

Direct Dial: 215 841 4220

October 19, 2015

**RECEIVED****OCT 19 2015****PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU****VIA FEDERAL EXPRESS**

Rosemary Chiavetta Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

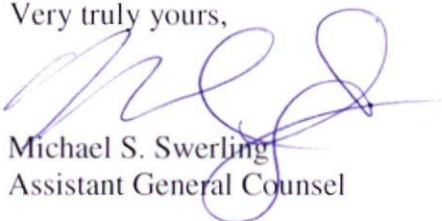
**Re: PECO Energy Company Petition for Approval of a Long Term Infrastructure  
Improvement Plan  
Docket No. P-2015-2471423**

Dear Ms. Chiavetta:

Enclosed please find PECO Energy Company's ("PECO") revised response (TUS-III-1 (Revised)) and accompanying attachments (Attachments TUS-III-1(a) and (b)) to the data request issued by the Technical Utility Services in the above-mentioned matter. Please note that Attachment TUS-III-1(b) contains Confidential information. Therefore, a redacted public version is being provided to members on the service list because neither a Protective Order nor a non-disclosure agreement have been entered into in this proceeding. However, the Confidential attachment is the same response that PECO provided in its 2015 Electric Base Rate Case (SDR-ROR-14). The parties on the service list were previously provided with the Confidential version of SDR-ROR-14 in PECO's Rate Case.

If you have any questions, feel free to contact me directly at (215) 841-4220.

Very truly yours,



Michael S. Swerling  
Assistant General Counsel

Enclosures

Cc: David Washko, TUS Electric Reliability Engineer  
Daniel Searfoorce, TUS Reliability and Emergency Preparedness Supervisor

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

PECO Energy Company  
Petition for Approval of a  
Long Term Infrastructure Improvement Plan  
Docket No. P-2015-2471423  
Response of PECO Energy Company  
To Data Request of the Technical Utility Services

**TUS-III-1 (Revised):**

Provide baseline data from the previous five (5) year period (2011-2015) and the five (5) year period covered by the LTIIIP (2016-2020) that quantifies the annual number of projects/assets replaced or improved and the associated annual expenditures for all DSIC-eligible property as detailed, below. Please note whether the expenditures for the prospective years are in real or nominal dollars. Also please note any expenditures that relate to the company's smart meter deployment program.

Specifically provide the ten (10) year baseline data for each of the following DSIC-eligible property categories as defined in 66 Pa. C.S. § 1351:

- Poles and towers.
- Overhead and underground conductors.
- Transformers and substation equipment.
- Any fixture or device related to eligible property under subparagraphs § 1351 1 (i), (ii) and (iii), including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms, brackets, relays, capacitors, converters, and condensers.
- Other related capitalized costs.

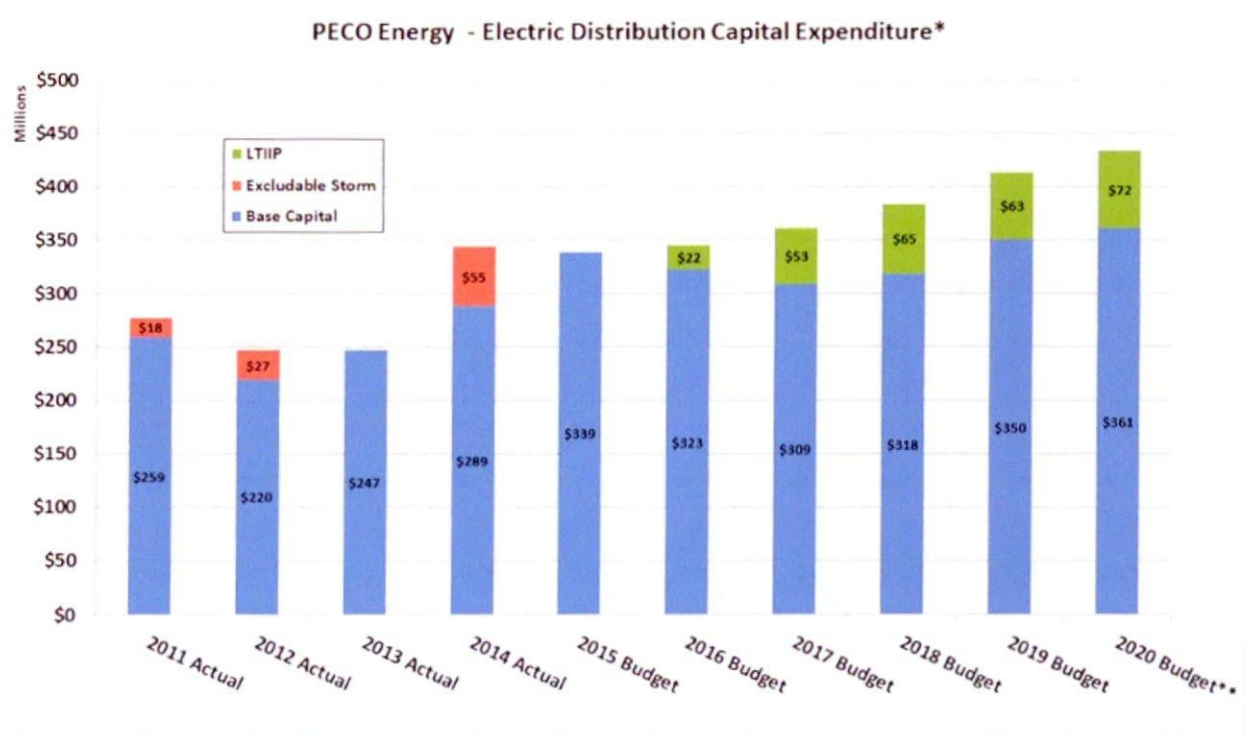
Note: Provide data in the form of charts similar to the charts in PECO LTIIIP Appendix A that show projects/assets replaced and expenditures for eligible property.

**Response:**

The baseline data previously submitted (on June 17, 2015 in response to TUS-I-1) was composed on a project/budget basis because that is how PECO manages capital investments for enhanced reliability. PECO takes a project-level approach (not a components-level or a FERC-account level approach) when establishing capital budgets for system enhancements.

Accordingly, PECO's LTIIIP for 2016-2020 was designed on a project level basis. Because PECO does not budget at a FERC-account level, it is providing Capital Expenditure ("CapEx") data, which includes the total annual actual expenses (from the historic period of 2011-2014) and the total annual budgeted amounts (for the projected period of 2015-2020). The budgets for 2016-2020 also contain the incremental costs associated with PECO's LTIIIP.

Additionally the table is consistent with the CapEx information provided in PECO's 2015 Base Rate Case, except that Smart Meter Investment costs have been excluded. Furthermore, storm expenses include Hurricane Sandy in 2012 and Ice Storm Nika as well as the heavy summer storms experienced in 2014.



\* The Base Capital Expenditures equal the amounts reported in SDR-RB-10 and SDR-ROR-14 from PECO's 2015 Base Rate Case, minus Smart Meter costs of \$77M, \$87M, \$166M, \$110M, \$17M, \$9M, \$8M, \$7M, \$2M, and \$2M between 2011 and 2020, respectively. See Attachment ESD-III-1 (a) for a copy of SDR-RB-10 and Attachment ESD-III-1(b) for a copy of SDR-ROR-14.

\*\* The 2020 Budget has not yet been finalized and therefore includes the 2019 Base Capital data with a 3% increase to account for inflation. Please note that all of the budgets included in the table above have been adjusted for inflation. The LTIP values for 2020 include the amounts represented in PECO's LTIP filing.



The following tables set forth the information stated above in numerical format.

	Base Capital	Excludable Storm	LTIP	Total Distribution On Bar Chart	Smart Meter Smart Grid Excluded From Chart	Total Distribution Submitted For SDR-RB-10
2011 Actual	258.8	18.3	-	277.1	76.7	353.8
2012 Actual	220.0	27.0	-	247.1	87.4	334.5
2013 Actual	247.4		-	247.4	166.4	413.8
2014 Actual	289.2	54.9	-	344.1	109.9	453.9
2015 Budget	338.7		-	338.7	17.2	355.9
2016 Budget	323.0		21.8	344.8	9.0	353.7
2017 Budget	308.6		52.5	361.1	8.4	369.5
2018 Budget	318.4		65.0	383.4	7.2	390.5
2019 Budget	350.4		63.0	413.4	2.0	415.4
2020 Budget**	360.9		72.0	432.9	2.0	435.0

**PECO Excludable Storms 2011 Through 2014**

Year	Excludable Storm	Amount
2011	Hurricane Irene - 8/27/11	15.0
2011	October Snowstorm - 10/29/11	3.3
2012	Hurricane Sandy - 10/29/12	27.0
2014	Ice Storm Nika - 2/5/14	43.4
2014	Thunderstorm Event - 7/3/14	4.6
2014	Thunderstorm Event - 7/8/14	6.9
<b>Total</b>		<b>100.2</b>

**Account make-up of overall Spend**

Based on an analysis of Electric Distribution Plant Additions from 2011 to 2014 (excluding Smart Meter costs), approximately 90% of the overall spend is in LTIP Eligible FERC accounts (362, 364, 365, 366, 367, 368 and 369.) Although it varies from year to year based on the make-up of the work, the LTIP Eligible FERC accounts are structured in the following manner.

**FERC Account Distribution Based On Plant Additions**

	2011	2012	2013	2014	Historical Average
PEE 362 Station Equipment	18%	12%	17%	12%	15%
PEE 364 Poles, Towers and Fixtures	10%	15%	10%	13%	12%
PEE 365 Overhead Cndctrs & Devices	22%	24%	22%	31%	25%
PEE 366 Undergrnd Conduit & Manhole	6%	5%	3%	7%	5%
PEE 367 Undergrnd Cndctrs & Devices	22%	23%	29%	19%	23%
PEE 368 Line Transformers	11%	15%	9%	13%	12%
PEE 369 Aerial Services	2%	2%	2%	2%	2%
Non LTIIP Eligible	10%	4%	9%	4%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In order to estimate CapEx in terms of FERC accounts, the actual *plant addition* percentages from the chart above were applied to the CapEx actual expenditures. For CapEx in the budgeted years, PECO averaged the FERC percentage from 2011-2014 and applied it to the total budgeted distribution. The following table captures these calculations.

**CapEx Spend With Estimated FERC Distributions**

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget**
PEE 362 Station Equipment	49.1	29.1	41.2	41.5	49.5	50.3	52.7	56.0	60.4	63.2
PEE 364 Poles, Towers and Fixtures	27.7	38.0	24.2	44.0	40.3	41.0	43.0	45.6	49.2	51.5
PEE 365 Overhead Cndctrs & Devices	60.8	59.3	53.7	106.0	84.4	85.9	90.0	95.5	103.0	107.8
PEE 366 Undergrnd Conduit & Manhole	16.1	11.5	6.2	23.3	17.5	17.9	18.7	19.9	21.4	22.4
PEE 367 Undergrnd Cndctrs & Devices	61.3	56.1	70.5	64.7	76.4	77.8	81.5	86.5	93.3	97.7
PEE 368 Line Transformers	30.1	36.8	23.1	44.1	40.5	41.2	43.2	45.9	49.4	51.8
PEE 369 Aerial Services	4.5	5.5	5.9	6.6	6.7	6.9	7.2	7.6	8.2	8.6
Non LTIIP Eligible	27.6	10.8	22.6	14.0	23.4	23.8	24.9	26.4	28.5	29.9
<b>Total</b>	<b>277.1</b>	<b>247.1</b>	<b>247.4</b>	<b>344.1</b>	<b>338.7</b>	<b>344.8</b>	<b>361.1</b>	<b>383.4</b>	<b>413.4</b>	<b>432.9</b>

Additionally, the expenditures contained in this response are in real dollars and do not relate to the PECO's smart meter deployment program.

Q. SDR-RB-10 Provide a detailed schedule, on a yearly basis for the last five calendar years, the amount of the initially approved construction budget, (by the Board of Directors) and the actual corresponding amount of completed construction.

A. SDR-RB-10 Shown below are the 2010–2014 actual and budgeted electric distribution capital expenditures. Budgeted amounts were approved by the Board of Directors.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
2010	\$ 386,794,037	\$ 356,356,576	\$ (30,437,462)
2011	\$ 353,844,608	\$ 306,123,953	\$ (47,720,655)
2012	\$ 334,469,065	\$ 290,704,287	\$ (43,764,778)
2013	\$ 413,803,014	\$ 427,575,858	\$ 13,772,844
2014	\$ 453,946,427	\$ 410,061,484	\$ (43,884,942)



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY :  
COMPANY FOR APPROVAL OF ITS :  
ELECTRIC LONG TERM :  
INFRASTRUCTURE IMPROVEMENT : DOCKET NO. P-2015-2471423  
PLAN AND TO ESTABLISH A :  
DISTRIBUTION SYSTEM :  
IMPROVEMENT CHARGE FOR ITS :  
ELECTRIC OPERATIONS :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of **PECO Energy Company's Responses to Data Requests** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA FEDERAL EXPRESS**

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

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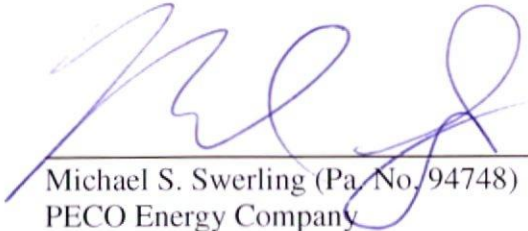
**VIA ELECTRONIC MAIL AND FIRST CLASS MAIL**

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Dated: October 19, 2015

Counsel for PECO Energy Company



