

**BEFORE THE**  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKET NO. R-2008-2028394

PECO Energy Company

Exhibit to Accompany  
**Direct Testimony of Robert L. O'Brien**

**PECO ENERGY COMPANY**  
**FUTURE TEST YEAR ENDED DECEMBER 31, 2008**  
(\$ in Thousands )

**Schedule A-1**  
**Witness: R. O'Brien**  
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**Summary of Measures of Value and Revenue Increase**

Line #	Description	[1]	[2]	PRO FORMA TEST YEAR 2008 AT		
		Function	Reference Section	Present Rates	Increase	Proposed Rates
<b>MEASURE OF VALUE</b>						
1	Utility Plant		C-2	\$ 1,638,506		\$ 1,638,506
2	Accumulated Depreciation		C-3	(534,944)		(534,944)
3	Net Plant in service	L1+L2		1,103,562		1,103,562
4	Working Capital	12,847	C-4	12,847		12,847
5	Gas Storage Inventory		C-5	127,069		127,069
6	Accum Deferred Income Taxes		C-6	(187,842)		(187,842)
7	Customer Deposits		C-7	(11,256)		(11,256)
8	Common Plant		C-8	61,670		61,670
9	Customer Advances for Construction		C-9	(1,897)		(1,897)
10	Materials & Supplies		C-10	152		152
11	TOTAL MEASURE OF VALUE	SumL3toL 10		\$ 1,104,306	\$	\$ 1,104,306
<b>OPERATING REVENUES AND EXPENSES</b>						
<u>Operating Revenues</u>						
12	Base Customer Charges	\$ 875,071	D-2	\$ 210,030	\$ 98,268	\$ 308,298
13	Gas Cost Revenue		D-2	665,041		665,041
14	Other Operating Revenues		D-2	2,313		2,313
15	Total Revenues	Sum L 12 to L 14		877,383	98,268	975,651
16	Operating Expenses		D- 6 to 19	(833,109)	(1,223)	(834,332)
17	OIBIT	L 15 + L 16		44,274	97,045	141,320
18	Income Taxes At Present Rates		D-20	(3,101)		
19	Income Taxes on Rate Increase		D-20		(40,268)	(43,369)
20	NET OPERATING INCOME	Sum L 17 to L 19		\$ 41,174	\$ 56,778	\$ 97,951
21	RATE OF RETURN	L20/L11		3.7285%		8.870%
<b>REVENUE INCREASE REQUIRED</b>						
22	Rate of Return at Present Rates	L 21, Col 4		3.7285%		
23	Rate of Return Required		<b>B-8</b>	8.8700%		
24	Change in ROR	L23-L22		5.1415%		
25	Change in Operating Income	L24*L11		56,778		
26	Gross Revenue Conversion Factor		D-20	1.730745		
27	Change in Revenues	L25*L26		98,268		
28	Percent Increase -- Total Revenues	L27/L1513]			11.20%	

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

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**Balance Sheet**

[1]

Line No	Description/(Account No)	Budget TY 2008
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	1,638,506
2	Other Utility Plant	5,844,102
3	Total Plant In Service	7,482,608
4	Construction Work In Progress (107)	10,731
5	Total Utility Plant	7,493,339
6	Accumulated Provision for Depreciation - Gas (108)	(534,056)
7	Accumulated Provision for Depreciation - Other (119)	(1,889,944)
8	Net Utility Plant	5,069,339
	OTHER PROPERTY INVESTMENTS	
9	Non-utility Property (121)	12,761
10	Accumulated Depreciation on NUP (122)	(2,100)
11	Investment in Associated & Subsidiary Companies (123.1)	
12	Other Investments (124)	77,000
13	Total Other Property and Investments	87,661
	CURRENT AND ACCRUED ASSETS	
14	Cash and Other Temporary Investments (131-136)	23,000
15	Notes Receivable (141)	
16	Customer Accounts Receivable (142)	264,000
17	Other Accounts Receivable (143)	45,000
18	Accum Provision for Uncollectible (144)	(46,000)
19	Accounts Receivable Assoc. Comp. (146)	
20	Fuel Stock (151)	
21	Plant Materials & Supplies (154)	15,000
22	Gas Stored - Current (164.1)	151,000
23	Liquefied Natural Gas Stored (164.2)	11,000
24	Prepayments (165)	15,000
25	Accrued Utility Revenues (173)	67,646
26	Miscellaneous Current & Accrued Assets (171,174)	227,354
27	Total Current and Accrued Assets	773,000
	DEFERRED DEBITS	
28	Unamortized Debt Expense (181)	7,000
29	Other Regulatory Assets (182.3)	2,558,000
30	Miscellaneous Deferred Debits (186)	849,000
31	Unamortized Loss on Reacquired Debt (189)	22,000
32	Accumulated Deferred Income Taxes (190)	
33	Total Deferred Debits	3,436,000
34	<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$ 9,366,000</u></b>

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**Balance Sheet**

[1]

Line No	Description/(Account No)	Budget TY 2008
	PROPRIETARY CAPITAL	
1	Common Stock Issued (201)	1,423,004
2	Preferred Stock Issued (204)	87,472
3	Miscellaneous Paid-in-Capital (211 )	334,915
4	Capital Stock Expense (214)	(87)
5	Retained Earnings (215, 215.2, 216)	451,047
6	Accum Other Comprehensive Income (219)	3,649
	Total Proprietary Capital	2,300,000
	LONG TERM DEBT	
8	Bonds (221)	1,977,839
9	Advances from Associated Companies (223)	1,340,000
10	Other Long-Term Debt (224)	
11	Unamortized Premium on LTD (225)	
12	Unamortized Discount on LTD (226)	<b>(2,839)</b>
13	Total Long-term Debt	3,315,000
	OTHER NON-CURRENT LIABILITIES	
14	Obligations under Capital Leases (227)	44,000
15	Accum. Prov for Injuries & Damages (228.2)	304,000
16	Accum. Prov for Pensions & Benefits (228.3)	45,000
17	Accum. Miscellaneous Operating Prov (228.4)	22,000
18	Total Long-term Debt	415,000
	CURRENT & ACCRUED LIABILITIES	
19	Notes Payable (231)	106,000
20	Accounts Payable (232)	187,000
21	Notes Payable to Assoc. Companies (233)	
22	Accounts Payable to Assoc. Cos (234)	177,000
23	Customer Deposits (235)	65,000
24	Taxes Accrued (236)	12,000
25	Interest Accrued (237)	31,000
26	Dividends Declared (238)	924
27	Tax Collections Payable (241)	
28	Misc Current & Accrued Liabilities (242)	109,076
29	Total Current & Accrued Liabilities	688,000
	OTHER DEFERRED CREDITS	
30	Customer Advances for Construction (252)	5,000
31	Other Deferred Credits (253)	20,000
32	Other Regulatory Liabilities (254)	228,000
33	Deferred ITC (255)	11,000
34	Unamortized Gain on Reacquired Debt (257)	
35	Accumulated Deferred Income Taxes (281-283)	2,384,000
36	Total Other Deferred Credits	2,648,000
37	TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 9,366,000</u>

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**Statement of Net Utility Operating Income**

Line No	Description	[1] Acct No	[2] TY 2008 Per Budget	[3] Reference
<b>Total Operating Revenues</b>				
1	Total Sales Revenues		\$ 830,540	B-3
2	Sales for Resale			B-3
3	Other Operating Revenues		20,388	B-3
4	Total Revenues	400	850,928	
<b>Total Operating Expenses</b>				
	Operation & Maintenance Expenses	401,402	738,484	B-4
	Depreciation Expense	404	27,622	
	Depreciation & Amortization on Common Plant	405	5,442	
	Amortization of Regulatory Assets	405	(765)	
	Taxes Other Than Income Taxes	408.1	6,630	B-5
	Total Operating Expenses		777,413	
11	Operating Income Before Income Taxes (OIBIT)		73,515	
	Income Taxes:			
12	State	409.1,410,411	1,577	B-5
13	Federal	409.1,410,411	13,657	B-5
14	Total Income Taxes		15,234	
15	<b>Net Utility Operating Income</b>		<u>\$ 58,281</u>	

**PECO - Gas Operations**  
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**Statement of Operating Revenues**

[1]

Line No	Description	TY 2008 Budget
	<b>Gas Operating Revenues</b>	
	Sales of Gas	
1	Residential	544,943
2	Small Commercial & Industrial	267,484
3	Large Commercial & Industrial	2,648
4	Transport	15,039
5		
6	Sub-Total Gas Sales	830,114
7		
8	Other Revenues	426
9		
10	Total Sales to Customers	830,540
	<b>Other Operating Revenues</b>	
	Forfeited Discounts/Account 450:	
11	Forfeited Discounts	2,817
12	Other	
13	Total Account 450	2,817
14	Miscellaneous Service Revenues/Account 451	
	Transportation Revenue/Account 454	
15	Transportation For Others	
16	Other	
17		
18	Total Account 454	
	Other Gas Revenues/Account 456:	
19		
20	Company Portion of Off-System Sales	17,571
21		
22	Other	
23		
24		
25	Total Account 456	17,571
26	<b>Total Other Operating Revenues</b>	20,388
27	<b>Total Operating Revenues</b>	<u>\$ 850,928</u>

**PECO - Gas Operations**  
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**Operation and Maintenance Expenses**

[1]

Line No	Description	Account No	TY 2008 Per Budget
<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>			
1	Manufactured Gas Production	710	\$ 1
2	Liquefied Petroleum Gas Expenses	717	99
3	Maintenance of Structures and Improvements	741	66
4	Maintenance of Production Equipment	742	165
5	Manufactured Gas Production Expenses		<u>330</u>
<b>OTHER GAS SUPPLY EXPENSES</b>			
6	Natural Gas City Gate Purchases	804	572,642
7	Liquefied Natural Gas Purchases	804.1	
8	Other Gas Purchases	805	29,477
9	Purchases Gas Cost Adjustments	805.1	(13,103)
10	Exchange Gas	806	
11	Purchased Gas Expenses	807	1,749
12	Gas Withdrawn from Storage-Debit	808.1	186,117
13	Gas Delivered to Storage-Credit	808.2	(138,407)
14	Other Gas Supply Purchases	809.1-813	(8,805)
15	Gas Supply Operation Expenses		629,671
16	TOTAL PRODUCTION AND SUPPLY		630,001
<b>STORAGE EXPENSE</b>			
<b>Storage Operations Expense</b>			
17	Operating Supervision and Engineering	840	222
18	Operation Labor and Expenses	841	697
19	Other Operations Storage Accounts	842-842.3	
20	Storage Operation Expenses		919
<b>Storage Maintenance Expense</b>			
21	Maintenance Supervision and Engineering	843.1	1,128
22	Maintenance of Structures and Improvements	843.2	2,190
23	Other Maintenance Storage Expense	843.3 - 843.9	
24	Storage Maintenance Expenses		3,318
25	TOTALNATURALGASSTORAGE, TERM		4,236
<b>DISTRIBUTION EXPENSE</b>			
<b>Operations Expense</b>			
26	Operation Supervision and Engineering	870	68
27	Mains and Services Expenses	874	7,637
28	Measuring and Regulating Station Expenses-General	875	1,025
29	Measuring and Regulating Station Expenses-City Gate	877	3
30	Meter and House Regulator Expenses	878	3,510
31	Customer Installations Expenses	879	3,455
32	Other Expenses	880	4,104
	Distribution Operation Expenses		19,802

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**Operation and Maintenance Expenses**

Line No	Description	Account No	TY 2008 Per Budget
<b>Maintenance Expense</b>			
33	Maintenance Supervision and Engineering	885	11
34	Maintenance of Mains	887	12,121
35	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	707
36	Maintenance of Services	892	1,709
37	Maintenance of Meters & House Regulators	893	933
38	Maintenance of Other Equipment	894	1,079
39	Distribution Maintenance Expenses		16,559
<b>CUSTOMER ACCOUNTS EXPENSES</b>			
40	Meter Reading Expenses	902	2,560
41	Customer Records & Collection Expenses	903	10,443
42	Uncollectable Accounts	904	8,153
43	Miscellaneous Customer Accounts Expenses	905	6,961
44	Customer Account Operations Expenses		28,117
<b>CUSTOMER SERVICE &amp; INFORM. EXPENSES</b>			
45	Customer Assistance Expenses	908	1,503
46	Informational & Instructional Advertising Expenses	909	363
47	Miscellaneous Customer Service & Informational Exp.	910	39
48	Cust. Service & Inform. Operations Expenses		1,904
<b>SALES EXPENSES</b>			
49	Demonstrating and Selling Expenses	912	827
50	Advertising Expenses	912	45
51	Miscellaneous Sales Expenses	916	143
52	Operation Sales Expenses		1,015
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
53	Administrative and General Salaries	920	8,791
54	Office Supplies and Expenses	921	431
55	Administrative Expenses Transferred-Credit	922	
56	Outside Service Employed	923	12,400
57	Property Insurance	924	
58	Injuries and Damages	925	1,493
59	Employee Pensions and Benefits	926	9,558
60	Franchise Requirements	927	
61	Regulatory Commission Expenses	928	2,595
62	Duplicate Charges-Credit	929	(638)
63	General Advertising Expenses	930.1	295
64	Miscellaneous General Expenses	930.2	993
65	A & G Operation Expenses		35,917
66			
67	Maintenance of General Plant	935	932
68	Total Administrative & General		36,850
69	<b>Total Operation &amp; Maintenance Expenses</b>		<b>\$ 738,484</b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Detail of Taxes**

Line No	Description	<u>Reference</u>	[1] TY 2008 Budget
<b>Taxes Other Than Income Taxes</b>			
<b>Non-revenue related:</b>			
1	PA Real Estate Tax		930
2	Pennsylvania - PURTA		1,380
3	Capital Stock		1,130
4	PA and Local Use taxes		330
5	Miscellaneous Taxes		
6	Subtotal	Sum L 1 to L 5	3,770
<b>Payroll Taxes</b>			
7	FICA		2,610
8	SUTA		200
9	FUTA		20
10	Other		30
11	Subtotal	Sum L 7 to L 10	2,860
<b>Revenue Related:</b>			
12	State Gross Receipts: Pennsylvania		
13	Total Taxes Other Than Income Taxes	L6+L11+L12	\$ <u>6,630</u>
<b>Income Taxes</b>			
14	State		\$ 1,577
15	Federal		13,657
16	Total Income Taxes	L14+L15	\$ <u>15,234</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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<b>Composite Cost of Long-Term Debt</b>						
<u>Line No</u>	<u>Description</u>	<u>[1]</u> Amount <u>Outstanding</u>	<u>[2]</u> Percent to Total	<u>[3]</u> Effective Interest Rate	<u>[4]</u> Average Weighted Cost Rate <u>[2]*[3]</u>	<u>[5]</u> Annualized Cost
<b>First &amp; Refunding Mortgage Bonds - Fixed Rate</b>						
1	5.900% Rate Due 5/1/34	\$ 75,000	3.43%	5.97%	0.20%	
2	4.75% Rate Due 10/1/12	225,000	10.28%	4.94%	0.51%	
3	5.95% Rate Due 11/1/11	250,000	11.42%	6.06%	0.69%	
4	3.50% Rate Due 5/1/08		0.00%	3.63%	0.00%	
5	5.950% Rate Due 10/1/36	300,000	13.71%	6.04%	0.83%	
6	5.70% Rate Due 3/15/37	175,000	8.00%	5.81%	0.46%	
7	5.35% Rate Due 3/1/18	500,000	22.84%	5.47%	1.25%	
8	5.50% Rate Due 9/1/18	300,000	13.71%	5.59%	0.77%	
9	Sub-Total Fixed Rate	1,825,000	<u>83.38%</u>			
<b>First &amp; Refunding Mortgage Bonds o Floating Rate</b>						
10	4.00% Rate Due 2/1/12 - Salem Series A		0.00%	4.65%	0.00%	
11	4.00% Rate Due 12/1/12 - Delaware Series A	50,000	2.28%	4.23%	0.10%	
12	4.00% Rate Due 12/1/12 - Delaware Series B	50,000	2.28%	4.23%	0.10%	
13	4.00% Rate Due 12/1/12 - Delaware Series (3 Sub-Total Variable Rate	50,000 150,000	<u>2.28%</u> <u>6.85%</u>	4.23%	0.10%	
<b>Trust Preferred Capital Securities</b>						
14	7.38% Rate Due 4/6/28	80,521	3.68%	7.46%	0.27%	
15	7.70% Rate Due 4/6/28	805	0.04%	7.70%	0.00%	
16	5.75% Rate Due 6/15/33	103,093	4.71%	5.84%	0.28%	
17	Sub-Total Capital Securities	184,419	<u>8.43%</u>			
18	Total Long-Term Debt	2,159,419	98.66%			
19	Adjustment for Tenders & Calls	(30,514)	-1.39%			
20	Net Long-Term Debt	2,128,905	97.26%			
<b>Short-Term Debt</b>						
21	Short-Term Debt included for Capital Structure	59,952	<u>2.74%</u>	3.45%	0.09%	
22	TOTAL	<u>\$ 2,188,857</u>	<u>100.00%</u>			<u>\$ 126,627</u>
23	Weighted Cost of Debt				5.79%	

**PECO - Gas Operations**  
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**Composite Cost of Preferred Stock**

<u>Line No</u>	Description	[1] <u>Principal Amount Outstanding</u>	[2] <u>Percent To Total</u>	[3] <u>Effective Cost Rate</u>	[4] <u>Weighted Cost Rate</u>
1	4.40% Series, Issued 12-1-41	22,650	25.89%	4.40%	1.14%
2	4.40% Series, Issued 3-1-42	4,822	5.51%	4.03%	0.22%
3	3.80% Series, Issued 12-5-46	30,000	34.30%	3.80%	1.30%
4	4.30% Series, Issued 2-5-48	15,000	17.15%	4.44%	0.76%
5	4.68% Series, Issued 5-14-53	15,000	17.15%	4.76%	0.82%
	Total Preferred Stock (Sum Line 1 to Line 5)	87,472	100.00%		4.24%
7	Adjustment for Tenders & Calls	(2,113)			
8	Net Preferred Stock (Sum Line 6 + Line 7)	<u>\$ 85,359</u>			
9	Annualized Cost	\$ 3,709			
10	Adjustment for Tenders and Calls On Redeemed Stock	355			
11	Total Cost	<u>\$ 4,064</u>			
12	Total Weighted Cost Rate (Line 11 / Line 8)				4.76%

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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 (\$ in Thousands)

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Rate of Return

[1] [2] [3] [4] [5]

Line No	Description	Capitalization	Capitalization Ratio	Embedded Cost	Statement Reference	Return-%
	Long-Term Debt	2,188,857	43.95%	5.79%	B-6	2.54%
	Preferred Stock	85,359	1.71%	4.76%	B-7	0.08%
	Common Equity	2,706,476	54.34%	11.50%		6.25%
	Total	<u>\$ 4,980,692</u>	100.00%			8.87%

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**Measures of Value**

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Reference Schedule	# of Pages	Present Rates	Adjustments	Proposed Rates
<b>MEASURE OF VALUE</b>							
1	Utility Plant		C-2	1	1,638,506	\$	1,638,506
2	Accumulated Depreciation		C-3	1	(534,944)		<u>(534,944)</u>
3	Net Plant in service	LI+L2			1,103,562		1,103,562
4	Working Capital		C-4	<b>15</b>	12,847		12,847
5	Gas Storage Inventory		C-5	1	127,069		127,069
6	Accum Deferred Income Taxes		C-6	1	(187,842)		(187,842)
7	Customer Deposits		C-7	1	(11,256)		(11,256)
8	Common Plant		C-8	1	61,670		61,670
9	Customer Advances for Construction		C-9	1	(1,897)		(1,897)
10	Materials & Supplies		C-10	1	152		152
11	TOTAL MEASURE OF VALUE	SumL 3toL10			1,104,306	\$ -	\$ <u>1,104,306</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**Pro Forma Gas Plant in Service**

Line No	Description	[1] Account No	[2] Pro Forma Future TY 2008
<b>Gas Plant in Service</b>			
INTANGIBLE PLANT			
1	Organization	301	\$
2	Franchise & Consent	302	50
3	Miscellaneous Intangible Plant	303	4,212
4	TOTAL INTANGIBLE		4,262
PRODUCTION PLANT			
5	Land and land rights	304	
6	Structures, Improvements	305	872
7	Liquefied Petroleum Gas Equip	311	13,442
8	TOTAL PRODUCTION PLANT		14,314
OTHER STORAGE PLANT			
9	Land and land rights	360	16
10	Structures, Improvements	361	6,019
11	Gas Holders	362	7,194
12	Other Storage & Processing Equipment	363	21,340
	TOTAL OTHER STORAGE PLANT		34,569
DISTRIBUTION PLANT			
13	Land and land rights	374	2,949
14	Structures, Improvements	375	14,491
15	Mains	376	815,060
16	Compressor Station Equipment	377	
17	Measuring & Regulating Station Eq -General	378	12,670
18	Measuring & Regulating Station Eq -City Gate	379	37,295
19	Services	380	499,886
20	Meters	381	63,706
21	Meter Installations	382	122,819
22	Other Equipment	387	3,500
23	Asset Retirement Cost	388	1,319
24	TOTAL DISTRIBUTION PLANT		1,573,695
GENERAL PLANT			
25	Land and land rights	389	
26	Structures, improvements	390	5,939
27	Office Furniture & Equipment	391	30
28	Tools & Garage Equipment	394	3,529
29	Laboratory Equipment	395	1,935
30	Power Operated Equipment	396	
31	Miscellaneous Equipment	398	172
32	Other Tangible Property	399	61
33	TOTAL GENERAL		11,666
<b>34</b>	<b>Total Gas Plant in Service - Accounts 101 &amp; 106</b>		<b><u>\$ 1,638,506</u></b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule C-2**  
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**Pro Forma Plant Adjustment Summary**

<u>Line #</u>	<u>Description</u>	[1] <u>Schedule</u>	[2] Test Year 2008 Budget	[3] <u>Adjustments</u>	[4] Test Year As Adjusted Budget
1	INTANGIBLE PLANT	Sec. C-2, Sch 2	\$ 4,262		\$ 4,262
2	PRODUCTION PLANT	Sec. Co2, Sch 2	14,314		14,314
3	OTHER GAS PRODUCTION PLANT	Sec. C-2, Sch 2			
4	OTHER STORAGE PLANT	Sec. C-2, Sch 2	34,569		34,569
5	DISTRIBUTION PLANT	Sec. C-2, Sch 2	1,573,695		1,573,695
6	GENERAL PLANT	Sec. C-2, Sch 2	11,666		11,666
7	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 6)	<b>1,638,506</b>		1,638,506
8	COMPLETED - NOT CLASSIFIED	G/L a/c # 106			
9	OTHER				
10	PLANT-IN-SERVICE	Sum (L 7 to L 9)	<b>1,638,506</b>		<b>1,638,506</b>
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107			
12	OTHER				
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<b><u>\$ 1,638,506</u></b>		<b><u>\$ 1,638,506</u></b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31 , 2008**  
**(\$ in Thousands)**

**Schedule**  
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**Pro Forma Year End 2008 Plant Balances**

Line #	<u>Description</u>	[1] <u>Account Number</u>	[2] Year End Amount	[3] 2008 <u>Pro Forma Adjustment</u>	[4] Pro Forma Test Year Balance [2]+[3]
<b>INTANGIBLE PLANT</b>					
1	Organization	301		\$	\$
2	Franchise & Consent	302	50		50
3	Miscellaneous Intangible Plant	303	4,212		4,212
4	TOTAL INTANGIBLE	Sum L1toL3	4,262		4,262
<b>PRODUCTION PLANT</b>					
5	Land and land rights	304			
6	Structures, Improvements	305	872		872
7	Liquefied Petroleum Gas Equip	311	13,442		13,442
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	14,314		14,314
<b>OTHER GAS PRODUCTION PLANT</b>					
9	Land and land rights	340			-
10	Structures, Improvements	341			-
11	Misc Power Plant Equipment	346			-
12	OTHER PRODUCTION	Sum L 9 to L 11			-
13	TOTAL PRODUCTION PLANT	(LS+L12)	14,314		14,314
<b>OTHER STORAGE PLANT</b>					
14	Land and land rights	360	16		16
15	Structures, Improvements	361	6,019		6,019
16	Gas Holders	362	7,194		7,194
17	Purification Equipment	363	769		769
18	Liquefaction Equipment	363.1	8,639		8,639
19	Vaporizing Equipment	363.2	2,308		2,308
20	Compressor Equipment	363.3	1,930		1,930
21	Measuring and Regulating Equipment	363.4	1,120		1,120
22	Other Equipment	363.5	6,574		6,574
23	Asset Retirement Costs				
24					
25					
26					
27	TOTAL OTHER STORAGE PLANT	Sum L 14 to L 26	34,569		34,569

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31 , 2008**  
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**Pro Forma Year End 2008 Plant Balances**

Line #	<u>Description</u>	[1] Account Number	[2] Year End Amount	[3] 2008 Pro Forma Adjustment	[4] Test Year Balance [2]+[3]
<b>DISTRIBUTION PLANT</b>					
28	Land and land rights	374	2,949		2,949
29	Structures, Improvements	375	14,491		14,491
30	Mains	376	815,060		815,060
31	Compressor Station Equipment	377			
32	Measuring & Regulating Station Eq -General	378	12,670		12,670
33	Measuring & Regulating Station Eq -City Gate	379	37,295		37,295
34	Services	380	499,886		499,886
35	Meters	381	63,706		63,706
36	Meter Installations	382	122,819		122,819
37	House Regulators & Installations	383/84			
38	Industrial Measuring & Station Equip	385			
39	Other Property on Customer Premises	386			
40	Other Equipment	387	3,500		3,500
41	Asset Retirement Cost	388	1,319		
42					
43	<b>TOTAL DISTRIBUTION PLANT</b>	Sum L 28 to L 42	<u>1,573,695</u>		1,573,695
<b>GENERAL PLANT</b>					
44	Land and land rights	389		-	
45	Structures, Improvements	390	5,939	-	5,939
46	Office Furniture & Equipment	391	30	-	30
47	Transportation Equipment	392		-	
48	Stores Equipment	393		-	
49	Tools & Garage Equipment	394	3,529	-	3,529
50	Laboratory Equipment	395	1,935	-	1,935
51	Power Operated Equipment	396		-	
52	Communications Equipment	397		-	
53	Miscellaneous Equipment	398	172		172
54	Other Tangible Property	399	61		61
55					
56					
57	<b>TOTAL GENERAL</b>	Sum L 44 to L 56	11,666		11,666
58	<b>SUB-TOTAL</b> (L4+L13+L27 L43+L57)		1,638,506		1,638,506
59	Closed Plant Not Classified	106			
60	<b>TOTAL PLANT IN SERVICE</b>	L 58 + L 59	<u>\$ 1,638,506</u>	<u>\$</u>	<u>\$ 1,638,506</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
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**Additions to Plant 2008**

Line #	Description	[1] Account Number	[2] Budget	[3] Additions to Plant 2008 Pro Forma Adjustments	[4] Other
Pro Forma Adjustment Amount					
<b>INTANGIBLE PLANT</b>					
1	Organization	301	\$	\$	
2	Franchise & Consent	302			
3	Miscellaneous Intangible Plant	303			
4	TOTAL INTANGIBLE	SumL1toL3			
<b>PRODUCTION PLANT</b>					
5	Land and land rights	304	-		
6	Structures, Improvements	305	-		
7	Liquefied Petroleum Gas Equip	311	-		
8	TOTAL PRODUCTION PLANT	SumL5toL7	-		
<b>OTHER GAS PRODUCTION PLANT</b>					
9	Land and land rights	340	-		
10	Structures, Improvements	341	-		
11	Misc Power Plant Equipment	346	-		
12	OTHER PRODUCTION	Sum L9to L 11	-		
13	TOTAL PRODUCTION PLANT	(L8+L12)			
<b>OTHER STORAGE PLANT</b>					
14	Land and land rights	360			
15	Structures, Improvements	361	44		
16	Gas Holders	362	112		
17	Purification Equipment	363	56		
18	Liquefaction Equipment	363.1	471		
19	Vaporizing Equipment	363.2	145		
20	Compressor Equipment	363.3	26		
21	Measuring and Regulating Equipment	363.4			
22	Other Equipment	363.5	228		
23	Asset Retirement Costs				
24					
25					
26					
27	TOTAL OTHER STORAGE PLANT	SumL 14to L 26	1,082		

**PECO - Gas Operations**  
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**Additions to Plant 2008**

Line #	Description	[1] Account Number	[2] Budget	[3] Additions to Plant 2008 Pro Forma Adjustments	[4] Other
<b>DISTRIBUTION PLANT</b>					
28	Land and land rights	374		59	
29	Structures, Improvements	375		69	
30	Mains	376	30,197		
31	Compressor Station Equipment	377			
32	Measuring & Regulating Station Eq -General	378	370		
33	Measuring & Regulating Station Eq -City Gate	379	1,200		
34	Services	380	21,069		
35	Meters	381	1,513		
36	Meter Installations	382	3,541		
37	House Regulators & Installations	383/84			
38	Industrial Measuring & Station Equip	385			
39	Other Property on Customer Premises	386			
40	Other Equipment	387	699		
41	Asset Retirement Cost	388			
42					
43	TOTAL DISTRIBUTION PLANT	Sum L 28 to L 42	58,717		
<b>GENERAL PLANT</b>					
44	Land and land rights	389			
45	Structures, Improvements	390	745		
46	Office Furniture & Equipment	391	1		
47	Transportation Equipment	392			
48	Stores Equipment	393			
49	Tools & Garage Equipment	394	423		
50	Laboratory Equipment	395			
51	Power Operated Equipment	396			
52	Communications Equipment	397			
53	Miscellaneous Equipment	398			
54	Other Tangible Property	399			
55					
56					
57	TOTAL GENERAL	Sum L 44 to L 56	1,171		
58	SUB-TOTAL (L4+L13+L27 L43+L57)		60,970		
59	Closed Plant Not Classified	106			
60	TOTAL PLANT IN SERVICE	L 58 + L 59	<u>\$ 60,970</u>	<u>\$</u>	\$

**PECO - Gas Operations  
 Before The Pennsylvania Public Utility Commission  
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**Retirements for 2008**

Line #	<u>Description</u>	[1] Account Number	[2] Budget	[3] Retirements Adjustments
<b>INTANGIBLE PLANT</b>				
1	Organization	301		
2	Franchise & Consent	302		
3	Miscellaneous Intangible Plant	303		
4	TOTAL INTANGIBLE	Sum L 1 to L 3		
<b>PRODUCTION PLANT</b>				
5	Land and land rights	304		
6	Structures, Improvements	305		
7	Liquefied Petroleum Gas Equip	311		
8	TOTAL PRODUCTION PLANT	Sum LStoL7		
<b>OTHER GAS PRODUCTION PLANT</b>				
9	Land and land rights	340		
10	Structures, Improvements	341		
11	Misc Power Plant Equipment	346		
12	QTHER PRQDUCTIQN	Sum L 9to L 11		
13	TOTAL PRODUCTION PLANT	(L8+L12)		
<b>OTHER STORAGE PLANT</b>				
14	Land and land rights	360		
15	Structures, Improvements	361		12
16	Gas Holders	362		2
17	Purification Equipment	363		1
18	Liquefaction Equipment	363.1		126
19	Vaporizing Equipment	363.2		15
20	Compressor Equipment	363.3		2
21	Measuring and Regulating Equipment	363.4		
22	Other Equipment	363.5		41
23	Asset Retirement Costs			
24				
25				
26				
27	TOTAL OTHER STORAGE PLANT	Sum L 14 to L26	199	

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**Retirements for 2008**

Line #	Description	[1] Account Number	[2] Budget	[3] Retirements Adjustments
<b><u>DISTRIBUTION PLANT</u></b>				
28	Land and land rights	374		
29	Structures, Improvements	375	14	
30	Mains	376	1,479	
31	Compressor Station Equipment	377		
32	Measuring & Regulating Station Eq -General	378	42	
33	Measuring & Regulating Station Eq -City Gate	379	51	
34	Services	380	1,671	
35	Meters	381		
36	Meter Installations	382	15	
37	House Regulators & Installations	383/84		
38	Industrial Measuring & Station Equip	385		
39	Other Property on Customer Premises	386		
40	Other Equipment	387	202	
41	Asset Retirement Cost	388		
42				
43	TOTAL DISTRIBUTION PLANT	Sum L 28 to L 42	3,474	
<b><u>GENERAL PLANT</u></b>				
44	Land and land rights	389		
45	Structures, Improvements	390	80	
46	Office Furniture & Equipment	391		
47	Transportation Equipment	392		
48	Stores Equipment	393		
49	Tools & Garage Equipment	394		
50	Laboratory Equipment	395	268	
51	Power Operated Equipment	396		
52	Communications Equipment	397		
53	Miscellaneous Equipment	398		
54	Other Tangible Property	399		
55				
56				
57	TOTALGENERAL	Sum L44 to L 56	348	
58	SUB-TOTAL (L4+L13+L27 L43+L57)		4,021	
59	Closed Plant Not Classified	106		
60	TOTAL PLANT IN SERVICE	L 58 + L 59	\$ 4,021	\$

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Accumulated Provision for Depreciation**

Line No	Description	[1] Account No	[2] Pro Forma TY 2008
<b>Gas Plant in Service</b>			
INTANGIBLE PLANT			
1	Organization	301	
2	Franchise & Consent	302	
3	Miscellaneous Intangible Plant	303	4,055
4	TOTAL INTANGIBLE		4,055
PRODUCTION PLANT			
5	Land and land rights	304	
6	Structures, Improvements	305	592
7	Liquefied Petroleum Gas Equip	311	10,869
8	TOTAL PRODUCTION PLANT		11,461
OTHER STORAGE PLANT			
9	Land and land rights	360	
10	Structures, Improvements	361	3,775
11	Gas Holders	362	6,638
12	Other Storage & Processing Equipment	363	12,235
	TOTAL OTHER STORAGE PLANT		22,648
DISTRIBUTION PLANT			
13	Land and land rights	374	
14	Structures, Improvements	375	4,341
15	Mains	376	232,201
16	Compressor Station Equipment	377	
17	Measuring & Regulating Station Eq -General	378	5,079
18	Measuring & Regulating Station Eq -City Gate	379	16,495
19	Services	380	166,862
20	Meters	381	24,932
21	Meter Installations	382	42,793
22	Other Equipment	387	117
23	Asset Retirement Cost	388	617
24	TOTAL DISTRIBUTION PLANT		493,437
GENERAL PLANT			
25	Land and land rights	389	
26	Structures, Improvements	390	1,663
27	Office Furniture & Equipment	391	16
28	Tools & Garage Equipment	394	820
29	Laboratory Equipment	395	674
30	Power Operated Equipment	396	
31	Miscellaneous Equipment	398	109
32	Other Tangible Property	399	61
33	TOTAL GENERAL		3,343
<b>34</b>	<b>Total Gas Plant in Service - Accounts 101 &amp; 106</b>	<b>\$</b>	<b><u>534,944</u></b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

**Summary of Accumulated Depreciation**

Line #	Description	[1] <u>Account Number</u>	[2] Budget at 12/31/08	[3] Year Ended 12-31-08 <u>Pro Forma Adjustments</u>	[4] Pro Forma 12/31/08
1	INTANGIBLE PLANT		\$ 4,055		4,055
2	PRODUCTION PLANT		11,461		11,461
3	OTHER GAS PRODUCTION PLANT				
4	OTHER STORAGE PLANT		22,648		22,648
5	DISTRIBUTION PLANT		493,437		493,437
6	GENERAL PLANT		3,343		3,343
7					
	ACCUMULATED DEPRECIATION	SumL1toL7	534,944		534,944
<b>9</b>					
10	OTHER UTILITY PLANT				
11	TRANSPORTATION				
12	TOTAL ACCUMULATED DEPRECIATION	SumL9toL11	534,944		534,944
13	ACCUMULATED AMORTIZATION				
14	TOTAL ACC DEPR & AMORTIZATION	L12+L13	<u>\$ 534,944</u>		<u>\$ 534,944</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Accumulated Depreciation by FERC Account**

Line #	Description	Account Number	[2] Budget at 12/31/08	[3] Year Ended 12-31-08 Pro Forma Adjustments	[4] Pro Forma 12/31/08 [2]+[3]
<b>INTANGIBLE PLANT</b>					
1	Organization	301		\$	\$
2	Franchise & Consent	302			
3	Miscellaneous Intangible Plant	303	4,055		4,055
4	TOTAL INTANGIBLE	Sum L 1 to L 3	<u>4,055</u>		4,055
<b>PRODUCTION PLANT</b>					
5	Land and land rights	304			
6	Structures, Improvements	305	592		592
7	Liquefied Petroleum Gas Equip	311	10,869		10,869
8	TOTAL PRODUCTION PLANT	Sum L 5 to L 7	<u>11,461</u>		11,461
<b>OTHER GAS PRODUCTION PLANT</b>					
9	Land and land rights	340			-
10	Structures, Improvements	341			-
11	Misc Power Plant Equipment	346			-
12	OTHER PRODUCTION	SumL9toL11			-
13	TOTAL PRODUCTION PLANT	(L8+L12)	11,461		11,461
<b>OTHER STORAGE PLANT</b>					
14	Land and land rights	360			
15	Structures, Improvements	361	3,775		3,775
16	Gas Holders	362	6,638		6,638
17	Purification Equipment	363	485		485
18	Liquefaction Equipment	363.1	4,152		4,152
19	Vaporizing Equipment	363.2	1,564		1,564
20	Compressor Equipment	363.3	833		833
21	Measuring and Regulating Equipment	363.4	730		730
22	Other Equipment	363.5	4,471		4,471
23	Asset Retirement Costs				
24					
25					
26					
27	TOTAL OTHER STORAGE PLANT	Sum L 14to L 26	22,648		22,648

**PECO - Gas Operations**  
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**(\$ in Thousands)**

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**Accumulated Depreciation by FERC Account**

Line #	<u>Description</u>	<u>Account Number</u>	[2] Budget at 12/31/08	[3] Year Ended 12-31-08 Pro Forma Adjustments	[4] Pro Forma 12/31/08 [2]+[3]
<b>DISTRIBUTION PLANT</b>					
28	Land and land rights	374		-	
29	Structures, Improvements	375	4,341	-	4,341
30	Mains	376	232,201	-	232,201
31	Compressor Station Equipment	377		-	
32	Measuring & Regulating Station Eq -General	378	5,079		5,079
33	Measuring & Regulating Station Eq -City Gate	379	16,495		16,495
34	Services	380	166,862		166,862
35	Meters	381	24,932		24,932
36	Meter Installations	382	42,793		42,793
37	House Regulators & Installations	383/84			
38	Industrial Measuring & Station Equip	385			
39	Other Property on Customer Premises	386			
40	Other Equipment	387	117	-	117
41	Asset Retirement Cost	388	617	-	617
42				-	
43	<b>TOTAL DISTRIBUTION PLANT</b>	Sum L 28 to L 42	<u>493,437</u>		493,437
<b>GENERAL PLANT</b>					
44	Land and land rights	389			
45	Structures, Improvements	390	1,663		1,663
46	Office Furniture & Equipment	391	16		16
47	Transportation Equipment	392			
48	Stores Equipment	393			
49	Tools & Garage Equipment	394	820		820
50	Laboratory Equipment	395	674		674
51	Power Operated Equipment	396			
52	Communications Equipment	397			
53	Miscellaneous Equipment	398	109		109
54	Other Tangible Property	399	61		61
55					
56					
57	<b>TOTAL GENERAL</b>	Sum L 44 to L 56	3,343		3,343
58	<b>SUB-TOTAL</b> (L4+L13+L27 L43+L57)		534,944		534,944
59	Closed Plant Not Classified	106			
60	<b>TOTAL PLANT IN SERVICE</b>	L 58 + L 59	<u>\$ 534,944</u>		<u>\$ 534,944</u>

**PECO - Gas Operations**  
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**Cost of Removal 2008**

[2]

[3]

Budgeted  
For  
12/31/08

Line #	Description	Account Number	
<u>INTANGIBLE PLANT</u>			
1	Organization	301	
2	Franchise & Consent	302	
3	Miscellaneous Intangible Plant	303	
4	TOTAL INTANGIBLE	SumL1toL3	
<u>PRODUCTION PLANT</u>			
5	Land and land rights	304	
6	Structures, Improvements	305	
7	Liquefied Petroleum Gas Equip	311	
8	TOTAL PRODUCTION PLANT	SumL5toL7	
<u>OTHER GAS PRODUCTION PLANT</u>			
9	Land and land rights	340	
10	Structures, Improvements	341	
11	Misc Power Plant Equipment	346	
12	OTHER PRODUCTION	Sum L9 to L 11	
13	TOTAL PRODUCTION PLANT	(L8+L12)	
<u>OTHER STORAGE PLANT</u>			
14	Land and land rights	360	
15	Structures, Improvements	361	7
16	Gas Holders	362	10
17	Purification Equipment	363	5
18	Liquefaction Equipment	363.1	44
19	Vaporizing Equipment	363.2	14
20	Compressor Equipment	363.3	2
21	Measuring and Regulating Equipment	363.4	
22	Other Equipment	363.5	19
23	Asset Retirement Costs		
24			
25			
26			
27	TOTAL OTHER STORAGE PLANT	Sum L 14to L 26	101

**PECO - Gas Operations**  
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**Cost of Removal 2008**

Line #	<u>Description</u>	[1] Account Number	[2]	[3] Budgeted For 12/31/08
<b>DISTRIBUTION PLANT</b>				
28	Land and land rights	374		
29	Structures, Improvements	375		<b>18</b>
30	Mains	376		737
31	Compressor Station Equipment	377		
32	Measuring & Regulating Station Eq -General	378		4
33	Measuring & Regulating Station Eq -City Gate	379		52
34	Services	380		1,980
35	Meters	381		
36	Meter Installations	382		167
37	House Regulators & Installations	383/84		
38	Industrial Measuring & Station Equip	385		
39	Other Property on Customer Premises	386		
40	Other Equipment	387		63
41				
42				
43	TOTAL DISTRIBUTION PLANT	Sum L 28 to L 42		3,021
 <b>GENERAL PLANT</b>				
44	Land and land rights	389		
45	Structures, Improvements	390		32
46	Office Furniture & Equipment	391		
47	Transportation Equipment	392		
48	Stores Equipment	393		
49	Tools & Garage Equipment	394		
50	Laboratory Equipment	395		
51	Power Operated Equipment	396		
52	Communications Equipment	397		
53	Miscellaneous Equipment	398		
54	Other Tangible Property	399		
55				
56				
57	TOTAL GENERAL	Sum L 44 to L 56		37
58	SUB-TOTAL			3,159
59	Closed Plant Not Classified			
60	TOTAL ACCUMULATED DEPRECIATION	L 58 + L 59	\$	3,159

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**Working Capital**

Line No	Description	[1] Future TY 2008	[2] Reference
1	Operation & Maintenance Expenses	\$ 19,110	C-4, Page 2
2	Average Prepayments	2,248	C-4, Page 15
3	Accrued Taxes	(5,159)	C-4, Page 6
4	Interest Payments	(3,357)	C-4, Page 7
5	Preferred Dividend Payments	<u>5</u>	C-4, Page 8
6	Total Cash Working Capital Requirements	<u>\$ 12,847</u>	

**PECO - Gas Operations**  
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**Summary of Working Capital**

Line #	Description	[1] Reference	[2] Test Year Expenses	[3] Factor	[4] Number of (Lead) / Lag Days [2]*[3]	[5] Totals
<b>WORKING CAPITAL REQUIREMENT</b>						
1	REVENUE LAG DAYS	P 3				47.65
2	EXPENSE LAG DAYS					
3	Payroll	P 4, L 5	\$ 33,698	16.00	539,163	
4	Pension Expense	P 4, L 15	2,248	29.75	66,866	
5	Purchased Gas Costs	P 4, L 16	665,041	39.65	26,366,615	
6	Other Expenses	P 4, L17 to 20	74,079	40.26	2,982,416	
7	Total	sum (L 3 to L 6)	<u>\$ 775,065</u>		<u>\$ 29,955,059</u>	
8	O & M Expense Lag Days	L7, C 4 ! C 2				38.65
9	Net (Lead) Lag Days	L1-L8				9.00
10	Operating Expenses Per Day	L7, C 2/365				<u>\$ 2,123</u>
11	Working Capital for O & M Expense	L 9 * L 10				19,110
12	Average Prepayments	P 15				2,248
13	Accrued Taxes	P 6				(5,159)
14	Interest Payments	P 7				(3,357)
15	Preferred Dividend Payments	P 8				5
16	Total Working Capital Requirement Sum (L 11 to L 15)					<u>\$ 12,847</u>
17	Pro Forma O & M Expense		\$ 786,028			
18	Less:					
19	Power Purchased for Resale					
20	Uncollectible Expense		10,963			
21	Other					
22	Sub-Total	Sum (L 18 to L 21)	10,963			
23	Pro Forma Cash O&M Expense	L 17 - L22	<u>\$ 775,065</u>			

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**Revenue Lag**

Line No. Description	[1] Reference Or Factor	[2] Accounts Receivable Balance <u>End of Month</u>	[3] Total Monthly Sales	[4] A/R Turnover [3]/[2]	[5] Days Lag 365/[4]
					365
	Annual Number of Days				
2		64,123			
3		83,208	103,734		
4		116,504	143,652		
5		110,996	131,350		
6		81,146	78,078		
7		52,999	46,242		
8		42,178	24,514		
9		34,278	21,361		
10		31,407	19,253		
11		31,001	20,183		
12		31,148	22,235		
13		43,454	45,017		
14		76,175	106,059		
15	Total	Sum L 2 to L 14 \$798,617			
16	Average A/R Balance	13			
17	Factor	\$61,432	761,678	12.40	29.44
18	Collection Days Lag (L 17 [ 5 ])				29.44
19	Billing Calculation and mailing days lag				3.00
20	Billing Lag (Mid-Point of Service Period)	365	12	0.5	15.21
21	Total Revenue Lag Days	Sum L 18 to L 20			<b>47.65</b>

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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 Da- s [4]/[2]
<b>PAYROLL</b>					
1	Union & Non-Union Payroll	\$ 31,920			
2	Paid Bi-Weekly with nine-day lag (14 days / 2 + 9 days)		16.00		
3	Weighted Payroll Dollar Value			510,720	
4					
5	Payroll Lag	Sum L 1 to L 4 <u>\$ 31,920</u>		<u>\$ 510,720</u>	16.00
<b>PENSION EXPENSE</b>					
6	Total Expenditure	\$ 3,048			
7	Capitalized at	26.26% (800)			
8	Pension Payment to Expense	<u>\$ 2,248</u>			
9	First Payment	15-Apr \$ 562	(77.0)	\$ (43,266)	
10	Second Payment	15-Jul 562	14.0	7,867	
11	Third Payment	15-Sep 562	76.0	42,704	
12	Final Payment	15-Oct 562	106.0	<u>59,561</u>	
13	Sub-To-1	<u>\$ 2,248</u>		<u>\$ 66,866</u>	
14	Mid-point of Service Period	1-Jul			
15	Lag Days for Pension Payment	L 13 col 4 / col 2			29.75
<b>PURCHASED GAS EXPENSES</b>					
16	Calculated PaymentLag	<u>\$ 541,883</u>		<u>\$ 21,483,793</u>	39.65
<b>OTHER O &amp; M EXPENSES</b>					
17	OCTOBER 2006	Sch 3, P2 \$ 7,362,138		\$ 292,112,385	
18	JANUARY 2007	Sch 3, P2 6,913,534		296,674,488	
19	APRIL 2007	Sch 3, P2 5,475,905		204,438,974	
20	JULY 2007	Sch 3, P2 5,517,968		224,089,422	
21	TOTAL	Sum L 17 to L 20 25,269,546		1,017,315,270	40.26

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**General Disbursements Lag**

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Da-,s	[4] Expense Lag-Days <u>[3]/[2]</u>
<b>OCTOBER 2006</b>					
<u>1</u>	Total Disbursements for Month	14,700	<u>\$ 82,026,731</u>		
2	Total Disbursements for Expenses	1,046	<u>\$ 7,362,138</u>	<u>\$ 292,112,385</u>	39.68
<b>JANUARY 2007</b>					
<u>3</u>	Total Disbursements for Month	13,488	<u>\$141,689,828</u>		
4	Total Disbursements for Expenses	959	<u>\$ 6,913,534</u>	<u>\$ 296,674,488</u>	42.91
<b>APRIL 2007</b>					
<u>5</u>	Total Disbursements ~r Month	14,055	<u>\$ 82,026,731</u>		
6	Total Disbursements for Expenses	921	<u>\$ 5,475,905</u>	<u>\$ 204,438,974</u>	37.33
<b>JULY 2007</b>					
<u>7</u>	Total Disbursements ~r Month	13,488	<u>\$141,689,828</u>		
8	Total Disbursements for Expenses	935	<u>\$ 5,517,968</u>	<u>\$ 224,089,422</u>	40.61
<b><u>TOTAL FOUR TEST MONTHS</u></b>					
9	Total Test Month Expense Disbursement	3,861	<u>\$ 25,269,546</u>	<u>\$1,017,315,270</u>	40.26

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**Accrued Taxes**

<u>Line</u> <u>No.</u> Description	Reference Or Factor	[1] Pro Forma Proposed Rate Amount	[2] 12-Month Accrued Factor	[3] Accrued Taxes [2]*[3]
1	Federal Income Taxes	\$ 35,018	-13.11%	\$ (4,591)
2	PA Income Tax	8,350	-11.03%	(921)
3	PA Property Taxes	930	25.95%	241
4	PA Capital Stock Tax	739	-11.03%	(81)
5	PA Public Utility Realty Tax	1,380	13.97%	193
6	<b>Total</b>		Sum L 1 to L 5	(5,159)

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**Interest Payments**

Line No. Description	[1] Reference Or Factor	[2] # of Da~s	[3] # of Da~s	[4] Total
1 Measures of Value at December 31,2008				\$1,104,306
2 Long-term Debt Ratio				43.95%
3 Embedded Cost of Long-term Debt				5.79%
4 Pro forma Interest Expense	L1*L2*L3			<u>\$ 28,101</u>
5 Daily Amount	L4/L512]	365		<b>\$ 77</b>
6 Days to mid-point of semi-annual interest payments			91.25	
7 Less: Revenue Lag Days			47.65	
Interest Payment lag days	L7-L6			(43.60)
9 Total Interest for Working Capital	L5*L8			<u>S (3,357)</u>

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**Preferred Stock Payments**

<u>Line No. Description</u>	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1 Measures of Value at December 31, 2008				\$1,104,306
2 Preferred Stock Ratio				1.71%
3 Embedded Cost of Preferred Stock				4.76%
4 Pro forma Dividend Expense	L1 *L2*L3			<u>\$ 899</u>
5 Daily Amount	L 4 / L 5 [2]	365		
6 Days to mid-point of quarterly Dividend payments			45.63	
7 Less: Revenue Lag Days			47.65	
Dividend Payment lag days	L7-L6			2.03
9 Total Dividend for Working Capital	L5*L8			<u>\$ 5</u>

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Average Percent of Federal Income Tax Available after Payout

Line #	Description	[1] TOTAL	[2] Jan	[3] Feb	[4] Mar	[5] Apr	[6] May	[7] Jun	[8] Jul	[9] Aug	[10] Sep	[11] Oct	[12] Nov	[13] Dec
<b><u>PRIOR YEAR AVAILABLE IN CURRENT YEAR</u></b>														
1	Cumulative Collections		97.08%	97.89%	98.55%	99.10%	99.55%	99.85%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available ( Line 1 - Line 2 )	<u>-7.99%</u>	<u>-2.92%</u>	<u>-2.11%</u>	<u>-1.45%</u>	<u>-0.90%</u>	<u>-0.45%</u>	<u>-0.15%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>	<u>0.00%</u>
<b><u>CURRENT YEAR AVAILABLE IN CURRENT YEAR</u></b>														
4	Cumulative Collections		6.00%	17.50%	29.90%	42.60%	51.60%	60.40%	64.73%	67.73%	70.78%	73.44%	75.84%	79.80%
	<u>Cumulative Payments</u>													
5	April 15, 25% Due					12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6	June 15, 25% Due							12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
7	Sept 15, 25% Due									12.50%	25.00%	25.00%	25.00%	25.00%
8	Dec 15, 25% Due													12.50%
9	Current Year Available ( Line 4 - Sum Line 5 to Line 8 )	<u>165.32%</u>	6.00%	<u>17.50%</u>	<u>29.90%</u>	<u>30.10%</u>	<u>26.60%</u>	<u>22.90%</u>	<u>14.73%</u>	<u>17.73%</u>	<u>8.28%</u>	-1.56%	<u>0.84%</u>	<u>-7.70%</u>
10	Total Available ( Line 3 + Line 9 )	<u>157.33%</u>	3.08%	<u>15.39%</u>	<u>28.45%</u>	<u>29.20%</u>	<u>26.15%</u>	<u>22.75%</u>	<u>14.73%</u>	<u>17.73%</u>	<u>8.28%</u>	-1.56%	<u>0.84%</u>	<u>-7.70%</u>
11	Average Percent Available	<u>13.11%</u>												

**PECO - Gas Operations**  
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**Average Percent of State Income Tax and PA Capital Stock Tax Available after Payout**

Line #	Description	[1] <u>TOTAL</u>	[2] <u>Jan</u>	[3] <u>Feb</u>	[4] <u>Mar</u>	[5] <u>Apr</u>	[6] <u>May</u>	[7] <u>Jun</u>	[8] <u>Jul</u>	[9] <u>Aug</u>	[10] <u>Sep</u>	[11] <u>Oct</u>	[12] <u>Nov</u>	[13] <u>Dec</u>
<b><u>PRIOR YEAR AVAILABLE IN CURRENT YEAR</u></b>														
1	Cumulative Collections		97.08%	97.89%	98.55%	99.10%	99.55%	99.85%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available (Line 1-Line2)	<u>-7.99%</u>	<u>-2.92%</u>	<u>-2.11%</u>	<u>-1.45%</u>	<u>-0.90%</u>	<u>-0.45%</u>	<u>-0.15%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>	<u>0.00%</u>
<b><u>CURRENT YEAR AVAILABLE IN CURRENT YEAR</u></b>														
4	Cumulative Collections		6.00%	17.50%	29.90%	42.60%	51.60%	60.40%	64.73%	67.73%	70.78%	73.44%	75.84%	79.80%
	Cumulative Payments													
5	March 15, 25 % Due				12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6	June 15, 25% Due							12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
7	Sept 15, 25% Due									12.50%	25.00%	25.00%	25.00%	25.00%
8	Dec 15, 25% Due													12.50%
9	Current Year Available ( Line 4 - Sum Line 5 to Line 8 )	<u>140.32%</u>	<u>6,00%</u>	<u>17.50%</u>	<u>17.40%</u>	<u>17.60%</u>	<u>26.60%</u>	<u>22.90%</u>	<u>14.73%</u>	<u>17.73%</u>	<u>8.28%</u>	-1.56%	<u>0.84%</u>	<u>-7-70%</u>
10	Total Available ( Line 3 + Line 9 )	<u>132.33%</u>	<u>3.08%</u>	<u>15.39%</u>	<u>15.95%</u>	<u>16.70%</u>	<u>26.15%</u>	<u>22.75%</u>	<u>14.73%</u>	<u>17.73%</u>	<u>8.28%</u>	-1.56%	<u>0.84%</u>	<u>-7.70%</u>
11	Average Percent Available	<u>11 -03%</u>												

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**Average Percent of Local Property Tax Available after Payout**

Line #	Description	[1] <u>TOTAL</u>	[2] <u>Jan</u>	[3] <u>Feb</u>	[4] Mar	[5] Apr	[6] <u>May</u>	[7] <u>Jun</u>	[8] <u>Jul</u>	[9] <u>Aug</u>	[10] <u>Sep</u>	[11] <u>Oct</u>	[12] <u>Nov</u>	[13] Dec
<b><u>PRIOR YEAR AVAILABLE IN CURRENT YEAR</u></b>														
1	Cumulative Collections		97.08%	97.89%	98.55%	99.10%	99.55%	99.85%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available ( Line 1 - Line 2 )	<u>-7.99%</u>	<u>-2.92%</u>	<u>-2.11%</u>	<u>-1.45%</u>	<u>-0.90%</u>	<u>-0.45%</u>	<u>-0.15%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b><u>CURRENT YEAR AVAILABLE IN CURRENT YEAR</u></b>														
4	Cumulative Collections		6.00%	17.50%	29.90%	42.60%	51.60%	60.40%	64.73%	67.73%	70.78%	73.44%	75.84%	79.80%
	Cumulative Payments													
5	Aug 31 (For FYE 6-30)				75.93%	75.93%	75.93%	75.93%	75.93%	75.93%	75.93%	75.93%	75.93%	75.93%
6	March 31						15.89%	15.89%	15.89%	15.89%	15.89%	15.89%	15.89%	15.89%
7	April 30							8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
8														
9	Current Year Available ( Line 4 - Sum Line 5 to Line 8 )	<u>-303.36%</u>	6.00%	<u>17.50%</u>	<u>-46.03%</u>	<u>-33.33%</u>	<u>-40.22%</u>	<u>-39.60%</u>	<u>-35.27%</u>	<u>-32.27%</u>	<u>-29.22%</u>	<u>-26.56%</u>	<u>-24.16%</u>	<u>-20.20%</u>
10	Total Available ( Line 3 + Line 9 )	<u>-311.35%</u>	<u>3.08%</u>	<u>15.39%</u>	<u>-47.48%</u>	<u>-34.23%</u>	<u>-40.67%</u>	<u>-39.75%</u>	<u>-35.27%</u>	<u>-32.27%</u>	<u>-29.22%</u>	<u>-26.56%</u>	<u>-24.16%</u>	<u>-20.20%</u>
11	Average Percent Available	<u>-25.95%</u>												

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**Average Percent of PA Utility Realty Tax Available after Payout**

Line #	Description	[1] <u>TOTAL</u>	[2] <u>Jan</u>	[3] <u>Feb</u>	[4] <u>Mar</u>	[5] <u>Apr</u>	[6] <u>May</u>	[7] <u>Jun</u>	[8] <u>Jul</u>	[9] <u>Aug</u>	[10] <u>Sep</u>	[11] <u>Oct</u>	[12] <u>Nov</u>	[13] Dec
<b><u>PRIOR YEAR AVAILABLE IN CURRENT YEAR</u></b>														
1	Cumulative Collections		97.08%	97.89%	98.55%	99.10%	99.55%	99.85%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available ( Line 1 - Line 2 )	<u>-7.99%</u>	<u>-2.92%</u>	<u>-2.11%</u>	<u>-1.45%</u>	<u>-0.90%</u>	<u>-0.45%</u>	<u>-0.15%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b><u>CURRENT YEAR AVAILABLE IN CURRENT YEAR</u></b>														
4	Cumulative Collections		6.00%	17.50%	29.90%	42.60%	51.60%	60.40%	64.73%	67.73%	70.78%	73.44%	75.84%	79.80%
	Cumulative Payments													
5	May 1, 100%						100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6														
7														
8														
9	Current Year Available ( Line 4 - Sum Line 5 to Line 8 )	<u>-159.68%</u>	6.00%	<u>17.50%</u>	<u>29.90%</u>	<u>42.60%</u>	<u>-48.40%</u>	<u>-39.60%</u>	<u>-35.27%</u>	<u>-32.27%</u>	<u>-29.22%</u>	<u>-26.56%</u>	<u>-24.16%</u>	<u>-20.20%</u>
10	Total Available ( Line 3 + Line 9 )	<u>-167.67%</u>	3.08%	<u>15.39%</u>	<u>28.45%</u>	<u>41.70%</u>	<u>-48.85%</u>	<u>-39.75%</u>	<u>-35.27%</u>	<u>-32.27%</u>	<u>-29.22%</u>	<u>-26.56%</u>	<u>-24.16%</u>	<u>-20.20%</u>
11	Average Percent Available	<u>-13.97%</u>												

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**Revenues o Percent Weighted Amount Collected and Available**

Line #	Description	[1] TOTAL	[2] Jan	[3] Feb	[4] Mar	[5] Apr	[6]	[7] Jun	[8]	[9] Aug	[10] Sep	[11] Oct	[12] Nov	[13] Dec
<b><u>PRIOR YEAR REVENUE COLLECTED AND AVAILABLE IN CURRENT YEAR</u></b>														
1	January	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%
2	February	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%
3	March	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%	16.85%
4	April	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%
5	May	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%
6	June	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
7	July	2.77%	2.62%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%
8	August	2.43%	2.21%	2.32%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%	2.43%
9	September	2.58%	2.28%	2.38%	2.48%	2.58%	2.58%	2.58%	2.58%	2.58%	2.58%	2.58%	2.58%	2.58%
10	October	2.95%	2.35%	2.50%	2.65%	2.80%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%
11	November	6.23%	5.48%	5.63%	5.78%	5.93%	6.08%	6.23%	6.23%	6.23%	6.23%	6.23%	6.23%	6.23%
12	December	13.66%	12.76%	12.91%	13.06%	13.21%	13.36%	13.51%	13.66%	13.66%	13.66%	13.66%	13.66%	13.66%
13	Total	100.00%	<u>97.08%</u>	<u>97.89%</u>	<u>98.55%</u>	<u>99.10%</u>	<u>99.55%</u>	<u>99.85%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	100.00%	100.00%	100.00%
<b><u>REVENUES COLLECTED AND AVAILABLE IN CURRENT YEAR</u></b>														
14	January	16.63%	6.00%	10.50%	12.90%	14.80%	15.70%	16.20%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%
15	February	17.50%		7.00%	11.00%	13.80%	15.20%	16.80%	17.00%	17.50%	17.50%	17.50%	17.50%	17.50%
16	March	16.85%			6.00%	10.50%	12.90%	14.80%	15.70%	16.20%	16.85%	16.85%	16.85%	16.85%
17	April	9.76%				3.50%	5.80%	6.90%	7.80%	8.30%	9.00%	9.76%	9.76%	9.76%
18	May	5.31%					2.00%	3.70%	4.30%	4.60%	4.80%	4.90%	5.00%	5.31%
19	June	3.35%						2.00%	2.50%	2.80%	3.00%	3.10%	3.20%	3.35%
20	July	2.77%							0.80%	1.00%	1.20%	1.40%	1.60%	1.90%
21	August	2.43%								0.70%	1.00%	1.30%	1.50%	1.70%
22	September	2.58%									0.80%	1.10%	1.50%	1.80%
23	October	2.95%										0.90%	1.20%	1.40%
24	November	6.23%											1.10%	2.10%
25	December	13.66%												1.50%
26	Total	100.00%	<u>6.00%</u>	<u>17.50%</u>	<u>29-90%</u>	<u>42.60%</u>	<u>51.60%</u>	<u>60.40%</u>	<u>64.73%</u>	<u>67.73%</u>	<u>70.78%</u>	<u>73.44%</u>	<u>75.84%</u>	<u>79.80%</u>

12.847

12,845

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule**  
**Witness:** **C-4**  
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**Revenues - Percent Weighted Amount Collected and Available**

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
		2005		<u>2006</u>		<u>2007</u>		Three Year Total	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
1	January	\$ 120,287	15.98%	\$ 159,732	20.14%	\$ 103,734	13.62%	\$ 127,918	16.63%
2	February	124,329	16.52%	135,682	17.11%	143,652	18.86%	134,554	17.50%
3	March	116,606	15.49%	140,781	17.75%	131,350	17.25%	129,579	16.85%
4	April	71,653	9.52%	75,429	9.51%	78,078	10.25%	75,053	9.76%
5	May	37,653	5.00%	38,559	4.86%	46,242	6.07%	40,818	5.31%
6	June	25,968	3.45%	26,781	3.38%	24,514	3.22%	25,754	3.35%
7	July	19,785	2.63%	22,641	2.86%	21,361	2.80%	21,262	2.77%
8	August	18,372	2.44%	18,537	2.34%	19,253	2.53%	18,721	2.43%
9	September	19,512	2.59%	19,888	2.51%	20,183	2.65%	19,861	2.58%
10	October	23,618	3.14%	22,104	2.79%	22,235	2.92%	22,652	2.95%
11	November	50,911	6.77%	47,697	6.02%	45,017	5.91%	47,875	6.23%
12	December	123,888	16.46%	85,102	10.73%	106,059	13.92%	105,016	13.66%
13	<b>Total</b>	<b>\$ 752,582</b>	<b>100.00%</b>	<b>\$ 792,933</b>	<b>100.00%</b>	<b>\$ 761,678</b>	<b>100.00%</b>	<b>\$ 769,063</b>	<b>100.00%</b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31 , 2008**  
**(\$ in Thousands)**

**Schedule**  
**Witness:** **C-4**  
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Line #	Description	Prepaid Expenses										
		[1] # of Months	[2] TOTAL	[3] VEBA Adjustment	[4] PUC Assessment	[5] Prepaid Gas Material	[6] IT License Agreements	[7] Billing Paper	[8] Cellnet Gas Meter Read Services	[9] Vehicle Registration	[10] CREST System License	[11] AGA Membership
1	December, 2006		4,670	\$ 2,167	\$ 1,058	\$	\$ 218	\$ 707	\$ 198	\$ 173	\$ 80	\$ 69
2	January, 2007		4,361	2,026	881		216	654	196	176	62	150
3	February		4,902	2,796	705		153	684	194	182	70	118
4	March		5,098	2,794	529	290	239	648	192	187	64	155
5	April		5,119	2,778	353	579	212	630	190	197	58	122
6	May		5,245	2,824	179	579	358	769	188	206	53	89
7	June		5,126	2,962		579	301	732	185	194	47	126
8	July		5,337	2,926	(179)	965	453	675	183	178	42	94
9	August		5,230	3,007	(368)	965	565	620	181	163	36	61
10	September		6,624	3,022	1,657	482	407	589	179	160	30	98
11	October		6,450	2,940	1,473	724	374	504	177	168	25	65
12	November		6,060	2,916	1,289	724	271	450	175	178	19	38
13	December, 2007		5,632	2,867	1,105	724	208	356	173	173	14	12
14	TOTAL		\$ 69,854	\$ 36,025	\$ 8,682	\$ 6,611	\$ 3,975	\$ 8,018	\$ 2,411	\$ 2,335	\$ 600	\$ 1,197
15	Percent to Gas			21.06%	100.00%	100.00%	21.06%	15.90%	100.00%	21.06%	21.06%	100.00%
16	Amount to Gas			\$ 7,587	\$ 8,682	\$ 6,611	\$ 837	\$ 1,275	\$ 2,411	\$ 492	\$ 126	\$ 1,197
17	Monthly Average	13		\$ 584	\$ 668	\$ 509	\$ 64	\$ 98	\$ 185	\$ 38	\$ 10	\$ 92
18	Rate Case Amount		\$ 2,248									

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule C-5**  
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**Gas Inventory**

Line #	Description	[1]	[2]	[3]	[4]
		Stored <u>Underground</u>	LNG	Propane <u>Gas</u>	Total
1	December, 2006	160,482	\$ 10,924	\$ 1,307	\$ 172,713
2	January, 2007	130,426	9,329	1,279	141,034
3	February	81,228	4,249	379	85,856
4	March	62,275	3,347	383	66,005
5	April	61,369	3,840	411	65,620
6	May	80,037	6,099	411	86,547
7	June	106,289	7,414	1,953	115,656
8	July	123,702	9,679	1,817	135,198
9	August	140,708	11,398	1,817	153,923
10	September	156,319	12,581	1,817	170,717
11	October	166,379	12,453	1,817	180,649
12	November	137,200	12,124	1,817	151,141
13	December, 2007	113,083	11,934	1,817	126,834
14	Total	<u>\$ 1,519,497</u>	<u>\$ 115,371</u>	<u>\$ 17,025</u>	<u>\$ 1,651,893</u>
15	Average Monthly Balance	<u>\$ 116,884</u>	<u>\$ 8,875</u>	<u>\$ 1,310</u>	<u>\$ 127,069</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

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**Accumulated Deferred Income Taxes**

Line #	Description	FaVor Or Re~rence	[1]  Percent To Gas	[2]  Amount	[3]  Total
<b><u>Accumulated Deferred Income Tax - NC # 282</u></b>					
2	Gas Utility Plant - a/c # 282			\$ 186,303	
3	Common Plant	\$ 30,791	<u>21.060%</u>	6,485	
4	Common Plant	14,037	<u>21.060%</u>	2,956	
5	Sub-total				195,744
6	ADIT on CIAC			(6,648)	
7	ADIT on CIAC Common Plant		21.060%		
8	Sub-total				(6,648)
9	Federal ADIT				189,096
10	PA Prepaid Tax on CIAC				(1,254)
11	Balance at December 31, 2008				<b><u>\$ 187,842</u></b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule C-7**  
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**Customer Deposits**

[1]

Line #	<u>Description</u>	Factor Or <u>Reference</u>	Balance At End Of Month
1	December, 2006		9,888
2	January, 2007		9,669
3	February		9,837
4	March		10,133
5	April		10,374
6	May		10,841
7	June		11,248
8	July		11,686
9	August		12,047
10	September		12,359
11	October		12,576
12	November		12,934
13	December, 2007		12,731
14	Total		<u>\$ 146,323</u>
15	Average Monthly Balance		<u>\$ 11,256</u>

**Gas Deposits By Customer Classification**

16	2006 Gas - Residential		\$ 6,688
17	- Small C&I		4,468
18	- Small C&I - Transportation		63
19	- Large C&I		5
20	- Large C&I - Transportation		32
21	Total		<u>\$ 11,256</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule  
Witness:  
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**Common Plant**

Line #	Description	Factor Or <u>Reference</u>	Total Company	Percent Allocated To Gas	Gas Total [1]*[2]
			[1]	[2]	[3]
<b><u>Common Gross Plant at 12-31-07</u></b>					
1	---Land		6,790		
2	---Organization		677		
3	---Software		99,781		
4	---Other		14		
5	---Gas Plant		361,625		
	Total	L1 toL5	468,887	21.060%	\$ 98,748
7	Additions for 2008		23,070	21.060%	4,859
8	Retirements		(13,030)	21.060%	(2,744)
	Common Plant at 12-31-08	L6toL8	<u>\$ 478,927</u>		<u>\$ 100,862</u>
<b><u>Common Plant Accum Depre at 12-31-07</u></b>					
10	---Software		(47,533)		
11	---Other		28		
12	---Gas Plant		(117,818)		
13	Accumulated Depreciation at 12-31-07	L 10 to L 12	(165,323)	21.060%	(34,817)
14	2008 Common Plant Depreciation		(32,491)	21.060%	(6,843)
15	Retirements		12,965	21.060%	2,730
16	Cost of Removal / Salvage		(1,246)	21.060%	(262)
17	Total Accumulated Depreciation at 12-31-08	L 12 to L 16	<u>\$ (186,095)</u>		(39,192)
<b><u>Net Common Plant</u></b>					
18	Net Common Plant	L 9 + L 13	<u>\$ 292,832</u>		
19	2008 Allocation Factor			21.060%	
20	Total Net Common Plant for Gas	L17*L18			<u>\$ 61,670</u>

PECO - Gas Operations  
Before The Pennsylvania Public Utility Commission  
Future Period - 12 Months Ended December 31,2008  
(\$ in Thousands)

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Customer Advances

[1]

Line #	Description	Factor Or Reference	Balance At End Of Month
1	December, 2006		1,954
2	January, 2007		2,018
3	February		2,241
4	March		1,957
5	April		1,684
6	May		1,679
7	June		1,737
8	July		1,674
9	August		1,903
10	September		1,899
11	October		2,079
12	November		2,027
13	December, 2007		1,815
14	Total		<u>\$ 24,667</u>
15	Average Monthly Balance		<u>\$ 1,897</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule**      **C-10**  
**Witness:**      **R. O'Brien**  
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**Materials & Supplies**

Line #	Description	Factor Or <u>Reference</u>	[1] Materials & Supplies	[2] Undistributed Stores Expense	[3] Total
	<u>Amounts to Gas Operations</u>				
1	December, 2006		81	\$	\$ 81
2	January, 2007		86	(6)	80
3	February		82	(5)	77
4	March		87	37	124
5	April		83	67	150
6	May		82	81	163
7	June		85	97	182
8	July		81	129	210
9	August		81	128	209
10	September		88	114	202
11	October		85	122	207
12	November		85	125	210
13	December, 2007		87		87
14	Total		<u>\$ 1,093</u>	\$ <u>889</u>	\$ <u>1,982</u>
15	Average Monthly Balance		<u>84</u>	\$ <u>68</u>	<u>152</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule**      **D-1**  
**Witness:**      **R.O'Brien**

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**Net Operating Income and Revenue Increase At Proposed Rates**

Line #	Description	Factor Or Reference	[1] Pro Forma Test Year At Present Rates	[2] Rate Increase	[3] Pro Forma Test Year At Proposed Rates
<b>OPERATING REVENUES</b>					
1	Customer & Distribution Revenue		210,030		210,030
2	Gas Supply & Cost Adjustment Revenue		665,041		665,041
3					
4	Other Revenues		2,313		2,313
5	Revenue Increase			98,268	98,268
6	Total operating revenues	Sum L 1 to L 5	<u>877,383</u>	98,268	975,651
<b>OPERATING EXPENSES</b>					
7	Manufactured Gas		340		340
8	Gas Supply Production		665,041		665,041
9	Gas Supply Production - Other		1,831		1,831
10	Gas Storage		4,348		4,348
11	Distribution		37,253		37,253
12	Customer Accounts	0.200%	24,133	197	24,329
13	Bad Debts	1.0441%	10,963	1,026	11,989
14	Customer Information & Services		2,019		2,019
15	Sales		1,035		1,035
16	Administrative & General		39,065		39,065
17	Depreciation & Amortization		29,104		29,104
18	Common Depre & Amortization		6,028		6,028
19	Amortization of Regulatory Expense		5,551		5,551
20	Taxes other than income taxes		6,398		6,398
21	Other				
22	Total operating expenses	Sum L 7 to L 21	833,109	1,223	<u>834,332</u>
23	Net operating income Before Income Tax	L6-L22	44,274	97,045	141,320
Income Taxes					
24	Pro Forma Income Tax At Present Rates		3,101		3,101
25	Pro Forma income Tax on Revenue Increase			40,268	40,268
26	Net Operating Income	L 23- L 24- L 25	41,174	56,778	97,951
27	Other income				
28	Other deductions				
29	Net Income (loss)	Sum L 26 to L 28	<u>41,174 \$</u>	<u>56,778</u>	<u>\$ 97,951</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
(\$ in Thousands)  
**Adjusted Net Operating Income At Present Rates**

**Schedule**      **D-2**  
**Witness:**      **R.O'Brien**  
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Line #	Description		[1] Budget For FTY <u>12/31/08</u>	[2] Adjustments Pgs 1 & 2 Increase <u>(Decrease)</u>	[3] Pro Forma At Present Rates
<b>OPERATING REVENUES</b>					
1	Residential	480	544,943	\$ 26,701	\$ 571,644
2	Small Commercial & Industrial	481	267,484	19,165	286,649
3	Large Commercial & Industrial	481	2,648	(1,374)	1,274
4	Transportation	483	15,039		15,039
5	Other		426	39	465
6					
7					
8	Forfeited Discounts	450	2,817		2,817
9					
10	Off System Sales	451	17,571	(17,571)	
11					
12	Other Revenue	456		(504)	(504)
13					
14					
15	Rate Increase				
16	Total operating revenues	Sum L 1 to L 15	850,928	<u>26,455</u>	<u>877,383</u>
<b>OPERATING EXPENSES</b>					
17	Manufactured Gas Production		330	10	340
18	Gas Supply Production		627,921	37,120	665,041
19	Gas Supply Production - Other		1,749	82	1,831
20	Gas Storage		4,236	112	4,348
21	Distribution		36,362	892	37,253
22	Customer Accounts	0.200%	19,964	4,169	24,133
23	Bad Debts	1,0441%	8,153	2,810	10,963
24	Customer Information & Services		1,904	115	2,019
25	Sales		1,015	20	1,035
26	Administrative & General		36,850	2,216	39,065
27	Depreciation & Amortization		27,622	1,482	29,104
28	Common Depre & Amortization		5,442	586	6,028
29	Amortization of Regulatory Expense		(765)	6,316	5,551
30	Taxes other than income taxes		6,630	(232)	6,398
31	Other				
32	Total operating expenses	Sum L 18 to L 31	<u>777,413</u>	<u>55,696</u>	<u>833,109</u>
33	Net Operating Income - BIT	L 17- L 32	<u>\$ 73,515</u>	<u>\$ (29,241)</u>	\$ 44,274

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31 , 2008**  
**(\$ in Thousands)**

Schedule **D-3**  
**Witness: R.O'Brien**  
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**Adjustments to Net Operating Income**

Line #	Description	Schedule	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
			As Budgeted And Allocated	Revenues	Gas Costs	Salaries & Wages	Rate Case Normalization	Employee Benefits	Pension	Uncoilectib[es Expenses	CAP	Non-Utility Expenses	Total Adjustments	Total Proforma	
				D-5	D-6	D-7	D-8	D-9	D-9a	D-10	D-11	D-12			
<b>OPERATING REVENUES</b>															
<b>Customer &amp; Distribution</b>															
1	Residential	480	\$ 145,458	\$ (11,629)										\$ (11,629)	\$ 133,829
2	Commercial	481	61,411	(219)										(219)	61,192
3	Industrial	481	342	(186)										(186)	156
4	Transportation	483	15,039												15,039
5	Other	0	40												40
<b>Fuel Costs</b>															
6	Residential	0	399,485	38,551										38,551	438,036
7	Commercial	0	206,073	19,389										19,389	225,462
8	Industrial	0	2,306	(1,188)										(1,188)	1,118
9	Transportation	0													
10	Other	447	386	39										39	425
<b>OTHER REVENUE</b>															
11	Forfeited Discounts	450	2,817												2,817
12	Off System Sales	451	17,571	(17,571)										(17,571)	
13	Transportation Revenue	454													
14	Other Revenue	456		(504)										(504)	(504)
15	Rate Increase	0													
16	Total operating revenues	Sum L 1 to L 15	850,928	26,681										26,681	877,609
<b>OPERATING EXPENSES</b>															
17	Manufactured Gas Production		330				10							10	340
18	Gas Supply Production		627,921		37,120									37,120	665,041
19	Gas Supply Production - Other		1,749				82							82	1,831
20	Gas Storage		4,236				112							112	4,348
21	Distribution		36,362				892							892	37,253
22	Customer Accounts		19,964				234							234	20,198
23	Bad Debts		8,153							2,810				2,810	10,963
24	Customer Information & Services		1,904				10				105			115	2,019
25	Sales		1,015				20							20	1,035
26	Administrative & General		36,850				419	656	261	1,974				1,716	38,565
27	Depreciation & Amortization		27,622												27,622
28	Common Depre & Amortization		5,442												5,442
29	Amortization of Regulatory Expense		(765)												(765)
30	Taxes other than income taxes		6,630												6,630
31	Other														
32	Total operating expenses	Sum L17 to L 31	777,413		37,120	1,778	656	261	1,974	2,810	105	(1,594)		43,109	820,522
33	<b>Net operating income Before Income Tax</b>	L16-L32	-\$ 73515	-\$ 26,681	-\$ 73515	-\$ 26,681	-\$ 73515	-\$ 26,681	-\$ 73515	-\$ 26,681	-\$ 73515	-\$ 26,681	-\$ 73515	-\$ 73515	-\$ 73515

**PECO Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**Adjustments to Net Operating Income**

Line #	Description	[1]	[2]	[3]	[4]	[5] Adjustments		[6]	[7]	[8] Adjustments		[9]	[10]	[11]	[12]	[13]
		From Page 1 Sub-total	Removal of Budget MGP D-13-A	Normalize Amort of MGP D-13-B	Interest on Cust Deposits --	R&D For TY D-15	Energy Eft Pr D-16A	Revenue Loss re EEP D-16B	Amort of EEP Start Up D-16C	LIURP Pro Forma D-17	Taxes Other Than Income ~	Depreciation D-19	Total ~n Adjustments	Total Refunds		
34	Residential	480														
35	Commercial	481														
36	Industrial	481														
37	Transportation	483														
38	Other	o														
39	Residential	0														
40	Commercial	0														
41	Industrial	o														
42	Transportation	0														
43	Other	447														
44	Forfeited Discounts	45o														
45	Off System Sales	451														
46	Transportation Revenue	454														
47	Other Revenue	456														
48	Rate Increase	o														
49	Total operating revenues	Sum L 34 to L 48	877,609												(226)	877,383
OPERATING EXPENSES																
50	Manufactured Gas Production	340														
51	Gas Supply Production	665,041														
52	Gas Supply Production - Other	1,831														
53	Gas Storage	4,348														
54	Distribution	37,253														
55	Customer Accounts	20,198				489		2,477		100	869			3,935		
56	Bad Debts	10,963														
57	Customer Information & Services	2,019														
58	Sales	1,035														
59	Administrative & General	38,565					500								500	39,065
60	Depreciation & Amortization	27,622												1,482	1,482	29,104
61	Common Depre & Amortization	5,442												586	586	6,028
62	Amortization of Regulatory Expense	(765)	765	5,551											6,316	5,551
63	Taxes other than income taxes	6,630											(232)		(232)	6,398
64	Other															
65																
66	Total operating expenses	Sum LS0 to L 65	820,522	765	5,551	489	500	2,477		100	869			2,068	12,587	833,109
33	Net operating margins Before Income Tax	L49-L66	\$-57,088	\$(765)	~ (5,551)	~ (2,477)	~ (100)	\$(869)	\$ 232	~	~	~	~	~	~	\$ 44,274

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

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**Summary of Adjustments by FERC Account**

		[1]	[2]	[3]	
		<b>TEST YEAR 2008</b>			
<u>Line No</u>	<u>Description</u>	<u>Account No</u>	<u>Budget</u>	<u>Pro Forma Adjustment</u>	<u>Pro Forma Test Year</u>
<b>Revenues -- At Present Rates</b>					
	Residential		544,943	26,701	\$ 571,644
	Commercial		267,484	19,165	286,649
	Industrial		2,648	(1,374)	1,274
	Transportation		15,039		15,039
	Other		426	39	465
	Forfeited Discounts		2,817		2,817
	Off System Sales		17,571	(17,571)	
	Transportation Revenue				
	Other Revenue			(504)	(504)
	Rate Increase				
	Total operating revenues		850,928	<u>26,455</u>	<u>877,383</u>
<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>					
12	Manufactured Gas Production	710	<b>1</b>	<b>(1)</b>	<b>(0)</b>
13	Liquefied Petroleum Gas Expenses	717	99	3	102
14	Maintenance of Structures and improvements	741	66	2	68
15	Maintenance of Production Equipment	742	<u>165</u>	<u>5</u>	<u>170</u>
16	Manufactured Gas Production Expenses		<u>330</u>	<u>9</u>	<u>339</u>
<b>OTHER GAS SUPPLY EXPENSES</b>					
17	Natural Gas City Gate Purchases	804	572,642	37,120	609,762
18	Other Gas Purchases	805	29,477		29,477
19	Purchases Gas Cost Adjustments	805.1	(13,103)		(13,103)
20	Purchased Gas Expenses	807	1,749	82	1,831
21	Gas Withdrawn from Storage-Debit	808.1	186,117		186,117
22	Gas Delivered to Storage-Credit	808.2	(138,407)		(138,407)
23	Other Gas Supply Purchases	809.1 - 813	<u>(8,805)</u>		<u>(8,805)</u>
24	Gas Supply Operation Expenses		629,671	<u>37,202</u>	<u>666,872</u>
<b>STORAGE EXPENSE</b>					
Storage Operations Expense					
25	Operating Supervision and Engineering	840	222	7	228
26	Operation Labor and Expenses	841	697	20	717
27	Other Operations Storage Accounts	842-842.3			
28	Storage Operation Expenses		919	<u>27</u>	<u>945</u>
Storage Maintenance Expense					
29	Maintenance Supervision and Engineering	843	1,128	28	1,156
30	Maintenance of Structures and Improvements	843	2,190	57	2,247
31	Other Maintenance Storage Expense	843.3- 843.9			
32	Storage Maintenance Expenses		3,318	<u>85</u>	<u>3,403</u>
<b>DISTRIBUTION EXPENSE</b>					
Operations Expense					
33	Operation Supervision and Engineering	870	68		68
34	Mains and Services Expenses	874	7,637	179	7,816
35	Measuring and Regulating Station Expenses-General	875	1,025	37	1,062
36	Measuring and Regulating Station Expenses-City Gate	877	3		3
37	Meter and House Regulator Expenses	878	3,510	64	3,575
38	Customer Installations Expenses	879	3,455	134	3,589
39	Other Expenses	880	4,104	<u>48</u>	<u>4,152</u>
40	Distribution Operation Expenses		19,802	<u>462</u>	<u>20,264</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

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**Summary of Adjustments by FERG Account**

**L1J                      L2J                      L~J**

**TEST YEAR 2008**

<b>Line No</b>	<b>Description</b>	<b>Account No</b>	<b>Budget</b>	<b>Pro Forma</b>	<b>Pro Forma Test Year</b>
<b>DISTRIBUTION EXPENSE</b>					
	Maintenance Expense				
41	Maintenance Supervision and Engineering	885	11		11
42	Maintenance of Mains	887	12,121	342	12,462
43	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	707	17	724
44	Maintenance of Services	892	1,709	32	1,741
45	Maintenance of Meters & House Regulators	893	933	36	969
46	Maintenance of Other Equipment	894	1,079	3	1,082
47	Distribution Maintenance Expenses		<u>16,559</u>	<u>430</u>	<u>16,989</u>
<b>CUSTOMER ACCOUNTS EXPENSES</b>					
48	Meter Reading Expenses	902	2,560		2,560
49	Customer Records & Collection Expenses	903	10,443	221	10,664
50	Uncollectable Accounts	904	8,153	2,810	10,963
51	Miscellaneous Customer Accounts Expenses	905	6,961	3,948	10,909
52	Customer Account Operations Expenses		28,117	<u>6,979</u>	<u>35,096</u>
<b>CUSTOMER SERVICE &amp; INFORM. EXPENSES</b>					
53	Customer Assistance Expenses	908	1,503	115	1,618
54	Informational & Instructional Advertising Expenses	909	363		363
55	Miscellaneous Customer Service & Informational Exp.	910	39		39
56	Cust. Service & Inform. Operations Expenses		1,904	<u>115</u>	2,019
<b>SALES EXPENSES</b>					
57	Demonstrating and Selling Expenses		827	11	838
58	Advertising Expenses		45	2	47
59	Miscellaneous Sales Expenses		143	6	149
60	Operation Sales Expenses		1-015	<u>20</u>	1,035
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>					
61	Administrative and General Salaries	920	8,791	397	9,187
62	Office Supplies and Expenses	921	431		431
63	Administrative Expenses Transferred-Credit	922		(1,594)	(1,594)
64	Outside Service Employed	923	12,400	500	12,900
65	Property Insurance	924			
66	Injuries and Damages	925	1,493	13	1,505
67	Employee Pensions and Benefits	926	9,558	2,234	11,793
68	Franchise Requirements	927			
69	Regulatory Commission Expenses	928	2,595	656	3,251
70	Duplicate Charges-Credit	929	(638)		(638)
71	General Advertising Expenses	930.1	295		295
72	Miscellaneous General Expenses	930.2	993		993
73	A & G Operation Expenses		35,977	2,206	38,123
74	Maintenance of General Plant	935	932	<u>10</u>	<u>942</u>
75	Total Administrative & General		36,850	<u>2,216</u>	<u>39,065</u>
76	<b>Total Operation &amp; Maintenance Expenses</b>		<u>\$ 738,484</u>	<u>\$ 47,543</u>	<u>\$ 786,027</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

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**Summary of Revenue Adjustments**

Line #	Description	[1] Reference Or Account Number	[2] 2008 Budget	[3] Co. Portion Off-System D-5A	[4] Revenue Annualization D-5B	[5] CAP Rev Credit D-5C	[6] Rate IS Adjust D-5D	[7] Budget For STAS D-5E	[8] Reclass STAS D-5F	[9] Normalize Test Year # of Days B-5G	[9] Increase Gas Cost to 3-1-08 D-6A	[10] Total Pmforma Adjustments [3 to 10]	[11] Proforma Adjusted At Present Rates [2]+[11]
<b>Customer &amp; Distribution Revenue</b>													
1	Residential	480	\$ 145,458	\$	\$ 1,157	\$ (9,842)			\$ (2,944)	\$	\$	\$ (11,629)	\$ 133,829
2	Small C & I	481	61,411		443				(662)			(219)	61,192
3	Large C & I	481	342					(185)	(1)			(186)	156
4	Transportation	483	15,039										15,039
5	Other	0	40										40
6													
7	Customer & Distribution Revenue	Sum L 1 to L 5	222,290		1,599	(9,842)	(185)		(3,607)			(12,034)	210,256
<b>Revenue for Cost of Gas</b>													
8	Residential	480	399,485								38,551	38,551	438,036
9	Small C & I	481	206,073								19,389	19,389	225,462
10	Large C & I	481	2,306				(1,327)				139	(1,188)	1,118
11	Transportation	483											
12	Other		386								39	39	425
13													
14	Revenue for Cost of Gas	Sum L 8 to L 12	608,250				(1,327)				58,118	56,791	665,041
15	<b>Total Customers Revenue</b>	L 7 * L 14	830,540		1,599	(9,842)	(1,512)		(3,607)		58,118	44,757	875,297
16	Forfeited Discounts		2,817										2,817
17	Off System Sales		17,571	(17,571)								(17,571)	
18	Test Year STAS Revenue							(3,607)	3,607				
19	Normalization for Number of Days									(504)		(504)	(504)
20	Other												
21	Total Revenues	Sum L 16 to L 20	850,928	(17,571)	1,599	(9,842)	(1,512)	(3,607)		(504)	58,118	26,681	877,609
22	Other												
23	<b>TOTAL REVENUES</b>	L21*L22 ~	<u>850,928</u>	~	<u>\$ 1,599</u>	<u>\$ (9,842)</u>	~	<u>\$ -</u>		<u>\$(504)</u>	<u>\$ 58,118</u>	<u>\$ 26,681</u>	<u>\$ 877,609</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Off System Sales - Company Portion**

Line #	<u>Description</u>	[1] Reference	[2] Amount
1	Remove Off System Sales from Test Year	D-5	<u>\$ (17,571)</u>
2	Remove Gas costs and Customer Sharing From Test Year	D-6	<u>\$ (17,071)</u>

Remove Off System Sales including Company sharing and Customer share recovered in PGC.

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Revenue Annualization**

Line #	Description	[1] Residential	[2] Small C&I	[3] Large C&I	[4] Other	[5] Total
1	Total Test Year Revenues	\$ 544,943	\$ 267,484	2,648	426	\$ 815,501
2	Commodity Billings in Revenues	(399,485)	<u>(206,073)</u>	<u>(2,306)</u>	(386)	(608,250)
	Revenues net of Commodity - Margin (EI-C2)	<u>\$ 145,458</u>	<u>\$ 61,411</u>	<u>\$ 342</u>	\$ 40	<u>\$ 207,251</u>
4	Average Monthly of Customers in Test Year	443,021	<u>41,204</u>			484,228
	Average Annual Margin Per Customer (L3/L4)	0.328	<u>\$ 1.490</u>	<u>\$ 114.000</u>		0.428
6	Number of Customers at End of Year	446,548	<u>41,501</u>			488,052
	Increase in Customers during Test Year (LT-L4)	3,527	<u>297</u>			3,824
	Annualization of Revenue (L5*L7)	1,157	\$ 443			1,599

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**CAP Revenue Credits and Adjustments**

Line #	Description	[1] Reference	[2] Amount	[3] Sub-Total	[4] Total
<b><u>CHANGE IN CAP</u></b>					
1	Number of CAP Customers in Budget		20,479		
2	Average Annual CAP Customer Revenue Credit - Current		<u>\$ (0.208)</u>		
3	CAP Revenue Credit included in Budget			\$ (4,251)	
4	Calculation of New CAP Revenue Credit			(10,265)	
5	Increase in CAP Revenue Credit for Proposed Program			(6,014)	
6	Reduction in Uncollectible Amounts	0.1300		782	
7	Net Increase in CAP Credit Based on Budget				(5,233)
<b><u>ANNUALIZATION OF CAP CREDITS - YEAR END CUSTOMERS</u></b>					
8	Pro Forma Customers at Year-End Level		21,395		
9	Increase in CAP Customers		916		
10	Increase in CAP Revenue Credit for Annualized Customers			\$ (4-14)	
11	Reduction in Uncollectible Amounts	0.1300		54	
12	Net Increase in CAP Revenue Credit for Annualized Customers				(360)
<b><u>CAP INCREASE FOR CHANGE IN GAS COSTS</u></b>					
13	Pro Forma Customers at Year-End Level		21,395		
14	Increase in CAP Revenue Credit for Change in Gas Costs			\$ (1,814)	
15	Reduction in Uncollectible Amounts	0.1300		236	
16	Net Increase in CAP Credit For Change in Gas Cost				(1,578)
<b><u>CAP INCREASE FOR CHANGE IN BASE REVENUE</u></b>					
17	CAP Adjustment for Revenue Increase			\$ (3,070)	
18	Reduction in Uncollectible Amounts	0.1300		399	
19	Net Increase in CAP Credit For Change in Gas Cost				(2,671)
<b>20</b>	<b>TOTAL CAP REVENUE CREDIT ADJUSTMENT</b>				<b><u>\$ (9,842)</u></b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**IS Revenue Adjustment**

Line #	Description	[1] <u>Reference</u>	[2] <u>Amount</u>	[3] Amount	[4] Total
1	Distribution Revenue - IS		\$ 182		
2	Customer Revenue - IS		3		
				\$ 185	
3	Gas Costs in IS Revenue			1,327	
4	Total Adjustment to Revenue	D-5			<u>\$ 1,512</u>
5	Gas Costs for IS	D-6			<u>\$ 1,327</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31 , 2008**  
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**STAS Budget Correction For Test Year**

Line #	Description	[1] Reference	[2] STAS Revenues For 2008	[3] Amount	[4] STAS <u>Adjustment</u>
1	Residential		\$ 544,943		
2	Small C & I		267,485		
3	Large C & I		2,649		
4	Transportation				
5	Other		426		
	TOTAL	Sum L 1 to L 4	815,503		
7	STAS Factor			(0.00540)	
8	Total STAS Required For Budget	L6*L7		(4,404)	
9	Included in Budget for Small C & I			797	
10	Net STAS Adjustment	L8+L9			<u>\$ (3,607)</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

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**STAS Budget Correction For Test Year**

Line #	Description	[1] Revenue	[2] Calculated STAS at TY Rate	[3] STAS Included in Budget	[4] STAS Adjustment By Revenue Class
1	STAS Rate		(0.00540)		
2	Residential	\$ 544,943	\$ (2,944)		\$ (2,944)
3	Small C & I	267,485	(1,444)	782	(662)
4	Large C & I	2,649	(14)	13	(1)
5	Transportation				
6	Other	426	(2)		
	TOTAL	<u>\$ 815,503</u>	<u>\$ (4,404)</u>	<u>797</u>	<u>\$ (3,607)</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

**Normalize For Number of Days in Year**  
**[1] [2]**

Line #	Description	Reference	Budget	Amount	[3]	[4] Leap-year Revenue Impact	[5] Leap-year Gas Cost Impact
<b>BUDGET DATA For February 2008</b>							
<b>NET REVENUE</b>							
1	Mcf delivered		12,060	416			
2	Mcf sold by PED		9,989	344			
3	Mcf sold by others		2,071	71			
4	Percent of Mcf sold by PED		82.8%	82.8%			
5	Distribution Revenue		28,255			(974)	
6	Distribution Rate / Mcf delivered		2.3428	(2.3421)			
7	Customers		482,640				
8	Customer revenue		3,876				
9	Customer Rate delivered		0.0080				
10	Natural Gas Supply Revenue		94,519				(3,259)
11	Gas Rate / Mcf sold		9.4624	(9.4624)			
12	Balancing Service Charge Revenue		4,061				(140)
13	BSC / Mcf sold		0.4065	(0.4065)			
14	Gas Cost Adjustment Revenue		1,743				(60)
15	Gas Cost Adjustment / Mcf sold		0.1745	(0.1745)			
16	Total Revenue		132,454				
17	Average Cost per mcf delivered		10.9827	(10.6606)			
18	<b>Summary of Leap-year Impact on Gas Revenue and RNF:</b>						
19	Revenue Adjustment					(4,433)	
20	Fuel Cost Adjustment					(3,459)	
21	Revenue Adjustment Net of Fuel for Full Day						\$ (974)
22	Adjustment for partial day assigned to Test Year			25%			244
23	<b>Revenue Net of Fuel Costs</b>						<b>\$ (731)</b>
<b>OPERATING, MAINTENANCE &amp; ADMINISTRATIVE EXPENSES</b>							
24	Budgeted Expense			\$ 110,563			
25	Number of Days in Leap Year			366			
26	O, M & A Expenses for one day					\$ (302)	
27	Adjustment for partial day assigned to Test Year			25%		76	
28	Expense Adjustment for Leap Year						(227)
29	Net Leap Year Adjustment		L 23 - L 28				<b>\$ (504)</b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31, 2008**  
**(\$ in Thousands)**

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**Cost of Gas Adjustment**

	[1]	[2]	[3]	[4]	[5]	[8]	[7]	[8]	[9]	[10]
	Reference	Budgeted	# 6-A	#6-B	PRO FORMA ADJUSTMENTS				Gas Cost	Pro Forma
Line #	Account Number	Gas Costs	Gas Costs	Remove Add'l Gas Cost		Remove Off Sys-m	Remove IS Costs		Pro Forma Adjustments Sum [2]to[8]	Gas Costs At Pres Rates [2]+[9]
1	Budgeted Gas Costs	\$ 608,250							\$	\$ 608,250
2	Gas Costs for Off System Sales	17,071				(17,071)			(17,071)	
3	Additional Gas Costs in Budget	2,600		(2,600)					(2,600)	
4	Remove Gas Cost for iS						(1,327)		(1,327)	(1,327)
5	Increase in Gas Costs to 3-1		58,118						58,118	58,118
6	Other									
7	Other									
8	<b>Total Gas Costs</b>	<b>\$ 627,921</b>	<b>\$ 58,118</b>	<b>\$ (2,600)</b>		<b>\$ (17,071)</b>	<b>\$ (1,327)</b>		<b>\$ 37,120</b>	<b>\$ 665,041</b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31 , 2008**  
**(\$ in Thousands)**

**Cost of Gas Adjustment**

Line #	Description	[1] <u>Per Budget</u>	[2] <u>Pro Forma Calculation of Changed Gas Costs</u>	[3] Percent Increase	[4] <u>Change in Gas Costs</u>
GAS COSTS IN REVENUE					
1	Residential	\$ 399,485	\$ 438,036		38,551
2	Small C & I	206,074	206,073		19,389
3	Large C & I	2,306	2,445		139
4	Other	386	425		39
5	TOTAL GAS COST REVENUE	<u>\$ 608,250</u>	<u>\$ 666,368</u>		<u>\$ 58,118</u>
6	COST OF GAS	<u>\$ 608,250</u>	<u>\$ 666,368</u>		<u>\$ 58,118</u>
7	Percent Increase			<u>9.55%</u>	

**PECO - Gas Operations**  
Before The Pennsylvania Public Utility Commission  
**Future Period - 12 Months Ended December 31,2008**  
(\$ in Thousands)

**Cost of Gas Adjustment**

Line #	Description	[1]	[2]	[3] Amount
1	Remove Budget estimate -- Replaced by Actual STAS adjustment in Schedule D-5E			\$ <u>2,600</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Schedule**  
**Witness:** **D-7**  
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**Adjustment for Salaries & Wages**

Line #	Description	[1] Account Number	[2] Budgeted Year 12/31/08	[3] Other	[4] Payroll As Distributed	[5] Adjustment	[6] Total Pro Forma Payroll
<b>OPERATIONS</b>							
1	Manufactured Gas Production Expenses		183		183	\$ 10	\$ 193
2	Gas Supply Operation Expenses		1,468		1,468	82	1,550
3	Storage Operation Expenses		476		476	27	502
4	Distribution Operation Expenses		8,294		8,294	462	8,756
5	Customer Account Operations Expenses		4,198		4,198	234	4,432
6	Oust. Service & Inform. Operations Expenses		180		180	10	190
7	Operation Sales Expenses		351		351	20	371
8	A & G Operation Expenses		7,346		7,346	409	7,755
9	Total Operations	Sum L 1 to L 8	22,495		22,495	<u>1,253</u>	<u>23,748</u>
<b>MAINTENANCE</b>							
10	Underground Maintenance Expenses						
11	Storage Maintenance Expenses		1,527		1,527	85	1,613
12	Distribution Maintenance Expenses		7,713		7,713	430	8,142
13							
14	Maintenance of General Plant		184		184	10	194
15	Total Maintenance	Sum L 10 to L 14	9,425		9,425	<u>525</u>	<u>9,949</u>
16	Total Direct Payroll	L9+L15	31,920		31,920	\$ 1,778	\$ <u>33,698</u>
17	Percent Increase	L16, C5/C4					5.57%
<b>OTHER</b>							
18	Construction	107	11,996		11,996	668	
19	Plant removal	108					
20	Stores Accounts	163					
21	Accrued Utility Revenue	173					
22	Misc. Current & Accrued Assets	174					
23	Deferred Debits	186					
24	Misc Current & Accrued Liabilities	242					
25	Donations	426					
26	Total To "Clearing"						
27	TOTAL PAYROLL	Sum L 16 to L 26	<u>\$ 43,916</u>		<u>\$ 43,916</u>	<u>2,446</u>	<u>\$ 46,362</u>

**PECO - Gas Operations  
Before The Pennsylvania Public Utility Commission  
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**Adjustment for Salaries & Wages**

Line #	Description	[1] Reference Or Function	[2] Employees With 1-Jan	[3] Raises on 1-Mar	[4] Total	[5] Amount	[6] Amount	[7] Pro Forma Total Payroll
1	Number of Employees At 12-31-07		293	<u>227</u>	520			
2	Percent of Employees at 12-31-07		56.4%	<u>43.7%</u>	<u>100.0%</u>			
	Pro Forma Percent for FTY		50.0%	<u>50.0%</u>	<u>100.0%</u>			
4	Distribution of FTY Budget S&W Expense		\$ 15,960	\$ 15,960		\$ 31,920		
<b>Annualize March 1, 2008 Wage Increase</b>								
5	Number of Months		0	2				
6	Rate for Increase		3.50%	3.50%				
7	Total Adjustment	L 4 * L 5 * L 6/12		<u>93</u>		\$ 93		
8	Sub-Total	L 4 + L 7	15,960	16,053				
<b>Annualize January 1 and March 1, 2008 Increase</b>								
9	Number of Months		12	12				
10	Rate for Increase		3.50%	3.50%				
11	Total Adjustment	L 4 * L 5 * L 6/12	\$ <u>559</u>	\$ <u>562</u>		1,120		
12	Annualized S&W Adjustment	L 8 ÷ L 11				\$ <u>1,214</u>		
13	Annualized S&W for Budgeted Employees					\$ 33,134		
<b>Pro Forma For New Employees</b>								
14	Number of Employees at 12-31-08			538				
15	Number of Employees at 12-31-07			520				
16	Increase in Number of Employees	L 14 + L 15		18				
17	Average Number of Employees in Budget				529			
18	Annualization for Number of Employees	L 16 / 2				9		
19	Annual S & W per Employee	L 13 [6] / L17				\$ <u>62.6</u>		
20	Annualization of S & W For New Employees	L 18 L 19					563	
21	Pro Forma TYE S&W	L 13 ÷ L 20				\$ <u>33,697</u>		
22	Increase in S&W	L 21 - L 4				\$ <u>1,777</u>		
23	Pro Forma Percent for FTY	L 22 / L 4						5.570%

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**Rate Case Expense Normalization**

		[1]	[2]	[3]	[4]	[5]
Line #	Description	Reference		Amount	Sub-Total	Total
<b><u>EXPENDITURES TO 12-31-07</u></b>						
1	External Consultants			\$ 271		
2	External Legal			75		
3	Total Recorded at 12-31-07	L1+L2			346	
 <b><u>EXPENDITURES FOR 2008</u></b>						
4	External Consultants			750		
5	External Legal			750		
6	Materials, IT Costs, Travel, Copies, Etc.			121		
	Sub-Total	L4toL6			1,621	
 <b><u>TOTAL EXPENDITURES FOR RATE FILING</u></b>						
	TOTAL COSTS	L3+L7			\$	<u>1,967</u>
	Normalized over 3 years (Line 8 / 3)				\$	<u>656</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Adjustment for Employee Benefits and Pension**

		[1]	[2]	[3]	[4]	[5]
Line #	Description	<u>Reference</u>	<u>Amount</u>	<u>Amount</u>		Total
<b><u>EMPLOYEE BENEFITS</u></b>						
1	Total Benefits Expensed		\$ 9,475			
2	Number of FTEs for Budget		529			
3	Budget Expense Per FTE	L1/L2		\$ 17.911		
4	Additional FTEs for Annualization	Pg 2 of 2		9		
5	Annualization of Benefits	L3*L4				\$ 161
6	Annualization of Benefits	Pg 2 of 2				100
7						
8	Total Pro Forma Adjustment					<u>\$ 261</u>
<b><u>PENSION COSTS</u></b>						
9	Pension Payment		\$ 3,048			
10	Pension Capitalization Factor		26.26%			
11	Pension Payment To Be Capitalized	L9*L10	800			
12	Pension Payment To Be Expensed	L9-L11		\$ 2,248		
13	Test Year Pension Expense			274		
14	Additional Pension Expense	L12-L13				1,974
Pension						
<b><u>2008 Bud.get</u></b>						
15	Charged to Construction		3,446	26.26%		
16	Charged to Expense		9,678	73.74%		
17	Total		13,124	<u>100.00%</u>		

**PECO - Gas Operations  
 Before The Pennsylvania Public Utility Commission  
 Future Period - 12 Months Ended December 31,2008  
 (\$ in Thousands)**

**Schedule D-9  
 Witness: R.O'Brien  
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**Adjustment for Employee Benefits and Pension**

Line #	Description	[1] <u>Reference</u>	[2] Employees Added	[3] Months Remaining In Year	[4] Number of Employee Months [2]*[3]	[5] Number of Full Time Equivalent
<b>Number of FTEs</b>						
1	Employees at 12-31-07					520
Employees Added in 2008						
2	---January		4	1.5	6	
3	---April		5	4.5	23	
4	---July		4	7.5	30	
5	---October		5	10.5	53	
6	Total	SumL2toL5	18		111	
7	Additional FTEs for Test Year	L614/12				9
8	Total FTEs included in Budget	L1+L7				529
9	FTEs not included in Budget	[2]L6-L7				9

**Annualized Benefits Expense**

	Recorded or Budgeted Expense for Year	<u>Annual Expense</u>	Pro Forma Expense
10	---2004 Actual	\$ 7,420	
11	---2005 Actual	\$ 7,409	
12	---2006 Actual	\$ 6,858	
13	---2007 Actual / Budget	\$ 4,989	
14	---2008 Budget	\$ 6,546	
15	---2009 Average of prior years		\$ 6,644
16	Annualization Percent		1.50%
17	Annualization Expense Adjustment		\$ 100

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Uncollectible Accounts**

Line #	Description	[1] Reference	[2] Gas General Charge Offs	[3] Tariff Revenue	[4] Percent [2]/[3]	[5] Total [2]/[3]
1	2003		\$ 7,036	\$ 619,574	1.14%	
2	2004		\$ 6,935	\$ 708,088	0.98%	
3	2005		\$ 7,836	\$ 772,049	1.01%	
4	2006		\$ 8,724	\$ 812,020	1.07%	
5	2007		\$ 7,992	\$ 777,879	1.03%	
	Five Year Average Sum (Line 1 to Line 5) / 5		\$ 7,705	\$ 737,922		1.0441%

Net Charge Offs  
Pre  
Program      Gas General  
Arrearages      Charge Offs

**Charge Off Amounts & PPA**

<b>7</b>	<b><u>2003 Recorded</u></b>		\$ 1,704	\$ 7,036		
<b>8</b>	<b><u>2004 Recorded</u></b>		\$ 3,011	\$ 6,935		
<b>9</b>	<b><u>2005 Recorded</u></b>		\$ 1,358	\$ 7,836		
<b>10</b>	<b><u>2006 Recorded</u></b>		\$ 1,166	\$ 8,724		
<b>11</b>	<b><u>2007 Recorded</u></b>		\$ 1,892	\$ 7,992		
<b>12</b>	<b>PPA Average</b>		\$ 1,826			1,826
<b>13</b>	<b><u>2008 Budget</u></b>				\$ 8,153	
<b>Pro Forma Adjustment</b>						
<b>14</b>	Test Year Revenue Adjustment	1.044%		\$ 875,071	9,137	
<b>15</b>	<b>Additional for Charge Offs</b>	L14-L13				984
<b>16</b>	<b>Total for Test Year</b>	L12+L15				<b>\$ 2,810</b>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Schedule D-11**  
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**CAP Expenses for Revised Programs**

Line #	Description	[1]	[2] <u>Reference</u>	Amount	[4] Sub-Total	[5] Total
1	Training Expenses for New CAP elements			34		
2	Customer Education Costs			71		
3	Other					
4	<b>Total</b>				10,5	

PRO FORMA ADJUSTMENT

5	Estimated Normalized amount for 2008 Test Year					105
---	--	--	--	--	--	-----

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

**Schedule D-12**  
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**Non-Utility Expenses**

Line	Description	[1]	[2]	[3]	[4]	[5]
			<u>Reference</u>	<u>Amount</u>	Sub-Total	Total
 <b><u>PECO DIRECT EXPENSES</u></b>						
1	Promotional Advertising			\$ 245		
2	Charitable Contributions			1,011		
3	Lobbying			82		
4	Sports Boxes			60		
5	Penalties			2		
6						
7	Sub-Total	L1 toL6			1,400	
 <b><u>BSC-ALLOCATED EXPENSES</u></b>						
8	Promotional Advertising			50		
9	Charitable Contributions			117		
10	Lobbying			27		
11	Sub-Total	L8toL10			194	
12	TOTAL	L 7 + L 11			\$	<u>1,594</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended December 31,2008**  
**(\$ in Thousands)**

**Amortization of MGP Expenditures**

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Total
1	MGP Net Amortization Included in 2008 Budget		765		
2	Other				
3	Pro Forma Adjustment for Test Year - Remove Test Year Amortization in Budget				<u>\$ 765</u>

**Proposed Pro Froma Annualization**

4	Under (Over) recovery at December 31, 2008			(180)	
	<b><u>Annual Expenditures For</u></b>				
5	--2009		\$ 4,965		
6	--2010		10,447		
7	--2011		3,898		
8	--2012		4,771		
9	--2013		3,855		
10	Total Expenditures			27,936	
11	Net To Be Recovered			<u>\$ 27,756</u>	
12	Number of Years to be Normalized			5	
13	Normalized Insurance Recovery for Test Year				
14	Pro Forma Adjustment for Normalization of Insurance Recovery				<u>\$ 5,551</u>

**PECO - Gas Operations  
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 (\$ in Thousands)**

**Schedule D-14  
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**Interest on Customer Deposits**

Line #	Description	[1]	[2]	[3]	[4]	[5]
#	Description		<u>Reference</u>	<u>Amount</u>	Sub-Total	Total
<b><u>Residential Customer Deposits</u></b>						
1	2007 -- January			\$ 29		
2	-- February			30		
3	-- March			30		
4	-- April			32		
5	-- May			33		
6	-- June			34		
7	-- July			34		
8	-- August			35		
9	-- September			35		
10	-- October			35		
11	-- November			35		
12	-- December			34		
13	TOTAL RESIDENTIAL				396	
<b><u>Commemial&amp;IndustrialCustomerDeposits</u></b>						
14	2007 -- January			6		
15	-- February			6		
16	-- March			6		
17	-- April			7		
18	-- May			7		
19	-- June			7		
20	-- July			8		
21	-- August			8		
22	-- September			9		
23	-- October			9		
24	-- November			10		
25	-- December			10		
26	TOTAL C & I				93	
27	Interest on Customer Deposits		L13+L26			\$ 489

**PECO - Gas Operations**  
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**Schedule D-15**  
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**Research & Development Pro Forma Adjustment**

Line #	<i>Description</i>	[2] <u>Reference</u>	[3] Amount	[4] Sub-Total	[5] Total
1	Total Research & Development included in 2008 Budget		290		
2	Increase in annual Expenditures		500		
	Total Pro Forma R & D Expenditures			790	
4	Amount included in 2008 Budget			290	
5	Other				
7	Total Test Year Adjustment	L3-L4			500

**PECO - Gas Operations**  
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**Schedule D-16**  
**Witness: R.O'Brien**  
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**Energy Efficiency Programs**

Line #	Description	<b>[1]</b> <u>Reference</u>	<b>[2]</b> Amount	<b>[3]</b> Amount	<b>[4]</b> Sub-Total	<b>[5]</b> Total
<b><u>Adjustment 16-A -- Establish Annual Expense Level for EEP</u></b>						
1	Annual Expense associated with Energy Efficiency Programs					2,477
<b><u>Adjustment 16-B --Amortization of EEP Start-up Expenditures</u></b>						
2	EEP Start Up Expenditures			300		
3	Normalized for Test Year					
4	Test Year Expense					100
<b><u>Adjustment 16-C - Lost Revenue Associated with EEP</u></b>						
5	Residential				221	
6	Commercial				5	
7	Revenue Loss from Conservation due to EEP					226

**PECO - Gas Operations**  
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**Schedule D-17**  
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**LIURP Expenses**

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] <u>Sub-Total</u>	[5] Total
<b><u>LIURP Program Costs - Estimated for FTY</u></b>						
1	Total Revenue		875,071			
2	LIURP Factor			0.0020		
3	Pro Forma LIURP for FTY				\$ 1,750	
4	LIURP in Budget				881	
5	Pro Forma Adjustment					<u>\$ 869</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

**Schedule**      **D-18**  
**Witness:**      **R.O'Brien**  
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**Taxes Other Than Income Taxes**

Line #	Description	[1]  Account Number	[2]  Budget Amounts 2008	[3]  Pro Forma Adjustments	[4]  Pm Forma Tax Expense 2008
	PURTA Taxes		1,380		\$ 1,380
2	Capital Stock		1,130	(391)	739
3	PA & Local Use taxes		330		330
	Social Security		2,610	145	2,755
	FUTA		20	1	201
	SUTA		200	11	31
7	Other Payroll		30		30
8	Real Estate Taxes		930		930
9	Other - Miscellaneous			2	2
10	Total	SumL1toL9	<u>\$ 6,630</u>	<u>\$ (232)</u>	<u>\$ 6,398</u>

**Capital Stock Adjustment**

<del>11</del>	2009 Capital Stock Rate		0.00189	
12	2008 Capital Stock Rate		0.00289	
13	Percent Reduction in Capital Stock Rate	L11/L12	65.40%	
14	2008 Capital Stock Expense	L2,[2]	<b>\$ 1,130</b>	
15	Pro Forma for 2008 Based on 2009 rate	L13*L14	739	
16	Pro Forma Adjustment to Capital Stock Tax	L15 - L 14	<u>\$ (391)</u>	

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Schedule D-18**  
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**Taxes Other Than Income Taxes**

Line #	Description	[1] <u>Account Number</u>	[2] 2008 Budget	[3] <u>FTY Adjustment</u>	[4] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 31,920</u>	<u>\$ 1,778</u>	
2	FICA Expense		<u>\$ 2,610</u>		
3	FICA Expense - Percent	L2/L1	8.18%	8.18%	
4	Pro Forma FICA Expense on Pro Forma S&W	[4]L1 *L3			\$ 145
5	FUTA Expense		20		
6	FUTA Expense - Percent	L5/L1	0.06%	0.06%	
7	Pro Forma FUTA Expense on Pro Forma S&W [ 4 ] L 1 * L 6				
8	SUTA Expense		200		
9	SUTA Expense - Percent	L8/L1	0.63%	0.63%	
10	Pro Forma SUTA Expense on Pro Forma S&W [ 4 ] L 1 * L 9				11
11	Other Payroll Taxes		<u>\$ 30</u>		
12	Other Tax Expense	L11/L1	0.09%	0.09%	
13	Pro Forma Other Expense on Pro Forma S&W	[4]L1*L12			
14	Pro Forma Adjustment	Sum L 4 to L 16			<u>\$ 159</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Schedule D-19**  
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**Depreciation Expense Adjustment**

Line #	Description	Account Number	[2]	[3]	[4]	Annualize 2008 Depreciation	Pro Forma Test Year Depreciation
			On 2007 Balance of Net Plant	2008 Test Year Expense On 2008 Additions	Total		
<b>INTANGIBLE PLANT</b>							
1	Organization	301	\$	\$		\$	\$
2	Franchise & Consent	302					
3	Miscellaneous Intangible Plant	303		268	268		268
4	TOTAL INTANGIBLE	Sum L 1 to L 3		<u>268</u>	268		268
<b>PRODUCTION PLANT</b>							
5	Land and land rights						
6	Structures, Improvements	305		10	10		10
7	Liquefied Petroleum Gas Equip	312		95	95		95
8	TOTAL PRODUCTION PLANT	SumLStoL7		<u>105</u>	<u>105</u>		<u>105</u>
<b>OTHER GAS PRODUCTION PLANT</b>							
9	Land and land rights	340					
10	Structures, Improvements	341					
11	Misc Power Plant Equipment	346					
12	OTHER PRODUCTION	SumL9toL 12					
13	TOTAL PRODUCTION PLANT	( L 8 + L 12)		105	105		105
<b>OTHER STORAGE PLANT</b>							
14	Land and land rights	360					
15	Structures, Improvements	361		91	1	1	93
16	Gas Holders	362		19	2	2	23
17	Purification Equipment	363		8	2	2	12
18	Liquefaction Equipment	363.1		176		11	187
19	Vaporizing Equipment	363.2		29		2	31
20	Compressor Equipment	363.3		45		1	46
21	Measuring and Regulating Equipment	363.4		16			16
22	Other Equipment	363.5		82		5	87
23	Asset Retirement Costs	0					
24							
25							
26							
27							
28	TOTAL OTHER STORAGE PLANT	Sum L 14 to L 27		466	<u>5</u>	<u>24</u>	<u>495</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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**Schedule D-19**  
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**Depreciation Expense Adjustment**

Line #	Description	[1] Account Number	[2] 2008 TestYearExpense			[5] Annualize 2008 Depreciation	[6] Pro Forma Test Year Depreciation
			[3] Net Plant	[4] Additions	[4] Total		
<b>DISTRIBUTION PLANT</b>							
29	Land and land rights	374					
30	Structures, Improvements	375	329	1	330	1	331
31	Mains	376	11,186	300	11,486	300	11,786
32	Compressor Station Equipment	377					
33	Measuring & Regulating Station Eq -General	378	245	6	251	6	257
34	Measuring & Regulating Station Eq -City Gate	379	551	18	569	18	587
35	Services	380	9,094	345	9,439	345	9,784
36	Meters	381	2,003	39	2,042	39	2,081
37	Meter Installations	382	2,599	61	2,660	61	2,721
38	House Regulators & Installations	383184					
39	Industrial Measuring & Station Equip	385					
40	Other Property on Customer Premises	386					
41	Other Equipment	387	212	29	241	29	270
42	Asset Retirement Cost	388	16		16		16
43							
44	TOTAL DISTRIBUTION PLANT	Sum L 29 to L 43	<u>26,235</u>	799	<u>27,034</u>	<u>799</u>	<u>27,833</u>
<b>GENERAL PLANT</b>							
45	Land and land rights	389					
46	Structures, Improvements	390	103		114	11	125
47	Office Furniture & Equipment	391	(190)		(190)		(190)
48	Transportation Equipment	392					
49	Stores Equipment	393					
50	Tools & Garage Equipment	394	168	14	182	14	196
51	Laboratory Equipment	395	263		263		263
52	Power Operated Equipment	396					
53	Communications Equipment	397					
54	Miscellaneous Equipment	398					
55	Other Tangible Property	399					
56							
57							
58							
59							
60	SUB-TOTAL	Sum L 45 to L 59	353	25	378	25	<u>403</u>
61	DEPRECIATION ON PLANT (L4÷L13+L28 L44+ L60)		27,427 \$	829 \$	28,256 \$	848	<u>\$ 29,104</u>
<b>DEPRECIATION ON COMMON PLANT</b>							
62	Common Utility Plant		\$ 2,681	\$ 299	\$ 2,980	\$ 299	\$ 3,279
63	Common Software		2,351	199	2,550	199	2,749
64	DEPRECIATION ON COMMON PLANT		<u>\$ 5,032</u>	<u>\$ 498</u>	<u>\$ 5,530</u>	<u>\$ 498</u>	<u>\$ 6,028</u>

**PECO - Gas Operations**  
**Before The Pennsylvania Public Utility Commission**  
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(\$ in Thousands)

**Income Tax at Present and Proposed Revenue Levels**

Line #	Description	[J] Factor Or Reference	Element Or Amount	[3J] Pro Forma 2008 At Present Rates	Revenue Increase	Pro Forma 2008 At Proposed Ra-s [3]+[4]
1	Revenue			\$ 877,383	\$ 98,268	\$ 975,651
2	Operating -Expenses			(833,109)	(1,223)	(834,332)
3	OIBIT	L1÷L2		44,274	97,045	141,320
<b>Interest Exaense</b>						
4	Rate Base		1,104,306			
5	Weighted Cost of Debt		0.02540			
6	Synchronized Interest Expense	L4*L5		<b>(28,049)</b>		(28,049)
7	Base Taxable Income	L3÷L6		16,225	97,045	113,271
8	Total Tax Depreciation		\$ 63,217			
9	Pro Forma Book Depreciation		35,132			
10	State Tax Depreciation (Over) Under Book	L9-L8		(28,085)		(28,085)
11	Repair Allowance Deduction			(1,600)		(1,600)
12	State Taxable Income			<u>\$ (13,459)</u>	\$ 97,045	<u>\$ 83,586</u>
13	State income Tax	-L 12 * Rate   2	9.99%	\$ 1,345	\$ (9,695)	(8350)
14	Total Tax Depreciation		\$ 63,217			
15	Pro Forma Book Depreciation		35,132			
16	Federal Tax Deducts (Over) Under Book	L 15 - L 14		(28,085)		(28,085)
17	Repair Allowance Deduction			(1,600)		(1,600)
18	Federal Taxable income	L 7 + L 13 + L 16 + L 17		(12,115)	87,351	75,236
19	Federal income Tax Expense	-L18*Rate [2J]	35.00%	4,240	(30,573)	(26,333)
20	Total Tax Expense before Deferred Income Tax	L13+L19		5,585	(40,268)	(34,683)
<b>Deferred Federal Income Taxes</b>						
21	Total Straight Line Tax Depreciation		\$ 35,853			
22	Total Tax Depreciation		63,217			
23	Federal Tax Deducts (Over) Under Book	L22-L21		27,364		27,364
24	Deferred Federal Taxable Income	L 23		<u>\$ 27,364</u>		<u>\$ 27,364</u>
25	Federal Income Tax Expense	-L 23* Rate [2 ]	35.00%	(9,577)		(9,577)
26	Net Income Tax Expense			(3,993)	(40,268)	(44,260)
<b>Other Tax Adjustments</b>						
27	Amortization of Investment Tax Credit -qGas Plant			556		556
28	--Common Plant A--ocated			11		11
29	Consolidated Income Tax Adjustment			325		325
30	Combined income Tax Expense	Sum L 26 to 29		<u>(3,101)</u>	\$ <u>(40,268)</u>	

**PECO - Gas Operations**  
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**Gross Revenue Conversion Factor**

Line #	Description	[1] Reference Or Factor	[2] Tax Rate	[3] Factor	
<b><u>GROSS REVENUE CONVERSION FACTOR</u></b>					
1	GROSS REVENUE FACTOR			1.000000	
2	UNCOLLECTIBLE EXPENSES			0.010441)	
3	LIURP			0.002000)	
4	NET REVENUES	SumLtoL3		0.987559	1.012598
5	STATE INCOME TAXES	[3]L4*Rate[2]	0.099900	0.098657)	
6	FACTOR AFTER STATE TAXES	L4+L5		0.888902	
7	FEDERAL INCOME TAXES	[3]L6*Rate[2]	0.350000	0.311116)	
8	NET OPERATING INCOME FACTOR	L6+L7		0.577786	
9	GROSS REVENUE CONVERSION FACTOR	1/L8		1.730745	
10	Combined Income Tax Factor On Gross Revenues	-L5-L7		40.977%	
<b><u>INCOME TAX FACTOR</u></b>					
11	GROSS REVENUE FACTOR			1.000000	
12	STATE INCOME TAXES	[3]L11*Rate[2]	9.9900%	(0.099900)	
13	FACTOR AFTER STATE TAXES	L11+L12		0.900100	
14	FEDERAL INCOME TAXES	[3]L13*Rate[2]	35.00%	(0.315035)	
15	NET OPERATING INCOME FACTOR	L13+L14		0.585065	
16	GROSS REVENUE CONVERSION FACTOR	1/L15		1.709212	
17	Combined Income Tax Factor On Taxable Income	-L12-L14		41.494%	

**PECO - Gas Operations**  
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**Depreciation for Income Tax Calculation**

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Line #	Description	[1] Reference	[2] <u>Amount</u>	[3] <u>Amount</u>	[4] Total
<b><u>Accelerated Tax Depreciation</u></b>					
1	Gas Plant			57,507	
2	PA CIAC				
3	Common Plant (no Software)		19,956		
4	Allocation Factor		0.2106		
5	Common Plant Allocated to Gas			4,203	
6	Software Amortization for Tax		7,158		
7	Common Plant Allocated to Gas		0.2106	1,507	
8	Total Tax Depreciation				<u>\$ 63,217</u>
<b><u>Straight Line Tax Depreciation</u></b>					
9	Gas Plant			30,197	
10	PA CIAC			(107)	
11	Common Plant (no Software)		15,664		
12	Allocation Factor		0.2106		
13	Common Plant Allocated to Gas			3,299	
14	Software Amortization for Tax		11,702		
15	Common Plant Allocated to Gas		0.2106	2,464	
16	Total Tax Depreciation				<u>\$ 35,853</u>
<b><u>Book Depreciation</u></b>					
17	Pro Forma Book Depreciation			29,104	
18	Pro Forma Common Plant Depreciation & Amort			3,279	
19	Gas and Common Depreciation for FTY				<u>\$ 32,383</u>
20	Software Amortization		13,055		
21	Common Plant Allocated to Gas		0.2106		2,749
22	Book Depreciation for Tax Calculation				<u>\$ 35,132</u>

**PECO - Gas Operations**  
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**Investment Tax Credit Amortization**

Line #	Description	[1] Reference Or Factor	[2] Tax Rate	[3] Factor
<b><u>INVESTMENT TAX CREDIT</u></b>				
1	<b><u>Unamortized Investment Tax Credit at 12-31-07</u></b>			<b><u>\$ 5,321</u></b>
2	Total Gas Operations		\$ 5,220	
3	Gas Portion of Common		101	
4	Total Gas		<u>\$ 5,321</u>	
5	<b><u>Amortization of Investment Tax Credit - 2008</u></b>			<b><u>\$ 567</u></b>
6	Total Gas Operations		\$ 556	
7	Gas Portion of Common		11	
8	Total Gas		<u>\$ 567</u>	
9	Amortized in FTY			<u>\$ 567</u>