

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKET NO. R-2008-2028394

PECO Energy Company

Exhibit to Accompany
Direct Testimony of Manus J. McHugh

PECO - Gas Operations
CAP Proposal for Gas Base Rate Case
2008 Budget Annual Cost Analysis - Discounts Reflect Apprise Analysis of 1/1/08

| | Rate GR | CAP A/B | CAP C | CAP D | CAP E | Total CAP Revenue | Total CAP Shortfall |
|---|---------------|---------------------------------------|--------------|--------------|--------------|-------------------|---------------------|
| Average no. of CAP customers (2008 budget) | | 1,680 | 2,468 | 9,180 | 7,151 | 20,479 | |
| Undiscounted Gas Rates: | Budget | | | | | | |
| Monthly customer charge | \$ 7.20 | | | | | | |
| Total for year | \$ 86.40 | | | | | | |
| Distribution component JMCF | \$ 2.83 | | | | | | |
| PGC component (projected)/MCF | \$ 10.12 | | | | | | |
| Total | \$ 12.96 | | | | | | |
| Average annual MCF usage | 87.4 | | | | | | |
| Average annual billings for usage | \$ 1,132.31 | | | | | | |
| Total undiscounted billings/customer | \$ 1,218.71 | | | | | | |
| | | Current CAP Per Bud-let | | | | | |
| Total undiscounted billings | \$ 2,047,434 | \$ 1,219 | \$ 1,219 | \$ 1,219 | \$ 1,219 | \$ 24,957,976 | |
| Average monthly bill/customer | \$ 102 | \$ 102 | \$ 102 | \$ 102 | \$ 102 | | |
| Current CAP Program | | | | | | | |
| Number of customers | | 1,680 | 2,468 | 9,180 | 7,151 | 20,479 | |
| Annual customer charge/customer | \$ | \$ 86.40 | \$ 86.40 | \$ 86.40 | \$ 86.40 | \$ 86.40 | |
| Distribution component per MCF-undiscounted | \$ | \$ 2.83 | \$ 2.83 | \$ 2.83 | \$ 2.83 | \$ 2.83 | |
| Billing factor | | 0 | 0 | 0 | 0.4625 | | |
| CAP distribution MCF rate | \$ | \$ | \$ | \$ | \$ 1.31 | | |
| PGC rate | \$ | \$ 10.12 | \$ 10.12 | \$ 10.12 | \$ 10.12 | | |
| Total bundled CAP MCF rate | \$ | \$ 10.12 | \$ 10.12 | \$ 10.12 | \$ 11.43 | | |
| Per customer annual usage charge | \$ | \$ 884.78 | \$ 884.78 | \$ 884.78 | \$ 999.26 | | |
| Total annual billings/customer | \$ | \$ 971.18 | \$ 971.18 | \$ 971.18 | \$ 1,085.66 | | |
| Total annual billings for class | \$ | \$ 1,631,576 | \$ 2,396,863 | \$ 8,915,400 | \$ 7,763,562 | \$ 20,707,401 | \$ 4,250,575 |
| Average monthly bill | \$ | \$ 81 | \$ 81 | \$ 81 | \$ 90 | | |
| Discount | \$ | \$ 20.63 | \$ 20.63 | \$ 20.63 | \$ 11.09 | | |
| % Discount | | 20.3 | 20.3 | 20.3 | 10.9 | | |
| Proposed CAP Program - Budget | | | | | | | |
| | | Proposed CAP Program - Bud-let | | | | | |
| Total undiscounted billings/customer | | 1,219 | \$ 1,219 | \$ 1,219 | \$ 1,219 | | |
| % Discount | | 0.9 | 0.75 | 0.5 | 0.1 | | |
| Discount | \$ | \$ 1,097 | \$ 914 | \$ 609 | \$ 122 | | |
| Total annual billings/customer-calculated | \$ | \$ 122 | \$ 305 | \$ 609 | \$ 1,097 | | |
| Total annual billings/customer @\$25/mo. min. | \$ | \$ 300 | \$ 300 | \$ 300 | \$ 300 | | |
| Greater of calculated or minimum | \$ | \$ 300 | \$ 305 | \$ 609 | \$ 1,097 | | |
| Total annual billings for class | \$ | \$ 504,000 | \$ 751,945 | \$ 5,593,882 | \$ 7,843,500 | \$ 14,693,327 | \$ 10,264,650 |
| Average monthly bill | \$ | \$ 25 | \$ 25 | \$ 51 | \$ 91 | | |
| Increase over current CAP | | | | | | \$ 6,014,075 | |
| % Collectible | | | | | | 0.87 | |
| Net increase reflecting uncollectible offset | | | | | | \$ 5,232,245 | |