

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00
- 2. BUREAU: FUS
- 3. SECTION(S):
- 5. APPROVED BY: DIRECTOR: SUPERVISOR:
- 6. PERSON IN CHARGE:
- 8. DOCKET NO: R-00040143
- 4. PUBLIC MEETING DATE: 00/00/00
- 7. DATE FILED: 12/21/04
- 9. EFFECTIVE DATE: 01/01/05

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PECO ENERGY COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110550

ALLEGATION OR SUBJECT

PECO ENERGY COMPANY - ELECTRIC HAS FILED SUPPLEMENT NO 63 TO TARIFF ELECTRIC PA PUC NO 3, TO BECOME EFFECTIVE JANUARY 1, 2005, WHICH PROPOSES TO RECALCULATE THE STATE TAX ADJUSTMENT SURCHARGE (STAS) VALUE TO REFLECT A DECREASE IN THE YEAR 2005 CAPITAL STOCK TAX RATE, PURTA ASSESSMENTS, A RECONCILIATION OF PRIOR STAS COLLECTIONS AND AN INCREASE DUE TO SECTION 1307(G.1) GROSS RECEIPT TAX EFFECTS. THE NEW SURCHARGE IS A CREDIT VALUE OF 0.68%, EFFECTIVE FOR SCHEDULED BILLING CYCLES BEGINNING AFTER JANUARY 1, 2005, WHICH REPLACES THE PRESENT CREDIT VALUE OF 0.35%.

DOCUMENT  
FOLDED

DOCKETED  
DEC 23 2004

**Brian D. Crowe**  
Director  
Rates & Regulatory Affairs

Telephone 215.841.5761  
Fax 215.841.6333  
www.exeloncorp.com  
brian.crowe@peco-energy.com

PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19103

Mail To: PO. Box 8699  
Philadelphia, PA 19101-8699

December 21, 2004

Mr. James McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

**RECEIVED**  
DEC 21 2004  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**SUBJECT:** State Tax Adjustment Surcharge (STAS) Filing - Electric  
SUPPLEMENT NO. 63 TO TARIFF ELECTRIC - PaPUC NO. 3  
Issued December 21, 2004 - to become effective on January 1, 2005

Dear Mr. McNulty:

R-00040143

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

- 1) Supplement No. 63 to Tariff Electric - PaPUC No. 3.
- 2) Computation sheets showing the derivation of the new State Tax Adjustment Surcharge value.

PECO Energy has recalculated the State Tax Adjustment Surcharge (STAS) value to reflect a decrease in the Year 2005 Capital Stock Tax rate, PURTA assessments, a reconciliation of prior STAS collections and an increase due to Section 1307(g.1) Gross Receipts Tax effects.

The new surcharge is a **credit** value of 0.68%, effective for scheduled billing cycles beginning after January 1, 2005, which replaces the present credit value of 0.35%. A monthly bill for a residential customer using 500 kWh will decrease by 14 cents, or 0.20%, from \$70.28 to \$70.14.

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

Sincerely,

*Brian D. Crowe*

Copies to: R. Rosenthal, Director, Fixed Utility Services  
T.E. Sheets, Director, Bureau of Audits  
Johnnie E. Simms, Director, Office of Trial Staff  
R. F. Wilson, Bureau of Fixed Utility Services  
Office of Consumer Advocate  
Office of Small Business Advocate

**DOCUMENTED**  
DEC 21 2004  
**DOCUMENT FOLDER**

30

R-00040143

# PECO Energy Company

Electric Service Tariff

**ORIGINAL**

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

---

For List of Communities Served, See Page 4.

---

**DOCUMENT  
FOLDED**

Issued: December 21, 2004

Effective: January 1, 2005

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

**DOCKETED**  
DEC 23 2004

---

# NOTICE.

---

**RECEIVED**

DEC 21 2004

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

PECO Energy Company

Superseding Forty Ninth Revised Page No. 1A

LIST OF CHANGES MADE BY THIS SUPPLEMENT

State Tax Adjustment Clause (\$TAC) (9<sup>th</sup> Revised Page No. 29)

Effective for billing cycles beginning after January 1, 2005, the State Tax Adjustment Clause will reflect a credit value of 0.68%.

TABLE OF CONTENTS

List of Communities Served .....	4
How to Use Loose-Leaf Tariff .....	5
Definition of Terms and Explanation of Abbreviations.....	6 <sup>9</sup> , 7 <sup>5</sup> , 8, 9 <sup>2</sup>
<b>RULES AND REGULATIONS:</b>	
1. The Tariff .....	10 <sup>9</sup>
2. Service Limitations.....	10 <sup>9</sup>
3. Customer's Installation.....	11 <sup>5</sup>
4. Application for Service.....	12 <sup>6</sup>
5. Credit .....	13 <sup>5</sup>
6. Private-Property Construction.....	14 <sup>5</sup>
7. Extensions .....	15 <sup>2</sup>
8. Rights-of-Way .....	16 <sup>2</sup>
9. Introduction of Service.....	17 <sup>2</sup>
10. Company Equipment on Customer's Premises.....	17 <sup>2</sup>
11. Tariff and Contract Options.....	18 <sup>5</sup>
12. Service Continuity.....	18 <sup>5</sup> , 19 <sup>2</sup>
13. Customer's Use of Service .....	20 <sup>4</sup>
14. Metering.....	20 <sup>4</sup>
15. Demand Determination.....	21 <sup>5</sup>
16. Meter Tests.....	22 <sup>3</sup>
17. Billing and Standard Payment Options .....	22 <sup>3</sup> , 23 <sup>5</sup>
18. Payment Terms & Termination of Service.....	24 <sup>5</sup>
19. Unfulfilled Contracts.....	24 <sup>5</sup>
20. Cancellation by Customer.....	25 <sup>2</sup>
21. General.....	26 <sup>3</sup>
22. Direct Access Phase-In Procedures .....	26 <sup>3</sup>
23. EGS Switching.....	27 <sup>5</sup>
24. Load Data Exchange .....	28
STATE TAX ADJUSTMENT CLAUSE .....	29 <sup>9</sup>
COMPETITIVE TRANSITION CHARGE (CTC) .....	30 <sup>3</sup> , 31 <sup>2</sup>
NET SECURITIZATION ADJUSTMENT .....	32 <sup>11</sup>
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA) .....	33 <sup>3</sup>
UNIVERSAL SERVICE FUND CHARGE (USFC).....	34 <sup>9</sup>
<b>RATES:</b>	
Rate R Residence Service.....	35 <sup>17</sup> , 36 <sup>9</sup>
Rate RT Residence Time-of-Use Service .....	37 <sup>19</sup> , 38 <sup>9</sup>
Rate R-H Residential Heating Service .....	39 <sup>20</sup> , 40 <sup>4</sup>
Rate CAP Customer Assistance Program.....	41 <sup>14</sup> , 42 <sup>9</sup>
Rate OP Off-Peak Service.....	43 <sup>20</sup>
Rate R-S Renewable Energy Service.....	44 <sup>3</sup> , 44A
Rate GS General Service.....	45 <sup>13</sup> , 46 <sup>10</sup> , 47 <sup>11</sup>
Rate PD Primary-Distribution Power .....	48 <sup>13</sup>
Rate HT High-Tension Power.....	49 <sup>14</sup> , 50 <sup>4</sup>
Rate POL Private Outdoor Lighting.....	51 <sup>11</sup> , 52 <sup>5</sup>
Rate SL-P Street Lighting in City of Philadelphia .....	53 <sup>9</sup> , 54 <sup>1</sup> , 55 <sup>1</sup>
Rate SL-S Street Lighting-Suburban Counties.....	56 <sup>11</sup> , 57 <sup>1</sup>
Rate SL-E Street Lighting Customer-Owned Facilities.....	58 <sup>9</sup> , 59
Rate TL Traffic Lighting Service .....	60 <sup>7</sup>
Rate BLI Borderline Interchange Service .....	61
Rate EP Electric Propulsion .....	62 <sup>15</sup> , 63
Rate AL Alley Lighting in City of Philadelphia.....	64 <sup>7</sup>
<b>RIDERS:</b>	
Applicability Index of Riders.....	65 <sup>11</sup>
Auxiliary Service Rider.....	66 <sup>2</sup> , 67 <sup>9</sup> , 68 <sup>1</sup>
CAP Rider – Customer Assistance Program.....	68A <sup>2</sup> , 68B <sup>1</sup> , 68C <sup>1</sup> , 68D <sup>1</sup>
Capacity Reservation Rider.....	69
Casualty Rider .....	70
Competitive Default Service .....	70A <sup>2</sup>
Construction Rider .....	71
Cooling Thermal Storage HT Rider .....	72 <sup>5</sup>
Curtailment HT Rider.....	73 <sup>7</sup>
Economic Efficiency Rider (EER).....	74 <sup>1</sup> , 75

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this tariff, a surcharge credit value of 0.68% will apply to all PaPUC jurisdictional charges, exclusive of Energy and Capacity Charges, in the Base Rates and riders effective for scheduled billing cycles beginning after January 1, 2005. (D)

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

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

(D) Indicates Decrease

PECO Energy - Electric Operations  
State Tax Adjustment Surcharge  
Effective January 1, 2005

<u>Calculation of STAS Effective January 1, 2005</u>		<u>Reference</u>
<u>Non-RNR Effects</u>		
1 . Capital Stock Tax - 2005	(\$10,868,516)	Att. A, Pg. 3, Ln. 7
2 . PURTA Assessment - 8/1/04	(\$966,133)	Att. A, Pg. 4, Ln. 5
3 . PURTA Supplemental Assessment - 8/1/04	(\$872,438)	Att. A, Pg. 5, Ln. 6
4 . Reconciliation of Prior STAS	<u>(\$41,993)</u>	Att. B, Pg. 1, Ln. 13
5 . Net Due from (to) Customers	(\$12,749,080)	Ln. 1+ Ln. 2 +Ln. 3 + Ln. 4
6 . Total Due from (to) Customers Including Gross Receipts Tax	(\$13,557,082)	Ln. 5 / (1-0.0596)
<u>RNR and Section 1307 (g.1) GRT Effects</u>		
7 . 1307 (g.1) Gross Receipts Tax	\$1,122,126	Att. A, Pg. 2, Ln. 12
8 . Reconciliation of RNR for STAS	(\$311,594)	Att. B, Pg. 1, Ln. 12
9 . Net Due from (to) Customers	\$810,532	Ln. 7 + Ln. 8
10 . Total Due from (to) Customers Including Gross Receipts Tax	\$861,901	Ln. 9 / (1-0.0596)
11 . Total Non-RNR and RNR Due from (to) Customers	(\$12,695,181)	Ln. 6 + Ln. 10
12 . Operating Revenues Subject to STAS from January 1, 2005 thru December 31, 2005	\$1,870,209,732	Att. A, Pg. 2, Ln. 11
13 . State Tax Adjustment Surcharge	-0.68%	Ln. 11 / Ln. 12

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

		<u>Reference</u>
1 . <u>Booked Revenue from Sales</u>	\$3,538,694,239	2003 FERC # 1, Pg. 300, Ln. 12
2 . Less : Non - jurisdictional revenue		
Sales for Resale	\$526,937	2003 FERC # 1, Pg. 300, Ln. 11
Interdepartmental Revenues	\$9,999,947	Company Records
Unbilled Revenues	\$7,945,000	2003 FERC # 1, Pg. 301
3 . Less : LILR Revenue not subject to STAS	\$ 10,928,755	Company Records
STAS Revenue Included in Line 1	\$ 3,502,649	Company Records
4 . Less: Competitive Transition Charges/Intangible Transition Charges	<u>\$ 864,752,553</u>	Company Records
5 . <u>Operating Revenues Subject to STAS Excl Total Transition Charges Before Adjustments</u>	\$2,641,038,399	
6 . Add: Estimated Total Transition Charges for Year 2005	\$811,242,687	Company Filing on November 1, 2004 at Docket No. R-00040041
7 . Less:		
Energy and Capacity Charges Included in Lines 1 through 3	\$ 1,610,286,203	Company Records
8 . Plus: Distribution Revenue Rate Change	\$ 20,160,000	Company Filing on October 31, 2004 Reflecting Merger Order at Docket No. A-110550F0147
9 . Plus: Nuclear Decommissioning Cost Adjustment	\$ 3,493,379	Company Filing on October 31, 2003 per Docket No. R-00038102
10 . Plus: Universal Service Fund Charge	<u>\$ 4,561,470</u>	Company Filing on October 14, 2004 per Docket No. M-FACE0410
11 . Adjusted Base Revenues for 2005 STAS	\$1,870,209,732	
12 . 0.6 Mill Increase in GRT	\$ 1,122,126	Ln. 11 * .0006 (a)

(a) Refer to Attachment B, Pg. 3 for the Pennsylvania Bulletin announcing the increase in the Gross Receipts Tax beginning January 1, 2005 due to the Public Realty Tax Act Surcharge

PECO Energy  
Capital Stock Tax Adjustment

	<u>TOTAL</u>		<u>ELECTRIC</u>	<u>GAS</u>
			<u>GENERATION</u>	<u>TRANS. / DIST.</u>
1 . Value of Capital Stock 2002 (a)	\$2,719,866,904			
2 . Apportionment Percentage	0.964150			
3 . Taxable Value Capital Stock (b)	\$2,622,359,675	N. A.	\$1,607,768,717	\$506,115,417
4 . Tax Rate Thru 1997 @ 12.75 mills		N. A.	<u>x 0.01275</u>	<u>x 0.01275</u>
5 . Pa. Capital Stock Tax @ 12.75 mills		N. A.	\$20,499,051	\$6,452,972
6 . Pa. Capital Stock Tax @ 5.99 mills - Year 2005		N. A.	\$9,630,535	\$3,031,631
7 . Annualized Tax Decrease from Rate Change - Year 2005		N. A.	\$10,868,516	\$3,421,341

(a) Settlement from the Department of Revenue, Attachment B, Pg. 4

(b) Electric (Generation 19.39%, Transmission and Distribution 61.31%) and Gas (19.30%) based on total utility plant and revenues.

PECO Energy  
2003 PURTA Adjustment

	<u>Generation</u>	<u>Transmission &amp; Distribution</u>	<u>Gas</u>	<u>Total</u>
<b>Per August 1, 2004 Assessment (a)</b>				
1 . Tax Base	N. A.	\$189,478,775	\$32,004,305	\$221,483,080
2 . Tax @ 29.1928 Mills	N. A.	\$5,531,416	\$934,295	\$6,465,711
 <i>2003 Traditional PURTA</i>				
3 . Tax Base	N. A.	\$154,703,542	\$26,130,522	\$180,834,064
4 . Tax @ 42 Mills	N. A.	<u>\$6,497,549</u>	<u>\$1,097,482</u>	<u>\$7,595,031</u>
5 . Amount Due from / (to) Customers	N. A.	(\$966,133)	(\$163,187)	(\$1,129,320)

(a) See Attachment B, Pg. 5

PECO Energy  
Supplemental PURTA Adjustments

<b>Per August 1, 2003 Assessment (a)</b>	<u>Generation</u>	<u>Transmission &amp; Distribution</u>	<u>Gas</u>	<u>Total</u>
1 . Adjustment for 1998 Tax Year	\$1,144,656	\$336,449	\$101,441	\$1,582,546
2 . Adjustment for 1999 Tax Year	(\$3,106)	(\$614)	(\$221)	(\$3,941)
3 . Adjustment for 2000 Tax Year	N.A.	(\$379,030)	(\$56,387)	(\$435,417)
4 . Adjustment for 2001 Tax Year	N.A.	(\$467,383)	(\$74,762)	(\$542,145)
5 . Adjustment for 2002 Tax Year	N.A.	<u>(\$361,860)</u>	<u>(\$56,137)</u>	(\$417,997)
6 . Amount Due from / (to) Customers	N.A.	(\$872,438)	(\$86,066)	N.A.

(a) See Attachment B, Pg. 5

PECO Energy-Electric Operations  
State Tax Adjustment Surcharge Reconciliation  
For the Year 2004

		<u>Reference</u>
<b><u>Reconciliation of Current STAS</u></b>		
<b><u>RNR Effects</u></b>		
1 . Net Due from (to) Customers	(\$3,143,911)	12/23/03 STAS Filing, Att. A, Pg. 1, Ln. 8
2 . Total RNR for Future Recovery	(\$3,143,911)	Ln.1
<b><u>Non - RNR Effects</u></b>		
3 . Capital Stock Tax - 2004	(\$3,993,332)	12/23/03 STAS Filing, Att. A, Pg. 1, Ln. 1
4 . PURTA Assessment - 8/1/03	\$610,921	12/23/03 STAS Filing, Att. A, Pg. 1, Ln. 2
5 . PURTA Supplemental Assessment - 8/1/03	(\$507,907)	12/23/03 STAS Filing, Att. A, Pg. 1, Ln. 3
6 . Reconciled Amount due from/(to) Customers	<u>\$811,020</u>	12/23/03 STAS Filing, Att. A, Pg. 1, Ln. 4
7 . Non - RNR Amount Due from / (to) Customers	(\$3,079,298)	Ln. 3 + Ln. 4 + Ln. 5 + Ln. 6
8 . Total RNR and Non-RNR Effects	(\$6,223,209)	Ln. 2 + Ln. 7
Less: STAS Revenues Collected from Customers-2004		
9 . RNR Related	(\$2,832,317)	Att. B, Pg. 2
10 . Non-RNR Related	<u>(\$3,037,305)</u>	Att. B, Pg. 2
11 . Total	(\$5,869,622)	Ln. 9 + Ln. 10
Net Due from/(to) Customers		
12 . RNR Related	(\$311,594)	Ln. 2 - Ln. 9
13 . Non-RNR Related	<u>(\$41,993)</u>	Ln. 7 - Ln. 10
14 . Total	(\$353,587)	Ln. 12 + Ln. 13

PECO Energy - Electric Operations  
STAS Collections-Company Records  
12 Months Ended December 31, 2004

	<u>RNR Related</u>	<u>Non-RNR Related</u>
Jan	\$234,286	(\$167,347)
Feb	(\$292,294)	(\$276,055)
Mar	(\$260,995)	(\$246,495)
April	(\$262,681)	(\$248,088)
May	(\$258,844)	(\$244,464)
Jun	(\$314,705)	(\$297,221)
July	(\$343,965)	(\$324,856)
Aug	(\$349,256)	(\$329,852)
Sep	(\$340,939)	(\$321,998)
Oct	(\$265,208)	(\$250,475)
Nov (a)	(\$259,363)	(\$243,292)
Dec (a)	<u>(\$295,935)</u>	<u>(\$277,599)</u>
Total	(\$3,009,901)	(\$3,227,742)
Less: GRT at 5.90%	<u>(\$177,584)</u>	<u>(\$190,437)</u>
Net After GRT	(\$2,832,317)	(\$3,037,305)

(a) Projection

# NOTICES

[Correction]

## Public Utility Realty Tax Act Surcharge Rate for the Tax Year Beginning January 1, 2005

[34 Pa.B. 5454]

An error occurred in a document that appeared at 34 Pa.B. 5320 (September 25, 2004). The correct version of that document is as follows:

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

The result of the PURTA surcharge calculation provided in 72 P. S. § 8111-A for the tax year beginning January 1, 2005, is six tenths of one mill (0.0006). Therefore, a surcharge pursuant to 72 P. S. § 8111-A(d) will be imposed for the taxable period beginning January 1, 2005. The additional six-tenths of one mill (0.0006) shall be paid upon each dollar of gross receipts reported and settled in accordance with 72 P. S. § 8101, except gross receipts from providing mobile telecommunication services and telegraph or telephone messages transmitted in interstate commerce.

GREGORY C. FAJT,  
Secretary

[Pa.B. Doc. No. 04-1794. Filed for public inspection September 24, 2004, 9:00 a.m.]

---

No part of the information on this site may be reproduced for profit or sold for profit.

This material has been drawn directly from the official *Pennsylvania Bulletin* full text database. Due to the limitations of HTML or differences in display capabilities of different browsers, this version may differ slightly from the official printed version.

---



OFFICIAL NOTICE OF SETTLEMENT

PA ACCOUNT ID: 0415-103  
TAXABLE YEAR: 01/01/02 TO 12/31/02  
DLN: 46-3-01555

PECO ENERGY COMPANY  
2301 MARKET STREET  
S123 TAX DIRECTOR  
PHILADELPHIA PA 19101

Attachment B, Pg. 4 1/2

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  
12,634,866 18,985,884

----- SECTION B - LOANS TAX -----  
TAX AS REPORTED AS SETTLED  
13,315 13,315

----- SECTION C - CORPORATE NET INCOME TAX -----  
TAX AS REPORTED AS SETTLED  
42,017,033 42,084,425

DEPARTMENT OF REVENUE  
(717)783-6031  
MICHAEL J PAYNE

MAILING DATE  
04/12/04

AUDITED AND APPROVED BY  
DEPARTMENT OF AUDITOR GENERAL  
WILLIAM E MOGLIA

04/09/04

TO FORMALLY CONTEST THIS SETTLEMENT, A PETITION FOR RESETTLEMENT, ALONG WITH A  
COPY OF THIS SETTLEMENT NOTICE MUST BE FILED WITHIN 90 DAYS OF THIS NOTICE  
MAILING DATE. APPEALS, SIGNED BY A CORPORATE OFFICER, MAY BE FILED VIA THE  
INTERNET @ WWW.BOARDOFAPPEALS.STATE.PA.US, OR MAILED TO: BOARD OF APPEALS,  
DEPT 281021, HARRISBURG, PA. 17128-1021.

LOANS SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- \* DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- D9 EXCLUDE INCOME/LOSS OF SUBSIDIARIES AND ADJUST FOR M-2 ITEMS.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.
- S8 USE AVERAGE TOTAL ASSETS PER BALANCE SHEET.
- Y1 AS REFLECTED ON SETTLEMENT NOTICE IN PRIOR YEAR(S).

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/98 TO 12/31/98	512,807,509	539,494,476	Y1
01/01/99 TO 12/31/99	589,139,846	793,396,233	Y1
01/01/00 TO 12/31/00	164,853,058	608,762,116	Y1
01/01/01 TO 12/31/01	142,349,205	119,639,048	Y1

01/01/02 TO 12/31/02	40,688,769	251,717,615	D9
TOTAL BOOK INCOME		2,313,009,488	
AVERAGE NET INCOME	289,967,677	462,601,898	*
EQUITY YEAR ENDING	760,653,527		
EQUITY YEAR BEGINNING	460,195,474		
NET WORTH	760,653,527	760,653,527	
CAPITAL STOCK VALUE	1,811,265,741	2,719,866,904	*
APPORTIONMENT PROPORTION	.963496	.964150	*
CAPITAL STOCK/FRANCHISE TAX	12,634,866	18,985,884	*

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

PROPERTY FACTOR - PA			
PROPERTY FACTOR - TOTAL			
PAYROLL FACTOR - PA			
PAYROLL FACTOR - TOTAL			
SALES FACTOR - PA			
SALES FACTOR - TOTAL			
SINGLE FACTOR - NUMERATOR	5,682,290,460	5,789,765,634	
SINGLE FACTOR - DENOMINATOR	5,897,572,913	6,005,048,087	S8

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	3,357,932	
LOANS TAX	13,315	13,315

----- SECTION C - CORPORATE NET INCOME TAX -----

DEPRECIATION CARRY IN AND OUT	17,155,152	60,222,828	
NET INCOME	338,290,887		
DIVIDENDS	511,735		
US INTEREST	150,028		
DEPRECIATION DEDUCTION	2,396,427	1,716,861	
OTHER			
TOTAL DEDUCTIONS	3,058,190	2,378,624	*
INCOME TAXES	45,686,857		
TAX PREFERENCE ITEMS			
EIP ADJUSTMENTS			
DEPRECIATION ADDITION	44,784,537		
OTHER			
TOTAL ADDITIONS	90,471,394	90,471,394	
ADJUSTED INCOME	425,704,091	426,383,657	*
TOTAL NONBUSINESS INCOME			
INCOME TO BE APPORTIONED		426,383,657	
APPORTIONMENT PROPORTION	.992687	.992687	
PA APPORTIONED INCOME		423,265,513	
PA NONBUSINESS INCOME			
INCOME PRIOR TO NL DEDUCTION	422,590,917	423,265,513	*
NET LOSS DEDUCTION	2,000,000	2,000,000	
PA TAXABLE INCOME		421,265,513	*
CORPORATE NET INCOME TAX	42,017,033	42,084,625	*

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

PROPERTY FACTOR - PA	5,500,634,117	
PROPERTY FACTOR - TOTAL	5,597,562,073	
PAYROLL FACTOR - PA	231,729,659	
PAYROLL FACTOR - TOTAL	234,225,436	
SALES FACTOR - PA	4,351,801,788	
SALES FACTOR - TOTAL	4,364,306,049	
SINGLE FACTOR - PA		
SINGLE FACTOR - TOTAL		

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR	PY
12-31-95	0	0 PY
12-31-96	0	0 PY
12-31-97	12,712,639	10,712,639 Y1
12-31-98	0	0 PY
12-31-99	0	0 PY
12-31-00	0	0 PY
12-31-01	0	0 PY
		0

BUREAU OF CORPORATION TAXES  
 PURTA UNIT  
 DEPT. 280704  
 HARRISBURG, PA 17126-0704

COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF REVENUE



Mailing Date:  
 August 1, 2004

PECO ENERGY CO  
 2301 MARKET STREET  
 S12 3  
 PHILADELPHIA, PA 19101

**Re: 2003 Pennsylvania Public Utility Realty Tax  
 Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2003. This notice is based on information provided by your County Tax Assessor's Office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2004 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes or corrections to the County Tax Assessor's records must be addressed and/or appealed at the local level. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Bureau of Corporation Taxes  
 Department of Revenue

PLEASE SEE  
 REVERSE SIDE  
 FOR DETAIL

**2003,2002,2001,2000,1999 & 1998 NOTICES:**

2003 Liability:	\$6,465,711.00
2002 Liability Adjustment:	(\$417,997.00)
2001 Liability Adjustment:	(\$542,145.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	(\$435,417.00)
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$3,941.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$1,582,546.00
1998 Transition Credit Adjustment:	\$0.00

Account Id: 3500103

BUREAU OF CORPORATION TAXES  
 PURTA UNIT  
 DEPT. 280704  
 HARRISBURG, PA 17126-0704

COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF REVENUE



Mailing Date:  
 August 1, 2004

Name: PECO ENERGY CO

Account Id: 3500103

Detail

Tax Year 2003 \*

2003

1) Realty Tax Equivalent (RTE):	\$ 30,099,169
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,941,876
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	29.1928 mills
4) STV for Utility:	\$221,483,080
5) Liability (Line 3 x Line 4):	\$6,465,711

Tax Year 1998 - 2002

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,135,742	\$ 29,139,976	\$ 30,233,815	\$ 29,696,279
2) Adjusted Total STV for all utilities:	\$ 2,093,939,089	\$ 2,093,157,437	\$ 1,399,099,948	\$ 1,382,747,254	\$ 1,387,144,282
3) Adjusted Millage Rate (includes 7.6 mills for PTA):	71.2122 mills	26.7747 mills	28.4277 mills	29.4650 mills	29.0082 mills
4) Adjusted STV for Utility:	\$600,254,746	\$607,459,335	\$217,881,570	\$220,195,275	\$218,599,809
5) Adjusted Liability (Line 3 x Line 4):	\$42,745,461	\$16,264,541	\$6,193,872	\$6,488,054	\$6,341,187
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0	N/A
7) Adjustment to Liability of 8/1/2003:	\$1,582,546	(\$3,941)	(\$435,417)	(\$542,145)	(\$417,997)
8) Adjustment to Transition Credit of 8/1/2003:	\$0	\$0	\$0	\$0	N/A

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

\* If you do not agree with this Notice of Determination for 2003 PURTA, you may have Petition privileges pursuant to Section 1109-A. Please refer to the enclosed copy of the PURTA statute.