



An Exelon Company

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Director
Rates and Regulatory Affairs

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PECO Energy Company
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Philadelphia, PA 19103

Mail To: 8699
Philadelphia, PA 19101-8699

December 21, 2011

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

RECEIVED
DEC 21 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

SUBJECT: State Tax Adjustment Surcharge (STAS) Filing - Electric
SUPPLEMENT NO. 32 TO TARIFF ELECTRIC - PaPUC NO. 4
Issued December 21, 2011 - to become effective on January 1, 2012

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission eight copies each of the following:

- 1) Supplement No. 32 to Tariff Electric - PaPUC No. 4.
- 2) Computation sheets showing the derivation of the new State Tax Adjustment Surcharge value.

PECO has recalculated the State Tax Adjustment Surcharge (STAS) value to reflect a decrease in the year 2012 Capital Stock Tax Rate, current PURTA assessments resulting from tax rate changes and the reconciliation of prior STAS collections. In addition, this filing reflects a reduction in the Gross Receipts Tax Rate from 6.06% to 5.90% as a result of the 0 mill Gross Receipts Tax PURTA Surcharge beginning January 1, 2012.

The new surcharge is a **credit** value of 0.05%, which will be effective for scheduled billing cycles ending on and after January 1, 2012, and replaces the present **credit** value of 0.06%. A monthly bill for a residential customer using 500 kWh will not change from \$86.78.

Thank you for your assistance in this matter and please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates at (215) 841-5771.

Would you please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Sincerely,

Copies to: C. Walker-Davis, Director, Office of Special Assistants
P. Diskin, Director, Bureau of Technical Utility Services
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

RECEIVED

DEC 21 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

For List of Communities Served, See Page 4.

Issued December 21, 2011

Effective January 1, 2012

**ISSUED BY: D. P. O'Brien – President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

State Tax Adjustment Clause – 3rd Revised Page No. 30

Effective for scheduled billing cycles ending on and after January 1, 2012, the State Tax Adjustment Clause will reflect a credit value of 0.05%

PECO Energy Company

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STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this tariff, a surcharge credit value of 0.05% will apply to all PaPUC jurisdictional distribution charges in the Base Rates and Riders, effective for scheduled billing cycles ending on and after January 1, 2012.

(I)
(C)

Whenever any of the tax rates used in the calculation of the surcharge are changed, or recoveries are authorized under Sections 2806, 2809 or 2810 of the Competition Act, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the change occurs and the effective date shall be ten days after filing.

In addition, if a recalculation is submitted as a result of a tax rate change (including the Revenue Neutral Reconciliation rate) the Company will thereafter file each year by December 21 annual updates or revisions with the Commission which will reflect only this tax change. These annual updates will be effective ten days after filing and will continue until such time as the effect of the change in tax rates has been included in base rates.

(I) Denotes Increase
(C) Denotes Change

PECO Energy - Electric Operations
State Tax Adjustment Surcharge
Effective January 1, 2012

| <u>Calculation of STAS Effective January 1, 2012</u> | | <u>Reference</u> |
|--|------------------|--|
| 1 . Capital Stock Tax - 2012 | (\$1,226,096) | Att. A, Pg. 3, Ln. 7 |
| 2 . PURTA Assessment - 8/1/11 | \$354,228 | Att. A, Pg. 4, Ln. 5 |
| 3 . PURTA Supplemental Assessment - 8/1/11 | \$152,268 | Att. A, Pg. 5, Ln. 13 |
| 4 . 1307 (g.1) Gross Receipts Tax | \$0 | Att. A, Pg. 2, Ln. 14 |
| 5 . Reconciliation of Prior STAS | <u>\$119,390</u> | Att. B, Pg. 1, Ln. 9 |
| 6 . Net Due from (to) Customers | (\$600,210) | Ln. 1+ Ln. 2 +Ln. 3 + Ln. 4 + Ln. 5 |
| 7 . Total Due from (to) Customers Including Gross Receipts Tax | (\$637,843) | Ln. 6 / (1-0.059) |
| 8 . Operating Revenues Subject to STAS from January 1, 2012 through December 31, 2012 | \$1,370,211,405 | Att. A, Pg. 2, Ln. 13 |
| 9 . State Tax Adjustment Surcharge | -0.05% | Ln. 7 / Ln. 8 |

PECO Energy - Electric Operations
Computation of Operating Revenues Subject to 2012 STAS

| | | <u>Reference</u> |
|--|-------------------------|---|
| 1 . <u>Booked Revenue from Sales</u> | \$4,621,815,578 | 2010 FERC # 1, Pg. 300, Ln. 12 |
| 2 . Less : Non - jurisdictional revenue | | |
| Sales for Resale | \$38,319,185 | 2010 FERC # 1, Pg. 300, Ln. 11 |
| 3 . Less: Unbilled Revenues | \$ 44,168,898 | 2010 FERC # 1, Pg. 301 |
| Surcharge Over/Under Collections Included in Revenue | \$ (40,855,898) | Company Records |
| STAS Revenue Included in Line 1 | \$ (6,762,105) | Company Records |
| 4 . Less: Competitive Transition Charges/Intangible Transition Charges | <u>\$ 1,043,657,842</u> | Company Records |
| 5 . <u>Operating Revenues Subject to STAS Excl Total Transition Charges Before Adjustments</u> | \$3,543,287,656 | |
| 6 . Less: Transmission Charges Included in Lines 1 through 3 | \$184,575,419 | Company Records |
| 7 . Less: | | |
| Energy and Capacity Charges Included in Lines 1 through 3 | \$ 2,200,504,877 | Company Records |
| 8 . Plus: Full Year Effect of 2010 Distribution Base | | |
| Rate Case Revenue | \$ 197,040,909 | Docket No. R-2010-2161575, Electric Base Rate Case |
| 9 . Plus: Full Year Effect of Smart Meter Cost Recovery Surcharge | \$ 40,856,460 | Company Filing on December 15, 2011 at Docket No. M-2009-2123944 |
| 10 . Plus: Proforma Distribution Adjustments from Change in USFC Rate | \$ (2,321,302) | Universal Service Fund Charge Filed on November 28, 2011 at Docket No. M-2011-2260133 |
| 11 . Plus: Proforma Consumer Education Cost Recovery | \$ (2,192,926) | Company Filing on February 1, 2011 at Docket No. R-2009-2099208 |
| 12 . Plus: Rate Credit Due to a Change in Accounting for Repairs for Tax Purposes | <u>\$ (21,379,096)</u> | Company Filing on October 4, 2011 at Docket No. R-2010-2161575 |
| 13 . Adjusted Base Revenues for 2011 STAS | \$1,370,211,405 | |
| 14 . 0.0 Mill GRT PURTA Surcharge | \$ - | Ln. 13 * 0.0000 (a) |

(a) Refer to Attachment B, Pg. 3 for the Pennsylvania Bulletin announcing the Gross Receipts Tax PURTA Surcharge beginning January 1, 2012 due to the Public Realty Tax Act Surcharge

PECO Energy
Capital Stock Tax Adjustment

| | <u>TOTAL</u> | <u>ELECTRIC</u> | | <u>GAS</u> |
|--|-----------------|---------------------|---------------------|------------------|
| | | <u>TRANSMISSION</u> | <u>DISTRIBUTION</u> | |
| 1 . Value of Capital Stock 2010 (a) | \$2,098,264,838 | | | |
| 2 . Apportionment Percentage (a) | 0.963618 | | | |
| 3 . Taxable Value Capital Stock (b) | \$2,021,925,767 | \$225,444,723 | \$1,226,095,785 | \$570,385,259 |
| 4 . Tax Rate @ 2.89 mills (c) | | N. A. | <u>x 0.00289</u> | <u>x 0.00289</u> |
| 5 . Pa. Capital Stock Tax @ 2.89 mills | | N. A. | \$3,543,417 | \$1,648,413 |
| 6 . Pa. Capital Stock Tax @ 1.89 mills - Year 2012 | | N. A. | \$2,317,321 | \$1,078,028 |
| 7 . Annualized Tax Decrease from Rate Change - Year 2012 | | N. A. | (\$1,226,096) | (\$570,385) |

(a) See Attachment B, Pg. 4. Per Act 119 of 2006, the Pennsylvania Department of Revenue ("Department") ceased issuing Official Notices of Settlement after December 1, 2007 for Capital Stock Tax filings. Attached are the relevant pages from PECO Energy Company's 2010 Pennsylvania Capital Stock Tax Return which agrees with the attached Company's Open Ledger issued by the Department.

(b) Electric (Transmission (11.15%), Distribution (60.64%)) and Gas (28.21%) based on utility plant and revenues.

(c) Capital stock tax rate reflected at R-2010-2161575, the Company's year 2010 electric base rate case.

PECO Energy
2010 PURTA Adjustment

| | <u>Transmission</u> | <u>Distribution</u> | <u>Gas</u> | <u>Total</u> |
|--|---------------------|---------------------|------------------|--------------------|
| Per August 1, 2011 Assessment (a) | | | | |
| 1 . Tax Base | \$99,131,270 | \$137,217,991 | \$28,141,855 | \$264,491,116 |
| 2 . Tax @ 29.0156 Mills | \$2,876,353 | \$3,981,462 | \$816,553 | \$7,674,368 |
| 2010 Rate Case PURTA | | | | |
| 3 . Tax Base | \$ 99,131,270 | \$137,217,991 | \$28,141,855 | \$264,491,116 |
| 4 . Tax @ 26.4341 Mills | <u>\$2,620,446</u> | <u>\$3,627,234</u> | <u>\$743,905</u> | <u>\$6,991,585</u> |
| 5 . Amount Due from / (to) Customers | \$255,907 | \$354,228 | \$72,648 | \$682,783 |

(a) See Attachment B, Pg. 5

PECO Energy
Supplemental PURTA Adjustments

| Per August 1, 2011 Assessment (a) | <u>Generation / Transmission</u> (b) | <u>Transmission & Distribution / Distribution (c)</u> | <u>Gas</u> | <u>Total</u> |
|--|---|--|-------------------|---------------------|
| 1 . Adjustment for 1998 Tax Year | \$513,150 | \$150,830 | \$45,476 | \$709,456 |
| 2 . Adjustment for 1999 Tax Year | \$5,973 | \$1,180 | \$425 | \$7,578 |
| 3 . Adjustment for 2000 Tax Year | N.A. | (\$453) | (\$67) | (\$520) |
| 4 . Adjustment for 2001 Tax Year | N.A. | (\$458) | (\$73) | (\$531) |
| 5 . Adjustment for 2002 Tax Year | N.A. | (\$401) | (\$62) | (\$463) |
| 6 . Adjustment for 2003 Tax Year | N.A. | (\$453) | (\$77) | (\$530) |
| 7 . Adjustment for 2004 Tax Year | N.A. | \$389 | \$67 | \$456 |
| 8 . Adjustment for 2005 Tax Year | N.A. | \$641 | \$118 | \$759 |
| 9 . Adjustment for 2006 Tax Year | N.A. | (\$24) | (\$4) | (\$28) |
| 10 . Adjustment for 2007 Tax Year | N.A. | \$280 | \$45 | \$325 |
| 11 . Adjustment for 2008 Tax Year | N.A. | \$1,086 | \$165 | \$1,251 |
| 12 . Adjustment for 2009 Tax Year | (\$244) | (\$349) | (\$86) | (\$679) |
| 13 . Amount Due from / (to) Customers | N.A. | \$152,268 | \$45,927 | N.A. |

(a) See Attachment B, Pg. 5

(b) Years 1998 and 1999 reflect Generation. Year 2009 reflects Transmission.

(c) Years 1998 through 2008 reflect Transmission and Distribution. Year 2009 reflects Distribution.

PECO Energy-Electric Operations
State Tax Adjustment Surcharge Reconciliation
For the Year 2011

| | | <u>Reference</u> |
|--|--------------------|--|
| <u>Reconciliation of Current STAS</u> | | |
| 1 . 1307 (g.1) Gross Receipts Tax | \$2,116,409 | 12/21/10 STAS Filing, Att. A, Pg. 1, Ln. 8 |
| 2 . Capital Stock Tax - 2011 | \$0 | 12/21/10 STAS Filing, Att. A, Pg. 1, Ln. 1 |
| 3 . PURTA Assessment - 8/1/10 | \$ 210,294 | 12/21/10 STAS Filing, Att. A, Pg. 1, Ln. 2 |
| 4 . PURTA Supplemental Assessment - 8/1/10 | \$ (105,852) | 12/21/10 STAS Filing, Att. A, Pg. 1, Ln. 3 |
| 5 . Reduction in PURTA Liability per 1307 (g.1) | \$ (3,251,116) | 12/21/10 STAS Filing, Att. A, Pg. 1, Ln. 4 |
| 6 . Reconciliation of Prior STAS | <u>\$296,789</u> | 12/21/10 STAS Filing, Att. A, Pg. 1, Ln. 5 + Ln. 9 |
| 7 . Subtotal | (\$733,476) | Ln. 1 + Ln. 2 + Ln. 3 + Ln. 4 + Ln. 5 + Ln. 6 |
| 8 . Less STAS Revenues Collected from Customers - 2011 | <u>(\$852,866)</u> | Att. B, Pg. 2 |
| 9 . Net Due from/(to) Customers | \$119,390 | Ln. 7 - Ln. 8 |

PECO Energy - Electric Operations
STAS Collections-Company Records
12 Months Ended December 31, 2011

| | |
|---------------|--------------------|
| Jan | (\$217,499) |
| Feb | (\$65,208) |
| Mar | (\$58,673) |
| April | (\$54,807) |
| May | (\$51,817) |
| Jun | (\$66,771) |
| July | (\$75,722) |
| Aug | (\$79,383) |
| Sep | (\$66,438) |
| Oct | (\$54,636) |
| Nov (a) | (\$53,082) |
| Dec (a) | <u>(\$63,541)</u> |
| Total | (\$907,576) |
| Less: GRT | \$ <u>(54,710)</u> |
| Net After GRT | (\$852,866) |

(a) Projection

NOTICES

Public Utility Realty Tax Act (PURTA); Surcharge Rate Notice for the Tax Year Beginning January 1, 2012

[41 Pa.B. 4823]
[Saturday, September 3, 2011]

8111-A(d) requires the Secretary of Revenue to publish the rate 72 P. S. § of the Public Utility Realty Tax Act (PURTA) surcharge in the form of a notice in the *Pennsylvania Bulletin* by October 1, 2003, and by each October 1 8111-A(d) shall be imposed thereafter. The tax rate established in 72 P. S. § 8111-A(d) for the period upon gross receipts taxes as provided in 72 P. S. § beginning the next January 1.

8111-A The result of the PURTA surcharge calculation provided in 72 P. S. § for the tax year beginning January 1, 2012, is zero mills. Therefore, no PURTA 8111-A(d) will be imposed for the taxable period surcharge under 72 P. S. § beginning January 1, 2012.

DANIEL MEUSER,
Secretary

[Pa.B. Doc. No. 11-1518. Filed for public inspection September 2, 2011, 9:00 a.m.]

1010010222

ACCOUNT ID 0415103
TAX YEAR END 12312010 NAME PECO ENERGY COMPANY
RCT- 101 PAGE 2 OF 6 PA CORPORATE TAX REPORT 2010

SECTION A: CS/FF

| OLDEST PERIOD FIRST | TAX PERIOD BEGINNING | TAX PERIOD ENDING | BOOK INCOME | | | |
|---------------------|----------------------|-------------------|-------------|-------------------|----|---|
| YEAR 1 | 01012006 | 12312006 | 262441422 | Investment in LLC | XX | N |
| YEAR 2 | 01012007 | 12312007 | 454815178 | Holding Company | XX | N |
| YEAR 3 | 01012008 | 12312008 | 352828034 | Family Farm | XX | N |
| YEAR 4 | 01012009 | 12312009 | -161446558 | | | |
| YEAR 5 | | | | | | |
| YEAR 6 | | | | | | |
| YEAR 7 | | | | | | |
| CUR YR | 01012010 | 12312010 | 26596141 | | | |

USE WHOLE DOLLARS ONLY

| | | |
|--|----|------------|
| 2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total) | 2 | 935234217 |
| 3. DIVISOR (in years and in part years rounded to three decimal places) See instructions. | 3 | 5.000 |
| 4. Divide Line 2 by Line 3. | 4 | 187046843 |
| 5. AVERAGE BOOK INCOME - Enter Line 4, or if Line 4 is less than zero enter "0". | 5 | 187046843 |
| 6. Divide Line 5 by 0.095. | 6 | 1968914137 |
| 7. Shareholders' equity at the END of the current period | 7 | 2970580719 |
| 8. Shareholders' equity at the BEGINNING of the current period | 8 | 2651799005 |
| 9. If Line 7 is more than twice as great or less than half as much as Line 8, add Lines 7 and 8 and divide by 2. Otherwise enter Line 7. | 9 | 2970580719 |
| 10. NET WORTH - Enter Line 9, or if Line 9 is less than zero enter "0". | 10 | 2970580719 |
| 11. Multiply Line 10 by 0.75. | 11 | 2227935539 |
| 12. Add Lines 6 and 11. | 12 | 4196849676 |
| 13. Divide Line 12 by 2. | 13 | 2098424838 |
| 14. \$180,000 valuation deduction | 14 | -160000 |
| 15. CAPITAL STOCK VALUE - Line 13 less Line 14, but not less than "0". If 100% taxable, enter Line 15 on Line 17. | 15 | 2098264838 |
| 16. Proportion of taxable assets or apportionment proportion (From Schedule A- 1, Line 5) | 16 | 0.963618 |
| 17. TAXABLE VALUE - Multiply Line 15 by Line 16. If less than zero, enter "0". | 17 | 2021925767 |
| 18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line 17 by 0.00289. | 18 | 5843365 |

Total Beginning of
Taxable Year Assets 8307655521

Total End of Taxable
Year Assets 8883502127

1010010122

**RCT-101 PAGE 1 OF 6
PA CORPORATE TAX REPORT 2010**

DEPARTMENT USE ONLY

A = 1120 B = 1120S C = 1120C D = 1120F E = 1120H F = 1065 G = 1040 H = Other

STEP A

Tax Year Beg. XX 01012010
Tax Year End. XX 12312010

STEP B

Regulated Inv. Co. XX N First Report XX N
52- 53 Week Filer XX N KOZ/EIP/SDA Credit XX N
Address Change XX N File Period Change XX N
Change Fed. Group XX N

STEP C

Corp Tax Account ID XX 0415103
Federal EIN XX 230970240
Business Activity Code XX 221100
Corporation Name XX PECO ENERGY COMPANY
Address Line 1 XX 10 S DEARBORN 51ST FL
Address Line 2 XX
City XX CHICAGO
State XX IL
ZIP XX 60603

USE WHOLE DOLLARS ONLY

| STEP D | A. Tax Liability from Tax Report | B. Estimated Payments & Credits on Deposit | C. Restricted Credits | Calculation: A minus B minus C | STEP E: Payment Make check for this amount payable to "PA Dept of Revenue" |
|--------|----------------------------------|--|-----------------------|--------------------------------|---|
| CS/FF | 5843365 | 28731744 | 0 | -22888379 | 0 |
| LOANS | 47943 | 0 | 0 | 47943 | 0 |
| CNI | 7454395 | 28879000 | 0 | -21424605 | 0 |
| TOTAL | 13345703 | 57610744 | 0 | -44265041 | 0 |

Made payment electronically N

STEP F: Transfer/Refund Method

Choose one of the following options:

A = Transfer available credit B = Refund available credit

**STEP G: Corporate Officer
(Sign affirmation below)**

NAME THOMAS D TERRY
PHONE 3123947777
E-MAIL

FORM 1023
BARCODE 0000

I affirm under penalties prescribed by law this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report.

Corporate Officer Signature/Date

[Signature] 10/13/2011

REV-1448F CT AFP (09-06)

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
BUREAU OF CORPORATION TAXES
PO BOX 280701
HARRISBURG PA 17128-0701



CORPORATE TAXPAYER'S

OPEN
LEDGER

MAILED:

11/16/11

| | | |
|--|-------------------------------|---|
| DATE OF INCORPORATION OR CERTIFICATE OF AUTHORITY 10-31-29 | FISCAL FILING PERIOD 12 | CURRENT YEAR TAX FILE (BOX) NUMBER 0415-103 |
| OFFICIAL USE ONLY | | POSTMARK DATE |

PECO ENERGY COMPANY
FL 51
10 S DEARBORN ST
CHICAGO IL 60603

23-0970240 4931 P DC R 9515851 08-02-95

| DATE | T/C | TAX YEAR ENDING | TYPE OF TAX | DOCUMENT LOCATION NO (DLN) | C | BASE FIGURE | DEBIT | CREDIT |
|----------|------|--------------------|----------------|-------------------------------|---|-------------|-------------|--------------|
| 10 20 11 | 98 | 1210 | 01 | OPTION A | | 0.00 | | |
| 11 01 11 | A07 | 1210 | 01 | 11-01-11 | R | | | 47943.00- |
| 11 01 11 | 88 | 1210 | 01 | A-11961459 | S | | | |
| 10 27 11 | 01 | 1210 | 01 | 15-3-08217 | S | | 5843365.00 | |
| 10 27 11 | 98 | 1210 | 01 | OPTION A | | 0.00 | | |
| 11 07 11 | A07 | 1210 | 01 | 11-07-11 | R | | | 47943.00- |
| 11 07 11 | 88 | 1210 | 01 | A-11964479 | S | | | |
| 10 27 11 | 01 | 1210 | 01 | 13-1-42008 | | | 5843365.00- | |
| 11 07 11 | AT06 | 1210 | 01 | 13-1-42008 | | | | 47943.00 |
| 10 01 11 | AT06 | 1210 | 01 | 13-1-42008 | | | | 47943.00 |
| 12 11 08 | I07 | 1210 | 01 | 13-1-42008 | | | | 47943.00- |
| 11 07 11 | 07 | 1210 | 01 | 13-1-42008 | | | | 17015139.64- |
| 12 12 08 | TS13 | 1210 | 01 | 13-1-42008 | | | | 3727197.50- |
| 12 12 08 | TS13 | 1210 | 01 | 13-1-42008 | | | | 1999476.00- |
| | | | | | | | TAX BAL: | 95,886.00DR |
| 10 20 11 | 01 | 1210 | 03 | 15-2-99354 | | | 47943.00 | |
| 12 15 10 | A07 | 1210 | 03 | 11-01-11 | R | | | 47943.00 |
| 10 27 11 | 01 | 1210 | 03 | 15-3-08217 | | | 47943.00 | |
| 12 15 10 | A07 | 1210 | 03 | 11-07-11 | R | | | 47943.00 |
| 10 27 11 | 01 | 1210 | 03 | 13-1-42008 | | | 47943.00- | |
| 12 15 10 | AT06 | 1210 | 03 | 13-1-42008 | | | | 47943.00- |
| 12 15 10 | AT06 | 1210 | 03 | 13-1-42008 | | | | 47943.00- |
| 12 11 08 | I07 | 1210 | 03 | 13-1-42008 | | | | 47943.00 |
| | | | | | | | TAX BAL: | .00 |
| 12 14 09 | 12 | 1210 | 04 | SAFEHARBOR | | 42135661 | | |
| 06 15 10 | E12 | 1210 | 04 | 00-0-02511 | | | | 7000000.00 |
| 09 15 10 | E12 | 1210 | 04 | 00-0-03594 | | | | 11000000.00 |
| 12 15 10 | E12 | 1210 | 04 | 00-0-04716 | | | | 12000000.00 |
| 06 14 11 | 07 | 1210 | 04 | 11-6-51406 | | | | 1121000.00- |
| 12 15 10 | 07 | 1210 | 04 | 12-8-52815 | | | | 1873000.00- |
| 10 20 11 | 01 | 1210 | 04 | 15-2-99354 | | | 7454395.00 | |
| 10 27 11 | 01 | 1210 | 04 | 15-3-08217 | | | 7454395.00 | |
| 10 27 11 | 01 | 1210 | 04 | 13-1-42008 | | | 7454395.00- | |

NET TAX BALANCE

| Summary of Transaction Codes Effective 1/1/08 | | |
|---|---|---|
| T/C | Name | Description |
| 00 | Estimated Settlement | Generally imposed when Corporation fails to file a report - code used thru 12/31/07 |
| AU00 | Estimated Assessment - Audits | Estimated Assessments initiated by Bureau of Audits - Code Effective 1/1/08 |
| EA00 | Estimated Assessment - incomplete/Non-Processable | Tax Bulletin #121, for tax rpts submitted after 12/31/00 and are incomplete - Code Effective 1/1/08 |
| E00 | Incomplete/Non-Processable Report | Tax Bulletin #121, for tax rpts submitted after 12/31/00 and are incomplete - Code Used thru 12/31/07 |
| NA00 | Estimated Assessment - Non filer | Generally imposed Corporation fails to file a report - Code Effective 1/1/08 |
| SA00 | Strike Off of Estimated Tax | Code Effective 1/1/08 |
| 01 | Receipt of Tax Report | Debit entries represents amount of Self-Assessed Tax, Credit entries represents payments with the report |
| A01 | Report Submitted via Amnesty Program | Amnesty program |
| C01 | Cashiers/ Certified Check with Report | |
| D01 | Deminimus Report | Effective for tax years beginning 01/01/04 who have minimal tax |
| EA01 | Removal of Incomplete Report | Code Effective 1/1/08 |
| E01 | Electronic Transfer Payment | EFT payment with report - credit entry |
| E01 | Removal of Incomplete Report | Debit removal of incomplete report (Prior to 01/01/08) |
| F01 | Electronic Filed Report/Payment | Report filed electronically |
| I01 | E-Tides Payment with Report | EFT payment |
| K01 | Credit Card Payment with Report | Credit card payment |
| S01 | Short Form | |
| T01 | Self Assessed "Retaliatory" Tax | Tax Type 60 |
| C02 | Debit Memo - Bad Check | Removal of a payment if check or payment is nonnegotiable - Code Effective 1/1/08 |
| E02 | Debit Memo - Bad EFT | Code Effective 1/1/08 |
| 03 | Adjustment Memo | Credit between tax systems. Effective 02/07 T/C 15 will be used for a failed EFT payment not T/C 03 |
| C03 | Interest Payable to the Taxpayer | Posting of interest payable |
| E03 | Adjustment Memo | To or/from Employer Tax. code Effective 1/1/08 |
| P03 | Adjustment Memo | To or/from PIT. Code Effective 1/1/08 |
| S03 | Adjustment Memo | To or/from Sales Tax. New code effective 1/1/08 |
| 04 | Settlement | Adjustment to the reported tax, posting of interest on a late payment or penalty from late filing of the tax report - |
| A04 | Administrative Settlement | PURTA Tax - Tax Type 20 |
| A04 | Amnesty Settlement Non-Participation Penalty | Effective 11/04/97 |
| AA04 | Audits Determination - Code Effective 1/1/08 | Determination of tax issued as a result of a field audit. |
| AG04 | Auditor General started Determination | Code Effective 1/1/08 |
| B04 | Bulk Sale Settlement | Temporary Liability code used thru 12/31/08 |

BUREAU OF CORPORATION TAXES
PO BOX 280704
HARRISBURG PA 17128-0704



August 1, 2011

PECO ENERGY CO
2301 MARKET ST. N3-3

PHILADELPHIA, PA 19101

**Re: 2010 Pennsylvania Public Utility Realty Tax
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2010. This notice is based on information provided by your county tax assessor's office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

Payment of tax is required within 45 days of the mailing date of this notice. Previous payments, adjustments and credits should be taken into consideration. Payments and correspondence relevant to the PURTA tax or this notice should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Department of Revenue
Bureau of Corporation Taxes

**PLEASE SEE PAGE 2
FOR DETAIL**

Account ID: 3500103

1998 - 2010 NOTICES:

| | |
|------------------------------------|----------------|
| 2010 Liability: | \$7,674,368.00 |
| 2009 Liability Adjustment: | (\$679.00) |
| 2008 Liability Adjustment: | \$1,251.00 |
| 2007 Liability Adjustment: | \$325.00 |
| 2006 Liability Adjustment: | (\$28.00) |
| 2005 Liability Adjustment: | \$759.00 |
| 2004 Liability Adjustment: | \$456.00 |
| 2003 Liability Adjustment: | (\$530.00) |
| 2002 Liability Adjustment: | (\$463.00) |
| 2001 Liability Adjustment: | (\$531.00) |
| 2001 Transition Credit Adjustment: | \$0.00 |
| 2000 Liability Adjustment: | (\$520.00) |
| 2000 Transition Credit Adjustment: | \$0.00 |
| 1999 Liability Adjustment: | \$7,578.00 |
| 1999 Transition Credit Adjustment: | \$0.00 |
| 1998 Liability Adjustment: | \$709,456.00 |
| 1998 Transition Credit Adjustment: | \$0.00 |

Name: PECO ENERGY CO

Account Id: 3500103

Details

| Tax Year | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>Adjusted Totals</u> | | | | | |
| 1) Total Realty Tax Equivalent (RTE): | \$ 31,124,498 | \$ 31,162,601 | \$ 30,575,260 | \$ 28,869,361 | \$ 30,549,443 | \$ 30,654,214 |
| 2) Total State Taxable Value (STV) for all utilities: | \$ 1,453,353,016 | \$ 1,533,678,929 | \$ 1,623,939,282 | \$ 1,649,712,214 | \$ 1,620,689,858 | \$ 1,522,174,097 |
| 3) PURTA Millage Rate, including 7.6 mills for PTA: | 29.0156 mills | 27.9189 mills | 26.4278 mills | 25.0996 mills | 26.4497 mills | 27.7384 mills |
| | <u>Utility Adjustments</u> | | | | | |
| 4) Utility STV: | \$264,491,116 | \$276,401,031 | \$298,022,138 | \$295,480,733 | \$279,490,330 | \$252,909,099 |
| 5) Liability (Line 3 x Line 4): | \$7,674,368 | \$7,716,813 | \$7,876,069 | \$7,416,448 | \$7,392,435 | \$7,015,294 |
| 6) Utility Transition Credit: | N/A | N/A | N/A | N/A | N/A | N/A |
| 7) Utility Liability Adjustment: | N/A | -679 | \$1,251 | \$325 | (\$28) | \$759 |
| 8) Utility Transition Credit Adjustment: | N/A | N/A | N/A | N/A | N/A | N/A |

| Tax Year | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>Adjusted Totals</u> | | | | | | |
| 1) Total Realty Tax Equivalent (RTE): | \$ 29,345,575 | \$ 29,318,512 | \$ 29,007,162 | \$ 29,088,140 | \$ 28,049,747 | \$ 38,596,074 | \$ 133,200,000 |
| 2) Total State Taxable Value (STV) for all utilities: | \$ 1,424,079,193 | \$ 1,359,904,547 | \$ 1,353,615,229 | \$ 1,327,231,854 | \$ 1,348,875,201 | \$ 2,038,005,226 | \$ 2,075,078,359 |
| 3) PURTA Millage Rate, including 7.6 mills for PTA: | 28.2067 mills | 29.1592 mills | 29.0294 mills | 29.5164 mills | 28.3949 mills | 26.5382 mills | 71.7903 mills |
| | <u>Utility Adjustments</u> | | | | | | |
| 4) Utility STV: | \$240,249,743 | \$220,800,368 | \$210,744,647 | 212286963.08 | \$208,010,677 | \$642,189,073 | \$625,512,314 |
| 5) Liability (Line 3 x Line 4): | \$6,776,652 | \$6,438,362 | \$6,117,791 | \$6,265,947 | \$5,906,442 | \$17,042,542 | \$44,905,717 |
| 6) Utility Transition Credit: | N/A | N/A | N/A | \$0 | \$0 | \$0 | \$100,000 |
| 7) Utility Liability Adjustment: | \$456 | (\$530) | (\$463) | (\$531) | (\$520) | \$7,578 | \$709,456 |
| 8) Utility Transition Credit Adjustment: | N/A | N/A | N/A | \$0 | \$0 | \$0 | \$0 |

If you do not agree with this Notice of Determination for 2010 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. Under separate cover you will receive a Statement of Account. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, and any net credit balance for the account is available for refund/assignment.

From: (215) 841-5773
 Mike Brennan
 PECO
 2301 Market St
 S15-2
 Philadelphia, PA 19103

Origin ID: REDA



J11201108050225

Ship Date: 21DEC11
 ActWgt: 3.0 LB
 CAD: 9814576/NET3210

Delivery Address Bar Code



SHIP TO: (717) 772-7777

BILL SENDER

Rosemary Chiavetta
 Pennsylvania Public Utility Commiss
 2nd Floor North, CKB
 400 North St.
 Harrisburg, PA 17120

Ref #
 Invoice #
 PO #
 Dept #

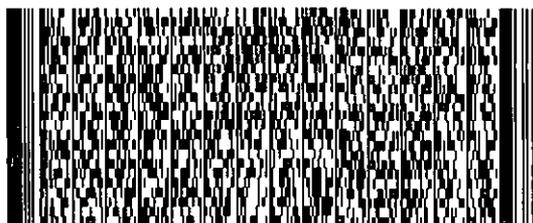
THU - 22 DEC A1
 STANDARD OVERNIGHT

TRK# 7978 7136 4484

0201

17120
 PA-US
 MDT

ZN MDTA



50FG1/659F/F5F4

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