

Richard G. Webster, Jr.
Vice President
Regulatory Policy & Strategy

Telephone 215.841.5777
Fax 215.841.6208
www.peco.com
dick.webster@peco-energy.com

PECO
2301 Market Street
S15
Philadelphia, PA 19103

December 18, 2020

E-Filing

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. 45 TO TARIFF ELECTRIC – PaPUC No. 6
Issued December 18, 2020 - to become effective on January 1, 2021

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission the following:

- 1) Supplement No. 45 to Tariff Electric – PaPUC No. 6
- 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 0.02%, which will be effective January 1, 2021, and replaces the present value of 0.00%. A monthly bill for a residential customer using 700 kWh will decrease by \$0.01, or 0.01% from \$101.41 to \$101.40.

As per the stay-at-home orders issued by the Governor and Philadelphia's Mayor due to the ongoing COVID-19 pandemic, PECO's office personnel are working remotely until these restrictions are lifted. Accordingly, PECO will not have its usual access to photocopying and U.S. mail, among other services. PECO is making this submission by E-filing and requests that all communications with PECO be transmitted by email.

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 or email at rich.schlesinger@peco-energy.com.

Rosemary Chiavetta, Secretary
December 18, 2020
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "R.G.W." followed by a long horizontal flourish.

Richard G. Webster, Jr.
Vice President
Regulatory Policy & Strategy

enclosure

Copies to: K. G. Sophy, Director, Office of Special Assistants (e-mail only)
P. T. Diskin, Director, Bureau of Technical Utility Services (e-mail only)
K. Monaghan, Director, Bureau of Audits (e-mail only)
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement (e-mail only)
Office of Consumer Advocate (e-mail only)
Office of Small Business Advocate (e-mail only)
McNees, Wallace & Nurick (e-mail only)

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 4.

Issued December 18, 2020

Effective January 1, 2021

**ISSUED BY: M. A. Innocenzo – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103**

NOTICE

LIST OF CHANGES MADE BY THIS SUPPLEMENT

State Tax Adjustment Clause – 2nd Revised Page No. 32

Effective January 1, 2021, the State Tax Adjustment Clause will reflect a surcharge credit value of 0.02%.

TABLE OF CONTENTS

List of Communities Served.....	4
How to Use Loose-Leaf Tariff	5
Definition of Terms and Explanation of Abbreviations	6,7,8,9
RULES AND REGULATIONS:	
1. The Tariff	10
2. Service Limitations	10
3. Customer's Installation	11
4. Application for Service.....	12
5. Credit	13
6. Private-Property Construction.....	14, 15
7. Extensions	16,17
8. Rights-of-Way	18
9. Introduction of Service.....	19
10. Company Equipment	19
11. Tariff and Contract Options.....	21
12. Service Continuity	22
13. Customer's Use of Service	23 ¹
14. Metering.....	23
15. Demand Determination.....	24
16. Meter Tests	25
17. Billing and Standard Payment Options.....	26
18. Payment Terms & Termination of Service.....	27 ¹ , 27A, 28
19. Unfulfilled Contracts	29
20. Cancellation by Customer.....	29
21. General	30
22. Rules For Designation of Procurement Class.....	30
23. EGS Switching	31
24. Load Data Exchange.....	31
STATE TAX ADJUSTMENT CLAUSE	32 ²
FEDERAL TAX ADJUSTMENT CREDIT (FTAC).....	33 ⁶
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 1 AND 2.....	34 ⁸ , 35 ⁹
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 3/4	36 ⁸
RECONCILIATION	37, 38
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA).....	39 ¹
PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC).....	40 ²
PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS	41 ²
TRANSMISSION SERVICE CHARGE	42 ⁵
NON-BYPASSABLE TRANSMISSION CHARGE (NBT).....	43 ⁵
PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)	44 ⁵
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS PHASE III.....	45 ³
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)	46 ⁶ , 47, 48
RATES:	
Rate R Residence Service	49 ¹⁵
Rate R-H Residential Heating Service	50 ¹⁵
Rate RS-2 Net Metering	51, 52, 53
Rate GS General Service	54 ¹¹ , 55
Rate PD Primary-Distribution Power	56 ⁸
Rate HT High-Tension Power.....	57 ⁸
Rate EP Electric Propulsion.....	58 ⁶
Rate POL Private Outdoor Lighting.....	59 ⁴ , 60
Rate SL-S Street Lighting-Suburban Counties	61 ⁴ , 62
Rate SL-E Street Lighting Customer-Owned Facilities	63 ⁹ , 64
Rate SL-C Smart Lighting Control Customer Owned Facilities	65 ⁹ , 66, 67
Rate TLCL Traffic Lighting Constant Load Service.....	68 ¹⁰
Rate BLI Borderline Interchange Service	69
Rate AL Alley Lighting in City of Philadelphia.....	70 ⁵
RIDERS:	
Applicability Index of Riders.....	71
Capacity Reservation Rider.....	72, 73, 74 ¹ , 75 ¹ , 76
CAP Rider - Customer Assistance Program.....	77
Casualty Rider	78
Commercial/Industrial Direct Load Control Program Rider	79, 80
Construction Rider	81

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this tariff, a surcharge credit value of 0.02% will apply to all PaPUC jurisdictional distribution charges in the Base Rates and Riders, effective January 1, 2021.

(D)
(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
(D) Denotes Decrease

PECO Energy-Electric Operations
State Tax Adjustment Surcharge
Effective January 1, 2021

<u>Calculation of STAS Effective January 1, 2021</u>		<u>Reference</u>
1 . Capital Stock Tax - 2021	\$0	Note (a)
2 . PURTA Assessment - 8/19/20	(\$335,887)	Att. A, Pg. 3, Ln. 5
3 . PURTA Supplemental Assessment - 8/19/20	(\$3,923)	Att. A, Pg. 4, Ln. 22
4 . 1307 (g.1) Gross Receipts Tax	\$0	Att. A, Pg. 2, Ln. 15
5 . Reconciliation of Prior STAS	<u>(\$24,526)</u>	Att. B, Pg. 1, Ln. 8
6 . Net Due from (to) Customers	(\$364,336)	Ln. 1+ Ln. 2 +Ln. 3 + Ln. 4 + Ln. 5
7 . Total Due from (to) Customers Including Gross Receipts Tax	(\$387,180)	Ln. 6 / (1-0.059)
8 . Operating Revenues Subject to STAS from January 1, 2021 through December 31, 2021	\$1,599,414,619	Att. A, Pg. 2, Ln. 14
9 . State Tax Adjustment Surcharge	-0.02%	Ln. 7 / Ln. 8

(a) The 2021 capital stock tax rate is the same as was reflected at Docket No. R-2018-3000164, the Company's 2018 distribution base rate case, with a value of 0.00 mills.

PECO Energy-Electric Operations
Computation of Operating Revenues Subject to 2021 STAS

		<u>Reference</u>
1 . <u>Booked Revenue from Sales</u>	\$2,248,656,149	2019 FERC Form 1, Pg. 300, Ln. 12
2 . Less : Non - jurisdictional revenue Sales for Resale	\$87,295	2019 FERC Form 1, Pg. 300, Ln. 11
3 Less: Unbilled Revenues	\$36,316,895	2019 FERC Form 1, Pg. 304, Ln. 42
Surcharge Over/Under Collections Included in Revenue	\$690,272	Company Records
STAS Revenue Included in Line 1	<u>(\$142,369)</u>	Company Records
4 . <u>Operating Revenues Subject to STAS Before Adjustments</u>	\$2,211,704,056	
5 . Less: Transmission Charges Included in Lines 1 through 3	\$68,168,014	Company Records
6 . Less: Energy and Capacity Charges Included in Lines 1 through 3	\$747,211,479	Company Records
7 . Plus: Full Year Effect of Energy Efficiency and Conservation Program	\$14,216,339	Company Records
8 . Plus: Proforma Distribution Adjustments from Change in USFC Rate	(\$2,717,091)	Company filing on October 14, 2020 at Docket No. M-2020-3021593
9 . Plus: Full Year Effect of Non-Bypassable Transmission Charge in Distribution Rates	\$116,199,842	Company filing on November 13, 2020 at Docket No. P-2014-2409362
10 . Plus: Pro Forma Adjustment for Tax Cuts and Jobs Act	\$65,824,829	Company filing on December 7, 2020 at Docket No. R-2018-3000164
11 Plus: Distribution System Improvement Charge	\$5,873,568	Company filing on December 11, 2020 at Docket No. M-2018-3000598
12 Plus: Proforma Adjustment of Tax Accounting Repair Credit	\$3,696,733	Company Records
13 . Plus: Proforma Consumer Education Cost Recovery	<u>(\$4,164)</u>	Company filing on January 31, 2020 at Docket No. R-2009-2099208
14 . Adjusted Base Revenues for 2021 STAS	\$1,599,414,619	
15 . 0.0 Mill GRT PURTA Surcharge	\$0	Ln. 14 * 0.0000 (a)

(a) Refer to Attachment B, Pg. 3 for the Pennsylvania Bulletin announcing the Gross Receipts Tax PURTA Surcharge beginning January 1, 2021 due to the Public Utility Realty Tax Act Surcharge

PECO Energy
2019 PURTA Adjustment

	<u>Distribution</u>	<u>Total</u>
Per August 19, 2020 Assessment (a)		
1 . Tax Base	\$170,743,848	\$311,690,120
2 . Tax @ 28.6091 Mills	\$4,884,828	\$8,917,174
 2018 Rate Case PURTA		
3 . Tax Base	\$170,743,848	\$311,690,120
4 . Tax @ 30.5763 Mills	<u>\$5,220,715</u>	<u>\$9,530,331</u>
 5 . Amount Due from / (to) Customers	(\$335,887)	(\$613,157)

(a) See Attachment B, Pg. 4

PECO Energy
Supplemental PURTA Adjustments

Per August 19, 2020 Assessment (a)	<u>Transmission & Distribution / Distribution (b)</u>	<u>Total</u>
1 . Adjustment for 1998 Tax Year	\$53	\$250
2 . Adjustment for 1999 Tax Year	\$0	\$0
3 . Adjustment for 2000 Tax Year	\$0	\$0
4 . Adjustment for 2001 Tax Year	\$0	\$0
5 . Adjustment for 2002 Tax Year	\$0	\$0
6 . Adjustment for 2003 Tax Year	\$0	\$0
7 . Adjustment for 2004 Tax Year	\$0	\$0
8 . Adjustment for 2005 Tax Year	\$0	\$0
9 . Adjustment for 2006 Tax Year	\$0	\$0
10 . Adjustment for 2007 Tax Year	\$0	\$0
11 . Adjustment for 2008 Tax Year	(\$26)	(\$30)
12 . Adjustment for 2009 Tax Year	\$14	\$28
13 . Adjustment for 2010 Tax Year	(\$27)	(\$53)
14 . Adjustment for 2011 Tax Year	(\$71)	(\$136)
15 . Adjustment for 2012 Tax Year	(\$50)	(\$97)
16 . Adjustment for 2013 Tax Year	(\$65)	(\$117)
17 . Adjustment for 2014 Tax Year	(\$30)	(\$53)
18 . Adjustment for 2015 Tax Year	(\$328)	(\$615)
19 . Adjustment for 2016 Tax Year	(\$453)	(\$925)
20 . Adjustment for 2017 Tax Year	(\$516)	(\$1,038)
21 . Adjustment for 2018 Tax Year	<u>(\$2,424)</u>	(\$4,598)
22 . Amount Due from / (to) Customers	(\$3,923)	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 2020

Reference

Reconciliation of Current STAS

1 . 1307 (g.1) Gross Receipts Tax	\$0	12/20/19 STAS Filing, Att. A, Pg. 1, Ln. 4
2 . Capital Stock Tax - 2020	\$0	12/20/19 STAS Filing, Att. A, Pg. 1, Ln. 1
3 . PURTA Assessment - 8/15/19	(\$59,743)	12/20/19 STAS Filing, Att. A, Pg. 1, Ln. 2
4 . PURTA Supplemental Assessment - 8/15/19	(\$24,438)	12/20/19 STAS Filing, Att. A, Pg. 1, Ln. 3
5 . Reconciliation of Prior STAS	<u>\$53,358</u>	12/20/19 STAS Filing, Att. A, Pg. 1, Ln. 5
6 . Subtotal	(\$30,823)	Ln. 1 + Ln. 2 + Ln. 3 + Ln. 4 + Ln. 5
7 . Less STAS Revenues Collected from Customers - 2020	<u>(\$6,297)</u>	Att. B, Pg. 2
8 . Net Due from/(to) Customers	(\$24,526)	Ln. 6 - Ln. 7

PECO Energy-Electric Operations
STAS Collections-Company Records
12 Months Ended December 31, 2020

Jan	(\$6,692)
Feb	\$0
Mar	\$0
April	\$0
May	\$0
Jun	\$0
July	\$0
Aug	\$0
Sep	\$0
Oct	\$0
Nov (est)	\$0
Dec (est)	<u>\$0</u>
Total	(\$6,692)
Less: GRT	\$ <u> (395)</u>
Net After GRT	(\$6,297)

NOTICES
DEPARTMENT OF REVENUE
Public Utility Realty Tax Act; Surcharge Rate Notice for the Tax Year Beginning
January 1, 2021

[50 Pa.B. 4721]
[Saturday, September 12, 2020]

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, 2021, is zero mills (0.0000). Therefore, no PURTA surcharge under section 1111-A(d) of the act will be imposed for the taxable period beginning January 1, 2021.

C. DANIEL HASSELL,
Secretary

[Pa.B. Doc. No. 20-1255. Filed for public inspection September 11, 2020, 9:00 a.m.]

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



Revised

August 19, 2020

PECO ENERGY CO
2301 MARKET ST. N3-3
PHILADELPHIA, PA 19101

**Re: 2019 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 2019. 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.

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

Tax Year	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1) Total Realty Tax Equivalent (RTE):	\$29,280,717	\$28,956,225	\$28,129,511	\$28,500,892
2) Total State Taxable Value (STV) for all utilities:	\$1,393,718,244	\$1,282,739,960	\$1,237,487,428	\$1,243,965,957
3) PURTA Millage Rate, including 7.6 mills for PTA:	28.6091 mills	30.1737 mills	30.3311 mills	30.5113 mills
4) Utility STV:	\$311,690,120	\$292,894,798	\$273,132,918	\$272,097,374
5) Liability (Line 3 x Line 4):	\$8,917,174	\$8,837,720	\$8,284,422	\$8,302,045
6) Utility Transition Credit:	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	N/A	(\$4,598)	(\$1,038)	(\$925)
8) Utility Transition Credit Adjustment:	N/A	N/A	N/A	N/A

Account ID: 3500103

Name: **PECO ENERGY CO**

Account Id: **3500103**

Revised

Details

Tax Year	2015	2014	2013	2012	2011	2010	2009	2008	2007
1) Total RTE:	\$29,054,472	\$28,896,653	\$31,029,279	\$30,789,984	\$30,748,701	\$30,136,591	\$31,008,910	\$30,367,667	\$28,662,056
2) Total STV for all utilities:	\$1,246,508,951	\$1,236,834,515	\$1,251,372,122	\$1,263,839,186	\$1,343,043,609	\$1,405,137,635	\$1,524,906,516	\$1,612,587,187	\$1,637,505,069
3) PURTA Millage Rate:	30.9087 mills	30.9634 mills	32.3962 mills	31.9623 mills	30.4948 mills	29.0474 mills	27.935 mills	26.4316 mills	25.1035 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):	\$8,268,993	\$8,222,814	\$7,625,536	\$7,769,688	\$8,284,998	\$7,668,687	\$7,707,112	\$7,863,529	\$7,404,615
6) Utility Transition Credit:	N/A								
7) Utility Liability Adjustment:	(\$615)	(\$53)	(\$117)	(\$97)	(\$136)	(\$53)	\$28	(\$30)	\$0
8) Transition Credit Adjustment:	N/A								

Tax Year	2006	2005	2004	2003	2002	2001	2000	1999	1998
1) Total RTE:	\$30,279,437	\$30,434,465	\$29,117,383	\$29,062,632	\$28,717,537	\$28,811,658	\$27,797,107	\$38,318,173	\$40,526,494
2) Total STV for all utilities:	\$1,607,425,879	\$1,511,485,065	\$1,413,004,877	\$1,347,806,947	\$1,340,999,392	\$1,314,519,423	\$1,337,194,635	\$2,025,052,715	\$2,061,720,364
3) PURTA Millage Rate:	26.4372 mills	27.7355 mills	28.2067 mills	29.1629 mills	29.015 mills	29.518 mills	28.3876 mills	26.5221 mills	72.2062 mills
<u>Utility Adjustments</u>									
4) Utility STV:	\$279,002,515	\$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):	\$7,376,045	\$7,002,294	\$6,765,539	\$6,428,627	\$6,105,113	\$6,257,030	\$5,896,478	\$17,024,596	\$45,146,514
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$100,000
7) Utility Liability Adjustment:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250
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 2019 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. To request and receive a detailed Statement of Account, log onto www.etides.state.pa.us. 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.