

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Historic Period - 12 Months Ended December 31 , 2009

Exhibit **RLO-2**
Schedule **A-1**
Witness: **R. O'Brien**
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(\$ in Thousands)

Summary of Measures of Value and Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Function	Reference Section	Present Rates	Revenue Increase	Required Revenue Levels
MEASURE OF VALUE						
1	Utility Plant		C-2	\$ 4,372,451		\$ 4,372,451
2	Accumulated Depreciation		C-3	(1,287,514)		(1,287,514)
3	Net Plant in service	L 1 + L 2		3,084,937	-	3,084,937
4	Working Capital	\$ 327,636	C-4	327,636		327,636
5			C-5			-
6	Accum Deferred Income Taxes		C-6	(557,964)		(557,964)
7	Customer Deposits		C-7	(54,977)		(54,977)
8	Common Plant - Net of Accum Depre		C-8	212,259		212,259
9	Customer Advances for Construction		C-9	(2,768)		(2,768)
10	Materials & Supplies		C-10	9,113		9,113
11	TOTAL MEASURE OF VALUE	Sum L 3 to L 10		\$ 3,018,236	\$ -	\$ 3,018,236
OPERATING REVENUES AND EXPENSES						
<u>Operating Revenues</u>						
12	Base Customer Charges	\$ 4,626,833	D-2	\$ 1,095,724	\$ 118,755	\$ 1,214,479
13	Electric Cost Revenue		D-2	3,531,109		3,531,109
14	Other Operating Revenues		D-2	58,464		58,464
15	Total Revenues	Sum L 12 to L 14		4,685,297	118,755	4,804,052
16	Operating Expenses		D - 6 to 19	(4,406,347)	(8,523)	(4,414,870)
17	OIBIT	L 15 + L 16		278,950	110,232	389,182
18	Income Taxes At Present Rates		D-20	(73,914)		
19	Income Taxes on Rate Increase		D-20		(45,739)	(119,653)
20	NET OPERATING INCOME	Sum L 17 to L 19		\$ 205,036	\$ 64,493	\$ 269,529
21	RATE OF RETURN	L 20 / L 11		6.7932%		8.930%
REVENUE INCREASE REQUIRED						
22	Rate of Return at Present Rates	L 21, Col 3		6.7932%		
23	Rate of Return Required		B-8	8.9300%		
24	Change in ROR	L 23 - L 22		2.1368%		
25	Change in Operating Income	L 24 * L 11		\$ 64,493		
26	Gross Revenue Conversion Factor		D-20	1.841360		
27	Change in Revenues	L 25 * L 26		\$ 118,755		
28	Percent Increase -- Total Revenues	L 27 / L 15 [3]			2.53%	

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Balance Sheet

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Line No	Description/(Account No)	Recorded HTY 2009
	UTILITY PLANT (101 - 107, 108, 111)	
1	Electric Utility Plant	\$ 5,412,605
2	Other Utility Plant	2,196,099
3	Total Plant In Service	7,608,704
4	Construction Work In Progress (107)	116,930
5	Total Utility Plant	7,725,634
6	Accum Prov for Depre & Amort - Electric (108, 111)	(1,693,697)
7	Accum Prov for Depre & Amort - Other (108, 111)	(745,755)
8	Net Utility Plant	5,286,182
	OTHER PROPERTY INVESTMENTS	
9	Non-utility Property (121)	13,279
10	Accumulated Depreciation on NUP (122)	(2,011)
11	Investment in Associated & Subsidiary Companies (123.1)	31,776
12	Other Investments (124)	18,302
13	Total Other Property and Investments	61,346
	CURRENT AND ACCRUED ASSETS	
14	Cash and Other Temporary Investments (131-136)	277,431
15	Notes Receivable (141)	-
16	Customer Accounts Receivable (142)	189,838
17	Other Accounts Receivable (143)	128,137
18	Accum Provision for Uncollectible (144)	(105,101)
19	Accounts Receivable Assoc. Comp. (146)	4,075
20	Fuel Stock (151)	-
21	Plant Materials & Supplies (154)	17,248
22	Gas Stored - Current (164.1)	-
23	Liquefied Natural Gas Stored (164.2)	-
24	Prepayments (165)	10,492
25	Accrued Utility Revenues (173)	227,985
26	Miscellaneous Current & Accrued Assets (171, 174)	173,275
27	Total Current and Accrued Assets	923,380
	DEFERRED DEBITS	
28	Unamortized Debt Expense (181)	12,687
29	Other Regulatory Assets (182.3)	1,814,792
30	Miscellaneous Deferred Debits (186)	636,554
31	Unamortized Loss on Reacquired Debt (189)	21,339
32	Accumulated Deferred Income Taxes (190)	147,390
33	Total Deferred Debits	2,632,762
34	TOTAL ASSETS AND OTHER DEBITS	\$ 8,903,670

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Balance Sheet

[1]

Line No	Description/(Account No)	Recorded HTY 2009
PROPRIETARY CAPITAL		
1	Common Stock Issued (201)	1,423,004
2	Preferred Stock Issued (204)	87,472
3	Miscellaneous Paid-in-Capital (211)	715,453
4	Capital Stock Expense (214)	(87)
5	Retained Earnings (215, 215.2, 216)	2,742,146
6	Unappropriate Retained Earnigns (216, 216.1)	(2,317,244)
7	Accum Other Comprehensive Income (219)	<u>1,055</u>
8	Total Proprietary Capital	2,651,799
LONG TERM DEBT		
9	Bonds (221)	2,225,000
10	Advances from Associated Companies (223)	599,310
11	Other Long-Term Debt (224)	-
12	Unamortized Premium on LTD (225)	-
13	Unamortized Discount on LTD (226)	(3,855)
14	Total Long-term Debt	<u>2,820,455</u>
OTHER NON-CURRENT LIABILITIES		
15	Obligations under Capital Leases (227)	-
16	Accum. Prov for Injuries & Damages (228.2)	43,380
17	Accum. Prov for Pensions & Benefits (228.3)	327,357
18	Accum. Miscellaneous Operating Prov (228.4)	45,682
19	Asset Retirement Obligation	<u>24,215</u>
20	Total Long-term Debt	440,634
CURRENT & ACCRUED LIABILITIES		
21	Notes Payable (231)	-
22	Accounts Payable (232)	163,839
23	Notes Payable to Assoc. Companies (233)	-
24	Accounts Payable to Assoc. Cos (234)	191,296
25	Customer Deposits (235)	64,677
26	Taxes Accrued (236)	2,652
27	Interest Accrued (237)	30,330
28	Dividends Declared (238)	924
29	Tax Collections Payable (241)	700
30	Misc Current & Accrued Liabilities (242)	<u>70,665</u>
31	Total Current & Accrued Liabilities	525,083
OTHER DEFERRED CREDITS		
32	Customer Advances for Construction (252)	3,131
33	Other Deferred Credits (253)	19,840
34	Other Regulatory Liabilities (254)	319,770
35	Deferred ITC (255)	8,807
36	Unamortized Gain on Reacquired Debt (257)	-
37	Accumulated Deferred Income Taxes (281-283)	<u>2,114,151</u>
38	Total Other Deferred Credits	<u>2,465,699</u>
39	TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 8,903,670</u>

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Statement of Net Utility Operating Income

Line No	Description	[1]	[2]	[3]	Reference
Line No	Description	Acct No	Recorded HTY 2009		
Total Operating Revenues					
1	Base Customer Charges		\$ 997,622		B-3
2	Electric Cost Revenue		2,190,234		B-3
3	CTC and Transmission		1,301,365		
4	Other Operating Revenues		63,806		B-3
5	Total Revenues	400	<u>4,553,027</u>		
Total Operating Expenses					
6	Operation & Maintenance Expenses	401,402	2,800,416		B-4
7	Depreciation & Amortization Expense	404	127,130		
8		405	-		
9	Amortization of Regulatory Expense	405	783,231		
10	Taxes other than income taxes	408.1	270,015		B-5
11	Total Operating Expenses		<u>3,980,792</u>		
12	Operating Income Before Income Taxes (OIBIT)		572,235		
Income Taxes:					
13	State				
14	Federal	409.1, 410.1, 411.1	32,765		B-5
15	Total Income Taxes	409.1, 410.1, 411.1, 411.4	<u>127,715</u>		B-5
16	Net Utility Operating Income		<u>\$ 411,755</u>		

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Statement of Operating Revenues

[1]

Line No	Description	Recorded HTY 2009
Electric Service Revenues		
1	Residential	\$ 563,026
	Residential - House Heating	97,739
2	Small Commercial & Industrial	161,199
3	Large Commercial & Industrial	144,658
4	Other Customer Classes	31,000
5	Sub-Total Electric Service Revenues	<u>997,622</u>
Purchased Electricity		
6	Residential	649,298
	Residential - House Heating	142,351
8	Small Commercial & Industrial	542,560
9	Large Commercial & Industrial	811,112
10	Other Customer Classes	44,913
11	Sub-Total Purchased Electricity	<u>2,190,234</u>
12	Electric Revenue	3,187,856
13	CTC Revenue - All Classes	929,848
14	Transmission - All Classes	177,906
15	Other	
16	Total Sales to Customers	<u>4,295,610</u>
Other Operating Revenues		
17	Forfeited Discounts	15,661
18	Sales for Resale	21,387
19	Miscellaneous Service Revenues	8,894
20	Rent For Electric Property	26,776
22	Other Electric Revenues	(8,912)
23	Transmission of Electricity for Others	193,611
24	Total Other Operating Revenues	<u>257,417</u>
25	Total Operating Revenues	<u>\$ 4,553,027</u>

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Operation and Maintenance Expenses

Line No	Description	Account No	Recorded HTY 2009
POWER SUPPLY EXPENSES			
1	Purchased Power	555	\$ 2,030,923
2	Other	0	-
3	Total Purchases	L 1 + L 2	2,030,923
TRANSMISSION EXPENSE			
Operation			
4	Operation & Supervision	560	5,579
5	Load Dispatching	561	623
6	Scheduling, System Control & Dispatch	561	7,137
7	Transmission Service Studies	562	-
8	Generation Service Studies	562	906
9	Reliability, Planning & Standard Development	562	233
10	Station Expense	562	732
11	Overhead Lines	563	383
12	Underground Lines Expense	564	-
13	Miscellaneous Expense	566	237,133
14	Rents	567	4,755
15	Total Transmission Operation Expense	L 4 to L 14	257,481
Maintenance			
16	Maintenance of Structures	569	107
17	Maintenance of Computer Hardware	569.1	200
18	Maintenance of Computer Software	569.2	630
19	Maintenance of Communicaiton Equipment	569.3	296
20	Maintenance of Station Equipment	570	9,755
21	Maintenance Overhead Lines	571	9,249
22	Maintenance of Underground Lines	572	964
23	Maintenance of Misc Transmission Plant	573	4,929
24	Total Transmission Maintenance	L 16 to L 23	26,130
25	Total Transmission Expense	L 15 + L 24	283,611
REGIONAL MARKET EXPENSES			
26	Market Facilitation, Monitoring & Compliance	575.7	1,262
27	Other	-	-
28	Total Regional Market	L 26 + L 27	1,262
DISTRIBUTION EXPENSE			
<u>Operations</u>			
29	Load Dispatching	581	1
30	Station Expense	582	1,383
31	Overhead Lines Expenss	583	6,893
32	Underground Lines Expense	584	5,871
33	Meter Expenses	586	3,536
34	Customer Installations Expense	587	4,004
35	Miscellaneous Expense	588	20,136
36	Rents	589	8,374
37	Total Distribution Operations	L 29 to L 36	50,198

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Operation and Maintenance Expenses

Line No	Description	Account No	Recorded HTY 2009
DISTRIBUTION EXPENSE			
	<u>Maintenance</u>		
38	Maintenance -- Energy Efficiency Program		-
39	Maintenance of Structures	591	3,288
40	Maintenance of Station Equipment	592	9,602
41	Maintenance of Overhead Lines	593	68,034
42	Maintenance of Underground Lines	594	22,868
43	Maintenance of Line Transformers	595	1,985
44	Maintenance of Street Lighting & Signal Systems	596	954
45	Maintenance of Misc. Distribution	598	14,105
46	Total Distribution Maintenance	L 38 to L 45	120,836
47	Total Distribution Expense	L 37 + L 46	171,034
CUSTOMER ACCOUNTS EXPENSES			
48	Supervision	901	-
49	Meter Reading	902	15,119
50	Customer Records and Collection	903	54,108
51	Uncollectible Accounts	904	54,484
52	Miscellaneous Customer Accounts	905	31,454
53	Total Customer Accounts	L 48 to L 52	155,165
CUSTOMER SERVICE & INFORMATION			
54	Customer Assistance	908	8,911
55	Informational & Instructional	909	1,891
56	Miscellaneous Customer & Informational	910	1,722
57	Total Customer Service & Information	L 54 to L 56	12,524
SALES			
58	Demonstrating & Selling	912	533
59	Miscellaneous Sales	916	477
60	Total Sales	L 58 + L 59	1,010
ADMINISTRATION & GENERAL			
	<u>Operation</u>		
61	Administrative and General Salaries	920	17,219
62	Office Supplies and Expenses	921	3,890
63	Administrative Expenses Transferred-Credit	922	-
64	Outside Service Employed	923	60,784
65	Property Insurance	924	500
66	Injuries and Damages	925	7,754
67	Employee Pensions and Benefits	926	43,789
68	Franchise Requirements	927	-
69	Regulatory Commission Expenses	928	8,821
70	Duplicate Charges-Credit	929	(8,823)
71	General Advertising Expenses	930.1	1,757
72	Miscellaneous General Expenses	930.2	5,092
73	Rents	931	-
74	A & G Operation Expenses	L 61 to L 73	140,783
	<u>Maintenance</u>		
75	Maintenance of General Plant	932	4,104
76	Total Administrative & General	L 74 + L 75	144,887
77	TOTAL O&M EXPENSES		\$ 2,800,416

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Detail of Taxes

[1]

Line No	Description	Reference	Recorded HTY 2009
Taxes Other Than Income Taxes			
Non-revenue related:			
1	PA Real Estate Tax		\$ 3,580
2	Pennsylvania - PURTA		3,960
3	Capital Stock		4,135
4	PA and Local Use taxes		659
5	Miscellaneous Taxes		7
6	Subtotal	Sum L 1 to L 5	<u>12,341</u>
Payroll Taxes			
7	FICA		8,388
8	SUTA		318
9	FUTA		74
10	Other		-
11	Subtotal	Sum L 7 to L 10	<u>8,780</u>
Revenue Related:			
12	State Gross Receipts: Pennsylvania		248,895
13	Total Taxes Other Than Income Taxes	L 6 + L 11 + L 12	<u>\$ 270,016</u>
Income Taxes			
14	State	409.1, 410.1, 411.1	\$ 32,765
15	Federal	409.1, 410.1, 411.1, 411.4	127,715
16	Total Income Taxes	L 14 + L 15	<u>\$ 160,480</u>

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Composite Cost of Long-Term Debt

Line No	Description	[1]	[2]	[3]	[4]	[5]
		Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate	Annualized Cost
First & Refunding Mortgage Bonds - Fixed Rate						
1	5.900% Rate Due 5/1/34	\$ 75,000	3.11%	5.97%	0.19%	
2	4.75% Rate Due 10/1/12	225,000	9.34%	4.94%	0.46%	
3	5.95% Rate Due 11/1/11	250,000	10.38%	6.06%	0.63%	
4	5.950% Rate Due 10/1/36	300,000	12.45%	6.04%	0.75%	
5	5.70% Rate Due 3/15/37	175,000	7.26%	5.81%	0.42%	
6	5.35% Rate Due 3/1/18	500,000	20.75%	5.47%	1.14%	
7	4.00% Rate Due 12/1/12	150,000	6.23%	4.15%	0.26%	
8	5.60% Rate Due 10/15/13	300,000	12.45%	5.97%	0.74%	
9	5.00% Rate Due 10/01/14	250,000	10.38%	5.18%	0.54%	
10	Sub-Total Fixed Rate	<u>2,225,000</u>	<u>92.35%</u>			
Trust Preferred Capital Securities						
11	7.38% Rate Due 4/6/28	80,521	3.34%	7.46%	0.25%	
12	5.25% Rate Due 4/6/28	805	0.03%	5.90%	0.00%	
13	5.75% Rate Due 6/15/33	103,093	4.28%	5.84%	0.25%	
14	Sub-Total Capital Securities	<u>184,419</u>	<u>7.65%</u>			
15	Total Long-Term Debt	2,409,419	<u>100.00%</u>		<u>5.63%</u>	
16	Adjustment for Tenders & Calls	<u>(27,485)</u>				
17	Net Long-Term Debt	<u>\$ 2,381,934</u>				
18	Annualized Cost	\$ 135,650				
19	Adjustment for Tenders & Calls Reacquired	<u>3,028</u>				
20	Total	<u>\$ 138,678</u>			<u>5.82%</u>	

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Composite Cost of Preferred Stock

Line No	Description	[1] Principal Amount Outstanding	[2] Percent To Total	[3] Effective Cost Rate	[4] Weighted Cost Rate
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 2-5-46	15,000	17.15%	4.44%	0.76%
5	4.68% Series, Issued 5-14-53	15,000	17.15%	4.76%	0.82%
6	Total Preferred Stock (Sum Line 1 to Line 5)	87,472	<u>100.00%</u>		<u>4.24%</u>
7	Adjustment for Tenders & Calls	(1,759)			
8	Net Preferred Stock (Sum Line 6 + Line 7)	<u>\$ 85,713</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)				<u>4.74%</u>

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		[1]	[2]	[3]	[4]	[5]
		Rate of Return				
Line No	Description	Capitalization	Capitalization Ratio	Embedded Cost	Statement Reference	Return-%
1	Long-Term Debt	\$ 2,381,934	45.71%	5.82%	B-6	2.66%
2	Preferred Stock	85,713	1.64%	4.74%	B-7	0.08%
3	Common Equity	<u>2,743,394</u>	<u>52.65%</u>	11.75%		<u>6.19%</u>
4	Total	<u>\$ 5,211,041</u>	<u>100.00%</u>			<u>8.93%</u>

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Measures of Value

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Line #	Description	Function	Reference			Present Rates	Adjustments	Required Revenue Levels
			Schedule	# of Pages	Levels			
MEASURE OF VALUE								
1	Utility Plant		C-2	1	\$ 4,372,451	\$	4,372,451	
2	Accumulated Depreciation		C-3	1	(1,287,514)		(1,287,514)	
3	Net Plant in service	L1+L2			3,084,937		3,084,937	
4	Working Capital		C-4	10	327,636		327,636	
5	OPEN		C-5	1				
6	Accum Deferred Income Taxes		C-6	1	(557,964)		(557,964)	
7	Customer Deposits		C-7	1	(54,977)		(54,977)	
8	Common Plant		C-8	1	212,259		212,259	
9	Customer Advances for Construction		C-9	1	(2,768)		(2,768)	
10	Materials & Supplies		C-10	1	9,113		9,113	
11	TOTAL MEASURE OF VALUE	Sum L 3 to L 10			\$ 3,018,236	\$	\$ 3,018,236	

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Pro Forma Plant Adjustment Summary

Line #	Description	[1] Schedule	[2] [3]		[4] As Adjusted Recorded
			Recorded	Adjustments	
Historic Test Year 2009					
1	INTANGIBLE PLANT	Sec. C-2, Sch 2	\$ 2,384	\$ (333)	\$ 2,051
2	TRANSMISSION PLANT	Sec. C-2, Sch 2	1,029,161	(1,029,161)	-
3	DISTRIBUTION PLANT	Sec. C-2, Sch 2	4,322,386	-	4,322,386
4	GENERAL PLANT	Sec. C-2, Sch 2	56,477	(8,463)	48,014
5					-
6					-
7	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 6)	5,410,408	(1,037,957)	4,372,451
8	COMPLETED - NOT CLASSIFIED	G/L a/c # 106	-	-	-
9	OTHER		-	-	-
10	PLANT-IN-SERVICE	Sum (L 7 to L 9)	5,410,408	(1,037,957)	4,372,451
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107	-	-	-
12	OTHER		-	-	-
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<u>\$ 5,410,408</u>	<u>\$(1,037,957)</u>	<u>\$ 4,372,451</u>

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Pro Forma Year End 2009 Plant Balances

Line #	Description	Account Number	[1]	[2]	[3]	[4]
			Historic Test Year 2009			
			Amount	Pro Forma Adjustment	Pro Forma Balance	[2] + [3]
INTANGIBLE PLANT						
1	Franchise & Consent	302	\$ 163			\$ 163
2	Miscellaneous Intangible Plant	303	2,221	(333)		1,888
3	TOTAL INTANGIBLE	L 1 + L 2	<u>2,384</u>	<u>(333)</u>		<u>2,051</u>
TRANSMISSION PLANT						
4	Land & Land Rights	350	60,604	(60,604)		-
5	Structures & Improvements	352	27,986	(27,986)		-
6	Station Equipment	353	465,331	(465,331)		-
7	Towers & Fixtures	354	237,311	(237,311)		-
8	Poles & Fixtures	355	8,798	(8,798)		-
9	Overhead Conductors & Devices	356	137,406	(137,406)		-
10	Underground Conduit	357	11,152	(11,152)		-
11	Underground Conductors & Divices	358	77,695	(77,695)		-
12	Roads & Trails	359	2,055	(2,055)		-
13	Asset Retirement Costs for Transmission Plant	359.1	823	(823)		-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	<u>1,029,161</u>	<u>(1,029,161)</u>		<u>-</u>
DISTRIBUTION PLANT						
15	Land & Land Rights	360	39,850	-		39,850
16	Structures & Improvements	361	67,136	-		67,136
17	Station Equipment	362	772,475	-		772,475
18	Poles, Towers & Fixtures	364	509,827	-		509,827
19	Overhead Conductors & Devices	365	788,093	-		788,093
20	Underground Conduit	366	302,393	-		302,393
21	Underground Conductors & Divices	367	807,382	-		807,382
22	Line Transformers	368	443,162	-		443,162
23	Services	369	357,186	-		357,186
24	Meters	370	180,762	-		180,762
25	Installations on Customer Premisis	371	1,030	-		1,030
26	Street Lighting & Signal Systems	373	50,446	-		50,446
27	Asset Retirement Costs for Distrbuition Plant	374	2,644	-		2,644
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	<u>4,322,386</u>	<u>-</u>		<u>4,322,386</u>
GENERAL PLANT						
29	Land & Land Rights	389	1,607	(241)		1,366
30	Structures & Improvements	390	24,032	(3,601)		20,431
31	Office Furniture & Equipment	391	4,950	(742)		4,208
32	Transportation Equipment	392	-	-		-
33	Stores Equipment	393	882	(132)		750
34	Tools & Garage Equipment	394	12,831	(1,923)		10,908
35	Laboratory Equipment	395	707	(106)		601
36	Power Operated Equipment	396	-	-		-
37	Communications Equipment	397	8,575	(1,285)		7,290
38	Miscellaneous Equipment	398	2,752	(412)		2,340
39	Other Tangible Property	399	141	(21)		120
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	<u>56,477</u>	<u>(8,463)</u>		<u>48,014</u>
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 40	<u>\$ 5,410,408</u>	<u>\$ (1,037,957)</u>		<u>\$ 4,372,451</u>

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Additions to Plant 2009

Line #	Description	Account Number	[1]	[2]	[3]	[4]
			Additions to Plant 2009			
Pro Forma Adjustment Amount			Budget	Pro Forma Adjustments	Other	
INTANGIBLE PLANT						
1	Franchise & Consent	302	\$ -			
2	Miscellaneous Intangible Plant	303	1,985			
3	TOTAL INTANGIBLE	L 1 + L 2	1,985			
TRANSMISSION PLANT						
4	Land & Land Rights	350	-			
5	Structures & Improvements	352	973			
6	Station Equipment	353	60,333			
7	Towers & Fixtures	354	1,418			
8	Poles & Fixtures	355	-			
9	Overhead Conductors & Devices	356	3,629			
10	Underground Conduit	357	217			
11	Underground Conductors & Divices	358	250			
12	Roads & Trails	359	-			
13	Asset Retirement Costs for Transmission Plant	359.1	-			
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	66,820			
DISTRIBUTION PLANT						
15	Land & Land Rights	360	163			
16	Structures & Improvements	361	1,970			
17	Station Equipment	362	28,594			
18	Poles, Towers & Fixtures	364	15,931			
19	Overhead Conductors & Devices	365	44,293			
20	Underground Conduit	366	17,922			
21	Underground Conductors & Divices	367	52,665			
22	Line Transformers	368	16,145			
23	Services	369	7,425			
24	Meters	370	3,201			
25	Installations on Customer Premisis	371	-			
26	Street Lighting & Signal Systems	373	866			
27	Asset Retirement Costs for Distrbuiton Plant	374	172			
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	189,347			
GENERAL PLANT						
29	Land & Land Rights	389	-			
30	Structures & Improvements	390	34			
31	Office Furniture & Equipment	391	349			
32	Transportation Equipment	392	-			
33	Stores Equipment	393	-			
34	Tools & Garage Equipment	394	1,330			
35	Laboratory Equipment	395	4			
36	Power Operated Equipment	396	-			
37	Communications Equipment	397	2,134			
38	Miscellaneous Equipment	398	-			
39	Other Tangible Property	399	-			
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	3,851			
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 40	\$ 262,003	\$ -	\$ -	

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Retirements for 2009

Line #	Description	Account Number	Retirements		
			Recorded	Adjustments	
			[1]	[2]	[3]
INTANGIBLE PLANT					
1	Franchise & Consent	302	\$ -		
2	Miscellaneous Intangible Plant	303	-		
3	TOTAL INTANGIBLE	L 1 + L 2	-		
TRANSMISSION PLANT					
4	Land & Land Rights	350	-		
5	Structures & Improvements	352	-		
6	Station Equipment	353	1,954		
7	Towers & Fixtures	354	-		
8	Poles & Fixtures	355	-		
9	Overhead Conductors & Devices	356	181		
10	Underground Conduit	357	-		
11	Underground Conductors & Divices	358	32		
12	Roads & Trails	359	-		
13	Asset Retirement Costs for Transmission Plant	359.1	19		
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	2,186		
DISTRIBUTION PLANT					
15	Land & Land Rights	360	-		
16	Structures & Improvements	361	42		
17	Station Equipment	362	855		
18	Poles, Towers & Fixtures	364	2,992		
19	Overhead Conductors & Devices	365	3,537		
20	Underground Conduit	366	99		
21	Underground Conductors & Divices	367	4,990		
22	Line Transformers	368	6,948		
23	Services	369	631		
24	Meters	370	2,724		
25	Installations on Customer Premisis	371	-		
26	Street Lighting & Signal Systems	373	214		
27	Asset Retirement Costs for Distribuiton Plant	374	144		
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	23,176		
GENERAL PLANT					
29	Land & Land Rights	389	-		
30	Structures & Improvements	390	8		
31	Office Furniture & Equipment	391	(11)		
32	Transportation Equipment	392	-		
33	Stores Equipment	393	-		
34	Tools & Garage Equipment	394	310		
35	Laboratory Equipment	395	-		
36	Power Operated Equipment	396	-		
37	Communications Equipment	397	-		
38	Miscellaneous Equipment	398	93		
39	Other Tangible Property	399	-		
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	400		
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 40	\$ 25,762		\$ -

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Line #	Description	Account Number	Pro Forma Plant Adjustment			Total Pro Forma Adjustments
			Remove Transmission	General to Transmission	Intangible to Transmission	
INTANGIBLE PLANT						
1	Franchise & Consent	302	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Intangible Plant	303	-	-	(333)	(333)
3	TOTAL INTANGIBLE	L1 + L2	-	-	(333)	(333)
TRANSMISSION PLANT						
4	Land & Land Rights	350	(60,604)	-	-	(60,604)
5	Structures & Improvements	352	(27,986)	-	-	(27,986)
6	Station Equipment	353	(465,331)	-	-	(465,331)
7	Towers & Fixtures	354	(237,311)	-	-	(237,311)
8	Poles & Fixtures	355	(8,798)	-	-	(8,798)
9	Overhead Conductors & Devices	356	(137,406)	-	-	(137,406)
10	Underground Conduit	357	(11,152)	-	-	(11,152)
11	Underground Conductors & Devices	358	(77,695)	-	-	(77,695)
12	Roads & Trails	359	(2,055)	-	-	(2,055)
13	Asset Retirement Costs for Transmission Plant	355.1	(823)	-	-	(823)
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	(1,029,161)	-	-	(1,029,161)
DISTRIBUTION PLANT						
15	Land & Land Rights	360	-	-	-	-
16	Structures & Improvements	361	-	-	-	-
17	Station Equipment	362	-	-	-	-
18	Poles, Towers & Fixtures	364	-	-	-	-
19	Overhead Conductors & Devices	365	-	-	-	-
20	Underground Conduit	366	-	-	-	-
21	Underground Conductors & Devices	367	-	-	-	-
22	Line Transformers	368	-	-	-	-
23	Services	369	-	-	-	-
24	Meters	370	-	-	-	-
25	Installations on Customer Premises	371	-	-	-	-
26	Street Lighting & Signal Systems	373	-	-	-	-
27	Asset Retirement Costs for Distribution Plant	374	-	-	-	-
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	-	-	-	-
GENERAL PLANT						
29	Land & Land Rights	389	-	(241)	-	(241)
30	Structures & Improvements	390	-	(3,601)	-	(3,601)
31	Office Furniture & Equipment	391	-	(742)	-	(742)
32	Transportation Equipment	392	-	-	-	-
33	Stores Equipment	393	-	(132)	-	(132)
34	Tools & Garage Equipment	394	-	(1,923)	-	(1,923)
35	Laboratory Equipment	395	-	(106)	-	(106)
36	Power Operated Equipment	396	-	(1,285)	-	(1,285)
37	Communications Equipment	397	-	(412)	-	(412)
38	Miscellaneous Equipment	398	-	(21)	-	(21)
39	Other Tangible Property	399	-	(8,463)	-	(8,463)
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	-	(12,855)	-	(12,855)
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 40	(1,029,161)	(8,463)	(333)	(1,037,957)

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Accumulated Provision for Depreciation

Line No	Description	[1] Account No	[2] Pro Forma HTY 2009
INTANGIBLE PLANT			
1	Franchise & Consent	302	\$ -
2	Miscellaneous Intangible Plant	303	(119)
3	TOTAL INTANGIBLE	L 1 + L 2	(119)
TRANSMISSION PLANT			
4	Land & Land Rights	350	-
5	Structures & Improvements	352	-
6	Station Equipment	353	-
7	Towers & Fixtures	354	-
8	Poles & Fixtures	355	-
9	Overhead Conductors & Devices	356	-
10	Underground Conduit	357	-
11	Underground Conductors & Divices	358	-
12	Roads & Trails	359	-
13	Asset Retirement Costs for Transmission Plant	359.1	-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	-
DISTRIBUTION PLANT			
15	Land & Land Rights	360	-
16	Structures & Improvements	361	(30,009)
17	Station Equipment	362	(321,273)
18	Poles, Towers & Fixtures	364	(108,879)
19	Overhead Conductors & Devices	365	(197,980)
20	Underground Conduit	366	(128,234)
21	Underground Conductors & Divices	367	(136,778)
22	Line Transformers	368	(153,365)
23	Services	369	(97,828)
24	Meters	370	(69,380)
25	Installations on Customer Premisis	371	(914)
26	Street Lighting & Signal Systems	373	(25,977)
27	Asset Retirement Costs for Distrbuiton Plant	374	(1,097)
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	(1,271,714)
GENERAL PLANT			
29	Land & Land Rights	389	-
30	Structures & Improvements	390	(8,382)
31	Office Furniture & Equipment	391	(2,050)
32	Transportation Equipment	392	-
33	Stores Equipment	393	(403)
34	Tools & Garage Equipment	394	(1,246)
35	Laboratory Equipment	395	(275)
36	Power Operated Equipment	396	-
37	Communications Equipment	397	(2,153)
38	Miscellaneous Equipment	398	(1,089)
39	Other Tangible Property	399	(83)
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	(15,681)
41	Total Electric Plant Accumulated Depreciation		\$ (1,287,514)

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Summary of Accumulated Depreciation

Line #	Description	[1] Account Number	[2] [3] [4]		
			Historic Test Year 2009		
			Recorded	Pro Forma Adjustments	Pro Forma Recorded
1	INTANGIBLE PLANT		\$ (140)	\$ 21	\$ (119)
2	TRANSMISSION PLANT		(426,016)	426,016	-
3	DISTRIBUTION PLANT		(1,271,714)	-	(1,271,714)
4	GENERAL PLANT		(18,446)	2,765	(15,681)
5				-	-
6				-	-
7					-
8	ACCUMULATED DEPRECIATION	Sum L 1 to L 7	(1,716,316)	428,802	(1,287,514)
9					-
10	OTHER UTILITY PLANT				-
11	TRANSPORTATION		-	-	-
12	TOTAL ACCUMULATED DEPRECIATION	Sum L 9 to L 11	(1,716,316)	428,802	(1,287,514)
13	ACCUMULATED AMORTIZATION		-	-	-
14	TOTAL ACC DEPR & AMORTIZATION	L 12 + L 13	<u>\$ (1,716,316)</u>	<u>\$ 428,802</u>	<u>\$ (1,287,514)</u>

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Line #	Description	Account Number	[1]	[2]	[3]	[4]
			Recorded	Pro Forma Adjustments	Pro Forma Recorded	[2]+[3]
Historic Test Year 2009						
INTANGIBLE PLANT						
1	Franchise & Consent	302	\$ -	\$ -	\$ -	
2	Miscellaneous Intangible Plant	303	(140)	21	(119)	
3	TOTAL INTANGIBLE	L 1 + L 2	(140)	21	(119)	
TRANSMISSION PLANT						
4	Land & Land Rights	350	-	-	-	
5	Structures & Improvements	352	(15,499)	15,499	-	
6	Station Equipment	353	(158,815)	158,815	-	
7	Towers & Fixtures	354	(134,972)	134,972	-	
8	Poles & Fixtures	355	(1,574)	1,574	-	
9	Overhead Conductors & Devices	356	(73,296)	73,296	-	
10	Underground Conduit	357	(3,562)	3,562	-	
11	Underground Conductors & Divices	358	(35,840)	35,840	-	
12	Roads & Trails	359	(1,894)	1,894	-	
13	Asset Retirement Costs for Transmission Plant	359.1	(564)	564	-	
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	(426,016)	426,016	-	
DISTRIBUTION PLANT						
15	Land & Land Rights	360	-	-	-	
16	Structures & Improvements	361	(30,009)	-	(30,009)	
17	Station Equipment	362	(321,273)	-	(321,273)	
18	Poles, Towers & Fixtures	364	(108,879)	-	(108,879)	
19	Overhead Conductors & Devices	365	(197,980)	-	(197,980)	
20	Underground Conduit	366	(128,234)	-	(128,234)	
21	Underground Conductors & Divices	367	(136,778)	-	(136,778)	
22	Line Transformers	368	(153,365)	-	(153,365)	
23	Services	369	(97,828)	-	(97,828)	
24	Meters	370	(69,380)	-	(69,380)	
25	Installations on Customer Premisis	371	(914)	-	(914)	
26	Street Lighting & Signal Systems	373	(25,977)	-	(25,977)	
27	Asset Retirement Costs for Distribuion Plant	374	(1,097)	-	(1,097)	
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	(1,271,714)	-	(1,271,714)	
GENERAL PLANT						
29	Land & Land Rights	389	-	-	-	
30	Structures & Improvements	390	(9,860)	1,478	(8,382)	
31	Office Furniture & Equipment	391	(2,411)	361	(2,050)	
32	Transportation Equipment	392	-	-	-	
33	Stores Equipment	393	(474)	71	(403)	
34	Tools & Garage Equipment	394	(1,466)	220	(1,246)	
35	Laboratory Equipment	395	(324)	49	(275)	
36	Power Operated Equipment	396	-	-	-	
37	Communications Equipment	397	(2,532)	379	(2,153)	
38	Miscellaneous Equipment	398	(1,281)	192	(1,089)	
39	Other Tangible Property	399	(98)	15	(83)	
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	(18,446)	2,765	(15,681)	
41	TOTAL ACCUMULATED DEPRECIATION	L 3 + L 14 + L 28 + L 40	\$ (1,716,316)	\$ 428,802	\$ (1,287,514)	

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Cost of Removal Net of Salvage 2009

Line #	Description	[1] Account Number	[2]	[3] Recorded 2009
INTANGIBLE PLANT				
1	Franchise & Consent	302		\$ -
2	Miscellaneous Intangible Plant	303		-
3	TOTAL INTANGIBLE	L 1 + L 2		-
		0		
TRANSMISSION PLANT				
4	Land & Land Rights	350		-
5	Structures & Improvements	352		-
6	Station Equipment	353		588
7	Towers & Fixtures	354		-
8	Poles & Fixtures	355		-
9	Overhead Conductors & Devices	356		73
10	Underground Conduit	357		-
11	Underground Conductors & Divices	358		66
12	Roads & Trails	359		-
13	Asset Retirement Costs for Transmission Plant	359.1		-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13		727
DISTRIBUTION PLANT				
		0		
15	Land & Land Rights	360		-
16	Structures & Improvements	361		13
17	Station Equipment	362		708
18	Poles, Towers & Fixtures	364		2,753
19	Overhead Conductors & Devices	365		3,349
20	Underground Conduit	366		465
21	Underground Conductors & Divices	367		4,447
22	Line Transformers	368		219
23	Services	369		640
24	Meters	370		39
25	Installations on Customer Premisis	371		-
26	Street Lighting & Signal Systems	373		49
27	Asset Retirement Costs for Distrbuiton Plant	374		-
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27		12,682
GENERAL PLANT				
29	Land & Land Rights	389		-
30	Structures & Improvements	390		9
31	Office Furniture & Equipment	391		29
32	Transportation Equipment	392		-
33	Stores Equipment	393		-
34	Tools & Garage Equipment	394		-
35	Laboratory Equipment	395		-
36	Power Operated Equipment	396		-
37	Communications Equipment	397		-
38	Miscellaneous Equipment	398		-
39	Other Tangible Property	399		-
40	TOTAL GENERAL PLANT	Sum L 29 to L 39		38
41	TOTAL	L 3 + L 14 + L 28 + L 40		\$ 13,447

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Working Capital

Line No	Description	[1] HTY 2009	[2] Reference
1	Operation & Maintenance Expenses	\$ 226,728	C-4, Page 2
2	Accrued Taxes	101,098	C-4, Page 6
3	Interest Payments	(8,083)	C-4, Page 7
4	Preferred Dividend Payments	57	C-4, Page 8
5	Average Prepayments	7,836	C-4, Page 10
6	Total Cash Working Capital Requirements	\$ 327,636	

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Summary of Working Capital

Line #	Description	Reference	Test Year Expenses	Factor	Number of (Lead) / Lag Days	Totals
			[1]	[2]	[3]	[4]
				P 4, C 5	[2] * [3]	
WORKING CAPITAL REQUIREMENT						
1	REVENUE LAG DAYS	P 3				54.51
	EXPENSE LAG DAYS					
2	Payroll	D-7, P 2, L 24 + L 21	\$ 105,815	16.00	\$ 1,693,041	
3	Pension Expense	D-9, L 13	31,657	36.47	1,154,660	
4	Commodity Purchased - [A]	D-2, L 20, C 3 - L 5	3,233,783	35.63	115,219,688	
5	Commodity Purchased - [B]	D-6B, L 17	61,013	6.50	396,584	
6	PJM Transmission Purchased	D-16, L 5 + L 6	181,124	6.50	1,177,306	
7	Other Expenses	L 16- Ls 2 to 6	323,944	37.74	12,225,639	
8	Total	Sum (L 2 to L 7)	<u>\$ 3,937,336</u>		<u>\$ 131,866,918</u>	
9	O & M Expense Lag Days	L8, C 4 / C 2				33.49
10	Net (Lead) Lag Days	L 1 - L 9				21.02
11	Operating Expenses Per Day	L 8, C 2 / 365				\$ 10,787
12	Working Capital for O & M Expense	L 10 * L 11				\$ 226,728
13	Average Prepayments	P 10				7,836
14	Accrued Taxes	P 6				101,098
15	Interest Payments	P 7				(8,083)
16	Preferred Dividend Payments	P 8				57
17	Total Working Capital Requirement	Sum (L 12 to L 16)				<u>\$ 327,636</u>
18	Pro Forma O & M Expense		\$ 4,004,718			
	Less:					
19	Commodity Supplied by Others		-			
20	Uncollectible Expense		(67,382)			
21	Transmission S&W to A&G		(15,111)			
22	A&G Offset for Trans S&W		15,111			
23	Sub-Total	Sum (L 19 to L 22)	<u>(67,382)</u>			
24	Pro Forma Cash O&M Expense	L 18 - L23	<u>\$ 3,937,336</u>			

[A] Contract Purchases of Electricity - 95% of Total Pro Forma Requirement
 [B] Spot Market Purchases of Electricity - 5% of Total Pro Forma Residential Requirement

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Revenue Lag

Line No.	Description	[1] Reference Or Factor	[2] Accounts Receivable Balance End of Month	[3] Total Monthly Sales	[4] A/R Turnover [3]/[2]	[5] Days Lag L 1 / L 17 [4]
1	Annual Number of Days					<u>365</u>
2	December, 2008		\$ 446,843			
3	January, 2009		507,353	417,815		
4	February		518,112	360,266		
5	March		490,693	342,518		
6	April		436,596	298,302		
7	May		437,017	325,282		
8	June		439,197	340,558		
9	July		464,811	387,206		
10	August		502,461	429,402		
11	September		465,948	409,353		
12	October		398,180	313,003		
13	November		361,427	308,167		
14	December, 2009		372,736	348,607		
15	Total	Sum L 2 to L 14	<u>\$5,841,374</u>			
16	Average A/R Balance	<u>13</u>				
17	Factor		<u>\$449,336</u>	<u>\$ 4,280,479</u>	<u>9.53</u>	<u>38.30</u>
18	Collection Days Lag (L 17 [5])					38.30
19	Billing and Revenue Recording Lag					1.000
20	Billing Lag (Average Period)		365	/	12	* 0.5 = 15.21
21	Total Revenue Lag Days	Sum L 18 to L 20				<u>54.51</u>

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Historic Period - 12 Months Ended December 31 , 2009

Line No.	Description	[1] Reference Or Factor	[2] Amount	[3] (Lead) / Lag Days	[4] Weighted Dollar Value [2] * [3]	[5] (Lead) / Lag Days [4] / [2]
<u>PAYROLL</u>						
1	Union & Non-Union Payroll		\$ 115,955			
2	Paid Bi-Weekly with nine-day lag (14 days / 2 + 9 days)			16.00		
3	Weighted Payroll Dollar Value				\$ 1,855,280	
4			<u> </u>		<u> </u>	
5	Payroll Lag	Sum L 1 to L 4	<u>\$ 115,955</u>		<u>\$ 1,855,280</u>	<u>16.00</u>
<u>PENSION EXPENSE</u>						
6	First Payment	14-Jan	\$ 2,730	(168.0)	\$ (458,640)	
7	Second Payment	14-Apr	2,489	(78.0)	(194,142)	
8	Third Payment	14-Jul	2,746	13.0	35,698	
9	Fourth Payment	14-Sep	18,674	75.0	1,400,550	
10	Final Payment	14-Oct	2,746	105.0	288,330	
11	Sub-Total		<u>\$ 29,385</u>		<u>\$ 1,071,796</u>	
12	Mid-point of Service Period	1-Jul				
13	Lag Days for Pension Payment	L 11 col 4 / col 2				<u>36.47</u>
<u>PURCHASED ENERGY EXPENSES</u>						
14	Payment Lag - Contract Purchases		<u> </u>	See Page 11	<u> </u>	<u>35.63</u>
15	Payment Lag - Spot Market Purchases		<u> </u>	See Page 11	<u> </u>	<u>6.50</u>
<u>OTHER O & M EXPENSES</u>						
16	OCTOBER 2008	Page 5	\$ 30,598		\$ 1,161,731	
17	JANUARY 2009	Page 5	29,351		1,088,357	
18	APRIL 2009	Page 5	26,974		1,069,216	
19	JULY 2009	Page 5	23,035		830,153	
20	TOTAL	Sum L 16 to L 19	<u>109,957</u>		<u>4,149,457</u>	<u>37.74</u>

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General Disbursements Lag

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Days	[4] Expense Lag-Days [3]/[2]
<u>OCTOBER 2008</u>					
1	Total Disbursements for Month	<u>17,056</u>	<u>\$ 134,585</u>		
2	Total Disbursements for Expenses	<u>1,694</u>	<u>\$ 30,598</u>	<u>\$ 1,161,731</u>	<u>37.97</u>
<u>JANUARY 2009</u>					
3	Total Disbursements for Month	<u>12,185</u>	<u>\$ 143,289</u>		
4	Total Disbursements for Expenses	<u>1,358</u>	<u>\$ 29,351</u>	<u>\$ 1,088,357</u>	<u>37.08</u>
<u>APRIL 2009</u>					
5	Total Disbursements for Month	<u>12,493</u>	<u>\$ 70,954</u>		
6	Total Disbursements for Expenses	<u>1,536</u>	<u>\$ 26,974</u>	<u>\$ 1,069,216</u>	<u>39.64</u>
<u>JULY 2009</u>					
7	Total Disbursements for Month	<u>13,259</u>	<u>\$ 66,175</u>		
8	Total Disbursements for Expenses	<u>1,595</u>	<u>\$ 23,035</u>	<u>\$ 830,153</u>	<u>36.04</u>
<u>TOTAL FOUR TEST MONTHS</u>					
9	Total Test Month Expense Disbursement	<u>6,183</u>	<u>\$ 109,957</u>	<u>\$ 4,149,457</u>	<u>37.74</u>

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Tax Expense Working Capital

Line No.	Description	[1] Reference Or Factor	[2]	[3] Pro Forma Distribution Proposed Rate Amount	[4] Net Revenue Lag-Days	[5] Accrued Taxes <u>[2] * [3]</u>
1	FEDERAL INCOME TAX			\$ 94,256	17.01	\$ 1,603,287
2	STATE INCOME TAX			25,397	24.76	628,840
3	PURTA Taxes			3,367	115.51	388,871
4	Capital Stock			3,515	24.76	87,040
5	PA & Local Use taxes			560	18.51	10,370
6	PA Property Tax			3,044	55.01	167,423
7	PA Corp Loan Tax			5	131.51	671
8	Philadelphia BPT			-	54.51	-
9	Local Privilege Tax			1	162.51	138
10	Gross Receipts Tax			269,932	126.01	34,014,082
11	Total	Sum L 1 to L 10				<u>\$ 36,900,720</u>
12	Days in Year					<u>365</u>
13	Average Daily Amount for Working Capital					<u>\$ 101,098</u>

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Interest Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measures of Value at	December, 2009			\$ 3,018,236
2	Long-term Debt Ratio				45.71%
3	Embedded Cost of Long-term Debt				5.82%
4	Pro forma Interest Expense	Sum L 1 to L 3			<u>\$ 80,323</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 220
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days			54.51	
8	Interest Payment lag days	L 7 - L 6			(36.74)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (8,083)</u>

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Preferred Stock Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measures of Value at	December, 2009			\$ 3,018,236
2	Preferred Stock Ratio				1.64%
3	Embedded Cost of Preferred				4.74%
4	Pro forma Dividend Expense	Sum L 1 to L 3			<u>\$ 2,346</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 6
6	Days to mid-point of Dividend payments			45.63	
7	Less: Revenue Lag Days			54.51	
8	Dividend Payment lag days	L 7 - L 6			<u>8.89</u>
9	Total Dividend for Working Capital	L 5 * L 8			<u>\$ 57</u>

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Line #	Description	TAX EXPENSE							
		[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1]-[2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3]*[4]	[6] Payment Lead (Lag) Days [5]/[4]	[7] Revenue (Lag) Days C-4, Pg3	[8] Net Payment Lead (Lag) Days [6]-[7]
1	FEDERAL INCOME TAX	<u>25%</u>			\$ 94,256				
2	First Payment	04/15/09	07/01/09	77.00	\$ 23,564	1,814,419			
3	Second Payment	06/15/09	07/01/09	16.00	23,564	377,022			
4	Third Payment	09/15/09	07/01/09	(76.00)	23,564	(1,790,855)			
5	Fourth Payment	12/15/09	07/01/09	(167.00)	23,564	(3,935,168)			
6	Total				\$ 94,256	\$ (3,534,582)	(37.50)	54.51	17.01
7	STATE INCOME TAX	<u>25%</u>			\$ 25,397				
8	First Payment	03/15/09	07/01/09	108.00	\$ 6,349	685,730			
9	Second Payment	06/15/09	07/01/09	16.00	6,349	101,590			
10	Third Payment	09/15/09	07/01/09	(76.00)	6,349	(482,551)			
11	Fourth Payment	12/15/09	07/01/09	(167.00)	6,349	(1,060,341)			
12	Total				\$ 25,397	(755,573)	(29.75)	54.51	24.76
13	PURTA				\$ 3,367				
14	First Payment	05/01/09	07/01/09	61.00	\$ 3,367	205,360	61.00	54.51	115.51
15	PA CAPITAL STOCK TAX	<u>25%</u>			\$ 3,515				
16	First Payment	03/15/09	07/01/09	108.00	\$ 879	94,914			
17	Second Payment	06/15/09	07/01/09	16.00	879	14,061			
18	Third Payment	09/15/09	07/01/09	(76.00)	879	(66,791)			
19	Fourth Payment	12/15/09	07/01/09	(167.00)	879	(146,765)			
20	Total				\$ 3,515	(104,581)	(29.75)	54.51	24.76
21	PA & LOCAL USE TAX				\$ 560				
22	Monthly Payment (Example)	02/20/09	01/15/09	(36.00)	\$ 560	(20,169)	(36.00)	54.51	18.51
23	PA PROPERTY TAX	<u>50%</u>			\$ 3,044				
24	First Payment	03/31/09	07/01/09	92.00	\$ 1,522	140,001			
25	Second Payment	09/30/09	07/01/09	(91.00)	1,522	(138,479)			
26	Total				\$ 3,044	1,522	0.50	54.51	55.01
27	PA Corp Loan Tax				\$ 5				
28	Payment	04/15/09	07/01/09	77.00	\$ 5	393	77.00	54.51	131.51
29	Philadelphia BPT				\$ -				
30	Payment	04/15/09	07/01/09	77.00	\$ -	-	0.00	54.51	54.51
31	Local Privilege Tax				\$ 1				
32	Payment	03/15/09	07/01/09	108.00	\$ 1	92	108.00	54.51	162.51
33	Gross Receipts Tax	<u>90%</u>			\$ 269,932				
34	Payment of 90% (a)	03/15/09	07/01/09	108.00	\$ 242,938	26,237,352			
35									
36	Payment of 10% (a)	03/15/10	07/01/09	(257.00)	26,993	(6,937,242)			
37									
38	(a) - Based on 2008 Ratio Total				\$ 269,932	19,300,110	71.50	54.51	126.01

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Prepaid Expenses

Line #	Description	DISTRIBUTION ELECTRIC												ELECTRIC & GAS				ELECTRIC DIST & GAS							
		TOTAL	Energy Assoc Dues	EEL Dues	PUC Assess Electric	Pole Attachment Fees	Prepaid Barrell Locks	SEPTA Duct Rental	Phila Work Permits	CSX Lease Agreement	VEBA Adjust	Maintenance Contracts	IT License Agree	Vehicle Registration	Billing Paper	Postage									
1	December, 2008	9,542	\$	\$	3,734	\$	1,318	\$	844	\$	228	\$	26	\$	1,959	\$	15	\$	224	\$	181	\$	528	\$	485
2	January, 2009	9,210	191	396	3,111	1,098	-	1,294	209	26	209	26	26	1,560	41	266	187	428	403						
3	February	7,914	173	360	2,489	878	-	1,015	190	26	190	26	26	1,364	177	229	195	479	339						
4	March	6,842	156	324	1,867	659	259	826	180	26	180	26	26	1,145	183	186	189	384	447						
5	April	5,618	139	288	1,245	439	246	666	152	26	152	26	26	1,104	166	191	208	411	337						
6	May	5,127	121	252	622	220	134	669	133	26	133	26	26	1,187	134	285	212	618	514						
7	June	11,533	104	216	6,400	1,318	92	489	114	26	114	26	26	1,035	132	228	199	522	658						
8	July	10,628	87	180	5,714	878	-	1,225	95	26	95	26	26	1,140	101	271	187	425	299						
9	August	9,566	69	144	5,028	659	-	935	76	26	76	26	26	1,162	99	288	175	467	438						
10	September	9,447	52	108	4,341	659	-	1,653	57	26	57	26	26	1,119	82	239	174	372	565						
11	October	9,054	35	72	4,476	114	131	1,713	38	26	38	26	26	1,101	67	382	180	297	422						
12	November	8,217	17	36	3,917	220	-	1,286	19	26	19	26	26	1,153	51	386	198	514	394						
13	December, 2009	7,124	-	-	3,357	-	-	906	228	26	228	26	26	1,214	19	415	203	419	337						
14	TOTAL	\$ 109,822	\$ 1,144	\$ 2,376	\$ 46,301	\$ 8,460	\$ 862	\$ 13,521	\$ 1,719	\$ 338	\$ 1,719	\$ 338	\$ 338	\$ 16,243	\$ 1,267	\$ 3,590	\$ 2,498	\$ 5,864	\$ 5,639						
15	Distribution Pct	Exp Factor	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	74.873%	74.873%	74.873%	74.873%	82.367%	82.367%						
16	Distribution Amt	L 14 * L 15	\$ 1,144	\$ 2,376	\$ 46,301	\$ 8,460	\$ 862	\$ 13,521	\$ 1,719	\$ 338	\$ 1,719	\$ 338	\$ 338	\$ 12,162	\$ 949	\$ 2,688	\$ 1,870	\$ 4,830	\$ 4,645						
17	Number of Months		13																						
18	Monthly Average	L 16 / L 17	\$ 88	\$ 183	\$ 3,562	\$ 651	\$ 66	\$ 1,040	\$ 132	\$ 26	\$ 132	\$ 26	\$ 26	\$ 936	\$ 73	\$ 207	\$ 144	\$ 372	\$ 357						
19	Rate Case Amount	Sum Line 18	\$ 7,836																						

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Line No.	Description	[1] Midpoint of Prior Month Service Period To End of Month	[2] Payment Date Month After Service Period	[3] Additional Weekend or Holidays Extending Payment Date	[4] Total Working Capital Lag Days	[5] Average
Contract Purchases in 2011						
1	January	15.50	19.00	1.00	35.50	
2	February	15.50	19.00	2.00	36.50	
3	March	14.00	19.00	2.00	35.00	
4	April	15.50	19.00	1.00	35.50	
5	May	15.00	19.00	1.00	35.00	
6	June	15.50	19.00	1.00	35.50	
7	July	15.00	19.00	1.00	35.00	
8	August	15.50	19.00	3.00	37.50	
9	September	15.50	19.00	1.00	35.50	
10	October	15.00	19.00	1.00	35.00	
11	November	15.50	19.00	2.00	36.50	
12	December	15.00	19.00	1.00	35.00	
13	Average Payment Lag Days					<u>35.63</u>

		<u>Service Period</u>	<u>Units</u>	<u>Service Period # of Days</u>	<u>Lag Days</u>	
Spot Market Purchases in 2011						
14	Service Period Weekly	Wed to Tues	Days	<u>7.00</u>		
15	Days from Midpoint to End of Month			#	3.50	
16	Payment Due on Friday of each Week				3.00	
17	Total Payment Lag Days					<u>6.50</u>

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OPEN

		[1]	[2]	[3]	[4]
Line #	Description				
1	December, 2006	\$ -	\$ -	\$ -	\$ -
2	January, 2007	-	-	-	-
3	February	-	-	-	-
4	March	-	-	-	-
5	April	-	-	-	-
6	May	-	-	-	-
7	June	-	-	-	-
8	July	-	-	-	-
9	August	-	-	-	-
10	September	-	-	-	-
11	October	-	-	-	-
12	November	-	-	-	-
13	December, 2007	-	-	-	-
14	Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
15	Average Monthly Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Accumulated Deferred Income Taxes

Line #	Description	[1] Factor Or Reference	[2] Percent To Distribution	[3] Amount	[4] Total
1	<u>Accumulated Deferred Income Tax - A/C # 282</u>				
2	Electric Utility Plant - a/c # 282	\$ 632,142	85.014%	\$ 537,409	
3	Common Plant	\$ 37,353	67.365%	25,163	
4	Software - Common	\$ 19,227	67.365%	12,952	
5	Sub-total				575,524
6	ADIT on CIAC	\$ (28,743)	85.014%	\$ (24,436)	
7	ADIT on CIAC Common Plant	\$ -	67.365%	-	
8	Sub-total				<u>(24,436)</u>
9	Federal ADIT				551,089
	<u>STATE</u>				
10	Cost Method Basis	\$ 11,032	85.014%	\$ 9,379	
11	ML Non Conforming	2,423	85.014%	2,060	
12	PA Prepaid Tax on CIAC	(5,368)	85.014%	(4,564)	
13	Sub-total				\$ 6,875
14	Balance at December 31, 2009				<u>\$ 557,964</u>

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Customer Deposits

[1]

Line #	Description	Factor Or Reference	Balance At End Of Month
1	December, 2008		\$ 59,830
2	January, 2009		54,748
3	February		53,682
4	March		53,940
5	April		54,603
6	May		54,633
7	June		54,984
8	July		55,372
9	August		54,570
10	September		54,830
11	October		55,025
12	November		55,372
13	December, 2009		53,115
14	Total		<u>\$ 714,704</u>
15	Average Monthly Balance		<u>\$ 54,977</u>

Gas Deposits By Customer Classification

16	HTY 2009 - Residential		\$ 15,918
17	- Small C&I		33,459
18	- Large C&I		5,594
19	- Street Lighting		6
20			-
21	Total		<u>\$ 54,977</u>

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Common Plant

Line #	Description	Factor Or Reference	[1]	[2]	[3]
			Total Company	Percent Allocated To Electric Distribution	Electric Distribution Total
					[1] * [2]
<u>Common Gross Plant at 12-31-09</u>					
1	---Land		6,778		
2	---Organization		677		
3	---Software		125,079		
4	--- General Plant		384,530		
5	---Other				
6	Total	L 1 to L 5	517,064	67.365%	\$ 348,320
7					
8					
9					
10	Common Plant at 12-31-09	L 6 to L 9	<u>\$ 517,064</u>		<u>\$ 348,320</u>
<u>Common Plant Accum Depre at 12-31-09</u>					
11	---Software		(73,266)		
12	--- General Plant		(128,710)		
13	---Other		-		
14	Accumulated Depreciation at 12-31-09	L 11 to L 13	(201,976)	67.365%	(136,061)
15					
16					
17					
18					
19	Total Accumulated Depreciation at 12-31-09	L 14 to L 18	<u>\$ (201,976)</u>		<u>\$ (136,061)</u>
<u>Net Common Plant</u>					
20	Net Common Plant	L 10 + L 19	<u>\$ 315,088</u>		
21	Allocation Factor			<u>67.365%</u>	
22	Total Net Common Plant for Electric Distribution	L 20 * L 21			<u>\$ 212,259</u>

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Customer Advances

[1]

Line #	Description	Factor Or Reference	Balance At End Of Month
1	December, 2008		\$ 2,343
2	January, 2009		2,298
3	February		3,230
4	March		3,040
5	April		3,252
6	May		3,096
7	June		2,913
8	July		2,615
9	August		2,696
10	September		2,074
11	October		3,031
12	November		2,903
13	December, 2009		2,487
14	Total		<u>\$ 35,978</u>
15	Average Monthly Balance		<u>\$ 2,768</u>

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Materials & Supplies

Line #	Description	Factor Or Reference	[1]	[2]	[3]
			Materials & Supplies	Undistributed Stores Expense	Total
<u>Amounts to Gas Operations</u>					
1	December, 2008		\$ 8,984	\$ -	
2	January, 2009		9,318	(317)	
3	February		9,343	(387)	
4	March		9,110	(375)	
5	April		9,146	(67)	
6	May		8,920	12	
7	June		8,863	57	
8	July		9,119	160	
9	August		9,483	91	
10	September		9,122	(67)	
11	October		9,507	(256)	
12	November		9,788	(462)	
13	December, 2009		8,849	-	
14	Total		<u>\$ 119,552</u>	<u>\$ (1,611)</u>	
15	Distribution Expense Allocation Factor		<u>100.00%</u>	<u>67.365%</u>	
16	Total To Electric Distribution		<u>\$ 119,552</u>	<u>\$ (1,085)</u>	
17	Average Monthly Balance		<u>\$ 9,196</u>	<u>\$ (83)</u>	<u>\$ 9,113</u>

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Net Operating Income and Revenue Increase At Proposed Rates

Line #	Description	Factor Or Reference	[1] Pro Forma Historic Year Present Rates	[2] Pro Forma Revenue Increase	[3] Pro Forma At Required Revenue Level
OPERATING REVENUES					
1	Customer & Distribution Revenue		\$ 914,859	\$ -	\$ 914,859
2					
3	Electric Supply & Cost Adjustment Revenue		3,531,109	-	3,531,109
4					
5	Other Revenues		239,329	-	239,329
6	Revenue Increase			118,755	118,755
7	Total operating revenues	Sum L 1 to L 6	<u>4,685,297</u>	<u>118,755</u>	<u>4,804,052</u>
OPERATING EXPENSES					
8	Power Supply		3,294,796	-	3,294,796
9	Transmission Expense		181,124	-	181,124
10	Regional Market		-	-	-
11	Distribution Expense		188,468	-	188,468
12	Customer Accounts		103,075	-	103,075
13	Uncollectible Accounts	1.1153%	67,382	1,324	68,707
14	Customer Service & Information		12,574	-	12,574
15	Sales		1,022	-	1,022
16	Administrative & General	0.1614%	156,276	192	156,468
17	Depreciation & Amortization Expense		113,424	-	113,424
18					
19					
20	Taxes other than income taxes	5.9000%	288,205	7,007	295,212
21	Other		-	-	-
22	Total operating expenses	Sum L 8 to L 21	<u>4,406,347</u>	<u>8,523</u>	<u>4,414,870</u>
23	Net operating income Before Income Tax	L 7 - L 22	278,950	110,232	389,182
Income Taxes					
24	Pro Forma Income Tax At Present Rates		73,914	-	73,914
25	Pro Forma Income Tax on Revenue Increase		-	45,739	45,739
26	Net Operating Income	L 23 - L 24 - L 25	205,036	64,493	269,529
27	Other income		-	-	-
28	Other deductions		-	-	-
29	Net Income (loss)	Sum L 26 to L 28	<u>\$ 205,036</u>	<u>\$ 64,493</u>	<u>\$ 269,529</u>

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Adjusted Net Operating Income At Present Rates

Line #	Description		[1]	[2]	[3]
			Recorded For HY 12/31/09	Adjustments Pgs 1 & 2 Increase (Decrease)	Pro Forma At Present Rates
OPERATING REVENUES					
1	Residential	440	\$ 1,212,324	\$ 374,365	\$ 1,586,689
2	Residential - House Heating	440	240,090	78,356	318,446
3	C & I Small	442	703,759	261,909	965,668
4	C & I Large	442	955,770	509,128	1,464,898
5	Railroads & Railways	446	44,150	25,322	69,472
6	Street Lighting	444	28,066	7,484	35,550
7	Interdepartmental	448	3,697	1,548	5,245
8					-
9	CTC Revenue - All Classes	448	929,848	(929,848)	-
10	Transmission - All Classes	0	177,906	2,959	180,865
11	Sales for Resale	447	21,387	-	21,387
12	Forfeited Discounts	450	15,661	-	15,661
13	Miscellaneous Service Revenues	451	8,894	(5,342)	3,552
14	Rent For Electric Property	454	26,776	-	26,776
15		0		-	-
16	Other Electric Revenues	456	(8,912)	-	(8,912)
17	Transmission of Electricity for Others	456.1	193,611	(193,611)	-
18	Rate Increase		-	-	-
19	Total operating revenues	Sum L 1 to L 18	<u>4,553,027</u>	<u>132,270</u>	<u>4,685,297</u>
OPERATING EXPENSES					
20	Power Supply		2,030,923	1,263,873	3,294,796
21	Transmission Expense		283,611	(102,487)	181,124
22	Regional Market		1,262	(1,262)	-
23	Distribution Expense		171,034	17,434	188,468
24	Customer Accounts		100,681	2,394	103,075
25	Uncollectible Accounts	1.1153%	54,484	12,898	67,382
26	Customer Service & Information		12,524	50	12,574
27	Sales		1,010	12	1,022
28	Administrative & General	0.1614%	144,887	11,389	156,276
29	Depreciation & Amortization Expense		127,130	(13,706)	113,424
30			-	-	-
31	Amortization of Regulatory Expense		783,231	(783,231)	-
32	Taxes other than income taxes		270,015	18,190	288,205
33	Other		-	-	-
34	Total operating expenses	Sum L 20 to L 33	<u>3,980,792</u>	<u>425,555</u>	<u>4,406,347</u>
35	Net Operating Income - BIT	L 19 - L 34	<u>\$ 572,235</u>	<u>\$ (293,285)</u>	<u>\$ 278,950</u>

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Adjustments to Net Operating Income

Line #	Description	Recorded Historic Year	Adjustments												Sub-Total Proforma Sum (1 to 11)
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
			Revenues	Electric Costs	Salaries & Wages	Rate Case Normalization	Employee Benefits	Pension	Uncollectibles	Utility Costs	Other Operating Expenses	Service To Navy Yard			
			D-6	D-7	D-8	D-9	D-10	D-11	D-12	D-17					
OPERATING REVENUES															
1	Customer & Distribution Revenue														
2	Residential	\$ 563,026	\$ (71,935)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,091		
3	Residential - House Heating	97,739	(2,109)	-	-	-	-	-	-	-	-	-	95,630		
4	C & I Small	161,199	(326)	-	-	-	-	-	-	-	-	-	160,873		
5	C & I Large	144,658	(4,959)	-	-	-	-	-	-	-	-	-	139,699		
6	Railroads & Railways	8,514	-	-	-	-	-	-	-	-	-	-	8,514		
7	Street Lighting	21,849	(3,434)	-	-	-	-	-	-	-	-	-	18,415		
8	Interdepartmental	637	-	-	-	-	-	-	-	-	-	-	637		
9	CTC Revenue - All Classes	929,848	(929,848)	-	-	-	-	-	-	-	-	-	-		
10	Transmission - All Classes	177,906	2,959	-	-	-	-	-	-	-	-	-	180,865		
Revenue for Cost of Electric															
11	Residential	649,298	446,300	-	-	-	-	-	-	-	-	-	1,095,598		
12	Residential - House Heating	142,351	80,465	-	-	-	-	-	-	-	-	-	222,816		
13	C & I Small	542,560	262,235	-	-	-	-	-	-	-	-	-	804,795		
14	C & I Large	811,112	514,087	-	-	-	-	-	-	-	-	-	1,325,199		
15	Railroads & Railways	35,636	25,322	-	-	-	-	-	-	-	-	-	60,958		
16	Street Lighting	3,060	10,918	-	-	-	-	-	-	-	-	-	17,135		
17	Interdepartmental	448	1,548	-	-	-	-	-	-	-	-	-	4,608		
18	Sales for Resale	21,387	0	-	-	-	-	-	-	-	-	-	21,387		
19	Forfeited Discounts	15,661	0	-	-	-	-	-	-	-	-	-	15,661		
20	Miscellaneous Service Revenues	451	(5,342)	-	-	-	-	-	-	-	-	-	3,552		
21	Rent For Electric Property	26,776	-	-	-	-	-	-	-	-	-	-	26,776		
22															
23	Other Electric Revenues	(8,912)	-	-	-	-	-	-	-	-	-	-	(8,912)		
24	Transmission of Electricity for Others	193,611	(193,611)	-	-	-	-	-	-	-	-	-	-		
25															
26	Total operating revenues	4,553,027	132,270	-	-	-	-	-	-	-	-	-	4,685,297		
OPERATING EXPENSES															
27	Power Supply	2,030,923	-	1,263,873	-	-	-	-	-	-	-	-	3,294,796		
28	Transmission Expense	283,611	-	506	-	-	-	-	-	-	-	-	284,117		
29	Regional Market	1,262	-	1,927	-	-	-	-	-	-	-	-	1,262		
30	Distribution Expense	171,034	-	909	-	-	-	-	(2,144)	-	-	4,747	175,564		
31	Customer Accounts	100,681	-	-	-	-	-	-	-	-	-	-	101,590		
32	Uncollectible Accounts	54,484	-	-	-	-	12,898	-	-	-	-	-	67,382		
33	Customer Service & Information	12,524	-	50	-	-	-	-	-	-	-	-	12,574		
34	Sales	1,010	-	12	-	-	-	-	-	-	-	-	1,022		
35	Administrative & General	144,887	-	1,667	1,750	740	-	3,033	-	-	-	-	173,703		
36	Depreciation & Amortization Expense	127,130	-	-	-	-	-	-	-	-	-	-	127,130		
37	SM & SG Depreciation Expense														
38	Amortization of Regulatory Expense	783,231	-	-	-	-	-	-	-	-	-	-	783,231		
39	Taxes other than income taxes	270,015	-	-	-	-	-	-	-	-	-	-	270,015		
40	Other														
41	Total operating expenses	3,980,792	-	1,263,873	4,971	740	12,898	21,726	(2,144)	-	-	4,747	5,282,387		
42	Net operating income Before Income Tax	\$ 572,235	\$ 132,270	\$ (1,263,873)	\$ (4,971)	\$ (1,750)	\$ (12,898)	\$ (21,726)	\$ 2,144	\$ -	\$ -	\$ (4,747)	\$ (607,090)		

PECO - Electric Operations
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Adjustments to Net Operating Income
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Line #	Description	Adjustments												TOTAL Adjusted Sum [12] to [22]
		[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	
		From Page 1 Sub-total	D-13	Customer Pre Pay Program D-18	Interest on Cust Deposits D-14	Storm Recovery Normalization D-15	D-5F	D-5G	Other Than Income D-18	Depreciation D-19	CTC Amortization	Transmission D-16		
OPERATING REVENUES														
Customer & Distribution Revenue														
43	Residential	\$ 491,091											\$ 491,091	
44	Residential - House Heating	95,630											95,630	
45	C & I Small	160,873											160,873	
46	C & I Large	139,699											139,699	
47	Railroads & Railways	8,514											8,514	
48	Street Lighting	18,415											18,415	
49	Interdepartmental	637											637	
50	CTC Revenue - All Classes													
51	Transmission - All Classes	180,865											180,865	
Revenue for Cost of Electric														
52	Residential	1,095,598											1,095,598	
53	Residential - House Heating	222,816											222,816	
54	C & I Small	804,795											804,795	
55	C & I Large	1,325,199											1,325,199	
56	Railroads & Railways	60,958											60,958	
57	Street Lighting	17,135											17,135	
58	Interdepartmental	4,608											4,608	
59	Sales for Resale	21,387											21,387	
60	Forfeited Discounts	15,661											15,661	
61	Miscellaneous Service Revenues	3,552											3,552	
62	Rent For Electric Property	26,776											26,776	
63														
64	Other Electric Revenues	(8,912)											(8,912)	
65	Transmission of Electricity for Others													
66														
67	Total operating revenues	4,685,297											4,685,297	
OPERATING EXPENSES														
68	Power Supply	3,294,796											3,294,796	
69	Transmission Expense	284,117										(102,993)	181,124	
70	Regional Market	1,262										(1,262)		
71	Distribution Expense	175,564											175,564	
72	Customer Accounts	101,590				12,904							114,494	
73	Uncollectible Accounts	67,382											67,382	
74	Customer Service & Information	12,574											12,574	
75	Sales	1,022											1,022	
76	Administrative & General	173,703											173,703	
77	Depreciation & Amortization Expense	127,130							1,579				128,709	
78	SM & SG Depreciation Expense	783,231											783,231	
79	Amortization of Regulatory Expense	270,015											270,015	
80	Taxes other than income taxes													
81	Other								21,412				21,412	
82	Total operating expenses	5,292,387		425	1,060	12,904			21,412	1,579	(783,231)	(140,188)	4,406,347	
83	Net operating income Before Income Tax	\$ (607,090)	\$ -	\$ (425)	\$ (1,060)	\$ (12,904)	\$ -	\$ -	\$ (21,412)	\$ (1,579)	\$ 783,231	\$ (140,188)	\$ 278,950	

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Summary of Adjustments by FERC Account

[1] [2] [3]

HISOTRIC TEST YEAR 2009

Line No	Description	Account No	Recorded	Pro Forma Adjustment	Pro Forma Recorded
Revenues -- At Present Rates					
<u>Customer & Distribution Revenue</u>					
1	Residential		\$ 563,026	\$ (71,935)	\$ 491,091
2	Residential - House Heating		97,739	(2,109)	95,630
3	C & I Small		161,199	(326)	160,873
4	C & I Large		144,658	(4,959)	139,699
5	Railroads & Railways		8,514	-	8,514
6	Street Lighting		21,849	(3,434)	18,415
7	Interdepartmental		637	-	637
8	CTC Revenue - All Classes		929,848	(929,848)	-
9	Transmission - All Classes		177,906	2,959	180,865
10					
11	Sub-Total		2,105,376	(1,009,652)	1,095,724
<u>Revenue for Cost of Electric</u>					
12	Residential		649,298	446,300	1,095,598
13	C & I Small		142,351	80,465	222,816
14	C & I Small		542,560	262,235	804,795
15	C & I Large		811,112	514,087	1,325,199
16	Railroads & Railways		35,636	25,322	60,958
17	Street Lighting		6,217	10,918	17,135
18	Interdepartmental		3,060	1,548	4,608
19	Sub-Total		2,190,234	1,340,875	3,531,109
<u>Other Revenue</u>					
20	Sales for Resale		21,387	0	21,387
21	Forfeited Discounts		15,661	-	15,661
22	Miscellaneous Service Revenues		8,894	(5,342)	3,552
23	Rent For Electric Property		26,776	-	26,776
24			-	-	-
25	Other Electric Revenues		(8,912)	-	(8,912)
26	Transmission of Electricity for Others		193,611	(193,611)	-
27	Sub-Total		257,417	(198,953)	58,464
28	Total operating revenues		4,553,027	132,270	4,685,297
POWER SUPPLY EXPENSES					
29	Purchased Power	555	\$ 2,030,923	\$ 1,263,873	3,294,796
30	Other		-	-	-
31	Total Purchases		2,030,923	1,263,873	3,294,796
TRANSMISSION EXPENSE					
Operation					
32	Operation & Supervision	560	5,579	(5,579)	-
33	Load Dispatching	561.1	623	(623)	-
34	Scheduling, System Control & Dispatch	561.4	7,137	(7,137)	-
35	Transmission Service Studies	561.6	-	-	-
36	Generation Service Studies	561.7	906	(906)	-
37	Reliability, Planning & Standard Development	561.8	233	(233)	-
38	Station Expense	562	732	(732)	-
39	Overhead Lines	563	383	(383)	-
40	Underground Lines Expense	564	-	-	-
41	Miscellaneous Expense	566	237,133	(56,009)	181,124
42	Rents	567	4,755	(4,755)	-
43	Total Transmission Operation Expense		257,481	(76,357)	181,124

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Summary of Adjustments by FERC Account

[1]

[2]

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HISOTRIC TEST YEAR 2009

Line No	Description	Account No	Recorded	Pro Forma Adjustments	Pro Forma Recorded
TRANSMISSION EXPENSE					
Maintenance					
44	Maintenance of Structures	569.0	107	(107)	-
45	Maintenance of Computer Hardware	569.1	200	(200)	-
46	Maintenance of Computer Software	569.2	630	(630)	-
47	Maintenance of Communicaiton Equipment	569.3	296	(296)	-
48	Maintenance of Station Equipment	570	9,755	(9,755)	-
49	Maintenance Overhead Lines	571	9,249	(9,249)	-
50	Maintenance of Underground Lines	572	964	(964)	-
51	Maintenance of Misc Transmission Plant	573	4,929	(4,929)	-
52	Total Transmission Maintenance		<u>26,130</u>	<u>(26,130)</u>	<u>-</u>
53	Total Transmission Expense		<u>283,611</u>	<u>(102,487)</u>	<u>181,124</u>
REGIONAL MARKET EXPENSES					
54	Market Facilitation, Monitoring & Compliance	575.7	1,262	(1,262)	-
55	Other		-	-	-
56			<u>1,262</u>	<u>(1,262)</u>	<u>-</u>
DISTRIBUTION EXPENSE					
<u>Operations</u>					
57	Load Dispatching	581	1	-	1
58	Station Expense	582	1,383	-	1,383
59	Overhead Lines Expenss	583	6,893	79	6,972
60	Underground Lines Expense	584	5,871	52	5,923
61	Meter Expenses	586	3,536	69	3,605
62	Customer Installations Expense	587	4,004	98	4,102
63	Miscellaneous Expense	588	20,136	2,680	22,816
64	Rents	589	8,374	-	8,374
65	Total Distribution Operations		<u>50,198</u>	<u>2,978</u>	<u>53,176</u>
Maintenance					
66	Maintenance -- Energy Efficiency Program	0	-	-	-
67	Maintenance of Structures	591	3,288	45	3,333
68	Maintenance of Station Equipment	592	9,602	147	9,749
69	Maintenance of Overhead Lines	593	68,034	13,775	81,809
70	Maintenance of Underground Lines	594	22,868	375	23,243
71	Maintenance of Line Transformers	595	1,985	16	2,001
72	Maintenance of Street Lighting & Signal Systems	596	954	3	957
73	Maintenance of Misc. Distribution	598	14,105	95	14,200
74	Total Distribution Maintenance		<u>120,836</u>	<u>14,456</u>	<u>135,292</u>
75	Total Distribution Expense		<u>171,034</u>	<u>17,434</u>	<u>188,468</u>

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Summary of Adjustments by FERC Account

[1]

[2]

[3]

HISOTRIC TEST YEAR 2009

<u>Line No</u>	<u>Description</u>	<u>Account No</u>	<u>Recorded</u>	<u>Pro Forma Adjustment</u>	<u>Pro Forma Recorded</u>
CUSTOMER ACCOUNTS EXPENSES					
76	Supervision	901	-	-	-
77	Meter Reading	902	15,119	-	15,119
78	Customer Records and Collection	903	54,108	869	54,977
79	Uncollectible Accounts	904	54,484	12,898	67,382
80	Miscellaneous Customer Accounts	905	31,454	1,525	32,979
81	Total Customer Accounts		<u>155,165</u>	<u>15,292</u>	<u>170,457</u>
CUSTOMER SERVICE & INFORMATION					
82	Customer Assistance	908	8,911	47	8,958
83	Informational & Instructional	909	1,891	-	1,891
84	Miscellaneous Customer & Informational	910	1,722	3	1,725
85	Total Customer Service & Information		<u>12,524</u>	<u>50</u>	<u>12,574</u>
SALES					
86	Demonstrating & Selling	912	533	11	544
88	Miscellaneous Sales	916	477	1	478
89	Total Sales		<u>1,010</u>	<u>12</u>	<u>1,022</u>
ADMINISTRATION & GENERAL					
Operation					
90	Administrative and General Salaries	920	17,219	(1,321)	15,898
91	Office Supplies and Expenses	921	3,890	2,612	6,502
92	Administrative Expenses Transferred-Credit	922	-	-	-
93	Outside Service Employed	923	60,784	(6,586)	54,198
94	Property Insurance	924	500	(54)	446
95	Injuries and Damages	925	7,754	(796)	6,958
96	Employee Pensions and Benefits	926	43,789	15,793	59,582
97	Franchise Requirements	927	-	-	-
98	Regulatory Commission Expenses	928	8,821	1,750	10,571
99	Duplicate Charges-Credit	929	(8,823)	956	(7,867)
100	General Advertising Expenses	930.1	1,757	-	1,757
101	Miscellaneous General Expenses	930.2	5,092	(552)	4,540
102	Rents	931	-	-	-
103	A & G Operation Expenses		<u>140,783</u>	<u>11,802</u>	<u>152,585</u>
Maintenance					
104	Maintenance of General Plant	932	4,104	(413)	3,691
106	Total Administrative & General		<u>144,887</u>	<u>11,389</u>	<u>156,276</u>
107	TOTAL O&M EXPENSES		2,800,416	1,204,302	4,004,718

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Summary of Revenue Adjustments

Line #	Description	Reference Or Account Number	Year Recorded	Navy Yard Customer Changes D-3A	PRO FORMA ADJUSTMENTS						Weather Normalization D-5F	Transmission CTC & Non-Dist Rev D-5D	Migration Street Light Tariffs 5-H	Increase Energy Costs D-6A	Proforma Adjusted At Present Rates [2] + [11]
					Revenue Annualization D-3B	CAP Rev Revenue Credit D-5C	Act 129 Load Reduction D-3E	Revenue Reduction D-3E	N/A	Non-Dist Rev D-5D					
Customer & Distribution Revenue															
1	Residential	440	\$ 563,026		\$ (1,068)	\$ (59,100)	\$ (27,641)	\$ 15,874					\$ 491,091		
2	Residential - House Heating	440	97,739		652	(5,054)	2,293						95,630		
3	C & I Small	442	161,199	497	(52)	(3,023)	2,251						160,873		
4	C & I Large	442	144,658	(188)	(372)	(5,556)	1,156						139,699		
5	Railroads & Railways	446	8,514										8,514		
6	Street Lighting	444	21,849								(3,434)		18,415		
7	Interdepartmental	448	637										637		
8	CTC Revenue - All Classes		929,848					15,838	(945,686)						
9	Transmission - All Classes		177,906					2,959							
10	Transmission - All Classes		2,105,376	309	(840)	(59,100)	(41,272)	40,371	(945,686)	(3,434)			180,865		
Revenue for Cost of Electric															
11	Residential	440	649,298										649,298		
12	Residential - House Heating	440	142,351					18,657					161,008		
13	C & I Small	442	542,560					7,366					549,926		
14	C & I Large	442	811,112					6,749					817,861		
15	Railroads & Railways	446	35,636										35,636		
16	Street Lighting	444	6,217										6,217		
17	Interdepartmental	444	3,060										3,060		
18	Transmission - All Classes	448													
19	Transmission - All Classes		2,190,234					35,762					2,226,000		
Other															
20	Other														
21	Total Customer Revenue		4,295,610	309	(840)	(59,100)	(41,272)	76,133	(945,686)	(3,434)			4,626,833		
22	Sales For Resale	447	21,387										21,387		
23	Forfeited Discounts	450	15,661										15,661		
24	Miscellaneous Service Revenues	451	8,894										8,894		
25	Rent For Electric Property	454	26,776										26,776		
26	Other Electric Revenues	456	(8,912)										(8,912)		
27	Transmission of Electricity for Others	455.1	193,611						(193,611)						
28	Total Revenues	0	4,553,027	309	(840)	(59,100)	(41,272)	76,133	(1,144,639)	(3,434)			4,685,297		
29	Other	0													
30	TOTAL REVENUES	0	\$ 4,553,027	\$ 309	\$ (840)	\$ (59,100)	\$ (41,272)	\$ 76,133	\$ (1,144,639)	\$ (3,434)			\$ 4,685,297		

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Revenue Annualization

Line #	Description	[1] Residential	[2] Residential Heating	[3] Small C&I	[4] Large C&I	[5] Total
1	Total Historic Year Revenues	\$ 1,212,324	\$ 240,090	\$ 703,759	\$ 955,770	\$ 3,111,943
2	Commodity Billings in Revenues	<u>(649,298)</u>	<u>(142,351)</u>	<u>(542,560)</u>	<u>(811,112)</u>	<u>(2,145,321)</u>
3	Revenues net of Commodity - Margin (L 1 - L 2)	<u>\$ 563,026</u>	<u>\$ 97,739</u>	<u>\$ 161,199</u>	<u>\$ 144,658</u>	<u>\$ 966,622</u>
4	Average Monthly Customers in HY	<u>1,244,633</u>	<u>159,379</u>	<u>155,992</u>	<u>3,111</u>	<u>1,563,115</u>
5	Average Annual Margin Per Customer (L 3 / L 4)	<u>\$ 0.452</u>	<u>\$ 0.613</u>	<u>\$ 1.033</u>	<u>\$ 46.499</u>	<u>\$ 0.618</u>
6	Number of Customers at End of Year	<u>1,242,270</u>	<u>160,442</u>	<u>155,942</u>	<u>3,103</u>	<u>1,561,757</u>
7	Increase in Customers during TY (L 6 - L 4)	<u>(2,363)</u>	<u>1,063</u>	<u>(50)</u>	<u>(8)</u>	<u>(1,358)</u>
8	Annualization of Revenue (L 5 * L 7)	<u>\$ (1,068)</u>	<u>\$ 652</u>	<u>\$ (52)</u>	<u>\$ (372)</u>	<u>\$ (840)</u>

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CAP Revenue Credits and Adjustments

Line #	Description	[1] Reference	[2] Amount	[3] Sub-Total	[4] Total
1	CAP Discount Included in Distribution		\$ (21,375)		
<u>OTHER UNBUNDLED CAP DISCOUNTS</u>					
2	CAP Discount on Generation - Energy Component		(28,953)	\$ (28,953)	
3	CAP Discount on Generation - CTC Component		(16,248)	(16,248)	
4	Transmission CAP Discount		(2,301)	(2,368)	
5	Total CAP Discounts in Budget	Sum L 1 to L 4	<u>\$ (68,877)</u>		
6	Adjustment to Rebundle All Discounts	L 2 + L 3 + L 4			\$ (47,569)
<u>UPDATE 650 DISCOUNT LEVEL</u>					
7	Total Credits at 650 kWh Level	[A]	(84,275)		
8	Total Revenue Credits in Budget	Line 5	<u>(68,877)</u>		
9	Increase from Increase in CAP Credit Level	L 7 - L 8		(15,398)	
10	Reflect decrease in write-offs and Working Cap	27.0%		<u>4,157</u>	
11	Increase in CAP Credits for FTY	L 9 + L 10			(11,241)
<u>ANNUALIZATON TO YEAR END CUSTOMERS</u>					
12	Total CAP Revenue Credits on Year End Cust		(84,672)		
13	Total CAP Revenue Credits on Average Cust	Line 7	<u>(84,275)</u>		
14	Increase in CAP Revenue Credits	L 12 - L 13		(397)	
15	Reflect decrease in write-offs and Working Cap	27.0%		<u>107</u>	
16	Increase in CAP Credits for FTY	L 14 + L 15			(290)
17	TOTAL CAP ADJUSTMENT	L 18 - L 19			<u>\$ (59,100)</u>

[A] REFELCTS NEW 6-TIER APPRISE AFFORDABILTIY STUDY

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Non-Distribution Revenue

	[1]	[2]	[3]	[4]
Line #	Description	Reference	Amount	Amount
				Total
1	Transmission Rent		\$ (2,505)	
2	PETT Service Fees		(2,744)	
3	IPP Reserve Release		(93)	
4	Other		-	
5	TOTAL ADJUSTMENT			<u>\$ (5,342)</u>

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ACT # 129 -- Load Reduction

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Line #	Description	[1] Reference	[2] 2010 Revenue Loss and Recovery	[3] 2011 & 2012 Revenue Loss	[4] 2011 & 2012 Revenue Loss Over Budget	[5] Recovery of 2011 & 2012 Revenue Loss	[6] Total Revenue Loss Adjustment	[7] In Year	[8] Through 12/31/12
Revenue Impact in 2010 --									
1	---Residential							\$ (37,165)	
2	---Residential Heating		\$ (14,359)					(6,746)	
3	---Small C & I		(2,370)					(6,643)	
4	---Large C & I		(1,148)					(12,519)	
5	Total		\$ (19,469)						\$ (63,073)
Target Revenue Impact in 2011									
6	---Residential							\$ (60,073)	
7	---Residential Heating			\$ (23,789)				(11,055)	
8	---Small C & I			(4,272)				(12,444)	
9	---Large C & I			(2,652)				(31,733)	
10	Total			\$ (4,434)					\$ (115,305)
Incremental Revenue Impact over 2010									
11	---Residential								
12	---Residential Heating								
13	---Small C & I								
14	---Large C & I								
15	Total								
Target Revenue Impact in 2012									
16	---Residential								
17	---Residential Heating			\$ (31,492)				(80,385)	
18	---Small C & I			(5,835)				(15,591)	
19	---Large C & I			(3,393)				(16,239)	
20	Total			\$ (6,677)				(48,626)	\$ (160,841)
Incremental Revenue Impact over 2010									
21	---Residential								
22	---Residential Heating								
23	---Small C & I								
24	---Large C & I								
25	Total								
Recovery of 2010 Revenue Loss									
26	Target Revenue Impact in 2012								
27	---Residential								
28	---Residential Heating								
29	---Small C & I								
30	Total								
Average Annual Incremental Revenue Not in HTY									
31	---Residential								
32	---Residential Heating								
33	---Small C & I								
34	---Large C & I								
35	Total								
Average Annual Incremental Revenue Not in HTY									
36	---Residential								
37	---Residential Heating								
38	---Small C & I								
39	---Large C & I								
40	Total								

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Weather Normalization Adjustment

Line #	Description	[1] Reference	[2] Recorded	[3] Weather Normalization Adjustment	[4] Pro Forma Weather Normalized
<u>Distribution Revenue</u>					
1	Residential		\$ 563,026	\$ 15,874	\$ 578,900
2	Residential Heating		97,739	2,293	100,032
3	Small C & I		161,199	2,251	163,450
4	Large C & I		144,658	1,156	145,814
5	Sub-Total		966,622	21,574	988,196
<u>Energy Revenue</u>					
6	Residential		649,298	18,657	667,955
7	Residential Heating		142,351	2,990	145,341
8	Small C & I		542,560	7,366	549,926
9	Large C & I		811,112	6,749	817,861
10	Sub-Total		2,145,321	35,762	2,181,083
<u>CTC Revenue</u>					
11	Residential		286,905	8,468	295,373
12	Residential Heating		54,179	1,231	55,410
13	Small C & I		280,178	3,819	283,997
14	Large C & I		292,806	2,320	295,126
15	Sub-Total		914,068	15,838	929,906
<u>Transmission Revenue</u>					
16	Residential		54,338	1,597	55,935
17	Residential Heating		10,643	236	10,879
18	Small C & I		47,190	651	47,841
19	Large C & I		62,281	475	62,756
20	Sub-Total		174,452	2,959	177,411
21	Revenue Adjustment			\$ 76,133	
<u>Cost of Sales</u>					
22	Residential	5.90%	936,203	18,657	954,860
23	Residential Heating		196,530	2,990	199,520
24	Small C & I		822,738	7,366	830,104
25	Large C & I		1,103,918	6,749	1,110,667
26	Sub-Total		3,059,389	35,762	3,095,151
27	Cost of Energy Adjustment			\$ 37,229	

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OTHER REVENUE CHANGES

Line #	Description	[1] Bills	[2] Rate	[3] CURRENT		[4] MIGRATION	
				Revenue Amount	Revenue Total		
DECREASE IN STREET LIGHTING REVENUE AT PRESENT RATES							
Revenue At Present Tariffs							
1	SL-E	811,392	\$7.11	\$ 5,769		\$7.11	\$ 5,769
2	SL-E 33 Dist	333,192	\$9.68	3,225		\$7.11	2,369
3	SL-P	1,162,236	\$8.64	10,042		\$7.11	8,263
4	Total	L 1 to L 3 <u>2,306,820</u>		<u>19,036</u>			<u>16,401</u>
kWh-based Charge							
<u>kWh Rate</u>							
5	SL-P	All kWh	66,120,384	\$0.0078	516		
kW-based Charge							
<u>Blilled kW Rate</u>							
6	SL-P		189,299	\$1.50	284		
7	TOTAL	L 4 to L 6			<u>19,836</u>		
8	Total Revenue After Migration	C 5, L 4			16,401		
9	Lost revenue	L 8 - L 7			<u>\$ (3,434)</u>		

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Summary of Adjustment for Electric Costs In Revenue

Line #	Description	Reference Or Account Number	Historic Year Recorded	#6-B Electric Costs	PRO FORMA ADJUSTMENTS					Energy Cost Pro Forma Adjustments	Energy Costs At Pres Rates
					[1]	[2]	[3]	[4]	[5]		
1	Recorded Energy Costs		\$ 2,030,923								\$ 2,030,923
2											
3	Additional Electric Costs			1,228,111							1,228,111
4	Ancillary Cost										
5	Weather Normalization							35,762			35,762
6	Other										
7	Other										
8	Total Gas Costs			<u>\$ 1,228,111</u>				<u>\$ 35,762</u>			<u>\$ 1,263,873</u>
											<u>\$ 3,294,796</u>

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Summary of Adjustment for Electric Costs in Revenue

Line #	Description	[1] Recorded	[2] Pro Forma Calculation of Changed Electric Costs	[3]	[4] Change in Electric Costs
ELECTRIC COSTS IN REVENUE (Including GRT Revenue)					
1	Residential	\$ 649,298	\$ 1,076,941		\$ 427,643
2	Residential - House Heating	142,351	219,826		77,475
2	C & I Small	542,560	797,429		254,869
3	C & I Large	811,112	1,318,450		507,338
4	Railroads & Railways	35,636	60,958		25,322
5	Street Lighting	6,217	17,135		10,918
6	Interdepartmental	3,060	4,608		1,548
7	Total Electric Cost Revenue	<u>\$ 2,190,234</u>	<u>\$ 3,495,347</u>		<u>\$ 1,305,113</u>

Pro Forma Purchased Electric Costs at January 1, 2011

Line #	Description	2009 Cost of Commodity			2011 Cost of Commodity		
		Reference	MWH	Energy Revenue	MWH	Revenue Per MWH	Energy Revenue
1	Residential General Residential	[1]	10,517	\$ 649,298	[5]	10,517 \$ 102.40	[7] \$ 1,076,941
2	House Heating		2,689	142,351		2,689 \$ 81.75	219,826
3	Total Residential		13,206	791,649		13,206	1,296,767
4	Small C & I		8,152	542,560		8,152 \$ 97.82	797,429
5	Large C & I		15,958	811,112		15,958 \$ 82.62	1,318,450
6	Railroads & Railways		758	35,636		758 \$ 80.42	60,958
7	Street Lighting		172	6,217		172 \$ 99.62	17,135
8	Interdepartmental		49	3,060		49 \$ 94.04	4,608
9	TOTAL		38,295	2,190,234		38,295	3,495,347
10	Pro Forma Increase in Cost of Electric - Gross Including GRT						\$ 1,305,113
11	Gross Receipts Tax						(77,002)
12	Pro Forma Increase in Costs of Electricity						\$ 1,228,111
13	Residential			\$ 1,296,767			
14	GRT			(76,509)			
15	Residential Energy Cost Only			1,220,258			
16	Percent on Spot Market			5.00%			
17	Spot Market for CWC Calculation			\$ 61,013			

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Adjustment for Salaries & Wages

Line #	Description	Account Number	2009	[3]	[4]	[5]	[6]
				Other	Payroll As Distributed	Adjustment	Total Pro Forma Payroll
OPERATIONS							
1	POWER SUPPLY EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -
2	TRANSMISSION EXPENSE		4,910	-	4,910	210	5,120
3	REGIONAL MARKET EXPENSES		-	-	-	-	-
4	DISTRIBUTION EXPENSE		8,749	-	8,749	375	9,124
5	CUSTOMER ACCOUNTS		21,200	-	21,200	909	22,109
6	CUSTOMER SERVICE & INFORMATION		1,165	-	1,165	50	1,215
7	SALES		280	-	280	12	292
8	ADMINISTRATION & GENERAL		35,737	-	35,737	1,532	37,269
9	Total Operations	Sum L 1 to L 8	72,041	-	72,041	3,088	75,129
MAINTENANCE							
10	TRANSMISSION EXPENSE		6,892	-	6,892	295	7,187
11	DISTRIBUTION EXPENSE		36,208	-	36,208	1,552	37,760
12	ADMINISTRATION & GENERAL		814	-	814	35	849
13	Total Maintenance	Sum L 10 to L 12	43,914	-	43,914	1,883	45,797
14	Total Direct Payroll Expense	L 9 + L 13	115,955	-	115,955	4,971	\$ 120,926
15	Percent Increase	L 14, C 5 / C 4					4.287%

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Adjustment for Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Union 1-Jan	[3] Employees With Raises on Non-Union 1-Mar	[4] Total	[5] Amount	[6] Amount	[7] Pro Forma Total Payroll
1	Number of Employees At 12-31-08		1151	715	1866			
2	Percent of Employees at 12-31-08		61.7%	38.3%	100.0%			
3	Pro Forma Percent for FTY		62.0%	38.0%	100.0%			
4	Distribution of FTY Budget S&W Expense		\$ 71,892	\$ 44,063		\$ 115,955		
Annualize March 1, 2009 Wage Increase								
5	Number of Months		0	2				
6	Rate for Increase		3.50%	3.00%				
7	Total Adjustment	L 4 * L 5 * L 6 / 12		220		\$ 220		
8	Sub-Total	L 4 + L 7	71,892	44,283				
Annualize January 1 and March 1, 2010 Increase								
9	Number of Months		12	12				
10	Rate for Increase		3.82%	3.00%				
11	Total Adjustment	L 8 * L 9 * L 10 / 12	\$ 2,746	\$ 1,328		4,075		
Normalize One-Time Contract Payment to Union								
12	Total Portion of Payment to Distribution Expense		\$ 824	79.1%	\$ 652			
13	Normalize over Union Contract Period				5			
14	Annual Normalized Amount	0				130		
15	Annualized S&W Adjustment	L 7 + L 11 + L 14				\$ 4,425		
16	Annualized S&W for Budgeted Employees					\$ 120,380		
Pro Forma For New Employees								
17	Number of Employees		1883					
18	Number of Employees		1866					
19	Increase in Number of Employees	L 17 - L 18		17				
20	Average Number of Employees in Budget	L 19 / 2		1874.5				
21	Annualization for Number of Employees	L 16 (6) / L 1 (4)		9				
22	Annual S & W per Employee	L 21 * L 22		64.2		\$ 546		
23	Annualization of S & W For New Employees							
24	Pro Forma TYE S&W	L 16 + L 23				\$ 120,926		
25	Increase in S&W	L 24 - L 4				\$ 4,971		
26	Pro Forma Percent for FTY	L 25 / L 4						4.287%

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Rate Case Expense Normalization

		[1]	[2]	[3]	[4]	[5]
Line #	Description	Reference	Amount	Sub-Total	Total	
<u>EXPENDITURES</u>						
To	<u>December 31, 2009</u>					
1	External Consultants		\$ 207			
2	External Legal		69			
3	Materials, IT Costs, Travel, Copies, Etc.		<u>20</u>			
4	Total Recorded at 12-31-09	L 1 to L 3		296		
<u>EXPENDITURES FOR 2008</u>						
5	External Consultants		1,358			
6	Materials, IT Costs, Travel, Copies, Etc.		1,081			
7	Materials, IT Costs, Travel, Copies, Etc.		765			
8	Sub-Total	L 5 to L 7	<u>-</u>	<u>3,204</u>		
<u>TOTAL EXPENDITURES FOR RATE FILING</u>						
9	TOTAL COSTS	L 4 + L 8			<u>\$ 3,500</u>	
10	Normalized over 2 years	2			<u>\$ 1,750</u>	

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Adjustment for Employee Benefits and Pension

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4]	[5] Total
<u>EMPLOYEE BENEFITS</u>						
1	Total Benefits Expensed		\$ 16,682			
2	Number of Employees for Budget		1,875			
3	Budget Expense Per Employee	L 1 / L 2		\$ 8,899		
4	Additional Employees for Annualization	Pg 2 of 2		8.5		
5	Annualization of Employees	L 3 * L 4				\$ 76
6	Annualization of Benefits	Pg 2 of 2				664
7	Total Pro Forma Adjustment					<u>\$ 740</u>
<u>PENSION COSTS</u>						
8	2010 Pension Contribution (Towers Perrin)		\$ 71,746			
9	Percent to Electric Distribution		<u>67.220%</u>			
10	Total Amount to Electric Distribution	L 8 * L 9	48,228			
11	Pension Capitalization Factor		<u>34.36%</u>			
12	Pension Payment To Be Capitalized	L 10 * L 11	<u>16,571</u>			
13	Pension Payment To Be Expensed	L 10 - L 12			\$ 31,657	
14	Test Year Pension Expense			\$ 11,554		
15	Transmission Allocation			<u>(1,623)</u>		
16	Distribution Test Year Budget Exp				9,931	
17	Additional Pension Expense					<u>\$ 21,726</u>
Benefits						
<u>2009</u>						
18	Charged to Construction		34,102	34.36%		
19	Charged to Expense		65,136	65.64%		
20	Total Payroll		<u>99,238</u>	<u>100.00%</u>		

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Adjustment for Employee Benefits and Pension

Line #	Description	[1] Reference	[2] Employees Added	[3] Months Remaining In Year	[4] Number of Employee Months [2] * [3]	[5] Number of Full Time Equivalent
<u>Number of Employees</u>						
1	Employees at	12/31/08				1,866
	Employees Added in	2009				
2	---First Quarter		4.25	1.5	6.4	
3	---Second Quarter		4.25	4.5	19.1	
4	---Third Quarter		4.25	7.5	31.9	
5	---Fourth Quarter		4.25	10.5	44.6	
6	Total	Sum L 2 to L 5	<u>17.0</u>		<u>102.0</u>	
7	Additional Employees for TY	L 6 [4] / 12				<u>8.5</u>
8	Employees included in Budget	L 1 + L 7				<u>1874.5</u>
9	Employees not included in Budget	[2] L 6 - L 7				<u>8.5</u>
<u>Annualized Benefits Expense</u>						
			Annual Expense	Annual Increase	Annualization Adjustment	
	Recorded or Budgeted Expense for Year					
10	2008		<u>\$ 15,079</u>			
11	2009		<u>\$ 16,407</u>	<u>\$ 1,328</u>		
12	One-Half of Increase from prior year				<u>\$ 664</u>	
13	Annualization Adjustment					<u>\$ 664</u>

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Uncollectible Accounts

Line #	Description	[1] Reference	[2] Charge Offs 1/0/1900	[3] Tariff Revenue	[4] Percent [2]/[3]	[5] Total [2]/[3]
1	2007		\$ 40,805	\$ 4,478,502	0.91%	
2	2008		\$ 45,287	\$ 4,462,534	1.01%	
3	2009		\$ 61,362	\$ 4,280,478	1.43%	
4	Three Year Average Sum (Line 1 to Line 3) / 3	3	\$ 49,151	\$ 4,407,171		1.1153%

Net Charge Offs

Other	PPA	Electric General Charge Offs	Total Charge Offs
Uncollectibles and Revenues			
RECORDED			
5	2007	\$ -	\$ 10,191
6	2008	\$ -	\$ 15,580
7	2009	\$ -	\$ 21,566
8	Three Year Average PPA	\$ 15,779	
HTY Revenue			
Pro Forma Adjustment			
9	HTY Revenue Adjustment	1.11530%	X
		\$ 4,626,833	=
10	Total Pro Forma Charge-Offs for the HTY	L 8 + L 9	67,382
RECORDED			
11	2009		54,484
12	Total for HTY	L 10 - L 11	\$ 12,898

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Purchased Utility Services

Line #	Description	[1]	[2]	[3]	[4]	[5]
#	Description	Reference	Amount	Sub-Total	Total	
<u>COMMODITY PURCHASED</u>						
1	Electricity Purchased at Company Facilities		\$ 2,854			
2	Gas Purchased at Company Facilities		206			
3	Total Expense for Commodity Purchased			\$ 3,060		
<u>UTILITY SERVICE PROVIDED</u>						
4	Revenue From Service to PECO Gas Operations		(104)			
5	Expense for Service from PECO Gas Operations		77			
6	Net Expense (Revenue) for Utility Service			(27)		
7	Total				<u>\$ 3,033</u>	

**PECO - Electric Operations
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Adjustment-Other Operating Costs

Line #	Description	[1] Reference	[2]	[3] Amount	[4] Percent	[5] Total
REMOVE EXPENSE -- SETTLEMENT AGREEMENT PAYMENTS COMPLETE						
1	Total Included in Budget			<u>\$ 2,144</u>		
2	Percent to Distribution				<u>100.00%</u>	
3	Adjustment to Remove Payment Per Settlement Agreement - Payments complete in 2010					<u>\$ 2,144</u>

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NOT APPLICABLE

Line #	Description	[1] Reference	[2] Total	[3] Charged To Construction	[4] Charged To O & M	[4] Total
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Interest on Customer Deposits

Line #	Description	[1]	[2]	[3]	[4]	[5]
Line #	Description	Reference	Amount	Sub-Total	Total	
<u>Residential Customer Deposits</u>						
1	Monthly Interest Rate		<u>0.500%</u>			
2	2009 -- January		\$ 82			
3	-- February		76			
4	-- March		77			
5	-- April		78			
6	-- May		78			
7	-- June		79			
8	-- July		80			
9	-- August		76			
10	-- September		76			
11	-- October		77			
12	-- November		78			
13	-- December		66			
14	TOTAL RESIDENTIAL			\$ 923		
<u>Commercial & Industrial Customer Deposits</u>						
15	Monthly Interest Rate		<u>0.0291%</u>			
16	2009 -- January		\$ 11			
17	-- February		11			
18	-- March		11			
19	-- April		11			
20	-- May		11			
21	-- June		11			
22	-- July		11			
23	-- August		12			
24	-- September		12			
25	-- October		12			
26	-- November		12			
27	-- December		12			
28	TOTAL C & I			\$ 137		
29	Interest on Customer Deposits	L 13 + L 26			\$ <u>1,060</u>	

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Storm Recovery Normalization

Line #	Description	[1] Tri-State CPI Factor	[2] Inflation Factor	[3] Expense In Year	[4] Amount For Average	[5] Total
1	2005	0.03900	1.18047	\$ 11,947	\$ 14,103	
2	2006	0.04400	1.13616	\$ 47,736	54,236	
3	2007	0.02800	1.08827	\$ 10,065	10,953	
4	2008	0.03800	1.05863	\$ 15,997	16,935	
5	2009	(0.00500)	1.01988	\$ 7,966	8,124	
6		0.02500	1.02500			
7						
8	Average Storm Restoration Expense at 2010 cost levels					20,870
9	Recorded 2009 Expense					7,966
1	Pro Forma Adjustment					<u>\$ 12,904</u>

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Transmission Expense Elimination

Line #	Description	Reference	Factor	[3] Pro Forma A & G Expense	[4] Distribution Only Amounts	[5] Sub-Total	[6] Amount	[7] Adjustment
REVENUE								
1	Transmission of Electricity for Others							\$ (193,611)
OPERATION & MAINTENANCE								
2	Transmission Expense - Operation-Budget	560 to 567				\$ (257,481)		
3	Pro forma Adjustments					(210)		
4	Net	L 2 + L 3					(257,691)	
5	Purchase of Transmission For Customers						180,865	
6	PJM Expansion Recovery Cost						259	
7	Maintenance Expense	569 to 573					(26,425)	
8	Total Operation & Maintenance							\$ (102,993)
9	Regional Marketing	575.7						\$ (1,263)
ADMINISTRATIVE & GENERAL								
10	Administrative and General Salaries	920	14.9860%	\$ 18,701		\$ 18,701	\$ 2,803	
11	Office Supplies and Expenses	921	10.8350%	6,923	(3,033)	3,890	421	
12	Administrative Expenses Transferred-Credit	922	10.8350%	-		-	-	
13	Outside Service Employed	923	10.8350%	60,784		60,784	6,586	
14	Property Insurance	924	10.8350%	500		500	54	
15	Injuries and Damages	925	10.8350%	7,804		7,804	846	
16	Employee Pensions and Benefits	926	14.9860%	66,255	(21,726)	44,529	6,673	
17	Franchise Requirements	927	10.8350%	10,571	(10,571)	-	-	
18	Regulatory Commission Expenses	928	10.8350%	(8,823)		(8,823)	(956)	
19	Duplicate Charges-Credit	929	10.8350%	1,757	(1,757)	-	-	
20	General Advertising Expenses	930.1	10.8350%	5,092		5,092	552	
21	Miscellaneous General Expenses	930.2	10.8350%	-		-	-	
22	Rents	931	10.8350%	4,139		4,139	448	
23	Maintenance of General Plant	932	10.8350%	173,703	(37,087)	\$ 136,616		\$ 17,427
24	Total Administrative & General							
25								

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Service to Navy Yard Customers

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Total
<u>INVESTMENT</u>					
1	Investment in Acquired Territory and Customers		\$ 15,000	[A]	
2	Estimated Life of Acquired Assets	In years	56	[B]	
3	Annual Depreciation Expense Recovery	L 1 / L 3		\$ 268	
4	Average Investment for Setting Recovery	L 1 - (L 3 * 2)	\$ 14,732	[C]	
5	Pre Tax Rate of Return on Net Investment	PM	13.43%		
6	Revenue for Return Requirement on Average Investment			1,979	
7	Operating Expenses			2,500	[D]
8	Annual Revenue Requirement reflected as Expense				<u>\$ 4,747</u>

[A] Contract Purchase Price for Assets

[B] Estimated remaining useful life of Assets acquired

[C] Assumes a two-year rate setting period and reflects the net plant at the end of the two year period

[D] Estimated payments to operate existing system

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Customer Pre Payment Program

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Total
1	Software Required to Establish and Operate Pre-Payment Program		\$ 880		
2	Estimated Life of Software Asset	In years	3		
3	Annual Depreciation Expense Recovery	L 1 / L 3		\$ 293	
4	Average Investment for Setting Recovery	L 1 / 2	\$ 440		
5	Pre Tax Rate of Return on Net Investment	PM	13.43%		
6	Revenue for Return Requirement on Average Investment			59	
7	Operating Expenses	3	220	73	
8	Annual Revenue Requirement reflected as addition to expense				\$ 425

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Taxes Other Than Income Taxes

Line #	Description	[1] Factor Or Account Number	[2] 2009 Recorded Expense	[3] Pro Forma Adjustments	[4] Pro Forma Tax Expense Expense	[5] Transmission Adjustment
1	PURTA Taxes	14.99%	\$ 3,960	\$ -	\$ 3,960	\$ (593)
2	Capital Stock	14.99%	4,135	-	4,135	(620)
3	PA & Local Use taxes	14.99%	659	-	659	(99)
4	Real Estate Taxes	14.99%	3,580	-	3,580	(536)
5	PA Corp Loan Tax	14.99%	6	-	6	(1)
6	Philadelphia BPT	14.99%	-	-	-	-
7	Local Privilege Tax	14.99%	1	-	1	(0)
8	Gross Receipts Tax		248,895	21,037	269,932	
9	Social Security	14.99%	8,388	359	8,747	(1,311)
10	FUTA	14.99%	74	3	77	(12)
11	SUTA	14.99%	318	13	331	(50)
12	Other					
13						
14	Total	Sum L 1 to L 13	<u>\$ 270,016</u>	<u>\$ 21,412</u>	<u>\$ 291,428</u>	<u>\$ (3,221)</u>

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Taxes Other Than Income Taxes

Line #	Description	Account Number	[1]	[2]	[3]	[4]
Line #	Description	Account Number	2009 Recorded	HTY Adjustment	Increase in Payroll Taxes	
1	Total Payroll Charged to Expense		\$ 115,955	\$ 4,971		
2	FICA Expense		\$ 8,388			
3	FICA Expense - Percent	L 2 / L 1	7.23%	7.23%		
4	Pro Forma FICA Expense on Pro Forma S&V	[4] L 1 * L 3				\$ 359
5	FUTA Expense		\$ 74			
6	FUTA Expense - Percent	L 5 / L 1	0.06%	0.06%		
7	Pro Forma FUTA Expense on Pro Forma S&	[4] L 1 * L 6				3
8	SUTA Expense		\$ 318			
9	SUTA Expense - Percent	L 8 / L 1	0.27%	0.27%		
10	Pro Forma SUTA Expense on Pro Forma S&V	[4] L 1 * L 9				13
11	Other Payroll Taxes		\$ -			
12	Other Tax Expense	L 11 / L 1	0.00%	0.00%		
13	Pro Forma Other Payroll Taxes	[4] L 1 * L 12				
14	Pro Forma Adjustment	Sum L 4 to L 16				\$ 375

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Taxes Other Than Income Taxes

Line #	Description	[1] Reference	[2] Pro Forma HTY Amount	[3] Amount	[4] Amount	[5] Total
<u>GROSS RECEIPTS TAX - Pro Forma At Present Rates</u>						
1	Residential		\$ 1,905,135			
2	Commercial & Industrial		2,430,566			
3	Railroads & Railways		69,472			
4	Street Lighting & Highway		35,550			
5	Interdepartmental Sales		5,245			
6	Transmission		180,865			
7	CTC Revenue		-			
8		0	-			
9		0	-			
10	Sub-Total		<u> </u>	\$ 4,626,833		
11	Forfeited Discounts		15,661			
12	Accrual To Cash Adjustment		-			
13	Bad Debts		(67,382)			
14	Other Revenue		-			
15	Other Adjustments		-			
16	Sub- Total		<u> </u>	(51,721)		
17	TOTAL TEST YEAR @ Present Rates				\$ 4,575,112	
	Adjustment			0		
18						
19						
20	Total Adjustments			<u> </u>	\$ -	
21	Pro Forma Revenue At Present Rates					\$ 4,575,112
22	Gross Receipts Tax Rate					5.900%
23	Pro Forma Gross Receipts Expense at Present Rates					<u>269,932</u>
24	Recorded Expense					248,895
25	Net Adjustment					<u>\$ 21,037</u>

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Depreciation Expense Adjustment

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]
			2009 Historic Test Year Expense On 2009 Balance of Net Plant	N/A	Total	N/A	Pro Forma Depre Rate Changes	Pro Forma Historic Test Year Depreciation	
INTANGIBLE PLANT									
1	Franchise & Consent	302	\$ -	\$ -	-	\$ -	-	\$ -	-
2	Miscellaneous Intangible Plant	303	207	-	-	207	-	-	207
3	TOTAL INTANGIBLE	L 1 + L 2	207	-	-	207	-	-	207
TRANSMISSION PLANT									
4	Land & Land Rights	350	-	-	-	-	-	-	-
5	Structures & Improvements	352	475	-	-	475	-	(28)	447
6	Station Equipment	353	7,862	-	-	7,862	-	335	8,197
7	Towers & Fixtures	354	2,996	-	-	2,996	-	(67)	2,929
8	Poles & Fixtures	355	129	-	-	129	-	19	148
9	Overhead Conductors & Devices	356	2,151	-	-	2,151	-	71	2,222
10	Underground Conduit	357	160	-	-	160	-	12	172
11	Underground Conductors & Divices	358	1,082	-	-	1,082	-	32	1,114
12	Roads & Trails	359	11	-	-	11	-	(1)	10
13	Asset Retirement Costs -- Transmission	359.1	15	-	-	15	-	-	15
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	14,881	-	-	14,881	-	373	15,254
DISTRIBUTION PLANT									
15	Land & Land Rights	360	-	-	-	-	-	-	-
16	Structures & Improvements	361	1,270	-	-	1,270	-	(42)	1,228
17	Station Equipment	362	16,057	-	-	16,057	-	(84)	15,973
18	Poles, Towers & Fixtures	364	10,067	-	-	10,067	-	(117)	9,950
19	Overhead Conductors & Devices	365	15,617	-	-	15,617	-	(312)	15,305
20	Underground Conduit	366	4,317	-	-	4,317	-	56	4,373
21	Underground Conductors & Divices	367	15,401	-	-	15,401	-	1,208	16,609
22	Line Transformers	368	7,523	-	-	7,523	-	2,033	9,556
23	Services	369	7,125	-	-	7,125	-	637	7,762
24	Meters	370	9,836	-	-	9,836	-	54	9,890
25	Installations on Customer Premis	371	5	-	-	5	-	-	5
26	Street Lighting & Signal Systems	373	2,140	-	-	2,140	-	(320)	1,820
27	Asset Retirement Costs -- Distributon	374	127	-	-	127	-	-	127
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	89,485	-	-	89,485	-	3,113	92,598
GENERAL PLANT									
29	Land & Land Rights	389	-	-	-	-	-	-	-
30	Structures & Improvements	390	418	-	-	418	-	20	438
31	Office Furniture & Equipment	391	928	-	-	928	-	(161)	767
32	Transportation Equipment	392	-	-	-	-	-	-	-
33	Stores Equipment	393	47	-	-	47	-	42	89
34	Tools & Garage Equipment	394	859	-	-	859	-	267	1,126
35	Laboratory Equipment	395	49	-	-	49	-	(11)	38
36	Power Operated Equipment	396	-	-	-	-	-	-	-
37	Communications Equipment	397	250	-	-	250	-	36	286
38	Miscellaneous Equipment	398	268	-	-	268	-	(34)	234
39	Other Tangible Property	399	5	-	-	5	-	-	5
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	2,824	-	-	2,824	-	159	2,983
41	TOTAL DEPRECIATION		107,397	-	-	107,397	-	3,645	111,042
	L 3 + L 14 + L 28 + L 40								
42	Transmission Accounts		(14,881)	-	-	(14,881)	-	(373)	(15,254)
43	Intangible Plant To Transmission	0.14986	(31)	-	-	(31)	-	-	(31)
44	General Plant to Transmission	0.14986	(423)	-	-	(423)	-	(24)	(447)
45			-	-	-	-	-	-	-
46			-	-	-	-	-	-	-
47	SUB-TOTAL	Sum L 41 to L 46	92,062	-	-	92,062	-	3,248	95,310
48	Common Plant	D-19, P 2, L 40				18,316	-	(201)	18,114
49	Total Depreciation	L 47 + L 48				\$ 110,378	\$ -	\$ 3,047	\$ 113,424

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DEPRECIATION & AMORTIZATION OF COMMON PLANT
 COMMON PLANT

Line #	Description	[1] Account Number	[2] 2009 Historic Test Year Expense			[5] N/A	[6] Pro Forma Depreciation Rate Change	[7] Pro Forma Test Year Depreciation
			On 2009 Balance of Net Plant	N/A	Total			
INTANGIBLE PLANT								
1	PECO Common - 3030 49 Mos EOL		\$ 72	\$ -	\$ 72		\$ -	\$ 72
2	PECO Common - 3030 60 Mos EOL		89	-	89	-	-	89
3	PECO Common - 3030 80 Mos EOL		178	-	178	-	-	178
4	PECO Common - 3030 90 Mos EOL		278	-	278	-	-	278
5	PECO Common - 3030 AMR System		283	-	283	-	-	283
6	PECO Common - 3030 Customer Data		315	-	315	-	-	315
7	PECO Common - 3030 Misc 5-Year FR		1,046	-	1,046	-	-	1,046
8	PECO Common - 3030 Passport		488	-	488	-	-	488
9	PECO Common - 3030 CIMS EOL		7,923	-	7,923	-	-	7,923
10	PECO Common - 3030 Misc 5-Year FR		61	-	61	-	-	61
11	PECO Common - 3030 Mobile Dispatch		2,774	-	2,774	-	-	2,774
12	PECO Common - 3030 Misc 5-Year FR		-	-	-	-	-	-
13	TOTAL COMMON - INTANGIBLE	Sum L 1 to L 12	<u>13,507</u>	<u>-</u>	<u>13,507</u>	<u>-</u>	<u>-</u>	<u>13,507</u>
COMMON PLANT - OTHER								
14	PECO Common - 3901		4,011	-	4,011	-	(228)	3,783
15	PECO Common - 3902		619	-	619	-	(35)	584
16	PECO Common - 3903		11	-	11	-	(1)	10
17	PECO Common - 3911		25	-	25	-	14	39
18	PECO Common - 3912		631	-	631	-	18	649
19	PECO Common - 3913		6,634	-	6,634	-	(1,191)	5,443
20	PECO Common - 3930		110	-	110	-	32	142
21	PECO Common - 3941		281	-	281	-	109	390
22	PECO Common - 3942		1	-	1	-	-	1
23	PECO Common - 3970		1,283	-	1,283	-	595	1,878
24	PECO Common - 3980		76	-	76	-	11	87
25	TOTAL COMMON - OTHER	Sum L 14 to L 24	<u>13,682</u>	<u>0</u>	<u>13,682</u>	<u>0</u>	<u>(676)</u>	<u>13,006</u>
26	TOTAL COMMON --- NON FLEET	L 13 + L 25	27,189	0	27,189	0	(676)	26,513
COMMON FLEET								
27	PECO Common - 3921		22	-	22	-	(4)	18
28	PECO Common - 3922		1,627	-	1,627	-	145	1,772
29	PECO Common - 3923		3,330	-	3,330	-	572	3,902
30	PECO Common - 3924		40	-	40	-	(3)	37
31	PECO Common - 3925		131	-	131	-	(5)	126
32	PECO Common - 3926		151	-	151	-	(13)	138
33	PECO Common - 3943		375	-	375	-	(25)	350
34	PECO Common - 3961		10	-	10	-	(1)	9
35	TOTAL FLEET	Sum L 27 to L 34	<u>5,686</u>	<u>0</u>	<u>5,686</u>	<u>0</u>	<u>666</u>	<u>6,352</u>
36	Sub-Total	L 26 + L 35	32,875	-	32,875	-	(10)	32,865
37	Fleet Depreciation Included in Clearing Accounts		(5,686)	0	(5,686)	0	0	(5,686)
38	Pro Forma Fleet Depre Capitalized At	43.44%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(289)</u>	<u>(289)</u>
39	TOTAL ALL	L 36 + L 37 + L 38	<u>\$ 27,189</u>	<u>\$ -</u>	<u>\$ 27,189</u>	<u>\$ -</u>	<u>\$ (299)</u>	<u>\$ 26,890</u>
COMMON PLANT CHARGED TO								
40	Electric - Distribution	67.365%			\$ 18,316	\$ -	\$ (201)	\$ 18,114
41	Electric - Transmission	11.875%			3,229	-	(36)	3,193
42	GAS	20.760%			5,644	-	(62)	5,582
43	TOTAL	100.00%			<u>\$ 27,189</u>	<u>\$ -</u>	<u>\$ (299)</u>	<u>\$ 26,890</u>

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Income Tax at Present and Proposed Revenue Levels

Line #	Description	[1] Factor Or Reference	[2] Element Or Amount	[3] Pro Forma HTY At Present Rates	[4] Revenue Increase	[5] Pro Forma HTY At Proposed Rates [3] + [4]
1	Revenue			\$ 4,685,297	\$ 118,755	\$ 4,804,052
2	Operating Expenses			(4,406,347)	(8,523)	(4,414,870)
3	OIBIT	L 1 + L 2		278,950	110,232	389,182
	<u>Interest Expense</u>					
4	Rate Base		\$ 3,018,236			
5	Weighted Cost of Debt		0.02660			
6	Synchronized Interest Expense	L 4 * L 5		(80,285)	-	(80,285)
7	Base Taxable Income	L 3 + L 6		198,665	110,232	308,897
8	State Accelerated Tax Depreciation		\$ 142,677			
9	Pro Forma Book Depreciation		113,424			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(29,253)		(29,253)
11	Medicare "D" Pro Forma			(3,156)		(3,156)
12	Repair Allowance Deduction			(22,260)	-	(22,260)
13	State Taxable Income	Sum L 7 to L 12		\$ 143,996	\$ 110,232	\$ 254,228
14	State Income Tax	-L 11 * Rate [2]	9.99%	\$ (14,385)	\$ (11,012)	\$ (25,397)
15	Federal Accelerated Tax Depreciation		\$ 207,112			
16	Pro Forma Book Depreciation		113,424			
17	Federal Tax Deducts (Over) Under Book	L 16 - L 15		(93,688)	-	(93,688)
18	Medicare "D" Pro Forma			(3,156)	-	(3,156)
19	Repair Allowance Deduction			(22,260)	-	(22,260)
20	Federal Taxable Income	L 7 + Sum L 14 to 19		65,176	99,220	164,396
21	Federal Income Tax Expense	-L 20 * Rate [2]	35.00%	(22,812)	(34,727)	(57,539)
22	Total Tax Expense before Deferred Income Tax	L 14 + L 21		(37,197)	(45,739)	(82,936)
	<u>Deferred Federal Income Taxes</u>					
23	Federal Accelerated Depreciation		\$ 207,112			
24	Pro Forma Normalized Straight Line Tax		97,032			
25	Federal Accelerated (over) Under	L 23 - L 24		110,081	-	110,081
26	Deferred Federal Taxable Income	L 25		\$ 110,081	\$ -	\$ 110,081
27	Federal Income Tax Expense	-L 26 * Rate [2]	35.00%	(38,528)	-	(38,528)
28	Net Income Tax Expense	L 22 + L 27		(75,725)	(45,739)	(121,464)
	<u>Other Tax Adjustments</u>					
	Amortization of Investment Tax Credit					
29	--Electric Plant			1,241		1,241
30	--Common Plant Allocated			33		33
31	Consolidated Income Tax Adjustment			537		537
32	Combined Income Tax Expense	Sum L 28 to L 31		\$ (73,914)	\$ (45,739)	\$ (119,653)
33	Federal Income Tax Expense			\$ 59,529	\$ 34,727	\$ 94,256
34	State Income Tax Expense			14,385	11,012	25,397
35	Total Income Tax Expense	L 33 + L 34		\$ 73,914	\$ 45,739	\$ 119,653

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Gross Revenue Conversion Factor

Line #	Description	Reference Or Factor	[1] [2] Tax Rate	[3] Factor	
<u>GROSS REVENUE CONVERSION FACTOR</u>					
1	GROSS REVENUE FACTOR			1.000000	
2	GROSS RECEIPTS TAX			(0.059000)	
3	UNCOLLECTIBLE EXPENSES			(0.011153)	
	PUC / OCA & SBA ASSESSMENT AS A % OF REVENUE			<u>(0.001614)</u>	
4	NET REVENUES	Sum L 1 to L 3		0.928233	1.077316
5	STATE INCOME TAXES	[3] L 4 * Rate [2]	0.099900	<u>(0.092730)</u>	
6	FACTOR AFTER STATE TAXES	L 4 + L 5		0.835503	
7	FEDERAL INCOME TAXES	[3] L 6 * Rate [2]	0.350000	(0.292426)	
8	NET OPERATING INCOME FACTOR	L 6 + L 7		<u>0.543077</u>	
9	GROSS REVENUE CONVERSION FACTOR	1 / L 8		<u>1.84136</u>	
10	Combined Income Tax Factor On Gross Revenues	- L 5 - L 7		<u>38.516%</u>	
<u>INCOME TAX FACTOR</u>					
11	GROSS REVENUE FACTOR			1.000000	
12	STATE INCOME TAXES	[3] L 11 * Rate [2]	9.9900%	(0.099900)	
13	FACTOR AFTER STATE TAXES	L 11 + L 12		0.900100	
14	FEDERAL INCOME TAXES	[3] L 13 * Rate [2]	35.00%	(0.315035)	
15	NET OPERATING INCOME FACTOR	L 13 + L 14		0.585065	
16	GROSS REVENUE CONVERSION FACTOR	1 / L 15		<u>1.709212</u>	
17	Combined Income Tax Factor On Taxable Income	- L 12 - L 14		<u>41.494%</u>	

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Depreciation for Income Tax Calculation

Line #	Description	[1] Reference	[2] Amount	[3] Amount
<u>State Accelerated Tax Depreciation</u>				
1	Electric Plant	\$ 142,972		
2	Percent to Distribution	85.014%		
3	Amount To Distribution		\$ 121,546	
4				
5	Common Plant (no Software)	\$ 24,835		
6	Allocation Factor	67.365%		
7	Common Plant Allocated to Elec Dist		16,730	
8				
9	Software Amortization for Tax	\$ 6,533		
10	Common Plant Allocated to Elec Dist	67.365%	4,401	
11	Total Accelerated Tax Depreciation			<u>\$ 142,677</u>
<u>Federal Accelerated Tax Depreciation</u>				
12	Electric Plant	\$ 216,045		
13	Percent to Distribution	85.014%		
14	Amount To Distribution		\$ 183,668	
15				
16	Common Plant (no Software)	\$ 27,829		
17	Allocation Factor	67.365%		
18	Common Plant Allocated to Elec Dist		18,747	
19				
20	Software Amortization for Tax	\$ 6,972		
21	Common Plant Allocated to Elec Dist	67.365%	4,697	
22	Total Accelerated Tax Depreciation			<u>\$ 207,112</u>
<u>Federal Reversal of Prior Flow Through</u>				
23	Electric Plant	\$ 18,905		
24	Percent to Distribution	85.014%		
25	Amount To Distribution		\$ 16,072	
26				
27	Common Plant (no Software)	\$ 476		
28	Allocation Factor	67.365%		
29	Common Plant Allocated to Elec Dist		321	
30				
31	Software Amortization for Tax	\$ -		
32	Common Plant Allocated to Elec Dist	67.365%	-	
33	Total Accelerated Tax Depreciation			\$ 16,393
34	Book Depreciation			113,424
35	Normalized	L 34 - L 33		<u>\$ 97,032</u>

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Investment Tax Credit Amortization

Line #	Description	[1] Reference Or Factor	[2] Amount	[3] Factor
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INVESTMENT TAX CREDIT - ELECTRIC DISTRIBUTION

1	<u>Unamortized Investment Tax Credit at 12-31-09</u>			<u>\$ 4,322</u>
2	Total Electric Distribution		\$ 3,674	
3	Electric Distribution Portion of Common		253	
4	Total Electric Distribution		\$ 3,928	
5	<u>Amortization of Investment Tax Credit - 2009</u>			
6	Total Electric Distribution		\$ 1,241	
7	Electric Distribution Portion of Common		33	
8	Total Electric Distribution			\$ 1,274