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March 8, 2018

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: **Comments of PECO Energy Company and Responses to the Tax Cuts and Jobs Act of 2017 ("TCJA") Data Requests – Docket No. M-2018-2641242**

Dear Ms. Chiavetta:

Pursuant to the Commission's February 12, 2018 Secretarial Letter in the above-referenced docket, enclosed please find the Comments of PECO Energy Company and Responses to Data Requests.

PECO's comments outline its proposal to refund the full benefits of the reduction in utility federal income tax expense arising from the TCJA through a reconcilable surcharge. For PECO's electric customers, the accrued benefits of the reduced income tax expenses are projected to be approximately $68 million. For PECO's gas customers, the accrued benefits of the reduced income tax expenses are projected to be approximately $4 million.

If you have any questions, feel free to contact me directly at (215) 841-5777.

Sincerely,

Enclosures

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RE: TAX CUTS AND JOBS ACT OF 2017 : DOCKET NO. M-2018-2641242

COMMENTS OF PECO ENERGY COMPANY
AND RESPONSES TO DATA REQUESTS

On February 12, 2018, the Pennsylvania Public Utility Commission (the "Commission") issued a Secretarial Letter in the above-referenced docket to initiate a proceeding "to determine the effects of the [Tax Cuts and Jobs Act, or "TCJA,"] on the tax liabilities of Commission-regulated public utilities for 2018 and future years and the feasibility of reflecting such impacts in the rates charged to Pennsylvania utility ratepayers."[1] As explained below, PECO intends to flow the 2018 estimated tax reduction benefits of $68 million back to electric customers through a reconcilable surcharge in coordination with new electric base rates to be filed later this month. PECO separately will propose a reconcilable surcharge to flow the 2018 estimated tax reduction benefits of $4 million back to gas customers.

As the Secretarial Letter explained, the TCJA reduced the federal corporate income tax rate from 35% to 21% as of January 1, 2018, thereby reducing the federal income tax expense of Pennsylvania utilities. In addition, the TCJA is expected to reduce the amount of state income tax paid by Pennsylvania utilities, since a utility's state income tax under Pennsylvania law is based upon its federal taxable income (which may be reduced as a result of lower revenue related to lower federal tax expense due to the TCJA).

The Secretarial Letter directed PECO Energy Company ("PECO" or the "Company") and other Pennsylvania utilities to provide verified responses to a series of data requests relating to the effects of the TCJA and solicited comments on issues relating to the extent to which the

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[1] Secretarial Letter, *Tax Cuts and Jobs Act of 2017*, Docket No. M-2018-2641242, p. 1 ("Secretarial Letter").

Commission should adjust current customer rates to reflect the TCJA.[2] In accordance with the Secretarial Letter, PECO has prepared verified data responses to each of the Commission's data requests, which are set forth in Attachment A. In addition, PECO has prepared the calculations requested by the Commission using a template similar to that provided with the Secretarial Letter, and these calculations are included in Attachment A.

PECO appreciates the opportunity to provide additional comments regarding the Commission's adjustment of current customer rates to reflect the effects of the TCJA and addresses each of the issues identified by the Commission below.

1. **Issue No. 1: Whether the Commission should adjust current customer rates to reflect the reduced annual state and federal income tax expenses of public utilities due to the tax rate changes in the TCJA.**

PECO believes that customers should receive the benefits of the reduction in utility federal and state income tax expense arising from the TCJA. However, PECO expects that the appropriate methodology for providing these benefits to customers could vary widely by utility, and the Commission should avoid seeking to establish a "one-size-fits-all" approach in this proceeding. Factors that may affect the appropriate methodology include ongoing or anticipated base rate proceedings in which the TCJA may be addressed, as well as the extent to which a utility must file revised tariffs to address the TCJA's change in tax rates. When each utility files to adjust customer rates, the Commission and the parties to that proceeding will have the opportunity to evaluate the appropriateness of the utility's proposed methodology.

PECO, for example, will file new general electric base rates later this month. As part of that filing, the Company will propose a reconcilable surcharge through which 2018 TCJA

[2] *Id.* at pp. 2-3.

accrued benefits – estimated to be approximately $68 million – will be flowed back to electric customers beginning January 1, 2019 (the date the Company's new electric base rates would go into effect after an anticipated suspension period).[3] The new electric base rates will include the benefits of the TCJA for 2019 and beyond. By addressing the effects of the TCJA in PECO's base rate proceeding, PECO's electric customers will not only obtain the benefits of the TCJA's reduced corporate federal income tax rates but will also avoid unnecessary volatility in electric distribution rates that would result from a separate TCJA adjustment for part of 2018 and an additional change in rates in 2019.

For PECO's gas customers, PECO will propose a reconcilable surcharge, commencing on January 1, 2019, to provide 2018 TCJA accrued benefits, which are projected to be approximately $4 million. The benefits of the TCJA in 2019, which are expected to be small, would also be included in the January 1, 2019 surcharge.

2. Issue No. 2: If so, the appropriate negative surcharge or other methodologies that would permit immediate modifications to consumer rates.

As discussed in PECO's response to Issue No. 1, the Company will propose reconcilable surcharges for both its gas and electric distribution operations. The reconcilable surcharge mechanism would remain in place after customer refunds are completed and be available to address any future changes in the federal income tax rate similar to the manner in which PECO's existing state tax adjustment surcharge addresses changes in state income tax rates.

Other utilities may decide to propose similar surcharges or different mechanisms which deserve consideration by the Commission in separate, utility-specific proceedings.

[3] The benefits provided through the surcharge will be reconciled to actual 2018 tax benefits.

3. **Issue No. 3: Whether the surcharge or other methodology should provide that any refunds to customers due to these reduced taxes be effective as of January 1, 2018.**

The calculation of customer benefits related to the reduction in utility federal and state income tax expenses, including the time period over which those benefits have accrued, should also be determined in separate, utility-specific proceedings. While PECO will propose to return all benefits accrued since January 1, 2018 to its electric and gas distribution customers, other utilities may have alternative proposals which merit consideration.

PECO looks forward to working the Commission on this important issue and providing its customers with the benefits of reduced income tax expense from the TCJA.

Respectfully submitted,

Romulo L. Diaz, Jr. (Pa. No. 88795)
Jack R. Garfinkle, (Pa. No. 81892)
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Dated: March 8, 2018

ATTACHMENT A

1. **How does the reduction in the corporate Federal Income Tax rate from 35% to 21% affect your federal tax obligations for calendar year 2018 and subsequent tax years? Please quantify your response as to the effect on both current and deferred tax obligations.**

Please see Exhibit 1 and 2 to this Attachment, which reflect the Company's calculations for electric distribution operations and gas distribution operations, respectively. Exhibits 1 and 2 are based on Attachment C to the Secretarial Letter, but include additional detail regarding PECO's adjustments to taxable income.

2. **If a reduced tax obligation is passed through to ratepayers, explain the methodology to be used to compute the reduction, the rate mechanism to accomplish the reduction, and the allocation among customer classes.**

As discussed in PECO's Comments, the Company will propose a reconcilable surcharge as part of a general base rate filing for its electric operations in 2018 in which the accrued benefits of the reduced tax obligation will be returned to customers beginning on January 1, 2019. Separately, PECO will propose a reconcilable surcharge for its gas distribution customers to provide the accrued benefits of reduced income tax expense beginning on January 1, 2019. The changes in tax expense for electric and gas operations will be calculated consistent with Exhibits 1 and 2 to this Attachment. PECO has not yet determined the detailed provisions of the surcharge mechanisms. However, the Company will propose that the reconcilable surcharge mechanism remain in place after customer refunds are completed and be available to address any future changes in the federal income tax rate similar to the manner in which PECO's existing state tax adjustment surcharge addresses changes in state income tax rates.

3. **If any of the potential tax savings from the reduced federal corporate tax rate can be used for purposes other than to reduce customer rates, provide details on how and where those tax savings can be used.**

The Company does not intend to propose to use tax savings for a purpose other than to reduce customer rates.

4. **Does the company have any Net Operating Losses (NOL) as of 12/31/17? Please quantify the impact of the Tax Cuts and Jobs Act (TCJA).**

Yes. Exhibit 1 and 2 to this Attachment quantify the impact of the TCJA on PECO's existing NOLs.

5. **Does the company have any Deferred Tax Liabilities as of 12/31/17? Please quantify the impact of the Tax Cuts and Jobs Act (TCJA).**

PECO has both deferred tax assets and deferred tax liabilities that accumulated at the 35% federal income tax rate in place prior to the TCJA effective date. These deferred tax assets and liabilities were reduced as of December 31, 2017, to reflect the TCJA's reduction in federal corporate income tax rate to 21%. The portion of the net reduction that was associated with the prior flow through of tax benefits, along with the associated regulatory asset, was remeasured and the remainder of the excess deferred taxes was recorded net of the existing regulatory asset.

The portion of the excess deferred taxes that is subject to IRS normalization rules will be passed back to customers over the life of the asset using the average rate assumption method. The remainder of the excess deferred taxes will be passed back to customers over a five-year period consistent with prior Commission Orders.[4] Exhibits 1 and 2 to this Attachment quantify the impact of the TCJA on deferred tax assets and liabilities.

6. **Are there any impacts on riders/surcharges resultant from the TCJA? If so, please explain.**

Yes. The following riders/surcharges are impacted by the TCJA:

Distribution System Improvement Charge ("DSIC") (Electric and Gas). The DSIC includes a pre-tax return component that is calculated using the current state and federal income tax rates. Future DSIC calculations, therefore, will reflect the TCJA's change in federal income tax rates.

Generation Supply Adjustment ("GSA") (Electric). The GSA includes a fixed cash working capital component that reflects the 35% federal income tax rate in place prior to the TCJA. PECO believes that a tariff filing will be required to reflect the 21% federal income tax rate under the TCJA.

Transmission Service Charge ("TSC") (Electric). The TSC includes a fixed cash working capital component that reflects the 35% federal income tax rate in place prior to the TCJA. PECO believes that a tariff filing will be required to reflect the 21% federal income tax rate under the TCJA.

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[4] *See, e.g., Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 1990 Pa. PUC LEXIS 155, Docket No. R-891364 (Order entered May 16, 1990).

Energy Efficiency and Conservation Program Costs Surcharge ("EEPC") (Electric). The EEPC includes a small amount of capital cost. The pre-tax return associated with that capital cost should reflect the change in federal income tax rate effective January 1, 2018. The EEPC reconciliation process will allow the Company to ensure that the appropriate pre-tax return is recovered on the capital cost included in the EEPC.

Tax Accounting Repair Credit ("TARC") (Electric and Gas). The TARC is a fixed rate credit to customers representing the value of certain tax benefits that have been grossed up for taxes to reflect the 35% federal income tax rate in place prior to the TCJA. In lieu of reducing the rate credit due to the change in tax rate, the Company will continue to provide the current fixed rate credit. Customers will therefore receive the full value of the tax benefits which the credit is refunding over a shorter period of time because a smaller portion of the credit will reflect utility income tax expense gross up.

The Merchant Function Charge ("MFC") (Gas). The MFC includes a cash working capital component that reflects the 35% federal income tax rate in place prior to the TCJA. PECO believes that a tariff filing will be required to reflect the 21% federal income tax rate under the TCJA.

7. Are there any other changes made in the TCJA that will impact the company? If so, please explain.

Yes. First, under the TCJA, all categories of Contributions In Aid of Construction ("CIAC") are taxable. Prior to the TCJA, there were certain non-revenue generating or "public good" CIAC that were not taxable. This change will result in new deferred tax assets that will be added to PECO's electric and gas rate base as the cost is incurred. In addition, the TCJA eliminates bonus depreciation, which will reduce accumulated deferred income taxes and increase rate base.

8. **What test year should be used to quantify the new 21% federal corporate tax rate to be effective 1/1/18?**

As discussed in PECO's Comments, PECO will propose to return the benefits arising from its reduced federal corporate tax rate to its electric and gas distribution customers. The calculation of customer benefits related to the reduction in utility federal and state income tax expenses will be based on the year for which the benefit will accrue. For example, 2018 benefits will be based on an estimate for year 2018 as shown in Exhibits 1 and 2. PECO believes the timing of the flow through of benefits should be determined in separate, utility-specific proceedings.

9. **Please provide the following information regarding your last Commission approved rate case:**

   a. **Docket Number**
   b. **Date filed**
   c. **Approved Rate of Return**
   d. **Approved Increase in Annual Revenue**
   e. **Allocation of Approved Increase Among Major Customer Classes**
   f. **Effective Date of new rates.**

The requested information is presented in the tables below.

PECO ELECTRIC DISTRIBUTION OPERATIONS	
Docket Number	R-2015-2468981
Date Filed	March 27, 2015
Approved Rate of Return	Commission-approved settlement with no rate of return stated.
Approved Increase in Annual Revenues	$127 million
Allocation of Approved Increase Among Customer Classes	**Rate** / **Electric Increase** **R** $ 66,822,506 **RH** $ 17,588,475 **GS** $ 30,617,776 **PD** $ 1,250,034 **HT** $ 9,285,099 **EP** $ 756,994 **L** $ 675,173 **Total** $ 126,996,057
Effective Date of New Rates	January 1, 2016

PECO GAS DISTRIBUTION OPERATIONS	
Docket Number	R-2010-2161592
Date Filed	March 31, 2010
Approved Rate of Return	Commission-approved settlement with no rate of return stated.
Approved Increase in Annual Revenues	$19.6 million
Allocation of Approved Increase Among Customer Classes	see allocation table below
Effective Date of New Rates	January 1, 2011

Rate	Gas Increase
GR	$ 16,175,000
GC	$ 1,546,000
OL	$ -
L	$ 38,000
MVF	$ 4,000
MVI	$ 10,000
IS	$ -
TCS	$ 80,000
TSF	$ 850,000
TSI	$ 875,000
CGS	$ -
Total	$ 19,578,000

PECO - Electric Operations
Year Ended December 31, 2018
($ in Thousands)
Impact of the Tax Cut Job Act on Income Taxes

Line No	Description	Reference [1]	[2] Factor Or Amount	[3] Pro Forma 2018 Present Rates
1	Revenue			$ 2,191,165
2	Operating Expenses			(1,760,292)
3	OIBIT	L1 + L2		430,873
4				
5				
6	Interest Expense			(87,892)
7	Base Taxable Income	L3 + L6		342,981
8	State Accelerated Tax Depreciation		$ 189,890	
9	Pro Forma Book Depreciation		196,754	
10	State Tax Depreciatior	L9 - L8		6,864
11	Regulatory Asset Programs M-1, Pension & Post Retirement Benefits			3,150
12	Other Property Basis Adjustments (CIAC/ICM)			(7,197)
13	Removal Costs/Software			(47,849)
15	Permanent Adjustments			869
16	Repair Deduction			(94,900)
17	State Taxable Incom	Sum L7 to L15		$ 203,918
18	State Income Tax befo	L29 * L31	9.99%	20,371
19	State Net Operating Loss Utilization			-
20	State Income Tax			$ (20,371)
21	Federal Accelerated T	Sch D-18 P2	$ 169,738	
22	Pro Forma Book Depr	Sch D-3 P2	196,754	
23	Federal Tax Deducts (	L21 - L20		27,016
24	Regulatory Asset Programs M-1, Pension & Post Retirement Benefits			3,150
25	Other Property Basis Adjustments (CIAC/ICM)			(7,197)
26	Removal Costs/Software			(47,849)
28	Repair Deduction			(94,900)
28A	Permanent Adjustments			869
28B	Federal NOL			(4,298)
29	Federal Taxable In	Sum L19 to L27		199,401
30	Federal Income Tax Expense	L29*	35.00%	69,790
30A	Federal Income Tax Expense	L29*	21.00%	41,874
31	**Total Tax Expense b**	L20 + L30	35%	90,162
31A	**Total Tax Expense b**	L20+L30A	21%	62,246
	DEFERRED INCOME TAXES			
32	Deferred Taxes on Timing Differences- Federal			(10,668)
33	Deferred Taxes on Timing Differences- State			(1,133)
34	Net Operating Loss Utilization			-
34A	Federal Net Operating Loss Utilization			(1,504)
35	Federal Income Tax Expense on Flow through adjustment			(14,920)
36	**Deferred Income Taxes**	Sum L32 to L34	35.00%	(28,225)
36A	**Deferred Income Taxes**		21.00%	(20,389)
37	Net Income Tax Expense @35%	L31 - L36		118,387
37A	Net Income Tax Expense @21%	L31A-L36A		82,635
38	Change in Income Tax Expense	L37A-L37		(35,752)
39	Excess Deferred Tax Amortization			(12,513)
40	Total Change in Current & Deferred			(48,265)
41	Gross up for Taxes L38/.711079			(67,876)
42	Rate Base Change Due to TCJA			78,313
43	Pre-tax cost of capital using DSIC ROE			9.11%
44	Change in Revenue Requirement Due to Rate Base		L42*L43*.5	3,567
45				
46	Total Revenue Requirement Change		L41-L44	(64,309)
47	W/GRT		L46/.941	(68,341)
48	Allowed Revenue Last Rate Case			$ 1,288,002
49	% Change in Revenue			5.31%

Pre-Tax Cost of Capital - Electric

	Cap Ratio	Cost	Wtd Cost	Pre-tax
Debt	46.60%	4.17%	1.94%	1.94%
Equity	53.40%	9.55%	5.10%	7.17%
Total	100.00%		7.04%	9.11%

7.17% = 5.10%/(1-T) where T is 28.8921%
ROE is the DSIC ROE

PECO -Gas Operations
Year Ended December 31, 2018
($ in Thousands)
Impact of the Tax Cut Job Act on Income Taxes

Line No	Description	[1] Reference	[2] Factor Or Amount		[3] Pro Forma 2018 Present Rates
1	Revenue			$	324,892
2	Operating Expenses				(196,020)
3	OIBIT	L1 + L2			128,872
4					
5					
6	Interest Expense				(26,090)
7	Base Taxable Income	L3 + L6			102,782
8	State Accelerated Tax Depreciation		$ 50,819		
9	Pro Forma Book Depreciation		59,061		
10	State Tax Depreciatior	L9 - L8			8,242
11	Regulatory Asset Programs M-1, Pension & Post Retirement Benefits				(1,133)
12	Other Property Basis Adjustments (CIAC/ICM)				(2,397)
13	Removal Costs/Software				(14,368)
15	Permanent Adjustments				340
16	Repair Deduction				(120,600)
17	State Taxable Incom	Sum L7 to L15		$	(27,134)
18	State Income Tax befo	L29 * L31	9.99%		(2,711)
19	State Net Operating Loss Utilization				-
20	State Income Tax			$	(2,711)
21	Federal Accelerated T	Sch D-18 P2	$ 65,338		
22	Pro Forma Book Depre	Sch D-3 P2	59,061		
23	Federal Tax Deducts (	L21 - L20		$	(6,277)
24	Regulatory Asset Programs M-1, Pension & Post Retirement Benefits			$	(1,133)
25	Other Property Basis Adjustments (CIAC/ICM)			$	(2,397)
26	Removal Costs/Software			$	(14,368)
28	Repair Deduction			$	(120,600)
28A	Permanent Adjustments			$	340
28B	Federal NOL			$	(1,431)
29	Federal Taxable Inc	Sum L19 to L27		$	(40,373)
30	Federal Income Tax E:	L28 * L29	35.00%	$	(14,131)
30A	Federal Income Tax Expense		21.00%	$	(8,478)
31	**Total Tax Expense b**	L20 + L30	35%	$	(16,841)
31A	**Total Tax Expense b**	L20+L31	21%	$	(11,189)
	DEFERRED INCOME TAXES				
32	Deferred Taxes on Timing Differences- Federal			$	(8,338)
33	Deferred Taxes on Timing Differences- State			$	(353)
34	Net Operating Loss Utilization			$	-
34A	Federal Net Operating Loss Utilization			$	(501)
35	Federal Income Tax Expense on Flow through adjustment			$	(3,722)
36	**Deferred Income Taxes**	Sum L32 to L34	35.00%	$	(12,914)
36A	**Deferred Income Taxes**		21.00%	$	(8,202)
37	Net Income Tax Expense @35%	L31 - L36		$	(3,927)
37A	Net Income Tax Expense @21%	L31A-L36A		$	(2,987)
38	Change in Income Tax Expense	L37A-L37		$	940
39	Excess Deferred Tax Amortization			$	(4,621)
40	Total Change in Current & Deferre	L38+L39		$	(3,681)
41	Gross up for Taxes L38/.711079			$	(5,176)
42	Rate Base Change Due to TCJA			$	20,165
43	Pre-tax cost of capital using DSIC ROE				9.30%
44	Change in Revenue Requirement Due to Rate Base		L42*L43*.5	$	938
45					
46	Total Revenue Requirement Decrease(Increase)		L41-L44	$	(4,239)
47	Allowed Revenue Last Rate Case			$	301,517
48	% Change in Revenue				1.41%

PECO -Gas Operations
Year Ended December 31, 2019
($ in Thousands)
Impact of the Tax Cut Job Act on Income Taxes

Line No	Description	[1] Reference	[2] Factor Or Amount	[3] Pro Forma 2018 Present Rates
1	Revenue			$ 348,071
2	Operating Expenses			(206,410)
3	OIBIT	L1 + L2		141,661
4				
5				
6	Interest Expense			(28,280)
7	Base Taxable Income	L3 + L6		113,381
8	State Accelerated Tax Depreciation		$ 62,819	
9	Pro Forma Book Depreciation		67,945	
10	State Tax Depreciatior	L9 - L8		5,126
11	Regulatory Asset Programs M-1, Pension & Post Retirement Benefits			(1,795)
12	Other Property Basis Adjustments (CIAC/ICM)			(3,182)
13	Removal Costs/Software			(10,790)
15	Permanent Adjustments			340
16	Repair Deduction			(132,100)
17	State Taxable Incom	Sum L7 to L15		$ (29,019)
18	State Income Tax befo	L29 * L31	9.99%	(2,899)
19	State Net Operating Loss Utilization			-
20	State Income Tax			$ (2,899)
21	Federal Accelerated T	Sch D-18 P2	$ 44,561	
22	Pro Forma Book Depre	Sch D-3 P2	67,945	
23	Federal Tax Deducts (	L21 - L20		$ 23,384
24	Regulatory Asset Programs M-1, Pension & Post Retirement Benefits			(1,795)
25	Other Property Basis Adjustments (CIAC/ICM)			(3,182)
26	Removal Costs/Software			(10,790)
28	Permanent Adjustments			340
28A	Repair Deduction			(132,100)
28B	Federal NOL			$ -
29	Federal Taxable Inc73	Sum L19 to L27		$ (13,660)
30	Federal Income Tax E:	L28 * L29	35.00%	$ (4,781)
30A	Federal Income Tax Expense		21.00%	$ (2,869)
31	**Total Tax Expense b**	L20 + L30	35%	$ (7,680)
31A	**Total Tax Expense b**	L20+L31	21%	$ (5,767)
	DEFERRED INCOME TAXES			
32	Deferred Taxes on Timing Differences- Federal			2,617
33	Deferred Taxes on Timing Differences- State			140
34	Net Operating Loss Utilization			-
34A	Federal Net Operating Loss Utilization			-
35	Federal Income Tax Expense on Flow through adjustment			$ (2,903)
36	**Deferred Income Taxes**	Sum L32 to L35	35.00%	$ (146)
36A	**Deferred Income Taxes**		21.00%	$ (1,193)
37	Net Income Tax Expense @35%	L31 - L36		$ (7,534)
37A	Net Income Tax Expense @21%	L31A-L36A		$ (4,574)
38	Change in Income Tax Expense	L37A-L37		$ 2,960
39	Excess Deferred Tax Amortization			$ (4,621)
40	Total Change in Current & Deferr	L63+L64		$ (1,661)
41	Gross up for Taxes	L38/,711079		$ (2,336)
42	Rate Base Change Due to TCJA			$ 38,316
43	Pre-tax cost of capital using DSIC ROE			9.30%
44	Change in Revenue Requirement Due to Rate Base		L42*L43*.5	$ 1,782
45				
46	Total Revenue Requirement Decrease(Increase)		L41-L44	$ (555)
47	Allowed Revenue Last Rate Case			$ 301,517
48	% Change in Revenue			0.18%

Pre-Tax Cost of Capital - Gas

	Cap Ratio	Cost	Wtd Cost	Pre-tax
Debt	46.60%	4.17%	1.94%	1.94%
Equity	53.40%	9.80%	5.23%	7.36%
Total	100.00%		7.18%	9.30%

7.36% = 5.23%/(1-T) where T is 28.8921%
ROE is the DSIC ROE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Tax Cuts and Jobs Act of 2017 : DOCKET NO. M-2018-2641242

VERIFICATION

I, Richard G. Webster, Jr. hereby state that the facts set forth in the **Comments of PECO Energy Company and Responses to Data Requests** are true and correct to the best of my knowledge information and belief. I understand that this verification is made subject to the provisions and penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: 3/8/18

Richard G. Webster, Jr.