

**ORIGINAL**

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**APPLICATION OF PECO ENERGY COMPANY  
FOR APPROVAL OF ITS RESTRUCTURING PLAN  
UNDER SECTION 2806 OF THE PUBLIC UTILITY CODE**

**Exhibit 2**

**RESPONSE TO FILING REQUIREMENTS  
RESPONSES D-8 THROUGH D-22**

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# ORIGINAL

PECO Energy Company  
Response to Filing Requirements

R-00 973953  
Schedule D-8

Respondent: Frank F. Frankowski

Q: Supply a schedule detailing the actual tax liability for the most recent calendar year for each of the following taxes. Include the dates and amount of the payments made to satisfy the respective tax liabilities.

- (a) Pa. Capital Stock Tax.
- (b) Pa. Corporate Net Income Tax.
- (c) Pa. Gross Receipts Tax.
- (d) Pa. Public Utility Realty Tax.

Response:

The most recent available year for actual tax liabilities is 1995. The requested information is provided in Attachment D-8.

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PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

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PECO ENERGY COMPANY  
PA CORPORATE TAXES  
1995

|                         | <u>CAPITAL STOCK</u> | <u>PAYMENT DATE</u> | <u>CNI</u> | <u>PAYMENT DATE</u> | <u>GROSS RECEIPTS</u> | <u>PAYMENT DATE</u> | <u>PURTA</u> | <u>PAYMENT DATE</u> |
|-------------------------|----------------------|---------------------|------------|---------------------|-----------------------|---------------------|--------------|---------------------|
| <u>1995</u>             |                      |                     |            |                     |                       |                     |              |                     |
| FILED LIABILITY         | 40,124,454           |                     | 72,435,823 |                     | 143,426,349           |                     | 60,545,461   |                     |
| PAYMENTS                |                      | 4/15/96             | 14,835,388 | 4/15/96             |                       |                     |              |                     |
|                         | 3,335,587            | 10/15/96            | 8,083,290  | 10/15/96            | 124,273,714           | 3/15/95             | 56,822,594   | 3/15/95             |
|                         | 9,155,979            | 12/15/95            | 11,052,130 | 12/15/95            | 19,152,635            | 3/15/96             | 3,722,867    | 3/15/96             |
|                         | 9,155,979            | 9/15/95             | 11,301,285 | 9/15/95             |                       |                     |              |                     |
|                         | 164,951              | 9/15/96             |            | 9/15/96             |                       |                     |              |                     |
|                         | 9,155,979            | 6/15/95             | 13,581,865 | 6/15/95             |                       |                     |              |                     |
|                         | 9,155,979            | 3/15/95             | 13,581,865 | 3/15/95             |                       |                     |              |                     |
| TOTAL PAYMENTS A/C 1995 | 40,124,454           |                     | 72,435,823 |                     | 143,426,349           |                     | 60,545,461   |                     |

PECO Energy Company  
Response to Filing Requirements

Schedule D-9

Respondent: Frank F. Frankowski

Q: Provide complete copies of the most recently filed Pennsylvania Corporate Net Income and Pennsylvania Capital Stock Tax reports. Include a copy of the official settlement and a copy of the Federal Form 1120 as submitted to the Department of Revenue.

Response:

Attachment D-9 is a copy of the most recently filed Pennsylvania Corporate Net Income and Pennsylvania Capital Stock Tax reports. Also included is a copy of the 1994 Pennsylvania Corporate Net Income Tax Report and Settlement, the last report that was settled. Copies of the Federal Form 1120's, as submitted to the Department of Revenue, are included.

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|

CORPORATION PECO ENERGY COMPANY

ACCOUNT ID 0415-103

TAX PERIOD ENDING

**SECTION A: CAPITAL STOCK/FOREIGN FRANCHISE TAX**

**HISTORY OF EARNINGS**

| TAXABLE PERIOD BEGINNING | TAXABLE PERIOD ENDING | TAXPAYER USE (WHOLE DOLLARS ONLY) | DEPARTMENT USE ONLY |
|--------------------------|-----------------------|-----------------------------------|---------------------|
| MMDDYY                   | MMDDYY                | BOOK INCOME                       |                     |
| 01/01/91                 | 12/31/91              | 534,311,492.                      |                     |
| 01/01/92                 | 12/31/92              | 477,927,207.                      |                     |
| 01/01/93                 | 12/31/93              | 594,991,500.                      |                     |
| 01/01/94                 | 12/31/94              | 437,164,495.                      |                     |
| 01/01/95                 | 12/31/95              | 622,906,796.                      |                     |

Additional Periods use these spaces (Skip lines if not required)

|    |  |    |          |          |                |
|----|--|----|----------|----------|----------------|
| 1  | Current Tax Year Book Income (Loss)  | 1  | 01/01/95 | 12/31/95 | 622,906,796.   |
| 2  | Total Book Income (sum of income for all tax periods within, up to, but not over, 5 years total)                           | 2  |          |          | 2,667,301,490. |
| 3  | Divisor (in years and part years rounded to three decimal places) See Instructions   | 3  |          |          | 5.000          |
| 4  | Divide Line (2) by Line (3)  | 4  |          |          | 533,460,298.   |
| 5  | AVERAGE BOOK INCOME - Enter Line (4) or if Line (4) is less than zero enter "0"  | 5  |          |          | 533,460,298.   |
| 6  | Divide Line (5) by .095  | 6  |          |          | 5,615,371,558. |
| 7  | Sum of capital stock, paid-in capital and retained earnings less treasury stock at the end of the current period           | 7  |          |          | 4,807,354,387. |
| 8  | Sum of capital stock, paid-in capital and retained earnings less treasury stock at the beginning of the current period     | 8  |          |          | 4,656,618,788. |
| 9  | If line (7) is twice as great or half as much as Line (8), add Lines (7) and (8) and divide by 2. Otherwise enter Line (7) | 9  |          |          | 4,807,354,387. |
| 10 | NET WORTH - Enter Line (9) or if Line (9) is less than zero enter "0"  | 10 |          |          | 4,807,354,387. |
| 11 | Multiply Line (10) by 0.75   | 11 |          |          | 3,605,515,790. |
| 12 | Add Lines (6) and (11)   | 12 |          |          | 9,220,887,348. |
| 13 | Divide Line (12) by 2  | 13 |          |          | 4,610,443,674. |
| 14 | \$100,000 valuation deduction  | 14 |          |          | (\$100,000)    |
| 15 | CAPITAL STOCK VALUE - Line (13) less Line (14) but not less than "0".<br>If 100% Taxable, enter Line (15) on Line (17)     | 15 |          |          | 4,610,343,674. |
| 16 | Proportion of taxable assets or apportionment proportion. (From Schedule A-1, Line (5) below.)                             | 16 |          |          | .682599        |
| 17 | TAXABLE VALUE - Multiply Line (15) by Line (16) if less than zero, enter "0"   | 17 |          |          | 3,147,015,982. |
| 18 | CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line (17) by .01275, and enter this amount (minimum tax is \$300)           | 18 |          |          | 40,124,454.    |

**SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FOREIGN FRANCHISE TAX**

Enter the numerator(s) and denominator(s) of fractions used for apportioning the capital stock value. Enter the figures only for the apportionment method (Three Factor or Single Factor) used in the tax computation. Also enter the apportionment proportion calculated to six decimal places in Line (5) below.

Three Factor - From insert sheet (RCT-106) page 2 or Manufacturing Exemption Schedule (RCT-105)

|  |   |    |                 |    |         |
|--|---|----|-----------------|----|---------|
| 1a   | Property Factor - PA  | 1a |                 | 1c |         |
| b  | Property Factor - Total   | b  |                 |    |         |
| 2a   | Payroll Factor - PA   | 2a |                 | 2c |         |
| b  | Payroll Factor - Total  | b  |                 |    |         |
| 3a   | Sales Factor - PA   | 3a |                 | 3c |         |
| b  | Sales Factor - Total  | b  |                 |    |         |
| Single Factor - From insert sheet (RCT-106) page 1 or Manufacturing Exemption Schedule (RCT-102) |   |    |                 |    |         |
| 4a   | Single Factor - Numerator   | 4a | 8,867,727,994.  |    |         |
| b  | Single Factor - Denominator   | b  | 12,991,118,960. |    |         |
| 5  | Apportionment Proportion - Also enter on Line (16) in Section A above | 5  |                 |    | .682599 |

**SECTION B: LOANS TAX**

|   |  |   |             |
|---|--|---|-------------|
| 1 | TAXABLE INDEBTEDNESS (Complete Schedule B-1 on page 4 of the RCT-101.) | 1 | 10,153,991. |
| 2 | Multiply Line (1) by .004  | 2 | 40,616.     |
| 3 | Treasurer's Commission (See Instruction Book.)                         | 3 | 253.        |
| 4 | LOANS TAX - Line (2) - Line (3)  | 4 | 40,363.     |

CORPORATION **PECO ENERGY COMPANY**

ACCOUNT ID

0415-103

TAX PERIOD ENDING

| SECTION C: CORPORATE NET INCOME TAX |   | TAXPAYER USE<br>(WHOLE DOLLARS ONLY) | DEPARTMENT USE |
|-------------------------------------|---|--------------------------------------|----------------|
| 1                                   | Income or Loss from Federal return on a separate company basis.<br>(Attach copy of Federal Form 1120 or 1120S, etc. to back of the RCT-101) | 1 724,783,305                        |                |
| 2                                   | Deductions:   |                                      |                |
| a                                   | Corporate Dividends Received (From Schedule C-2, Line 6)  | a 17,907,769                         |                |
| b                                   | Interest on U.S. Securities <b>GROSS INTEREST</b> 30,400 less <b>EXPENSES</b>   | b 30,400                             |                |
| c                                   | Other (Attach Schedule) See Instructions  | c 2,230                              |                |
|                                     | <b>TOTAL DEDUCTIONS - Sum of (a) through (c)</b>  | 2 17,940,399                         |                |
| 3                                   | Line (1) less Line (2)  | 3 706,842,906                        |                |
| 4                                   | Additions:  |                                      |                |
| a                                   | Taxes imposed on or measured by net income (Attach Schedule)  | a 72,342,565                         |                |
| b                                   | Tax Preference Items (Attach copy of Federal Form 4626)   | b 812,846                            |                |
| c                                   | Employment Incentive Payment Credit Adjustment (Attach Schedule W)  | c                                    |                |
| d                                   | Other (Attach Schedule) See Instructions  | d                                    |                |
|                                     | <b>TOTAL ADDITIONS - Sum of (a) through (d)</b>   | 4 73,155,411                         |                |
| 5                                   | <b>INCOME (OR LOSS) WITH PENNSYLVANIA ADJUSTMENTS - Line (3) plus Line (4)</b>  | 5 779,998,317                        |                |

CORPORATION WHICH TRANSACTS ITS ENTIRE BUSINESS IN PA (does NOT apportion) SHOULD SKIP TO LINE (11) AND ENTER LINE (5) THERE.

|    |  |    |              |
|----|--|----|--------------|
| 6  | Total Nonbusiness Income (or loss)   | 6  |              |
| 7  | <b>INCOME (OR LOSS) TO BE APPORTIONED - Line (5) minus Line (6)</b>  | 7  | 779,998,317  |
| 8  | Apportionment Proportion (from Schedule C-1 Line (5))  | 8  | .9 2 9 5 9 6 |
| 9  | <b>INCOME (OR LOSS) APPORTIONED TO PA - Line (7) multiplied by Line (8)</b>  | 9  | 725,083,315  |
| 10 | Nonbusiness Income (or loss) allocated to PA   | 10 |              |
| 11 | <b>TAXABLE INCOME (OR LOSS) AFTER APPORTIONMENT - Line (9) plus Line (10). Enter amount from Line (5) for corporations which do not apportion. If a Loss, add to form RCT-103, line 13</b> | 11 | 725,083,315  |
| 12 | Net Operating Loss Deduction (from RCT-103) can't exceed \$1,000,000   | 12 |              |
| 13 | <b>PA TAXABLE INCOME - Line 11 minus Line 12. If less than zero, enter "0"</b>   | 13 | 725,083,315  |
| 14 | <b>CORPORATE NET INCOME TAX - Multiply Line (13) by .0999</b>  | 14 | 72,435,823   |

**SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX**

Enter the numerator(s) and denominator(s) of fractions used for apportioning income. Also enter the apportionment proportion calculated to six decimal places in Line (5) below.  
Three Factor - From insert sheet (RCT-106) page 2.

|  |  |    |                |                 |
|--|--|----|----------------|-----------------|
| 1a                                       | Property Factor - PA   | 1a | 13,993,622,486 |                 |
| b  | Property Factor - Total  | b  | 15,976,042,601 | 1c .8 7 5 9 1 3 |
| 2a                                       | Payroll Factor - PA  | 2a | 462,373,323    |                 |
| b  | Payroll Factor - Total   | b  | 463,726,912    | 2c .9 9 7 0 8 1 |
| 3a                                       | Sales Factor - PA  | 3a | 3,869,157,105  |                 |
| b  | Sales Factor - Total   | b  | 4,193,317,637  |                 |
| c  | Double Weighted Sales Factor (See Instructions) (Line 3a divided by Line 3b) x 2   | 3c | 1.8 4 5 3 9 2  |                 |
| Single Factor - Apportionment Proportion |  |    |                |                 |
| 4a                                       | Single Factor - PA   | 4a |                |                 |
| b  | Single Factor - Total  | b  |                |                 |
| 5  | Apportionment Proportion - Also enter on Line (8) in Section C. (See instructions) | 5  | .9 2 9 5 9 6   |                 |

**SCHEDULE C-2: PA DIVIDEND DEDUCTION SCHEDULE**

|   |   |   |            |
|---|---|---|------------|
| 1 | Federal Schedule C, Line 20, Total deductions   | 1 | 17,907,769 |
| 2 | Federal Schedule C, Line 15, Foreign Dividend Gross-Up (Section 78)   | 2 |            |
| 3 | Dividends from less-than-20%-owned foreign corporations listed on Lines 13 and 14 of Federal Schedule C - x 70%   | 3 |            |
| 4 | Dividends from 20%-or-more-owned foreign corporations listed on Lines 13 and 14 of Federal Schedule C - x 80%   | 4 |            |
| 5 | Dividends listed on Line 13 and 14 of Federal Schedule C from foreign corporations that meet the "80% voting and value test" of IRC §1504 (a)(2) and otherwise would qualify for 100% deduction under IRC §243 (a)(3) if they were a domestic corporation. Do not list any amounts included in item 4 | 5 |            |
| 6 | <b>Total PA Dividend Deduction - Add Lines 1, 2, 3, 4 and 5 [Enter above at Section C, Line (2a)]</b>   | 6 | 17,907,769 |

CORPORATION PECO ENERGY COMPANY

ACCOUNT ID 0415-103

TAX PERIOD ENDING

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 1 | 9 | 5 |
|---|---|---|---|---|---|

**SECTION D: GENERAL INFORMATION QUESTIONNAIRE**

1. Location of corporation's records.

2301 MARKET STREET, PHILADELPHIA, PA

2. Corporation's records in care of:

3. Method of accounting, if different than for federal.

4. Location of principal office.

2301 MARKET STREET PHILADELPHIA, PA

5. Has federal government changed taxable income as originally reported for any prior period for which reports of change have not been filed in PA? Give year(s)

NO

6. Name and Account ID of any corporation holding all or a majority of the stock of this corporation.

7. Other corporations of which this corporation owns all or a majority of the stock.

| NAME                   | FILE IN PA | ACCOUNT ID | ENTITY ID (EIN) |
|------------------------|------------|------------|-----------------|
| <u>See Statement 1</u> |            |            |                 |
|                        |            |            |                 |
|                        |            |            |                 |

8. Date of incorporation 11/01/29

9. Incorporated under laws of state of PENNSYLVANIA

10. PA Sales Tax License Number 51-196-699

11. Brief description of corporate activity in PA:

GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC & GAS ENERGY

Outside PA:

List other states in which taxpayer has activity: NJ, MD

If incorporated outside Pennsylvania does the corporation solicit sales in Pennsylvania? Please Check  YES  NO

If yes, does the corporation use:

Please Check  Employee  An exclusive sales representative  An independent sales representative?

12. Schedule of real property used in Pennsylvania (buildings AND land)

| OWNED/<br>RENTED | STREET ADDRESS                         | CITY | COUNTY |
|------------------|--|------|--------|
|                  | <u>LAND &amp; BLDGS IN 11 COUNTIES</u> |      |        |
|                  |  |      |        |
|                  |  |      |        |

**SCHEDULE B-1: CORPORATE LOANS TAX INFORMATION**

Foreign Corporations - Start with Question 1.  
Domestic Corporations - Start with Question 2.

- (Foreign Corporations Only) Did your corporation have a treasurer or other fiscal officer resident in Pennsylvania and paying interest on indebtedness of the corporation? If answer is NO, remaining questions on this Schedule do not have to be answered . . . . 1.  YES  NO
  - Did your corporation have indebtedness outstanding to individual residents of Pennsylvania and/or to partnerships resident in Pennsylvania? . . . . 2.  YES  NO
  - Did your corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedent was a resident of Pennsylvania? . . . . 3.  YES  NO
- If the answers to question 2 and/or 3 were "YES", continue below.

|  |  |  |
|--|--|--|
| 4. Amount of interest actually paid on the indebtedness in Question 2 or 3 during the tax year reported. | 5. Rate of interest applicable to the indebtedness in Question 2 or 3. | 6. Nominal value of taxable indebtedness (divide 5 into 4). Enter total of this column in Section B on Page 2. |
| <u>923,552.</u>  | <u>0.0909545800</u>  | <u>10,153,991.</u>   |
|  |  |  |

**Schedule L Balance Sheets**

| Assets  | Beginning of tax year |                 | End of tax year |                 |
|---|-----------------------|-----------------|-----------------|-----------------|
|   | (a)                   | (b)             | (c)             | (d)             |
| 1 Cash  |                       | 40,845,392.     |                 | 17,171,879.     |
| 2 a Trade notes and accounts receivable             | 164,683,711.          |                 | 129,056,243.    |                 |
| b Less allowance for bad debts                      | ( 118,159,853 )       | 46,523,858.     | ( 118,525,127 ) | 10,531,116.     |
| 3 Inventories                                       |                       | 190,236,366.    |                 | 201,177,705.    |
| 4 U.S. government obligations                       |                       |                 |                 |                 |
| 5 Tax-exempt securities (see instructions)          |                       | 173,114,895.    |                 | 204,092,278.    |
| 6 Other current assets (attach schedule)            | Stmt 7                | 104,518,032.    |                 | 229,096,904.    |
| 7 Loans to stockholders                             |                       |                 |                 |                 |
| 8 Mortgage and real estate loans                    |                       |                 |                 |                 |
| 9 Other investments (attach schedule)               | Stmt 7                | 216,167,725.    |                 | 153,902,444.    |
| 10 a Buildings and other depreciable assets         | 14,665,871,826.       |                 | 15,091,347,517. |                 |
| b Less accumulated depreciation                     | 4,171,480,629         | 10,494,391,197. | 4,596,137,334   | 10,495,210,183. |
| 11 a Depletable assets                              | 1,176,390,856.        |                 | 1,296,350,456.  |                 |
| b Less accumulated depletion                        | ( 818,484,797 )       | 357,906,059.    | ( 919,060,282 ) | 377,290,174.    |
| 12 Land (net of any amortization)                   |                       |                 |                 |                 |
| 13 a Intangible assets (amortizable only)           |                       |                 |                 |                 |
| b Less accumulated amortization                     |                       |                 |                 |                 |
| 14 Other assets (attach schedule)                   | Stmt 7                | 1,450,915,142.  |                 | 1,219,146,571.  |
| 15 Total assets                                     |                       | 13,074,618,666. |                 | 12,907,619,254. |
| <b>Liabilities and Stockholders' Equity</b>         |                       |                 |                 |                 |
| 16 Accounts payable                                 |                       | 521,531,646.    |                 | 499,830,814.    |
| 17 Mtges., notes, bonds payable in less than 1 year |                       | 182,500,000.    |                 | 401,003,000.    |
| 18 Other current liabilities (attach schedule)      | Stmt 7                | 303,273,031.    |                 | 325,473,638.    |
| 19 Loans from stockholders                          |                       |                 |                 |                 |
| 20 Mtges., notes, bonds payable in 1 year or more   |                       | 5,091,205,464.  |                 | 4,570,352,162.  |
| 21 Other liabilities (attach schedule)              | Stmt 8                | 2,319,489,737.  |                 | 2,293,287,832.  |
| 22 Capital stock: a Preferred stock                 | 370,172,000.          |                 | 292,067,206.    |                 |
| b Common stock                                      | 3,490,728,489.        | 3,860,900,489.  | 3,506,312,537.  | 3,798,379,743.  |
| 23 Paid-in or capital surplus                       |                       | 1,271,048.      |                 | 1,271,578.      |
| 24 Retained earnings-Appropriated (attach schedule) |                       |                 |                 |                 |
| 25 Retained earnings - Unappropriated               |                       | 794,447,251.    |                 | 1,018,020,487.  |
| 26 Less cost of treasury stock                      |                       |                 |                 |                 |
| 27 Total liabilities and stockholders' equity       |                       | 13,074,618,666. |                 | 12,907,619,254. |

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

**Schedule M-1 Reconciliation of Income(Loss) per Books With Income per Return (See page 18 of instructions.)**

|   |                |  |              |
|---|----------------|--|--------------|
| 1 Net income (loss) per books   | 609,730,612.   | 7 Income recorded on books this year not included on this return (itemize):      |              |
| 2 Federal income tax  | 181,763,715.   | Tax exempt interest \$   |              |
| 3 Excess of capital losses over capital gains                                 |                | See Statement 10   | 148,445,574. |
| 4 Income subject to tax not recorded on books this year (itemize):            | 74,396,704.    | 8 Deductions on this return not charged against book income this year (itemize): |              |
| See Statement 9   |                | a Depreciation \$  |              |
| 5 Expenses recorded on books this year not deducted on this return (itemize): |                | b Contributions carryover \$   |              |
| a Depreciation \$   |                | See Statement 10   | 260,992,762. |
| b Contributions carryover \$  |                | 9 Add lines 7 and 8  | 409,438,336. |
| c Travel and entertainment \$   |                | 10 Income (line 28, page 1) - line 6 less line 9                                 | 724,783,305. |
| See Statement 9   | 268,330,610.   |  |              |
| 6 Add lines 1 through 5   | 1,134,221,641. |  |              |

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

|                                |                |   |                |
|--------------------------------|----------------|---|----------------|
| 1 Balance at beginning of year | 794,447,251.   | 5 Distributions: a Cash                       | 390,340,009.   |
| 2 Net income (loss) per books  | 609,730,612.   | b Stock                                       |                |
| 3 Other increases (itemize):   |                | c Property                                    |                |
| See Statement 11               |                | 6 Other decreases (itemize):                  |                |
| See Statement 11               | 6,336,955.     | See Statement 11                              | 2,154,322.     |
| 4 Add lines 1, 2, and 3        | 1,410,514,818. | 7 Add lines 5 and 6                           | 392,494,331.   |
|                                |                | 8 Balance at end of year (line 4 less line 7) | 1,018,020,487. |

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach this form to your income tax return.

Name (as shown on your income tax return)

PECO ENERGY COMPANY

Taxpayer identification number

23-0970240

**Part I Diesel-Powered Highway Vehicle Credit**

|  | (a)<br>Number of<br>vehicles | (b)<br>Credit per vehicle | (c)<br>Credit<br>(col. (a) x col. (b)) | CRN |
|--|------------------------------|---------------------------|--|-----|
| 1 Diesel-powered cars . . . . .  | 1                            | \$102.00                  |  |     |
| 2 Diesel-powered light trucks and vans . . . . .   | 2                            | 198.00                    |  |     |
| 3 Total diesel-powered highway vehicle credit. Add lines 1 and 2, column (c) . . . . . ▶ |                              |                           | 3                                      | 318 |

**Part II Fuel Tax Credit**      *Caution: You cannot claim any amounts on Form 4136 that you claimed on Form 8849, Form 843, or Schedule C (Form 720).*

**4 Nontaxable Use of Gasoline (See instructions)**

|                                      | Type<br>of use | Rate    | Gallons    | Amount of credit | CRN |
|--------------------------------------|----------------|---------|------------|------------------|-----|
| a Off-highway business use           |                | \$ .184 | 152,615.00 | 28,081.          | 301 |
| b Use on a farm for farming purposes |                | .184    |            |                  |     |
| c Other                              |                | .184    |            |                  |     |

**5 Nontaxable Use of Gasohol (See instructions.)**

|   | Type<br>of use | Rate   | Gallons | Amount of credit | CRN |
|---|----------------|--------|---------|------------------|-----|
| a Gasohol containing at least 10% alcohol                             |                | \$ .13 |         | 312              | 312 |
| b Gasohol containing at least 7.7% alcohol but less than 10% alcohol  |                | .1424  |         |                  |     |
| c Gasohol containing at least 5.7% alcohol but less than 7.7% alcohol |                | .1532  |         |                  |     |

**6 Nontaxable Use of Undyed Diesel Fuel (Lines 6a, b, and c)**

**Sales by Registered Ultimate Vendors of Undyed Diesel Fuel (Line 6d) (See instructions.)**

Lines 6a, b, and c: Purchaser bought undyed diesel fuel, certifies that the diesel fuel did not contain visible evidence of dye, and used that diesel fuel for a nontaxable use. *Caution: No claim is allowed on lines 6a, b or c for use on a farm for farming purposes or for use by a state or local government.*

|  | Type<br>of use | Rate    | Gallons   | Amount of credit | CRN |
|--|----------------|---------|-----------|------------------|-----|
| a Heating oil  |                | \$ .244 |           | 19,912.          | 303 |
| b Off-highway business use   |                | .244    | 81,607.00 |                  |     |
| c Other nontaxable use   |                | .244    |           |                  |     |
| d Claimant sold undyed diesel fuel (a) to a state or local government for its exclusive use or (b) for use by the buyer on a farm for farming purposes. Claimant is a registered ultimate vendor, sold the fuel at a tax-excluded price, certifies that the diesel fuel did not contain visible evidence of dye, and obtained the required certificate from the buyer and has no reason to believe any of the information in the certificate is false. |                | .244    |           |                  |     |

**7 Nontaxable Use of Other Fuels**

|   | Type of use  | Rate   | Gallons      | Amount of Credit | CRN |
|---|--|--------|--------------|------------------|-----|
| a | Special motor fuel (other than LPG)                          | \$.184 | } 282.00 MCF | 137.             | 304 |
| b | Liquified petroleum gas (LPG)                                | .183   |              |                  |     |
| c | LPG used in intercity or local buses                         | .109   |              |                  |     |
| d | Compressed natural gas (credit rate per thousand cubic feet) | .4854  |              |                  |     |

**8 Nontaxable Use of Gasoline Used in Aviation (See instructions.)**

|   | Type of use   | Rate          | Gallons | Amount of credit | CRN |
|---|---|---------------|---------|------------------|-----|
| a | Used in foreign trade, on a farm, or in certain helicopters | \$.184        | }       |                  | 307 |
| b | Used in commercial aviation (other than foreign trade)      | .183/<br>.14* |         |                  |     |

**9 Nontaxable Use of Aviation Fuel (other than gasoline)**

|   | Type of use   | Rate           | Gallons | Amount of credit | CRN |
|---|---|----------------|---------|------------------|-----|
| a | Used in foreign trade, on a farm, or in certain helicopters | \$.219         | }       |                  | 310 |
| b | Used in commercial aviation (other than foreign trade)      | .218/<br>.175* |         |                  |     |

**10 Gasohol Blenders (Caution: Do not claim for any gasohol sold or used after September 30, 1995. See instructions on page 4.)**

| Percentage of alcohol in the gasohol   | Rate    | Gallons of gasoline | Amount of credit | CRN |
|--|---------|---------------------|------------------|-----|
| Claimant bought gasoline taxed at the full rate (\$.184) and blended it with alcohol to make gasohol. The gasohol was used or sold for use in a trade or business. |         | }                   |                  | 302 |
| a At least 10% alcohol   | \$.0396 |                     |                  |     |
| b At least 7.7% alcohol but less than 10% alcohol  | .0298   |                     |                  |     |
| c At least 5.7% alcohol but less than 7.7% alcohol   | .0216   |                     |                  |     |

**11 Use of Undyed Diesel Fuel - Train and Intercity and Local Bus (See instructions.)**

| Claimant bought undyed diesel fuel, certifies that the diesel fuel did not contain visible evidence of dye, and used the diesel fuel in an engine that propels a diesel-powered train or an automobile bus. | Rate             | Gallons | Amount of credit | CRN |
|---|------------------|---------|------------------|-----|
| a Diesel-powered trains   | \$.175<br>.1875* | }       |                  | 305 |
| b Certain intercity and local buses   | .17              |         |                  |     |

|   |           |         |
|---|-----------|---------|
| <b>12 Total fuel tax credit. Add lines 4-11</b> ..... | <b>12</b> | 48,130. |
|---|-----------|---------|

**Part III Total Income Tax Credit**

|  |           |         |
|--|-----------|---------|
| <b>13 Total income tax credit claimed (add lines 3 and 12). Enter here and on Form 1040, line 60 (also check box b on line 60); Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns</b> ..... | <b>13</b> | 48,130. |
|--|-----------|---------|

\* This rate is only for fuel purchased and used after September 30, 1995. However, pending legislation may change the rates for lines 8b and 9b. Get Pub. 553, Highlights of 1995 Tax Changes.



Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return.  
▶ See separate instructions.

Attachment  
Sequence No. 22

Name(s) shown on return

Identifying number

**PECO ENERGY COMPANY**

**23-0970240**

**Part I Tentative Credit**

|     |   |     |        |
|-----|---|-----|--------|
| 1 a | Current year investment credit (Form 3468, Part I)  | 1 a |        |
| b   | Current year jobs credit (Form 5884, Part I)  | 1 b | 2,230. |
| c   | Current year credit for alcohol used as fuel (Form 6478)  | 1 c |        |
| d   | Current year credit for increasing research activities (Form 6765, Part I)  | 1 d | NONE   |
| e   | Current year low-income housing credit (Form 8586, Part I)  | 1 e |        |
| f   | Current year enhanced oil recovery credit (Form 8830, Part I)   | 1 f |        |
| g   | Current year disabled access credit (Form 8826, Part I)   | 1 g |        |
| h   | Current year renewable electricity production credit (Form 8835, Part I)  | 1 h |        |
| i   | Current year Indian employment credit (Form 8845, Part I)   | 1 i |        |
| j   | Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846, Part I) | 1 j |        |
| k   | Current year credit for contributions to selected community development corporations (Form 8847, Part I)              | 1 k |        |
| l   | Current year trans-Alaska pipeline liability fund credit (see instructions)   | 1 l |        |
| m   | Current year general business credit. Add lines 1a through 1l   | 1 m | 2,230. |
| 2   | Passive activity credits included on line 1m (see instructions)   | 2   |        |
| 3   | Subtract line 2 from line 1m  | 3   | 2,230. |
| 4   | Passive activity credits allowed for 1995 (see instructions)  | 4   |        |
| 5   | Carryforward of general business, WIN, or ESOP credit to 1995 (see instructions for the schedule to attach)           | 5   |        |
| 6   | Carryback of general business credit to 1995 (see instructions)   | 6   |        |
| 7   | Tentative general business credit. Add lines 3 through 6  | 7   | 2,230. |

**Part II General Business Credit Limitation Based on Amount of Tax**

|     |   |     |    |
|-----|---|-----|----|
| 8 a | Individuals. Enter amount from Form 1040, line 40   | }   | 8  |
| b   | Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)  |     |    |
| c   | Other filers. Enter regular tax before credits from your return   |     |    |
| 9 a | Credit for child and dependent care expenses (Form 2441, line 10)   | 9 a |    |
| b   | Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)  | 9 b |    |
| c   | Mortgage interest credit (Form 8396, line 11)   | 9 c |    |
| d   | Foreign tax credit (Form 1118, line 32, or Form 1118, Sch. B, line 12)  | 9 d |    |
| e   | Possessions tax credit (Form 5735)  | 9 e |    |
| f   | Orphan drug credit (Form 6765)  | 9 f |    |
| g   | Credit for fuel from a nonconventional source   | 9 g |    |
| h   | Qualified electric vehicle credit (Form 8834, line 19)  | 9 h |    |
| i   | Add lines 9a through 9h   | 9 i |    |
| 10  | Net regular tax. Subtract line 9i from line 8   | 10  |    |
| 11  | Tentative minimum tax (see instructions):   |     |    |
| a   | Individuals. Enter amount from Form 6251, line 26   | }   | 11 |
| b   | Corporations. Enter amount from Form 4626, line 13  |     |    |
| c   | Estates and trusts. Enter amount from Form 1041, Schedule I, line 37  |     |    |
| 12  | Net income tax:   |     |    |
| a   | Individuals. Add line 10 above and line 28 of Form 6251   | }   | 12 |
| b   | Corporations. Add line 10 above and line 15 of Form 4626  |     |    |
| c   | Estates and trusts. Add line 10 above and line 41 of Form 1041, Schedule I  |     |    |
| 13  | If line 10 is more than \$25,000, enter 25% (.25) of the excess (see instructions)  | 13  |    |
| 14  | Subtract line 11 or line 13, whichever is greater, from line 12. If zero or less, enter -0-   | 14  |    |
| 15  | General business credit allowed for current year. Enter the smaller of line 7 or line 14. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4d; Form 1120-A, Part I, line 2a; or the appropriate line of your tax return. (Individuals, estates, and trusts, see instructions if the credit for increasing research activities is claimed. C corporations, see instructions for Schedule A if any regular investment credit carryforward is claimed. See the instructions if the corporation has undergone a post-1986 "ownership change.") | 15  |    |

# Depreciation and Amortization

(Including Information on Listed Property)

1995

Attachment  
Sequence No. **67**

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return

Identifying number

**PECO ENERGY COMPANY**

**23-0970240**

Business or activity to which this form relates

**General Depreciation and Amortization**

**Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)**

|   |    |  |
|---|----|--|
| 1 Maximum dollar limitation. If an enterprise zone business, see page 1 of the instructions . . . . .   | 1  |  |
| 2 Total cost of section 179 property placed in service during the tax year. See page 2 of the instructions. . . . .   | 2  |  |
| 3 Threshold cost of section 179 property before reduction in limitation . . . . .   | 3  |  |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .  | 4  |  |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions . . . . . | 5  |  |
| (a) Description of property (b) Cost (c) Elected cost   |    |  |
| 6   |    |  |
| 7 Listed property. Enter amount from line 27 . . . . .  | 7  |  |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .  | 8  |  |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8 . . . . .  | 9  |  |
| 10 Carryover of disallowed deduction from 1994. See page 2 of the instructions . . . . .  | 10 |  |
| 11 Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5 (see instructions) . . . . .                                     | 11 |  |
| 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .  | 12 |  |
| 13 Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12 . . . . .  | 13 |  |

**Note:** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property.)**

**Section A - General Asset Account Election**

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 2 of the instructions . . . . .

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|

**Section B - General Depreciation System (GDS) (See page 2 of the instructions.)**

|                                |  |              |           |    |     |             |
|--------------------------------|--|--------------|-----------|----|-----|-------------|
| 15a 3-year property            |  |              |           |    |     |             |
| b 5-year property              |  | 119,863,479. | 5.000     | HY | DDB | 23,972,696. |
| c 7-year property              |  | 7,617,712.   | 7.000     | HY | DDB | 1,088,571.  |
| d 10-year property             |  |              |           |    |     |             |
| e 15-year property             |  | 72,590,306.  | 15.000    | HY | DB  | 3,629,515.  |
| f 20-year property             |  | 208,272,188. | 20.000    | HY | DB  | 7,810,207.  |
| g Residential rental property  |  |              | 27.5 yrs. | MM | S/L |             |
| h Nonresidential real property |  | 36,073,133.  | 39 yrs.   | MM | S/L | 400,985.    |

**Section C - Alternative Depreciation System (ADS) (See page 4 of the instructions.)**

|                |  |  |         |    |     |  |
|----------------|--|--|---------|----|-----|--|
| 16a Class life |  |  |         |    |     |  |
| b 12-year      |  |  | 12 yrs. |    | S/L |  |
| c 40-year      |  |  | 40 yrs. | MM | S/L |  |

**Part III Other Depreciation (Do Not Include Listed Property.) (See page 4 of the instructions.)**

|   |    |              |
|---|----|--------------|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1995 . . . . . | 17 | 247,492,189. |
| 18 Property subject to section 168(f)(1) election . . . . .   | 18 |              |
| 19 ACRS and other depreciation . . . . .  | 19 | 249,442,591. |

**Part IV Summary (See page 4 of the instructions.)**

|   |    |              |
|---|----|--------------|
| 20 Listed property. Enter amount from line 26 . . . . .   | 20 |              |
| 21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions . . . . . | 21 | 533,836,754. |
| 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .  | 22 |              |

**Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement**

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See page 5 of the instructions for limitations for automobiles.)**

| 23a Do you have evidence to support the business/investment use claimed?                      |                               |   |                            | Yes  | No                     | 23b If "Yes," is the evidence written? |                               |                                 |  | Yes | No |  |
|---|-------------------------------|---|----------------------------|--|------------------------|--|-------------------------------|---------------------------------|--|-----|----|--|
| (a)<br>Type of property (list vehicles first)   | (b)<br>Date placed in service | (c)<br>Business/investment use percentage | (d)<br>Cost or other basis | (e)<br>Basis for depreciation (business/investment use only) | (f)<br>Recovery period | (g)<br>Method/Convention               | (h)<br>Depreciation deduction | (i)<br>Elected section 179 cost |  |     |    |  |
| 24 Property used more than 50% in a qualified business use (See page 5 of the instructions.): |                               |   |                            |  |                        |  |                               |                                 |  |     |    |  |
|   |                               | %   |                            |  |                        |  |                               |                                 |  |     |    |  |
|   |                               | %   |                            |  |                        |  |                               |                                 |  |     |    |  |
|   |                               | %   |                            |  |                        |  |                               |                                 |  |     |    |  |
| 25 Property used 50% or less in a qualified business use (See page 5 of the instructions.):   |                               |   |                            |  |                        |  |                               |                                 |  |     |    |  |
|   |                               | %   |                            |  |                        | S/L -                                  |                               |                                 |  |     |    |  |
|   |                               | %   |                            |  |                        | S/L -                                  |                               |                                 |  |     |    |  |
|   |                               | %   |                            |  |                        | S/L -                                  |                               |                                 |  |     |    |  |
| 26 Add amounts in column (h). Enter the total here and on line 20, page 1                     |                               |   |                            |  |                        |  |                               |                                 |  | 26  |    |  |
| 27 Add amounts in column (i). Enter the total here and on line 7, page 1                      |                               |   |                            |  |                        |  |                               |                                 |  | 27  |    |  |

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

|  | (a)       |           | (b)       |           | (c)       |           | (d)       |           | (e)       |           | (f)       |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | Vehicle 1 | Vehicle 2 | Vehicle 3 | Vehicle 4 | Vehicle 5 | Vehicle 6 | Vehicle 1 | Vehicle 2 | Vehicle 3 | Vehicle 4 | Vehicle 5 | Vehicle 6 |
| 28 Total business/investment miles driven during the year (DO NOT include commuting miles) |           |           |           |           |           |           |           |           |           |           |           |           |
| 29 Total commuting miles driven during the year  |           |           |           |           |           |           |           |           |           |           |           |           |
| 30 Total other personal (noncommuting) miles driven  |           |           |           |           |           |           |           |           |           |           |           |           |
| 31 Total miles driven during the year. Add lines 28 through 30                             |           |           |           |           |           |           |           |           |           |           |           |           |
|  | Yes       | No        |
| 32 Was the vehicle available for personal use during off-duty hours?                       |           |           |           |           |           |           |           |           |           |           |           |           |
| 33 Was the vehicle used primarily by a more than 5% owner or related person?               |           |           |           |           |           |           |           |           |           |           |           |           |
| 34 Is another vehicle available for personal use?  |           |           |           |           |           |           |           |           |           |           |           |           |

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

|   | Yes | No |
|---|-----|----|
| 35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?  |     |    |
| 36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 6 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners |     |    |
| 37 Do you treat all use of vehicles by employees as personal use?   |     |    |
| 38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?   |     |    |
| 39 Do you meet the requirements concerning qualified automobile demonstration use? See page 6 of the instructions   |     |    |

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

**Part VI Amortization**

| (a)<br>Description of costs  | (b)<br>Date amortization begins | (c)<br>Amortization amount | (d)<br>Code section | (e)<br>Amortization period or percentage | (f)<br>Amortization for this year |
|--|---------------------------------|----------------------------|---------------------|--|-----------------------------------|
| 40 Amortization of costs that begins during your 1995 tax year:                        |                                 |                            |                     |  |                                   |
| SALEM ESTUARY  | 08/01/95                        | 12,463,843.                |                     | 5.000                                    | 864,078.                          |
| 41 Amortization of costs that began before 1995  |                                 |                            |                     |  | 41                                |
| 42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return |                                 |                            |                     |  | 42                                |
|  |                                 |                            |                     |  | 864,078.                          |

Department of the Treasury  
Internal Revenue Service

(including environmental tax)

▶ See separate instructions.

▶ Attach to the corporation's tax return.

**1995**

Name

**PECO ENERGY COMPANY**

Employer identification number

**23-0970240**

|          |  |          |                     |
|----------|--|----------|---------------------|
| <b>1</b> | Taxable income or (loss) before net operating loss deduction. (Important: If the corporation is subject to the environmental tax, see the instructions for line 16 on page 6.)   | <b>1</b> | <b>706,875,536.</b> |
| <b>2</b> | <b>Adjustments and preferences:</b>  |          |                     |
| a        | Depreciation of post-1986 property   | 2a       | <b>44,476,357.</b>  |
| b        | Amortization of certified pollution control facilities   | 2b       |                     |
| c        | Amortization of mining exploration and development costs   | 2c       |                     |
| d        | Amortization of circulation expenditures (personal holding companies only)   | 2d       |                     |
| e        | Adjusted gain or loss  | 2e       | <b>-273,350.</b>    |
| f        | Long-term contracts  | 2f       |                     |
| g        | Installment sales  | 2g       |                     |
| h        | Merchant marine capital construction funds   | 2h       |                     |
| i        | Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)  | 2i       |                     |
| j        | Tax shelter farm activities (personal service corporations only)   | 2j       |                     |
| k        | Passive activities (closely held corporations and personal service corporations only)  | 2k       |                     |
| l        | Loss limitations   | 2l       |                     |
| m        | Depletion  | 2m       |                     |
| n        | Tax-exempt interest from specified private activity bonds  | 2n       |                     |
| o        | Charitable contributions   | 2o       |                     |
| p        | Intangible drilling costs  | 2p       |                     |
| q        | Reserves for losses on bad debts of financial institutions   | 2q       |                     |
| r        | Accelerated depreciation of real property (pre-1987)   | 2r       | <b>812,846.</b>     |
| s        | Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)  | 2s       |                     |
| t        | Other adjustments  | 2t       |                     |
| u        | Combine lines 2a through 2t  | 2u       | <b>45,015,853.</b>  |
| <b>3</b> | Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2u  | <b>3</b> | <b>751,891,389.</b> |
| <b>4</b> | <b>Adjusted current earnings (ACE) adjustment:</b>   |          |                     |
| a        | Enter the corporation's ACE from line 10 of the worksheet on page 8 of the instructions  | 4a       | <b>809,347,676.</b> |
| b        | Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see page 4 of the instructions for examples)   | 4b       | <b>57,456,287.</b>  |
| c        | Multiply line 4b by 75% (.75). Enter the result as a positive amount   | 4c       | <b>43,092,215.</b>  |
| d        | Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 5 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive) | 4d       | <b>463,962,477.</b> |
| e        | ACE adjustment:<br>• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.<br>• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.                            | 4e       | <b>43,092,215.</b>  |
| <b>5</b> | Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax   | <b>5</b> | <b>794,983,604.</b> |
| <b>6</b> | Alternative tax net operating loss deduction.(see page 5 of the instructions)  | <b>6</b> |                     |
| <b>7</b> | Alternative minimum taxable income. Subtract line 6 from line 5  | <b>7</b> | <b>794,983,604.</b> |

For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1995)

|  |    |   |
|--|----|---|
| 8  | 8  | Enter the amount from line 7 (alternative minimum taxable income) . . . . . 794,983,604.  |
| 9 Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c): |    |   |
| a  | 9a | Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0- . . . . .   |
| b  | 9b | Multiply line 9a by 25% (.25) . . . . .   |
| c  | 9c | Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0- . . . . . NONE   |
| 10   | 10 | Subtract line 9c from line 8. If zero or less, enter -0- . . . . . 794,983,604.   |
| 11   | 11 | Multiply line 10 by 20% (.20) . . . . . 158,996,721.  |
| 12   | 12 | Alternative minimum tax foreign tax credit. See page 5 of the instructions for limitations . . . . .  |
| 13   | 13 | Tentative minimum tax. Subtract line 12 from line 11 . . . . . 158,996,721.   |
| 14   | 14 | Regular tax liability before all credits except the foreign tax credit and possessions tax credit . . . . . NONE  |
| 15   | 15 | Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9a). If zero or less, enter -0- . . . . .  |
| 16   | 16 | Environmental tax. Subtract \$2 million from line 5 (figured without the corporation's environmental tax deduction). Multiply the excess, if any, by 0.12% (.0012). Enter the result here and on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9b). If you are completing this line for a member of a controlled group, see page 6 of the instructions . . . . . |

## Adjusted Current Earnings Worksheet

▶ See ACE Worksheet Instructions (which begin on page 6).

|  |       |              |                 |
|--|-------|--------------|-----------------|
| 1 Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626   |       | 1            | 751,891,389.    |
| 2 ACE depreciation adjustment:   |       |              |                 |
| a AMT depreciation   | 2a    | 488,547,551. |                 |
| b ACE depreciation:  |       |              |                 |
| (1) Post-1993 property   | 2b(1) | 74,538,191.  |                 |
| (2) Post-1989 pre-1994 property  | 2b(2) | 133,227,890. |                 |
| (3) Pre-1990 MACRS property  | 2b(3) | 27,814,165.  |                 |
| (4) Pre-1990 original ACRS property  | 2b(4) | 154,107,570. |                 |
| (5) Property described in sections 168(f)(1) through (4)   | 2b(5) |              |                 |
| (6) Other property   | 2b(6) | 35,027,773.  |                 |
| (7) Total ACE depreciation. Add lines 2b(1) through 2b(6)  | 2b(7) | 424,715,589. |                 |
| c ACE depreciation adjustment. Subtract line 2b(7) from line 2a  |       |              | 2c 63,831,962.  |
| 3 Inclusion in ACE of items included in earnings and profits (E&P):  |       |              |                 |
| a Tax-exempt interest income   | 3a    | 57,464.      |                 |
| b Death benefits from life insurance contracts   | 3b    |              |                 |
| c All other distributions from life insurance contracts (including surrenders)   | 3c    |              |                 |
| d Inside buildup of undistributed income in life insurance contracts   | 3d    |              |                 |
| e Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)                                  | 3e    |              |                 |
| f Total increase to ACE due to inclusion in ACE of items included in E&P. Add lines 3a through 3e                              |       |              | 3f 57,464.      |
| 4 Disallowance of items not deductible from E&P:   |       |              |                 |
| a Certain dividends received   | 4a    | 468,572.     |                 |
| b Dividends paid on certain preferred stock of public utilities that are deductible under section 247                          | 4b    | 483,507.     |                 |
| c Dividends paid to an ESOP that are deductible under section 404(k)   | 4c    |              |                 |
| d Nonpatronage dividends that are paid and deductible under section 1382(c)  | 4d    |              |                 |
| e Other items (see Regulations section 1.56(g)-1(d)(3)(i) and (ii) for a partial list)   | 4e    |              |                 |
| f Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e                      |       |              | 4f 952,079.     |
| 5 Other adjustments based on rules for computing E&P:  |       |              |                 |
| a Intangible drilling costs  | 5a    |              |                 |
| b Circulation expenditures   | 5b    |              |                 |
| c Organizational expenditures  | 5c    |              |                 |
| d LIFO inventory adjustments   | 5d    |              |                 |
| e Installment sales  | 5e    |              |                 |
| f Total other E&P adjustments. Combine lines 5a through 5e   |       |              | 5f              |
| 6 Disallowance of loss on exchange of debt pools   |       |              | 6               |
| 7 Acquisition expenses of life insurance companies for qualified foreign contracts   |       |              | 7               |
| 8 Depletion  |       |              | 8               |
| 9 Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property                                     |       |              | 9 -7,385,218.   |
| 10 Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626 |       |              | 10 809,347,676. |

**Sales of Business Property**  
 (Also Involuntary Conversions and Recapture Amounts  
 Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return: **PECO ENERGY COMPANY** Identifying number: **23-0970240**

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11, or 22 . . . . . **1**

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year**

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) LOSS ((f) minus the sum of (d) and (e)) | (h) GAIN ((d) plus (e) minus (f)) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|-----------------------------------|
| 2 Stmt 15                   |                                   |                               |                       |   |  | 14,260,589.                                 | 1,757,327.                        |

|   |   |                           |
|---|---|---------------------------|
| 3 Gain, if any, from Form 4684, line 39 . . . . .   | 3 |                           |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .                                    | 4 |                           |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .                                       | 5 |                           |
| 6 Gain, if any, from line 34, from other than casualty or theft . . . . .   | 6 | 2,617,175.                |
| 7 Add lines 2 through 6 in columns (g) and (h) . . . . .  | 7 | ( 14,260,589.) 4,374,502. |
| 8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: . . . . . | 8 | -9,886,087.               |

Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below.  
 S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 8. Skip lines 8, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax.  
 All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.

|   |    |  |
|---|----|--|
| 9 Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .   | 9  |  |
| 10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions):<br>S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below.<br>All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D. | 10 |  |

**Part II Ordinary Gains and Losses**

|  |  |        |
|--|--|--------|
| 11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less): |  |        |
| Stmt 17  |  | 9,643. |

|  |    |                         |
|--|----|-------------------------|
| 12 Loss, if any, from line 8 . . . . .   | 12 | 9,886,087.              |
| 13 Gain, if any, from line 8, or amount from line 9 if applicable . . . . .  | 13 |                         |
| 14 Gain, if any, from line 33 . . . . .  | 14 | -329,928.               |
| 15 Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .   | 15 |                         |
| 16 Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .  | 16 |                         |
| 17 Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .   | 17 |                         |
| 18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions) . . . . . | 18 |                         |
| 19 Add lines 11 through 18 in columns (g) and (h) . . . . .  | 19 | ( 9,895,730.) -329,928. |

|  |        |              |
|--|--------|--------------|
| 20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: . . . . .  | 20     | -10,225,658. |
| a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed.  |        |              |
| b For individual returns:  |        |              |
| (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions . . . . . | 20b(1) |              |
| (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14 . . . . .  | 20b(2) |              |

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

| 21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:  | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |            |            |
|--|--------------------------------------|----------------------------------|------------|------------|
| A E 100 STEAM PROD   | VARIOUS                              | 1995                             |            |            |
| B E 100 STEAM PROD   | VARIOUS                              | 1995                             |            |            |
| C E 101 NUC PROD   | VARIOUS                              | 1995                             |            |            |
| D E 103 T&D FAC  | VARIOUS                              | 1995                             |            |            |
| Relate lines 21A through 21D to these columns  | Property A                           | Property B                       | Property C | Property D |
| 22 Gross sales price (Note: See line 1 before completing)  | 22 163,571.                          | 83.                              | 367.       | 5,114.     |
| 23 Cost or other basis plus expense of sale  | 23 4,096.                            |                                  |            | 134,858.   |
| 24 Depreciation (or depletion) allowed or allowable  | 24 7,384.                            |                                  |            | 536,388.   |
| 25 Adjusted basis. Subtract line 24 from line 23   | 25 -3,288.                           |                                  |            | -401,530.  |
| 26 Total gain. Subtract line 25 from line 22   | 26 166,859.                          | 83.                              | 367.       | 406,644.   |
| 27 If section 1245 property:   |                                      |                                  |            |            |
| a Depreciation allowed or allowable from line 24   | 27a 7,384.                           |                                  |            | 536,388.   |
| b Enter the smaller of line 26 or 27a  | 27b 7,384.                           |                                  |            | 406,644.   |
| 28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.                   |                                      |                                  |            |            |
| a Additional depreciation after 1975 (see instructions)  | 28a                                  |                                  |            |            |
| b Applicable percentage multiplied by the smaller of line 26 or line 28a (see instructions)  | 28b                                  |                                  |            |            |
| c Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e                                  | 28c                                  |                                  |            |            |
| d Additional depreciation after 1969 and before 1976   | 28d                                  |                                  |            |            |
| e Enter the smaller of line 28c or 28d   | 28e                                  |                                  |            |            |
| f Section 291 amount (corporations only)   | 28f                                  |                                  |            |            |
| g Add lines 28b, 28e, and 28f  | 28g                                  |                                  |            |            |
| 29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.                        |                                      |                                  |            |            |
| a Soil, water, and land-clearing expenses  | 29a                                  |                                  |            |            |
| b Line 29a multiplied by applicable percentage (see instructions)  | 29b                                  |                                  |            |            |
| c Enter the smaller of line 26 or 29b  | 29c                                  |                                  |            |            |
| 30 If section 1254 property:   |                                      |                                  |            |            |
| a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 30a                                  |                                  |            |            |
| b Enter the smaller of line 26 or 30a  | 30b                                  |                                  |            |            |
| 31 If section 1255 property:   |                                      |                                  |            |            |
| a Applicable percentage of payments excluded from income under section 126 (see instructions)  | 31a                                  |                                  |            |            |
| b Enter the smaller of line 26 or 31a (see instructions)   | 31b                                  |                                  |            |            |

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

|  |    |            |
|--|----|------------|
| 32 Total gains for all properties. Add columns A through D, line 26  | 32 | 2,287,247. |
| 33 Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14  | 33 | -329,928.  |
| 34 Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 34 | 2,617,175. |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
See instructions.

|  | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 35 Section 179 expense deduction or depreciation allowable in prior years                    | 35              |                        |
| 36 Recomputed depreciation. See instructions   | 36              |                        |
| 37 Recapture amount. Subtract line 36 from line 35. See the instructions for where to report | 37              |                        |

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

| 21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:  |  | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |            |            |
|--|--|--------------------------------------|----------------------------------|------------|------------|
| A  | S301 CF NUC PROD   | VARIOUS                              | 1995                             |            |            |
| B  | L351 1 NUC PROD  | VARIOUS                              | 1995                             |            |            |
| C  | C801 T&D FAC   | VARIOUS                              | 1995                             |            |            |
| D  | C801 T&D FAC RC  | VARIOUS                              | 1995                             |            |            |
| Relate lines 21A through 21D to these columns  |  | Property A                           | Property B                       | Property C | Property D |
| 22   | Gross sales price (Note: See line 1 before completing.)  | 22 11,476.                           | 997,730.                         | 3,993.     | 702.       |
| 23   | Cost or other basis plus expense of sale   | 23 -226,200.                         | -620,055.                        | -369,585.  |            |
| 24   | Depreciation (or depletion) allowed or allowable   | 24 92,805.                           | -955,760.                        | -347,823.  |            |
| 25   | Adjusted basis. Subtract line 24 from line 23  | 25 -319,005.                         | 335,705.                         | -21,762.   |            |
| 26   | Total gain. Subtract line 25 from line 22  | 26 330,481.                          | 662,025.                         | 25,755.    | 702.       |
| 27 If section 1245 property:   |  |                                      |                                  |            |            |
| a  | Depreciation allowed or allowable from line 24   | 27a 92,805.                          | -955,760.                        | -347,823.  |            |
| b  | Enter the smaller of line 26 or 27a  | 27b 92,805.                          | -955,760.                        | -347,823.  |            |
| 28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291. |  |                                      |                                  |            |            |
| a  | Additional depreciation after 1975 (see instructions)  | 28a                                  |                                  |            |            |
| b  | Applicable percentage multiplied by the smaller of line 26 or line 28a (see instructions)  | 28b                                  |                                  |            |            |
| c  | Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e                                  | 28c                                  |                                  |            |            |
| d  | Additional depreciation after 1969 and before 1976   | 28d                                  |                                  |            |            |
| e  | Enter the smaller of line 28c or 28d   | 28e                                  |                                  |            |            |
| f  | Section 291 amount (corporations only)   | 28f                                  |                                  |            |            |
| g  | Add lines 28b, 28e, and 28f  | 28g                                  |                                  |            |            |
| 29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.      |  |                                      |                                  |            |            |
| a  | Soil, water, and land clearing expenses  | 29a                                  |                                  |            |            |
| b  | Line 29a multiplied by applicable percentage (see instructions)  | 29b                                  |                                  |            |            |
| c  | Enter the smaller of line 26 or 29b  | 29c                                  |                                  |            |            |
| 30 If section 1254 property:   |  |                                      |                                  |            |            |
| a  | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 30a                                  |                                  |            |            |
| b  | Enter the smaller of line 26 or 30a  | 30b                                  |                                  |            |            |
| 31 If section 1255 property:   |  |                                      |                                  |            |            |
| a  | Applicable percentage of payments excluded from income under section 126 (see instructions)  | 31a                                  |                                  |            |            |
| b  | Enter the smaller of line 26 or 31a (see instructions)   | 31b                                  |                                  |            |            |

**Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.**

|    |   |    |
|----|---|----|
| 32 | Total gains for all properties. Add columns A through D, line 26  | 32 |
| 33 | Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14  | 33 |
| 34 | Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 34 |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
See instructions.

|    | (a) Section 179   | (b) Section 280F(b)(2) |
|----|---|------------------------|
| 35 | Section 179 expense deduction or depreciation allowable in prior years                    | 35                     |
| 36 | Recomputed depreciation. See instructions   | 36                     |
| 37 | Recapture amount. Subtract line 36 from line 35. See the instructions for where to report | 37                     |

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

| 21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:  | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |            |            |            |            |
|--|--------------------------------------|----------------------------------|------------|------------|------------|------------|
| A C804 OFFICE MACHINES   | VARIOUS                              | 1995                             |            |            |            |            |
| B C805 OFFICE FURNITUR   | VARIOUS                              | 1995                             |            |            |            |            |
| C C805 OFFICE FURN RC  | VARIOUS                              | 1995                             |            |            |            |            |
| D C808 BLDG IMP  | VARIOUS                              | 1995                             |            |            |            |            |
| Relate lines 21A through 21D to these columns  |                                      |                                  | Property A | Property B | Property C | Property D |
| 22 Gross sales price (Note: See line 1 before completing.)   | 22                                   |                                  | 124.       | 68.        | 13.        | -512.      |
| 23 Cost or other basis plus expense of sale  | 23                                   |                                  | -129,982.  | -63,970.   | -11,719.   | 13,364.    |
| 24 Depreciation (or depletion) allowed or allowable  | 24                                   |                                  | -129,646.  | -62,190.   | -11,393.   | 61,371.    |
| 25 Adjusted basis. Subtract line 24 from line 23   | 25                                   |                                  | -336.      | -1,780.    | -326.      | -48,007.   |
| 26 Total gain. Subtract line 25 from line 22   | 26                                   |                                  | 460.       | 1,848.     | 339.       | 47,495.    |
| 27 If section 1245 property:   |                                      |                                  |            |            |            |            |
| a Depreciation allowed or allowable from line 24   | 27a                                  |                                  | -129,646.  | -62,190.   | -11,393.   | 61,371.    |
| b Enter the smaller of line 26 or 27a  | 27b                                  |                                  | -129,646.  | -62,190.   | -11,393.   | 47,495.    |
| 28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.                   |                                      |                                  |            |            |            |            |
| a Additional depreciation after 1975 (see instructions)  | 28a                                  |                                  |            |            |            |            |
| b Applicable percentage multiplied by the smaller of line 26 or line 28a (see instructions)  | 28b                                  |                                  |            |            |            |            |
| c Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e                                  | 28c                                  |                                  |            |            |            |            |
| d Additional depreciation after 1969 and before 1976   | 28d                                  |                                  |            |            |            |            |
| e Enter the smaller of line 28c or 28d   | 28e                                  |                                  |            |            |            |            |
| f Section 291 amount (corporations only)   | 28f                                  |                                  |            |            |            |            |
| g Add lines 28b, 28e, and 28f  | 28g                                  |                                  |            |            |            |            |
| 29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.                        |                                      |                                  |            |            |            |            |
| a Soil, water, and land clearing expenses  | 29a                                  |                                  |            |            |            |            |
| b Line 29a multiplied by applicable percentage (see instructions)  | 29b                                  |                                  |            |            |            |            |
| c Enter the smaller of line 26 or 29b  | 29c                                  |                                  |            |            |            |            |
| 30 If section 1254 property:   |                                      |                                  |            |            |            |            |
| a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 30a                                  |                                  |            |            |            |            |
| b Enter the smaller of line 26 or 30a  | 30b                                  |                                  |            |            |            |            |
| 31 If section 1255 property:   |                                      |                                  |            |            |            |            |
| a Applicable percentage of payments excluded from income under section 126 (see instructions)  | 31a                                  |                                  |            |            |            |            |
| b Enter the smaller of line 26 or 31a (see instructions)   | 31b                                  |                                  |            |            |            |            |

**Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.**

|  |    |  |
|--|----|--|
| 32 Total gains for all properties. Add columns A through D, line 26  | 32 |  |
| 33 Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14  | 33 |  |
| 34 Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 34 |  |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
See instructions.

|  | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 35 Section 179 expense deduction or depreciation allowable in prior years                    | 35              |                        |
| 36 Recomputed depreciation. See instructions   | 36              |                        |
| 37 Recapture amount. Subtract line 36 from line 35. See the instructions for where to report | 37              |                        |

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

| 21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:  | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |                   |                   |
|--|--------------------------------------|----------------------------------|-------------------|-------------------|
| <b>A C BUILDINGSS</b>  | VARIOUS                              | 1995                             |                   |                   |
| B  |                                      |                                  |                   |                   |
| C  |                                      |                                  |                   |                   |
| D  |                                      |                                  |                   |                   |
| <b>Relate lines 21A through 21D to these columns</b>   | <b>Property A</b>                    | <b>Property B</b>                | <b>Property C</b> | <b>Property D</b> |
| 22 Gross sales price (Note: See line 1 before completing.)   | 22 -3,857.                           |                                  |                   |                   |
| 23 Cost or other basis plus expense of sale  | 23 -25,490.                          |                                  |                   |                   |
| 24 Depreciation (or depletion) allowed or allowable  | 24 279,028.                          |                                  |                   |                   |
| 25 Adjusted basis. Subtract line 24 from line 23   | 25 -304,518.                         |                                  |                   |                   |
| 26 Total gain. Subtract line 25 from line 22   | 26 300,661.                          |                                  |                   |                   |
| <b>27 If section 1245 property:</b>  |                                      |                                  |                   |                   |
| a Depreciation allowed or allowable from line 24   | 27a 279,028.                         |                                  |                   |                   |
| b Enter the smaller of line 26 or 27a  | 27b 279,028.                         |                                  |                   |                   |
| <b>28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.</b>            |                                      |                                  |                   |                   |
| a Additional depreciation after 1975 (see instructions)  | 28a                                  |                                  |                   |                   |
| b Applicable percentage multiplied by the smaller of line 26 or line 28a (see instructions)  | 28b                                  |                                  |                   |                   |
| c Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e                                  | 28c                                  |                                  |                   |                   |
| d Additional depreciation after 1969 and before 1976   | 28d                                  |                                  |                   |                   |
| e Enter the smaller of line 28c or 28d   | 28e                                  |                                  |                   |                   |
| f Section 291 amount (corporations only)   | 28f                                  |                                  |                   |                   |
| g Add lines 28b, 28e, and 28f  | 28g                                  |                                  |                   |                   |
| <b>29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.</b>                 |                                      |                                  |                   |                   |
| a Soil, water, and land clearing expenses  | 29a                                  |                                  |                   |                   |
| b Line 29a multiplied by applicable percentage (see instructions)  | 29b                                  |                                  |                   |                   |
| c Enter the smaller of line 28 or 29b  | 29c                                  |                                  |                   |                   |
| <b>30 If section 1254 property:</b>  |                                      |                                  |                   |                   |
| a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 30a                                  |                                  |                   |                   |
| b Enter the smaller of line 28 or 30a  | 30b                                  |                                  |                   |                   |
| <b>31 If section 1255 property:</b>  |                                      |                                  |                   |                   |
| a Applicable percentage of payments excluded from income under section 126 (see instructions)  | 31a                                  |                                  |                   |                   |
| b Enter the smaller of line 26 or 31a (see instructions)   | 31b                                  |                                  |                   |                   |

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

|  |    |
|--|----|
| 32 Total gains for all properties. Add columns A through D, line 26  | 32 |
| 33 Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14  | 33 |
| 34 Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 34 |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
See instructions.

|  | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 35 Section 179 expense deduction or depreciation allowable in prior years                    | 35              |                        |
| 36 Recomputed depreciation. See instructions   | 36              |                        |
| 37 Recapture amount. Subtract line 36 from line 35. See the instructions for where to report | 37              |                        |

**Jobs Credit**

**1995**

Department of the Treasury  
Internal Revenue Service

▶ Attach to your return.

Attachment  
Sequence No. **77**

Name(s) shown on return

Identifying number

**PECO ENERGY COMPANY**

**23-0970240**

**Part I Current Year Jobs Credit**

|                |  |  |        |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
|----------------|--|--|--------|--|--|---|-----------------------|--|--|---|-------------------|---|--|---|-----------------------|---|--|---|------------------|--|--|---|--|
| 1              | Enter the total qualified wages paid or incurred during the tax year for services of employees who are certified as members of a targeted group and who began work for you before January 1, 1995 . . . . .  | 1  | 5,574. |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| 2              | Current year credit. Multiply line 1 by 40% (.40). You must subtract this amount from the deduction on your return for salaries and wages. (Members of a controlled group, see instructions.) . . . . .  | 2  | 2,230. |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| 3              | Jobs credits from flow-through entities<br><table border="1" style="font-size: small;"> <tr> <td colspan="2">If you are a -</td> <td colspan="2">Then enter total of current year jobs credit(s) from -</td> </tr> <tr> <td>a</td> <td>Shareholder . . . . .</td> <td colspan="2">Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . . .</td> </tr> <tr> <td>b</td> <td>Partner . . . . .</td> <td colspan="2">Schedule K-1 (Form 1065), lines 13c, 13d, or 14 . . . . .</td> </tr> <tr> <td>c</td> <td>Beneficiary . . . . .</td> <td colspan="2">Schedule K-1 (Form 1041), line 13 . . . . .</td> </tr> <tr> <td>d</td> <td>Patron . . . . .</td> <td colspan="2">Written statement from cooperative . . . . .</td> </tr> </table> | If you are a -   |        | Then enter total of current year jobs credit(s) from - |  | a | Shareholder . . . . . | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . . . |  | b | Partner . . . . . | Schedule K-1 (Form 1065), lines 13c, 13d, or 14 . . . . . |  | c | Beneficiary . . . . . | Schedule K-1 (Form 1041), line 13 . . . . . |  | d | Patron . . . . . | Written statement from cooperative . . . . . |  | 3 |  |
| If you are a - |  | Then enter total of current year jobs credit(s) from -     |        |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| a              | Shareholder . . . . .  | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . . . |        |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| b              | Partner . . . . .  | Schedule K-1 (Form 1065), lines 13c, 13d, or 14 . . . . .  |        |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| c              | Beneficiary . . . . .  | Schedule K-1 (Form 1041), line 13 . . . . .                |        |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| d              | Patron . . . . .   | Written statement from cooperative . . . . .               |        |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |
| 4              | Total current year jobs credit. Add lines 2 and 3. (S corporations, partnerships, estates, trusts, and cooperatives, see instructions.) . . . . .  | 4  | 2,230. |  |  |   |                       |  |  |   |                   |   |  |   |                       |   |  |   |                  |  |  |   |  |

**Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)**

|    |   |    |  |   |   |   |   |   |   |  |
|----|---|----|--|---|---|---|---|---|---|--|
| 5a | Individuals. Enter amount from Form 1040, line 40 . . . . .   | }  | 5  |   |   |   |   |   |   |  |
| b  | Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1) . . . . .  |    |  |   |   |   |   |   |   |  |
| c  | Other filers. Enter regular tax before credits from your return . . . . .   |    |  |   |   |   |   |   |   |  |
| 6a | Credit for child and dependent care expenses (Form 2441, line 10)   | 6a |  |   |   |   |   |   |   |  |
| b  | Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)  | 6b |  |   |   |   |   |   |   |  |
| c  | Mortgage interest credit (Form 8396, line 11)   | 6c |  |   |   |   |   |   |   |  |
| d  | Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12)  | 6d |  |   |   |   |   |   |   |  |
| e  | Possessions tax credit (Form 5735)  | 6e |  |   |   |   |   |   |   |  |
| f  | Orphan drug credit (Form 6765)  | 6f |  |   |   |   |   |   |   |  |
| g  | Credit for fuel from a nonconventional source   | 6g |  |   |   |   |   |   |   |  |
| h  | Qualified electric vehicle credit (Form 8834, line 19)  | 6h |  |   |   |   |   |   |   |  |
| i  | Add lines 6a through 6h . . . . .   | 6i |  |   |   |   |   |   |   |  |
| 7  | Net regular tax. Subtract line 6i from line 5 . . . . .   | 7  |  |   |   |   |   |   |   |  |
| 8  | Tentative minimum tax (see instructions):<br><table border="1" style="font-size: small;"> <tr> <td>a</td> <td>Individuals. Enter amount from Form 6251, line 26 . . . . .</td> <td rowspan="3">}</td> <td rowspan="3">8</td> </tr> <tr> <td>b</td> <td>Corporations. Enter amount from Form 4626, line 13 . . . . .</td> </tr> <tr> <td>c</td> <td>Estates and trusts. Enter amount from Form 1041, Schedule I, line 37 . . . . .</td> </tr> </table> | a  | Individuals. Enter amount from Form 6251, line 26 . . . . .      | } | 8 | b | Corporations. Enter amount from Form 4626, line 13 . . . . .      | c | Estates and trusts. Enter amount from Form 1041, Schedule I, line 37 . . . . .      |  |
| a  | Individuals. Enter amount from Form 6251, line 26 . . . . .   | }  | 8  |   |   |   |   |   |   |  |
| b  | Corporations. Enter amount from Form 4626, line 13 . . . . .  |    |  |   |   |   |   |   |   |  |
| c  | Estates and trusts. Enter amount from Form 1041, Schedule I, line 37 . . . . .  |    |  |   |   |   |   |   |   |  |
| 9  | Net income tax:<br><table border="1" style="font-size: small;"> <tr> <td>a</td> <td>Individuals. Add line 7 above and line 28 of Form 6251 . . . . .</td> <td rowspan="3">}</td> <td rowspan="3">9</td> </tr> <tr> <td>b</td> <td>Corporations. Add line 7 above and line 15 of Form 4626 . . . . .</td> </tr> <tr> <td>c</td> <td>Estates and trusts. Add line 7 above and line 41 of Form 1041, Schedule I . . . . .</td> </tr> </table>            | a  | Individuals. Add line 7 above and line 28 of Form 6251 . . . . . | } | 9 | b | Corporations. Add line 7 above and line 15 of Form 4626 . . . . . | c | Estates and trusts. Add line 7 above and line 41 of Form 1041, Schedule I . . . . . |  |
| a  | Individuals. Add line 7 above and line 28 of Form 6251 . . . . .  | }  | 9  |   |   |   |   |   |   |  |
| b  | Corporations. Add line 7 above and line 15 of Form 4626 . . . . .   |    |  |   |   |   |   |   |   |  |
| c  | Estates and trusts. Add line 7 above and line 41 of Form 1041, Schedule I . . . . .   |    |  |   |   |   |   |   |   |  |
| 10 | If line 7 is more than \$25,000, enter 25% (.25) of the excess (see instructions) . . . . .   | 10 |  |   |   |   |   |   |   |  |
| 11 | Subtract line 8 or line 10, whichever is greater, from line 9. If less than zero, enter -0- . . . . .   | 11 |  |   |   |   |   |   |   |  |
| 12 | Jobs credit allowed for the current year. Enter the smaller of line 4 or line 11. This is your <b>General Business Credit</b> for 1995. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4d; Form 1120-A, Part I, line 2a; or the appropriate line of other income tax returns . . . . .   | 12 |  |   |   |   |   |   |   |  |

\*\*\*\* 5884 For the Controlled Group \*\*\*\*

Name(s) shown on return

**Jobs Credit**

▶ Attach to your return.

Identifying number

**23-0970240**

**PECO ENERGY COMPANY**

**Part I Current Year Jobs Credit**

|                         |   |  |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
|-------------------------|---|--|----------------|--|-------------------------|-----------------------|--|---------------------|-------------------|---|-------------------------|-----------------------|---|--------------------|------------------|--|---|--|
| 1                       | Enter the total qualified wages paid or incurred during the tax year for services of employees who are certified as members of a targeted group and who began work for you before January 1, 1995 . . . . .   | 1  |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| 2                       | Current year credit. Multiply line 1 by 40% (.40). You must subtract this amount from the deduction on your return for salaries and wages. (Members of a controlled group, see instructions.) . . . . .   | 2  | <b>2,230.</b>  |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| 3                       | Jobs credits from flow-through entities<br><table border="0" style="font-size: small;"> <tr> <td style="width: 100px;"></td> <td style="border-bottom: 1px solid black;">If you are a -</td> <td style="border-bottom: 1px solid black;">Then enter total of current year jobs credit(s) from -</td> </tr> <tr> <td>a Shareholder . . . . .</td> <td>Shareholder . . . . .</td> <td>Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . . .</td> </tr> <tr> <td>b Partner . . . . .</td> <td>Partner . . . . .</td> <td>Schedule K-1 (Form 1065), lines 13c, 13d, or 14 . . . . .</td> </tr> <tr> <td>c Beneficiary . . . . .</td> <td>Beneficiary . . . . .</td> <td>Schedule K-1 (Form 1041), line 13 . . . . .</td> </tr> <tr> <td>d Patron . . . . .</td> <td>Patron . . . . .</td> <td>Written statement from cooperative . . . . .</td> </tr> </table> |  | If you are a - | Then enter total of current year jobs credit(s) from - | a Shareholder . . . . . | Shareholder . . . . . | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . . . | b Partner . . . . . | Partner . . . . . | Schedule K-1 (Form 1065), lines 13c, 13d, or 14 . . . . . | c Beneficiary . . . . . | Beneficiary . . . . . | Schedule K-1 (Form 1041), line 13 . . . . . | d Patron . . . . . | Patron . . . . . | Written statement from cooperative . . . . . | 3 |  |
|                         | If you are a -  | Then enter total of current year jobs credit(s) from -     |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| a Shareholder . . . . . | Shareholder . . . . .   | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . . . |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| b Partner . . . . .     | Partner . . . . .   | Schedule K-1 (Form 1065), lines 13c, 13d, or 14 . . . . .  |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| c Beneficiary . . . . . | Beneficiary . . . . .   | Schedule K-1 (Form 1041), line 13 . . . . .                |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| d Patron . . . . .      | Patron . . . . .  | Written statement from cooperative . . . . .               |                |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |
| 4                       | Total current year jobs credit. Add lines 2 and 3. (S corporations, partnerships, estates, trusts, and cooperatives, see instructions.) . . . . .   | 4  | <b>2,230.</b>  |  |                         |                       |  |                     |                   |   |                         |                       |   |                    |                  |  |   |  |

**Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)**

|   |  |    |  |   |   |  |   |  |  |   |  |  |  |  |
|---|--|----|--|---|---|--|---|--|--|---|--|--|--|--|
| 5a  | Individuals. Enter amount from Form 1040, line 40 . . . . .  | }  | 5  |   |   |  |   |  |  |   |  |  |  |  |
| b   | Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1) . . . . .   |    |  |   |   |  |   |  |  |   |  |  |  |  |
| c   | Other filers. Enter regular tax before credits from your return . . . . .  |    |  |   |   |  |   |  |  |   |  |  |  |  |
| 6a  | Credit for child and dependent care expenses (Form 2441, line 10) . . . . .  | 6a |  |   |   |  |   |  |  |   |  |  |  |  |
| b   | Credit for the elderly or the disabled (Schedule R (Form 1040), line 20) . . . . .   | 6b |  |   |   |  |   |  |  |   |  |  |  |  |
| c   | Mortgage interest credit (Form 8396, line 11) . . . . .  | 6c |  |   |   |  |   |  |  |   |  |  |  |  |
| d   | Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12) . . . . .   | 6d |  |   |   |  |   |  |  |   |  |  |  |  |
| e   | Possessions tax credit (Form 5735) . . . . .   | 6e |  |   |   |  |   |  |  |   |  |  |  |  |
| f   | Orphan drug credit (Form 6765) . . . . .   | 6f |  |   |   |  |   |  |  |   |  |  |  |  |
| g   | Credit for fuel from a nonconventional source . . . . .  | 6g |  |   |   |  |   |  |  |   |  |  |  |  |
| h   | Qualified electric vehicle credit (Form 8834, line 19) . . . . .   | 6h |  |   |   |  |   |  |  |   |  |  |  |  |
| i   | Add lines 6a through 6h . . . . .  | 6i |  |   |   |  |   |  |  |   |  |  |  |  |
| 7   | Net regular tax. Subtract line 6i from line 5 . . . . .  | 7  |  |   |   |  |   |  |  |   |  |  |  |  |
| 8   | Tentative minimum tax (see instructions):<br><table border="0" style="font-size: small;"> <tr> <td style="width: 100px;"></td> <td style="border-bottom: 1px solid black;">a Individuals. Enter amount from Form 6251, line 26 . . . . .</td> <td rowspan="3">}</td> <td rowspan="3">8</td> <td></td> </tr> <tr> <td>b Corporations. Enter amount from Form 4626, line 13 . . . . .</td> <td></td> <td></td> </tr> <tr> <td>c Estates and trusts. Enter amount from Form 1041, Schedule I, line 37 . . . . .</td> <td></td> <td></td> </tr> </table> |    | a Individuals. Enter amount from Form 6251, line 26 . . . . .      | } | 8 |  | b Corporations. Enter amount from Form 4626, line 13 . . . . .      |  |  | c Estates and trusts. Enter amount from Form 1041, Schedule I, line 37 . . . . .      |  |  |  |  |
|   | a Individuals. Enter amount from Form 6251, line 26 . . . . .  | }  | 8  |   |   |  |   |  |  |   |  |  |  |  |
| b Corporations. Enter amount from Form 4626, line 13 . . . . .                        |  |    |  |   |   |  |   |  |  |   |  |  |  |  |
| c Estates and trusts. Enter amount from Form 1041, Schedule I, line 37 . . . . .      |  |    |  |   |   |  |   |  |  |   |  |  |  |  |
| 9   | Net income tax:<br><table border="0" style="font-size: small;"> <tr> <td style="width: 100px;"></td> <td style="border-bottom: 1px solid black;">a Individuals. Add line 7 above and line 28 of Form 6251 . . . . .</td> <td rowspan="3">}</td> <td rowspan="3">9</td> <td></td> </tr> <tr> <td>b Corporations. Add line 7 above and line 15 of Form 4626 . . . . .</td> <td></td> <td></td> </tr> <tr> <td>c Estates and trusts. Add line 7 above and line 41 of Form 1041, Schedule I . . . . .</td> <td></td> <td></td> </tr> </table>            |    | a Individuals. Add line 7 above and line 28 of Form 6251 . . . . . | } | 9 |  | b Corporations. Add line 7 above and line 15 of Form 4626 . . . . . |  |  | c Estates and trusts. Add line 7 above and line 41 of Form 1041, Schedule I . . . . . |  |  |  |  |
|   | a Individuals. Add line 7 above and line 28 of Form 6251 . . . . .   | }  | 9  |   |   |  |   |  |  |   |  |  |  |  |
| b Corporations. Add line 7 above and line 15 of Form 4626 . . . . .                   |  |    |  |   |   |  |   |  |  |   |  |  |  |  |
| c Estates and trusts. Add line 7 above and line 41 of Form 1041, Schedule I . . . . . |  |    |  |   |   |  |   |  |  |   |  |  |  |  |
| 10  | If line 7 is more than \$25,000, enter 25% (.25) of the excess (see instructions) . . . . .  | 10 |  |   |   |  |   |  |  |   |  |  |  |  |
| 11  | Subtract line 8 or line 10, whichever is greater, from line 9. If less than zero, enter -0- . . . . .  | 11 |  |   |   |  |   |  |  |   |  |  |  |  |
| 12  | Jobs credit allowed for the current year. Enter the smaller of line 4 or line 11. This is your <b>General Business Credit</b> for 1995. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4d; Form 1120-A, Part I, line 2a; or the appropriate line of other income tax returns . . . . .  | 12 |  |   |   |  |   |  |  |   |  |  |  |  |

\*\*\*\* Controlled-group 5884 for this member \*\*\*\*

Credit for Increasing Research Activities
(and orphan drug credit from fiscal year 1994-95 flow-through entities)

1995
Attachment
Sequence No. 81

Department of the Treasury
Internal Revenue Service

See separate instructions.
Attach to your return.

Name(s) shown on return

Identifying number
23-0970240

PECO ENERGY COMPANY

Part I Current Year Credit for Increasing Research Activities (Do not include costs incurred after June 30, 1995.)

Table with 18 rows for research activities. Columns include line number, description, and amount. Total current year credit is 1,801,280.

Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)

Table with 27 rows for tax liability limit. Columns include line number, description, and amount. Total tax liability limit is 360,256.

For Paperwork Reduction Act Notice, see separate instructions.

Part III Current Year Orphan Drug Credit From Flow-Through Entities and Tax Liability Limit (see instructions)

Note: To complete Part III, you will need entries from Part II. If you did not complete Part II, enter on lines 29, 30, and 32, the required information for lines 19, 20a through 20e, and 22.

|    |  |    |  |    |
|----|--|----|--|----|
| 28 | Orphan drug credit(s) from flow-through entities (partnerships, S corporations, estates, or trusts) . . . . .                                      |    |  | 28 |
| 29 | Amount from line 19, page 1 . . . . .  | 29 |  |    |
| 30 | Total of lines 20a through 20e, page 1 . . . . .   | 30 |  |    |
| 31 | Subtract line 30 from line 29 . . . . .  | 31 |  |    |
| 32 | Amount from line 22, page 1 . . . . .  | 32 |  |    |
| 33 | Subtract line 32 from line 31 . . . . .  |    |  | 33 |
| 34 | Orphan drug credit allowed for the current year. Enter here and on the appropriate line of your return the smaller of line 28 or line 33 . . . . . |    |  | 34 |

**Disclosure Statement**

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement.

See separate instructions.

▶ Attach to your return.

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

**PECO ENERGY COMPANY**

Identifying number shown on return

**23-0970240**

**Part I General Information (See instructions.)**

| (a)<br>Rev. Rul., Rev. Proc., etc. | (b)<br>Item or Group<br>of Items | (c)<br>Detailed Description<br>of Items     | (d)<br>Form or<br>Schedule | (e)<br>Line<br>No. | (f)<br>Amount |
|------------------------------------|----------------------------------|---|----------------------------|--------------------|---------------|
| 1<br>U.S. DOE PYMT                 | 1                                | DECONTAMINATION AND<br>DECOMMISSIONING COST | 1120                       | 2                  | 5,586,089.    |
| 2                                  |                                  |   |                            |                    |               |
| 3                                  |                                  |   |                            |                    |               |

**Part II Detailed Explanation (See instructions.)**

1  
**SEE ATTACHMENT FOR DETAILED DESCRIPTION**

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2

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3

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**Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.**

Complete this part only if you are making adequate disclosure with respect to pass-through item.

Note: A pass-through entity is a partnership, an S corporation, an estate, a trust, a regulated investment company, a real estate investment trust, or real estate mortgage investment conduit (REMIC).

|  |   |
|--|---|
| 1 Name, address, and ZIP code of pass-through entity | 2 Identifying number of pass-through entity   |
|  | 3 Tax year of pass-through entity<br>to   |
|  | 4 Internal Revenue Service Center where the pass-through entity<br>filed its return |

For Paperwork Reduction Act Notice, see separate instructions.

**Credit For Prior Year Minimum Tax-Corporations**

**1995**

▶ Attach to the corporation's tax return

|                                    |  |   |
|------------------------------------|--|---|
| Name<br><b>PECO ENERGY COMPANY</b> |  | Employer identification number<br><b>23-0970240</b> |
| <b>1</b>                           | Alternative minimum tax for 1994. Enter the amount from line 15 of the 1994 Form 4626 . . . . .  | <b>1</b>  |
| <b>2</b>                           | Minimum tax credit carryforward from 1994. Enter the amount from line 9 of the 1994 Form 8827 . . . . .  | <b>2</b> <b>173,420,339.</b>                        |
| <b>3</b>                           | Enter any 1994 credit for fuel produced from a nonconventional source and any orphan drug credit not allowed for 1994. See instructions . . . . .  | <b>3</b>  |
| <b>4</b>                           | Add lines 1, 2, and 3 . . . . .  | <b>4</b> <b>173,420,339.</b>                        |
| <b>5</b>                           | Enter the corporation's 1995 regular income tax liability minus allowable tax credits. See instructions . . . . .  | <b>5</b> <b>NONE</b>                                |
| <b>6</b>                           | Enter the tentative minimum tax from line 13 of the 1995 Form 4626 . . . . .   | <b>6</b> <b>158,996,721.</b>                        |
| <b>7</b>                           | Subtract line 6 from line 5. If zero or less, enter -0- . . . . .  | <b>7</b>  |
| <b>8</b>                           | <b>Minimum tax credit.</b> Enter the smaller of line 4 or line 7. Also enter this amount on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 4e). If the corporation had a post-1986 ownership change or has preacquisition excess credits, see instructions . . . . . | <b>8</b>  |
| <b>9</b>                           | <b>Minimum tax credit carryforward to 1996.</b> Subtract line 8 from line 4. See instructions . . . . .  | <b>9</b> <b>173,420,339.</b>                        |

Form 8827 (1995)

▶ See separate instructions.  
 ▶ Attach to the corporation's tax return.

Name **PECO ENERGY COMPANY** Employer identification number **23-0970240**

**Note:** In most cases, the corporation does not need to file Form 2220. The IRS will figure any penalty owed and bill the corporation. File Form 2220 only if one or more boxes in Part I apply to the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36, Part III, on the penalty line of the corporation's income tax return, but do not attach Form 2220.

**Part I Reasons For Filing** - Check the boxes below that apply to the corporation. If any box is checked, the corporation must file Form 2220 with the corporation's tax return, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty. See instructions.

- 1  The corporation is using the annualized income installment method.
- 2  The corporation is using the adjusted seasonal installment method.
- 3  The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

**Part II Figuring the Underpayment**

|  |           |                  |                  |                  |                  |
|--|-----------|------------------|------------------|------------------|------------------|
| <b>4</b> Total tax (see instructions) .....  |           | <b>4</b>         | <b>NONE</b>      |                  |                  |
| <b>5 a</b> Personal holding company tax included on line 4 (Schedule PH (Form 1120), line 26) .....  | <b>5a</b> |                  |                  |                  |                  |
| <b>b</b> Interest due under the look-back method of section 460(b)(2) for completed long-term contracts included on line 4 .....   | <b>5b</b> |                  |                  |                  |                  |
| <b>c</b> Credit for Federal tax paid on fuels (see instructions) .....   | <b>5c</b> | <b>48,130.</b>   |                  |                  |                  |
| <b>d</b> Total. Add lines 5a through 5c .....  | <b>5d</b> | <b>48,130.</b>   |                  |                  |                  |
| <b>6</b> Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty .....   | <b>6</b>  |                  |                  |                  |                  |
| <b>7</b> Enter the tax shown on the corporation's 1994 income tax return. (CAUTION: See instructions before completing this line.) .....   | <b>7</b>  |                  |                  |                  |                  |
| <b>8</b> Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6 on line 8 .....  | <b>8</b>  |                  |                  |                  |                  |
| <b>9</b> <b>Installment due dates.</b> Enter in columns (a) through (d) the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year .....   | <b>9</b>  | (a)              | (b)              | (c)              | (d)              |
| <b>10</b> <b>Required installments.</b> If the box on line 1 or line 2 above is checked enter the amounts from Schedule A, line 41. If the box on line 3 (but not 1 or 2) is checked, see the instructions for the amounts to enter. If none of these boxes is checked, enter 25% of line 8 in each column ..... | <b>10</b> |                  |                  |                  |                  |
| <b>11</b> <b>Estimated tax paid or credited for each period</b> (see instructions). For column (a) only, enter the amount from line 11 on line 15 .....  | <b>11</b> | <b>63859447.</b> | <b>53127001.</b> | <b>36020209.</b> | <b>55000000.</b> |
| <b>12</b> Enter amount, if any, from line 18 of the preceding column .....   | <b>12</b> |                  |                  |                  |                  |
| <b>13</b> Add lines 11 and 12 .....  | <b>13</b> |                  | <b>53127001.</b> | <b>36020209.</b> | <b>55000000.</b> |
| <b>14</b> Add amounts on lines 16 and 17 of the preceding column .....   | <b>14</b> |                  |                  |                  |                  |
| <b>15</b> Subtract line 14 from line 13. If zero or less, enter -0- .....  | <b>15</b> | <b>63859447.</b> |                  |                  | <b>55000000.</b> |
| <b>16</b> If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- .....  | <b>16</b> |                  |                  |                  |                  |
| <b>17</b> <b>Underpayment.</b> If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18 (see instructions) .....  | <b>17</b> |                  |                  |                  |                  |
| <b>18</b> <b>Overpayment.</b> If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column .....  | <b>18</b> |                  |                  |                  | <b>55000000.</b> |

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

**Part II Figuring the Penalty**

|  | (a) | (b) | (c) | (d) |
|--|-----|-----|-----|-----|
| 19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.) . . . . . | 19  |     |     |     |
| 20 Number of days from due date of installment on line 9 to the date shown on line 19 . . . . .  | 20  |     |     |     |
| 21 Number of days on line 20 after 4/15/95 and before 7/1/95 . . . . .   | 21  |     |     |     |
| 22 Underpayment on line 17 x Number of days on line 21 x 10% . . . . .<br>365  | 22  |     |     |     |
| 23 Number of days on line 20 after 6/30/95 and before 1/1/96 . . . . .   | 23  |     |     |     |
| 24 Underpayment on line 17 x Number of days on line 23 x 9% . . . . .<br>365   | 24  |     |     |     |
| 25 Number of days on line 20 after 12/31/95 and before 4/1/96 . . . . .  | 25  |     |     |     |
| 26 Underpayment on line 17 x Number of days on line 25 x 9% . . . . .<br>366   | 26  |     |     |     |
| 27 Number of days on line 20 after 3/31/96 and before 7/1/96 . . . . .   | 27  |     |     |     |
| 28 Underpayment on line 17 x Number of days on line 27 x % . . . . .<br>366  | 28  |     |     |     |
| 29 Number of days on line 20 after 6/30/96 and before 10/1/96 . . . . .  | 29  |     |     |     |
| 30 Underpayment on line 17 x Number of days on line 29 x % . . . . .<br>366  | 30  |     |     |     |
| 31 Number of days on line 20 after 9/30/96 and before 1/1/97 . . . . .   | 31  |     |     |     |
| 32 Underpayment on line 17 x Number of days on line 31 x % . . . . .<br>366  | 32  |     |     |     |
| 33 Number of days on line 20 after 12/31/96 and before 2/16/97 . . . . .   | 33  |     |     |     |
| 34 Underpayment on line 17 x Number of days on line 33 x % . . . . .<br>365  | 34  |     |     |     |
| 35 Add lines 22, 24, 26, 28, 30, 32, and 34 . . . . .  | 35  |     |     |     |
| 36 Penalty. Add columns (a) through (d), line 35. Enter here and on line 33, Form 1120; line 29, Form 1120-A; or comparable line for other income tax returns . . . . .  |     |     |     | 36  |

\*If the corporation's tax year ends after December 31, 1995, see the instructions for lines 28, 30, 32, and 34.



Form 1120, Page 1 Detail

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Line 10 - Other Income

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|                                      |             |
|--------------------------------------|-------------|
| MISCELLANEOUS.                       | 9.          |
| PARTNERSHIP INCOME                   | 30,081.     |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | 687,206.    |
|                                      | <hr/>       |
| Total                                | 717,296.    |
|                                      | <hr/> <hr/> |

Line 17 - Taxes and licenses

|                                      |                     |
|--------------------------------------|---------------------|
| PA CAPITAL STOCK                     | 41,438,802.         |
| PA GROSS RECEIPTS                    | 163,176,047.        |
| PA UNEMPLOYMENT COMPENSATION         | 2,919,465.          |
| LOCAL REAL ESTATE -PA\MD             | 3,491,281.          |
| LOCAL FRANCHISE                      | 230,523.            |
| STATE EXCISE TAX ON INSURANCE PREM'S | 176,080.            |
| MD PERSONAL PROPERTY                 | 100.                |
| PURTA (PA REAL ESTATE TAXES)         | 63,705,614.         |
| PHILA REALTY OCCUPANCY               | 992,052.            |
| NJ PERSONAL PROPERTY                 | -9,420.             |
| TAXES EXCLUDING INCOME TAXES         | 135.                |
| LOCAL REAL ESTATE - N.J.             | 2,483,714.          |
| PA SALES & USE TAX ASSESSMENTS       | -718,141.           |
| GENERAL SERVICE FEES                 | -75,000.            |
| FEDERAL UNEMPLOY COMP                | 333,997.            |
| FICA                                 | 26,311,952.         |
| TELEPHONE & TELEGRAPH                | 126,000.            |
| FED EXCISE TAX ON INS PREM           | -15,681.            |
| PURTA RECOVERABLE                    | 7,311.              |
| FED EXCISE REPLAC POWER INS          | 124,548.            |
| PA INCOME TAXES                      | 66,103,641.         |
| NJ INCOME TAXES                      | 4,718,345.          |
| MD INCOME TAXES                      | 1,082,811.          |
| Environmental tax                    | 437,768.            |
| <b>Total</b>                         | <b>377,041,944.</b> |

Current year contributions

-----

CURRENT-YEAR CONTRIBUTIONS

3,687,260.

Total

-----  
3,687,260.  
=====

Line 26 - Other deductions

-----

Amortization

864,078.

Reduction of research expenses by research credit

NONE

MISC CIVIC EXPENSES

59,048.

GAS METER SHOP SETTLEMENT

425,000.

POWER RERATE EXPENDITURES

8,951,538.

EASEMENTS, CLEARING & GRADING

712,545.

COST OF REMOVAL

2,478,298.

AUDIT ADJUSTMENTS - ROLLOVER ITEMS

-369,975.

REPAIR ALLOWANCE

20,124,847.

CONSULTATION SERVICES

-59,047.

SOFTWARE DEVELOPMENT COSTS

5,745,919.

SECTION 179A DEDUCTION

110,000.

ABANDONED MERGERS EXP

4,854,544.

Total

-----  
43,896,795.  
=====

## Sch A, Line 5 - Other costs

|                                     |              |
|-------------------------------------|--------------|
| EXPENSE - MERCH & JOBBING           | 1,755,764.   |
| NON-OPERATING RENTAL                | -22,644.     |
| SUPERVISION & ENGINEERING           | 13,981,445.  |
| FUEL                                | 190,506,015. |
| STEAM EXPENSE                       | 21,304,726.  |
| ELECTRIC EXPENSE                    | 3,001,477.   |
| MISC STEAM POWER EXPENSE            | 12,335,349.  |
| SUPERVISION & ENGINEERING           | 87,029,537.  |
| FUEL - OTHER CHARGES                | 37,515,915.  |
| HELIUM & OTHER COOLANTS             | 8,539,585.   |
| STEAM EXPENSE                       | 31,033,599.  |
| ELECTRIC EXPENSE                    | 123,572.     |
| MISC NUCLEAR POWER EXPENSE          | 129,700,208. |
| SUPERVISION & ENGINEERING           | 1,023,414.   |
| WATER                               | 963,727.     |
| HYDRAULIC EXPENSE                   | 1,537,168.   |
| MISC HYDRAULIC EXPENSE              | 11,126.      |
| SUPERVISION & ENGINEERING           | 655,248.     |
| FUEL                                | 9,803,827.   |
| GENERATION EXPENSE                  | 560,234.     |
| MISC OTHER POWER GEN EXPENSE        | 378,704.     |
| PURCH POWER EXPENSE                 | 339,907,418. |
| SYSTEM CONTROL & LOAD DISPATCH      | 7,897,380.   |
| OTHER EXPENSE                       | -19,707,620. |
| SUPERVISION & ENGINEERING           | 3,223,445.   |
| LOAD DISPATCH                       | 2,897,216.   |
| STATION EXPENSE                     | 1,125,368.   |
| OVERHEAD LINE EXPENSE               | 851,931.     |
| UNDERGROUND LINE EXPENSE            | 74,872.      |
| MISC TRANSMISSION SYSTEM EXPENSE    | 3,484,899.   |
| SUPERVISION & ENGINEERING           | 5,350,218.   |
| LOAD DISPATCHING                    | 3,875,287.   |
| STATION EXPENSE                     | 5,292,709.   |
| OVERHEAD LINE EXPENSE               | 10,060,753.  |
| UNDERGROUND LINE EXPENSE            | 6,065,579.   |
| STREET LIGHT & TRAFFIC SIGNAL EXP   | 154,661.     |
| METER EXPENSE                       | 871,437.     |
| INSTALLATION EXPENSE                | 2,414,563.   |
| DISTRIBUTION EXPENSE                | 19,681,733.  |
| SUPERVISION EXPENSE                 | 231,346.     |
| METER READING EXPENSE               | 9,892,321.   |
| CUSTOMER RECONCILE & COLLECT        | 37,371,007.  |
| MISCELLANEOUS                       | 6,836,990.   |
| SUPERVISION - COMMERCIAL OPERATIONS | 6,816.       |
| CUSTOMER ASSISTANCE EXPENSE         | 3,934,659.   |
| INFO & INST ADV EXP - COMMERCIAL    | 856,371.     |
| MISC CUST SERV & INFO - COMMERCIAL  | 3,619,349.   |
| SUPERVISION                         | 57,141.      |

Continued on next page

Statement 4

## Sch A, Line 5 - Other costs (Cont'd)

|                                     |              |
|-------------------------------------|--------------|
| DEMONSTRATING & SELLING             | 6,100,169.   |
| SALES EXPENSE                       | 49,702.      |
| SALARIES                            | 95,109,314.  |
| OFFICE SUPPLIES                     | 91,619,905.  |
| OUTSIDE SERVICES                    | 12,885,454.  |
| PROPERTY INSURANCE                  | 8,640,346.   |
| INJURIES AND DAMAGES                | 15,362,315.  |
| REGULATOR COMMISSION EXPENSE        | 5,698,493.   |
| DUPLICATE                           | -3,637,681.  |
| GENERAL                             | 6,549,688.   |
| OPERATIONAL SUPERV & ENGINEER       | 84,689.      |
| GAS PURCHASES                       | 167,917,057. |
| PURCHASED GAS                       | 3,779,472.   |
| WITHDRAWN LNG                       | 6,823,812.   |
| PURCHASED GAS                       | -639,789.    |
| GAS SUPPLY EXPENSE                  | 19,358,978.  |
| SUPERVISION & ENGINEERING           | 679,622.     |
| LABOR & EXPENSES                    | 677,871.     |
| PURCHASED GAS                       | 751,214.     |
| SUPERVISION & ENGINEERING           | 1,078,779.   |
| DISTRIBUTION LOAD DISPATCH          | 345,268.     |
| MAINS & SERVICE EXPENSE             | 2,199,652.   |
| M&R STATION GENERAL EXPENSE         | 80,039.      |
| M&R STATION IND EXPENSE             | 781,287.     |
| METER & HOUSE REGUALTOR EXPENSE     | 1,800,004.   |
| CUSTOMER INSTALLATION EXPENSE       | 5,931,611.   |
| OTHER EXPENSE                       | 4,525,780.   |
| SUPERVISION                         | 20,996.      |
| METER READING EXPENSE               | 2,414,294.   |
| CUST RECEIPTS & COLLECT EXPENSE     | 6,212,698.   |
| MISC CUSTOMER ACCOUTNS EXPENSE      | 1,143,845.   |
| SUPERVISION - COMMERCIAL OPERATIONS | 1,154.       |
| CUST ASSIATANCE EXPENSE             | 461,268.     |
| INFO & INST ADV EXP - COMMERCIAL    | 10,826.      |
| SUPERVISION                         | 567,031.     |
| MISC SALES EXPENSE                  | 71,450.      |
| SALARIES                            | 5,524,232.   |
| OFFICE SUPPLIES & EXPENSE           | 4,982,605.   |
| OUTSIDE SERVICES                    | 923,772.     |
| PROPERTY INSURANCE                  | 106,915.     |
| INJURIES AND DAMAGES                | 1,274,846.   |
| REGULATORY COMMISSION EXPENSE       | 1,061,174.   |
| DUPLICATE                           | 3,550.       |
| MISCELLANEOUS GENERAL EXPENSE       | 421,093.     |
| DECOMMISSIONING EXPENSE             | 17,763,384.  |
| OTHER ELECTRIC POWER EXPENSE        | 49,046.      |
| LIQUIFIED PETROLEUM GAS EXPENSE     | 165,547.     |
| LIQUIFIED PETROLEUM GAS PURCHASE    | 430,261.     |

Continued on next page

Statement 5

Form 1120, Page 2 detail

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Sch A, Line 5 - Other costs (Cont'd)

---

|                                 |            |
|---------------------------------|------------|
| OTHER COSTS                     | 778,690.   |
| MEAS REGULATE EXPENSE           | 1,194,032. |
| CUST SERV & INFO EXPENSE        | 431,685.   |
| DEMONSTRATING & SELLING EXPENSE | 2,723,457. |
| ADVERTISING EXPENSE             | 371,776.   |
| RENTS                           | 445.       |

|                         |                |
|-------------------------|----------------|
| Total other COGS / COOP | 1,511,728,968. |
|-------------------------|----------------|

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Sch C, Line 1 - Dividends subject to 70% deduction

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|                                     |          |
|-------------------------------------|----------|
| DOMESTIC CORP., 20% OWNED, 70% DED. | 669,388. |
|-------------------------------------|----------|

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|       |          |
|-------|----------|
| Total | 669,388. |
|-------|----------|

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Form 1120, Page 4 detail

| Sch L, line 6 - Other current assets                             | Beginning               | Ending                  |
|--|-------------------------|-------------------------|
| PREPAID TAXES & INSURANCE  | 20,909,100.             | 25,684,145.             |
| DEF FUEL, ACCR & BANKED SICK & VACA                              | -15,221,068.            | 55,882,759.             |
| ACCRUED UTILITY REVENUE  | 98,830,000.             | 147,530,000.            |
| <b>Total</b>   | <b>104,518,032.</b>     | <b>229,096,904.</b>     |
|  |                         |                         |
| Sch L, line 9 - Other investments                                |                         |                         |
| INVESTMENTS IN ASSOCIATED CO'S<br>MORTGAGES, LAND OPTIONS, OTHER | 216,091,348.<br>76,377. | 153,826,067.<br>76,377. |
| <b>Total</b>   | <b>216,167,725.</b>     | <b>153,902,444.</b>     |
|  |                         |                         |
| Sch L, line 14 - Other assets                                    |                         |                         |
| UNAMORTIZED DEBT EXPENSES  | 21,891,887.             | 18,448,141.             |
| UNRECOVERED PLANT & PROPERTY LOSSES                              | 45,874,177.             | 41,396,217.             |
| PRELIMINARY SURVEY & INVESTIGATION                               | 38,757,401.             | 6,730,215.              |
| CLEARING ACCOUNTS  | 5,646,383.              | 3,489,419.              |
| DEF. DEBITS- BILLINGS, D.O. FAS 109                              | 467,725,714.            | 458,598,841.            |
| RESEARCH & DEVELOPMENT EXPENDITURES                              |                         | 55,056.                 |
| UNAMORT PREMIUMS ON REACQUIRED DEBT                              | 320,878,593.            | 308,576,588.            |
| DEFERRED INCOME TAXES  | 550,140,987.            | 381,852,094.            |
| <b>Total</b>   | <b>1,450,915,142.</b>   | <b>1,219,146,571.</b>   |
|  |                         |                         |
| Sch L, line 18 -<br>Other current liabilities                    |                         |                         |
| ACCRUED TAXES  | 80,645,633.             | 105,063,958.            |
| ACCRUED INTEREST   | 93,007,895.             | 88,057,922.             |
| DIVIDENDS DECLARED   | 15,096,312.             | 20,722,383.             |
| TAX COLLECTIONS PAYABLE  | 12,194,286.             | 6,850,662.              |
| ADVANCES & OTHER ACCRUED LIABILITIE                              | 41,853,077.             | 44,459,055.             |
| UTILITY PROPERTY UNDER LEASE - CURR                              | 60,475,828.             | 60,319,658.             |
| <b>Total</b>   | <b>303,273,031.</b>     | <b>325,473,638.</b>     |

| Sch L, line 21 - Other liabilities   | Beginning             | Ending                |
|--------------------------------------|-----------------------|-----------------------|
| UNAMORTIZED PREMIUMS ON L.T. DEBT    | 11,188.               | 9,580.                |
| UNAMORTIZED DISCOUNT ON L.T. DEBT    | -38,225,113.          | -32,609,058.          |
| UTILITY PROPERTY UNDER LEASE - L.T.  | 114,089,199.          | 120,104,848.          |
| CUSTOMER DEPOSITS                    | 13,542,509.           | 11,470,413.           |
| CUSTOMER ADVANCES                    | 2,591,871.            | 2,542,902.            |
| DEFERRED CREDITS                     | 170,338,297.          | 168,053,846.          |
| ACCUMULATED DEFERRED ITC             | 372,067,015.          | 350,619,066.          |
| UNAMORTIZED GAIN ON REAQUIRED DEBT   | 4,337,659.            | 3,163,386.            |
| ACCUM DEF TAXES - ACCEL AMORT PROP   | 369,228.              | 199,633.              |
| ACCUM DEF TAXES- OTHER PROP          | 1,433,348,270.        | 1,464,812,502.        |
| ACCUM DEF TAXES- OTHER THAN PROPERTY | 161,582,731.          | 150,358,345.          |
| FAS 106-DECONTAM/DECOMM LIABILITY    | 85,442,000.           | 54,352,676.           |
| EMISSION ALLOWANCE                   | -5,117.               | 209,693.              |
| <b>Total</b>                         | <b>2,319,489,737.</b> | <b>2,293,287,832.</b> |

Sch M-1, line 4 - Taxable income not recorded on books this year

|                                      |                    |
|--------------------------------------|--------------------|
| DIV'S FROM SUB CO'S SUBJ TO 100%EXCL | 16,955,690.        |
| SALEM LEASING INTEREST INCOME        | 3,758,687.         |
| UNBILLED REVENUE -TAX                | 51,670,000.        |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | 591,324.           |
| PTNR. PORTFOLIO INT INC              | 4,317.             |
| DIVID. -70% DEDUCTION                | 669,388.           |
| DECOMM CORP BOND INTEREST            | 747,298.           |
| <b>Total</b>                         | <b>74,396,704.</b> |

Sch M-1, line 5 - Expenses on books not deducted in return

|                                       |                     |
|---------------------------------------|---------------------|
| AMORT. OF PREM'S PAID-REAIQUIRED DEBT | 26,985,661.         |
| 50% NON-DEDUCTIBLE BUSINESS MEALS     | 777,409.            |
| DEF COMPENSATION(ACCR NET OF PYMTS)   | 914,209.            |
| AMORT OF LIM 1&COM DECLAR ORDER COST  | 22,647,156.         |
| DIVID.EQUIVALENCE(ACCR NET OF PYMTS)  | -1,295,919.         |
| ENVIRONMENTAL CLEAN-UP COSTS          | 233,975.            |
| D.O.E.-DECON/DECOMM EXPENDITURES      | -361,663.           |
| DECOMMISSIONING EXPENSES              | 2,492,100.          |
| OBSELETE INVENTORY WRITEDOWN          | -14,129,338.        |
| AVOIDED INTEREST                      | 18,233,750.         |
| AUDIT ADJUSTMENTS - ROLLOVER ITEMS    | 369,975.            |
| CIVIL PENALTIES & OTHER VIOLATIONS    | 375,257.            |
| DEFERRED TAXES                        | 187,317,395.        |
| ITC ADJUSTMENT                        | -21,629,908.        |
| STATE INCOME TAXES                    | 6,458,461.          |
| UNIFORM CAP OF INVENTORY - END OF YR  | 1,421,218.          |
| POLITICAL ACTION COMMITTEE EXP        | 53,176.             |
| DEPREC ADJ FOR LEASED VEHICLES        | 148.                |
| JOBS CREDIT                           | 2,230.              |
| VACATION / HOLIDAY PAY                | -1,048,234.         |
| FAS 106                               | -7,335,271.         |
| LOBBYING EXPENSES                     | 1,054,953.          |
| NUCLEAR OUTAGE ACCRUAL - BK           | 39,280,000.         |
| UNCOLLECTIBLES - BK/TX                | 5,251,864.          |
| DUES                                  | 414,009.            |
| AMORT OF HYDROGEN WTR CHEM SYS        | 414,476.            |
| INTEREST INC/EXP ADJ                  | -3,146,176.         |
| STAC GIVEBACK                         | 2,579,697.          |
| <b>Total</b>                          | <b>268,330,610.</b> |

Sch M-1, line 7 - Income on books not included in this return

|                                       |              |
|---------------------------------------|--------------|
| Gain or loss on disposition of assets | 68,669,734.  |
| ACCRETION INCOME NET                  | 672,997.     |
| EQUITY IN EARNINGS OF SUBSIDIARIES    | 3,779,506.   |
| PARTNERSHIP INCOME                    | 41,860.      |
| AMORT. OF GAIN ON REAQUIRED BONDS     | 1,174,274.   |
| BOOKED UNBILLED REVENUE               | 48,700,000.  |
| AFUDC                                 | 26,898,700.  |
| AMORT OF ANTI-TRUST SETTLEMENT        | 8,503.       |
| PA USE TAX ADJUSTMENT                 | -1,500,000.  |
|                                       | -----        |
| Total                                 | 148,445,574. |
|                                       | =====        |

Sch M-1, line 8 - Deductions in return not charged against book

|                                      |              |
|--------------------------------------|--------------|
| LONG TERM INCENTIVE PLAN             | 2,154,322.   |
| GROSS RECEIPTS TAX -PA/MD            | 722,598.     |
| PREMIUMS PAID TO REACQUIRE DEBT      | 14,848,183.  |
| TRUSTEE FEES -ESCROW FUNDS           | 170,779.     |
| UNIFORM CAPITAL OF INVENTORY         | 2,039,313.   |
| ADDITIONAL DEPRATION -FUEL           | 6,444,396.   |
| ADD'L DEPREC PLNT&SOFTWARE EXCL.FUEL | 26,705,843.  |
| EASEMENTS, CLEARING & GRADING        | 712,545.     |
| SALEM LEASING RENTAL EXPENSE         | 15,145,323.  |
| COST OF REMOVAL                      | 2,478,298.   |
| REPAIR ALLOWANCE                     | 20,124,847.  |
| DEFERRED FUEL                        | 71,103,828.  |
| REAL ESTATE TAXES CAPITALIZED        | 33,148.      |
| NUCLEAR DESIGN BASIS DOCUMENTATION   | 510,665.     |
| CAPITALIZED INTEREST                 | 34,316.      |
| POWER RERATE EXPENDITURES            | 8,170,776.   |
| NUCLEAR OUTAGE COST ACCRUAL          | 48,984,487.  |
| PENSION COSTS                        | 31,211,430.  |
| CO-OP INVEST ADJ                     | -10,000.     |
| SOFTWARE DEVELOPMENT COSTS           | -2,885,040.  |
| RABBI TRUST                          | -130,000.    |
| VRIP / VSIP COSTS                    | 14,112,596.  |
| CLEARING ACCOUNT EXPENSE             | 245,628.     |
| CONVERSION COSTS                     | 210,743.     |
| CONTIGENT LEGAL LIABILITY            | -3,000,000.  |
| MGO EXPENSE                          | 2,622,170.   |
| SALEM ESTUARY                        | 311,645.     |
| CHARITABLE CONTRIBUTIONS             | -2,272,764.  |
| MINE CLOSURE COSTS                   | 82,687.      |
| OTHER TAX DEDUCTIONS NOT ON BOOKS    | 110,000.     |
|                                      | -----        |
| Total                                | 260,992,762. |
|                                      | =====        |

Form 1120, Page 4 Detail

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Sch M-2 line 3 - Other increases

---

CAPITAL STOCK ACTIVITY

6,336,955.

Total

-----  
6,336,955.  
=====

Sch M-2, line 6 - Other decreases

---

LONG TERM INCENTIVE PLAN  
LTIP OPTIONS EXERCISED

2,154,322.

Total

-----  
2,154,322.  
=====

Schedule D Detail

Line 1 - Short-term Capital Gain(Loss)

| Property                          | Date Acq | Date Sld | Sales Price | Cost     | Gain(loss)    |
|-----------------------------------|----------|----------|-------------|----------|---------------|
| COREFUND FUNDS (RABBI TRUST ACCT) | VAR      | 1995     | 946,946.    | 931,103. | 15,843        |
| <b>Total</b>                      |          |          |             |          | <b>15,843</b> |

Line 4 - Unused Carryovers

| Taxable Year | Carryover       | Remaining |
|--------------|-----------------|-----------|
| 1995         |                 |           |
| 1994         | 206,826.        |           |
| 1993         | 304,729.        |           |
| 1992         |                 |           |
| 1991         |                 |           |
| 1990         |                 |           |
| 1989         |                 |           |
| 1988         |                 |           |
| 1987         |                 |           |
| <b>Total</b> | <b>511,555.</b> |           |

Line 6 - Long-term Capital Gain(Loss)

| Property                           | Date Acq | Date Sld | Sales Price | Cost     | Gain(loss) |
|------------------------------------|----------|----------|-------------|----------|------------|
| DECOMMISSIONING FUNDS              | VAR      | VAR      | 1,711,408.  |          | 1,711,408  |
| BUCKS COUNTY PROPERTY              | 09/08/88 | 1995     | 105,615.    | 119,903. | -14,288    |
| MONTGOMERY COUNTY PROPERTY         | 1931     | 1995     | -11,493.    | 6,908.   | -18,401    |
| COREFUND FUNDS (RABBI TRUST ACCTS) | VAR      | VAR      | 14,537.     |          | 14,537     |
| EMISSION ALLOWANCES                | VARIOUS  | 1995     |             | 164,780. | -164,780   |

Continued on next page

Schedule D Detail

Line 6 - Long-term Capital Gain(Loss)

| Property | Date Acq | Date Sld | Sales Price | Cost | Gain(loss) |
|----------|----------|----------|-------------|------|------------|
| Total    |          |          |             |      | 1,528,476  |

Form 4626 Detail

=====

Line 4 - ACE Carryover

-----

|   | 1990 | 1991 | 1992 | 1993         | 1994         | 1995         |
|---|------|------|------|--------------|--------------|--------------|
|   | ---- | ---- | ---- | ----         | ----         | ----         |
| ACE .....                                       |      |      |      | 816,750,997. | 859,324,190. | 809,347,676. |
| AMTI .....                                      |      |      |      | 502,369,848. | 555,088,703. | 751,891,389. |
| ACE over AMTI .....                             |      |      |      | 314,381,149. | 304,235,487. | 57,456,287.  |
| AMTI over ACE .....                             |      |      |      |              |              |              |
| 75% ACE preference .                            |      |      |      | 235,785,862. | 228,176,615. | 43,092,215.  |
| 75% ACE reduction ..                            |      |      |      |              |              |              |
| Carryover created ..                            |      |      |      | 235,785,862. | 228,176,615. | 43,092,215.  |
| Prior yr carryover<br>(Reduction allowed) ..... |      |      |      |              | 235,785,862. | 463,962,477. |
| Carryover used<br>(Reduction claimed) .....     |      |      |      |              |              |              |
| Carryover remaining                             |      |      |      | 235,785,862. | 463,962,477. | 507,054,692. |

Form 4797, Page 1 Detail Part I

| (A) Description of Property | (B) Date Acquired | (C) Date Sold | (D) Gross Sales Price | (E) Deprec. Allowed | (F) Cost or Other Basis Plus Improv and Sale Expense | (G) Loss   | (H) Gain |
|-----------------------------|-------------------|---------------|-----------------------|---------------------|--|------------|----------|
| L498 CF BRADSHAW            | VARIOUS           | 1995          | 6,750.                | 595,397.            | 751,987.   | 149,840.   |          |
| E100 STEAM PROD             | VARIOUS           | 1995          | 205,400.              | 3,418,974.          | 5,411,856.   | 1,787,482. |          |
| E100 STEAM PROD RC          | VARIOUS           | 1995          | 183,713.              | 1,474,808.          | 2,675,207.   | 1,016,686. |          |
| E101 NUC PROD               | VARIOUS           | 1995          |                       |                     | 23.  | 23.        |          |
| E102 HYDRO PRQD             | VARIOUS           | 1995          | 14,136.               | -33,734.            | 298,010.   | 317,608.   |          |
| E103 T&D FAC                | VARIOUS           | 1995          |                       |                     | 2,267.   | 2,267.     |          |
| E103 T&D FAC RC             | VARIOUS           | 1995          | -30,837.              | 851,735.            | 6,465,334.   | 5,644,436. |          |
| E106                        | VARIOUS           | 1995          |                       |                     | 21,687.  | 21,687.    |          |
| E106 BUILDINGS RC           | VARIOUS           | 1995          |                       |                     | 1,421.   | 1,421.     |          |
| E107 BUILDINGS              | VARIOUS           | 1995          |                       |                     | 2.   | 2.         |          |
| E107 BUILDINGS RC           | VARIOUS           | 1995          |                       | 2,405.              | 4,951.   | 2,546.     |          |
| E BUILDINGS                 | VARIOUS           | 1995          |                       | 263.                | 527.   | 264.       |          |
| S201 1 NUC PROD             | VARIOUS           | 1995          | 197.                  | 18,246.             | 34,985.  | 16,542.    |          |
| S251 2 NUC PROD             | VARIOUS           | 1995          |                       | 17,685.             | 126,554.   | 108,869.   |          |
| S301 CF NUC PROD            | VARIOUS           | 1995          |                       | 1,788,454.          | 3,044,232.   | 1,255,778. |          |
| L447 2 LIMERICK 2           | VARIOUS           | 1995          | -4,820.               | -268,412.           | 129,559.   | 402,791.   |          |
| G602 LNG                    | VARIOUS           | 1995          |                       | 113,075.            | 990,190.   | 877,115.   |          |
| G603 DIST FAC               | VARIOUS           | 1995          |                       |                     | 1,011.   | 1,011.     |          |
| G603 DIST FAC RC            | VARIOUS           | 1995          | -582.                 | 54,440.             | 1,315,264.   | 1,261,406. |          |
| G606                        | VARIOUS           | 1995          |                       |                     | 27,540.  | 27,540.    |          |
| C801 T&D FAC                | VARIOUS           | 1995          |                       |                     | 619.   | 619.       |          |
| C806 BUILDINGS              | VARIOUS           | 1995          | 1,339.                | 4,038.              | 17,364.  | 11,987.    |          |
| C807 BUILDINGS              | VARIOUS           | 1995          | 1,961.                |                     | 456,297.   | 454,336.   |          |
| C807 BUILDINGS RC           | VARIOUS           | 1995          |                       | 579.                | 1,309.   | 730.       |          |
| C BUILDINGS                 | VARIOUS           | 1995          |                       | 82.                 | 185.   | 103.       |          |
| E LAND TRANSMISSION         | VARIOUS           | 1995          | 2,534.                | -9,701.             | 199,171.   | 206,338.   |          |
| E LAND DISTRIBUTION         | VARIOUS           | 1995          |                       |                     | 152,845.   | 152,845.   |          |
| Bucks County-Land           | VARIOUS           | 1995          |                       |                     | 2,110.   | 2,110.     |          |
| Montgo County - Land        | 1963              | 1995          | 1,255,000.            | 38,635.             | 487,200.   |            | 806,435. |
| Montgo County - Land        | 1953              | 1995          | 40,000.               |                     | 21,367.  |            | 18,633.  |
| Montgo County - Land        | VARIOUS           | 1995          | 185,885.              |                     | 66,262.  |            | 119,623. |
|                             |                   |               | 175,000.              | 2,416.              | 93,256.  |            | 84,160.  |

Form 4797, Page 1 Detail Part 1

| (A) Description of Property | (B) Date Acquired | (C) Date Sold | (D) Gross Sales Price | (E) Deprec. Allowed | (F) Cost or Other Basis Plus Improv and Sale Expense | (G) Loss  | (H) Gain   |
|-----------------------------|-------------------|---------------|-----------------------|---------------------|--|-----------|------------|
| Chester County -Land        | VARIOUS           | 1995          | 15,000.               |                     | 3,473.   |           | 11,527.    |
| Chester County -Land        | 1994              | 1995          | 22,000.               |                     | 10,905.  |           | 11,095.    |
| Bucks County-Land           | 1970              | 1995          | 1,100,000.            |                     | 428,743.   |           | 671,257.   |
| Montgo County - Land        | 1931              | 1995          | 25,000.               |                     | 3,784.   |           | 21,216.    |
| Chester County -Land        | 1983              | 1995          | 1,501.                |                     | 806.   |           | 695.       |
| Bucks Cnty -Easement        | 1987              | 1995          | 18,135.               |                     | 18,135.  |           |            |
| Bucks Cnty -Easement        | 1931              | 1995          | 1,762.                |                     | 1,762.   |           |            |
| Chester Cnty-Easemnt        | 1964              | 1995          | 18,000.               |                     | 18,000.  |           |            |
| Montgo Cnty-Easement        | 1955              | 1995          | 5,050.                |                     | 5,050.   |           |            |
| Montgo Cnty-Easement        | 1983              | 1995          | 950.                  |                     | 950.   |           |            |
| Chester Cnty-Easemnt        | 1931              | 1995          | 13,000.               |                     | 314.   |           | 12,686.    |
| Bucks Cnty - Easemnt        | 1931              | 1995          | 5,798.                |                     | 5,798.   |           |            |
| Montgo Cnty- Easemnt        | 1954              | 1995          | 3,412.                |                     | 3,412.   |           |            |
| Hydro Wtr Chem-abnmt        | 1992              | 1995          |                       |                     | 12,995.  | 12,995.   |            |
| Salem Lease Property        | 1982              | 1994          |                       |                     | 517,070.   | 517,070.  |            |
| Part 1 4797 Gain or Loss    |                   |               |                       |                     |  | 14260589. | 1,757,327. |

Form 4797, Page 1 Detail Part II

| (A) Description of Property       | (B) Date Acquired | (C) Date Sold | (D) Gross Sales Price | (E) Deprec. Allowed | (F) Cost or Other Basis Plus Improv and Sale Expense | (G) Loss | (H) Gain |
|-----------------------------------|-------------------|---------------|-----------------------|---------------------|--|----------|----------|
| E103 T&D FAC                      | 1995              | 1995          | -81.                  |                     | 9,562.   | 9,643.   |          |
| Part II Ordinary Gains and Losses |                   |               |                       |                     |  | 9,643.   |          |

Bureau of Corporation Taxes  
DEPT. 280703  
HARRISBURG, PA 17128-0703

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

REPORT RECEIVED 10/16/95



OFFICIAL NOTICE OF SETTLEMENT

RE: 0415-103 REV-57 CT APP (9-96)  
01/01/94 TO 12/31/94  
DLN 97-7-60355

PECO ENERGY COMPANY  
2301 MARKET ST  
PHILADELPHIA PA 19101

TAXES SECTION

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| _____ | TAX   | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

*DM*

132597

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

|   |             |            |  |
|---|-------------|------------|--|
| ----- SECTION A - CAPITAL STOCK/FRANCHISE TAX ----- |             |            |  |
| TAX   | AS REPORTED | AS SETTLED |  |
|   | 35,127,785  | 35,082,913 |  |
| ----- SECTION B - LOANS TAX -----                   |             |            |  |
| TAX   | AS REPORTED | AS SETTLED |  |
|   | 57,988      | 57,988     |  |
| ----- SECTION C - CORPORATE NET INCOME TAX -----    |             |            |  |
| TAX   | AS REPORTED | AS SETTLED |  |
|   | 65,650,011  | 65,585,038 |  |

DEPARTMENT OF REVENUE  
GLENWOOD HOSKIN

MAILING DATE

AUDITED AND APPROVED BY  
DEPARTMENT OF AUDITOR GENERAL  
THOMAS HORAN

02/03/97

02/21/97

02/20/97

IF YOU DISAGREE WITH THIS SETTLEMENT, IT WILL BE NECESSARY TO FILE A PETITION FOR RESETTLEMENT WITH THE BOARD OF APPEALS, DEPT. 281021, HARRISBURG, PA 17128-1021 WITHIN 90 DAYS OF THE SETTLEMENT MAILING DATE. PLEASE FORWARD A COPY OF THIS DOCUMENT WITH YOUR PETITION.

- ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:
- \* DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
  - A5 INCLUDE ALL TAXES IMPOSED ON OR MEASURED BY NET INCOME.
  - B1 INCLUDE DIVIDENDS RECEIVED.
  - F1 USE CONSOLIDATED NET WORTH.
  - M5 PER CORRESPONDENCE FROM TAXPAYER.
  - PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.
  - Q2 SALES FACTOR REVISED TO EXCLUDE ITEMS WHICH ARE NOT RECEIPTS.
  - Q3 REMOVE GAINS/LOSSES AND INCLUDE PROCEEDS IN SALES FACTOR.
  - U9 FEDERAL JOBS CREDIT IS AN ALLOWABLE DEDUCTION.

M M Y Y

CORPORATION PECO ENERGY COMPANY CORPORATION TAX  
 FILE (BOX) NUMBER 0415-103 TAX YEAR ENDING 1 2 9 4

| HISTORY OF EARNINGS  |  | TAXABLE YEAR BEGINNING | TAXABLE YEAR ENDING | TAXPAYER USE (WHOLE DOLLARS ONLY) | DEPARTMENT USE ONLY |
|--|--|------------------------|---------------------|-----------------------------------|---------------------|
|  |  | M M O O Y Y            | M M O O Y Y         | BOOK INCOME                       |                     |
| Oldest Period - Start Here                                       |  | 01/01/90               | 12/31/90            | 211,496,944.                      |                     |
|  |  | 01/01/91               | 12/31/91            | 534,311,492.                      |                     |
|  |  | 01/01/92               | 12/31/92            | 477,927,207.                      |                     |
|  |  | 01/01/93               | 12/31/93            | 594,991,500.                      |                     |
| Additional Periods use these spaces (Skip Lines if Not Required) |  |                        |                     |                                   |                     |
| 1  | Current Tax Year Book Income (Loss)  | 01/01/94               | 12/31/94            | 437,164,495.                      |                     |
| 2  | Total Book Income (sum of income for all tax periods within, up to, but not over, 5 years total)                           |                        |                     | 2,255,891,638.                    |                     |
| 3  | Divisor (In years and part years rounded to three decimal places) See Instructions   |                        |                     | 5.000                             |                     |
| 4  | Divide Line (2) by Line (3)  |                        |                     | 451,178,328.                      |                     |
| 5  | AVERAGE NET INCOME - Enter Line (4) or if Line (4) is less than zero enter "0"   |                        |                     | 451,178,328.                      |                     |
| 6  | Divide Line (5) by .095  |                        |                     | 4,749,245,558.                    |                     |
| 7  | Sum of capital stock, paid-in capital and retained earnings less treasury stock at the end of the current year             |                        |                     | 4,656,618,788.                    |                     |
| 8  | Sum of capital stock, paid-in capital and retained earnings less treasury stock at the beginning of the current year       |                        |                     | 4,856,329,507.                    |                     |
| 9  | If Line (7) is twice as great or half as much as Line (8), add Lines (7) and (8) and divide by 2. Otherwise enter Line (7) |                        |                     | 4,656,618,788.                    |                     |
| 10   | NET WORTH - Enter Line (9) or if Line (9) is less than zero enter "0"  |                        |                     | 4,656,618,788.                    |                     |
| 11   | Multiply Line (10) by 0.75   |                        |                     | 3,492,464,091.                    |                     |
| 12   | Add Line (5) and (11)  |                        |                     | 8,241,709,649.                    |                     |
| 13   | Divide Line (12) by 2  |                        |                     | 4,120,854,825.                    |                     |
| 14   | \$75,000 valuation deduction   |                        |                     | (\$75,000)                        |                     |
| 15   | CAPITAL STOCK VALUE - Line (13) less Line (14) but not less than "0".<br>If 100% Taxable, enter Line (15) on Line (17)     |                        |                     | 4,120,779,825.                    |                     |
| 16   | Proportion of taxable assets or apportionment proportion. (From Schedule A-1, Line (5) below.)                             |                        |                     | 0.668592                          |                     |
| 17   | TAXABLE VALUE - Multiply Line (15) by Line (16) if less than zero, enter "0"   |                        |                     | 2,755,120,425.                    |                     |
| 18   | CAPITAL STOCK/FRANCHISE TAX - Multiply Line (17) by .01275, and enter this amount (minimum tax is \$300)                   |                        |                     | 35,127,785.                       |                     |

**SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX**

Enter the numerator(s) and denominator(s) of fractions used for apportioning the capital stock value. Enter the figures only for the apportionment method (Three Factor or Single Factor) used in the tax computation. Also enter the apportionment proportion calculated to six decimal places in Line (5) below.

Three Factor - From insert sheet (RCT-106) page 2 or Manufacturing Exemption Schedule (RCT-105)

|    |                         |    |  |    |
|----|-------------------------|----|--|----|
| 1a | Property Factor - PA    | 1a |  |    |
| b  | Property Factor - Total | b  |  | 1c |
| 2a | Payroll Factor - PA     | 2a |  |    |
| b  | Payroll Factor - Total  | b  |  | 2c |
| 3a | Sales Factor - PA       | 3a |  |    |
| b  | Sales Factor - Total    | b  |  | 3c |

Single Factor - From insert sheet (RCT-106) page 1 or Manufacturing Exemption Schedule (RCT-102)

|    |   |    |                 |          |
|----|---|----|-----------------|----------|
| 4a | Single Factor - Numerator   | 4a | 8,745,666,181.  |          |
| b  | Single Factor - Denominator   | b  | 13,080,719,037. |          |
| 5  | Apportionment Proportion - Also enter on Line (16) in Section A above | 5  |                 | 0.668592 |

|   |  |   |             |
|---|--|---|-------------|
| 1 | TAXABLE INDEBTEDNESS (Complete Schedule B-1 on page 4 of the RCT-101.) | 1 | 14,582,601. |
| 2 | Multiply Line (1) by .004  | 2 | 58,330.     |
| 3 | Treasurer's Commission (See Instruction Book.)                         | 3 | 342.        |
| 4 | LOANS TAX - Line (2) - Line (3)  | 4 | 57,988.     |

PA CORPORATE TAX REPORT 1994

RCT-101 PAGE 3

CORPORATION TAX

CORPORATION PECO ENERGY COMPANY

FILE (BOX) NUMBER

0415-103

TAX YEAR ENDING

**SECTION C - CORPORATE NET INCOME TAX**

|   |   | TAXPAYER USE<br>(WHOLE DOLLARS ONLY) | DEPARTMENT USE |
|---|---|--------------------------------------|----------------|
| 1 | Income or Loss from Federal return on a separate company basis.<br>(Attach copy of Federal Form 1120 or 1120S, etc. to back of the RCT-101) | 526,130,617.                         |                |
| 2 | Deductions:   |                                      |                |
| a | Corporate Dividends Received (From Schedule C-2, Line 6)  | 10,890,029.                          |                |
| b | Interest on U.S. Securities <input type="text" value="GROSS INTEREST"/> less <input type="text" value="EXPENSES"/><br>(Attach Schedule)     |                                      |                |
| c | Other (Attach Schedule) See Instructions  |                                      |                |
|   | TOTAL DEDUCTIONS - Sum of (a) through (c)   | 10,890,029.                          |                |
| 3 | Line (1) less Line (2)  | 515,240,588.                         |                |
| 4 | Additions:  |                                      |                |
| a | Taxes imposed on or measured by net income (Attach Schedule)  | 69,340,297.                          |                |
| b | Tax Preference Items. (Attach copy of Federal Form 4626)  | 862,777.                             |                |
| c | Employment Incentive Payment Credit Adjustment (Attach Schedule W)  | 183.                                 |                |
| d | Other (Attach Schedule) See Instructions <b>See Statement 1.</b>  | 1,284,000.                           |                |
|   | TOTAL ADDITIONS - Sum of (a) through (d)  | 71,487,257.                          |                |
| 5 | INCOME (OR LOSS) WITH PENNSYLVANIA ADJUSTMENTS - Line (3) plus Line (4)   | 586,727,845.                         |                |

**CORPORATION WHICH TRANSACTS ITS ENTIRE BUSINESS IN PA (does NOT apportion) SHOULD SKIP TO LINE (11) AND ENTER LINE (5) THERE.**

|    |   |              |
|----|---|--------------|
| 6  | Total Nonbusiness Income (or loss)  |              |
| 7  | INCOME (OR LOSS) TO BE APPORTIONED - Line (5) minus Line (6)  | 586,727,845. |
| 8  | Apportionment Proportion (from Schedule C-1 Line (5))   | 0.933209     |
| 9  | INCOME (OR LOSS) APPORTIONED TO PA - Line (7) multiplied by Line (8)  | 547,539,706. |
| 10 | Nonbusiness Income (or loss) allocated to PA  |              |
| 11 | TAXABLE INCOME (OR LOSS) AFTER APPORTIONMENT - Line (9) plus Line (10). Enter amount from Line (5) for corporations which do not apportion. | 547,539,706. |
| 12 | DEPARTMENT USE ONLY   |              |
| 13 | PA TAXABLE INCOME - Enter amount from Line (11). If less than zero, enter "0"   | 547,539,706. |
| 14 | CORPORATE NET INCOME TAX - Multiply Line (13) by .1199  | 65,650,011.  |

**SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX**

Enter the numerator(s) and denominator(s) of fractions used for apportioning income. Also enter the apportionment proportion calculated to six decimal places in Line (5) below.  
 Three Factor - From Insert sheet (RCT-106) page 2.

|  |  |    |                 |          |          |
|--|--|----|-----------------|----------|----------|
| 1a                                       | Property Factor - PA   | 1a | 13,695,737,937. |          |          |
| b  | Property Factor - Total  | b  | 15,610,486,167. | 1c       | 0.877342 |
| 2a                                       | Payroll Factor - PA  | 2a | 492,565,933.    |          |          |
| b  | Payroll Factor - Total   | b  | 494,007,910.    | 2c       | 0.997081 |
| 3a                                       | Sales Factor - PA  | 3a | 3,750,599,991.  |          |          |
| b  | Sales Factor - Total   | b  | 4,053,810,749.  | 3c       | 0.925204 |
| Single Factor - Apportionment Proportion |  |    |                 |          |          |
| 4a                                       | Single Factor - PA   | 4a |                 |          |          |
| b  | Single Factor - Total  | b  |                 |          |          |
| 5  | Apportionment Proportion - Also enter on Line (8) in Section C | 5  |                 | 0.933209 |          |

**SCHEDULE C-2: PA DIVIDEND DEDUCTION SCHEDULE**

|   |  |   |             |
|---|--|---|-------------|
| 1 | Federal Schedule C, Line 20, Total deductions  | 1 | 10,890,029. |
| 2 | Federal Schedule C, Line 15, Foreign Dividend Gross-Up (Section 78)  | 2 |             |
| 3 | Dividends from less-than-20%-owned foreign corporations listed on Lines 13 and 14 of Federal Schedule C - x 70%  | 3 |             |
| 4 | Dividends from 20%-or-more-owned foreign corporations listed on Lines 13 and 14 of Federal Schedule C - x 80%  | 4 |             |
| 5 | Dividends listed on Line 13 and 14 of Federal Schedule C from foreign corporations that meet the "30% voting and value test" of IRC §1504 (a) (2) and otherwise would qualify for 100% deduction under IRC §243 (a) (3) if they were a domestic corporation. Do not list any amounts included in Item 4. | 5 |             |
| 6 | Total PA Dividend Deduction - Add Lines 1, 2, 3, 4 and 5 [Enter above at Section C, Line (2a)]   | 6 | 10,890,029. |

CORPORATION PECO ENERGY COMPANY

CORPORATION TAX  
 FILE (BOX) NUMBER 0415-103

TAX YEAR ENDING

|   |   |   |   |
|---|---|---|---|
| 1 | 2 | 9 | 4 |
|---|---|---|---|

1. Location of corporation's records.

2301 MARKET STREET, PHILADELPHIA, P

2. Corporation's records in care of

3. Method of accounting, if different than for Federal.

4. Location of principal office.

2301 MARKET STREET PHILADELPHIA, PA

5. Has Federal Government changed taxable income as originally reported for any prior year for which reports of change have not been filed in PA? Give year(s)

NO

6. Name and Corporation Tax File (Box) Number of any corporation holding all or a majority of the stock of this corporation.

7. Other corporations of which this corporation owns all or a majority of the stock.

| NAME                   | FILE IN PA | CORPORATION TAX FILE (BOX) NUMBER | FEDERAL EIN |
|------------------------|------------|-----------------------------------|-------------|
| <u>See Statement 2</u> |            |                                   |             |
|                        |            |                                   |             |
|                        |            |                                   |             |

8. Date of Incorporation 11/01/29

9. Incorporated under laws of state of PENNSYLVANIA

10. PA Sales Tax License Number 51-196-699

11. Brief description of corporate activity in PA:

GENERATION, MANUFACTURE AND DISTRIBUTION OF ELECTRIC & GAS ENERGY

Outside PA:

List other states in which taxpayer has activity: NJ, MD

If incorporated outside PA, does the corporation solicit sales in PA? Please Check  YES  NO

If yes, does the corporation use:

Please Check  Employee  An Exclusive Sales Representative  An Independent Sales Representative?

12. Schedule of Real Property used in Pennsylvania (Buildings AND Land)

| OWNED/<br>RENTED | STREET ADDRESS                        | CITY | COUNTY |
|------------------|---------------------------------------|------|--------|
|                  | <u>LAND &amp; BLDGS IN 11 COUNTYS</u> |      |        |
|                  |                                       |      |        |
|                  |                                       |      |        |

1. (Foreign Corporations Only) Did your corporation have a treasurer or other fiscal officer resident in PA and paying interest on indebtedness of the corporation? If answer is NO, remaining questions on this Schedule do not have to be answered . . . 1.  YES  NO
2. Did your corporation have indebtedness outstanding to individual residents of PA and/or to partnerships resident in PA? . . . . . 2.  YES  NO
3. Did your corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedent was a resident of PA? . . . . . 3.  YES  NO
- If the answer to question 2 and/or 3 were "YES", continue below.

| 4. Amount of Interest Actually Paid on the Indebtedness in Question 2 or 3 During the Tax Year Reported. | 5. Rate of Interest Applicable to the Indebtedness in Question 2 or 3. | 6. Nominal Value of Taxable Indebtedness (divide 5 into 4) Enter Total of this Column in Section B on Page 2. |
|--|--|---|
| <u>1,111,888.</u>  |  | <u>14,582,601.</u>  |
|  |  |   |

RCT-103 (9-94)

COMMONWEALTH OF PENNSYLVANIA

Page 1

INSERT SHEET - FILE WITH FORM RCT-101

12 / 94 PECO ENERGY COMPANY 0415-103  
 TAXABLE YEAR ENDED (MONTH/YEAR) NAME OF CORPORATION CORPORATION TAX FILE (BOX) NUMBER

Schedules 1 and 2 of this Insert Sheet must be completed by PA corporations claiming the exemption for tangible and intangible assets for Capital Stock Tax purposes and foreign corporations electing to use the single factor apportionment formula for Franchise Tax purposes.

Tables 1, 2, 3 and 4 of this Insert Sheet must be completed by all corporations apportioning taxable income and by foreign and PA corporations using the three (3) factor formula to compute the taxable value of capital stock.

A. AVERAGE TOTAL ASSETS [ Carry to RCT-101, Schedule A-1, Line 4(b) ] ..... \$ 13,080,719,037.

Less: AVERAGE EXEMPT ASSETS - Tangibles (From Schedule 1 Below) \$ 1,143,563,808.

Intangibles (From Schedule 2 Below) \$ 279,883,394.

Pollution Control Devices ..... \$ 2,911,605,654. \$ 4,335,052,856.  
 (Attach description schedule and copy of DER certification)

C. AVERAGE ASSETS TANGIBLE IN PA [ Carry to RCT-101, Schedule A-1, Line (4a) ] ..... \$ 8,745,666,181.

D. PROPORTION OF TAXABLE ASSETS (compute to six decimal places)  $\frac{\text{AVERAGE TAXABLE ASSETS}}{\text{AVERAGE TOTAL ASSETS}} = \frac{0.668592}{1}$   
 [Carry to RCT-101, Schedule A-1, Line (5)]

EXEMPTION CLAIMED FOR TANGIBLE AND INTANGIBLE ASSETS (OMIT CENTS)

| SCHEDULE 1<br>EXEMPT TANGIBLE ASSETS<br>(Attach rider, if necessary) | Net Book Value - Beginning |                       | Net Book Value - Ending |                       | E<br>Amount of Exemption<br>Claimed for Average<br>Value of Tangible Assets<br>Located Outside of PA |
|--|----------------------------|-----------------------|-------------------------|-----------------------|--|
|  | A<br>Inside PA             | B<br>Outside PA       | C<br>Inside PA          | D<br>Outside PA       |  |
| 1. Buildings . . . . .   | 9,286,659,837.             | 1,003,714,347.        | 9,278,904,500.          | 1,064,396,493.        | 1,034,055,420.   |
| 2. Equipment and Fixtures . . . . .                                  |                            |                       |                         |                       |  |
| 3. Land . . . . .  | 134,884,672.               | 12,222,310.           | 139,918,428.            | 11,171,776.           | 11,697,043.  |
| 4. Leasehold Improvements . . . . .                                  |                            |                       |                         |                       |  |
| 5. Motor Vehicles . . . . .  |                            |                       |                         |                       |  |
| 6. Rolling Stock and all other<br>Movable Property . . . . .         |                            |                       |                         |                       |  |
| 7. Other Tangible Property . . . . .                                 | 286,503,174.               | 86,700,196.           | 274,314,829.            | 83,591,229.           | 85,145,713.  |
| 8. Inventories . . . . .   | 197,737,610.               | 10,659,463.           | 175,564,568.            | 14,671,800.           | 12,665,632.  |
| <b>TOTALS</b>  | <b>9,905,785,293.</b>      | <b>1,113,296,316.</b> | <b>9,868,702,325.</b>   | <b>1,173,831,298.</b> | <b>1,143,563,808.</b>  |

NOTE: If there was a substantial change during the year, attach a separate schedule explaining same in detail.

| SCHEDULE 2<br>EXEMPT INTANGIBLE ASSETS<br>(Attach rider, if necessary) | A<br>Number of<br>Shares<br>or % | B<br>Date<br>Acquired | C<br>Date<br>Sold | D<br>Held (Full<br>Year or No.<br>of Days) | E<br>Book Value | F<br>Exemptions<br>Claimed |
|--|----------------------------------|-----------------------|-------------------|--|-----------------|----------------------------|
| 1. Stocks of PA Corporations . . . . .                                 |                                  |                       |                   |  |                 |                            |
| PEPCO  | 984000.0                         |                       |                   | 365  | 68,570,643.     | 68,145,080.                |
| EPEC   | 1000.0                           |                       |                   | 365  | -708,458.       | -34,553.                   |
| EPDC   | 1000.0                           |                       |                   | 365  | 26,225,079.     | 28,446,204.                |
| 2. Stocks of Foreign Corporations . . . . .<br>(More than 50% owned)   | Stmt 3                           |                       |                   |  | 122,004,084.    | 100,926,055.               |
| 3. United States Securities . . . . .                                  |                                  |                       |                   |  |                 |                            |
| 4. Exempt State and Local Securities . . . . .                         | Stmt 3                           |                       |                   |  | 49,339,384.     | 82,400,608.                |
| 5. National Bank Shares . . . . .                                      |                                  |                       |                   |  |                 |                            |
| 6. TOTALS (For Exemption Purposes) . . . . .                           |                                  |                       |                   |  | 265,430,732.    | 279,883,394.               |

12 / 94 PECO ENERGY COMPANY 0415-103  
 TAXABLE YEAR ENDED (MONTH/YEAR) NAME OF CORPORATION CORPORATION TAX FILE (BOX) NUMBER

TABLES SUPPORTING DETERMINATION OF APPORTIONMENT PERCENTAGE (OMIT CENTS)

| TABLE 1 - PROPERTY FACTOR Description                | Inside PA         |                 | Inside and Outside PA |                 |
|--|-------------------|-----------------|-----------------------|-----------------|
|  | Beginning of Year | End of Year     | Beginning of Year     | End of Year     |
| Tangible Property Owned (original cost value)        |                   |                 |                       |                 |
| Land and Buildings                                   | 12,551,438,143.   | 12,743,255,500. | 13,944,169,819.       | 14,198,201,892. |
| Machinery and Equipment                              |                   |                 |                       |                 |
| Furniture and Fixtures                               |                   |                 |                       |                 |
| Automobiles and Trucks                               |                   |                 |                       |                 |
| Inventories  | 197,737,610.      | 175,564,568.    | 208,397,073.          | 190,236,368.    |
| Other Tangible Property                              | 927,698,384.      | 644,551,701.    | 1,090,817,438.        | 826,639,824.    |
| Totals   | 13,676,874,137.   | 13,563,371,769. | 15,243,384,330.       | 15,215,078,084. |
| Total Beginning and End of Year                      |                   | 27,240,245,906. |                       | 30,458,462,414. |
| Average Value (1/2 of Above)                         |                   | 13,620,122,953. |                       | 15,229,231,207. |
| Add: Corporate Tangible and/or Real Property Rented* |                   | 75,614,984.     |                       | 381,254,960.    |
| Partnership Tangible and/or Real Property Rented*    |                   |                 |                       |                 |
| Total Average Value                                  | (A)               | 13,695,737,937. | (B)                   | 15,610,486,167. |

\* Eight times net annual rental rate (Attach Schedule)

(C) Property factor (divide "A" by "B" - compute to six decimal places) 0.877342 [carry (A), (B) and (C) over to RCT-101, Schedule C-1 and Schedule A-1, if applicable, Lines (1a), (1b) and (1c)]

| TABLE 2 - PAYROLL FACTOR Description                                 | Inside PA        | Inside and Outside PA |
|--|------------------|-----------------------|
| Wages, salaries, commissions and other compensation to employees in: |                  |                       |
| Costs of goods sold  |                  |                       |
| Compensation of officers   |                  |                       |
| Salesmen's salaries and commissions                                  |                  |                       |
| Other  | 492,565,933.     | 494,007,910.          |
| Total Payroll  | (A) 492,565,933. | (B) 494,007,910.      |

(C) Payroll factor (divide "A" by "B" - compute to six decimal places) 0.997081 [carry (A), (B) and (C) over to RCT-101, Schedule C-1 and Schedule A-1, if applicable, Lines (2a), (2b) and (2c)]

| TABLE 3 - SALES FACTOR Description                | Inside PA          | Inside and Outside PA |
|---|--------------------|-----------------------|
| Net Sales   |                    |                       |
| Interest, Rents, Royalties                        | 3,726,246,050.     | 4,029,456,808.        |
| Other Income (receipts only)                      | 24,353,941.        | 24,353,941.           |
| Gross Sales Price of Assets (except securities**) |                    |                       |
| Totals  | (A) 3,750,599,991. | (B) 4,053,810,749.    |

\*\*Unless you are a securities dealer  
 (C) Sales factor (divide "A" by "B" - compute to six decimal places) 0.925204 [carry (A), (B) and (C) over to RCT-101, Schedule C-1 and Schedule A-1, if applicable, Lines (3a), (3b) and (3c)]

TABLE 4 - NONBUSINESS INCOME ALLOCATED INSIDE AND OUTSIDE PA (Attach rider reflecting basis for nonbusiness income)

| Description   | A. Inside PA | B. Outside PA | C. Total |
|---|--------------|---------------|----------|
| 1. Net Rents and Royalties from Real Property   |              |               |          |
| 2. Net Rents and Royalties from Tangible Personal Property  |              |               |          |
| 3. Gains or Losses from Sale of Real Property   |              |               |          |
| 4. Gains or Losses from Sale of Tangible Personal Property  |              |               |          |
| 5. Gains or Losses from Sale of Intangible Personal Property  |              |               |          |
| 6. Interest Income (Other than U.S. Securities)   |              |               |          |
| 7. Royalties from Patents and Copyrights  |              |               |          |
| Total [Transfer column A to RCT-101, Section C, Line (10) and Column C to RCT-101, Section C, Line (6)] |              |               |          |

Special Apportionment Factor - to be completed only by railroad, truck, bus, and airline companies, pipeline or natural gas companies and water transportation companies. (Refer to instructions).

(A) NUMERATOR (A) = (C) [carry (A), (B) and (C) over to RCT-101, Schedules A-1 and C-1, Lines 4a, 4b and 5]  
 (B) DENOMINATOR (B)

Pennsylvania Form RCT-101, Page 3 Detail

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Section C: Line 4(D) Other Additions

-----  
Environmental Tax

1,284,000.

Total

-----  
1,284,000.  
=====

Pennsylvania Form RCT-101, Page 4 Detail

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Line 7: Corporations Which This Corporation Owns Majority of Stock

---

| Name                            | File in PA | Box Number | Federal EIN |
|---------------------------------|------------|------------|-------------|
| PECO ENERGY POWER CO            | Y          | 0261-243   | 23-0970740  |
| CONOWINGO POWER CO              | Y          | 6535-815   | 52-0280040  |
| EASTERN PA DEVELOPMENT CO       | Y          | 9018-279   | 23-1706184  |
| EASTERN PA EXPLORATION CO       | Y          | 9751-506   | 23-2039821  |
| SUSQUEHANNA ELECTRIC CO         | Y          | 6656-208   | 52-0503520  |
| PECO ENERGY CAPITAL CORPORATION | N          |            | 51-0355321  |

Pennsylvania Form RCT-106, Page 1 Detail

Sch 2, Line 2: Stocks of Foreign Corporations

| Description  | Number of Shares | Date Acquired | Date Sold | Time Held | Book Value          | Exemption Claimed   |
|--------------|------------------|---------------|-----------|-----------|---------------------|---------------------|
| CPCO         |                  |               |           | 365       | 92,742,988.         | 86,345,803.         |
| SECO         |                  |               |           | 365       | -18,393.            | -59,493.            |
| PECC         |                  |               |           | 365       | 29,279,489.         | 14,639,745.         |
| <b>Total</b> |                  |               |           |           | <b>122,004,084.</b> | <b>100,926,055.</b> |

Sch 2, Line 4: Exempt State and Local Securities

| Description  | Number of Shares | Date Acquired | Date Sold | Time Held | Book Value         | Exemption Claimed  |
|--------------|------------------|---------------|-----------|-----------|--------------------|--------------------|
| Muni. Bonds  |                  |               |           | 365       | 49,339,384.        | 82,400,608.        |
|              |                  |               |           | 365       |                    |                    |
| <b>Total</b> |                  |               |           |           | <b>49,339,384.</b> | <b>82,400,608.</b> |

Form **1120** U.S. Corporation Income Tax Return  
 Department of the Treasury Internal Revenue Service  
 For calendar year 1994 or tax year beginning 1994, ending 1994  
 Instructions are separate. See page 1 for Paperwork Reduction Act Notice.  
 OMB No. 1545-0123  
**1994**

A Check if a:  
 (1) Consolidated return (attach Form 851)   
 (2) Personal holding co (attach Sch. PH)   
 (3) Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T -see instructions)

Name: **PECO ENERGY COMPANY**  
 Number, street, and room or suite no. (If a P.O. box, see page 6 of instructions.): **2301 MARKET STREET**  
 City or town, state, and ZIP code: **PHILADELPHIA, PA 19101**

B Employer identification number: **23-0970240**  
 C Date incorporated: **11/01/29**  
 D Total assets (See Specific Instructions): **13,074,618,666.**

E Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address

|     |  |                |   |                             |                  |       |    |                |
|-----|--|----------------|---|-----------------------------|------------------|-------|----|----------------|
| 1 a | Gross receipts or sales  | 4,014,103,627. | b | Less returns and allowances |                  | c Bal | 1c | 4,014,103,627. |
| 2   | Cost of goods sold (Schedule A, line 8)                                |                |   |                             |                  |       | 2  | 1,434,604,156. |
| 3   | Gross profit. Subtract line 2 from line 1c                             |                |   |                             |                  |       | 3  | 2,579,499,471. |
| 4   | Dividends (Schedule C, line 19)  |                |   |                             |                  |       | 4  | 9,927,938.     |
| 5   | Interest   |                |   |                             |                  |       | 5  | 14,376,483.    |
| 6   | Gross rents  |                |   |                             |                  |       | 6  | 12,995,675.    |
| 7   | Gross royalties  |                |   |                             |                  |       | 7  |                |
| 8   | Capital gain net income (attach Schedule D (Form 1120))                |                |   |                             |                  |       | 8  | NONE           |
| 9   | Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797) |                |   |                             |                  |       | 9  | -16,465,802.   |
| 10  | Other income (see instructions - attach schedule)                      |                |   |                             | See Statement 1. |       | 10 | 24,353,941.    |
| 11  | <b>Total income.</b> Add lines 3 through 10                            |                |   |                             |                  |       | 11 | 2,624,687,706. |

|    |  |     |             |  |                  |  |     |                |
|----|--|-----|-------------|--|------------------|--|-----|----------------|
| 12 | Compensation of officers (Schedule E, line 4)  |     |             |  |                  |  | 12  |                |
| 13 | Salaries and wages (less employment credits)   |     |             |  |                  |  | 13  |                |
| 14 | Repairs and maintenance  |     |             |  |                  |  | 14  | 323,364,633.   |
| 15 | Bad debts  |     |             |  |                  |  | 15  | 79,444,273.    |
| 16 | Rents  |     |             |  |                  |  | 16  | 63,126,189.    |
| 17 | Taxes and licenses   |     |             |  | See Statement 2. |  | 17  | 365,863,010.   |
| 18 | Interest   |     |             |  |                  |  | 18  | 388,892,589.   |
| 19 | Charitable contributions (see instructions for 10% limitation)   |     |             |  | See Statement 3. |  | 19  | 3,590,008.     |
| 20 | Depreciation (attach Form 4562)  |     |             |  |                  |  | 20  | 748,242,108.   |
| 21 | Less depreciation claimed on Schedule A and elsewhere on return  |     |             |  |                  |  | 21a |                |
|    |  |     |             |  |                  |  | 21b | 748,242,108.   |
| 22 | Depletion  |     |             |  |                  |  | 22  |                |
| 23 | Advertising  |     |             |  |                  |  | 23  | 1,909,046.     |
| 24 | Pension, profit-sharing, etc., plans   |     |             |  |                  |  | 24  | 19,900,203.    |
| 25 | Employee benefit programs  |     |             |  |                  |  | 25  | 57,051,413.    |
| 26 | Other deductions (attach schedule)   |     |             |  | See Statement 3. |  | 26  | 47,173,617.    |
| 27 | <b>Total deductions.</b> Add lines 12 through 26   |     |             |  |                  |  | 27  | 2,098,557,089. |
| 28 | Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 |     |             |  |                  |  | 28  | 526,130,617.   |
| 29 | Less: a Net operating loss deduction (see instructions)  | 29a |             |  |                  |  |     |                |
|    | b Special deductions (Schedule C, line 20)   | 29b | 10,890,029. |  |                  |  | 29c | 10,890,029.    |

|    |   |  |  |  |  |  |    |              |
|----|---|--|--|--|--|--|----|--------------|
| 30 | <b>Taxable income.</b> Subtract line 29c from line 28 |  |  |  |  |  | 30 | 515,240,588. |
| 31 | <b>Total tax</b> (Schedule J, line 10)                |  |  |  |  |  | 31 | NONE         |

|    |  |     |              |  |      |  |    |             |
|----|--|-----|--------------|--|------|--|----|-------------|
| 32 | Payments: a 1993 overpayment credited to 1994  | 32a | 5,160,921.   |  |      |  |    |             |
|    | b 1994 estimated tax payments  | 32b | 144,883,819. |  |      |  |    |             |
|    | c Less 1994 refund applied for on Form 4465  | 32c |              |  |      |  |    |             |
|    | d Bal  | 32d |              |  |      |  |    |             |
|    | e Tax deposited with Form 7004   | 32e | 11,353,019.  |  |      |  |    |             |
|    | f Credit from regulated investment companies (attach Form 2439)                                    | 32f |              |  |      |  |    |             |
|    | g Credit for Federal tax on fuels (attach Form 4136). See instructions                             | 32g |              |  |      |  |    |             |
|    |  | 32h |              |  |      |  |    | 11,353,019. |
| 33 | Estimated tax penalty (see instructions). Check if Form 2220 is attached                           |     |              |  |      |  | 33 |             |
| 34 | <b>Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed        |     |              |  |      |  | 34 |             |
| 35 | <b>Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid |     |              |  |      |  | 35 | NONE        |
| 36 | Enter amount of line 35 you want: Credited to 1995 estimated tax                                   |     |              |  | NONE |  | 36 | NONE        |

Please Sign Here: Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Paid Preparer's Use Only: Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's social security no. \_\_\_\_\_

Firm's name (or yours if self-employed) and address \_\_\_\_\_ E.I. No. \_\_\_\_\_ ZIP code \_\_\_\_\_

Form 1120 (1994)

Page 2

**Schedule A Cost of Goods Sold** (See instructions.)

|   |   |   |                |
|---|---|---|----------------|
| 1 | Inventory at beginning of year  | 1 |                |
| 2 | Purchases   | 2 |                |
| 3 | Cost of labor   | 3 |                |
| 4 | Additional section 263A costs (attach schedule)   | 4 |                |
| 5 | Other costs (attach schedule)   | 5 | 1,434,604,156. |
| 6 | <b>Total.</b> Add lines 1 through 5   | 6 | 1,434,604,156. |
| 7 | Inventory at end of year  | 7 |                |
| 8 | <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2. | 8 | 1,434,604,156. |

9a Check all methods used for valuing closing inventory:

- Cost  Lower of cost or market as described in Regulations section 1.471-4  
 Writedown of subnormal goods as described in Regulations section 1.471-2(c)  
 Other (Specify method used and attach explanation.)

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

d Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes  No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes  No

**Schedule C Dividends and Special Deductions** (See instructions.)

|   | (a) Dividends received | (b) %      | (c) Special deductions: (a) x (b) |
|---|------------------------|------------|-----------------------------------|
| 1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock) Stmt. 6         | 579,573.               | 70         | 405,701.                          |
| 2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)                   |                        | 80         |                                   |
| 3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)  |                        | See Instr. |                                   |
| 4 Dividends on certain preferred stock of less-than-20%-owned public utilities  |                        | 42         |                                   |
| 5 Dividends on certain preferred stock of 20%-or-more-owned public utilities  |                        | 48         |                                   |
| 6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction                                  |                        | 70         |                                   |
| 7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction                                    |                        | 80         |                                   |
| 8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))   |                        | 100        |                                   |
| 9 <b>Total.</b> Add lines 1 through 8. See instructions for limitation  |                        |            | 405,701.                          |
| 10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 |                        | 100        |                                   |
| 11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))   |                        | 100        |                                   |
| 12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))  | 9,348,365.             | 100        | 9,348,365.                        |
| 13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11  |                        |            |                                   |
| 14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)  |                        |            |                                   |
| 15 Foreign dividend gross-up (section 78)   |                        |            |                                   |
| 16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))  |                        |            |                                   |
| 17 Other dividends  |                        |            |                                   |
| 18 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)   |                        |            | 1,135,963.                        |
| 19 <b>Total dividends.</b> Add lines 1 through 17. Enter here and on line 4, page 1.  | 9,927,938.             |            |                                   |

20 **Total special deductions.** Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 10,890,029.

**Schedule E Compensation of Officers** (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

| 1 | (a) Name of officer  | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned |               | (f) Amount of compensation |
|---|--|----------------------------|---|------------------------------------|---------------|----------------------------|
|   |  |                            |   | (d) Common                         | (e) Preferred |                            |
|   |  |                            | %                                       | %                                  | %             |                            |
|   |  |                            | %                                       | %                                  | %             |                            |
|   |  |                            | %                                       | %                                  | %             |                            |
|   |  |                            | %                                       | %                                  | %             |                            |
|   |  |                            | %                                       | %                                  | %             |                            |
| 2 | <b>Total compensation of officers.</b>   |                            |   |                                    |               |                            |
| 3 | <b>Compensation of officers claimed on Schedule A and elsewhere on return</b>    |                            |   |                                    |               |                            |
| 4 | <b>Subtract line 3 from line 2. Enter the result here and on line 12, page 1</b> |                            |   |                                    |               |                            |

**Schedule J Tax Computation (See instructions.)**

|    |   |    |      |
|----|---|----|------|
| 1  | Check if the corporation is a member of a controlled group (see sections 1561 and 1563) . . . <input type="checkbox"/>  |    |      |
| 2a | If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):<br>(1) <input type="text"/> (2) <input type="text"/> (3) <input type="text"/>  |    |      |
| b  | Enter the corporation's share of:<br>(1) Additional 5% tax (not more than \$11,750) <input type="text"/><br>(2) Additional 3% tax (not more than \$100,000) <input type="text"/>  |    |      |
| 3  | Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 15) . . . <input type="checkbox"/>  | 3  | NONE |
| 4a | Foreign tax credit (attach Form 1118) . . . . .   | 4a |      |
| b  | Possessions tax credit (attach Form 5735) . . . . .   | 4b |      |
| c  | Orphan drug credit (attach Form 6765) . . . . .   | 4c |      |
| d  | Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)   | 4d |      |
| e  | General business credit. Enter here and check which forms are attached:<br><input checked="" type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input checked="" type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830<br><input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8847 | 4e |      |
| f  | Credit for prior year minimum tax (attach Form 8827) . . . . .  | 4f |      |
| 5  | <b>Total credits.</b> Add lines 4a through 4f . . . . .   | 5  |      |
| 6  | Subtract line 5 from line 3 . . . . .   | 6  | NONE |
| 7  | Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .   | 7  |      |
| 8  | Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 . . . . .   | 8  |      |
| 9a | Alternative minimum tax (attach Form 4626) . . . . .  | 9a | NONE |
| b  | Environmental tax (attach Form 4626) . . . . .  | 9b |      |
| 10 | <b>Total tax.</b> Add lines 6 through 9b. Enter here and on line 31, page 1 . . . . .   | 10 | NONE |

**Schedule K Other Information (See pages 17 and 18 of instructions.)**

|    | Yes  | No |  | Yes | No                                  |
|----|--|----|--|-----|-------------------------------------|
| 1  | Check method of accounting: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <input type="text"/>                                      |    |  |     |                                     |
| 2  | Refer to page 19 of the instructions and state the principal:<br>a Business activity code no. <b>4930</b><br>b Business activity <b>GENERATION/MANUFACT</b><br>c Product or service <b>DISTRIBUTE ELEC/GAS</b> |    |  |     |                                     |
| 3  | <input checked="" type="checkbox"/>  |    | Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)<br>If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.   |     | <input checked="" type="checkbox"/> |
| 4  | <input checked="" type="checkbox"/>  |    | Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?<br>If "Yes," enter employer identification number and name of the parent corporation <input type="text"/>  |     | <input checked="" type="checkbox"/> |
| 5  | <input checked="" type="checkbox"/>  |    | Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)<br>If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned <input type="text"/>  |     | <input checked="" type="checkbox"/> |
| 6  | <input checked="" type="checkbox"/>  |    | During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.)<br>If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.  |     | <input checked="" type="checkbox"/> |
| 7  |  |    | Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)<br>If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached <input type="text"/>  |     | <input checked="" type="checkbox"/> |
| 8  |  |    | At any time during the 1994 calendar year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?<br>If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country <input type="text"/>   |     | <input checked="" type="checkbox"/> |
| 9  |  |    | Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 926, 3520, or 3520-A  |     | <input checked="" type="checkbox"/> |
| 10 |  |    | Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"<br>a Enter percentage owned <input type="text"/><br>b Enter owner's country <input type="text"/><br>c The corporation may have to file Form 5472. Enter number of Forms 5472 attached <input type="text"/> |     | <input checked="" type="checkbox"/> |
| 11 |  |    | Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . <input type="checkbox"/><br>If so, the corporation may have to file Form 8281.   |     |                                     |
| 12 |  |    | Enter the amount of tax-exempt interest received or accrued during the tax year <input type="text"/>   |     |                                     |
| 13 |  |    | If there were 35 or fewer shareholders at the end of the tax year, enter the number <input type="text"/>   |     |                                     |
| 14 |  |    | If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>   |     |                                     |
| 15 |  |    | Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) <input type="text"/>   |     |                                     |

Form 1120 (1994)

Page 4

**Schedule L Balance Sheets**

| Assets  | Beginning of tax year |                 | End of tax year  |                 |
|---|-----------------------|-----------------|------------------|-----------------|
|   | (a)                   | (b)             | (c)              | (d)             |
| 1 Cash  |                       | 39,123,285.     |                  | 40,845,392.     |
| 2a Trade notes and accounts receivable              | 184,690,087.          |                 | 164,683,711.     |                 |
| b Less allowance for bad debts                      | (107,767,122.)        | 76,922,965.     | (118,159,853.)   | 46,523,858.     |
| 3 Inventories                                       |                       | 208,397,071.    |                  | 190,236,366.    |
| 4 U.S. government obligations                       |                       |                 |                  |                 |
| 5 Tax-exempt securities (see instructions)          |                       | 151,718,916.    |                  | 173,114,895.    |
| 6 Other current assets (attach schedule)            | Stmt 7                | 116,762,630.    |                  | 104,518,032.    |
| 7 Loans to stockholders                             |                       |                 |                  |                 |
| 8 Mortgage and real estate loans                    |                       |                 |                  |                 |
| 9 Other investments (attach schedule)               | Stmt 7                | 179,010,599.    |                  | 216,167,725.    |
| 10a Buildings and other depreciable assets          | 14,316,298,753.       |                 | 14,665,871,826.  |                 |
| b Less accumulated depreciation                     | 3,878,817,588.10      | 4,374,81,165.   | 4,171,480,629.10 | 4,494,391,197.  |
| 11a Depletable assets                               | 1,116,192,974.        |                 | 1,176,390,856.   |                 |
| b Less accumulated depletion                        | (742,989,601.)        | 373,203,373.    | (818,484,797.)   | 357,906,059.    |
| 12 Land (net of any amortization)                   |                       |                 |                  |                 |
| 13a Intangible assets (amortizable only)            |                       |                 |                  |                 |
| b Less accumulated amortization                     | ( )                   |                 | ( )              |                 |
| 14 Other assets (attach schedule)                   | Stmt 7                | 1,504,199,403.  |                  | 1,450,915,142.  |
| 15 Total assets                                     |                       | 13,086,819,407. |                  | 13,074,618,666. |
| <b>Liabilities and Stockholders' Equity</b>         |                       |                 |                  |                 |
| 16 Accounts payable                                 |                       | 357,547,869.    |                  | 521,531,646.    |
| 17 Mtes, notes, bonds payable in less than 1 year   |                       | 369,463,000.    |                  | 182,500,000.    |
| 18 Other current liabilities (attach schedule)      | Stmt 7                | 293,926,927.    |                  | 303,273,031.    |
| 19 Loans from stockholders                          |                       |                 |                  |                 |
| 20 Mtes., notes, bonds payable in 1 year or more    |                       | 4,915,702,902.  |                  | 5,091,205,464.  |
| 21 Other liabilities (attach schedule)              | Stmt 8                | 2,293,849,202.  |                  | 2,319,489,737.  |
| 22 Capital stock: a Preferred stock                 | 608,972,000.          |                 | 370,172,000.     |                 |
| b Common stock                                      | 3,488,476,845.        | 4,097,448,845.  | 3,490,728,489.   | 3,860,900,489.  |
| 23 Paid-in or capital surplus                       |                       | 1,213,910.      |                  | 1,271,048.      |
| 24 Retained earnings-Appropriated (attach schedule) |                       |                 |                  |                 |
| 25 Retained earnings - Unappropriated               |                       | 757,666,752.    |                  | 794,447,251.    |
| 26 Less cost of treasury stock                      |                       | ( )             |                  | ( )             |
| 27 Total liabilities and stockholders' equity       |                       | 13,086,819,407. |                  | 13,074,618,666. |

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return** (See instructions.)

|   |              |   |              |
|---|--------------|---|--------------|
| 1 Net income (loss) per books   | 426,713,534. | 7 Income recorded on books this year not included on this return (itemize):<br>Tax-exempt interest \$ _____                                       |              |
| 2 Federal income tax  | 162,903,846. |   |              |
| 3 Excess of capital losses over capital gains   |              |   |              |
| 4 Income subject to tax not recorded on books this year (itemize):<br><u>See Statement 9</u>  | -1,125,778.  | <u>See Statement 10</u>   | 31,244,520.  |
| 5 Expenses recorded on books this year not deducted on this return (itemize):<br>a Depreciation \$ _____<br>b Contributions carryover \$ _____<br>c Travel and entertainment \$ _____ |              | 8 Deductions on this return not charged against book income this year (itemize):<br>a Depreciation \$ _____<br>b Contributions carryover \$ _____ |              |
| <u>See Statement 9</u>  | 304,834,819. | <u>See Statement 10</u>   | 335,951,285. |
| 6 Add lines 1 through 5   | 893,326,421. | 9 Add lines 7 and 8   | 367,195,805. |
|   |              | 10 Income (line 28, page 1)-line 6 less line 9  | 526,130,617. |

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

|                                |                |   |              |
|--------------------------------|----------------|---|--------------|
| 1 Balance at beginning of year | 757,666,752.   | 5 Distributions: a Cash                       | 377,882,888. |
| 2 Net income (loss) per books  | 426,713,534.   | b Stock                                       |              |
| 3 Other increases (itemize):   |                | c Property                                    |              |
|                                |                | 6 Other decreases (itemize):                  |              |
|                                |                | <u>See Statement 11</u>                       | 12,050,147.  |
|                                |                | 7 Add lines 5 and 6                           | 389,933,035. |
| 4 Add lines 1, 2, and 3        | 1,184,380,286. | 8 Balance at end of year (line 4 less line 7) | 794,447,251. |

Form **4136**

**Credit for Federal Tax Paid on Fuels**  
 (And Credit for Purchase of Diesel-Powered Highway Vehicles)

Department of the Treasury  
 Internal Revenue Service (99)

▶ Attach this form to your income tax return.

Name (as shown on your income tax return)

Social security or employer identification number

PECO ENERGY COMPANY

23-0970240

**Part I Diesel-Powered Highway Vehicle Credit**

|  | (a)<br>Number of<br>vehicles | (b)<br>Credit per vehicle | (c)<br>Credit<br>(col. (a) x col. (b)) | CRN |
|--|------------------------------|---------------------------|--|-----|
| 1 Diesel-powered cars  | 1                            | \$102.00                  |  |     |
| 2 Diesel-powered light trucks and vans   | 20                           | 198.00                    | 3,960.                                 |     |
| 3 Total diesel-powered highway vehicle credit. Add lines 1 and 2, column (c) . . . . . ▶ |                              |                           | 3,960.                                 | 318 |

**Part II Fuel Tax Credit**

**Caution:** If you claimed any fuel tax refunds on Form 8849, Claim for Refund of Excise Taxes, Form 843, Claim for Refund and Request for Abatement, or Schedule C (Form 720), Adjustments and Claims, you cannot claim those amounts as credits on Form 4136.

**4 Nontaxable Use of Gasoline (See instructions)**

|                                      | Rate   | Gallons   | Amount of credit | CRN |
|--------------------------------------|--------|-----------|------------------|-----|
| a Off-highway business use           | \$.184 | 14,850.00 | 2,732.           | 301 |
| b Use on a farm for farming purposes | .184   |           |                  |     |
| c Other nontaxable use (specify) ▶   | .184   |           |                  |     |

**5 Nontaxable Use of Gasohol (See instructions.)**

|   | Rate  | Gallons | Amount of credit | CRN |
|---|-------|---------|------------------|-----|
| a Gasohol containing at least 10% alcohol                             | \$.13 |         |                  | 312 |
| b Gasohol containing at least 7.7% alcohol but less than 10% alcohol  | .1424 |         |                  |     |
| c Gasohol containing at least 5.7% alcohol but less than 7.7% alcohol | .1532 |         |                  |     |

**6 Nontaxable Use of Undyed Diesel Fuel (except for use on a farm for farming purposes or for the exclusive use of a state or local government) and Sales by Registered Ultimate Vendors of Diesel Fuel (See instructions.)**

Lines 6a, b, and c: Claimant bought undyed diesel fuel, certifies that the diesel fuel did not contain visible evidence of dye, and used that diesel fuel for a nontaxable use.

|  | Rate   | Gallons | Amount of credit | CRN |           |
|--|--------|---------|------------------|-----|-----------|
| a Heating oil  | \$.244 |         | 4,831.           | 303 |           |
| b Off-highway business use   | .244   |         |                  |     | 19,800.00 |
| c Other nontaxable use (specify) ▶<br>Line 6d: Claimant sold undyed diesel fuel (a) to a state or local government for its exclusive use or (b) for use by the buyer on a farm for farming purposes. Claimant is a registered ultimate vendor, sold the fuel at a tax-excluded price, certifies that the diesel fuel did not contain visible evidence of dye, and obtained the required certificate from the buyer, and has no reason to believe any of the information in the certificate is false. | .244   |         |                  |     |           |
| d Registered ultimate vendors  | .244   |         |                  |     |           |

**7 Nontaxable Use of Other Fuels**

|  | Rate    | Gallons | Amount of Credit | CRN |
|--|---------|---------|------------------|-----|
| a Special motor fuel (other than LPG)                          | \$ .184 | }       |                  | 304 |
| b Liquefied petroleum gas (LPG)                                | .183    |         |                  |     |
| c LPG used in intercity or local buses                         | .109    |         |                  |     |
| d Compressed natural gas (credit rate per thousand cubic feet) | .4854   |         |                  |     |

**8 Gasoline Used in Aviation**

|   | Rate    | Gallons | Amount of credit | CRN |
|---|---------|---------|------------------|-----|
| a Used in foreign trade, on a farm, or in certain helicopters | \$ .184 | }       |                  | 307 |
| b Used in commercial aviation (other than foreign trade)      | .183    |         |                  |     |

**9 Aviation Fuel (other than gasoline)**

|   | Rate    | Gallons | Amount of credit | CRN |
|---|---------|---------|------------------|-----|
| a Used in foreign trade, on a farm, or in certain helicopters | \$ .219 | }       |                  | 310 |
| b Used in commercial aviation (other than foreign trade)      | .218    |         |                  |     |

**10 Gasohol Blenders (See instructions.)**

Claimant bought gasoline taxed at the full rate (\$.184) and blended it with alcohol to make gasohol. The gasohol was used or sold for use in a trade or business.

| Percentage of alcohol in the gasohol               | Rate     | Gallons of gasoline | Amount of credit | CRN |
|--|----------|---------------------|------------------|-----|
| a At least 10% alcohol                             | \$ .0396 | }                   |                  | 302 |
| b At least 7.7% alcohol but less than 10% alcohol  | .0298    |                     |                  |     |
| c At least 5.7% alcohol but less than 7.7% alcohol | .0216    |                     |                  |     |

**11 Train and Intercity and Local Bus Use of Undyed Diesel Fuel (See instructions.)**

Claimant bought undyed diesel fuel, certifies that the diesel fuel did not contain visible evidence of dye, and used the diesel fuel in an engine that propels a diesel-powered train or an automobile bus.

|                                     | Rate    | Gallons | Amount of credit | CRN |
|-------------------------------------|---------|---------|------------------|-----|
| a Diesel-powered trains             | \$ .175 | }       |                  | 305 |
| b Certain intercity and local buses | .17     |         |                  |     |

12 Total fuel tax credit. Add lines 4-11 ..... ▶ 12 \$ 7,563.

**Part III Total Income Tax Credit**

13 Total income tax credit claimed (add lines 3 and 12). Enter here and on Form 1040, line 59 (also check box b on line 59); Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns ..... ▶ 13 \$ 11,523.

**SCHEDULE D  
 (Form 1120)**

Department of the Treasury  
 Internal Revenue Service

**Capital Gains and Losses**

To be filed with Forms 1120, 1120-A, 1120-IC-DISC, 1120-F,  
 1120-FSC, 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-POL,  
 1120-REIT, 1120-RIC, 1120-SF, 990-C, and certain Forms 990-T

OMB No. 1545-0123

**1994**

|                                    |   |
|------------------------------------|---|
| Name<br><b>PECO ENERGY COMPANY</b> | Employer identification number<br><b>23-0970240</b> |
|------------------------------------|---|

**Part I Short-Term Capital Gains and Losses - Assets Held 1 Year or Less**

| (a) Kind of property and description (Example, 100 shares of "Z" Co.)          | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Cost or other basis, plus expense of sale | (f) Gain or (loss) ((d) less (e)) |
|--|-----------------------------------|-------------------------------|-----------------------|---|-----------------------------------|
| 1  |                                   |                               |                       |   |                                   |
| 2 Short-term capital gain from installment sales from Form 6252, line 26 or 37 |                                   |                               |                       |   | 2                                 |
| 3 Short-term gain or (loss) from like-kind exchanges from Form 8824            |                                   |                               |                       |   | 3                                 |
| 4 Unused capital loss carryover (attach computation) Stmt 12                   |                                   |                               |                       |   | 4 ( 2,274,628 )                   |
| 5 Net short-term capital gain or (loss). (Combine lines 1 through 4.)          |                                   |                               |                       |   | 5 -2,274,628                      |

**Part II Long-Term Capital Gains and Losses - Assets Held More Than 1 Year**

|   |  |  |  |  |            |
|---|--|--|--|--|------------|
| 6 See Statement 12  |  |  |  |  | 127,563    |
| 7 Enter gain from Form 4797, line 8 or 10                                     |  |  |  |  | 7          |
| 8 Long-term capital gain from installment sales from Form 6252, line 26 or 37 |  |  |  |  | 8          |
| 9 Long-term gain or (loss) from like-kind exchanges from Form 8824            |  |  |  |  | 9          |
| 10 Net long-term capital gain or (loss). (Combine lines 6 through 9.)         |  |  |  |  | 10 127,563 |

**Part III Summary of Parts I and II**

|   |  |         |
|---|--|---------|
| 11 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 10)                   |  | 11      |
| 12 Net capital gain. Enter excess of net long-term capital gain (line 10) over net short-term capital loss (line 5) |  | 12      |
| 13 Add lines 11 and 12. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns            |  | 13 NONE |

**Note:** If losses exceed gains, see instructions on capital losses for explanation of capital loss carrybacks.

Form **3800**

**General Business Credit**

OMB. No. 1545-0895

**1994**

Attachment  
 Sequence No. 22

Department of the Treasury  
 Internal Revenue Service  
 Name(s) shown on return

▶ Attach to your tax return.  
 ▶ See separate instructions.

Identifying number  
**23-0970240**

**PECO ENERGY COMPANY**

**Part I Tentative Credit**

|    |   |    |             |
|----|---|----|-------------|
| 1a | Current year investment credit (Form 3468, Part I)  | 1a |             |
| b  | Current year jobs credit (Form 5884, Part I)  | 1b | 29,943.     |
| c  | Current year credit for alcohol used as fuel (Form 6478)  | 1c |             |
| d  | Current year credit for increasing research activities (Form 6765, Part III)  | 1d |             |
| e  | Current year low-income housing credit (Form 8586, Part I)  | 1e |             |
| f  | Current year enhanced oil recovery credit (Form 8830, Part I)   | 1f |             |
| g  | Current year disabled access credit (Form 8826, Part I)   | 1g |             |
| h  | Current year renewable electricity production credit (Form 8835, Part I)  | 1h |             |
| i  | Current year Indian employment credit (Form 8845, Part I)   | 1i |             |
| j  | Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846, Part I) | 1j |             |
| k  | Current year credit for contributions to selected community development corporations (Form 8847, Part I)              | 1k |             |
| l  | <b>Current year general business credit.</b> Add lines 1a through 1k  | 1l | 29,943.     |
| 2  | Passive activity credits included on lines 1a through 1k (see instructions)   | 2  |             |
| 3  | Subtract line 2 from line 1l  | 3  | 29,943.     |
| 4  | Passive activity credits allowed for 1994 (see instructions)  | 4  |             |
| 5  | Carryforward of general business, WIN, or ESOP credit to 1994 (see instructions for the schedule to attach)           | 5  | 44,736,121. |
| 6  | Carryback of general business credit to 1994 (see instructions)   | 6  |             |
| 7  | <b>Tentative general business credit.</b> Add lines 3 through 6. <b>Stmt. 13.</b>                                     | 7  | 44,766,064. |

**Part II General Business Credit Limitation Based on Amount of Tax**

|    |  |    |    |
|----|--|----|----|
| 8a | Individuals. Enter amount from Form 1040, line 40  | }  | 8  |
| b  | Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)   |    |    |
| c  | Other filers. Enter regular tax before credits from your return (see instructions)   |    |    |
| 9  | Credits that reduce regular tax before the general business credit:  |    |    |
| a  | Credit for child and dependent care expenses (Form 2441, line 10)  | 9a |    |
| b  | Credit for the elderly or the disabled (Schedule R (Form 1040), line 21)   | 9b |    |
| c  | Mortgage interest credit (Form 8396, line 11)  | 9c |    |
| d  | Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12)   | 9d |    |
| e  | Possessions tax credit (Form 5735)   | 9e |    |
| f  | Orphan drug credit (Form 6765, line 10)  | 9f |    |
| g  | Credit for fuel from a nonconventional source  | 9g |    |
| h  | Qualified electric vehicle credit (Form 8834, line 19)   | 9h |    |
| i  | Add lines 9a through 9h  | 9i |    |
| 10 | Net regular tax. Subtract line 9i from line 8  | 10 |    |
| 11 | Tentative minimum tax (see instructions):  |    |    |
| a  | Individuals. Enter amount from Form 6251, line 26  | }  | 11 |
| b  | Corporations. Enter amount from Form 4626, line 13   |    |    |
| c  | Estates and trusts. Enter amount from Form 1041, Schedule H, line 37   |    |    |
| 12 | Net income tax:  |    |    |
| a  | Individuals. Add line 10 above and line 28 of Form 6251  | }  | 12 |
| b  | Corporations. Add line 10 above and line 15 of Form 4626   |    |    |
| c  | Estates and trusts. Add line 10 above and line 39 of Form 1041, Schedule H   |    |    |
| 13 | If line 10 is more than \$25,000, enter 25% (.25) of the excess (see instructions)   | 13 |    |
| 14 | Subtract line 11 or line 13, whichever is greater, from line 12. If less than zero, enter -0-  | 14 |    |
| 15 | <b>General business credit allowed for current year.</b> Enter the smaller of line 7 or line 14. Also enter this amount on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or the appropriate line of your tax return. (Individuals, estates, and trusts, see instructions if the credit for increasing research activities is claimed. C corporations; see instructions for Schedule A if any regular investment credit carryforward is claimed. See the instructions if the corporation has undergone a post-1986 "ownership change.") | 15 |    |

For Paperwork Reduction Act Notice, see page 2 of this form.

Form 3800 (1994)

**Schedule A - Additional General Business Credit Allowed By Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990) - Only Applicable to C Corporations**

|    |   |    |             |
|----|---|----|-------------|
| 16 | Enter the portion of the credit shown on line 5, page 1, that is attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990) . . . . .                                  | 16 | 44,348,854. |
| 17 | Tentative minimum tax (from line 11, page 1) . . . . .  | 17 |             |
| 18 | Multiply line 17 by 25% (.25) . . . . .   | 18 |             |
| 19 | Enter the amount from line 14, page 1 . . . . .   | 19 |             |
| 20 | Enter the portion of the credit shown on line 7, page 1, that is NOT attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990) . . . . .                              | 20 | 417,210.    |
| 21 | Subtract line 20 from line 19 (if less than zero, enter -0-) . . . . .  | 21 |             |
| 22 | Subtract line 21 from line 16 (if less than zero, enter -0-) . . . . .  | 22 |             |
| 23 | For purposes of this line only, recompute the amount on line 11, Form 4626, by using zero on line 6, Form 4626, and enter the result here . . . . .   | 23 |             |
| 24 | Multiply line 23 by 10% (.10) . . . . .   | 24 |             |
| 25 | Net income tax (from line 12, page 1) . . . . .   | 25 |             |
| 26 | General business credit (from line 15, page 1) . . . . .  | 26 |             |
| 27 | Subtract line 26 from line 25 . . . . .   | 27 |             |
| 28 | Subtract line 24 from line 27 . . . . .   | 28 |             |
| 29 | Enter the smallest of line 18, line 22, or line 28 . . . . .  | 29 |             |
| 30 | Subtract line 29 from line 17 . . . . .   | 30 |             |
| 31 | Enter the greater of line 30 or line 13, page 1 . . . . .   | 31 |             |
| 32 | Subtract line 31 from line 25 . . . . .   | 32 |             |
| 33 | Enter the smaller of line 32 or line 10, page 1. Enter this amount also on line 15, page 1, instead of the amount previously computed on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 15, page 1 . . . . . | 33 |             |
| 34 | If line 32 is greater than line 33, enter the excess here (see instructions) . . . . .  | 34 |             |

Form **4562**  
 Department of the Treasury  
 Internal Revenue Service (99)  
 Names shown on return

**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No. 1545-0172  
**1994**  
 Attachment  
 Sequence No. **67**  
 Identifying number  
 23-0970240

▶ See separate instructions. ▶ Attach this form to your return.

**PECO ENERGY COMPANY**  
 Business or activity to which this form relates

**Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)**

|    |  |          |                  |
|----|--|----------|------------------|
| 1  | Maximum dollar limitation (If an enterprise zone business, see instructions)   | 1        |                  |
| 2  | Total cost of section 179 property placed in service during the tax year (see instructions)  | 2        |                  |
| 3  | Threshold cost of section 179 property before reduction in limitation  | 3        |                  |
| 4  | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-   | 4        |                  |
| 5  | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. (If married filing separately, see instructions.) | 5        |                  |
| 6  | (a) Description of property  | (b) Cost | (c) Elected cost |
| 7  | Listed property. Enter amount from line 26   | 7        |                  |
| 8  | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7   | 8        |                  |
| 9  | Tentative deduction. Enter the smaller of line 5 or line 8   | 9        |                  |
| 10 | Carryover of disallowed deduction from 1993 (see instructions)   | 10       |                  |
| 11 | Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5 (see instructions)                           | 11       |                  |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11  | 12       |                  |
| 13 | Carryover of disallowed deduction to 1995. Add lines 9 and 10, less line 12  | 13       |                  |

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1994 Tax Year (Do Not Include Listed Property)**

| (a) Classification of property  | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|---|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| <b>Section A - General Depreciation System (GDS) (see instructions)</b>     |                                      |  |                     |                |            |                            |
| 14a 3-year property   |                                      |  |                     |                |            |                            |
| b 5-year property   |                                      | 111,629,457.   | 5.000               | HY             | DOB        | 22,325,892.                |
| c 7-year property   |                                      | 2,240,068.   | 7.000               | HY             | DOB        | 320,010.                   |
| d 10-year property  |                                      |  |                     |                |            |                            |
| e 15-year property  |                                      | 86,086,504.  | 15.000              | HY             | DB         | 4,304,325.                 |
| f 20-year property  |                                      | 233,342,542.   | 20.000              | HY             | DB         | 8,750,345.                 |
| g Residential rental property   |                                      |  | 27.5 yrs.           | MM             | S/L        |                            |
|   |                                      |  | 27.5 yrs.           | MM             | S/L        |                            |
| h Nonresidential real property  |                                      | 9,122,899.   | 39 yrs.             | MM             | S/L        | 51,741.                    |
|   |                                      |  |                     | MM             | S/L        |                            |
| <b>Section B - Alternative Depreciation System (ADS) (see instructions)</b> |                                      |  |                     |                |            |                            |
| 15a Class life  |                                      |  |                     |                | S/L        |                            |
| b 12-year   |                                      |  | 12 yrs.             |                | S/L        |                            |
| c 40-year   |                                      |  | 40 yrs.             | MM             | S/L        |                            |

**Part III Other Depreciation (Do Not Include Listed Property)**

|    |   |    |              |
|----|---|----|--------------|
| 16 | GDS and ADS deductions for assets placed in service in tax years beginning before 1994 (see instructions) | 16 | 241,326,284. |
| 17 | Property subject to section 168(f)(1) election (see instructions)   | 17 |              |
| 18 | ACRS and other depreciation (see instructions)  | 18 | 471,163,511. |

**Part IV Summary**

|    |  |    |              |
|----|--|----|--------------|
| 19 | Listed property. Enter amount from line 25   | 19 |              |
| 20 | Total. Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations - see instructions) | 20 | 748,242,108. |
| 21 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)   | 21 |              |

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Form 4562 (1994)

**Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement**

For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 22a, 22b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)**

| 22a Do you have evidence to support the business/investment use claimed?       |                               | Yes                                       | No                         | 22b If "Yes," is the evidence written?                       |                        | Yes                      | No                            |                                 |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| (a)<br>Type of property (list vehicles first)                                  | (b)<br>Date placed in service | (c)<br>Business/investment use percentage | (d)<br>Cost or other basis | (e)<br>Basis for depreciation (business/investment use only) | (f)<br>Recovery period | (g)<br>Method/Convention | (h)<br>Depreciation deduction | (i)<br>Elected section 179 cost |
| 23 Property used more than 50% in a qualified business use (see instructions): |                               |   |                            |  |                        |                          |                               |                                 |
|  |                               | %   |                            |  |                        |                          |                               |                                 |
| 24 Property used 50% or less in a qualified business use (see instructions):   |                               |   |                            |  |                        |                          |                               |                                 |
|  |                               | %   |                            |  | S/L -                  |                          |                               |                                 |
|  |                               | %   |                            |  | S/L -                  |                          |                               |                                 |
|  |                               | %   |                            |  | S/L -                  |                          |                               |                                 |
| 25 Add amounts in column (h). Enter the total here and on line 19, page 1      |                               |   |                            |  |                        |                          | 25                            |                                 |
| 26 Add amounts in column (i). Enter the total here and on line 7, page 1       |                               |   |                            |  |                        |                          | 26                            |                                 |

**Section B - Information on Use of Vehicles - If you deduct expenses for vehicles:**

- Always complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
- If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

|  | (a)<br>Vehicle 1 |    | (b)<br>Vehicle 2 |    | (c)<br>Vehicle 3 |    | (d)<br>Vehicle 4 |    | (e)<br>Vehicle 5 |    | (f)<br>Vehicle 6 |    |
|--|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
|  | Yes              | No |
| 27 Total business/investment miles driven during the year (DO NOT include commuting miles) |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 28 Total commuting miles driven during the year  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 29 Total other personal (noncommuting) miles driven  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 30 Total miles driven during the year. Add lines 27 through 29                             |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 31 Was the vehicle available for personal use during off-duty hours?                       |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 32 Was the vehicle used primarily by a more than 5% owner or related person?               |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 33 Is another vehicle available for personal use?  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B. Note: Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.

|  | Yes | No |
|--|-----|----|
| 34 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?   |     |    |
| 35 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.) |     |    |
| 36 Do you treat all use of vehicles by employees as personal use?  |     |    |
| 37 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?  |     |    |
| 38 Do you meet the requirements concerning qualified automobile demonstration use (see instructions)?  |     |    |

Note: If your answer to 34, 35, 36, 37, or 38 is "Yes," you need not complete Section B for the covered vehicles.

**Part VI Amortization**

| (a)<br>Description of costs  | (b)<br>Date amortization begins | (c)<br>Amortizable amount | (d)<br>Code section | (e)<br>Amortization period or percentage | (f)<br>Amortization for this year |
|--|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 39 Amortization of costs that begins during your 1994 tax year:                        |                                 |                           |                     |  |                                   |
| 40 Amortization of costs that began before 1994  |                                 |                           |                     |  | 40                                |
| 41 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return |                                 |                           |                     |  | 41                                |

Form **4626**

**Alternative Minimum Tax - Corporations**  
 (including environmental tax)

OMB No. 1545-0175

Department of the Treasury  
 Internal Revenue Service

▶ See separate instructions.  
 ▶ Attach to the corporation's tax return.

**1994**

Name **PECO ENERGY COMPANY** Employer identification number **23-0970240**

|  |  |              |              |
|--|--|--------------|--------------|
| <b>1</b>   | 1  | 1            | 515,240,588. |
| <b>2</b>   | <b>Adjustments and preferences:</b>                |              |              |
| <b>a</b>   | 2a   | 39,789,977.  |              |
| <b>b</b>   | 2b   |              |              |
| <b>c</b>   | 2c   |              |              |
| <b>d</b>   | 2d   |              |              |
| <b>e</b>   | 2e   | -804,639.    |              |
| <b>f</b>   | 2f   |              |              |
| <b>g</b>   | 2g   |              |              |
| <b>h</b>   | 2h   |              |              |
| <b>i</b>   | 2i   |              |              |
| <b>j</b>   | 2j   |              |              |
| <b>k</b>   | 2k   |              |              |
| <b>l</b>   | 2l   |              |              |
| <b>m</b>   | 2m   |              |              |
| <b>n</b>   | 2n   |              |              |
| <b>o</b>   | 2o   |              |              |
| <b>p</b>   | 2p   |              |              |
| <b>q</b>   | 2q   |              |              |
| <b>r</b>   | 2r   | 862,777.     |              |
| <b>s</b>   | 2s   |              |              |
| <b>t</b>   | 2t   |              |              |
| <b>u</b>   | 2u   | 39,848,115.  |              |
| <b>3</b>   | 3  | 555,088,703. |              |
| <b>4</b>   | <b>Adjusted current earnings (ACE) adjustment:</b> |              |              |
| <b>a</b>   | 4a   | 859,324,190. |              |
| <b>b</b>   | 4b   | 304,235,487. |              |
| <b>c</b>   | 4c   | 228,176,615. |              |
| <b>d</b>   | 4d   | 235,785,862. |              |
| <b>e</b>   | 4e   | 228,176,615. |              |
| ● If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.<br>● If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.<br><p style="text-align: center;"><b>See Statement 15</b></p> |  |              |              |
| <b>5</b>   | 5  | 783,265,318. |              |
| <b>6</b>   | 6  |              |              |
| <b>7</b>   | 7  | 783,265,318. |              |

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (1994)

Form 4626 (1994)

Page 2

|    |  |    |              |
|----|--|----|--------------|
| 8  | Enter the amount from line 7 (alternative minimum taxable income) . . . . .  | 8  | 783,265,318. |
| 9  | <b>Exemption phase-out computation</b> (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):  |    |              |
| a  | Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- . . . . .  | 9a |              |
| b  | Multiply line 9a by 25% . . . . .  | 9b |              |
| c  | <b>Exemption.</b> Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- . . . . .  | 9c | NONE         |
| 10 | Subtract line 9c from line 8. If zero or less, enter -0- . . . . .   | 10 | 783,265,318. |
| 11 | Multiply line 10 by 20% . . . . .  | 11 | 156,653,064. |
| 12 | Alternative minimum tax foreign tax credit. See instructions for limitations . . . . .   | 12 |              |
| 13 | Tentative minimum tax. Subtract line 12 from line 11 . . . . .   | 13 | 156,653,064. |
| 14 | Regular tax liability before all credits except the foreign tax credit and possessions tax credit . . . . .  | 14 | NONE         |
| 15 | <b>Alternative minimum tax.</b> Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9a). If zero or less, enter -0- . . . . .  | 15 |              |
| 16 | <b>Environmental tax.</b> Subtract \$2,000,000 from line 5 (figured without the corporation's environmental tax deduction). Multiply the excess, if any, by 0.12% (.0012). Enter the result here and on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9a). If you are completing this line for a member of a controlled group, see the instructions . . . . . | 16 |              |

**Adjusted Current Earnings Worksheet**

▶ See ACE Worksheet Instructions (which begin on page 6).

|     |   |       |              |
|-----|---|-------|--------------|
| 1   | Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626  | 1     | 555,088,703. |
| 2   | ACE depreciation adjustment:  |       |              |
| a   | AMT depreciation  | 2a    | 708,452,790. |
| b   | ACE depreciation:   |       |              |
| (1) | Post-1993 property  | 2b(1) |              |
| (2) | Post-1989, pre-1994 property  | 2b(2) | 401,417,122. |
| (3) | Pre-1990 MACRS property   | 2b(3) |              |
| (4) | Pre-1990 original ACRS property   | 2b(4) |              |
| (5) | Property described in sections 168(f)(1) through (4)  | 2b(5) |              |
| (6) | Other property  | 2b(6) |              |
| (7) | Total ACE depreciation. Add lines 2b(1) through 2b(6)   | 2b(7) | 401,417,122. |
| c   | ACE depreciation adjustment. Subtract line 2b(7) from line 2a   | 2c    | 307,035,668. |
| 3   | Inclusion in ACE of items included in earnings and profits (E&P):   |       |              |
| a   | Tax-exempt interest income  | 3a    | 42,475.      |
| b   | Death benefits from life insurance contracts  | 3b    |              |
| c   | All other distributions from life insurance contracts (including surrenders)  | 3c    |              |
| d   | Inside buildup of undistributed income in life insurance contracts  | 3d    |              |
| e   | Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)                                 | 3e    |              |
| f   | Total increase to ACE due to inclusion in ACE of items included in E&P. Add lines 3a through 3e                             | 3f    | 42,475.      |
| 4   | Disallowance of items not deductible from E&P:  |       |              |
| a   | Certain dividends received  | 4a    | 405,701.     |
| b   | Dividends paid on certain preferred stock of public utilities that are deductible under section 247                         | 4b    | 1,135,963.   |
| c   | Dividends paid to an ESOP that are deductible under section 404(k)  | 4c    |              |
| d   | Nonpatronage dividends that are paid and deductible under section 1382(c)   | 4d    |              |
| e   | Other items (see Regulations section 1.56(g)-1(d)(3)(i) and (ii) for a partial list)  | 4e    |              |
| f   | Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e                     | 4f    | 1,541,664.   |
| 5   | Other adjustments based on rules for computing E&P:   |       |              |
| a   | Intangible drilling costs   | 5a    |              |
| b   | Circulation expenditures  | 5b    |              |
| c   | Organizational expenditures   | 5c    |              |
| d   | LIFO inventory adjustments  | 5d    |              |
| e   | Installment sales   | 5e    |              |
| f   | Total other E&P adjustments. Combine lines 5a through 5e  | 5f    |              |
| 6   | Disallowance of loss on exchange of debt pools  | 6     |              |
| 7   | Acquisition expenses of life insurance companies for qualified foreign contracts  | 7     |              |
| 8   | Depletion   | 8     |              |
| 9   | Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property                                    | 9     | -4,384,320.  |
| 10  | Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626 | 10    | 859,324,190. |

Form **4797**

**Sales of Business Property**

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

**1994**

Attachment Sequence No. 27

Department of the Treasury  
 Internal Revenue Service (99)

▶ Attach to your tax return. ▶ See separate instructions.

Identifying number

PECO ENERGY COMPANY

23-0970240

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1994 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11, or 22 . . . . . 1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year**

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) LOSS ((f) minus the sum of (d) and (e)) | (h) GAIN ((d) plus (e) minus (f)) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|-----------------------------------|
| 2 Stmt 16                   |                                   |                               |                       |   |  | 21,227,689.                                 | 3,970,152.                        |
|                             |                                   |                               |                       |   |  |   |                                   |
|                             |                                   |                               |                       |   |  |   |                                   |
|                             |                                   |                               |                       |   |  |   |                                   |
|                             |                                   |                               |                       |   |  |   |                                   |

|  |   |                        |
|--|---|------------------------|
| 3 Gain, if any, from Form 4684, line 39 . . . . .                                  | 3 |                        |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . . | 4 |                        |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .    | 5 |                        |
| 6 Gain, if any, from line 34, from other than casualty or theft . . . . .          | 6 | 397,934.               |
| 7 Add lines 2 through 6 in columns (g) and (h) . . . . .                           | 7 | 21,227,689. 4,368,086. |

8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: . . . . . 8 -16,859,603.

**Partnerships-** Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below.  
**S corporations-** Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax.  
**All others-** If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.

9 Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . . 9

10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions):  
**S corporations-** Enter this amount (if more than zero) on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below.  
**All others-** If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.

**Part II Ordinary Gains and Losses**

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

|    |        |
|----|--------|
| 17 | 3,669. |
|    |        |
|    |        |
|    |        |
|    |        |

|  |    |                      |
|--|----|----------------------|
| 12 Loss, if any, from line 8 . . . . .   | 12 | 16,859,603.          |
| 13 Gain, if any, from line 8, or amount from line 9 if applicable . . . . .  | 13 |                      |
| 14 Gain, if any, from line 33 . . . . .  | 14 | 397,470.             |
| 15 Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .   | 15 |                      |
| 16 Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .  | 16 |                      |
| 17 Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .   | 17 |                      |
| 18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions) . . . . . | 18 |                      |
| 19 Add lines 11 through 18 in columns (g) and (h) . . . . .  | 19 | 16,863,272. 397,470. |

20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: . . . . . 20 -16,465,802.

a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed.  
 b For individual returns:  
 (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions . . . . . 20b(1)  
 (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14 . . . . . 20b(2)

Form 4797 (1994)

Page 2

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

| 21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:  |  | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |            |            |
|--|--|--------------------------------------|----------------------------------|------------|------------|
| A VARIOUS  |  |                                      |                                  |            |            |
| B  |  |                                      |                                  |            |            |
| C  |  |                                      |                                  |            |            |
| D  |  |                                      |                                  |            |            |
| Relate lines 21A through 21D to these columns  |  | Property A                           | Property B                       | Property C | Property D |
| 22   | Gross sales price (Note: See line 1 before completing.)  | 22 248,468.                          |                                  |            |            |
| 23   | Cost or other basis plus expense of sale . . .   | 23 -149,466.                         |                                  |            |            |
| 24   | Depreciation (or depletion) allowed or allowable . . .   | 24 397,470.                          |                                  |            |            |
| 25   | Adjusted basis. Subtract line 24 from line 23 . . .  | 25 -546,936.                         |                                  |            |            |
| 26   | Total gain. Subtract line 25 from line 22 . . .  | 26 795,404.                          |                                  |            |            |
| 27 If section 1245 property:   |  |                                      |                                  |            |            |
| a  | Depreciation allowed or allowable from line 24 . . .   | 27a 397,470.                         |                                  |            |            |
| b  | Enter the smaller of line 26 or 27a . . . . .  | 27b 397,470.                         |                                  |            |            |
| 28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291. |  |                                      |                                  |            |            |
| a  | Additional depreciation after 1975 (see instructions)  | 28a                                  |                                  |            |            |
| b  | Applicable percentage multiplied by the smaller of line 26 or line 28a (see instructions) . . . . .  | 28b                                  |                                  |            |            |
| c  | Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e  | 28c                                  |                                  |            |            |
| d  | Additional depreciation after 1969 and before 1976   | 28d                                  |                                  |            |            |
| e  | Enter the smaller of line 28c or 28d . . . . .   | 28e                                  |                                  |            |            |
| f  | Section 291 amount (corporations only) . . . . .   | 28f                                  |                                  |            |            |
| g  | Add lines 28b, 28e, and 28f . . . . .  | 28g                                  |                                  |            |            |
| 29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.      |  |                                      |                                  |            |            |
| a  | Soil, water, and land clearing expenses . . . . .  | 29a                                  |                                  |            |            |
| b  | Line 29a multiplied by applicable percentage (see instructions)  | 29b                                  |                                  |            |            |
| c  | Enter the smaller of line 26 or 29b . . . . .  | 29c                                  |                                  |            |            |
| 30 If section 1254 property:   |  |                                      |                                  |            |            |
| a  | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) . . . . . | 30a                                  |                                  |            |            |
| b  | Enter the smaller of line 26 or 30a . . . . .  | 30b                                  |                                  |            |            |
| 31 If section 1255 property:   |  |                                      |                                  |            |            |
| a  | Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .  | 31a                                  |                                  |            |            |
| b  | Enter the smaller of line 26 or 31a . . . . .  | 31b                                  |                                  |            |            |

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

|    |   |    |          |
|----|---|----|----------|
| 32 | Total gains for all properties. Add columns A through D, line 26 . . . . .  | 32 | 795,404. |
| 33 | Add columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14 . . . . .   | 33 | 397,470. |
| 34 | Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . . | 34 | 397,934. |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
 See instructions.

|    | (a) Section 179   | (b) Section 280F(b)(2) |
|----|---|------------------------|
| 35 | Section 179 expense deduction or depreciation allowable in prior years . . . . .                    | 35                     |
| 36 | Recomputed depreciation. See instructions . . . . .   | 36                     |
| 37 | Recapture amount. Subtract line 36 from line 35. See the instructions for where to report . . . . . | 37                     |

Form **5884**

**Jobs Credit**

OMB No. 1545-0219

Department of the Treasury  
 Internal Revenue Service

**1994**  
 Attachment  
 Sequence No. **77**

▶ Attach to your return.

Name(s) shown on return

Identifying number

**PECO ENERGY COMPANY**

**23-0970240**

**Part I Current Year Jobs Credit**

| 1                   | Enter the total qualified wages paid or incurred during the tax year for services of employees who are certified as members of a targeted group and who begin work for you before January 1, 1995 . . . . .   | 1              | 74,858.  |                     |  |                     |   |                     |   |                    |  |  |  |
|---------------------|---|----------------|--|---------------------|--|---------------------|---|---------------------|---|--------------------|--|--|--|
| 2                   | Current year credit. Multiply line 1 by 40% (.40). You must subtract this amount from the deduction on your return for salaries and wages. (Members of a controlled group, see instructions.) . . . . .   | 2              | 29,943.  |                     |  |                     |   |                     |   |                    |  |  |  |
| 3                   | Jobs credits from flow-through entities   | 3              |  |                     |  |                     |   |                     |   |                    |  |  |  |
|                     | <table border="1"> <thead> <tr> <th>If you are a -</th> <th>Then enter total of current year jobs credit(s) from -</th> </tr> </thead> <tbody> <tr> <td>a Shareholder . . .</td> <td>Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . .</td> </tr> <tr> <td>b Partner . . . . .</td> <td>Schedule K-1 (Form 1065), lines 13d, 13e, or 14 . . .</td> </tr> <tr> <td>c Beneficiary . . .</td> <td>Schedule K-1 (Form 1041), line 13 . . . . .</td> </tr> <tr> <td>d Patron . . . . .</td> <td>Written statement from cooperative . . . . .</td> </tr> </tbody> </table> | If you are a - | Then enter total of current year jobs credit(s) from - | a Shareholder . . . | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . . | b Partner . . . . . | Schedule K-1 (Form 1065), lines 13d, 13e, or 14 . . . | c Beneficiary . . . | Schedule K-1 (Form 1041), line 13 . . . . . | d Patron . . . . . | Written statement from cooperative . . . . . |  |  |
| If you are a -      | Then enter total of current year jobs credit(s) from -  |                |  |                     |  |                     |   |                     |   |                    |  |  |  |
| a Shareholder . . . | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . .  |                |  |                     |  |                     |   |                     |   |                    |  |  |  |
| b Partner . . . . . | Schedule K-1 (Form 1065), lines 13d, 13e, or 14 . . .   |                |  |                     |  |                     |   |                     |   |                    |  |  |  |
| c Beneficiary . . . | Schedule K-1 (Form 1041), line 13 . . . . .   |                |  |                     |  |                     |   |                     |   |                    |  |  |  |
| d Patron . . . . .  | Written statement from cooperative . . . . .  |                |  |                     |  |                     |   |                     |   |                    |  |  |  |
| 4                   | Total current year jobs credit. Add lines 2 and 3. (S corporations, partnerships, estates, trusts, and cooperatives, see instructions.) . . . . .   | 4              | 29,943.  |                     |  |                     |   |                     |   |                    |  |  |  |

**Part II Tax Liability Limitation (See Who Must File Form 3800 to see if you complete Part II or file Form 3800.)**

|    |   |    |   |
|----|---|----|---|
| 5a | Individuals. Enter amount from Form 1040, line 40 . . . . .   | }  | 5 |
| b  | Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1) . . . . .  |    |   |
| c  | Other filers. Enter regular tax before credits from your return . . . . .   |    |   |
| 6  | Credits that reduce regular tax before the general business credit:   |    |   |
| a  | Credit for child and dependent care expenses (Form 2441, line 10) . . . . .   | 6a |   |
| b  | Credit for the elderly or the disabled (Schedule R (Form 1040), line 21) . . . . .  | 6b |   |
| c  | Mortgage interest credit (Form 8396, line 11) . . . . .   | 6c |   |
| d  | Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12) . . . . .  | 6d |   |
| e  | Possessions tax credit (Form 5735) . . . . .  | 6e |   |
| f  | Orphan drug credit (Form 6765, line 10) . . . . .   | 6f |   |
| g  | Credit for fuel from a nonconventional source . . . . .   | 6g |   |
| h  | Qualified electric vehicle credit (Form 8834, line 19) . . . . .  | 6h |   |
| i  | Add lines 6a through 6h . . . . .   | 6i |   |
| 7  | Net regular tax. Subtract line 6i from line 5 . . . . .   | 7  |   |
| 8  | Tentative minimum tax (see instructions):   |    |   |
| a  | Individuals. Enter amount from Form 6251, line 26 . . . . .   | }  | 8 |
| b  | Corporations. Enter amount from Form 4626, line 13 . . . . .  |    |   |
| c  | Estates and trusts. Enter amount from Form 1041, Schedule H, line 37 . . . . .  |    |   |
| 9  | Net income tax:   |    |   |
| a  | Individuals. Add line 7 above and line 28 of Form 6251 . . . . .  | }  | 9 |
| b  | Corporations. Add line 7 above and line 15 of Form 4626 . . . . .   |    |   |
| c  | Estates and trusts. Add line 7 above and line 39 of Form 1041, Schedule H . . . . .   |    |   |
| 10 | If line 7 is more than \$25,000, enter 25% (.25) of the excess (see instructions) . . . . .   | 10 |   |
| 11 | Subtract line 8 or line 10, whichever is greater, from line 9. If less than zero, enter -0- . . . . .   | 11 |   |
| 12 | Jobs credit allowed for the current year. Enter the smaller of line 4 or line 11. This is your <b>General Business Credit</b> for 1994. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or the appropriate line of other income tax returns . . . . . | 12 |   |

Form **5884** (1994)

Form **8827** Credit For Prior Year Minimum Tax-Corporations

OMB No. 1545-1257

**1994**

Department of the Treasury  
 Internal Revenue Service

▶ Attach to the corporation's tax return.

| Name                |   | Employer identification number |
|---------------------|---|--------------------------------|
| PECO ENERGY COMPANY |   | 23-0970240                     |
| 1                   | Alternative minimum tax for 1993. Enter the amount from line 16 of the 1993 Form 4626 . . . . .   |                                |
| 2                   | Minimum tax credit carryforward from 1993. Enter the amount from line 9 of the 1993 Form 8827 . . . . .   | 178,003,160.                   |
| 3                   | Enter any 1993 unallowed credit for fuel produced from a nonconventional source and any 1993 unallowed orphan drug credit. See instructions . . . . .   |                                |
| 4                   | Add lines 1, 2, and 3 . . . . .   | 178,003,160.                   |
| 5                   | Enter the corporation's 1994 regular income tax liability minus allowable tax credits. See instructions . . . . .   | NONE                           |
| 6                   | Enter the tentative minimum tax from line 13 of the 1994 Form 4626 . . . . .  | 156,653,064.                   |
| 7                   | Subtract line 6 from line 5. If zero or less, enter -0- . . . . .   |                                |
| 8                   | Minimum tax credit. Enter the smaller of line 4 or line 7. Also enter this amount on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 4f). If the corporation had a post-1986 ownership change or has preacquisition excess credits, see instructions . . . . . |                                |
| 9                   | Minimum tax credit carryforward to 1995. Subtract line 8 from line 4. See instructions . . . . .  | 178,003,160.                   |

Form 8827 (1994)

**Underpayment of Estimated Tax by Corporations**

**1994**

▶ See separate instructions.  
 ▶ Attach to the corporation's tax return.

PECO ENERGY COMPANY

Employer identification number  
 23-0970240

Note: In most cases, the IRS will figure the penalty and the corporation will not have to complete this form. See Who Must File in the instructions for more information.

**Part I - Figuring The Underpayment**

|  |   |    |           |           |           |           |
|--|---|----|-----------|-----------|-----------|-----------|
| 1  | Total tax (see instructions)  | 1  | NONE      |           |           |           |
| 2a   | Personal holding company tax included on line 1 (Schedule PH (Form 1120), line 26)  | 2a |           |           |           |           |
| b  | Interest due under the look-back method of section 460(b)(2) for completed long-term contracts included on line 1   | 2b |           |           |           |           |
| c  | Credit for Federal tax paid on fuels (see instructions)   | 2c | 11,523.   |           |           |           |
| d  | Total. Add lines 2a through 2c  | 2d | 11,523.   |           |           |           |
| 3  | Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty   | 3  |           |           |           |           |
| 4  | Enter the tax shown on the corporation's 1993 income tax return. (CAUTION: See instructions before completing this line.)   | 4  |           |           |           |           |
| 5  | Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3 on line 5  | 5  |           |           |           |           |
| 6  | Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year  | 6  | (a)       | (b)       | (c)       | (d)       |
| 7  | Required installments. Enter 25% of line 5 in columns (a) through (d) unless a or b below applies to the corporation.   | 7  |           |           |           |           |
| a  | Annualized income installment method and/or the adjusted seasonal installment method: Check this box <input type="checkbox"/> and attach Form 2220 if the corporation uses one or both of these methods. After completing Schedule A of this form, enter on line 7 the amount from line 41, Part III of Schedule A. |    |           |           |           |           |
| b  | "Large corporations." Check this box <input type="checkbox"/> and see the instructions for the amount to enter in each column of line 7   | 7  |           |           |           |           |
| 8  | Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 8 on line 12   | 8  | 34470613. | 57744967. | 33403000. | 24426160. |
| Complete lines 9 through 15 of one column before going to the next column. |   |    |           |           |           |           |
| 9  | Enter amount, if any, from line 15 of the preceding column  | 9  |           |           |           |           |
| 10   | Add lines 8 and 9   | 10 |           | 57744967. | 33403000. | 24426160. |
| 11   | Add amounts on lines 13 and 14 of the preceding column  | 11 |           |           |           |           |
| 12   | Subtract line 11 from line 10. If zero or less, enter -0-. For column (a) only, enter the amount from line 8  | 12 | 34470613. |           |           | 24426160. |
| 13   | If the amount on line 12 is zero, subtract line 10 from line 11. Otherwise, enter -0-   | 13 |           |           |           |           |
| 14   | Underpayment. If line 12 is less than or equal to line 7, subtract line 12 from line 7. Then go to line 9 of the next column. Otherwise, go to line 15 (see instructions)   | 14 |           |           |           |           |
| 15   | Overpayment. If line 7 is less than line 12, subtract line 7 from line 12. Then go to line 9 of the next column   | 15 |           |           |           | 24426160. |

Complete Part II on page 2 to figure the penalty. If there are no entries on line 14, no penalty is owed.

For Paperwork Reduction Act Notice, see page 1 of instructions.

Form 2220 (1994)

**Part II Figuring the Penalty**

|  | (a) | (b) | (c) | (d) |
|--|-----|-----|-----|-----|
| 16 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.) . . . . . |     |     |     |     |
| 17 Number of days from due date of installment on line 6 to the date shown on line 16 . . . . .  |     |     |     |     |
| 18 Number of days on line 17 after 4/15/94 and before 7/1/94 . . . . .   |     |     |     |     |
| 19 Number of days on line 17 after 6/30/94 and before 10/1/94 . . . . .  |     |     |     |     |
| 20 Number of days on line 17 after 9/30/94 and before 4/1/95 . . . . .   |     |     |     |     |
| 21 Number of days on line 17 after 3/31/95 and before 7/1/95 . . . . .   |     |     |     |     |
| 22 Number of days on line 17 after 6/30/95 and before 10/1/95 . . . . .  |     |     |     |     |
| 23 Number of days on line 17 after 9/30/95 and before 1/1/96 . . . . .   |     |     |     |     |
| 24 Number of days on line 17 after 12/31/95 and before 2/16/96 . . . . .   |     |     |     |     |
| 25 Underpayment on line 14 x $\frac{\text{Number of days on line 18}}{365}$ x 7% . . . . .   |     |     |     |     |
| 26 Underpayment on line 14 x $\frac{\text{Number of days on line 19}}{365}$ x 8% . . . . .   |     |     |     |     |
| 27 Underpayment on line 14 x $\frac{\text{Number of days on line 20}}{365}$ x 9% . . . . .   |     |     |     |     |
| 28 Underpayment on line 14 x $\frac{\text{Number of days on line 21}}{365}$ x *% . . . . .   |     |     |     |     |
| 29 Underpayment on line 14 x $\frac{\text{Number of days on line 22}}{365}$ x *% . . . . .   |     |     |     |     |
| 30 Underpayment on line 14 x $\frac{\text{Number of days on line 23}}{365}$ x *% . . . . .   |     |     |     |     |
| 31 Underpayment on line 14 x $\frac{\text{Number of days on line 24}}{366}$ x *% . . . . .   |     |     |     |     |
| 32 Add lines 25 through 31 . . . . .   |     |     |     |     |
| 33 <b>PENALTY.</b> Add columns (a) through (d), line 32. Enter here and on line 33, Form 1120; line 29, Form 1120-A; or comparable line for other income tax returns . . . . .   |     |     |     | 33  |

\*If the corporation's tax year ends after December 31, 1994, see the instructions for lines 28 through 31.

Form 1120, Page 1 Detail

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Line 10 - Other Income

|                                      |             |
|--------------------------------------|-------------|
| MISCELLANEOUS                        | 1,121.      |
| ACCRETION INCOME                     |             |
| MANAGEMENT CONTINGENCY               |             |
| PARTNERSHIP INCOME                   | 83,158.     |
| COMPENSATION FROM LIPA -NUCLEAR FUEL | 22,621,607. |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | 1,648,055.  |
|                                      | -----       |
| Total                                | 24,353,941. |

Form 1120, Page 1 Detail

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Line 17 - Taxes and licenses

---

|  |              |
|--|--------------|
| PA CAPITAL STOCK (SEE BELOW - FRANCHISE TAXES) |              |
| PA GROSS RECEIPTS                              | 157,103,162. |
| PA UNEMPLOYMENT COMPENSATION                   | 3,976,690.   |
| LOCAL REAL ESTATE -PA\MD                       | 4,766,934.   |
| LOCAL FRANCHISE                                | 235,865.     |
| STATE EXCISE TAX ON INSURANCE PREM'S           | 364,224.     |
| PHILA BUSINESS PRIVILEGE                       | 12,000.      |
| MD PERSONAL PROPERTY                           |              |
| PURTA (PA REAL ESTATE TAXES)                   | 63,136,216.  |
| PHILA REALTY OCCUPANCY                         | 1,300,600.   |
| NJ PERSONAL PROPERTY                           | 120,000.     |
| UNEMPLOY COMP - MD                             | 10,774.      |
| LOCAL REAL ESTATE - N.J.                       | 2,682,480.   |
| LOCAL REAL ESTATE - OTHER                      |              |
| PA SALES & USE TAX ASSESSMENTS                 | -522,757.    |
| GENERAL SERVICE FEES                           |              |
| FEDERAL UNEMPLOY COMP                          | 416,447.     |
| FICA   | 26,569,267.  |
| TELEPHONE & TELEGRAPH                          |              |
| FED EXCISE TAX ON INS PREM                     | 33,600.      |
| PA INCOME TAXES                                | -153,975.    |
| NJ INCOME TAXES                                |              |
| MD INCOME TAXES                                |              |
| DEFERRED INCOME TAXES                          |              |
| INVESTMENT TAX CREDIT                          |              |
| Accrued State Taxes for Maryland               | 535,583.     |
| Accrued State Taxes for New Jersey             | 3,147,996.   |
| Accrued State Taxes for Pennsylvania           | 65,649,166.  |
| Accrued Franchise Taxes for Pennsylvania       | 35,194,738.  |
| Environmental tax                              | 1,284,000.   |
|  | -----        |
| Total  | 365,863,010. |

Form 1120, Page 1 Detail

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Current year contributions

-----  
CURRENT-YEAR CONTRIBUTIONS

3,590,008.

Total

-----  
3,590,008.  
-----

Line 26 - Other deductions

-----  
SALEM 1 PENALTY  
SALEM 2 PENALTY  
ACT 222 VID - ENERGY EFFIC ASSESSMT  
LEGISLATIVE ANALYST EXPENSES  
PAC EXPENDITURES  
LIMERICK LIGHT PUBLICATION EXPS  
ENERGY ADVISORY COUNCIL  
OTHER DEDUCTIONS  
EMPLOYEE PRACTICE SETTLEMENTS  
AMORT OF FUEL SAVINGS & O&M LIMERICK  
SHAREHOLDER & EMPLOYEE MAILINGS  
CORPORATE IDENTITY EXPENSE  
PEACH BOTTOM PENALTIES  
ENTERTAINMENT  
OTHER DEDUCTIONS  
MISCELLANEOUS PENALTIES  
DAVEY TREE SETTLEMENT  
STATE RADWASTE FACILITY EXPENDITURE  
POWER RERATE EXPENDITURES  
EASEMENTS, CLEARING & GRADING  
COST OF REMOVAL  
AUDIT ADJUSTMENTS - ROLLOVER ITEMS  
REPAIR ALLOWANCE  
CONSULTATION SERVICES  
CORPORATE DUES/LOBBYING EXPENSE  
SOFTWARE DEVELOPMENT COSTS  
OTHER DEDUCTIONS

30,100.

1.

15,936,174.

737,328.

5,665,839.

-397,732.

9,514,520.

-18,566.

15,211,972.

493,981.

Total

-----  
47,173,617.  
-----

Form 1120, Page 2 detail

Sch A, Line 5 - Other costs

|                                     |              |
|-------------------------------------|--------------|
| EXPENSE - MERCH & JOBBING           | 7,891,496.   |
| NON-OPERATING RENTAL                | -68,348.     |
| SUPERVISION & ENGINEERING           | 16,499,842.  |
| FUEL                                | 216,109,545. |
| STEAM EXPENSE                       | 29,408,135.  |
| ELECTRIC EXPENSE                    | 3,920,461.   |
| MISC STEAM POWER EXPENSE            | 17,113,589.  |
| SUPERVISION & ENGINEERING           | 88,960,273.  |
| FUEL - OTHER CHARGES                | 37,451,905.  |
| HELIUM & OTHER COOLANTS             | 8,893,235.   |
| STEAM EXPENSE                       | 34,336,506.  |
| ELECTRIC EXPENSE                    | 728,020.     |
| MISC NUCLEAR POWER EXPENSE          | 112,759,142. |
| SUPERVISION & ENGINEERING           | 141,056.     |
| WATER                               | 729,087.     |
| HYDRAULIC EXPENSE                   | 2,309,615.   |
| ELECTRIC EXPENSE                    | 69,726.      |
| MISC HYDRAULIC EXPENSE              | 915,137.     |
| SUPERVISION & ENGINEERING           | 6,002,047.   |
| FUEL                                | 580,466.     |
| GENERATION EXPENSE                  | 1,225,977.   |
| MISC OTHER POWER GEN EXPENSE        | 169,556,684. |
| PURCH POWER EXPENSE                 | 9,412,714.   |
| SYSTEM CONTROL & LOAD DISPATCH      | 1,885,226.   |
| OTHER EXPENSE                       | 1,450,695.   |
| SUPERVISION & ENGINEERING           | 2,766,069.   |
| LOAD DISPATCH                       | -3,070,121.  |
| STATION EXPENSE                     | 507,548.     |
| OVERHEAD LINE EXPENSE               | 144,553.     |
| UNDERGROUND LINE EXPENSE            | 2,683,517.   |
| MISC TRANSMISSION SYSTEM EXPENSE    | 11,222,661.  |
| SUPERVISION & ENGINEERING           | 2,894,646.   |
| LOAD DISPATCHING                    | 5,047,537.   |
| STATION EXPENSE                     | 9,458,622.   |
| OVERHEAD LINE EXPENSE               | 5,819,072.   |
| UNDERGROUND LINE EXPENSE            | 206,261.     |
| STREET LIGHT & TRAFFIC SIGNAL EXP   | 688,415.     |
| METER EXPENSE                       | 1,841,637.   |
| INSTALLATION EXPENSE                | 12,227,481.  |
| DISTRIBUTION EXPENSE                | 246,884.     |
| SUPERVISION EXPENSE                 | 10,646,359.  |
| METER READING EXPENSE               | 38,590,195.  |
| CUSTOMER RECONCILE & COLLECT        | 10,561,521.  |
| MISCELLANEOUS                       | 46,393.      |
| SUPERVISION - COMMERCIAL OPERATIONS | 5,863,204.   |
| CUSTOMER ASSISTANCE EXPENSE         | 1,800,546.   |
| INFO & INST ADV EXP - COMMERCIAL    | 5,577,093.   |
| MISC CUST SERV & INFO - COMMERCIAL  |              |

Continued on next page

Form 1120, Page 2 detail

Sch A, Line 5 - Other costs (Cont'd)

|                                     |              |
|-------------------------------------|--------------|
| SUPERVISION                         | 113,376.     |
| DEMONSTRATING & SELLING             | 5,356,395.   |
| SALES EXPENSE                       | 9,650.       |
| SALARIES                            | 130,761,491. |
| OFFICE SUPPLIES                     | 67,468,030.  |
| OUTSIDE SERVICES                    | 16,939,429.  |
| PROPERTY INSURANCE                  | 12,376,371.  |
| INJURIES AND DAMAGES                | 19,457,654.  |
| REGULATOR COMMISSION EXPENSE        | 5,285,760.   |
| DUPLICATE                           | -4,042,865.  |
| GENERAL                             | 10,510,616.  |
| OPERATIONAL SUPERV & ENGINEER       | 131,960.     |
| GAS PURCHASES                       | 200,508,832. |
| SNG PURCHASES                       |              |
| PURCHASED GAS                       | 3,599,397.   |
| WITHDRAWN LNG                       | 3,143,591.   |
| PURCHASED GAS                       | -1,180,219.  |
| GAS SUPPLY EXPENSE                  | 834,991.     |
| SUPERVISION & ENGINEERING           | 335,816.     |
| LABOR & EXPENSES                    | 716,764.     |
| PURCHASED GAS                       | 1,275,399.   |
| SUPERVISION & ENGINEERING           | 1,238,712.   |
| DISTRIBUTION LOAD DISPATCH          |              |
| COMPRESSOR STATION LABOR            |              |
| COMPRESSOR STATION FUEL             |              |
| MAINS & SERVICE EXPENSE             | 2,767,663.   |
| M&R STATION GENERAL EXPENSE         | 66,243.      |
| M&R STATION IND EXPENSE             | 808,469.     |
| METER & HOUSE REGUALTOR EXPENSE     | 1,987,620.   |
| CUSTOMER INSTALLATION EXPENSE       | 2,992,606.   |
| OTHER EXPENSE                       | 5,004,209.   |
| SUPERVISION                         | 23,460.      |
| METER READING EXPENSE               | 2,505,715.   |
| CUST RECEIPTS & COLLECT EXPENSE     | 6,566,759.   |
| MISC CUSTOMER ACCOUTNS EXPENSE      | 1,292,017.   |
| SUPERVISION - COMMERCIAL OPERATIONS | 7,851.       |
| CUST ASSIATANCE EXPENSE             | 678,311.     |
| INFO & INST ADV EXP - COMMERCIAL    | 486,501.     |
| SUPERVISION                         | 112,829.     |
| MISC SALES EXPENSE                  | 43,486.      |
| SALARIES                            | 9,335,329.   |
| OFFICE SUPPLIES & EXPENSE           | 5,353,233.   |
| OUTSIDE SERVICES                    | 927,759.     |
| PROPERTY INSURANCE                  | 167,963.     |
| INJURIES AND DAMAGES                | 1,275,822.   |
| REGULATORY COMMISSION EXPENSE       | 1,003,649.   |
| DUPLICATE                           | 50,680.      |
| MISCELLANEOUS GENERAL EXPENSE       | 777,832.     |

Continued on next page

Form 1120, Page 2 detail

Sch A, Line 5 - Other costs (Cont'd)

|                                     |                       |
|-------------------------------------|-----------------------|
| DECOMMISSIONING EXPENSE             | 16,896,823.           |
| OTHER ELECTRIC POWER EXPENSE        | 85,215.               |
| LIQUIFIED PETROLEUM GAS EXPENSE     | 243,108.              |
| LIQUIFIED PETROLEUM GAS PURCHASE    | 724,415.              |
| FUEL                                | 7,394.                |
| OTHER COSTS                         | 58,266.               |
| MEAS REGULATE EXPENSE               | 1,561,080.            |
| MISCELLANEOUS NUCLEAR POWER EXPENSE |                       |
| MISCELLANEOUS TRANSMISSION EXPENSE  |                       |
| CUST SERV & INFO EXPENSE            | 476,999.              |
| DEMONSTRATING & SELLING EXPENSE     | 1,357,289.            |
| ADVERTISING EXPENSE                 | 60,569.               |
| RENTS                               | 3,518.                |
|                                     | -----                 |
| Total other COGS / COOP             | <u>1,434,604,156.</u> |

Sch C, Line 1 - Dividends subject to 70% deduction

|                                     |                 |
|-------------------------------------|-----------------|
| DOMESTIC CORP., 20% OWNED, 70% DED. | 579,573.        |
|                                     | -----           |
| Total                               | <u>579,573.</u> |

Form 1120, Page 4 detail

|   | Beginning<br>-----    | Ending<br>-----       |
|---|-----------------------|-----------------------|
| <b>Sch L, line 6 - Other current assets</b> |                       |                       |
| -----                                       |                       |                       |
| PREPAID TAXES & INSURANCE                   | 17,839,591.           | 20,909,100.           |
| DEF FUEL, ACCR & BANKED SICK & VACA         | -13,126,961.          | -15,221,068.          |
| ACCRUED UTILITY REVENUE                     | 112,050,000.          | 98,830,000.           |
|   | -----                 | -----                 |
| <b>Total</b>                                | <b>116,762,630.</b>   | <b>104,518,032.</b>   |
|   | =====                 | =====                 |
| <b>Sch L, line 9 - Other investments</b>    |                       |                       |
| -----                                       |                       |                       |
| INVESTMENTS IN ASSOCIATED CO'S              | 178,934,222.          | 216,091,348.          |
| MORTGAGES, LAND OPTIONS, OTHER              | 76,377.               | 76,377.               |
|   | -----                 | -----                 |
| <b>Total</b>                                | <b>179,010,599.</b>   | <b>216,167,725.</b>   |
|   | =====                 | =====                 |
| <b>Sch L, line 14 - Other assets</b>        |                       |                       |
| -----                                       |                       |                       |
| UNAMORTIZED DEBT EXPENSES                   | 17,664,689.           | 21,891,887.           |
| UNRECOVERED PLANT & PROPERTY LOSSES         | 106,123,547.          | 45,874,177.           |
| PRELIMINARY SURVEY & INVESTIGATION          | 38,048,535.           | 38,757,401.           |
| CLEARING ACCOUNTS                           |                       | 5,646,383.            |
| DEF DEBITS-BILLINGS, D.O COST               | 532,665,526.          | 467,725,714.          |
| RESEARCH & DEVELOPMENT EXPENDITURES         | 19,659.               |                       |
| UNAMORT PREMIUMS ON REACQUIRED DEBT         | 343,003,650.          | 320,878,593.          |
| DEFERRED INCOME TAXES                       | 466,673,797.          | 550,140,987.          |
|   | -----                 | -----                 |
| <b>Total</b>                                | <b>1,504,199,403.</b> | <b>1,450,915,142.</b> |
|   | =====                 | =====                 |
| <b>Sch L, line 18 -</b>                     |                       |                       |
| <b>Other current liabilities</b>            |                       |                       |
| -----                                       |                       |                       |
| ACCRUED TAXES                               | 23,283,789.           | 80,645,633.           |
| ACCRUED INTEREST                            | 97,383,107.           | 93,007,895.           |
| DIVIDENDS DECLARED                          | 18,344,552.           | 15,096,312.           |
| TAX COLLECTIONS PAYABLE                     | 9,305,254.            | 12,194,286.           |
| ADVANCES & OTHER ACCRUED LIABILITIE         | 85,111,500.           | 41,853,077.           |
| UTILITY PROPERTY UNDER LEASE - CURR         | 60,498,725.           | 60,475,828.           |
|   | -----                 | -----                 |
| <b>Total</b>                                | <b>293,926,927.</b>   | <b>303,273,031.</b>   |
|   | =====                 | =====                 |

Form 1120, Page 4 detail

| Sch L, line 21 - Other liabilities  | Beginning<br>-----    | Ending<br>-----       |
|-------------------------------------|-----------------------|-----------------------|
| UNAMORTIZED PREMIUMS ON L.T. DEBT   | 14,597.               | 11,188.               |
| UNAMORTIZED DISCOUNT ON L.T. DEBT   | -41,125,600.          | -38,225,113.          |
| UTILITY PROPERTY UNDER LEASE - L.T. | 134,203,581.          | 114,089,199.          |
| CUSTOMER DEPOSITS                   | 13,119,633.           | 13,542,509.           |
| CUSTOMER ADVANCES                   | 2,477,587.            | 2,591,871.            |
| DEFERRED CREDITS                    | 186,242,958.          | 170,338,297.          |
| ACCUMULATED DEFERRED ITC            | 384,001,074.          | 372,067,015.          |
| UNAMORTIZED GAIN ON REAQUIRED DEBT  | 5,511,933.            | 4,337,659.            |
| ACCUM DEF TAXES - ACCEL AMORT PROP  | 602,268.              | 369,228.              |
| ACC NET DEF'S & REG. LIAB -OTH PROP | 1,300,819,433.        | 1,433,348,270.        |
| ACC NET DEF'S & REG LIA -OT TH PROP | 192,378,492.          | 161,582,731.          |
| POST RETIREMENT BENEFITS            | 115,530,608.          | 85,442,000.           |
| EMISSION ALLOWANCE                  | 72,638.               | -5,117.               |
|                                     | -----                 | -----                 |
| Total                               | <u>2,293,849,202.</u> | <u>2,319,489,737.</u> |

Form 1120, Page 4 Detail

Sch M-1, line 4 - Taxable income not recorded on books this year

|                                      |              |
|--------------------------------------|--------------|
| DIV'S FROM SUB CO'S SUBJ TO 100%EXCL | 9,348,365.   |
| SALEM LEASING INTEREST INCOME        | 5,716,269.   |
| UNBILLED REVENUE -TAX                | -14,490,000. |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | 1,219,284.   |
| PTR. PORTFOLIO INT INC               | 7,403.       |
| COMPENSATION FROM LIPA -NUCLEAR FUEL | -3,880,636.  |
| DIVID. -70% DEDUCTION                | 579,573.     |
| LEASING RENTAL INCOME -ADWIN         |              |
| GAIN ON REAQUIRED DEBT               |              |
| DECOMM ESCROW CORP BOND INTEREST     | 373,964.     |
| Total                                | -1,125,778.  |

Sch M-1, line 5 - Expenses on books not deducted in return

|                                      |              |
|--------------------------------------|--------------|
| AMORT. OF PREM'S PAID-REAQUIRED DEBT | 26,923,238.  |
| 50% NON-DEDUCTIBLE BUSINESS MEALS    | 1,177,797.   |
| DEF COMPENSATION(ACCR NET OF PYMTS)  | 185,377.     |
| AMORT OF LIM 1&COM DECLAR ORDER COST | 22,647,156.  |
| DIVID.EQUIVALENCE(ACCR NET OF PYMTS) | 1,254,750.   |
| ENVIRONMENTAL CLEAN-UP COSTS         | 3,251,421.   |
| D.O.E.-DECON/DECOMM EXPENDITURES     | -542,727.    |
| DECOMMISSIONING EXPENSES             | 3,358,661.   |
| OBSELETE INVENTORY WRITEDOWN         | 8,513,000.   |
| AVOIDED INTEREST                     | 24,439,690.  |
| SPARE PARTS ADJ                      | 3,634,456.   |
| AUDIT ADJUSTMENTS - ROLLOVER ITEMS   | 397,732.     |
| CPOPORATE LOANS                      |              |
| CIVIL PENALTIES & OTHER VIOLATIONS   | 345,965.     |
| DEFERRED TAXES                       | -25,703,254. |
| ITC ADJUSTMENT                       | 28,133,810.  |
| STATE INCOME TAXES                   | 77,697,298.  |
| UNIFORM CAP OF INVENTORY - END OF YR | 2,039,313.   |
| POLITICAL ACTION COMMITTEE EXP       | 84,485.      |
| DEPREC ADJ FOR LEASED VEHICLES       | 658.         |
| JOBS CREDIT                          | 29,943.      |
| OTHER BOOK EXPENSES NOT ON RETURN    |              |
| GOODWILL                             |              |
| TAX PENALTY                          |              |
| GROSS REC TAX ON DEFERRED REVENUE    |              |
| POLITICAL CONTRIBUTIONS              |              |
| VACATION PAY                         |              |
| VALUATION LOSS                       |              |
| DEPLETION                            |              |
| FAS 106                              | 66,500,000.  |
| LOBBYING EXPENSES                    | 1,025,852.   |
| NUCLEAR OUTAGE ACCRUAL - BK          | 51,152,000.  |

Continued on next page

Form 1120, Page 4 Detail

Sch M-1, line 5 - Expenses on books not deducted in return (Cont'd)

|                                |                     |
|--------------------------------|---------------------|
| UNCOLLECTIBLES - BK/TX         | 8,395,789.          |
| DUES                           | 258,335.            |
| AMORT OF HYDROGEN WTR CHEM SYS | 395,334.            |
| INTEREST INC/EXP ADJ           | -761,260.           |
| Total                          | <u>304,834,819.</u> |

Sch M-1, line 7 - Income on books not included in this return

|                                       |                    |
|---------------------------------------|--------------------|
| Gain or loss on disposition of assets | 20,880,304.        |
| ACCRETION INCOME NET                  | 1,544,161.         |
| EQUITY IN EARNINGS OF SUBSIDIARIES    | -1,102,596.        |
| PARTNERSHIP INCOME                    | 1,998.             |
| AMORT. OF GAIN ON REAQUIRED BONDS     | 1,174,274.         |
| BOOKED UNBILLED REVENUE               | -13,220,000.       |
| PURCHASING PRACTICE COSTS             |                    |
| AFUDC                                 | 21,828,340.        |
| AMORT OF ANTI-TRUST SETTLEMENT        | 16,991.            |
| PA USE TAX ADJUSTMENT                 |                    |
| PREPAID RENTAL INCOME                 | 69,977.            |
| DEFERRED REVENUE                      |                    |
| NEIGHBORHOOD ASSISTANCE ACT CREDIT    | 51,546.            |
| DEF RR MAINT - RENT EXP               | -475.              |
| Total                                 | <u>31,244,520.</u> |

Sch M-1, line 8 - Deductions in return not charged against book

|                                      |              |
|--------------------------------------|--------------|
| State taxes                          | 104,527,483. |
| Capital loss carryover               | 127,563.     |
| LONG TERM INCENTIVE PLAN             | 388,036.     |
| UNCOLLECTIBLE ACCOUNT RESERVE        |              |
| GROSS RECEIPTS TAX -PA/MD            | -1,906,259.  |
| PREMIUMS PAID TO REACQUIRE DEBT      | 4,987,720.   |
| TRUSTEE FEES -ESCROW FUNDS           | 172,479.     |
| UNIFORM CAPITAL OF INVENTORY         | 3,649,913.   |
| ADDITIONAL DEPRIATION -FUEL          | -3,662,004.  |
| ADD'L DEPREC PLNT&SOFTWARE EXCL.FUEL | 245,492,991. |
| EASEMENTS, CLEARING & GRADING        | 737,328.     |
| SALEM LEASING RENTAL EXPENSE         | 15,469,318.  |
| COST OF REMOVAL                      | 5,665,839.   |
| REPAIR ALLOWANCE                     | 9,514,520.   |
| DEFERRED FUEL                        | 35,368,995.  |
| STATE RADWASTE FACILITY EXPENDITURE  |              |
| PURTA                                | -3,150,363.  |
| REAL ESTATE TAXES CAPITALIZED        | 68,411.      |

Continued on next page

Form 1120, Page 4 Detail

Sch M-1, line 8 - Deductions in return not charged against book (Cont'd)

|                                      |                     |
|--------------------------------------|---------------------|
| NUCLEAR DESIGN BASIS DOCUMENTATION   | 1,713,127.          |
| CAPITALIZED INTEREST                 | 82,984.             |
| POWER RERATE EXPENDITURES            | 15,936,174.         |
| PENNA CAPITAL STOCK TAX ADJ          | -39,000,000.        |
| NUCLEAR OUTAGE COST ACCRUAL          | 52,311,605.         |
| PENSION COSTS                        | -112,767,559.       |
| CONTRIBUTIONS                        |                     |
| PARTNERSHIP LOSS                     |                     |
| PTNR DEDUCTIONS RELATED TO PORTFOLIO |                     |
| SOFTWARE DEVELOPMENT COSTS           | 8,291,940.          |
| PARTNRSHP - INT EXP ON INVEST        |                     |
| INTANGIBLE DRILLING COSTS            |                     |
| STATE FRANCHISE TAX                  |                     |
| VRIP / VSIP COSTS                    | -14,112,596.        |
| CLEARING ACCOUNT EXPENSE             | 5,565,350.          |
| CONVERSION COSTS                     | 478,290.            |
| AUTOMATIC STATE TAX ADJUSTMENT       |                     |
| Total                                | <u>335,951,285.</u> |

Sch M-2, line 6 - Other decreases

|                                    |                    |
|------------------------------------|--------------------|
| EXPENSES OF CAPITAL STOCK ACTIVITY | 11,662,108.        |
| LTIP OPTIONS EXERCISED             | 388,039.           |
| Total                              | <u>12,050,147.</u> |

Schedule D Detail

Line 4 - Unused Carryovers

| Taxable Year | Carryover         | Remaining         |
|--------------|-------------------|-------------------|
| 1994         |                   |                   |
| 1993         | 2,274,628.        | 2,147,065.        |
| 1992         |                   |                   |
| 1991         |                   |                   |
| 1990         |                   |                   |
| 1989         |                   |                   |
| 1988         |                   |                   |
| 1987         |                   |                   |
| 1986         |                   |                   |
| <b>Total</b> | <b>2,274,628.</b> | <b>2,147,065.</b> |

Line 6 - Long-term Capital Gain(Loss)

| Property     | Date Acq | Date Sld | Sales Price | Cost     | Gain(loss)      |
|--------------|----------|----------|-------------|----------|-----------------|
| VARIOUS      |          |          | 451,054.    | 323,491. | 127,563.        |
| <b>Total</b> |          |          |             |          | <b>127,563.</b> |

Form 3800 Detail

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Line 5 - General Business Credit Carryforwards

---

| Year Ending  | Amount<br>Generated | Amount<br>Utilized | Carryover      |
|--------------|---------------------|--------------------|----------------|
| 1979         |                     |                    |                |
| 1980         |                     |                    |                |
| 1981         |                     |                    |                |
| 1982         |                     |                    |                |
| 1983         |                     |                    |                |
| 1984         |                     |                    |                |
| 1985         |                     |                    |                |
| 1986         |                     |                    |                |
| 1987         |                     |                    |                |
| 1988         |                     |                    |                |
| 1989         |                     |                    |                |
| 1990         |                     |                    |                |
| 1991         |                     |                    |                |
| 1992         |                     |                    |                |
| 1993         |                     |                    |                |
| 1994         | 29,943.             |                    | 29,943.        |
| <b>Total</b> | <b>29,943.</b>      |                    | <b>29,943.</b> |

Expired carryover:

Total carried forward to 1995: 29,943.

Line 6 - General Business Credit Carrybacks

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Carrybacks:  
 1995 1996 1997  
 Carrybacks not utilized: 1996 1997

Form 3800 Detail

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Line 5 - Jobs Credit Carryforwards

---

| Year Ending | Amount<br>Generated | Amount<br>Utilized | Carryover |
|-------------|---------------------|--------------------|-----------|
| 12/31/79    |                     |                    |           |
| 12/31/80    |                     |                    |           |
| 12/31/81    |                     |                    |           |
| 12/31/82    |                     |                    |           |
| 12/31/83    |                     |                    |           |
| 12/31/84    |                     |                    |           |
| 12/31/85    |                     |                    |           |
| 12/31/86    |                     |                    |           |
| 12/31/87    |                     |                    |           |
| 12/31/88    |                     |                    |           |
| 12/31/89    |                     |                    |           |
| 12/31/90    |                     |                    |           |
| 12/31/91    |                     |                    |           |
| 12/31/92    |                     |                    |           |
| 12/31/93    |                     |                    |           |
| 12/31/94    | 29,943.             |                    | 29,943.   |
|             | -----               | -----              | -----     |
| Total       | 29,943.             |                    | 29,943.   |

Expired carryover:

Total carried forward to 1995: 29,943.

Line 6 - Jobs Credit Carrybacks

---

|                          |      |      |
|--------------------------|------|------|
| Carrybacks:              |      |      |
| 1995                     | 1996 | 1997 |
| Carrybacks not utilized: | 1996 | 1997 |

Form 4626 Detail

Line 4 - ACE Carryover

|   | 1990 | 1991 | 1992 | 1993         | 1994         |
|---|------|------|------|--------------|--------------|
| ACE .....                                       |      |      |      | 816,750,997. | 859,324,190. |
| AMTI .....                                      |      |      |      | 502,369,848. | 555,088,703. |
| ACE over AMTI .....                             |      |      |      | 314,381,149. | 304,235,487. |
| AMTI over ACE .....                             |      |      |      |              |              |
| 75% ACE preference .                            |      |      |      | 235,785,862. | 228,176,615. |
| 75% ACE reduction ..                            |      |      |      |              |              |
| Carryover created ..                            |      |      |      | 235,785,862. | 228,176,615. |
| Prior yr carryover<br>(Reduction allowed) ..... |      |      |      |              | 235,785,862. |
| Carryover used<br>(Reduction claimed) .....     |      |      |      |              |              |
| Carryover remaining                             |      |      |      | 235,785,862. | 463,962,477. |

Form 4797, Page 1 Detail Part I

| (A) Description of Property | (B) Date Acquired | (C) Date Sold | (D) Gross Sales Price | (E) Deprec. Allowed | (F) Cost or Other Basis Plus Improv and Sale Expense | (G) Loss         | (H) Gain          |
|-----------------------------|-------------------|---------------|-----------------------|---------------------|--|------------------|-------------------|
| VARIOUS                     |                   |               | 1,053,672.            | 15953005.           | 38234366.  | 21227689.        |                   |
| VARIOUS                     |                   |               | 6,283,154.            | 32,776.             | 2,345,778.   |                  | 3,970,152.        |
| Part I 4797 Gain or Loss    |                   |               |                       |                     |  | <u>21227689.</u> | <u>3,970,152.</u> |

Form 4797, Page 1 Detail Part II

| (A) Description of Property       | (B) Date Acquired | (C) Date Sold | (D) Gross Sales Price | (E) Deprec. Allowed | (F) Cost or Other Basis Plus Improv and Sale Expense | (G) Loss | (H) Gain |
|-----------------------------------|-------------------|---------------|-----------------------|---------------------|--|----------|----------|
| VARIOUS                           |                   |               | 372.                  |                     | 4,041.   | 3,669.   |          |
| Part II Ordinary Gains and Losses |                   |               |                       |                     |  | 3,669.   |          |

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Form LJET282 XZ001 not found. Document: CPECOAA.PRN

PECO Energy Company  
Response to Filing Requirements

Schedule D-10

Respondent: Frank F. Frankowski

Q: Provide copies of the most recently filed Pennsylvania Gross Receipts Tax and Pennsylvania Public Utility Realty Tax reports with copies of the official settlements.

Response:

Attachment D-10 is the 1994 Gross Receipts Tax returns for electric and gas along with copies of official settlements, and the 1995 Gross Receipts Tax returns for electric and gas. Attached also is a copy of the 1995 Public Utility Realty Tax (PURTA) Report.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

**IMPORTANT**

THIS REPORT IS DUE ON OR BEFORE MARCH 15, FOR THE 12 MONTHS ENDED DECEMBER 31 IMMEDIATELY PRECEDING. A PENALTY FOR LATE FILING WILL BE IMPOSED IN THE AMOUNT OF 10% ON THE FIRST \$1000 OF TAX, 5% ON THE NEXT \$4000 AND 1% ON EVERYTHING IN EXCESS OF \$5000.

**GROSS RECEIPTS TAX REPORT  
ELECTRIC, HYDRO-ELECTRIC  
AND WATER POWER COMPANIES**

Attachment D-10

FIRST REPORT (Newly Incorporated/ Franchised)  AMENDED REPORT  
 LAST REPORT (Going out-of-existence)  COVERS LESS THAN A FULL 12-MO. PERIOD  COMPOSITE REPORT

(REV-856S) TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 280407, HARRISBURG, PA 17128-0407.

NAME (Place Preprinted Label Here) PECO Energy Company  
STREET ADDRESS 2301 Market St.  
CITY Phila STATE PA ZIP CODE 19101  
CORPORATION TAX FILE (BOX) NUMBER 0415-103  
FEDERAL EIN 23-0970240  
TAX YEAR ENDING 12/31/ 1995

To the Commonwealth of Pennsylvania, Department of Revenue, Harrisburg, Pennsylvania. In compliance with the Act of March 4, 1971 P.L. 6 (Act No. 2), as amended, the following report is made of the gross receipts by the above named Corporation, Association, Joint-Stock Association, Limited Partnership, Co-partnership, Individual or Individuals for the period mentioned above.

(Answer all questions with appropriate figures, the use of the word "None" or such statement of facts as is responsive to the question.)

Gross Receipts from all sources \$ 3,770,806,391  
Gross Receipts within the state from all sources \$ 3,446,868,650

**SCHEDULE OF GROSS RECEIPTS WITHIN THE STATE  
COMPLETE ONLY THOSE LINES APPLICABLE TO YOUR BUSINESS ACTIVITY.**

- 1. From the sale of artificial and natural gas \*
2. From the sales of electric energy (not including sales for resale)
3. From sale of current for lighting, heating or power to other utilities or municipalities for the purpose of resale.
4. From sale of lamps, wire, sockets, plugs, fuses, switches, lighting fixtures, heating or cooking fixtures or utensils, motors, electric sweepers or vacuum cleaners and all other electrical supplies, repairs, machines, utensils or devices
5. From charges for services rendered (The amount stated should include receipts from labor charges in connection with custom or jobbing work, or in connection with installations for the reporting company's service.)
6. From rental of motors, transformers, sweepers or cleaners or other machines or devices
7. From interest and finance charges in connection with sales of electrical equipment machines, utensils or devices
8. From consumer's forfeited discounts and penalties
9. From sales to Federal government
10. From sale of steam for heating
11. From sale of steam for power
12. From sale of steam for other purposes (Specify purposes and the amount of receipts for each purpose.)
13. From rental of wire or conduits
14. From charges for pole rights
15. From sale of old equipment or materials
16. From rental of real estate
17. From interest on loans or deposits
18. From earnings on investments
From all other sources: (List separately below. All receipts must be shown by their several sources. Miscellaneous receipts must be explained. If space is insufficient, attach rider as part of the report.)
a. From
b. From
c. From
TOTAL GROSS RECEIPTS WITHIN THE STATE
\* Not including liquefied petroleum gas.

Table with 2 columns: GROSS RECEIPTS TAXABLE, GROSS RECEIPTS EXEMPT. Rows include various receipt categories and a total row.

**COMPUTATION BY TAXPAYER**

GROSS RECEIPTS TAXABLE for the period covered by this report \$ 3,259,689,668
Tax at the rate of 44 mills \$ 143,426,349
Penalty (for failure to file report within time limit prescribed by law) \$
Amount due Commonwealth. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block \$ 143,426,349

Mall completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

**AFFIRMATION**

I hereby affirm under penalties prescribed by law that 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.

Date 1/15/96 Signature of Official J. B. Mitchell Print or Type Name of Official J. B. Mitchell Title Treasurer City State Zip Code Telephone Number (215) 841-6098

**PECO ENERGY COMPANY  
PENNSYLVANIA GROSS RECEIPTS TAX REPORT  
TWELVE MONTHS ENDED DECEMBER 31, 1995**

**ELECTRIC - RIDER**

**GROSS RECEIPTS WITHIN THE STATE FROM ALL SOURCES**

|         |  |               |
|---------|--|---------------|
| TAXABLE |  | 3,259,689,668 |
| EXEMPT  |  | 187,178,982   |
|         |  | <hr/>         |
| TOTAL   |  | 3,446,868,650 |

**ADD:**

**GROSS RECEIPTS OUTSIDE THE STATE (a)**

**SALES MADE UNDER FERC TARIFFS**

|                             |            |            |
|-----------------------------|------------|------------|
| CONRAIL - NEW JERSEY BRANCH | 5,871,866  |            |
| CONOWINGO POWER COMPANY     | 19,861,067 | 25,732,933 |
|                             |            | <hr/>      |

**SALES FOR RESALE**

|                                   |            |             |
|-----------------------------------|------------|-------------|
| LONG ISLAND LIGHTING              | 74,105     |             |
| CONSOLIDATED EDISON OF N.Y.       | 11,596,390 |             |
| ALLEGHENY POWER SYSTEMS           | 15,484,494 |             |
| PUBLIC SERVICES ELECTRIC & GAS    | 25,638,853 |             |
| GPU SERVICE CORPORATION           | 7,684,216  |             |
| BALTIMORE GAS & ELECTRIC          | 83,311,481 |             |
| ORANGE & ROCKLAND                 | 1,383,570  |             |
| ALANTIC CITY ELECTRIC             | 27,695,628 |             |
| DELMARVA POWER & LIGHT            | 85,007,528 |             |
| NEW YORK POWER AUTHORITY          | 2,532,523  |             |
| METROPOLITAN EDISON               | 15,549     |             |
| NORTHEAST UTILITIES SERVICE       | 853,388    |             |
| DELAWARE MUNICIPAL ELECTRIC       | 5,009,948  |             |
| CAROLINA POWER & LIGHT            | 621,237    |             |
| CATEX VITOL ELECTRI, L.L.C.       | 103,760    |             |
| CINERGY SERVICES                  | 8,030      |             |
| CITIZENS LEHMAN POWER SALES       | 169,800    |             |
| DAYTON POWER & LIGHT              | 1,361,385  |             |
| LOUIS DREYFUS ELECTRIC POWER      | 231,365    |             |
| ELECTRIC CLEARINGHOUSE            | 4,430,086  |             |
| ENRON POWER MARKETING             | 1,007,500  |             |
| OHIO EDISON                       | 488,416    |             |
| OLD DOMINION ELECTRIC COOPERATIVE | 2,893,995  |             |
| POTOMAC ELECTRIC POWER            | 20,419,691 |             |
| VIRIGINA ELECTRIC & POWER         | 70,800     |             |
| WABASH VALLEY POWER ASSN.         | 41,070     | 298,204,808 |
|                                   |            | <hr/>       |

**GROSS RECEIPTS FROM ALL SOURCES:**

3,770,806,391

(a) The Commonwealth concedes that receipts from these sources are from sources outside of Pennsylvania. See Commonwealth brief in Commonwealth vs. Philadelphia Electric Company, No. 204, Docket 1940, Court of Common Pleas of Dauphin County.

S:\TAXES\WBM\GRRIDR2.XLS

**PECO ENERGY COMPANY**  
**PENNSYLVANIA GROSS RECEIPTS TAX REPORT**  
**TWELVE MONTHS ENDED DECEMBER 31,1995**

**ELECTRIC - RIDER**

**Detail of Item 19(a)**

|   |                  |
|---|------------------|
| Miscellaneous Service Revenues  | 2,225,717        |
| Other Electric Revenues   | 19,542           |
| Revenue from Operation of Fish and Wildlife Recreation Facilities               | 17,156           |
| Commissions on Collection of Pennsylvania Sales Tax                             | 556,456          |
| Carrying Charges on Investment in Samac Computer Allocated to Peach Bottom      | 20,700           |
| Gain on Sale of Property  | 60,675,019       |
| Revenue- Delaware Resource Management   | 2,384,737        |
| Lease O & M Charges   | 30,580           |
| Customer Credits for Interest Due on Overcollection - Electric Energy Cost Rate | 1,712,022        |
| Customer Credits for Refund Associated with Sale of Gas Turbines                | 37               |
| Gain on Reacquired Bonds  | 0                |
| Maintenance & Transmission Losses   | 0                |
| Miscellaneous Non-Operating Income  | (127,640)        |
| Carrying Charges Atlantic City 220 KV   | 1,200            |
| Administration Charges for Qualifying Facilities                                | (1,353)          |
| Sale of Import Capability   | 0                |
| Special Facilities Charged to Amtrak  | 3,531,709        |
| Merck Company Operating & maintenance Expenses                                  | (19,896)         |
| Carrying Charges - Peach Bottom Reconciliation                                  | 0                |
| Cost of Unpaid Peach Bottom Invoices  | 0                |
| Compensation for Overheads other than Fringe Benefits                           | 16,501,652       |
| Rental of Facilities  | 4,156,978        |
| <b>Total Item 19(a)</b>   | <hr/> 91,684,616 |



GROSS RECEIPTS TAX REPORT  
GAS COMPANIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

IMPORTANT

THIS REPORT IS DUE ON OR BEFORE MARCH 15,  
FOR THE TWELVE MONTHS ENDED DECEMBER 31  
IMMEDIATELY PRECEDING. A PENALTY FOR LATE  
FILING WILL BE IMPOSED IN THE AMOUNT OF  
10% ON THE FIRST \$1000 OF TAX, 5% ON  
THE NEXT \$4000 AND 1% ON EVERYTHING IN  
EXCESS OF \$5000.

FIRST REPORT (Newly Incorporated/ Franchised)  AMENDED REPORT

LAST REPORT (Going out-of-existence)  COVERS LESS THAN A FULL 12-MO. PERIOD  COMPOSITE REPORT

MAIL THIS FORM WITH REMITTANCE PAYABLE  
TO THE PA DEPARTMENT OF REVENUE ALONG  
WITH PAYMENT TRANSMITTAL FORM  
(REV-856S) TO THE PA DEPARTMENT OF  
REVENUE, BUREAU OF RECEIPTS AND  
CONTROL (CORP.), DEPT. 280407,  
HARRISBURG, PA 17128-0407.

NAME (Place Preprinted Label Here)  
 BOX NO 0415-103  
 PECO ENERGY COMPANY  
 TAX DEPARTMENT 3RD FL  
 2300 MARKET ST  
 PHILADELPHIA PA 19101

CORPORATION TAX FILE (BOX) NUMBER  
0415-103

FEDERAL EIN  
23-0970240

TAX YEAR ENDING  
12/31/95

In compliance with the Act of March 4, 1971 P.L. 6 (Act No. 2), as amended, the following report is made of the gross receipts by the above named Corporation, Association, Joint-Stock Association, Limited Partnership, Copartnership, Individual or Individuals for the period mentioned above:

(Answer all questions with appropriate figures, the use of the word "None" or such statement of facts as is responsive to the question.)

|  |                |
|--|----------------|
| Gross Receipts from all sources                  | \$ 400,647,878 |
| Gross Receipts within the state from all sources | \$ 400,647,878 |

| SCHEDULE OF GROSS RECEIPTS WITHIN THE STATE<br>COMPLETE ONLY THOSE LINES APPLICABLE TO YOUR BUSINESS ACTIVITY.   |            | GROSS RECEIPTS<br>TAXABLE | GROSS RECEIPTS<br>EXEMPT |
|--|------------|---------------------------|--------------------------|
| 1. From the sale of artificial and natural gas *   |            | \$ 381,759,098            | \$                       |
| 2. From the sales of electric energy (not including sales for resale)  |            |                           |                          |
| 3. From sale of current for lighting, heating or power to other utilities or municipalities for the purpose of resale. (The amount stated should include the gross sales under interchange agreements.)  |            |                           |                          |
| 4. From sale of lamps, wire, sockets, plugs, fuses, switches, lighting fixtures, heating or cooking fixtures or utensils, motors, electric sweepers or vacuum cleaners and all other electrical supplies, repairs, machines, utensils or devices |            |                           |                          |
| 5. From charges for services rendered (The amount stated should include receipts from labor charges in connection with custom or jobbing work, or in connection with installations for the reporting company's service.)                         |            |                           | 0                        |
| 6. From rental of motors, transformers, sweepers or cleaners or other machines or devices  |            |                           |                          |
| 7. From interest and finance charges in connection with sales of electrical equipment machines, utensils or devices  |            |                           |                          |
| 8. From consumer's forfeited discounts and penalties   | 14870-0001 |                           | 1,169,770                |
| 9. From sales to Federal government  |            |                           |                          |
| 10. From sale of steam for heating   |            |                           |                          |
| 11. From sale of steam for power   |            |                           |                          |
| 12. From sale of steam for other purposes (Specify purposes and the amount of receipts for each purpose.)  |            |                           |                          |
| 13. From rental of wire or conduits  |            |                           |                          |
| 14. From charges for pole rights   |            |                           |                          |
| 15. From sale of old equipment or materials  |            |                           |                          |
| 16. From rental of real estate   |            |                           |                          |
| 17. From interest on loans or deposits   |            |                           |                          |
| 18. From earnings on investments   |            |                           |                          |
| 19. From all other sources: (List separately below. All receipts must be shown by their several sources. Miscellaneous receipts must be explained. If space is insufficient, attach rider as part of the report.)                                |            |                           |                          |
| a. From Rent from gas property   |            |                           | 2,130                    |
| b. From See rider attached   |            |                           | 17,716,880               |
| c. From  |            |                           |                          |
| TOTAL GROSS RECEIPTS WITHIN THE STATE<br>Not including liquefied petroleum gas.  |            | \$ 381,759,098            | \$ 18,888,780            |

COMPUTATION OF TAX BY TAXPAYER

|   |                |   |
|---|----------------|---|
| GROSS RECEIPTS TAXABLE for the period covered by this report  | \$ 381,759,098 |   |
| At rate of 50 mills (.050)  |                | \$ 19,087,955                                     |
| Penalty (for failure to file report within time limit prescribed by law)                                      |                | \$  |
| Amount due Commonwealth. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block. |                | <input checked="" type="checkbox"/> \$ 19,087,955 |

Completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

**AFFIRMATION** I hereby affirm under penalties prescribed by law that 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.

Signature of Official: *[Handwritten Signature]* Print or Type Name of Official: J. B. Mitchell

Title: Treasurer

State: Zip Code: Telephone Number: ( )

PECO ENERGY COMPANY  
PENNSYLVANIA GROSS RECEIPTS TAX REPORT  
TWELVE MONTHS ENDED DECEMBER 31,1995

GAS - RIDER

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Detail of Item 19(B) - GAS

|  |                   |
|--|-------------------|
| Miscellaneous Service Revenues                   | 0                 |
| Commissions on Collection of Pa. Sales Tax       | 82,543            |
| Transportation of Gas for Others                 | 17,009,117        |
| Gas Fuel Adjusting Revenue                       | 356,167           |
| Customer Credits for Interest Due on Gas Refunds | 269,053           |
|  | <hr/>             |
| <b>Total Item 19 (b)</b>                         | <b>17,716,880</b> |



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

**IMPORTANT**

THIS REPORT IS DUE ON OR BEFORE MARCH 15, FOR THE 12 MONTHS ENDED DECEMBER 31 IMMEDIATELY PRECEDING. A PENALTY FOR LATE FILING WILL BE IMPOSED IN THE AMOUNT OF 10% ON THE FIRST \$1000 OF TAX, 5% ON THE NEXT \$4000 AND 1% ON EVERYTHING IN EXCESS OF \$5000.

**GROSS RECEIPTS TAX REPORT  
ELECTRIC, HYDRO-ELECTRIC  
AND WATER POWER COMPANIES**

- FIRST REPORT (Newly Incorporated/ Franchised)
- LAST REPORT (Going out-of-existence)
- AMENDED REPORT
- COVERS LESS THAN A FULL 12-MO. PERIOD
- COMPOSITE REPORT

MAIL THIS FORM WITH REMITTANCE PAYABLE TO THE PA DEPARTMENT OF REVENUE ALONG WITH PAYMENT TRANSMITTAL FORM (REV-856S) TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 280407, HARRISBURG, PA 17128-0407.

NAME: PECO Energy Company  
 ST: 2301 Market St., S12-5, Taxes  
 CT: Philadelphia, PA 19101

CORPORATION TAX FILE (BOX) NUMBER: 0415-100  
 FEDERAL EIN: 27-15470240  
 CODE: 101 TAX YEAR ENDING: 12/31 1994

To the Commonwealth of Pennsylvania, Department of Revenue, Harrisburg, Pennsylvania.

In compliance with the Act of March 4, 1971 P.L. 6 (Act No. 2), as amended, the following report is made of the gross receipts by the above named Corporation, Association, Joint-Stock Association, Limited Partnership, Co-partnership, Individual or Individuals for the period mentioned above.

(Answer all questions with appropriate figures, the use of the word "None" or such statement of facts as is responsive to the question.)

Gross Receipts from all sources \$ 3,535,485.672  
 Gross Receipts within the state from all sources \$ 3,254,678.274

**SCHEDULE OF GROSS RECEIPTS WITHIN THE STATE**  
COMPLETE ONLY THOSE LINES APPLICABLE TO YOUR BUSINESS ACTIVITY.

|  | GROSS RECEIPTS TAXABLE | GROSS RECEIPTS EXEMPT |
|--|------------------------|-----------------------|
| 1. From the sale of artificial and natural gas *   | \$ 3,138,225.071       |                       |
| 2. From the sales of electric energy (not including sales for resale)  |                        | 42,059.792            |
| 3. From sale of current for lighting, heating or power to other utilities or municipalities for the purpose of resale. (The amount stated should include the gross sales under interchange agreements.)  |                        |                       |
| 4. From sale of lamps, wire, sockets, plugs, fuses, switches, lighting fixtures, heating or cooking fixtures or utensils, motors, electric sweepers or vacuum cleaners and all other electrical supplies, repairs, machines, utensils or devices |                        | 154,760               |
| 5. From charges for services rendered (The amount stated should include receipts from labor charges in connection with custom or jobbing work, or in connection with installations for the reporting company's service.)                         |                        | (101,586)             |
| 6. From rental of motors, transformers, sweepers or cleaners or other machines or devices  |                        | 11,079.95             |
| 7. From interest and finance charges in connection with sales of electrical equipment machines, utensils or devices  |                        |                       |
| 8. From consumer's forfeited discounts and penalties   |                        |                       |
| 9. From sales to Federal government  |                        |                       |
| 10. From sale of steam for heating   |                        |                       |
| 11. From sale of steam for power   |                        |                       |
| 12. From sale of steam for other purposes (Specify purposes and the amount of receipts for each purpose.)  |                        |                       |
| 13. From rental of wire or conduits  |                        |                       |
| 14. From charges for pole rights   |                        | 7,831.548             |
| 15. From sale of old equipment or materials  |                        |                       |
| 16. From rental of real estate   |                        | 1,999.829             |
| 17. From interest on loans or deposits   |                        | 7,505.983             |
| 18. From earnings on investments   |                        | 9,294.099             |
| 19. From all other sources: (List separately below. All receipts must be shown by their several sources. Miscellaneous receipts must be explained. If space is insufficient, attach rider as part of the report.)                                |                        |                       |
| a. From SEE RIDER ATTACHED   |                        | 36,629.163            |
| b. From  |                        |                       |
| c. From  |                        |                       |
| TOTAL GROSS RECEIPTS WITHIN THE STATE  | \$ 3,138,225.071       | \$ 116,453.193        |
| * Not including liquefied petroleum gas.   |                        |                       |

**COMPUTATION BY TAXPAYER**

GROSS RECEIPTS TAXABLE for the period covered by this report \$ 3,138,225.071  
 Tax at the rate of 44 mills \$ 1,38,081.904  
 Penalty (for failure to file report within time limit prescribed by law) \$ 138,081.904  
 Amount due Commonwealth. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block  \$ 138,081.904  
 Mail completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

**AFFIRMATION**

I hereby affirm under penalties prescribed by law that 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.

Date: 3/15/95 Signature of Official: J.F. HORNSTEIN  
 Street Address: 2301 MARKET STREET Title: ASSOCIATION TREASURER  
 City: PHILADELPHIA State: PA Zip Code: 19101 Telephone Number: (615) 541-4210

PECO ENERGY COMPANY  
PENNSYLVANIA GROSS RECEIPTS TAX REPORT  
TWELVE MONTHS ENDED DECEMBER 31,1994

ELECTRIC - RIDER

---

|  |  |               |
|--|--|---------------|
| GROSS RECEIPTS WITHIN THE STATE FROM ALL SOURCES |  |               |
| TAXABLE  |  | 3,138,225,081 |
| EXEMPT   |  | 116,453,193   |
| TOTAL  |  | 3,254,678,274 |

---

ADD:

GROSS RECEIPTS OUTSIDE THE STATE (a)

|                              |            |            |
|------------------------------|------------|------------|
| SALES MADE UNDER FPC TARIFFS |            |            |
| CONRAIL - NEW JERSEY BRANCH  | 6,876,960  |            |
| CONOWINGO POWER COMPANY      | 46,538,151 | 53,415,111 |

---

SALES FOR RESALE

|                                |            |             |
|--------------------------------|------------|-------------|
| LONG ISLAND LIGHTING           | 338,519    |             |
| CONSOLIDATED EDISON OF N.Y.    | 20,276,207 |             |
| ALLEGHENY POWER SYSTEMS        | 3,003,026  |             |
| PUBLIC SERVICES ELECTRIC & GAS | 26,968,471 |             |
| GPU SERVICE CORPORATION        | 635,909    |             |
| BALTIMORE GAS & ELECTRIC       | 52,353,720 |             |
| ORANGE & ROCKLAND              | 844,740    |             |
| ALANTIC CITY ELECTRIC          | 65,619,702 |             |
| DELMARVA POWER & LIGHT         | 56,916,208 |             |
| NEW YORK POWER AUTHORITY       | 435,785    | 227,392,287 |

---

|                                  |  |               |
|----------------------------------|--|---------------|
| GROSS RECEIPTS FROM ALL SOURCES: |  | 3,535,485,672 |
|----------------------------------|--|---------------|

(a) The Commonwealth concedes that receipts from these sources are from sources outside of Pennsylvania. See Commonwealth brief in Commonwealth vs. Philadelphia Electric Company, No. 204, Docket 1940, Court of Common Pleas of Dauphin County.

**PECO ENERGY COMPANY**  
**PENNSYLVANIA GROSS RECEIPTS TAX REPORT**  
**TWELVE MONTHS ENDED DECEMBER 31, 1994**

**ELECTRIC - RIDER**  
 -----

**Detail of Item 19(A)**

|   |                   |
|---|-------------------|
| Miscellaneous Service Revenues  | 2,633,844         |
| Other Electric Revenues   | 112,511           |
| Revenue from Operation of Fish and Wildlife Recreation Facilities               | 240,317           |
| Commissions on Collection of Pennsylvania Sales Tax                             | 574,414           |
| Carrying Charge on investment in Samac Computer Allocated to Peach Bottom       | (188,452)         |
| Gain on Sale of Property  | 3,898,288         |
| Revenue - Delaware Resource Management Incorporated                             | 2,174,366         |
| Lease - O & M Charges   | 97,513            |
| Customer Credits for Interest Due on Overcollection - Electric Energy Cost Rate | 5,529,775         |
| Customer Credits for Refund Associated with Sale of Gas Turbines                | 301,655           |
| Gain on Reacquired Bonds  | 0                 |
| Maintenance & Transmission Losses   | 2,154,448         |
| Miscellaneous Non-Operating Income  | 429,892           |
| Carrying Charges Atlantic City 220 KV   | 1,200             |
| Administration Charges for Qualifying Facilities                                | 25,976            |
| Sale of Import Capability   | 73,190            |
| Special Facilities Charged to Amtrak  | 3,367,074         |
| Merck Company Operating & Maintenance Expenses                                  | 44,639            |
| Carrying Charges - Peach Bottom Reconciliation                                  | (2,711,456)       |
| Cost of Unpaid Peach Bottom Invoices  | 88,200            |
| Compensation for Overheads other than Fringe Benefits                           | 13,205,407        |
| Rental of Facilities  | 4,576,362         |
|   | -----             |
| <b>Total Item 19(A)</b>   | <b>36,629,163</b> |

SETTLEMENT PAGE  
 PENNSYLVANIA GROSS RECEIPTS TAX  
 ELECTRIC, HYDRO-ELECTRIC AND WATER POWER COMPANIES

|  |                             |   |                          |
|--|-----------------------------|---|--------------------------|
| RECEIVED<br>03-20-95<br>FILED<br>MAR 19 1996 | DLN<br>95085082<br>95501144 | CORPORATION TAX FILE (BOX) NUMBER<br>8415-103 | TAX YEAR ENDING<br>12-94 |
|--|-----------------------------|---|--------------------------|

MAILING INSTRUCTIONS

Mail settlement of this report to:

Name PECO ENERGY COMPANY

Street 2301 MARKET STREET

PHILADELPHIA PA 19151  
 (CITY) (STATE) (ZIP CODE)

*Same*

DO NOT WRITE BELOW THIS LINE

|  |   |   |                   |                |                     |            |           |                |  |                       |
|--|---|---|-------------------|----------------|---------------------|------------|-----------|----------------|--|-----------------------|
| <p style="text-align: center;"><b>SETTLEMENT - GROSS RECEIPTS TAX</b><br/>(Official)</p> <p style="font-size: 1.5em;"><u>ELECTRIC</u></p> <p>To Tax on GROSS RECEIPTS for the 12 months ended <u>12-31</u> 19 <u>94</u></p> <p>GROSS RECEIPTS TAXABLE ..... \$ <u>3,149,304,986.00</u></p> <p>Tax at the rate of 44 mills .....</p> <p>Penalty (for failure to file report within time limit prescribed by law) .....</p> <p>Total Tax and Penalty .....</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">TYPE OF TAX <span style="float: right;">10</span></td> </tr> <tr> <td style="text-align: center;">SELF ASSESSED TAX</td> </tr> <tr> <td style="text-align: center;">138,081,904.00</td> </tr> <tr> <td style="text-align: center;">TAX DEBIT OR CREDIT</td> </tr> <tr> <td style="text-align: center;">497,515.00</td> </tr> <tr> <td style="text-align: center;">TOTAL TAX</td> </tr> <tr> <td style="text-align: center;">138,569,419.00</td> </tr> <tr> <td style="text-align: center;">PENALTY DEBIT <span style="float: right;">210</span></td> </tr> <tr> <td style="text-align: center;">TOTAL TAX AND PENALTY</td> </tr> </table> | TYPE OF TAX <span style="float: right;">10</span> | SELF ASSESSED TAX | 138,081,904.00 | TAX DEBIT OR CREDIT | 497,515.00 | TOTAL TAX | 138,569,419.00 | PENALTY DEBIT <span style="float: right;">210</span> | TOTAL TAX AND PENALTY |
| TYPE OF TAX <span style="float: right;">10</span>  |   |   |                   |                |                     |            |           |                |  |                       |
| SELF ASSESSED TAX  |   |   |                   |                |                     |            |           |                |  |                       |
| 138,081,904.00   |   |   |                   |                |                     |            |           |                |  |                       |
| TAX DEBIT OR CREDIT  |   |   |                   |                |                     |            |           |                |  |                       |
| 497,515.00   |   |   |                   |                |                     |            |           |                |  |                       |
| TOTAL TAX  |   |   |                   |                |                     |            |           |                |  |                       |
| 138,569,419.00   |   |   |                   |                |                     |            |           |                |  |                       |
| PENALTY DEBIT <span style="float: right;">210</span>   |   |   |                   |                |                     |            |           |                |  |                       |
| TOTAL TAX AND PENALTY  |   |   |                   |                |                     |            |           |                |  |                       |

**DEPARTMENT OF REVENUE**

Harrisburg, PA 141 FEB 28 1996 19

FILED AND DELIVERED TO AUDITOR GENERAL:

*[Signature]*  
**E. L. Wilson**  
 (FOR THE SECRETARY OF REVENUE)

**DEPARTMENT OF AUDITOR GENERAL**

Harrisburg, PA MAR 12 1996 19

AUDITED AND APPROVED:

*[Signature]*  
**MARK PENTICE**  
 (FOR THE AUDITOR GENERAL)

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

IMPORTANT

THIS REPORT IS DUE ON OR BEFORE MARCH 15, FOR THE TWELVE MONTHS ENDED DECEMBER 31 IMMEDIATELY PRECEDING. A PENALTY FOR LATE FILING WILL BE IMPOSED IN THE AMOUNT OF 10% ON THE FIRST \$1000 OF TAX, 5% ON THE NEXT \$4000 AND 1% ON EVERYTHING IN EXCESS OF \$5000.

FIRST REPORT (Why Incorporated/Unincorporated)  
 LAST REPORT (Going out-of-existence)  
 AMENDED REPORT  
 COVERS LESS THAN A FULL 12-MO. PERIOD  
 COMPOSITE REPORT

WITH PAYMENT TRANSMITTAL FORM (REV-856S) TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 280407, HARRISBURG, PA 17128-0407.

PECO Energy Company  
2301 Market St., S12-5, Taxes  
Philadelphia, PA 19101

CORPORATION TAX FILE (BOX) NUMBER

0415-103

FEDERAL EIN

23-0970240

TAX YEAR ENDING

12/31/94

To the Commonwealth of Pennsylvania, Department of Revenue, Harrisburg, PA.

In compliance with the Act of March 4, 1971 P.L. 6 (Act No. 2), as amended, the following report is made of the gross receipts by the above named Corporation, Association, Joint-Stock Association, Limited Partnership, Copartnership, Individual or Individuals for the period mentioned above:

(Answer all questions with appropriate figures, the use of the word "None" or such statement of facts as is responsive to the question.)

Gross Receipts from all sources \$ 399,996.795  
Gross Receipts within the state from all sources \$ 399,996.795

SCHEDULE OF GROSS RECEIPTS WITHIN THE STATE  
COMPLETE ONLY THOSE LINES APPLICABLE TO YOUR BUSINESS ACTIVITY.

1. From the sale of artificial and natural gas
2. From the sales of electric energy (not including sales for resale)
3. From sale of current for lighting, heating or power to other utilities or municipalities for the purpose of resale. (The amount stated should include the gross sales under interchange agreements.)
4. From sale of lamps, wire, sockets, plugs, fuses, switches, lighting fixtures, heating or cooking fixtures or utensils, motors, electric sweepers or vacuum cleaners and all other electrical supplies, repairs, machines, utensils or devices
5. From charges for services rendered (The amount stated should include receipts from labor charges in connection with custom or jobbing work, or in connection with installations for the reporting company's service.)
6. From rental of motors, transformers, sweepers or cleaners or other machines or devices
7. From interest and finance charges in connection with sales of electrical equipment machines, utensils or devices
8. From consumer's forfeited discounts and penalties
9. From sales to Federal government
10. From sale of steam for heating
11. From sale of steam for power
12. From sale of steam for other purposes (Specify purposes and the amount of receipts for each purpose.)
13. From rental of wire or conduits
14. From charges for pole rights
15. From sale of old equipment or materials
16. From rental of real estate
17. From interest on loans or deposits
18. From earnings on investments
19. From all other sources: (List separately below. All receipts must be shown by their several sources. Miscellaneous receipts must be explained. If space is insufficient, attach rider as part of the report.)
  - a. From RENT FROM GAS PROPERTY
  - b. From SEE RIDER ATTACHED
  - c. From
20. TOTAL GROSS RECEIPTS WITHIN THE STATE  
\* Not including liquefied petroleum gas.

| GROSS RECEIPTS TAXABLE | GROSS RECEIPTS EXEMPT |
|------------------------|-----------------------|
| \$ 380,425.165         | \$                    |
|                        |                       |
|                        |                       |
|                        | 3,414.536             |
|                        |                       |
|                        | 1,269.257             |
|                        |                       |
|                        |                       |
|                        |                       |
|                        |                       |
|                        |                       |
|                        | 1,784                 |
|                        | 14,899.053            |
|                        |                       |
| \$ 380,425.165         | \$ 19,571.650         |

COMPUTATION OF TAX BY TAXPAYER

GROSS RECEIPTS TAXABLE for the period covered by this report \$ 380,425.165  
 Tax at rate of 50 mills (.050) \$ 19,021.257  
 Penalty (for failure to file report within time limit prescribed by law) \$ 0  
 Amount due Commonwealth. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block.  \$ 19,021.258  
 All completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

**AFFIRMATION** I hereby affirm under penalties prescribed by law that 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.

Date: 3/15/95  
 Signature of Official: [Signature]  
 Print or Type Name of Official: J. F. HOHENSTEIN  
 Street Address: 2301 MARKET STREET  
 Title: ASSISTANT TREASURER  
 State: PA Zip Code: 19101 Telephone Number: (215) 241-4800

PECO ENERGY COMPANY  
PENNSYLVANIA GROSS RECEIPTS TAX REPORT  
TWELVE MONTHS ENDED DECEMBER 31,1994

GAS - RIDER

---

Detail of Item 19(B) - GAS

|  |            |
|--|------------|
| Miscellaneous Service Revenues                   | 81,884     |
| Commissions on Collection of Pa. Sales Tax       | 54,335     |
| Transportation of Gas for Others                 | 14,223,695 |
| Gas Fuel Adjusting Revenue                       | 311,190    |
| Customer Credits for Interest Due on Gas Refunds | 220,949    |
|  | <hr/>      |
| Total Item 19 (b)                                | 14,892,053 |

**PENNSYLVANIA GROSS RECEIPTS TAX**  
**GAS COMPANIES**

|                             |          |   |                          |
|-----------------------------|----------|---|--------------------------|
| RECEIVED<br>DLN<br>03-20-95 | 95501020 | CORPORATION TAX FILE (BOX) NUMBER<br>0415-103 | TAX YEAR ENDING<br>12-94 |
| MAILED<br>FEB 13 1996       |          |   |                          |

**MAILING INSTRUCTIONS**

Mail settlement of this report to:

Name PECU ENERGY CO.

Street 2301 MARKET ST.

PHILADELPHIA PA 19101

(CITY) (STATE) (ZIP CODE)

*Same*

DO NOT WRITE BELOW THIS LINE

**SETTLEMENT - GROSS RECEIPTS TAX**  
(Official)

GAS

To Tax on GROSS RECEIPTS for the 12 months ended 12-31 19 94

GROSS RECEIPTS TAXABLE ..... \$ 381,688.42

Tax at the Rate of 50 Mills (.050) .....

Penalty (for failure to file report within time limit prescribed by law) .....

Total Tax and Penalty .....

|                       |               |
|-----------------------|---------------|
| TYPE OF TAX           | 10            |
| SELF ASSESSED TAX     | 19,021,258.10 |
| TAX DEBIT OR CREDIT   | 63,163.00     |
| TOTAL TAX             | 19,084,421.10 |
| PENALTY DEBIT         | 210           |
| TOTAL TAX AND PENALTY |               |

DEPARTMENT OF REVENUE

Harrisburg, PA J.H. JAN 25 1996 19

SETTLED AND DELIVERED TO AUDITOR GENERAL:

(FOR THE SECRETARY OF REVENUE)

Nicholas P. Bakowicz

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA FEB 06 1996 19

AUDITED AND APPROVED:

(FOR THE AUDITOR GENERAL)

*[Signature]*  
FOR THE AUDITOR GENERAL



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

# PUBLIC UTILITY REALTY TAX REPORT

**IMPORTANT! PUBLIC UTILITY TAX REPORTS MUST BE FILED ON OR BEFORE APRIL 15 REFLECTING THE STATE TAXABLE VALUE OF PUBLIC UTILITY REALTY AT THE END OF THE PRECEDING CALENDAR YEAR. PENALTY AND INTEREST WILL BE ADDED TO THE TAX AS PROVIDED IN THE ACT. MAIL THIS FORM WITH REMITTANCE PAYABLE TO THE PA DEPARTMENT OF REVENUE, ALONG WITH PAYMENT TRANSMITTAL FORM (REV-856S), TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 280407, HARRISBURG, PA 17128-0407.**

FIRST REPORT                       LAST REPORT                       AMENDED REPORT

|   |   |
|---|---|
| UTILITY NAME<br><b>KA 12 0100 BOX NO 3500-103<br/>PECO ENERGY CO</b>          | PURTA BOX NUMBER<br><b>3500-103</b>                         |
| COMPLETE ADDRESS<br><b>2301 MARKET ST<br/>S18-4<br/>PHILADELPHIA PA 19101</b> | FEDERAL EMPLOYER IDENTIFICATION NUMBER<br><b>23-0970240</b> |
| CITY  | TAX YEAR ENDING<br><b>December 31, 19 95</b>                |
| STATE   | ZIP CODE  |

1. COUNTIES IN WHICH UTILITY OWNS AND/OR FURNISHES PUBLIC UTILITY SERVICE: (Attach schedule if additional space is necessary.)

2. REPORT THE FOLLOWING AS TO LAND OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE:

|   |              |
|---|--------------|
| A. BOOK COST  | 69,897,703   |
| B. BOOK COST OF LAND INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968 | 19,195,375 ✓ |
| C. VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (A MINUS B)  | 50,702,328   |
| BOOK DEPLETION RESERVE ACCRUED AGAINST C  |              |
| F. NET VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (C MINUS D)  | 50,702,328   |

REPORT THE FOLLOWING AS TO ALL OTHER "UTILITY REALTY" AS DEFINED BY ARTICLE 11 (a) § 1101-A. OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT OR CONSTRUCTION FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE.

|   |                |
|---|----------------|
| B. BOOK COST  | 2,072,835,287  |
| B. BOOK COST OF UTILITY REALTY INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968 | 149,010,237. ; |
| VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (A MINUS B)   | 1,923,825,050  |
| D. BOOK DEPRECIATION RESERVE ACCRUED AGAINST C (See instructions below.)  | 532,968,777    |
| F. NET VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (C MINUS D)  | 1,390,856,273  |

PUBLIC UTILITY REALTY TAX  
DUE WITH THIS REPORT

|                                  |               |        |              |
|----------------------------------|---------------|--------|--------------|
| STATE TAXABLE VALUE (2E PLUS 3E) | 1,441,558,601 | x .042 | = 60,545,461 |
|----------------------------------|---------------|--------|--------------|

AMOUNT DUE COMMONWEALTH. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block.  \$ 54,490,915  
Mail completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

### INSTRUCTIONS: (SEE REVERSE SIDE FOR GENERAL INSTRUCTIONS.)

- Item 2 - Show depreciable land improvements under Item 3.
  - Item 3 - (a) For any public utility which was required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, show in Item 3D the book reserve for depreciation accrued against Item 3C. If the amount shown in Item 3D was determined by prorating, attach to this report the computations used in such prorating.
  - (b) For any public utility which was not required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, show in Item 3D the book reserve for depreciation against Item 3C, or 50% of item 3C, whichever is greater.
- Check here ( ) if the 50% of Item 3C is used in Item 3D.

I hereby affirm under penalties prescribed by law that 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. If prepared by a person other than taxpayer, the declaration is based on all information of which preparer has any knowledge.

|  |                           |                 |                                  |
|--|---------------------------|-----------------|----------------------------------|
| SIGNATURE OF OFFICER OF COMPANY<br>          | T. P. Hill, Jr.           | DATE<br>4/12/96 | TELEPHONE NUMBER<br>215 841-6098 |
| INDIVIDUAL OR FIRM SIGNATURE OF PREPARER<br> | Vice President/Controller | TITLE           |                                  |
| ADDRESS                                      | STATE                     | ZIP CODE        | DATE                             |





|   | <u>Book</u>          | <u>Accum</u><br><u>Deprn</u> | <u>Local</u><br><u>Book</u> | <u>Purta</u><br><u>Base</u> |
|---|----------------------|------------------------------|-----------------------------|-----------------------------|
| Electric Structures Forward                             | 1,907,802,148        | 503,043,836                  |                             | 1,404,758,312               |
| A/C 352   | 11,877,579           | 8,570,011                    | 4,115,667                   | 3,307,568                   |
| A/C 359   | 957,966              | 847,573                      |                             | 110,393                     |
| A/C 361   | 37,797,696           | 21,101,551                   | 5,521,320                   | 16,696,145                  |
| A/C 390   | 12,464,494           | 7,719,007                    | 12,861,165                  | 4,745,487                   |
| <b>Subtotal Electric</b>                                | <b>1,970,899,883</b> | <b>541,281,978</b>           | <b>22,498,152</b>           | <b>1,429,617,905</b>        |
| Limerick Disallowance                                   | (122,869,568)        | (31,737,904)                 |                             | (91,131,664)                |
| <b>Total Electric</b>                                   | <b>1,848,030,315</b> | <b>509,544,074</b>           | <b>22,498,152</b>           | <b>1,338,486,241</b>        |
| <b>Gas</b>  | <b>13,387,117</b>    | <b>5,220,116</b>             |                             | <b>8,167,001</b>            |
| <b>Common</b>   | <b>62,407,618</b>    | <b>18,204,587</b>            | <b>126,512,085</b>          | <b>44,203,031</b>           |
| <b>Total PECO structures</b>                            | <b>1,923,825,050</b> | <b>532,968,777</b>           | <b>149,010,237</b>          | <b>1,390,856,273</b>        |
| Plus: land  |                      |                              |                             | 50,702,328                  |
| Tax @ 42 mills  |                      |                              |                             | 1,441,558,601               |
| <b>Tax</b>  |                      |                              |                             | <b>*.042</b>                |
|   |                      |                              |                             | 60,545,461                  |
| <b>Reconciliation Above to Property Valuation's Run</b> |                      |                              |                             |                             |
| <b>Total PECO Structures</b>                            | <b>1,923,825,050</b> | <b>532,968,777</b>           | <b>149,010,237</b>          | <b>1,390,856,273</b>        |
| <b>Add back Limerick W/O</b>                            | <b>122,869,568</b>   | <b>31,737,904</b>            |                             | <b>91,131,664</b>           |
| <b>Subtotal</b>   | <b>2,046,694,618</b> | <b>564,706,681</b>           | <b>149,010,237</b>          | <b>1,481,987,937</b>        |
| <b>Less account 107</b>                                 | <b>27,328,864</b>    |                              |                             | <b>27,328,864</b>           |
| <b>Total</b>  | <b>2,019,365,754</b> | <b>564,706,681</b>           | <b>149,010,237</b>          | <b>1,454,659,073</b>        |
| <b>Property Valuation</b>                               | <b>2,019,365,754</b> | <b>564,706,681</b>           |                             | <b>1,454,659,073</b>        |
|   | 0                    | 0                            |                             | 0                           |

| PECO PURTA 1996 Page 1 of 2           |  | Electric             | Gas                | Common        | Total                  | 1994 Total           | 1994 over (under)   | Explanation          |
|---------------------------------------|--|----------------------|--------------------|---------------|------------------------|----------------------|---------------------|----------------------|
| Land - Book Cost                      |  | 61,065,611           | 409,396            | 8,422,696     | 69,897,703             | 68,805,590           | 1,092,113           |                      |
| Less: Taxed Locally A/C 101           |  | 16,615,220           | 178,998            | 1,208,562     | 18,002,780             | 18,670,546           | (667,766)           |                      |
| A/C 106                               |  |                      |                    |               |                        | 937,585              | (937,585)           |                      |
| A/C 107                               |  | 1,192,595            |                    |               | 1,192,595              | 346,320              | 846,275             |                      |
| Land Subject to PURTA                 |  | 43,257,796           | 230,398            | 7,214,134     | 50,702,328             | 48,851,139           | 1,851,189           |                      |
| Common Allocated 9E 87.561% G 12.439% |  | 6,316,768            | 897,366            | (7,214,134)   | 0                      | 0                    | 0                   |                      |
| <b>Total Taxable Land</b>             |  | <b>49,574,564</b>    | <b>1,127,764</b>   | <b>0</b>      | <b>50,702,328</b>      | <b>48,851,139</b>    | <b>1,851,189</b>    | Delco Svc. Bldg.     |
|                                       |  | Electric             |                    |               |                        |                      |                     |                      |
|                                       |  | Book                 | Accum<br>Deprn     | Local<br>Book | Total<br>PURTA<br>Base |                      |                     |                      |
| <b>Structures</b>                     |  |                      |                    |               |                        |                      |                     |                      |
| A/C 311                               |  | 186,273,552          | 125,527,835        |               | 60,745,717             | 67,749,097           | (7,003,380)         | Increase in Deprn.   |
| A/C 312                               |  | 3,948,794            | 2,812,049          |               | 1,136,745              | 1,236,693            | (99,948)            | Increase in Deprn.   |
| A/C 314                               |  | 4,043,391            | 2,838,961          |               | 1,204,430              | 1,334,630            | (130,200)           | Increase in Deprn.   |
| Total Steam Production                |  | 194,265,737          | 131,178,845        |               | 63,086,892             | 70,320,420           | (7,233,528)         |                      |
| <b>Nuclear</b>                        |  |                      |                    |               |                        |                      |                     |                      |
| Bradshaw Res.                         |  | 26,905,593           | 665,306            |               | 26,240,287             | 15,591,219           | 10,649,068          | Decrease in Equip.#1 |
| PB 2                                  |  |                      |                    |               |                        |                      |                     |                      |
| PB 3                                  |  |                      |                    |               |                        |                      |                     |                      |
| PB Common                             |  |                      |                    |               |                        |                      |                     |                      |
| Total PB                              |  | 112,272,570          | 52,865,433         |               | 59,407,137             | 62,399,673           | (2,992,536)         | Increase in Deprn.   |
| erick 1&2 & Common                    |  | 1,368,821,563        | 268,851,811        |               | 1,099,969,752          | 1,132,035,902        | (32,066,150)        | Increase in Deprn.   |
| Nuclear E of / N. C.                  |  | 1,764,042            | 219,762            |               | 1,544,280              | 1,687,664            | (143,384)           | Increase in Equip.#1 |
| Nuclear information center            |  | 350,781              | 53,376             |               | 297,405                | 306,512              | (9,107)             | Increase in Deprn.   |
| Nuclear Training Center               |  | 2,568,289            | 517,722            |               | 2,050,567              | 2,277,706            | (227,139)           | Increase in Equip.#1 |
| PB Training                           |  | 361,057              | 56,811             |               | 304,246                | 321,104              | (16,858)            | Increase in Deprn.   |
| Total A/C 321                         |  | 1,513,043,895        | 323,230,221        |               | 1,189,813,674          | 1,214,619,780        | (24,806,106)        |                      |
| A/C 322                               |  | 3,787,214            | 1,901,369          |               | 1,885,845              | 2,106,622            | (220,777)           | Decrease in Asset    |
| A/C 323                               |  | 164,149,928          | 32,668,065         |               | 131,481,863            | 135,194,939          | (3,713,076)         | Increase in Deprn    |
| A/C 331                               |  | 6,668,132            | 2,346,510          |               | 4,321,622              | 4,521,162            | (199,540)           | Increase in Deprn.   |
| A/C 332 & 336                         |  | 21,281,924           | 9,104,232          |               | 12,177,692             | 12,825,708           | (648,016)           | Increase in Deprn.   |
| A/C 341                               |  | 4,605,318            | 2,614,594          |               | 1,990,724              | 1,908,155            | 82,569              | Increase in Asset    |
| <b>Subtotal Electric Structures</b>   |  | <b>1,907,802,148</b> | <b>503,043,836</b> | <b>0</b>      | <b>1,404,758,312</b>   | <b>1,441,496,786</b> | <b>(36,738,474)</b> |                      |

|  | Book          | Accum<br>Deprn | Local<br>Book | Purta<br>Base | 1994 Total    | 1994<br>over (under) | Explanation                            |
|--|---------------|----------------|---------------|---------------|---------------|----------------------|--|
| Electric Structures Forward                      | 1,907,802,148 | 503,043,836    |               | 1,404,758,312 | 1,441,496,786 | (36,738,474)         |  |
| A/C 352  | 11,877,579    | 8,570,011      | 4,115,667     | 3,307,568     | 7,961,496     | (4,653,928)          | Increase Taxed Local#1                 |
| A/C 359  | 957,966       | 847,573        |               | 110,393       | 206,155       | (95,762)             | Increase in Deprn.                     |
| A/C 361  | 37,797,696    | 21,101,551     | 5,521,320     | 16,696,145    | 21,049,274    | (4,353,129)          | Increase Taxed Local #1                |
| A/C 390  | 12,464,494    | 7,719,007      | 12,861,165    | 4,745,487     | 17,248,298    | (12,502,811)         | Increase Taxed Local                   |
| Subtotal Electric                                | 1,970,899,883 | 541,281,978    | 22,498,152    | 1,429,617,905 | 1,487,962,009 | (58,344,104)         |  |
| Limerick Disallowance                            | (122,869,568) | (31,737,904)   |               | (91,131,664)  | (94,526,653)  | 3,394,989            | Amortization                           |
| Total Electric                                   | 1,848,030,315 | 509,544,074    | 22,498,152    | 1,338,486,241 | 1,393,435,356 | (54,949,115)         |  |
| Gas  | 13,387,117    | 5,220,116      |               | 8,167,001     | 6,092,683     | 2,074,318            | Asset Increase                         |
| Common   | 62,407,618    | 18,204,587     | 126,512,085   | 44,203,031    | 54,864,164    | (10,661,133)         | Increase Taxed Local#1                 |
| Total PECO structures                            | 1,923,825,050 | 532,968,777    | 149,010,237   | 1,390,856,273 | 1,454,392,203 | (63,535,930)         |  |
| Plus: land                                       |               |                |               | 50,702,328    | 48,851,039    | 1,851,289            |  |
|  |               |                |               | 1,441,558,601 | 1,503,243,242 | (61,684,641)         |  |
| Tax @ 42 mills                                   |               |                |               | *.042         |               | *.042                |  |
| Tax  |               |                |               | 60,545,461    | 63,136,216    | (2,590,755)          |  |
| Reconciliation Above to Property Valuation's Run |               |                |               |               |               |                      |  |
| Total PECO Structures                            | 1,923,825,050 | 532,968,777    | 149,010,237   | 1,390,856,273 |               |                      |  |
| Add back Limerick W/O                            | 122,869,568   | 31,737,904     |               | 91,131,664    |               |                      |  |
| Subtotal   | 2,046,694,618 | 564,706,681    | 149,010,237   | 1,481,987,937 |               |                      | Note #1 Explanation from Kurt          |
| Less account 107                                 | 27,328,864    |                |               | 27,328,864    |               |                      | Heiselmoyer. Formula is Total less     |
| Total  | 2,019,365,754 | 564,706,681    | 149,010,237   | 1,454,659,073 |               |                      | Equipment and taxed locally equals     |
| Property Valuation                               | 2,019,365,754 | 564,706,681    |               | 1,454,659,073 |               |                      | remainder. Any change in equipment     |
|  | 0             | 0              |               | 0             |               |                      | or taxed locally affects the remainder |
|  |               |                |               |               |               |                      | This is due to reclasses from analysis |
|  |               |                |               |               |               |                      | within an account.                     |

PECO Energy Company  
Response to Filing Requirements

Schedule D-11  
Respondent: Frank F. Frankowski

Q: State the amount of debt interest utilized for base year income tax calculations, including the amount which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.

Response:

The amount of actual debt interest utilized for base year 1996 income tax calculation is \$375,920,000 for PECO Electric, as set forth on Page B-18 of Company Exhibit TPH-1. The amount allocated from the debt interest of affiliates is zero. Debt interest is allocated between electric and gas operations - 93.77% to electric and 6.23% to gas. The \$375,920,000 represents the electric portion only.

The Company's claim for this item is shown on page D-9 of Company Exhibit TPH-1.

PECO Energy Company  
Response to Filing Requirements

Schedule D-12  
Respondent: Frank F. Frankowski

Q: Provide a schedule for the base year of federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following tax categories:

- (a) Social security.
- (b) Unemployment.
- (c) Capital stock.
- (d) Public utility.
- (e) Other property taxes.
- (f) Any other appropriate categories.

Response:

The requested data is provided for as Attachment D-12.

PECO ENERGY COMPANY - ELECTRIC OPERATIONS  
 OPERATING EXPENSES  
 12 MONTHS ENDING DECEMBER 31,1996  
 (Thousands)

TAXES

TAXES OTHER THAN INCOME TAXES

| <u>FEDERAL</u>                       | <u>Per Books</u>  | Page References<br>and Values for<br>Adjustments in | <u>Company Accounting Exhibit</u> | <u>Pro<br/>Forma</u> |
|--------------------------------------|-------------------|---|-----------------------------------|----------------------|
| SOCIAL SECURITY                      | \$ 21,550         | D-12  | \$ 843                            | \$ 22,393            |
| UNEMPLOYMENT                         | 371               |   |                                   | 371                  |
| SUPERFUND                            | 878               |   |                                   | 878                  |
| OTHER                                | 180               |   |                                   | 180                  |
| TOTAL FEDERAL                        | \$ 22,979         |   | \$ 843                            | \$ 23,822            |
| <br>                                 |                   |   |                                   |                      |
| <u>PENNSYLVANIA</u>                  |                   |   |                                   |                      |
| CAPITAL STOCK                        | \$ 38,724         |   |                                   | \$ 38,724            |
| PUBLIC UTILITY REALITY               | 59,650            | D-2   | \$ 723                            | 60,373               |
| GROSS RECEIPTS                       | 140,017           | D-3,4,13  | 2,975                             | 142,992              |
| UNEMPLOYMENT COMPENSATION            | 2,143             |   |                                   | 2,143                |
| OTHER PROPERTY TAXES                 | 6,791             |   |                                   | 6,791                |
| OTHER                                | (249)             |   |                                   | (249)                |
| TOTAL PENNSYLVANIA                   | \$ 247,076        |   | \$ 3,698                          | \$ 250,774           |
| <br>                                 |                   |   |                                   |                      |
| <b>TOTAL TAXES OTHER THAN INCOME</b> | <b>\$ 270,055</b> |   | <b>\$ 4,541</b>                   | <b>\$ 274,596</b>    |

PECO Energy Company  
Response to Filing Requirements

Schedule D-13

Respondent: Frank F. Frankowski

Q: Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates, together with an explanation of the normalizing adjustments. Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state or due to operation of other taxable utility or non-utility businesses, or by operating divisions or areas.

Response:

The development of taxable income per books before federal and state income taxes for electric operations for the year ended December 31, 1996 is provided on page B-18 of Company Exhibit TPH-1.

The adjustments to taxable net income per books needed for taxable net income proforma are provided on page A-3 of Company Exhibit TPH-1. Explanations of each adjustment are on the applicable page of each adjustment.

PECO Energy Company  
Response to Filing Requirements

Schedule D-14

Respondent: Frank F. Frankowski

Q: Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.

Response:

Refer to Schedule D-5, Attachment D-5 parts a through d for the requested information.

PECO Energy Company  
Response to Filing Requirements

Schedule D-15  
Respondent: Frank F. Frankowski

Q: Explain how the federal corporate tax rates have been reflected for rate case purposes. If the Pennsylvania jurisdictional utility is part of a multi-corporate system, explain how the tax savings are allocated to each member of the system.

Response:

The Company uses a flat 35% federal income tax rate as presented on page B-21 of Company Exhibit TPH-1. Tax savings are allocated to the loss companies based on the federal corporate tax paid on the consolidated return.

The consolidated tax savings claim for electric operations is shown on page D-16 of Company Exhibit TPH-1 and derived in response to Schedule D-6.

PECO Energy Company  
Response to Filing Requirements

Schedule D-16

Respondent: Frank F. Frankowski

Q: Explain the treatment given to costs of removal in the income tax calculation and the basis for such treatment.

Response:

For purposes of the income tax calculation, costs of removal are flowed through to the customer as set forth on page B-18 of Company Exhibit TPH-1 for 1996. Section 1.167(a)-11(d)(3) of the ADR regulations states, "the cost of dismantling, demolishing, or removing an asset in the process of a retirement from the vintage account shall be treated as an expense deductible in the year paid or incurred, and such costs shall not be subtracted from the depreciation reserve for the account". Cost of removal on ACRS and MACRS property is built into the gain or loss computation on disposition of such property.

PECO Energy Company  
Response to Filing Requirements

Schedule D-17  
Respondent: Frank F. Frankowski

Q: Show income tax loss/gain carryovers from previous years.  
Show loss/gain carryovers by years of origin and amounts  
remaining by years at the beginning of the base year.

Response:

PECO Energy Company has no income tax loss/gain carryovers  
at the beginning of the base year.

PECO Energy Company  
Response to Filing Requirements

Schedule D-18  
Respondent: Frank F. Frankowski

Q: State whether the company eliminates tax savings by the payment of actual interest on construction work in progress not in rate base claim. If the response is affirmative:

- (a) Set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount.
- (b) Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
- (c) State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
- (d) Provide details of the calculation used to determine any tax savings reduction, and state whether state taxes are increased to reflect the construction interest elimination.

Response:

The company eliminates tax savings by the payment of actual interest on construction work in progress not in rate base claim.

- a) Attachment D-18 sets forth the calculation of the tax savings on actual interest for the 12 months ended December 31, 1996. The basis for these calculations is the long term debt rate that is used in accordance with the Pa. PUC order dated August 17, 1973. The debt rate is applied to capital expenditures on a monthly basis. The detail of monthly calculations of the tax savings is available on Company premises by capital projects.
- b) Attachment D-18, page 1 of 2 calculates the total debt portion of capitalized interest for the year ending December 31, 1996. Attachment D-18, page 2 of 2 calculates the deferral taxes associated with the debt portion of capitalized interest.

PECO Energy Company

Response to Filing Requirements

- c) The debt portion is calculated in accordance with the cost components based on a letter to the Pa. PUC and filed on a semiannual basis. For the first six months of 1996 the interest rate on the debt portion was 4.38%, and for the last six months the rate was 4.81%.
  
- d) The same procedure outlined in response to part b for the state deferred income taxes associated with capitalized interest. State income taxes are increased over the life of the capital asset to reflect the construction interest elimination.



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PECO ENERGY COMPANY  
Monthly Tax Deferral-CWIP  
Year to Date 1996

| 18 | Avoided<br>AFUDC<br>(TAX) | Regular<br>AFUDC<br>(BOOK) | Borrow<br>Fund % | Debt<br>Interest<br># 197 | Excess<br>Intrest<br># 51 |              |
|----|---------------------------|----------------------------|------------------|---------------------------|---------------------------|--------------|
| 19 | Company/Class & Service   |                            |                  |                           |                           |              |
| 20 | PECO ENERGY Co.           |                            |                  |                           |                           |              |
| 21 |                           |                            |                  |                           |                           |              |
| 22 | Electric                  | 15,667,653.11              | 17,589,722.14    | 0.4874                    | 8,428,985.94              | 7,238,667.17 |
| 23 | Gas                       | 65,060.76                  | 72,601.84        | 0.4874                    | 34,773.17                 | 30,287.59    |
| 24 | Common                    | 1,543,718.15               | 1,760,362.06     | 0.4874                    | 846,753.54                | 696,964.61   |
| 25 |                           |                            |                  |                           |                           |              |
| 26 | TOTAL                     | 17,276,432.02              | 19,422,686.04    |                           | 9,310,512.65              | 7,965,919.37 |
| 27 |                           |                            |                  |                           |                           |              |
| 28 | CPCO                      | 0.00                       | 0.00             | 0.4874                    | 0.00                      | 0.00         |
| 29 |                           |                            |                  |                           |                           |              |
| 30 | SPCO                      | 322,284.72                 | 363,748.66       | 0.4874                    | 175,951.54                | 146,333.18   |
| 31 |                           |                            |                  |                           |                           |              |
| 32 | PE PW CO.                 | 0.00                       | 0.00             | 0.4874                    | 0.00                      | 0.00         |
| 33 |                           |                            |                  |                           |                           |              |
| 34 | TOTAL PLANT               | 17,598,716.74              | 19,786,434.70    |                           | 9,486,464.19              | 8,112,252.55 |
| 35 |                           |                            |                  |                           |                           |              |
| 36 |                           |                            |                  |                           |                           |              |
| 37 |                           |                            |                  |                           |                           |              |
| 38 |                           |                            |                  |                           |                           |              |
| 39 |                           |                            |                  |                           |                           |              |
| 40 |                           |                            |                  |                           |                           |              |
| 41 |                           |                            |                  |                           |                           |              |
| 42 |                           |                            |                  |                           |                           |              |
| 43 |                           |                            |                  |                           |                           |              |
| 44 |                           |                            |                  |                           |                           |              |
| 45 |                           |                            |                  |                           |                           |              |
| 46 |                           |                            |                  |                           |                           |              |
| 47 |                           |                            |                  |                           |                           |              |

PECO Energy Company  
Response to Filing Requirements

Schedule D-19

Respondent: Frank F. Frankowski

Q: Under section 1552 of the Internal Revenue Code (26 U.S.C.A. §1552) and 26 CFR §1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government (if this interrogatory is not applicable, so state):

- (a) State what option has been chosen by the group.
- (b) Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the base year and the most recent three years for which data is available.
- (c) Provide a schedule, in summary form, of contributions which were determined on the basis of separate tax calculations made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
- (d) Provide the most recent annual income tax return for the group.
- (e) Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the base year and the most recent three years for which data is available, together with a summary of the actual tax payments for those years.
- (f) Provide details of the amount of net negative income taxes, after the tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the base year and the most recent three years for which data is available, together with a summary of the actual tax payments for those years.

Response:

- a. PECO Energy Company has chosen paragraph 2 under Section 1552(a) of the IRC, which states that the tax liability of the group should be allocated to the several

**PECO Energy Company**

**Response to Filing Requirements**

members of the group on the basis of the percentage of the total tax which the tax of such member if computed on a separate return would bear to the total amount of the taxes for all members of the group so computed. However, since inception of the investment tax credit in 1962, PECO Energy Company has applied the provisions of Section 1552(a)(2) to the income tax liability before investment tax credit. The investment tax credit is then allocated to the company which qualified for the credit. The amount of the investment tax credit is then charged to the investment tax credit adjustment account and is amortized over the life of the property.

- b. The amount of tax liability, exclusive of AMT tax or credits and other credits, is 35% of the income or loss for each member of the consolidated group. The taxable income or loss for 1995 and 1996 is provided in our response to Schedule D-6. For 1993 and 1994 the information is as follows:

|  | <u>1993</u> | <u>1994</u>      |
|--|-------------|------------------|
| PECO Energy Company                      | 465,237,459 | 515,240,588      |
| Susquehanna Power Company                | 8,649,377   | 9,140,952        |
| PECO Energy Power Company                | 53,358      | 58,005           |
| Susquehanna Electric Company             | 97,398      | (797,160)        |
| Conowingo Power Company                  | (4,136,134) | 683,259          |
| Eastern Pennsylvania Exploration Company | 59,099      | 110,268          |
| Eastern Pennsylvania Development Company | (1,343)     | 38,793           |
| Adwin Realty Company                     | (4,782,851) | (1,770,429)      |
| Adwin Equipment Company                  | (1,249,139) | 1,153,534        |
| Adwin Investment Company                 | 123,833     | 56,802           |
| Buttwoods Associates Inc.                | 64,281      | (10,882)         |
| Energy Performance Services Inc.         | -           | (3,366,508)      |
| PECO Energy Capital Corp                 | -           | <u>1,189,778</u> |
| Total                                    | 464,115,338 | 521,727,000      |

- c. See our response to a and b above. The actual deposits to the tax depository are made by PECO Energy Company on behalf of the consolidated group. PECO Energy then requests payments from each member of the group for their share of the liability.
- d. The most recent federal consolidated income tax return for the group is 1995 and is provided in our response to Schedule D-7.

PECO Energy Company  
Response to Filing Requirements

- e. The information requested is provided in Schedule D-7 for 1995 and in b above. The actual tax payments for 1993 were \$112,091,161 and \$137,899,275 for 1994.
- f. The requested information can be found in Schedule D-19e above.

PECO Energy Company  
Response to Filing Requirements

Schedule D-20  
Respondent: Frank F. Frankowski

Q: Provide detailed computations by vintage year showing state and federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, Asset Depreciation Range rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).

(a) Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.

(b) State whether tax depreciation is based on the rate base items claimed as of the end of the base year, and whether it is the annual tax depreciation at the end of the base year.

(c) Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.

Response:

- a) The company does not defer state income taxes associated with accelerated tax depreciation.
- b) Tax depreciation on Attachment D-20a schedules was calculated for the 12 months ended 12/31/96 based on plant in service throughout the year.
- c) See Attachment D-20b for the balance per balance sheet with exclusions because of FERC Jurisdictional and non-utility deferred taxes. The Company's claim for accumulated deferred taxes is developed on page B-19 of Company Exhibit TPH-1 and Attachment D-20b.

The Company's claim for tax depreciation expense and deferred taxes on liberalized depreciation are provided on pages D-7, D-7a, D-7b, D-8, D-8a, and D-8b of Company Exhibit TPH-1.

PECO Energy Company  
Common Deferred Tax Report  
Plant at 12/31/96

| Vintage              | Federal<br>Depreciation | S/L Book Life<br>Depreciation | Difference | Net<br>Deferred Tax | Deferred Tax<br>Balance |
|----------------------|-------------------------|-------------------------------|------------|---------------------|-------------------------|
| TIME: 1996A          |                         |                               |            |                     |                         |
| METHOD LIFE TYPE:FED |                         |                               |            |                     |                         |
| V1969                | 662,237                 | 261,481                       | 400,756    | 0                   | 0                       |
| V1970                | 36,386                  | 33,198                        | 3,188      | 876                 | 211,143                 |
| V1971                | 5,785                   | 7,442                         | -1,657     | 0                   | 0                       |
| V1972                | 719,573                 | 989,400                       | -269,828   | -108,065            | 2,187,859               |
| V1973                | 24,669                  | 33,814                        | -9,145     | -3,991              | 84,584                  |
| V1974                | -368                    | 1,716                         | -2,083     | -161                | 129,634                 |
| V1975                | 5,318                   | 13,413                        | -8,095     | -3,043              | 54,592                  |
| V1976                | 5,507                   | 8,084                         | -2,577     | -921                | 13,886                  |
| V1977                | 14,906                  | 23,866                        | -8,961     | -3,444              | 51,224                  |
| V1978                | 19,574                  | 21,837                        | -2,263     | -783                | 45,308                  |
| V1979                | 47,792                  | 53,569                        | -5,777     | -2,261              | 120,460                 |
| V1980                | 35,929                  | 36,409                        | -480       | -409                | 111,578                 |
| V1981                | 30,790                  | 191,676                       | -160,886   | -56,890             | 344,912                 |
| V1982                | 152,840                 | 94,468                        | 58,372     | 20,430              | 491,205                 |
| V1983                | 53,191                  | 106,611                       | -53,420    | -23,462             | 542,602                 |
| V1984                | 233,295                 | 112,978                       | 120,317    | 41,954              | 600,980                 |
| V1985                | 230,526                 | 65,353                        | 165,173    | 57,806              | 275,381                 |
| V1986                | 547,711                 | 161,581                       | 386,131    | 133,147             | 621,746                 |
| V1987A               | 97,821                  | 7,592                         | 90,229     | 31,583              | 73,740                  |
| V1987                | 868,288                 | 582,515                       | 285,773    | 99,778              | 367,718                 |
| V1988                | 783,041                 | 228,805                       | 554,236    | 195,064             | 372,735                 |
| V1989                | 778,428                 | 63,792                        | 714,636    | 250,276             | 379,441                 |
| V1990                | 592,679                 | 153,850                       | 438,830    | 153,849             | 439,425                 |
| V1991                | 587,768                 | 231,441                       | 356,327    | 124,715             | 521,645                 |
| V1992                | 879,505                 | 435,845                       | 443,660    | 155,281             | 1,015,092               |
| V1993                | 2,113,031               | 1,443,663                     | 669,368    | 234,279             | 2,072,422               |
| V1994                | 2,094,134               | 757,176                       | 1,336,959  | 467,936             | 1,396,265               |
| V1995                | 5,368,890               | 1,853,082                     | 3,515,807  | 1,230,533           | 1,982,972               |
| V1996                | 642,526                 | 68,044                        | 574,482    | 201,069             | 201,069                 |
|                      | 17,631,775              | 8,042,702                     | 9,589,074  | 3,195,145           | 14,709,618              |

PECO Energy Company  
Nuclear Fuel Deferred Tax Report  
Plant at 12/31/96

| Vintage                      | Federal<br>Depreciation | S/L Book Life<br>Depreciation | Difference        | Net<br>Deferred Tax | Deferred Tax<br>Balance |
|------------------------------|-------------------------|-------------------------------|-------------------|---------------------|-------------------------|
| <b>TIME: 1996A</b>           |                         |                               |                   |                     |                         |
| <b>METHOD LIFE TYPE: FED</b> |                         |                               |                   |                     |                         |
| V1983                        | 0                       | 0                             | 0                 | 0                   | 0                       |
| V1985                        | 0                       | 0                             | 0                 | 0                   | 0                       |
| V1986                        | 0                       | 0                             | 0                 | 0                   | 0                       |
| V1987                        | 0                       | 0                             | 0                 | 0                   | 1,031,926               |
| V1988                        | 0                       | 0                             | 0                 | 0                   | 295,780                 |
| V1989                        | 0                       | 435,523                       | -435,523          | -149,882            | 2,504,474               |
| V1990                        | 0                       | 296,865                       | -296,865          | -100,934            | 621,134                 |
| V1991                        | 6,524,436               | 10,132,066                    | -3,607,630        | -1,229,993          | 1,386,527               |
| V1992                        | 14,120,985              | 9,044,871                     | 5,076,114         | 1,791,114           | 7,344,527               |
| V1993                        | 13,408,932              | 18,918,658                    | -5,509,726        | -1,910,201          | 4,506,882               |
| V1994                        | 20,270,560              | 16,192,816                    | 4,077,744         | 1,427,211           | 12,892,442              |
| V1995                        | 34,184,128              | 21,451,168                    | 12,732,960        | 4,456,536           | 6,623,016               |
| V1996                        | 17,969,875              | 10,446,316                    | 7,523,559         | 2,633,246           | 2,633,246               |
|                              | <b>106,478,916</b>      | <b>86,918,283</b>             | <b>19,560,633</b> | <b>6,917,097</b>    | <b>39,839,954</b>       |

PECO Energy Company  
 Electric Deferred Tax Report  
 Plant at 12/31/96

| Vintage               | Federal<br>Depreciation | S/L Book Life<br>Depreciation | Difference  | Net<br>Deferred Tax | Deferred Tax<br>Balance |
|-----------------------|-------------------------|-------------------------------|-------------|---------------------|-------------------------|
| TIME: 1996A           |                         |                               |             |                     |                         |
| METHOD LIFE TYPE: FED |                         |                               |             |                     |                         |
| V1953                 | 348,053                 | 67,779                        | 280,274     | 0                   | 0                       |
| V1969                 | 15,929,406              | 2,577,872                     | 13,351,534  | 0                   | 0                       |
| V1970                 | 2,005,217               | 2,527,800                     | -522,583    | -301,779            | 5,190,447               |
| V1971                 | 45,553                  | 5,539,972                     | -5,494,420  | -2,271,098          | 8,442,056               |
| V1972                 | 21,780                  | 2,685,576                     | -2,663,796  | -1,102,212          | 4,746,517               |
| V1973                 | 313,759                 | 3,842,204                     | -3,528,445  | -1,289,786          | 8,453,456               |
| V1974                 | 409,200                 | 9,753,854                     | -9,344,654  | -4,138,538          | 18,742,304              |
| V1975                 | 814,925                 | 2,928,779                     | -2,113,854  | -882,026            | 6,953,209               |
| V1976                 | 1,729,394               | 11,425,231                    | -9,695,836  | -4,518,933          | 9,234,380               |
| V1977                 | 973,415                 | 2,221,050                     | -1,247,635  | -457,305            | 5,316,280               |
| V1978                 | 1,148,039               | 2,319,711                     | -1,171,672  | -448,047            | 5,865,689               |
| V1979                 | 1,355,262               | 2,964,120                     | -1,608,858  | -658,989            | 6,593,395               |
| V1980                 | 1,220,977               | 2,655,447                     | -1,434,470  | -595,172            | 6,231,834               |
| V1981                 | 829,518                 | 2,567,264                     | -1,737,747  | -726,198            | 17,717,293              |
| V1982                 | 13,170,140              | 9,275,312                     | 3,894,829   | 1,270,640           | 30,514,967              |
| V1983                 | 6,512,077               | 4,330,515                     | 2,181,561   | 723,916             | 29,565,825              |
| V1984                 | 6,695,461               | 4,173,594                     | 2,521,866   | 843,356             | 22,297,664              |
| V1985                 | 8,683,461               | 59,137,537                    | -50,454,076 | -18,343,237         | 541,706,268             |
| V1986                 | 5,407,335               | 5,096,833                     | 310,502     | 113,303             | 24,378,580              |
| V1987A                | 5,469,808               | 2,494,662                     | 2,975,146   | 1,041,369           | 13,201,519              |
| V1987                 | 10,716,374              | 6,377,178                     | 4,339,195   | 1,518,814           | 18,333,213              |
| V1988A                | 3,210,673               | 1,302,031                     | 1,908,642   | 668,284             | 7,395,714               |
| V1988                 | 10,609,940              | 6,978,184                     | 3,631,756   | 1,275,613           | 14,970,327              |
| V1989A                | 148,688,742             | 47,591,975                    | 101,096,767 | 35,383,868          | 342,077,300             |
| V1989                 | 14,222,385              | 7,142,286                     | 7,080,099   | 2,479,411           | 20,597,206              |
| V1990A                | 493,865                 | 323,307                       | 170,557     | 59,695              | 647,369                 |
| V1990                 | 19,056,633              | 14,245,356                    | 4,811,277   | 1,685,461           | 19,788,681              |
| V1991                 | 10,766,622              | 6,675,293                     | 4,091,329   | 1,432,601           | 11,557,572              |
| V1992                 | 21,480,302              | 15,384,044                    | 6,096,258   | 2,134,003           | 12,174,945              |
| V1993                 | 18,283,500              | 13,920,361                    | 4,363,138   | 1,526,767           | 7,148,925               |
| V1994                 | 17,676,997              | 14,821,199                    | 2,855,798   | 999,529             | 3,539,048               |
| V1995                 | 17,868,022              | 12,750,022                    | 5,118,001   | 1,791,300           | 2,794,496               |
| V1996                 | 5,787,860               | 2,269,559                     | 3,518,301   | 1,231,405           | 1,231,405               |
|                       | 371,944,693             | 288,365,909                   | 83,578,785  | 20,446,014          | 1,227,407,885           |

PECO Energy Co. - Electric Operator... JC 282 Accumulated Deferred Taxes

| Account    | Electric,<br>Gas or<br>Common | Description                  | Balance @<br>12/31/96  | Less: FERC<br>Jurisdiction<br>& Below the<br>Line | PUC<br>Jurisdiction    | Electric               | Gas                 | Common              | Total                  |
|------------|-------------------------------|------------------------------|------------------------|---|------------------------|------------------------|---------------------|---------------------|------------------------|
| 02820-0002 | E-Fed                         | Liberalized Depreciation     | (1,227,414,987)        |   | (1,227,414,987)        | (1,227,414,987)        |                     |                     | (1,227,414,987)        |
| 02820-0007 | E-Fed                         | Lib Depreciation Sal#2       | (20,132,424)           |   | (20,132,424)           | (20,132,424)           |                     |                     | (20,132,424)           |
| 02820-0008 | E-Fed                         | Lib Deprn Nuclear Fuel       | 78,095,898             |   | 78,095,898             | 78,095,898             |                     |                     | 78,095,898             |
| 02820-0008 | E-Fed                         | Lib Deprn Nuclear Fuel       | (111,547,894)          |   | (111,547,894)          | (111,547,894)          |                     |                     | (111,547,894)          |
| 02820-0010 | G-Fed                         | Liberalized Depreciation     | (83,491,514)           |   | (83,491,514)           |                        | (83,491,514)        |                     | (83,491,514)           |
| 02820-0012 | C-Fed                         | Liberalized Depreciation     | (14,716,553)           |   | (14,716,553)           |                        |                     | (14,716,553)        | (14,716,553)           |
| 02820-0031 | E-Fed                         | Tax Benefit Transfer Sal#2   | (22,189,438)           |   | (22,189,438)           | (22,189,438)           |                     |                     | (22,189,438)           |
| 02820-0032 | E-Fed                         | PUC Adjustment               | (19,841,311)           | 19,841,311  | 0                      |                        |                     |                     | 0                      |
| 02820-0033 | E-State                       | PUC Adjustment               | (4,433,675)            | 4,433,675   | 0                      |                        |                     |                     | 0                      |
| 02820-0039 | E-Fed                         | Lib Deprn Nuclear Fuel       | (6,387,958)            |   | (6,387,958)            | (6,387,958)            |                     |                     | (6,387,958)            |
| 02820-0040 | E-Fed                         | Prelim Eng Basis Design Docu | (1,177,429)            |   | (1,177,429)            | (1,177,429)            |                     |                     | (1,177,429)            |
| 02820-0041 | E-State                       | Prelim Eng Basis Design Docu | (471,373)              |   | (471,373)              | (471,373)              |                     |                     | (471,373)              |
| 02820-0042 | C-Fed                         | Software Amortization        | (5,966,760)            |   | (5,966,760)            |                        |                     | (5,966,760)         | (5,966,760)            |
| 02820-0043 | C-State                       | Software Amortization        | (1,768,662)            |   | (1,768,662)            |                        |                     | (1,768,662)         | (1,768,662)            |
| 02820-0044 | E-Fed                         | Audit Exp/Deprn Settlements  | (13,294,516)           |   | (13,294,516)           | (13,294,516)           |                     |                     | (13,294,516)           |
| 02820-0045 | E-Fed                         | Salem Esturary Program       | (1,150,831)            |   | (1,150,831)            | (1,150,831)            |                     |                     | (1,150,831)            |
| 02820-0046 | E-State                       | Salem Esturary Program       | (356,347)              |   | (356,347)              | (356,347)              |                     |                     | (356,347)              |
| 02820-2002 | E-Fed                         | Lib Deprn Lim#1 Nuclear Fuel | (5,114,586)            |   | (5,114,586)            | (5,114,586)            |                     |                     | (5,114,586)            |
| 02820-3001 | E-Fed                         | Lib Deprn Lim#2 Nuclear Fuel | (5,628,319)            |   | (5,628,319)            | (5,628,319)            |                     |                     | (5,628,319)            |
| 02820-4004 | E-Fed                         | Cwip AFUDC Debt              | (3,172,839)            |   | (3,172,839)            | (3,172,839)            |                     |                     | (3,172,839)            |
| 02820-4005 | G-Fed                         | Cwip AFUDC Debt              | (10,979)               |   | (10,979)               |                        | (10,979)            |                     | (10,979)               |
| 02820-4006 | C-Fed                         | Cwip AFUDC Debt              | (267,358)              |   | (267,358)              |                        |                     | (267,358)           | (267,358)              |
| 02820-4010 | E-State                       | Cwip AFUDC Debt              | (828,608)              |   | (828,608)              | (828,608)              |                     |                     | (828,608)              |
| 02820-4011 | G-State                       | Cwip AFUDC Debt              | (3,402)                |   | (3,402)                |                        | (3,402)             |                     | (3,402)                |
| 02820-4012 | C-State                       | Cwip AFUDC Debt              | (82,876)               |   | (82,876)               |                        |                     | (82,876)            | (82,876)               |
| 02820-4019 | E-Fed                         | PSS AFUDC Debt               | (27,527,986)           |   | (27,527,986)           | (27,527,986)           |                     |                     | (27,527,986)           |
| 02820-4020 | G-Fed                         | PSS AFUDC Debt               | (571,952)              |   | (571,952)              |                        | (571,952)           |                     | (571,952)              |
| 02820-4021 | C-Fed                         | PSS AFUDC Debt               | (855,804)              |   | (855,804)              |                        |                     | (855,804)           | (855,804)              |
| 02820-4022 | E-State                       | PSS AFUDC Debt               | (6,194,695)            |   | (6,194,695)            | (6,194,695)            |                     |                     | (6,194,695)            |
| 02820-4023 | G-State                       | PSS AFUDC Debt               | (127,258)              |   | (127,258)              |                        | (127,258)           |                     | (127,258)              |
| 02820-4024 | C-State                       | PSS AFUDC Debt               | (208,663)              |   | (208,663)              |                        |                     | (208,663)           | (208,663)              |
| 02820-0004 | FERC                          | So. Georgia Lib Deprn        | (1,702,652)            | 1,702,652   | 0                      |                        |                     |                     | 0                      |
| 02820-0005 | FERC                          | So. Georgia Lib Deprn        | (1,126,373)            | 1,126,373   | 0                      |                        |                     |                     | 0                      |
|            |                               | <b>Total</b>                 | <b>(1,509,670,124)</b> | <b>27,104,011</b>                                 | <b>(1,482,566,113)</b> | <b>(1,374,494,332)</b> | <b>(84,205,105)</b> | <b>(23,866,676)</b> | <b>(1,482,566,113)</b> |

Attachment D-20b

PECO Energy Company  
Response to Filing Requirements

Schedule D-21  
Respondent: Frank F. Frankowski

Q: Submit a schedule showing a breakdown of accumulated and unamortized investment tax credits, by vintage year and percentage rate, together with calculations supporting the amortized amount claimed as a reduction to pro forma income taxes. Provide details of methods used to write-off the unamortized balances.

Response:

Attachment D-21 is a schedule showing a breakdown of accumulated unamortized investment tax credit as requested. Page D-17 of Company Exhibit TPH-1 provides the Company's claim for ITC amortization.

| PECO ENERGY        |           |           |           |          |          |          |          |          |          |          |          |          |           |
|--------------------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| ITC AMORT FOR 1996 |           |           |           |          |          |          |          |          |          |          |          |          |           |
|                    | 10%       | 4%        | 10%       | 4%       | 10%      | 10%      | 10%      | 10%      | 10%      | 10%      | 4%       | 10%      |           |
|                    | T & D AND | T & D AND | STEAM &   | STEAM &  |          |          |          |          |          |          |          |          |           |
|                    | OTH ELEC  | OTH ELEC  | HYDRO     | HYDRO    |          |          |          | CRMBY    |          |          |          |          | CPCO      |
|                    |           |           | PROD      | PROD     | SALEM 1  | SALEM 2  | EDDY SO2 | SO2      | MGO      | PB 2&3   | PB 2&3   | Sale     | TOTAL     |
| Vintage            | 255-0002  | 255-0002  | 255-0002  | 255-0002 | 255-0002 | 255-0002 | 255-0002 | 255-0002 | 255-0002 | 255-0002 | 255-0002 | 255-0002 | 255-0002  |
| 71                 | 0         | 23,976    | 0         | 16,716   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 3,936    | 44,628    |
| 72                 | 574       | 55,246    | 409       | 42,939   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 99,168    |
| 73                 | 3,312     | 84,682    | 2,302     | 57,690   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 147,986   |
| 74                 | 0         | 205,896   | 0         | 144,472  | 0        | 0        | 0        | 0        | 0        | 0        | 216,912  | 0        | 567,280   |
| 75                 | 73,670    | 67,348    | 34,584    | 29,152   | 0        | 4,344    | 0        | 0        | 0        | 11,292   | 0        | 0        | 220,390   |
| 76                 | 212,054   | 8,766     | 177,850   | 4,718    | 630,084  | 21,504   | 0        | 0        | 0        | 1,656    | 0        | 0        | 1,056,632 |
| 77                 | 62,225    | 3,499     | 62,801    | 2,439    | 41,124   | 33,144   | 0        | 0        | 0        | 25,320   | 0        | 0        | 230,552   |
| 78                 | 72,965    | 3,979     | 50,865    | 2,775    | 26,124   | 67,248   | 0        | 0        | 0        | 8,004    | 0        | 0        | 231,960   |
| 79                 | 100,956   | 1,032     | 70,392    | 720      | 43,020   | 55,884   | 8,916    | 0        | 0        | 6,384    | 0        | 0        | 287,304   |
| 80                 | 123,807   | 421       | 88,422    | 294      | 49,212   | 26,076   | 87,072   | 22,728   | 0        | 19,320   | 0        | 0        | 417,352   |
| 81                 | 188,789   | 5,819     | 15,104    | 520      | 14,748   | 79,992   | 199,272  | 117,048  | 0        | 79,140   | 0        | 0        | 700,432   |
| 82                 | 83,188    |           | 187,044   |          | 37,860   | 26,784   | 132,312  | 140,796  | 267,456  | 56,120   | 0        | 0        | 931,560   |
| 83                 | 135,504   |           | 57,144    |          | 35,664   | 36,840   | 0        | 0        | 48,588   | 16,536   | 0        | 0        | 330,276   |
| 84                 | 251,024   |           | 80,336    |          | 27,648   | 16,416   | 0        | 0        | 0        | 27,552   | 0        | 0        | 402,976   |
| 85                 | 98,684    |           | 140,748   |          | 19,368   | 41,496   | 0        | 0        | 0        | 205,648  | 0        | 0        | 505,944   |
| 86                 | 63,056    |           | 49,592    |          | 14,172   | 8,124    | 0        | 0        | 0        | 9,984    | 0        | 0        | 144,928   |
| 87                 | 89,880    |           | 30,908    |          | 19,776   | 25,332   | 0        | 0        | 0        | 25,964   | 0        | 0        | 191,860   |
| 88                 | 5,868     |           | 2,748     |          | 13,608   | 2,976    | 0        | 0        | 0        | 12,540   | 0        | 0        | 37,740    |
| 89                 | 2,944     |           | 3,000     |          | 0        | 0        | 0        | 0        | 0        | 268      | 0        | 0        | 6,212     |
| 90                 | 0         |           | 3,252     |          | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 3,252     |
|                    | 1,568,500 | 460,664   | 1,057,501 | 302,435  | 972,408  | 446,160  | 427,572  | 280,572  | 316,044  | 505,728  | 216,912  | 3,936    | 6,558,432 |

|         |          |          |          |          |          |           |           |           |           |            |
|---------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|------------|
|         | P:\Data\ |          |          |          |          |           |           |           |           |            |
|         | 10%      | 4%       | 10%      | 4%       | 10%      | 10%       | 10%       | 10%       | 10%       |            |
|         |          |          |          |          | Salem 2  |           |           |           |           |            |
|         | GAS      | GAS      | Common   | Common   | Lease    | LIM 1     | LIM2      | LIM 1 COM | LIM 2 COM | GRAND      |
| Vintage | 255-0003 | 255-0003 | 255-0006 | 255-0006 | 255-0005 | 255-2001  | 255-2002  | 255-2003  | 255-2004  | TOTAL      |
| 71      | 0        | 7,111    | 0        | 432      | 0        | 0         | 0         | 0         | 0         | 52,171     |
| 72      | 0        | 34,523   | 0        | 5,592    | 0        | 0         | 0         | 0         | 0         | 139,283    |
| 73      | 0        | 18,279   | 40       | 4,496    | 0        | 0         | 0         | 0         | 0         | 170,801    |
| 74      | 2,576    | 6,569    | 105      | 3,219    | 0        | 0         | 0         | 0         | 0         | 579,749    |
| 75      | 17,681   | 260      | 404      | 172      | 0        | 25,081    | 8,166     | 2,628     | 0         | 274,782    |
| 76      | 17,018   | 5        | 3,360    |          | 0        | 96,189    | 40,854    | 10,816    | 0         | 1,224,875  |
| 77      | 18,395   | 15       | 564      |          | 0        | 171,170   | 81,416    | 20,973    | 0         | 523,084    |
| 78      | 21,957   |          | 792      |          | 0        | 207,176   | 133,015   | 30,003    | 0         | 624,903    |
| 79      | 47,066   |          | 1,368    |          | 0        | 314,270   | 102,899   | 33,086    | 0         | 785,993    |
| 80      | 98,792   |          | 1,044    |          | 0        | 291,180   | 40,875    | 24,571    | 0         | 873,814    |
| 81      | 108,149  |          | 10,596   |          | 272,244  | 310,849   | 60,084    | 69,695    | 0         | 1,532,049  |
| 82      | 50,196   |          | 14,688   |          | 0        | 349,238   | 62,266    | 64,596    | 96,192    | 1,568,736  |
| 83      | 12,996   |          | 3,084    |          | 0        | 561,767   | 93,205    | 117,653   | 119,100   | 1,238,081  |
| 84      | 0        |          | 0        |          | 0        | 543,865   | 132,071   | 21,694    | 140,777   | 1,241,383  |
| 85      | 60,196   |          | 7,596    |          | 0        | 495,521   | 62,805    | 72,388    | 76,505    | 1,280,956  |
| 86      | 5,052    |          | 1,632    |          | 0        | 77,008    | 739,959   | 6,266     | 6,123     | 980,967    |
| 87      | 1,032    |          | 672      |          | 0        | 13,460    | 676,844   | 7,365     | 7,421     | 898,653    |
| 88      | 0        |          | 0        |          | 0        | 0         | 670,292   | 22,297    | 22,021    | 752,351    |
| 89      | 0        |          | 0        |          | 0        | 0         | 653,094   | 0         | 1,545     | 660,851    |
| 90      | 4,536    |          | 0        |          | 0        | 0         | 9,604     | 0         | 0         | 17,392     |
|         | 465,642  | 66,762   | 45,945   | 13,911   | 272,244  | 3,456,774 | 3,567,447 | 504,033   | 469,683   | 15,420,873 |

| UNAMORTIZED ITC @ 12/31/96 |            |           |            |           |            |            |           |           |           |           |           |          |             |            |          |
|----------------------------|------------|-----------|------------|-----------|------------|------------|-----------|-----------|-----------|-----------|-----------|----------|-------------|------------|----------|
| ECO GY                     |            |           |            |           |            |            |           |           |           |           |           |          |             |            |          |
|                            | 10%        | 4%        | 10%        | 4%        | 10%        | 10%        | 10%       | 10%       | 10%       | 10%       | 4%        | 4%       |             |            |          |
|                            | T & D AND  | T & D AND | STEAM &    | STEAM &   |            |            |           | CRMBY     |           |           |           |          | CPCO        |            |          |
|                            | OTH ELEC   | OTH ELEC  | HYDRO      | HYDRO     | SALEM 1    | SALEM 2    | EDDY SO2  | SO2       | MGO       | PB 2&3    | PB 2&3    | Sale     | TOTAL       |            |          |
| Vintage                    | 255-0002   | 255-0002  | 255-0002   | 255-0002  | 255-0002   | 255-0002   | 255-0002  | 255-0002  | 255-0002  | 255-0002  | 255-0002  | 255-0002 | 255-0002    | 255-0002   | 255-0002 |
| 71                         | 0          | 203,796   | 0          | 142,091   | 0          | 0          | 0         | 0         | 0         | 0         | 0         | 0        | 70,740      | 416,627    |          |
| 72                         | 6,079      | 496,114   | 4,238      | 345,885   | 0          | 0          | 0         | 0         | 0         | 0         | 0         | 0        | 0           | 852,316    |          |
| 73                         | 37,959     | 784,914   | 26,466     | 547,268   | 0          | 0          | 0         | 0         | 0         | 0         | 0         | 0        | 0           | 1,398,607  |          |
| 74                         | 0          | 1,533,181 | 0          | 1,068,956 | 0          | 0          | 0         | 0         | 0         | 0         | 3,796,246 | 0        | 0           | 6,398,383  |          |
| 75                         | 853,536    | 500,887   | 391,055    | 229,485   | 0          | 102,151    | 0         | 0         | 0         | 197,498   | 0         | 0        | 0           | 2,274,612  |          |
| 76                         | 2,677,480  | 68,942    | 1,866,777  | 48,067    | 12,286,688 | 505,494    | 0         | 0         | 0         | 29,043    | 0         | 0        | 0           | 17,482,491 |          |
| 77                         | 869,177    | 35,646    | 606,004    | 24,853    | 801,836    | 779,032    | 0         | 0         | 0         | 443,040   | 0         | 0        | 0           | 3,559,588  |          |
| 78                         | 1,074,956  | 40,546    | 749,490    | 28,269    | 509,329    | 1,580,237  | 0         | 0         | 0         | 140,133   | 0         | 0        | 0           | 4,122,960  |          |
| 79                         | 1,601,238  | 10,514    | 1,116,400  | 7,331     | 838,839    | 1,313,107  | 120,273   | 0         | 0         | 111,804   | 0         | 0        | 0           | 5,119,506  |          |
| 80                         | 1,987,863  | 4,291     | 1,385,989  | 2,992     | 959,533    | 612,787    | 1,175,544 | 170,449   | 0         | 338,034   | 0         | 0        | 0           | 6,637,482  |          |
| 81                         | 3,054,855  | 59,284    | 273,241    | 5,303     | 287,499    | 1,879,813  | 2,690,185 | 877,823   | 0         | 1,384,877 | 0         | 0        | 0           | 10,512,880 |          |
| 82                         | 1,371,465  | 0         | 2,942,657  | 0         | 738,392    | 629,446    | 1,786,287 | 1,056,052 | 3,610,716 | 947,239   | 0         | 0        | 0           | 13,082,254 |          |
| 83                         | 2,131,228  | 0         | 898,653    | 0         | 695,357    | 865,831    | 0         | 0         | 655,796   | 289,484   | 0         | 0        | 0           | 5,536,349  |          |
| 84                         | 4,122,875  | 0         | 1,545,085  | 0         | 539,088    | 385,797    | 0         | 0         | 0         | 482,045   | 0         | 0        | 0           | 7,074,890  |          |
| 85                         | 1,627,335  | 0         | 2,704,172  | 0         | 377,669    | 975,270    | 0         | 0         | 0         | 3,510,979 | 0         | 0        | 0           | 9,195,425  |          |
| 86                         | 1,036,319  | 0         | 1,003,268  | 0         | 276,320    | 190,833    | 0         | 0         | 0         | 174,635   | 0         | 0        | 0           | 2,681,375  |          |
| 87                         | 1,477,714  | 0         | 679,207    | 0         | 385,829    | 594,991    | 0         | 0         | 0         | 471,923   | 0         | 0        | 0           | 3,609,664  |          |
| 88                         | 92,192     | 0         | 67,345     | 0         | 265,524    | 70,064     | 0         | 0         | 0         | 223,045   | 0         | 0        | 0           | 718,170    |          |
| 89                         | 49,397     | 0         | 76,542     | 0         | 0          | 0          | 0         | 0         | 0         | 4,965     | 0         | 0        | 0           | 130,904    |          |
| 90                         | 0          | 0         | 86,352     | 0         | 0          | 0          | 0         | 0         | 0         | 0         | 0         | 0        | 0           | 86,352     |          |
| T.B 12/96                  | 24,071,668 | 3,738,115 | 16,422,941 | 2,450,500 | 18,961,903 | 10,484,853 | 5,772,289 | 2,104,324 | 4,266,512 | 8,748,744 | 3,796,246 | 70,740   | 100,888,835 |            |          |

|           |            |           |           |          |           |            |             |            |            |             |
|-----------|------------|-----------|-----------|----------|-----------|------------|-------------|------------|------------|-------------|
|           | P:\Data\   |           |           |          |           |            |             |            |            |             |
|           | 10%        | 4%        | 10%       | 4%       | 10%       | 10%        | 10%         | 10%        | 10%        |             |
|           |            |           |           |          | Salem 2   |            |             |            |            |             |
|           | GAS        | GAS       | Common    | Common   | Lease     | LIM 1      | LIM2        | LIM 1 COM  | LIM 2 COM  | GRAND       |
| Vintage   | 255-0003   | 255-0003  | 255-0006  | 255-0006 | 255-0005  | 255-2001   | 255-2002    | 255-2003   | 255-2004   | TOTAL       |
| 71        |            | 106,676   | 0         | 3,573    | 0         | 0          | 0           | 0          | 0          | 526,876     |
| 72        |            | 517,841   | 0         | 69,056   | 0         | 0          | 0           | 0          | 0          | 1,439,213   |
| 73        |            | 274,179   | 531       | 60,129   | 0         | 0          | 0           | 0          | 0          | 1,731,446   |
| 74        | 51,510     | 98,529    | 1,509     | 46,149   | 0         | 0          | 0           | 0          | 0          | 6,596,080   |
| 75        | 353,630    | 3,905     | 6,457     | 2,463    | 0         | 602,152    | 238,786     | 76,625     | 0          | 3,558,630   |
| 76        | 340,350    | 68        | 54,948    | 0        | 0         | 2,307,104  | 1,192,612   | 315,551    | 0          | 21,693,124  |
| 77        | 367,909    | 226       | 9,663     | 0        | 0         | 4,104,779  | 2,376,140   | 612,178    | 0          | 11,030,483  |
| 78        | 439,131    | 0         | 14,557    | 0        | 0         | 4,968,372  | 3,881,801   | 875,668    | 0          | 14,302,489  |
| 79        | 941,320    | 0         | 26,799    | 0        | 0         | 7,536,809  | 3,002,999   | 965,343    | 0          | 17,592,776  |
| 80        | 2,074,638  | 0         | 21,271    | 0        | 0         | 6,982,927  | 1,192,880   | 717,284    | 0          | 17,626,482  |
| 81        | 2,392,462  | 0         | 227,764   | 0        | 6,397,717 | 7,454,443  | 1,753,203   | 2,033,782  | 0          | 30,772,251  |
| 82        | 1,129,549  | 0         | 330,366   | 0        | 0         | 8,375,137  | 1,817,079   | 1,885,129  | 2,807,201  | 29,426,715  |
| 83        | 305,537    | 0         | 72,511    | 0        | 0         | 13,471,680 | 2,719,811   | 3,433,809  | 3,475,805  | 29,015,502  |
| 84        | 0          | 0         | 0         | 0        | 0         | 13,042,699 | 3,854,252   | 633,274    | 4,108,370  | 28,713,485  |
| 85        | 1,586,155  | 0         | 193,674   | 0        | 0         | 11,883,122 | 1,832,432   | 2,112,309  | 2,232,529  | 29,035,646  |
| 86        | 134,010    | 0         | 43,131    | 0        | 0         | 1,846,666  | 21,594,386  | 182,568    | 178,963    | 26,661,099  |
| 87        | 28,535     | 0         | 18,560    | 0        | 0         | 322,689    | 19,752,269  | 214,893    | 216,499    | 24,163,109  |
| 88        | 0          | 0         | 0         | 0        | 0         | 0          | 19,561,208  | 650,665    | 642,432    | 21,572,475  |
| 89        | 0          | 0         | 0         | 0        | 0         | 0          | 19,059,185  | 0          | 45,110     | 19,235,199  |
| 90        | 138,267    | 0         | 0         | 0        | 0         | 0          | 280,494     | 0          | 0          | 505,113     |
| T.B 12/96 | 10,283,003 | 1,001,424 | 1,021,741 | 181,370  | 6,397,717 | 82,898,579 | 104,109,537 | 14,709,078 | 13,706,909 | 335,198,193 |



|         | P:\Data\ |          |          |          |          |          |          |           |           |       |
|---------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-------|
|         | 10%      | 4%       | 10%      | 4%       | 10%      | 10%      | 10%      | 10%       | 10%       |       |
|         |          |          |          |          | Salem 2  |          |          |           |           |       |
|         | GAS      | GAS      | Common   | Common   | Lease    | LIM 1    | LIM2     | LIM 1 COM | LIM 2 COM | GRAND |
| Vintage | 255-0003 | 255-0003 | 255-0006 | 255-0006 | 255-0005 | 255-2001 | 255-2002 | 255-2003  | 255-2004  | TOTAL |
| 71      |          | 15       |          |          | 8        |          |          |           |           |       |
| 72      |          | 15       |          |          | 12       |          |          |           |           |       |
| 73      |          | 15       | 13       |          | 13       |          |          |           |           |       |
| 74      | 20       | 15       | 14       |          | 14       |          |          |           |           |       |
| 75      | 20       | 15       | 16       |          | 14       | 24       | 29       | 29        |           |       |
| 76      | 20       | 14       | 16       |          |          | 24       | 29       | 29        |           |       |
| 77      | 20       | 15       | 17       |          |          | 24       | 29       | 29        |           |       |
| 78      | 20       |          | 18       |          |          | 24       | 29       | 29        |           |       |
| 79      | 20       |          | 20       |          |          | 24       | 29       | 29        |           |       |
| 80      | 21       |          | 20       |          |          | 24       | 29       | 29        |           |       |
| 81      | 22       |          | 21       |          | 23       | 24       | 29       | 29        |           |       |
| 82      | 23       |          | 22       |          |          | 24       | 29       | 29        | 29        |       |
| 83      | 24       |          | 24       |          |          | 24       | 29       | 29        | 29        |       |
| 84      |          |          |          |          |          | 24       | 29       | 29        | 29        |       |
| 85      | 26       |          | 25       |          |          | 24       | 29       | 29        | 29        |       |
| 86      | 27       |          | 26       |          |          | 24       | 29       | 29        | 29        |       |
| 87      | 28       |          | 28       |          |          | 24       | 29       | 29        | 29        |       |
| 88      |          |          |          |          |          |          | 29       | 29        | 29        |       |
| 89      |          |          |          |          |          |          | 29       |           | 29        |       |
| 90      | 30       |          |          |          |          |          | 29       |           |           |       |

PECO Energy Company  
Response to Filing Requirements

Schedule D-22  
Respondent: Frank F. Frankowski

Q: Submit a schedule which shows federal income tax refunds, plus interest -- net of taxes, received for the last five years due to prior years' claims.

Response:

No federal income tax refunds have been received for the last five years.

**FILE**

**CONTINUED**