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December 21, 2017

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

**SUBJECT: State Tax Adjustment Surcharge (STAS) Filing - Electric
SUPPLEMENT NO. 55 TO TARIFF ELECTRIC - PaPUC NO. 5
Issued December 21, 2017 - to become effective on January 1, 2018**

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission the following:

- 1) Supplement No. 55 to Tariff Electric - PaPUC No. 5.
- 2) Computation sheets showing the derivation of the new State Tax Adjustment Surcharge value.

PECO has recalculated the State Tax Adjustment Surcharge (STAS) value to reflect current PURTA assessments resulting from tax rate changes and the reconciliation of prior STAS collections.

The new surcharge is a **credit** value of 0.01%, which will be effective January 1, 2018, and replaces the present **credit** value of 0.02%. As a result of the small change in the credit value, a monthly bill for a residential customer using 700 kWh will not change and remain at \$103.47.

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

Sincerely,



Copies to: C. Walker-Davis, Director, Office of Special Assistants
P. T. Diskin, Director, Bureau of Technical Utility Services
K. Monaghan, Director, Bureau of Audits
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued December 21, 2017

Effective January 1, 2018

**ISSUED BY: C. L. Adams – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE

LIST OF CHANGES MADE BY THIS SUPPLEMENT

State Tax Adjustment Clause - 2nd Revised Page No. 31

Effective January 1, 2018, the State Tax Adjustment Clause will reflect a credit value of 0.01%.

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STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this tariff, a surcharge credit value of 0.01% will apply to all PaPUC jurisdictional distribution charges in the Base Rates and Riders, effective January 1, 2018.

(I)
(C)

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

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

(C) Denotes Change
(I) Denotes Increase

PECO Energy-Electric Operations
State Tax Adjustment Surcharge
Effective January 1, 2018

<u>Calculation of STAS Effective January 1, 2018</u>		<u>Reference</u>
1 . Capital Stock Tax - 2018	\$0	Note (a)
2 . PURTA Assessment - 8/1/17	(\$246,295)	Att. A, Pg. 3, Ln. 5
3 . PURTA Supplemental Assessment - 8/1/17	\$1,040	Att. A, Pg. 4, Ln. 19
4 . 1307 (g.1) Gross Receipts Tax	\$0	Att. A, Pg. 2, Ln. 17
5 . Reconciliation of Prior STAS	<u>\$46,199</u>	Att. B, Pg. 1, Ln. 8
6 . Net Due from (to) Customers	(\$199,056)	Ln. 1+ Ln. 2 +Ln. 3 + Ln. 4 + Ln. 5
7 . Total Due from (to) Customers Including Gross Receipts Tax	(\$211,537)	Ln. 6 / (1-0.059)
8 . Operating Revenues Subject to STAS from January 1, 2018 through December 31, 2018	\$1,428,743,622	Att. A, Pg. 2, Ln. 16
9 . State Tax Adjustment Surcharge	-0.01%	Ln. 7 / Ln. 8

(a) The 2018 capital stock tax rate is the same as was reflected at Docket No. R-2015-2468981, the Company's 2015 distribution base rate case, with a value of 0.00 mills.

PECO Energy-Electric Operations
Computation of Operating Revenues Subject to 2018 STAS

		<u>Reference</u>
1 . <u>Booked Revenue from Sales</u>	\$2,328,457,273	2016 FERC Form 1, Pg. 300, Ln. 12
2 . Less : Non - jurisdictional revenue Sales for Resale	\$494,159	2016 FERC Form 1, Pg. 300, Ln. 11
3 . Less: Unbilled Revenues Surcharge Over/Under Collections Included in Revenue STAS Revenue Included in Line 1	\$20,115,945 (\$1,224,384) <u>(\$158,937)</u>	2016 FERC Form 1, Pg. 304, Ln. 42 Company Records Company Records
4 . <u>Operating Revenues Subject to STAS</u> <u>Before Adjustments</u>	\$2,309,228,490	
5 . Less: Transmission Charges Included in Lines 1 through 3	\$68,272,023	Company Records
6 . Less: Energy and Capacity Charges Included in Lines 1 through 3	\$786,036,598	Company Records
7 . Plus: Full Year Effect of Smart Meter Cost Recovery Surcharge	(\$3,447,472)	Company filings on January 17, 2017 and February 14, 2017 at Docket No. M-2009- 2123944 and Docket No. R-2015-2468981
8 . Plus: Full Year Effect of Energy Efficiency and Conservation Program	\$16,947,489	Company filing on June 16, 2017 at Docket No. M-2017-2601952
9 . Plus: Proforma Distribution Adjustments from Change in USFC Rate	(\$21,392,711)	Company filing on October 16, 2017 at Docket No. M-2017-2622040
10 . Plus: Nuclear Decommissioning Cost Adjustment	(\$24,037,143)	Company filing on March 31, 2017 per Docket No. R-00973953
11 . Plus: Full Year Effect of Non-Bypassable Transmission Charge in Distribution Rates	 (\$129,379)	Company filing on November 15, 2017 at Docket No. P-2014-2409362
12 . Plus: Full Year Effect of Year 2015 Distribution Base Rate Case Revenue	\$5,512,409	Docket No. R-2015-2468981 Electric Base Rate Case
13 . Plus: Customer Assistance Program In-Program Arrearage Forgiveness, Year 2015 Distribution Base Rate Case	\$86,812	Docket No. R-2015-2468981 Electric Base Rate Case
14 . Plus: Proforma Adjustment of Tax Accounting Repair Credit from Year 2015 Distribution Base Rate Case	(\$1,470)	Docket No. R-2015-2468981 Electric Base Rate Case
15 . Plus: Proforma Consumer Education Cost Recovery	<u>\$285,218</u>	Company filing on January 31, 2017 at Docket No. R-2009-2099208
16 . Adjusted Base Revenues for 2018 STAS	\$1,428,743,622	
17 . 0.0 Mill GRT PURTA Surcharge	\$0	Ln. 16 * 0.0000 (a)

(a) Refer to Attachment B, Pg. 3 for the Pennsylvania Bulletin announcing the Gross Receipts Tax PURTA Surcharge beginning January 1, 2018 due to the Public Utility Realty Tax Act Surcharge

PECO Energy
2016 PURTA Adjustment

	<u>Distribution</u>	<u>Total</u>
Per August 1, 2017 Assessment (a)		
1 . Tax Base	\$133,218,874	\$272,097,374
2 . Tax @ 30.5763 Mills	\$4,073,340	\$8,319,731
 2015 Rate Case PURTA		
3 . Tax Base	\$133,218,874	\$272,097,374
4 . Tax @ 32.4251 Mills	<u>\$4,319,635</u>	<u>\$8,822,785</u>
 5 . Amount Due from / (to) Customers	(\$246,295)	(\$503,054)

(a) See Attachment B, Pg. 4

PECO Energy
Supplemental PURTA Adjustments

Per August 1, 2017 Assessment (a)	<u>Transmission & Distribution / Distribution (b)</u>	<u>Total</u>
1 . Adjustment for 1998 Tax Year	\$4,387	\$20,633
2 . Adjustment for 1999 Tax Year	(\$140)	(\$898)
3 . Adjustment for 2000 Tax Year	\$73	\$84
4 . Adjustment for 2001 Tax Year	\$420	\$487
5 . Adjustment for 2002 Tax Year	\$492	\$568
6 . Adjustment for 2003 Tax Year	\$434	\$507
7 . Adjustment for 2004 Tax Year	\$450	\$527
8 . Adjustment for 2005 Tax Year	\$404	\$479
9 . Adjustment for 2006 Tax Year	\$422	\$502
10 . Adjustment for 2007 Tax Year	\$228	\$265
11 . Adjustment for 2008 Tax Year	\$413	\$476
12 . Adjustment for 2009 Tax Year	\$341	\$662
13 . Adjustment for 2010 Tax Year	\$109	\$211
14 . Adjustment for 2011 Tax Year	\$1,486	\$2,852
15 . Adjustment for 2012 Tax Year	\$1,442	\$2,796
16 . Adjustment for 2013 Tax Year	(\$2,295)	(\$4,142)
17 . Adjustment for 2014 Tax Year	\$470	\$823
18 . Adjustment for 2015 Tax Year	<u>(\$8,096)</u>	(\$15,196)
19 . Amount Due from / (to) Customers	\$1,040	N.A.

(a) See Attachment B, Pg. 4

(b) Years 1998 through 2008 reflect Transmission and Distribution.
Year 2009 and onward reflect Distribution.

PECO Energy-Electric Operations
State Tax Adjustment Surcharge Reconciliation
For the Year 2017

Reference

Reconciliation of Current STAS

1 . 1307 (g.1) Gross Receipts Tax	\$0	12/21/16 STAS Filing, Att. A, Pg. 1, Ln. 4
2 . Capital Stock Tax - 2017	\$0	12/21/16 STAS Filing, Att. A, Pg. 1, Ln. 1
3 . PURTA Assessment - 8/1/16	(\$205,115)	12/21/16 STAS Filing, Att. A, Pg. 1, Ln. 2
4 . PURTA Supplemental Assessment - 8/1/16	(\$92,046)	12/21/16 STAS Filing, Att. A, Pg. 1, Ln. 3
5 . Reconciliation of Prior STAS	<u>\$90,975</u>	12/21/16 STAS Filing, Att. A, Pg. 1, Ln. 5
6 . Subtotal	(\$206,186)	Ln. 1 + Ln. 2 + Ln. 3 + Ln. 4 + Ln. 5
7 . Less STAS Revenues Collected from Customers - 2017	<u>(\$252,385)</u>	Att. B, Pg. 2
8 . Net Due from/(to) Customers	\$46,199	Ln. 6 - Ln. 7

PECO Energy-Electric Operations
STAS Collections-Company Records
12 Months Ended December 31, 2017

Jan	(\$13,649)
Feb	(\$23,080)
Mar	(\$22,420)
April	(\$21,025)
May	(\$19,583)
Jun	(\$22,497)
July	(\$27,967)
Aug	(\$26,822)
Sep	(\$23,146)
Oct	(\$22,413)
Nov (est)	(\$20,924)
Dec (est)	<u>(\$24,682)</u>
Total	(\$268,209)
Less: GRT	\$ <u>(15,824)</u>
Net After GRT	(\$252,385)

NOTICES

Public Utility Realty Tax Act; Surcharge Rate Notice for the Tax Year Beginning January 1, 2018

**[47 Pa.B. 5899]
[Saturday, September 16, 2017]**

Section 1111-A(d) of the Tax Reform Code of 1971 (act) (72 P.S. § 8111-A(d)) requires the Secretary of Revenue 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 section 1111-A(d) of the act shall be imposed upon gross receipts taxes as provided in section 1111-A(d) of the act for the period beginning the next January 1.

The result of the PURTA surcharge calculation provided in section 1111-A of the act for the tax year beginning January 1, 2018, is zero mills. Therefore, no PURTA surcharge under section 1111-A(d) of the act will be imposed for the taxable period beginning January 1, 2018.

C. DANIEL HASSELL,
Secretary

[Pa.B. Doc. No. 17-1535. Filed for public inspection September 15, 2017, 9:00 a.m.]

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



Rec'd
RE&F

AUG 07 2017

August 1, 2017

PECO ENERGY CO
2301 MARKET ST. N3-3

PHILADELPHIA, PA 19101

**Re: 2016 Pennsylvania Public Utility Realty Tax
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2016. This notice is based on information provided by County Tax Assessor offices. Any discrepancies must be addressed with that agency and not with the Pennsylvania Department of Revenue. Please note, any net liabilities resulting from prior years' adjustments are due and payable along with the current year liability.

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

All payments of \$1,000 or more must be made electronically or by certified or cashier's check remitted in person or by express mail courier. For information on electronic filing options, visit www.etides.state.pa.us.

Thank you for your attention to this matter.

Sincerely,

Tax Year

2016

Department of Revenue
Bureau of Corporation Taxes
PURTA Tax Unit

1) Total Realty Tax Equivalent (RTE):	\$ 28,877,472
2) Total State Taxable Value (STV) for all utilities:	\$ 1,256,835,302
3) PURTA Millage Rate, including 7.6 mills for PTA:	30.5763 mills
4) Utility STV:	\$272,097,374
5) Liability (Line 3 x Line 4):	\$8,319,731
6) Utility Transition Credit:	N/A
7) Utility Liability Adjustment:	N/A
8) Utility Transition Credit Adjustment:	N/A

**PLEASE SEE PAGE 2
FOR YEARS 1998 - 2015**

Account ID: 3500103

Details

Tax Year	2015	2014	2013	2012	2011	2010	2009	2008	2007
1) Total RTE:	\$ 29,109,811	\$ 28,905,293	\$ 31,034,425	\$ 30,821,809	\$ 30,739,060	\$ 30,171,210	\$ 31,135,225	\$ 30,472,864	\$ 28,772,799
2) Total STV for all utilities:	\$ 1,247,781,685	\$ 1,236,404,466	\$ 1,251,010,700	\$ 1,264,818,968	\$ 1,342,814,786	\$ 1,406,722,546	\$ 1,530,324,731	\$ 1,617,969,120	\$ 1,643,059,438
3) PURTA Millage Rate:	30.9293 mills	30.9785 mills	32.4075 mills	31.9686 mills	30.4915 mills	29.0479 mills	27.9435 mills	26.434 mills	25.1117 mills
<u>Utility Adjustments</u>									
4) Utility STV:	\$267,529,625	\$265,565,598	\$235,383,649	\$243,089,124	\$271,685,592	\$264,005,981	\$275,894,454	\$297,504,840	\$294,963,435
5) Liability (Line 3 x Line 4):	\$8,274,504	\$8,226,824	\$7,628,196	\$7,771,219	\$8,284,101	\$7,668,819	\$7,710,008	\$7,864,243	\$7,407,033
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	(\$15,196)	\$823	(\$4,142)	\$2,796	\$2,852	\$211	\$662	\$476	\$265
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Tax Year	2006	2005	2004	2003	2002	2001	2000	1999	1998
1) Total RTE:	\$ 30,419,051	\$ 30,590,906	\$ 29,280,567	\$ 29,231,251	\$ 28,915,213	\$ 28,994,534	\$ 27,970,152	\$ 38,487,965	\$ 40,694,555
2) Total STV for all utilities:	\$ 1,613,550,291	\$ 1,517,813,632	\$ 1,419,682,028	\$ 1,354,657,470	\$ 1,348,545,899	\$ 1,322,028,254	\$ 1,344,824,961	\$ 2,032,653,620	\$ 2,069,309,124
3) PURTA Millage Rate:	26.4522 mills	27.7546 mills	28.2247 mills	29.1783 mills	29.0418 mills	29.5319 mills	28.3984 mills	26.5348 mills	71.9693 mills
<u>Utility Adjustments</u>									
4) Utility STV:	\$779,002,515	\$252,466,849	\$239,855,739	\$220,438,528	\$210,412,290	\$211,973,368	\$207,713,164	\$641,902,281	\$625,244,284
5) Liability (Line 3 x Line 4):	\$7,380,230	\$7,007,116	\$6,769,856	\$6,432,021	\$6,110,752	\$6,259,976	\$5,898,722	\$17,032,749	\$44,998,393
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$100,000
7) Utility Liability Adjustment:	\$502	\$479	\$527	\$507	\$568	\$487	\$84	(\$898)	\$20,633
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$0

If you do not agree with this Notice of Determination for 2016 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. Under separate cover you will receive a Statement of Account. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, and any net credit balance for the account is available for refund/assignment.