | 1,883,502.18 | 970,004 | 971,113 | 912,389 | 24.25 | 37,624 |
| 1988 | 1,983,383.07 | 985,741 | 986,868 | 996,515 | 25.15 | 39,623 |
| 1989 | 2,296,868.92 | 1,099,741 | 1,100,998 | 1,195,871 | 26.06 | 45,889 |
| 1990 | 1,900,734.09 | 875,098 | 876,099 | 1,024,635 | 26.98 | 37,978 |
| 1991 | 1,483,399.11 | 655,366 | 656,115 | 827,284 | 27.91 | 29,641 |
| 1992 | 1,495,073.13 | 632,416 | 633,139 | 861,934 | 28.85 | 29,876 |
| 1993 | 1,664,309.21 | 672,714 | 673,483 | 990,826 | 29.79 | 33,260 |
| 1994 | 1,534,123.73 | 590,638 | 591,313 | 942,811 | 30.75 | 30,661 |
| 1995 | 3,096,324.64 | 1,132,636 | 1,133,931 | 1,962,394 | 31.71 | 61,886 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - AERIAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1996 | 1,391,995.33 | 482,466 | 483,018 | 908,977 | 32.67 | 27,823 |
| 1997 | 3,154,097.79 | 1,032,021 | 1,033,201 | 2,120,897 | 33.64 | 63,047 |
| 1998 | 2,689,984.41 | 827,439 | 828,385 | 1,861,599 | 34.62 | 53,772 |
| 1999 | 3,002,478.20 | 864,714 | 865,703 | 2,136,775 | 35.60 | 60,022 |
| 2000 | 2,084,551.26 | 559,494 | 560,134 | 1,524,417 | 36.58 | 41,674 |
| 2001 | 8,459,047.82 | 2,104,611 | 2,107,017 | 6,352,031 | 37.56 | 169,117 |
| 2002 | 7,562,573.15 | 1,731,829 | 1,733,809 | 5,828,764 | 38.55 | 151,200 |
| 2003 | 4,193,656.51 | 877,313 | 878,316 | 3,315,341 | 39.54 | 83,848 |
| 2004 | 5,603,483.53 | 1,061,300 | 1,062,513 | 4,540,971 | 40.53 | 112,040 |
| 2005 | 5,950,341.04 | 1,009,178 | 1,010,332 | 4,940,009 | 41.52 | 118,979 |
| 2006 | 5,284,068.93 | 790,497 | 791,401 | 4,492,668 | 42.52 | 105,660 |
| 2007 | 4,112,132.58 | 533,755 | 534,365 | 3,577,768 | 43.51 | 82,229 |
| 2008 | 4,815,002.41 | 528,687 | 529,291 | 4,285,711 | 44.51 | 96,286 |
| 2009 | 4,787,522.31 | 429,920 | 430,412 | 4,357,110 | 45.51 | 95,740 |
| 2010 | 4,394,439.52 | 307,611 | 307,963 | 4,086,477 | 46.50 | 87,881 |
| 2011 | 3,978,002.23 | 198,900 | 199,127 | 3,778,875 | 47.50 | 79,555 |
| 2012 | 3,764,881.04 | 112,946 | 113,075 | 3,651,806 | 48.50 | 75,295 |
| 2013 | 4,410,854.76 | 44,109 | 44,160 | 4,366,695 | 49.50 | 88,216 |
| | 126,332,325.32 | 41,879,673 | 41,927,557 | 84,404,769 | | 2,523,762 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.4 2.00

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1940 | 8,638.36 | 7,991 | 7,354 | 1,284 | 3.97 | 323 |
| 1941 | 13,858.71 | 12,753 | 11,736 | 2,123 | 4.23 | 502 |
| 1942 | 6,290.02 | 5,757 | 5,298 | 992 | 4.49 | 221 |
| 1943 | 1,469.02 | 1,337 | 1,230 | 239 | 4.75 | 50 |
| 1944 | 5,040.00 | 4,564 | 4,200 | 840 | 5.01 | 168 |
| 1945 | 6,224.83 | 5,606 | 5,159 | 1,066 | 5.27 | 202 |
| 1946 | 20,445.89 | 18,309 | 16,849 | 3,597 | 5.54 | 649 |
| 1947 | 23,772.43 | 21,166 | 19,478 | 4,294 | 5.81 | 739 |
| 1948 | 33,916.86 | 30,019 | 27,624 | 6,293 | 6.09 | 1,033 |
| 1949 | 48,078.50 | 42,291 | 38,918 | 9,160 | 6.38 | 1,436 |
| 1952 | 48,236.90 | 41,575 | 38,259 | 9,978 | 7.32 | 1,363 |
| 1953 | 117,889.16 | 100,851 | 92,806 | 25,083 | 7.66 | 3,275 |
| 1954 | 102,800.26 | 87,264 | 80,303 | 22,497 | 8.01 | 2,809 |
| 1955 | 73,089.97 | 61,534 | 56,626 | 16,464 | 8.38 | 1,965 |
| 1956 | 99,688.20 | 83,212 | 76,574 | 23,114 | 8.76 | 2,639 |
| 1957 | 85,746.06 | 70,927 | 65,269 | 20,477 | 9.16 | 2,235 |
| 1958 | 73,425.08 | 60,167 | 55,368 | 18,057 | 9.57 | 1,887 |
| 1959 | 106,581.44 | 86,451 | 79,555 | 27,026 | 10.01 | 2,700 |
| 1960 | 185,505.27 | 148,894 | 137,017 | 48,488 | 10.46 | 4,636 |
| 1961 | 202,378.00 | 160,642 | 147,828 | 54,550 | 10.93 | 4,991 |
| 1962 | 175,137.01 | 137,400 | 126,440 | 48,697 | 11.42 | 4,264 |
| 1963 | 115,635.46 | 89,628 | 82,479 | 33,156 | 11.92 | 2,782 |
| 1964 | 161,448.22 | 123,522 | 113,669 | 47,779 | 12.45 | 3,838 |
| 1965 | 250,782.99 | 189,319 | 174,218 | 76,565 | 12.99 | 5,894 |
| 1966 | 262,382.06 | 195,301 | 179,723 | 82,659 | 13.55 | 6,100 |
| 1967 | 218,270.88 | 160,119 | 147,347 | 70,924 | 14.12 | 5,023 |
| 1968 | 286,950.27 | 207,307 | 190,771 | 96,179 | 14.71 | 6,538 |
| 1969 | 282,058.77 | 200,527 | 184,532 | 97,527 | 15.32 | 6,366 |
| 1970 | 311,706.38 | 217,901 | 200,520 | 111,186 | 15.95 | 6,971 |
| 1971 | 461,679.12 | 317,164 | 291,865 | 169,814 | 16.59 | 10,236 |
| 1972 | 646,481.03 | 436,194 | 401,400 | 245,081 | 17.24 | 14,216 |
| 1973 | 1,617,411.07 | 1,070,856 | 985,437 | 631,974 | 17.91 | 35,286 |
| 1974 | 1,504,587.58 | 976,853 | 898,933 | 605,655 | 18.59 | 32,580 |
| 1975 | 1,421,456.48 | 904,373 | 832,234 | 589,222 | 19.28 | 30,561 |
| 1976 | 2,087,633.23 | 1,300,241 | 1,196,525 | 891,108 | 19.99 | 44,578 |
| 1977 | 2,553,582.29 | 1,555,770 | 1,431,672 | 1,121,910 | 20.71 | 54,172 |
| 1978 | 4,305,038.59 | 2,563,521 | 2,359,038 | 1,946,001 | 21.44 | 90,765 |
| 1979 | 4,510,600.31 | 2,622,102 | 2,412,946 | 2,097,654 | 22.19 | 94,532 |
| 1980 | 5,032,561.15 | 2,854,318 | 2,626,639 | 2,405,922 | 22.94 | 104,879 |
| 1981 | 4,982,504.20 | 2,753,531 | 2,533,891 | 2,448,613 | 23.71 | 103,273 |
| 1982 | 2,994,393.20 | 1,611,313 | 1,482,784 | 1,511,609 | 24.48 | 61,749 |
| 1983 | 5,774,816.10 | 3,021,442 | 2,780,432 | 2,994,384 | 25.27 | 118,496 |
| 1984 | 7,594,688.01 | 3,860,380 | 3,552,451 | 4,042,237 | 26.06 | 155,113 |
| 1985 | 7,971,652.13 | 3,930,184 | 3,616,687 | 4,354,965 | 26.87 | 162,075 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 53-R3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1986 | 9,768,642.05 | 4,666,871 | 4,294,611 | 5,474,031 | 27.68 | 197,761 |
| 1987 | 11,298,950.54 | 5,221,019 | 4,804,556 | 6,494,395 | 28.51 | 227,794 |
| 1988 | 11,403,705.23 | 5,090,842 | 4,684,763 | 6,718,942 | 29.34 | 229,003 |
| 1989 | 10,718,831.40 | 4,613,171 | 4,245,194 | 6,473,637 | 30.19 | 214,430 |
| 1990 | 10,415,279.41 | 4,315,467 | 3,971,237 | 6,444,042 | 31.04 | 207,604 |
| 1991 | 7,597,636.02 | 3,024,695 | 2,783,425 | 4,814,211 | 31.90 | 150,916 |
| 1992 | 8,454,208.17 | 3,226,971 | 2,969,567 | 5,484,641 | 32.77 | 167,368 |
| 1993 | 10,217,654.49 | 3,730,363 | 3,432,805 | 6,784,849 | 33.65 | 201,630 |
| 1994 | 5,412,141.37 | 1,886,077 | 1,735,631 | 3,676,510 | 34.53 | 106,473 |
| 1995 | 9,668,910.45 | 3,205,341 | 2,949,662 | 6,719,248 | 35.43 | 189,649 |
| 1996 | 3,965,799.37 | 1,247,363 | 1,147,865 | 2,817,934 | 36.33 | 77,565 |
| 1997 | 9,511,913.45 | 2,828,463 | 2,602,846 | 6,909,067 | 37.24 | 185,528 |
| 1998 | 5,683,524.69 | 1,592,467 | 1,465,441 | 4,218,084 | 38.15 | 110,566 |
| 1999 | 9,414,613.35 | 2,474,443 | 2,277,065 | 7,137,548 | 39.07 | 182,686 |
| 2000 | 1,217,707.57 | 298,679 | 274,854 | 942,854 | 40.00 | 23,571 |
| 2001 | 11,345,895.91 | 2,581,759 | 2,375,821 | 8,970,075 | 40.94 | 219,103 |
| 2002 | 11,368,121.67 | 2,385,146 | 2,194,891 | 9,173,231 | 41.88 | 219,036 |
| 2003 | 8,150,047.24 | 1,565,461 | 1,440,590 | 6,709,457 | 42.82 | 156,690 |
| 2004 | 1,420,653.76 | 247,407 | 227,672 | 1,192,982 | 43.77 | 27,256 |
| 2005 | 11,651,089.99 | 1,818,036 | 1,673,018 | 9,978,072 | 44.73 | 223,073 |
| 2006 | 6,519,233.54 | 899,133 | 827,412 | 5,691,822 | 45.69 | 124,575 |
| 2007 | 4,972,259.48 | 595,726 | 548,207 | 4,424,052 | 46.65 | 94,835 |
| 2008 | 4,831,672.36 | 490,463 | 451,340 | 4,380,332 | 47.62 | 91,985 |
| 2009 | 3,799,473.34 | 316,154 | 290,936 | 3,508,537 | 48.59 | 72,207 |
| 2010 | 1,832,536.13 | 118,602 | 109,141 | 1,723,395 | 49.57 | 34,767 |
| 2011 | 6,181,528.32 | 286,947 | 264,058 | 5,917,470 | 50.54 | 117,085 |
| 2012 | 1,126,068.64 | 31,440 | 28,932 | 1,097,137 | 51.52 | 21,295 |
| 2013 | 1,748,306.99 | 16,172 | 14,883 | 1,733,424 | 52.51 | 33,011 |
| | 256,482,936.42 | 91,125,254 | 83,856,507 | 172,626,430 | | 5,101,572 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 33.8 1.99 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 370.10 METER TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 35-R2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2013 | 239,371.00 | 3,078 | 9,173 | 230,198 | 34.55 | 6,663 |
| | 239,371.00 | 3,078 | 9,173 | 230,198 | | 6,663 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 34.5 2.78 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 370.11 SMART METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 15-S2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2011 | 3,271,628.66 | 543,090 | 523,222 | 2,748,407 | 12.51 | 219,697 |
| 2012 | 27,421,563.59 | 2,742,156 | 2,641,842 | 24,779,722 | 13.50 | 1,835,535 |
| 2013 | 147,433,214.36 | 4,913,949 | 4,734,185 | 142,699,029 | 14.50 | 9,841,312 |
| | 178,126,406.61 | 8,199,195 | 7,899,249 | 170,227,158 | | 11,896,544 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 14.3 6.68 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 35-R3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1994 | 19,065.30 | 9,696 | 19,065 | | | |
| 1995 | 36,305.98 | 17,634 | 36,306 | | | |
| 1996 | 24,135.77 | 11,151 | 24,136 | | | |
| 1997 | 51,638.40 | 22,633 | 49,188 | 2,450 | 19.66 | 125 |
| 1998 | 742,575.59 | 307,426 | 668,131 | 74,445 | 20.51 | 3,630 |
| 1999 | 156,401.81 | 60,862 | 132,272 | 24,130 | 21.38 | 1,129 |
| | 1,030,122.85 | 429,402 | 929,098 | 101,025 | | 4,884 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.7 0.47

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 371.1 INSTALLATIONS ON CUSTOMERS' PREMISES - DLC SWITCHES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 15-S2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2010 | 2,632,146.00 | 608,894 | 611,569 | 2,020,577 | 11.53 | 175,245 |
| 2011 | 7,307,892.00 | 1,213,110 | 1,218,439 | 6,089,453 | 12.51 | 486,767 |
| 2012 | 2,807,042.74 | 280,704 | 281,937 | 2,525,106 | 13.50 | 187,045 |
| | 12,747,080.74 | 2,102,708 | 2,111,945 | 10,635,136 | | 849,057 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 12.5 6.66 |

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PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 24-L0 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1959 | 16,390.11 | 11,698 | 16,390 | | | |
| 1960 | 20,262.80 | 14,311 | 20,263 | | | |
| 1961 | 15,642.38 | 10,937 | 15,642 | | | |
| 1962 | 19,970.04 | 13,804 | 19,970 | | | |
| 1963 | 15,838.08 | 10,829 | 15,838 | | | |
| 1964 | 7,998.75 | 5,406 | 7,999 | | | |
| 1965 | 16,952.09 | 11,323 | 16,952 | | | |
| 1966 | 17,687.10 | 11,673 | 17,687 | | | |
| 1967 | 12,925.40 | 8,428 | 12,925 | | | |
| 1968 | 16,931.72 | 10,900 | 16,932 | | | |
| 1969 | 17,965.98 | 11,408 | 17,966 | | | |
| 1970 | 35,894.13 | 22,494 | 35,894 | | | |
| 1971 | 80,548.30 | 49,772 | 80,548 | | | |
| 1972 | 125,930.82 | 76,713 | 125,931 | | | |
| 1973 | 94,114.54 | 56,469 | 94,115 | | | |
| 1974 | 93,855.06 | 55,452 | 93,855 | | | |
| 1975 | 97,546.50 | 56,740 | 97,546 | | | |
| 1976 | 168,062.36 | 96,145 | 168,062 | | | |
| 1977 | 237,482.62 | 133,584 | 237,483 | | | |
| 1978 | 202,650.07 | 111,964 | 202,650 | | | |
| 1979 | 280,175.76 | 152,113 | 280,176 | | | |
| 1980 | 184,299.38 | 98,139 | 184,299 | | | |
| 1981 | 195,038.59 | 101,826 | 195,039 | | | |
| 1982 | 309,086.03 | 158,150 | 309,086 | | | |
| 1983 | 509,330.53 | 255,088 | 509,331 | | | |
| 1984 | 551,209.34 | 270,093 | 551,209 | | | |
| 1985 | 626,030.93 | 299,712 | 626,031 | | | |
| 1986 | 188,485.24 | 88,117 | 186,551 | 1,934 | 12.78 | 151 |
| 1987 | 289,436.20 | 131,934 | 279,316 | 10,120 | 13.06 | 775 |
| 1988 | 447,960.97 | 198,783 | 420,841 | 27,120 | 13.35 | 2,031 |
| 1989 | 337,488.80 | 145,684 | 308,426 | 29,063 | 13.64 | 2,131 |
| 1990 | 437,101.91 | 183,399 | 388,272 | 48,830 | 13.93 | 3,505 |
| 1991 | 340,801.24 | 138,594 | 293,415 | 47,386 | 14.24 | 3,328 |
| 1992 | 288,724.66 | 113,807 | 240,939 | 47,786 | 14.54 | 3,287 |
| 1993 | 283,279.46 | 107,881 | 228,393 | 54,886 | 14.86 | 3,694 |
| 1994 | 389,110.82 | 142,998 | 302,739 | 86,372 | 15.18 | 5,690 |
| 1995 | 1,710,923.47 | 605,239 | 1,281,343 | 429,580 | 15.51 | 27,697 |
| 1996 | 1,757,684.89 | 597,613 | 1,265,198 | 492,487 | 15.84 | 31,091 |
| 1997 | 3,859,795.51 | 1,257,637 | 2,662,526 | 1,197,270 | 16.18 | 73,997 |
| 1998 | 11,022,942.84 | 3,430,891 | 7,263,493 | 3,759,450 | 16.53 | 227,432 |
| 1999 | 8,489,380.92 | 2,514,979 | 5,324,428 | 3,164,953 | 16.89 | 187,386 |
| 2000 | 70,350.13 | 19,786 | 41,889 | 28,461 | 17.25 | 1,650 |
| 2001 | 1,857,511.08 | 493,782 | 1,045,379 | 812,132 | 17.62 | 46,091 |
| 2002 | 409,414.02 | 102,354 | 216,692 | 192,722 | 18.00 | 10,707 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 24-L0 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2003 | 1,609,555.34 | 376,234 | 796,520 | 813,035 | 18.39 | 44,211 |
| 2004 | 614,045.77 | 133,045 | 281,668 | 332,378 | 18.80 | 17,680 |
| 2005 | 340,368.80 | 67,931 | 143,816 | 196,553 | 19.21 | 10,232 |
| 2006 | 182,586.56 | 33,094 | 70,063 | 112,524 | 19.65 | 5,726 |
| 2007 | 103,937.84 | 16,890 | 35,758 | 68,180 | 20.10 | 3,392 |
| 2008 | 149,134.37 | 21,252 | 44,992 | 104,142 | 20.58 | 5,060 |
| 2009 | 220,966.31 | 26,792 | 56,721 | 164,245 | 21.09 | 7,788 |
| 2010 | 393,675.57 | 38,875 | 82,302 | 311,374 | 21.63 | 14,395 |
| 2011 | 400,883.39 | 29,898 | 63,296 | 337,587 | 22.21 | 15,200 |
| 2012 | 547,751.25 | 26,018 | 55,082 | 492,669 | 22.86 | 21,552 |
| 2013 | 383,290.34 | 6,708 | 14,202 | 369,088 | 23.58 | 15,653 |
| | 41,096,407.11 | 13,165,386 | 27,364,079 | 13,732,328 | | 791,532 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.3 1.93

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 AERIAL STREET LIGHTING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 24-L0 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1985 | 175.11 | 84 | 76 | 99 | 12.51 | 8 |
| 1986 | 109.78 | 51 | 46 | 64 | 12.78 | 5 |
| 1995 | 13,366.87 | 4,729 | 4,304 | 9,063 | 15.51 | 584 |
| 1996 | 13,126.91 | 4,463 | 4,062 | 9,065 | 15.84 | 572 |
| 1997 | 33,291.23 | 10,847 | 9,871 | 23,420 | 16.18 | 1,447 |
| 1998 | 432,865.03 | 134,729 | 122,612 | 310,253 | 16.53 | 18,769 |
| 1999 | 80,946.89 | 23,981 | 21,824 | 59,123 | 16.89 | 3,500 |
| 2000 | 28,788.96 | 8,097 | 7,369 | 21,420 | 17.25 | 1,242 |
| 2001 | 335,594.00 | 89,211 | 81,188 | 254,406 | 17.62 | 14,438 |
| 2002 | 120,835.38 | 30,209 | 27,492 | 93,343 | 18.00 | 5,186 |
| 2003 | 36,070.96 | 8,432 | 7,674 | 28,397 | 18.39 | 1,544 |
| 2004 | 2,729.82 | 591 | 538 | 2,192 | 18.80 | 117 |
| 2005 | 6,001.40 | 1,198 | 1,090 | 4,911 | 19.21 | 256 |
| 2006 | 6,154.15 | 1,115 | 1,015 | 5,139 | 19.65 | 262 |
| 2007 | 16,270.35 | 2,644 | 2,406 | 13,864 | 20.10 | 690 |
| 2008 | 127,649.93 | 18,190 | 16,554 | 111,096 | 20.58 | 5,398 |
| 2009 | 63,928.05 | 7,751 | 7,054 | 56,874 | 21.09 | 2,697 |
| 2010 | 181,009.18 | 17,875 | 16,268 | 164,741 | 21.63 | 7,616 |
| 2011 | 88,802.68 | 6,623 | 6,027 | 82,776 | 22.21 | 3,727 |
| 2012 | 102,984.09 | 4,892 | 4,452 | 98,532 | 22.86 | 4,310 |
| 2013 | 120,090.10 | 2,102 | 1,913 | 118,177 | 23.58 | 5,012 |
| | 1,810,790.87 | 377,814 | 343,835 | 1,466,956 | | 77,380 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.0 4.27

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 UNDERGROUND STREET LIGHTING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 24-L0 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1914 | 65.82 | 66 | 66 | | | |
| 1915 | 17.05 | 17 | 17 | | | |
| 1916 | 124.71 | 123 | 46- | 171 | 0.30 | 171 |
| 1917 | 256.10 | 248 | 93- | 349 | 0.74 | 349 |
| 1918 | 169.02 | 160 | 60- | 229 | 1.22 | 188 |
| 1919 | 3.96 | 4 | 4 | | | |
| 1971 | 1,562.65 | 966 | 363- | 1,926 | 9.17 | 210 |
| 1974 | 2,918.25 | 1,724 | 649- | 3,567 | 9.82 | 363 |
| 1978 | 0.73 | | | 1 | 10.74 | |
| 1979 | 1,466.82 | 796 | 299- | 1,766 | 10.97 | 161 |
| 1980 | 599.10 | 319 | 120- | 719 | 11.22 | 64 |
| 1981 | 504.54 | 263 | 99- | 604 | 11.47 | 53 |
| 1982 | 12,542.55 | 6,418 | 2,415- | 14,958 | 11.72 | 1,276 |
| 1983 | 14,825.96 | 7,425 | 2,794- | 17,620 | 11.98 | 1,471 |
| 1984 | 11,939.48 | 5,850 | 2,201- | 14,140 | 12.24 | 1,155 |
| 1985 | 18,308.24 | 8,765 | 3,298- | 21,606 | 12.51 | 1,727 |
| 1986 | 13,188.25 | 6,166 | 2,320- | 15,508 | 12.78 | 1,213 |
| 1987 | 12,207.76 | 5,565 | 2,094- | 14,302 | 13.06 | 1,095 |
| 1988 | 5,483.06 | 2,433 | 915- | 6,398 | 13.35 | 479 |
| 1989 | 23,444.36 | 10,120 | 3,808- | 27,252 | 13.64 | 1,998 |
| 1990 | 46,131.82 | 19,356 | 7,283- | 53,415 | 13.93 | 3,835 |
| 1991 | 39,947.30 | 16,245 | 6,112- | 46,059 | 14.24 | 3,234 |
| 1992 | 29,156.50 | 11,493 | 4,324- | 33,480 | 14.54 | 2,303 |
| 1993 | 24,408.81 | 9,296 | 3,498- | 27,907 | 14.86 | 1,878 |
| 1994 | 6,584.50 | 2,420 | 911- | 7,496 | 15.18 | 494 |
| 1995 | 93,767.84 | 33,170 | 12,480- | 106,248 | 15.51 | 6,850 |
| 1996 | 147,224.16 | 50,056 | 18,833- | 166,057 | 15.84 | 10,483 |
| 1997 | 101,982.32 | 33,229 | 12,502- | 114,484 | 16.18 | 7,076 |
| 1998 | 422,616.20 | 131,539 | 49,490- | 472,106 | 16.53 | 28,561 |
| 1999 | 142,257.29 | 42,144 | 15,856- | 158,113 | 16.89 | 9,361 |
| 2000 | 2,323.63 | 654 | 246- | 2,570 | 17.25 | 149 |
| 2001 | 342,217.23 | 90,972 | 34,227- | 376,444 | 17.62 | 21,365 |
| 2002 | 103,145.25 | 25,786 | 9,702- | 112,847 | 18.00 | 6,269 |
| 2003 | 31,786.44 | 7,430 | 2,795- | 34,581 | 18.39 | 1,880 |
| 2004 | 130,423.58 | 28,259 | 10,632- | 141,056 | 18.80 | 7,503 |
| 2005 | 15.96 | 3 | 1- | 17 | 19.21 | 1 |
| 2006 | 20,549.53 | 3,725 | 1,402- | 21,952 | 19.65 | 1,117 |
| 2007 | 143,092.48 | 23,253 | 8,749- | 151,841 | 20.10 | 7,554 |
| 2008 | 449,298.06 | 64,025 | 24,089- | 473,387 | 20.58 | 23,002 |
| 2009 | 486,287.16 | 58,962 | 22,184- | 508,471 | 21.09 | 24,110 |
| 2010 | 536,706.03 | 53,000 | 19,941- | 556,647 | 21.63 | 25,735 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 UNDERGROUND STREET LIGHTING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 24-L0 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2011 | 648,624.43 | 48,374 | 18,200- | 666,824 | 22.21 | 30,024 |
| 2012 | 530,415.92 | 25,195 | 9,480- | 539,896 | 22.86 | 23,617 |
| 2013 | 998,311.98 | 17,470 | 6,573- | 1,004,885 | 23.58 | 42,616 |
| | 5,596,902.83 | 853,484 | 320,997- | 5,917,900 | | 300,990 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.7 5.38

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 373.3 PRIVATE OUTDOOR LIGHTING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 24-L0 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1965 | 839.66 | 561 | 840 | | | |
| 1966 | 7,471.52 | 4,931 | 7,472 | | | |
| 1967 | 8,736.44 | 5,697 | 8,736 | | | |
| 1968 | 9,204.50 | 5,925 | 9,204 | | | |
| 1969 | 11,545.02 | 7,331 | 11,545 | | | |
| 1970 | 14,916.81 | 9,348 | 14,917 | | | |
| 1971 | 28,007.23 | 17,306 | 28,007 | | | |
| 1972 | 55,121.13 | 33,578 | 55,121 | | | |
| 1973 | 95,181.47 | 57,109 | 95,181 | | | |
| 1974 | 93,741.83 | 55,385 | 93,742 | | | |
| 1975 | 85,636.53 | 49,812 | 85,637 | | | |
| 1976 | 116,014.53 | 66,370 | 116,015 | | | |
| 1977 | 100,033.87 | 56,269 | 100,034 | | | |
| 1978 | 90,886.18 | 50,215 | 90,886 | | | |
| 1979 | 102,910.86 | 55,872 | 102,911 | | | |
| 1980 | 68,989.98 | 36,737 | 68,990 | | | |
| 1981 | 85,402.36 | 44,587 | 85,402 | | | |
| 1982 | 103,329.24 | 52,870 | 103,329 | | | |
| 1983 | 93,250.15 | 46,702 | 93,250 | | | |
| 1984 | 90,923.20 | 44,552 | 90,923 | | | |
| 1985 | 177,432.44 | 84,946 | 177,432 | | | |
| 1986 | 139,650.24 | 65,286 | 139,603 | 47 | 12.78 | 4 |
| 1987 | 162,745.82 | 74,184 | 158,630 | 4,116 | 13.06 | 315 |
| 1988 | 247,965.27 | 110,035 | 235,291 | 12,674 | 13.35 | 949 |
| 1989 | 178,106.10 | 76,883 | 164,401 | 13,705 | 13.64 | 1,005 |
| 1990 | 218,921.68 | 91,855 | 196,417 | 22,505 | 13.93 | 1,616 |
| 1991 | 137,323.13 | 55,845 | 119,415 | 17,908 | 14.24 | 1,258 |
| 1992 | 123,795.25 | 48,796 | 104,342 | 19,453 | 14.54 | 1,338 |
| 1993 | 165,557.05 | 63,049 | 134,820 | 30,737 | 14.86 | 2,068 |
| 1994 | 65,942.84 | 24,234 | 51,820 | 14,123 | 15.18 | 930 |
| 1995 | 153,962.44 | 54,464 | 116,462 | 37,500 | 15.51 | 2,418 |
| 1996 | 145,037.08 | 49,313 | 105,448 | 39,589 | 15.84 | 2,499 |
| 1997 | 354,735.94 | 115,584 | 247,157 | 107,579 | 16.18 | 6,649 |
| 1998 | 1,030,878.48 | 320,861 | 686,108 | 344,770 | 16.53 | 20,857 |
| 1999 | 795,348.18 | 235,622 | 503,838 | 291,510 | 16.89 | 17,259 |
| 2000 | 8,020.39 | 2,256 | 4,824 | 3,196 | 17.25 | 185 |
| 2001 | 96.72 | 26 | 56 | 41 | 17.62 | 2 |
| 2002 | 0.58 | | 0 | 1 | 18.00 | |
| | 5,367,662.14 | 2,174,396 | 4,408,206 | 959,456 | | 59,352 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.2 1.11

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 40-R1 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1927 | 5,751.36 | 5,751 | 5,751 | | | |
| 1929 | 14,004.80 | 14,005 | 14,005 | | | |
| 1931 | 1,075.45 | 1,075 | 1,075 | | | |
| 1935 | 50.25 | 49 | 34 | 16 | 0.63 | 16 |
| 1941 | 129.90 | 121 | 85 | 45 | 2.60 | 17 |
| 1946 | 19,578.90 | 17,577 | 12,347 | 7,232 | 4.09 | 1,768 |
| 1948 | 215.87 | 191 | 134 | 82 | 4.70 | 17 |
| 1949 | 13,572.45 | 11,869 | 8,338 | 5,234 | 5.02 | 1,043 |
| 1950 | 5,950.18 | 5,156 | 3,622 | 2,328 | 5.34 | 436 |
| 1951 | 1,377.12 | 1,182 | 830 | 547 | 5.66 | 97 |
| 1952 | 981.95 | 835 | 587 | 395 | 5.99 | 66 |
| 1954 | 959.98 | 800 | 562 | 398 | 6.67 | 60 |
| 1955 | 1,913,365.03 | 1,577,569 | 1,108,186 | 805,179 | 7.02 | 114,698 |
| 1956 | 10,888.67 | 8,882 | 6,239 | 4,650 | 7.37 | 631 |
| 1957 | 1,158.59 | 935 | 657 | 502 | 7.73 | 65 |
| 1958 | 508,021.10 | 405,147 | 284,601 | 223,420 | 8.10 | 27,583 |
| 1959 | 18,148.40 | 14,305 | 10,049 | 8,099 | 8.47 | 956 |
| 1960 | 6,328.45 | 4,928 | 3,462 | 2,866 | 8.85 | 324 |
| 1961 | 10,696.14 | 8,225 | 5,778 | 4,918 | 9.24 | 532 |
| 1962 | 1,494.46 | 1,135 | 797 | 697 | 9.63 | 72 |
| 1963 | 35,103.26 | 26,301 | 18,476 | 16,627 | 10.03 | 1,658 |
| 1964 | 35,896.35 | 26,527 | 18,634 | 17,262 | 10.44 | 1,653 |
| 1966 | 7,150.71 | 5,136 | 3,608 | 3,543 | 11.27 | 314 |
| 1967 | 2,284.74 | 1,616 | 1,135 | 1,150 | 11.70 | 98 |
| 1968 | 11,514.21 | 8,020 | 5,634 | 5,880 | 12.14 | 484 |
| 1969 | 2,925,315.52 | 2,004,572 | 1,408,141 | 1,517,175 | 12.59 | 120,506 |
| 1970 | 3,533.50 | 2,382 | 1,673 | 1,860 | 13.04 | 143 |
| 1971 | 27,057.89 | 17,926 | 12,592 | 14,466 | 13.50 | 1,072 |
| 1972 | 6,218.08 | 4,046 | 2,842 | 3,376 | 13.97 | 242 |
| 1973 | 9,317.39 | 5,951 | 4,180 | 5,137 | 14.45 | 356 |
| 1974 | 1,278,309.22 | 801,180 | 562,801 | 715,508 | 14.93 | 47,924 |
| 1975 | 3,532.85 | 2,170 | 1,524 | 2,009 | 15.43 | 130 |
| 1976 | 1,405.70 | 846 | 594 | 812 | 15.93 | 51 |
| 1978 | 12,528.42 | 7,216 | 5,069 | 7,459 | 16.96 | 440 |
| 1979 | 49,431.66 | 27,818 | 19,541 | 29,891 | 17.49 | 1,709 |
| 1980 | 514,893.54 | 282,805 | 198,661 | 316,233 | 18.03 | 17,539 |
| 1981 | 120,378.95 | 64,463 | 45,283 | 75,096 | 18.58 | 4,042 |
| 1982 | 376,512.59 | 196,445 | 137,996 | 238,517 | 19.13 | 12,468 |
| 1983 | 136,913.89 | 69,484 | 48,810 | 88,104 | 19.70 | 4,472 |
| 1984 | 430,134.04 | 212,164 | 149,038 | 281,096 | 20.27 | 13,868 |
| 1985 | 637,976.40 | 305,431 | 214,554 | 423,422 | 20.85 | 20,308 |
| 1986 | 1,575,432.32 | 731,001 | 513,502 | 1,061,930 | 21.44 | 49,530 |
| 1987 | 295,387.48 | 132,629 | 93,167 | 202,220 | 22.04 | 9,175 |
| 1988 | 726,378.66 | 315,248 | 221,451 | 504,928 | 22.64 | 22,302 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 40-R1 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1989 | 572,534.38 | 239,606 | 168,315 | 404,219 | 23.26 | 17,378 |
| 1990 | 342,603.06 | 138,069 | 96,989 | 245,614 | 23.88 | 10,285 |
| 1991 | 1,028.95 | 398 | 280 | 749 | 24.51 | 31 |
| 1992 | 2,758,129.60 | 1,024,645 | 719,777 | 2,038,353 | 25.14 | 81,080 |
| 1993 | 2,400,471.44 | 853,368 | 599,461 | 1,801,010 | 25.78 | 69,861 |
| 1994 | 236,579.53 | 80,260 | 56,380 | 180,200 | 26.43 | 6,818 |
| 1995 | 193,222.31 | 62,363 | 43,808 | 149,414 | 27.09 | 5,515 |
| 1996 | 113,544.15 | 34,773 | 24,427 | 89,117 | 27.75 | 3,211 |
| 1997 | 824,467.83 | 238,890 | 167,812 | 656,656 | 28.41 | 23,114 |
| 1998 | 5,149,515.88 | 1,405,818 | 987,537 | 4,161,979 | 29.08 | 143,122 |
| 1999 | 499,294.52 | 127,944 | 89,876 | 409,419 | 29.75 | 13,762 |
| 2001 | 672,471.52 | 149,457 | 104,988 | 567,484 | 31.11 | 18,241 |
| 2002 | 176,183.73 | 36,118 | 25,372 | 150,812 | 31.80 | 4,743 |
| 2003 | 3,940,683.95 | 739,863 | 519,727 | 3,420,957 | 32.49 | 105,293 |
| 2004 | 100,945.76 | 17,211 | 12,090 | 88,856 | 33.18 | 2,678 |
| 2005 | 600,929.62 | 91,942 | 64,586 | 536,344 | 33.88 | 15,831 |
| 2006 | 229,769.87 | 31,134 | 21,871 | 207,899 | 34.58 | 6,012 |
| 2007 | 386,939.74 | 45,659 | 32,074 | 354,866 | 35.28 | 10,059 |
| 2008 | 187,650.44 | 18,765 | 13,182 | 174,468 | 36.00 | 4,846 |
| 2009 | 588,073.08 | 48,369 | 33,977 | 554,096 | 36.71 | 15,094 |
| 2010 | 7,126,144.05 | 457,855 | 321,627 | 6,804,517 | 37.43 | 181,793 |
| 2011 | 2,986,048.46 | 137,358 | 96,489 | 2,889,559 | 38.16 | 75,722 |
| 2012 | 316,034.13 | 8,770 | 6,160 | 309,874 | 38.89 | 7,968 |
| 2013 | 2,223.68 | 21 | 15 | 2,209 | 39.63 | 56 |
| | 42,161,846.10 | 13,319,770 | 9,362,865 | 32,798,981 | | 1,301,378 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.2 3.09

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - OFFICE MACHINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 10-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2008 | 58,817.03 | 32,349 | 24,161 | 34,656 | 4.50 | 7,701 |
| 2011 | 83,462.18 | 20,866 | 15,585 | 67,877 | 7.50 | 9,050 |
| | 142,279.21 | 53,215 | 39,746 | 102,533 | | 16,751 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.1 11.77

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2000 | 1,296,615.28 | 1,166,954 | 975,308 | 321,307 | 1.50 | 214,205 |
| 2003 | 312,955.49 | 219,069 | 183,092 | 129,863 | 4.50 | 28,858 |
| 2009 | 78,405.46 | 23,522 | 19,659 | 58,746 | 10.50 | 5,595 |
| 2012 | 808.89 | 81 | 68 | 741 | 13.50 | 55 |
| 2013 | 11,777.35 | 393 | 328 | 11,450 | 14.50 | 790 |
| | 1,700,562.47 | 1,410,019 | 1,178,455 | 522,108 | | 249,503 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 2.1 14.67 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|---------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 5-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2009 | 270,104.10 | 243,094 | 254,712 | 15,392 | 0.50 | 15,392 |
| 2010 | 76,020.37 | 53,214 | 55,757 | 20,263 | 1.50 | 13,509 |
| 2012 | 1,640,103.03 | 492,031 | 515,546 | 1,124,557 | 3.50 | 321,302 |
| | 1,986,227.50 | 788,339 | 826,015 | 1,160,213 | | 350,203 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 3.3 17.63

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 391.4 OFFICE FURNITURE AND EQUIPMENT - SMART METER COMPUTER EQUIP.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|---------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 5-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2011 | 2,311,346.17 | 1,155,673 | 1,080,837 | 1,230,509 | 2.50 | 492,204 |
| 2012 | 148,938.78 | 44,682 | 41,788 | 107,151 | 3.50 | 30,615 |
| 2013 | 89,591.87 | 8,959 | 8,379 | 81,213 | 4.50 | 18,047 |
| | 2,549,876.82 | 1,209,314 | 1,131,004 | 1,418,873 | | 540,866 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.6 21.21

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 393 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2001 | 10,174.50 | 8,479 | 4,544- | 14,718 | 2.50 | 5,887 |
| 2008 | 1,656.92 | 608 | 326- | 1,983 | 9.50 | 209 |
| 2013 | 44,814.19 | 1,494 | 801- | 45,615 | 14.50 | 3,146 |
| | 56,645.61 | 10,581 | 5,671- | 62,316 | | 9,242 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.7 16.32

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1999 | 714,311.49 | 690,503 | 421,071 | 293,240 | 0.50 | 293,240 |
| 2000 | 15,865.86 | 14,279 | 8,707 | 7,159 | 1.50 | 4,773 |
| 2001 | 1,560,782.21 | 1,300,647 | 793,138 | 767,644 | 2.50 | 307,058 |
| 2002 | 889,361.24 | 681,847 | 415,792 | 473,569 | 3.50 | 135,305 |
| 2003 | 530,656.67 | 371,460 | 226,517 | 304,140 | 4.50 | 67,587 |
| 2004 | 654,752.82 | 414,675 | 252,870 | 401,883 | 5.50 | 73,070 |
| 2005 | 1,653,065.02 | 936,742 | 571,228 | 1,081,837 | 6.50 | 166,436 |
| 2006 | 1,605,606.17 | 802,803 | 489,552 | 1,116,054 | 7.50 | 148,807 |
| 2007 | 1,052,519.06 | 456,088 | 278,124 | 774,395 | 8.50 | 91,105 |
| 2008 | 521,432.98 | 191,194 | 116,591 | 404,842 | 9.50 | 42,615 |
| 2009 | 967,257.27 | 290,177 | 176,951 | 790,306 | 10.50 | 75,267 |
| 2010 | 1,955,052.07 | 456,172 | 278,175 | 1,676,877 | 11.50 | 145,815 |
| 2011 | 2,712,298.08 | 452,059 | 275,667 | 2,436,631 | 12.50 | 194,930 |
| 2012 | 1,692,290.24 | 169,229 | 103,196 | 1,589,094 | 13.50 | 117,711 |
| 2013 | 3,183,078.73 | 106,092 | 64,696 | 3,118,383 | 14.50 | 215,061 |
| | 19,708,329.91 | 7,333,967 | 4,472,275 | 15,236,055 | | 2,078,780 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.3 10.55

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 395.1 LABORATORY EQUIPMENT - TESTING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 20-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1998 | 7,307.66 | 5,663 | 6,476 | 832 | 4.50 | 185 |
| 2003 | 55,889.29 | 29,342 | 33,553 | 22,336 | 9.50 | 2,351 |
| 2005 | 158,343.65 | 67,296 | 76,954 | 81,390 | 11.50 | 7,077 |
| 2006 | 6,644.07 | 2,492 | 2,850 | 3,794 | 12.50 | 304 |
| 2007 | 90,148.95 | 29,298 | 33,502 | 56,647 | 13.50 | 4,196 |
| | 318,333.62 | 134,091 | 153,335 | 164,999 | | 14,113 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 11.7 4.43 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 395.2 LABORATORY EQUIPMENT - METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2007 | 101,381.74 | 43,932 | 42,402 | 58,979 | 8.50 | 6,939 |
| | 101,381.74 | 43,932 | 42,402 | 58,979 | | 6,939 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | 8.5 | 6.84 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 20-L3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1940 | 635.85 | 636 | 636 | | | |
| 1944 | 5,432.16 | 5,432 | 5,432 | | | |
| 1950 | 2,784.41 | 2,784 | 2,784 | | | |
| 1956 | 4,196.87 | 4,197 | 4,197 | | | |
| 1957 | 6,734.05 | 6,734 | 6,734 | | | |
| 1958 | 6,185.47 | 6,185 | 6,185 | | | |
| 1959 | 1,078.12 | 1,078 | 1,078 | | | |
| 1960 | 8,266.21 | 8,266 | 8,266 | | | |
| 1961 | 46,687.35 | 46,687 | 46,687 | | | |
| 1962 | 1,755.18 | 1,755 | 1,755 | | | |
| 1963 | 46,024.66 | 46,025 | 46,025 | | | |
| 1964 | 23,389.06 | 23,389 | 23,389 | | | |
| 1966 | 12,932.97 | 12,901 | 11,341 | 1,592 | 0.05 | 1,592 |
| 1967 | 1,396.70 | 1,376 | 1,210 | 187 | 0.30 | 187 |
| 1968 | 28,755.83 | 28,080 | 24,684 | 4,072 | 0.47 | 4,072 |
| 1969 | 28,659.93 | 27,728 | 24,374 | 4,286 | 0.65 | 4,286 |
| 1970 | 23,319.59 | 22,340 | 19,638 | 3,682 | 0.84 | 3,682 |
| 1971 | 20,042.97 | 19,021 | 16,721 | 3,322 | 1.02 | 3,257 |
| 1972 | 22,393.45 | 21,027 | 18,484 | 3,909 | 1.22 | 3,204 |
| 1974 | 20,057.26 | 18,443 | 16,212 | 3,845 | 1.61 | 2,388 |
| 1978 | 18,912.82 | 16,596 | 14,589 | 4,324 | 2.45 | 1,765 |
| 1981 | 52,705.10 | 44,430 | 39,056 | 13,649 | 3.14 | 4,347 |
| 1982 | 95,295.07 | 79,190 | 69,612 | 25,683 | 3.38 | 7,599 |
| 1989 | 46,425.08 | 34,471 | 30,302 | 16,123 | 5.15 | 3,131 |
| 1992 | 475,177.35 | 338,564 | 297,617 | 177,560 | 5.75 | 30,880 |
| 1995 | 607,349.52 | 416,945 | 366,518 | 240,832 | 6.27 | 38,410 |
| 1998 | 27,839.15 | 17,942 | 15,772 | 12,067 | 7.11 | 1,697 |
| 2002 | 1,159,560.47 | 616,886 | 542,278 | 617,282 | 9.36 | 65,949 |
| 2003 | 328,676.04 | 162,366 | 142,729 | 185,947 | 10.12 | 18,374 |
| 2004 | 374.23 | 170 | 149 | 225 | 10.94 | 21 |
| 2006 | 902,700.33 | 329,937 | 290,033 | 612,667 | 12.69 | 48,280 |
| 2007 | 1,139,973.11 | 364,221 | 320,171 | 819,802 | 13.61 | 60,235 |
| 2008 | 709,066.56 | 192,866 | 169,540 | 539,527 | 14.56 | 37,055 |
| 2009 | 1,665,621.70 | 373,099 | 327,975 | 1,337,647 | 15.52 | 86,189 |
| 2010 | 25,473,573.42 | 4,445,139 | 3,907,529 | 21,566,044 | 16.51 | 1,306,241 |
| 2011 | 34,330,562.77 | 4,291,320 | 3,772,313 | 30,558,250 | 17.50 | 1,746,186 |
| 2012 | 4,696,334.21 | 352,225 | 309,626 | 4,386,708 | 18.50 | 237,119 |
| 2013 | 6,241,433.10 | 156,036 | 137,165 | 6,104,269 | 19.50 | 313,039 |
| | 78,282,308.12 | 12,536,487 | 11,038,806 | 67,243,503 | | 4,029,185 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.7 5.15

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 397.1 COMMUNICATION EQUIPMENT - SMART METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 15-S2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2011 | 24,117,361.51 | 4,003,482 | 2,741,528 | 21,375,834 | 12.51 | 1,708,700 |
| 2012 | 74,168.31 | 7,417 | 5,079 | 69,089 | 13.50 | 5,118 |
| 2013 | 2,048,566.86 | 68,279 | 46,757 | 2,001,810 | 14.50 | 138,056 |
| | 26,240,096.68 | 4,079,178 | 2,793,364 | 23,446,733 | | 1,851,874 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 12.7 7.06 |

PECO ENERGY COMPANY
ELECTRIC PLANT

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2000 | 75,293.97 | 67,765 | 53,931 | 21,363 | 1.50 | 14,242 |
| 2001 | 20,279.96 | 16,900 | 13,450 | 6,830 | 2.50 | 2,732 |
| 2002 | 382,607.36 | 293,334 | 233,449 | 149,158 | 3.50 | 42,617 |
| 2003 | 212,904.36 | 149,033 | 118,607 | 94,297 | 4.50 | 20,955 |
| 2004 | 626,876.02 | 397,019 | 315,966 | 310,910 | 5.50 | 56,529 |
| 2007 | 25,817.05 | 11,187 | 8,904 | 16,913 | 8.50 | 1,990 |
| | 1,343,778.72 | 935,238 | 744,307 | 599,472 | | 139,065 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.3 10.35

COMMON PLANT

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R1 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1892 | 662.94 | 663 | 663 | | | |
| 1914 | 1,915.22 | 1,901 | 1,915 | | | |
| 1922 | 232.91 | 219 | 233 | | | |
| 1924 | 5,907.45 | 5,483 | 5,907 | | | |
| 1925 | 5,647.17 | 5,208 | 5,647 | | | |
| 1927 | 13,978.16 | 12,726 | 13,978 | | | |
| 1930 | 122.02 | 109 | 122 | | | |
| 1931 | 403.82 | 358 | 402 | 2 | 5.69 | |
| 1933 | 25.47 | 22 | 25 | | | |
| 1937 | 121.50 | 103 | 116 | 6 | 7.61 | 1 |
| 1938 | 8,310.34 | 6,989 | 7,855 | 455 | 7.95 | 57 |
| 1941 | 1,241.54 | 1,018 | 1,144 | 98 | 8.99 | 11 |
| 1942 | 3,975.39 | 3,232 | 3,632 | 343 | 9.35 | 37 |
| 1944 | 548,325.38 | 437,783 | 492,026 | 56,299 | 10.08 | 5,585 |
| 1945 | 376.10 | 297 | 334 | 42 | 10.45 | 4 |
| 1946 | 1,117.60 | 876 | 985 | 133 | 10.82 | 12 |
| 1947 | 293.41 | 228 | 256 | 37 | 11.21 | 3 |
| 1948 | 238.29 | 183 | 206 | 32 | 11.59 | 3 |
| 1949 | 60,980.97 | 46,358 | 52,102 | 8,879 | 11.99 | 741 |
| 1950 | 3,326.06 | 2,502 | 2,812 | 514 | 12.39 | 41 |
| 1951 | 17,478.70 | 13,008 | 14,620 | 2,859 | 12.79 | 224 |
| 1952 | 63,925.13 | 47,049 | 52,879 | 11,046 | 13.20 | 837 |
| 1953 | 79,248.67 | 57,661 | 64,805 | 14,444 | 13.62 | 1,060 |
| 1954 | 1,992.49 | 1,433 | 1,611 | 381 | 14.04 | 27 |
| 1955 | 35,565.89 | 25,273 | 28,404 | 7,162 | 14.47 | 495 |
| 1956 | 1,416,462.08 | 994,356 | 1,117,560 | 298,902 | 14.90 | 20,061 |
| 1957 | 46,520.58 | 32,248 | 36,244 | 10,277 | 15.34 | 670 |
| 1958 | 114,683.49 | 78,466 | 88,188 | 26,495 | 15.79 | 1,678 |
| 1959 | 506,454.57 | 341,958 | 384,328 | 122,127 | 16.24 | 7,520 |
| 1960 | 42,291.03 | 28,166 | 31,656 | 10,635 | 16.70 | 637 |
| 1961 | 798,747.44 | 524,458 | 589,440 | 209,307 | 17.17 | 12,190 |
| 1962 | 14,244.12 | 9,219 | 10,361 | 3,883 | 17.64 | 220 |
| 1963 | 102,934.00 | 65,631 | 73,763 | 29,171 | 18.12 | 1,610 |
| 1964 | 448.18 | 281 | 316 | 132 | 18.61 | 7 |
| 1965 | 231,493.97 | 143,063 | 160,789 | 70,705 | 19.10 | 3,702 |
| 1966 | 9,078.19 | 5,520 | 6,204 | 2,874 | 19.60 | 147 |
| 1967 | 638,876.35 | 381,920 | 429,241 | 209,635 | 20.11 | 10,424 |
| 1968 | 3,223,917.34 | 1,894,374 | 2,129,093 | 1,094,824 | 20.62 | 53,095 |
| 1969 | 24,432.95 | 14,103 | 15,850 | 8,583 | 21.14 | 406 |
| 1970 | 4,587,963.65 | 2,599,540 | 2,921,631 | 1,666,333 | 21.67 | 76,896 |
| 1971 | 16,645.91 | 9,255 | 10,402 | 6,244 | 22.20 | 281 |
| 1972 | 28,766,044.39 | 15,683,247 | 17,626,448 | 11,139,596 | 22.74 | 489,868 |
| 1973 | 10,570.16 | 5,647 | 6,347 | 4,223 | 23.29 | 181 |
| 1974 | 82,412.58 | 43,102 | 48,442 | 33,971 | 23.85 | 1,424 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 50-R1 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1975 | 81,460.68 | 41,692 | 46,858 | 34,603 | 24.41 | 1,418 |
| 1976 | 104,662.05 | 52,373 | 58,862 | 45,800 | 24.98 | 1,833 |
| 1977 | 235,355.88 | 115,089 | 129,349 | 106,007 | 25.55 | 4,149 |
| 1978 | 398,163.55 | 190,004 | 213,546 | 184,618 | 26.14 | 7,063 |
| 1979 | 83,466.79 | 38,845 | 43,658 | 39,809 | 26.73 | 1,489 |
| 1980 | 406,527.50 | 184,401 | 207,249 | 199,278 | 27.32 | 7,294 |
| 1981 | 1,014,211.81 | 447,673 | 503,141 | 511,071 | 27.93 | 18,298 |
| 1982 | 330,614.71 | 141,966 | 159,556 | 171,059 | 28.53 | 5,996 |
| 1983 | 1,538,368.82 | 641,500 | 720,984 | 817,385 | 29.15 | 28,041 |
| 1984 | 2,010,901.42 | 813,611 | 914,420 | 1,096,481 | 29.77 | 36,832 |
| 1985 | 732,387.09 | 287,096 | 322,668 | 409,719 | 30.40 | 13,478 |
| 1986 | 1,349,035.00 | 511,824 | 575,240 | 773,795 | 31.03 | 24,937 |
| 1987 | 1,912,792.23 | 701,230 | 788,114 | 1,124,678 | 31.67 | 35,512 |
| 1988 | 1,748,466.10 | 618,607 | 695,254 | 1,053,212 | 32.31 | 32,597 |
| 1989 | 429,451.01 | 146,357 | 164,491 | 264,960 | 32.96 | 8,039 |
| 1990 | 1,767,249.61 | 579,304 | 651,081 | 1,116,169 | 33.61 | 33,209 |
| 1991 | 4,314,974.10 | 1,357,491 | 1,525,688 | 2,789,286 | 34.27 | 81,391 |
| 1992 | 4,168,390.21 | 1,256,353 | 1,412,019 | 2,756,371 | 34.93 | 78,911 |
| 1993 | 7,790,206.19 | 2,243,579 | 2,521,565 | 5,268,641 | 35.60 | 147,996 |
| 1994 | 3,108,108.98 | 854,108 | 959,935 | 2,148,174 | 36.26 | 59,244 |
| 1995 | 24,335,142.27 | 6,356,339 | 7,143,908 | 17,191,234 | 36.94 | 465,383 |
| 1996 | 3,183,954.60 | 788,984 | 886,741 | 2,297,214 | 37.61 | 61,080 |
| 1997 | 5,568,310.85 | 1,304,098 | 1,465,680 | 4,102,631 | 38.29 | 107,146 |
| 1998 | 45,083,386.60 | 9,936,378 | 11,167,525 | 33,915,862 | 38.98 | 870,084 |
| 1999 | 2,085,103.22 | 431,199 | 484,626 | 1,600,477 | 39.66 | 40,355 |
| 2000 | 417,130.00 | 80,506 | 90,481 | 326,649 | 40.35 | 8,095 |
| 2001 | 815,059.23 | 146,059 | 164,156 | 650,903 | 41.04 | 15,860 |
| 2002 | 2,857,217.59 | 472,012 | 530,496 | 2,326,722 | 41.74 | 55,743 |
| 2003 | 23,112,918.98 | 3,499,296 | 3,932,869 | 19,180,050 | 42.43 | 452,040 |
| 2004 | 2,765,896.81 | 380,034 | 427,121 | 2,338,776 | 43.13 | 54,226 |
| 2005 | 1,770,336.49 | 218,105 | 245,129 | 1,525,207 | 43.84 | 34,790 |
| 2006 | 513,882.40 | 56,013 | 62,953 | 450,929 | 44.55 | 10,122 |
| 2007 | 4,883,084.78 | 462,916 | 520,273 | 4,362,812 | 45.26 | 96,394 |
| 2008 | 6,774,232.28 | 544,648 | 612,132 | 6,162,100 | 45.98 | 134,017 |
| 2009 | 14,700,345.89 | 970,223 | 1,090,436 | 13,609,910 | 46.70 | 291,433 |
| 2010 | 27,839,939.02 | 1,430,973 | 1,608,275 | 26,231,664 | 47.43 | 553,061 |
| 2011 | 3,177,080.91 | 116,917 | 131,403 | 3,045,678 | 48.16 | 63,241 |
| 2012 | 7,368,456.87 | 163,580 | 183,848 | 7,184,609 | 48.89 | 146,955 |
| 2013 | 8,076,011.10 | 59,762 | 67,167 | 8,008,844 | 49.63 | 161,371 |
| | 260,341,917.22 | 62,166,381 | 69,867,879 | 190,474,038 | | 4,939,278 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | 38.6 | 1.90 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - OFFICE MACHINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 10-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2008 | 34,287.87 | 18,858 | 7,212- | 41,500 | 4.50 | 9,222 |
| 2009 | 61,698.40 | 27,764 | 10,619- | 72,317 | 5.50 | 13,149 |
| 2012 | 23,764.11 | 3,565 | 1,363- | 25,127 | 8.50 | 2,956 |
| 2013 | 4,332.80 | 217 | 83- | 4,416 | 9.50 | 465 |
| | 124,083.18 | 50,404 | 19,277- | 143,360 | | 25,792 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | 5.6 | 20.79 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1999 | 406,360.82 | 392,817 | 379,079 | 27,282 | 0.50 | 27,282 |
| 2003 | 1,931,581.95 | 1,352,107 | 1,304,820 | 626,762 | 4.50 | 139,280 |
| 2004 | 239,473.43 | 151,666 | 146,362 | 93,111 | 5.50 | 16,929 |
| 2005 | 665,143.95 | 376,917 | 363,735 | 301,409 | 6.50 | 46,371 |
| 2006 | 573,068.01 | 286,534 | 276,513 | 296,555 | 7.50 | 39,541 |
| 2007 | 25,407.89 | 11,010 | 10,625 | 14,783 | 8.50 | 1,739 |
| 2008 | 863,609.06 | 316,660 | 305,585 | 558,024 | 9.50 | 58,739 |
| 2009 | 68,987.13 | 20,696 | 19,972 | 49,015 | 10.50 | 4,668 |
| 2010 | 953,124.79 | 222,393 | 214,615 | 738,510 | 11.50 | 64,218 |
| 2011 | 486,527.93 | 81,090 | 78,254 | 408,274 | 12.50 | 32,662 |
| 2012 | 248,442.32 | 24,844 | 23,975 | 224,467 | 13.50 | 16,627 |
| 2013 | 580,636.15 | 19,353 | 18,677 | 561,959 | 14.50 | 38,756 |
| | 7,042,363.43 | 3,256,087 | 3,142,212 | 3,900,152 | | 486,812 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.0 6.91

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 5-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2009 | 4,182,478.21 | 3,764,230 | 3,814,309 | 368,169 | 0.50 | 368,169 |
| 2010 | 7,230,180.20 | 5,061,126 | 5,128,459 | 2,101,721 | 1.50 | 1,401,147 |
| 2011 | 5,529,456.85 | 2,764,728 | 2,801,509 | 2,727,948 | 2.50 | 1,091,179 |
| 2012 | 6,213,631.83 | 1,864,090 | 1,888,890 | 4,324,742 | 3.50 | 1,235,641 |
| 2013 | 2,581,187.74 | 258,119 | 261,553 | 2,319,635 | 4.50 | 515,474 |
| | 25,736,934.83 | 13,712,293 | 13,894,720 | 11,842,215 | | 4,611,610 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | | 2.6 17.92 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - AUTOMOBILES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|--|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 6-L3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2002 | 90,582.44 | 82,279 | 88,905 | 1,678 | 0.55 | 1,678 |
| | 90,582.44 | 82,279 | 88,905 | 1,678 | | 1,678 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. | | | | | 1.0 | 1.85 |

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - LIGHT TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 12-L4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1997 | 50,439.99 | 44,009 | 50,440 | | | |
| 2000 | 172,068.20 | 141,239 | 172,068 | | | |
| 2001 | 2,729,742.07 | 2,208,825 | 2,729,742 | | | |
| 2002 | 2,737,921.82 | 2,176,648 | 2,737,922 | | | |
| 2003 | 2,719,611.09 | 2,091,843 | 2,660,165 | 59,446 | 2.77 | 21,461 |
| 2004 | 462,569.82 | 335,747 | 426,964 | 35,606 | 3.29 | 10,822 |
| 2005 | 552,528.21 | 369,271 | 469,597 | 82,931 | 3.98 | 20,837 |
| 2006 | 489,663.19 | 295,022 | 375,175 | 114,488 | 4.77 | 24,002 |
| 2007 | 601,846.45 | 319,984 | 406,919 | 194,927 | 5.62 | 34,685 |
| 2008 | 802,845.20 | 365,295 | 464,540 | 338,305 | 6.54 | 51,729 |
| 2009 | 662,031.71 | 247,712 | 315,012 | 347,020 | 7.51 | 46,208 |
| 2010 | 4,088,837.63 | 1,192,591 | 1,516,600 | 2,572,238 | 8.50 | 302,616 |
| 2011 | 1,269,982.95 | 264,576 | 336,457 | 933,526 | 9.50 | 98,266 |
| 2012 | 793,430.84 | 99,179 | 126,125 | 667,306 | 10.50 | 63,553 |
| 2013 | 5,916,357.06 | 246,535 | 313,515 | 5,602,842 | 11.50 | 487,204 |
| | 24,049,876.23 | 10,398,476 | 13,101,241 | 10,948,635 | | 1,161,383 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.4 4.83

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PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 14-R4 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1955 | 134,797.15 | 134,797 | 134,797 | | | |
| 1989 | 50,781.76 | 50,782 | 50,782 | | | |
| 1990 | 95,967.37 | 95,967 | 95,967 | | | |
| 1992 | 465,047.73 | 465,048 | 465,048 | | | |
| 1994 | 491,869.51 | 478,166 | 491,870 | | | |
| 1996 | 728,454.06 | 682,663 | 725,819 | 2,635 | 0.88 | 2,635 |
| 1997 | 528,895.80 | 485,071 | 515,736 | 13,160 | 1.16 | 11,345 |
| 2000 | 3,990,716.29 | 3,335,082 | 3,545,914 | 444,802 | 2.30 | 193,392 |
| 2001 | 4,161,787.14 | 3,305,666 | 3,514,639 | 647,148 | 2.88 | 224,704 |
| 2002 | 1,526,081.22 | 1,140,196 | 1,212,275 | 313,806 | 3.54 | 88,646 |
| 2003 | 424,444.95 | 295,291 | 313,958 | 110,487 | 4.26 | 25,936 |
| 2004 | 2,120,184.25 | 1,359,950 | 1,445,921 | 674,263 | 5.02 | 134,315 |
| 2005 | 582,284.96 | 338,971 | 360,400 | 221,885 | 5.85 | 37,929 |
| 2006 | 2,314,147.99 | 1,203,357 | 1,279,429 | 1,034,719 | 6.72 | 153,976 |
| 2007 | 4,271,152.00 | 1,943,374 | 2,066,227 | 2,204,925 | 7.63 | 288,981 |
| 2008 | 8,295,138.21 | 3,217,352 | 3,420,742 | 4,874,396 | 8.57 | 568,774 |
| 2009 | 3,157,176.58 | 1,005,782 | 1,069,364 | 2,087,813 | 9.54 | 218,848 |
| 2010 | 7,893,545.70 | 1,962,099 | 2,086,136 | 5,807,410 | 10.52 | 552,035 |
| 2011 | 4,044,377.53 | 719,333 | 764,807 | 3,279,571 | 11.51 | 284,932 |
| 2012 | 4,696,834.45 | 503,219 | 535,031 | 4,161,803 | 12.50 | 332,944 |
| 2013 | 10,117,957.51 | 361,312 | 384,153 | 9,733,804 | 13.50 | 721,023 |
| | 60,091,642.16 | 23,083,478 | 24,479,015 | 35,612,627 | | 3,840,415 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.3 6.39

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PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - TRACTORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 11-L2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1995 | 251,452.57 | 195,447 | 251,453 | | | |
| 2002 | 44,306.19 | 27,550 | 43,548 | 758 | 4.16 | 182 |
| 2009 | 57,897.77 | 21,317 | 33,695 | 24,203 | 6.95 | 3,482 |
| | 353,656.53 | 244,314 | 328,696 | 24,960 | | 3,664 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.8 1.04

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.5 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 15-R2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1956 | 105.87 | 106 | 106 | | | |
| 1957 | 829.62 | 830 | 830 | | | |
| 1960 | 12,247.38 | 12,247 | 12,247 | | | |
| 1961 | 3,539.00 | 3,539 | 3,539 | | | |
| 1962 | 972.68 | 973 | 973 | | | |
| 1963 | 1,026.82 | 1,027 | 1,027 | | | |
| 1966 | 3,152.61 | 3,153 | 3,153 | | | |
| 1967 | 23,398.38 | 23,398 | 23,398 | | | |
| 1968 | 54,611.08 | 54,611 | 54,611 | | | |
| 1969 | 11,345.85 | 11,346 | 11,346 | | | |
| 1970 | 27,731.60 | 27,732 | 27,732 | | | |
| 1971 | 6,644.50 | 6,644 | 6,644 | | | |
| 1972 | 4,524.32 | 4,524 | 4,524 | | | |
| 1973 | 67,709.54 | 67,710 | 67,710 | | | |
| 1974 | 814.23 | 814 | 814 | | | |
| 1975 | 25,351.71 | 25,352 | 25,352 | | | |
| 1976 | 1,544.50 | 1,544 | 1,544 | | | |
| 1978 | 24,007.27 | 24,007 | 24,007 | | | |
| 1988 | 39,923.60 | 38,274 | 39,924 | | | |
| 1994 | 175,918.86 | 148,006 | 164,740 | 11,179 | 2.38 | 4,697 |
| 1995 | 190,834.84 | 156,231 | 173,895 | 16,940 | 2.72 | 6,228 |
| 1996 | 209,721.43 | 166,659 | 185,502 | 24,219 | 3.08 | 7,863 |
| 1997 | 239,239.39 | 183,736 | 204,510 | 34,729 | 3.48 | 9,980 |
| 2000 | 111,514.21 | 75,012 | 83,493 | 28,021 | 4.91 | 5,707 |
| 2001 | 16,382.93 | 10,420 | 11,598 | 4,785 | 5.46 | 876 |
| 2002 | 174,201.67 | 103,941 | 115,693 | 58,509 | 6.05 | 9,671 |
| 2003 | 37,498.78 | 20,799 | 23,151 | 14,348 | 6.68 | 2,148 |
| 2004 | 23,828.50 | 12,153 | 13,527 | 10,302 | 7.35 | 1,402 |
| 2005 | 23,623.28 | 10,961 | 12,200 | 11,423 | 8.04 | 1,421 |
| 2006 | 77,184.28 | 32,057 | 35,681 | 41,503 | 8.77 | 4,732 |
| 2007 | 368,948.83 | 134,788 | 150,028 | 218,921 | 9.52 | 22,996 |
| 2009 | 7,165.37 | 1,858 | 2,068 | 5,097 | 11.11 | 459 |
| 2010 | 308,073.67 | 62,847 | 69,953 | 238,121 | 11.94 | 19,943 |
| 2011 | 45,336.50 | 6,679 | 7,434 | 37,902 | 12.79 | 2,963 |
| 2012 | 98,806.05 | 8,826 | 9,824 | 88,982 | 13.66 | 6,514 |
| 2013 | 115,313.46 | 3,459 | 3,850 | 111,463 | 14.55 | 7,661 |
| | 2,533,072.61 | 1,446,263 | 1,576,628 | 956,444 | | 115,261 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.3 4.55

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 392.6 TRANSPORTATION EQUIPMENT - OTHER VEHICLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 15-R2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1946 | 920.22 | 920 | 920 | | | |
| 1962 | 57.56 | 58 | 58 | | | |
| 1965 | 84,406.50 | 84,406 | 84,406 | | | |
| 1972 | 17,323.55 | 17,324 | 17,324 | | | |
| 1973 | 3,536.26 | 3,536 | 3,536 | | | |
| 1974 | 3,888.93 | 3,889 | 3,889 | | | |
| 1983 | 2,890.72 | 2,891 | 2,891 | | | |
| 1992 | 41,528.39 | 36,628 | 41,528 | | | |
| 1993 | 50,294.80 | 43,354 | 50,295 | | | |
| 1994 | 74,146.19 | 62,381 | 74,146 | | | |
| 1995 | 70,184.76 | 57,458 | 70,185 | | | |
| 1996 | 56,471.34 | 44,876 | 56,471 | | | |
| 2000 | 5,141.00 | 3,458 | 5,016 | 125 | 4.91 | 25 |
| 2002 | 1,214,887.95 | 724,887 | 1,051,524 | 163,364 | 6.05 | 27,002 |
| 2003 | 302,059.24 | 167,543 | 243,038 | 59,021 | 6.68 | 8,835 |
| 2005 | 310,885.69 | 144,251 | 209,251 | 101,635 | 8.04 | 12,641 |
| 2006 | 906,063.59 | 376,315 | 545,884 | 360,180 | 8.77 | 41,070 |
| 2007 | 365,024.87 | 133,355 | 193,445 | 171,580 | 9.52 | 18,023 |
| 2008 | 149,463.48 | 46,831 | 67,933 | 81,530 | 10.30 | 7,916 |
| 2009 | 231,325.16 | 59,990 | 87,022 | 144,303 | 11.11 | 12,989 |
| 2010 | 338,719.12 | 69,099 | 100,235 | 238,484 | 11.94 | 19,974 |
| 2011 | 5,537.55 | 816 | 1,184 | 4,354 | 12.79 | 340 |
| 2012 | 248,450.64 | 22,194 | 32,195 | 216,256 | 13.66 | 15,831 |
| 2013 | 145,654.85 | 4,370 | 6,339 | 139,316 | 14.55 | 9,575 |
| | 4,628,862.36 | 2,110,830 | 2,948,715 | 1,680,147 | | 174,221 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.6 3.76

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 393 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1999 | 84,686.84 | 81,864 | 15,267- | 99,954 | 0.50 | 99,954 |
| 2003 | 14,209.71 | 9,947 | 1,855- | 16,065 | 4.50 | 3,570 |
| 2006 | 134,383.00 | 67,192 | 12,531- | 146,914 | 7.50 | 19,589 |
| 2007 | 270,798.56 | 117,345 | 21,883- | 292,682 | 8.50 | 34,433 |
| 2008 | 83,816.00 | 30,733 | 5,731- | 89,547 | 9.50 | 9,426 |
| 2009 | 54,743.00 | 16,423 | 3,063- | 57,806 | 10.50 | 5,505 |
| 2010 | 60,242.00 | 14,056 | 2,622- | 62,864 | 11.50 | 5,466 |
| 2011 | 5,183.04 | 864 | 161- | 5,344 | 12.50 | 428 |
| 2013 | 47,187.08 | 1,573 | 293- | 47,480 | 14.50 | 3,274 |
| | 755,249.23 | 339,997 | 63,406- | 818,655 | | 181,645 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.5 24.05

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 394.1 TOOLS, SHOP AND GARAGE EQUIPMENT - CONSTRUCTION TOOLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2000 | 2,391.84 | 2,153 | 26,594- | 28,986 | 1.50 | 19,324 |
| 2007 | 11,617.00 | 5,034 | 62,179- | 73,796 | 8.50 | 8,682 |
| | 14,008.84 | 7,187 | 88,773- | 102,782 | | 28,006 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 3.7 199.92

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 394.2 TOOLS, SHOP AND GARAGE EQUIPMENT - COMMON TOOLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2005 | 10,526.02 | 5,965 | 5,183 | 5,343 | 6.50 | 822 |
| 2006 | 10,804.91 | 5,402 | 4,694 | 6,111 | 7.50 | 815 |
| | 21,330.93 | 11,367 | 9,877 | 11,454 | | 1,637 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.0 7.67

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 394.3 TOOLS, SHOP AND GARAGE EQUIPMENT - GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|---|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 20-SQUARE NET SALVAGE PERCENT.. 0 | | | | | | |
| 1994 | 2,615,533.01 | 2,550,145 | 2,417,939 | 197,594 | 0.50 | 197,594 |
| 1995 | 199,759.63 | 184,778 | 175,199 | 24,561 | 1.50 | 16,374 |
| 1996 | 56,379.59 | 49,332 | 46,775 | 9,605 | 2.50 | 3,842 |
| 1997 | 144,813.49 | 119,471 | 113,277 | 31,536 | 3.50 | 9,010 |
| 1999 | 824,190.47 | 597,538 | 566,560 | 257,630 | 5.50 | 46,842 |
| 2000 | 23,910.82 | 16,140 | 15,303 | 8,608 | 6.50 | 1,324 |
| 2001 | 94,843.94 | 59,277 | 56,204 | 38,640 | 7.50 | 5,152 |
| 2002 | 223,879.62 | 128,731 | 122,057 | 101,823 | 8.50 | 11,979 |
| 2003 | 286,764.74 | 150,551 | 142,746 | 144,019 | 9.50 | 15,160 |
| 2004 | 54,167.87 | 25,730 | 24,396 | 29,772 | 10.50 | 2,835 |
| 2006 | 3,478.87 | 1,305 | 1,237 | 2,242 | 12.50 | 179 |
| 2007 | 21,453.01 | 6,972 | 6,611 | 14,842 | 13.50 | 1,099 |
| 2008 | 12,963.09 | 3,565 | 3,380 | 9,583 | 14.50 | 661 |
| 2010 | 73,469.80 | 12,857 | 12,191 | 61,279 | 16.50 | 3,714 |
| 2011 | 50,175.40 | 6,272 | 5,947 | 44,228 | 17.50 | 2,527 |
| 2012 | 22,052.17 | 1,654 | 1,568 | 20,484 | 18.50 | 1,107 |
| 2013 | 90,000.91 | 2,250 | 2,134 | 87,867 | 19.50 | 4,506 |
| | 4,797,836.43 | 3,916,568 | 3,713,524 | 1,084,313 | | 323,905 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 3.3 6.75

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 11-L2 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1973 | 28,014.86 | 28,015 | 28,015 | | | |
| 1977 | 11,826.57 | 11,827 | 11,827 | | | |
| 1980 | 3,955.00 | 3,955 | 3,955 | | | |
| 1981 | 6,017.00 | 6,017 | 6,017 | | | |
| 1986 | 5,472.23 | 5,134 | 5,472 | | | |
| 1998 | 35,800.78 | 25,484 | 34,295 | 1,506 | 3.17 | 475 |
| 2002 | 93,979.86 | 58,439 | 78,645 | 15,335 | 4.16 | 3,686 |
| | 185,066.30 | 138,871 | 168,226 | 16,840 | | 4,161 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.0 2.25

207/208

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 20-L3 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1979 | 16,810.90 | 14,558 | 11,034 | 5,777 | 2.68 | 2,156 |
| 1981 | 351,106.42 | 295,983 | 224,335 | 126,771 | 3.14 | 40,373 |
| 1985 | 437,778.14 | 347,158 | 263,122 | 174,656 | 4.14 | 42,187 |
| 1986 | 57,988.37 | 45,231 | 34,282 | 23,706 | 4.40 | 5,388 |
| 1990 | 1,140,540.86 | 834,306 | 632,346 | 508,195 | 5.37 | 94,636 |
| 1995 | 1,367,919.37 | 939,077 | 711,755 | 656,164 | 6.27 | 104,651 |
| 1996 | 14,418.94 | 9,740 | 7,382 | 7,037 | 6.49 | 1,084 |
| 1997 | 2,320,209.43 | 1,534,819 | 1,163,286 | 1,156,923 | 6.77 | 170,890 |
| 1998 | 7,398,704.24 | 4,768,465 | 3,614,164 | 3,784,540 | 7.11 | 532,284 |
| 1999 | 1,031,170.51 | 642,419 | 486,909 | 544,262 | 7.54 | 72,183 |
| 2001 | 122,375.76 | 69,326 | 52,544 | 69,832 | 8.67 | 8,054 |
| 2002 | 50,892.16 | 27,075 | 20,521 | 30,371 | 9.36 | 3,245 |
| 2003 | 644,013.54 | 318,143 | 241,130 | 402,884 | 10.12 | 39,811 |
| 2005 | 50,000.00 | 20,500 | 15,538 | 34,462 | 11.80 | 2,921 |
| 2006 | 7,909,519.60 | 2,890,929 | 2,191,123 | 5,718,397 | 12.69 | 450,622 |
| 2007 | 6,682,064.26 | 2,134,920 | 1,618,121 | 5,063,943 | 13.61 | 372,075 |
| 2008 | 1,401,159.74 | 381,115 | 288,859 | 1,112,301 | 14.56 | 76,394 |
| 2009 | 69,265.89 | 15,516 | 11,760 | 57,506 | 15.52 | 3,705 |
| 2012 | 760,397.04 | 57,030 | 43,225 | 717,172 | 18.50 | 38,766 |
| 2013 | 348.24 | 9 | 6 | 342 | 19.50 | 18 |
| | 31,826,683.41 | 15,346,319 | 11,631,442 | 20,195,241 | | 2,061,443 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.8 6.48

PECO ENERGY COMPANY
COMMON PLANT

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2013

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUTURE BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|----------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. 15-SQUARE | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 2003 | 481,230.78 | 336,862 | 282,760 | 198,471 | 4.50 | 44,105 |
| 2004 | 13,659.19 | 8,651 | 7,262 | 6,397 | 5.50 | 1,163 |
| 2007 | 20,663.73 | 8,954 | 7,516 | 13,148 | 8.50 | 1,547 |
| 2008 | 29,625.38 | 10,863 | 9,118 | 20,507 | 9.50 | 2,159 |
| 2009 | 18,269.07 | 5,481 | 4,601 | 13,668 | 10.50 | 1,302 |
| 2010 | 511,435.53 | 119,333 | 100,167 | 411,269 | 11.50 | 35,763 |
| 2011 | 22,622.02 | 3,770 | 3,164 | 19,458 | 12.50 | 1,557 |
| 2012 | 67,989.42 | 6,799 | 5,707 | 62,282 | 13.50 | 4,613 |
| 2013 | 443,411.99 | 14,779 | 12,405 | 431,007 | 14.50 | 29,725 |
| | 1,608,907.11 | 515,492 | 432,700 | 1,176,207 | | 121,934 |

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.6 7.58