

**PECO ENERGY COMPANY
STATEMENT NO. 1-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

PUBLIC VERSION

WITNESS: RONALD A. BRADLEY

SUBJECT: PLANT ADDITIONS, DISTRIBUTION
INTEGRITY MANAGEMENT PROGRAM
PLAN, LEAKS AND EXCAVATION
DAMAGE, MANAGEMENT
PERFORMANCE, AND PLANT IN SERVICE

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. IMPACT OF COVID-19 ON PLANT ADDITIONS	3
III. PECO’S DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM PLAN	4
IV. LEAKS AND EXCAVATION DAMAGE	11
V. MANAGEMENT PERFORMANCE	14
VI. PLANT IN SERVICE.....	18
VII. CONCLUSION.....	20

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**REBUTTAL TESTIMONY
OF
RONALD A. BRADLEY**

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name, professional occupation and business address.

A. My name is Ronald A. Bradley. I am employed by PECO Energy Company (“PECO” or the “Company”) as the Vice President of Gas. My business address is PECO Energy Company, 2301 Market Street, Philadelphia, PA 19103.

2. Q. Have you previously submitted testimony in this proceeding?

A. Yes. I submitted direct testimony that was marked as PECO Statement No. 1 as part of the Company’s initial filing on September 30, 2020. My background and qualifications are set forth in that Statement.

3. Q. What is the purpose of your rebuttal testimony?

I will address the following areas:

Impact of COVID-19 on Plant Additions. I will respond to the direct testimony of Lafayette K. Morgan on behalf of the Office of Consumer Advocate (“OCA”) concerning the impact of the COVID-19 pandemic on future test year (“FTY”) and fully projected future test year (“FPFTY”) plant additions.

PECO’s Distribution Integrity Management Program (“DIMP”) plan. I will respond to the direct testimony of Elena Bozhko on behalf of the Bureau of

1 Investigation and Enforcement (“I&E”) concerning the effectiveness of the
2 Company’s DIMP plan.

3 **Leaks and Excavation Damage.** I will respond to the direct testimony of I&E
4 witness Bozhko concerning leaks and excavation damage on PECO’s gas distribution
5 system.

6 **Management Performance.** I will respond to the direct testimony of Roger D.
7 Colton on behalf of the OCA concerning the Company’s performance on customer
8 service and collections matters.

9 **Plant in Service.** I will respond to a proposed adjustment advanced in the direct
10 testimony of Ethan H. Cline on behalf of the Bureau of Investigation and
11 Enforcement concerning PECO’s plant in service additions.

12 **4. Q. Have you prepared any exhibits to accompany your rebuttal testimony?**

13 A. Yes. * * * **BEGIN CONFIDENTIAL** * * *

. * * * **END**

16 **CONFIDENTIAL** * * * PECO Exhibit RAB-2-R contains a copy of Interrogatory
17 Response PECO-IE-GS-5-D pertaining to PECO’s reduction in leaks since 2015.

1 **II. IMPACT OF COVID-19 ON PLANT ADDITIONS**

2 **5. Q. Please summarize Mr. Morgan’s concerns regarding PECO’s planned plant**
3 **additions.**

4 A. Mr. Morgan suggests that the Company has been unable to provide detailed support
5 for its plant in service additions during the FTY and FPFTY. Mr. Morgan appears to
6 suggest further that PECO’s preparation of its capital budget during the COVID-19
7 pandemic compounds the risk that the data used to support PECO’s budgets is
8 inadequate or inaccurate. Accordingly, Mr. Morgan has proposed a \$271 million
9 adjustment to eliminate the plant additions that PECO projects will be placed in
10 service in the FPFTY.

11 **6. Q. What is the basis for Mr. Morgan’s proposed adjustment?**

12 A. As explained by Mr. Trzaska in PECO Statement No. 3-R, Mr. Morgan offers two
13 alleged bases for his proposed adjustment. First, Mr. Morgan claims that PECO’s
14 proposed rate increase is unreasonable because it used an “abbreviated” approach to
15 the development of its Capital budget for the FTY and FPFTY. Second, Mr. Morgan
16 claims that delays in PECO’s 2020 gas operations construction activities due to the
17 COVID-19 pandemic impacted PECO’s rate base.

18 **7. Q. What is the basis for Mr. Morgan’s claim that delays in the construction**
19 **activities impact PECO’s rate base?**

20 A. Mr. Morgan states that the costs in rate base for the FPFTY are cumulative such that,
21 if any plant additions for the FTY were delayed and shifted to the FPFTY, some

1 FPFTY projects would also need to be shifted to the future. Mr. Morgan claims that
2 the construction delays related to the COVID-19 pandemic during the first half of
3 2020 shifted to the second half of 2020, resulting in expenditures moving from the
4 historic test year (“HTY”) to the FTY, and that construction work planned for the
5 second half 2020 will be shifted to first half of 2021 and so forth, ultimately causing
6 some FPFTY projects to be shifted to the future.

7 **8. Q. How do you respond?**

8 A. Mr. Morgan is incorrect. While the COVID-19 emergency delayed certain
9 construction activities during the historic test year (“HTY”) ended June 30, 2020, the
10 Company has accelerated subsequent work and fully expects the plant in service
11 projected for the FPFTY to be placed into service by June 30, 2022. During the first
12 half of 2020, PECO maintained some main construction installation activities and
13 similar work, thereby mitigating the impact of the pandemic-related delays. The
14 remainder of the delayed work to be completed is limited to tie-ins and some repaving
15 and final restoration work which will be in the first half of 2021. Put another way,
16 there will be no continual delay or “catch up” beyond the middle of 2021, and no
17 impact to the FPFTY capital program.

18 **III. PECO’S DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM PLAN**

19 ***** BEGIN CONFIDENTIAL *****

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2 **15. Q. Please respond to Ms. Bozhko’s assertion that the number of open leaks at the**
3 **end of the year increased by 15.4% from 2017 to 2019, with the number of leaks**
4 **scheduled for repair increasing by 197% over the same period.**

5 A. As with the other claims I have discussed, Ms. Bozhko’s assertions related to the
6 number of open leaks at the end of the year do not provide the full picture. The
7 number of open leaks at the end of each year for the time period 2015 to 2019 is
8 inflated by 2019’s end-of-year number, which was 7% higher than the average for the
9 prior 5-year period. That differential is likely attributable to the portion of 2019 in
10 which PECO addressed higher work volume stemming from heightened customer
11 awareness related to the gas events that transpired in Merrimack Valley,
12 Massachusetts. As a result of that event, the leaks scheduled for repair increased
13 throughout 2019, which included repairs to a greater number of non-hazardous
14 “monitor-only” leaks. The increased number of open leaks at the end of the year
15 were addressed throughout 2020, bringing the count of open leaks back to within the
16 typical range by the end of 2020. Importantly, the number of open leaks scheduled
17 for repair at the end of 2020 compared to 2019 has been reduced by 69%. In addition,
18 PECO has demonstrated excellent performance in responding to gas odor calls. From
19 2015 to 2019, PECO responded to 99.98% of odor calls within a one-hour window.
20 At the end of 2020, PECO’s responded to 100% of odor calls within a one-hour
21 window.

1 IV. LEAKS AND EXCAVATION DAMAGE

2 16. Q. Ms. Bozhko asserts that the number of excavation damages caused by PECO's
3 mapping errors, poor records, incorrect markings, and facilities not being
4 marked by the locator increased by 16.1% from 2017 to 2019, and the
5 Company's at-fault excavation damages from 2015-2019 are 74% higher the
6 average for other Pennsylvania NGDCs. Please respond.

7 A. Ms. Bozhko's assertion that excavation damages have increased is based on a flawed
8 comparison. Specifically, Ms. Bozhko's statement that the number of damages that
9 took place from 2017 to 2019 increased by 16.1% for mapping errors, poor records,
10 incorrect markings, and facilities not being marked by the locators reflects only a
11 comparison to the other damage causes for those years. That is, it is a relative
12 comparison to other categories over the 2017-2019 period. This is not an accurate
13 depiction of the trend for these causes of damages over time, nor does it account for
14 the number of potential damages that could have taken place when observing the
15 annual increase in excavation tickets that were received.

16 Between 2017 and 2019, there was an increase in excavation tickets of 27%. In order
17 to normalize the damage rate to the number of potential damages, PECO uses the
18 metric of damages per 1,000 locates so that the performance can be trended properly.
19 When reviewing that same number of damages, normalized by the number of tickets
20 called in, PECO saw a decrease in damages of around 1% damages per 1,000 locates
21 caused by mapping errors, poor records, incorrect markings and facilities not being
22 marked by the locators. Furthermore, when reviewing the standard time period of

1 2015 to 2019 consistent with the rest of Ms. Bozhko's testimony, PECO saw a
2 decrease of 27% damages per 1,000 locates for those same causes.

3 Further, Ms. Bozhko presents another inaccurate claim when stating that PECO
4 damages caused by mapping errors, poor records, incorrect markings, and facilities
5 not being marked by locators are 74% higher than the average for the other
6 Pennsylvania operators. That figure is not an indication that PECO's damage rate is
7 higher than other operators. Instead, it merely reflects that the percentage of total
8 damages due to those causes is higher. In any event, Ms. Bozhko's claim does not
9 support a finding that PECO's performance was substandard compared to other
10 operators. This comparison proffered by Ms. Bozhko does not factor in information
11 regarding the number of damages that occurred for each of those operators, or how
12 many excavation tickets were received for each operator.

13 **17. Q. Ms. Bozhko claims that, despite the initiation of the Company's Gas Mapping**
14 **Program in 2018, facility damages caused by mapping errors or poor records**
15 **have trended upwards and PECO's mapping errors continue to remain the**
16 **largest cause of facility damages to the distribution system. Please respond.**

17 A. Ms. Bozhko is incorrect. From 2015 to 2019, PECO has observed a decrease of 34%
18 for damages caused by mapping error and poor records per 1,000 locates. As
19 indicated by Ms. Bozhko, in 2018, PECO began the implementation of a new Gas
20 Mapping Program with the intent that known mapping issues would be actively
21 investigated in the field in order to accurately locate those facilities and correct the
22 associated records. This program is still in the early stages, as PECO estimates it will

1 take approximately 20 years to complete. PECO has prioritized areas of the service
2 territory with the highest historic damage rates to begin this program as well as
3 targeting areas of known third-party work being conducted by contractors with a
4 history of damaging PECO facilities. As a result of this program, PECO expects that
5 in the coming years, the damage rates related to mapping errors and poor records will
6 continue to decrease.

7 **18. Q. Does the data presented by Ms. Bozhko warrant changes to the Company's Gas**
8 **Mapping Program?**

9 A. No. As I explain above, the damage rate per 1,000 locates for the causes of mapping
10 error and poor records has decreased by 34% for the period of 2015 to 2019. PECO
11 also expects an improved impact on the damage rate as the new Gas Mapping
12 Program progresses. The Commission's Pipeline Safety Division will be able to
13 validate this expectation, as PECO continuously monitors this program and reports
14 results to the Pipeline Safety Division on a quarterly basis.

15 ***** BEGIN CONFIDENTIAL *****

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***** END CONFIDENTIAL *****

V. MANAGEMENT PERFORMANCE

20. Q. Messrs. Keller, O'Donnell and Colton recommend that the Commission give no consideration to PECO's superior management effectiveness in determining the ROE to be granted to PECO in this case. Please comment.

A. Both Mr. Keller and O'Donnell contend that PECO's level of performance is legally required and therefore no recognition of its management effectiveness is necessary. Mr. Keller generally claims that any basis adjustment is inappropriate because the savings resulting from PECO's management are available to be passed onto the Company's shareholders, while both Mr. O'Donnell and Mr. Colton offer some

1 specific criticisms that they believe establish that PECO has not demonstrated
2 exemplary performance.

3 **21. Q. Has PECO provided evidence of exemplary management performance in this**
4 **proceeding?**

5 A. Yes. As explained in my direct testimony, PECO has demonstrated excellence with
6 regard to the quality and reliability of its service, its commitment to energy
7 efficiency, its willingness to embrace cost-effective new technologies, its vigilance in
8 protecting the safety of its workers, and its strong promotion of community and
9 economic development. As Mr. Stefani explained in PECO Statement No. 2, PECO
10 has also successfully managed and controlled its operating expenses since its last base
11 rate case in 2010 to deliver savings to customers, with a compound annual growth
12 rate in O&M expense since 2010 of 1.9% (or 1.3% if increases in gas mapping and
13 locate expense since 2010 are removed).

14 **22. Q. What is the purported basis for Mr. Colton's assertion that PECO does not**
15 **demonstrate superior or exemplary management in customer service?**

16 A. Mr. Colton apparently bases his conclusion on his evaluation of the following six
17 elements of customer satisfaction: (1) the ease of being able to reach PECO; (2) the
18 ease of using PECO's automated telephone service; (3) the way in which PECO
19 customer service representatives handled a customer-initiated contact with the
20 Company; (4) the Company's call center representative's "courtesy"; (5) the extent to
21 which PECO's call center representatives were found to be "knowledgeable" in their
22 contacts with customers; and (6) PECO's "overall quality of service" during a recent

1 contact with the utility. Based on these metrics, Mr. Colton claims that, while PECO
2 does not perform worse than other Pennsylvania utilities in the realm of customer
3 service, PECO also does not perform substantially better than Pennsylvania utilities.

4 **23. Q. How do you respond?**

5 A. Historical data shows that PECO customer satisfaction scores for the PUC
6 Transaction study of no lower than 88% from 2016 through 2019. Prior to that time
7 period, there was a significant improvement from 2014 (82%) to 2016 (88%). PECO
8 achieved similar results on J.D. Power scores of no lower than 89% from 2015
9 through 2019, with a significant improvement from 2014 (84%) to 2015 (89%).

10 These significant improvements are attributable to the Company's ongoing focus on
11 improvements to customer satisfaction. As I noted in my direct testimony, PECO
12 Statement No. 1, PECO has implemented many enhancements over the last few years.
13 Specifically, PECO has focused on enhancing the Interactive Voice Response system
14 ("IVR"), improving the ease of use on the PECO website, and facilitating changes to
15 residential service under the "Start, Stop, Move" option. Enhancements to the IVR
16 focused on multiple improvements to payment options, language enhancements, and
17 outage alerts among others. In 2020, with the awareness of COVID, IVR
18 enhancement included deferred payment options allowing the customer to pay over a
19 period of months. Improvements made to the PECO website include more prominent
20 features, such as an option for natural gas information and reporting, information on
21 contacting PECO, and easier customer account access, and the ability for the "Start,
22 Stop, Move" option, which allows customers to start a service at a new property, stop

1 service if they are moving, or move their account to a new location within the PECO
2 service territory.

3 **24. Q. What criticisms does Mr. O'Donnell make of PECO's performance?**

4 A. As with Mr. Colton, Mr. O'Donnell focuses on J.D. Power scores without
5 appropriately noting the significant improvement that PECO has achieved. In
6 addition, Mr. O'Donnell's assertion that PECO's improvements occurred many years
7 ago is simply incorrect, as PECO has continued to achieve its increased goals of
8 replacement of outmoded miles of main (from 32 miles to 47-55 miles, with an early
9 completion date of 2035) as well as replacement of all bare steel services by 2022.
10 Moreover, in referring to the 23% improvement in leak performance since 2015, Mr.
11 O'Donnell failed to note that PECO had provided an updated discovery response that
12 increased the improvement percentage to 33%. This response is included as PECO
13 Exhibit RAB-2-R.

14 Mr. O'Donnell's assertion that certain of PECO's safety and reliability enhancements
15 are attributable only to requirements of the Penrose Lane Settlement is also flawed.
16 In fact, the technology incorporated in the Penrose Lane Settlement was already
17 under development through the Gas Technology Institute (in which PECO is a
18 member) prior to the incident, and PECO had already developed plans to migrate its
19 geographic information system from its electric system to its gas operations. Through
20 the settlement provisions, PECO was able to leverage both of these initiatives to
21 enhance the safety and reliability of its gas distribution operations. Finally, with
22 respect to Mr. O'Donnell's comments regarding recognition of exemplary

1 management performance during the pandemic, I note that PECO has taken a variety
2 of initiatives to assist customers during the COVID-19 pandemic, which are described
3 by PECO witness Colarelli in PECO Statement No. 10-R.¹

4 For all these reasons, PECO's claim that its exemplary management effectiveness
5 should be reflected by an ROE near the upper end of the range recommended by
6 PECO witness Paul Moul has been fully supported, is appropriate and should
7 therefore be approved.

8 VI. PLANT IN SERVICE

9 **25. Q. What adjustment does Mr. Colton propose for plant in service?**

10 A. Mr. Colton proposes a \$47,624,803 reduction in claimed plant additions for the
11 FPFTY for the Natural Gas Reliability project, from \$82,481,428 to \$34,856,625.

12 **26. Q. What is the Natural Gas Reliability project?**

13 A. The Natural Gas Reliability project is a capital project that is composed of the
14 following three separate components: (1) the installation of 11.5 miles of OHP gas
15 main; (2) capital upgrades to a liquefied natural gas ("LNG") plant; and (3) the
16 construction of a new gate station.

17 **27. Q. What is the purported basis for Mr. Colton's proposed adjustment?**

18 A. Mr. Colton avers that only 28% of the project is completed, with \$33,888,385 spent to

¹ Mr. O'Donnell's assertion that PECO should have retired certain securities is addressed by Mr. Stefani in PECO St. No. 2-R, pp. 31-32.

1 date. He estimates that the remaining cost of the project is \$87,141,561, which would
2 be spent over approximately 2.5 years. Mr. Colton suggests that the Company is
3 unlikely to spend the majority of the remaining project costs in the FPFTY (i.e.,
4 94.6% of remaining costs), and therefore recommends a reduction to the Company's
5 claim for plant additions in the FPFTY.

6 **28. Q. How do you respond?**

7 A. As a preliminary matter, Mr. Colton mistakenly treats the components of the Natural
8 Gas Reliability project as a single, linear project. Though interdependent, those
9 components should be viewed as distinct within the Natural Gas Reliability project
10 because they have different project timelines and varying associated completion
11 costs. As there is some overlap among the project timelines, approximately 50% of
12 the aggregate cost of the Natural Gas Reliability project will be spent in 2021.

13 The three components of the Natural Gas and Reliability project also provide distinct
14 benefits. The project consists of the following 3 components: (1) upgrades to the
15 West Conshohocken LNG facility; (2) the construction of a new 11.5-mile gas main;
16 and (3) a new reliability station. By the end of FPFTY the 11.5 mile gas main and
17 new reliability station are scheduled to be in-service. The upgrades to the West
18 Conshohocken LNG facility will enable PECO to leverage much needed under-
19 utilized LNG vaporization capacity at the plant. The new gas main will transport the
20 gas from the plant to a new reliability station relieving supply constraints and offering
21 redundancy and flexibility in the PECO Gas Distribution system. The entirety of the
22 project is scheduled to be in service by the end of 2022. The project is important to

1 further provide safe and reliable service to meet the growing needs of our customers
2 and communities we serve.

3 **VII. CONCLUSION**

4 **1. Q. Does this complete your rebuttal testimony?**

5 A. Yes, it does.

R-2020-3018929 2/17/21 JK

Pennsylvania Public Utility Commission
v.
PECO Energy Company – Gas Division

Docket No. R-2020-3018929

Response of PECO Energy Company
To Interrogatories of the
Bureau of Investigation and Enforcement
IE Set VI

Response Date: 11/13/2020

IE-GS-5-D

Reference PECO Gas Statement 1, page 18 lines 16-17. Provide detailed explanation and calculations to demonstrate reported 23% reduction in leaks since 2015 in Excel format.

RESPONSE:

In 2015, PECO recorded 4122 leaks. In 2019, PECO recorded 2757 leaks, a reduction of 33%. The 23% in Mr. Bradley's testimony was a calculation error and understated the reduction. An Excel workbook with the correct calculation is included in Attachment IE-GS-5-D(a).

Responsible Witness: Ronald A. Bradley

	YE 2015	YE 2019
Total Incoming Leaks	4122	2757
% Change		33%

**PECO ENERGY COMPANY
STATEMENT NO. 2-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: ROBERT J. STEFANI

SUBJECT: RESPONDING TO THE OCA'S
CRITICISMS OF PECO'S BUDGETING
PROCESS; RESPONDING TO VARIOUS
OCA AND I&E REVENUE REQUIREMENT
ADJUSTMENTS; AND RESPONDING TO
THE OCA'S DIRECT TESTIMONY
REGARDING PECO'S COST OF DEBT

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. PECO’S BUDGET PROCESS	2
III. RESPONSE TO OPPOSING PARTY REVENUE REQUIREMENT ADJUSTMENTS	7
A. Other Operating Revenues	7
B. Payroll-Related Expense	9
C. Cost To Achieve	12
D. Exelon Business Service Company	15
E. Contracting And Materials Expense	17
F. General Assessments	19
G. Research and Development Expenses	20
H. Employee Activity Costs	21
I. Travel, Meals And Entertainment.....	22
J. Membership Dues	23
K. Injuries And Damages.....	24
L. Property Taxes	24
IV. OPEB EXPENSE.....	25
V. COST OF DEBT.....	29
VI. CONCLUSION.....	29

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**REBUTTAL TESTIMONY
OF
ROBERT J. STEFANI**

4

I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your full name, professional position, and business address.**

6 A. My name is Robert J. Stefani. I am employed by PECO Energy Company
7 (“PECO” or the “Company”) as Senior Vice President, Chief Financial Officer
8 and Treasurer. My business address is 2301 Market Street, Philadelphia, PA
9 19103.

10 **2. Q. Have you previously submitted testimony in this proceeding?**

11 A. Yes. I submitted direct testimony that is marked as PECO Statement No. 2. My
12 educational background and work experience are set forth in my direct testimony.

13 **3. Q. What is the purpose of your rebuttal testimony?**

14 A. I will respond to concerns raised by Office of Consumer Advocate (“OCA”)
15 witness Lafayette K. Morgan regarding the Company’s budgeting process and
16 certain operating revenue and expense adjustments proposed by the Pennsylvania
17 Public Utility Commission’s (the “Commission’s”) Bureau of Investigation and
18 Enforcement (“I&E”) witness D.C. Patel and Mr. Morgan. I will also respond to
19 testimony submitted by OCA witness Kevin W. O’Donnell regarding the
20 Company’s cost of debt.

1 **II. PECO'S BUDGET PROCESS**

2 **4. Q. Please describe Mr. Morgan's critique of PECO's budgeting process for the**
3 **FTY and FPFTY.**

4 A. Mr. Morgan took exception to PECO's budgeting process to determine its cost of
5 service for the future test year ("FTY") ending June 30, 2021 and fully projected
6 future test year ("FPFTY") ending June 30, 2022 and asserted that the entirety of
7 PECO's FPFTY data is unreliable and unreasonable. Mr. Morgan's argument is
8 premised upon (1) his unfounded and incorrect view that PECO's process to
9 develop its FTY and FPFTY budgets was "abbreviated" and "appears to be
10 independent of the Company's normal budget process;" and (2) the fact that the
11 FTY and FPFTY budgets were developed in part during the COVID-19
12 pandemic.

13 **5. Q. Why is Mr. Morgan incorrect in describing PECO's budgeting process as**
14 **"abbreviated" and "independent of the Company's normal budget process?"**

15 A. PECO's budgeting process is described in detail in my direct testimony. What
16 Mr. Morgan fails to recognize in his testimony is that PECO adhered to its usual
17 and ongoing budgeting process to develop the capital and operating budgets for
18 the FTY and FPFTY. The Long Range Plan on which the FPFTY budget is based
19 was developed in June 2019 and was approved by PECO's senior management in
20 January 2020. The Company then further updated the budget in July 2020 with
21 the most recent information available to accommodate PECO's use of a fiscal
22 year (ending in June), rather than calendar year budget, to align with the timing of

1 the Company's request for new rates. In that sense, the Company undertook
2 additional work in preparation of the budget. The Company also updated the
3 budget with the latest information with respect to customer load, capital expenses,
4 operations and maintenance expenses, depreciation and amortization expense, and
5 interest and tax expense, and the budget update was finalized in August 2020.
6 Thus, the budget process utilized to develop the FTY and FPFTY cost of service
7 was neither abbreviated nor independent of the Company's normal budget
8 process.

9 **6. Q. Is Mr. Morgan incorrect to assume that because the FTY and FPFTY**
10 **budgets were prepared in the context of the COVID-19 pandemic, they are**
11 **unreliable and unreasonable?**

12 A. Yes. Mr. Morgan's argument that the FTY and FPFTY budgets are unreliable
13 and unreasonable, because they were prepared in the context of the COVID-19
14 pandemic, is incorrect and fails to appropriately recognize the FPFTY process.
15 The test year concept is a basic tenet of ratemaking and is intended to reflect
16 typical conditions and ignore atypical conditions. Projections should be made
17 upon a utility's typical and normal operating conditions, not the rare event that
18 may occur in the month prior to formulating budgets, as Mr. Morgan suggests.
19 The FPFTY budget reflects the standard inputs to PECO's well-established gas
20 forecasting process, including weather normalization based on 30-year averages,
21 historical sales and customer growth trends, and economic forecasts provided by
22 PECO's third-party vendor, IHS. Moreover, it is a fundamental principle of

1 ratemaking that a utility have a reasonable opportunity to recover the costs
2 prudently incurred in providing service to its customers, and to earn a fair return
3 on its investment in property used and useful in the public service.

4 The Company also has an ongoing obligation to provide essential, safe,
5 adequate, and reliable service to its customers, including planning and
6 implementing system improvements. The Company has continued investing in its
7 system and making planned improvements, notwithstanding the COVID-19
8 pandemic and its related economic impact. In order to serve its customers, the
9 Company needs to recover its operating expenses and attract capital to fund
10 system improvements. The Company's reasonable and proper projections,
11 prepared in accordance with its established budgeting processes, provide the
12 required foundation to support the Company's proposed rate increase.

13 **7. Q. Please address Mr. Morgan's claim that delays in the Company's ongoing**
14 **gas operations construction activities during the second quarter of 2020 will**
15 **impact the Company's revenue requirement for the FPFTY.**

16 A. As explained by Mr. Bradley in PECO Statement No. 1-R, the COVID-19
17 pandemic has not resulted in any delay or reduction of the Company's planned
18 capital projects projected to be in-service during the FPFTY. The pandemic did
19 have a minor impact on PECO's planned investments in 2020. Certain work
20 planned for earlier in 2020 was delayed and rescheduled for later in the year.
21 Despite these delays, PECO spent approximately \$274 million of its \$277 million
22 2020 construction target spend (approximately 99%). PECO anticipates that it

1 will be fully caught up by June 2021, without any resulting impact on work
2 scheduled for, and anticipated to be completed in, the FTY and FPFTY.

3 **8. Q. Are the concerns expressed by Mr. Morgan about the Company's forecasted**
4 **plant additions for the FPFTY valid?**

5 A. No. PECO employs a rigorous process to plan and budget plant investments
6 based on a detailed analysis of actual system conditions and well-defined system
7 needs. Mr. Morgan's proposed adjustment is based upon a fundamental
8 misunderstanding of the Company's capital budgeting process and its procedures
9 for determining when plant will be placed into service.

10 Mr. Morgan, in support of his proposed adjustment, states that the
11 Company provided insufficient information in response to Interrogatories OCA-
12 II-3, OCA-XIII-3, OCA-XIII-4 and IE-RB-4-D, and that there are inconsistencies
13 between these responses. Again, this is based on Mr. Morgan's misunderstanding
14 of the information provided to him, which fully supports the Company's position.

15 There is a difference between the Company's capital budgeting process
16 and its procedures for determining plant additions. With respect to capital
17 budgeting, the Company accounts for capital expenditures in the period when
18 such expenditures are made. The Company determines plant additions based
19 upon when plant will be placed into service – this can differ from the period in
20 which capital spending occurs.

1 Interrogatory OCA-II-3(a) requested, and the Company provided,
2 information regarding the Company's capital expenditures. The completion dates
3 provided in response to OCA-II-3(a) show the dates when capital spending will be
4 completed. Interrogatory OCA-XIII-3 requested, and the Company, provided,
5 information regarding when the plant associated with that spending will be placed
6 into service. The in-service dates provided in response to OCA-XIII-3 differ from
7 the dates provided in response to OCA-II-3(a) since some of the plant that is
8 aggregated with other plant as part of larger budget projects will go into service
9 prior to when those projects as a whole (and their associated capital expenditures)
10 will be complete.

11 PECO only included in its claimed rate base the plant that will actually be
12 in service during the FPFTY. The larger projects with which that plant is
13 associated for PECO's budgeting purposes may, however, show an overall project
14 completion date that is beyond the end of the FPFTY. That does not change the
15 fact that the plant actually claimed in rate base by PECO in this case will be
16 completed and used and useful during the FPFTY.

17 Interrogatory OCA-XIII-4 requested that the Company reconcile the FTY
18 and FPFTY plant additions described in the Company's response to OCA-II-3(a)
19 with the plant additions provided in PECO Exhibit MJT-1, Schedule C-2, page 16
20 and PECO Exhibit MJT-2, Schedule C-2, page 16. As noted in the Company's
21 response and as I previously stated, Interrogatory OCA-II-3(a) requested, and the
22 Company provided, information regarding capital expenditures, not plant

1 additions. Interrogatory I&E-RB-4-D requested, and the Company provided,
2 plant addition information consistent with the Company's response to OCA-XIII-
3 4, except that I&E-RB-4-D was limited to FPFTY plant additions.

4 **III. RESPONSE TO OPPOSING PARTY REVENUE REQUIREMENT**
5 **ADJUSTMENTS**

6 **A. Other Operating Revenues**

7 **9. Q. Mr. Cline proposes an adjustment to increase PECO's pro forma level of**
8 **forfeited discounts (i.e., late payment charge revenue) by \$358,000. Please**
9 **address Mr. Cline's proposed adjustment.**

10 A. Mr. Cline proposes that forfeited discount revenue for the FPFTY be quantified
11 by applying the average ratio of forfeited discounts to total revenues for the three
12 years ended June 30, 2020 to FPFTY distribution revenues. Mr. Cline contends
13 that his recommended approach should be adopted because the use of a three-year
14 historical average is "long enough to smooth out short term variations and short
15 enough to excluded out of date data." (I&E St. No. 3, p. 25) I do not agree. The
16 method used by the Company to calculate pro forma forfeited discount revenue is
17 reasonable and provides a better indication of that revenue than the method Mr.
18 Cline endorses.

19 **10. Q. Please explain the methodology the Company used to forecast forfeited**
20 **discount revenue.**

21 A. PECO calculated forfeited discount revenue for the FPFTY by first calculating the
22 average forfeited discount revenue for the three years ended December 31, 2019,

1 as a percentage of average past due accounts receivable balances for the same
2 period. The percentage derived from that calculation was applied to PECO's
3 forecast of past due accounts receivable for the FPFTY to develop FPFTY
4 forfeited discount revenue. In addition, PECO reduced its FPFTY level of
5 forfeited discount revenue to account for a permanent waiver of late fees on past
6 due balances for customers enrolled in the Company's Customer Assistance
7 Program.¹ PECO's approach is reasonable because forfeited discounts (late
8 payment charges) are imposed based on past due balances of accounts
9 receivables.

10 **11. Q. Have you prepared an analysis to compare the relationship of forfeited**
11 **discounts to past due accounts receivable and total revenues?**

12 A. Yes. PECO Exhibit RJS-1-R consist of two pages. The first page plots the
13 indexed monthly values for: (1) revenue; (2) past due accounts receivable; and
14 (3) forfeited discounts for the period January 2012 through December 2019.² As
15 Mr. Cline acknowledges, it is important to utilize a long enough time period to
16 smooth out short term variations. The Company determined the period from
17 January 2012 through December 2019 was appropriate to address such variations,
18 as well as the anomalous impact of the COVID-19 pandemic in 2020. The second
19 page provides "best fit" trend lines which clearly show that forfeited discounts
20 have a much stronger relationship with past due accounts receivable than with

¹ 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261–69.267, Docket No. M-2019-3012599 (Order entered Nov. 5, 2019). 50 Pa. Bull. No. 12 at 1691-1695 (Mar. 21, 2020).

² The values shown on Exhibit RJS-1-R are indexed so they are equal to each other in a given starting time period (in this case, January 2012). By convention, the index value is usually 100. From there on, every value is normalized to the start value, maintaining the same percentage changes as in the nonindexed data.

1 overall revenues. In short, PECO Exhibit RJS-1-R confirms that forfeited
2 discounts should properly be projected for the FPFTY based on their relationship
3 to past due accounts receivable, as the Company has done, and not on the basis of
4 total revenues, as Mr. Cline proposes to do.

5 **B. Payroll-Related Expense**

6 **12. Q. Please summarize Mr. Patel's and Mr. Morgan's proposed adjustments to**
7 **the Company's payroll-related expense claims.**

8 A. Mr. Patel proposed an adjustment to reflect an average of the vacancy rates as of
9 the three years ended June 30, 2020 for PECO's full time employees (2.1%) that
10 would reduce the Company's payroll-related expense claim by \$858,715 and
11 related employee benefits and payroll taxes by \$120,397 and \$76,855,
12 respectively.

13 Mr. Morgan contends that PECO has overstated the number of employees
14 it will have on its payroll during the FPFTY and proposes an adjustment to
15 payroll expense, with a concomitant adjustment to employee benefits and payroll
16 taxes, to reflect the addition of only two employees instead of 37 employees as
17 forecast by the Company for purposes of its payroll claim. In addition, Mr.
18 Morgan recommends that the Commission disallow PECO's normalized cash
19 payment to union employees in connection with the ratification of current union
20 contracts. PECO witness, Michael J. Trzaska, addresses Mr. Morgan's proposed
21 adjustment that would eliminate recognition of this ratification bonus in his
22 rebuttal testimony (PECO St. No. 3-R). In aggregate, Mr. Morgan's proposed
23 adjustments would reduce PECO's payroll-related expense claim by \$2.477

1 million and related employee benefits and payroll taxes by \$120,397 and \$76,855,
2 respectively.

3 **13. Q. Please explain why Mr. Patel’s proposed vacancy rate adjustment to the**
4 **Company’s payroll-related expense claim is incorrect.**

5 A. In calculating its FPFTY claim for payroll expense, PECO did not include any
6 positions that were vacant at the end of the historic test year (“HTY”) on June 30,
7 2020. The Company’s payroll expense claim reflects a total net increase by the
8 end of the FPFTY of 37 full-time equivalent (“FTE”) positions. Mr. Patel applied
9 his calculated vacancy rate to a total of 639 employees, which consists of the 602
10 actual employees as of the end of the HTY and the 37 employees that PECO will
11 add over the future test year (FTY) and the FPFTY. The fundamental error in Mr.
12 Patel’s calculation is that the figure of 602 represents the *actual* filled positions
13 for the HTY. In other words, the figure of 602 does not include any budgeted
14 “vacant” positions. Therefore, there is no basis for adjusting that figure by a
15 “vacancy” rate.

16 **14. Q. What would the effect be to Mr. Patel’s analysis of applying his proposed**
17 **vacancy rate to only the 37 employees the Company will hire over the FTY**
18 **and FPFTY?**

19 A. The Company’s payroll-related expense claim would be reduced by \$46,200
20 instead of the \$858,715 originally claimed by Mr. Patel, and the Company’s
21 related employee benefits and payroll taxes would be reduced by \$16,540 and

1 \$5,128 respectively, instead of \$120,397 and \$76,855 as originally claimed by
2 Mr. Patel.

3 **15. Q. What is the basis for Mr. Morgan’s adjustment to use PECO’s employee**
4 **complement as of September 30, 2020 to determine the Company’s payroll**
5 **claim as of December 30, 2022?**

6 A. Mr. Morgan contends that his proposed adjustment is appropriate because, in his
7 view, the Company did not provide adequate support for the total number of
8 employee additions (37) PECO has forecasted by the end of the FPFTY.

9 **16. Q. What positions will be filled by the new hires?**

10 A. The Company is hiring to fill the following positions, each of which has been
11 fully authorized in conformance with the Company’s internal policies: fifteen
12 mechanics, four senior contract coordinators, five engineers, one gas operating
13 mechanic, two clerks, one damage prevention inspector, one work week manager,
14 and one contractor liaison. The Company will also be hiring several energy
15 technicians, whose allocated FTE to gas operations will total seven employees.

16 **17. Q. Is PECO on track to have its full forecasted complement of 639 employees by**
17 **the end of the FPFTY?**

18 A. Yes. As of December 31, 2020, the Company’s employee count was 612
19 (inclusive of FTEs and allocated employees). The Company had anticipated
20 achieving a total headcount of 635 employees by December 2020, as stated in the
21 Company’s response to Interrogatory IE-RE-8. However, impacts from the
22 COVID-19 pandemic temporarily prevented the Company from hiring the full

1 complement of anticipated gas operations personnel. The Company does not
2 believe that this temporary delay will impact the Company achieving a total
3 headcount of 639 employees by the end of the FPFTY.

4 When gas operations personnel are hired, they must complete a structured
5 training program that begins with a six-week Gas Mechanics School conducted by
6 PECO, followed by an apprenticeship, before progressing to “first class”
7 employee status. The Company cancelled its 2020 Gas Mechanics School due to
8 the COVID-19 pandemic (previously scheduled for March). The Gas Mechanics
9 School has now been rescheduled for September 2021 with a projected class size
10 of 20. Accordingly, the Company fully expects to have its full forecasted
11 employee complement by June 30, 2022.

12 **C. Cost To Achieve**

13 **18. Q. Please describe the Company’s claim for Cost to Achieve (“CTA”).**

14 A. The merger of Pepco Holdings and Exelon, which occurred in 2016, resulted in
15 significant cost savings to PECO. Mr. Patel acknowledged that the merger has
16 already resulted in savings of approximately \$4.3 million in the last five years.
17 Some costs were necessarily incurred to achieve these savings. PECO’s revenue
18 requirement in this case includes a three-year amortization of those costs
19 (\$1,111,000) in light of the merger savings (\$4.3 million) that were allocated to
20 PECO. Recovery of these costs is appropriate since the CTA had to be incurred
21 to achieve the benefits of merger savings, and PECO’s share of merger-related
22 savings is approximately three times greater than PECO’s share of the CTA.

23 **19. Q. Please address the adjustments proposed by Mr. Patel and Mr. Morgan to**

1 **the Company’s claim to amortize costs incurred to achieve savings generated**
2 **by the merger of Pepco Holdings with the Company’s parent company,**
3 **Exelon.**

4 A. Mr. Patel and Mr. Morgan recommended the Commission disallow the
5 Company’s CTA claim of \$370,000 in its entirety. Mr. Patel asserted four
6 reasons in support of his recommendation: (i) the merger-related costs that
7 comprise the CTA were incurred in 2016 through 2018, prior to the HTY; (ii) the
8 Company did not provide a valid reason for requesting a three-year amortization
9 period other than its stated intent to file a base rate case in the next three years;
10 (iii) the Company did not request or receive permission to defer such costs for
11 ratemaking purposes; and (iv) the merger-related savings were already realized in
12 prior years (by the Company and not customers). Mr. Morgan, similarly, asserted
13 that the Company’s CTA claim should be disallowed since it consists of a prior
14 period cost that was not deferred and inclusion would constitute retroactive
15 ratemaking. Mr. Morgan also stated that he disagreed with the Company’s
16 position that its customers have received the benefit of PECO’s allocable share of
17 merger savings since rates were not changed to flow through cost savings to
18 customers.

19 **20. Q. Please respond to Mr. Patel’s and Mr. Morgan’s proposed adjustments.**

20 A. Mr. Patel’s and Mr. Morgan’s contention that PECO is precluded from claiming
21 an amortization of these costs unless it first obtained permission to “defer” such
22 costs is a legal issue that will be addressed in the parties’ briefs. I understand,

1 however, that there are exceptions to the rule against retroactive and single-issue
2 ratemaking that could permit PECO to make its claim without having to rely upon
3 a pre-approved “deferral” of historic period costs.

4 There is also a fundamental unfairness to the position that I&E and OCA
5 are taking. Merger-related CTA are a discrete and limited amount (in this case,
6 \$1,111,000), which represent an investment that has and will produce significant
7 merger-related savings long after the Exelon/Pepco merger occurred (already
8 more than \$4 million). Those merger-related savings flow to customers by
9 reducing the costs of Exelon’s distribution utilities, including PECO. When a
10 specific cost (like the merger-related CTA) is incurred in a given accounting
11 period and produces substantial benefits that extend into future accounting
12 periods, it is entirely appropriate to recognize those costs. Given the benefits that
13 the Company’s customers will experience from the Exelon/Pepco merger-related
14 savings, it is only fair that customers receiving benefits also bear the costs
15 incurred to produce those savings.

16 In this proceeding, PECO has proposed an equitable resolution through
17 amortization of the CTA over three years, which corresponds to the period that
18 rates established in this rate case are anticipated to be in effect. This approach is
19 particularly equitable since customers will continue to benefit from the merger-
20 related savings produced by the CTA for many years after the proposed three-year
21 amortization is complete.

1 **D. Exelon Business Service Company**

2 **21. Q. Please describe the Company’s claim for Exelon Business Service Company**
3 **(“EBSC”) charges.**

4 A. As explained in my direct testimony, the Company obtains certain services from
5 EBSC that would typically be regarded as in-house services in the case of a stand-
6 alone utility. PECO and its Exelon utility affiliates may (but are not required to)
7 utilize EBSC. PECO’s overall approach is to use its own personnel or
8 independent contractors to staff the day-to-day operations of its natural gas
9 delivery system, as well as its customer-service functions, and use EBSC to obtain
10 certain highly specialized services for which it would not be cost-effective to
11 maintain the required expertise at PECO. EBSC charges PECO directly where
12 possible. Otherwise, costs are allocated to PECO as described in detail in my
13 direct testimony. PECO claimed \$22.0 million in its FPFTY expense claim for
14 charges from the EBSC.

15 **22. Q. Please summarize the adjustments proposed by Mr. Patel and Mr. Morgan.**

16 A. Mr. Patel claimed that the Company did not adequately support its budgeted
17 increase for all outside services, including EBSC charges, in the FTY (26.55%
18 increase) and the FPFTY (an additional 4.57% increase above the FTY claim), as
19 the Company stated that the increases were generally due to inflation adjustments.
20 Mr. Patel recommended taking the Company’s actual 2019-2020 EBSC costs and
21 applying an average of CPI inflation factors to project the Company’s FTY and
22 FPFTY EBSC charges. Mr. Patel recommended a reduction of \$3,134,144 for

1 outside services to EBSC charges. Mr. Morgan also contends that the Company
2 did not adequately support its claim for EBSC charges in the FPFTY, stating he
3 disagreed with the use of adjustments based on inflation escalations. Mr. Morgan
4 recommended an adjustment to reflect the most recent three-year average EBSC
5 expense.

6 **23. Q. Please explain why Mr. Patel’s statement that the Company is claiming \$16.5**
7 **million in EBSC charges is incorrect.**

8 A. Mr. Patel is referencing the amount in FERC Account 923 on Schedule MJT-1.
9 The correct amount of EBSC cost for the FPFTY is \$22 million. The \$22 million
10 projection is GAAP-based and represents the Company’s total EBSC charges,
11 including all cost elements (contracting, overhead, and other), which spread
12 across multiple FERC accounts. The \$16.5 million amount shown in Account
13 923 on Schedule MJT-1 is FERC-based (a result of allocations based on the 2019
14 actual results since the Company does not budget by FERC account) and
15 represents a combination of a) EBSC contracting charges (a subset of total BSC
16 charges) allocated to FERC Account 923 only; and b) PECO contracting charges
17 allocated to FERC 923.

18 **24. Q. Please respond to Mr. Patel’s and Mr. Morgan’s assertion that the Company**
19 **did not adequately support its claim for EBSC charges.**

20 A. PECO previously provided the detailed breakdown of EBSC costs for the fiscal
21 years of 2018 – 2022 (ending in June). As shown on Attachment III-A-22(a), the
22 Company’s total EBSC cost of approximately \$21 million in the FTY is lower

1 than the historical 3-year average for EBSC costs and PECO's total EBSC cost of
2 approximately \$22 million in the FPFTY is consistent with the Company's
3 historical 3-year average for EBSC costs.

4 **25. Q. Is the use of inflation factors in PECO's budgeting process where there are**
5 **no specifically known changes in costs or activity levels consistent with**
6 **Commission-approved ratemaking?**

7 A. Yes. Counsel advises that the Commission has repeatedly accepted the use of
8 inflation factors as a reasonable method to derive the pro forma levels of
9 operating expense items that were not otherwise separately adjusted.

10 **E. Contracting And Materials Expense**

11 **26. Q. Do you agree with I&E witness Patel's recommendation to reduce the**
12 **Company's contracting and materials expenses by \$10.4 million?**

13 A. No. Mr. Patel compares the forecasted level of contracting and materials expense
14 for the FTY ending June 30, 2021 (\$44,651,000) and the FPFTY (\$42,955,000) to
15 the amount incurred during the HTY (\$29,552,000) and he observes that PECO's
16 actual expense has been consistently lower than the budgeted expenses. He then
17 calculates a historic average of contracting and materials expense using the three
18 years ended June 30, 2020 and develops his proposed adjustment based on that
19 figure.

20 Although Mr. Patel asserts that PECO did not adequately substantiate its
21 FPFTY claim, the Company, in fact, responded to numerous discovery requests
22 seeking detailed information about forecasted contracting and materials expenses.

1 In addition to inflation, the increase in PECO's budgeted amounts for these
2 expenses from the historic average is driven by three principal factors. First, as
3 explained in PECO witness Bradley's direct testimony (PECO St. No. 1, p. 16),
4 PECO is enhancing its mapping system to improve the Company's ability to
5 locate and track gas distribution facilities and PECO will increase its investment
6 in the gas mapping project in the FTY. Second, PECO's FTY forecast includes
7 additional contracting and materials expense related to PECO's planned activity
8 to reduce the Company's non-emergent leak backlog. Finally, PECO expects to
9 incur additional expenses related to increased security services for crews working
10 in high crime areas during the FTY.

11 In addition, Mr. Patel uses an average for three annual periods that ended
12 June 30, 2020 and thus his approach includes the effects of the public health
13 response to the COVID-19 pandemic in beginning March 2020. The substantial
14 decrease in the Company's contracting and materials expenses during the second
15 quarter of 2020 can be considered an anomaly related to the COVID-19
16 emergency and is not reflective of anticipated future levels of those expenses.

17 **27. Q. Please address Mr. Patel's and Mr. Morgan's proposed adjustments to**
18 **PECO's claim for contracting professional and services expenses.**

19 A. Both witnesses recommended that PECO's claims for contractor expense be
20 reduced because, in their view, PECO has not adequately explained budgeted
21 increases in contracting expenses claimed by PECO for the FTY over its actual
22 HTY expenses. Mr. Patel applied the Consumer Price Index ("CPI") forecast for

1 the FTY and FPFTY, as compiled by the Blue Chip Economic Indicators, to
2 PECO's HTY experience and proposes to substitute that figure for the level of
3 contracting professional and services expense PECO has included in its revenue
4 requirement in this case. Mr. Morgan, in turn, opposes the use of adjustments
5 based on inflation escalations and therefore proposes an adjustment using a three-
6 year historic average for contracting expenses that would reduce PECO's
7 operating expense claim by \$367,000.

8 The Company's increases in contracting professional and services
9 expenses in the FTY and FPFTY are being driven by the same three principal
10 factors that are driving the FTY and FPFTY increases in the Company's
11 contracting and materials expenses: (1) costs will increase as the Company invests
12 in and expands its gas mapping project; (2) the Company will incur additional
13 expenses as it actively reduces the Company's non-emergent leak backlog; and
14 (3) PECO expects to incur additional expenses related to increased security
15 services for crews working in high crime areas.

16 **F. General Assessments**

17 **28. Q. Please discuss and respond to the OCA's recommended adjustment to**
18 **PECO's claim for General Assessments.**

19 A. Mr. Morgan proposes an adjustment to reflect the HTY level of general
20 assessments because he contends that adjustments based on inflation factors are
21 inappropriate. As I previously explained, Mr. Morgan's position is contrary to
22 long-standing Commission practice allowing inflation adjustments.

1 In September 2020, the Company received invoices for the 2020-2021
2 (FTY) general assessments for the Commission, the OCA, the Office of Small
3 Business Advocate, and the Commission’s Damage Prevision Committee totaling
4 \$2,022,423, which is an increase of \$288,000 (16.6%) over the HTY level of
5 general assessments. Based on those invoices, which are attached as PECO
6 Exhibit RJS-2-R, and prior experience, PECO believes that its well-considered
7 budget estimate of PECO is a reasonable allowance for these expenses. In fact,
8 using the actual percentage increase in general assessments for the FTY to set
9 FPFTY rates would result in a 16.6% increase in FPFTY general assessments and
10 a \$161,000 increase to the Company’s original claim.

11 **G. Research and Development Expenses**

12 **29. Q. Please comment on Mr. Morgan’s recommendation for reducing operating**
13 **expense for research and development (“R&D”) programs.**

14 A. Mr. Morgan contends that PECO’s FPFTY claim for R&D expense is
15 “abnormally high” compared to historical actual amounts. On that basis, he
16 proposes to allow a level of such costs based on a historical three-year average.

17 I disagree with Mr. Morgan’s proposed adjustment. The Company’s claim
18 is based on sound budgeting techniques that reviewed NYSearch R&D programs
19 to enhance safety and productivity in the natural gas distribution industry.
20 PECO’s historical R&D expense level for the years ended June 30, 2018 and 2019
21 was abnormally low because a significant amount of the Company’s R&D budget
22 was redeployed in each of those years to offset higher priority needs, such as
23 emergent gas leak events, to manage gas operating expenses.

1 **H. Employee Activity Costs**

2 **30. Q. Mr. Patel proposes to reduce PECO’s claim for employee activity costs by**
3 **\$80,733, asserting that costs for Company sponsored employee events should**
4 **be disallowed because they are discretionary expenditures that are not**
5 **necessary for the provision of safe and reliable utility service. Do you agree**
6 **with Mr. Patel?**

7 A. I do not. PECO’s claim is based upon a range of activities that are relatively
8 modest cost expenditures which have significant benefits in terms of employee
9 morale and productivity – in this case, an annual employee picnic in PECO’s
10 service territory and smaller employee celebrations that are an important part of
11 PECO’s workplace culture. Counsel has informed me that the Commission has
12 also recognized the importance of general employee events in contributing to a
13 utility’s workplace environment. I believe our annual gathering of employees and
14 the other events in which we celebrate our workforce, their accomplishments and
15 strategic goals and initiatives for the upcoming year, are appropriate expenses that
16 help make PECO an attractive workplace for the many talented professionals
17 PECO wants to recruit and retain to continue to provide the high level of service
18 to our customers described by Mr. Bradley. Hiring and retaining top-level talent
19 is imperative to continuing to provide PECO’s customers with such high level
20 service. For these reasons, I recommend that Mr. Patel’s proposed adjustment be
21 denied.

1 **31. Q. Mr. Morgan contends that PECO’s HTY experience should be used to**
2 **determine the allowance for employee activity expenses because of**
3 **“uncertainty” caused by the COVID-19 pandemic. Please respond.**

4 A. I disagree with Mr. Morgan’s argument. As explained in the rebuttal testimony of
5 PECO witness Hibbard (Statement No. 11-R), the ratemaking process in
6 Pennsylvania has employed projections of future operating conditions (including
7 capital and expense budgets) for nearly 45 years and, during that time, a wide
8 range of economic, societal and national security upheavals have occurred. The
9 Company experienced abnormally low spending on employee activities during the
10 HTY because of the Commonwealth’s response to the COVID-19 emergency,
11 including stay-at-home orders in effect during the second quarter of 2020, which
12 are unlikely to recur in 2021 and 2022.

13 **I. Travel, Meals And Entertainment**

14 **32. Q. Please address the adjustments proposed by Mr. Patel and Mr. Morgan to**
15 **the Company’s claim for travel, meals and entertainment expenses.**

16 A. Both I&E and the OCA take issue with the Company’s claim for employee travel,
17 meals and entertainment expenses in light of the decline in business travel caused
18 by the COVID-19 pandemic. Mr. Patel proposes to apply CPI inflation factors to
19 PECO’s HTY experience to arrive at his allowance of \$862,153 for these
20 expenses, which translates to a \$169,847 reduction in PECO’s FPFTY claim,
21 because the FPFTY level of expenses reflects a 22.13% increase over the FTY
22 claim. Mr. Morgan proposes to disallow all but PECO’s HTY level of expenses.
23 PECO’s budgeted data for the FTY and FPFTY is more representative of the

1 current and future conditions than the HTY data both witnesses use. The HTY
2 data reflects COVID-19 travel restrictions that were put in place prior to, and
3 which will be alleviated by, the availability of a COVID-19 vaccine and other
4 measures to mitigate the impact of COVID-19.

5 **J. Membership Dues**

6 **33. Q. Mr. Patel proposed rejecting PECO's budgeted membership dues for the**
7 **FTY and FPFTY, and instead, apply his calculated CPI factors to the**
8 **Company's HTY level of expenses. Please comment.**

9 A. The apparent significant increase from the HTY to the FTY was due to the
10 inadvertent omission of certain membership expenses from the HTY in PECO's
11 response to Interrogatory IE-RE-28-D. PECO included these previously omitted
12 HTY membership expenses in Revised Attachment IE-RE-28-D(a).

13 As shown on Revised Attachment IE-RE-28-D(a), the Company's total
14 industry membership costs of approximately \$647,000 in the FTY and
15 approximately \$656,000 in the FPFTY are only slightly higher than the
16 Company's historical three-year average for membership cost expense
17 (approximately \$612,000).

1 **K. Injuries And Damages**

2 **34. Q. OCA witness Morgan has proposed the disallowance of \$464,000 of the**
3 **Company’s claim for injuries and damages expense. Please respond to this**
4 **recommendation.**

5 A. Mr. Morgan contends that the Company has not adequately explained the
6 budgeted increase in injuries and damages expense for the FPFTY. On that basis,
7 he proposes that the Company’s expense allowance be set at \$174,000, which is
8 the average of the expense levels for the three-year period ended June 30, 2020
9 and considerably less than the amount PECO actually incurred during the HTY
10 (see OCA St. No. 2, Schedule LKM-16). However, the negative \$9,000 amount
11 for the twelve months ended June 30, 2019 was due to an actuarial update to the
12 workers compensation, bodily injury and property damage reserve for that period
13 and is clearly an outlier that artificially reduces the historic average.

14 The Company’s FTY and FPFTY budgeted amounts for injuries and
15 damages expense are based on the actuarial studies PECO provided in the
16 response to Interrogatory I&E-RE-7-D. Thus, Mr. Morgan’s adjustment to reduce
17 the Company’s injuries and damages expense for the FPFTY should be rejected.

18 **L. Property Taxes**

19 **35. Q. Do you agree with Mr. Morgan that an adjustment should be made to**
20 **PECO’s FPFTY claim for property taxes to remove the effects of inflation?**

21 A. No. PECO’s FTY real estate tax claim is based on the most recent property tax
22 bills from 136 municipalities with an adjustment to apply a 2.5% inflation factor.
23 As I explained earlier in my testimony, the use of inflation factors to project

1 FPFTY expenses that are not subject to specific adjustments is consistent with
2 Commission practice.

3 I also disagree with how Mr. Morgan applied his adjustment. PECO's
4 budgeted amounts for property taxes (\$3.594 million and \$3.618 million for the
5 FTY and FPFTY, respectively), is comprised of two components: Public Utility
6 Realty Tax ("PURTA") and real estate tax. Based on my review of Mr. Morgan's
7 schedules, it appears he reduces PECO's total FTY property taxes claim by 2.5%
8 to arrive at his recommended allowance of \$3.506 million even though PECO's
9 budgeted amounts for PURTA tax do not reflect an inflation rate. As explained in
10 PECO's response to Interrogatory IE-RE-49-D, the Company's PURTA tax claim
11 for the FPFTY of \$2.05 million is based on the 2019 Pennsylvania PURTA
12 Notice of Determination ("NOD") from the Pennsylvania Department of Revenue
13 issued on August 19, 2020. I have attached a copy of the NOD and a schedule
14 showing the calculation of PECO's 2019 PURTA liability allocated to the gas
15 division as PECO Exhibit RJS-3-R. If Mr. Morgan's adjustment were only
16 applied to remove the 2.5% inflation factor reflected in PECO's budgeted
17 amounts for real estate tax, the Company's property taxes claim would be reduced
18 by \$61,395 instead of the \$112,000 proposed by Mr. Morgan.

19 IV. OPEB EXPENSE

20 **36. Q. Please describe the Company's claim for other post-employment benefits**
21 **("OPEB") expense.**

22 A. As I explained in my direct testimony, the Company provides medical-related
23 benefits to eligible retirees. The Company participates in its parent's (Exelon's),

1 OPEB plan. Prior to 2015, the Company provided eligible retirees a Company-
2 sponsored medical plan with a traditional premium cost sharing arrangement. In
3 2015, PECO began to provide eligible retirees a defined contribution that can be
4 used to purchase coverage in the individual Medicare marketplace. The change
5 capped the Company's financial exposure while providing retirees with
6 comparable benefits and has provided significant savings to the Company and
7 ratepayers. The Company claimed an OPEB expense of \$1,050,000 in the
8 FPFTY. By way of comparison, the Company's OPEB expense in 2010 was \$3.6
9 million.

10 **37. Q. Please describe Mr. Patel's proposed adjustment to the Company's OPEB**
11 **expense.**

12 A. Mr. Patel recommended a reduction of \$780,000. Mr. Patel noted that the
13 Company's OPEB expenses in 2017 through the FTY are significantly below the
14 amount PECO budgeted for the FPFTY. Mr. Patel also asserted that the
15 Company's projections for the FPFTY are not reliable since they are based on
16 calendar year assumptions.

17 **38. Q. Did the Company explain why its OPEB costs are expected to increase in the**
18 **FTY, and increase even more significantly in the FPFTY?**

19 A. Yes. During discovery, the Company explained in response to IE-RE-88-D and
20 OCA-IX-7 that recent OPEB expenses have appeared artificially low due to the
21 application of prior service credits, but that the increase in the FTY and FPFTY

1 OPEB expense will increase significantly as a result of the expiration of prior
2 service credit amortization in the East plan.

3 The prior service credit is related to plan design changes made in 2014
4 that impacted the OPEB plan PECO participates in. Following the change,
5 participants were eligible for the lesser of 1) 80% of the premium cost of a
6 Medicare Advantage and Prescription Drug plan or 2) a stipend of \$3,200 per
7 year, increasing at an annual rate of 3%, that the participant could use to purchase
8 insurance on an exchange (i.e., in the public market). The plan changes were
9 made to limit the Company's exposure to increases in healthcare cost.

10 The plan design change resulted in a re-measurement of the Company's
11 OPEB obligation, which resulted in a prior service credit recorded to other
12 comprehensive income. The prior service credit was then amortized over the
13 remaining service life of the active plan participants (approximately seven years).
14 The increase in OPEB costs from the HTY is due to the expiration of the prior
15 service credit in 2021, along with the attendant amortization.

16 **39. Q. Do you agree with Mr. Patel's claim that the Company based its OPEB**
17 **projected expense for the FPFTY on unreliable calendar year assumptions?**

18 A. No. As explained in Attachment IE-RE-88-D(a), the Company based its FPFTY
19 projection on its calendar year projections, which were then split to produce the
20 fiscal year period amounts that align with the FTY and FPFTY. Mr. Patel has not
21 explained why this process is unreliable. It is also unclear why Mr. Patel would
22 deem the FPFTY to be unreliable when it was derived using the same process the

1 Company utilized to project the FTY OPEB expense, which is the level of OPEB
2 expense Mr. Patel recommends that the Commission allow. Utilizing the FTY
3 costs as proposed by Mr. Patel is unreasonable since the Company's FTY OPEB
4 expense reflects amortization of the prior service credit that the Company will no
5 longer receive when the credit expires. This is reflected in the actuarial report of
6 Willis Towers Watson, Exhibit 2, provided in Confidential Exhibit RJS-4-R, page
7 16.

8 **40. Q. Please describe Mr. Morgan's proposed adjustment to the Company's OPEB**
9 **expense.**

10 A. Mr. Morgan stated that he could not locate any support for the Company's claim
11 for OPEB expense. He stated that the Company's claimed OPEB expense is
12 inconsistent with the projections contained in the actuarial report provided as
13 Confidential Attachment III-A-21(b). Mr. Morgan adjusted the Company's
14 proposed OPEB expense to reflect the Company's most-recent three-year average.
15 This would result in the disallowance of the Company's entire claim for OPEB
16 expense, and further reduce the Company's expenses by an additional \$35,000.

17 **41. Q. Please respond to Mr. Morgan's proposed adjustment.**

18 A. Mr. Morgan's proposed adjustment should be rejected for the same reasons Mr.
19 Patel's proposed adjustment to OPEB expense should be rejected. The
20 Company's most recent three-year average of OPEB expense reflects
21 amortization of the prior service credit that the Company will no longer receive
22 when the credit expires. *See* Confidential Exhibit RJS-4-R, page 16.

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V. COST OF DEBT

2 **42. Q. Did Mr. O'Donnell express concern regarding the Company's fixed 7.38%**
3 **Trust Preferred Capital Securities dated April 6, 1998?**

4 A. Yes. Mr. O'Donnell stated that PECO failed to offer any evidence that it would
5 be cost prohibitive for the Company to redeem the Trust IV securities, and that
6 PECO's failure to redeem such securities early given their high interest rate is an
7 example of why the Company has not earned a 25-basis point "management
8 adder."

9 **43. Q. Please explain why the Company did not redeem the Trust IV securities**
10 **described by Mr. O'Donnell.**

11 A. As explained in PECO's response to OCA-VIII-12, redeeming the Trust IV
12 securities is cost prohibitive. To redeem the securities, the Company would need
13 to outlay approximately \$150 million. There is only approximately \$100 million
14 outstanding. An early redemption would generate additional cost on a net present
15 value basis of approximately \$18 million and provide no benefit to rate payers. A
16 calculation of the expected cash outlay required to redeem the Trust IV securities
17 is included in PECO Exhibit RJS-5-R.

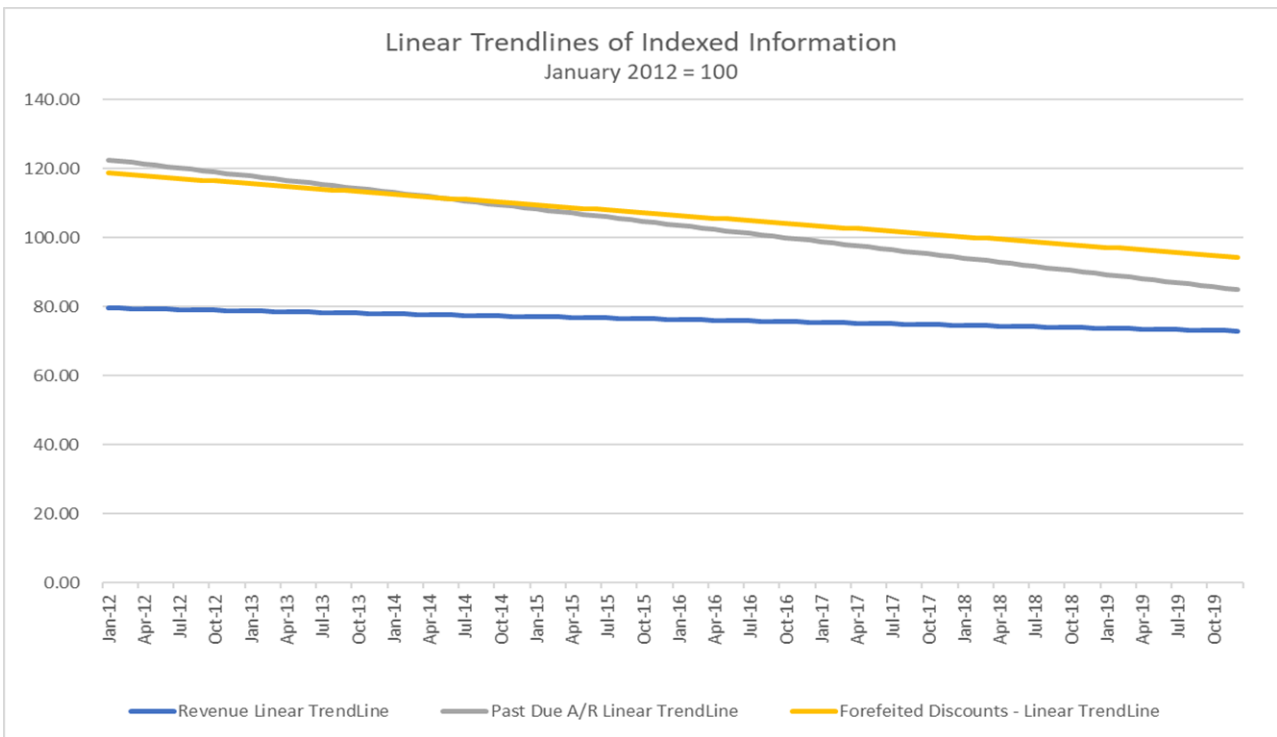
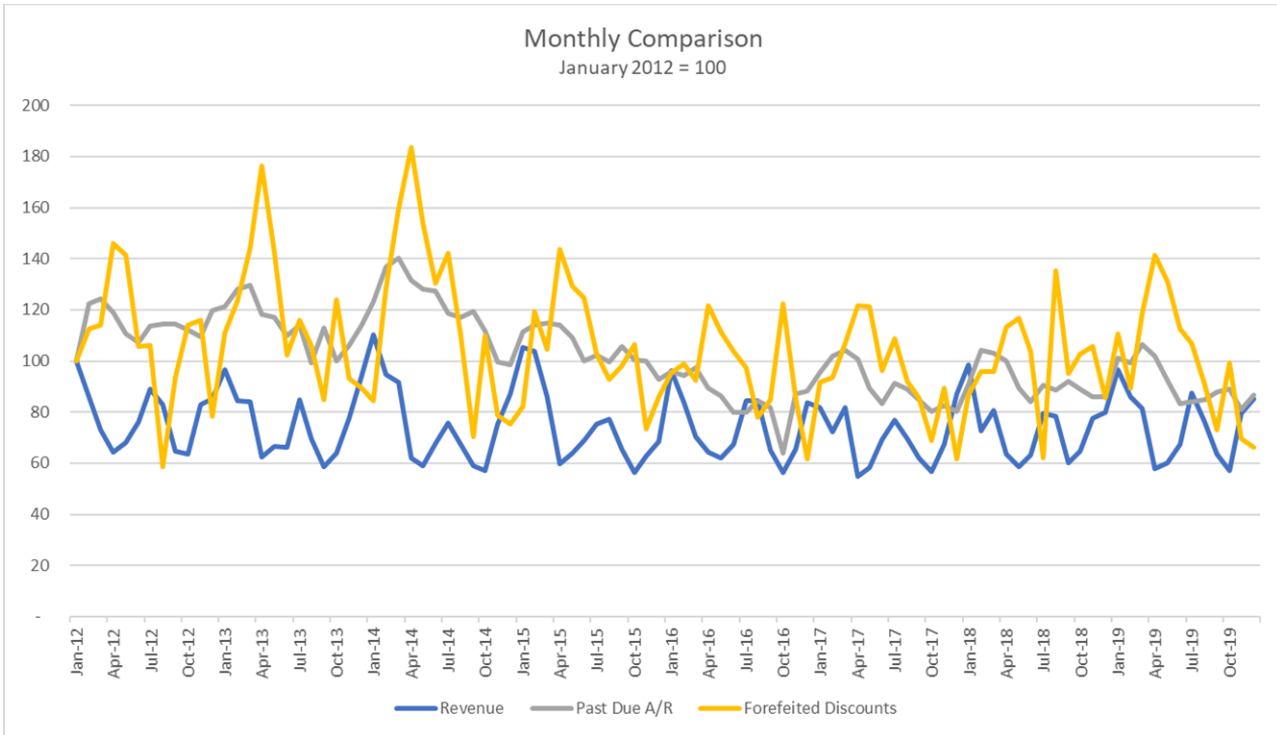
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VI. CONCLUSION

19 **44. Q. Does this complete your rebuttal testimony at this time?**

20 A. Yes, it does.

Relationship of Forfeited Discounts to Past Due Accounts Receivables and Total Revenues



R-2020-3018929
2/17/21 JK

PECO Exhibit RJS-2-R



Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
GENERAL ASSESSMENTS INVOICE

Invoice Date	Invoice Number
9/9/2019	19-122300
Fiscal Year	
July 1, 2019 to June 30, 2020	

PECO ENERGY COMPANY-GAS
RICHARD G WEBSTER JR
2301 MARKET STREET
S15-1
PHILADELPHIA PA 19103

- Read carefully Notice of Assessment
- Use return envelope provided
- Make check payable to:
Commonwealth of Pennsylvania

PUC Assessment	\$1,489,023.00
Consumer Advocate Assessment	\$117,384.00
SBA Assessment	\$88,578.00
DPC Assessment	\$39,636.00
PAY THIS AMOUNT WITHIN 30 DAYS	\$1,734,621.00

TO RECEIVE PROPER CREDIT FOR YOUR PAYMENT, REMOVE THE BOTTOM PART OF THIS INVOICE AT THE PERFORATION AND RETURN WITH YOUR REMITTANCE

MAIL PAYMENT TO:
PA DOR PO BOX 61380 HARRISBURG, PA 17106-1380

FOLD AND CUT HERE

RETURN THIS PORTION WITH YOUR REMITTANCE

PECO ENERGY COMPANY-GAS
RICHARD G WEBSTER JR
2301 MARKET STREET
S15-1
PHILADELPHIA PA 19103

Invoice Date	Invoice Number
9/9/2019	19-122300
Fiscal Year	
July 1, 2019 to June 30, 2020	

PAY THIS AMOUNT WITHIN 30 DAYS	\$1,734,621.00
---------------------------------------	-----------------------

19000012230071 090919101528659002001173840030008857800 001734621007



Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission

Harrisburg, PA 17105-3265

GENERAL ASSESSMENTS INVOICE

PECO ENERGY COMPANY-GAS
 RICHARD G WEBSTER JR
 2301 MARKET STREET
 S15-1
 PHILADELPHIA PA 19103

PECO Exhibit RJS-2-R

Invoice Date	Invoice Number
9/10/2020	20-122300
Fiscal Year	
July 1, 2020 to June 30, 2021	

- Read carefully Notice of Assessment
- Use return envelope provided
- Make check payable to:
Commonwealth of Pennsylvania
- If you desire confirmation of receipt, use a mailing service that provides one, such as USPS-Return Receipt, or overnight delivery with receipt confirmation

PUC Assessment	\$1,664,628.00
Consumer Advocate Assessment	\$257,993.00
SBA Assessment	\$89,201.00
DPC Assessment	\$10,601.00
PAY THIS AMOUNT WITHIN 30 DAYS	\$2,022,423.00

TO RECEIVE PROPER CREDIT FOR YOUR PAYMENT, REMOVE THE BOTTOM PART OF THIS INVOICE AT THE PERFORATION AND RETURN WITH YOUR REMITTANCE

MAIL PAYMENT TO:
 PA DOR
 PO BOX 61380
 HARRISBURG, PA 17106-1380

FOLD AND CUT HERE

RETURN THIS PORTION WITH YOUR REMITTANCE

PECO ENERGY COMPANY-GAS
 RICHARD G WEBSTER JR
 2301 MARKET STREET
 S15-1
 PHILADELPHIA PA 19103

Invoice Date	Invoice Number
9/10/2020	20-122300
Fiscal Year	
July 1, 2020 to June 30, 2021	

PAY THIS AMOUNT WITHIN 30 DAYS	\$2,022,423.00
---------------------------------------	-----------------------

20000012230041 091020101675229002002579930030008920100 002022423008

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

R-2020-3018929
2/17/21 JK



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

Details

Tax Year	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Adjusted Totals</u>									
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	(\$615)	(\$53)	(\$117)	(\$97)	(\$136)	(\$53)	\$28	(\$30)	\$0
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Tax Year	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<u>Adjusted Totals</u>									
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.

(\$ in Thousands)

	<u>2021</u>	<u>2022</u>
2019 PURTA Notice of Determination	8,900	8,900
Allocation %	23.03%	23.03%
Gas Portion	<u>2,050</u>	<u>2,050</u>

Allocation % is Gross Plant Allocator effective 7/1/2020

R-2020-3018929 2/17/21 JK

Impact of Trust IV Debt Redemption

Coupon	5.75%
Maturity	6/15/2033
Notional O/S	\$100,000,000
MW Spread	30 bps
UST Yield	1.1100%
MW Yield	1.410%
Settlement Date	3/15/2021
MW Price	148.667
Notional Retired	<u>\$100,000,000</u>
Total MW Price (Cash Outflow to retire Debt)*	<u>(\$148,667,000)</u>

Call Premium		(\$48,667,000)
Interest Rate to refinance outstanding principal to original maturity**		2.1%
Issuance Cost to refinance principal		(\$1,000,000)
Avoided Interest Cost on 5.75% Debt	70,437,500	
Interest cost on 2.1% Refinancing	<u>25,725,000</u>	
Interest Savings through original maturity		<u>\$44,712,500</u>
Net Benefit (Cost) - Nominal Value		(\$4,954,500)
Net Present Value (NPV) of Net Benefit (Cost) ***		(\$17,818,019)

* excluding accrued interest to redemption date

**estimated based on ten-yr. bond coupon at 1.9% as shown by banks plus adder to include 3 additional years to the bond duration

*** based on 7.7% discount rate

**PECO ENERGY COMPANY
STATEMENT NO. 3-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: MICHAEL J. TRZASKA

SUBJECT: PRESENTING PECO'S UPDATED OVERALL
REVENUE REQUIREMENT AND RESPONDING
TO THE DIRECT TESTIMONY OF WITNESSES
FOR THE BUREAU OF INVESTIGATION AND
ENFORCEMENT AND THE OFFICE OF
CONSUMER ADVOCATE

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. UPDATE OF THE COMPANY’S REVENUE REQUIREMENT	2
III. RESPONSE TO OPPOSING PARTY ADJUSTMENTS	5
A. FPFTY Plant-In-Service Additions	5
B. Pension Asset	10
C. Other Operating Revenues	21
D. Payroll-Related Expense	21
E. Rate Case Expense Normalization	22
F. Regulatory Initiatives	23
G. Manufactured Gas Plant (“MGP”) Remediation Expense	25
IV. CONCLUSION	26

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**REBUTTAL TESTIMONY
OF
MICHAEL J. TRZASKA**

4

I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your full name and business address.**

6 A. My name is Michael J. Trzaska, and my business address is PECO Energy
7 Company (“PECO” or the “Company”), 2301 Market Street, Philadelphia,
8 Pennsylvania 19103.

9 **2. Q. Have you previously submitted testimony in this proceeding?**

10 A. Yes. My direct testimony, PECO Statement No. 3, was a part of the Company’s
11 initial filing on September 30, 2020. My background and qualifications are set
12 forth in that statement.

13 **3. Q. What is the purpose of your rebuttal testimony?**

14 A. The purpose of my rebuttal testimony is two-fold. First, I will describe the
15 changes PECO is making to the revenue requirement previously presented in
16 PECO Exhibit MJT-1 in order to reflect: (1) more recent data or the Company’s
17 revised position on certain issues, as previously set forth in interrogatory
18 responses; (2) the Company’s decision to adopt certain adjustments proposed by
19 the active parties; and (3) corrections to the Company’s initial filing. Second, I
20 respond to various portions of the direct testimony regarding rate base, revenue
21 and expense claims presented by Bureau of Investigation & Enforcement (“I&E”)
22 witnesses Patel and Cline and Office of Consumer Advocate (“OCA”) witness
23 Morgan.

24

1 **4. Q. Are you sponsoring all or portions of any exhibits in conjunction with your**
2 **rebuttal testimony?**

3 A. Yes, and I will describe those exhibits during the course of my update and
4 response to the other parties.

5 **II. UPDATE OF THE COMPANY’S REVENUE REQUIREMENT**

6 **5. Q. As developed in your testimony, what is PECO’s updated Fully Projected**
7 **Future Test Year (“FPFTY”) revenue requirement?**

8 A. PECO’s updated FPFTY revenue requirement, as shown in PECO Exhibit MJT-1
9 Revised, Schedule A-1, is \$427.8 million, which translates into updated pro forma
10 present rate revenue of \$361.6 million. This represents an approximate \$2.5
11 million reduction to PECO’s initial increase request of \$68.7 million.

12 **6. Q. Please describe PECO Exhibit MJT-1 Revised.**

13 A. PECO Exhibit MJT-1 Revised is an update of PECO Exhibit MJT-1. The
14 schedules that are included with PECO Exhibit MJT-1 Revised are updated
15 versions of the original schedules included with PECO Exhibit MJT-1. Pages that
16 have been updated from the original schedules are marked “UPDATE 1-19-
17 2021.” PECO Exhibit MJT-1 Revised reflects several revisions that affect the
18 Company’s revenue requirement claim as described later in my rebuttal
19 testimony.

20 **7. Q. Please summarize the revisions to the Company’s rate base claims reflected**
21 **in PECO Exhibit MJT-1 Revised.**

22 A. The Company is updating its claims for five components of rate base that are
23 based on 13-month historic averages and to reflect derivative changes in cash

1 working capital (“CWC”) attributable to those changes. The five components that
2 are based on the 13-month average balances are: (1) gas storage inventory; (2)
3 customer deposits; (3) customer advances for construction; (4) materials and
4 supplies; and (5) prepaid expenses. In its original filing, PECO utilized data for
5 the 13-month period ending June 30, 2020. I&E witness Cline and OCA witness
6 Morgan have proposed adjustments to the foregoing items based on more recent
7 data through September 30, 2020. PECO does not object to updating these
8 specific claims to reflect data for the 13-months ended September 30, 2020 as
9 shown on Schedules C-4 to C-13 of PECO Exhibit MJT-1 Revised. The net
10 impact of these changes increases the Company’s rate base claim by \$0.4 million
11 and its revenue requirement by \$35,000.

12 In addition, as explained in PECO’s response to Interrogatory OCA-II-8,
13 the Company overstated the plant reserve balance as of June 30, 2022 recorded in
14 accounts 376 and 380 and is reducing its rate base claim for accumulated
15 depreciation by \$1.1 million, which translates to a \$107,000 increase to PECO’s
16 revenue requirement. This change is shown on Schedule C-3 of PECO Exhibit
17 MJT-1 Revised.

18 **8. Q. What updates is PECO making to its claimed present rate revenues?**

19 A. There are two updates to PECO’s present rate revenues. First, as explained by
20 PECO witness Joseph A. Bisti in Statement No. 7-R, the Company accepts the
21 OCA’s and the Office of Small Business Advocate’s recommendations to include
22 all of the Company’s net margin under Rate IS – Interruptible Service in present
23 rate revenues. I have made this change in Schedule D-5I of Exhibit MJT-1

1 Revised, which increases the Company's asset optimization revenues at present
2 rates by \$34,000 and reduces its proposed revenue increase by the same amount.

3 Second, the Company is making a correction to its other operating
4 revenues at present rates. After the initial filing in this case, PECO determined
5 that it has inadvertently excluded miscellaneous service revenues from the
6 Company's new proposed reconnection fees for investigation and remediation of
7 theft or fraud described in the direct testimony of PECO witness Richard A.
8 Schlesinger (Statement No. 8, pp. 2-3). Therefore, I made the necessary
9 correction on Schedule B-3, line 15, of PECO Exhibit MJT-1 Revised, which
10 increases pro forma present rate revenue by \$10,000 and reduces PECO's revenue
11 requirement by \$10,000.

12 **9. Q. Please describe the changes to the Company's operating expense claims**
13 **presented in PECO Exhibit MJT-1 Revised.**

14 A. Yes. As explained in PECO's response to Interrogatory OCA-XIII-16(a), the
15 Company is reducing its claim for pension expense by \$448,000. This change is
16 shown on Schedule D-9 of PECO Exhibit MJT-1 Revised, which reduces the
17 Company's revenue requirement by \$448,000.

18 Additionally, PECO accepts Mr. Morgan's proposed adjustment to
19 regulatory initiative expenses that would eliminate the costs that PECO incurred
20 prior to the HTY in this case to implement its Neighborhood Gas Pilot Program.
21 This update is reflected in Schedule D-14 of PECO Exhibit MJT-1 Revised,
22 which decreases the Company's pro forma operating expenses by \$710,000.
23

1 **10. Q. Is PECO making any other updates to its claimed revenue requirement for**
2 **the FPFTY?**

3 A. Yes. As explained by PECO witness Paul R. Moul (Statement No. 5-R), the
4 Company has updated its cost of debt from 3.97% to 3.84% based on the most
5 recent available data. As a result of this update, the Company’s revenue
6 requirement is reduced by \$1.5 million.

7 **III. RESPONSE TO OPPOSING PARTY ADJUSTMENTS**

8 **A. FPFTY Plant-In-Service Additions**

9 **11. Q. How did the Company develop its FPFTY claims for plant additions and**
10 **annual depreciation expense?**

11 A. The Company’s rate base claim in this case, as set forth in PECO Exhibit MJT-1,
12 reflects its projection of the original cost of utility plant that will be in service as
13 of June 30, 2022, and, therefore, includes the original cost of all plant additions
14 and retirements forecasted to occur during the FPFTY. Accordingly, PECO’s
15 claims for FPFTY accumulated depreciation and annual depreciation expense are
16 based on its projected plant balances as of June 30, 2022. PECO also projected
17 the balance of its accumulated deferred income taxes (“ADIT”) and the regulatory
18 liability for “excess” ADIT as of June 30, 2022, which are reflected in its rate
19 base claim. In addition, PECO reflected an annual amount of plant-related tax
20 deductions, which are included in PECO’s calculation of its claimed income tax
21 in this case.

1 **12. Q. Please summarize the adjustment to utility plant in service that OCA witness**
2 **Morgan is proposing.**

3 A. Mr. Morgan proposes an adjustment to eliminate the plant additions that PECO
4 projects will be placed in service in the FPFTY, with corresponding reductions to
5 annual depreciation expense and accumulated depreciation. The net effect of Mr.
6 Morgan’s adjustments would be to reduce PECO’s rate base by \$271 million and
7 correspondingly to reduce PECO’s claim for depreciation expense by \$7.827
8 million. Mr. Morgan offered two alleged bases for his proposed adjustments to
9 reduce PECO’s FPFTY rate base. First, he claims that PECO’s FPFTY
10 projections are unreliable because they were based on an “abbreviated” budgeting
11 process. Second, Mr. Morgan supported his proposed adjustment with the
12 observation that PECO’s 2020 gas operations construction activities were delayed
13 as a result of the COVID-19 emergency. As explained by Mr. Stefani in PECO
14 Statement No. 2-R, the concerns expressed about the Company’s FPFTY
15 projections for plant additions are not valid. In addition, as explained by Mr.
16 Bradley in PECO Statement No. 1-R, while the COVID-19 emergency delayed
17 certain construction activities during the historic test year (“HTY”) ended June
18 30, 2020, the Company fully expects the plant in service projected for the FPFTY
19 to be placed into service by June 30, 2022. Many of these planned investments
20 are required to maintain reliability, and the Company is proceeding with its
21 planned investments related to main replacement, meter replacement, security
22 enhancements, regulator and other safety replacements, notwithstanding the
23 COVID-19 pandemic. For example, as shown on Attachment OCA-XIII-4, which

1 Mr. Morgan provides in Appendix B to his direct testimony, over \$280 million of
2 PECO's planned plant additions for the FPFTY are part of the Company's
3 Accelerated Gas Infrastructure Modernization Program and other reliability and
4 safety-related investments. Thus, Mr. Morgan's adjustments to reduce the
5 Company's rate base should be rejected.

6 **13. Q. Did OCA witness Morgan reflect all of the adjustments that would be**
7 **associated with the disallowance of incremental FPFTY plant additions?**

8 A. No. He failed to propose an adjustment to the repairs deduction that would be
9 needed if his proposal to reflect only PECO's projections for plant additions for
10 the future test year ("FTY") ending December 31, 2021 were adopted.
11 Specifically, the Company has used a repairs deduction of \$132.5 million to
12 reflect plant additions to be placed into service during the FPFTY that qualify for
13 the repairs deduction. If Mr. Morgan's adjustment to the Company's FPFTY
14 plant in service were adopted, all of the repairs deductions that would be
15 generated by FPFTY plant additions should be eliminated in calculating the
16 Company's income tax expense allowance in this case.

17 **14. Q. What is the repairs deduction?**

18 A. In summary, the repairs deduction represents certain expenditures for plant
19 additions that are capitalized for book (i.e., generally accepted accounting
20 principles, or "GAAP") reporting purposes but are treated as maintenance
21 expenses (repairs) for income tax purposes. As a consequence, these
22 expenditures, while capitalized and depreciated for book purposes, are deductible
23 in their entirety as maintenance expenses for tax purposes.

1 **15. Q. Did Mr. Morgan propose to adjust the amount PECO used as a repairs**
2 **deduction to calculate its state and federal income taxes in this case to match**
3 **his proposal to exclude all of the Company’s FPFTY plant additions from**
4 **rate base in calculating the FPFTY revenue requirement in this case?**

5 A. No, he did not. Mr. Morgan retained the entire annual amount of the repairs
6 deduction to calculate the Company’s FPFTY state and federal income taxes
7 without adjusting those deductions to match his proposal to disallow PECO’s
8 FPFTY plant additions.

9 **16. Q. Would it be proper to use the full annual amount of the repairs deduction to**
10 **calculate the Company’s state and federal income taxes if the Company’s**
11 **FPFTY plant additions were not reflected in its FPFTY rate base?**

12 A. No it would not. On an intuitive level, it would not be appropriate to include a
13 full annual amount of the repairs deduction for the FPFTY when FPFTY plant
14 additions would not be included in rate base. In addition, a provision of Section
15 1301.1(a), which was added to the Public Utility Code by Act 40 of 2016, states
16 as follows:

17 If an expense or investment is not allowed to be
18 included in a public utility’s rates, the related
19 income tax deductions and credits, including tax
20 losses of the public utility’s parent or affiliated
21 companies, shall not be included in the computation
22 of income tax expense to reduce rates.

23 I am not a lawyer and I am not offering a legal opinion, as I assume that legal
24 issues will be addressed by counsel in the briefs filed in this case. However, I am
25 advised by counsel that the language of Section 1301.1(a) I quoted above would
26 not permit using a full annual amount of the repairs deduction for the FPFTY to

1 calculate the Company's income tax expense if FPFTY plant additions are not
2 reflected in its rate base to calculate its FPFTY revenue requirement.

3 **17. Q. What would be the revenue requirement effect of eliminating the repairs**
4 **deduction related to FPFTY plant additions to calculate the Company's**
5 **FPFTY state and federal income taxes?**

6 A. The Company's revenue requirement would increase by approximately \$54.2
7 million if the entire repairs deduction for the FPFTY is removed.

8 **18. Q. Please discuss I&E witness Cline's direct testimony regarding the**
9 **Company's projected plant additions for its "Natural Gas Reliability"**
10 **project.**

11 A. Mr. Cline recommends an adjustment to reduce PECO's FPFTY plant-in-service
12 balances by \$47,624,603. Mr. Cline contends that PECO's claims for plant
13 additions for the "Natural Gas Reliability" project described in the direct
14 testimony of PECO witness Ronald A. Bradley (PECO Statement No. 1, p. 17)
15 are higher than the plant additions placed in service, or to be placed in service, in
16 the FPFTY that Mr. Cline calculated based on data regarding the Company's total
17 investment to date and anticipated completion date for the project identified in
18 PECO's response to Interrogatory I&E-RB-4-D.¹ Mr. Cline's proposed
19 adjustment to reduce PECO's FPFTY plant in service balances for the Natural
20 Gas Reliability project from \$82,481,428 to \$34,856,625 is incorrect for the

¹ Mr. Cline (I&E Statement No. 3, pp. 13-16) also proposed adjustments to reduce accumulated depreciation and to reduce depreciation expense by \$804,000. However, Mr. Cline's proposed adjustments are concomitant adjustments related to other adjustments he proposed to the Company's claimed level of plant additions. Because Mr. Cline's other proposed adjustments should not be adopted, for the reasons set forth in my rebuttal testimony and in the rebuttal testimony of Mr. Bradley, there is no basis for adopting Mr. Cline's adjustments to accumulated depreciation and depreciations either, and they should be rejected as well.

1 reasons set forth by Mr. Bradley in PECO Statement No. 1-R and should not be
2 adopted.

3 **19. Q. What is the Company’s position on Mr. Cline’s proposed reporting**
4 **requirements with respect to future plant additions?**

5 A. The Company agrees that the parameters proposed by Mr. Cline to update
6 Schedule C-2 of PECO Exhibits MJT-1 and MJT-2 are reasonable and will
7 provide the Commission with timely and appropriate information regarding
8 projected investments in utility plant during the FPFTY.

9 **B. Pension Asset**

10 **20. Q. Before addressing the adjustments proposed by I&E witness Patel (I&E**
11 **Statement No. 1, pp. 47-49) and OCA witness Morgan (OCA Statement No.**
12 **2, pp. 15-19) to disallow PECO’s pension asset in its entirety, please explain**
13 **what the pension asset represents.**

14 A. As I explained in my direct testimony (PECO Statement No. 3, pp. 22-23), the
15 pension asset arises because of a difference in the calculation of pension costs for
16 ratemaking purposes in Pennsylvania and the calculation of pension costs under
17 GAAP. The Commission has generally required that pension costs for
18 ratemaking purposes should be based upon a utility’s cash contribution to its
19 pension fund, while GAAP requires pension costs to be determined on the basis of
20 different rules, which are set forth in the Statement of Financial Accounting
21 Standards No. 87 (“SFAS 87”).² Use of these two different procedures results in

² SFAS 87 was issued by the American Institute of Certified Public Accountants (“AICPA”) and has been adopted by the Securities and Exchange Commission (“SEC”) as the required method for calculating and recording pension costs for financial reporting purposes in accordance with GAAP. AICPA “codified” its

1 an annual difference between the amount of pension costs recovered in rates
2 established by the Commission (based on cash contributions) and the amount of
3 pension costs reflected on the accounting records of the Company (based on
4 SFAS 87). The pension asset represents the accumulated amount of the
5 difference related to the portion of the pension costs that are capitalized and
6 included in utility plant accounts. PECO must capitalize and include in its plant
7 accounts an amount that is based on pension costs calculated on the basis of SFAS
8 87. This means that the amounts that are assumed for ratemaking to be included
9 in PECO's plant accounts (based on the application of a capitalization rate to the
10 cash pension contribution) necessarily differ from the amounts that are actually
11 capitalized by PECO by applying, as it must, GAAP rules.

12 The pension asset reflects the difference between: (1) the amount of
13 pension cost the Commission's assumes was included in PECO's plant accounts;
14 and (2) the amount of pension costs actually included in PECO's plant accounts.
15 That difference is \$35.1 million. The pension asset, therefore, consists of \$35.1
16 million of investor-supplied capital that was actually contributed to PECO's
17 pension fund and assumed for ratemaking purposes to be included in PECO's
18 plant accounts, but was not recorded in PECO's plant accounts because GAAP
19 rules will not allow it. PECO has included the pension asset in rate base in this
20 case because, unless it is given rate base recognition, PECO will never recover the
21 carrying costs it incurs on those investor-supplied funds. In that regard, I want to

statement of financial accounting standards and now uses a different naming convention, which references SFAS 87 as Accounting Standards Codification 715 or "ASC 715." I will continue to use the designation SFAS 87 because it is the one that most parties are familiar with.

1 emphasize that PECO is only proposing to include the pension asset in rate base
2 to recover the associated carrying costs on a prospective basis. PECO recognizes
3 that it must bear those previously-unrecovered carrying costs and is not seeking
4 their recovery in this case.

5 **21. Q. Is there any disagreement with the fundamental concept you described**
6 **above?**

7 A. No, I do not believe there is a disagreement that the method the Commission uses
8 to reflect pension costs in operating expenses for ratemaking purposes necessarily
9 causes a real and material difference between the amounts the Commission
10 assumes will be capitalized (based on cash pension contributions) and the
11 amounts that are actually capitalized (based on GAAP rules that public companies
12 follow).

13 In addition to being demonstrably correct, the conceptual basis for
14 including a pension asset in rate base was adopted and affirmed in three
15 consecutive rate cases for Duquesne Light Company (“Duquesne”). In
16 Duquesne’s 2010 base rate case at Docket No. R-2010-2179522, the parties
17 entered into a Joint Petition for Settlement of All Issues (“2010 Settlement”).

18 Although the 2010 Settlement was a “black box” with respect to the
19 allowed level of revenue requirement, there were important exceptions for
20 settlement terms affecting how Duquesne would record costs between rate cases
21 and how it would be permitted to present its claims in subsequent base rate cases.
22 Those black box exceptions were specifically delineated for review and approval
23 by the Commission. One of those specifically delineated items was set forth in

1 Paragraph No. 36 of the 2010 Settlement, which embodies a method for
2 recognizing a pension asset that directly corresponds to the pension asset PECO
3 has claimed in this case. Paragraph No. 36 provides, in relevant part, as follows:

4 50% of actual pension contributions from January 1, 2007,
5 forward, net of related accumulated deferred income taxes, [will be
6 included] in rate base for rate making purposes. The rate base
7 adjustment for pensions shall be the amount necessary to adjust the
8 SFAS 87 capitalized pension amounts to equal accumulated
9 capitalized pension contributions, net of applicable deferred
10 income taxes, from January 1, 2007, forward. The depreciation
11 expenses for book and ratemaking purposes will be based on the
12 SFAS 87 capitalized amounts.

13 In that case, the OCA submitted a Statement in Support of the Settlement that
14 discussed each of the “black box” exceptions, including the pension asset. The
15 OCA stated that the treatment of the pensions asset afforded by the Settlement
16 should be affirmed by the Administrative Law Judges (“ALJs”) and the
17 Commission for the following reasons:

18 This provision will permit the Company to include the capitalized
19 portion of its cash contributions to the pension in its rate base
20 without affecting depreciation expenses. Allowing this change
21 resolves the unfavorable differences in recording pension
22 contributions for ratemaking purposes and recording pension
23 contributions for financial accounting purposes.

24 OCA Statement in Support of Settlement at Docket No. R-2010-2179522, pp. 7-8.

25 On January 28, 2011, the ALJs issued a Recommended Decision adopting
26 and approving all of the terms of the Settlement, including the pension asset and
27 accounting provision (pp. 27, 42 and 60-61). On February 24, 2012, the
28 Commission entered a final order that adopted the ALJs’ Recommended Decision
29 in total.

30 Duquesne filed another base rate case in 2013, which was the subject of a

1 Commission investigation at Docket No. R-2013-2372129. Duquesne’s 2013
2 case was resolved by a Joint Petition for Approval of Non-Unanimous Settlement
3 (“2013 Settlement”) that, like the 2010 Settlement, carved out exceptions to the
4 “black box” revenue requirement for certain specific items that would have an on-
5 going effect on the way Duquesne accounted for costs and set forth its claims in
6 future base rate cases. Paragraph 29 of the 2013 Settlement incorporated the same
7 provision as the 2010 Settlement with respect to including a pension asset in
8 Duquesne’s rate base:

9 The rate base adjustment for pensions shall be the amount
10 necessary to adjust the ASC 715 [SFAS 87] capitalized pension
11 amounts to equal accumulated capitalized pensions contributions,
12 net of applicable deferred income taxes from January 1, 2007
13 forward. The depreciation expense for book and accounting
14 purposes will be based on the ASC 715 capitalized amounts. The
15 adjusted amounts will be used for reporting rate base to the
16 Commission.

17 Like its Statement in Support of the 2010 Settlement, the OCA’s Statement in
18 Support of the 2013 Settlement specifically addressed the pension asset issue,
19 asked the ALJ and the Commission to adopt it, and stated that the Settlement
20 provision on this matter is “consistent with sound ratemaking principles.” OCA
21 Statement in Support of the 2013 Settlement (pp. 7-8).

22 On March 27, 2014, the ALJ issued his Recommended Decision, which
23 discussed all of the terms of the 2013 Settlement including the pension asset and
24 accounting provision (Recommended Decision, pp. 25 and 36-37) and adopted
25 and approved all of the Settlement terms (pp. 58-61). On April 23, 2014, the
26 Commission entered a final order that adopted the ALJ’s Recommended
27 Decision.

1 Duquesne's most recent base rate case in 2018 at Docket No. R-2018-
2 3000124 was resolved, in part, by a Joint Petition for Partial Settlement ("2018
3 Settlement") that included the same exception to the "black box" revenue
4 requirement for the ratemaking treatment of a pension asset as the 2010 and 2013
5 Settlements. Again, the OCA's Statement in Support of the 2018 Settlement (p.
6 10) specifically addressed the pension asset provision carried forward from the
7 2013 Settlement and asked the ALJ and Commission to adopt it, noting that the
8 provisions provides assurances that Duquesne will meet its pension contribution
9 requirements. On October 18, 2018 and December 20, 2018, respectively, the
10 ALJ issued a Recommended Decision (pp. 43-45 and 157-159) and the
11 Commission entered an Opinion and Order (pp. 14-15 and 40) at Docket No. R-
12 2018-3000124 that discussed and adopted all of the terms of the 2018 Settlement,
13 including the pension asset.

14 **22. Q. Did I&E oppose Duquesne Light's proposed pension asset in its 2010, 2013 or**
15 **2018 base rate cases?**

16 A. It does not appear that it did.

17 **23. Q. Why does Mr. Morgan object to recognizing a pension asset for PECO in this**
18 **case as was done for Duquesne?**

19 A. Mr. Morgan presents three alleged reasons for opposing PECO's pension asset in
20 this case. First, Mr. Morgan asserts that the Company is attempting to earn a
21 return on expenses contrary to ratemaking policy and practice. Second, he
22 contends PECO is already recovering all of the cash contributions to its pension
23 fund through base rates. Finally, Mr. Morgan suggests that the Company's

1 proposal would overstate rate base because the pension asset is not amortized.

2 **24. Q. Please address Mr. Morgan’s first contention, that PECO’s contributions to**
3 **its pension funds should not be capitalized.**

4 A. As I previously explained, and as the OCA itself recognized in its Statement in
5 Support of Duquesne Light’s 2010, 2013 and 2018 Settlements, the pension asset
6 does not present an “expense” at all. It represents the portion of PECO’s total
7 pension cost that is *not* charged to expense. Although the non-expense portion of
8 total pension costs is capitalized per books, the Company will never be
9 compensated for that actual investment of shareholder dollars unless the pension
10 asset is included in rate base.

11 Pension costs are an employee cost – just like employee salaries and
12 wages. A portion of employee salaries and wages are capitalized (using the
13 applicable capitalization rate) and included in the original cost of utility plant in
14 service on which the Company earns a return. If the erroneous principle espoused
15 by Mr. Morgan were applied uniformly, then the portion of salaries and wages not
16 charged to expense would also have to be excluded from rate base on the
17 misguided assumption that including capitalized wages and salaries in rate base
18 would allow a utility to earn a return on “expenses.” Of course, that is contrary to
19 well-accepted accounting and ratemaking principles. The only difference
20 between the treatment of salaries and wages (i.e., including in rate base the
21 portion of total payroll not charged to expense) and the treatment of pension costs
22 is that, because actual cash contributions form the basis for pension costs charged
23 to expense, while SFAS-87-based pension costs form the basis for the pension

1 costs that are capitalized, there is a gap between the pension cost excluded from
2 operating expense and the portion of pension cost included in utility plant in
3 service. That gap goes unrecognized unless the pension asset is included in rate
4 base.

5 **25. Q. Please address Mr. Morgan's second contention, that PECO is recovering all**
6 **of its cash contributions to its pension fund through base rates.**

7 A. That contention is also incorrect. The Company's total pension contribution is
8 reduced by a capitalization rate, and only the remaining portion is charged to
9 operating expense. This is clearly shown on PECO Exhibit MJT-1, Schedule D-9
10 (p. 70). The total pro forma pension contribution for the Gas Division for the
11 FPFTY (\$4.3 million) is reduced by \$1.79 million to reflect the 41.62% of the
12 total pension contribution that is treated as capital and not charged to operating
13 expense. PECO has consistently reduced its total pension contribution by the
14 applicable capitalization rate to determine the portion charged to operating
15 expenses in prior base rate cases.

16 **26. Q. Please address Mr. Morgan's third contention, that PECO's proposal would**
17 **overstate rate base because the pension asset is not amortized.**

18 A. Rate base is not overstated. Because PECO does not recover a return of the asset
19 absent amortization, the Company only recovers a return on the actual
20 unamortized balance (i.e., the actual shareholder dollars that have not be
21 recovered as an expense and are not included in utility plant accounts). There is
22 no over-recovery. Moreover, Mr. Morgan misses the point that the pension asset
23 is not a one-way ratchet. The difference between the portion of pension costs

1 (based on actual contributions) excluded from operating expenses and the portion
2 of SFAS 87 costs capitalized to utility plant in service can increase the pension
3 asset (when actual contributions exceed SFAS 87 pension costs) or decrease the
4 pension asset (when actual contributions are less than SFAS 87 pension costs).
5 The relationship between actual contributions and SFAS 87 costs can – and has –
6 varied over time such that the pension asset can be debited or credited each year.
7 In fact, it is possible that the asset could reverse over time and become a liability
8 that would be deducted from rate base.

9 **27. Q. Please address Mr. Patel’s proposal to disallow the Company’s pension asset.**

10 A. Mr. Patel acknowledges the fundamental basis for the pension asset, namely, that
11 there is “a mismatch from an accounting perspective (use of an accrual method
12 for plant accounts and a cash contribution method for the expense account)” (I&E
13 Statement No. 1, p. 47). Notwithstanding that acknowledgment, he contends that
14 “it makes most sense for ratemaking purposes to disallow a switch in methods at
15 this point.” As alleged support for his position, Mr. Patel also contends that: “The
16 Company is earning a return over time on these monies inside the pension fund
17 after the cash contributions are made. Thus, requiring ratepayers to pay a return
18 on an inflated rate base amount would be duplicative” There are a number of
19 errors in Mr. Patel’s argument.

20 **28. Q. Please explain the errors underlying Mr. Patel’s proposed adjustment.**

21 A. First, Mr. Patel does not acknowledge the guidance that has already been provided
22 by the pension asset provisions that the Commission has approved in Duquesne’s
23 2010, 2013 and 2018 base rate cases. Those cases, which I previously explained,

1 contradict the fundamental position Mr. Patel relies upon to support his proposed
2 adjustment.

3 Second, Mr. Patel's claim that the Company is proposing a "switch in
4 methods" is not correct. PECO is proposing to continue to reflect pension
5 expense for ratemaking purposes based on its cash pension contributions and,
6 under GAAP, it must continue to determine the pension costs to be capitalized
7 based on SFAS 87 accruals.

8 Third, Mr. Patel's reference to the "return" on the amounts PECO
9 contributes to its pension fund and his claim that recognizing a pension asset
10 would be "duplicative" of that return confuses two fundamentally different things.
11 Returns earned on pension assets within the pension fund remain within the fund,
12 reduce pension contributions and costs on a going-forward basis, and, in that way,
13 benefit customers. None of the returns on the assets held within the pension fund
14 accrue to PECO, nor do they in any way compensate PECO for the costs that have
15 gone unrecognized because of the "mismatch" between calculating pension
16 expense based on pension contributions and calculating the amount of pension
17 costs capitalized based on SFAS 87. Consequently, Mr. Patel is simply wrong to
18 assert that there would be any duplication of "return" if the investor-supplied
19 funds represented by the pension asset are recognized for ratemaking purposes.

20 Finally, I want to reiterate that the calculation of the pension asset is not a
21 one-way street. As it happens, the pension fund contributions, used to calculate
22 pension expense for ratemaking, have thus far been more than the pension
23 accruals under SFAS 87, used to calculate the amount of pension costs included in

1 plant accounts. However, that relationship could change over time, and if that
2 were to occur, PECO will reflect the net cumulative pension liability as a
3 deduction from rate base for ratemaking purposes.

4 **29. Q. Please summarize your conclusions regarding the Company’s claim to**
5 **recognize its pension asset for ratemaking purposes.**

6 A. The fundamental principles and concepts on which PECO based its claim to
7 include its pension asset in rate base are sound and have been affirmed in three
8 consecutive Duquesne base rate cases. In those cases, the OCA concluded that
9 including Duquesne’s pension asset in rate base was “consistent with sound
10 ratemaking principles.” PECO has made a reasonable calculation of its pension
11 asset. Contrary to Mr. Morgan’s contentions, recognizing the pension asset in
12 rate base does not allow PECO to earn a “return” on any “expense”; the costs that
13 comprise the pension asset have not been recovered in PECO’s base rates; and
14 recognizing PECO’s actual, unamortized investment represented by its pension
15 asset does not “overstate” its rate base. Mr. Patel’s proposed adjustment ignores
16 the guidance provided by the Duquesne decisions and is based on the
17 fundamentally erroneous assumption that pension fund earnings accrue to PECO
18 and could compensate PECO for the investor-supplied funds represented by the
19 pension asset, which is clearly not the case.

1 **C. Other Operating Revenues**

2 **30. Q. Mr. Cline criticizes PECO for not reflecting the impact of the proposed rate**
3 **increase on its pro forma level of forfeited discounts (i.e., late payment**
4 **charge revenue). Please comment.**

5 A. Mr. Cline is correct that increased revenues theoretically give rise to increased
6 forfeited discounts. PECO recognized this relationship by including a forfeited
7 discount rate in the gross revenue conversion factor (“GRCF”), which is used to
8 determine the amount of revenue increase required. In PECO Statement No. 2-R,
9 Mr. Stefani explains why the Company’s forecast of revenue from forfeited
10 discounts for the FPFTY is reasonable and appropriate.

11 **D. Payroll-Related Expense**

12 **31. Q. Do you agree with Mr. Morgan’s proposed adjustment that would eliminate**
13 **recognition of the normalized one-time cash payment to union employees**
14 **made in connection with the ratification of the Company’s current collective**
15 **bargaining agreements?**

16 A. No. The Company has consistently paid a ratification bonus to union employees
17 each time it negotiates new union contracts and there is no reason to believe that
18 the PECO will depart from that practice in the FTY and FPFTY. Consistent with
19 Commission practice,³ PECO proposes to spread this expense over the average
20 length of the Company’s collective bargaining agreements (i.e., six years). Thus,

³ See James H. Cawley and Norman J. Kennard, *A Guide to Utility Ratemaking* (2018), p. 86 (quoting *Pa. P.U.C. v. York Water Co.*, 78 P.U.R. 3d 113, 132 (1968) (“Expenses that occur irregularly during an extended period years, but are certain of eventual recurrence, are a legitimate charge to ratepayers. Therefore, spreading of this expense over years of recurrence is logical.”))

1 Mr. Morgan's proposal to disallow costs related to the union contract ratification
2 bonus that PECO incurs on a recurring basis should be rejected.

3 **E. Rate Case Expense Normalization**

4 **32. Q. Has any party proposed an adjustment to the Company claim for normalized**
5 **rate case expense?**

6 A. Yes. Both I&E witness Patel and OCA witness Morgan have proposed an
7 adjustment to reduce the Company's claim for normalized rate case expense by
8 approximately \$208,000 based on their recommendation that a normalization
9 period of five years be used in lieu of the three-year normalization period the
10 Company employed. Both witnesses based their proposed five-year
11 normalization period on an average of the historical interval between the filing of
12 the Company's 2008 and 2010 rate cases (two years) and between its 2010 and
13 current base rate cases (ten years).

14 **33. Q. Is it reasonable to impose a five-year normalization period?**

15 A. No. PECO projects that it will need to file another rate case in three years, which
16 formed the basis for the three-year normalization period the Company used in this
17 case. Assuming a longer filing interval, as Messrs. Patel and Morgan do, is
18 entirely at odds with Mr. Stefani's testimony (PECO Statement No. 2, p. 3) that
19 PECO needs to invest approximately \$1.2 billion in new and replacement gas
20 utility plant between July 1, 2020 and June 30, 2024. With that level of
21 investment and even marginal year-over-year increases in operating and
22 maintenance expenses, it is not reasonable to assume that PECO could delay a
23 subsequent base rate filing for five years.

1 Additionally, Mr. Patel’s and Mr. Morgan’s reliance on historical rate case
2 filing intervals to dictate the normalization period to be used in this case is
3 contrary to the Commission’s most recent statement of its policy and practice on
4 this issue. First, in PPL’s 2012 rate case, the Commission made it clear that rate
5 case normalization periods should not be backward looking, as I&E and the OCA
6 seem to be proposing, but, instead, should reflect “future expectations.” In that
7 case, the Commission stated: “As previously discussed, this proceeding is
8 premised upon a FTY and, based on that criterion, certain expenses may be now
9 based on future expectations. We believe the normalization period for rate case
10 expense is one of those expenses.”⁴ The Commission affirmed that practice for
11 determining the normalization period for rate case expense in UGI Utilities, Inc. –
12 Electric Division’s 2017 litigated base rate proceeding.⁵ The Company’s
13 proposed three-year normalization period for rate case expense is consistent with
14 the Commission’s decisions in PPL’s 2012 base rate case and UGI Electric’s 2017
15 base rate case.

16 **F. Regulatory Initiatives**

17 **34. Q. Please describe and respond to Mr. Patel’s proposed adjustment to the**
18 **Company’s claim to amortize the expenses incurred to implement various**
19 **regulatory initiatives.**

20 A. Mr. Patel does not disagree that the expenses are proper and recoverable. He

⁴ *Pa. P.U.C. v. PPL Electric Utilities Corporation*, Docket No. R-2012-2290597 (Final Order entered December 28, 2012), pp. 47-48.

⁵ *See Pa. P.U.C. v. UGI Utilities, Inc. – Electric Division*, Docket No. R-2017-2640058 (Opinion and Order entered Oct. 25, 2018), pp. 59-60.

1 proposes an adjustment to increase the period over which these expenses are to be
2 amortized for ratemaking purposes from three years, as the Company proposed, to
3 five years. That change would reduce the annual amortization amount included in
4 operating expenses in this case by \$301,400. The only reason Mr. Patel offered
5 for lengthening the amortization period is that doing so would be consistent with
6 his recommendation to normalize rate case expense over five years.

7 For reasons I explained previously, a five-year normalization of rate case
8 expense is unreasonable, contrary to the Commission's most recent decision on
9 that issue and should be rejected. A three-year normalization of rate case expense
10 is reasonable and should be adopted. Accordingly, Mr. Patel's proposed
11 adjustment to require a five-year amortization of regulatory initiative expenses to
12 maintain consistency with his recommendation for rate case normalization is
13 flawed and should be rejected.

14 **35. Q. Are operating expenses related to the Company's initiative to establish a Gas**
15 **Purchase Clause ("GPC") and Merchant Function Charge ("MFC")**
16 **pursuant to the Commission-approved settlement ("Unbundling Settlement")**
17 **of PECO's natural gas unbundling rate proceeding at Docket No. P-2012-**
18 **2328614 properly recoverable in this case?**

19 A. Yes. As Mr. Morgan recognizes (OCA Statement No. 2, p. 32), Paragraph 39 of
20 the Gas Unbundling Settlement expressly authorized PECO to defer costs
21 associated with system changes necessary to establish and implement the GPC
22 and MFC, including information technology ("IT") programming costs, and to
23 seek recovery in the Company's next rate case. In addition to capitalized software

1 costs, PECO incurred \$20,570 in operating expenses related to system changes
2 necessary to implement the GPC and MFC, including design, project management
3 and training costs. Mr. Morgan’s proposed adjustment that would not recognize
4 those IT-related operating expenses is inconsistent with the Gas Unbundling
5 Settlement and should be rejected.

6 **G. Manufactured Gas Plant (“MGP”) Remediation Expense**

7 **36. Q. Please describe the adjustments to PECO’s claim for costs to remediate**
8 **former MGP sites that the Company will not have recovered in its current**
9 **rates as of June 30, 2021 proposed by Mr. Morgan.**

10 A. While Mr. Morgan does not take issue with PECO’s estimated unrecovered MGP
11 remediation liability (\$7.2 million), he proposes an adjustment to increase the
12 period over which these expenses are to be amortized for ratemaking purposes
13 from nine years, as the Company proposed, to fourteen years. That change would
14 reduce the annual amortization amount included in operating expenses in this case
15 by \$287,000. Mr. Morgan also recommends that PECO be required to impute
16 carrying costs on \$14.3 million of MGP remediation expenses that he alleges
17 PECO “pre-collected” through base rates.

18 **37. Q. Is it reasonable to impose a 14-year amortization period for unrecovered**
19 **MGP remediation expenses?**

20 A. No. The 2010 rate case settlement provides that the Company’s reset of its MGP
21 remediation expense allowance would be based on a normalized annual level of
22 MGP remediation costs that PECO will incur over the remainder of its
23 remediation program. In light of the estimated dates of completion for all of the

1 MGP projects, PECO believes that nine years remains a reasonable amortization
2 period.

3 **38. Q. Please explain why Mr. Morgan’s contention that PECO’s has “over-**
4 **collected” MGP remediation costs is incorrect.**

5 A. As a threshold matter, PECO has not “over-collected” funds for MGP
6 remediation; the MGP funds PECO has received from customers have been and
7 will be spent on MGP projects. However, PECO does agree to pay interest on the
8 monthly balance of MGP funds that are not yet spent on remediation activities at
9 the residential mortgage lending rate specified by the Secretary of the
10 Pennsylvania Department of Banking and Securities after July 1, 2021, when new
11 rates will take effect. This interest will accrue and be applied to reduce revenue
12 requirements in PECO’s next gas base rate proceeding.

13 **IV. CONCLUSION**

14 **39. Q. Does this complete your rebuttal testimony at this time?**

15 A. Yes, it does.
16

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 A-1 Overall Summary

PECO Exhibit MJT-1 Revised
 Schedule A-1
 Witness: Michael J. Trzaska
 Page 1 of 94

UPDATE 1-19-2021

(4) R-2020-3018929
 2/17/21 JK

Line No.	Description	Reference	Present Rates	Revenue Increase	Total
1	MEASURE OF VALUE				
2	Utility Plant	C-2	\$3,537,669		\$3,537,669
3	Accumulated Depreciation	C-3	892,383		892,383
4	Common Plant - Net of Accum Depr	C-8	136,770		136,770
5	Net Plant in service	L2 - L3 + L4	\$2,782,056		\$2,782,056
6					
7	Working Capital	C-1	\$3,437		\$3,437
8	Pension Assets / (Liability)	C-1	35,059		35,059
9	Accum Deferred Income Taxes	C-1	(247,620)		(247,620)
10	Customer Deposits	C-1	(13,400)		(13,400)
11	Customer Advances for Construction	C-1	(1,255)		(1,255)
12	Materials and Supplies	C-1	444		444
13	Accum Deferred Income Taxes - Reg Liability	C-1	(126,322)		(126,322)
14	Gas Storage	C-1	31,156		31,156
15					
16	TOTAL RATE BASE	SUM L5 to L14	\$2,463,555		\$2,463,555
17					
18	OPERATING REVENUES AND EXPENSES				
19	Base Customer Charges	D-5	\$361,576	\$66,194	\$427,770
20	Supply Cost Revenue	D-5	226,900		226,900
21	Other Operating Revenues	D-5	1,538	85	1,624
22	Total Revenues	SUM L19 to L21	\$590,014	\$66,279	\$656,293
23					
24	Operating Expenses	D-1	\$466,639	\$434	\$467,073
25					
26	OIBIT	L22 - L24	\$123,375	\$65,845	\$189,221
27					
28	Income Taxes @ Eff Inc Tax Rate	D-18	\$18,019		\$18,019
29	Income Taxes @ Statutory Rates	D-18		(19,024)	(19,024)
30					
31	NET OPERATING INCOME	SUM L26 to L29	\$141,394	\$46,821	\$188,216
32					
33	RATE OF RETURN	L31 / L16	5.74%		7.64%
34					
35	REVENUE INCREASE REQUIRED				
36	Rate of Return at Present Rates	L33	5.74%		
37					
38	Rate of Return Required	B-7	7.64%		
39					
40	Change in ROR	L38 - L36	1.90%		
41					
42	Change in Operating Income	L16 * L40	\$46,821		
43					
44	Gross Revenue Conversion Factor	D-19	1.414		
45					
46	Change in Revenues	L42 * L44	\$66,194		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-1 Balance Sheet

PECO Exhibit MJT-1 Revised
 Schedule B-1
 Witness: Michael J. Trzaska
 Page 2 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	<u>Utility Plant</u>		
2	Utility Plant (101-106, 108, 114)		\$15,288,380
3	Construction Work In Progress (107)		497,304
4	Total Utility Plant	SUM L1 to L2	\$15,785,685
5	Less: Accum. Prov. for Depr. and Amort. (108, 110, 111, 115)		4,516,590
6	Net Utility Plant	L4 - L5	\$11,269,095
7			
8	<u>Other Property and Investments</u>		
9	Non-utility Property (121)		\$10,976
10	Less: Accum. Prov. for Depr. and Amort. (122)		1,992
11	Invest in Assoc Company (123)		8,083
12	Other Investments (124-129, 175-176)		20,639
13	Total Other Property and Investments	SUM L9 to L12	\$37,706
14			
15	<u>Current and Accrued Assets</u>		
16	Cash & Other Temporary Investments(131-136)		\$562,774
17	Customer Accounts Receivable (142)		353,689
18	Other Accounts Receivable (143)		41,158
19	Accum. Prov. for Uncollectible (144)		(78,539)
20	Accounts Receivable Assoc. Comp. (146)		0
21	Fuel Stock (151)		18,635
22	Plant Materials & Supplies (154)		37,075
23	Prepayments (165)		90,327
24	Accrued Utility Revenues (173)		127,400
25	Miscellaneous Current & Accrued Assets (174)		43,282
26	Total Current and Accrued Assets	SUM L16 to L25	\$1,195,801
27			
28	<u>Deferred Debits</u>		
29	Unamortized Debt Expense (181)		\$34,698
30	Other Regulatory Assets (182.3)		864,334
31	Miscellaneous Deferred Debits (186)		554,915
32	Unamortized Loss on Reacquired Debt (189)		681
33	Accumulated Deferred Income Taxes (190)		201,772
34	Total Deferred Debits	SUM L29 to L33	\$1,656,401
35			
36	Total Assets	L6 + L13 + L26 + L34	<u>\$14,159,002</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-1 Balance Sheet

PECO Exhibit MJT-1 Revised
 Schedule B-1
 Witness: Michael J. Trzaska
 Page 3 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
37	<u>Proprietary Capital</u>		
38	Common Stock Issued (201)		\$1,423,004
39	Preferred Stock Issued (204)		
40	Other Paid-In Capital (208-211)		2,200,105
41	Capital Stock Expense (214)		(87)
42	Retained Earnings (215, 215.2, 216)		1,766,462
43	Unappropriated Undistributed Subsidiary Earnings (216.1)		
44	Accum Other Comprehensive Income (219)		
45	Total Propriety Capital & Margins	SUM L38 to L44	\$5,389,485
46			
47	<u>Long Term Debt</u>		
48	Bonds (221)		\$4,525,000
49	Advances from Associated Companies (223)		184,419
50	Other Long-Term Debt (224)		
51	Unamortized Premium on LTD (225)		
52	Unamortized Discount on LTD (226)		(18,967)
53	Total Long-Term Debt	SUM L48 to L52	\$4,690,452
54			
55	<u>Other Non-Current Liabilities</u>		
56	Obligations under Capital Leases (227)		
57	Accum. Prov for Injuries & Damages (228.2)		\$39,510
58	Accum. Prov for Pensions & Benefits (228.3)		304,232
59	Accum. Miscellaneous Operating Prov (228.4)		15,766
60	Asset Retirement Obligation (230)		26,379
61	Total Other Non-Current Liabilities	SUM L56 to L60	\$385,887
62			
63	<u>Current and Accrued Liabilities</u>		
64	Notes Payable (231)		
65	Accounts Payable (232)		\$552,862
66	Notes Payable to Assoc. Companies (233)		
67	Accounts Payable to Assoc. Companies (234)		13,673
68	Customer Deposits (235)		67,274
69	Taxes Accrued (236)		63,476
70	Interest Accrued (237)		46,551
71	Dividends Declared (238)		0
72	Tax Collections Payable (241)		(33)
73	Misc Current & Accrued Liabilities (242)		171,861
74	Total Current & Accrued Liabilities	SUM L64 to L73	\$915,664
75			
76	<u>Other Deferred Credits</u>		
77	Customer Advances for Construction (252)		\$2,928
78	Other Deferred Credits (253)		13,208
79	Other Regulatory Liabilities (254)		148,207
80	Deferred Investment Tax Credit (255)		404
81	Unamortized Gain on Reacquired Debt (257)		
82	Accumulated Deferred Income Taxes (281-283)		2,612,768
83	Total Other Deferred Credits	SUM L77 to L82	\$2,777,515
84			
85	Total Liabilities and Other Credits	L45 + L53 + L61 + L74 + L83	\$14,159,002

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Summary

PECO Exhibit MJT-1 Revised
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 4 of 94

Line No.	Category	Description	(1) FPFTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
1	Total Operating Revenues	Customer & Distribution Revenues	\$360,096		\$360,096
2		Gas Cost Revenue	226,900		226,900
3		Other Operating Revenues	4,761		4,761
4		Total Operating Revenues	\$591,757		\$591,757
5					
6	Total Operating Expenses	Operation & Maintenance Expenses	\$365,365		\$365,365
7		Depreciation & Amortization Expense	80,695		80,695
8		Amortization of Regulatory Expense	2,652		2,652
9		Taxes Other Than Income Taxes - Other	7,481		7,481
10		Total Operating Expenses	\$456,194		\$456,194
11					
12	Net Utility Operating Income Before Income Tax		\$135,563		\$135,563

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Detail

PECO Exhibit MJT-1 Revised
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 5 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FPFTY Amount	Non-Jurisdictional	Jurisdictional
1	Operating Revenues	Customer & Distribution Revenues	Residential	480.0	\$233,202		\$233,202
2			C & I	481.0	101,067		101,067
3			Transportation of Gas of Others	489.3	25,827		25,827
4			Subtotal		\$360,096		\$360,096
5							
6	Gas Cost Revenue		Residential	480.0	\$167,080		\$167,080
7			C & I	481.0	59,819		59,819
8			Interdepartmental	484.0			
9			Subtotal		\$226,900		\$226,900
10							
11	Other Operating Revenues		Sales For Resale	483.0	\$3,223		\$3,223
12			Forfeited Discounts	487.0	838		838
13			Miscellaneous Service Revenues	488.0	10		10
14			Rent for Gas Property	493.0			
15			Interdepartmental Rents	494.0	691		691
16			Other Gas Revenues	495.0			
17			Subtotal		\$4,761		\$4,761
18							
19			Total Operating Revenues		\$591,757		\$591,757
20							
21	Operating Expenses	Operation & Maintenance Expenses	Manufactured Gas Production	710.0	\$0		\$0
22			Liquefied Petroleum Gas Expenses	717.0	79		79
23			Liquefied Petroleum Gas Expenses	728.0			
24			Maintenance of Structures and Improvements	741.0	53		53
25			Maintenance of Production Equipment	742.0	131		131
26			Natural Gas City Gate Purchases	804.0	228,998		228,998
27			Other Gas Purchases	805.0			
28			Purchases Gas Cost Adjustments	805.1			
29			Purchased Gas Expenses	807.0			
30			Gas Withdrawn from Storage-Debit	808.1			
31			Gas Delivered to Storage-Credit	808.2			
32			Other Gas Supply Purchases	813.0			
33			Other Expenses	824.0			
34			Operating Supervision and Engineering	840.0	250		250

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Detail

PECO Exhibit MJT-1 Revised
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 6 of 94

Line No.	Category	Description	Description	Account	(1) FPFTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
35			Operation Labor and Expenses	841.0	806		806
36			Maintenance Supervision and Engineering	843.1	1,042		1,042
37			Maintenance of Structures and Improvements	843.2	3,344		3,344
38			Operation Supervision and Engineering	870.0	1,094		1,094
39			Mains and Services Expenses	874.0	16,860		16,860
40			Measuring and Regulating Station Expenses-General	875.0	1,023		1,023
41			Measuring and Regulating Station Expenses-City Gate	877.0	1		1
42			Meter and House Regulator Expenses	878.0	5,958		5,958
43			Customer Installations Expenses	879.0	5,095		5,095
44			Other Expenses	880.0	13,434		13,434
45			Rents	881.0	32		32
46			Maintenance of Mains	887.0	17,341		17,341
47			Maintenance of Measuring & Reg. Station Equip.-Genl.	889.0	1,006		1,006
48			Maintenance of Services	892.0	1,433		1,433
49			Maintenance of Meters & House Regulators	893.0	413		413
50			Maintenance of Other Equipment	894.0	877		877
51			Meter Reading	902.0	199		199
52			Customer Records and Collection	903.0	14,622		14,622
53			Uncollectible Accounts	904.0	2,718		2,718
54			Miscellaneous Customer Accounts	905.0	1,013		1,013
55			Customer Assistance	908.0	5,246		5,246
56			Informational & Instructional	909.0	309		309
57			Miscellaneous Customer & Informational	910.0			
58			Demonstrating & Selling	912.0	2,803		2,803
59			Miscellaneous Sales	916.0			
60			Administrative and General Salaries	920.0	9,135		9,135
61			Office Supplies and Expenses	921.0	1,454		1,454
62			Administrative Expenses Transferred-Credit	922.0			
63			Outside Service Employed	923.0	16,571		16,571
64			Property Insurance	924.0	75		75
65			Franchise Requirements	925.0	271		271
66			Employee Pensions and Benefits	926.0	7,719		7,719
67			Regulatory Commission Expenses	928.0	2,197		2,197
68			Duplicate Charges-Credit	929.0			

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Detail

PECO Exhibit MJT-1 Revised
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 7 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FPFTY Amount	Non-Jurisdictional	Jurisdictional
69			Miscellaneous General Expenses	930.2	545		545
70			Maintenance of General Plant	932.0	1,219		1,219
71				Subtotal	\$365,365		\$365,365
72							
73			Depreciation & Amortization Expense	403.0	\$71,048		\$71,048
74				403.1			
75				404.0	9,647		9,647
76				Subtotal	\$80,695		\$80,695
77							
78			Amortization of Regulatory Expense	407.3	\$2,652		\$2,652
79				Subtotal	\$2,652		\$2,652
80							
81			Taxes Other Than Income Taxes - Other	408.1	\$7,481		\$7,481
82				Subtotal	\$7,481		\$7,481
83							
84				Total Operating Expenses	\$456,194		\$456,194
85							
86				Net Utility Operating Income Before Income Tax	\$135,563		135,563

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-4 O + M Expenses

(1) (2) (3)

Line No.	Category	Description	Description	Account	Budget FPFTY	Non-Jurisdictional	Jurisdictional
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	Manufactured Gas Production		710.0	\$0	\$0
2			Liquefied Petroleum Gas Expenses		717.0	79	79
3			Maintenance of Structures and Improvements		741.0	53	53
4			Maintenance of Production Equipment		742.0	131	131
5				SUM L1 to L4	\$263		\$263
6							
7	GAS RAW MATERIALS	Gas Raw Materials	Liquefied Petroleum Gas Expenses		728.0		
8							
9	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	Natural Gas City Gate Purchases		804.0	\$228,998	\$228,998
10			Other Gas Purchases		805.0		
11			Purchases Gas Cost Adjustments		805.1		
12			Purchased Gas Expenses		807.0		
13			Gas Withdrawn from Storage-Debit		808.1		
14			Gas Delivered to Storage-Credit		808.2		
15			Other Gas Supply Purchases		813.0		
16				SUM L9 to L15	\$228,998		\$228,998
17							
18	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	Other Expenses		824.0		
19							
20	STORAGE EXPENSE	Storage Operations Expense	Operating Supervision and Engineering		840.0	\$250	\$250
21			Operation Labor and Expenses		841.0	806	806
22				SUM L20 to L21	\$1,056		\$1,056
23							
24		Storage Maintenance Expense	Maintenance Supervision and Engineering		843.1	\$1,042	\$1,042
25			Maintenance of Structures and Improvements		843.2	3,344	3,344
26				SUM L24 to L25	\$4,386		\$4,386
27							
28			Subtotal STORAGE EXPENSE	L22 + L26	\$5,441		\$5,441
29							
30	DISTRIBUTION EXPENSE	Distribution Operations	Operation Supervision and Engineering		870.0	\$1,094	\$1,094
31			Mains and Services Expenses		874.0	16,860	16,860
32			Measuring and Regulating Station Expenses-General		875.0	1,023	1,023
33			Measuring and Regulating Station Expenses-City Gate		877.0	1	1
34			Meter and House Regulator Expenses		878.0	5,958	5,958
35			Customer Installations Expenses		879.0	5,095	5,095
36			Other Expenses		880.0	13,434	13,434
37			Rents		881.0	32	32
38				SUM L30 to L37	\$43,497		\$43,497
39							
40		Distribution Maintenance	Maintenance of Mains		887.0	\$17,341	\$17,341
41			Maintenance of Measuring & Reg. Station Equip.-Genl.		889.0	1,006	1,006
42			Maintenance of Services		892.0	1,433	1,433
43			Maintenance of Meters & House Regulators		893.0	413	413

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-4 O + M Expenses

PECO Exhibit MJT-1 Revised
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 10 of 94

(1) (2) (3)

Line No.	Category	Description	Description	Account	Budget FPFTY	Non-Jurisdictional	Jurisdictional
44			Maintenance of Other Equipment		894.0	877	877
45				SUM L40 to L44	\$21,070		\$21,070
46							
47			Subtotal DISTRIBUTION EXPENSE	L38 + L45	\$64,567		\$64,567
48							
49	CUSTOMER ACCOUNTS	Customer Accounts	Meter Reading		902.0	\$199	\$199
50			Customer Records and Collection		903.0	14,622	14,622
51			Uncollectible Accounts		904.0	2,718	2,718
52			Miscellaneous Customer Accounts		905.0	1,013	1,013
53			Subtotal CUSTOMER ACCOUNTS	SUM L49 to L52	\$18,552		\$18,552
54							
55	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	Customer Assistance		908.0	\$5,246	\$5,246
56			Informational & Instructional		909.0	309	309
57			Miscellaneous Customer & Informational		910.0		
58			Subtotal CUSTOMER SERVICE & INFORMATION	SUM L55 to L57	\$5,555		\$5,555
59							
60	SALES	Sales	Demonstrating & Selling		912.0	\$2,803	\$2,803
61			Miscellaneous Sales		916.0		
62			Subtotal SALES	SUM L60 to L61	\$2,803		\$2,803
63							
64	ADMINISTRATION & GENERAL	A&G Operations	Administrative and General Salaries		920.0	\$9,135	\$9,135
65			Office Supplies and Expenses		921.0	1,454	1,454
66			Administrative Expenses Transferred-Credit		922.0		
67			Outside Service Employed		923.0	16,571	16,571
68			Property Insurance		924.0	75	75
69			Franchise Requirements		925.0	271	271
70			Employee Pensions and Benefits		926.0	7,719	7,719
71			Regulatory Commission Expenses		928.0	2,197	2,197
72			Duplicate Charges-Credit		929.0		
73			Miscellaneous General Expenses		930.2	545	545
74				SUM L64 to L73	\$37,967		\$37,967
75							
76		A&G Maintenance	Maintenance of General Plant		932.0	\$1,219	\$1,219
77							
78			Subtotal ADMINISTRATION & GENERAL	L74 + L76	\$39,186		\$39,186
79							
80			Total	L5+L28+L47+L53+L58+L62+L78	\$365,365		\$365,365
81							
82			Total Operations Expense		\$338,690		\$338,690
83			Total Maintenance Expense		26,675		26,675
84			Total O&M Expense	L82 + L83	\$365,365		\$365,365

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-5 Taxes Detail

PECO Exhibit MJT-1 Revised
 Schedule B-5
 Witness: Michael J. Trzaska
 Page 11 of 94

(1)

(2)

Line No.	Description	Total	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,050	\$2,050
2	Capital Stock & Franchise Tax		
3	Use Tax Accrued	152	152
4	Real Estate Tax Accrual	1,568	1,568
5	Miscellaneous TOTI		
6	Payroll Tax Accrued	3,711	3,776
7	Total	\$7,481	\$7,545

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 B-6 Cost of Long Term Debt

UPDATE 1-19-2021

Line No.	Type of Bond Issue	Bond Issue	Reference	Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate	Annualized Cost
1	First & Refunding Mortgage Bonds - Fixed Rate	PECO - FMB - \$350 - 2.375% - Due 9-15-2022		\$350,000		2.47%		
2					7.43%		0.18%	
3		PECO - FMB - \$350 - 3.15% - Due 10-15-2025		350,000		3.29%		
4					7.43%		0.24%	
5		PECO - FMB - \$75 - 5.90% - Due 5-1-2034		75,000		6.00%		
6					1.59%		0.10%	
7		PECO - FMB - \$300 - 5.95% - Due 10-1-2036		300,000		6.04%		
8					6.37%		0.38%	
9		PECO - FMB - \$175 - 5.70% - Due 3-15-2037		175,000		5.81%		
10					3.72%		0.22%	
11		PECO - FMB - \$250 - 4.80% - Due 10-15-2043		250,000		4.89%		
12					5.31%		0.26%	
13		PECO - FMB - \$300 - 4.15% - Due 10-1-2044		300,000		4.23%		
14					6.37%		0.27%	
15		PECO - FMB - \$325 - 3.70% - Due 9-15-2047		325,000		3.77%		
16					6.90%		0.26%	
17		PECO - FMB - \$650 - 3.90% - Due 3-1-2048		650,000		4.08%		
18					13.80%		0.56%	
19		PECO - FMB - \$325 - 3.00% - Due 9-15-2049		325,000		3.10%		
20					6.90%		0.21%	
21		PECO - FMB - \$50 - 2.00% - Due 6-20-2023		50,000		2.27%		
22					1.06%		0.02%	
23		PECO - FMB - \$350 - 2.80% - Due 6-15-2050		350,000		2.86%		
24					7.43%		0.21%	
25		PECO - FMB - \$300 - 2.80% - Due 3-1-2051		300,000		2.90%		
26					6.37%		0.18%	
27		PECO - FMB - \$375 - 2.80% - Due 9-1-2051		375,000		2.90%		
28					7.96%		0.23%	
29		PECO - FMB - \$350 - 2.90% - Due 3-1-2052		350,000		3.00%		
30					7.43%		0.22%	
31		Sub-Total Mortgage Bonds	SUM L1 to L30	\$4,525,000	96.08%		3.54%	
32								
33	Trust Preferred Capital Securities	PECO - TOPRS - \$80.5 - 7.38% - Due 4-6-2028		\$80,521		7.46%		
34					1.71%		0.13%	
35		PECO - TOPRS - \$0.8 - Var (5.25%) - Due 4-6-2028		805		5.25%		
36					0.02%			
37		PECO - TOPRS - \$103 - 5.75% - Due 6-15-2033		103,093		5.88%		
38					2.19%		0.13%	
39								
40		Sub-Total Capital Securities	SUM L33 to L38	\$184,419	3.92%		0.26%	
41								
42		Total Long-Term Debt	L31 + L40	\$4,709,419	100.00%		3.80%	
43								
44		Adjustments for Tenders & Calls		(2,214)				
45								
46		Net Long-Term Debt	L42 + L44	\$4,707,205				
47								
48		Annualized Cost		178,958				
49								
50		Adjustment for Tenders & Calls Reacquired		1,584				
51								
52		Total	L48 + L50	\$180,542			3.84%	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-7 Rate of Return

PECO Exhibit MJT-1 Revised
 Schedule B-7
 Witness: Michael J. Trzaska
 Page 13 of 94

UPDATE 1-19-2021

		(1)	(2)	(3)	(4)
Line No.	Description	Capitalization	Capitalization Ratio	Embedded Cost	Return %
1					
2	Long-Term Debt	\$4,707,205	46.62%	3.84%	1.79%
3					
4	Common Equity	5,389,485	53.38%	10.95%	5.85%
5					
6	Total	\$10,096,690	100.00%		7.64%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-1 Measures of Value

PECO Exhibit MJT-1 Revised
 Schedule C-1
 Witness: Michael J. Trzaska
 Page 14 of 94

UPDATE 1-19-2021

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	FPFTY Amount	Non-Jurisdictional	Jurisdictional
1	Utility Plant	C-2	\$3,537,669		\$3,537,669
2	Accumulated Depreciation	C-3	892,383		892,383
3	Common Plant	C-8	136,770		136,770
4	Net Plant in Service	L1 - L2 + L3	\$2,782,056		\$2,782,056
5					
6	Working Capital	C-4	\$3,437		\$3,437
7	Pension Assets / (Liabilities)	C-5	35,059		35,059
8	Accumulated Deferred Income Taxes	C-6	(247,620)		(247,620)
9	Customer Deposits	C-7	(13,400)		(13,400)
10	Customer Advances for Construction	C-9	(1,255)		(1,255)
11	Material & Supplies	C-11	444		444
12	ADIT - Reg Liability	C-12	(126,322)		(126,322)
13	Gas Storage	C-13	31,156		31,156
14	Total Measures of Value	SUM L4 to L13	\$2,463,555		\$2,463,555

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Utility Plant

PECO Exhibit MJT-1 Revised
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 15 of 94

			(1)	(2)	(3)	(4)
Line No.	Category	Account	Reference	FPFTY Amount	Non-Jurisdictional	Jurisdictional
1	Intangible Plant	G302 - Franchises & Consents		\$50		\$50
2		G303 - Intangible Property		18,179		18,179
3		Subtotal	SUM L1 to L2	\$18,229		\$18,229
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$1,206		\$1,206
6		G311 - Liquefied Petroleum Gas Equip.		14,334		14,334
7		Subtotal	SUM L5 to L6	\$15,539		\$15,539
8						
9	Other Storage Plant	G360 - Land and Land Rights		\$16		\$16
10		G361 - Structures & Improvements		14,919		14,919
11		G362 - Gas Holders		7,084		7,084
12		G363 - Gas Storage Equipment		50,409		50,409
13		Subtotal	SUM L9 to L12	\$72,428		\$72,428
14						
15	Distribution Plant	G374 - Land and Land Rights		\$3,637		\$3,637
16		G375 - Structures and Improvements		15,745		15,745
17		G376 - Gas Mains		1,771,990		1,771,990
18		G378 - Measure & Regulate Sta Equip		24,652		24,652
19		G379 - City Gate Station		77,160		77,160
20		G380 - Services		1,111,048		1,111,048
21		G381 - Meters		164,090		164,090
22		G382 - Meter Installations		221,083		221,083
23		G387 - Other Equipment		2,118		2,118
24		G388 - ARO Costs Distribution Plt		1,454		1,454
25		Subtotal	SUM L15 to L24	\$3,392,977		\$3,392,977
26						
27	General Plant	G390 - Structures & Improvements		\$10,387		\$10,387
28		G391 - Office Furniture & Equipment		6,858		6,858
29		G394 - Tools, Shop & Garage Equip		16,155		16,155
30		G397 - Communication Equipment		4,872		4,872
31		G398 - Miscellaneous Equipment		107		107
32		G399.1 - ARO Costs General Plt		116		116
33		Subtotal	SUM L27 to L32	\$38,495		\$38,495
34						
35		Total	Lines 3+7+13+25+33	\$3,537,669		\$3,537,669

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Additions to Plant

PECO Exhibit MJT-1 Revised
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 16 of 94

(1)

Line No.	Category	Account	Additions to Plant
1	<u>Intangible Plant</u>	G303 - Intangible Property	
2		Subtotal Intangible Plant	
3			
4	<u>Manufactured Gas Production Plant</u>	G305 - Structures and Improvements	
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	
7			
8	<u>Other Storage Plant</u>	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	\$67
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	6,976
12		Subtotal Other Storage Plant	\$7,043
13			
14	<u>Distribution Plant</u>	G374 - Land and Land Rights	\$64
15		G375 - Structures and Improvements	758
16		G376 - Gas Mains	163,893
17		G378 - Measure & Regulate Station Equipment	2,402
18		G379 - City Gate Station	10,041
19		G380 - Services	109,982
20		G381 - Meters	5,979
21		G382 - Meter Installations	16,810
22		G387 - Other Equipment	
23		Subtotal Distribution Plant	\$309,929
24			
25	<u>General Plant</u>	G390 - Structures & Improvements	\$1,071
26		G391 - Office Furniture & Equipment	1,782
27		G394 - Tools, Shop & Garage Equipment	2,168
28		G397 - Communication Equipment	153
29		G398 - Miscellaneous Equipment	
30		Subtotal General Plant	\$5,174
31			
32		Total	\$322,146

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Plant Retirements

PECO Exhibit MJT-1 Revised
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 17 of 94

(1)

Line No.	Category	Account	Plant Retirements
1	<u>Intangible Plant</u>	G303 - Intangible Property	(\$307)
2		Subtotal Intangible Plant	(\$307)
3			
4	<u>Manufactured Gas Production Plant</u>	G305 - Structures and Improvements	(10)
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	(\$10)
7			
8	<u>Other Storage Plant</u>	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	(\$30)
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	(1,086)
12		Subtotal Other Storage Plant	(\$1,117)
13			
14	<u>Distribution Plant</u>	G374 - Land and Land Rights	(\$143)
15		G375 - Structures and Improvements	(18)
16		G376 - Gas Mains	(6,218)
17		G378 - Measure & Regulate Station Equipment	(73)
18		G379 - City Gate Station	(16)
19		G380 - Services	(7,417)
20		G381 - Meters	(311)
21		G382 - Meter Installations	(723)
22		G388 - ARO Costs Distribution Plant	(2)
23		Subtotal Distribution Plant	(\$14,922)
24			
25	<u>General Plant</u>	G390 - Structures & Improvements	(\$6)
26		G391 - Office Furniture & Equipment	(22)
27		G394 - Tools, Shop & Garage Equipment	(168)
28		G397 - Communication Equipment	(20)
29		G398 - Miscellaneous Equipment	(12)
30		G399.1 - ARO Costs General Plant	(7)
31		Subtotal General Plant	(\$235)
32			
33		Total	(\$16,592)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

PECO Exhibit MJT-1 Revised
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 18 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Account	FPFTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents	\$50	100.00%	\$50	100.00%	\$50	
2			\$50		\$50		\$50	
3								
4		G303 - Intangible Property	18,179	100.00%	18,179	100.00%	18,179	
5			\$18,179		\$18,179		\$18,179	
6								
7		Subtotal	\$18,229		\$18,229		\$18,229	
8								
9	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$1,206	100.00%	\$1,206	100.00%	\$1,206	
10			\$1,206		\$1,206		\$1,206	
11								
12		G311 - Liquefied Petroleum Gas Equip	\$14,334	100.00%	\$14,334	100.00%	\$14,334	
13			\$14,334		\$14,334		\$14,334	
14								
15		Subtotal	\$15,539		\$15,539		\$15,539	
16								
17	Other Storage Plant	G360 - Land and Land Rights	\$16	100.00%	\$16	100.00%	\$16	
18			\$16		\$16		\$16	
19								
20		G361 - Structures & Improvements	\$14,919	100.00%	\$14,919	100.00%	\$14,919	
21			\$14,919		\$14,919		\$14,919	
22								
23		G362 - Gas Holders	\$7,084	100.00%	\$7,084	100.00%	\$7,084	
24			\$7,084		\$7,084		\$7,084	
25								
26		G363 - Gas Storage Equipment	\$50,409	100.00%	\$50,409	100.00%	\$50,409	
27			\$50,409		\$50,409		\$50,409	
28								
29		Subtotal	\$72,428		\$72,428		\$72,428	
30								
31	Distribution Plant	G374 - Land and Land Rights	\$3,637	100.00%	\$3,637	100.00%	\$3,637	
32			\$3,637		\$3,637		\$3,637	
33								
34		G375 - Structures and Improvements	\$15,745	100.00%	\$15,745	100.00%	\$15,745	
35			\$15,745		\$15,745		\$15,745	
36								
37		G376 - Gas Mains	\$1,771,990	100.00%	\$1,771,990	100.00%	\$1,771,990	
38			\$1,771,990		\$1,771,990		\$1,771,990	
39								
40		G378 - Measure & Regulate Sta Equip	\$24,652	100.00%	\$24,652	100.00%	\$24,652	
41			\$24,652		\$24,652		\$24,652	
42								
43		G379 - City Gate Station	\$77,160	100.00%	\$77,160	100.00%	\$77,160	
44			\$77,160		\$77,160		\$77,160	
45								
46		G380 - Services	\$1,111,048	100.00%	\$1,111,048	100.00%	\$1,111,048	
47			\$1,111,048		\$1,111,048		\$1,111,048	
48								
49		G381 - Meters	\$164,090	100.00%	\$164,090	100.00%	\$164,090	
50			\$164,090		\$164,090		\$164,090	
51								
52		G382 - Meter Installations	\$221,083	100.00%	\$221,083	100.00%	\$221,083	
53			\$221,083		\$221,083		\$221,083	
54								
55		G387 - Other Equipment	\$2,118	100.00%	\$2,118	100.00%	\$2,118	
56			\$2,118		\$2,118		\$2,118	
57								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Account	FPFTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
58		G388 - ARO Costs Distribution Plant	\$1,454	100.00%	\$1,454	100.00%	\$1,454	
59			\$1,454		\$1,454		\$1,454	
60								
61		Subtotal	\$3,392,977		\$3,392,977		\$3,392,977	
62								
63	General Plant	G390 - Structures & Improvements	\$10,387	100.00%	\$10,387	100.00%	\$10,387	
64			\$10,387		\$10,387		\$10,387	
65								
66		G391 - Office Furniture & Equipment	\$6,858	100.00%	\$6,858	100.00%	\$6,858	
67			\$6,858		\$6,858		\$6,858	
68								
69		G394 - Tools, Shop & Garage Equip	\$16,155	100.00%	\$16,155	100.00%	\$16,155	
70			\$16,155		\$16,155		\$16,155	
71								
72		G395 - Laboratory Equipment						
73								
74								
75		G397 - Communication Equipment	\$4,872	100.00%	\$4,872	100.00%	\$4,872	
76			\$4,872		\$4,872		\$4,872	
77								
78		G398 - Miscellaneous Equipment	\$107	100.00%	\$107	100.00%	\$107	
79			\$107		\$107		\$107	
80								
81		G399.1 - ARO Costs General Plant	\$116	100.00%	\$116	100.00%	\$116	
82			\$116		\$116		\$116	
83								
84		Subtotal	\$38,495		\$38,495		\$38,495	
85								
86								
87		Total	\$3,537,669		\$3,537,669		\$3,537,669	

UPDATE 1-19-2021

Line No.	Category	Account	Reference	FPFTY Amount	Non- Jurisdictional	Jurisdictional
1	Intangible Plant	G302 - Franchises & Consents				
2		G303 - Intangible Property		\$16,737		\$16,737
3		Subtotal Intangible Plant	SUM L1 to L2	\$16,737		\$16,737
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$798		\$798
6		G311 - Liquefied Petroleum Gas Equipment		12,423		12,423
7		Subtotal Manufactured Gas Production Plant	SUM L5 to L6	\$13,221		\$13,221
8						
9	Other Storage Plant	G360 - Land and Land Rights				
10		G361 - Structures & Improvements		\$7,292		\$7,292
11		G362 - Gas Holders		6,900		6,900
12		G363 - Gas Storage Equipment		17,080		17,080
13		Subtotal Other Storage Plant	SUM L9 to L12	\$31,273		\$31,273
14						
15	Distribution Plant	G374 - Land and Land Rights		(\$158)		(\$158)
16		G375 - Structures and Improvements		6,022		6,022
17		G376 - Gas Mains		364,700		364,700
18		G378 - Measure & Regulate Station Equipment		8,285		8,285
19		G379 - City Gate Station		24,867		24,867
20		G380 - Services		261,885		261,885
21		G381 - Meters		71,646		71,646
22		G382 - Meter Installations		75,793		75,793
23		G387 - Other Equipment		1,428		1,428
24		G388 - ARO Costs Distribution Plant		555		555
25		Subtotal Distribution Plant	SUM L15 to L24	\$815,022		\$815,022
26						
27	General Plant	G390 - Structures & Improvements		\$3,347		\$3,347
28		G391 - Office Furniture & Equipment		2,781		2,781
29		G394 - Tools, Shop & Garage Equipment		5,373		5,373
30		G395 - Laboratory Equipment				
31		G397 - Communication Equipment		4,583		4,583
32		G398 - Miscellaneous Equipment		29		29
33		G399.1 - ARO Costs General Plant		18		18
34		Subtotal General Plant	SUM L27 to L33	\$16,131		\$16,131
35						
36		Total	Lines 3+7+13+25+34	\$892,383		\$892,383

UPDATE 1-19-2021

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Account	FPFTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents						
2								
3		G303 - Intangible Property	\$16,737	100.00%	\$16,737	100.00%	\$16,737	
4								
5		Subtotal	\$16,737		\$16,737		\$16,737	
6								
7	Distribution Plant	G374 - Land and Land Rights	(\$158)	100.00%	(\$158)	100.00%	(\$158)	
8								
9		G375 - Structures and Improvements	6,022	100.00%	6,022	100.00%	6,022	
10								
11		G376 - Gas Mains	364,700	100.00%	364,700	100.00%	364,700	
12								
13		G378 - Measure & Regulate Sta Equip	8,285	100.00%	8,285	100.00%	8,285	
14								
15		G379 - City Gate Station	24,867	100.00%	24,867	100.00%	24,867	
16								
17		G380 - Services	261,885	100.00%	261,885	100.00%	261,885	
18								
19		G381 - Meters	71,646	100.00%	71,646	100.00%	71,646	
20								
21		G382 - Meter Installations	75,793	100.00%	75,793	100.00%	75,793	
22								
23		G387 - Other Equipment	1,428	100.00%	1,428	100.00%	1,428	
24								
25		G388 - ARO Costs Distribution Plant	555	100.00%	555	100.00%	555	
26								
27		Subtotal	\$815,022		\$815,022		\$815,022	
28								
29	General Plant	G390 - Structures & Improvements	\$3,347	100.00%	\$3,347	100.00%	\$3,347	
30								
31		G391 - Office Furniture & Equipment	2,781	100.00%	2,781	100.00%	2,781	
32								
33		G394 - Tools, Shop & Garage Equip	5,373	100.00%	5,373	100.00%	5,373	
34								
35		G395 - Laboratory Equipment						
36								
37		G397 - Communication Equipment	4,583	100.00%	4,583	100.00%	4,583	
38								
39		G398 - Miscellaneous Equipment	29	100.00%	29	100.00%	29	
40								
41		G399.1 - ARO Costs General Plant	18	100.00%	18	100.00%	18	
42								
43		Subtotal	\$16,131		\$16,131		\$16,131	
44								
45	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$798	100.00%	\$798	100.00%	\$798	
46								
47		G311 - Liquefied Petroleum Gas Eqp	12,423	100.00%	12,423	100.00%	12,423	
48								
49		Subtotal	\$13,221		\$13,221		\$13,221	
50								
51	Other Storage Plant	G360 - Land and Land Rights						
52								
53		G361 - Structures & Improvements	\$7,292	100.00%	\$7,292	100.00%	\$7,292	
54								
55		G362 - Gas Holders	6,900	100.00%	6,900	100.00%	6,900	
56								
57		G363 - Gas Storage Equipment	17,080	100.00%	17,080	100.00%	17,080	
58								
59		Subtotal	\$31,273		\$31,273		\$31,273	
60								
61		Total	\$892,383		\$892,383		\$892,383	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-3 Cost of Removal

PECO Exhibit MJT-1 Revised
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 22 of 94

			(1)	(2)
Line No.	Category	Account	Reference	FPFTY Amount
1	Gas - Production Plant	G305 - Structures and Improvements		(\$3)
2		G311 - Liquefied Petroleum Gas Equipment		
3		Subtotal Gas - Production Plant	SUM L1 to L2	<u>(\$3)</u>
4				
5	Gas - Storage	G361 - Structures & Improvements		(\$11)
6		G363 - Gas Storage Equipment		(193)
7		Subtotal Gas - Storage	SUM L5 to L6	<u>(\$203)</u>
8				
9	Gas - Distribution	G374 - Land and Land Rights		\$64
10		G375 - Structures and Improvements		(9)
11		G376 - Gas Mains		(6,007)
12		G378 - Measure & Regulate Station Equipment		(83)
13		G379 - City Gate Station		(7)
14		G380 - Services		(3,684)
15		G382 - Meter Installations		(0)
16		Subtotal Gas - Distribution	SUM L9 to L15	<u>(\$9,726)</u>
17				
18	Gas - General Plant	G390 - Structures & Improvements		(\$5)
19		G391 - Office Furniture & Equipment		(5)
20		G394 - Tools, Shop & Garage Equipment		(20)
21		G397 - Communication Equipment		(3)
22		Subtotal Gas - General Plant	SUM L18 to L21	<u>(\$32)</u>
23				
24		Total	Lines 3+7+16+22	<u><u>(\$9,964)</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 CWC Summary

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 23 of 94

Line No.	Description	(1) Reference	(2) FPFTY Expenses	(3) (Lead)/Lag Days	(4) Dollar-Days
1	<u>Working Capital Requirement</u>				
2					
3	Revenue Lag Days			43.17	
4					
5	<u>Expense Lag</u>				
6	Payroll (Dist Only)		\$42,209	13.67	\$576,862
7	Pension Expense		2,525	14.00	35,346
8	Commodity Purchased - Gas		226,900	36.51	8,284,731
9	Payment to Suppliers		63,454	56.21	3,566,661
10	Other Expenses		95,915	37.54	3,600,626
11	Total O&M and POR Payments	SUM L6 to L10	<u>\$431,003</u>		<u>\$16,064,226</u>
12					
13	O&M Expense / POR Payment Lag Days			37.27	
14					
15	Net (Lead)/Lag Days	L3 - L13		5.90	
16					
17	Days in Current Year			365	
18					
19	Operating Expenses Per Day		<u>\$1,181</u>		
20					
21	Working Capital for O&M Expense		\$6,967		
22					
23	Average Prepayments		\$2,091		
24	Accrued Taxes		181		
25	Interest Payments		(5,802)		
26					
27	Total Working Capital Requirement	SUM L21 to L25	<u>\$3,437</u>		
28					
29	Pro Forma O&M Expense		\$370,135		
30	Uncollectible Expense		2,586		
31	Pro Forma Cash O&M Expense	L29 - L30	<u>\$367,549</u>		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 C-4 Revenue Lag

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 24 of 94

		(1)	(2)	(3)	(4)	(5)
Line No.	Description	Reference	Accounts Receivable Balance End of Month	Total Monthly Billing Revenue	A/R Turnover	Days Lag
1	Annual Number of Days					<u>365</u>
2						
3	June		\$27,736			
4	July		20,955	\$22,224		
5	August		19,005	21,474		
6	September		19,937	21,471		
7	October		21,226	31,084		
8	November		41,040	76,374		
9	December		67,763	87,198		
10	January		78,104	94,392		
11	February		83,350	85,788		
12	March		68,163	60,942		
13	April		57,130	48,084		
14	May		47,672	33,795		
15	June		<u>31,354</u>	<u>24,695</u>		
16						
17	Total	SUM L3 to L15	<u>\$583,434</u>	<u>\$607,520</u>		
18						
19	Average A/R Balance		<u>13</u>			
20						
21	Factor		<u>\$44,880</u>	<u>\$607,520</u>	13.54	<u>26.96</u>
22						
23	Collection Days Lag					26.96
24						
25	Billing and Revenue Recording Days Lag					1.00
26						
27	Billing Lag (Average Period)	365 / 12. * 0.5				<u>15.21</u>
28						
29	Total Revenue Lag Days	L23 + L25 + L27				<u><u>43.17</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 O + M Lag for CWC

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 25 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Description	Reference	Payment Date	Mid-point of Service Period	Expense Amount	(Lead)/Lag Days	Dollar Days
1	PAYROLL	Union & Non-Union Payroll				\$41,490		
2		Paid Twice Per Month					13.67	
3		Weighted Payroll Dollar Value						\$567,026
4								
5		Payroll Lag	SUM L1 to L3			<u>41,490</u>	<u>13.67</u>	<u>\$567,026</u>
6								
7	PENSION PAYMENTS	First Payment						
8		Second Payment						
9		Third Payment						
10		Fourth Payment						
11		Final Payment		1/15/2022	1/1/2022	<u>\$12,954</u>	<u>14.00</u>	<u>\$181,356</u>
12								
13		Sub-Total	SUM L7 to L11			<u>\$12,954</u>		<u>\$181,356</u>
14								
15		Lag Days for Pension Payment					<u>14.00</u>	
16								
17	PURCHASE COMMODITY COSTS	Payment Lag - Payment to Suppliers						56.21
18								
19	OTHER O & M EXPENSES	July				\$10,661		\$438,696
20		October				9,360		349,717
21		January				10,245		411,297
22		April				21,044		726,465
23								
24		TOTAL	SUM L19 to L22			<u>\$51,310</u>	<u>37.54</u>	<u>\$1,926,175</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 General Disbursements Lag

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 26 of 94

			(1)	(2)	(3)	(4)
Line No.	Months	Description	Number of CDs	Cash Disbursements	Dollar-Days	Expense Lag Days
1	July	Total Disbursements for Month	23,745	\$189,031		
2		Total Disbursements for Expenses	755	\$10,661	\$438,696	41.15
3						
4	October	Total Disbursements for Month	29,083	\$131,658		
5		Total Disbursements for Expenses	829	\$9,360	\$349,717	37.36
6						
7	January	Total Disbursements for Month	23,441	\$119,715		
8		Total Disbursements for Expenses	837	\$10,245	\$411,297	40.15
9						
10	April	Total Disbursements for Month	20,660	\$178,558		
11		Total Disbursements for Expenses	1,378	\$21,044	\$726,465	34.52
12	<u>TOTAL FOUR TEST MONTHS</u>					
13						
14	Total Test Month Expense Disbursement		3,799	\$51,310	\$1,926,175	37.54

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 C-4 Tax Expense Lag Dollars

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 27 of 94

			(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Tax	Description	Payment Date	Mid Point Date	Lead/(Lag) Payment Days	Total Payment Amount	Payment Percentage	Payment Amount	Weighted Dollar Days
1	FEDERAL INCOME TAX	First Payment	9/15/2021	1/1/2022	108	\$2,197	25.00%	\$549	\$59,330
2		Second Payment	12/15/2021	1/1/2022	17	2,197	25.00%	549	9,339
3		Third Payment	4/15/2022	1/1/2022	(104)	2,197	25.00%	549	(57,133)
4		Fourth Payment	6/15/2022	1/1/2022	(165)	2,197	25.00%	549	(90,644)
5		Subtotal FEDERAL INCOME TAX					100.00%	\$2,197	(\$79,107)
6									
7	STATE INCOME TAX	First Payment	9/15/2021	1/1/2022	108	\$6,578	25.00%	\$1,644	\$177,605
8		Second Payment	12/15/2021	1/1/2022	17	6,578	25.00%	1,644	27,956
9		Third Payment	3/15/2022	1/1/2022	(73)	6,578	25.00%	1,644	(120,048)
10		Fourth Payment	6/15/2022	1/1/2022	(165)	6,578	25.00%	1,644	(271,341)
11		Subtotal STATE INCOME TAX					100.00%	\$6,578	(\$185,827)
12									
13	PURTA	First Payment	5/2/2022	1/1/2022	(121)	\$2,050	100.00%	\$2,050	(\$248,010)
14		Subtotal PURTA					100.00%	\$2,050	(\$248,010)
15									
16	PA CAPITAL STOCK TAX	First Payment							
17		Second Payment							
18		Third Payment							
19		Fourth Payment							
20		Subtotal PA CAPITAL STOCK TAX							
21									
22	PA PROPERTY TAX	First Payment	12/4/2021	1/1/2022	28	\$1,568	100.00%	1,568	43,903
23		Second Payment							
24		Subtotal PA PROPERTY TAX					100.00%	1,568	43,903
25									
26	GROSS RECEIPTS TAX	First Payment							
27		Subtotal GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Tax Expense Net Lag Days

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 28 of 94

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Description	Total Payment Amount	Weighted Dollar Days	Payment Lead/(Lag) Days	Revenue Lag Days	Net Payment Lead/(Lag) Days	Net Payment Lead/(Lag) Dollars Days	Average Daily Amount for Working Capital
1	FEDERAL INCOME TAX	\$2,197	(\$79,107)	(36.00)	43.17	7.17	\$15,760	\$43
2	STATE INCOME TAX	\$6,578	(\$185,827)	(28.25)	43.17	14.92	\$98,157	\$269
3	PURTA	\$2,050	(\$248,010)	(121.00)	43.17	(77.83)	(\$159,522)	(\$437)
4	PA CAPITAL STOCK TAX							
5	PA PROPERTY TAX	\$1,568	\$43,903	28.00	43.17	71.17	\$111,596	\$306
6	GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Interest Payments

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 29 of 94

		(1)	(2)
Line No.	Description	Reference	Jurisdictional
1	Measures of Value at End of Test Year		\$2,463,555
2	Long-Term Debt Ratio		46.62%
3	Embedded Cost of Long-Term Debt		3.84%
4	Pro Forma Interest Expense	L1 * L2 * L3	\$44,050
5	Days in Current Year		365
6	Daily Amount	L4 / L5	\$121
7	Days to Mid-Point of Interest Payments	L5 / 4	91.25
8	Less: Revenue Lag Days		43.17
9	Interest Payment Lag Days	L8 - L7	(48.08)
10	Total Interest for Working Capital	L6 * L9	(\$5,802)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Prepayments

UPDATE 1-19-2021

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Line No.	Description	Reference	AGA Membership Dues	EAP Membership Dues	NGA Membership Dues	PUC Assessment Gas	Maintenance	IT License & Maintenance	Prepaid Rent	VEBA Adjust	Facilities Contracts	IT License & Maintenance	Fleet Activities	IT License & Maintenance	Customer Experience	Postage	Total Prepayment
1	September		\$98			\$1,301	\$15	\$500	\$86	(\$0)	\$23	\$488	\$237	\$836	\$100	\$719	
2	October		98	(20)	(9)	1,156	15	437	70	(0)	(4)	792	298	594	56	537	
3	November		33	10	5	1,012	15	364	90	(0)	(31)	680	323	759	46	659	
4	December		1	(1)		867	15	297	74	135	0	339	337	516	17	595	
5	January		371	114		723	15	201	58	135	175	441	339	586	258	743	
6	February		337	104		578	15	134	77	135	159	397	339	382	226	588	
7	March		303	93	41	434	10	67	54	120	143	376	359	185	218	698	
8	April		270	83	37	289	10	22	38	120	127	444	364	645	209	618	
9	May		236	73	32	144	10	729	57	120	111	355	354	467	168	808	
10	June		202	62	28	0	10	662	41	1,174	95	306	356	620	148	720	
11	July		168	52	23	930	10	595	25	1,174	79	265	360	772	174	886	
12	August		135	41	18	764	10	527	12	1,174	64	172	302	597	130	628	
13	September		101	31	14	1,517	10	460	31	2,152	48	96	328	432	88	813	
14																	
15	Total	SUM L1 to L13	\$2,352	\$642	\$188	\$9,715	\$158	\$4,996	\$713	\$6,440	\$988	\$5,151	\$4,295	\$7,392	\$1,838	\$9,012	
16																	
17	Distribution Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	23.03%	23.03%	23.03%	23.03%	24.84%	24.84%	24.84%	
18																	
19	Distribution Amount	L15 * L17	\$2,352	\$642	\$188	\$9,715	\$158	\$4,996	\$713	\$1,483	\$228	\$1,186	\$989	\$1,836	\$456	\$2,238	
20																	
21	Number of Months	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
22																	
23	Monthly Average	L19 / L21	\$181	\$49	\$14	\$747	\$12	\$384	\$55	\$114	\$18	\$91	\$76	\$141	\$35	\$172	
24																	
25	Rate Case Amount																\$2,091

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Energy Lag

PECO Exhibit MJT-1 Revised
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 31 of 94

		(1)	(2)	(3)
Line No.	Description	Shopping Percentage	Weighted Lag Days	Lag Days
1	Residential	72%		40.00
2	Nonresidential	28%		40.00
3	Weighted Payment Lag Days		40.00	
4				
5	Billing and Revenue Days Lag			1.00
6	Billing Lag (Average Period)			15.21
7	Total Payment Lag Days			56.21

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-5 Pension

PECO Exhibit MJT-1 Revised
 Schedule C-5
 Witness: Michael J. Trzaska
 Page 32 of 94

(1) (2)

Line No.	Description	Reference	Pension Asset
1	Balance at End of HTY - Total		\$378,708
2	Activities in FTY - Total		8,544
3	Activities in FPFTY - Total		9,160
4	Balance at End of FPFTY - Total		<u>\$396,412</u>
5	Allocation % to Utility		21.25%
6	Utility Amount	L4 * L5	\$84,231
7	Allocation % to Distribution Capital		41.62%
8	Balance at End of FPFTY - Distribution Capital	L6 * L7	<u><u>\$35,059</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-6 ADIT - A/C #282

PECO Exhibit MJT-1 Revised
 Schedule C-6
 Witness: Michael J. Trzaska
 Page 33 of 94

(1) (2) (3) (4) (5) (6)

Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - CIAC		(\$10,667)	100.00%	(\$10,667)	100.00%	(\$10,667)
2		ADIT - Common Plant		6,582	100.00%	6,582	100.00%	6,582
3		ADIT - Gas Distribution		242,089	100.00%	242,089	100.00%	242,089
4		Sub-Total	SUM L1 to L3	\$238,004		\$238,004		\$238,004
5								
6	FTY	DIT - CIAC		(\$1,771)	100.00%	(\$1,771)	100.00%	(\$1,771)
7		DIT - Common Plant			100.00%		100.00%	
8		DIT - Gas Distribution		7,816	100.00%	7,816	100.00%	7,816
9		Sub-Total	SUM L6 to L8	\$6,046		\$6,046		\$6,046
10								
11	FPFTY	DIT - CIAC		(\$1,994)	100.00%	(\$1,994)	100.00%	(\$1,994)
12		DIT - Common Plant			100.00%		100.00%	
13		DIT - Gas Distribution		5,564	100.00%	5,564	100.00%	5,564
14		Sub-Total	SUM L11 to L13	\$3,570		\$3,570		\$3,570
15								
16		Total	L4 + L9 + L14	\$247,620		\$247,620		\$247,620

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-7 Customer Deposits

PECO Exhibit MJT-1 Revised
 Schedule C-7
 Witness: Michael J. Trzaska
 Page 34 of 94

UPDATE 1-19-2021

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Residential	Non-Residential	Total
1	September		\$4,721	\$8,273	\$12,994
2	October		4,764	8,269	13,033
3	November		4,743	8,286	13,029
4	December		4,739	8,319	13,058
5	January		4,766	9,268	14,034
6	February		4,765	9,250	14,014
7	March		4,769	9,296	14,065
8	April		4,713	9,203	13,916
9	May		4,632	9,079	13,711
10	June		4,540	8,948	13,488
11	July		4,445	8,780	13,225
12	August		4,342	8,630	12,972
13	September		4,203	8,464	12,667
14					
15	Total	SUM L1 to L13	\$60,142	\$114,065	\$174,206
16					
17	Average Monthly Balance	L15 / 13	\$4,626	\$8,774	\$13,400
18					
19	<u>HTY Deposits by Customer Classification</u>				
20	Residential				\$4,701
21	Small C&I				8,376
22	Large C&I				323
23	Transportation				
24					
25	Total	SUM L20 to L23			\$13,400

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-8 Common Plant

PECO Exhibit MJT-1 Revised
 Schedule C-8
 Witness: Michael J. Trzaska
 Page 35 of 94

(1) (2)

Line No.	Description	Reference	PECO - Total
1	Common Plant in Service:		
2			
3	Land		\$7,057
4	Organization		677
5	Software		365,156
6	General Plant		734,696
7	Other		(0)
8	Subtotal	SUM L3 to L7	<u>\$1,107,586</u>
9			
10	Common Plant Accumulated Depreciation:		
11			
12	Land		
13	Organization		
14	Software		\$280,592
15	General Plant		233,117
16	Other		0
17	Subtotal	SUM L12 to L16	<u>\$513,709</u>
18			
19	Net Common Plant	L8 - L17	<u>\$593,877</u>
20			
21	Allocation Factor		<u>23.030%</u>
22			
23	Common Plant in Service to Utility	L8 * L21	\$255,077
24	Common Plant Accumulated Depreciation to Utility	L17 * L21	<u>118,307</u>
25	Net Common Plant to Utility	L23 - L24	<u>\$136,770</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)

PECO Exhibit MJT-1 Revised
 Schedule C-9
 Witness: Michael J. Trzaska
 Page 36 of 94

UPDATE 1-19-2021

C-9 Customer Advances For Construction

(1)

Line No.	Description	Total FPFTY Amount
1	<u>HTY 13-Month Average</u>	
2	September	\$1,429
3	October	1,901
4	November	1,879
5	December	1,082
6	January	1,319
7	February	1,355
8	March	1,198
9	April	1,228
10	May	1,032
11	June	1,004
12	July	983
13	August	1,000
14	September	899
15		
16	13-Month Total	<u><u>\$16,310</u></u>
17		
18		
19	Average Monthly Balance	<u><u>\$1,255</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-11 Materials and Supplies

PECO Exhibit MJT-1 Revised
 Schedule C-11
 Witness: Michael J. Trzaska
 Page 37 of 94

UPDATE 1-19-2021

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	Materials & Supplies	Undistributed Stores Expense	Total
1	HTY 13-Month Average				
2	September		\$602	(\$0)	\$602
3	October		595	(670)	(76)
4	November		590	(664)	(74)
5	December		592	(0)	592
6	January		443	107	549
7	February		434	151	585
8	March		453	(0)	453
9	April		461	(6)	455
10	May		434	(32)	401
11	June		436	(242)	194
12	July		464	(209)	255
13	August		450	(486)	(36)
14	September		398	(478)	(80)
15					
16	Total	SUM L2 to L14	\$6,351	(\$2,531)	\$3,821
17					
18	Distribution Expense Allocation Factor		100.00%	23.03%	
19					
20	Allocation to Distribution	L16 * L18	\$6,351	(\$583)	
21					
22	Average Monthly Balance	L20 / 13	\$489	(\$45)	\$444

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-12 ADIT - Reg Liability

PECO Exhibit MJT-1 Revised
 Schedule C-12
 Witness: Michael J. Trzaska
 Page 38 of 94

(1) (2) (3) (4) (5) (6)

Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - Distribution		\$136,680	100.00%	\$136,680	100.00%	\$136,680
2		ADIT - CIAC		(3,547)	100.00%	(3,547)	100.00%	(3,547)
3		Subtotal HTY	L1 + L2	133,133		133,133		133,133
4								
5	FTY	DIT - Distribution		(\$5,780)	100.00%	(\$5,780)	100.00%	(\$5,780)
6		DIT - CIAC		1,085	100.00%	1,085	100.00%	1,085
7		Subtotal FTY	L5 + L6	(4,695)		(4,695)		(4,695)
8								
9	FPFTY	DIT - Distribution		(\$3,100)	100.00%	(\$3,100)	100.00%	(\$3,100)
10		DIT - CIAC		985	100.00%	985	100.00%	985
11		Subtotal FPFTY	L9 + L10	(2,115)		(2,115)		(2,115)
12								
13		Total	L3 + L7 + L11	\$126,322		\$126,322		\$126,322

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 C-13 Gas Storage

PECO Exhibit MJT-1 Revised
 Schedule C-13
 Witness: Michael J. Trzaska
 Page 39 of 94

UPDATE 1-19-2021

		(1)	(2)	(3)	(4)	(5)
Line No.	Description	Reference	Stored Underground	LNG	Propane Gas	Total
1	September		34,092	4,486	1,653	40,231
2	October		38,278	4,434	1,653	44,365
3	November		37,131	4,383	1,653	43,166
4	December		30,932	4,349	1,629	36,910
5	January		23,880	4,271	1,629	29,780
6	February		17,295	4,209	1,629	23,132
7	March		15,107	4,151	1,629	20,887
8	April		14,413	4,101	1,629	20,142
9	May		17,455	4,052	1,629	23,137
10	June		20,461	3,997	1,629	26,087
11	July		23,691	3,942	1,629	29,262
12	August		26,852	3,891	1,629	32,372
13	September		29,889	4,040	1,629	35,558
14						
15	Total	SUM L1 to L13	\$329,476	\$54,305	\$21,248	\$405,030
16						
17	Average Monthly Balance	L15 / 13	\$25,344	\$4,177	\$1,634	\$31,156

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FPFTY Ending June 2022
(\$ in Thousands)
D-1 Present and Proposed Rates

PECO Exhibit MJT-1 Revised
Schedule D-1
Witness: Michael J. Trzaska
Page 40 of 94

Line No.	Category	Description	Reference	(1) Pro Forma Adjusted at Present Rates	(2) Proposed Rate Increase	(3)	(4) Adjusted Amounts with Proposed Rate Increase
1	Operating Revenues	Residential		\$401,535			\$401,535
2		C & I		161,114			161,114
3		Interdepartmental					
4		Sales for Resale					
5		Forfeited Discounts		838	85		923
6		Miscellaneous Service Revenues		10			10
7		Rent For Electric Property					
8		Other Gas Revenues		691			691
9		Transportation of Gas of Others		25,827			25,827
10		Revenue Increase			66,194		66,194
11		Subtotal Operating Revenues	SUM L1 to L10	\$590,014	\$66,279		\$656,293
12							
13	Operating Expenses	Manufactured Gas Production		\$266			\$266
14		Storage Operations Expense		1,065			1,065
15		Storage Maintenance Expense		4,414			4,414
16		Underground Storage Expenses					
17		Other Gas Supply		226,900			226,900
18		Distribution Expense		64,999			64,999
19		Total Customer Accounts		18,950	230		19,180
20		Total Customer Service & Information		8,550			8,550
21		Total Sales		2,810			2,810
22		Administrative & General		42,181	204		42,385
23		O&M Expense	SUM L13 to L22	\$370,135	\$434		\$370,569
24							
25		Depreciation & Amortization Expense		\$86,146			\$86,146
26		Amortization of Regulatory Expense		2,812			2,812
27		Taxes Other Than Income Taxes - Other		7,545			7,545
28		Subtotal Operating Expenses	SUM L26 to L30	\$466,639	\$434		\$467,073
29							
30	Net Operating Income - BIT		L11 - L28	\$123,375	\$65,845		\$189,221

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-2 Adjusted Present Rates

PECO Exhibit MJT-1 Revised
 Schedule D-2
 Witness: Michael J. Trzaska
 Page 41 of 94

Line No.	Category	Description	(1) FPFTY Amount Pre Adjustments	(2) Adjustments Sub-Total	(3) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	\$400,283	\$1,252	\$401,535
2		C & I	160,886	228	161,114
3		Interdepartmental			
4		Sales for Resale	3,223	(3,223)	
5		Forfeited Discounts	838		838
6		Miscellaneous Service Revenues	10		10
7		Rent For Electric Property			
8		Other Gas Revenues	691		691
9		Transportation of Gas of Others	25,827		25,827
10		Revenue Increase			
11		Subtotal Operating Revenues	\$591,757	(\$1,743)	\$590,014
12					
13	Operating Expenses	Manufactured Gas Production	\$263	\$3	\$266
14		Storage Operations Expense	1,056	9	1,065
15		Storage Maintenance Expense	4,386	29	4,414
16		Underground Storage Expenses			
17		Other Gas Supply	228,998	(2,098)	226,900
18		Distribution Expense	64,567	432	64,999
19		Total Customer Accounts	18,552	398	18,950
20		Total Customer Service & Information	5,555	2,996	8,550
21		Total Sales	2,803	7	2,810
22		Administrative & General	39,186	2,995	42,181
23		O&M Expense	\$365,365	\$4,770	\$370,135
24					
25		Depreciation & Amortization Expense	\$80,695	\$5,451	\$86,146
26		Amortization of Regulatory Expense	2,652	160	2,812
27		Taxes Other Than Income Taxes - Other	7,481	64	7,545
28		Subtotal Operating Expenses	\$456,194	\$10,445	\$466,639
29					
30	Net Operating Income - BIT		\$135,563	(\$12,188)	\$123,375

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(1) FPFTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
1	Operating Revenues	Residential	Gas Cost	\$167,080						
2			Cust & Dist	233,202	1,052	(40)	241			
3			Subtotal Residential	\$400,283	\$1,052	(\$40)	\$241			
4										
5		C & I	Gas Cost	\$59,819						
6			Cust & Dist	101,067	108		120			
7			Subtotal C & I	\$160,886	\$108		\$120			
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale	\$3,223						(\$3,223)
13			Subtotal Sales for Resale	\$3,223						(\$3,223)
14										
15		Forfeited Discounts	Forfeited Discounts	\$838						
16			Subtotal Forfeited Discounts	\$838						
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues	10						
19			Subtotal Miscellaneous Service Revenues	10						
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues	\$691						
25			Subtotal Other Gas Revenues	\$691						
26										
27		Transportation of Gas of Others	Transportation of Gas of Others	\$25,827						
28			Subtotal Transportation of Gas of Others	\$25,827						
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues	\$591,757	\$1,160	(\$40)	\$361			(\$3,223)
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production	\$0						
36			Liquefied Petroleum Gas Expenses	79						
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements	53						
39			Maintenance of Production Equipment	131						
40			Subtotal Manufactured Gas Production	\$263						
41										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(1) FPFTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
42		Other Gas Supply	Natural Gas City Gate Purchases	\$228,998					(\$2,098)	
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply	\$228,998					(\$2,098)	
50										
51		Storage Maintenance Expense	Maintenance Supervision and Engineering	\$1,042						
52			Maintenance of Structures and Improvements	3,344						
53			Subtotal Storage Maintenance Expense	\$4,386						
54										
55		Storage Operations Expense	Operating Supervision and Engineering	\$250						
56			Operation Labor and Expenses	806						
57			Subtotal Storage Operations Expense	\$1,056						
58										
59		Underground Storage Expenses	Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62		Distribution Expense	Operation Supervision and Engineering	\$1,094						
63			Mains and Services Expenses	16,860						
64			Measuring and Regulating Station Expenses-General	1,023						
65			Measuring and Regulating Station Expenses-City Gate	1						
66			Meter and House Regulator Expenses	5,958						
67			Customer Installations Expenses	5,095						
68			Other Expenses	13,434						
69			Rents	32						
70			Maintenance of Mains	17,341						
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	1,006						
72			Maintenance of Services	1,433						
73			Maintenance of Meters & House Regulators	413						
74			Maintenance of Other Equipment	877						
75			Subtotal Distribution Expense	\$64,567						
76										
77		Total Customer Accounts	Customer Records and Collection	\$14,622						
78			Meter Reading	199						
79			Miscellaneous Customer Accounts	1,013						
80			Uncollectible Accounts	2,718						
81			Subtotal Total Customer Accounts	\$18,552						
82										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(1) FPFTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
83		Total Customer Service & Information	Customer Assistance	\$5,246						
84			Informational & Instructional	309						
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$5,555						
87										
88		Total Sales	Demonstrating & Selling	\$2,803						
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$2,803						
91										
92		Administrative & General	Administrative and General Salaries	\$9,135						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits	7,719						
96			Franchise Requirements	271						
97			Injuries and Damages							
98			Maintenance of General Plant	1,219						
99			Miscellaneous General Expenses	545						
100			Office Supplies and Expenses	1,454						
101			Outside Service Employed	16,571						
102			Property Insurance	75						
103			Regulatory Commission Expenses	2,197						
104			Subtotal Administrative & General	\$39,186						
105										
106			O&M Expense	\$365,365					(\$2,098)	
107										
108		Depreciation & Amortization Expense	Depreciation & Amortization Expense	\$80,695						
109			Subtotal Depreciation & Amortization Expense	\$80,695						
110										
111		Amortization of Regulatory Expense	Amortization of Regulatory Expense	\$2,652						
112			Subtotal Amortization of Regulatory Expense	\$2,652						
113										
114		Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other	\$7,481						
115			Subtotal Taxes Other Than Income Taxes - Other	\$7,481						
116										
117			Total Operating Expenses	\$456,194					(\$2,098)	
118										
119		Net Operating Income Before Income Tax		\$135,563	\$1,160	(\$40)	\$361		(\$1,125)	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(8) D-6 Salary & Wages	(9) D-7 Rate Case Expense	(10) D-8 Adjustments for Employee Benefits	(11) D-9 Adjustments for Pension	(12) D-10 Uncollectible Accounts	(13) D-11 Energy Efficiency & Grant Program Expense	(14) D-12 Customer Deposit Interest
1	Operating Revenues	Residential	Gas Cost							
2			Cust & Dist							
3			Subtotal Residential							
4										
5		C & I	Gas Cost							
6			Cust & Dist							
7			Subtotal C & I							
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale							
13			Subtotal Sales for Resale							
14										
15		Forfeited Discounts	Forfeited Discounts							
16			Subtotal Forfeited Discounts							
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							
25			Subtotal Other Gas Revenues							
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							
28			Subtotal Transportation of Gas of Others							
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues							
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							
36			Liquefied Petroleum Gas Expenses		1					
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements		1					
39			Maintenance of Production Equipment		1					
40			Subtotal Manufactured Gas Production		\$3					
41										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(8) D-6 Salary & Wages	(9) D-7 Rate Case Expense	(10) D-8 Adjustments for Employee Benefits	(11) D-9 Adjustments for Pension	(12) D-10 Uncollectible Accounts	(13) D-11 Energy Efficiency & Grant Program Expense	(14) D-12 Customer Deposit Interest		
42		Other Gas Supply	Natural Gas City Gate Purchases									
43			Other Gas Purchases									
44			Purchases Gas Cost Adjustments									
45			Purchased Gas Expenses									
46			Gas Withdrawn from Storage-Debit									
47			Gas Delivered to Storage-Credit									
48			Other Gas Supply Purchases									
49			Subtotal Other Gas Supply									
50												
51		Storage Maintenance Expense	Maintenance Supervision and Engineering	\$8								
52			Maintenance of Structures and Improvements	20								
53			Subtotal Storage Maintenance Expense	\$29								
54												
55		Storage Operations Expense	Operating Supervision and Engineering	\$2								
56			Operation Labor and Expenses	7								
57			Subtotal Storage Operations Expense	\$9								
58												
59		Underground Storage Expenses	Other Expenses									
60			Subtotal Underground Storage Expenses									
61												
62		Distribution Expense	Operation Supervision and Engineering	\$0								
63			Mains and Services Expenses	\$99								
64			Measuring and Regulating Station Expenses-General	\$12								
65			Measuring and Regulating Station Expenses-City Gate									
66			Meter and House Regulator Expenses	\$21								
67			Customer Installations Expenses	\$62								
68			Other Expenses	\$46								
69			Rents									
70			Maintenance of Mains	\$164								
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	\$8								
72			Maintenance of Services	\$12								
73			Maintenance of Meters & House Regulators	\$5								
74			Maintenance of Other Equipment	\$2								
75			Subtotal Distribution Expense	\$432								
76												
77		Total Customer Accounts	Customer Records and Collection	\$101								
78			Meter Reading									
79			Miscellaneous Customer Accounts	\$5						377		
80			Uncollectible Accounts					(132)				
81			Subtotal Total Customer Accounts	\$106							(132)	\$377
82												

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(8)	(9)	(10)	(11)	(12)	(13)	(14)
83		Total Customer Service & Information	Customer Assistance	\$4					\$2,992	
84			Informational & Instructional							
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$4					\$2,992	
87										
88		Total Sales	Demonstrating & Selling	\$7						
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$7						
91										
92		Administrative & General	Administrative and General Salaries	\$126						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits			11	1,962			
96			Franchise Requirements							
97			Injuries and Damages	\$2						
98			Maintenance of General Plant	\$3						
99			Miscellaneous General Expenses							
100			Office Supplies and Expenses							
101			Outside Service Employed							
102			Property Insurance							
103			Regulatory Commission Expenses		520					
104			Subtotal Administrative & General	\$131	\$520	\$11	\$1,962			
105										
106			O&M Expense	\$720	\$520	\$11	\$1,962	(\$132)	\$2,992	\$377
107										
108		Depreciation & Amortization Expense	Depreciation & Amortization Expense							
109			Subtotal Depreciation & Amortization Expense							
110										
111		Amortization of Regulatory Expense	Amortization of Regulatory Expense							
112			Subtotal Amortization of Regulatory Expense							
113										
114		Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other							
115			Subtotal Taxes Other Than Income Taxes - Other							
116										
117			Total Operating Expenses	\$720	\$520	\$11	\$1,962	(\$132)	\$2,992	\$377
118										
119		Net Operating Income Before Income Tax		(\$720)	(\$520)	(\$11)	(\$1,962)	\$132	(\$2,992)	(\$377)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(15) D-13 MGP Recovery	(16) D-14 Regulatory Initiative Cost Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Subtotal	(21) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	Gas Cost							\$167,080
2			Cust & Dist						1,252	234,455
3			Subtotal Residential						\$1,252	\$401,535
4										
5		C & I	Gas Cost							\$59,819
6			Cust & Dist						228	101,295
7			Subtotal C & I						\$228	\$161,114
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale						(\$3,223)	
13			Subtotal Sales for Resale						(\$3,223)	
14										
15		Forfeited Discounts	Forfeited Discounts							\$838
16			Subtotal Forfeited Discounts							\$838
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							10
19			Subtotal Miscellaneous Service Revenues							10
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							\$691
25			Subtotal Other Gas Revenues							\$691
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							\$25,827
28			Subtotal Transportation of Gas of Others							\$25,827
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues						(\$1,743)	\$590,014
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							\$0
36			Liquefied Petroleum Gas Expenses						\$1	80
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements						\$1	53
39			Maintenance of Production Equipment						\$1	133
40			Subtotal Manufactured Gas Production						\$3	\$266
41										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(15) D-13 MGP Recovery	(16) D-14 Regulatory Initiative Cost Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
42		Other Gas Supply	Natural Gas City Gate Purchases							\$226,900
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply						(\$2,098)	\$226,900
50										
51		Storage Maintenance Expense	Maintenance Supervision and Engineering						\$8	\$1,050
52			Maintenance of Structures and Improvements						\$20	3,364
53			Subtotal Storage Maintenance Expense						\$29	\$4,414
54										
55		Storage Operations Expense	Operating Supervision and Engineering						\$2	\$252
56			Operation Labor and Expenses						\$7	812
57			Subtotal Storage Operations Expense						\$9	\$1,065
58										
59		Underground Storage Expenses	Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62		Distribution Expense	Operation Supervision and Engineering						\$0	\$1,094
63			Mains and Services Expenses						\$99	16,959
64			Measuring and Regulating Station Expenses-General						\$12	1,036
65			Measuring and Regulating Station Expenses-City Gate							1
66			Meter and House Regulator Expenses						\$21	5,979
67			Customer Installations Expenses						\$62	5,158
68			Other Expenses						\$46	13,480
69			Rents							32
70			Maintenance of Mains						\$164	17,505
71			Maintenance of Measuring & Reg. Station Equip.-Genl.						\$8	1,014
72			Maintenance of Services						\$12	1,445
73			Maintenance of Meters & House Regulators						\$5	418
74			Maintenance of Other Equipment						\$2	879
75			Subtotal Distribution Expense						\$432	\$64,999
76										
77		Total Customer Accounts	Customer Records and Collection						\$101	\$14,723
78			Meter Reading							199
79			Miscellaneous Customer Accounts		47				\$429	1,443
80			Uncollectible Accounts						(\$132)	2,586
81			Subtotal Total Customer Accounts		\$47				\$398	\$18,950
82										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(15) D-13 MGP Recovery	(16) D-14 Regulatory Initiative Cost Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
83		Total Customer Service & Information	Customer Assistance						\$2,996	\$8,242
84			Informational & Instructional							309
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information						\$2,996	\$8,550
87										
88		Total Sales	Demonstrating & Selling						\$7	\$2,810
89			Miscellaneous Sales							
90			Subtotal Total Sales						\$7	\$2,810
91										
92		Administrative & General	Administrative and General Salaries						\$126	\$9,261
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits						\$1,973	9,692
96			Franchise Requirements							271
97			Injuries and Damages						\$2	2
98			Maintenance of General Plant						\$3	1,222
99			Miscellaneous General Expenses							545
100			Office Supplies and Expenses							1,454
101			Outside Service Employed			370			\$370	16,942
102			Property Insurance							75
103			Regulatory Commission Expenses						\$520	2,717
104			Subtotal Administrative & General			\$370			\$2,995	\$42,181
105										
106			O&M Expense			\$47	\$370		\$4,770	\$370,135
107										
108		Depreciation & Amortization Expense	Depreciation & Amortization Expense					\$5,451	\$5,451	\$86,146
109			Subtotal Depreciation & Amortization Expense					\$5,451	\$5,451	\$86,146
110										
111		Amortization of Regulatory Expense	Amortization of Regulatory Expense	\$160					\$160	\$2,812
112			Subtotal Amortization of Regulatory Expense	\$160					\$160	\$2,812
113										
114		Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other				\$64		\$64	\$7,545
115			Subtotal Taxes Other Than Income Taxes - Other				\$64		\$64	\$7,545
116										
117			Total Operating Expenses	\$160	\$47	\$370	\$64	\$5,451	\$10,445	\$466,639
118										
119		Net Operating Income Before Income Tax		(\$160)	(\$47)	(\$370)	(\$64)	(\$5,451)	(\$12,188)	\$123,375

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(1) FPFTY Amount Pre Adjustments	(2) D-5H Asset Optimization - Margin Adjustment	(3) D-5I IS Expense	(4) D-6 Salary & Wages	(5) D-7 Rate Case Expense	(6) D-8 Adjustments for Employee Benefits	(7) D-9 Adjustments for Pension
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.	\$0						
2			717.0 Liquefied Petroleum Gas Expenses.	79			1			
3			741.0 Maintenance Of Structures And Improvements.	53			1			
4			742.0 Maintenance Of Production Equipment.	131			1			
5			Subtotal	\$263			\$3			
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.							
8			Subtotal							
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.	\$228,998	(\$2,098)					
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.							
13			807.0 Purchased Gas Expenses.							
14			808.1 Gas Withdrawn From Storage-Debit.							
15			808.2 Gas Delivered To Storage-Credit.							
16			813.0 Other Gas Supply Expenses.							
17			Subtotal	\$228,998	(\$2,098)					
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.	\$250			\$2			
23			841.0 Operation Labor And Expenses.	806			7			
24			Subtotal	\$1,056			\$9			
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.	\$1,042			\$8			
27			843.2 Maintenance Of Structures And Improvements.	3,344			20			
28			Subtotal	\$4,386			\$29			
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.	\$1,094			\$0			
31			874.0 Mains And Services Expenses.	16,860			99			
32			875.0 Measuring And Regulating Station Expenses--General.	1,023			12			
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.	1						
34			878.0 Meter And House Regulator Expenses.	5,958			21			
35			879.0 Customer Installations Expenses.	5,095			62			
36			880.0 Other Expenses.	13,434			46			
37			881.0 Rents.	32						
38			Subtotal	\$43,497			\$240			
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.	\$17,341			\$164			
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	1,006			8			
42			892.0 Maintenance Of Services.	1,433			12			
43			893.0 Maintenance Of Meters And House Regulators.	413			5			
44			894.0 Maintenance Of Other Equipment.	877			2			
45			Subtotal	\$21,070			\$192			
46										
47			Distribution Expense Subtotal	\$64,567			\$432			
48										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

				(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Category	Description	Account	FPPTY Amount Pre Adjustments	D-5H Asset Optimization - Margin Adjustment	D-5I IS Expense	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.	\$199						
50			903.0 Customer Records And Collection Expenses.	14,622			101			
51			904.0 Uncollectible Accounts.	2,718						
52			905.0 Miscellaneous Customer Accounts Expenses.	1,013			5			
53										
54			Subtotal	\$18,552			\$106			
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses	\$5,246			\$4			
57			909.0 Informational And Instructional Advertising Expenses.	309						
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal	\$5,555			\$4			
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.	\$2,803			\$7			
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal	\$2,803			\$7			
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.	\$9,135			\$126			
66			921.0 Office Supplies And Expenses.	1,454						
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.	16,571						
69			924.0 Property Insurance.	75						
70			925.0 Injuries And Damages.	271			2			
71			926.0 Employee Pensions And Benefits.	7,719					11	1,962
72			928.0 Regulatory Commission Expenses.	2,197				520		
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.	545						
75										
76			Subtotal	\$37,967			\$128	\$520	\$11	\$1,962
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.	\$1,219			\$3			
79			Subtotal	\$1,219			\$3			
80										
81			A&G Expense Sub-total	\$39,186			\$131	\$520	\$11	\$1,962
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$71,048						
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Plant	9,647						
86			Subtotal	\$80,695						
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.	\$2,652						
89			Subtotal	\$2,652						
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.	\$7,481						
92			Subtotal	\$7,481						
93										
94			Total	\$456,194	(\$2,098)		\$720	\$520	\$11	\$1,962

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.							
2			717.0 Liquefied Petroleum Gas Expenses.							
3			741.0 Maintenance Of Structures And Improvements.							
4			742.0 Maintenance Of Production Equipment.							
5			Subtotal							
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.							
8			Subtotal							
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.							
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.							
13			807.0 Purchased Gas Expenses.							
14			808.1 Gas Withdrawn From Storage-Debit.							
15			808.2 Gas Delivered To Storage-Credit.							
16			813.0 Other Gas Supply Expenses.							
17			Subtotal							
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.							
23			841.0 Operation Labor And Expenses.							
24			Subtotal							
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.							
27			843.2 Maintenance Of Structures And Improvements.							
28			Subtotal							
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.							
31			874.0 Mains And Services Expenses.							
32			875.0 Measuring And Regulating Station Expenses--General.							
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.							
34			878.0 Meter And House Regulator Expenses.							
35			879.0 Customer Installations Expenses.							
36			880.0 Other Expenses.							
37			881.0 Rents.							
38			Subtotal							
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.							
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.							
42			892.0 Maintenance Of Services.							
43			893.0 Maintenance Of Meters And House Regulators.							
44			894.0 Maintenance Of Other Equipment.							
45			Subtotal							
46										
47			Distribution Expense Subtotal							
48										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(8) D-10 Uncollectible Accounts	(9) D-11 Energy Efficiency & Grant Program Expense	(10) D-12 Customer Deposit Interest	(11) D-13 MGP Recovery	(12) D-14 Reg Initiative Recovery	(13) D-15 O&M Cost to Achieve	(14) D-16 Taxes Other Than Income
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.							
50			903.0 Customer Records And Collection Expenses.							
51			904.0 Uncollectible Accounts.	(132)						
52			905.0 Miscellaneous Customer Accounts Expenses.			377		47		
53										
54			Subtotal	(132)		\$377		\$47		
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$2,992					
57			909.0 Informational And Instructional Advertising Expenses.							
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal		\$2,992					
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.							
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal							
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.							
66			921.0 Office Supplies And Expenses.							
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.						370	
69			924.0 Property Insurance.							
70			925.0 Injuries And Damages.							
71			926.0 Employee Pensions And Benefits.							
72			928.0 Regulatory Commission Expenses.							
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.							
75										
76			Subtotal						\$370	
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.							
79			Subtotal							
80										
81			A&G Expense Sub-total						\$370	
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.							
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Plant							
86			Subtotal							
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.				\$160			
89			Subtotal				\$160			
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.							\$64
92			Subtotal							\$64
93										
94			Total	(132)	\$2,992	\$377	\$160	\$47	\$370	\$64

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub- total	(17) Pro Forma Adjusted at Present Rates
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.			\$0
2			717.0 Liquefied Petroleum Gas Expenses.		1	80
3			741.0 Maintenance Of Structures And Improvements.		1	53
4			742.0 Maintenance Of Production Equipment.		1	133
5			Subtotal		\$3	\$266
6						
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.			
8			Subtotal			
9						
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.		(\$2,098)	\$226,900
11			805.0 Other Gas Purchases.			
12			805.1 Purchased Gas Cost Adjustments.			
13			807.0 Purchased Gas Expenses.			
14			808.1 Gas Withdrawn From Storage-Debit.			
15			808.2 Gas Delivered To Storage-Credit.			
16			813.0 Other Gas Supply Expenses.			
17			Subtotal		(\$2,098)	\$226,900
18						
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.			
20			Subtotal			
21						
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.		\$2	\$252
23			841.0 Operation Labor And Expenses.		7	812
24			Subtotal		\$9	\$1,065
25						
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.		\$8	\$1,050
27			843.2 Maintenance Of Structures And Improvements.		20	3,364
28			Subtotal		\$29	\$4,414
29						
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.		\$0	\$1,094
31			874.0 Mains And Services Expenses.		99	16,959
32			875.0 Measuring And Regulating Station Expenses--General.		12	1,036
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			1
34			878.0 Meter And House Regulator Expenses.		21	5,979
35			879.0 Customer Installations Expenses.		62	5,158
36			880.0 Other Expenses.		46	13,480
37			881.0 Rents.			32
38			Subtotal		\$240	\$43,737
39						
40		Distribution Maintenance	887.0 Maintenance Of Mains.		\$164	\$17,505
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.		8	1,014
42			892.0 Maintenance Of Services.		12	1,445
43			893.0 Maintenance Of Meters And House Regulators.		5	418
44			894.0 Maintenance Of Other Equipment.		2	879
45			Subtotal		\$192	\$21,261
46						
47			Distribution Expense Subtotal		\$432	\$64,999
48						

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub- total	(17) Pro Forma Adjusted at Present Rates
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.			\$199
50			903.0 Customer Records And Collection Expenses.		101	14,723
51			904.0 Uncollectible Accounts.		(132)	2,586
52			905.0 Miscellaneous Customer Accounts Expenses.		429	1,443
53						
54			Subtotal		\$398	\$18,950
55						
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$2,996	\$8,242
57			909.0 Informational And Instructional Advertising Expenses.			309
58			910.0 Miscellaneous Customer Service And Informational Expenses.			
59			Subtotal		\$2,996	\$8,550
60						
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.		\$7	\$2,810
62			916.0 Miscellaneous Sales Expenses.			
63			Subtotal		\$7	\$2,810
64						
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.		\$126	\$9,261
66			921.0 Office Supplies And Expenses.			1,454
67			922.0 Administrative Expenses Transferred--Credit.			
68			923.0 Outside Services Employed.		370	16,942
69			924.0 Property Insurance.			75
70			925.0 Injuries And Damages.		2	273
71			926.0 Employee Pensions And Benefits.		1,973	9,692
72			928.0 Regulatory Commission Expenses.		520	2,717
73			929.0 Duplicate Charges--Credit.			
74			930.2 Miscellaneous General Expenses.			545
75						
76			Subtotal		\$2,992	\$40,958
77						
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.		\$3	\$1,222
79			Subtotal		\$3	\$1,222
80						
81			A&G Expense Sub-total		\$2,995	\$42,181
82						
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$4,765	\$4,765	\$75,813
84			403.1 Depreciation Expense - ARO/FIN-47			-
85			404.0 Amort. Of Limited-Term Plant	686	686	10,333
86			Subtotal	\$5,451	\$5,451	\$86,146
87						
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.		\$160	\$2,812
89			Subtotal		\$160	\$2,812
90						
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.		\$64	\$7,545
92			Subtotal		\$64	\$7,545
93						
94			Total	\$5,451	\$10,445	\$466,639

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5 Revenue Adjustment Summary

(1) (2) (3) (4) (5) (6) (7) (8) (9)

Line No.	Category	Description	Description	Account	FPFTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization Margin	D-5I IS Revenue Adjustment	Adjustments Sub- total	Pro Forma Adjusted at Present Rates
1	<i>OPERATING REVENUE</i>	Customer & Distribution Revenue	Residential	480.0	\$233,202	\$1,052	(\$40)	\$241				\$1,252	\$234,455
2			C & I	481.0	101,067	108		120				228	101,295
3			Transportation of Gas of Others	489.3	25,827								25,827
4			Subtotal		\$360,096	\$1,160	(\$40)	\$361				\$1,480	\$361,576
5													
6		Gas Cost Revenue	Residential	480.0	\$167,080								\$167,080
7			C & I	481.0	59,819								59,819
8			Interdepartmental	484.0									
9			Subtotal		\$226,900								\$226,900
10													
11			Subtotal OPERATING REVENUE		\$586,996	\$1,160	(\$40)	\$361				\$1,480	\$588,476
12													
13	<i>OTHER REVENUE</i>	Other Gas Revenue	Rent for Gas Property	493.0									
14			Interdepartmental Rents	494.0	\$691								\$691
15			Other Gas Revenues	495.0									
16			Subtotal		\$691								\$691
17													
18		Other Operating Revenue	Sales For Resale	483.0	\$3,223					(\$3,223)		(3,223)	
19			Forfeited Discounts	487.0	838								838
20													
21			Miscellaneous Service Revenues	488.0	10								10
22			Subtotal		\$4,070					(\$3,223)		(\$3,223)	\$848
23													
24			Subtotal OTHER REVENUE		\$4,761					(\$3,223)		(\$3,223)	\$1,538
25													
26			Total		\$591,757	\$1,160	(\$40)	\$361		(\$3,223)		(\$1,743)	\$590,014

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5A Revenue Annualization

PECO Exhibit MJT-1 Revised
 Schedule D-5A
 Witness: Michael J. Trzaska
 Page 58 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Total FPFTY Revenues		\$399,317	\$1,500	\$158,019	\$152	\$1,546	\$161,218
2	Commodity Billings in Revenues		(167,080)	(819)	(57,667)	(77)	(1,067)	(59,630)
3	Weather Adjustment							
4	Total Reconcilable Surcharge in Revenues							
5	Revenues Net of Commodity - Margin	SUM L1 to L4	\$232,236	\$681	\$100,353	\$75	\$479	\$101,588
6								
7	Average Monthly Customers in FPFTY		494,391	31	44,450	4	17	
8								
9	Average Annual Margin Per Customer	L5 / L7	\$0.470	\$21.963	\$2.258	\$18.853	\$28.189	
10								
11	Number of Customers of Current Month		496,630	31	44,498	4	17	44,550
12								
13	Increase in Customers during FPFTY	L11 - L7	2,239		48			44,550
14								
15	Annualization of Revenue	L9 * L13	\$1,052		\$108			\$108

D-5B - CAP Revenue Credits and Adjustments

(1)

(2)

Line No.	Description	Reference	Residential Sales
1	CAP Discount		(\$5,150)
2			
3			
4	<u>ANNUALIZATION TO YEAR END CUSTOMERS</u>		
5			
6	Annual CAP Customers		237,098
7	Average Monthly CAP Customers		19,758
8	Average Annual CAP Discount Per Customer	L1 / L7	(\$0.261)
9			
10	CAP Customers at End of FPFTY		19,969
11	Increase of CAP Customers	L10 - L7	211
12			
13	Gross Decrease / (Increase) in CAP Discount	L8 * L11	(\$55)
14	Write-Offs & Working Capital Factor		27.0%
15	Reflect Impact in Write-Offs and Working Capital	- L13 * L14	\$15
16			
17	Net Decrease / (Increase) in CAP Discount	L13 + L15	(\$40)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5F - Leap Year Revenue Normalization

PECO Exhibit MJT-1 Revised
 Schedule D-5F
 Witness: Michael J. Trzaska
 Page 60 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Revenue in February of FPFTY		\$26,967	\$111	\$13,261	\$9	\$36	\$13,417
2	Days in February of FPFTY		28	28	28	28	28	
3	Average Daily Revenue in February	L1 / L2	963	4	474	0	1	
4	Average Days in February		28.25	28.25	28.25	28.25	28.25	
5	Difference in Days	L4 - L2	0.25	0.25	0.25	0.25	0.25	
6								
7	Leap Year Adjustment	L5 * L3	\$241	\$1	\$118	\$0	\$0	\$120

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FPFTY Ending June 2022
(\$ in Thousands)
D-5G Weather Normalization

PECO Exhibit MJT-1 Revised
Schedule D-5G
Witness: Michael J. Trzaska
Page 61 of 94

(1)

Line No.	Description	Total
1	Residential Sales	
2	TCS Sales	
3	GC Sales	
4	C & I Total	
5	Revenues - Gas Transportation	_____
6	Total	=====

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FPFTY Ending June 2022
(\$ in Thousands)
D-5H Asset Optimization Margin

PECO Exhibit MJT-1 Revised
Schedule D-5H
Witness: Michael J. Trzaska
Page 62 of 94

(1)

Line No.	Description	Account	Total
1	Other Operating Revenue	483000: Sales for Resale - Gas	(\$3,223)
2			
3	Purchased Fuel	804000: Natural Gas City Gate Purchases	(\$2,098)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5I IS Revenue Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-5I
 Witness: Michael J. Trzaska
 Page 63 of 94

UPDATE 1-19-2021

(1)

Line No.	Account	Description	Total
1	IS Sales	Customer & Distribution Revenue	
2		Gas Cost Revenue	
3		Subtotal IS Sales	
4			
5	Natural Gas City Gate Purchase	Other Gas Supply Expenses	
6		Subtotal Natural Gas City Gate Purchase	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Pro Forma

PECO Exhibit MJT-1 Revised
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 64 of 94

Line No.	Description	(1) Reference	(2) Union	(3) Non-Union
1	Number of Employees @ HTY - Union/Non-Union		314	288
2	Number of Employees @ HTY - Total		602	602
3	Percentage of Employees @ HTY	L1 / L2	52.11%	47.89%
4	Distribution of Budget S&W Expense		\$21,619	\$19,871
5	TY Wage Increase			
6	Number of Months TY		6	8
7	Rate for Increase TY		2.50%	2.50%
8	Total Wage Increase TY	L4 * L6 * L7 / 12	270	331
9	Annualized S&W Including Wage Increases	L4 + L8	\$21,889	\$20,202

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Pro Forma

PECO Exhibit MJT-1 Revised
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 65 of 94

		(1)	(2)
Line No.	Description	Reference	PECO - Gas
1	Distribution of S&W Expense		\$41,490
2			
3	Annualized S&W Including Wage Increases		\$42,091
4			
5	<u>Normalize One-Time Contract Payment to Union</u>		
6	One-Time Contract Payment		\$1,127
7	One-Time Contract Payment % for Utility		21.25%
8	One-Time Contract Payment for Utility	L6 * L7	\$239
9	One-Time Contract Payment Normalization Period		6
10	Annual One-Time Contract Payment Normalized	L8 / L9	\$40
11			
12	Annualized S&W for Employees in FPFTY	L3 + L10	\$42,131
13			
14	<u>Pro Forma For New Employees</u>		
15	Number of Employees @ FPFTY		639
16	Average Number of Employees in FPFTY - Total		638
17	Annualization for Number of Employees	L15 - L16	1
18	Annual S&W per Employee	L12 / L16	\$66.1
19	Annualization of S&W for New Employees	L17 * L18	\$78
20			
21	Pro Forma FPFTY S&W	L12 + L19	<u><u>\$42,209</u></u>
22			
23	Pro Forma Increase in S&W	L21 - L1	<u><u>\$720</u></u>
24			
25	S&W Pro Forma Factor	L23 / L1	1.73%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Summary

PECO Exhibit MJT-1 Revised
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 66 of 94

Line No.	Category	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
1	Operations	Power Supply Expenses	710.0 Operation Supervision And Engineering.			
2			717.0 Liquefied Petroleum Gas Expenses.	\$47	\$1	\$48
3			728.0 Liquefied Petroleum Gas.			
4			804.0 Natural Gas City Gate Purchases.			
5			805.0 Other Gas Purchases.			
6			805.1 Purchased Gas Cost Adjustments.			
7			807.0 Purchased Gas Expenses.			
8			808.1 Gas Withdrawn From Storage-Debit.			
9			808.2 Gas Delivered To Storage-Credit.			
10			813.0 Other Gas Supply Expenses.			
11			840.0 Operation Supervision And Engineering.	135	2	138
12			841.0 Operation Labor And Expenses.	396	7	403
13			843.1 Maintenance Supervision And Engineering.	481	8	489
14			843.2 Maintenance Of Structures And Improvements.	1,163	20	1,183
15			Subtotal Power Supply Expenses	\$2,222	\$39	\$2,261
16						
17		Distribution Expense	870.0 Operation Supervision And Engineering.	\$15	\$0	\$15
18			874.0 Mains And Services Expenses.	5,695	99	5,794
19			875.0 Measuring And Regulating Station Expenses--General.	702	12	714
20			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			
21			878.0 Meter And House Regulator Expenses.	1,196	21	1,217
22			879.0 Customer Installations Expenses.	3,599	62	3,662
23			880.0 Other Expenses.	2,649	46	2,695
24			881.0 Rents.			
25			887.0 Maintenance Of Mains.	9,464	164	9,628
26			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	485	8	494
27			892.0 Maintenance Of Services.	698	12	710
28			893.0 Maintenance Of Meters And House Regulators.	281	5	285
29			894.0 Maintenance Of Other Equipment.	114	2	116
30			Subtotal Distribution Expense	\$24,898	\$432	\$25,330
31						
32		Customer Accounts	902.0 Meter Reading Expenses.			
33			903.0 Customer Records And Collection Expenses.	\$5,797	\$101	\$5,897
34			904.0 Uncollectible Accounts.			
35			905.0 Miscellaneous Customer Accounts Expenses.	286	5	291
36						
37			Subtotal Customer Accounts	\$6,082	\$106	\$6,188
38						
39		Customer Service & Information	908.0 Customer Assistance Expenses	\$223	\$4	\$226

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Summary

PECO Exhibit MJT-1 Revised
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 67 of 94

Line No.	Category	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
40			909.0 Informational And Instructional Advertising Expenses.			
41			910.0 Miscellaneous Customer Service And Informational Expenses.			
42			Subtotal Customer Service & Information	\$223	\$4	\$226
43						
44		Sales	912.0 Demonstrating And Selling Expenses.	\$382	\$7	\$388
45			916.0 Miscellaneous Sales Expenses.			
46			Subtotal Sales	\$382	\$7	\$388
47						
48		Administration & General - General	920.0 Administrative And General Salaries.	\$7,272	\$126	\$7,398
49			921.0 Office Supplies And Expenses.			
50			922.0 Administrative Expenses Transferred--Credit.			
51			923.0 Outside Services Employed.			
52			924.0 Property Insurance.			
53			925.0 Injuries And Damages.	127	2	129
54			926.0 Employee Pensions And Benefits.			
55			928.0 Regulatory Commission Expenses.			
56			929.0 Duplicate Charges--Credit.			
57			930.2 Miscellaneous General Expenses.			
58						
59			Subtotal Administration & General - General	\$7,399	\$128	\$7,527
60						
61			Subtotal Operations	\$41,206	\$715	\$41,921
62						
63	Maintenance	Administration & General - General	932.0 Maintenance Of Gas General Plant.	\$174	\$3	\$177
64			Subtotal Administration & General - General	\$174	\$3	\$177
65						
66		Gas Expense	741.0 Maintenance Of Structures And Improvements.	\$31	\$1	\$32
67			742.0 Maintenance Of Production Equipment.	79	1	80
68			Subtotal Gas Expense	\$110	\$2	\$112
69						
70			Subtotal Maintenance	\$284	\$5	\$289
71						
72	Total Operations & Maintenance		Total Operations & Maintenance	\$41,490	\$720	\$42,209
73						
74	Percent Increase		Percent Increase			1.73%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-7 Rate Case Expenses

PECO Exhibit MJT-1 Revised
 Schedule D-7
 Witness: Michael J. Trzaska
 Page 68 of 94

		(1)	(2)
Line No.	Description	Reference	Amount
1	EXPENDITURES UP TO PERIOD END OF HTY		
2	External Consultants		\$13
3	External Legal		398
4	Materials, IT Costs, Travel, Copies, etc.		233
5	Total Recorded Up To Period End of HTY	SUM L2 to L4	\$645
6			
7	EXPENDITURES IN FTY		
8	External Consultants		\$5
9	External Legal		875
10	Materials, IT Costs, Travel, Copies, etc.		34
11	Total Expenditure Expected in FTY	SUM L8 to L10	\$914
12			
13	Total Rate Case Expense	L5 + L11	\$1,559
14			
15	Amortization Period		3
16	Annual Amortization Amount	L13 / L15	\$520
17			
18	Annual Amortization Amount Included in Budget		
19	Pro Forma Adjustment for Annual Amortization	L16 - L18	\$520

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-8 Employee Benefits

PECO Exhibit MJT-1 Revised
 Schedule D-8
 Witness: Michael J. Trzaska
 Page 69 of 94

		(1)	(2)
Line No.	Description	Reference	Jurisdictional
1	<u>Number of Employees</u>		
2	Employees at Eleven Months Prior		635
3	Employees at Ten Months Prior		633
4	Employees at Nine Months Prior		633
5	Employees at Eight Months Prior		641
6	Employees at Seven Months Prior		638
7	Employees at Six Months Prior		638
8	Employees at Five Months Prior		639
9	Employees at Four Months Prior		639
10	Employees at Three Months Prior		639
11	Employees at Two Months Prior		639
12	Employees at One Month Prior		639
13	Employees at End of FPFTY		639
14			
15	Average Monthly Employees in FPFTY	AVERAGE L2 to L13	638
16	Additional Employees in FPFTY		1
17			
18	<u>Employee Benefits</u>		
19	Total Benefits Expensed		\$5,907
20	Number of Employees for Budget		638
21	Budget Expense Per Employee	L19 / L20	\$9
22	Additional Employees for Annualization	L16	1
23	Total Benefits Pro Forma Adjustment	L21 * L22	\$11

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-9 Pension Costs

PECO Exhibit MJT-1 Revised
 Schedule D-9
 Witness: Michael J. Trzaska
 Page 70 of 94

UPDATE 1-19-2021

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	Pension Contribution for Four Years Prior to FPFTY		\$24,534
2	Pension Contribution for Three Years Prior to FPFTY		29,860
3	Pension Contribution for Two Years Prior to FPFTY		17,990
4	Pension Contribution for One Year Prior to FPFTY		16,430
5	Pension Contribution for FPFTY		12,954
6			
7	Average Pension Contribution	AVERAGE L1 to L5	\$20,354
8			
9	Allocation Percent to Utility		21.25%
10	Total Amount to Utility		\$4,325
11	Allocation Percent to Capital		41.62%
12	Pension Contribution To Be Capitalized	L10 * L11	\$1,800
13	Pension Contribution To Be Expensed	L10 - L12	\$2,525
14	Test Year Distribution Pension Expense		\$563
15	Additional Pension Expense	L13 - L14	\$1,962

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-10 Uncollectible Accounts

PECO Exhibit MJT-1 Revised
 Schedule D-10
 Witness: Michael J. Trzaska
 Page 71 of 94

Line No.	Description	Reference	Reference	Charge Off Amounts	InPA Charge Off Amounts	Net Charge Off Amounts	Billed Revenue	Percent	PPA	Totals
1	NET GENERAL UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY		\$1,924		\$1,924	\$582,737	0.3301%		
2		One Year Prior to HTY		2,141		2,141	670,622	0.3193%		
3		HTY		2,397		2,397	607,520	0.3945%		
4		Three Year Average	SUM L1 to L3 / 3	\$2,154		\$2,154	\$620,293	0.3472%		
5										
6	Base Customer Charge & Energy Cost Revenue After Pro Formas	FPFTY					\$588,476			
7										
8	Tariff Revenue - Non Shopping Revenue	FPFTY	L6				\$588,476			
9										
10	Tariff Revenue - Shopping Revenue	FPFTY					\$63,454			
11										
12	Tariff Revenue - Including Shopping Revenue	FPFTY	L8 + L10				\$651,930			
13										
14	Total General Pro Forma Uncollectible Accounts									\$2,264
15										
16	NET PPA UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY							\$297	
17		One Year Prior to HTY							333	
18		HTY							337	
19										
20	Three Year Average PPA		SUM L16 to L18 / 3							\$322
21										
22	Total Pro Forma Uncollectible Accounts		L14 + L20							\$2,586
23										
24	Uncollectible Accounts (904)	FPFTY								\$2,718
25										
26	Total Pro Forma Adjustment for Uncollectible Accounts		L22 - L24							(\$132)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-11 EE and Grant Programs

PECO Exhibit MJT-1 Revised
 Schedule D-11
 Witness: Michael J. Trzaska
 Page 72 of 94

(1)

(2)

Line No.	Description	Reference	Jurisdictional
1	Total Proposed Energy Efficiency Spending charged to Expense		\$4,500
2	Energy Efficiency Costs in FPFTY Budget		<u>2,008</u>
3	Pro Forma Increase in Energy Efficiency Costs	L1 - L2	<u>\$2,492</u>
4			<u> </u>
5	Small Business Grants		<u>\$500</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-12 Customer Deposit Interest

PECO Exhibit MJT-1 Revised
 Schedule D-12
 Witness: Michael J. Trzaska
 Page 73 of 94

(1)	(2)	(3)	(4)	(5)	(6)			
Line No.	Description	Description	Reference	Interest Rate	Deposit Amount	Interest on Deposit Amount	Interest Sub-Total	Interest Total
1	Residential	Monthly Interest Rate		<u>0.417%</u>				
2	June				\$4,764	\$20		
3	July				4,743	20		
4	August				4,739	20		
5	September				4,766	20		
6	October				4,765	20		
7	November				4,769	20		
8	December				4,713	20		
9	January				4,632	19		
10	February				4,540	19		
11	March				4,445	19		
12	April				4,342	18		
13	May				4,203	18		
14	June							
15	Total Residential		SUM Col 4 L2 to L13				<u>\$231</u>	
16								
17	Non-Residential	Monthly Interest Rate		<u>0.138%</u>				
18	June				\$8,269	\$11		
19	July				8,286	11		
20	August				8,319	12		
21	September				9,268	13		
22	October				9,250	13		
23	November				9,296	13		
24	December				9,203	13		
25	January				9,079	13		
26	February				8,948	12		
27	March				8,780	12		
28	April				8,630	12		
29	May				8,464	12		
30	June							
31	Total Non-Residential		SUM Col 4 L18 to L29				<u>\$146</u>	
32								
33	Interest on Customer Deposits		Col 5 L15 + L31				<u><u>\$377</u></u>	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-13 MGP Cost Recovery

PECO Exhibit MJT-1 Revised
 Schedule D-13
 Witness: Michael J. Trzaska
 Page 74 of 94

(1) (2)

Line No.	Description	Reference	Total
1	Regulatory Asset for Unrecovered MGP Remediation Liability		\$7,237
2	Amortization Years		<u>9</u>
3			
4	Total Annual Amortization Amount	L1/L2	<u><u>\$804</u></u>
5			
6	Amount Included in Budget		<u><u>\$644</u></u>
7			
8	Pro Forma Adjustment Amount	L4 - L6	<u><u>\$160</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-14 Reg Initiative Cost Recovery

PECO Exhibit MJT-1 Revised
 Schedule D-14
 Witness: Michael J. Trzaska
 Page 75 of 94

UPDATE 1-19-2021

		(1)	(2)
Line No.	Description	Reference	Total
1	Gas Unbundling of GPC/MFC Charge Expense		\$141
2	Gas Neighborhood Pilot Program Expense		
3	Total Regulatory Initiative Expense	L1 + L2	\$141
4	Amortization Period		3
5	Annual Amortization Expense	L3 / 3	\$47

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-15 O + M Cost To Achieve

PECO Exhibit MJT-1 Revised
 Schedule D-15
 Witness: Michael J. Trzaska
 Page 76 of 94

(1)

(2)

Line No.	Description	Reference	O&M Cost To Achieve
1	<u>Cost To Achieve</u>		
2			
3	2016		\$601
4			
5	2017		430
6			
7	2018		<u>80</u>
8			
9	Total CTA To Be Recovered	SUM L3 to L7	\$1,111
10			
11	Annual CTA Recovery	L9 / 3	<u><u>\$370</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-16 TOTI - Summary

PECO Exhibit MJT-1 Revised
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 77 of 94

		(1)	(2)	(3)
Line No.	Description	Total	Pro Forma Adjustments	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,050		\$2,050
2	Capital Stock & Franchise Tax			
3	Use Tax Accrued	152		152
4	Real Estate Tax Accrual	1,568		1,568
5	Miscellaneous TOTI			
6	Payroll Tax Accrued	3,711	\$64	3,776
7	Total	\$7,481	\$64	\$7,545

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-16 TOTI - Payroll Tax Adjustments

PECO Exhibit MJT-1 Revised
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 78 of 94

(1)

(2)

Line No.	Description	Reference	Jurisdictional
1	Total Payroll Charged to Expense		\$41,490
2	Payroll Tax Expense		\$3,711
3	Payroll Tax Expense - Percent	L2 / L1	8.95%
4	Pro Forma Increase in S&W		<u>\$720</u>
5	Payroll Tax Pro Forma	L3 * L4	<u><u>\$64</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 79 of 94

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	\$4,457	\$182	\$4,275	\$182	\$4,640
2			PECO Common 3902 IL	19		19		19
3			PECO Common 3902 PA	2,106	208	1,897	208	2,314
4			PECO Common 3903 PA	39	6	32	6	45
5			PECO Common 3911 PA	16	1	15	1	18
6			PECO Common 3912 PA	2,130	178	1,952	178	2,309
7			PECO Common 3913 IL	2,287	242	2,046	242	2,529
8			PECO Common 3913 PA	7,850	812	7,038	812	8,662
9			PECO Common 3930 PA	134	8	126	8	142
10			PECO Common 3941 PA	11		11		11
11			PECO Common 3942 PA	101	12	89	12	113
12			PECO Common 3970 PA	6,379	697	5,683	697	7,076
13			PECO Common 3980 PA	83	0	83	0	83
14			Subtotal Common - General Plant	\$25,613	\$2,347	\$23,266	\$2,347	\$27,960
15								
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA					
17			Subtotal					
18								
19		Gas - Distribution	PECO Gas 3751 PA	\$134	\$3	\$131	\$3	\$137
20			PECO Gas 3752 PA	15		15		15
21			PECO Gas 3753 PA	186	7	179	7	192
22			PECO Gas 3761 PA	9,867	637	9,230	637	10,505
23			PECO Gas 3762 PA	900		900		900
24			PECO Gas 3763 PA	17,681	1,524	16,157	1,524	19,205
25			PECO Gas 3780 PA	477	32	445	32	508
26			PECO Gas 3790 PA	1,394	128	1,266	128	1,521
27			PECO Gas 3801 PA	3,571	56	3,515	56	3,628
28			PECO Gas 3802 PA	17,889	1,389	16,500	1,389	19,279
29			PECO Gas 3810 PA	1,854	45	1,809	45	1,900
30			PECO Gas 3811 PA	3,462	31	3,431	31	3,492
31			PECO Gas 3820 PA	4,176	214	3,962	214	4,390
32			PECO Gas 3870 PA	133	0	133	0	133
33			Subtotal Gas - Distribution	\$61,738	\$4,066	\$57,672	\$4,066	\$65,805
34								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
35		Gas - General Plant	PECO Gas 3901 PA	\$102	\$2	\$100	\$2	\$103
36			PECO Gas 3902 PA	62	7	56	7	69
37			PECO Gas 3903 PA	59	7	52	7	66
38			PECO Gas 3911 PA	0		0		0
39			PECO Gas 3912 PA	21	0	21	0	21
40			PECO Gas 3913 IL	0		0		0
41			PECO Gas 3913 PA	539	22	517	22	562
42			PECO Gas 3940 PA	685	28	657	28	713
43			PECO Gas 3950 PA	0		0		0
44			PECO Gas 3970 PA	178	2	176	2	180
45			PECO Gas 3980 PA	8		8		8
46			Subtotal Gas - General Plant	\$1,655	\$68	\$1,587	\$68	\$1,723
47								
48		Gas - Production Plant	PECO Gas 3050 PA	\$25	(\$2)	\$27	(\$2)	\$24
49			PECO Gas 3053 PA	(0)		(0)		(0)
50			PECO Gas 3110 PA	94		94		94
51			Subtotal Gas - Production Plant	\$119	(\$2)	\$121	(\$2)	\$117
52								
53		Gas - Storage	PECO Gas 3611 PA	\$43	\$1	\$42	\$1	\$44
54			PECO Gas 3612 PA	325		325		325
55			PECO Gas 3613 PA	9	0	9	0	9
56			PECO Gas 3620 PA	18		18		18
57			PECO Gas 3630 PA	25		25		25
58			PECO Gas 3631 PA	156		156		156
59			PECO Gas 3632 PA	715	74	641	74	788
60			PECO Gas 3633 PA	218	13	205	13	231
61			PECO Gas 3634 PA	36	2	33	2	38
62			PECO Gas 3635 PA	93	2	91	2	96
63			Subtotal Gas - Storage	\$1,637	\$92	\$1,545	\$92	\$1,729
64								
65			Subtotal 403.0 Depreciation Expense.	\$90,763	\$6,572	\$84,191	\$6,572	\$97,334
66								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
67	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	\$284	\$9	\$275	\$9	\$294
68			PECO Com 303-AMI NONBILL SW EDE EOL					
69			PECO Com 303-AMI NONBILL SW IDS EOL					
70			PECO Com 303-IAM SW Enhance PA					
71			PECO Com 3030- North Star RE SW	447		447		447
72			PECO Com 3030-BIDA Customer Project	1,849		1,849		1,849
73			PECO Com 3030-CallRoutingSW	152		152		152
74			PECO Com 3030-CIMS Enhancements PA					
75			PECO Com 3030-CIMS EOL PA					
76			PECO Com 3030-CIS Transformation SW	100		100		100
77			PECO Com 3030-Client Devices SW PA					
78			PECO Com 3030-Cloud Serv 3 yr	159		159		159
79			PECO Com 3030-Cloud Serv 5 yr	868		868		868
80			PECO Com 3030-Common MDM SW	8,078		8,078		8,078
81			PECO Com 3030-CTA PHI Consol SW	449		449		449
82			PECO Com 3030-Cust Appt Sched SW	615		615		615
83			PECO Com 3030-Data Loss Prevent PA					
84			PECO Com 3030-Digital Strat Platfor	128		128		128
85			PECO Com 3030-Documentum PA					
86			PECO Com 3030-EAM Asset Suite PA	3		3		3
87			PECO Com 3030-EU Dig Strat EPay SW	444		444		444
88			PECO Com 3030-EUWebCon					
89			PECO Com 3030-Fixed Credit Option S A (Original)	388		388		388
90			PECO Com 3030-Fusion Mig Non-MDM SW	791		791		791
91			PECO Com 3030-HR Payroll HCM Cloud	179		179		179
92			PECO Com 3030-HRPC Enhance PA	44		44		44
93			PECO Com 3030-HRPC-PA					
94			PECO Com 3030-Hyperion Enhance PA	(4)		(4)		(4)
95			PECO Com 3030-Hyperion Fin MGMT SW	97		97		97
96			PECO Com 3030-HyperionPI					
97			PECO Com 3030-I O Directory Svcs PA					
98			PECO Com 3030-I Sign Up and Move	1,557		1,557		1,557
99			PECO Com 3030-IAM Consolidate	42		42		42
100			PECO Com 3030-Informatica PA					
101			PECO Com 3030-IT Cust Mobile App SW	400		400		400
102			PECO Com 3030-IVR System PA					
103			PECO Com 3030-Lease IT SW	112		112		112
104			PECO Com 3030-Misc 5 yr FR PA	13,682	2,970	10,711	2,970	16,652

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 82 of 94

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
105			PECO Com 3030-Misc 5 yr PA	(1)		(1)		(1)
106			PECO Com 3030-Mobile Disp Enh PA					
107			PECO Com 3030-OBIEE Migration SW	1,033		1,033		1,033
108			PECO Com 3030-Oracle Lic PA EOL					
109			PECO Com 3030-Oracle MW Upgrade SW	329		329		329
110			PECO Com 3030-Passport Enhance PA					
111			PECO Com 3030-PBF SW Enhance PA					
112			PECO Com 3030-PECO RNI Upgrade SW	1,287		1,287		1,287
113			PECO Com 3030-Peoplesoft GL Upgrade					
114			PECO Com 3030-PeopleSoft SW Enh PA					
115			PECO Com 3030-PowePlant Enhance PA					
116			PECO Com 3030-PowePlant v10 PA					
117			PECO Com 3030-Rev Req Filing SW	720		720		720
118			PECO Com 3030-Robotic Process Auto	89		89		89
119			PECO Com 3030-SCP Splunk SW	60		60		60
120			PECO Com 3030-Service Mgt SW PA					
121		Gas - General Plant	PECO Com 3030-Tax Tech Trans SW	107		107		107
122			PECO Com 3030-WallStreet SW PA					
123		Gas - Intangible Plant	Subtotal Common - Intangible Plant	\$34,488	\$2,980	\$31,508	\$2,980	\$37,467
124								
125			PECO Gas 3913 PA					
126			Subtotal					
127								
128			PECO Gas 303 Account Lookup Asset					
129			PECO Gas 303 Account Lookup Liab					
130			PECO Gas 303 AMI CDW PA	\$6		\$6		\$6
131			PECO Gas 303 AMI CIMS PA	9		9		9
132			PECO Gas 303 AMI MDMS Enh PA					
133			PECO Gas 303 AMI Middleware PA					
134			PECO Gas 303 Misc 5 YR FR PA	1,678		1,678		1,678
135			PECO Gas 303 SG GIS PA	11		11		11
136			PECO Gas 303 SM ADM PA					
137			PECO Gas 303 SM MDMS PA					
138			Subtotal Gas - Intangible Plant	\$1,704		\$1,704		\$1,704
139								
140			Subtotal 404.0 Amort. Of Limited-Term Plant	\$36,192	\$2,980	\$33,212	\$2,980	\$39,172

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 83 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	0.2303	\$1,027	\$42	\$985	\$42	\$1,068
2			PECO Common 3902 IL	0.2303	4		4		4
3			PECO Common 3902 PA	0.2303	485	48	437	48	533
4			PECO Common 3903 PA	0.2303	9	1	7	1	10
5			PECO Common 3911 PA	0.2303	4	0	3	0	4
6			PECO Common 3912 PA	0.2303	491	41	450	41	532
7			PECO Common 3913 IL	0.2303	527	56	471	56	582
8			PECO Common 3913 PA	0.2303	1,808	187	1,621	187	1,995
9			PECO Common 3930 PA	0.2303	31	2	29	2	33
10			PECO Common 3941 PA	0.2303	3		3		3
11			PECO Common 3942 PA	0.2303	23	3	21	3	26
12			PECO Common 3970 PA	0.2303	1,469	160	1,309	160	1,630
13			PECO Common 3980 PA	0.2303	19	0	19	0	19
14			Subtotal Common - General Plant		\$5,899	\$541	\$5,358	\$541	\$6,439
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	0.2303					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$134	\$3	\$131	\$3	\$137
20			PECO Gas 3752 PA	1.0000	15		15		15
21			PECO Gas 3753 PA	1.0000	186	7	179	7	192
22			PECO Gas 3761 PA	1.0000	9,867	637	9,230	637	10,505
23			PECO Gas 3762 PA	1.0000	900		900		900
24			PECO Gas 3763 PA	1.0000	17,681	1,524	16,157	1,524	19,205
25			PECO Gas 3780 PA	1.0000	477	32	445	32	508
26			PECO Gas 3790 PA	1.0000	1,394	128	1,266	128	1,521
27			PECO Gas 3801 PA	1.0000	3,571	56	3,515	56	3,628
28			PECO Gas 3802 PA	1.0000	17,889	1,389	16,500	1,389	19,279
29			PECO Gas 3810 PA	1.0000	1,854	45	1,809	45	1,900
30			PECO Gas 3811 PA	1.0000	3,462	31	3,431	31	3,492
31			PECO Gas 3820 PA	1.0000	4,176	214	3,962	214	4,390
32			PECO Gas 3870 PA	1.0000	133	0	133	0	133
33			Subtotal Gas - Distribution		\$61,738	\$4,066	\$57,672	\$4,066	\$65,805
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 84 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$102	\$2	\$100	\$2	\$103
36			PECO Gas 3902 PA	1.0000	62	7	56	7	69
37			PECO Gas 3903 PA	1.0000	59	7	52	7	66
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	21	0	21	0	21
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	539	22	517	22	562
42			PECO Gas 3940 PA	1.0000	685	28	657	28	713
43			PECO Gas 3950 PA	1.0000	0		0		0
44			PECO Gas 3970 PA	1.0000	178	2	176	2	180
45			PECO Gas 3980 PA	1.0000	8		8		8
46			Subtotal Gas - General Plant		\$1,655	\$68	\$1,587	\$68	\$1,723
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$25	(\$2)	\$27	(\$2)	\$24
49			PECO Gas 3053 PA	1.0000	(0)		(0)		(0)
50			PECO Gas 3110 PA	1.0000	94		94		94
51			Subtotal Gas - Production Plant		\$119	(\$2)	\$121	(\$2)	\$117
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$43	\$1	\$42	\$1	\$44
54			PECO Gas 3612 PA	1.0000	325		325		325
55			PECO Gas 3613 PA	1.0000	9	0	9	0	9
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	25		25		25
58			PECO Gas 3631 PA	1.0000	156		156		156
59			PECO Gas 3632 PA	1.0000	715	74	641	74	788
60			PECO Gas 3633 PA	1.0000	218	13	205	13	231
61			PECO Gas 3634 PA	1.0000	36	2	33	2	38
62			PECO Gas 3635 PA	1.0000	93	2	91	2	96
63			Subtotal Gas - Storage		\$1,637	\$92	\$1,545	\$92	\$1,729
64									
65			Subtotal 403.0 Depreciation Expense.		\$71,048	\$4,765	\$66,283	\$4,765	\$75,813
66									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 85 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
67	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	0.2303	\$65	\$2	\$63	\$2	\$68
68			PECO Com 303-AMI NONBILL SW EDE EOL	0.2303					
69			PECO Com 303-AMI NONBILL SW IDS EOL	0.2303					
70			PECO Com 303-IAM SW Enhance PA	0.2303					
71			PECO Com 3030- North Star RE SW	0.2303	103		103		103
72			PECO Com 3030-BIDA Customer Project	0.2303	426		426		426
73			PECO Com 3030-CallRoutingSW	0.2303	35		35		35
74			PECO Com 3030-CIMS Enhancements PA	0.2303					
75			PECO Com 3030-CIMS EOL PA	0.2303					
76			PECO Com 3030-CIS Transformation SW	0.2303	23		23		23
77			PECO Com 3030-Client Devices SW PA	0.2303					
78			PECO Com 3030-Cloud Serv 3 yr	0.2303	37		37		37
79			PECO Com 3030-Cloud Serv 5 yr	0.2303	200		200		200
80			PECO Com 3030-Common MDM SW	0.2303	1,860		1,860		1,860
81			PECO Com 3030-CTA PHI Consol SW	0.2303	103		103		103
82			PECO Com 3030-Cust Appt Sched SW	0.2303	142		142		142
83			PECO Com 3030-Data Loss Prevent PA	0.2303					
84			PECO Com 3030-Digital Strat Platfor	0.2303	29		29		29
85			PECO Com 3030-Documentum PA	0.2303					
86			PECO Com 3030-EAM Asset Suite PA	0.2303	1		1		1
87			PECO Com 3030-EU Dig Strat EPay SW	0.2303	102		102		102
88			PECO Com 3030-EUWebCon	0.2303					
89			PECO Com 3030-Fixed Credit Option S A (Original)	0.2303	89		89		89
90			PECO Com 3030-Fusion Mig Non-MDM SW	0.2303	182		182		182
91			PECO Com 3030-HR Payroll HCM Cloud	0.2303	41		41		41
92			PECO Com 3030-HRPC Enhance PA	0.2303	10		10		10
93			PECO Com 3030-HRPC-PA	0.2303					
94			PECO Com 3030-Hyperion Enhance PA	0.2303	(1)		(1)		(1)
95			PECO Com 3030-Hyperion Fin MGMT SW	0.2303	22		22		22
96			PECO Com 3030-HyperionPI	0.2303					
97			PECO Com 3030-I O Directory Svcs PA	0.2303					
98			PECO Com 3030-I Sign Up and Move	0.2303	358		358		358
99			PECO Com 3030-IAM Consolidate	0.2303	10		10		10
100			PECO Com 3030-Infomatica PA	0.2303					
101			PECO Com 3030-IT Cust Mobile App SW	0.2303	92		92		92
102			PECO Com 3030-IVR System PA	0.2303					
103			PECO Com 3030-Lease IT SW	0.2303	26		26		26
104			PECO Com 3030-Misc 5 yr FR PA	0.2303	3,151	684	2,467	684	3,835

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 86 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
105			PECO Com 3030-Misc 5 yr PA	0.2303	(0)		(0)		(0)
106			PECO Com 3030-Mobile Disp Enh PA	0.2303					
107			PECO Com 3030-OBIEE Migration SW	0.2303	238		238		238
108			PECO Com 3030-Oracle Lic PA EOL	0.2303					
109			PECO Com 3030-Oracle MW Upgrade SW	0.2303	76		76		76
110			PECO Com 3030-Passport Enhance PA	0.2303					
111			PECO Com 3030-PBF SW Enhance PA	0.2303					
112			PECO Com 3030-PECO RNI Upgrade SW	0.2303	296		296		296
113			PECO Com 3030-Peoplesoft GL Upgrade	0.2303					
114			PECO Com 3030-PeopleSoft SW Enh PA	0.2303					
115			PECO Com 3030-PowePlant Enhance PA	0.2303					
116			PECO Com 3030-PowePlant v10 PA	0.2303					
117			PECO Com 3030-Rev Req Filing SW	0.2303	166		166		166
118			PECO Com 3030-Robotic Process Auto	0.2303	20		20		20
119			PECO Com 3030-SCP Splunk SW	0.2303	14		14		14
120			PECO Com 3030-Service Mgt SW PA	0.2303					
121		Gas - General Plant	PECO Com 3030-Tax Tech Trans SW	0.2303	25		25		25
122			PECO Com 3030-WallStreet SW PA	0.2303					
123		Gas - Intangible Plant	Subtotal Common - Intangible Plant		\$7,942	\$686	\$7,256	\$686	\$8,629
124									
125			PECO Gas 3913 PA	1.0000					
126			Subtotal						
127									
128			PECO Gas 303 Account Lookup Asset						
129			PECO Gas 303 Account Lookup Liab	1.0000					
130			PECO Gas 303 AMI CDW PA	1.0000	\$6		\$6		\$6
131			PECO Gas 303 AMI CIMS PA	1.0000	9		9		9
132			PECO Gas 303 AMI MDMS Enh PA	1.0000					
133			PECO Gas 303 AMI Middleware PA	1.0000					
134			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,678		1,678		1,678
135			PECO Gas 303 SG GIS PA	1.0000	11		11		11
136			PECO Gas 303 SM ADM PA	1.0000					
137			PECO Gas 303 SM MDMS PA	1.0000					
138			Subtotal Gas - Intangible Plant		\$1,704		\$1,704		\$1,704
139									
140			Subtotal 404.0 Amort. Of Limited-Term Plant		\$9,647	\$686	\$8,960	\$686	\$10,333

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 87 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma FPFTY Depr (Function)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	1.0000	\$1,027	\$42	\$985	\$42	\$1,068
2			PECO Common 3902 IL	1.0000	4		4		4
3			PECO Common 3902 PA	1.0000	485	48	437	48	533
4			PECO Common 3903 PA	1.0000	9	1	7	1	10
5			PECO Common 3911 PA	1.0000	4	0	3	0	4
6			PECO Common 3912 PA	1.0000	491	41	450	41	532
7			PECO Common 3913 IL	1.0000	527	56	471	56	582
8			PECO Common 3913 PA	1.0000	1,808	187	1,621	187	1,995
9			PECO Common 3930 PA	1.0000	31	2	29	2	33
10			PECO Common 3941 PA	1.0000	3		3		3
11			PECO Common 3942 PA	1.0000	23	3	21	3	26
12			PECO Common 3970 PA	1.0000	1,469	160	1,309	160	1,630
13			PECO Common 3980 PA	1.0000	19	0	19	0	19
14			Subtotal Common - General Plant		\$5,899	\$541	\$5,358	\$541	\$6,439
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	1.0000					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$134	\$3	\$131	\$3	\$137
20			PECO Gas 3752 PA	1.0000	15		15		15
21			PECO Gas 3753 PA	1.0000	186	7	179	7	192
22			PECO Gas 3761 PA	1.0000	9,867	637	9,230	637	10,505
23			PECO Gas 3762 PA	1.0000	900		900		900
24			PECO Gas 3763 PA	1.0000	17,681	1,524	16,157	1,524	19,205
25			PECO Gas 3780 PA	1.0000	477	32	445	32	508
26			PECO Gas 3790 PA	1.0000	1,394	128	1,266	128	1,521
27			PECO Gas 3801 PA	1.0000	3,571	56	3,515	56	3,628
28			PECO Gas 3802 PA	1.0000	17,889	1,389	16,500	1,389	19,279
29			PECO Gas 3810 PA	1.0000	1,854	45	1,809	45	1,900
30			PECO Gas 3811 PA	1.0000	3,462	31	3,431	31	3,492
31			PECO Gas 3820 PA	1.0000	4,176	214	3,962	214	4,390
32			PECO Gas 3870 PA	1.0000	133	0	133	0	133
33			Subtotal Gas - Distribution		\$61,738	\$4,066	\$57,672	\$4,066	\$65,805
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 88 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma FPPTY Depr (Function)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$102	\$2	\$100	\$2	\$103
36			PECO Gas 3902 PA	1.0000	62	7	56	7	69
37			PECO Gas 3903 PA	1.0000	59	7	52	7	66
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	21	0	21	0	21
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	539	22	517	22	562
42			PECO Gas 3940 PA	1.0000	685	28	657	28	713
43			PECO Gas 3950 PA	1.0000	0		0		0
44			PECO Gas 3970 PA	1.0000	178	2	176	2	180
45			PECO Gas 3980 PA	1.0000	8		8		8
46			Subtotal Gas - General Plant		\$1,655	\$68	\$1,587	\$68	\$1,723
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$25	(\$2)	\$27	(\$2)	\$24
49			PECO Gas 3053 PA	1.0000	(0)		(0)		(0)
50			PECO Gas 3110 PA	1.0000	94		94		94
51			Subtotal Gas - Production Plant		\$119	(\$2)	\$121	(\$2)	\$117
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$43	\$1	\$42	\$1	\$44
54			PECO Gas 3612 PA	1.0000	325		325		325
55			PECO Gas 3613 PA	1.0000	9	0	9	0	9
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	25		25		25
58			PECO Gas 3631 PA	1.0000	156		156		156
59			PECO Gas 3632 PA	1.0000	715	74	641	74	788
60			PECO Gas 3633 PA	1.0000	218	13	205	13	231
61			PECO Gas 3634 PA	1.0000	36	2	33	2	38
62			PECO Gas 3635 PA	1.0000	93	2	91	2	96
63			Subtotal Gas - Storage		\$1,637	\$92	\$1,545	\$92	\$1,729
64									
65			Subtotal 403.0 Depreciation Expense.		\$71,048	\$4,765	\$66,283	\$4,765	\$75,813
66									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 89 of 94

Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	(12)	(13)	(14)	(15)	(16)	(17)
						Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma FPFTY Depr (Function)
67	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	1.0000		\$65	\$2	\$63	\$2	\$68
68			PECO Com 303-AMI NONBILL SW EDE EOL	1.0000						
69			PECO Com 303-AMI NONBILL SW IDS EOL	1.0000						
70			PECO Com 303-IAM SW Enhance PA	1.0000						
71			PECO Com 3030- North Star RE SW	1.0000	103			103		103
72			PECO Com 3030-BIDA Customer Project	1.0000	426			426		426
73			PECO Com 3030-CallRoutingSW	1.0000	35			35		35
74			PECO Com 3030-CIMS Enhancements PA	1.0000						
75			PECO Com 3030-CIMS EOL PA	1.0000						
76			PECO Com 3030-CIS Transformation SW	1.0000	23			23		23
77			PECO Com 3030-Client Devices SW PA	1.0000						
78			PECO Com 3030-Cloud Serv 3 yr	1.0000	37			37		37
79			PECO Com 3030-Cloud Serv 5 yr	1.0000	200			200		200
80			PECO Com 3030-Common MDM SW	1.0000	1,860			1,860		1,860
81			PECO Com 3030-CTA PHI Consol SW	1.0000	103			103		103
82			PECO Com 3030-Cust Appt Sched SW	1.0000	142			142		142
83			PECO Com 3030-Data Loss Prevent PA	1.0000						
84			PECO Com 3030-Digital Strat Platfor	1.0000	29			29		29
85			PECO Com 3030-Documentum PA	1.0000						
86			PECO Com 3030-EAM Asset Suite PA	1.0000	1			1		1
87			PECO Com 3030-EU Dig Strat EPay SW	1.0000	102			102		102
88			PECO Com 3030-EUWebCon	1.0000						
89			PECO Com 3030-Fixed Credit Option S A (Original)	1.0000	89			89		89
90			PECO Com 3030-Fusion Mig Non-MDM SW	1.0000	182			182		182
91			PECO Com 3030-HR Payroll HCM Cloud	1.0000	41			41		41
92			PECO Com 3030-HRPC Enhance PA	1.0000	10			10		10
93			PECO Com 3030-HRPC-PA	1.0000						
94			PECO Com 3030-Hyperion Enhance PA	1.0000	(1)			(1)		(1)
95			PECO Com 3030-Hyperion Fin MGMT SW	1.0000	22			22		22
96			PECO Com 3030-HyperionPI	1.0000						
97			PECO Com 3030-I O Directory Svcs PA	1.0000						
98			PECO Com 3030-I Sign Up and Move	1.0000	358			358		358
99			PECO Com 3030-IAM Consolidate	1.0000	10			10		10
100			PECO Com 3030-Informatica PA	1.0000						
101			PECO Com 3030-IT Cust Mobile App SW	1.0000	92			92		92
102			PECO Com 3030-IVR System PA	1.0000						
103			PECO Com 3030-Lease IT SW	1.0000	26			26		26
104			PECO Com 3030-Misc 5 yr FR PA	1.0000	3,151	684	2,467	684	3,835	3,835

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

PECO Exhibit MJT-1 Revised
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 90 of 94

Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	(12)	(13)	(14)	(15)	(16)	(17)
						Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma FPFTY Depr (Function)
105			PECO Com 3030-Misc 5 yr PA	1.0000		(0)		(0)		(0)
106			PECO Com 3030-Mobile Disp Enh PA	1.0000						
107			PECO Com 3030-OBIEE Migration SW	1.0000		238		238		238
108			PECO Com 3030-Oracle Lic PA EOL	1.0000						
109			PECO Com 3030-Oracle MW Upgrade SW	1.0000		76		76		76
110			PECO Com 3030-Passport Enhance PA	1.0000						
111			PECO Com 3030-PBF SW Enhance PA	1.0000						
112			PECO Com 3030-PECO RNI Upgrade SW	1.0000		296		296		296
113			PECO Com 3030-Peoplesoft GL Upgrade	1.0000						
114			PECO Com 3030-PeopleSoft SW Enh PA	1.0000						
115			PECO Com 3030-PowePlant Enhance PA	1.0000						
116			PECO Com 3030-PowePlant v10 PA	1.0000						
117			PECO Com 3030-Rev Req Filing SW	1.0000		166		166		166
118			PECO Com 3030-Robotic Process Auto	1.0000		20		20		20
119			PECO Com 3030-SCP Splunk SW	1.0000		14		14		14
120			PECO Com 3030-Service Mgt SW PA	1.0000						
121		Gas - General Plant	PECO Com 3030-Tax Tech Trans SW	1.0000		25		25		25
122			PECO Com 3030-WallStreet SW PA	1.0000						
123		Gas - Intangible Plant	Subtotal Common - Intangible Plant			\$7,942	\$686	\$7,256	\$686	\$8,629
124										
125			PECO Gas 3913 PA	1.0000						
126			Subtotal							
127										
128			PECO Gas 303 Account Lookup Asset	1.0000						
129			PECO Gas 303 Account Lookup Liab	1.0000						
130			PECO Gas 303 AMI CDW PA	1.0000		\$6		\$6		\$6
131			PECO Gas 303 AMI CIMS PA	1.0000		9		9		9
132			PECO Gas 303 AMI MDMS Enh PA	1.0000						
133			PECO Gas 303 AMI Middleware PA	1.0000						
134			PECO Gas 303 Misc 5 YR FR PA	1.0000		1,678		1,678		1,678
135			PECO Gas 303 SG GIS PA	1.0000		11		11		11
136			PECO Gas 303 SM ADM PA	1.0000						
137			PECO Gas 303 SM MDMS PA	1.0000						
138			Subtotal Gas - Intangible Plant			\$1,704	\$686	\$1,704	\$686	\$1,704
139										
140			Subtotal 404.0 Amort. Of Limited-Term Plant			\$9,647	\$686	\$8,960	\$686	\$10,333

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-18 Income Taxes

PECO Exhibit MJT-1 Revised
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 91 of 94

			(1)	(2)	(3)
Line No.	Description	Reference	Present Rates	Rate Increase	Proposed Rates
1	Revenue		\$590,014	\$66,279	\$656,293
2	Operating Expenses		466,639	434	467,073
3	OIBIT	L1 - L2	\$123,375	\$65,845	\$189,221
4					
5	Rate Base		\$2,463,555		\$2,463,555
6	Weighted Cost of Debt		1.790%		1.790%
7	Synchronized Interest Expense	L5 * L6	\$44,098		\$44,098
8	Base Taxable Income	L3 - L7	\$79,278	\$65,845	\$145,123
9					
10	State Accelerated Tax Depreciation		\$60,609		\$60,609
11	Pro Forma Book Depreciation		86,146		86,146
12	State Tax Depreciation (Over) Under Book	L11 - L10	\$25,538		\$25,538
13	Regulatory Asset Programs M-1, Pension & Post-Retirement		(3,054)		(3,054)
14	Other Property Basis Adjustments (CIAC/ICM)		(12,276)		(12,276)
15	Removal Costs/Software		(9,120)		(9,120)
16	AFUDC Equity		(5,482)		(5,482)
17	Permanent Adjustments		775		775
18	Repair Deduction		(132,540)		(132,540)
19					
20	State Taxable Income	L8+L12+L13+L14+L15+L16+L17+L18	(\$56,881)	\$65,845	\$8,964
21					
22	State Income Tax Rate		9.99%	9.99%	9.99%
23	State Income Tax Benefit / (Expense) before Net Operating Loss	- L20 * L22	\$5,682	(\$6,578)	(\$896)
24	Net Operating Loss Utilization %		100.00%		
25	Net Operating Loss Utilization	- L24 * L23	(5,682)		(5,682)
26	State Income Tax Benefit / (Expense)	L23 + L25	-	(\$6,578)	(\$6,578)
27					
28	Federal Accelerated Tax Depreciation		\$52,531		\$52,531
29	Pro Forma Book Depreciation		86,146		86,146
30	Federal Tax Deducts (Over) Under Book	L29 - L28	\$33,615		\$33,615
31	Regulatory Asset Programs M-1, Pension & Post-Retirement		(3,054)		(3,054)
32	Other Property Basis Adjustments (CIAC/ICM)		(12,276)		(12,276)
33	Removal Costs/Software		(9,120)		(9,120)
34	AFUDC Equity		(5,482)		(5,482)
35	Permanent Adjustments		775		775
36	Repair Deduction		(132,540)		(132,540)
37	Federal NOL				
38	Federal Taxable Income	L8-L26+L30+L31+L32+L33+L34+L35+L36+L37	(\$48,804)	\$59,267	\$10,464
39					
40	Federal Income Tax Rate %		21.00%	21.00%	21.00%
41	Federal Income Tax Benefit / (Expense) before Deferred and Adjustments	- L38 * L40	\$10,249	(\$12,446)	(\$2,197)
42	Total Tax Benefit / (Expense) before Deferred Income Tax	L26 + L41	\$10,249	(\$19,024)	(\$8,775)
43					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-18 Income Taxes

PECO Exhibit MJT-1 Revised
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 92 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Rate Increase	(3) Proposed Rates
44	DEFERRED INCOME TAXES				
45	Deferred Taxes on Timing Differences- Federal		\$1,053		\$1,053
46	Deferred Taxes on Timing Differences- State		(1,531)		(1,531)
47	Deferred Taxes on State NOL		5,682		5,682
48	Excess Deferred Amortization		3,455		3,455
49	Federal Income Tax on Flow Through Adjustments		(953)		(953)
50					
51	Deferred Income Taxes Benefit / (Expense)	SUM L45 to L49	\$7,706		\$7,706
52					
53	Net Income Tax Benefit / (Expense)	L42 + L51	\$17,955	(\$19,024)	(\$1,069)
54					
55	Other Income Tax Adjustments				
56	Amortization of Investment Tax Credit		\$64		\$64
57					
58	Combined Income Tax Benefit / (Expense)	L53 + L56	\$18,019	(\$19,024)	(\$1,005)
59					
60	Federal Income Tax Benefit / (Expense)	L41 + L45 + L48 + L49 + L56	\$13,868	(\$12,446)	\$1,422
61	State Income Tax Benefit / (Expense)	L26 + L46 + L47	4,151	(6,578)	(2,427)
62	Total Income Tax Benefit / (Expense)	L60 + L61	\$18,019	(\$19,024)	(\$1,005)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)

PECO Exhibit MJT-1 Revised
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 93 of 94

Section 1301.1(b) Differential

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	2014	2015	2016	2017	2018	Average
1	PECO Consolidated Taxable Income		\$97,822	\$165,388	\$185,545	\$129,850	\$149,461	
2								
3								
4	Consolidated Income Companies Taxable Income		\$1,762,414	\$925,343	\$1,249,191	\$574,523	\$1,031,664	
5								
6								
7	Taxable Income Percentage to PECO	L1 / L4	5.55%	17.87%	14.85%	22.60%	14.49%	
8								
9								
10	Consolidated Companies Loss		\$ (90,836)	\$ (1,598)	\$ (921)	\$ (1,816,977)	\$ (111,977)	
11								
12								
13	PECO Allocation of Loss	L7 * L10	\$ (5,042)	\$ (286)	\$ (137)	\$ (410,660)	\$ (16,223)	
14								
15								
16	Gas Percentage		37.13%	3.63%	-17.42%	-10.64%	-8.19%	
17								
18								
19	Loss Allocable to Gas	L13 * L16	(\$1,872)	(\$10)	\$24	\$43,701	\$1,329	
20								
21								
22								
23	Average for 2014 to 2018	Average L19						8,634
24								
25								
26	Tax Rate							21.00%
27								
28	Section 1301.1(b) Differential	L23 * L26					\$ 1,813	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-19 Conversion Factor

PECO Exhibit MJT-1 Revised
 Schedule D-19
 Witness: Michael J. Trzaska
 Page 94 of 94

(1)

(2)

Line No.	Description	Reference	Utility
1	<u>GROSS REVENUE CONVERSION FACTOR</u>		
2	GROSS REVENUE FACTOR		1.000000
3	Forfeited Discounts Amount		838
4	Total Customer Revenue		586,996
5	Shopping Revenue		63,454
6	LPC REVENUE	L3 / (L4 + L5)	0.001288
7	GROSS RECEIPTS TAX		
8	UNCOLLECTIBLE EXPENSES		(0.003472)
9	PUC / OCA & SBA ASSESSMENT AS A % OF REVENUE		(0.003080)
10			
11			
12	NET REVENUES	L2 + L6 + L7 + L8 + L9	0.994735
13			
14	STATE INCOME TAX RATE		9.990%
15			
16	STATE INCOME TAX FACTOR	- L12 * L14	(0.099374)
17			
18	FACTOR AFTER STATE TAXES	L12 + L16	0.895361
19			
20	FEDERAL INCOME TAX RATE		21.000%
21			
22	FEDERAL INCOME TAX FACTOR	- L18 * L20	(0.188026)
23			
24			
25	NET OPERATING INCOME FACTOR	L18 + L22	0.707335
26			
27	GROSS REVENUE CONVERSION FACTOR	1 / L25	1.413757
28			
29	Combined Income Tax Factor on Gross Revenues	- L16 - L22	28.740%
30			
31			
32	<u>INCOME TAX FACTOR</u>		
33			
34	GROSS REVENUE FACTOR	L2	1.000000
35			
36	STATE INCOME TAX RATE		9.990%
37			
38	STATE INCOME TAX FACTOR	- L34 * L36	(0.099900)
39			
40			
41	FACTOR AFTER STATE TAXES	L34 + L38	0.900100
42			
43	FEDERAL INCOME TAX RATE		21.000%
44			
45	FEDERAL INCOME TAX FACTOR	- L41 * L43	(0.189021)
46			
47	NET OPERATING INCOME FACTOR	L41 + L45	0.711079
48			
49			
50	GROSS REVENUE CONVERSION FACTOR	1 / L47	1.406314
51			
52			
53	Combined Income Tax Factor On Taxable Income	L34 - L47	28.892%

**PECO ENERGY COMPANY
STATEMENT NO. 5-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: PAUL R. MOUL

SUBJECT: PECO'S OVERALL RATE OF RETURN
AND THE COST OF EQUITY

DATED: January 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. CAPITAL STRUCTURE	4
III. COST OF LONG-TERM DEBT UPDATE	9
IV. COST OF EQUITY UPDATE.....	10
V. OPPOSING PARTIES EQUITY PROPOSALS AND RELEVANT MARKET FUNDAMENTALS	12
VI. PROXY GROUP	17
VII. COST OF COMMON EQUITY - DISCOUNTED CASH FLOW	20
VIII. COST OF COMMON EQUITY - LEVERAGE ADJUSTMENT	28
IX. COST OF COMMON EQUITY - CAPITAL ASSET PRICING MODEL	31
X. COST OF COMMON EQUITY – OTHER METHODS	39
XI. OSBA PROPOSAL	43
XIII. SUMMARY	45

1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **1. Q. Please state your name, occupation and business address.**

3 A. My name is Paul Ronald Moul. My business address is 251 Hopkins Road,
4 Haddonfield, New Jersey 08033-3062. I am Managing Consultant at the firm P.
5 Moul & Associates, an independent financial and regulatory consulting firm.

6 **2. Q. Did you previously submit testimony in this proceeding on behalf of PECO**
7 **Energy Company - Gas Division (“PECO Energy” or the “Company”)?**

8 A. Yes. I submitted my direct testimony, PECO Energy Statement No. 5, on
9 September 30, 2020.

10 **3. Q. What is the purpose of your rebuttal testimony?**

11 A. My rebuttal testimony responds to the direct testimony submitted by Kevin W.
12 O’Donnell, a witness appearing on behalf of the Office of Consumer Advocate
13 (“OCA”) (OCA Statement No. 3), Christopher Keller, a witness appearing on behalf
14 of the Commission’s Bureau of Investigation and Enforcement (“I&E”) (I&E
15 Statement No. 2), and Mr. Robert D. Knecht, a witness appearing on behalf of the
16 Office of Small Business Advocate (“OSBA”) (OSBA Statement No. 1). If I fail to
17 address each and every issue in the testimonies of each of these witnesses, it does
18 not imply agreement with those issues.¹

¹ In addition to his analysis, OCA witness O’Donnell expresses support for the “no increase” recommendation of OCA witness Scott Rubin based on the COVID-19 pandemic. Mr. Rubin did not prepare a rate of return analysis but concluded that his “no increase” recommendation would result in a return on equity of only 7.26%. See OCA St. No. 1, p. 24 n.36. The flaws in Mr. Rubin’s “no increase” approach are addressed by PECO witness Paul Hibbard in Statement No. 11-R.

1 **4. Q. Have you prepared an exhibit to accompany your rebuttal testimony?**

2 A. Yes. I have prepared an update of my original Exhibit PRM-1. In this exhibit, I
3 have updated the Company's cost of debt and provided later data regarding the cost
4 of equity.

5 **5. Q. What rate of return issues have been disputed in this case?**

6 A. The Company's capital structure has been challenged by Mr. O'Donnell. Mr.
7 O'Donnell also opposed the Company's proposed cost of debt. Mr. Keller has
8 accepted the Company's proposed capital structure and the Company's proposed
9 cost of debt in this case. Mr. Knecht does not comment on the capital structure
10 ratios or the cost of debt. The cost of equity has been disputed by each of the
11 witnesses. The equity returns proposed by the OCA and OSBA witnesses are
12 entirely too low to reflect the risks of PECO Energy and the prospective cost of
13 equity. The proposal of I&E would be reasonable if it were adjusted for the
14 Company's exemplary management performance.

15 There are two key factors that bear on the rate of return issue in this case. Aside
16 from technical issues that I will discuss later in my rebuttal testimony, the
17 Commission should take into consideration the following:

- 18 • A rate of return that will be reflective of the prospective capital cost rates.
- 19 • A rate of return that will reflect and be supportive of the Company's
20 financial and business risk profile.

21 As I explain below, the recommendations of OCA and OSBA fail to adequately

1 consider these points and thereby understate the required cost of common equity in
2 this proceeding.

3 **6. Q. Please summarize the key points of your rebuttal testimony.**

4 A. My key points are:

- 5 • Comparable Companies – Mr. Keller has made several deletions to the
6 members of my Gas Group. Mr. O’Donnell has adopted my Gas Group
7 along with the erroneous addition of UGI Corporation in his group. I
8 disagree with the alterations to my Gas Group by Messrs. Keller and
9 O’Donnell because my group fairly reflects the risks for the typical natural
10 gas distribution utility and their alterations make their groups less reflective
11 of the risks faced by a typical gas LDC.
- 12 • Discounted Cash Flow (DCF) – The DCF results proposed by OCA witness
13 O’Donnell are much too low to provide a reliable measure of the cost of
14 equity. As such, alternative measures should be considered as has been
15 Commission practice in other proceedings.
- 16 • DCF Leverage Adjustment – I&E witness Keller and OCA witness
17 O’Donnell have not refuted the accuracy of the Company’s leverage
18 adjustments to the DCF and beta component of the Capital Asset Pricing
19 Model (“CAPM”). Without such opposition, these adjustments should be
20 accepted.
- 21 • CAPM – A reasonable application of the CAPM mandates using prospective

1 yields on 30-year Treasury bonds, leverage adjusted betas, historical returns
2 based on arithmetic means, and size adjustment.

3 • Risk Premium Analysis – The Risk Premium approach has previously been
4 considered by the Commission and the results presented by the Company
5 substantiate the Company’s proposed return in this case.

6 • Comparable Earnings Approach – This approach substantiates the
7 Company’s proposed return in this case.

8 II. CAPITAL STRUCTURE

9 **7. Q. Are there differences in the proposed capital structures utilized by the rate of**
10 **return witnesses in this case?**

11 A. Yes. Mr. O’Donnell is alone in advocating an erroneous capital structure for PECO
12 Energy. Mr. Keller has accepted the Company’s proposed capital structure, as it
13 falls within the range of capital structures of the proxy group. Mr. O’Donnell’s
14 position is clearly contrary to long-standing Commission policy concerning capital
15 structure ratios.

16 **8. Q. Mr. O’Donnell has used historical data to support his position on capital**
17 **structure. Does this position conform with Commission practice?**

18 A. No. Mr. O’Donnell maintains that the most accurate projection of future common
19 equity ratios are the current ratios. This position does not conform with the
20 Commission’s use of the FPFTY and, hence, his proposal should be rejected. The
21 Company has submitted a well-documented proposal with reasonable projections

1 for the FPFTY.

2 **9. Q. How does the Company's capital structure proposal differ from that advocated**
3 **by Mr. O'Donnell?**

4 A. Mr. O'Donnell's proposal is based on historical data that consists of the average
5 common equity ratio established in rate case decisions by other state regulators. In
6 essence, Mr. O'Donnell has proposed a generic and hypothetical capital structure
7 for PECO Energy without ever demonstrating that the Company's proposed capital
8 structure is unreasonable. Rather, he merely proposes a capital structure that lowers
9 the Company's revenue requirements. In reaching his conclusion on capital
10 structure ratios, Mr. O'Donnell viewed four variables. They are: (i) the actual
11 common equity ratio of PECO Energy, (ii) the proxy group average common equity
12 ratios, (iii) the consolidated common equity ratio of Exelon, and (iv) the average
13 common equity ratio taken from rate case decisions in other states. He chose option
14 (iv) as his proposal in this case. This approach essentially involves the use of a
15 hypothetical capital structure that violates Commission precedent on the use of the
16 actual capital structure.

17 **10. Q. Is there any basis to deviate from the Company's actual capital structure to set**
18 **the rate of return in this case?**

19 A. No. As I explained in PECO Energy Statement No. 5 (see page 15), the Company's
20 actual capital structure ratios (including the 53.38% common equity ratio) are fairly
21 comparable to the companies in the comparison group and are therefore entirely
22 reasonable and acceptable. Indeed, the range of common equity ratios for my Gas

1 Group includes ratios extending up to 62.4% for the year 2019. Hence, the common
2 equity ratio for PECO Energy is clearly within the range of reasonableness. That
3 alone is sufficient to support the use of the Company's actual capital structure in
4 this case. Mr. O'Donnell might have been led to a different conclusion if he had
5 considered the common equity ratio utilized by the Pennsylvania Commission
6 rather than relying on the actions of other commissions. Indeed, in its Order
7 Entered on October 25, 2018 in Docket No. R-2017-2640058, the Commission
8 adopted a 54.02% common equity ratio for the Electric Division of UGI Utilities.
9 This is the most relevant benchmark common equity ratio for comparative purposes
10 in this case. Indeed, the Company's proposed common equity ratio of 53.38% is
11 entirely reasonable based on prior Commission action. There is just no reason that
12 the Commission should defer its decision-making authority on capital structure to
13 actions by other state commissions. Moreover, the reasonableness of the
14 Company's actual capital structure containing a common equity ratio of 53.38% is
15 revealed by the data provided by both Messrs. O'Donnell and Keller. Their data
16 shows that the Company's actual common equity ratio is well within the range
17 employed by their barometer groups and, therefore, supports the level of common
18 equity proposed by the Company. Those comparisons show that Mr. O'Donnell's
19 Comparison Group has common equity ratios within a range from 36.90% to
20 62.30% (see OCA Statement No. 3 at page 40). Mr. Keller found that the range of
21 common equity ratios for his Barometer Group was from 32.78% to 59.01% for
22 2019 (see page 12 of I&E Statement No. 2). Here, the Company's actual 53.38%
23 common equity ratio falls clearly within those ranges. Hence, the Company's actual

1 common equity ratio conforms with Commission policy that the actual, not
2 hypothetical, common equity ratio should be employed.

3 **11. Q. Mr. O’Donnell asserts (see page 43 of OCA Statement No. 3), that adoption of**
4 **the Company’s actual common equity ratio “would translate into lower**
5 **financial risk, than any of the companies within the comparable company**
6 **proxy group.” Is this correct?**

7 A. No. This statement is in error. Mr. O’Donnell’s claim in this regard is not valid
8 based on the common equity ratios that he provides on his Table 6. There, Atmos
9 Energy, Chesapeake Utilities, OneGas, and Spire all have common equity ratios
10 higher than PECO Energy, which provide less financial risk than PECO Energy. In
11 fact, 40% of Mr. O’Donnell’s proxy group have lower financial risk than PECO
12 Energy using their actual common equity ratios.

13 **12. Q. Mr. O’Donnell also claims that other “State regulators have been quite**
14 **consistent with their rulings in natural gas cases over the past 15 years.” Is**
15 **this correct?**

16 A. No. The data shown by Mr. O’Donnell’s Chart 5 provides a clear demarcation
17 between cases decided after 2010 and those decided prior to 2011. According to
18 Mr. O’Donnell’s data, the average common equity ratio for cases decided prior to
19 2011 was 48.61%, while the average common equity ratio for cases decided more
20 recently, after 2010, was 50.79%. Regulators have recognized the need for more
21 common equity in the capital structures for natural gas utilities in more recent
22 periods.

1 **13. Q. Does Mr. O'Donnell provide clear justification for rejecting the Company's**
2 **actual capital structure and substituting a different capital structure?**

3 A. No. Mr. O'Donnell has not substantiated his position regarding the selection of
4 hypothetical capital structure ratios, other than it achieves a lower revenue
5 requirement. Aside from the hypothetical nature of his capital structure ratios, Mr.
6 O'Donnell's approach represents a generic capital structure that would apply to any
7 and all gas utilities. Furthermore, Mr. O'Donnell advocates a hypothetical debt
8 ratio without using a hypothetical cost of debt related to the rate case decisions he
9 relied upon. This results in a serious mismatch of debt ratio and debt cost. We
10 know that there is a direct relationship between the cost of debt and the amount of
11 financial risk shown by the debt ratio. That is to say, as the debt ratio increases, the
12 cost of debt also increases. Mr. O'Donnell's proposal in this regard ignores this
13 basic financial principle. Consequently, his proposal to use hypothetical capital
14 structure ratios, if accepted, would result in providing PECO with a return on equity
15 (i.e., one that would be lower) that is not commensurate with the actual financial
16 risk of the Company.

17 **14. Q. Mr. O'Donnell also references the capital structure of Exelon. Is this**
18 **appropriate?**

19 A. No. Just as with his proposal to use a hypothetical capital structure that does not
20 reflect PECO's actual capital structure, use of Exelon's capital structure would
21 result in a mismatch between the applied capital structure and PECO's actual
22 financial risk. Moreover, Exelon is a holding company, and its capital structure thus
23 reflects the financial risk associated with ownership of multiple utilities, a large

1 generation company, and significant unregulated competitive businesses. It is not
2 appropriate to compare an operating utility capital structure to the capital structure
3 of a parent holding company that holds these diverse utility and non-utility
4 operations.

5 III. COST OF LONG-TERM DEBT UPDATE

6 **15. Q. Have the opposing parties adopted the Company's proposed cost of debt?**

7 A. Mr. Keller has adopted the Company's proposed cost of debt. Mr. Knecht is silent
8 on this issue. Mr. O'Donnell has proposed a different cost of debt.

9 **16. Q. Mr. O'Donnell has complained (see pages 51-52 of OCA Statement No. 3) that
10 the Company should have been more aggressive in dealing with the Trust
11 Preferred Capital Securities. Is his allegation warranted?**

12 A. No. The rebuttal testimony of Mr. Stefani explains why the Trust Preferred Capital
13 Securities have not been redeemed, and Mr. O'Donnell is wrong to suggest that
14 PECO Energy has not been diligent in keeping its embedded cost of long-term debt
15 as low as possible. PECO Energy has a long history of taking steps to minimize the
16 effects of high cost debt and preferred stock. The Company was among the first
17 Pennsylvania utilities to act in this regard and has called more than twenty (20)
18 issues of high cost long-term debt and preferred stock.

19 **17. Q. Have you updated the Company's cost of debt?**

20 A. Yes. Page 3 of Schedule 6 of Exhibit PRM-1 Revised, provides the Company's
21 updated cost of debt for the FPFTY. For the new issues of debt in the FTY and the
22 FPFTY, I have employed interest rates obtained from the Company's most recent

1 debt issue. As shown on page 3 of Schedule 6 of Exhibit PRM-1 Revised the
2 embedded cost of long-term debt is 3.80% for the FPPTY. This change reduced the
3 overall cost of long-term debt by 0.17% (3.80 - 3.97%), from my original proposal.
4 The Company has adjusted its revenue requirements for this change.

5 IV. COST OF EQUITY UPDATE

6 **18. Q. Have you updated your cost of equity analysis for PECO Energy?**

7 A. I have prepared an update of the data that I used to measure the cost of equity. With
8 these later data, I have moved beyond the initial data that I employed in my direct
9 testimony. There, the market data ended in June 2020 and I focused on three-month
10 averages for reasons explained in PECO Energy Statement No. 5. In the update, I
11 moved forward the date to December 2020, and also reverted to my usual six-month
12 averages in light of market conditions and the COVID-19 pandemic. I have fully
13 considered and incorporated into my analysis the impact that the COVID-19
14 pandemic has had on the capital markets and investors' assessment of that impact,
15 and the more recent cost of equity evidence shows that no change is necessary to
16 my original determination of PECO Energy's cost of common equity.

17 **19. Q. How have the results of the various measures of the cost of equity performed in**
18 **your additional analysis?**

19 A. Those results are shown on page 2 of Schedule 1 of PECO Energy Exhibit PRM-1
20 Revised. All procedures used to apply each of the models of the cost of equity are
21 the same as in my direct testimony, except that I have reverted to use of a six-month
22 average. On page 2 of Schedule 1, I have shown the comparison of the updated cost

1 of equity results and the difference in the outcomes from my original analysis
2 contained in Statement No. 8. The DCF result moved up by a meaningful amount
3 due to the increase in the dividend yield (i.e., 3.79% currently vs 3.28% formerly)
4 and the leverage adjustment (i.e., 2.17% currently vs. 1.96% formerly). The growth
5 rate that I used in the DCF was not changed, although the evidence shows that a
6 higher growth rate could be justified. Indeed, the update of the range of earnings
7 per share growth rates is 6.83% to 9.89%, which is higher at the low end than the
8 original range of 5.99% to 10.06%. The high end of the range is fairly similar.
9 Even setting aside the leverage adjustment, the simple dividend yield plus growth
10 return moved from 10.78% originally to 11.29% in the update, or an increase of
11 0.51%.

12 The Risk Premium approach shows a downward move in the cost of equity in the
13 update.

14 The revised CAPM results of 12.67% show an increase in the cost of equity. The
15 increase can be traced to two factors: those being an increase in the beta (“ β ”)
16 measure of systematic risk and an increase in the risk-free rate of (“ R_f ”). These
17 increases have been offset by the decline in the market premium.

18 Lastly, the Comparable Earnings approach shows a decline in results. Those results
19 will be subject to further pressure as we experience the consequences of the current
20 recession for these non-regulated companies.

21

22

1 **20. Q. Do you propose any change in your recommended equity return attributed to**
2 **your update?**

3 A. No. The results of my various models of the cost of equity show some decline (i.e.,
4 Risk Premium and Comparable Earnings) or an increase in the cost of equity (i.e.,
5 DCF and CAPM), as compared to my original study. An average of all differences
6 in model results show a net decrease in the cost of equity of two basis points (0.72%
7 - 0.25% + 0.34% - 0.90% = 0.09% ÷ 4). I continue to support the 10.95% return on
8 equity for PECO Energy that includes the increment for management performance.

9 **V. OPPOSING PARTIES EQUITY PROPOSALS AND RELEVANT MARKET**
10 **FUNDAMENTALS**

11 **21. Q. Is it necessary that the cost of equity set by the Commission support the**
12 **Company's financial profile?**

13 A. Yes, the cost of equity set by the Commission should allow the Company to
14 maintain its financial integrity and credit quality. It is important to remember that
15 utilities, including PECO Energy, must be in a capital attraction position in all
16 circumstances. A rate of return below the cost of capital provides a disincentive to
17 investing capital in the Company's business. Consequently, the Commission should
18 reject the proposal by Mr. O'Donnell to set the Company's return at 8.75%. The
19 proposal of Mr. Knecht, which is apparently below 8.00%, is even more
20 unreasonable. In contrast, a cost of equity return of 10.24% as proposed by Mr.
21 Keller, while still on the low side, would be close to adequate after adding the
22 management performance recognition of 0.25%. That result would be 10.49%

1 (10.24% + 0.25%). Rather, based on the factors listed below, and for technical
2 reasons set forth later in this rebuttal testimony, I have shown that the proposed
3 returns by Mr. O'Donnell and Mr. Knecht are much too low to reflect the risk and
4 return for PECO Energy.

5 **22. Q. How do Mr. Keller's, Mr. O'Donnell's, and Mr. Knecht recommendations**
6 **compare with the recently authorized DSIC equity return for gas utilities?**

7 A. Messers. O'Donnell and Knecht recommend equity returns that are lower than the
8 DSIC equity returns authorized by the Commission. The Commission has recently
9 set the equity return for the DSIC in its Quarterly Earnings Report (see Docket No.
10 M-2020-3023406 at Public Meeting held January 14, 2021). There, the
11 Commission set the return on equity for the DSIC at 10.20% for gas distribution
12 utilities, which should be considered the floor of returns that should guide the rate
13 of return determination in this case. Indeed, it should be noted that the Commission
14 increased the DSIC return by 0.05% for the gas distribution utilities in each of its
15 last two decisions.

16 **23. Q. Why would the 10.15% rate of return on common equity for DSIC purposes**
17 **serve as a floor to the cost of equity in this case?**

18 A. It just makes no sense that the cost of equity in a rate case could be any lower than
19 the DSIC return. First, investments that carry the DSIC return should not be
20 penalized with a lower return when they are included in the rate base when setting
21 base rates. Second, the DSIC return receives a true-up such that the achieved
22 returns on DSIC investments equal the intended return in those proceedings. Rather

1 than that situation, rates established in a base rate case merely provide an
2 opportunity to achieve a particular return. That is to say, there is no true-up of the
3 achieved return with the opportunity provided in a rate case decision. As such, the
4 cost of equity established in a base rate case must be no lower than the rate of return
5 on common equity used in the DSIC because there is additional risk associated
6 when achieving a particular return in base rates (thus requiring a higher return).

7 **24. Q. Are there additional issues that the Commission should consider when setting**
8 **the Company's return?**

9 A. Yes. The investment community would be very concerned if the Commission were
10 to adopt any of the positions of the OCA or OSBA. If it were to do so, investors
11 would see Pennsylvania regulation as less supportive of the Company at a time of
12 high levels of capital investment. At present, Pennsylvania regulation is currently
13 ranked Above Average/3 by Regulatory Research Associates ("RRA"), which
14 reflects an upgrade that occurred on May 10, 2017. The rating system used by RRA
15 includes three principal categories (i.e., Above Average, Average and Below
16 Average with more refined positions within the categories designated by the
17 numbers 1, 2 and 3).

18 **25. Q. How would markets react if the Commission were to follow the proposals of**
19 **OCA or OSBA?**

20 A. If the Commission were to follow the proposals of OCA or OSBA, the regulatory
21 ranking of Pennsylvania would certainly be jeopardized. The return on equity used
22 by the Commission to set rates should embody in a single numerical value a clear

1 signal of regulatory support for the financial strength of the utilities that it regulates.
2 Although cost allocations, rate design issues, and regulatory policies relative to the
3 cost of service are important considerations, the opportunity to achieve a reasonable
4 return on equity represents a direct signal to the investment community of
5 regulatory support (or lack thereof) for the utility's financial strength. In a single
6 figure, the return on equity utilized to set rates provides a common and widely
7 understood benchmark that can be compared from one company to another and is
8 the basis by which returns on all financial assets (stocks – both utility and non-
9 regulated, bonds, money market instruments, and so forth) can be measured. So,
10 while varying degrees of sophistication are required to interpret the meaning of
11 specific Commission policies on technical matters, the return on equity figure is
12 universally understood and communicates to investors the types of returns that they
13 can reasonably expect from an investment in utilities operating in Pennsylvania.

14 **26. Q. Is there other evidence that shows the return on equity recommendations of**
15 **the opposing parties are deficient?**

16 A. Yes. One measure of market risk is provided by the Oboe Global Markets
17 (formerly Chicago Board Options Exchange) Volatility Index (“VIX”). This index
18 is a gauge of volatility in the equity market and, hence, provides a measure of risk.
19 The higher the index the greater the risk. The overall range of the index since 1990
20 has been 8.56 to 89.53. The peak in the index occurred on October 1, 2008 during
21 the Financial Crisis. The lowest VIX occurred on November 1, 2017 during the
22 previous bull market. In 2020, the VIX averaged 32.21 as compared to 16.33 in
23 2019, which points to high risk in the equity market. The Commission should be

1 guided in deciding the return on equity in this case by looking back to the last time
2 when the VIX was showing high risk. That time would be for the years 2008 and
3 2009 during the Financial Crisis. The average VIX for 2008 and 2009 was 34.04
4 and 32.83, respectively. During that time, natural gas distribution utilities
5 nationally were on average granted returns on equity of 10.39% in 2008 rate cases
6 and 10.22% in 2009 rate cases decided during a period of similar market turmoil.
7 This shows that returns, such as 8.00% or less, or 8.75% are totally inadequate.

8 **27. Q. At page 76 of OCA Statement No. 3, Mr. O'Donnell observes that regulated**
9 **ROEs have trended downward over the past 15 years. Please respond.**

10 A. They have. But equity return trends should not be analyzed in isolation; instead,
11 they should be analyzed in comparison to the corresponding public utility bond
12 yields, which is known as the "regulatory premium". Most simply, the factor that
13 has the most importance in this analysis is not the equity returns viewed in isolation.
14 Instead, what is important is how much difference there is between utility bond
15 yields (which are the yields provided to lower-risk bond investors) and the return
16 provided to equity investors, who absorb additional financial risk in their
17 investments. Over the 15-year period addressed by Mr. O'Donnell, the regulatory
18 premiums have increased. This is shown by the data provided below.

<u>Years</u>	<u>Number of Years</u>	<u>Average Regulatory Risk Premium</u>
1984-2019	36	4.00%
2000-2019	20	4.72%
2010-2019	10	5.41%
2015-2019	5	5.61%

1

2

What this shows is that the risk premiums implicit in rate case decisions during

3

more recent periods of declining interest rates have increased. This is entirely

4

consistent with the relationship of risk premiums and interest rates that I describe in

5

my direct testimony (see PECO Energy Statement No. 5 page 41).

6

28. Q. How is the remainder of your testimony organized?

7

A. I will cover the issues of (i) the composition of the proxy (i.e., barometer) group, (ii)

8

the weight to be given to the DCF method, (iii) the DCF growth rate, (iv) the

9

leverage adjustment to the DCF and CAPM methods, (v) the CAPM method, (vi)

10

the Risk Premium analysis, and (vii) Comparable Earnings.

11

VI. PROXY GROUP

12

29. Q. Are there differences in the proxy groups utilized by the rate of return

13

witnesses in this case?

14

A. Yes. Mr. Keller includes only seven companies from my Gas Group in his

15

Barometer Group. He drops New Jersey Resources and Southwest Gas Holdings.

16

Mr. O'Donnell accepts all of the companies in my Gas Group and then inserts UGI

17

Corporation in the Comparison Group, and separately analyzes the cost of equity for

1 Exelon.

2 **30. Q. Mr. O'Donnell makes a separate calculation of the cost of equity for Exelon. Is**
3 **this analysis helpful in setting the equity return in this case?**

4 A. No. The Commission's policy has been to use a proxy (i.e., barometer) group
5 analysis to set the return on equity when the utility's own stock is not traded. The
6 Commission's approach in this regard makes perfect sense because it produces a
7 return that is available on other enterprises of comparable risk. The Commission's
8 practice has focused primarily on a proxy group analysis for setting the return on
9 equity. Mr. O'Donnell has provided no sound basis to deviate from this approach
10 and look at Exelon separately in this case.

11 **31. Q. Should UGI Corporation be included in the Comparison Group?**

12 A. No. Non-utility operations comprise 87% of revenues, 48% of net income, and
13 73% of assets for UGI Corporation. This makes UGI Corporation a non-
14 comparable company, because its risk is higher than that of PECO Energy. It
15 should not be included in a Comparison Group for this case. Indeed, the
16 Commission specifically excludes UGI Corporation from the Gas Distribution
17 Company Barometer Group in its Quarterly Earnings Report (Docket No. M-2020-
18 3023406, adopted at Public Meeting held January 14, 2021).

19 **32. Q. Mr. Keller used the percentage of revenues devoted to utility operations as a**
20 **criterion for screening companies to assemble his Barometer Group. Is this a**
21 **correct criterion?**

22 A. No. For utilities, the percentage of regulated revenues cannot be used as the criteria

1 to select members of the Barometer Group. This is because the margins on other
 2 business segments within Barometer Group companies are generally dissimilar to
 3 the utility business. Energy trading is a case in point, which would make revenue
 4 comparisons incompatible because of the large revenues and small margins
 5 associated with that business, when contained in potential Barometer Group
 6 companies. That is to say, energy trading generates large amount of revenues, but
 7 little profits because the margins on such trades are very small.

8 **33. Q. How do the percentages of utility income and assets compare to the companies**
 9 **contained in your Gas Group?**

10 A. Those results are shown below as taken from my response to interrogatory I&E-RR-
 11 5-D:

		Percent Utility Operations		
		Revenues	Income	Assets
ATO	Atmos Energy Corp	96%	73%	73%
CPK	Chesapeake Utilities Corp.	46%	84%	79%
NJR	New Jersey Resources Corp.	55%	35%	64%
NI	NiSource, Inc.	100%	106%	88%
NWN	Northwest Natural Gas	96%	85%	97%
OGS	One Gas, Inc.	98%	100%	100%
SJI	South Jersey Industries, Inc.	41%	134%	89%
SWX	Southwest Gas Corp.	47%	76%	83%
SR	Spire, Inc.	96%	94%	82%
		<u>75%</u>	<u>87%</u>	<u>84%</u>

12 As shown above, the percentage of utility assets is above 60% for all members of
 13 my Gas Group. As such, these data show that no elimination to my Gas Group is
 14 appropriate in this case. Moreover, the Commission uses my Gas Group when

1 applying the cost of equity models in its Quarterly Earnings Report (Docket No. M-
2 2020-3023406 at Public Meeting held January 14, 2021).

3 **VII. COST OF COMMON EQUITY - DISCOUNTED CASH FLOW**

4 **34. Q. The DCF model has been used by Messrs. Keller, O'Donnell and you as one**
5 **method to measure the cost of equity. What is your position concerning the**
6 **usefulness of the DCF method?**

7 A. While the results of a DCF analysis should be given weight, the use of more than
8 one method provides a superior foundation for the cost of equity determination.
9 Since all cost of equity methods contain certain unrealistic and overly restrictive
10 assumptions, the use of more than one method will capture the multiplicity of
11 factors that motivate investors to commit capital to an enterprise (i.e., current
12 income, capital appreciation, preservation of capital, level of risk bearing). The
13 simplified DCF model makes the assumption that there is a single constant growth
14 rate, there is a constant dividend payout ratio, that price – earnings multiples do not
15 change, and that the price of stock, earnings per share, dividends per share and book
16 value per share all have the same growth rate. We know from experience that those
17 assumptions are not realistic, because the stock market reveals performance that is
18 very different from the assumptions of the DCF.² The use of the DCF alone thus
19 does not provide a fully realistic analysis. Instead, multiple methods provide a more
20 comprehensive and reliable basis to establish a reasonable equity return for PECO
21 Energy. The Commission has acknowledged the usefulness of other methods, such

² The growth rate variables shown on Schedules 8 and 9 of PECO Energy Exhibit PRM-1 show that the assumption associated with the simplified DCF model are not reasonable.

1 as CAPM and Risk Premium, as a check on the reasonableness of the DCF return.

2 I am aware that the Commission usually expresses its cost of equity determination
3 in the context of the DCF model. But the Commission also considers other methods
4 as well. In its order entered on December 28, 2012, in Docket No. R-2012-
5 2290597, the Commission stated:

6 Sole reliance on one methodology without checking the
7 validity of the results of that methodology with other cost of
8 equity analyses does not always lend itself to responsible
9 ratemaking. We conclude that methodologies other than the
10 DCF can be used as a check upon the reasonableness of the
11 DCF derived equity return calculation.³

12 **35. Q. What form of the DCF model has been employed in this case?**

13 A. The constant growth form of the DCF model has been used by Mr. Keller, Mr.
14 O'Donnell, and me.

15 **36. Q. How do the growth rates compare for your Gas Group, Mr. Keller's
16 Barometer Group, and Mr. O'Donnell's Comparison Group.**

17 A. I used a 7.50% growth rate for my Gas Group. Mr. Keller used 6.86% (the actual
18 growth rate was 7.63%, which Mr. Keller adjusted by excluding the Value Line
19 growth rate estimate for Northwest Natural Gas) for his Barometer Group (see I&E
20 Ex. 2 – Schedule 5) and Mr. O'Donnell used a 4.25% to 6.25% growth rate for his
21 Comparison Group (see OCA Statement No. 2 at page 73).

22 **37. Q. Do the DCF results utilized by Mr. Keller provide a reasonable representation**

³ Pennsylvania Public Utility Commission, PPL Electric Utilities, R-2012-2290597, meeting held December 5, 2012, at 80.

1 **of the cost of equity?**

2 A. If Mr. Keller’s erroneous eliminations were ignored, then his growth rate would be
3 reasonable. The principal purpose of assembling a Barometer Group is to avoid
4 relying on data for a single company that may not be representative and to thereby
5 smooth out abnormalities. That said, when the results of individual members of the
6 Barometer Group are unreasonable on their face, the reliability of the method being
7 used, or the witness’ application of that method, must be questioned. As indicated
8 below, one of the DCF results presented by Mr. Keller falls into that category:

<u>Company</u>	<u>Average: 52 wk & Spot Yield</u>	+	<u>Growth</u>	=	<u>Total</u>
Northwest Natural Gas	3.58%	+	3.00%	=	6.58%

9 The reason that the DCF return for Northwest Natural is so low can be traced to Mr.
10 Keller’s exclusion of the Value Line forecast for this company. He excluded the
11 one high data point for Northwest Natural Gas, and then retains growth rates from
12 other sources that are much too low (e.g., 1.65% by Yahoo for NiSource; 3.10% by
13 Yahoo, 3.10% by Zacks and 2.80% by Morningstar for Northwest Natural). He
14 improperly throws out a high number while retaining unreasonably low numbers for
15 one company. This introduces a bias to his result.

16 **38. Q. At page 22 of I&E Statement No. 2, Mr. Keller excludes the Value Line growth**
17 **estimate for Northwest Natural from his analysis. Do you agree?**

18 A. No. Mr. Keller says, “Value Line’s growth projection for Northwest is extremely

1 inconsistent and would have an unreasonable and unwarranted impact on my DCF
 2 analysis.” However, Mr. Keller’s approach to excluding the Value Line growth rate
 3 for Northwest is one-sided. He advocates the exclusion of a high growth rate, but
 4 he makes no effort to exclude any low growth rates. There is a clear bias to his
 5 exclusion.

6 **39. Q. Is there reason to believe that the growth rate you just indicated for Northwest**
 7 **Natural of 8.38% is reasonable?**

8 A. Yes. An 8.38% growth rate for Northwest Natural that includes the Value Line
 9 forecast is entirely reasonable. I say that because it rests within the range of growth
 10 rates for the other members of Mr. Keller’s Barometer Group. That range is 5.67%
 11 to 11.10%. On the other hand, the 3.00% growth rates that Mr. Keller used for
 12 Northwest Natural is well below that range.

13 **40. Q. What are the DCF results for the remaining members of Mr. Keller’s**
 14 **Barometer Group?**

15 A. Those results are:

<u>Ticker</u>	<u>Company</u>	<u>D₁/P₀</u>	+	<u>g</u>	=	<u>k</u>
ATO	Atmos Energy Corp.	2.56%	+	7.20%	=	9.76%
CPK	Chesapeake Utilities, Inc.	1.89%	+	6.87%	=	8.76%
NI	NiSource, Inc.	3.71%	+	6.21%	=	9.92%
OGS	One Gas, Inc.	2.91%	+	5.67%	=	8.58%
SJI	South Jersey Industries	5.13%	+	11.10%	=	16.23%
SR	Spire, Inc.	3.91%	+	7.97%	=	11.88%
	Average	<u>3.35%</u>	+	<u>7.50%</u>	=	<u>10.86%</u>

1 As I demonstrated above, by altering the growth rate for Northwest Natural, Mr.
2 Keller has made its result an outlier that artificially lowers his overall DCF result.
3 Moreover, the use of a group average without alternation will give appropriate
4 weight to both high and low growth rates, and as such all values (e.g. high and low)
5 should be used in the analysis.

6 **41. Q. What would be the DCF result if Northwest Natural were treated equal to the**
7 **other members of Mr. Keller’s Barometer Group?**

8 A. Certainly, the DCF return would have been higher if Mr. Keller had not eliminated
9 the forecast earnings projection by Value Line for Northwest Natural. If he had
10 maintained the Value Line earnings growth for Northwest Natural and averaged it
11 with earnings growth rates from other sources, the growth rate would have been
12 7.63% for his Barometer Group (see I&E Ex. 2, Schedules 4 and 5). This correction
13 thereby increases the Barometer Group average DCF return to 11.01% (3.38% +
14 7.63%).

15 **42. Q. Please summarize Mr. O’Donnell’s DCF methodology.**

16 A. In his DCF analyses, Mr. O’Donnell computes the dividend yields by dividing the
17 annualized dividend for each proxy group company by the average stock price for
18 September 25, 2020 through December 18, 2020 (see page 59 of OCA Statement
19 No. 3). He arrives at a range of dividend yields of 3.5% to 3.7% using 1, 4, and 13
20 week periods. He then adds a growth rate taken from five sources. He employs the
21 use of a “plowback” method, Value Line historical growth rates of earnings,
22 dividend and book value, Value Line forecasts of earnings, dividends and book

1 value growth, and earnings forecast by CFRA and Schwab (see OCA Statement No.
2 3 at pages 60-66).

3 **43. Q. At page 64 of OCA Statement No. 3, Mr. O'Donnell claims "that it would be**
4 **inaccurate to use only earnings growth rates in the DCF." Do you agree?**

5 A. No. Mr. O'Donnell presents DPS (dividends per share) and BPS (book value per
6 share) growth rates in addition to EPS (earnings per share) growth. Mr. O'Donnell
7 is incorrect to believe that DPS and BPS have any role in the DCF model. The
8 theory of the model rests on the assumption that there will be a constant price-
9 earnings multiple, and therefore the price of stock will increase at the same rate as
10 earnings growth – that is, EPS growth is the metric that drives the DCF analysis.
11 Moreover, with the constant payout ratio assumption of the DCF, dividend growth
12 will equal earnings growth in the long-term. Finally, with a consistent market-to-
13 book ratio assumption of the DCF, book value per share will equal the other
14 variables of growth, i.e., earnings per share and dividends per share.

15 **44. Q. As to the DCF growth component, what financial variables should be given**
16 **greatest weight when assessing investor expectations?**

17 A. As noted above, to properly reflect investor expectations within the limitations of
18 the DCF model, earnings per share growth, which is the basis for the capital gains
19 yield and the source of dividend payments, must be given greatest weight. The
20 reason that earnings per share growth is the primary determinant of investor
21 expectations rests with the fact that the capital gains yield (i.e., price appreciation)
22 will track earnings growth with a constant price earnings multiple (a key assumption

1 of the DCF model). It is also important to recognize that analysts' forecasts
2 significantly influence investor growth expectations. Moreover, it is instructive to
3 note that Professor Myron Gordon, the foremost proponent of the DCF model in
4 public utility rate cases, has established that the best measure of growth for use in
5 the DCF model are forecasts of earnings per share growth.⁴ Therefore, Mr.
6 O'Donnell's reliance on historic rates of growth in earnings, dividends and book
7 value should be rejected.

8 **45. Q. Please discuss the limitations of Mr. O'Donnell's plowback growth analysis.**

9 A. Plowback, otherwise known as retention growth, along with external financing
10 growth, is another means of describing book value per share growth. Other factors
11 also contribute to earnings growth that are not accounted for by the retention
12 growth formula, such as sales of new common stock that Mr. O'Donnell has
13 excluded in his DCF growth rate analysis, reacquisition of common stock
14 previously issued, changes in financial leverage, acquisition of new business
15 opportunities, profitable liquidation of assets, and repositioning of existing assets.
16 In my view, book value per share growth (plowback), or its surrogate retention
17 growth, does not represent the proper financial variable to be considered when
18 selecting the DCF growth component. The plowback approach to the DCF merely
19 adjusts an assumed return on book common equity by the difference between the
20 dividend yield on book value and the dividend yield on market value. The table
21 provided below shows how his DCF result can be expressed from these values.
22 This shows how the return expected by investors for the Comparison Group of 9.8%

⁴ "Choice Among Methods of Estimating Share Yield," The Journal of Portfolio Management, Spring 1989 by Gordon, Gordon & Gould.

1 for 2023-2025 (see Exhibit KWO-4) is adjusted to a much lower DCF return. I
2 have demonstrated this using the average of Mr. O’Donnell’s three dividend yields
3 (i.e., $3.7\% + 3.5\% + 3.6\% = 10.8\% \div 3 = 3.6\%$).

Return on Equity	9.8%
Dividend Yield on Book Value	-5.5%
Dividend Yield on Market Value	<u>3.6%</u>
Result	<u>7.9%</u>

4 It should be noted that the Commission has not previously adopted a retention
5 growth (i.e., plowback) approach in the DCF analysis. A key component of
6 retention growth is the analyst’s assumed return on book common equity. Mr.
7 O’Donnell does not and cannot explain why an investor expected return of 9.8%
8 should be reduced to 7.9%. As shown above, the plowback approach advocated by
9 Mr. O’Donnell is clearly inconsistent with the traditional form of the DCF model
10 used by the Commission.

11 **46. Q. What DCF results would be obtained by relying on forecasts of earnings per**
12 **share growth that is typically considered by the Commission?**

13 A. Mr. O’Donnell submits earnings per share forecast growth rates of 9.5% by Value
14 Line, 6.6% by CFRA, and 5.5% by Schwab (see Exhibit KWO-2). The average
15 earnings per share growth rate is 7.2% ($9.5\% + 6.6\% + 5.5\% = 21.6\% \div 3$). The
16 resulting DCF return is 10.8% ($3.6\% + 7.2\%$). This provides a far more reasonable
17 DCF result than the 8.9% ($7.75\% + 10.00\% = 17.75\% \div 2$) midpoint DCF return

1 advocated by Mr. O'Donnell (see OCA Statement No. 3 at page 74). As I describe
2 in my pre-filed direct testimony, forecast earnings growth is the only valid measure
3 of growth for DCF purposes.

4 **VIII. COST OF COMMON EQUITY - LEVERAGE ADJUSTMENT**

5 **47. Q. At pages 37-42 of I&E Statement No. 2, Mr. Keller responds to your leverage**
6 **adjustment and argues that it should be rejected. Do you agree?**

7 A. No. For example, Mr. Keller states that he opposes the leverage adjustment because
8 the rating agencies use book value in their analysis. Mr. Keller argues: “true
9 financial risk is a function of the amount of interest expense, and capital structure
10 information provided to investors through Value Line is that of book values, not
11 market values,” which “demonstrates that investors base their decision on book
12 value debt and equity ratios for the regulated utilities,” so “no adjustment is
13 needed.” (See page 42 of I&E Statement No. 2) This approach was rejected by the
14 PUC in other cases.⁵ Moreover, as explained above, there is no merit to the
15 substance of these arguments of Mr. Keller. In his discussion of my leverage
16 adjustment, Mr. Keller mentions market-to-book ratios (“M/B”) (see pages 37-38 of
17 I&E Statement No. 2). I need to be clear that my leverage adjustment is not
18 designed to produce any particular M/B ratio. Mr. Keller offers three reasons for
19 not making a leverage adjustment. First, Mr. Keller notes that the credit rating
20 agencies assess financial risk in terms of a company’s income statement in their
21 analysis of the creditworthiness of a company (see page 40 of I&E Statement No.

⁵ Pa. P.U.C. v. PPL Electric Utilities Corp., (Dec. 6, 2004), Docket No. R-00049255, Pa. P.U.C. v. PPL Gas Utilities Corp., (Feb. 8, 2007) at R-00061398 (Feb. 8, 2007).

1 2). I agree. But this has nothing to do with my leverage adjustment. The credit
2 rating agencies do not measure the market-required cost of equity for a company.
3 The credit rating agencies are only concerned with the interests of lenders. They are
4 judging risk associated with a company's ability to make timely payments of
5 principal and interest. While Mr. Keller's observation is correct, it has no relevance
6 to my leverage adjustment.

7 **48. Q. Second, Mr. Keller also questions your leverage adjustment by reference to**
8 **prior Commission orders (see pages 41 of I&E Statement No. 2). Please**
9 **comment.**

10 A. Mr. Keller points to several decisions where the Commission declined to make a
11 leverage adjustment, including rate cases for Aqua Pennsylvania, the City of
12 Lancaster Water Department, and UGI – Electric Division (see page 41 of I&E
13 Statement No. 2). The fact that the Commission declined to use the leverage
14 adjustment in the Aqua Pennsylvania case cited by Mr. Keller does not invalidate its
15 use. Notably, the Commission did not repudiate the leverage adjustment in the
16 Aqua case, but instead arrived at an 11.00% return on equity for Aqua by including
17 a separate return increment for management performance. Just as an increment for
18 management performance is not recognized in all rate cases, so too the Commission
19 seems to be taking a similar approach to the leverage adjustment. As to the City of
20 Lancaster decision, the situation there was quite different than the leverage
21 adjustment that I propose in this case. Lancaster proposed a leverage adjustment to
22 the cost of equity measured with the Hamada formula and applied it to the DCF

1 result, the Risk Premium result, and the CAPM. While the Hamada⁶ formula plays
2 a role in the CAPM, it is not applicable to the DCF or the Risk Premium measures
3 of the cost of equity. Hence, this distinguishes the City of Lancaster approach to the
4 leverage adjustment from mine in this case. As to the UGI – Electric Division case,
5 there the Commission granted a management performance increment rather than a
6 leverage adjustment when arriving at a 9.85% equity return.

7 **49. Q. Third, Mr. Keller argues that investors base their decisions on the book value**
8 **debt and equity ratios for regulated utilities. Please respond.**

9 A. Mr. Keller contends that information presented to investors, such as that included in
10 the Value Line reports, argues against my leverage adjustment because investors
11 base their investment decisions on book value (see pages 42 of I&E Statement No.
12 2). However, the Value Line reports clearly show the market capitalization of each
13 company in his barometer group. This means that investors are well aware of the
14 market capitalization of the gas utility stocks that Mr. Keller relies upon for his
15 analysis of the cost of equity. More importantly, I fundamentally disagree that
16 investors base their decisions on book values. To the contrary, it is the future cash
17 flows that investors expect to realize that determines the price they are willing to
18 pay for a share of common equity. Stated differently, investors are concerned with
19 the return that will be earned on the dollars they invest (i.e., their market price) and
20 not some accounting value of little relevance to them. The financial risk associated
21 with the book value capital structure is different from the market value of the

⁶ Robert S. Hamada, "The Effects of the Firm's Capital Structure on the Systematic Risk of Common Stocks" *The Journal of Finance* Vol. 27, No. 2, Papers and Proceedings of the Thirtieth Annual Meeting of the American Finance Association, New Orleans, Louisiana, December 27-29, 1971. (May 1972), pp. 435-452.

1 capitalization, which I clearly demonstrate on Schedule 10 of PECO Exhibit PRM-1
2 Revised. Hence, the observation of Mr. Keller is misplaced because I have clearly
3 shown the difference in financial risk and that risk difference must be taken into
4 account when arriving at an equity return that is applicable to the weighted average
5 cost of capital using book value weights.

6 **50. Q. At pages 101-103 of OCA Statement No. 3, Mr. O'Donnell disagrees with your**
7 **leverage adjustment. Does he adequately support his opposition?**

8 A. No. Mr. O'Donnell states that my adjustment "is, without a doubt, a market-to-
9 book adjustment." (OCA Statement No. 3 at page 102) He has not shown, nor
10 could he, that my leverage adjustment is the same as a "market-to-book"
11 adjustment. There is no factor in my adjustment that provides a conversion of a
12 DCF return based upon any particular market-to-book ratio. Likewise, for the
13 CAPM. Moreover, Mr. O'Donnell cannot show how my application of the Hamada
14 formula to the Value Line beta changes by a market-to-book factor.

15 **IX. COST OF COMMON EQUITY - CAPITAL ASSET PRICING MODEL**

16 **51. Q. Do you have concerns regarding Mr. Keller's and Mr. O'Donnell's**
17 **applications of the CAPM?**

18 A. Yes. The CAPM results proposed by these witnesses understate the cost of equity
19 for a number of reasons: (i) Mr. Keller's use of the yield on 10-year Treasury notes
20 rather than longer-duration Treasury offerings, (ii) Mr. O'Donnell's consideration
21 of historical geometric means to calculate total market return, (iii) their failure to
22 use leveraged adjusted betas, and (iv) their failure to make a size adjustment.

1 Moreover, I disagree with Mr. O'Donnell's CAPM as it relates to the lack of a
2 prospective yield on Treasury bonds and a market risk premium that is unreflecting
3 of the forward-looking prescription of the CAPM that requires use of investor-
4 expected returns.

5 **52. Q. How does the yield on 10-year Treasury notes used by Mr. Keller compare**
6 **with yields on longer-term Treasury bonds?**

7 A. The Blue Chip report dated January 1, 2021 shows this comparison. For the fourth
8 quarter of 2020, the gap was 0.76% (1.60% - 0.84%) between the yields on 30-year
9 and 10-year Treasury obligations. For the period 2022-2026, that gap is projected at
10 0.8% (2.8% - 2.0%) as shown by the comparison on page 2 of Schedule 13 of
11 PECO Exhibit PRM-1 Revised. This shows a systematic understatement of CAPM
12 returns by Mr. Keller. Short-term rates respond more to the monetary policy actions
13 taken by the Federal Open Market Committee ("FOMC"), while long-term rates are
14 more a reflection of investor sentiment of their required returns. For this reason,
15 long-term rates, such as those revealed by 30-year Treasury bonds, should be used
16 to measure the risk-free rate of return. Use of shorter term rates, such as Mr.
17 Keller's 10-year Treasury Notes yields, are more susceptible to Fed policy actions.

18 **53. Q. How has Mr. Keller understated the risk-free rate of return?**

19 A. The support for his risk-free rate of return is shown on his Schedule 8 of I&E
20 Exhibit No. 2. There, he incorrectly gives the same weight to the yield on 10-year
21 Treasury notes for the first, second, third and fourth quarters of 2021 as he does for
22 the entire five-year period 2022 through 2026. This approach leads to a seriously

1 understated risk-free rate of return. There are several problems with his approach.
 2 First, even if 10-year rates are used, it is necessary to correct the weights assigned to
 3 the forecast data presented by Mr. Keller. I have revised his forecast below, based
 4 upon the latest Blue Chip report dated December 1, 2020 and January 1, 2021.
 5 Moreover, Blue Chip provides higher yields on Treasury obligations as the forecasts
 6 are extended into the future.

<u>Year</u>	<u>10-Year Treasury Yield</u>	<u>30-Year Treasury Yield</u>
2021	1.0%	1.8%
2022	1.3%	2.1%
2023	1.7%	2.4%
2024	2.0%	2.8%
2025	2.4%	3.1%
2026	2.6%	3.4%
Average	<u>1.83%</u>	<u>2.6%</u>

7 The resulting risk-free rate of return is 1.83% using the yield on 10-year Treasury
 8 Notes, as compared to Mr. Keller’s 1.23%, and 2.6% using the yield on 30-year
 9 Treasury Bonds.

10 **54. Q. How should these results be used in the CAPM?**

11 A. The market premium (“ $R_m - R_f$ ”) should be revised to reflect the correct risk-free
 12 rate of return shown above. The size adjustment of 1.02% must also be
 13 incorporated into the CAPM (see pages 47-48 of PECO Energy Statement No. 5).
 14 Those results are:

$$R_f + \beta (R_m - R_f) + size = K$$

Barometer Group 1.83% + 0.85 (10.46% - 1.83%)+ 1.02% = 10.19%

1 This CAPM result employs the betas (“β) and market return (“Rm”) proposed by
 2 Mr. Keller.

3 **55. Q. At pages 44-45 of I&E Statement No. 2, Mr. Keller disagrees with your size**
 4 **adjustment applied to the CAPM analysis. Has he substantiated his**
 5 **argument?**

6 A. No. As a preliminary matter, even recent Federal Energy Regulatory Commission’s
 7 (“FERC”) orders specifically prescribe an adjustment to the CAPM due to the size
 8 of an enterprise. *E.g., Association of Businesses Advocating Tariff Equity, et al. v.*
 9 *Midcontinent Independent System Operator, Inc.*, 173 FERC ¶ 61,159 at P 100
 10 (Nov. 19, 2020) (“We also continue to find that the size adjustment is necessary to
 11 correct for the CAPM's inability to fully account for the impact of firm size when
 12 determining the cost of equity.”)] It is noteworthy that CAPM provides
 13 compensation solely for systematic risk. In making his arguments, Mr. Keller
 14 claims, “the technical literature he [Moul] cites supporting investment adjustments
 15 related to the size of a company is not specific to the utility industry; therefore, has
 16 no relevance in this proceeding.” This supposes that there is a distinction between
 17 regulated utilities and unregulated industrial companies when related to the impact
 18 on the cost of equity related to size. But that is not enough to reject this adjustment.
 19 This is because the size adjustment that I use is derived from the Ibbotson study
 20 (Stocks, Bonds, Bills and Inflation, 2017 SBBI Yearbook) that included, among
 21 other industries, public utilities. So, I have considered the utility industry in my

1 adjustment. The Wong article that Mr. Keller cites provides no support for rejecting
2 the size adjustment. The Wong article that he relies upon was authored twenty (20)
3 years ago, and employed data going back into the 1960s. Enormous changes have
4 occurred in the industry since the 1960s that have fundamentally changed the utility
5 business. The Wong article also noted that betas for the non-regulated companies
6 were larger than the betas of the utilities. This, however, is not a revelation,
7 because utilities continue to have lower betas than many other companies. This fact
8 does not invalidate the additional risk associated with small size.

9 The Wong article further concludes that size cannot be explained in terms of beta.
10 Again, this should not be a surprise. Beta is not the tool that should be employed to
11 make that determination. Indeed, beta is a measure of systematic risk and it does
12 not provide the means to identify the return necessary to compensate for the
13 additional risk of small size. In contrast, the famous Fama/French study (see “The
14 Cross-Section of Expected Stock Returns,” The Journal of Finance, June 1992)
15 identified size as a separate factor that helps explain returns.

16 **56. Q. Does Mr. O’Donnell’s CAPM analysis produce reasonable results?**

17 A. No, it does not. Mr. O’Donnell says that his CAPM results are between 5.0% and
18 7.75% (see page 87 of OCA Statement No. 3). This clearly is totally inconsistent
19 with the CAPM that I provided above using Mr. Keller’s data, the DCF, and the
20 Comparable Earnings as Mr. O’Donnell has applied it. Such low returns are simply
21 not credible.

22

1

2 **57. Q. Concerning Mr. O'Donnell's CAPM, why is it appropriate to include forward-**
3 **looking data in the CAPM results?**

4 A. Just like all market models of the cost of equity, CAPM is an expectational model.
5 Mr. O'Donnell's CAPM approach suffers from the infirmity of not positioning the
6 risk-free rate of return in a forward-looking manner – rather he used historical
7 results obtained from the past year. To remedy this shortcoming, at least in part,
8 current data should be supplemented with forward-looking data. After all, Mr.
9 O'Donnell uses forecasted information extensively in his DCF analysis when
10 considering the appropriate growth rate. To be consistent, forecasts of total market
11 returns should likewise be considered.

12 **58. Q. Mr. O'Donnell uses, among other inputs, historical data for his market return**
13 **component of the CAPM. What are your observations regarding Mr.**
14 **O'Donnell's use of the geometric mean when he analyzed historical data?**

15 A. Mr. O'Donnell has incorrectly used the geometric mean in his historic analysis of
16 the total market returns (see page 83 of OCA Statement No. 3). The theoretical
17 foundation of the CAPM requires that the arithmetic mean be used because it
18 conforms to the single period specification of the model and it provides a
19 representation of all probable outcomes and has a measurable variance. It has been
20 established that the arithmetic mean best describes expected future returns -- the
21 objective of the CAPM. The arithmetic mean provides the correct representation of
22 all probable outcomes and has a measurable variance. In contrast, use of the

1 geometric mean, which Mr. O'Donnell advocates, consists merely of a rate of return
2 taken from two data points which would have no measurable variance (i.e., the
3 dispersion of the returns cannot be calculated with a geometric mean because the
4 multitude of returns from the intervening years between the beginning and ending
5 values is ignored in the geometric mean). So, while a geometric mean will capture
6 the growth from an initial to a terminal value, it cannot provide a reasonable
7 representation of the market premium in the context of the CAPM because the
8 model requires a single period return expectation of investors. The arithmetic mean
9 provides an unbiased estimate, provides the correct representation of all probable
10 outcomes, and has a measurable variance.

11 As stated by Ibbotson:

12 *Arithmetic Versus Geometric Differences*

13 For use as the expected equity risk premium in the CAPM,
14 the arithmetic or simple difference of the arithmetic means
15 of stock market returns and riskless rates is the relevant
16 number. This is because the CAPM is an additive model
17 where the cost of capital is the sum of its parts. Therefore,
18 the CAPM expected equity risk premium must be derived by
19 arithmetic, not geometric, subtraction.
20

21 *Arithmetic Versus Geometric Means*

22
23 The expected equity risk premium should always be
24 calculated using the arithmetic mean. The arithmetic mean
25 is the rate of return which, when compounded over multiple
26 periods, gives the mean of the probability distribution of
27 ending wealth values....This makes the arithmetic mean
28 return appropriate for computing the cost of capital. The
29 discount rate that equates expected (mean) future values with
30 the present value of an investment is that investment's cost
31 of capital. The logic of using the discount rate as the cost of
32 capital is reinforced by noting that investors will discount
33 their (mean) ending wealth values from an investment back
34 to the present using the arithmetic mean, for the reason given
35 above. They will therefore require such an expected (mean)
36 return prospectively (that is, in the present looking toward

1 the future) in order to commit their capital to the investment.
2 (Stocks, Bonds, Bills and Inflation - 1996 Yearbook, pages
3 153-154

4 As such, the geometric mean should not be used in the CAPM. With the arithmetic
5 mean, the market risk premium is 6.1% (12.1% - 6.0%) as revealed in the 2020
6 SBBI Yearbook.⁷

7 **59. Q. What problem have you detected in Mr. O'Donnell's development of the**
8 **market risk premium component of the CAPM?**

9 A. Mr. O'Donnell has used market risk premiums that range from 4.25% to 6.25%.
10 These market risk premiums are entirely too low. Part of the problem relates to his
11 use of non-standard sources for the market risk premium consisting of Grantham
12 Mayor Van Otterloo, Morningstar (10-year returns), Research Affiliates, and
13 Vanguard, and his consideration of geometric returns when using historical data.

14 **60. Q. Mr. O'Donnell also challenges the adjustment that you made to the results of**
15 **the CAPM for the size of the Gas Group. Please respond.**

16 A. There is no merit to Mr. O'Donnell's assertion that recognition of the size premium
17 causes double-counting for this risk factor (see pages 113-15 of OCA Statement No.
18 3). A size adjustment is necessary because the financial impact of changes in
19 specific dollar amounts of revenues and costs have a magnified influence on a small
20 company because there are fewer dollars over which those revenues or costs can be
21 spread. The SBBI/Morningstar Yearbook clearly demonstrates that the simple

⁷ Mr. O'Donnell has erroneously reported the Long-Term Govt. Bond return as 8.7%, when the correct return is 6.0%

1 CAPM does not reflect the return that is associated with small size. As Ibbotson
2 has stated:

3 The security market line is based on the pure CAPM without
4 adjusting for the size premium. Based on the risk (or beta)
5 of a security, the expected return should fluctuate along the
6 security market line. However, the expected returns for the
7 smaller deciles of the NYSE/AMEX/NASDAQ lie above the
8 line, indicating that these deciles have had returns in excess
9 of those appropriate for their systematic risk.

10 **X. COST OF COMMON EQUITY – OTHER METHODS**

11 **61. Q. At pages 18-19 of I&E Statement No. 2, Mr. Keller explains why he excluded**
12 **the Risk Premium and Comparable Earnings methods. Do you agree?**

13 A. No. Mr. Keller claims the Risk Premium method is a simplified version of the
14 CAPM, is subject to the same faults as CAPM, and does not recognize company-
15 specific risk through beta (see pages 18-19 of I&E Statement No. 2). And he
16 further asserts that the Comparable Earnings method is too subjective, and it is
17 debatable whether historic accounting values are representative of the future. The
18 Risk Premium method provides a reasonable measure of the cost of equity because
19 it is based upon the utility's own borrowing rate. Since the yield on public utility
20 debt provides the foundation for the Risk Premium method, its result reflects the
21 fact that common equity carries more risk than utility debt. Moreover, the Risk
22 Premium method is a more comprehensive measure of the cost of equity because it
23 measures more than just systematic risk as provided by the beta in the CAPM. As
24 to the Comparable Earnings method, it complies with the comparable returns

1 standard for a fair rate of return as prescribed by Bluefield.⁸

2 **62. Q. What does Mr. Keller say about your Risk Premium analysis?**

3 A. Mr. Keller makes the unfounded assertion that the Risk Premium and CAPM
4 methods should only be used as a comparison to the results of the DCF method
5 because they do not carry over from the investment decision making process to the
6 utility rate setting process (see pages 18-19 of I&E Statement No. 2). In fact, it is
7 precisely because investors consider the results of other methods that they too
8 should be used in addition to the DCF in the development of the cost of equity in
9 this proceeding. Mr. Keller's assertion that the Risk Premium method does not
10 measure the current cost of equity as directly as the DCF is similarly without
11 foundation. I incorporated current interest rates when I developed my Risk
12 Premium cost of equity of 10.25%, and 10.00% as updated. Hence, my Risk
13 Premium cost rate is fully responsive to changing market fundamentals.

14 **63. Q. Do you believe the Risk Premium method provides significant evidence of the**
15 **cost of equity?**

16 A. Yes. In my opinion, the Risk Premium results should be given serious
17 consideration. The Risk Premium method is straight-forward, understandable and
18 has intuitive appeal because it is based on a company's own borrowing rate. The
19 utility's borrowing rate provides the foundation for its cost of equity which must be

⁸ *Bluefield Water Works & Improvement Co. v. P.S.C. of West Virginia*, 262 U.S. 679, 692 (1923) (holding that “[a] public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties”).

1 higher than the cost of debt in recognition of the higher risk of equity (see PECO
2 Energy Statement No. 5 page 38). So, while Mr. Keller and Mr. O'Donnell decline
3 to use the Risk Premium approach to measure the Company's cost of equity, it is an
4 approach that provides a direct and complete reflection of a utility's risk and return
5 because it considers additional factors not reflected in the beta measure of
6 systematic risk. Indeed, the Risk Premium approach provides for direct reflection
7 of prospective interest rates in the model and therefore should be given weight in
8 determining the equity cost rate in this case.

9 **64. Q. At page 116 of OCA Statement No. 3, Mr. O'Donnell disagrees with your Risk**
10 **Premium results because he believes that the best predictor of future yields are**
11 **the current yield curve. Is this correct?**

12 A. No. There is no merit to Mr. O'Donnell's argument in this regard. For if his
13 premise were true, then the best predictor of future earnings would be today's
14 earnings. Since all rate of return witnesses rely upon earnings forecasts to some
15 degree, then forecasts of interest rates would follow that logic. Use of forecasts
16 accommodates the reality that the future will diverge from current circumstances to
17 some degree. I am sure that everyone would agree that the coronavirus pandemic
18 will eventually be resolved and the future will be quite different than today.

19 **65. Q. Please respond to the criticism of the Comparable Earnings approach.**

20 A. The underlying premise of the Comparable Earnings method is that regulation
21 should emulate results obtained by firms operating in competitive markets and that a
22 utility must be given an opportunity cost of capital equal to that which could be

1 earned if one invested in firms of comparable risk. For non-regulated firms, the cost
2 of capital concept is used to determine whether the expected marginal returns on
3 new projects will be greater than the cost of capital, i.e., the cost of capital provides
4 the hurdle rate at which new projects can be justified, and therefore undertaken.
5 Further, given the 10-year time frame (i.e., five years historical and five years
6 projected) considered by my study, it is unlikely that the earned returns of non-
7 regulated firms would diverge significantly from their cost of capital.

8 The Comparable Earnings approach satisfies the comparability standard established
9 in the *Hope* case that specifies that the return to the utility should provide it “with
10 returns on investments in other enterprises having corresponding risks.”⁹ In
11 addition, the financial community has expressed the view that the regulatory process
12 must consider the returns that are being achieved in the non-regulated sector to
13 ensure that regulated companies can compete effectively in the capital markets.
14 Moreover, in a 1994 study that addressed the ROE issue, John Olson (then with
15 Merrill Lynch) established that ROEs from non-regulated companies provide better
16 assessment of investor requirements than those available for regulated utilities.¹⁰

17 **66. Q. At page 29 of I&E Statement No. 2, Mr. Keller believes that it was “arbitrary”**
18 **and “unjustified” for you to use 20% as the point where returns would be**
19 **viewed as highly profitable and excluded from the Comparable Earnings**
20 **approach. Please respond.**

21 A. There must be some point of demarcation to identify the high returns that Bluefield

⁹ *F.P.C. v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

¹⁰ “Natural Gas: The Case for ROE Reform,” John E. Olson First Vice President, Merrill Lynch & Co., October 11, 1994.

1 rejects. It is true that a lower value could also be selected, but because I have not
2 set any lower bound as a cut-off, the 20% threshold is reasonable. If something
3 lower were to be advocated, then a lower bound would need to be established to
4 bring balance to the resulting returns.

5 XI. MANAGEMENT PERFORMANCE

6 **67. Q. Both Mr. Keller and Mr. O'Donnell oppose your proposal for a 25-basis**
7 **adjustment for management performance. Mr. Keller asserts that PECO has**
8 **only done what is required to do by law, while Mr. O'Donnell criticizes aspects**
9 **of PECO's performance. How do you respond?**

10 A. Mr. Keller simply disagrees, without addressing the performance described in the
11 direct testimony of Mr. Bradley or other Company witnesses. Mr. O'Donnell's
12 specific criticisms of PECO's performance are incorrect, as Mr. Bradley explains in
13 PECO Statement No. 1-R.

14 XII. OSBA PROPOSAL

15 **68. Q. Have you reviewed the testimony of Mr. Knecht as it relates to his return on**
16 ***equity proposal?***

17 A. Yes. Mr. Knecht did not submit an independent analysis of the cost of equity.
18 Instead, he opines that the Company's current rates provide a rate of return on
19 common equity of less than 8.0% that he deems to be reasonable (see page 8 of
20 OSBA Statement No. 1). He bases his proposal using returns published by Duff &
21 Phelps that have no relationship to PECO Energy.

1 **69. Q. In his testimony, Mr. Knecht asserts that “regulators have an excessive**
2 **reliance on the discounted cash flow (“DCF”) method” and offers various**
3 **criticisms of the DCF method. How do you respond?**

4 A., As I explained earlier, the Commission usually expresses its cost of equity
5 determination in the context of the DCF model, and Mr. Knecht concedes that the
6 DCF is “a well-established technique for deriving the equity cost of capital that is
7 widely used in utility regulation.” (OSBA Statement No. 1, p. 9).

8 **70. Q. One of Mr. Knecht’s arguments against the use of the DCF model is that an**
9 **assumption of perpetual growth is incompatible with his belief that natural gas**
10 **is a finite resource and the push toward a carbon-free era does not support the**
11 **growth rates used in the model (see pages 10-11 of OSBA Statement No.1). Do**
12 **his assertions have merit?**

13 A. No. Whatever Mr. Knecht may believe is the staying power of natural gas as an
14 energy source, the relevant factor here is how investors view the natural gas
15 industry. It is essential that application of the DCF model use inputs that
16 correspond to investors’ view of the industry, not what Mr. Knecht may postulate.
17 That is to say, the growth rate used in the DCF model must be synchronized with
18 the price that is set by investors when they determine the dividend yield component
19 of the model. As such, Mr. Knecht’s observations are irrelevant because they do
20 not comply with investor expectations when they price the stocks of the natural gas
21 companies.

22

1 **71. Mr. Knecht also references the implied risk premiums by on prior rate case**
2 **decisions (see page 9 of OSBA Statement No. 1). Does his argument have**
3 **merit?**

4 A. No. It is based on the false assumption that the risk premium is static. In fact, the
5 risk premium is dynamic, as it decreases as interest rates rise and increases as
6 interest rates fall. I demonstrated previously (see page 17 of this rebuttal testimony)
7 that the risk premium has been increasing. As all witnesses have recognized,
8 interest rates have declined since the onset of the pandemic and end of the economic
9 expansion. The risk premium today is higher when viewed in the context of
10 dramatically lower interest rates.

11 **XIII. SUMMARY**

12 **72. Q. Please summarize your rebuttal testimony.**

13 A. It is my opinion that the equity allowances proposed by Mr. O'Donnell, and Mr.
14 Knecht significantly understate the cost of common equity for PECO Energy.
15 Furthermore, Mr. O'Donnell's capital structure should be rejected for all the reasons
16 previously stated. Indeed, PECO Energy's capital structure proposed by the
17 Company is entirely reasonable for this case. Given the company-specific risk
18 factors, an opportunity to earn a cost of equity of 10.95%, inclusive of 25 basis
19 points to recognize the exemplary performance of the Company's management, is
20 reasonable.

21 **73. Q. Does this conclude your rebuttal testimony?**

22 A. Yes, it does.

R-2020-3018929 2/17/21 JK

PECO ENERGY COMPANY

Schedules to Accompany

the Rebuttal Testimony

of

Paul R. Moul, Managing Consultant
P. Moul & Associates

Concerning

Cost of Capital

and

Fair Rate of Return

PECO ENERGY COMPANY
Index of Schedules

	<u>Schedule</u>
Summary Cost of Capital	1
PECO Energy Company Historical Capitalization and Financial Statistics	2
Gas Group Historical Capitalization and Financial Statistics	3
Standard & Poor's Public Utilities Historical Capitalization and Financial Statistics	4
PECO Energy Company Capitalization and Capital Structure Ratios	5
PECO Energy Company Embedded Cost of Preferred Stock	6
Dividend Yields	7
Historical Growth Rates	8
Projected Growth Rates	9
Financial Risk Adjustment	10
Interest Rates for Investment Grade Public Utility Bonds	11
Long-Term, Year-by-Year Total Returns for the S&P Composite Index, S&P Public Utility Index, and Long-Term Corporate Bonds and Public Utility Bonds	12
Component Inputs for the Capital Market Pricing Model	13
Comparable Earnings Approach	14

PECO Energy Company
Proposed Rate of Return
Estimated at June 30, 2022

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	46.62%	3.84%	1.79%
Common Equity	<u>53.38%</u>	10.95%	<u>5.85%</u>
Total	<u>100.00%</u>		<u>7.64%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its proposed rate of return:

Pre-tax coverage of interest expense based upon a 28.8921% composite federal and state income tax rate (10.02% ÷ 1.79%)	5.60 x
Post-tax coverage of interest expense (7.64% ÷ 1.79%)	4.27 x

PECO Energy Company - Gas Division

Cost of Equity
as of December 31, 2020

						December 31, 2020 Six-Month Average	June 30, 2020 Three- Month Average	Difference			
Discounted Cash Flow (DCF)	D_1/P_0	+	g	+	$lev.$	=	k				
Gas Group	3.79%	+	7.50%	+	2.17%	=	13.46%	12.74%	0.72%		
Risk Premium (RP)			I	+	RP	=	k				
Gas Group			3.25%	+	6.75%	=	10.00%	10.25%	-0.25%		
Capital Asset Pricing Model (CAPM)	Rf	+	β	x	$(Rm-Rf)$	+	$size$	=	k		
Gas Group	2.00%	+	1.10	x	(8.77%)	+	1.02%	=	12.67%	12.33%	0.34%
Comparable Earnings (CE)					Historical	Forecast	Average				
Comparable Earnings Group					11.9%	12.1%	12.00%	12.90%	-0.90%		

References: (1) Schedule 07

(2) Schedule 09

(3) Schedule 10

(4) A-rated public utility bond yield comprised of a 2.00% risk-free rate of return (Schedule 14 page 2) and a yield spread of 1.25% (Schedule 12 page 3)

(5) Schedule 12 page 1

(6) Schedule 13 page 2

(7) Schedule 10

(8) Schedule 13 page 2

(9) Schedule 13 page 3

(10) Schedule 14 page 2

PECO ENERGY CO
Capitalization and Financial Statistics
2015-2019, Inclusive

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 7,767.0	\$ 7,088.0	\$ 6,664.0	\$ 6,179.0	\$ 6,000.0	
Short-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Capital	<u>\$ 7,767.0</u>	<u>\$ 7,088.0</u>	<u>\$ 6,664.0</u>	<u>\$ 6,179.0</u>	<u>\$ 6,000.0</u>	
Capital Structure Ratios						<u>Average</u>
Based on Permanent Capital:						
Long-Term Debt	46.2%	46.1%	46.3%	44.7%	46.1%	45.9%
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity ⁽¹⁾	53.8%	53.9%	53.7%	55.3%	53.9%	54.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	46.2%	46.1%	46.3%	44.7%	46.1%	45.9%
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity ⁽¹⁾	53.8%	53.9%	53.7%	55.3%	53.9%	54.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽¹⁾	13.2%	12.4%	12.4%	13.2%	11.9%	12.6%
Operating Ratio ⁽²⁾	77.0%	80.6%	77.0%	76.4%	79.2%	78.0%
Coverage incl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	5.36 x	4.48 x	5.17 x	5.66 x	5.49 x	5.23 x
Post-tax: All Interest Charges	4.88 x	4.43 x	4.36 x	4.48 x	4.26 x	4.48 x
Overall Coverage: All Int. & Pfd. Div.	4.88 x	4.43 x	4.36 x	4.48 x	4.26 x	4.48 x
Coverage excl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	5.24 x	4.39 x	5.08 x	5.57 x	5.43 x	5.14 x
Post-tax: All Interest Charges	4.76 x	4.34 x	4.27 x	4.39 x	4.20 x	4.39 x
Overall Coverage: All Int. & Pfd. Div.	4.76 x	4.34 x	4.27 x	4.39 x	4.20 x	4.39 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	3.2%	2.6%	2.8%	2.5%	1.9%	2.6%
Effective Income Tax Rate	11.0%	1.3%	19.3%	25.4%	27.4%	16.9%
Internal Cash Generation/Construction ⁽⁴⁾	59.6%	59.0%	69.0%	83.7%	86.4%	71.5%
Gross Cash Flow/ Avg. Total Debt ⁽⁵⁾	26.8%	25.4%	27.1%	30.8%	30.7%	28.2%
Gross Cash Flow Interest Coverage ⁽⁶⁾	7.70 x	6.96 x	6.95 x	7.58 x	7.69 x	7.38 x
Common Dividend Coverage ⁽⁷⁾	2.56 x	2.64 x	2.75 x	3.07 x	2.86 x	2.78 x

See Page 2 for Notes.

PECO Energy Company
Capitalization and Financial Statistics
2015-2019, Inclusive

Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is a percentage calculated as gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by total debt.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Utility COMPUSTAT

Gas Group
Capitalization and Financial Statistics ⁽¹⁾
2015-2019, Inclusive

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 5,169.4	\$ 4,698.4	\$ 4,133.8	\$ 3,746.8	\$ 3,522.8	
Short-Term Debt	\$ 553.3	\$ 499.2	\$ 402.2	\$ 393.6	\$ 259.5	
Total Capital	<u>\$ 5,722.7</u>	<u>\$ 5,197.6</u>	<u>\$ 4,536.0</u>	<u>\$ 4,140.4</u>	<u>\$ 3,782.3</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	26 x	20 x	22 x	22 x	19 x	22 x
Market/Book Ratio	222.4%	217.6%	224.2%	201.9%	187.7%	210.8%
Dividend Yield	2.7%	2.8%	2.6%	2.8%	3.0%	2.8%
Dividend Payout Ratio	72.5%	52.4%	71.1%	60.7%	67.7%	64.9%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	48.3%	47.9%	47.1%	45.0%	45.9%	46.8%
Preferred Stock	1.5%	1.0%	0.0%	0.1%	0.0%	0.5%
Common Equity ⁽²⁾	50.3%	51.1%	52.9%	54.9%	54.0%	52.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	53.4%	53.4%	53.0%	50.5%	51.3%	52.3%
Preferred Stock	1.3%	0.9%	0.0%	0.1%	0.0%	0.5%
Common Equity ⁽²⁾	45.3%	45.7%	47.0%	49.5%	48.7%	47.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	8.6%	10.0%	8.0%	9.2%	9.4%	9.0%
Operating Ratio ⁽³⁾	83.6%	84.6%	84.1%	83.0%	85.0%	84.1%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.79 x	3.65 x	4.22 x	4.88 x	4.85 x	4.28 x
Post-tax: All Interest Charges	3.37 x	3.47 x	3.31 x	3.58 x	3.62 x	3.47 x
Overall Coverage: All Int. & Pfd. Div.	3.33 x	3.47 x	3.31 x	3.58 x	3.62 x	3.46 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.73 x	3.60 x	4.19 x	4.82 x	4.79 x	4.23 x
Post-tax: All Interest Charges	3.30 x	3.42 x	3.27 x	3.52 x	3.57 x	3.42 x
Overall Coverage: All Int. & Pfd. Div.	3.26 x	3.42 x	3.27 x	3.52 x	3.57 x	3.41 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	3.0%	3.2%	-5.2%	2.3%	2.4%	1.1%
Effective Income Tax Rate	15.0%	15.6%	39.7%	33.6%	32.6%	27.3%
Internal Cash Generation/Construction ⁽⁵⁾	48.7%	46.7%	59.5%	71.6%	71.0%	59.5%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	18.3%	18.4%	21.4%	23.7%	22.8%	20.9%
Gross Cash Flow Interest Coverage ⁽⁷⁾	6.24 x	6.05 x	6.69 x	7.35 x	6.96 x	6.66 x
Common Dividend Coverage ⁽⁸⁾	3.86 x	3.63 x	4.21 x	4.60 x	4.48 x	4.16 x

See Page 2 for Notes.

Gas Group
Capitalization and Financial Statistics
2015-2019, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income (“OCI”) from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Gas Group includes companies that are contained in The Value Line Investment Survey within the industry group “Natural Gas Utility,” they are not currently the target of a publicly-announced merger or acquisition, and after eliminating UGI Corp. due to its highly diversified businesses.

Ticker	Company	Corporate Credit Ratings		Stock Traded	Value Line Beta
		Moody's	S&P		
ATO	Atmos Energy Corp.	A1	A	NYSE	0.80
CPK	Chesapeake Utilities Corp.	NAIC "1"		NYSE	0.80
NJR	New Jersey Resources Corp.	A1	BBB+	NYSE	0.95
NI	NiSource Inc.	Baa2	BBB+	NYSE	0.85
NWN	Northwest Natural Holding Comp:	Baa1	A+	NYSE	0.80
OGS	ONE Gas, Inc.	A2	A	NYSE	0.80
SJI	South Jersey Industries, Inc.	A3	BBB	NYSE	1.05
SWX	Southwest Gas Holdings, Inc.	A3	A-	NYSE	0.95
SR	Spire, Inc.	A1	A-	NYSE	0.85
	Average	<u>A2</u>	<u>A-</u>		<u>0.87</u>

Note: Ratings are those of utility subsidiaries

Source of Information: Utility COMPUSTAT
Moody's Investors Service
Standard & Poor's Corporation

Standard & Poor's Public Utilities
Capitalization and Financial Statistics ⁽¹⁾
2015-2019, Inclusive

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 36,567.1	\$ 32,871.6	\$ 30,827.6	\$ 29,173.1	\$ 26,655.9	
Short-Term Debt	<u>\$ 1,221.9</u>	<u>\$ 1,420.3</u>	<u>\$ 1,076.1</u>	<u>\$ 1,032.2</u>	<u>\$ 875.5</u>	
Total Capital	<u>\$ 37,789.0</u>	<u>\$ 34,291.9</u>	<u>\$ 31,903.7</u>	<u>\$ 30,205.3</u>	<u>\$ 27,531.4</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	20 x	21 x	21 x	21 x	18 x	20 x
Market/Book Ratio	220.8%	204.7%	214.4%	196.0%	181.1%	203.4%
Dividend Yield	3.2%	3.5%	3.3%	3.5%	3.6%	3.4%
Dividend Payout Ratio	62.7%	71.7%	74.4%	74.6%	68.8%	70.4%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	56.7%	55.0%	56.8%	56.6%	54.7%	55.9%
Preferred Stock	2.2%	2.5%	1.4%	1.9%	1.6%	1.9%
Common Equity ⁽²⁾	<u>41.1%</u>	<u>42.5%</u>	<u>41.8%</u>	<u>41.6%</u>	<u>43.8%</u>	<u>42.2%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	58.2%	57.0%	58.4%	58.2%	56.1%	57.6%
Preferred Stock	2.1%	2.4%	1.4%	1.8%	1.5%	1.8%
Common Equity ⁽²⁾	<u>39.7%</u>	<u>40.7%</u>	<u>40.3%</u>	<u>40.1%</u>	<u>42.4%</u>	<u>40.6%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	10.3%	10.3%	10.8%	9.7%	9.7%	10.2%
Operating Ratio ⁽³⁾	79.3%	79.8%	77.0%	78.2%	79.7%	78.8%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.05 x	2.94 x	3.42 x	3.38 x	3.80 x	3.32 x
Post-tax: All Interest Charges	3.10 x	2.59 x	2.86 x	2.55 x	2.79 x	2.78 x
Overall Coverage: All Int. & Pfd. Div.	3.04 x	2.55 x	2.84 x	2.52 x	2.75 x	2.74 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	2.95 x	2.84 x	3.31 x	3.28 x	3.70 x	3.22 x
Post-tax: All Interest Charges	3.00 x	2.48 x	2.75 x	2.44 x	2.69 x	2.67 x
Overall Coverage: All Int. & Pfd. Div.	2.94 x	2.44 x	2.73 x	2.41 x	2.65 x	2.63 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	5.8%	7.3%	7.3%	6.5%	5.5%	6.5%
Effective Income Tax Rate	12.2%	19.0%	28.2%	29.0%	32.5%	24.2%
Internal Cash Generation/Construction ⁽⁵⁾	66.0%	75.7%	78.7%	78.0%	71.9%	74.1%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	17.5%	17.4%	19.9%	20.5%	20.0%	19.1%
Gross Cash Flow Interest Coverage ⁽⁷⁾	4.97 x	4.98 x	5.57 x	5.54 x	5.41 x	5.29 x
Common Dividend Coverage ⁽⁸⁾	5.56 x	4.80 x	4.33 x	4.31 x	4.24 x	4.65 x

See Page 2 for Notes.

Standard & Poor's Public Utilities
Capitalization and Financial Statistics
2015-2019, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (7) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Annual Reports to Shareholders
Utility COMPUSTAT

Standard & Poor's Public Utilities
Company Identities

	Ticker	Credit Rating ⁽¹⁾		Common Stock Traded	Value Line Beta
		Moody's	S&P		
Alliant Energy Corporation	LNT	Baa1	A-	NYSE	0.60
Ameren Corporation	AEE	Baa1	BBB+	NYSE	0.55
American Electric Power	AEP	Baa1	A-	NYSE	0.55
American Water Works	AWK	Baa1	A	NYSE	0.55
CenterPoint Energy	CNP	Baa1	BBB+	NYSE	0.80
CMS Energy	CMS	A3	A-	NYSE	0.50
Consolidated Edison	ED	Baa1	A-	NYSE	0.45
Dominion Energy	D	A2	BBB+	NYSE	0.55
DTE Energy Co.	DTE	A2	A-	NYSE	0.55
Duke Energy	DUK	A1	A-	NYSE	0.50
Edison Int'l	EIX	Baa2	BBB	NYSE	0.55
Entergy Corp.	ETR	Baa1	A-	NYSE	0.60
Evergy, Inc.	EVRG	Baa1	A	NYSE	NMF
Eversource	ES	A3	A	NYSE	0.55
Exelon Corp.	EXC	A3	BBB+	NYSE	0.65
FirstEnergy Corp.	FE	Baa2	BBB	NYSE	0.65
NextEra Energy Inc.	NEE	A1	A	NYSE	0.55
NiSource Inc.	NI	Baa2	BBB+	NYSE	0.55
NRG Energy Inc.	NRG	Ba1	BB	NYSE	1.25
Pinnacle West Capital	PNW	A2	A-	NYSE	0.50
PPL Corp.	PPL	A3	A-	NYSE	0.70
Public Serv. Enterprise Inc.	PEG	A2	A-	NYSE	0.65
Sempra Energy	SRE	Baa1	BBB+	NYSE	0.70
Southern Co.	SO	Baa1	A-	NYSE	0.50
WEC Energy Corp.	WEC	A2	A-	NYSE	0.50
Xcel Energy Inc	XEL	A2	A-	NYSE	0.50
Average for S&P Utilities		<u>A3</u>	<u>A-</u>		<u>0.60</u>

Note: ⁽¹⁾ Ratings are those of utility subsidiaries

Source of Information: SNL Financial LLC
Standard & Poor's Stock Guide
Value Line Investment Survey for Windows

PECO Energy Company
Capitalization and Related Capital Structure Ratios
Actual at June 30, 2020 and Estimated at June 30, 2021 and June 30, 2022

	Actual at June 30, 2020			Estimated at June 30, 2021			Estimated at June 30, 2022		
	Amount Outstanding (\$000)	Capital Structure Ratios		Amount Outstanding (\$000)	Capital Structure Ratios		Amount Outstanding (\$000)	Capital Structure Ratios	
		Incl. S-T Debt	Excl. S-T Debt		Incl. S-T Debt	Excl. S-T Debt		Incl. S-T Debt	Excl. S-T Debt
Long-Term Debt ⁽¹⁾	\$ 3,977,685	47.38%	47.38%	\$ 4,280,166 ⁽²⁾	46.61%	46.61%	\$ 4,707,205 ⁽²⁾	46.62%	46.62%
Common Equity									
Common Stock	1,423,004			1,423,004			1,423,004		
Other Paid-In Capital	1,574,364			1,878,352 ⁽⁴⁾			2,200,018 ⁽⁵⁾		
Retained Earnings ⁽³⁾	1,420,792			1,600,464 ⁽⁵⁾			1,766,463 ⁽⁴⁾		
Total Common Equity	<u>4,418,160</u>	<u>52.62%</u>	<u>52.62%</u>	<u>4,901,820</u>	<u>53.39%</u>	<u>53.39%</u>	<u>5,389,485</u>	<u>53.38%</u>	<u>53.38%</u>
Total Permanent Capital	8,395,845	100.00%	<u>100.00%</u>	9,181,986	100.00%	<u>100.00%</u>	10,096,690	100.00%	<u>100.00%</u>
Short-Term Debt	-	0.00%		-	0.00%		-	0.00%	
Total Capital Employed	<u>\$ 8,395,845</u>	<u>100.00%</u>		<u>\$ 9,181,986</u>	<u>100.00%</u>		<u>\$ 10,096,690</u>	<u>100.00%</u>	

Notes:

⁽¹⁾ Includes current portion of long-term debt.

⁽²⁾ Reflects change in long-term debt consisting of:

 New issue

\$ 300,000

\$ 375,000

 New issue

\$ 350,000

 Maturity

\$ (300,000)

 Change in Adjustment for Tenders and Calls

\$ 2,481

\$ 2,039

⁽³⁾ Excludes Accumulated Other Comprehensive Income

⁽⁴⁾ Equity Infusions

\$ 303,988

321,666

⁽⁵⁾ Reflects change in retained earnings consisting of:

 Net income, excluding impact of proposed rate increase

\$ 510,172

\$ 524,499

 Common Dividends

\$ (330,500)

\$ (358,500)

Source of Information: Company provided data

PECO Energy Company
Calculation of the Embedded Cost of Long-Term Debt
Actual at June 30, 2020

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽¹⁾
<u>First and Refunding Mortgage Bonds</u>					
1.70%	09/15/21	\$ 300,000,000	7.53%	1.86%	0.14%
2.375%	09/15/22	350,000,000	8.78%	2.47%	0.22%
3.150%	10/15/25	350,000,000	8.78%	3.29%	0.29%
5.90%	05/01/34	75,000,000	1.88%	6.00%	0.11%
5.95%	10/01/36	300,000,000	7.53%	6.04%	0.45%
5.70%	03/15/37	175,000,000	4.39%	5.81%	0.26%
4.80%	10/15/43	250,000,000	6.27%	4.89%	0.31%
4.15%	10/01/44	300,000,000	7.53%	4.23%	0.32%
3.70%	09/15/47	325,000,000	8.16%	3.77%	0.31%
3.90%	03/01/48	650,000,000	16.31%	4.08%	0.67%
3.00%	09/15/49	325,000,000	8.16%	3.10%	0.25%
2.80%	06/15/50	350,000,000	8.78%	2.86%	0.25%
<u>PIDC Loan</u>					
2.00%	06/20/23	50,000,000	1.26%	2.27%	0.03%
<u>Trust Preferred Capital Securities</u>					
7.38%	04/06/28	80,520,619	2.02%	7.46%	0.15%
5.25%	04/06/28	805,206	0.02%	5.25%	0.00%
5.75%	06/15/33	103,092,784	2.59%	5.88%	0.15%
		3,984,418,609	<u>100.00%</u>		<u>3.91%</u>
Adjustment for Tenders and Calls		<u>(6,734,000)</u>			
Long-Term Debt		<u>\$ 3,977,684,609</u>			
Annualized Cost		\$ 155,790,768			
Adjustment for Tenders and Calls on Reacquired Debt		<u>2,521,000</u>			
Total Cost		<u>\$ 158,311,768</u>			<u>3.98%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

PECO Energy Company
Calculation of the Embedded Cost of Long-Term Debt
Estimated at June 30, 2021

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u> ⁽¹⁾	<u>Weighted Cost Rate</u>
<u>First and Refunding Mortgage Bonds</u>					
1.70%	09/15/21	\$ 300,000,000	7.00%	1.86%	0.13%
2.375%	09/15/22	350,000,000	8.17%	2.47%	0.20%
3.150%	10/15/25	350,000,000	8.17%	3.29%	0.27%
5.90%	05/01/34	75,000,000	1.75%	6.00%	0.11%
5.95%	10/01/36	300,000,000	7.00%	6.04%	0.42%
5.70%	03/15/37	175,000,000	4.09%	5.81%	0.24%
4.80%	10/15/43	250,000,000	5.84%	4.89%	0.29%
4.15%	10/01/44	300,000,000	7.00%	4.23%	0.30%
3.70%	09/15/47	325,000,000	7.59%	3.77%	0.29%
3.90%	03/01/48	650,000,000	15.17%	4.08%	0.62%
3.00%	09/15/49	325,000,000	7.59%	3.10%	0.24%
2.80%	06/15/50	350,000,000	8.17%	2.86%	0.23%
2.80%	03/01/51	300,000,000	7.00%	2.90%	0.20%
<u>PIDC Loan</u>					
2.00%	06/20/23	50,000,000	1.17%	2.27%	0.03%
<u>Trust Preferred Capital Securities</u>					
7.38%	04/06/28	80,520,619	1.88%	7.46%	0.14%
5.25%	04/06/28	805,206	0.02%	5.25%	0.00%
5.75%	06/15/33	103,092,784	2.41%	5.88%	0.14%
		4,284,418,609	<u>100.00%</u>		<u>3.85%</u>
Adjustment for Tenders and Calls		<u>(4,253,000)</u>			
Long-Term Debt		<u>\$ 4,280,165,609</u>			
Annualized Cost		\$ 164,950,116			
Adjustment for Tenders and Calls on Reacquired Debt		<u>2,442,000</u>			
Total Cost		<u>\$ 167,392,116</u>			<u>3.91%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

PECO Energy Company
Calculation of the Embedded Cost of Long-Term Debt
Estimated at June 30, 2022

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽¹⁾
<u>First and Refunding Mortgage Bonds</u>					
2.375%	09/15/22	\$ 350,000,000	7.43%	2.47%	0.18%
3.150%	10/15/25	350,000,000	7.43%	3.29%	0.24%
5.90%	05/01/34	75,000,000	1.59%	6.00%	0.10%
5.95%	10/01/36	300,000,000	6.37%	6.04%	0.38%
5.70%	03/15/37	175,000,000	3.72%	5.81%	0.22%
4.80%	10/15/43	250,000,000	5.31%	4.89%	0.26%
4.15%	10/01/44	300,000,000	6.37%	4.23%	0.27%
3.70%	09/15/47	325,000,000	6.90%	3.77%	0.26%
3.90%	03/01/48	650,000,000	13.80%	4.08%	0.56%
3.00%	09/15/49	325,000,000	6.90%	3.10%	0.21%
2.80%	06/15/50	350,000,000	7.43%	2.86%	0.21%
2.80%	03/01/51	300,000,000	6.37%	2.90%	0.18%
2.80%	09/01/51	375,000,000	7.96%	2.90%	0.23%
2.80%	03/01/52	350,000,000	7.43%	2.90%	0.22%
<u>PIDC Loan</u>					
2.00%	06/20/23	50,000,000	1.06%	2.27%	0.02%
<u>Trust Preferred Capital Securities</u>					
7.38%	04/06/28	80,520,619	1.71%	7.46%	0.13%
5.25%	04/06/28	805,206	0.02%	5.25%	0.00%
5.75%	06/15/33	103,092,784	2.19%	5.88%	0.13%
		4,709,418,609	<u>100.00%</u>		<u>3.80%</u>
Adjustment for Tenders and Calls		<u>(2,214,000)</u>			
Long-Term Debt		<u>\$ 4,707,204,609</u>			
Annualized Cost		\$ 178,957,907			
Adjustment for Tenders and Calls on Reacquired Debt		<u>1,584,000</u>			
Total Cost		<u>\$ 180,541,907</u>			<u>3.84%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

PECO Energy Company
Calculation of the Effective Cost of Long-Term Debt by Series

Series	Date of Issue	Date of Maturity	Average Term in Years ⁽¹⁾	Principal Amount Issued	Premium/Discount & Expense	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate ⁽²⁾
First and Refunding Mortgage Bonds								
1.70%	09/21/16	09/15/21	5	\$ 300,000,000	\$ 2,348,606	\$ 297,651,394	99.22%	1.86%
2.375%	09/17/12	09/15/22	10	350,000,000	3,054,240	346,945,760	99.13%	2.47%
3.15%	10/05/15	10/15/25	10	350,000,000	4,156,454	345,843,546	98.81%	3.29%
5.90%	04/23/04	05/01/34	30	75,000,000	1,024,692	73,975,308	98.63%	6.00%
5.95%	09/25/06	10/01/36	30	300,000,000	3,862,236	296,137,764	98.71%	6.04%
5.70%	03/19/07	03/15/37	30	175,000,000	2,672,126	172,327,874	98.47%	5.81%
4.80%	09/23/13	10/15/43	30	250,000,000	3,475,050	246,524,950	98.61%	4.89%
4.15%	09/15/14	10/01/44	30	300,000,000	4,211,731	295,788,269	98.60%	4.23%
3.70%	09/18/17	09/15/47	30	325,000,000	4,197,845	320,802,155	98.71%	3.77%
3.90%	02/23/18	03/01/48	30	650,000,000	20,205,761	629,794,239	96.89%	4.08%
3.00%	09/10/19	09/15/49	30	325,000,000	6,226,403	318,773,597	98.08%	3.10%
2.80%	06/01/20	06/15/50	30	350,000,000	4,016,000	345,984,000	98.85%	2.86%
2.80% ⁽³⁾	03/01/21	03/01/51	30	300,000,000	6,000,000	294,000,000	98.00%	2.90%
2.80% ⁽³⁾	09/01/21	09/01/51	30	375,000,000	7,500,000	367,500,000	98.00%	2.90%
2.80% ⁽³⁾	03/01/22	03/01/52	30	350,000,000	7,000,000	343,000,000	98.00%	2.90%
PIDC Loan								
2.00%	06/20/18	06/20/23	5	50,000,000	637,415	49,362,585	98.73%	2.27%
Trust Preferred Capital Securities								
7.38%	04/06/98	04/06/28	30	80,520,619	760,181	79,760,438	99.06%	7.46%
5.25% ⁽⁴⁾	04/06/98	04/06/28	30	805,206	-	805,206	100.00%	5.25%
5.75%	06/24/03	06/15/33	30	103,092,784	1,934,015	101,158,769	98.12%	5.88%

Notes: ⁽¹⁾ Determined by taking into account the effect of the annual sinking fund requirements which are met by the retirement of bonds which reduce the term of each issue.

⁽²⁾ The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.

⁽³⁾ Estimated.

⁽⁴⁾ Variable rate at Prime Rate of 3.25% plus two-percentage points.

Source of Information: Company provided data

**Monthly Dividend Yields for
Natural Gas Group
for the Twelve Months Ending December 2020**

<u>Company</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>12-Month Average</u>	<u>6-Month Average</u>	<u>3-Month Average</u>
Atmos Energy Corp (ATO)	1.97%	2.23%	2.32%	2.27%	2.24%	2.32%	2.18%	2.31%	2.41%	2.74%	2.61%	2.63%			
Chesapeake Utilities Corp (CPK)	1.69%	1.90%	1.89%	2.01%	1.96%	2.10%	2.09%	2.16%	2.09%	1.81%	1.70%	1.63%			
New Jersey Resources Corporation (NJR)	3.04%	3.57%	3.69%	3.72%	3.59%	3.83%	4.31%	4.45%	4.93%	4.58%	4.06%	3.75%			
NiSource Inc (NI)	2.89%	3.11%	3.38%	3.35%	3.54%	3.72%	3.44%	3.80%	3.84%	3.66%	3.48%	3.69%			
Northwest Natural Holding Company (NWN)	2.60%	2.91%	3.11%	2.93%	2.99%	3.44%	3.57%	3.75%	4.24%	4.32%	4.02%	4.21%			
ONE Gas Inc (OGS)	2.30%	2.63%	2.59%	2.72%	2.58%	2.81%	2.87%	2.92%	3.14%	3.15%	2.73%	2.82%			
South Jersey Industries Inc (SJI)	3.85%	4.41%	4.73%	4.15%	4.20%	4.73%	5.09%	5.39%	6.15%	6.34%	5.32%	5.63%			
Southwest Gas Holdings Inc (SWX)	2.91%	3.38%	3.15%	3.03%	3.01%	3.32%	3.30%	3.63%	3.63%	3.50%	3.55%	3.77%			
Spire Inc. (SR)	2.97%	3.34%	3.35%	3.43%	3.44%	3.80%	4.06%	4.32%	4.69%	4.67%	4.10%	4.07%			
Average	2.69%	3.05%	3.13%	3.07%	3.06%	3.34%	3.43%	3.64%	3.90%	3.86%	3.51%	3.58%	3.36%	3.65%	3.65%

Note: Monthly dividend yields are calculated by dividing the annualized quarterly dividend by the month-end closing stock price adjusted by the fraction of the ex-dividend.

Source of Information: <http://performance.morningstar.com/stock/performance-return>
<http://www.snl.com/interactivex/dividends>

Forward-looking Dividend Yield	1/2 Growth	D_0/P_0	(.5g)	D_1/P_0	$K = \frac{D_0(1+g)^0 + D_0(1+g)^1 + D_0(1+g)^2 + D_0(1+g)^3}{P_0} + g$
		3.65%	1.037500	3.79%	
	Discrete	D_0/P_0	Adj.	D_1/P_0	$K = \frac{D_0(1+g)^{25} + D_0(1+g)^{50} + D_0(1+g)^{75} + D_0(1+g)^{100}}{P_0} + g$
		3.65%	1.046451	3.82%	
	Quarterly	D_0/P_0	Adj.	D_1/P_0	$K = \left[\left(1 + \frac{D_0(1+g)^{25}}{P_0} \right)^4 - 1 \right] + g$
	Average	0.91333%	1.018245	<u>3.77%</u>	
				3.79%	
	Growth rate			<u>7.50%</u>	
	K			<u>11.29%</u>	

Historical Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	Earnings per Share		Dividends per Share		Book Value per Share		Cash Flow per Share	
	Value Line		Value Line		Value Line		Value Line	
	5 Year	10 Year	5 Year	10 Year	5 Year	10 Year	5 Year	10 Year
Atmos Energy Corp (ATO)	9.50%	7.50%	6.50%	4.00%	8.50%	6.50%	7.00%	5.50%
Chesapeake Utilities Corp (CPK)	8.00%	9.00%	6.50%	5.50%	10.50%	9.50%	7.00%	10.00%
New Jersey Resources Corporation (NJR)	6.00%	7.00%	6.50%	7.00%	8.50%	7.00%	7.50%	7.50%
NiSource Inc (NI)	-8.00%	-1.00%	-5.00%	-2.00%	-7.00%	-3.00%	-5.00%	-2.00%
Northwest Natural Holding Company (NWN)	-17.00%	-11.00%	0.50%	2.00%	-0.50%	1.50%	-5.50%	-3.00%
ONE Gas Inc (OGS)	9.50%	-	17.00%	-	2.50%	-	7.00%	-
South Jersey Industries Inc (SJI)	1.50%	-2.50%	6.00%	8.00%	6.00%	6.50%	3.50%	5.00%
Southwest Gas Holdings Inc (SWX)	4.50%	8.00%	9.50%	8.50%	6.50%	6.00%	1.50%	4.00%
Spire Inc. (SR)	9.50%	3.50%	5.50%	4.00%	7.00%	7.00%	13.00%	5.50%
Average	<u>2.61%</u>	<u>2.56%</u>	<u>5.89%</u>	<u>4.63%</u>	<u>4.67%</u>	<u>5.13%</u>	<u>4.00%</u>	<u>4.06%</u>

Source of Information: Value Line Investment Survey, November 27, 2020

Analysts' Five-Year Projected Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

<u>Gas Group</u>	<u>I/B/E/S First Call</u>	<u>Zacks</u>	<u>Value Line</u>				
			<u>Earnings Per Share</u>	<u>Dividends Per Share</u>	<u>Book Value Per Share</u>	<u>Cash Flow Per Share</u>	<u>Percent Retained to Common Equity</u>
Atmos Energy Corp (ATO)	7.10%	7.10%	7.00%	7.50%	7.50%	5.50%	4.50%
Chesapeake Utilities Corp (CPK)	4.74%	NA	9.00%	8.50%	11.00%	8.50%	5.50%
New Jersey Resources Corporation	6.00%	6.00%	2.00%	6.00%	8.50%	2.00%	3.00%
NiSource Inc (NI)	1.65%	5.60%	13.00%	7.50%	5.00%	7.50%	4.50%
Northwest Natural Holding Compan	3.10%	3.10%	24.50%	0.50%	6.00%	8.00%	3.00%
ONE Gas Inc (OGS)	5.00%	5.50%	6.50%	7.50%	5.50%	7.00%	3.50%
South Jersey Industries Inc (SJI)	24.50%	24.50%	12.50%	3.50%	5.00%	6.00%	5.50%
Southwest Gas Holdings Inc (SWX)	4.00%	5.00%	9.00%	4.00%	6.50%	7.50%	5.50%
Spire Inc. (SR)	5.37%	16.50%	5.50%	5.00%	8.50%	5.50%	3.00%
Average	<u>6.83%</u>	<u>9.16%</u>	<u>9.89%</u>	<u>5.56%</u>	<u>7.06%</u>	<u>6.39%</u>	<u>4.22%</u>

Source of Information :
Yahoo Finance, January 3, 2021
Zacks, January 3, 2021
Value Line Investment Survey, November 27, 2021

Gas Group
Financial Risk Adjustment

	ATMOS Energy (NYSE:ATO)	Chesapeake Utilities (NYSE:CPK)	New Jersey Resources (NYSE:NJR)	NiSource, Inc (NYSE:NI)	Northwest Natural Gas (NYSE:NWN)	ONE Gas Inc (NYSE:OGS)	South Jersey Industries (NYSE:SJI)	Southwest Gas (SWX)	Spire Inc. (NYSE:SR)	Average					
Fiscal Year	09/30/19	12/31/19	09/30/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	09/30/19						
Capitalization at Fair Values															
Debt(D)	4,216,249	505,000	1,568,864	8,764,400	957,268	1,500,000	2,730,000	2,672,077	2,373,400	2,809,695					
Preferred(P)	0	0	0	0	0	0	0	0	0	0					
Equity(E)	<u>13,349,252</u>	<u>1,571,974</u>	<u>3,913,860</u>	<u>10,638,657</u>	<u>2,246,701</u>	<u>4,937,853</u>	<u>3,047,159</u>	<u>4,178,915</u>	<u>4,246,604</u>	<u>5,347,886</u>					
Total	<u>17,565,501</u>	<u>2,076,974</u>	<u>5,482,724</u>	<u>19,403,057</u>	<u>3,203,969</u>	<u>6,437,853</u>	<u>5,777,159</u>	<u>6,850,992</u>	<u>6,620,004</u>	<u>8,157,581</u>					
Capital Structure Ratios															
Debt(D)	24.00%	24.31%	28.61%	45.17%	29.88%	23.30%	47.26%	39.00%	35.85%	33.04%					
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					
Equity(E)	<u>76.00%</u>	<u>75.69%</u>	<u>71.39%</u>	<u>54.83%</u>	<u>70.12%</u>	<u>76.70%</u>	<u>52.74%</u>	<u>61.00%</u>	<u>64.15%</u>	<u>66.96%</u>					
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>					
Common Stock															
Issued	119,338.925	16,403.776	89,998.788	382,135.680	30,472.000	52,771.749	92,394.155	55,007.433	50,973.515						
Treasury	0.000	0.000	2,185.013	0.000	0.000	0.000	0.000	0.000	0.000						
Outstanding	119,338.925	16,403.776	87,813.775	382,135.680	30,472.000	52,771.749	92,394.155	55,007.433	50,973.515						
Market Price	\$111.86	\$95.83	\$44.57	\$27.84	\$73.73	\$93.57	\$32.98	\$75.97	\$83.31						
Capitalization at Carrying Amounts															
Debt(D)	3,560,000	486,600	1,442,845	7,869,600	881,064	1,300,000	2,540,000	2,463,994	2,122,600	2,518,523					
Preferred(P)	0	0	0	0	0	0	0	0	0	0					
Equity(E)	<u>5,750,223</u>	<u>561,577</u>	<u>1,551,717</u>	<u>5,986,700</u>	<u>865,999</u>	<u>2,129,390</u>	<u>1,423,785</u>	<u>2,505,914</u>	<u>2,543,000</u>	<u>2,590,923</u>					
Total	<u>9,310,223</u>	<u>1,048,177</u>	<u>2,994,562</u>	<u>13,856,300</u>	<u>1,747,063</u>	<u>3,429,390</u>	<u>3,963,785</u>	<u>4,969,908</u>	<u>4,665,600</u>	<u>5,109,445</u>					
Capital Structure Ratios															
Debt(D)	38.24%	46.42%	48.18%	56.79%	50.43%	37.91%	64.08%	49.58%	45.49%	48.57%					
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					
Equity(E)	<u>61.76%</u>	<u>53.58%</u>	<u>51.82%</u>	<u>43.21%</u>	<u>49.57%</u>	<u>62.09%</u>	<u>35.92%</u>	<u>50.42%</u>	<u>54.51%</u>	<u>51.43%</u>					
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>					
Betas	Value Line	0.80	0.80	0.95	0.85	0.80	0.80	1.05	0.95	0.85	0.87				
Hamada	BI =	Bu	[1+ (1 - t)	D/E	+	P/E]								
	0.87 =	Bu	[1+ (1-0.21)	0.4934	+	0.0000]								
	0.87 =	Bu	[1+ 0.79	0.4934	+	0.0000]								
	0.87 =	Bu	1.3898												
	0.63 =	Bu													
Hamada	BI =	0.63	[1+ (1 - t)	D/E	+	P/E]								
	BI =	0.63	[1+ 0.79	0.9443	+	0.0000]								
	BI =	0.63	1.7460												
	BI =	1.10													
M&M	ku =	ke	- (((ku	-	i)	1-t)	D	/	E - (ku - d)	P	/	E
	8.91% =	11.29%	- (((8.91%	-	2.81%)	0.79)	33.04%	/	66.96% - 8.91% - 5.68%	0.00%	/	66.96%
	8.91% =	11.29%	- (((6.10%	-)	0.79)	0.4934	/	- 3.23%	0.0000		
	8.91% =	11.29%	- ((4.82%	-)			0.4934	/	- 3.23%	0		
	8.91% =	11.29%	-	2.38%	-						/	- 0.00%			
M&M	ke =	ku	+ (((ku	-	i)	1-t)	D	/	E + (ku - d)	P	/	E
	13.46% =	8.91%	+ (((8.91%	-	2.81%)	0.79)	48.57%	/	51.43% + 8.91% - 5.68%	0.00%	/	51.43%
	13.46% =	8.91%	+ (((6.10%	-)	0.79)	0.9443	/	+ 3.23%	0.0000		
	13.46% =	8.91%	+ ((4.82%	-)			0.9443	/	+ 3.23%	0		
	13.46% =	8.91%	+	4.55%	-						/	+ 0.00%			

**Interest Rates for Investment Grade Public Utility Bonds
Yearly for 2015-2019
and the Twelve Months Ended December 2020**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2015	4.00%	4.12%	5.03%	4.38%
2016	3.73%	3.93%	4.68%	4.11%
2017	3.82%	4.00%	4.38%	4.07%
2018	4.09%	4.25%	4.67%	4.34%
2019	3.61%	3.77%	4.19%	3.86%
Five-Year Average	<u>3.85%</u>	<u>4.01%</u>	<u>4.59%</u>	<u>4.15%</u>
<u>Months</u>				
Jan-20	3.12%	3.29%	3.60%	3.34%
Feb-20	2.96%	3.11%	3.42%	3.16%
Mar-20	3.30%	3.50%	3.96%	3.59%
Apr-20	2.93%	3.19%	3.82%	3.31%
May-20	2.89%	3.14%	3.63%	3.22%
Jun-20	2.80%	3.07%	3.44%	3.10%
Jul-20	2.46%	2.74%	3.09%	2.77%
Aug-20	2.49%	2.73%	3.06%	2.76%
Sep-20	2.62%	2.84%	3.17%	2.88%
Oct-20	2.72%	2.95%	3.27%	2.98%
Nov-20	2.63%	2.85%	3.17%	2.89%
Dec-20	2.57%	2.77%	3.05%	2.80%
Twelve-Month Average	<u>2.79%</u>	<u>3.02%</u>	<u>3.39%</u>	<u>3.07%</u>
Six-Month Average	<u>2.58%</u>	<u>2.81%</u>	<u>3.14%</u>	<u>2.85%</u>
Three-Month Average	<u>2.64%</u>	<u>2.86%</u>	<u>3.16%</u>	<u>2.89%</u>

Yields on A-rated Public Utility Bonds and Spreads over 30-Year Treasuries



— A-rated Public Utility	8.31%	7.89%	7.75%	7.60%	7.04%	7.62%	8.24%	7.76%	7.37%	6.58%	6.16%	5.65%	6.07%	6.07%	6.53%	6.04%	5.46%	5.04%	4.13%	4.48%	4.28%	4.12%	3.93%	4.00%	4.25%	3.77%
— Spread vs. 30-year	0.94%	1.01%	1.04%	0.99%	1.46%	1.75%	2.30%	2.27%					1.16%	1.23%	2.25%	1.96%	1.21%	1.13%	1.21%	1.03%	0.94%	1.28%	1.34%	1.10%	1.14%	1.19%

A rated Public Utility Bonds over 30-Year Treasuries

Year	A-rated	30-Year Treasuries		Year	A-rated	30-Year Treasuries		Year	A-rated	30-Year Treasuries		Year	A-rated	30-Year Treasuries		Year	A-rated	30-Year Treasuries	
	Public Utility	Yield	Spread		Public Utility	Yield	Spread		Public Utility	Yield	Spread		Public Utility	Yield	Spread		Public Utility	Yield	Spread
Jan-99	6.97%	5.16%	1.81%	Jan-04	6.15%			Jan-08	6.02%	4.33%	1.69%	Jan-12	4.34%	3.03%	1.31%	Jan-16	4.27%	2.86%	1.41%
Feb-99	7.09%	5.37%	1.72%	Feb-04	6.15%			Feb-08	6.21%	4.52%	1.69%	Feb-12	4.36%	3.11%	1.25%	Feb-16	4.11%	2.62%	1.49%
Mar-99	7.26%	5.58%	1.68%	Mar-04	5.97%			Mar-08	6.21%	4.39%	1.82%	Mar-12	4.48%	3.28%	1.20%	Mar-16	4.16%	2.68%	1.48%
Apr-99	7.22%	5.55%	1.67%	Apr-04	6.35%			Apr-08	6.29%	4.44%	1.85%	Apr-12	4.40%	3.18%	1.22%	Apr-16	4.00%	2.62%	1.38%
May-99	7.47%	5.81%	1.66%	May-04	6.62%			May-08	6.28%	4.60%	1.68%	May-12	4.20%	2.93%	1.27%	May-16	3.93%	2.63%	1.30%
Jun-99	7.74%	6.04%	1.70%	Jun-04	6.46%			Jun-08	6.38%	4.69%	1.69%	Jun-12	4.08%	2.70%	1.38%	Jun-16	3.78%	2.45%	1.33%
Jul-99	7.71%	5.98%	1.73%	Jul-04	6.27%			Jul-08	6.40%	4.57%	1.83%	Jul-12	3.93%	2.59%	1.34%	Jul-16	3.57%	2.23%	1.34%
Aug-99	7.91%	6.07%	1.84%	Aug-04	6.14%			Aug-08	6.37%	4.50%	1.87%	Aug-12	4.00%	2.77%	1.23%	Aug-16	3.59%	2.26%	1.33%
Sep-99	7.93%	6.07%	1.86%	Sep-04	5.98%			Sep-08	6.49%	4.27%	2.22%	Sep-12	4.02%	2.88%	1.14%	Sep-16	3.66%	2.35%	1.31%
Oct-99	8.06%	6.26%	1.80%	Oct-04	5.94%			Oct-08	7.56%	4.17%	3.39%	Oct-12	3.91%	2.90%	1.01%	Oct-16	3.77%	2.50%	1.27%
Nov-99	7.94%	6.15%	1.79%	Nov-04	5.97%			Nov-08	7.60%	4.00%	3.60%	Nov-12	3.84%	2.80%	1.04%	Nov-16	4.08%	2.86%	1.22%
Dec-99	8.14%	6.35%	1.79%	Dec-04	5.92%			Dec-08	6.52%	2.87%	3.65%	Dec-12	4.00%	2.88%	1.12%	Dec-16	4.27%	3.11%	1.16%
Jan-00	8.35%	6.63%	1.72%	Jan-05	5.78%			Jan-09	6.39%	3.13%	3.26%	Jan-13	4.15%	3.08%	1.07%	Jan-17	4.14%	3.02%	1.12%
Feb-00	8.25%	6.23%	2.02%	Feb-05	5.61%			Feb-09	6.30%	3.59%	2.71%	Feb-13	4.18%	3.17%	1.01%	Feb-17	4.18%	3.03%	1.15%
Mar-00	8.28%	6.05%	2.23%	Mar-05	5.83%			Mar-09	6.42%	3.64%	2.78%	Mar-13	4.20%	3.16%	1.04%	Mar-17	4.23%	3.08%	1.15%
Apr-00	8.29%	5.85%	2.44%	Apr-05	5.64%			Apr-09	6.48%	3.76%	2.72%	Apr-13	4.00%	2.93%	1.07%	Apr-17	4.12%	2.94%	1.18%
May-00	8.70%	6.15%	2.55%	May-05	5.53%			May-09	6.49%	4.23%	2.26%	May-13	4.17%	3.11%	1.06%	May-17	4.12%	2.96%	1.16%
Jun-00	8.36%	5.93%	2.43%	Jun-05	5.40%			Jun-09	6.20%	4.52%	1.68%	Jun-13	4.53%	3.40%	1.13%	Jun-17	3.94%	2.80%	1.14%
Jul-00	8.25%	5.85%	2.40%	Jul-05	5.51%			Jul-09	5.97%	4.41%	1.56%	Jul-13	4.68%	3.61%	1.07%	Jul-17	3.99%	2.88%	1.11%
Aug-00	8.13%	5.72%	2.41%	Aug-05	5.50%			Aug-09	5.71%	4.37%	1.34%	Aug-13	4.73%	3.76%	0.97%	Aug-17	3.86%	2.80%	1.06%
Sep-00	8.23%	5.83%	2.40%	Sep-05	5.52%			Sep-09	5.53%	4.19%	1.34%	Sep-13	4.80%	3.79%	1.01%	Sep-17	3.87%	2.78%	1.09%
Oct-00	8.14%	5.80%	2.34%	Oct-05	5.79%			Oct-09	5.55%	4.19%	1.36%	Oct-13	4.70%	3.68%	1.02%	Oct-17	3.91%	2.88%	1.03%
Nov-00	8.11%	5.78%	2.33%	Nov-05	5.88%			Nov-09	5.64%	4.31%	1.33%	Nov-13	4.77%	3.80%	0.97%	Nov-17	3.83%	2.80%	1.03%
Dec-00	7.84%	5.49%	2.35%	Dec-05	5.80%			Dec-09	5.79%	4.49%	1.30%	Dec-13	4.81%	3.89%	0.92%	Dec-17	3.79%	2.77%	1.02%
Jan-01	7.80%	5.54%	2.26%	Jan-06	5.75%			Jan-10	5.77%	4.60%	1.17%	Jan-14	4.63%	3.77%	0.86%	Jan-18	3.86%	2.88%	0.98%
Feb-01	7.74%	5.45%	2.29%	Feb-06	5.82%	4.54%	1.28%	Feb-10	5.87%	4.62%	1.25%	Feb-14	4.53%	3.66%	0.87%	Feb-18	4.09%	3.13%	0.96%
Mar-01	7.68%	5.34%	2.34%	Mar-06	5.98%	4.73%	1.25%	Mar-10	5.84%	4.64%	1.20%	Mar-14	4.51%	3.62%	0.89%	Mar-18	4.13%	3.09%	1.04%
Apr-01	7.94%	5.65%	2.29%	Apr-06	6.29%	5.06%	1.23%	Apr-10	5.81%	4.69%	1.12%	Apr-14	4.41%	3.52%	0.89%	Apr-18	4.17%	3.07%	1.10%
May-01	7.99%	5.78%	2.21%	May-06	6.42%	5.20%	1.22%	May-10	5.50%	4.29%	1.21%	May-14	4.26%	3.39%	0.87%	May-18	4.28%	3.13%	1.15%
Jun-01	7.85%	5.67%	2.18%	Jun-06	6.40%	5.15%	1.25%	Jun-10	5.46%	4.13%	1.33%	Jun-14	4.29%	3.42%	0.87%	Jun-18	4.27%	3.05%	1.22%
Jul-01	7.78%	5.61%	2.17%	Jul-06	6.37%	5.13%	1.24%	Jul-10	5.26%	3.99%	1.27%	Jul-14	4.23%	3.33%	0.90%	Jul-18	4.27%	3.01%	1.26%
Aug-01	7.59%	5.48%	2.11%	Aug-06	6.20%	5.00%	1.20%	Aug-10	5.01%	3.80%	1.21%	Aug-14	4.13%	3.20%	0.93%	Aug-18	4.26%	3.04%	1.22%
Sep-01	7.75%	5.48%	2.27%	Sep-06	6.00%	4.85%	1.15%	Sep-10	5.01%	3.77%	1.24%	Sep-14	4.24%	3.26%	0.98%	Sep-18	4.32%	3.15%	1.17%
Oct-01	7.63%	5.32%	2.31%	Oct-06	5.98%	4.85%	1.13%	Oct-10	5.10%	3.87%	1.23%	Oct-14	4.06%	3.04%	1.02%	Oct-18	4.45%	3.34%	1.11%
Nov-01	7.57%	5.12%	2.45%	Nov-06	5.80%	4.69%	1.11%	Nov-10	5.37%	4.19%	1.18%	Nov-14	4.09%	3.04%	1.05%	Nov-18	4.52%	3.36%	1.16%
Dec-01	7.83%	5.48%	2.35%	Dec-06	5.81%	4.68%	1.13%	Dec-10	5.56%	4.42%	1.14%	Dec-14	3.95%	2.83%	1.12%	Dec-18	4.37%	3.10%	1.27%
Jan-02	7.66%	5.45%	2.21%	Jan-06	5.75%			Jan-10	5.77%	4.60%	1.17%	Jan-14	4.63%	3.77%	0.86%	Jan-19	4.35%	3.04%	1.31%
Feb-02	7.54%	5.40%	2.14%	Feb-06	5.82%	4.54%	1.28%	Feb-10	5.87%	4.62%	1.25%	Feb-14	4.53%	3.66%	0.87%	Feb-19	4.25%	3.02%	1.23%
Mar-02	7.76%	5.40%	2.14%	Mar-06	5.98%	4.73%	1.25%	Mar-10	5.84%	4.64%	1.20%	Mar-14	4.51%	3.62%	0.89%	Mar-19	4.16%	2.98%	1.18%
Apr-02	7.57%	5.34%	2.23%	Apr-06	6.29%	5.06%	1.23%	Apr-10	5.81%	4.69%	1.12%	Apr-14	4.41%	3.52%	0.89%	Apr-19	4.08%	2.94%	1.14%
May-02	7.52%	5.29%	2.23%	May-06	6.42%	5.20%	1.22%	May-10	5.50%	4.29%	1.21%	May-14	4.26%	3.39%	0.87%	May-19	3.98%	2.82%	1.16%
Jun-02	7.42%	5.19%	2.23%	Jun-06	6.40%	5.15%	1.25%	Jun-10	5.46%	4.13%	1.33%	Jun-14	4.29%	3.42%	0.87%	Jun-19	3.82%	2.57%	1.25%
Jul-02	7.31%	5.14%	2.17%	Jul-06	6.37%	5.13%	1.24%	Jul-10	5.26%	3.99%	1.27%	Jul-14	4.23%	3.33%	0.90%	Jul-19	3.69%	2.57%	1.12%
Aug-02	7.17%	5.08%	2.09%	Aug-06	6.20%	5.00%	1.20%	Aug-10	5.01%	3.80%	1.21%	Aug-14	4.13%	3.20%	0.93%	Aug-19	3.29%	2.12%	1.17%
Sep-02	7.08%	5.03%	2.05%	Sep-06	6.00%	4.85%	1.15%	Sep-10	5.01%	3.77%	1.24%	Sep-14	4.24%	3.26%	0.98%	Sep-19	3.37%	2.16%	1.21%
Oct-02	7.23%	5.12%	2.11%	Oct-06	5.98%	4.85%	1.13%	Oct-10	5.10%	3.87%	1.23%	Oct-14	4.06%	3.04%	1.02%	Oct-19	3.39%	2.19%	1.20%
Nov-02	7.14%	5.07%	2.07%	Nov-06	5.80%	4.69%	1.11%	Nov-10	5.37%	4.19%	1.18%	Nov-14	4.09%	3.04%	1.05%	Nov-19	3.43%	2.28%	1.15%
Dec-02	7.07%	5.02%	2.05%	Dec-06	5.81%	4.68%	1.13%	Dec-10	5.56%	4.42%	1.14%	Dec-14	3.95%	2.83%	1.12%	Dec-19	3.40%	2.30%	1.10%
Jan-03	7.07%			Jan-07	5.96%	4.85%	1.11%	Jan-11	5.57%	4.52%	1.05%	Jan-15	3.58%	2.46%	1.12%	Jan-20	3.29%	2.22%	1.07%
Feb-03	6.93%			Feb-07	5.90%	4.82%	1.08%	Feb-11	5.68%	4.65%	1.03%	Feb-15	3.67%	2.57%	1.10%	Feb-20	3.11%	1.97%	1.14%
Mar-03	6.79%			Mar-07	5.85%	4.72%	1.13%	Mar-11	5.56%	4.51%	1.05%	Mar-15	3.74%	2.63%	1.11%	Mar-20	3.50%	1.46%	2.04%
Apr-03	6.64%			Apr-07	5.97%	4.87%	1.10%	Apr-11	5.55%	4.50%	1.05%	Apr-15	3.75%	2.59%	1.16%	Apr-20	3.19%	1.27%	1.92%
May-03	6.36%			May-07	4.99%	4.90%	1.09%	May-11	5.32%	4.29%	1.03%	May-15	4.17%	2.96%	1.21%	May-20	3.14%	1.38%	1.76%
Jun-03	6.21%			Jun-07	6.30%	5.20%	1.10%	Jun-11	5.26%	4.23%	1.03%	Jun-15	4.39%	3.11%	1.28%	Jun-20	3.07%	1.49%	1.58%
Jul-03	6.57%			Jul-07	6.25%	5.11%	1.14%	Jul-11	5.27%	4.27%	1.00%	Jul-15	4.40%	3.07%	1.33%	Jul-20	2.74%	1.31%	1.43%
Aug-03	6.78%			Aug-07	6.24%	4.93%	1.31%	Aug-11	4.69%	3.65%	1.04%	Aug-15	4.25%	2.86%	1.39%	Aug-20	2.73%	1.36%	1.37%
Sep-03	6.56%			Sep-07	6.18%	4.79%	1.39%	Sep-11	4.48%	3.18%	1.30%	Sep-15	4.39%	2.95%	1.44%	Sep-20	2.84%	1.42%	1.42%
Oct-03	6.43%			Oct-07	6.11%	4.77%	1.34%	Oct-11	4.52%	3.13%	1.39%	Oct-15	4.29%	2.89%	1.40%	Oct-20	2.95%	1.57%	1.38%
Nov-03	6.37%			Nov-07	5.97%	4.52%	1.45%	Nov-11	4.25%	3.02%	1.23%	Nov-15	4.40%	3.03%	1.37%	Nov-20	2.85%	1.62%	1.23%
Dec-03	6.27%			Dec-07	6.16%	4.53%	1.63%	Dec-11	4.33%	2.98%	1.35%	Dec-15	4.35%	2.97%	1.38%	Dec-20	2.77%	1.67%	1.10%

Common Equity Risk Premiums
Years 1926-2019

	<u>Large Common Stocks</u>	<u>Long- Term Corp. Bonds</u>	<u>Equity Risk Premium</u>	<u>Long- Term Govt. Bonds Yields</u>
Low Interest Rates	11.92%	5.22%	6.70%	2.88%
Average Across All Interest Rates	12.09%	6.40%	5.69%	4.99%
High Interest Rates	12.26%	7.57%	4.69%	7.09%

Source of Information: 2020 SBBI Yearbook Stocks, Bonds, Bills, and Inflation

Basic Series
Annual Total Returns (except yields)

Year	Large Common Stocks	Long- Term Corp. Bonds	Long- Term Govt. Bonds Yields
1940	-9.78%	3.39%	1.94%
1945	36.44%	4.08%	1.99%
1941	-11.59%	2.73%	2.04%
1949	18.79%	3.31%	2.09%
1946	-8.07%	1.72%	2.12%
1950	31.71%	2.12%	2.24%
2019	31.49%	19.95%	2.25%
1939	-0.41%	3.97%	2.26%
1948	5.50%	4.14%	2.37%
1947	5.71%	-2.34%	2.43%
1942	20.34%	2.60%	2.46%
1944	19.75%	4.73%	2.46%
2012	16.00%	10.68%	2.46%
2014	13.69%	17.28%	2.46%
1943	25.90%	2.83%	2.48%
1938	31.12%	6.13%	2.52%
2017	21.83%	12.25%	2.54%
1936	33.92%	6.74%	2.55%
2011	2.11%	17.95%	2.55%
2015	1.38%	-1.02%	2.68%
1951	24.02%	-2.69%	2.69%
1954	52.62%	5.39%	2.72%
2016	11.96%	6.70%	2.72%
1937	-35.03%	2.75%	2.73%
1953	-0.99%	3.41%	2.74%
1935	47.67%	9.61%	2.76%
1952	18.37%	3.52%	2.79%
2018	-4.38%	-4.73%	2.84%
1934	-1.44%	13.84%	2.93%
1955	31.56%	0.48%	2.95%
2008	-37.00%	8.78%	3.03%
1932	-8.19%	10.82%	3.15%
1927	37.49%	7.44%	3.17%
1957	-10.78%	8.71%	3.23%
1930	-24.90%	7.98%	3.30%
1933	53.99%	10.38%	3.36%
1928	43.61%	2.84%	3.40%
1929	-8.42%	3.27%	3.40%
1956	6.56%	-6.81%	3.45%
1926	11.62%	7.37%	3.54%
2013	32.39%	-7.07%	3.78%
1960	0.47%	9.07%	3.80%
1958	43.36%	-2.22%	3.82%
1962	-8.73%	7.95%	3.95%
1931	-43.34%	-1.85%	4.07%
2010	15.06%	12.44%	4.14%
1961	26.89%	4.82%	4.15%
1963	22.80%	2.19%	4.17%
1964	16.48%	4.77%	4.23%
1959	11.96%	-0.97%	4.47%
1965	12.45%	-0.46%	4.50%
2007	5.49%	2.60%	4.50%
1966	-10.06%	0.20%	4.55%
2009	26.46%	3.02%	4.58%
2005	4.91%	5.87%	4.61%
2002	-22.10%	16.33%	4.84%
2004	10.88%	8.72%	4.84%
2006	15.79%	3.24%	4.91%
2003	28.68%	5.27%	5.11%
1998	28.58%	10.76%	5.42%
1967	23.98%	-4.95%	5.56%
2000	-9.10%	12.87%	5.58%
2001	-11.89%	10.65%	5.75%
1971	14.30%	11.01%	5.97%
1968	11.06%	2.57%	5.98%
1972	18.99%	7.26%	5.99%
1997	33.36%	12.95%	6.02%
1995	37.58%	27.20%	6.03%
1970	3.86%	18.37%	6.48%
1993	10.08%	13.19%	6.54%
1996	22.96%	1.40%	6.73%
1999	21.04%	-7.45%	6.82%
1969	-8.50%	-8.09%	6.87%
1976	23.93%	18.65%	7.21%
1973	-14.69%	1.14%	7.26%
1992	7.62%	9.39%	7.26%
1991	30.47%	19.89%	7.30%
1974	-26.47%	-3.06%	7.60%
1986	18.67%	19.85%	7.89%
1994	1.32%	-5.76%	7.99%
1977	-7.16%	1.71%	8.03%
1975	37.23%	14.64%	8.05%
1989	31.69%	16.23%	8.16%
1990	-3.10%	6.78%	8.44%
1978	6.57%	-0.07%	8.98%
1988	16.61%	10.70%	9.19%
1987	5.25%	-0.27%	9.20%
1985	31.73%	30.09%	9.56%
1979	18.61%	-4.18%	10.12%
1982	21.55%	42.56%	10.95%
1984	6.27%	16.86%	11.70%
1983	22.56%	6.26%	11.97%
1980	32.50%	-2.76%	11.99%
1981	-4.92%	-1.24%	13.34%

**Yields for Treasury Constant Maturities
Yearly for 2015-2019
and the Twelve Months Ended December 2020**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>	<u>30-Year</u>
2015	0.32%	0.69%	1.03%	1.53%	1.89%	2.14%	2.55%	2.84%
2016	0.61%	0.84%	1.01%	1.34%	1.64%	1.84%	2.23%	2.60%
2017	1.20%	1.40%	1.58%	1.91%	2.16%	2.33%	2.65%	2.90%
2018	2.33%	2.53%	2.63%	2.75%	2.85%	2.91%	3.02%	3.11%
2019	2.05%	1.97%	1.94%	1.96%	2.05%	2.14%	2.40%	2.58%
Five-Year Average	<u>1.30%</u>	<u>1.49%</u>	<u>1.64%</u>	<u>1.90%</u>	<u>2.12%</u>	<u>2.27%</u>	<u>2.57%</u>	<u>2.81%</u>
<u>Months</u>								
Jan-20	1.53%	1.52%	1.52%	1.56%	1.67%	1.76%	2.07%	2.22%
Feb-20	1.41%	1.33%	1.31%	1.32%	1.42%	1.50%	1.81%	1.97%
Mar-20	0.33%	0.45%	0.50%	0.59%	0.78%	0.87%	1.26%	1.46%
Apr-20	0.18%	0.22%	0.28%	0.39%	0.55%	0.66%	1.06%	1.27%
May-20	0.16%	0.17%	0.22%	0.34%	0.53%	0.67%	1.12%	1.38%
Jun-20	0.18%	0.19%	0.22%	0.34%	0.55%	0.73%	1.27%	1.49%
Jul-20	0.15%	0.15%	0.17%	0.28%	0.46%	0.62%	1.09%	1.31%
Aug-20	0.13%	0.14%	0.16%	0.27%	0.46%	0.65%	1.14%	1.36%
Sep-20	0.13%	0.13%	0.16%	0.27%	0.46%	0.68%	1.21%	1.42%
Oct-20	0.13%	0.15%	0.19%	0.34%	0.55%	0.79%	1.34%	1.57%
Nov-20	0.12%	0.17%	0.22%	0.39%	0.63%	0.87%	1.40%	1.62%
Dec-20	0.10%	0.14%	0.19%	0.39%	0.66%	0.93%	1.47%	1.67%
Twelve-Month Average	<u>0.38%</u>	<u>0.40%</u>	<u>0.43%</u>	<u>0.54%</u>	<u>0.73%</u>	<u>0.89%</u>	<u>1.35%</u>	<u>1.56%</u>
Six-Month Average	<u>0.13%</u>	<u>0.15%</u>	<u>0.18%</u>	<u>0.32%</u>	<u>0.54%</u>	<u>0.76%</u>	<u>1.28%</u>	<u>1.49%</u>
Three-Month Average	<u>0.12%</u>	<u>0.15%</u>	<u>0.20%</u>	<u>0.37%</u>	<u>0.61%</u>	<u>0.86%</u>	<u>1.40%</u>	<u>1.62%</u>

Measures of the Risk-Free Rate & Corporate Bond Yields

The forecast of Treasury and Corporate yields
per the consensus of nearly 50 economists
reported in the Blue Chip Financial Forecasts dated December 1, 2020 and January 1, 2021

Year	Quarter	Treasury					Corporate	
		1-Year Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Bond	Aaa Bond	Baa Bond
2021	First	0.1%	0.2%	0.4%	0.9%	1.7%	2.5%	3.5%
2021	Second	0.2%	0.2%	0.5%	1.0%	1.8%	2.5%	3.6%
2021	Third	0.2%	0.3%	0.6%	1.1%	1.9%	2.6%	3.7%
2021	Fourth	0.2%	0.3%	0.6%	1.2%	2.0%	2.7%	3.8%
2022	First	0.2%	0.4%	0.7%	1.3%	2.1%	2.8%	3.8%
2022	Second	0.3%	0.4%	0.8%	1.4%	2.1%	2.8%	3.8%
Long-range CONSENSUS								
	2022	0.3%	0.4%	0.8%	1.3%	2.1%	2.8%	3.9%
	2023	0.6%	0.8%	1.2%	1.7%	2.4%	3.2%	4.3%
	2024	1.0%	1.2%	1.6%	2.0%	2.8%	3.6%	4.7%
	2025	1.4%	1.6%	2.0%	2.4%	3.1%	4.0%	5.0%
	2026	1.8%	1.9%	2.3%	2.6%	3.4%	4.2%	5.2%
Averages:								
	2022-2026	1.0%	1.2%	1.5%	2.0%	2.8%	3.6%	4.6%
	2027-2031	2.1%	2.3%	2.5%	2.8%	3.6%	4.5%	5.4%

Measures of the Market Premium

Value Line Return			
As of:	Dividend Yield	Median Appreciation Potential	Median Total Return
25-Dec-20	2.0%	+ 7.79%	= 9.79%

DCF Result for the S&P 500 Composite			
D/P	(1+5g)	+	g = k
1.73%	(1.0470)	+	9.40% = 11.21%

Summary	
Value Line	9.79%
S&P 500	11.21%
Average	10.50%
Risk-free Rate of Return (Rf)	2.00%
Forecast Market Premium	8.50%
Historical Market Premium	
Low Interest Rates	(Rm) (Rf)
1926-2019 Arith. mean	11.92% 2.88% 9.04%
Average - Forecast/Historical	8.77%

Exhibit 7.8: Size-Decile Portfolios of the NYSE/NYSE MKT/NASDAQ Long-Term Returns in Excess of CAPM
1926–2016

<u>Size Grouping</u>	<u>OLS Beta</u>	<u>Arithmetic Mean</u>	<u>Return in Excess of Risk-free Rate (actual)</u>	<u>Return in Excess of Risk-free Rate (as predicted by CAPM)</u>	<u>Size Premium</u>
Mid-Cap (3–5)	1.12	13.82%	8.80%	7.79%	1.02%
Low-Cap (6–8)	1.22	15.26%	10.24%	8.49%	1.75%
Micro-Cap (9–10)	1.35	18.04%	13.02%	9.35%	3.67%
<u>Breakdown of Deciles 1–10</u>					
1-Largest	0.92	11.05%	6.04%	6.38%	-0.35%
2	1.04	12.82%	7.81%	7.19%	0.61%
3	1.11	13.57%	8.55%	7.66%	0.89%
4	1.13	13.80%	8.78%	7.80%	0.98%
5	1.17	14.62%	9.60%	8.09%	1.51%
6	1.17	14.81%	9.79%	8.14%	1.66%
7	1.25	15.41%	10.39%	8.67%	1.72%
8	1.30	16.14%	11.12%	9.04%	2.08%
9	1.34	16.97%	11.96%	9.28%	2.68%
10-Smallest	1.39	20.27%	15.25%	9.66%	5.59%

Betas are estimated from monthly returns in excess of the 30-day U.S. Treasury bill total return, January 1926–December 2016. Historical riskless rate measured by the 91-year arithmetic mean income return component of 20-year government bonds (5.02%). Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (11.95%) minus the arithmetic mean income return component of 20-year government bonds (5.02%) from 1926–2016. Source: Morningstar *Direct* and CRSP. Calculated based on data from CRSP US Stock Database and CRSP US Indices Database ©2017 Center for Research. Used with permission. All calculations performed by Duff & Phelps, LLC.

Comparable Earnings Approach

Using Non-Utility Companies with

Timeliness of 3 & 4; Safety Rank of 1, 2 & 3; Financial Strength of B+, B++, A & A+;
Price Stability of 70 to 95; Betas of .80 to 1.05; and Technical Rank of 3, 4 & 5

Company	Industry	Timeliness Rank	Safety Rank	Financial Strength	Price Stability	Beta	Technical Rank
ACI Worldwide Inc	IT Services	3	3	B+	70	1.05	3
Alamo Group	Machinery	3	3	B+	70	1.05	3
Brown Forman Corp (Class B)	Beverage	3	1	A	95	0.85	3
Badger Meter Inc	Precision Instrument	3	3	B++	70	1.05	5
Brady Corp	Diversified Co.	4	3	B++	80	1.00	5
CACI International Inc	IT Services	3	3	B+	80	0.95	3
Caseys General Stores Inc	Retail/Wholesale Food	3	3	B+	85	0.85	3
Cerner Corp	Healthcare Information	3	2	A+	85	0.95	3
Chemed Corporation	Diversified Co.	3	2	A	95	0.85	4
Cincinnati Financial Corp	Insurance (Prop/Cas.)	4	3	B++	70	1.05	4
CME Group Inc	Brokers & Exchanges	4	2	A	90	0.95	5
CoStar Group Inc	Information Services	3	2	A+	80	0.95	4
Dolby Laboratories Inc	Entertainment Tech	3	2	A	90	0.95	3
Ennis Inc.	Office Equip/Supplies	3	3	B++	85	0.80	4
ESCO Technologies Inc	Diversified Co.	3	3	B+	90	1.00	3
Exponent Inc.	Information Services	3	3	B+	90	0.85	3
FirstCash Inc.	Financial Svcs. (Div.)	4	3	B++	85	0.85	4
FactSet Research Systems Inc	Information Services	3	2	A+	85	1.00	3
Franklin Electric Co Inc	Electrical Equipment	3	3	A	75	1.00	3
FLIR Systems Inc	Electrical Equipment	4	3	B++	70	0.95	5
GATX Corp	Railroad	3	3	B+	75	1.00	3
Gentex Corp	Auto Parts	3	3	B++	85	0.95	3
Graphic Packaging	Packaging & Container	3	3	B+	80	1.00	3
Huntington Ingalls Industries Inc	Aerospace/Defense	3	3	B++	75	1.05	4
Hill Rom Holdings	Med Supp Non-Invasive	4	3	B++	70	1.05	4
Integra LifeSciences Holdings Corporati	Med Supp Invasive	3	3	B+	75	1.00	4
International Business Machines Corp	Computers/Peripherals	3	1	A	90	1.05	4
Intercontinental Exch.	Brokers & Exchanges	3	2	A	95	0.90	4
Ingredion Incorporated	Food Processing	4	3	B++	90	0.90	4
Innospec Inc	Chemical (Specialty)	4	3	B++	75	1.00	4
J B Hunt Transport Services Inc	Trucking	3	2	A+	85	0.95	3
J and J Snack Foods Corp	Food Processing	4	1	A+	90	0.90	4
ManTech International Corporation	IT Services	3	3	B+	85	0.85	3
Mercury General Corp	Insurance (Prop/Cas.)	3	3	B++	75	0.95	4
Monster Beverage Corporation	Beverage	3	2	A+	80	0.85	4
Monolithic Power Sys.	Semiconductor	3	3	A	75	1.00	4
MSA Safety	Machinery	3	3	B+	80	1.00	3
MSC Industrial Direct Co Inc	Machinery	3	2	A	80	0.95	3
Neogen Corp	Med Supp Non-Invasive	3	3	B++	70	0.80	3
New York Times Co	Publishing	3	3	B+	75	0.80	4
Omnicom Group Inc	Advertising	4	3	B+	90	1.00	3
Post Holdings Inc	Food Processing	3	3	B++	85	0.95	5
Power Integrations Inc	Semiconductor	3	3	A	70	0.85	4
Roper Tech.	Machinery	3	1	A+	95	1.00	3
Scholastic Corporation	Publishing	4	3	B++	75	1.00	4
Tennant Co	Machinery	4	3	B++	70	1.05	4
Trimas Corporation	Diversified Co.	3	3	B+	80	0.90	3
AMERCO	Trucking	3	2	B++	90	0.95	3
UniFirst Corp	Industrial Services	3	2	A	90	0.95	3
Valmont Industries	Diversified Co.	3	2	A	80	1.05	3
VeriSign Inc	Internet	3	3	B++	90	0.95	5
Washington Federal Inc	Thrift	4	3	B+	80	1.05	4
Encore Wire	Electronics	3	3	A	70	1.00	4
Watts Water Technologies Inc	Machinery	3	2	B++	95	1.00	3
Yum Brands Inc	Restaurant	3	3	B++	85	1.05	3
Average		3	3	B++	82	0.96	4
Gas Group	Average	3	2	A	87	0.87	4

Source of Information: Value Line Investment Survey for Windows, January 2021

Comparable Earnings Approach

Five -Year Average Historical Earned Returns
for Years 2015-2019 and
Projected 3-5 Year Returns

Company	2015	2016	2017	2018	2019	Average	Projected 2023-25
ACI Worldwide Inc	13.1%	17.2%	0.7%	6.6%	5.9%	8.7%	11.0%
Alamo Group	12.0%	10.3%	12.1%	14.5%	11.0%	12.0%	13.0%
Brown Forman Corp (Class B)	45.3%	48.8%	56.7%	50.7%	41.9%	48.7%	60.0%
Badger Meter Inc	11.2%	12.6%	12.5%	14.8%	14.3%	13.1%	20.0%
Brady Corp	11.1%	13.3%	13.7%	14.9%	15.4%	13.7%	14.0%
CACI International Inc	8.5%	8.9%	9.1%	9.4%	11.2%	9.4%	11.0%
Caseys General Stores Inc	20.9%	14.9%	11.2%	14.5%	16.1%	15.5%	15.0%
Cerner Corp	19.1%	20.1%	16.8%	16.6%	20.0%	18.5%	20.0%
Chemed Corporation	21.5%	20.7%	26.1%	33.9%	31.7%	26.8%	28.5%
Cincinnati Financial Corp	9.2%	7.2%	5.5%	7.0%	7.0%	7.2%	9.0%
CME Group Inc	6.1%	7.5%	18.1%	7.6%	8.1%	9.5%	9.0%
CoStar Group Inc	4.3%	8.3%	5.8%	10.0%	11.0%	7.9%	11.0%
Dolby Laboratories Inc	10.0%	9.4%	9.4%	12.6%	11.1%	10.5%	13.5%
Ennis Inc.	12.0%	10.5%	12.5%	12.9%	13.0%	12.2%	12.5%
ESCO Technologies Inc	7.1%	8.3%	8.6%	9.0%	9.9%	8.6%	9.5%
Exponent Inc.	16.6%	17.4%	14.3%	23.0%	23.5%	19.0%	30.0%
FirstCash Inc.	14.1%	4.1%	7.9%	11.6%	12.2%	10.0%	12.5%
FactSet Research Systems Inc	45.3%	49.7%	46.1%	50.8%	52.5%	48.9%	43.5%
Franklin Electric Co Inc	13.2%	12.8%	12.5%	14.6%	12.3%	13.1%	12.5%
FLIR Systems Inc	13.4%	12.5%	13.7%	16.6%	16.2%	14.5%	16.0%
GATX Corp	18.1%	17.6%	10.4%	11.2%	10.9%	13.6%	8.0%
Gentex Corp	18.5%	18.2%	18.0%	23.5%	21.9%	20.0%	25.0%
Graphic Packaging	22.4%	21.6%	23.2%	11.9%	13.2%	18.5%	17.5%
Huntington Ingalls Industries Inc	27.1%	34.7%	27.2%	55.1%	36.5%	36.1%	19.5%
Hill Rom Holdings	13.4%	18.3%	19.0%	19.9%	21.9%	18.5%	17.5%
Integra LifeSciences Holdings Corporation	13.6%	16.1%	15.9%	14.8%	16.8%	15.4%	21.0%
International Business Machines Corp	93.7%	65.1%	72.8%	75.4%	54.9%	72.4%	26.5%
Intercontinental Exch.	9.2%	10.6%	10.4%	12.1%	12.7%	11.0%	12.0%
Ingredion Incorporated	19.1%	20.5%	19.5%	20.8%	16.4%	19.3%	17.5%
Innospec Inc	19.8%	12.4%	7.8%	10.3%	12.2%	12.5%	13.0%
J B Hunt Transport Services Inc	32.9%	30.6%	22.6%	29.7%	24.9%	28.1%	17.5%
J and J Snack Foods Corp	11.7%	11.9%	11.6%	11.1%	11.4%	11.5%	11.5%
ManTech International Corporation	4.3%	4.5%	4.7%	5.9%	7.6%	5.4%	9.0%
Mercury General Corp	7.1%	5.4%	5.1%	6.2%	8.0%	6.4%	14.5%
Monster Beverage Corporation	13.4%	21.4%	20.0%	27.5%	26.6%	21.8%	21.0%
Monolithic Power Sys.	9.5%	12.2%	15.1%	16.4%	14.1%	13.5%	23.0%
MSA Safety	18.3%	18.8%	23.6%	27.7%	25.9%	22.9%	26.5%
MSC Industrial Direct Co Inc	17.5%	21.1%	18.7%	20.8%	20.0%	19.6%	22.0%
Neogen Corp	9.6%	9.0%	9.3%	10.3%	9.4%	9.5%	8.0%
New York Times Co	7.7%	3.7%	0.5%	12.1%	11.9%	7.2%	20.5%
Omnicom Group Inc	44.6%	53.1%	46.0%	52.1%	46.9%	48.5%	34.5%
Post Holdings Inc	1.8%	7.2%	7.6%	10.1%	12.7%	7.9%	11.5%
Power Integrations Inc	9.1%	9.8%	11.9%	13.3%	6.9%	10.2%	9.5%
Roper Tech.	12.8%	11.4%	11.0%	15.9%	14.4%	13.1%	12.0%
Scholastic Corporation	3.6%	4.7%	5.0%	3.9%	2.6%	4.0%	6.0%
Tennant Co	18.2%	16.7%	9.2%	12.8%	14.9%	14.4%	13.5%
Trimas Corporation	10.7%	11.6%	11.8%	13.1%	9.5%	11.3%	14.0%
AMERCO	21.7%	15.2%	9.0%	10.0%	7.0%	12.6%	6.5%
UniFirst Corp	10.0%	8.5%	7.4%	10.2%	10.0%	9.2%	7.5%
Valmont Industries	4.4%	18.4%	14.2%	16.1%	13.8%	13.4%	12.5%
VeriSign Inc	-	-	-	-	-	-	NMF
Washington Federal Inc	8.2%	8.3%	8.7%	10.2%	10.3%	9.1%	9.5%
Encore Wire	8.8%	5.9%	10.5%	10.8%	7.5%	8.7%	9.0%
Watts Water Technologies Inc	12.0%	12.5%	12.5%	14.4%	14.2%	13.1%	14.0%
Yum Brands Inc	NMF	-	-	-	-	-	NMF
Average						16.7%	16.7%
Median						13.1%	13.5%
Average (excluding companies with values >20%)						16.3%	16.9%

Comparable Earnings Approach
Screening Parameters

Timeliness Rank

The rank for a stock's probable relative market performance in the year ahead. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the year-ahead market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next 12 months. Stocks ranked 3 (Average) will probably advance or decline with the market in the year ahead. Investors should try to limit purchases to stocks ranked 1 (Highest) or 2 (Above Average) for Timeliness.

Safety Rank

A measure of potential risk associated with individual common stocks rather than large diversified portfolios (for which Beta is good risk measure). Safety is based on the stability of price, which includes sensitivity to the market (see Beta) as well as the stock's inherent volatility, adjusted for trend and other factors including company size, the penetration of its markets, product market volatility, the degree of financial leverage, the earnings quality, and the overall condition of the balance sheet. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit purchases to equities ranked 1 (Highest) or 2 (Above Average) for Safety.

Financial Strength

The financial strength of each of the more than 1,600 companies in the VS II data base is rated relative to all the others. The ratings range from A++ to C in nine steps. (For screening purposes, think of an A rating as "greater than" a B). Companies that have the best relative financial strength are given an A++ rating, indicating ability to weather hard times better than the vast majority of other companies. Those who don't quite merit the top rating are given an A+ grade, and so on. A rating as low as C++ is considered satisfactory. A rating of C+ is well below average, and C is reserved for companies with very serious financial problems. The ratings are based upon a computer analysis of a number of key variables that determine (a) financial leverage, (b) business risk, and (c) company size, plus the judgment of Value Line's analysts and senior editors regarding factors that cannot be quantified across-the-board for companies. The primary variables that are indexed and studied include equity coverage of debt, equity coverage of intangibles, "quick ratio", accounting methods, variability of return, fixed charge coverage, stock price stability, and company size.

Price Stability Index

An index based upon a ranking of the weekly percent changes in the price of the stock over the last five years. The lower the standard deviation of the changes, the more stable the stock. Stocks ranking in the top 5% (lowest standard deviations) carry a Price Stability Index of 100; the next 5%, 95; and so on down to 5. One standard deviation is the range around the average weekly percent change in the price that encompasses about two thirds of all the weekly percent change figures over the last five years. When the range is wide, the standard deviation is high and the stock's Price Stability Index is low.

Beta

A measure of the sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Average. A Beta of 1.50 indicates that a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Average. Use Beta to measure the stock market risk inherent in any diversified portfolio of, say, 15 or more companies. Otherwise, use the Safety Rank, which measures total risk inherent in an equity, including that portion attributable to market fluctuations. Beta is derived from a least squares regression analysis between weekly percent changes in the price of a stock and weekly percent changes in the NYSE Average over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are periodically adjusted for their long-term tendency to regress toward 1.00.

Technical Rank

A prediction of relative price movement, primarily over the next three to six months. It is a function of price action relative to all stocks followed by Value Line. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next six months. Stocks ranked 3 (Average) will probably advance or decline with the market. Investors should use the Technical and Timeliness Ranks as complements to one another.

**PECO ENERGY COMPANY
STATEMENT NO. 6-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: JIANG DING

SUBJECT: REVISED CLASS COST-OF-SERVICE
STUDY, MAIN DESIGN AND
ALLOCATION OF MAINS, ALLOCATION
OF STORAGE PLANT, FORFEITED
DISCOUNT AND NON-BASE RATE
REVENUES, DESIGN DAY DEMAND,
TRANSPORTATION RATE CLASSES, AND
INTERRUPTIBLE RATE CLASSES

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. REVISED CLASS COST-OF-SERVICE STUDY	3
III. MAIN DESIGN AND ALLOCATION OF MAINS.....	5
IV. ALLOCATION OF STORAGE PLANT	11
V. FORFEITED DISCOUNT AND NON-BASE RATE REVENUES.....	12
VI. DESIGN DAY DEMAND, TRANSPORTATION RATE CLASSES, AND INTERRUPTIBLE RATE CLASSES	15
A. RATE CLASS L	15
B. DESIGN DAY DEMAND.....	18
C. RATE CLASSES TS-F AND TS-I.....	22
D. INTERRUPTIBLE RATE CLASSES MV-I, IS, AND TCS	25
VII. CONCLUSION.....	26

1 **REBUTTAL TESTIMONY**
2 **OF**
3 **JIANG DING**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your name, professional occupation, and business address.**

6 A. My name is Jiang Ding. I am employed by PECO Energy Company (“PECO” or the
7 “Company”) as a Principal Regulatory & Rates Specialist. My business address is
8 PECO Energy Company, 2301 Market Street, Philadelphia, PA 19103.

9 **2. Q. Have you previously submitted testimony in this proceeding?**

10 A. Yes. I submitted direct testimony that was marked as PECO Statement No. 6. My
11 background and qualifications are set forth in that Statement.

12 **3. Q. What is the purpose of your rebuttal testimony?**

13 A. I will address the following areas:

14 **PECO’s Revised Class Cost-of-Service Study.** I will explain the revisions to
15 PECO’s unbundled, fully allocated class cost-of-service study (“COSS”) that
16 accompanied my direct testimony.

17 **Main Design and Allocation of Mains.** I will respond to direct testimony
18 concerning the Company’s method and approach to allocating distribution Mains
19 provided by Mr. Glenn A. Watkins on behalf of the Pennsylvania Office of Consumer
20 Advocate (“OCA”) and Mr. Robert D. Knecht on behalf of the Office of Small
21 Business Advocate (“OSBA”).

1 **Allocation of Storage Plant.** I will respond to the direct testimony of OCA witness
2 Mr. Watkins concerning the Company’s method and approach to allocating storage
3 plant.

4 **Forfeited Discount and Non-Base Rate Revenues:** I will respond to the direct
5 testimony of OCA witness Mr. Watkins concerning the Company’s calculation of
6 forfeited discount and non-base rate revenues.

7 **Design Day Demand, Transportation Rate Classes, and Interruptible Rate**
8 **Classes:** I will respond to the direct testimony of OSBA witness Mr. Knecht
9 concerning various rate classes for transportation service under rate classes L, TS-F,
10 TS-I and interruptible rate classes MV-I, IS, and TCS. This portion of my response
11 will also address Mr. Knecht’s testimony concerning design day demand.

12 Some issues raised by other party witnesses may not be addressed in my rebuttal
13 testimony. This should not be construed as the Company’s assent to, or approval of,
14 those other parties’ positions.

15 **4. Q. Have you prepared any exhibits to accompany your rebuttal testimony?**

16 A. Yes. The exhibits accompanying my rebuttal testimony include the revised exhibits
17 labeled PECO Exhibit JD-1R through PECO Exhibit JD-6R and two new exhibits
18 labeled PECO Exhibit JD-7R and PECO Exhibit JD-8R.

PECO Exhibit JD-1R	Summary of Results
PECO Exhibit JD-2R	Allocation by Rate Class
PECO Exhibit JD-3R	Allocation by Functional Classification
PECO Exhibit JD-4R	Unitized Functionally Classified Revenue Requirement
PECO Exhibit JD-5R	Customer-Related Costs
PECO Exhibit JD-6R	External Allocation Factors
PECO Exhibit JD-7R	Confidential Attachment OSBA-I-2(a)
PECO Exhibit JD-8R	Confidential Attachment PECO GCOS Model_Rebuttal

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2

II. REVISED CLASS COST-OF-SERVICE STUDY

3

5. Q. Is PECO proposing any changes to its originally-filed COSS?

4

A. Yes. The Company has developed a revised COSS.

5

6. Q. What was the reason for the update?

6

A. The revised COSS corrects an error with respect to each class’s proposed rate of return (“ROR”). Specifically, when calculating a proposed revenue increase for each rate class, equalized proposed ROR should have been applied to each rate class. Due to a formula error in the COSS (*see* PECO’s response to interrogatory PAIEUG-I-1), equalized proposed ROR was not used for different rate classes. This miscalculation resulted in the Company reflecting incorrect class revenue increases at the proposed overall revenue requirement.

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7. Q. What was the most significant change resulting from the update to the COSS?

14

A. Most notably, the revised COSS corrected the underreported revenue increase for Rate GR from \$47.1 million under the originally-filed COSS to \$71.2 million under the revised COSS.

15

16

1 **8. Q. Has the Company provided the revised COSS to parties in this proceeding?**

2 A. Yes. The Company shared the revised COSS in response to interrogatories OSBA-I-
3 1 and OSBA-I-2. The revised COSS is also being included with my rebuttal
4 testimony as PECO Exhibit JD-7R.

5 **9. Q. Did the update to the original COSS require changes to any of the exhibits that**
6 **accompanied your direct testimony?**

7 A. Yes. As detailed in the Company’s confidential response to OSBA-I-2, the revised
8 COSS required changes to several of the exhibits included with my direct testimony.
9 The Company provided those updated exhibits in response to OSBA-I-2 as PECO
10 Revised Exhibit JD-1 through PECO Revised Exhibit JD-5. There was no change to
11 PECO Exhibit JD-6 as-filed.

12 **10. Q. Are you proposing any additional changes to the revised COSS provided in the**
13 **discovery as part of your rebuttal testimony?**

14 A. Yes. Based on my review of other party direct testimonies, I am proposing several
15 other changes to my prior exhibits. First, I am proposing revisions to address an error
16 related to the allocator used to assign Advertising Expenses (Account 909). This
17 error was uncovered during discovery and was addressed in the Company’s response
18 to OSBA-II-7. Second, I am proposing a correction related to the allocator named
19 “DISTPLTXAR,” which is Distribution Plant Excluding Asset Retirement
20 Obligations, in order to address the inadvertent double-counting of Meters and Meter
21 Installations. Third, I am updating the COSS consistent with the discussion by Mr.

1 Michael T. Trzaska (PECO Statement No. 3-R, Section II). Fourth, I am adjusting
 2 the TS-F peak day demand requirement of 68,000 mcf/day by reducing the peak
 3 demand of one direct assigned customer (PECO Exhibit JD-6R, page 5, line 8,
 4 Column B). Table 1 below shows the results based on the updates:

Table 1		Rate Class										
		Total	R	GC	L	MVF	MVI	IS	TCS	TSF	TSI	
Rebuttal												
ROR @ Current Rate excluding Purchased Gas	Exhibit JD-1R, line 26	5.75%	4.76%	8.06%	-2.09%	12.33%	14.65%	9.34%	43.73%	6.69%	8.43%	
Revenue Increase @ Proposed ROR of 7.64%	Exhibit JD-1R, line 134	\$66,194	\$69,060	\$(3,441)	\$293	\$(134)	\$ (1)	\$ (4)	\$(552)	\$1,563	\$(590)	
PECO Exhibit JD-7R [Confidential Attachment OSBA-1-2(a)]												
ROR @ Current Rate excluding Purchased Gas	Exhibit JD-7R, line 26	5.73%	4.72%	8.12%	-2.08%	12.56%	32.20%	-5.64%	44.40%	6.50%	8.84%	
Revenue Increase @ Proposed ROR of 7.70%	Exhibit JD-7R, line 134	\$68,723	\$71,368	\$(3,443)	\$293	\$(138)	\$ (4)	\$ 34	\$(560)	\$2,023	\$(850)	

6 **III. MAIN DESIGN AND ALLOCATION OF MAINS**

7 **11. Q. Please summarize the objections of Mr. Watkins to the allocation of Mains in the**
 8 **COSS.**

9 A. Mr. Watkins objects to PECO’s use of the Average and Excess Demand (“A&E”)
 10 method in the COSS because he claims it is not applicable to the natural gas
 11 distribution industry and results in a bias against low load factor customers in favor of
 12 high load factor customers (OCA Statement No. 4, pages 7-10). Mr. Watkins also
 13 suggests that the Peak and Average (“P&A”) approach is the “most fair and equitable
 14 method to assign natural gas distribution Mains costs to the various customer classes”
 15 (OCA Statement No. 4, page 12, lines 3-7). To that end, Mr. Watkins conducted a
 16 class cost-of-service study in which Mains are allocated using the P&A methodology.

1 **12. Q. Please summarize the methodology you used to allocate Mains in the COSS.**

2 A. Excluding a small portion of Mains that was directly assigned, most of the Mains
3 costs (approximately 99% of the total) were classified and allocated using the A&E
4 method, which is the method used by PECO in its March 2010 gas base rate case
5 (Docket No. R-2010-2161592). Under this method, the portion of Mains costs equal
6 to the system average load factor is classified as commodity-related and is allocated
7 among the rate classes based on their average daily deliveries. The balance of mains
8 costs is allocated based on excess demand. The excess demand is allocated among
9 rate classes in proportion to each class’ peak demand over its average demand. This
10 method is recognized as an acceptable method by the American Gas Association
11 (“AGA”) in *Gas Rate Fundamentals*, 1987 Edition.

12 **13. Q. Please respond to Mr. Watkins’ comment on the applicability of the A&E cost**
13 **allocation method to the natural gas distribution industry.**

14 A. Mr. Watkins is incorrect that the A&E method is “rarely applicable or used in the
15 natural gas industry” (OCA Statement No. 4, page 7, lines 25-26). As a preliminary
16 matter, PECO is aware of several other Pennsylvania natural gas distribution
17 companies employing A&E as their cost allocation methodology (*see PPL Gas*
18 *Utilities Corporation*, Docket No. R-00061398; *UGI Utilities, Inc. - Gas Division*,
19 Docket No. R-2018-3006814; *Philadelphia Gas Works (“PGW”)*, Docket No. R-
20 2020-3017206; *PGW*, Docket No. No. R-00061931; *see also* OCA Response to
21 PECO-OCA-III-4 (noting other utilities outside of Pennsylvania utilizing the A&E
22 method)). Mr. Watkins also theorizes that the bias occurs because the A&E method

1 results in excess demands being greater for low load factor customers than for high
2 load factor customers. Mr. Watkins incorrectly suggests that this result does not
3 reflect how distribution Mains are operated. To the contrary, PECO Mains are
4 designed to meet system peak demands on a design day that all firm customers can be
5 served. Accordingly, it is inappropriate and in conflict with cost causation principles
6 to treat the cost of excess capacity as an incremental cost instead of the primary cost
7 driver.

8 **14. Q. Do you have further comments regarding PECO's Mains design?**

9 A. Yes. First, Mr. Watkins overemphasizes the size of the pipe in determining the cost
10 of Mains installation. There are actually several cost drivers, such as the material
11 used for the construction, the type of restoration required to complete the job, and any
12 environmental obstructions or concerns that need to be addressed during the
13 construction of the pipeline.

14 Second, Mr. Watkins' claim that there is a non-linear relationship between increased
15 pipe capacity and cost is based on a flawed assumption. Mr. Watkins states that
16 although labor costs increase alongside demand and corresponding pipe size
17 increases, the labor costs tend to be much smaller than the capacity added. That is not
18 necessarily true. There is a point at which increasing demand necessitates material
19 changes to the Main, such as a materials change from plastic to steel. Once this
20 occurs, the cost of the material and labor for that installation increases drastically.

1 **15. Q. Please summarize Mr. Watkins’ proposal for allocating Mains.**

2 A. Mr. Watkins conducted a class cost-of-service study in which Mains are allocated
3 using the P&A methodology. Mr. Watkins weighted the P&A allocation factors used
4 in his class cost-of-service study 50% on peak (design) day usage and 50% on
5 average day usage, with no “peak” responsibility assigned to Interruptible classes.
6 Mr. Watkins avers that because Mains costs are incurred to meet peak load
7 requirements and serve customers throughout the year, weighting P&A allocation
8 factors in this manner better recognizes that Interruptible service is subordinate to
9 Firm natural gas service.

10 **16. Q. Is Mr. Watkins’ proposal for allocating Mains correct?**

11 A. No. The P&A method is flawed because it double counts average annual usage. That
12 is, average annual usage is counted once in the annual component, and again in the
13 peak component. The AGA’s *Gas Rate Fundamentals* at page 145 discusses two
14 comparable cost-allocation approaches that shift capacity-related costs from low to
15 high load factor customers and notes that, for these approaches, “[c]ost causation is
16 not the rationale.” Put another way, those cost allocation approaches, like the P&A
17 method proposed by Mr. Watkins, reflect the desire to produce a certain outcome that
18 is not driven by cost causation. Additionally, there is no cost causation basis for the
19 50 / 50 split that Mr. Watkins proposes, other than a flawed analysis of what drives
20 Mains costs. Demand-related costs should be assigned on the basis of responsibility
21 for peak demand, and PECO’s Mains are designed to first meet peak demands. Thus,

22

1 peak demands are appropriately the driver for Mains costs. Adopting Mr. Watkins’
2 proposal would be contrary to well established cost causation principles.

3 **17. Q. Mr. Watkins claims on page 18 of his direct testimony that you applied the A&E**
4 **method incorrectly in your analysis. Do you agree?**

5 A. No. Based on Mr. Watkins’ proposal, there will not be any difference between firm
6 and interruptible customers in the COSS. As noted on page 144 of the AGA’s *Gas*
7 *Rate Fundamentals*, “whether an interruptible customer should receive less than its
8 proportional share of capacity costs or even no capacity costs depends on the
9 philosophy of the cost analyst.” In this instance, Mr. Watkins’ proposal to consider
10 the non-coincident peak demands of interruptible customers is inappropriate because
11 it ignores the way customers use the system. If costs are assigned to interruptible
12 customers based on the class non-coincident peak, those customers would be
13 allocated costs for a service they are not being provided, i.e., the right to use the
14 system on the peak days.

15 **18. Q. Please summarize Mr. Knecht’s proposal for allocating Mains.**

16 A. Mr. Knecht accepted PECO’s use of an A&E allocation factor, but disagreed with the
17 Company’s derivation of the allocation factor itself on the basis that Mains costs are
18 not causally related to average demands. Therefore, Mr. Knecht modified the A&E
19 allocator in his allocation to include an average demand component. Mr. Knecht
20 claims that his proposed allocation is consistent with Commission-approved practice
21 in the *PGW* proceeding in Docket No. R-00061931 in that it weights average and
22 excess components each at 50%.

1 **19. Q. Is Mr. Knecht’s proposal for Mains allocation correct?**

2 A. No. Mr. Knecht’s proposal shares the same fundamental flaw as Mr. Watkins’
3 proposal for allocating Mains because it is not consistent with the principle of cost
4 causation. By equally weighting average and excess demand, Mr. Knecht’s proposed
5 allocation would fail to allocate costs equitably among the rate classes. Moreover,
6 Mr. Knecht’s support for his proposition is based on a prior Commission proceeding
7 (i.e., *PGW*) that was resolved by settlement. By contrast, PECO’s approach of
8 assigning demand-related costs on the basis of load factors respects cost causation
9 principles and is well-recognized as an acceptable allocation methodology. For
10 example, as Mr. Knecht concedes in his direct testimony, the Commission proceeding
11 in Docket No. R-00061398 involving PPL Gas Utilities Corporation (“PPL”) approved
12 an allocation of all mains costs using the A&E allocation method, using a 40%/60%
13 weighting for average and excess demands, respectively. Mr. Knecht attempts to draw
14 a distinction between that case and PECO’s proposal in this proceeding by suggesting in
15 his direct testimony on page 23, lines 17-18, that “this weighting was not based on
16 system load factor.” I believe Mr. Knecht is incorrect. As noted on page 113 of
17 Commission’s February 8, 2007 Opinion and Order in Docket No. R-0061398: “PPL Gas
18 stated that the 40% for commodity was based upon system average load factors for 2004
19 and 2005 of 39.1% and 39.8% respectively” (emphasis added). Similarly, UGI Gas and
20 PGW, the applicants in two other proceedings cited by Mr. Knecht, relied on system
21 load factors (*see UGI Utilities, Inc. - Gas Division*, Docket No. R-2018-3006814;
22 *PGW*, Docket No. R-2020-3017206). Thus, PECO’s reliance on load factors is
23 consistent with industry practice, as noted in the AGA’s *Gas Rate Fundamentals* on

1 page 144 (“used capacity (average deliveries) costs are calculated by multiplying total
2 capacity costs by the system load factor”).

3 **20. Q. What do you recommend the Commission should do regarding the allocation of**
4 **Mains in the COSS?**

5 A. I recommend the Commission accept the allocation of Mains reflected in the
6 Company’s COSS. The objections of Mr. Watkins and Mr. Knecht regarding the
7 A&E method are unfounded and the approaches proffered by both witnesses in their
8 alternative class cost-of-service studies are inconsistent with cost causation principles
9 and are not supported by theory or by Commission practice.

10 **IV. ALLOCATION OF STORAGE PLANT**

11 **21. Q. Please explain your treatment for storage plant under the COSS.**

12 A. Storage plant is a rate base category and represents the investment in LNG facilities
13 which are used to meet design peak day and short-term needs of firm sales customers.
14 These assets have been functionalized to Storage, classified to demand, and allocated
15 among rate classes based on design peak day send-out.

16 **22. Q. Please summarize Mr. Watkins’ proposal for allocating storage plant.**

17 A. In his alternative class cost-of-service study, Mr. Watkins allocates storage plant
18 based on the storage allocator I used to assign natural gas storage expenses in the
19 COSS, as set forth in PECO Exhibit JD-6.

1 **23. Q. Is Mr. Watkins’ proposal for allocating storage plant correct?**

2 A. No. Mr. Watkins claims that his proposed storage plant allocation using the storage
3 allocator I developed is more appropriate than design day demand for storage plant.
4 This is incorrect because storage plant is used to meet design peak day and short-term
5 needs for firm sales customers, i.e., not for interruptible customers under rate classes
6 such as Rate TS-I. Additionally, all transportation customers (Rates TS-F and TS-I)
7 incur additional costs if they do not balance deliveries within 10% of their daily usage
8 per PECO’s Retail Gas Tariff (*see* PECO Energy Company Gas Service Tariff, Sixth
9 Revised Page No. 67, section 2.4). Storage inventory includes PECO contracted gas
10 inventory and is used for balancing service for all customers. I should note that the
11 impact of changing this allocator is immaterial.

12 **V. FORFEITED DISCOUNT AND NON-BASE RATE REVENUES**

13 **24. Q. Please summarize Mr. Watkins’ assertion regarding the inclusion of PECO’s**
14 **forfeited discount and non-base revenues in required class revenues.**

15 A. Mr. Watkins claims that the Company’s COSS includes an error related to required
16 class revenues. Specifically, he asserts that, in developing required class revenues,
17 the Company did not “appropriately reflect non-base rate revenues nor the additional
18 forfeited discount revenues that will be generated as a result of the Company’s
19 proposed overall increase” (OCA Statement No. 4, page 20, lines 24-26).

20 **25. Q. How does this relate to Mr. Watkins’ claim regarding the COSS?**

21 A. Mr. Watkins’ narrative testimony does not specify why he believes the forfeited

1 discount revenues are not “appropriately” reflected in the COSS. However, based on
2 my review of his alternative cost-of-service study, it appears that Mr. Watkins drew
3 that inference based on erroneous assumptions regarding PECO’s treatment of
4 forfeited discount and non-base rate revenues.

5 **26. Q. Please explain.**

6 A. Mr. Watkins’ cost-of-service model uses the Gross Revenue Conversion Factor
7 (“GRCF”) of 1.413757 to calculate the base rate increase (*see* OCA Response to
8 PECO-OCA-I-18, Attachment A, Tab “Summary” at Excel spreadsheet line 96).
9 That GRCF is the same GRCF used for PECO’s proposed base rate revenue increase,
10 as reflected in Mr. Trzaska’s Exhibit MJT-1, page 1, Schedule A-1, at line 44. Mr.
11 Watkins erroneously assumed the GRCF included the increase of forfeited discount
12 related to the base rate increase. The Company’s GRCF of 1.413757, as calculated
13 in Mr. Trzaska’s Exhibit MJT-1, Schedule D-19, does not include the increase of
14 forfeited discount and non-base rate revenues. As a result of his mistaken
15 assumption, Mr. Watkins deducted the increase of forfeited discount revenues in the
16 amount of \$88,000 to arrive at his required base rate revenue increase (*see* OCA
17 Response to PECO-OCA-I-18, Attachment A, Tab “Summary” at Excel spreadsheet
18 line 97).

19 Consistent with the GRCF and the total base rate revenue increase in PECO Exhibit
20 MJT-1, the proposed total change in revenue in the Company’s COSS does not
21 include the related increase in forfeited discount revenue. The proposed total change
22 in revenue reflected on line 59 of PECO Revised Exhibit JD-1 is \$68,343,000, which

1 is for base distribution revenue only. That proposed amount, when combined with
2 the purchased gas cost (“PGC”) related change in revenue of \$380,000, ties to the
3 total base rate revenue increase of \$68,723,000 reflected in Mr. Trzaska’s analysis in
4 PECO Exhibit MJT-1.

5 **27. Q. What is the purported basis for Mr. Watkins’ assertion regarding non-base rate**
6 **revenue?**

7 A. Mr. Watkins’ claim that the non-base rate revenues were not “appropriately” reflected
8 in the COSS is incorrect. The non-base rate revenues (or what the Company called
9 “Other Operating Revenue”) of \$1,528,000 was included in the Company’s budget to
10 calculate the ROR before the rate increase, and reduces the total revenue requirement
11 increase, which is demonstrated in PECO Exhibit MJT-1, Schedule A-1, at line 21. It
12 is also demonstrated in the COSS, Revised Exhibit JD-1, page 1, at line 6 and page 2
13 at line 64. Specifically, the total revenue requirement increase of \$68,723,000 in
14 PECO’s COSS (PECO Revised Exhibit JD-1, page 3, line 134) is for base distribution
15 revenue only and it is consistent with the Company’s base rate revenue increase
16 request in PECO Exhibit MJT-1. In contrast, Mr. Watkins’ response to PECO-OCA-
17 I-18, at Attachment C, does not produce this result (*see* OCA Statement No. 4, page
18 21, Table 4). Mr. Watkins assumed PECO’s required revenue increase was
19 \$68,432,000 (*see* PECO Revised Exhibit JD-1, page 2, line 83), which was incorrect.

1 VI. DESIGN DAY DEMAND, TRANSPORTATION RATE CLASSES,
2 AND INTERRUPTIBLE RATE CLASSES

3 A. RATE CLASS L

4 28. Q. At page 25 of his direct testimony, Mr. Knecht identifies what he calls
5 “contradictions” in the way the Company developed the design day demand for
6 Rate L. Before addressing that issue, please explain the service the Company
7 offers under Rate L.

8 A. Rate L – Large High Load Factor Service is available to provide firm sales service to
9 large, high load factor customers. Currently, there are four customers that employ
10 Rate L in this capacity as their primary form of service. Rate L also serves another
11 function for the Company and its customers. With the prior approval of the
12 Commission (reaffirmed in numerous subsequent base rate cases up to the present),
13 the Company made Rate L available to customers on Rate TS-F – Gas Transportation
14 Service-Firm as Standby Sales Service. As Standby Sales Service, Rate L serves two
15 purposes.

16 First, if a Rate TS-F customer’s transportation supply cannot be delivered to PECO’s
17 city gate (either because of a gas supply shortage or because the interstate pipelines
18 transporting the customer’s gas do not have sufficient capacity), the customer can
19 purchase gas from PECO under Rate L as Standby Sales Service.

20 Second, by engaging PECO to provide Standby Sales Service, a Rate TS-F customer
21 is able to preserve its right to return to traditional sales service. In this way, if a Rate
22 TS-F customer desires to discontinue transportation service, it can seamlessly and
23 automatically resume purchases from PECO under Rate L as its primary form of

1 service. A Rate TS-F customer that does not engage PECO to obtain Standby Sales
2 Service runs some risk that PECO may not be immediately able to resume sales
3 service if a shortage of gas supply or interstate pipeline capacity should arise.

4 As indicated in the rebuttal testimony of Mr. Richard A. Schlesinger (PECO
5 Statement No. 8-R, page 6), Rate L has been available as Standby Sales Service for
6 many years, and a number of Rate TS-F customers obtain Rate L Standby Sales
7 Service. Those customers understand the purpose Rate L serves, are familiar with its
8 operation and its relationship to their transportation service, and they have come to
9 rely upon Rate L in its existing form for their Standby Sales Service.

10 **29. Q. What are the alleged “contradictions” Mr. Knecht claims to perceive with the**
11 **development of the design day demand for Rate L?**

12 A. Mr. Knecht states that the design day peak for Rate L is based on the Standby Sales
13 Service demand of customers whose primary form of service is transportation under
14 Rate TS-F and who rely on Rate L only for Standby Sales Service. Mr. Knecht
15 contends that the design day peak demand of customers who use Rate L as their
16 primary (not standby) service is not reflected in the design day demands for all of
17 Rate L.

18 **30. Q. Is Mr. Knecht correct that the Rate L design day demand used by PECO in**
19 **developing its Average and Excess allocation factors does not include the**
20 **demand of Rate L customers who use Rate L as their primary service (what Mr.**
21 **Knecht calls “pure” Rate L customers)?**

22 A. Although PECO explained this previously in interrogatory responses that Mr. Knecht

1 references at page 25 (line 16-18) of his testimony, the issue is complicated. Mr.
2 Knecht is correct that the Company did not specifically assign design day demand to
3 Rate L in its most recent Section 1307(f) PGC proceeding, from which I obtained the
4 design day demands. However, the projected demand and usage for “pure” Rate L
5 customers was included in the overall design day firm gas supply requirements. This
6 occurs because the “pure” Rate L customers are not daily metered. As Mr. Knecht
7 acknowledges at page 26 of his direct testimony, the Company develops design day
8 demand by backing out the daily demands of those customers with daily meters.
9 Thus, the demand of “pure” Rate L customers necessarily remains in the calculation
10 of the Rate L design day demand.

11 In any event, the focus of Mr. Knecht’s concern does not have a material impact on
12 design day demand or usage. The design day demand of “pure” Rate L customers is
13 not significant in comparison to design day demand for Standby Sales Service
14 furnished under Rate L. To illustrate, as shown in Table 2 below, average usage for
15 “pure” Rate L customers from 2017-2019 was 1,662 mcf and average usage for
16 Standby Sales was 15,187 mcf. Design day demand for Rate L Standby Sales Service
17 is projected as 1,614 mcf and the system peak day demand is projected as 915,000
18 mcf in 2022, which is based on data from the prior 5-year period (2015-2019) and is
19 used for the peak day demand analysis in the COSS (*see* Annual PGC Filing Under
20 Section 1307(f) of PECO Energy Company in Docket No. R-2020-3019661 (filed
21 Apr. 30, 2020)).

Table 2			
2017-2019	Total (Mcf)	Pure L Customer Usage	Standby Sales
Total (Mcf)	50,548	4,987	45,562
Average per Year	16,849	1,662	15,187

B. DESIGN DAY DEMAND

31. Q. At pages 25-28 of his direct testimony, Mr. Knecht states that he has four concerns with the manner in which PECO developed the design day demands for use in applying the Average and Excess allocation factors. Please summarize your understanding of Mr. Knecht’s concerns.

A. Of the four concerns expressed by Mr. Knecht, three relate to Rate L and Rate TS-F, which I will address below. Mr. Knecht’s first concern (identified at page 26 of his direct testimony) pertains to how the Company developed the design day demand value for the combined load of the firm service classes that are not daily metered (what he calls the “Small Firm” group). Mr. Knecht accurately summarizes how the Company did this calculation (backing out daily demand of customers with daily meters from total system send out). However, Mr. Knecht claims that the Company did not adequately explain how the class-specific demands were derived from the aggregate Small Firm demand.

Based solely on his observation that the design day load factors for Rate GR and Rate GC customers are allegedly “virtually identical,” Mr. Knecht assumed that the Company “has not made any independent evaluation of the load patterns of the various rate classes, but simply split the Small Firm design day demands between residential and all other based on volumes.” In an attempt to address what Mr. Knecht erroneously viewed as a deficiency in the Company’s analysis of class-

1 specific demands, he tried to develop “design day demand load factors using a
2 statistical analysis of monthly class loads and heating degree days” which he then
3 “applied to design day conditions to the statistical analysis” (OSBA Statement No. 1,
4 page 28). The results of his analysis are shown in the table at page 28 of his direct
5 testimony.

6 **32. Q. Do you agree with Mr. Knecht’s assumption that PECO did not properly**
7 **analyze class load patterns and his alternative statistical analysis of monthly**
8 **class loads and heating degree days?**

9 A. No, I do not. The Company adequately analyzed the various rate classes as the basis
10 for segregating Small Firm design day demand among firm service classes.
11 Additionally, Mr. Knecht’s alternative statistical analysis is imperfect. Based on our
12 review of his analysis, it appears that Mr. Knecht developed his demand allocation
13 factors using a statistical analysis that correlated all monthly average use based on the
14 prior 3 years’ data (July 2017-June 2020) by customer class, by design day, with
15 heating degree days. This has the effect of treating all of the customer load as
16 temperature-sensitive when, in fact, a significant portion of that load is not correlated
17 with temperature. The regression analysis PECO used to calculate design day
18 demand only utilizes demand data for winter days at 50 degrees Fahrenheit or below
19 to correlate with heating degree days. PECO’s calculation properly aligns with
20 demand that is actually driven by temperature. PECO’s design day demand
21 requirement forecast is based on the actual daily demand from the last five winter
22 seasons (2015-2019) and on monthly usage and customer growth models by rate
23 class. PECO also considers recent weather normalized sales growth trends to adjust

1 the modeled results to levels and growth rates that are reasonable and consistent with
2 recent history.

3 **33. Q. What is the first concern, relating to Rate L, that Mr. Knecht expresses at page**
4 **26 of his direct testimony?**

5 A. Repeating a concern stated earlier in his direct testimony, Mr. Knecht again contends
6 that PECO “does not appear to assign any design day demands to Rate L related to
7 the four ‘pure’ Rate L customers.” I addressed this concern previously.

8 **34. Q. What is the second concern relating to Rate L and Rate TS-F that Mr. Knecht**
9 **expresses at pages 26-27 of his direct testimony?**

10 A. Mr. Knecht takes issue with the long-standing Commission-approved relationship of
11 Rate L to Rate TS-F for transportation customers that voluntarily elect to obtain
12 Standby Sales Service from PECO. Mr. Knecht contends that allowing a Rate TS-F
13 customer to choose Standby Sale Services under Rate L “requires the customer to pay
14 a transportation rate for backup utility supplies from a different rate class” because,
15 according to Mr. Knecht, PECO allegedly “tells its TS-F customers” who choose to
16 obtain Standby Sale Service under Rate L “they must deliver that gas at a different
17 rate than if their own gas supplier had provided the gas.”

18 **35. Q. What does Mr. Knecht propose based on his concerns about the relationship**
19 **between Rate TS-F and Standby Sale Service under Rate L?**

20 A. Mr. Knecht made two proposals with which the Company disagrees. Under Mr.
21 Knecht’s first proposal, which appears at page 27 of his testimony, he recommended

1 removing the demands associated with Standby Sales Service from the Rate L class
2 and, instead, combining those sales-service demands with the demands of customers
3 receiving only transportation service under Rate TS-F. Mr. Knecht claims that
4 including Standby Sales Service demands with the rest of the sales-service demand
5 the Company serves under Rate L produces an “unusually low load factor” for Rate L
6 overall because “the demands for the standby [sales] load come with relatively little
7 volume.”

8 Under his second proposal, which is addressed in the discussion by Mr. Schlesinger
9 (PECO Statement No. 8-R, pages [4-5]), Mr. Knecht recommends, in effect, that the
10 Company cease providing Standby Sales Service under Rate L and, instead, adopt a
11 fundamentally different approach. Specifically, Mr. Knecht would require PECO to
12 offer to sell back-up gas supplies to Rate TS-F customers as a completely stand-alone
13 service (i.e., PECO would, for purposes of such standby sales, furnish totally
14 unbundled gas commodity service) and deliver those unbundled back-up supplies at
15 PECO’s regular Rate TS-F rates. The Company does not agree with either of Mr.
16 Knecht’s recommendations.

17 **36. Q. Please address Mr. Knecht’s first proposal.**

18 A. Mr. Knecht’s first proposal – to remove Standby Sales Service demands from the
19 Rate L class and combine it with the transportation-based demands of the Rate TS-F
20 class – is fundamentally an attempt to blur the distinction between sales service and
21 transportation service. That distinction lies at the heart of the long-standing
22 relationship between Rate L, as Standby Sales Service, and firm transportation

1 service under Rate TS-F, which the Commission has approved in numerous prior base
2 rate cases over many years. It is also a relationship between Rate L and Rate TS-F
3 that PECO's customers understand, accept and rely upon. Standby Sale Service
4 under Rate L is voluntary – Rate TS-F customers can choose that service or not. To a
5 significant extent, customers have expressed their preference to continue the existing
6 relationship between Rate L as Standby Sales Service and Rate TS-F transportation
7 service by electing to receive Standby Sales Service.

8 Mr. Knecht tries to justify blurring the distinction between sales service and
9 transportation service based solely on his observation that keeping all of the sales
10 service demands (“pure” Rate L and Standby Sales Service demands) within the Rate
11 L classification produces an “unusually low load factor.” However, assigning sales
12 demands to transportation service simply to raise the load factor of Rate L is a result-
13 oriented approach to demand classification that, contrary to Mr. Knecht's contentions,
14 misrepresents each class' costs.

15 **C. RATE CLASSES TS-F AND TS-I**

16 **37. Q. What is the third concern relating to Rate L and Rate TS-F that Mr. Knecht**
17 **expresses at page 27 of his direct testimony?**

18 A. Mr. Knecht correctly explains that the Company obtained the design day demand of
19 68,000 mcf/day for Rate TS-F from its PGC filing. He then notes that it does not
20 appear the Company adjusted that figure to remove demands related to customer
21 service by directly-assigned meters, as it did for the Rate TS-F volumes. Mr. Knecht
22 is correct, and I agree that the design day demand should have been reduced by the

1 demands relating to customers served with directly-assigned meters. I have made this
 2 change in the revised COSS I am submitting with my rebuttal testimony. The table
 3 below shows the impact on the resulting allocation factors used in the revised COSS
 4 provided with my rebuttal.

Table 3		Rebuttal: Exhibit JD-6R, Page 5		Originally Filed: Exhibit JD-6, Page 5	
	<u>Class</u>	Peak_Mains	Ratio of Average & Excess Demand	Peak_Mains	Ratio of Average & Excess Demand
1	Residential	550,000	58.4%	550,000	58.3%
2	GC	293,826	31.2%	293,826	31.1%
3	Large	1,416	0.1%	1,416	0.1%
4	Motor Vehicles- Firm	1,174	0.1%	1,174	0.1%
5	Motor Vehicles- Interr		0.0%		0.0%
6	Interruptible		0.0%		0.0%
7	Temperature		0.1%		0.1%
8	Transport- Firm	65,500	7.0%	68,000	7.3%
9	Transport- Interr		3.0%		3.0%
10	TOTAL	911,916	100%	914,416	100%

6 **38. Q. What is Mr. Knecht’s conclusion regarding the rate charges for the TS-F and**
 7 **TS-I rate classes?**

8 A. Mr. Knecht argues that the Company’s tariffs for the TS-F and TS-I classes have an
 9 unacceptably large rate differential for customers above and below annual volumes of
 10 18 mmcf. Mr. Knecht observes that these rate classes represent a “not-insignificant
 11 amount” of base rate revenues (approximately 7%) and claims that there is no cost
 12 allocation justification for the rate differential.

13

1 **39. Q. Do you agree with Mr. Knecht?**

2 A. No. The annual usage distinction Mr. Knecht notes is not the only factor relevant to
3 the rate treatment. Cost of service is determined by a number of factors, including the
4 customer’s total connected and concurrent load, the customer’s location(s), and the
5 manner in which the customer operates its equipment. The following examples are
6 illustrative.

7 *Example 1:* A customer taking less than 18 mmcf of service annually is added to a
8 lower pressure system, their service demands could require the inclusion of
9 substantial main, service, and metering equipment to counterbalance the low pressure
10 of the system. In contrast, a customer with over 18 mmcf of annual volumes on a
11 higher pressure system may require lower main and service costs compared to the
12 “small” customer because of the higher delivery pressure of the system.

13 *Example 2:* Consider two customers with similar annual loads. One customer has
14 equipment that will burn all day (i.e., a smaller hourly usage rate), while the other
15 customer will burn equipment for just a few hours a day (i.e., a larger hourly usage
16 rate). The customer with the larger hourly usage rate will most likely require a larger
17 main, service, and meter because of the rate of the gas flow into their facility.

18 Mr. Knecht’s proposal attempts to draw a distinction that is not meaningful and that is
19 based on an unsound premise. Therefore, it should be rejected. As noted in the
20 AGA's *Gas Rate Fundamentals* at Page 140, “[g]enerally, the number of classes
21 studied should be minimized Separating cost data into smaller and smaller
22 pieces may make the results less reliable.”

1 **D. INTERRUPTIBLE RATE CLASSES MV-I, IS, AND TCS**

2 **40. Q. What is Mr. Knecht’s proposal for the treatment of interruptible rate classes**
3 **MV-I, IS, and TCS?**

4 A. Mr. Knecht asserts that these interruptible rate classes do not offer any material
5 distribution service benefits associated with their interruptibility. In particular, Mr.
6 Knecht observes that for Rate MV-I, there has been no interruption for at least five
7 years, and the Rate TCS class has been interrupted only once in the past five years.
8 Mr. Knecht further claims that Rate IS service is interruptible for gas supply reasons
9 as opposed to distribution system reasons, a distinction that Mr. Knecht claims
10 warrants an increased assignment of demand-related costs to these customers. For
11 these reasons, Mr. Knecht’s cost-of-service study includes design day demands for
12 the MV-I, IS, and TCS rate classes.

13 **41. Q. Do you agree with Mr. Knecht’s proposal?**

14 A. No. Mr. Knecht’s proposal to attribute design day demands to these rate classes over-
15 assigns demand-related costs to the Rate MV-I, IS, and TCS interruptible customers.
16 From a distribution perspective, PECO has not experienced a design day in
17 approximately 30 years. Although PECO’s system may have achieved design day
18 send-out numbers in the past, which is in part why a portion of the Company’s
19 customer base has been interrupted in the past, the system overall has not been
20 stressed to the point where distribution pressures necessitated the interruption of these
21 customers. Moreover, PECO’s gas distribution system is designed to operate at a
22 design day without these customers in these interruptible rate classes. There are also

1 significant and unjustifiable cost implications associated with Mr. Knecht's proposal.
2 If PECO were to treat these interruptible customers as firm, as Mr. Knecht suggests,
3 the Company would need to invest heavily into the mains that serve these customers
4 to ensure the availability of firm service on an actual design day.

5 VII. CONCLUSION

6 **42. Q. Does this complete your rebuttal testimony?**

7 A. Yes, it does.

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

R-2020-3018929
2/17/21 JK

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
S	1	SUMMARY AT PRESENT RATES											
S	2												
S	3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS											
S	4	OPERATING REVENUE											
S	5	Sales of Gas Revenue - Base	SCH RBC, LN 54	361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
S	6	Other Operating Revenue	SCH RBC, LN 64	1,538	1,115	332	1	1	0	0	1	57	30
S	7	TOTAL OPERATING REVENUE		363,114	235,570	100,362	76	471	3	35	683	16,622	9,291
S	8												
S	9	OPERATING EXPENSES											
S	10	Operation and Maintenance Expense Excl Pur Gas	SCH E, LN 99	143,235	105,486	29,895	105	109	1	10	58	5,112	2,460
S	11	Depreciation and Amortization Expense	SCH D, LN 42	88,958	61,185	21,430	69	84	0	7	47	3,878	2,258
S	12	Taxes Other Than Income Taxes-General	SCH TO, LN 10	7,545	5,297	1,759	6	6	0	1	3	319	154
S	13	Taxes Other Than Income Taxes-Distribution GRT	SCH TO, LN 18	0	0	0	0	0	0	0	0	0	0
S	14	Income Taxes	SCH TI, LN 61	18,005	16,706	835	59	(20)	(0)	(0)	(100)	482	44
S	15	TOTAL OPERATING EXPENSES		221,734	155,262	52,249	121	219	1	18	209	8,827	4,827
S	16												
S	17	OPERATING INCOME (RETURN)		141,381	80,308	48,113	(44)	252	2	17	474	7,796	4,464
S	18												
S	19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS											
S	20	Gas Plant in Service	SCH RBP, LN 65	3,537,669	2,417,797	871,649	3,020	2,984	16	252	1,658	161,317	78,976
S	21	Less: Accumulated Depreciation	SCH RBD, LN 37	892,383	615,349	220,328	709	754	5	57	456	33,917	20,808
S	22	Plus: Rate Base Additions Excl Purchased Gas	SCH RBO, LN 13	168,125	119,426	39,824	118	115	1	10	58	5,650	2,923
S	23	Less: Rate Base Deductions	SCH RBO, LN 26	353,538	233,962	94,108	303	303	2	25	175	16,539	8,120
S	24	TOTAL RATE BASE EXCL PURCHASED GAS	SCH RBO, LN 29	2,459,873	1,687,913	597,037	2,125	2,042	10	180	1,085	116,510	52,971
S	25												
S	26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		5.75%	4.76%	8.06%	-2.09%	12.33%	14.65%	9.34%	43.73%	6.69%	8.43%
S	27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		1.00	0.83	1.40	-0.36	2.14	2.55	1.63	7.61	1.16	1.47
S	28												
S	29												
S	30	DEVELOPMENT OF PURCHASED GAS RETURN											
S	31	Purchased Gas Revenues (PGC)	SCH RBC, LN 55	201,810	150,889	49,024	70	897	5	174	750	0	0
S	32	Other Sales of Gas Revenue (BSC)	SCH RBC, LN 56	25,090	16,191	8,642	6	165	1	15	69	0	0
S	33	Purchased Gas O&M Expense	SCH E, LN 98	226,900	167,080	57,667	77	1,061	6	190	819	0	0
S	34	Purchased Gas Income Taxes (Fed & State PP)		14	10	3	0	0	0	0	0	0	0
S	35	PURCHASED GAS OPERATING INCOME (RETURN)		14	10	3	0	0	0	0	0	0	0
S	36	RATE BASE - PURCHASED GAS CASH WORKING CAPITAL		3,682	2,753	894	1	16	0	3	14	0	0
S	37	PURCHASED GAS RATE OF RETURN (PRESENT)		0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.00%	0.00%
S	38												
S	39												
S	40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)											
S	41	Total Distribution Sales Revenue at Current Rates		588,476	401,535	157,697	152	1,531	9	225	1,501	16,565	9,262
S	42	Total Distribution Operating Revenues		590,014	402,650	158,029	153	1,532	9	225	1,502	16,622	9,291
S	43	Total Distribution Operating Expenses Excl Federal & State Taxes		466,639	339,048	110,751	257	1,260	7	208	927	9,309	4,872
S	44	Plus: Total Federal & State Taxes		18,019	16,716	838	59	(20)	(0)	(0)	(100)	482	44
S	45	Total Operating Income (Return)		141,394	80,318	48,116	(44)	252	2	17	474	7,796	4,464
S	46	Total Rate Base		2,463,555	1,690,666	597,932	2,126	2,059	10	183	1,099	116,510	52,971
S	47												
S	48	COMPOSITE RATE OF RETURN (PRESENT)		5.74%	4.75%	8.05%	-2.09%	12.23%	14.52%	9.18%	43.19%	6.69%	8.43%
S	49	COMPOSITE INDEX RATE OF RETURN (PRESENT)		1.00	0.83	1.40	-0.36	2.13	2.53	1.60	7.53	1.17	1.47
S	50												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%											
S	52												
S	53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED RATE)											
S	54												
S	55	Rate Base Excluding Purchased Gas	SCH S, LN 24	2,459,873	1,687,913	597,037	2,125	2,042	10	180	1,085	116,510	52,971
S	56	Change in Operating Income (Rate Base * (7.64% - ROR (Present)))	1.90%	46,554	48,649	(2,499)	207	(96)	(1)	(3)	(392)	1,106	(417)
S	57			7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
S	58	OPERATING REVENUES											
S	59	Change in Revenue (Change in Return * 1.414)		65,816	68,777	(3,533)	292	(135)	(1)	(4)	(554)	1,563	(590)
S	60	Distribution Base Rate Revenue (Present Rates)	SCH S, LN 5	361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
S	61	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	427,392	303,232	96,497	368	334	2	31	128	18,128	8,672
S	62												
S	63	Forfeited Discounts Revenues	REV_487	85	64	17	0	0	0	0	0	3	1
S	64	Other Operating Revenue (Present Rates)	SCH S, LN 6	1,538	1,115	332	1	1	0	0	1	57	30
S	65	TOTAL OPERATING REVENUES		429,015	304,412	96,846	368	336	2	31	130	18,188	8,703
S	66												
S	67	OPERATING EXPENSES											
S	68	Operation and Maintenance Expense Excl Pur Gas	SCH S, LN 10	143,235	105,486	29,895	105	109	1	10	58	5,112	2,460
S	69	Depreciation and Amortization Expense	SCH S, LN 11	88,958	61,185	21,430	69	84	0	7	47	3,878	2,258
S	70	Additional Bad Debt Expense	CALCULATED	229	239	(12)	1	(0)	(0)	(0)	(2)	5	(2)
S	71	Additional PUC / OTS & SBA Fee Expense	CALCULATED	203	212	(11)	1	(0)	(0)	(0)	(2)	5	(2)
S	72	Taxes Other Than Income Taxes-General	SCH S, LN 12	7,545	5,297	1,759	6	6	0	1	3	319	154
S	73	Taxes Other Than Income Taxes-Distribution GRT	SCH S, LN 13	0	0	0	0	0	0	0	0	0	0
S	74	TOTAL OPERATING EXPENSES BEFORE TAXES		240,170	172,418	53,061	182	198	1	18	105	9,319	4,868
S	75	State and Federal Income Taxes @ Effective Tax Rate	SCH S, LN 14	18,005	16,706	835	59	(20)	(0)	(0)	(100)	482	44
S	76	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(18,916)	(19,760)	1,009	(84)	39	0	1	159	(449)	169
S	77	TOTAL OPERATING EXPENSES		239,260	169,364	54,905	157	217	1	18	163	9,352	5,081
S	78												
S	79	NET OPERATING INCOME EXCL PURCHASED GAS		189,756	135,048	41,940	211	119	1	12	(33)	8,836	3,622
S	80												
S	81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.64%		427,392	303,232	96,497	368	334	2	31	128	18,128	8,672
S	82												
S	83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE		65,901	68,842	(3,517)	292	(135)	(1)	(4)	(553)	1,566	(588)
S	84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)		18.23%	29.36%	-3.52%	387.35%	-28.79%	-38.15%	-12.35%	-81.17%	9.45%	-6.35%
S	85												
S	86												
S	87												
S	88												
S	89												
S	90												
S	91												
S	92												
S	93												
S	94												
S	95												
S	96												
S	97												
S	98												
S	99												
S	100												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
S	101	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%											
S	102												
S	103	DEVELOPMENT OF PURCHASED GAS RETURN (EQUALIZED RATE)											
S	104												
S	105	Rate Base for Purchased Gas	SCH S, LN 36	3,682	2,753	894	1	16	0	3	14	0	0
S	106	Change in Operating Income (Rate Base * (7.64% - ROR (Present)))		267	200	65	0	1	0	0	1	0	0
S	107				7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%		
S	108	OPERATING REVENUES											
S	109	Change in Revenue (Change in Return * 1.414)		378	283	92	0	2	0	0	1	0	0
S	110	Distribution Base Rate Revenue (Present Rates)	CALCULATED	226,900	167,080	57,667	77	1,061	6	190	819	0	0
S	111	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	227,278	167,363	57,759	77	1,063	6	190	820	0	0
S	112												
S	113	OPERATING EXPENSES											
S	114	Purchased Gas O&M Expense	SCH S, LN 33	226,900	167,080	57,667	77	1,061	6	190	819	0	0
S	115	Additional Bad Debt Expense	CALCULATED	1	1	0	0	0	0	0	0	0	0
S	116	Additional PUC / OTS & SBA Fee Expense	CALCULATED	1	1	0	0	0	0	0	0	0	0
S	117	TOTAL OPERATING EXPENSES BEFORE TAXES		226,902	167,082	57,667	77	1,061	6	190	819	0	0
S	118	State and Federal Inc Taxes @ Effective Tax Rate	SCH S, LN 34	14	10	3	0	0	0	0	0	0	0
S	119	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(109)	(81)	(26)	(0)	(0)	(0)	(0)	(0)	0	0
S	120	TOTAL OPERATING EXPENSES		226,807	167,011	57,644	77	1,061	6	190	819	0	0
S	121												
S	122	NET OPERATING INCOME FOR PURCHASED GAS		471	352	114	0	2	0	0	2	0	0
S	123												
S	124	EQUALS TOTAL PURCHASED GAS COST OF SERVICE @ ROR		227,278	167,363	57,759	77	1,063	6	190	820	0	0
S	125												
S	126	TOTAL SALES PURCH GAS INCREASE/DECREASE		378	283	92	0	2	0	0	1	0	0
S	127	SALES REVENUE INCREASE TO RURCHASED GAS REVENUES (%)		0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.00%	0.00%
S	128												
S	129												
S	130												
S	131												
S	132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)											
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT		654,670	470,595	154,255	445	1,397	8	221	949	18,128	8,672
S	134	TOTAL INCREASE (DECREASE) BASE SALES REQUIRED		66,194	69,060	(3,441)	293	(134)	(1)	(4)	(552)	1,563	(590)
S	135	RATE OF RETURN (PROPOSED)		7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
S	136												
S	137												
S	138												
S	139												
S	140												
S	141												
S	142												
S	143												
S	144												
S	145												
S	146												
S	147												
S	148												
S	149												
S	150												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

R-2020-3018929
2/17/21 JK

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBP	1	DEVELOPMENT OF RATE BASE											
RBP	2												
RBP	3	GAS PLANT IN SERVICE											
RBP	4	INTANGIBLE PLANT											
RBP	5		TOTPLT	18,229	12,459	4,492	16	15	0	1	9	831	407
RBP	6		TOTPLT	0	0	0	0	0	0	0	0	0	0
RBP	7	TOTAL INTANGIBLE PLANT											
RBP	8			18,229	12,459	4,492	16	15	0	1	9	831	407
RBP	9	PRODUCTION PLANT (LPG)											
RBP	10		DPKDAYP	1,206	783	418	2	2	0	0	0	0	0
RBP	11		DPKDAYP	14,334	9,314	4,976	24	20	0	0	0	0	0
RBP	12		DPKDAYP	0	0	0	0	0	0	0	0	0	0
RBP	13	TOTAL PRODUCTION PLANT											
RBP	14			15,539	10,097	5,394	26	22	0	0	0	0	0
RBP	15	STORAGE PLANT (LNG)											
RBP	16		DPKDAYP	16	10	6	0	0	0	0	0	0	0
RBP	17		DPKDAYP	14,919	9,694	5,179	25	21	0	0	0	0	0
RBP	18		DPKDAYP	7,084	4,603	2,459	12	10	0	0	0	0	0
RBP	19		DPKDAYP	0	0	0	0	0	0	0	0	0	0
RBP	20		DPKDAYP	50,409	32,756	17,499	84	70	0	0	0	0	0
RBP	21	TOTAL STORAGE PLANT											
RBP	22			72,428	47,064	25,143	121	100	0	0	0	0	0
RBP	23	TRANSMISSION PLANT											
RBP	24		DTRAN	0	0	0	0	0	0	0	0	0	0
RBP	25	TOTAL TRANSMISSION PLANT											
RBP	26			0	0	0	0	0	0	0	0	0	0
RBP	27	DISTRIBUTION PLANT											
RBP	28		DDISTPLT	3,637	2,094	1,119	5	5	0	0	2	280	132
RBP	29		DDISTPLT	15,745	9,064	4,842	23	20	0	2	8	1,213	572
RBP	30	376-Mains											
RBP	31		DEXCESS	1,312,325	804,869	430,084	2,536	0	0	0	0	74,836	0
RBP	32		DAVGDD	444,376	221,500	118,229	87	2,261	3	211	943	48,260	52,881
RBP	33		DAMAINS	15,289	0	0	0	0	0	0	0	8,219	7,070
RBP	34	Total Account 376											
RBP	35		PLT_376	1,771,990	1,026,369	548,313	2,623	2,261	3	211	943	131,315	59,951
RBP	36		PLT_376	24,652	14,279	7,628	36	31	0	3	13	1,827	834
RBP	37		PLT_376	65,778	38,100	20,354	97	84	0	8	35	4,875	2,225
RBP	38		DAMR	11,382	0	0	0	0	0	0	0	6,292	5,090
RBP	39	Total Account 379											
RBP	40		CSERVICE	77,160	38,100	20,354	97	84	0	8	35	11,167	7,315
RBP	41		CMETERS	1,111,048	959,749	146,489	26	49	7	13	102	3,031	1,581
RBP	42		CMETERS	163,858	114,453	42,012	4	155	2	4	226	3,856	3,145
RBP	43		CMETERSDA	232	0	0	0	0	0	0	0	232	0
RBP	44	Total Account 381											
RBP	45		CMETERS	164,090	114,453	42,012	4	155	2	4	226	4,088	3,145
RBP	46		CMETINSTDA	220,402	153,948	56,510	6	208	3	6	304	5,187	4,230
RBP	47		CMETINSTDA	681	0	0	0	0	0	0	0	681	0
RBP	48	Total Account 382											
RBP	49		DISTPLT	221,083	153,948	56,510	6	208	3	6	304	5,868	4,230
RBP	50		DISTPLT	2,118	1,449	517	2	2	0	0	1	99	49
RBP	51	388-Asset Retirement Costs for Distribution Plant											
RBP	52		DISTPLTXAR	1,454	994	355	1	1	0	0	1	68	33

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBP	49	TOTAL DISTRIBUTION PLANT		3,392,977	2,320,498	828,140	2,825	2,816	16	248	1,635	158,956	77,843
RBP	50												
RBP	51	GAS PLANT IN SERVICE CONTINUED											
RBP	52												
RBP	53	GENERAL PLANT											
RBP	54	389-Land and Land Rights	SALWAGES	0	0	0	0	0	0	0	0	0	0
RBP	55	390-Structures and Improvements	SALWAGES	10,387	7,468	2,288	9	8	0	1	4	413	196
RBP	56	391-Office Furniture & Equipment	SALWAGES	6,858	4,931	1,511	6	6	0	0	3	272	129
RBP	57	393-Store Equipment	SALWAGES	0	0	0	0	0	0	0	0	0	0
RBP	58	394-Tools, Shop & Garage Equip.	SALWAGES	16,155	11,616	3,559	13	13	0	1	6	642	305
RBP	59	395-Laboratory Equipment	SALWAGES	0	0	0	0	0	0	0	0	0	0
RBP	60	397-Communication Equipment	SALWAGES	4,872	3,503	1,073	4	4	0	0	2	194	92
RBP	61	398-Miscellaneous Equipment	SALWAGES	223	160	49	0	0	0	0	0	9	4
RBP	62	TOTAL GENERAL PLANT		38,495	27,679	8,480	32	31	0	3	15	1,529	726
RBP	63												
RBP	64												
RBP	65	TOTAL GAS PLANT IN SERVICE		3,537,669	2,417,797	871,649	3,020	2,984	16	252	1,658	161,317	78,976
RBP	66												
RBP	67												
RBP	68												
RBP	69												
RBP	70												
RBP	71												
RBP	72												
RBP	73												
RBP	74												
RBP	75												
RBP	76												
RBP	77												
RBP	78												
RBP	79												
RBP	80												
RBP	81												
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RBP	89												
RBP	90												
RBP	91												
RBP	92												
RBP	93												
RBP	94												
RBP	95												
RBP	96												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBP	97												
RBP	98												
RBP	99												
RBP	100												
RBD	1	LESS: ACCUMULATED DEPRECIATION											
RBD	2												
RBD	3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION	INTPLT	16,737	11,439	4,124	14	14	0	1	8	763	374
RBD	4												
RBD	5	PRODUCTION PLANT ACCUMULATED DEPRECIATION	PRODPLT	13,221	8,591	4,589	22	18	0	0	0	0	0
RBD	6												
RBD	7	STORAGE PLANT ACCUMULATED DEPRECIATION	STORPLT	31,273	20,321	10,856	52	43	0	0	0	0	0
RBD	8												
RBD	9	TRANSMISSION PLANT ACCUMULATED DEPRECIATION	TRANPLT	0	0	0	0	0	0	0	0	0	0
RBD	10												
RBD	11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION											
RBD	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0	0	0
RBD	13	375-Structures & Improvements	PLT_375	5,864	3,376	1,804	9	7	0	1	3	452	213
RBD	14	376-Mains											
RBD	15	General - Excess	PLT_376GE	270,841	166,111	88,762	523	0	0	0	0	15,445	0
RBD	16	General - Average	PLT_376GA	91,712	45,714	24,400	18	467	1	44	195	9,960	10,914
RBD	17	Direct Assignment	DAMAINSAD	2,147	0	0	0	0	0	0	0	54	2,094
RBD	18	Total Account 376		364,700	211,825	113,162	541	467	1	44	195	25,459	13,007
RBD	19	378-Measuring & Regulating Station Equip-General	PLT_378	8,285	4,799	2,564	12	11	0	1	4	614	280
RBD	20	379-Measuring & Regulating Station Equip-City Gate											
RBD	21	City Gate	PLT_379CG	22,178	12,846	6,863	33	28	0	3	12	1,644	750
RBD	22	Direct Assignment	DAMRAD	2,689	0	0	0	0	0	0	0	58	2,631
RBD	23	Total Account 379		24,867	12,846	6,863	33	28	0	3	12	1,701	3,382
RBD	24	380-Services	PLT_380	261,885	226,222	34,529	6	12	2	3	24	714	373
RBD	25	381-Meters	CMETERS	71,643	50,042	18,369	2	68	1	2	99	1,686	1,375
RBD	26	Direct Assignment	CMETERSDA	3	0	0	0	0	0	0	0	3	0
RBP	27	Total Account 381		71,646	50,042	18,369	2	68	1	2	99	1,689	1,375
RBD	28	382-Meter Installations	CMETERS	75,785	52,935	19,431	2	72	1	2	105	1,784	1,454
RBD	29	Direct Assignment	CMETERSDA	8	0	0	0	0	0	0	0	8	0
RBP	30	Total Account 382		75,793	52,935	19,431	2	72	1	2	105	1,791	1,454
RBD	31	387-Other Equipment	PLT_387	1,428	977	349	1	1	0	0	1	67	33
RBD	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	555	379	135	0	0	0	0	0	26	13
RBD	33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION		815,022	563,400	197,205	607	665	4	55	442	32,513	20,130
RBD	34												
RBD	35	GENERAL PLANT ACCUMULATED DEPRECIATION	GENLPLT	16,131	11,599	3,554	13	13	0	1	6	641	304
RBD	36												
RBD	37	TOTAL ACCUMULATED DEPRECIATION		892,383	615,349	220,328	709	754	5	57	456	33,917	20,808
RBD	38												
RBD	39												
RBD	40												
RBD	41	NET GAS PLANT IN SERVICE		2,645,286	1,802,448	651,321	2,311	2,230	11	195	1,202	127,399	58,168
RBD	42												
RBD	43												
RBD	44												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBD	45												
RBD	46												
RBD	47												
RBD	48												
RBD	49												
RBD	50												
RBO	1	ADDITIONS AND DEDUCTIONS TO RATE BASE											
RBO	2												
RBO	3	PLUS: ADDITIONS TO RATE BASE											
RBO	4												
RBO	5	COMMON PLANT	SALWAGES	136,770	98,342	30,130	114	110	0	10	52	5,433	2,578
RBO	6												
RBO	7	WORKING CAPITAL											
RBO	8	Cash Working Capital - Purchased Gas	SCH RBC, LN 37	3,682	2,753	894	1	16	0	3	14	0	0
RBO	9	Cash Working Capital	SCH RBC, LN 22	(245)	(49)	(48)	(3)	4	0	0	5	(105)	(48)
RBO	10	Gas Storage Inventory	ESTORAGE	31,156	20,830	9,633	6	2	0	0	0	302	383
RBO	11	Materials and Supplies	TOTPLT	444	303	109	0	0	0	0	0	20	10
RBO	12	TOTAL WORKING CAPITAL		35,037	23,837	10,589	5	22	0	4	19	217	345
RBO	13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS		168,125	119,426	39,824	118	115	1	10	58	5,650	2,923
RBO	14	TOTAL ADDITIONS TO RATE BASE		171,807	122,179	40,719	119	132	1	13	71	5,650	2,923
RBO	15												
RBO	16	LESS: DEDUCTIONS TO RATE BASE											
RBO	17	Customer Deposits	CUSTDEP	13,400	4,647	8,450	0	3	0	0	6	194	101
RBO	18	Customer Advances for Construction	CUSTADV	1,255	1,040	214	0	0	0	0	0	0	0
RBO	19	Deferred Income Taxes and Credits											
RBO	20	Plant	TOTPLT	383,270	261,943	94,434	327	323	2	27	180	17,477	8,556
RBO	21	Common Plant	SALWAGES	6,582	4,732	1,450	5	5	0	0	3	261	124
RBO	22	Pension Assets / (Liability)	SALWAGES	(35,059)	(25,209)	(7,724)	(29)	(28)	(0)	(3)	(13)	(1,393)	(661)
RBO	23	ML Non-Conforming	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBO	24	Contributions in Aid of Construction (CIAC)	CUSTADV	(15,909)	(13,193)	(2,716)	0	0	0	0	0	0	0
RBO	25	Total Deferred Income Taxes and Credits		338,883	228,274	85,444	303	300	2	25	169	16,346	8,019
RBO	26	TOTAL DEDUCTIONS TO RATE BASE		353,538	233,962	94,108	303	303	2	25	175	16,539	8,120
RBO	27												
RBO	28	TOTAL PURCHASED GAS RATE BASE		3,682	2,753	894	1	16	0	3	14	0	0
RBO	29	TOTAL RATE BASE EXCLUDING PURCHASED GAS		2,459,873	1,687,913	597,037	2,125	2,042	10	180	1,085	116,510	52,971
RBO	30												
RBO	31	TOTAL RATE BASE		2,463,555	1,690,666	597,932	2,126	2,059	10	183	1,099	116,510	52,971
RBO	32												
RBO	33												
RBO	34												
RBO	35												
RBO	36												
RBO	37												
RBO	38												
RBO	39												
RBO	40												
RBO	41												
RBO	42												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBO	43												
RBO	44												
RBO	45												
RBO	46												
RBO	47												
RBO	48												
RBO	49												
RBO	50												
RBC	1	CASH WORKING CAPITAL (LEAD LAG)											
RBC	2												
RBC	3	TOTAL EXCLUDING PURCHASED GAS											
RBC	4	O&M EXPENSE RELATED CASH WORKING CAPITAL											
RBC	5	Payroll (Distribution Only)	SALWAGES	42,209	30,350	9,299	35	34	0	3	16	1,677	796
RBC	6	Pension	SALWAGES	2,525	1,815	556	2	2	0	0	1	100	48
RBC	7	Other Expenses											
RBC	8	Other Expenses	OMXPPPP	95,915	71,180	19,640	66	68	0	6	37	3,309	1,608
RBC	9	BSC	EBSC	25,090	16,191	8,642	6	165	1	15	69	0	0
RBC	10	Purchase of Recievables (POR)	POR	63,454	45,995	17,260	0	81	0	0	118	0	0
RBC	11	TOTAL EXPENSES		229,193	165,532	55,397	110	349	2	25	241	5,086	2,451
RBC	12												
RBC	13	TOTAL EXPENSES PER DAY		628	454	152	0	1	0	0	1	14	7
RBC	14												
RBC	15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,285	2,373	794	2	5	0	0	3	73	35
RBC	16												
RBC	17	AVERAGE PREPAYMENTS		2,091	1,502	475	1	3	0	0	2	72	36
RBC	18	DISTRIBUTION ACCRUED TAXES		181	42	112	(1)	1	0	0	2	15	11
RBC	19	INTEREST PAYMENTS	TOTPLT	(5,802)	(3,966)	(1,430)	(5)	(5)	(0)	(0)	(3)	(265)	(130)
RBC	20												
RBC	21												
RBC	22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT		(245)	(49)	(48)	(3)	4	0	0	5	(105)	(48)
RBC	23												
RBC	24												
RBC	25	PURCHASED GAS											
RBC	26	O&M EXPENSE RELATED CASH WORKING CAPITAL											
RBC	27	Commodity Purchased - Contract Purchases	EGAS	201,810	150,889	49,024	70	897	5	174	750	0	0
RBC	28	Commodity Purchased - Spot Market Purchases	ETHRUPUTF	0	0	0	0	0	0	0	0	0	0
RBC	29	TOTAL EXPENSES		201,810	150,889	49,024	70	897	5	174	750	0	0
RBC	30												
RBC	31	TOTAL EXPENSES PER DAY		553	413	134	0	2	0	0	2	0	0
RBC	32												
RBC	33	PP CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,682	2,753	894	1	16	0	3	14	0	0
RBC	34												
RBC	35	PURCHASED GAS ACCRUED TAXES	ETHRUPUTF	0	0	0	0	0	0	0	0	0	0
RBC	36												
RBC	37	NET PURCHASED GAS CASH WORKING CAPITAL REQUIREMENT		3,682	2,753	894	1	16	0	3	14	0	0
RBC	38												
RBC	39												
RBC	40	TOTAL NET CASH WORKING CAPITAL		3,437	2,704	846	(1)	20	0	4	19	(105)	(48)

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBC	41												
RBC	42												
RBC	43												
RBC	44												
RBC	45												
RBC	46												
RBC	47												
RBC	48												
RBC	49												
RBC	50												
RBC	1	CASH WORKING CAPITAL (LEAD LAG) CONTINUED											
RBC	2												
RBC	3	<u>LAG/LEAD DAYS</u>											
RBC	4	REVENUE LAG DAYS	43.17										
RBC	5	EXPENSE LEAD DAYS	37.94	5.23									
RBC	6												
RBC	7	PURCHASED GAS EXP LEAD DAYS	36.51	6.66									
RBC	8												
RBC	9												
RBC	10												
RBC	11												
RBC	12												
RBC	13												
RBC	14												
RBC	15												
RBC	16	DISTRIBUTION ACCRUED TAXES											
RBC	17	Federal Income Tax	EBT	15,760	6,628	7,271	(28)	47	0	3	110	1,039	690
RBC	18	State Income Tax	EBT	98,157	41,279	45,285	(176)	291	2	17	687	6,473	4,298
RBC	19	PURTA Taxes	TOTPLT	(159,522)	(109,024)	(39,305)	(136)	(135)	(1)	(11)	(75)	(7,274)	(3,561)
RBC	20	PA Capital Stock Tax	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBC	21	PA & Local Use Taxes	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBC	22	PA Property tax	TOTPLT	111,596	76,269	27,496	95	94	1	8	52	5,089	2,491
RBC	23	TOTAL ACCRUED TAXES		65,991	15,152	40,747	(245)	298	2	17	775	5,327	3,919
RBC	24	TOTAL ACCRUED TAXES PER DAY		181	42	112	(1)	1	0	0	2	15	11
RBC	25												
RBC	26	DISTRIBUTION AVERAGE PREPAYMENTS											
RBC	27	AGA Membership Dues	SALESREV	181	117	50	0	0	0	0	0	8	5
RBC	28	EAPA & NGA Membership Dues	SALESREV	64	41	18	0	0	0	0	0	3	2
RBC	29	PUC Assess - Gas	CLAIMREV	747	537	176	1	2	0	0	1	21	10
RBC	30	Cellent Gas Meter Reading	PLT_381	0	0	0	0	0	0	0	0	0	0
RBC	31	Gas Software Maintenance	DISTPLT	12	8	3	0	0	0	0	0	1	0
RBC	32	Customer and Research	CUSTBILLS	35	32	3	0	0	0	0	0	0	0
RBC	33	VEBA Adjustment	SALWAGES	114	82	25	0	0	0	0	0	5	2
RBC	34	Facility Contracts	DISTPLT	18	12	4	0	0	0	0	0	1	0
RBC	35	IT License & Maintenance	TOTPLT	617	422	152	1	1	0	0	0	28	14
RBC	36	Fleet Activities	GENLPLT	76	55	17	0	0	0	0	0	3	1
RBC	37	Prepared Rent	DISTPLT	55	38	13	0	0	0	0	0	3	1
RBC	38	Postage	CUSTBILLS	172	158	14	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBC	39	TOTAL AVERAGE PREPAYMENTS		2,091	1,502	475	1	3	0	0	2	72	36
RBC	40												
RBC	41												
RBC	42												
RBC	43												
RBC	44												
RBC	45												
RBC	46												
RBC	47												
RBC	48												
RBC	49												
RBC	50												
RBC	51	OPERATING REVENUES											
RBC	52												
RBC	53	SALES REVENUES											
RBC	54	Sales of Gas Revenues - Base		361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
RBC	55	Sales Revenues - Purchased Gas-PGC	EGAS	201,810	150,889	49,024	70	897	5	174	750	0	0
RBC	56	Sales Revenues - Balancing Service Charge-BSC	EBSC	25,090	16,191	8,642	6	165	1	15	69	0	0
RBC	57	TOTAL SALES OF GAS		588,476	401,535	157,697	152	1,531	9	225	1,501	16,565	9,262
RBC	58												
RBC	59	OTHER OPERATING REVENUES											
RBC	60	487-Forfeited Discounts	REV_487	838	634	163	0	1	0	0	1	25	14
RBC	61	488-Miscellaneous Service Revenues	OX_904	10	9	1	0	0	0	0	0	0	0
RBC	62	489-Transport of Gas of Others Revenue	PLT_376	0	0	0	0	0	0	0	0	0	0
RBC	63	494-Interdepartmental Rents	DISTPLT	691	472	169	1	1	0	0	0	32	16
RBC	64	TOTAL OTHER OPERATING REV		1,538	1,115	332	1	1	0	0	1	57	30
RBC	65												
RBC	66	TOTAL OPERATING REVENUES		590,014	402,650	158,029	153	1,532	9	225	1,502	16,622	9,291
RBC	67												
RBC	68												
RBC	69												
RBC	70												
RBC	71												
RBC	72												
RBC	73												
RBC	74												
RBC	75												
RBC	76												
RBC	77												
RBC	78												
RBC	79												
RBC	80												
RBC	81												
RBC	82												
RBC	83												
RBC	84												
RBC	85												
RBC	86												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBC	87												
RBC	88												
RBC	89												
RBC	90												
RBC	91												
RBC	92												
RBC	93												
RBC	94												
RBC	95												
RBC	96												
RBC	97												
RBC	98												
RBC	99												
RBC	100												
E	1	OPERATION & MAINTENANCE EXPENSE											
E	2												
E	3	PRODUCTION EXPENSE											
E	4	Manufactured Gas Production Expense											
E	5	Operation											
E	6	710-Operations Labor	DPKDAYP	0	0	0	0	0	0	0	0	0	0
E	7	717-Liquefied Petroleum Gas Expenses	DPKDAYP	80	52	28	0	0	0	0	0	0	0
E	8	Total Operation		80	52	28	0	0	0	0	0	0	0
E	9	Maintenance											
E	10	741-Maintenance of Structures and Improvements.	DPKDAYP	53	35	18	0	0	0	0	0	0	0
E	11	742-Maintenance of Production Equipment	DPKDAYP	133	86	46	0	0	0	0	0	0	0
E	12	Total Maintenance		186	121	65	0	0	0	0	0	0	0
E	13	Total Manufactured Gas Production Expense		266	173	92	0	0	0	0	0	0	0
E	14	Other Gas Supply Expense											
E	15	Operation											
E	16	804-Natural Gas Purchases-PGC	EGAS	201,810	150,889	49,024	70	897	5	174	750	0	0
E	17	804-Natural Gas Purchases-BSC	EBSC	25,090	16,191	8,642	6	165	1	15	69	0	0
E	18	805-Other Natural Gas Purchases	ETHRUPUT	0	0	0	0	0	0	0	0	0	0
E	19	807-Purchased Gas Expenses	ESTORAGE	0	0	0	0	0	0	0	0	0	0
E	20	808.1 Gas withdrawn from storage—Debt.	ETHRUPUT	0	0	0	0	0	0	0	0	0	0
E	21	808.1 Gas withdrawn from storage—Direct	ETHRUPUTT	0	0	0	0	0	0	0	0	0	0
E	22	Total Other Gas Supply Expense		226,900	167,080	57,667	77	1,061	6	190	819	0	0
E	23	TOTAL PRODUCTION EXPENSE		227,166	167,253	57,759	77	1,062	6	190	819	0	0
E	24												
E	25	NATURAL GAS STORAGE EXPENSE											
E	26	Operation											
E	27	840-Operation Supervision and Engineering	DPKDAYP	252	164	88	0	0	0	0	0	0	0
E	28	841-Operation Labor & Expenses - Training	DPKDAYP	812	528	282	1	1	0	0	0	0	0
E	29	Total Operation		1,065	692	370	2	1	0	0	0	0	0
E	30	Maintenance											
E	31	843-Maintenance Expense	DPKDAYP	4,414	2,868	1,532	7	6	0	0	0	0	0
E	32	Total Maintenance		4,414	2,868	1,532	7	6	0	0	0	0	0
E	33	Total Natural Gas Storage Expense		5,479	3,560	1,902	9	8	0	0	0	0	0
E	34												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
E	35	TRANSMISSION EXPENSES											
E	36	Operation Expense	TRANPLT	0	0	0	0	0	0	0	0	0	0
E	37	Maintenance Expense	TRANPLT	0	0	0	0	0	0	0	0	0	0
E	38	TOTAL TRANSMISSION EXPENSE		0	0	0	0	0	0	0	0	0	0
E	39												
E	40	DISTRIBUTION EXPENSES											
E	41	Operation											
E	42	870-Operation Supervision and Engineering	SALWAGDO	1,094	812	224	1	1	0	0	0	38	18
E	43	874-Mains and Services Expenses	PLT_376380	16,959	11,683	4,087	16	14	0	1	6	790	362
E	44	875-Measuring & Reg. Station Exp.-General	PLT_378	1,036	600	320	2	1	0	0	1	77	35
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	PLT_379	1	0	0	0	0	0	0	0	0	0
E	46	878-Meter & House Regulator Expenses	PLT_3815	5,979	4,166	1,529	0	6	0	0	8	155	114
E	47	879-Customer Installations Expenses	CUSTINSTALL	5,158	4,726	425	0	0	0	0	0	4	2
E	48	880-Other Expenses	DISTPLT	13,512	9,241	3,298	11	11	0	1	7	633	310
E	49	Total Distribution Operation		43,737	31,228	9,884	29	33	0	3	22	1,697	842
E	50												
E	51	OPERATION & MAINTENANCE EXPENSE CONTINUED											
E	52	DISTRIBUTION EXPENSES CONTINUED											
E	53	Maintenance											
E	54	887-Maintenance of Mains	PLT_376	17,505	10,139	5,417	26	22	0	2	9	1,297	592
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	PLT_378	1,014	587	314	2	1	0	0	1	75	34
E	56	892-Maintenance of Services	PLT_380	1,445	1,248	191	0	0	0	0	0	4	2
E	57	893-Maint. of Meters & House Regulators	PLT_3815	418	291	107	0	0	0	0	1	11	8
E	58	894-Maintenance of Other Equipment	DISTPLT	879	601	215	1	1	0	0	0	41	20
E	59	Total Distribution Maintenance		21,261	12,867	6,242	28	25	0	2	11	1,428	657
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES		64,998	44,095	16,126	57	57	0	5	33	3,125	1,499
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)		297,643	214,908	75,788	144	1,127	6	195	852	3,125	1,499
E	62												
E	63	CUSTOMER ACCOUNTS EXPENSES											
E	64	902-Meter Reading	CMETRDG	199	182	16	0	0	0	0	0	0	0
E	65	903-Customer Records and Collection Expense	CUSTREC	14,723	12,963	1,294	2	5	0	1	4	297	156
E	66	904-Uncollectible Accounts	EXP_904	2,264	2,046	205	0	1	0	0	1	6	3
E	67	904-Uncollectible Accounts - PPA	EXP_904PPA	322	322	0	0	0	0	0	0	0	0
E	68	905-Miscellaneous CA	CUSTCAM	1,443	1,322	119	0	0	0	0	0	1	1
E	69	TOTAL CUSTOMER ACCTS EXPENSE		18,950	16,835	1,634	2	6	0	1	6	305	161
E	70												
E	71	CUSTOMER SERVICE & SALES EXPENSES											
E	72	908-Customer Assistance	CUSTASST	7,742	7,482	217	0	0	0	0	0	28	14
E	73	908-Customer Assistance	CUSTASSTDA	500	0	499	0	0	0	0	0	0	0
E	74	909-Advertisement	CUSTADVT	309	299	9	0	0	0	0	0	1	1
E	75	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	CUSTSALES	2,810	2,716	79	0	0	0	0	0	10	5
E	77	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP		11,361	10,496	804	0	0	0	0	1	39	20
E	79												
E	80	TOTAL OPER & MAINT EXCL A&G		327,954	242,240	78,226	147	1,133	6	196	858	3,468	1,680
E	81												
E	82	ADMINISTRATIVE & GENERAL EXPENSE											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
E	83	920-Administrative Salaries	SALWAGES	9,261	6,659	2,040	8	7	0	1	4	368	175
E	84	921-Office Supplies & Expense	SALWAGES	1,454	1,046	320	1	1	0	0	1	58	27
E	85	923-Outside Service Employed	SALWAGES	16,942	12,182	3,732	14	14	0	1	7	673	319
E	86	924-Property Insurance	PSTDGPLT	75	51	19	0	0	0	0	0	3	2
E	87	925-Injuries and Damages	SALWAGES	273	196	60	0	0	0	0	0	11	5
E	88	926-Employee Pensions & Benefits	SALWAGES	9,692	6,969	2,135	8	8	0	1	4	385	183
E	89	928-Regulatory Commission	CLAIMREV	2,717	1,953	640	2	6	0	1	4	75	36
E	90	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0	0	0
E	91	930.1-General Advertising	CLAIMREV	0	0	0	0	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	SALWAGES	545	392	120	0	0	0	0	0	22	10
E	93	932-Maintenance of General Plant	GENLPLT	1,222	879	269	1	1	0	0	0	49	23
E	94	TOTAL A&G EXPENSE		42,181	30,326	9,336	35	37	0	4	19	1,643	780
E	95												
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES		370,135	272,567	87,562	181	1,170	7	200	877	5,112	2,460
E	97												
E	98	TOTAL PURCHASED GAS O&M EXPENSES		226,900	167,080	57,667	77	1,061	6	190	819	0	0
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS		143,235	105,486	29,895	105	109	1	10	58	5,112	2,460
E	100												
D	1	DEPRECIATION / AMORTIZATION EXPENSE											
D	2												
D	3	INTANGIBLE PLANT EXPENSE	INTPLT	10,333	7,062	2,546	9	9	0	1	5	471	231
D	4												
D	5	PRODUCTION PLANT EXPENSE	PRODPLT	117	76	41	0	0	0	0	0	0	0
D	6												
D	7	LOCAL STORAGE PLANT EXPENSE	STORPLT	1,729	1,124	600	3	2	0	0	0	0	0
D	8												
D	9	TRANSMISSION PLANT EXPENSE	TRANPLT	0	0	0	0	0	0	0	0	0	0
D	10												
D	11	DISTRIBUTION PLANT EXPENSE											
D	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0	0	0
D	13	375-Structures & Improvements	PLT_375	345	198	106	1	0	0	0	0	27	13
D	14	376-Mains											
D	15	General - Excess	PLT_376GE	22,750	13,953	7,456	44	0	0	0	0	1,297	0
D	16	General - Average	PLT_376GA	7,704	3,840	2,050	2	39	0	4	16	837	917
D	17	Direct Assignment	DAMAINSDE	155	0	0	0	0	0	0	0	54	101
D	18	Total Account 376		30,609	17,793	9,506	45	39	0	4	16	2,188	1,018
D	19	378-Measuring & Regulating Station Equip-General	PLT_378	508	294	157	1	1	0	0	0	38	17
D	20	379-Measuring & Regulating Station Equip-City Gate											
D	21	City Gate	PLT_379CG	1,361	788	421	2	2	0	0	1	101	46
D	22	Direct Assignment	DAMRDE	160	0	0	0	0	0	0	0	58	102
D	23	Total Account 379		1,521	788	421	2	2	0	0	1	159	148
D	24	380-Services	PLT_380	22,906	19,787	3,020	1	1	0	0	2	62	33
D	25	381-Meters	CMETERS	5,389	3,764	1,382	0	5	0	0	7	127	103
D	26	Direct Assignment	CMETERSDA	3	0	0	0	0	0	0	0	3	0
D	27	Total Account 381		5,392	3,764	1,382	0	5	0	0	7	129	103
D	28	382-Meter Installations	CMETERS	4,382	3,061	1,124	0	4	0	0	6	103	84
D	29	Direct Assignment	CMETERSDA	8	0	0	0	0	0	0	0	8	0
D	30	Total Account 382		4,390	3,061	1,124	0	4	0	0	6	111	84

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
D	31	387-Other Equipment	PLT_378387	133	69	37	0	0	0	0	0	17	11
D	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	0	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE		65,804	45,755	15,752	50	52	0	4	33	2,730	1,426
D	34												
D	35	GENERAL PLANT EXPENSE	GENLPLT	1,723	1,239	380	1	1	0	0	1	68	32
D	36												
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	SALWAGES	6,439	4,630	1,419	5	5	0	0	2	256	121
D	38												
D	39	NET MANUFACTURED GAS PLANT EXP	ETHRUPUT	2,812	1,299	693	1	13	0	1	6	353	447
D	40												
D	41												
D	42	TOTAL DEPRECIATION / AMORTIZATION EXPENSE		88,958	61,185	21,430	69	84	0	7	47	3,878	2,258
D	43												
D	44												
D	45												
D	46												
D	47												
D	48												
D	49												
D	50												
TO	1	OTHER OPERATING EXPENSES											
TO	2												
TO	3	TAXES OTHER THAN INCOME TAXES											
TO	4	General Taxes											
TO	5	PURTA Taxes	TOTPLT	2,050	1,401	505	2	2	0	0	1	93	46
TO	6	Capital Stock	TOTPLT	0	0	0	0	0	0	0	0	0	0
TO	7	Payroll Related	SALWAGES	3,776	2,715	832	3	3	0	0	1	150	71
TO	8	Real Estate Tax	TOTPLT	1,568	1,072	386	1	1	0	0	1	71	35
TO	9	PA and Local Use Tax	CLAIMREV	152	109	36	0	0	0	0	0	4	2
TO	10	Total General Taxes		7,545	5,297	1,759	6	6	0	1	3	319	154
TO	11												
TO	12												
TO	13	Franchise and Revenue Taxes											
TO	14	Retail Revenue		0									
TO	15	Forfeited Discounts		0									
TO	16	Less: Bad Debt		0									
TO	17	Total Revenue	CALCULATED	0	0	0	0	0	0	0	0	0	0
TO	18	Total Distribution @ GRT Rate 0.00%	CALCULATED	0	0	0	0	0	0	0	0	0	0
TO	19	Total Franchise and Revenue Taxes		0	0	0	0	0	0	0	0	0	0
TO	20												
TO	21	TOTAL TAXES OTHER THAN INCOME		7,545	5,297	1,759	6	6	0	1	3	319	154
TO	22												
TO	23												
TO	24												
TO	25												
TO	26												
TO	27												
TO	28												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
TO	29												
TO	30												
TO	31												
TO	32												
TO	33												
TO	34												
TO	35												
TO	36												
TO	37												
TO	38												
TO	39												
TO	40												
TO	41												
TO	42												
TO	43												
TO	44												
TO	45												
TO	46												
TO	47												
TO	48												
TO	49												
TO	50												
TI	1	DEVELOPMENT OF INCOME TAXES											
TI	2												
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS		363,114	235,570	100,362	76	471	3	35	683	16,622	9,291
TI	4	LESS:											
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	SCH E, LN 99	143,235	105,486	29,895	105	109	1	10	58	5,112	2,460
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	SCH D, LN 42	88,958	61,185	21,430	69	84	0	7	47	3,878	2,258
TI	7	TAXES OTHER THAN INCOME TAXES	SCH TO, LN 21	7,545	5,297	1,759	6	6	0	1	3	319	154
TI	8	NET OPERATING INCOME BEFORE TAXES		123,375	63,602	47,278	(104)	272	2	17	575	7,313	4,420
TI	9	LESS:											
TI	10	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)		44,032	30,214	10,687	38	37	0	3	19	2,086	948
TI	11												
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS		79,344	33,389	36,591	(142)	235	1	14	555	5,228	3,472
TI	13												
TI	14	FEDERAL & STATE TAX ADJUSTMENTS											
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	SALWAGES	3,054	2,196	673	3	2	0	0	1	121	58
TI	16	Other Property Basis Adjustment (CIAC/ICM)	DISTPLT	12,276	8,396	2,996	10	10	0	1	6	575	282
TI	17	Removal Costs/Software	TOTPLT	9,120	6,233	2,247	8	8	0	1	4	416	204
TI	18	AFUDC Equity	TOTPLT	5,482	3,747	1,351	5	5	0	0	3	250	122
TI	19	Permanent Adjustments	TOTPLT	(775)	(529)	(191)	(1)	(1)	(0)	(0)	(0)	(35)	(17)
TI	20	Repair Allowance Deduction	TOTPLT	132,540	90,583	32,657	113	112	1	9	62	6,044	2,959
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS		161,697	110,625	39,732	138	136	1	12	76	7,371	3,607
TI	22												
TI	23	CALCULATION OF PA STATE INCOME TAXES											
TI	24	BASE TAXABLE INCOME	SCH TI, LN 12	79,344	33,389	36,591	(142)	235	1	14	555	5,228	3,472
TI	25	LESS:											
TI	26	State Tax Depreciation (Over) Under Book	TOTPLT	(25,538)	(17,454)	(6,292)	(22)	(22)	(0)	(2)	(12)	(1,165)	(570)

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
TI	27	Total Tax Adjustments	SCH TI, LN 21	161,697	110,625	39,732	138	136	1	12	76	7,371	3,607
TI	28	PA STATE TAXALBE DISTRIBUTION INCOME		(56,815)	(59,783)	3,151	(258)	121	1	4	492	(978)	435
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%		(5,676)	(5,972)	315	(26)	12	0	0	49	(98)	43
TI	30	PLUS: DEFERRED STATE INCOME TAXES											
TI	31	Net Operating Loss Utilization	CALCULATED	5,676	5,972	(315)	26	(12)	(0)	(0)	(49)	98	(43)
TI	32	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	TOTPLT	(1,531)	(1,047)	(377)	(1)	(1)	(0)	(0)	(1)	(70)	(34)
TI	34	Deferred Taxes on State NOL	TOTPLT	5,682	3,884	1,400	5	5	0	0	3	259	127
TI	35	TOTAL STATE INCOME TAX EXPENSE		4,151	2,837	1,023	4	4	0	0	2	189	93
TI	36												
TI	37	CALCULATION OF FEDERAL INCOME TAXES											
TI	38	BASE TAXABLE INCOME	SCH TI, LN 12	79,344	33,389	36,591	(142)	235	1	14	555	5,228	3,472
TI	39	LESS:											
TI	40	PA State Income Taxes	SCH TI, LN 32	0	0	0	0	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	TOTPLT	(33,615)	(22,974)	(8,283)	(29)	(28)	(0)	(2)	(16)	(1,533)	(750)
TI	42	Total Tax Adjustments	SCH TI, LN 21	161,697	110,625	39,732	138	136	1	12	76	7,371	3,607
TI	43	FEDERAL TAXALBE DISTRIBUTION INCOME		(48,738)	(54,262)	5,141	(251)	128	1	5	495	(610)	615
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%		10,235	11,395	(1,080)	53	(27)	(0)	(1)	(104)	128	(129)
TI	45												
TI	46												
TI	47												
TI	48												
TI	49												
TI	50												
TI	51	DEVELOPMENT OF INCOME TAXES CONTINUED											
TI	52												
TI	53	FEDERAL INCOME TAXES @ Tax Rate 21.00%	SCH TI, LN 44	10,235	11,395	(1,080)	53	(27)	(0)	(1)	(104)	128	(129)
TI	54	PLUS: DEFERRED FEDERAL INCOME TAXES											
TI	55	Deferred Taxes on Timing Differences - Federal	TOTPLT	1,053	720	259	1	1	0	0	0	48	24
TI	56	Excess Deferred Amortization	TOTPLT	3,455	2,361	851	3	3	0	0	2	158	77
TI	57	FIT Expense on Flow Through Adjustments	TOTPLT	(953)	(651)	(235)	(1)	(1)	(0)	(0)	(0)	(43)	(21)
TI	58	LESS: OTHER FEDERAL TAX ADJUSTMENTS											
TI	59	Amortization of ITC - Gas Plant	TOTPLT	(64)	(44)	(16)	(0)	(0)	(0)	(0)	(0)	(3)	(1)
TI	60	TOTAL FEDERAL INCOME TAX EXPENSE		13,854	13,869	(188)	56	(24)	(0)	(1)	(102)	293	(48)
TI	61	TOTAL INCOME TAX EXPENSE EXCLUDING PURCHASED GAS		18,005	16,706	835	59	(20)	(0)	(0)	(100)	482	44
TI	62												
TI	63	DEVELOPMENT OF PURCHASED GAS TAXES											
TI	64	PURCHASED GAS OPERATING REVENUES		226,900	167,080	57,667	77	1,061	6	190	819	0	0
TI	65	LESS:											
TI	66	OPERATION & MAINTAINENCE EXPENSE		226,900	167,080	57,667	77	1,061	6	190	819	0	0
TI	67	NET OPERATING INCOME BEFORE TAXES		0	0	0	0	0	0	0	0	0	0
TI	68	LESS:											
TI	69	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)		66	49	16	0	0	0	0	0	0	0
TI	70	BASE TAXABLE PURCHASED GAS INCOME		(66)	(49)	(16)	(0)	(0)	(0)	(0)	(0)	0	0
TI	71	LESS:											
TI	72	PA STATE PURCHASED GAS INCOME TAXES @ Tax Rate 9.99%		(7)	(5)	(2)	(0)	(0)	(0)	(0)	(0)	0	0
TI	73	Net Operating Loss Utilization	CALCULATED	7	5	2	0	0	0	0	0	0	0
TI	74	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
TI	75	EQUALS:											
TI	76	FEDERAL PURCHASED GAS INCOME TAXES @ Tax Rate 21.00%		14	10	3	0	0	0	0	0	0	0
TI	77												
TI	78	TOTAL PA INCOME TAX EXPENSE		4,151	2,837	1,023	4	4	0	0	2	189	93
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE		13,868	13,879	(185)	56	(24)	(0)	(1)	(102)	293	(48)
TI	80	TOTAL INCOME TAX EXPENSE		18,019	16,716	838	59	(20)	(0)	(0)	(100)	482	44
TI	81												
TI	82	TOTAL OTHER TAX EXPENSE		7,545	5,297	1,759	6	6	0	1	3	319	154
TI	83												
TI	84	TOTAL TAX EXPENSE		25,564	22,013	2,597	66	(14)	(0)	0	(97)	802	198
TI	85												
TI	86												
TI	87												
TI	88												
TI	89												
TI	90	TAX RATES & FACTORS											
TI	91	GROSS RECEIPTS TAX RATE	0.00%										
TI	92	STATE TAX RATE	9.99%										
TI	93	FEDERAL TAX RATE - CURRENT	21.00%										
TI	94	1 - EFFECTIVE TAX RATE											
TI	95	EFFECTIVE TAX RATE											
TI	96	GROSS REVENUE CONVERSION FACTOR	1.41376										
TI	97	UNCOLLECTIBLES EXPENSE FACTOR	0.003472										
TI	98	PUC / OTS & SBA FEE AS % OF REV FACTOR	0.003080										
TI	99	WEIGHTED COST OF DEBT	1.79%										
TI	100												
SW	1	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR											
SW	2												
SW	3	PRODUCTION SALARIES & WAGES EXPENSE											
SW	4	Manufactured Gas Production Expense											
SW	5	Operation - Acct 717	OX_PRODM	48	31	17	0	0	0	0	0	0	0
SW	6	Maintenance - Accts 741-742	MX_PRODM	112	73	39	0	0	0	0	0	0	0
SW	7	Total Manufactured Gas Production Expense		160	104	55	0	0	0	0	0	0	0
SW	8												
SW	9	Other Gas Supply Expense											
SW	10	Operation - Accounts 804-808	OX_PRODO	0	0	0	0	0	0	0	0	0	0
SW	11	Total Other Gas Supply		0	0	0	0	0	0	0	0	0	0
SW	12	TOTAL PRODUCTION S&W EXP		160	104	55	0	0	0	0	0	0	0
SW	13												
SW	14	STORAGE SALARIES & WAGES EXPENSE											
SW	15	Operation - Accts 840-841	OX_STOR	541	351	188	1	1	0	0	0	0	0
SW	16	Maintenance - Acct 843	MX_STOR	1,672	1,087	580	3	2	0	0	0	0	0
SW	17	TOTAL STORAGE S&W EXP		2,213	1,438	768	4	3	0	0	0	0	0
SW	18												
SW	19	TRANSMISSION SALARIES & WAGES EXPENSE											
SW	20	Operation	OX_TRAN	0	0	0	0	0	0	0	0	0	0
SW	21	Maintenance	MX_TRAN	0	0	0	0	0	0	0	0	0	0
SW	22	TOTAL TRANSMISSION S&W EXP		0	0	0	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
SW	23												
SW	24	DISTRIBUTION SALARIES & WAGES EXPENSE											
SW	25	Operation											
SW	26	874-Mains and Services Expenses	OX_874	5,809	4,002	1,400	5	5	0	0	2	271	124
SW	27	875-Measuring & Reg. Station Exp.-General	OX_875	714	413	221	1	1	0	0	0	53	24
SW	28	878-Meter & House Regulator Expenses	OX_878	1,217	848	311	0	1	0	0	2	31	23
SW	29	879-Customer Installations Expenses	OX_879	3,662	3,355	302	0	0	0	0	0	3	2
SW	30	880-Other Expenses	OX_880	2,695	1,843	658	2	2	0	0	1	126	62
SW	31	Total Operation		14,096	10,461	2,891	9	9	0	1	6	484	235
SW	32	Maintenance											
SW	33	887-Maintenance of Mains	MX_887	9,628	5,577	2,979	14	12	0	1	5	713	326
SW	34	889-Maint. of Measuring & Reg. Station Equip.-Gen	MX_889	494	286	153	1	1	0	0	0	37	17
SW	35	892-Maintenance of Services	MX_892	710	614	94	0	0	0	0	0	2	1
SW	36	893-Maint. of Meters & House Regulators	MX_893	285	199	73	0	0	0	0	0	7	5
SW	37	894-Maintenance of Other Equipment	MX_894	116	79	28	0	0	0	0	0	5	3
SW	38	Total Distribution Maintenance		11,234	6,755	3,327	15	13	0	1	6	765	352
SW	39	TOTAL DISTRIBUTION S&W EXP		25,330	17,216	6,218	24	22	0	2	12	1,249	586
SW	40	TOTAL OPER & MAINT S&W EXP (PROD, STOR, TRAN,& DIST)		27,702	18,758	7,042	28	26	0	2	12	1,249	586
SW	41												
SW	42												
SW	43												
SW	44												
SW	45												
SW	46												
SW	47												
SW	48												
SW	49												
SW	50												
SW	51	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR CONTINUED											
SW	52												
SW	53	CUSTOMER ACCOUNTS EXPENSES											
SW	54	902-Meter Reading	CMETRDG	0	0	0	0	0	0	0	0	0	0
SW	55	903-Customer Records and Collection Expense	CUSTREC	5,897	5,192	518	1	2	0	0	2	119	63
SW	56	904-Uncollectible Accounts	EXP_904	0	0	0	0	0	0	0	0	0	0
SW	57	904-Uncollectible Accounts - PPA	EXP_904	0	0	0	0	0	0	0	0	0	0
SW	58	905-Miscellaneous CA	CUSTCAM	291	266	24	0	0	0	0	0	0	0
SW	59	TOTAL CUSTOMER ACCTS S&W EXPENSE		6,188	5,459	542	1	2	0	0	2	119	63
SW	60												
SW	61	CUSTOMER SERVICE & SALES EXPENSES											
SW	62	908-Customer Assistance	CUSTASST	226	219	6	0	0	0	0	0	1	0
SW	63	909-Advertisement	CUSTADVT	0	0	0	0	0	0	0	0	0	0
SW	64	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0	0	0
SW	65	912-Demonstrating and Selling Expenses	CUSTSALES	388	375	11	0	0	0	0	0	1	1
SW	66	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0	0	0
SW	67	TOTAL CUST SERVICE & SALES S&W EXP		615	594	17	0	0	0	0	0	2	1
SW	68												
SW	69	TOTAL OPER & MAINT S&W EXP EXCL A&G		34,505	24,810	7,601	29	28	0	3	13	1,371	650
SW	70												

PECO Energy Company
Gas Class Cost of Service Study
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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
SW	71	ADMINISTRATIVE & GENERAL EXPENSE											
SW	72	920-Administrative Salaries	SALWAGXAG	7,398	5,320	1,630	6	6	0	1	3	294	139
SW	73	921-Office Supplies & Expense	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	74	923-Outside Service Employed	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	75	924-Property Insurance	PSTDGPLT	0	0	0	0	0	0	0	0	0	0
SW	76	925-Injuries and Damages	SALWAGXAG	129	93	28	0	0	0	0	0	5	2
SW	77	926-Employee Pensions & Benefits	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	78	928-Regulatory Commission	CLAIMREV	0	0	0	0	0	0	0	0	0	0
SW	79	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0	0	0
SW	80	930.1-General Advertising	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	81	930.2-Miscellaneous General	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	82	932-Maintenance of General Plant	GENLPLT	177	127	39	0	0	0	0	0	7	3
SW	83	TOTAL A&G S&W EXPENSE		7,704	5,540	1,697	6	6	0	1	3	306	145
SW	84												
SW	85	TOTAL OPER & MAINTENANCE SALARIES & WAGES EXP		42,209	30,350	9,299	35	34	0	3	16	1,677	796
SW	86												
SW	87												
SW	88												
SW	89												
SW	90												
SW	91												
SW	92												
SW	93												
SW	94												
SW	95												
SW	96												
SW	97												
SW	98												
SW	99												
SW	100												
AF	1	ALLOCATION FACTOR TABLE											
AF	2	EXTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	3												
AF	4	CAPACITY											
AF	5	CAPACITY - PRODUCTION RELATED (LPG)											
AF	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	7												
AF	8												
AF	9	CAPACITY - STORAGE RELATED (LNG)											
AF	10	Capacity Storage - Design Peak Day Sendout	DPKDAYP	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	11												
AF	12												
AF	13												
AF	14	CAPACITY - TRANSMISSION RELATED											
AF	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	16												
AF	17												
AF	18												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	19												
AF	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>											
AF	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	681,237	417,813	223,260	1,316	0	0	0	0	38,848	0
AF	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	15,289	0	0	0	0	0	0	0	8,219	7,070
AF	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	2,147	0	0	0	0	0	0	0	54	2,094
AF	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	155	0	0	0	0	0	0	0	54	101
AF	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	11,382	0	0	0	0	0	0	0	6,292	5,090
AF	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	2,689	0	0	0	0	0	0	0	58	2,631
AF	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	159	0	0	0	0	0	0	0	58	102
AF	29												
AF	30	Capacity Avg Daily Del excl Direct	DAVGDD	230,679	114,982	61,374	45	1,174	2	110	489	25,052	27,451
AF	31												
AF	32												
AF	33												
AF	34												
AF	35												
AF	36												
AF	37												
AF	38												
AF	39												
AF	40												
AF	41												
AF	42												
AF	43												
AF	44												
AF	45												
AF	46												
AF	47												
AF	48												
AF	49												
AF	50												
AF	51	ALLOCATION FACTOR TABLE CONTINUED											
AF	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AF	53												
AF	54	<u>COMMODITY</u>											
AF	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	90,879,246	41,968,538	22,401,370	16,559	428,335	670	40,050	178,588	11,394,081	14,451,056
AF	56	Annual Gas Deliveries - Firm	ETHRUPUTF	76,208,882	41,968,538	22,401,370	16,559	428,335	0	0	0	11,394,081	0
AF	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	25,845,137	0	0	0	0	0	0	0	11,394,081	14,451,056
AF	58												
AF	59												
AF	60	Commodity Gas Storage	ESTORAGE	1.0000	0.6686	0.3092	0.0002	0.0001	0.0000	0.0000	0.0000	0.0097	0.0123
AF	61												
AF	62												
AF	63												
AF	64												
AF	65	Annual Gas Cost (PGC)	EGAS	201,810	150,889	49,024	70	897	5	174	750	0	0
AF	66	Commodity - Balancing Service Charge (BSC)	EBSC	25,090	16,191	8,642	6	165	1	15	69	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	67												
AF	68	CUSTOMER											
AF	69	380-Services	CSERVICE	3,347,375	2,891,540	441,344	80	149	20	40	308	9,131	4,765
AF	70	381-Meters (Avg Cost per meter)	CMETERS	215,514	150,533	55,257	6	204	3	6	297	5,072	4,136
AF	71	381-Meters Direct Assignment	CMETERSDA	1	0	0	0	0	0	0	0	1	0
AF	72	382-Meters Installations Direct Assignment	CMETINSTDA	1	0	0	0	0	0	0	0	1	0
AF	73												
AF	74	Customer Deposits	CUSTDEP	12,465	4,323	7,860	0	3	0	0	5	180	94
AF	75	Customer Deposits Interest	CUSTDEPINT	351	216	130	0	0	0	0	0	3	2
AF	76												
AF	77	879-Customer Installation Expense	CUSTINSTALL	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	78	902-Meter Reading Expense	CMETRDG	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	79	903-Customer Records and Collections	CUSTREC	1.0000	0.8805	0.0879	0.0002	0.0003	0.0000	0.0001	0.0003	0.0202	0.0106
AF	80	905-Miscellaneous Customer Accounts	CUSTCAM	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	81	908-Customer Assistance	CUSTASST	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	44,498	0	44,450	0	15	2	0	31	0	0
AF	83	909-Informational and Instructional Advertising	CUSTADVT	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	84	910-Miscellaneous Customer Service	CUSTCSM	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	85	916-Miscellaneous Sales Expense	CUSTSALES	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	86												
AF	87	Number of Bills	CUSTBILLS	6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
AF	88	Number of Customers (Average Annual)	CUST	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	89												
AF	90												
AF	91												
AF	92												
AF	93												
AF	94												
AF	95												
AF	96												
AF	97												
AF	98												
AF	99												
AF	100												
AF	101	ALLOCATION FACTOR TABLE CONTINUED											
AF	102	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	103	Plant Related											
AF	104	Intangible Plant	INTPLT	18,229	12,459	4,492	16	15	0	1	9	831	407
AF	105	Production Plant	PRODPLT	15,539	10,097	5,394	26	22	0	0	0	0	0
AF	106	Storage Plant	STORPLT	72,428	47,064	25,143	121	100	0	0	0	0	0
AF	107	Transmission Plant in Service	TRANPLT	0	0	0	0	0	0	0	0	0	0
AF	108	Distribution Plant in Service	DISTPLT	3,392,977	2,320,498	828,140	2,825	2,816	16	248	1,635	158,956	77,843
AF	109	General Plant in Service	GENLPLT	38,495	27,679	8,480	32	31	0	3	15	1,529	726
AF	110	Total Gas Plant In Service	TOTPLT	3,537,669	2,417,797	871,649	3,020	2,984	16	252	1,658	161,317	78,976
AF	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	3,391,524	2,319,504	827,785	2,824	2,815	16	248	1,634	158,888	77,810
AF	112	Total Transmission and Distribution Plant	TDPLT	3,392,977	2,320,498	828,140	2,825	2,816	16	248	1,635	158,956	77,843
AF	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	3,519,440	2,405,339	867,157	3,004	2,969	16	251	1,650	160,485	78,569
AF	114	Total Distribution and General Plant	DGPLT	3,431,473	2,348,177	836,620	2,857	2,847	16	251	1,650	160,485	78,569

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	115	Rate Base	RATEBASE	2,463,555	1,690,666	597,932	2,126	2,059	10	183	1,099	116,510	52,971
AF	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1,873,802	1,078,748	576,295	2,757	2,376	4	222	991	144,309	68,101
AF	117												
AF	118	Account 374	PLT_374	3,637	2,094	1,119	5	5	0	0	2	280	132
AF	119	Account 375	PLT_375	15,745	9,064	4,842	23	20	0	2	8	1,213	572
AF	120	Account 376-General Excess	PLT_376GE	1,312,325	804,869	430,084	2,536	0	0	0	0	74,836	0
AF	121	Account 376-General Average	PLT_376GA	444,376	221,500	118,229	87	2,261	3	211	943	48,260	52,881
AF	122	Account 376-DA	PLT_376DA	15,289	0	0	0	0	0	0	0	8,219	7,070
AF	123	Account 376	PLT_376	1,771,990	1,026,369	548,313	2,623	2,261	3	211	943	131,315	59,951
AF	124	Account 378	PLT_378	24,652	14,279	7,628	36	31	0	3	13	1,827	834
AF	125	Account 379-City Gate	PLT_379CG	65,778	38,100	20,354	97	84	0	8	35	4,875	2,225
AF	126	Account 379-Joint	PLT_379DA	11,382	0	0	0	0	0	0	0	6,292	5,090
AF	127	Account 379	PLT_379	77,160	38,100	20,354	97	84	0	8	35	11,167	7,315
AF	128	Account 380	PLT_380	1,111,048	959,749	146,489	26	49	7	13	102	3,031	1,581
AF	129	Account 381	PLT_381	164,090	114,453	42,012	4	155	2	4	226	4,088	3,145
AF	130	Account 382	PLT_382	221,083	153,948	56,510	6	208	3	6	304	5,868	4,230
AF	131	Account 387	PLT_387	2,118	1,449	517	2	2	0	1	0	99	49
AF	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1,454	994	355	1	1	0	0	1	68	33
AF	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1,873,802	1,078,748	576,295	2,757	2,376	4	222	991	144,309	68,101
AF	134	Accounts 376 & 380 - Mains & Services	PLT_376380	2,883,038	1,986,118	694,802	2,650	2,310	10	225	1,045	134,346	61,533
AF	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1,275,138	1,074,202	188,502	31	204	9	18	328	7,119	4,726
AF	136	Accounts 374 & 375 - Land & Structures	PLT_374375	19,382	11,158	5,961	29	25	0	2	10	1,493	704
AF	137	Accounts 381 through 385	PLT_3815	385,173	268,400	98,522	10	363	6	10	530	9,957	7,375
AF	138	Accounts 378, 379, & 387	PLT_378387	103,930	53,827	28,499	136	117	0	11	49	13,093	8,198
AF	139												
AF	140	Residential	DPLTRES	1,164,680	1,164,680	0	0	0	0	0	0	0	0
AF	141	Small Commercial and Industrial	DPLTCI	236,838	0	236,838	0	0	0	0	0	0	0
AF	142	Large High Load Factor	DPLTLHLF	262	0	0	262	0	0	0	0	0	0
AF	143	Motor Vehicle - Firm	DPLTMVF	404	0	0	0	404	0	0	0	0	0
AF	144	Motor Vehicle - Interruptible	DPLTMVI	9	0	0	0	0	9	0	0	0	0
AF	145	Interruptible Service	DPLTIS	36	0	0	0	0	0	36	0	0	0
AF	146	Temperature Control	DPLTTC	411	0	0	0	0	0	0	411	0	0
AF	147	Transportation Service - Firm	DPLTTSF	31,279	0	0	0	0	0	0	0	31,279	0
AF	148	Transportation Service - Interruptible	DPLTTSI	20,191	0	0	0	0	0	0	0	0	20,191
AF	149												
AF	150												
AF	151	ALLOCATION FACTOR TABLE CONTINUED											
AF	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AF	153												
AF	154	<u>Production Expense Related</u>											
AF	155	Account 717	OX_717	80	52	28	0	0	0	0	0	0	0
AF	156	Account 741	MX_741	53	35	18	0	0	0	0	0	0	0
AF	157	Account 743	MX_743	133	86	46	0	0	0	0	0	0	0
AF	158	Manufactured Gas Production Operation Expense	OX_PROD	80	52	28	0	0	0	0	0	0	0
AF	159	Manufactured Gas Production Maintenance Expense	MX_PROD	186	121	65	0	0	0	0	0	0	0
AF	160	Other Production Operation Expense	OX_PRODO	226,900	167,080	57,667	77	1,061	6	190	819	0	0
AF	161												
AF	162												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	163	Storage Expense Related											
AF	164	Storage Operation Expense	OX_STOR	1,065	692	370	2	1	0	0	0	0	0
AF	165	Storage Maintenance Expense	MX_STOR	4,414	2,868	1,532	7	6	0	0	0	0	0
AF	166												
AF	167												
AF	168	Transmission Expense Related											
AF	169	Transmission Operation Expense	OX_TRAN	0	0	0	0	0	0	0	0	0	0
AF	170	Transmission Maintenance Expense	MX_TRAN	0	0	0	0	0	0	0	0	0	0
AF	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0	0	0	0	0	0	0	0	0	0
AF	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0	0	0	0	0	0	0	0	0	0
AF	173												
AF	174												
AF	175	Distribution Expense Related											
AF	176	Account 874	OX_874	16,959	11,683	4,087	16	14	0	1	6	790	362
AF	177	Account 875	OX_875	1,036	600	320	2	1	0	0	1	77	35
AF	178	Account 878	OX_878	5,979	4,166	1,529	0	6	0	0	8	155	114
AF	179	Account 879	OX_879	5,158	4,726	425	0	0	0	0	0	4	2
AF	180	Account 880	OX_880	13,512	9,241	3,298	11	11	0	1	7	633	310
AF	181	Account 887	MX_887	17,505	10,139	5,417	26	22	0	2	9	1,297	592
AF	182	Account 889	MX_889	1,014	587	314	2	1	0	0	1	75	34
AF	183	Account 892	MX_892	1,445	1,248	191	0	0	0	0	0	4	2
AF	184	Account 893	MX_893	418	291	107	0	0	0	0	1	11	8
AF	185	Account 894	MX_894	879	601	215	1	1	0	0	0	41	20
AF	186	O&M Accounts 874-880	OX_DIST	42,643	30,416	9,660	29	32	0	3	22	1,659	824
AF	187	O&M Accounts 887-894	MX_DIST	3,756	2,728	826	2	2	0	0	2	131	65
AF	188												
AF	189												
AF	190												
AF	191												
AF	192												
AF	193												
AF	194												
AF	195												
AF	196												
AF	197												
AF	198												
AF	199												
AF	200												
AF	201	ALLOCATION FACTOR TABLE CONTINUED											
AF	202	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	203												
AF	204	Customer Distribution Expense Related											
AF	205	Account 902	OX_902	199	182	16	0	0	0	0	0	0	0
AF	206	Account 903	OX_903	14,723	12,963	1,294	2	5	0	1	4	297	156
AF	207	Account 904	OX_904	2,264	2,046	205	0	1	0	0	1	6	3
AF	208	O&M Accounts 902-905	OX_CA	18,950	16,835	1,634	2	6	0	1	6	305	161
AF	209												
AF	210	Account908	OX_908	7,742	7,482	217	0	0	0	0	0	28	14

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	211	Account909	OX_909	309	299	9	0	0	0	0	0	1	1
AF	212	Account910	OX_910	0	0	0	0	0	0	0	0	0	0
AF	213	O&M Accounts 908-910	OX_CS	8,550	7,780	725	0	0	0	0	1	29	15
AF	214	Accounts 901-910	X_CACS	30,311	27,332	2,438	3	6	0	1	6	343	181
AF	215												
AF	216	Total O&M less Purchased Gas	OMXPP	143,235	105,486	29,895	105	109	1	10	58	5,112	2,460
AF	217												
AF	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	86,031	63,845	17,616	59	61	0	5	33	2,968	1,442
AF	219												
AF	220	Base Taxable Income	EBT	79,278	33,339	36,575	(142)	235	1	14	555	5,228	3,472
AF	221												
AF	222												
AF	223	Salaries and Wages Expense Related											
AF	224	Salaries & Wages Accounts 870-880	SALWAGDO	14,096	10,461	2,891	9	9	0	1	6	484	235
AF	225	Salaries & Wages Accounts 887-894	SALWAGDM	11,234	6,755	3,327	15	13	0	1	6	765	352
AF	226	Salaries & Wages Accounts 902-905	SALWAGCA	6,188	5,459	542	1	2	0	0	2	119	63
AF	227	Salaries & Wages Accounts 908-910	SALWAGCS	226	219	6	0	0	0	0	0	1	0
AF	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	34,505	24,810	7,601	29	28	0	3	13	1,371	650
AF	229	Total Salaries and Wages Expense	SALWAGES	42,209	30,350	9,299	35	34	0	3	16	1,677	796
AF	230												
AF	231												
AF	232												
AF	233												
AF	234												
AF	235												
AF	236												
AF	237												
AF	238												
AF	239												
AF	240												
AF	241												
AF	242												
AF	243												
AF	244												
AF	245												
AF	246												
AF	247												
AF	248												
AF	249												
AF	250												
AF	251	REVENUES AND BILLING DETERMINANTS											
AF	252												
AF	253	Base Rate Sales Revenue	SALESREV	361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
AF	254												
AF	255	Residential	SREVRES	234,455	234,455	0	0	0	0	0	0	0	0
AF	256	Small Commercial and Industrial	SREVCI	100,030	0	100,030	0	0	0	0	0	0	0
AF	257	Large High Load Factor	SREVLHLF	75	0	0	75	0	0	0	0	0	0
AF	258	Motor Vehicle - Firm	SREVMVF	470	0	0	0	470	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	259	Motor Vehicle - Interruptible	SREVMVI	3	0	0	0	0	3	0	0	0	0
AF	260	Interruptible Service	SREVIS	35	0	0	0	0	0	35	0	0	0
AF	261	Temperature Control	SREVTC	682	0	0	0	0	0	0	682	0	0
AF	262	Transportation Service - Firm	SREVTSF	16,565	0	0	0	0	0	0	0	16,565	0
AF	263	Transportation Service - Interruptible	SREVTSI	9,262	0	0	0	0	0	0	0	0	9,262
AF	264												
AF	265												
AF	266	Claimed Rate Sales Revenue	CLAIMREV	654,670	470,595	154,255	445	1,397	8	221	949	18,128	8,672
AF	267												
AF	268												
AF	269												
AF	270												
AF	271												
AF	272	<u>PRESENT REVENUES FROM SALES INPUT</u>											
AF	273												
AF	274	Total Sales of Gas Revenues		588,476	401,535	157,697	152	1,531	9	225	1,501	16,565	9,262
AF	275	Sales of Gas Revenues - Distribution		361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
AF	276	Sales of Gas Revenues - PGC		201,810	150,889	49,024	70	897	5	174	750	0	0
AF	277	Sales of Gas Revenues - BSC		25,090	16,191	8,642	6	165	1	15	69	0	0
AF	278												
AF	279												
AF	280	Sales of Gas Revenues - Transmission		0	0	0	0	0	0	0	0	0	0
AF	281												
AF	282												
AF	283	<u>BILLING DETERMINATE INPUTS</u>											
AF	284	Number of Customer Bills	SCH AF, LN 87	6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
AF	285	Annual Booked Throughput Sales (Mcf)	SCH AF, LN 55	90,879,246	41,968,538	22,401,370	16,559	428,335	670	40,050	178,588	11,394,081	14,451,056
AF	286												
AF	287												
AF	288												
AF	289	<u>RATE OF RETURN</u>											
AF	290	Rate of Return (Equalized)	SCH AF, LN 290	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
AF	291												
AF	292												
AF	293												
AF	294												
AF	295												
AF	296												
AF	297												
AF	298												
AF	299												
AF	300												
AP	1	<u>ALLOCATION PROPORTIONS TABLE</u>											
AP	2	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AP	3												
AP	4	<u>CAPACITY</u>											
AP	5	<u>CAPACITY - PRODUCTION RELATED (LPG)</u>											
AP	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	7												
AP	8												
AP	9	CAPACITY - STORAGE RELATED (LNG)											
AP	10	Capacity Storage - Design Peak Day Sendout	DPKDAY	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	11												
AP	12												
AP	13												
AP	14	<u>CAPACITY - TRANSMISSION RELATED</u>											
AP	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	16												
AP	17												
AP	18												
AP	19												
AP	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>											
AP	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	1.00000	0.61332	0.32773	0.00193	0.00000	0.00000	0.00000	0.00000	0.05703	0.00000
AP	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.53756	0.46244
AP	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02506	0.97494
AP	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.34760	0.65240
AP	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.55280	0.44720
AP	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02145	0.97855
AP	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.36166	0.63834
AP	29												
AP	30	Capacity Avg Daily Del excl Direct	DAVGDD	1.00000	0.49845	0.26606	0.00020	0.00509	0.00001	0.00048	0.00212	0.10860	0.11900
AP	31												
AP	32												
AP	33												
AP	34												
AP	35												
AP	36												
AP	37												
AP	38												
AP	39												
AP	40												
AP	41												
AP	42												
AP	43												
AP	44												
AP	45												
AP	46												
AP	47												
AP	48												
AP	49												
AP	50												
AP	51	<u>ALLOCATION PROPORTIONS TABLE CONTINUED</u>											
AP	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AP	53												
AP	54	<u>COMMODITY</u>											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	1.00000	0.46181	0.24650	0.00018	0.00471	0.00001	0.00044	0.00197	0.12538	0.15901
AP	56	Annual Gas Deliveries - Firm	ETHRUPUTF	1.00000	0.55070	0.29395	0.00022	0.00562	0.00000	0.00000	0.00000	0.14951	0.00000
AP	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.44086	0.55914
AP	58												
AP	59												
AP	60	Commodity Gas Storage	ESTORAGE	1.00000	0.66856	0.30919	0.00019	0.00005	0.00000	0.00000	0.00000	0.00970	0.01230
AP	61												
AP	62												
AP	63												
AP	64												
AP	65	Annual Gas Cost (PGC)	EGAS	1.00000	0.74768	0.24292	0.00035	0.00444	0.00003	0.00086	0.00372	0.00000	0.00000
AP	66	Commodity - Balancing Service Charge (BSC)	EBSC	1.00000	0.64533	0.34446	0.00025	0.00656	0.00004	0.00062	0.00275	0.00000	0.00000
AP	67												
AP	68	CUSTOMER											
AP	69	380-Services	CSERVICE	1.00000	0.86382	0.13185	0.00002	0.00004	0.00001	0.00001	0.00009	0.00273	0.00142
AP	70	381-Meters (Avg Cost per meter)	CMETERS	1.00000	0.69849	0.25640	0.00003	0.00094	0.00001	0.00003	0.00138	0.02354	0.01919
AP	71	381-Meters Direct Assignment	CMETERSDA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	72	382-Meters Installations Direct Assignment	CMETINSTDA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	73												
AP	74	Customer Deposits	CUSTDEP	1.00000	0.34681	0.63056	0.00000	0.00021	0.00000	0.00000	0.00044	0.01444	0.00754
AP	75	Customer Deposits Interest	CUSTDEPINT	1.00000	0.61527	0.37140	0.00000	0.00013	0.00000	0.00000	0.00026	0.00851	0.00444
AP	76												
AP	77	879-Customer Installation Expense	CUSTINSTALL	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	78	902-Meter Reading Expense	CMETRDG	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	79	903-Customer Records and Collections	CUSTREC	1.00000	0.88047	0.08787	0.00016	0.00034	0.00000	0.00008	0.00028	0.02017	0.01062
AP	80	905-Miscellaneous Customer Accounts	CUSTCAM	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	81	908-Customer Assistance	CUSTASST	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	1.00000	0.00000	0.99892	0.00000	0.00034	0.00004	0.00000	0.00070	0.00000	0.00000
AP	83	909-Informational and Instructional Advertising	CUSTADVT	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	84	910-Miscellaneous Customer Service	CUSTCSM	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	85	916-Miscellaneous Sales Expense	CUSTSALES	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	86												
AP	87	Number of Bills	CUSTBILLS	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	88	Number of Customers (Average Annual)	CUST	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	89												
AP	90												
AP	91												
AP	92												
AP	93												
AP	94												
AP	95												
AP	96												
AP	97												
AP	98												
AP	99												
AP	100												
AP	101	ALLOCATION PROPORTIONS TABLE CONTINUED											
AP	102	INTERNALLY DEVELOPED ALLOCATION FACTORS											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	103	Plant Related											
AP	104	Intangible Plant	INTPLT	1.00000	0.68344	0.24639	0.00085	0.00084	0.00000	0.00007	0.00047	0.04560	0.02232
AP	105	Production Plant	PRODPLT	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	106	Storage Plant	STORPLT	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	107	Transmission Plant in Service	TRANPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	108	Distribution Plant in Service	DISTPLT	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	109	General Plant in Service	GENLPLT	1.00000	0.71903	0.22030	0.00083	0.00080	0.00000	0.00007	0.00038	0.03972	0.01885
AP	110	Total Gas Plant In Service	TOTPLT	1.00000	0.68344	0.24639	0.00085	0.00084	0.00000	0.00007	0.00047	0.04560	0.02232
AP	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	112	Total Transmission and Distribution Plant	TDPLT	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	1.00000	0.68344	0.24639	0.00085	0.00084	0.00000	0.00007	0.00047	0.04560	0.02232
AP	114	Total Distribution and General Plant	DGPLT	1.00000	0.68431	0.24381	0.00083	0.00083	0.00000	0.00007	0.00048	0.04677	0.02290
AP	115	Rate Base	RATEBASE	1.00000	0.68627	0.24271	0.00086	0.00084	0.00000	0.00007	0.00045	0.04729	0.02150
AP	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1.00000	0.57570	0.30755	0.00147	0.00127	0.00000	0.00012	0.00053	0.07701	0.03634
AP	117												
AP	118	Account 374	PLT_374	1.00000	0.57570	0.30755	0.00147	0.00127	0.00000	0.00012	0.00053	0.07701	0.03634
AP	119	Account 375	PLT_375	1.00000	0.57570	0.30755	0.00147	0.00127	0.00000	0.00012	0.00053	0.07701	0.03634
AP	120	Account 376-General Excess	PLT_376GE	1.00000	0.61332	0.32773	0.00193	0.00000	0.00000	0.00000	0.00000	0.05703	0.00000
AP	121	Account 376-General Average	PLT_376GA	1.00000	0.49845	0.26606	0.00020	0.00509	0.00001	0.00048	0.00212	0.10860	0.11900
AP	122	Account 376-DA	PLT_376DA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.53756	0.46244
AP	123	Account 376	PLT_376	1.00000	0.57922	0.30943	0.00148	0.00128	0.00000	0.00012	0.00053	0.07411	0.03383
AP	124	Account 378	PLT_378	1.00000	0.57922	0.30943	0.00148	0.00128	0.00000	0.00012	0.00053	0.07411	0.03383
AP	125	Account 379-City Gate	PLT_379CG	1.00000	0.57922	0.30943	0.00148	0.00128	0.00000	0.00012	0.00053	0.07411	0.03383
AP	126	Account 379-Joint	PLT_379DA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.55280	0.44720
AP	127	Account 379	PLT_379	1.00000	0.49378	0.26379	0.00126	0.00109	0.00000	0.00010	0.00045	0.14472	0.09481
AP	128	Account 380	PLT_380	1.00000	0.86382	0.13185	0.00002	0.00004	0.00001	0.00001	0.00009	0.00273	0.00142
AP	129	Account 381	PLT_381	1.00000	0.69750	0.25603	0.00003	0.00094	0.00001	0.00003	0.00138	0.02492	0.01916
AP	130	Account 382	PLT_382	1.00000	0.69633	0.25561	0.00003	0.00094	0.00001	0.00003	0.00138	0.02654	0.01913
AP	131	Account 387	PLT_387	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1.00000	0.57570	0.30755	0.00147	0.00127	0.00000	0.00012	0.00053	0.07701	0.03634
AP	134	Accounts 376 & 380 - Mains & Services	PLT_376380	1.00000	0.68890	0.24100	0.00092	0.00080	0.00000	0.00008	0.00036	0.04660	0.02134
AP	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1.00000	0.84242	0.14783	0.00002	0.00016	0.00001	0.00001	0.00026	0.00558	0.00371
AP	136	Accounts 374 & 375 - Land & Structures	PLT_374375	1.00000	0.57570	0.30755	0.00147	0.00127	0.00000	0.00012	0.00053	0.07701	0.03634
AP	137	Accounts 381 through 385	PLT_3815	1.00000	0.69683	0.25579	0.00003	0.00094	0.00001	0.00003	0.00138	0.02585	0.01915
AP	138	Accounts 378, 379, & 387	PLT_378387	1.00000	0.51792	0.27421	0.00131	0.00113	0.00000	0.00011	0.00047	0.12598	0.07888
AP	139												
AP	140	Residential	DPLTRES	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	141	Small Commercial and Industrial	DPLTCI	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	142	Large High Load Factor	DPLTLHLF	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	143	Motor Vehicle - Firm	DPLTMVF	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	144	Motor Vehicle - Interruptible	DPLTMVI	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	145	Interruptible Service	DPLTIS	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	146	Temperature Control	DPLTTC	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	147	Transportation Service - Firm	DPLTTSF	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	148	Transportation Service - Interruptible	DPLTTSI	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	149												
AP	150												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	151	ALLOCATION PROPORTIONS TABLE CONTINUED											
AP	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AP	153												
AP	154	<u>Production Expense Related</u>											
AP	155	Account 717	OX_717	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	156	Account 741	MX_741	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	157	Account 743	MX_743	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	158	Manufactured Gas Production Operation Expense	OX_PRODM	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	159	Manufactured Gas Production Maintenance Expense	MX_PRODM	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	160	Other Production Operation Expense	OX_PRODO	1.00000	0.73636	0.25415	0.00034	0.00468	0.00003	0.00084	0.00361	0.00000	0.00000
AP	161												
AP	162												
AP	163	<u>Storage Expense Related</u>											
AP	164	Storage Operation Expense	OX_STOR	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	165	Storage Maintenance Expense	MX_STOR	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	166												
AP	167												
AP	168	<u>Transmission Expense Related</u>											
AP	169	Transmission Operation Expense	OX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	170	Transmission Maintenance Expense	MX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	173												
AP	174												
AP	175	<u>Distribution Expense Related</u>											
AP	176	Account 874	OX_874	1.00000	0.68890	0.24100	0.00092	0.00080	0.00000	0.00008	0.00036	0.04660	0.02134
AP	177	Account 875	OX_875	1.00000	0.57922	0.30943	0.00148	0.00128	0.00000	0.00012	0.00053	0.07411	0.03383
AP	178	Account 878	OX_878	1.00000	0.69683	0.25579	0.00003	0.00094	0.00001	0.00003	0.00138	0.02585	0.01915
AP	179	Account 879	OX_879	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	180	Account 880	OX_880	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	181	Account 887	MX_887	1.00000	0.57922	0.30943	0.00148	0.00128	0.00000	0.00012	0.00053	0.07411	0.03383
AP	182	Account 889	MX_889	1.00000	0.57922	0.30943	0.00148	0.00128	0.00000	0.00012	0.00053	0.07411	0.03383
AP	183	Account 892	MX_892	1.00000	0.86382	0.13185	0.00002	0.00004	0.00001	0.00001	0.00009	0.00273	0.00142
AP	184	Account 893	MX_893	1.00000	0.69683	0.25579	0.00003	0.00094	0.00001	0.00003	0.00138	0.02585	0.01915
AP	185	Account 894	MX_894	1.00000	0.68391	0.24407	0.00083	0.00083	0.00000	0.00007	0.00048	0.04685	0.02294
AP	186	O&M Accounts 874-880	OX_DIST	1.00000	0.71326	0.22652	0.00067	0.00075	0.00001	0.00006	0.00051	0.03890	0.01932
AP	187	O&M Accounts 887-894	MX_DIST	1.00000	0.72630	0.21985	0.00061	0.00066	0.00001	0.00006	0.00044	0.03490	0.01718
AP	188												
AP	189												
AP	190												
AP	191												
AP	192												
AP	193												
AP	194												
AP	195												
AP	196												
AP	197												
AP	198												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	199												
AP	200												
AP	201	ALLOCATION PROPORTIONS TABLE CONTINUED											
AP	202	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AP	203												
AP	204	Customer Distribution Expense Related											
AP	205	Account 902	OX_902	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	206	Account 903	OX_903	1.00000	0.88047	0.08787	0.00016	0.00034	0.00000	0.00008	0.00028	0.02017	0.01062
AP	207	Account 904	OX_904	1.00000	0.90399	0.09066	0.00000	0.00043	0.00000	0.00000	0.00062	0.00276	0.00154
AP	208	O&M Accounts 902-905	OX_CA	1.00000	0.88841	0.08623	0.00013	0.00032	0.00000	0.00006	0.00030	0.01607	0.00848
AP	209												
AP	210	Account908	OX_908	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	211	Account909	OX_909	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	212	Account910	OX_910	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	213	O&M Accounts 908-910	OX_CS	1.00000	0.90993	0.08482	0.00003	0.00003	0.00000	0.00001	0.00006	0.00336	0.00175
AP	214	Accounts 901-910	X_CACS	1.00000	0.90172	0.08044	0.00009	0.00021	0.00000	0.00005	0.00020	0.01133	0.00597
AP	215												
AP	216	Total O&M less Purchased Gas	OMXPP	1.00000	0.73645	0.20871	0.00073	0.00076	0.00000	0.00007	0.00041	0.03569	0.01717
AP	217												
AP	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPP	1.00000	0.74212	0.20476	0.00069	0.00071	0.00000	0.00006	0.00039	0.03450	0.01676
AP	219												
AP	220	Base Taxable Income	EBT	1.00000	0.42054	0.46135	-0.00179	0.00297	0.00002	0.00018	0.00700	0.06594	0.04379
AP	221												
AP	222												
AP	223	Salaries and Wages Expense Related											
AP	224	Salaries & Wages Accounts 870-880	SALWAGDO	1.00000	0.74213	0.20512	0.00062	0.00064	0.00000	0.00006	0.00040	0.03436	0.01666
AP	225	Salaries & Wages Accounts 887-894	SALWAGDM	1.00000	0.60129	0.29616	0.00134	0.00118	0.00000	0.00011	0.00053	0.06808	0.03130
AP	226	Salaries & Wages Accounts 902-905	SALWAGCA	1.00000	0.88215	0.08761	0.00016	0.00033	0.00000	0.00008	0.00027	0.01926	0.01014
AP	227	Salaries & Wages Accounts 908-910	SALWAGCS	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	1.00000	0.71903	0.22030	0.00083	0.00080	0.00000	0.00007	0.00038	0.03972	0.01885
AP	229	Total Salaries and Wages Expense	SALWAGES	1.00000	0.71903	0.22030	0.00083	0.00080	0.00000	0.00007	0.00038	0.03972	0.01885
AP	230												
AP	231												
AP	232												
AP	233												
AP	234												
AP	235												
AP	236												
AP	237												
AP	238												
AP	239												
AP	240												
AP	241												
AP	242												
AP	243												
AP	244												
AP	245												
AP	246												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	247												
AP	248												
AP	249												
AP	250												
AP	251	REVENUES AND BILLING DETERMINANTS											
AP	252												
AP	253	Base Rate Sales Revenue	SALESREV	1.00000	0.64842	0.27665	0.00021	0.00130	0.00001	0.00010	0.00189	0.04581	0.02561
AP	254												
AP	255	Residential	SREVRES	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	256	Small Commercial and Industrial	SREVC	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	257	Large High Load Factor	SREVLHLF	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	258	Motor Vehicle - Firm	SREVMVF	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	259	Motor Vehicle - Interruptible	SREVMVI	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	260	Interruptible Service	SREVIS	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	261	Temperature Control	SREVTC	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	262	Transportation Service - Firm	SREVTSF	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	263	Transportation Service - Interruptible	SREVTSI	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	264												
AP	265												
AP	266	Claimed Rate Sales Revenue	CLAIMREV	1.00000	0.71883	0.23562	0.00068	0.00213	0.00001	0.00034	0.00145	0.02769	0.01325
AP	267												
AP	268												
AP	269												
AP	270												
AP	271												
AP	272	PRESENT REVENUES FROM SALES INPUT											
AP	273												
AP	274	Total Sales of Gas Revenues		1.00000	0.68233	0.26797	0.00026	0.00260	0.00001	0.00038	0.00255	0.02815	0.01574
AP	275	Sales of Gas Revenues - Distribution		1.00000	0.64842	0.27665	0.00021	0.00130	0.00001	0.00010	0.00189	0.04581	0.02561
AP	276	Sales of Gas Revenues - PGC		1.00000	0.74768	0.24292	0.00035	0.00444	0.00003	0.00086	0.00372	0.00000	0.00000
AP	277	Sales of Gas Revenues - BSC		1.00000	0.64533	0.34446	0.00025	0.00656	0.00004	0.00062	0.00275	0.00000	0.00000
AP	278												
AP	279												
AP	280	Sales of Gas Revenues - Transmission		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	281												
AP	282												
AP	283												
AP	284												
AP	285												
AP	286												
AP	287												
AP	288												
AP	289												
AP	290												
AP	291												
AP	292												
AP	293												
AP	294												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	295												
AP	296												
AP	297												
AP	298												
AP	299												
AP	300												
ADA	1	ALLOCATED DIRECT ASSIGNMENTS											
ADA	2	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS											
ADA	3												
ADA	4	Net Write-Offs											
ADA	5	Residential	SREVRRES	0.90	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	6	Small Commercial and Industrial	SREVC I	0.09	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	7	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	8	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	9	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	10	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	11	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	12	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	13	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	14												
ADA	15	Total Write-Offs	EXP_904	1.00	0.90	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	16												
ADA	17	Total Write-Offs	EXP_904	1.00000	0.90399	0.09066	0.00000	0.00043	0.00000	0.00000	0.00062	0.00276	0.00154
ADA	18												
ADA	19												
ADA	20	Net Write-Offs - Pre-Programmed Arrearages (PPA)											
ADA	21	Residential	SREVRRES	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	22	Small Commercial and Industrial	SREVC I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	23	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	24	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	25	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	26	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	27	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	28	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	29	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	30												
ADA	31	Total Write-Offs	EXP_904PPA	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	32												
ADA	33	Total Write-Offs	EXP_904PPA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
ADA	34												
ADA	35												
ADA	36	Forfeited Discounts - Account 487											
ADA	37	Residential	SREVRRES	824	824	0	0	0	0	0	0	0	0
ADA	38	Small Commercial and Industrial	SREVC I	212	0	212	0	0	0	0	0	0	0
ADA	39	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0	0	0
ADA	40	Motor Vehicle - Firm	SREVMVF	1	0	0	0	1	0	0	0	0	0
ADA	41	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0	0	0	0	0
ADA	42	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
ADA	43	Temperature Control	SREVTC	1	0	0	0	0	0	0	1	0	0
ADA	44	Transportation Service - Firm	SREVTSTF	33	0	0	0	0	0	0	0	33	0
ADA	45	Transportation Service - Interruptible	SREVTSTI	18	0	0	0	0	0	0	0	0	18
ADA	46												
ADA	47	Total Forfeited Discounts	REV_487	1,090	824	212	0	1	0	0	1	33	18
ADA	48												
ADA	49	Total Forfeited Discounts	REV_487	1.00000	0.75652	0.19457	0.00001	0.00091	0.00001	0.00000	0.00133	0.02993	0.01673
ADA	50												
ADA	51	ALLOCATED DIRECT ASSIGNMENTS											
ADA	52	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS											
ADA	53												
ADA	54	Purchase of Receivables (POR)											
ADA	55	Residential	SREVRRES	45,995	45,995	0	0	0	0	0	0	0	0
ADA	56	Small Commercial and Industrial	SREVRSCI	17,260	0	17,260	0	0	0	0	0	0	0
ADA	57	Large High Load Factor	SREVRHLF	0	0	0	0	0	0	0	0	0	0
ADA	58	Motor Vehicle - Firm	SREVRMVF	81	0	0	0	81	0	0	0	0	0
ADA	59	Motor Vehicle - Interruptible	SREVRMVI	0	0	0	0	0	0	0	0	0	0
ADA	60	Interruptible Service	SREVRVIS	0	0	0	0	0	0	0	0	0	0
ADA	61	Temperature Control	SREVRTC	118	0	0	0	0	0	0	118	0	0
ADA	62	Transportation Service - Firm	SREVRTSTF	0	0	0	0	0	0	0	0	0	0
ADA	63	Transportation Service - Interruptible	SREVRTSTI	0	0	0	0	0	0	0	0	0	0
ADA	64												
ADA	65	Purchase of Receivables	REV_POR	63,454	45,995	17,260	0	81	0	0	118	0	0
ADA	66												
ADA	67	Purchase of Receivables	REV_POR	1.00000	0.72486	0.27201	0.00000	0.00128	0.00001	0.00000	0.00185	0.00000	0.00000
ADA	68												
ADA	69												
ADA	70	DIRECT ASSIGN TO CLASSES W/SALES DIST PLT FUNCTIONS											
ADA	71												
ADA	72	Customer Advances for Construction											
ADA	73	Residential	DPLRTRES	832	832	0	0	0	0	0	0	0	0
ADA	74	Small Commercial and Industrial	DPLRTCI	171	0	171	0	0	0	0	0	0	0
ADA	75	Large High Load Factor	DPLRTLHF	0	0	0	0	0	0	0	0	0	0
ADA	76	Motor Vehicle - Firm	DPLRTMVF	0	0	0	0	0	0	0	0	0	0
ADA	77	Motor Vehicle - Interruptible	DPLRTMVI	0	0	0	0	0	0	0	0	0	0
ADA	78	Interruptible Service	DPLRTIS	0	0	0	0	0	0	0	0	0	0
ADA	79	Temperature Control	DPLRTTC	0	0	0	0	0	0	0	0	0	0
ADA	80	Transportation Service - Firm	DPLRTSTF	0	0	0	0	0	0	0	0	0	0
ADA	81	Transportation Service - Interruptible	DPLRTSTI	0	0	0	0	0	0	0	0	0	0
ADA	82												
ADA	83	Customer Advances for Construction	CUSTADV	1,004	832	171	0	0	0	0	0	0	0
ADA	84												
ADA	85	Customer Advances for Construction	CUSTADV	1.00000	0.82927	0.17073	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
ADA	86												
ADA	87												
ADA	88												
ADA	89												
ADA	90												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
ADA	91												
ADA	92												
ADA	93												
ADA	94												
ADA	95												
ADA	96												
ADA	97												
ADA	98												
ADA	99												
ADA	100												
RRW	1	DISTRIBUTION REVENUE REQUIREMENTS											
RRW	2												
RRW	3	PRESENT RATES - Excludes Purchased Gas											
RRW	4	-----											
RRW	5	RATE BASE		2,459,873	1,687,913	597,037	2,125	2,042	10	180	1,085	116,510	52,971
RRW	6	NET OPER INC (PRESENT RATES)		141,381	80,308	48,113	(44)	252	2	17	474	7,796	4,464
RRW	7	RATE OF RETURN (PRES RATES)		5.75%	4.76%	8.06%	-2.09%	12.33%	14.65%	9.34%	43.73%	6.69%	8.43%
RRW	8	RELATIVE RATE OF RETURN		1.00	0.83	1.40	-0.36	2.14	2.55	1.63	7.61	1.16	1.47
RRW	9	SALES REVENUE (PRE RATES)		361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
RRW	10	REVENUE PRES RATES \$/Mcf		\$3,9786	\$5,5864	\$4,4653	\$4,5589	\$1,0969	\$3,9928	\$0,8730	\$3,8179	\$1,4538	\$0,6409
RRW	11	REVENUE REQUIRED - \$/MO/CUST		\$55.84	\$39.52	\$187.53	\$1,572.72	\$2,610.29	\$111.50	\$1,456.85	\$1,832.89	\$3,008.97	\$3,223.90
RRW	12												
RRW	13												
RRW	14	CLAIMED RATE OF RETURN											
RRW	15	-----											
RRW	16	CLAIMED RATE OF RETURN		7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
RRW	17	RETURN REQ FOR CLAIMED ROR - Excludes Purchased Gas		189,756	135,048	41,940	211	119	1	12	(33)	8,836	3,622
RRW	18	SALES REVENUE REQ CLAIMED ROR - Excludes Purchased Gas		427,392	303,232	96,497	368	334	2	31	128	18,128	8,672
RRW	19	REVENUE DEFICIENCY SALES REV		66,194	69,060	(3,441)	293	(134)	(1)	(4)	(552)	1,563	(590)
RRW	20	PERCENT INCREASE REQUIRED		18.31%	29.46%	-3.44%	387.53%	-28.45%	-37.81%	-11.42%	-80.98%	9.44%	-6.37%
RRW	21	ANNUAL BOOKED THROUGHPUT SALES (Mcf)		90,879,246	41,968,538	22,401,370	16,559	428,335	670	40,050	178,588	11,394,081	14,451,056
RRW	22	SALES REV REQUIRED \$/Mcf		\$4.7029	\$7.2252	\$4.3076	\$22.2180	\$0.7809	\$2.4687	\$0.7652	\$0.7183	\$1.5910	\$0.6001
RRW	23	REVENUE DEFICIENCY \$/Mcf		\$0.7284	\$1.6455	(\$0.1536)	\$17.6671	(\$0.3121)	(\$1.5098)	(\$0.0997)	(\$3.0917)	\$0.1372	(\$0.0408)
RRW	24	SALES REVENUE REQ CLAIMED ROR - Purchased Gas		227,278	167,363	57,759	77	1,063	6	190	820	0	0
RRW	25												
RRW	26	SALES REVENUE REQ CLAIMED ROR - COMPOSITE		654,670	470,595	154,255	445	1,397	8	221	949	18,128	8,672
RRW	27												
RRW	28												
RRW	29												
RRW	30												
RRW	31												
RRW	32												
RRW	33												
RRW	34												
RRW	35												
RRW	36												
RRW	37												
RRW	38												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RRW	39												
RRW	40												
RRW	41												
RRW	42												
RRW	43												
RRW	44												
RRW	45												
RRW	46												
RRW	47												
RRW	48												
RRW	49												
RRW	50												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

R-2020-3018929
2/17/21 JK

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	1	SUMMARY AT PRESENT RATES									
S	2										
S	3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS									
S	4	OPERATING REVENUE									
S	5	Sales of Gas Revenue - Base	SCH RBC, LN 54	361,576	192,812	6,312	162,452	610	13,178	179,024	1,302
S	6	Other Operating Revenue	SCH RBC, LN 64	1,538	808	14	716	1	31	776	3
S	7	TOTAL OPERATING REVENUE		363,114	193,620	6,326	163,168	612	13,209	179,800	1,305
S	8										
S	9	OPERATING EXPENSES									
S	10	Operation and Maintenance Expense Excl Pur Gas	SCH E, LN 99	143,235	67,286	1,012	74,938	455	8,159	58,671	959
S	11	Depreciation and Amortization Expense	SCH D, LN 42	88,958	45,184	2,812	40,962	201	2,473	42,510	0
S	12	Taxes Other Than Income Taxes-General	SCH TO, LN 10	7,545	4,119	54	3,372	34	322	3,763	53
S	13	Taxes Other Than Income Taxes-Distribution GRT	SCH TO, LN 18	0	0	0	0	0	0	0	0
S	14	Income Taxes	SCH TI, LN 61	18,005	8,835	(394)	9,565	165	407	8,263	(59)
S	15	TOTAL OPERATING EXPENSES		221,734	107,755	4,273	109,706	525	10,548	96,683	1,071
S	16										
S	17	OPERATING INCOME (RETURN)		141,381	85,865	2,053	53,462	87	2,661	83,117	234
S	18										
S	19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS									
S	20	Gas Plant in Service	SCH RBP, LN 65	3,537,669	2,013,995	0	1,523,674	15,799	75,285	1,922,911	0
S	21	Less: Accumulated Depreciation	SCH RBD, LN 37	892,383	467,423	0	424,960	13,370	32,663	421,389	0
S	22	Plus: Rate Base Additions Excl Purchased Gas	SCH RBO, LN 13	168,125	72,091	31,809	64,225	621	8,862	62,607	626
S	23	Less: Rate Base Deductions	SCH RBO, LN 26	353,538	201,597	0	151,941	1,580	6,330	193,688	0
S	24	TOTAL RATE BASE EXCL PURCHASED GAS	SCH RBO, LN 29	2,459,873	1,417,066	31,809	1,010,998	1,470	45,154	1,370,442	626
S	25										
S	26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		5.75%	6.06%	6.45%	5.29%	5.89%	5.89%	6.06%	37.42%
S	27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
S	28										
S	29										
S	30	DEVELOPMENT OF PURCHASED GAS RETURN									
S	31	Purchased Gas Revenues (PGC)	SCH RBC, LN 55	201,810	0	201,810	0	0	0	0	201,810
S	32	Other Sales of Gas Revenue (BSC)	SCH RBC, LN 56	25,090	0	25,090	0	0	0	0	25,090
S	33	Purchased Gas O&M Expense	SCH E, LN 98	226,900	0	226,900	0	0	0	0	226,900
S	34	Purchased Gas Income Taxes (Fed & State PP)		14	0	14	0	0	0	0	14
S	35	PURCHASED GAS OPERATING INCOME (RETURN)		14	0	14	0	0	0	0	14
S	36	RATE BASE - PURCHASED GAS CASH WORKING CAPITAL		3,682	0	3,682	0	0	0	0	3,682
S	37	PURCHASED GAS RATE OF RETURN (PRESENT)		0.38%	0.00%	0.38%	0.00%	0.00%	0.00%	0.00%	0.38%
S	38										
S	39										
S	40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)									
S	41	Total Distribution Sales Revenue at Current Rates		588,476	192,812	233,212	162,452	610	13,178	179,024	228,202
S	42	Total Distribution Operating Revenues		590,014	193,620	233,226	163,168	612	13,209	179,800	228,205
S	43	Total Distribution Operating Expenses Excl Federal & State Taxes		466,639	116,590	230,778	119,271	691	10,954	104,945	227,912
S	44	Plus: Total Federal & State Taxes		18,019	8,835	(381)	9,565	165	407	8,263	(45)
S	45	Total Operating Income (Return)		141,394	85,865	2,067	53,462	87	2,661	83,117	248
S	46	Total Rate Base		2,463,555	1,417,066	35,491	1,010,998	1,470	45,154	1,370,442	4,308
S	47										
S	48	COMPOSITE RATE OF RETURN (PRESENT)		5.74%	6.06%	5.82%	5.29%	5.89%	5.89%	6.06%	5.76%
S	49	COMPOSITE INDEX RATE OF RETURN (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	1	SUMMARY AT PRESENT RATES							
S	2								
S	3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS							
S	4	OPERATING REVENUE							
S	5	Sales of Gas Revenue - Base	SCH RBC, LN 54	5,010	79,414	31,788	12,069	12,610	26,570
S	6	Other Operating Revenue	SCH RBC, LN 64	11	428	153	32	34	70
S	7	TOTAL OPERATING REVENUE		5,021	79,842	31,941	12,101	12,644	26,640
S	8								
S	9	OPERATING EXPENSES							
S	10	Operation and Maintenance Expense Excl Pur Gas	SCH E, LN 99	53	18,506	10,619	9,789	12,235	23,789
S	11	Depreciation and Amortization Expense	SCH D, LN 42	2,812	27,101	11,351	878	147	1,484
S	12	Taxes Other Than Income Taxes-General	SCH TO, LN 10	1	1,596	606	408	71	691
S	13	Taxes Other Than Income Taxes-Distribution GRT	SCH TO, LN 18	0	0	0	0	0	0
S	14	Income Taxes	SCH TI, LN 61	(335)	6,898	2,603	(37)	(8)	110
S	15	TOTAL OPERATING EXPENSES		3,202	40,304	19,974	11,112	12,462	25,854
S	16								
S	17	OPERATING INCOME (RETURN)		1,819	39,538	11,967	989	182	786
S	18								
S	19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS							
S	20	Gas Plant in Service	SCH RBP, LN 65	0	1,122,320	389,619	4,106	689	6,939
S	21	Less: Accumulated Depreciation	SCH RBD, LN 37	0	269,654	150,359	1,731	291	2,926
S	22	Plus: Rate Base Additions Excl Purchased Gas	SCH RBO, LN 13	31,184	14,568	7,026	14,721	2,894	25,015
S	23	Less: Rate Base Deductions	SCH RBO, LN 26	0	106,836	39,070	(2,577)	(433)	9,045
S	24	TOTAL RATE BASE EXCL PURCHASED GAS	SCH RBO, LN 29	31,184	760,399	207,217	19,674	3,726	19,984
S	25								
S	26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		5.83%	5.20%	5.78%	5.03%	4.88%	3.93%
S	27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00
S	28								
S	29								
S	30	DEVELOPMENT OF PURCHASED GAS RETURN							
S	31	Purchased Gas Revenues (PGC)	SCH RBC, LN 55	0	0	0	0	0	0
S	32	Other Sales of Gas Revenue (BSC)	SCH RBC, LN 56	0	0	0	0	0	0
S	33	Purchased Gas O&M Expense	SCH E, LN 98	0	0	0	0	0	0
S	34	Purchased Gas Income Taxes (Fed & State PP)		0	0	0	0	0	0
S	35	PURCHASED GAS OPERATING INCOME (RETURN)		0	0	0	0	0	0
S	36	RATE BASE - PURCHASED GAS CASH WORKING CAPITAL		0	0	0	0	0	0
S	37	PURCHASED GAS RATE OF RETURN (PRESENT)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
S	38								
S	39								
S	40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)							
S	41	Total Distribution Sales Revenue at Current Rates		5,010	79,414	31,788	12,069	12,610	26,570
S	42	Total Distribution Operating Revenues		5,021	79,842	31,941	12,101	12,644	26,640
S	43	Total Distribution Operating Expenses Excl Federal & State Taxes		2,866	47,202	22,577	11,075	12,454	25,964
S	44	Plus: Total Federal & State Taxes		(335)	6,898	2,603	(37)	(8)	110
S	45	Total Operating Income (Return)		1,819	39,538	11,967	989	182	786
S	46	Total Rate Base		31,184	760,399	207,217	19,674	3,726	19,984
S	47								
S	48	COMPOSITE RATE OF RETURN (PRESENT)		5.83%	5.20%	5.78%	5.03%	4.88%	3.93%
S	49	COMPOSITE INDEX RATE OF RETURN (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	50										
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%									
S	52										
S	53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED RATE)									
S	54										
S	55	Rate Base Excluding Purchased Gas	SCH S, LN 24	2,459,873	1,417,066	31,809	1,010,998	1,470	45,154	1,370,442	626
S	56	Change in Operating Income (Rate Base * (7.64% - 1.90%)	1.90%	46,554	22,284	571	23,698	26	784	21,474	11
S	57			7.64%	7.63%	8.25%	7.63%	7.63%	7.63%	7.63%	39.13%
S	58	OPERATING REVENUES									
S	59	Change in Revenue (Change in Return * 1.414)		65,816	31,504	808	33,504	36	1,109	30,359	15
S	60	Distribution Base Rate Revenue (Present Rates)	SCH S, LN 5	361,576	192,812	6,312	162,452	610	13,178	179,024	1,302
S	61	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	427,392	224,316	7,120	195,955	646	14,287	209,383	1,317
S	62										
S	63	Forfeited Discounts Revenues	REV_487	85	43	1	41	0	3	39	0
S	64	Other Operating Revenue (Present Rates)	SCH S, LN 6	1,538	808	14	716	1	31	776	3
S	65	TOTAL OPERATING REVENUES		429,015	225,167	7,135	196,713	648	14,321	210,198	1,321
S	66										
S	67	OPERATING EXPENSES									
S	68	Operation and Maintenance Expense Excl Pur Gas	SCH S, LN 10	143,235	67,286	1,012	74,938	455	8,159	58,671	959
S	69	Depreciation and Amortization Expense	SCH S, LN 11	88,958	45,184	2,812	40,962	201	2,473	42,510	0
S	70	Additional Bad Debt Expense	CALCULATED	229	109	3	116	0	4	105	0
S	71	Additional PUC / OTS & SBA Fee Expense	CALCULATED	203	97	2	103	0	3	94	0
S	72	Taxes Other Than Income Taxes-General	SCH S, LN 12	7,545	4,119	54	3,372	34	322	3,763	53
S	73	Taxes Other Than Income Taxes-Distribution GRT	SCH S, LN 13	0	0	0	0	0	0	0	0
S	74	TOTAL OPERATING EXPENSES BEFORE TAXES		240,170	116,796	3,884	119,490	691	10,961	105,144	1,012
S	75	State and Federal Income Taxes @ Effective Tax Ra	SCH S, LN 14	18,005	8,835	(394)	9,565	165	407	8,263	(59)
S	76	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(18,916)	(9,055)	(232)	(9,628)	(10)	(319)	(8,725)	(4)
S	77	TOTAL OPERATING EXPENSES		239,260	116,576	3,257	119,427	846	11,049	104,681	948
S	78										
S	79	NET OPERATING INCOME EXCL PURCHASED GAS		189,756	108,591	3,878	77,286	(198)	3,272	105,517	372
S	80										
S	81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.64%		427,392	224,316	7,120	195,955	646	14,287	209,383	1,317
S	82										
S	83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE		65,901	31,547	809	33,545	36	1,112	30,398	15
S	84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)		18.23%	16.36%	12.82%	20.65%	5.94%	8.44%	16.98%	1.18%
S	85										
S	86										
S	87										
S	88										
S	89										
S	90										
S	91										
S	92										
S	93										
S	94										
S	95										
S	96										
S	97										
S	98										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	50								
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%							
S	52								
S	53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED F							
S	54								
S	55	Rate Base Excluding Purchased Gas	SCH S, LN 24	31,184	760,399	207,217	19,674	3,726	19,984
S	56	Change in Operating Income (Rate Base * (7.64% -	1.90%	561	18,498	3,846	512	103	740
S	57			7.63%	7.63%	7.63%	7.63%	7.63%	7.63%
S	58	OPERATING REVENUES							
S	59	Change in Revenue (Change in Return * 1.414)		793	26,151	5,437	724	145	1,046
S	60	Distribution Base Rate Revenue (Present Rates)	SCH S, LN 5	5,010	79,414	31,788	12,069	12,610	26,570
S	61	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	5,803	105,565	37,226	12,793	12,755	27,616
S	62								
S	63	Forfeited Discounts Revenues	REV_487	1	20	7	3	3	7
S	64	Other Operating Revenue (Present Rates)	SCH S, LN 6	11	428	153	32	34	70
S	65	TOTAL OPERATING REVENUES		5,815	106,014	37,386	12,828	12,792	27,693
S	66								
S	67	OPERATING EXPENSES							
S	68	Operation and Maintenance Expense Excl Pur Gas	SCH S, LN 10	53	18,506	10,619	9,789	12,235	23,789
S	69	Depreciation and Amortization Expense	SCH S, LN 11	2,812	27,101	11,351	878	147	1,484
S	70	Additional Bad Debt Expense	CALCULATED	3	91	19	3	1	4
S	71	Additional PUC / OTS & SBA Fee Expense	CALCULATED	2	81	17	2	0	3
S	72	Taxes Other Than Income Taxes-General	SCH S, LN 12	1	1,596	606	408	71	691
S	73	Taxes Other Than Income Taxes-Distribution GRT	SCH S, LN 13	0	0	0	0	0	0
S	74	TOTAL OPERATING EXPENSES BEFORE TAXES		2,872	47,373	22,612	11,079	12,455	25,971
S	75	State and Federal Income Taxes @ Effective Tax Ra	SCH S, LN 14	(335)	6,898	2,603	(37)	(8)	110
S	76	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(228)	(7,512)	(1,563)	(209)	(43)	(302)
S	77	TOTAL OPERATING EXPENSES		2,309	46,759	23,652	10,833	12,404	25,779
S	78								
S	79	NET OPERATING INCOME EXCL PURCHASED GAS		3,506	59,255	13,734	1,995	389	1,914
S	80								
S	81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.64%		5,803	105,565	37,226	12,793	12,755	27,616
S	82								
S	83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE		794	26,171	5,445	728	149	1,053
S	84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)		15.85%	32.96%	17.13%	6.03%	1.18%	3.96%
S	85								
S	86								
S	87								
S	88								
S	89								
S	90								
S	91								
S	92								
S	93								
S	94								
S	95								
S	96								
S	97								
S	98								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	99										
S	100										
S	101	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%									
S	102										
S	103	DEVELOPMENT OF PURCHASED GAS RETURN (EQUALIZED RATE)									
S	104										
S	105	Rate Base for Purchased Gas	SCH S, LN 36	3,682	0	3,682	0	0	0	0	3,682
S	106	Change in Operating Income (Rate Base * (7.64% - ROR (Present)))		267	0	267	0	0	0	0	267
S	107										
S	108	OPERATING REVENUES									
S	109	Change in Revenue (Change in Return * 1.414)		378	0	378	0	0	0	0	378
S	110	Distribution Base Rate Revenue (Present Rates)	CALCULATED	226,900	0	226,900	0	0	0	0	226,900
S	111	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	227,278	0	227,278	0	0	0	0	227,278
S	112										
S	113	OPERATING EXPENSES									
S	114	Purchased Gas O&M Expense	SCH S, LN 33	226,900	0	226,900	0	0	0	0	226,900
S	115	Additional Bad Debt Expense	CALCULATED	1	0	1	0	0	0	0	1
S	116	Additional PUC / OTS & SBA Fee Expense	CALCULATED	1	0	1	0	0	0	0	1
S	117	TOTAL OPERATING EXPENSES BEFORE TAXES		226,902	0	226,902	0	0	0	0	226,902
S	118	State and Federal Inc Taxes @ Effective Tax Rate	SCH S, LN 34	14	0	14	0	0	0	0	14
S	119	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(109)	0	(109)	0	0	0	0	(109)
S	120	TOTAL OPERATING EXPENSES		226,807	0	226,807	0	0	0	0	226,807
S	121										
S	122	NET OPERATING INCOME FOR PURCHASED GAS		471	0	471	0	0	0	0	471
S	123										
S	124	EQUALS TOTAL PURCHASED GAS COST OF SERVICE @ ROR		227,278	0	227,278	0	0	0	0	227,278
S	125										
S	126	TOTAL SALES PURCH GAS INCREASE/DECREASE		378	0	378	0	0	0	0	378
S	127	SALES REVENUE INCREASE TO RUPCHASED GAS REVENUES (%)		0.19%	0.00%	0.19%	0.00%	0.00%	0.00%	0.00%	0.19%
S	128										
S	129										
S	130										
S	131										
S	132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)									
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT		654,670	224,316	234,398	195,955	646	14,287	209,383	228,595
S	134	TOTAL INCREASE (DECREASE) BASE SALES REQUIRED		66,194	31,504	1,186	33,504	36	1,109	30,359	393
S	135	RATE OF RETURN (PROPOSED)		7.64%	7.63%	8.19%	7.63%	7.63%	7.63%	7.63%	12.21%
S	136										
S	137										
S	138										
S	139										
S	140										
S	141										
S	142										
S	143										
S	144										
S	145										
S	146										
S	147										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	99								
S	100								
S	101	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%							
S	102								
S	103	DEVELOPMENT OF PURCHASED GAS RETURN (EQUALIZED RATE)							
S	104								
S	105	Rate Base for Purchased Gas	SCH S, LN 36	0	0	0	0	0	0
S	106	Change in Operating Income (Rate Base * (7.64% - ROR (Present)))		0	0	0	0	0	0
S	107								
S	108	OPERATING REVENUES							
S	109	Change in Revenue (Change in Return * 1.414)		0	0	0	0	0	0
S	110	Distribution Base Rate Revenue (Present Rates)	CALCULATED	0	0	0	0	0	0
S	111	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	0	0	0	0	0	0
S	112								
S	113	OPERATING EXPENSES							
S	114	Purchased Gas O&M Expense	SCH S, LN 33	0	0	0	0	0	0
S	115	Additional Bad Debt Expense	CALCULATED	0	0	0	0	0	0
S	116	Additional PUC / OTS & SBA Fee Expense	CALCULATED	0	0	0	0	0	0
S	117	TOTAL OPERATING EXPENSES BEFORE TAXES		0	0	0	0	0	0
S	118	State and Federal Inc Taxes @ Effective Tax Rate	SCH S, LN 34	0	0	0	0	0	0
S	119	State and Federal Income Taxes @ Statutory Rates	CALCULATED	0	0	0	0	0	0
S	120	TOTAL OPERATING EXPENSES		0	0	0	0	0	0
S	121								
S	122	NET OPERATING INCOME FOR PURCHASED GAS		0	0	0	0	0	0
S	123								
S	124	EQUALS TOTAL PURCHASED GAS COST OF SERVICE @ ROR		0	0	0	0	0	0
S	125								
S	126	TOTAL SALES PURCH GAS INCREASE/DECREASE		0	0	0	0	0	0
S	127	SALES REVENUE INCREASE TO RUPURCHASED GAS REVENUES (%)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
S	128								
S	129								
S	130								
S	131								
S	132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)							
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT		5,803	105,565	37,226	12,793	12,755	27,616
S	134	TOTAL INCREASE (DECREASE) BASE SALES REQUIRED		793	26,151	5,437	724	145	1,046
S	135	RATE OF RETURN (PROPOSED)		7.63%	7.63%	7.63%	7.63%	7.63%	7.63%
S	136								
S	137								
S	138								
S	139								
S	140								
S	141								
S	142								
S	143								
S	144								
S	145								
S	146								
S	147								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	148										
S	149										
S	150										
RBP	1	DEVELOPMENT OF RATE BASE									
RBP	2										
RBP	3	GAS PLANT IN SERVICE									
RBP	4	INTANGIBLE PLANT									
RBP	5	301-Organization	TOTPLT	18,229	10,378	0	7,851	81	388	9,909	0
RBP	6	303-Miscellaneous Intangible Plant	TOTPLT	0	0	0	0	0	0	0	0
RBP	7	TOTAL INTANGIBLE PLANT		18,229	10,378	0	7,851	81	388	9,909	0
RBP	8										
RBP	9	PRODUCTION PLANT (LPG)									
RBP	10	305-Land and Land Rights	DPKDAYP	1,206	1,206	0	0	1,206	0	0	0
RBP	11	311- Liquefied Petroleum Gas Equipment	DPKDAYP	14,334	14,334	0	0	14,334	0	0	0
RBP	12	320-Other Equipment (SNG Plant)	DPKDAYP	0	0	0	0	0	0	0	0
RBP	13	TOTAL PRODUCTION PLANT		15,539	15,539	0	0	15,539	0	0	0
RBP	14										
RBP	15	STORAGE PLANT (LNG)									
RBP	16	360-Land and Land Rights	DPKDAYP	16	16	0	0	0	16	0	0
RBP	17	361-Structures and Improvements	DPKDAYP	14,919	14,919	0	0	0	14,919	0	0
RBP	18	362-Gas Holders.	DPKDAYP	7,084	7,084	0	0	0	7,084	0	0
RBP	19	363-Purification Equipment	DPKDAYP	0	0	0	0	0	0	0	0
RBP	20	363-1 Liquefaction Equipment	DPKDAYP	50,409	50,409	0	0	0	50,409	0	0
RBP	21	TOTAL STORAGE PLANT		72,428	72,428	0	0	0	72,428	0	0
RBP	22										
RBP	23	TRANSMISSION PLANT									
RBP	24	371- Transmission Related Plant	DTRAN	0	0	0	0	0	0	0	0
RBP	25	TOTAL TRANSMISSION PLANT		0	0	0	0	0	0	0	0
RBP	26										
RBP	27	DISTRIBUTION PLANT									
RBP	28	374-Land & Land Rights	DDISTPLT	3,637	3,637	0	0	0	0	3,637	0
RBP	29	375-Structures & Improvements	DDISTPLT	15,745	15,745	0	0	0	0	15,745	0
RBP	30	376-Mains									
RBP	31	General - Excess	DEXCESS	1,312,325	1,312,325	0	0	0	0	1,312,325	0
RBP	32	General - Average	DAVGDD	444,376	444,376	0	0	0	0	444,376	0
RBP	33	Direct Assignment	DAMAINS	15,289	15,289	0	0	0	0	15,289	0
RBP	34	Total Account 376		1,771,990	1,771,990	0	0	0	0	1,771,990	0
RBP	35	378-Measuring & Regulating Station Equip-General	PLT_376	24,652	24,652	0	0	0	0	24,652	0
RBP	36	379-Measuring & Regulating Station Equip-City Gate									
RBP	37	City Gate	PLT_376	65,778	65,778	0	0	0	0	65,778	0
RBP	38	Direct Assignment	DAMR	11,382	11,382	0	0	0	0	11,382	0
RBP	39	Total Account 379		77,160	77,160	0	0	0	0	77,160	0
RBP	40	380-Services	CSERVICE	1,111,048	0	0	1,111,048	0	0	0	0
RBP	41	381-Meters	CMETERS	163,858	0	0	163,858	0	0	0	0
RBP	42	Direct Assignment	CMETERSDA	232	0	0	232	0	0	0	0
RBP	43	Total Account 381		164,090	0	0	164,090	0	0	0	0
RBP	44	382-Meter Installations	CMETERS	220,402	0	0	220,402	0	0	0	0
RBP	45	Direct Assignment	CMETINSTDA	681	0	0	681	0	0	0	0
RBP	46	Total Account 382		221,083	0	0	221,083	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	148								
S	149								
S	150								
RBP	1	DEVELOPMENT OF RATE BASE							
RBP	2								
RBP	3	GAS PLANT IN SERVICE							
RBP	4	INTANGIBLE PLANT							
RBP	5	301-Organization	TOTPLT	0	5,783	2,008	21	4	36
RBP	6	303-Miscellaneous Intangible Plant	TOTPLT	0	0	0	0	0	0
RBP	7	TOTAL INTANGIBLE PLANT		0	5,783	2,008	21	4	36
RBP	8								
RBP	9	PRODUCTION PLANT (LPG)							
RBP	10	305-Land and Land Rights	DPKDAYP	0	0	0	0	0	0
RBP	11	311- Liquefied Petroleum Gas Equipment	DPKDAYP	0	0	0	0	0	0
RBP	12	320-Other Equipment (SNG Plant)	DPKDAYP	0	0	0	0	0	0
RBP	13	TOTAL PRODUCTION PLANT		0	0	0	0	0	0
RBP	14								
RBP	15	STORAGE PLANT (LNG)							
RBP	16	360-Land and Land Rights	DPKDAYS	0	0	0	0	0	0
RBP	17	361-Structures and Improvements	DPKDAYS	0	0	0	0	0	0
RBP	18	362-Gas Holders.	DPKDAYS	0	0	0	0	0	0
RBP	19	363-Purification Equipment	DPKDAYS	0	0	0	0	0	0
RBP	20	363-1 Liquefaction Equipment	DPKDAYS	0	0	0	0	0	0
RBP	21	TOTAL STORAGE PLANT		0	0	0	0	0	0
RBP	22								
RBP	23	TRANSMISSION PLANT							
RBP	24	371- Transmission Related Plant	DTRAN	0	0	0	0	0	0
RBP	25	TOTAL TRANSMISSION PLANT		0	0	0	0	0	0
RBP	26								
RBP	27	DISTRIBUTION PLANT							
RBP	28	374-Land & Land Rights	DDISTPLT	0	0	0	0	0	0
RBP	29	375-Structures & Improvements	DDISTPLT	0	0	0	0	0	0
RBP	30	376-Mains							
RBP	31	General - Excess	DEXCESS	0	0	0	0	0	0
RBP	32	General - Average	DAVGDD	0	0	0	0	0	0
RBP	33	Direct Assignment	DAMAINS	0	0	0	0	0	0
RBP	34	Total Account 376		0	0	0	0	0	0
RBP	35	378-Measuring & Regulating Station Equip-General	PLT_376	0	0	0	0	0	0
RBP	36	379-Measuring & Regulating Station Equip-City Gate							
RBP	37	City Gate	PLT_376	0	0	0	0	0	0
RBP	38	Direct Assignment	DAMR	0	0	0	0	0	0
RBP	39	Total Account 379		0	0	0	0	0	0
RBP	40	380-Services	CSERVICE	0	1,111,048	0	0	0	0
RBP	41	381-Meters	CMETERS	0	0	163,858	0	0	0
RBP	42	Direct Assignment	CMETERSDA	0	0	232	0	0	0
RBP	43	Total Account 381		0	0	164,090	0	0	0
RBP	44	382-Meter Installations	CMETERS	0	0	220,402	0	0	0
RBP	45	Direct Assignment	CMETINSTDA	0	0	681	0	0	0
RBP	46	Total Account 382		0	0	221,083	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBP	47	387-Other Equipment	DISTPLT	2,118	1,183	0	935	0	0	1,183	0
RBP	48	388-Asset Retirement Costs for Distribution Plant	DISTPLTXAR	1,454	812	0	642	0	0	812	0
RBP	49	TOTAL DISTRIBUTION PLANT		3,392,977	1,895,179	0	1,497,798	0	0	1,895,179	0
RBP	50										
RBP	51	GAS PLANT IN SERVICE CONTINUED									
RBP	52										
RBP	53	GENERAL PLANT									
RBP	54	389-Land and Land Rights	SALWAGES	0	0	0	0	0	0	0	0
RBP	55	390-Structures and Improvements	SALWAGES	10,387	5,523	0	4,863	48	666	4,809	0
RBP	56	391-Office Furniture & Equipment	SALWAGES	6,858	3,647	0	3,211	32	440	3,175	0
RBP	57	393-Store Equipment	SALWAGES	0	0	0	0	0	0	0	0
RBP	58	394-Tools, Shop & Garage Equip.	SALWAGES	16,155	8,591	0	7,564	75	1,036	7,480	0
RBP	59	395-Laboratory Equipment	SALWAGES	0	0	0	0	0	0	0	0
RBP	60	397-Communication Equipment	SALWAGES	4,872	2,591	0	2,281	23	312	2,256	0
RBP	61	398-Miscellaneous Equipment	SALWAGES	223	119	0	104	1	14	103	0
RBP	62	TOTAL GENERAL PLANT		38,495	20,470	0	18,025	178	2,469	17,823	0
RBP	63										
RBP	64										
RBP	65	TOTAL GAS PLANT IN SERVICE		3,537,669	2,013,995	0	1,523,674	15,799	75,285	1,922,911	0
RBP	66										
RBP	67										
RBP	68										
RBP	69										
RBP	70										
RBP	71										
RBP	72										
RBP	73										
RBP	74										
RBP	75										
RBP	76										
RBP	77										
RBP	78										
RBP	79										
RBP	80										
RBP	81										
RBP	82										
RBP	83										
RBP	84										
RBP	85										
RBP	86										
RBP	87										
RBP	88										
RBP	89										
RBP	90										
RBP	91										
RBP	92										
RBP	93										
RBP	94										
RBP	95										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBP	47	387-Other Equipment	DISTPLT	0	694	241	0	0	0
RBP	48	388-Asset Retirement Costs for Distribution Plant	DISTPLTXAR	0	477	165	0	0	0
RBP	49	TOTAL DISTRIBUTION PLANT		0	1,112,219	385,579	0	0	0
RBP	50								
RBP	51	GAS PLANT IN SERVICE CONTINUED							
RBP	52								
RBP	53	GENERAL PLANT							
RBP	54	389-Land and Land Rights	SALWAGES	0	0	0	0	0	0
RBP	55	390-Structures and Improvements	SALWAGES	0	1,165	548	1,102	185	1,863
RBP	56	391-Office Furniture & Equipment	SALWAGES	0	769	362	728	122	1,230
RBP	57	393-Store Equipment	SALWAGES	0	0	0	0	0	0
RBP	58	394-Tools, Shop & Garage Equip.	SALWAGES	0	1,812	853	1,714	288	2,897
RBP	59	395-Laboratory Equipment	SALWAGES	0	0	0	0	0	0
RBP	60	397-Communication Equipment	SALWAGES	0	547	257	517	87	874
RBP	61	398-Miscellaneous Equipment	SALWAGES	0	25	12	24	4	40
RBP	62	TOTAL GENERAL PLANT		0	4,318	2,033	4,085	686	6,904
RBP	63								
RBP	64								
RBP	65	TOTAL GAS PLANT IN SERVICE		0	1,122,320	389,619	4,106	689	6,939
RBP	66								
RBP	67								
RBP	68								
RBP	69								
RBP	70								
RBP	71								
RBP	72								
RBP	73								
RBP	74								
RBP	75								
RBP	76								
RBP	77								
RBP	78								
RBP	79								
RBP	80								
RBP	81								
RBP	82								
RBP	83								
RBP	84								
RBP	85								
RBP	86								
RBP	87								
RBP	88								
RBP	89								
RBP	90								
RBP	91								
RBP	92								
RBP	93								
RBP	94								
RBP	95								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBP	96										
RBP	97										
RBP	98										
RBP	99										
RBP	100										
RBD	1	LESS: ACCUMULATED DEPRECIATION									
RBD	2										
RBD	3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION INTPLT		16,737	9,528	0	7,208	75	356	9,097	0
RBD	4										
RBD	5	PRODUCTION PLANT ACCUMULATED DEPRECIATION PRODPLT		13,221	13,221	0	0	13,221	0	0	0
RBD	6										
RBD	7	STORAGE PLANT ACCUMULATED DEPRECIATION STORPLT		31,273	31,273	0	0	0	31,273	0	0
RBD	8										
RBD	9	TRANSMISSION PLANT ACCUMULATED DEPRECIATION TRANPLT		0	0	0	0	0	0	0	0
RBD	10										
RBD	11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION									
RBD	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0
RBD	13	375-Structures & Improvements	PLT_375	5,864	5,864	0	0	0	0	5,864	0
RBD	14	376-Mains									
RBD	15	General - Excess	PLT_376GE	270,841	270,841	0	0	0	0	270,841	0
RBD	16	General - Average	PLT_376GA	91,712	91,712	0	0	0	0	91,712	0
RBD	17	Direct Assignment	DAMAINSAD	2,147	2,147	0	0	0	0	2,147	0
RBD	18	Total Account 376		364,700	364,700	0	0	0	0	364,700	0
RBD	19	378-Measuring & Regulating Station Equip-General	PLT_378	8,285	8,285	0	0	0	0	8,285	0
RBD	20	379-Measuring & Regulating Station Equip-City Gate									
RBD	21	City Gate	PLT_379CG	22,178	22,178	0	0	0	0	22,178	0
RBD	22	Direct Assignment	DAMRAD	2,689	2,689	0	0	0	0	2,689	0
RBD	23	Total Account 379		24,867	24,867	0	0	0	0	24,867	0
RBD	24	380-Services	PLT_380	261,885	0	0	261,885	0	0	0	0
RBD	25	381-Meters	CMETERS	71,643	0	0	71,643	0	0	0	0
RBD	26	Direct Assignment	CMETERSDA	3	0	0	3	0	0	0	0
RBP	27	Total Account 381		71,646	0	0	71,646	0	0	0	0
RBD	28	382-Meter Installations	CMETERS	75,785	0	0	75,785	0	0	0	0
RBD	29	Direct Assignment	CMETERSDA	8	0	0	8	0	0	0	0
RBP	30	Total Account 382		75,793	0	0	75,793	0	0	0	0
RBD	31	387-Other Equipment	PLT_387	1,428	798	0	630	0	0	798	0
RBD	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	555	310	0	245	0	0	310	0
RBD	33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION		815,022	404,824	0	410,199	0	0	404,824	0
RBD	34										
RBD	35	GENERAL PLANT ACCUMULATED DEPRECIATION GENLPLT		16,131	8,578	0	7,553	75	1,035	7,468	0
RBD	36										
RBD	37	TOTAL ACCUMULATED DEPRECIATION		892,383	467,423	0	424,960	13,370	32,663	421,389	0
RBD	38										
RBD	39										
RBD	40										
RBD	41	NET GAS PLANT IN SERVICE		2,645,286	1,546,572	(0)	1,098,714	2,429	42,622	1,501,522	(0)
RBD	42										
RBD	43										
RBD	44										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBP	96								
RBP	97								
RBP	98								
RBP	99								
RBP	100								
RBD	1	LESS: ACCUMULATED DEPRECIATION							
RBD	2								
RBD	3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION INTPLT		0	5,310	1,843	19	3	33
RBD	4								
RBD	5	PRODUCTION PLANT ACCUMULATED DEPRECIATION PRODPLT		0	0	0	0	0	0
RBD	6								
RBD	7	STORAGE PLANT ACCUMULATED DEPRECIATION STORPLT		0	0	0	0	0	0
RBD	8								
RBD	9	TRANSMISSION PLANT ACCUMULATED DEPRECIATION TRANPLT		0	0	0	0	0	0
RBD	10								
RBD	11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION							
RBD	12	374-Land Rights	PLT_374	0	0	0	0	0	0
RBD	13	375-Structures & Improvements	PLT_375	0	0	0	0	0	0
RBD	14	376-Mains							
RBD	15	General - Excess	PLT_376GE	0	0	0	0	0	0
RBD	16	General - Average	PLT_376GA	0	0	0	0	0	0
RBD	17	Direct Assignment	DAMAINSAD	0	0	0	0	0	0
RBD	18	Total Account 376		0	0	0	0	0	0
RBD	19	378-Measuring & Regulating Station Equip-General	PLT_378	0	0	0	0	0	0
RBD	20	379-Measuring & Regulating Station Equip-City Gate							
RBD	21	City Gate	PLT_379CG	0	0	0	0	0	0
RBD	22	Direct Assignment	DAMRAD	0	0	0	0	0	0
RBD	23	Total Account 379		0	0	0	0	0	0
RBD	24	380-Services	PLT_380	0	261,885	0	0	0	0
RBD	25	381-Meters	CMETERS	0	0	71,643	0	0	0
RBD	26	Direct Assignment	CMETERSDA	0	0	3	0	0	0
RBP	27	Total Account 381		0	0	71,646	0	0	0
RBD	28	382-Meter Installations	CMETERS	0	0	75,785	0	0	0
RBD	29	Direct Assignment	CMETERSDA	0	0	8	0	0	0
RBP	30	Total Account 382		0	0	75,793	0	0	0
RBD	31	387-Other Equipment	PLT_387	0	468	162	0	0	0
RBD	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	182	63	0	0	0
RBD	33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION		0	262,535	147,664	0	0	0
RBD	34								
RBD	35	GENERAL PLANT ACCUMULATED DEPRECIATION GENLPLT		0	1,809	852	1,712	287	2,893
RBD	36								
RBD	37	TOTAL ACCUMULATED DEPRECIATION		0	269,654	150,359	1,731	291	2,926
RBD	38								
RBD	39								
RBD	40								
RBD	41	NET GAS PLANT IN SERVICE		(0)	852,666	239,260	2,375	399	4,014
RBD	42								
RBD	43								
RBD	44								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBD	45										
RBD	46										
RBD	47										
RBD	48										
RBD	49										
RBD	50										
RBO	1	ADDITIONS AND DEDUCTIONS TO RATE BASE									
RBO	2										
RBO	3	PLUS: ADDITIONS TO RATE BASE									
RBO	4										
RBO	5	COMMON PLANT	SALWAGES	136,770	72,729	0	64,041	633	8,771	63,324	0
RBO	6										
RBO	7	WORKING CAPITAL									
RBO	8	Cash Working Capital - Purchased Gas	SCH RBC, LN 37	3,682	0	3,682	0	0	0	0	3,682
RBO	9	Cash Working Capital	SCH RBC, LN 22	(245)	(891)	653	(7)	(14)	81	(958)	626
RBO	10	Gas Storage Inventory	ESTORAGE	31,156	0	31,156	0	0	0	0	0
RBO	11	Materials and Supplies	TOTPLT	444	253	0	191	2	9	241	0
RBO	12	TOTAL WORKING CAPITAL		35,037	(638)	35,491	184	(12)	91	(717)	4,308
RBO	13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS		168,125	72,091	31,809	64,225	621	8,862	62,607	626
RBO	14	TOTAL ADDITIONS TO RATE BASE		171,807	72,091	35,491	64,225	621	8,862	62,607	4,308
RBO	15										
RBO	16	LESS: DEDUCTIONS TO RATE BASE									
RBO	17	Customer Deposits	CUSTDEP	13,400	0	0	13,400	0	0	0	0
RBO	18	Customer Advances for Construction	CUSTADV	1,255	125	0	1,130	0	0	125	0
RBO	19	Deferred Income Taxes and Credits									
RBO	20	Plant	TOTPLT	383,270	218,195	0	165,074	1,712	8,156	208,327	0
RBO	21	Common Plant	SALWAGES	6,582	3,500	0	3,082	30	422	3,047	0
RBO	22	Pension Assets / (Liability)	SALWAGES	(35,059)	(18,643)	(0)	(16,416)	(162)	(2,248)	(16,232)	(0)
RBO	23	ML Non-Conforming	TOTPLT	0	0	0	0	0	0	0	0
RBO	24	Contributions in Aid of Construction (CIAC)	CUSTADV	(15,909)	(1,579)	0	(14,330)	0	0	(1,579)	0
RBO	25	Total Deferred Income Taxes and Credits		338,883	201,473	0	137,410	1,580	6,330	193,563	0
RBO	26	TOTAL DEDUCTIONS TO RATE BASE		353,538	201,597	0	151,941	1,580	6,330	193,688	0
RBO	27										
RBO	28	TOTAL PURCHASED GAS RATE BASE		3,682	0	3,682	0	0	0	0	3,682
RBO	29	TOTAL RATE BASE EXCLUDING PURCHASED GAS		2,459,873	1,417,066	31,809	1,010,998	1,470	45,154	1,370,442	626
RBO	30										
RBO	31	TOTAL RATE BASE		2,463,555	1,417,066	35,491	1,010,998	1,470	45,154	1,370,442	4,308
RBO	32										
RBO	33										
RBO	34										
RBO	35										
RBO	36										
RBO	37										
RBO	38										
RBO	39										
RBO	40										
RBO	41										
RBO	42										
RBO	43										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)	
RBD	45									
RBD	46									
RBD	47									
RBD	48									
RBD	49									
RBD	50									
RBO	1	ADDITIONS AND DEDUCTIONS TO RATE BASE								
RBO	2									
RBO	3	PLUS: ADDITIONS TO RATE BASE								
RBO	4									
RBO	5	COMMON PLANT	SALWAGES	0	15,342	7,221	14,514	2,437	24,528	
RBO	6									
RBO	7	WORKING CAPITAL								
RBO	8	Cash Working Capital - Purchased Gas	SCH RBC, LN 37	0	0	0	0	0	0	
RBO	9	Cash Working Capital	SCH RBC, LN 22	27	(914)	(244)	207	458	487	
RBO	10	Gas Storage Inventory	ESTORAGE	31,156	0	0	0	0	0	
RBO	11	Materials and Supplies	TOTPLT	0	141	49	1	0	1	
RBO	12	TOTAL WORKING CAPITAL		31,184	(774)	(196)	207	458	488	
RBO	13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS		31,184	14,568	7,026	14,721	2,894	25,015	
RBO	14	TOTAL ADDITIONS TO RATE BASE		31,184	14,568	7,026	14,721	2,894	25,015	
RBO	15									
RBO	16	LESS: DEDUCTIONS TO RATE BASE								
RBO	17	Customer Deposits	CUSTDEP	0	0	0	0	0	13,400	
RBO	18	Customer Advances for Construction	CUSTADV	0	990	140	0	0	0	
RBO	19	Deferred Income Taxes and Credits								
RBO	20	Plant	TOTPLT	0	121,592	42,211	445	75	752	
RBO	21	Common Plant	SALWAGES	0	738	348	698	117	1,180	
RBO	22	Pension Assets / (Liability)	SALWAGES	(0)	(3,933)	(1,851)	(3,721)	(625)	(6,287)	
RBO	23	ML Non-Conforming	TOTPLT	0	0	0	0	0	0	
RBO	24	Contributions in Aid of Construction (CIAC)	CUSTADV	0	(12,552)	(1,778)	0	0	0	
RBO	25	Total Deferred Income Taxes and Credits		0	105,846	38,929	(2,577)	(433)	(4,355)	
RBO	26	TOTAL DEDUCTIONS TO RATE BASE		0	106,836	39,070	(2,577)	(433)	9,045	
RBO	27									
RBO	28	TOTAL PURCHASED GAS RATE BASE		0	0	0	0	0	0	
RBO	29	TOTAL RATE BASE EXCLUDING PURCHASED GAS		31,184	760,399	207,217	19,674	3,726	19,984	
RBO	30									
RBO	31	TOTAL RATE BASE		31,184	760,399	207,217	19,674	3,726	19,984	
RBO	32									
RBO	33									
RBO	34									
RBO	35									
RBO	36									
RBO	37									
RBO	38									
RBO	39									
RBO	40									
RBO	41									
RBO	42									
RBO	43									

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBO	44										
RBO	45										
RBO	46										
RBO	47										
RBO	48										
RBO	49										
RBO	50										
RBC	1	CASH WORKING CAPITAL (LEAD LAG)									
RBC	2										
RBC	3	TOTAL EXCLUDING PURCHASED GAS									
RBC	4	O&M EXPENSE RELATED CASH WORKING CAPITAL									
RBC	5	Payroll (Distribution Only)	SALWAGES	42,209	22,445	0	19,764	195	2,707	19,543	0
RBC	6	Pension	SALWAGES	2,525	1,343	0	1,182	12	162	1,169	0
RBC	7	Other Expenses									
RBC	8	Other Expenses	OMXPPPP	95,915	41,920	(0)	53,995	232	5,216	36,472	(0)
RBC	9	BSC	EBSC	25,090	0	25,090	0	0	0	0	25,090
RBC	10	Purchase of Recievables (POR)	POR	63,454	31,785	1,020	30,650	114	2,464	29,207	246
RBC	11	TOTAL EXPENSES		229,193	97,493	26,110	105,591	553	10,549	86,390	25,336
RBC	12										
RBC	13	TOTAL EXPENSES PER DAY		628	267	72	289	2	29	237	69
RBC	14										
RBC	15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,285	1,397	374	1,514	8	151	1,238	363
RBC	16										
RBC	17	AVERAGE PREPAYMENTS		2,091	886	272	933	5	51	831	262
RBC	18	DISTRIBUTION ACCRUED TAXES		181	129	7	45	(1)	3	127	1
RBC	19	INTEREST PAYMENTS	TOTPLT	(5,802)	(3,303)	(0)	(2,499)	(26)	(123)	(3,154)	(0)
RBC	20										
RBC	21										
RBC	22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT		(245)	(891)	653	(7)	(14)	81	(958)	626
RBC	23										
RBC	24										
RBC	25	PURCHASED GAS									
RBC	26	O&M EXPENSE RELATED CASH WORKING CAPITAL									
RBC	27	Commodity Purchased - Contract Purchases	EGAS	201,810	0	201,810	0	0	0	0	201,810
RBC	28	Commodity Purchased - Spot Market Purchases	ETHRUPUTF	0	0	0	0	0	0	0	0
RBC	29	TOTAL EXPENSES		201,810	0	201,810	0	0	0	0	201,810
RBC	30										
RBC	31	TOTAL EXPENSES PER DAY		553	0	553	0	0	0	0	553
RBC	32										
RBC	33	PP CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,682	0	3,682	0	0	0	0	3,682
RBC	34										
RBC	35	PURCHASED GAS ACCRUED TAXES	ETHRUPUTF	0	0	0	0	0	0	0	0
RBC	36										
RBC	37	NET PURCHASED GAS CASH WORKING CAPITAL REQUIREMENT		3,682	0	3,682	0	0	0	0	3,682
RBC	38										
RBC	39										
RBC	40	TOTAL NET CASH WORKING CAPITAL		3,437	(891)	4,335	(7)	(14)	81	(958)	4,308
RBC	41										
RBC	42										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBO	44								
RBO	45								
RBO	46								
RBO	47								
RBO	48								
RBO	49								
RBO	50								
RBC	1	CASH WORKING CAPITAL (LEAD LAG)							
RBC	2								
RBC	3	TOTAL EXCLUDING PURCHASED GAS							
RBC	4	O&M EXPENSE RELATED CASH WORKING CAPITAL							
RBC	5	Payroll (Distribution Only)	SALWAGES	0	4,735	2,229	4,479	752	7,570
RBC	6	Pension	SALWAGES	0	283	133	268	45	453
RBC	7	Other Expenses							
RBC	8	Other Expenses	OMXPPPP	(0)	12,889	8,359	4,587	12,417	15,742
RBC	9	BSC	EBSC	0	0	0	0	0	0
RBC	10	Purchase of Recievables (POR)	POR	773	15,167	5,685	2,340	2,441	5,017
RBC	11	TOTAL EXPENSES		773	33,073	16,406	11,674	15,655	28,782
RBC	12								
RBC	13	TOTAL EXPENSES PER DAY		2	91	45	32	43	79
RBC	14								
RBC	15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		11	474	235	167	224	413
RBC	16								
RBC	17	AVERAGE PREPAYMENTS		10	419	152	44	234	85
RBC	18	DISTRIBUTION ACCRUED TAXES		6	33	8	3	0	1
RBC	19	INTEREST PAYMENTS	TOTPLT	(0)	(1,841)	(639)	(7)	(1)	(11)
RBC	20								
RBC	21								
RBC	22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT		27	(914)	(244)	207	458	487
RBC	23								
RBC	24								
RBC	25	PURCHASED GAS							
RBC	26	O&M EXPENSE RELATED CASH WORKING CAPITAL							
RBC	27	Commodity Purchased - Contract Purchases	EGAS	0	0	0	0	0	0
RBC	28	Commodity Purchased - Spot Market Purchases	ETHRUPUTF	0	0	0	0	0	0
RBC	29	TOTAL EXPENSES		0	0	0	0	0	0
RBC	30								
RBC	31	TOTAL EXPENSES PER DAY		0	0	0	0	0	0
RBC	32								
RBC	33	PP CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		0	0	0	0	0	0
RBC	34								
RBC	35	PURCHASED GAS ACCRUED TAXES	ETHRUPUTF	0	0	0	0	0	0
RBC	36								
RBC	37	NET PURCHASED GAS CASH WORKING CAPITAL REQUIREMENT		0	0	0	0	0	0
RBC	38								
RBC	39								
RBC	40	TOTAL NET CASH WORKING CAPITAL		27	(914)	(244)	207	458	487
RBC	41								
RBC	42								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS	
					CAPACITY	COMMODITY	CUSTOMER					
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)	
RBC	43											
RBC	44											
RBC	45											
RBC	46											
RBC	47											
RBC	48											
RBC	49											
RBC	50											
RBC	1	CASH WORKING CAPITAL (LEAD LAG) CONTINUED										
RBC	2											
RBC	3	<u>LAG/LEAD DAYS</u>										
RBC	4	REVENUE LAG DAYS	43.17		<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	
RBC	5	EXPENSE LEAD DAYS	37.94	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23	
RBC	6											
RBC	7	PURCHASED GAS EXP LEAD DAYS	36.51	6.66	6.66	6.66	6.66	6.66	6.66	6.66	6.66	
RBC	8											
RBC	9											
RBC	10											
RBC	11											
RBC	12											
RBC	13											
RBC	14											
RBC	15											
RBC	16	DISTRIBUTION ACCRUED TAXES										
RBC	17	Federal Income Tax	EBT	15,760	10,271	360	5,129	(21)	288	10,004	43	
RBC	18	State Income Tax	EBT	98,157	63,968	2,244	31,944	(130)	1,791	62,308	268	
RBC	19	PURTA Taxes	TOTPLT	(159,522)	(90,816)	(0)	(68,706)	(712)	(3,395)	(86,708)	(0)	
RBC	20	PA Capital Stock Tax	TOTPLT	0	0	0	0	0	0	0	0	
RBC	21	PA & Local Use Taxes	TOTPLT	0	0	0	0	0	0	0	0	
RBC	22	PA Property tax	TOTPLT	111,596	63,531	0	48,064	498	2,375	60,658	0	
RBC	23	TOTAL ACCRUED TAXES		65,991	46,955	2,604	16,432	(365)	1,059	46,261	311	
RBC	24	TOTAL ACCRUED TAXES PER DAY		181	129	7	45	(1)	3	127	1	
RBC	25											
RBC	26	DISTRIBUTION AVERAGE PREPAYMENTS										
RBC	27	AGA Membership Dues	SALESREV	181	96	3	81	0	7	90	1	
RBC	28	EAPA & NGA Membership Dues	SALESREV	64	34	1	29	0	2	32	0	
RBC	29	PUC Assess - Gas	CLAIMREV	747	256	268	224	1	16	239	261	
RBC	30	Cellent Gas Meter Reading	PLT_381	0	0	0	0	0	0	0	0	
RBC	31	Gas Software Maintenance	DISTPLT	12	7	0	5	0	0	7	0	
RBC	32	Customer and Research	CUSTBILLS	35	0	0	35	0	0	0	0	
RBC	33	VEBA Adjustment	SALWAGES	114	61	0	53	1	7	53	0	
RBC	34	Facility Contracts	DISTPLT	18	10	0	8	0	0	10	0	
RBC	35	IT License & Maintenance	TOTPLT	617	351	0	266	3	13	335	0	
RBC	36	Fleet Activities	GENPLT	76	40	0	36	0	5	35	0	
RBC	37	Prepared Rent	DISTPLT	55	31	0	24	0	0	31	0	
RBC	38	Postage	CUSTBILLS	172	0	0	172	0	0	0	0	
RBC	39	TOTAL AVERAGE PREPAYMENTS		2,091	886	272	933	5	51	831	262	
RBC	40											
RBC	41											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)	
RBC	43									
RBC	44									
RBC	45									
RBC	46									
RBC	47									
RBC	48									
RBC	49									
RBC	50									
RBC	1	CASH WORKING CAPITAL (LEAD LAG) CONTINUED								
RBC	2									
RBC	3	LAG/LEAD DAYS		NET DAYS	NET DAYS	NET DAYS	NET DAYS	NET DAYS	NET DAYS	
RBC	4	REVENUE LAG DAYS	43.17							
RBC	5	EXPENSE LEAD DAYS	37.94	5.23	5.23	5.23	5.23	5.23	5.23	
RBC	6									
RBC	7	PURCHASED GAS EXP LEAD DAYS	36.51	6.66	6.66	6.66	6.66	6.66	6.66	
RBC	8									
RBC	9									
RBC	10									
RBC	11									
RBC	12									
RBC	13									
RBC	14									
RBC	15									
RBC	16	DISTRIBUTION ACCRUED TAXES								
RBC	17	Federal Income Tax	EBT	317	3,783	1,124	134	25	63	
RBC	18	State Income Tax	EBT	1,976	23,561	7,002	834	153	394	
RBC	19	PURTA Taxes	TOTPLT	(0)	(50,608)	(17,569)	(185)	(31)	(313)	
RBC	20	PA Capital Stock Tax	TOTPLT	0	0	0	0	0	0	
RBC	21	PA & Local Use Taxes	TOTPLT	0	0	0	0	0	0	
RBC	22	PA Property tax	TOTPLT	0	35,404	12,291	130	22	219	
RBC	23	TOTAL ACCRUED TAXES		2,293	12,139	2,848	913	168	364	
RBC	24	TOTAL ACCRUED TAXES PER DAY		6	33	8	3	0	1	
RBC	25									
RBC	26	DISTRIBUTION AVERAGE PREPAYMENTS								
RBC	27	AGA Membership Dues	SALESREV	3	40	16	6	6	13	
RBC	28	EAPA & NGA Membership Dues	SALESREV	1	14	6	2	2	5	
RBC	29	PUC Assess - Gas	CLAIMREV	7	121	42	15	15	32	
RBC	30	Cellent Gas Meter Reading	PLT_381	0	0	0	0	0	0	
RBC	31	Gas Software Maintenance	DISTPLT	0	4	1	0	0	0	
RBC	32	Customer and Research	CUSTBILL	0	0	0	0	35	0	
RBC	33	VEBA Adjustment	SALWAGES	0	13	6	12	2	20	
RBC	34	Facility Contracts	DISTPLT	0	6	2	0	0	0	
RBC	35	IT License & Maintenance	TOTPLT	0	196	68	1	0	1	
RBC	36	Fleet Activities	GENLPLT	0	9	4	8	1	14	
RBC	37	Prepared Rent	DISTPLT	0	18	6	0	0	0	
RBC	38	Postage	CUSTBILL	0	0	0	0	172	0	
RBC	39	TOTAL AVERAGE PREPAYMENTS		10	419	152	44	234	85	
RBC	40									
RBC	41									

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBC	42										
RBC	43										
RBC	44										
RBC	45										
RBC	46										
RBC	47										
RBC	48										
RBC	49										
RBC	50										
RBC	51	OPERATING REVENUES									
RBC	52										
RBC	53	SALES REVENUES									
RBC	54	Sales of Gas Revenues - Base		361,576	192,812	6,312	162,452	610	13,178	179,024	1,302
RBC	55	Sales Revenues - Purchased Gas-PGC	EGAS	201,810	0	201,810	0	0	0	0	201,810
RBC	56	Sales Revenues - Balancing Service Charge-BSC	EBSC	25,090	0	25,090	0	0	0	0	25,090
RBC	57	TOTAL SALES OF GAS		588,476	192,812	233,212	162,452	610	13,178	179,024	228,202
RBC	58										
RBC	59	OTHER OPERATING REVENUES									
RBC	60	487-Forfeited Discounts	REV_487	838	418	14	406	1	30	386	3
RBC	61	488-Miscellaneous Service Revenues	OX_904	10	5	0	5	0	0	4	0
RBC	62	489-Transport of Gas of Others Revenue	PLT_376	0	0	0	0	0	0	0	0
RBC	63	494-Interdepartmental Rents	DISTPLT	691	386	0	305	0	0	386	0
RBC	64	TOTAL OTHER OPERATING REV		1,538	808	14	716	1	31	776	3
RBC	65										
RBC	66	TOTAL OPERATING REVENUES		590,014	193,620	233,226	163,168	612	13,209	179,800	228,205
RBC	67										
RBC	68										
RBC	69										
RBC	70										
RBC	71										
RBC	72										
RBC	73										
RBC	74										
RBC	75										
RBC	76										
RBC	77										
RBC	78										
RBC	79										
RBC	80										
RBC	81										
RBC	82										
RBC	83										
RBC	84										
RBC	85										
RBC	86										
RBC	87										
RBC	88										
RBC	89										
RBC	90										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBC	42								
RBC	43								
RBC	44								
RBC	45								
RBC	46								
RBC	47								
RBC	48								
RBC	49								
RBC	50								
RBC	51	OPERATING REVENUES							
RBC	52								
RBC	53	SALES REVENUES							
RBC	54	Sales of Gas Revenues - Base		5,010	79,414	31,788	12,069	12,610	26,570
RBC	55	Sales Revenues - Purchased Gas-PGC	EGAS	0	0	0	0	0	0
RBC	56	Sales Revenues - Balancing Service Charge-BSC	EBSC	0	0	0	0	0	0
RBC	57	TOTAL SALES OF GAS		5,010	79,414	31,788	12,069	12,610	26,570
RBC	58								
RBC	59	OTHER OPERATING REVENUES							
RBC	60	487-Forfeited Discounts	REV_487	11	199	73	31	33	69
RBC	61	488-Miscellaneous Service Revenues	OX_904	0	3	1	0	0	1
RBC	62	489-Transport of Gas of Others Revenue	PLT_376	0	0	0	0	0	0
RBC	63	494-Interdepartmental Rents	DISTPLT	0	226	78	0	0	0
RBC	64	TOTAL OTHER OPERATING REV		11	428	153	32	34	70
RBC	65								
RBC	66	TOTAL OPERATING REVENUES		5,021	79,842	31,941	12,101	12,644	26,640
RBC	67								
RBC	68								
RBC	69								
RBC	70								
RBC	71								
RBC	72								
RBC	73								
RBC	74								
RBC	75								
RBC	76								
RBC	77								
RBC	78								
RBC	79								
RBC	80								
RBC	81								
RBC	82								
RBC	83								
RBC	84								
RBC	85								
RBC	86								
RBC	87								
RBC	88								
RBC	89								
RBC	90								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBC	91										
RBC	92										
RBC	93										
RBC	94										
RBC	95										
RBC	96										
RBC	97										
RBC	98										
RBC	99										
RBC	100										
E	1	OPERATION & MAINTENANCE EXPENSE									
E	2										
E	3	PRODUCTION EXPENSE									
E	4	Manufactured Gas Production Expense									
E	5	Operation									
E	6	710-Operations Labor	DPKDAYP	0	0	0	0	0	0	0	0
E	7	717-Liquefied Petroleum Gas Expenses	DPKDAYP	80	80	0	0	80	0	0	0
E	8	Total Operation		80	80	0	0	80	0	0	0
E	9	Maintenance									
E	10	741-Maintenance of Structures and Improvements	DPKDAYP	53	53	0	0	53	0	0	0
E	11	742-Maintenance of Production Equipment	DPKDAYP	133	133	0	0	133	0	0	0
E	12	Total Maintenance		186	186	0	0	186	0	0	0
E	13	Total Manufactured Gas Production Expense		266	266	0	0	266	0	0	0
E	14	Other Gas Supply Expense									
E	15	Operation									
E	16	804-Natural Gas Purchases-PGC	EGAS	201,810	0	201,810	0	0	0	0	201,810
E	17	804-Natural Gas Purchases-BSC	EBSC	25,090	0	25,090	0	0	0	0	25,090
E	18	805-Other Natural Gas Purchases	ETHRUPUT	0	0	0	0	0	0	0	0
E	19	807-Purchased Gas Expenses	ESTORAGE	0	0	0	0	0	0	0	0
E	20	808.1 Gas withdrawn from storage—Debt.	ETHRUPUT	0	0	0	0	0	0	0	0
E	21	808.1 Gas withdrawn from storage—Direct	ETHRUPUT	0	0	0	0	0	0	0	0
E	22	Total Other Gas Supply Expense		226,900	0	226,900	0	0	0	0	226,900
E	23	TOTAL PRODUCTION EXPENSE		227,166	266	226,900	0	266	0	0	226,900
E	24										
E	25	NATURAL GAS STORAGE EXPENSE									
E	26	Operation									
E	27	840-Operation Supervision and Engineering	DPKDAYP	252	252	0	0	0	252	0	0
E	28	841-Operation Labor & Expenses - Training	DPKDAYP	812	812	0	0	0	812	0	0
E	29	Total Operation		1,065	1,065	0	0	0	1,065	0	0
E	30	Maintenance									
E	31	843-Maintenance Expense	DPKDAYP	4,414	4,414	0	0	0	4,414	0	0
E	32	Total Maintenance		4,414	4,414	0	0	0	4,414	0	0
E	33	Total Natural Gas Storage Expense		5,479	5,479	0	0	0	5,479	0	0
E	34										
E	35	TRANSMISSION EXPENSES									
E	36	Operation Expense	TRANPLT	0	0	0	0	0	0	0	0
E	37	Maintenance Expense	TRANPLT	0	0	0	0	0	0	0	0
E	38	TOTAL TRANSMISSION EXPENSE		0	0	0	0	0	0	0	0
E	39										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBC	91								
RBC	92								
RBC	93								
RBC	94								
RBC	95								
RBC	96								
RBC	97								
RBC	98								
RBC	99								
RBC	100								
E	1	OPERATION & MAINTENANCE EXPENSE							
E	2								
E	3	PRODUCTION EXPENSE							
E	4	Manufactured Gas Production Expense							
E	5	Operation							
E	6	710-Operations Labor	DPKDAYP	0	0	0	0	0	0
E	7	717-Liquefied Petroleum Gas Expenses	DPKDAYP	0	0	0	0	0	0
E	8	Total Operation		0	0	0	0	0	0
E	9	Maintenance							
E	10	741-Maintenance of Structures and Improvements	DPKDAYP	0	0	0	0	0	0
E	11	742-Maintenance of Production Equipment	DPKDAYP	0	0	0	0	0	0
E	12	Total Maintenance		0	0	0	0	0	0
E	13	Total Manufactured Gas Production Expense		0	0	0	0	0	0
E	14	Other Gas Supply Expense							
E	15	Operation							
E	16	804-Natural Gas Purchases-PGC	EGAS	0	0	0	0	0	0
E	17	804-Natural Gas Purchases-BSC	EBSC	0	0	0	0	0	0
E	18	805-Other Natural Gas Purchases	ETHRUPUT	0	0	0	0	0	0
E	19	807-Purchased Gas Expenses	ESTORAGE	0	0	0	0	0	0
E	20	808.1 Gas withdrawn from storage—Debt.	ETHRUPUT	0	0	0	0	0	0
E	21	808.1 Gas withdrawn from storage—Direct	ETHRUPUT	0	0	0	0	0	0
E	22	Total Other Gas Supply Expense		0	0	0	0	0	0
E	23	TOTAL PRODUCTION EXPENSE		0	0	0	0	0	0
E	24								
E	25	NATURAL GAS STORAGE EXPENSE							
E	26	Operation							
E	27	840-Operation Supervision and Engineering	DPKDAYS	0	0	0	0	0	0
E	28	841-Operation Labor & Expenses - Training	DPKDAYS	0	0	0	0	0	0
E	29	Total Operation		0	0	0	0	0	0
E	30	Maintenance							
E	31	843-Maintenance Expense	DPKDAYS	0	0	0	0	0	0
E	32	Total Maintenance		0	0	0	0	0	0
E	33	Total Natural Gas Storage Expense		0	0	0	0	0	0
E	34								
E	35	TRANSMISSION EXPENSES							
E	36	Operation Expense	TRANPLT	0	0	0	0	0	0
E	37	Maintenance Expense	TRANPLT	0	0	0	0	0	0
E	38	TOTAL TRANSMISSION EXPENSE		0	0	0	0	0	0
E	39								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
E	40	DISTRIBUTION EXPENSES									
E	41	Operation									
E	42	870-Operation Supervision and Engineering	SALWAGDO	1,094	449	0	645	0	0	449	0
E	43	874-Mains and Services Expenses	PLT_376380	16,959	10,423	0	6,535	0	0	10,423	0
E	44	875-Measuring & Reg. Station Exp.-General	PLT_378	1,036	1,036	0	0	0	0	1,036	0
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	PLT_379	1	1	0	0	0	0	1	0
E	46	878-Meter & House Regulator Expenses	PLT_3815	5,979	0	0	5,979	0	0	0	0
E	47	879-Customer Installations Expenses	CUSTINSTALL	5,158	0	0	5,158	0	0	0	0
E	48	880-Other Expenses	DISTPLT	13,512	7,547	0	5,965	0	0	7,547	0
E	49	Total Distribution Operation		43,737	19,456	0	24,281	0	0	19,456	0
E	50										
E	51	OPERATION & MAINTENANCE EXPENSE CONTINUED									
E	52	DISTRIBUTION EXPENSES CONTINUED									
E	53	Maintenance									
E	54	887-Maintenance of Mains	PLT_376	17,505	17,505	0	0	0	0	17,505	0
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	PLT_378	1,014	1,014	0	0	0	0	1,014	0
E	56	892-Maintenance of Services	PLT_380	1,445	0	0	1,445	0	0	0	0
E	57	893-Maint. of Meters & House Regulators	PLT_3815	418	0	0	418	0	0	0	0
E	58	894-Maintenance of Other Equipment	DISTPLT	879	491	0	388	0	0	491	0
E	59	Total Distribution Maintenance		21,261	19,010	0	2,251	0	0	19,010	0
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES		64,998	38,466	0	26,533	0	0	38,466	0
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)		297,643	44,211	226,900	26,533	266	5,479	38,466	226,900
E	62										
E	63	CUSTOMER ACCOUNTS EXPENSES									
E	64	902-Meter Reading	CMETRDG	199	0	0	199	0	0	0	0
E	65	903-Customer Records and Collection Expense	CUSTREC	14,723	0	0	14,723	0	0	0	0
E	66	904-Uncollectible Accounts	EXP_904	2,264	1,020	34	1,210	4	81	934	9
E	67	904-Uncollectible Accounts - PPA	EXP_904PPA	322	136	5	182	1	11	124	1
E	68	905-Miscellaneous CA	CUSTCAM	1,443	0	0	1,443	0	0	0	0
E	69	TOTAL CUSTOMER ACCTS EXPENSE		18,950	1,156	39	17,755	4	93	1,059	10
E	70										
E	71	CUSTOMER SERVICE & SALES EXPENSES									
E	72	908-Customer Assistance	CUSTASST	7,742	0	0	7,742	0	0	0	0
E	73	908-Customer Assistance	CUSTASSTDA	500	0	0	500	0	0	0	0
E	74	909-Advertisement	CUSTADVT	309	0	0	309	0	0	0	0
E	75	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	CUSTSALES	2,810	0	0	2,810	0	0	0	0
E	77	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP		11,361	0	0	11,361	0	0	0	0
E	79										
E	80	TOTAL OPER & MAINT EXCL A&G		327,954	45,367	226,939	55,649	270	5,572	39,525	226,910
E	81										
E	82	ADMINISTRATIVE & GENERAL EXPENSE									
E	83	920-Administrative Salaries	SALWAGES	9,261	4,925	0	4,336	43	594	4,288	0
E	84	921-Office Supplies & Expense	SALWAGES	1,454	773	0	681	7	93	673	0
E	85	923-Outside Service Employed	SALWAGES	16,942	9,009	0	7,933	78	1,087	7,844	0
E	86	924-Property Insurance	PSTDGPLT	75	43	0	32	0	2	41	0
E	87	925-Injuries and Damages	SALWAGES	273	145	0	128	1	18	126	0
E	88	926-Employee Pensions & Benefits	SALWAGES	9,692	5,154	0	4,538	45	622	4,487	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
E	40	DISTRIBUTION EXPENSES							
E	41	Operation							
E	42	870-Operation Supervision and Engineering	SALWAGDO	0	242	118	284	0	0
E	43	874-Mains and Services Expenses	PLT_376380	0	6,535	0	0	0	0
E	44	875-Measuring & Reg. Station Exp.-General	PLT_378	0	0	0	0	0	0
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	PLT_379	0	0	0	0	0	0
E	46	878-Meter & House Regulator Expenses	PLT_3815	0	0	5,979	0	0	0
E	47	879-Customer Installations Expenses	CUSTINSTALL	0	0	0	5,158	0	0
E	48	880-Other Expenses	DISTPLT	0	4,429	1,536	0	0	0
E	49	Total Distribution Operation		0	11,207	7,632	5,442	0	0
E	50								
E	51	OPERATION & MAINTENANCE EXPENSE CONTINUED							
E	52	DISTRIBUTION EXPENSES CONTINUED							
E	53	Maintenance							
E	54	887-Maintenance of Mains	PLT_376	0	0	0	0	0	0
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	PLT_378	0	0	0	0	0	0
E	56	892-Maintenance of Services	PLT_380	0	1,445	0	0	0	0
E	57	893-Maint. of Meters & House Regulators	PLT_3815	0	0	418	0	0	0
E	58	894-Maintenance of Other Equipment	DISTPLT	0	288	100	0	0	0
E	59	Total Distribution Maintenance		0	1,733	518	0	0	0
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES		0	12,940	8,150	5,442	0	0
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)		0	12,940	8,150	5,442	0	0
E	62								
E	63	CUSTOMER ACCOUNTS EXPENSES							
E	64	902-Meter Reading	CMETRDG	0	0	0	0	0	199
E	65	903-Customer Records and Collection Expense	CUSTREC	0	0	0	0	0	14,723
E	66	904-Uncollectible Accounts	EXP_904	25	596	198	98	104	214
E	67	904-Uncollectible Accounts - PPA	EXP_904PPA	3	89	28	15	16	33
E	68	905-Miscellaneous CA	CUSTCAM	0	0	0	0	0	1,443
E	69	TOTAL CUSTOMER ACCTS EXPENSE		29	685	226	113	120	16,611
E	70								
E	71	CUSTOMER SERVICE & SALES EXPENSES							
E	72	908-Customer Assistance	CUSTASST	0	0	0	0	7,742	0
E	73	908-Customer Assistance	CUSTASSTDA	0	0	0	0	500	0
E	74	909-Advertisement	CUSTADVT	0	0	0	0	309	0
E	75	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	CUSTSALES	0	0	0	0	2,810	0
E	77	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP		0	0	0	0	11,361	0
E	79								
E	80	TOTAL OPER & MAINT EXCL A&G		29	13,625	8,376	5,555	11,481	16,611
E	81								
E	82	ADMINISTRATIVE & GENERAL EXPENSE							
E	83	920-Administrative Salaries	SALWAGES	0	1,039	489	983	165	1,661
E	84	921-Office Supplies & Expense	SALWAGES	0	163	77	154	26	261
E	85	923-Outside Service Employed	SALWAGES	0	1,900	895	1,798	302	3,038
E	86	924-Property Insurance	PSTDGPLT	0	24	8	0	0	0
E	87	925-Injuries and Damages	SALWAGES	0	31	14	29	5	49
E	88	926-Employee Pensions & Benefits	SALWAGES	0	1,087	512	1,028	173	1,738

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
E	89	928-Regulatory Commission	CLAIMREV	2,717	931	973	813	3	59	869	949
E	90	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0
E	91	930.1-General Advertising	CLAIMREV	0	0	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	SALWAGES	545	290	0	255	3	35	252	0
E	93	932-Maintenance of General Plant	GENLPLT	1,222	650	0	572	6	78	566	0
E	94	TOTAL A&G EXPENSE		42,181	21,919	973	19,289	185	2,587	19,147	949
E	95										
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES		370,135	67,286	227,912	74,938	455	8,159	58,671	227,859
E	97										
E	98	TOTAL PURCHASED GAS O&M EXPENSES		226,900	0	226,900	0	0	0	0	226,900
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS		143,235	67,286	1,012	74,938	455	8,159	58,671	959
E	100										
D	1	DEPRECIATION / AMORTIZATION EXPENSE									
D	2										
D	3	INTANGIBLE PLANT EXPENSE	INTPLT	10,333	5,883	0	4,450	46	220	5,617	0
D	4										
D	5	PRODUCTION PLANT EXPENSE	PRODPLT	117	117	0	0	117	0	0	0
D	6										
D	7	LOCAL STORAGE PLANT EXPENSE	STORPLT	1,729	1,729	0	0	0	1,729	0	0
D	8										
D	9	TRANSMISSION PLANT EXPENSE	TRANPLT	0	0	0	0	0	0	0	0
D	10										
D	11	DISTRIBUTION PLANT EXPENSE									
D	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0
D	13	375-Structures & Improvements	PLT_375	345	345	0	0	0	0	345	0
D	14	376-Mains									
D	15	General - Excess	PLT_376GE	22,750	22,750	0	0	0	0	22,750	0
D	16	General - Average	PLT_376GA	7,704	7,704	0	0	0	0	7,704	0
D	17	Direct Assignment	DAMAINSDE	155	155	0	0	0	0	155	0
D	18	Total Account 376		30,609	30,609	0	0	0	0	30,609	0
D	19	378-Measuring & Regulating Station Equip-General	PLT_378	508	508	0	0	0	0	508	0
D	20	379-Measuring & Regulating Station Equip-City Gate									
D	21	City Gate	PLT_379CG	1,361	1,361	0	0	0	0	1,361	0
D	22	Direct Assignment	DAMRDE	160	160	0	0	0	0	160	0
D	23	Total Account 379		1,521	1,521	0	0	0	0	1,521	0
D	24	380-Services	PLT_380	22,906	0	0	22,906	0	0	0	0
D	25	381-Meters	CMETERS	5,389	0	0	5,389	0	0	0	0
D	26	Direct Assignment	CMETERSDA	3	0	0	3	0	0	0	0
D	27	Total Account 381		5,392	0	0	5,392	0	0	0	0
D	28	382-Meter Installations	CMETERS	4,382	0	0	4,382	0	0	0	0
D	29	Direct Assignment	CMETERSDA	8	0	0	8	0	0	0	0
D	30	Total Account 382		4,390	0	0	4,390	0	0	0	0
D	31	387-Other Equipment	PLT_378387	133	132	0	1	0	0	132	0
D	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE		65,804	33,115	0	32,689	0	0	33,115	0
D	34										
D	35	GENERAL PLANT EXPENSE	GENLPLT	1,723	916	0	807	8	110	798	0
D	36										
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	SALWAGES	6,439	3,424	0	3,015	30	413	2,981	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
E	89	928-Regulatory Commission	CLAIMREV	24	438	155	53	53	115
E	90	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0
E	91	930.1-General Advertising	CLAIMREV	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	SALWAGES	0	61	29	58	10	98
E	93	932-Maintenance of General Plant	GENLPLT	0	137	65	130	22	219
E	94	TOTAL A&G EXPENSE		24	4,880	2,242	4,233	755	7,179
E	95								
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES		53	18,506	10,619	9,789	12,235	23,789
E	97								
E	98	TOTAL PURCHASED GAS O&M EXPENSES		0	0	0	0	0	0
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS		53	18,506	10,619	9,789	12,235	23,789
E	100								
D	1	DEPRECIATION / AMORTIZATION EXPENSE							
D	2								
D	3	INTANGIBLE PLANT EXPENSE	INTPLT	0	3,278	1,138	12	2	20
D	4								
D	5	PRODUCTION PLANT EXPENSE	PRODPLT	0	0	0	0	0	0
D	6								
D	7	LOCAL STORAGE PLANT EXPENSE	STORPLT	0	0	0	0	0	0
D	8								
D	9	TRANSMISSION PLANT EXPENSE	TRANPLT	0	0	0	0	0	0
D	10								
D	11	DISTRIBUTION PLANT EXPENSE							
D	12	374-Land Rights	PLT_374	0	0	0	0	0	0
D	13	375-Structures & Improvements	PLT_375	0	0	0	0	0	0
D	14	376-Mains							
D	15	General - Excess	PLT_376GE	0	0	0	0	0	0
D	16	General - Average	PLT_376GA	0	0	0	0	0	0
D	17	Direct Assignment	DAMAINSDE	0	0	0	0	0	0
D	18	Total Account 376		0	0	0	0	0	0
D	19	378-Measuring & Regulating Station Equip-General	PLT_378	0	0	0	0	0	0
D	20	379-Measuring & Regulating Station Equip-City Gate							
D	21	City Gate	PLT_379CG	0	0	0	0	0	0
D	22	Direct Assignment	DAMRDE	0	0	0	0	0	0
D	23	Total Account 379		0	0	0	0	0	0
D	24	380-Services	PLT_380	0	22,906	0	0	0	0
D	25	381-Meters	CMETERS	0	0	5,389	0	0	0
D	26	Direct Assignment	CMETERSDA	0	0	3	0	0	0
D	27	Total Account 381		0	0	5,392	0	0	0
D	28	382-Meter Installations	CMETERS	0	0	4,382	0	0	0
D	29	Direct Assignment	CMETERSDA	0	0	8	0	0	0
D	30	Total Account 382		0	0	4,390	0	0	0
D	31	387-Other Equipment	PLT_378387	0	1	0	0	0	0
D	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE		0	22,907	9,782	0	0	0
D	34								
D	35	GENERAL PLANT EXPENSE	GENLPLT	0	193	91	183	31	309
D	36								
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	SALWAGES	0	722	340	683	115	1,155

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
D	38										
D	39	NET MANUFACTURED GAS PLANT EXP	ETHRPUT	2,812	0	2,812	0	0	0	0	0
D	40										
D	41										
D	42	TOTAL DEPRECIATION / AMORTIZATION EXPENSE		88,958	45,184	2,812	40,962	201	2,473	42,510	0
D	43										
D	44										
D	45										
D	46										
D	47										
D	48										
D	49										
D	50										
TO	1	OTHER OPERATING EXPENSES									
TO	2										
TO	3	TAXES OTHER THAN INCOME TAXES									
TO	4	General Taxes									
TO	5	PURTA Taxes	TOTPLT	2,050	1,167	0	883	9	44	1,114	0
TO	6	Capital Stock	TOTPLT	0	0	0	0	0	0	0	0
TO	7	Payroll Related	SALWAGES	3,776	2,008	0	1,768	17	242	1,748	0
TO	8	Real Estate Tax	TOTPLT	1,568	893	0	675	7	33	852	0
TO	9	PA and Local Use Tax	CLAIMREV	152	52	54	45	0	3	49	53
TO	10	Total General Taxes		7,545	4,119	54	3,372	34	322	3,763	53
TO	11										
TO	12										
TO	13	Franchise and Revenue Taxes									
TO	14	Retail Revenue		0	0	0	0	0	0	0	0
TO	15	Forfeited Discounts		0	0	0	0	0	0	0	0
TO	16	Less: Bad Debt		0	0	0	0	0	0	0	0
TO	17	Total Revenue	CALCULATED	0	0	0	0	0	0	0	0
TO	18	Total Distribution @ GRT Rate 0.00%	CALCULATED	0	0	0	0	0	0	0	0
TO	19	Total Franchise and Revenue Taxes		0	0	0	0	0	0	0	0
TO	20										
TO	21	TOTAL TAXES OTHER THAN INCOME		7,545	4,119	54	3,372	34	322	3,763	53
TO	22										
TO	23										
TO	24										
TO	25										
TO	26										
TO	27										
TO	28										
TO	29										
TO	30										
TO	31										
TO	32										
TO	33										
TO	34										
TO	35										
TO	36										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
D	38								
D	39	NET MANUFACTURED GAS PLANT EXP	ETHRUPUT	2,812	0	0	0	0	0
D	40								
D	41								
D	42	TOTAL DEPRECIATION / AMORTIZATION EXPENSE		2,812	27,101	11,351	878	147	1,484
D	43								
D	44								
D	45								
D	46								
D	47								
D	48								
D	49								
D	50								
TO	1	OTHER OPERATING EXPENSES							
TO	2								
TO	3	TAXES OTHER THAN INCOME TAXES							
TO	4	General Taxes							
TO	5	PURTA Taxes	TOTPLT	0	650	226	2	0	4
TO	6	Capital Stock	TOTPLT	0	0	0	0	0	0
TO	7	Payroll Related	SALWAGES	0	424	199	401	67	677
TO	8	Real Estate Tax	TOTPLT	0	497	173	2	0	3
TO	9	PA and Local Use Tax	CLAIMREV	1	25	9	3	3	6
TO	10	Total General Taxes		1	1,596	606	408	71	691
TO	11								
TO	12								
TO	13	Franchise and Revenue Taxes							
TO	14	Retail Revenue		0	0	0	0	0	0
TO	15	Forfeited Discounts		0	0	0	0	0	0
TO	16	Less: Bad Debt		0	0	0	0	0	0
TO	17	Total Revenue	CALCULATED	0	0	0	0	0	0
TO	18	Total Distribution @ GRT Rate 0.00%	CALCULATED	0	0	0	0	0	0
TO	19	Total Franchise and Revenue Taxes		0	0	0	0	0	0
TO	20								
TO	21	TOTAL TAXES OTHER THAN INCOME		1	1,596	606	408	71	691
TO	22								
TO	23								
TO	24								
TO	25								
TO	26								
TO	27								
TO	28								
TO	29								
TO	30								
TO	31								
TO	32								
TO	33								
TO	34								
TO	35								
TO	36								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
TO	37										
TO	38										
TO	39										
TO	40										
TO	41										
TO	42										
TO	43										
TO	44										
TO	45										
TO	46										
TO	47										
TO	48										
TO	49										
TO	50										
TI	1	DEVELOPMENT OF INCOME TAXES									
TI	2										
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS		363,114	193,620	6,326	163,168	612	13,209	179,800	1,305
TI	4	LESS:									
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	SCH E, LN 99	143,235	67,286	1,012	74,938	455	8,159	58,671	959
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	SCH D, LN 42	88,958	45,184	2,812	40,962	201	2,473	42,510	0
TI	7	TAXES OTHER THAN INCOME TAXES	SCH TO, LN 21	7,545	4,119	54	3,372	34	322	3,763	53
TI	8	NET OPERATING INCOME BEFORE TAXES		123,375	77,031	2,448	43,897	(79)	2,255	74,855	293
TI	9	LESS:									
TI	10	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)		44,032	25,365	569	18,097	26	808	24,531	11
TI	11										
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS		79,344	51,665	1,878	25,800	(105)	1,447	50,324	282
TI	13										
TI	14	FEDERAL & STATE TAX ADJUSTMENTS									
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	SALWAGES	3,054	1,624	0	1,430	14	196	1,414	0
TI	16	Other Property Basis Adjustment (CIAC/ICM)	DISTPLT	12,276	6,857	0	5,419	0	0	6,857	0
TI	17	Removal Costs/Software	TOTPLT	9,120	5,192	0	3,928	41	194	4,957	0
TI	18	AFUDC Equity	TOTPLT	5,482	3,121	0	2,361	24	117	2,980	0
TI	19	Permanent Adjustments	TOTPLT	(775)	(441)	(0)	(334)	(3)	(16)	(421)	(0)
TI	20	Repair Allowance Deduction	TOTPLT	132,540	75,455	0	57,085	592	2,821	72,042	0
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS		161,697	91,807	0	69,889	668	3,311	87,829	0
TI	22										
TI	23	CALCULATION OF PA STATE INCOME TAXES									
TI	24	BASE TAXABLE INCOME	SCH TI, LN 12	79,344	51,665	1,878	25,800	(105)	1,447	50,324	282
TI	25	LESS:									
TI	26	State Tax Depreciation (Over) Under Book	TOTPLT	(25,538)	(14,539)	(0)	(10,999)	(114)	(543)	(13,881)	(0)
TI	27	Total Tax Adjustments	SCH TI, LN 21	161,697	91,807	0	69,889	668	3,311	87,829	0
TI	28	PA STATE TAXABLE DISTRIBUTION INCOME		(56,815)	(25,604)	1,878	(33,090)	(659)	(1,321)	(23,624)	282
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%		(5,676)	(2,558)	188	(3,306)	(66)	(132)	(2,360)	28
TI	30	PLUS: DEFERRED STATE INCOME TAXES									
TI	31	Net Operating Loss Utilization	CALCULATED	5,676	2,558	(188)	3,306	66	132	2,360	(28)
TI	32	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	TOTPLT	(1,531)	(872)	(0)	(660)	(7)	(33)	(832)	(0)
TI	34	Deferred Taxes on State NOL	TOTPLT	5,682	3,235	0	2,447	25	121	3,089	0
TI	35	TOTAL STATE INCOME TAX EXPENSE		4,151	2,363	0	1,788	19	88	2,256	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
TO	37								
TO	38								
TO	39								
TO	40								
TO	41								
TO	42								
TO	43								
TO	44								
TO	45								
TO	46								
TO	47								
TO	48								
TO	49								
TO	50								
TI	1	DEVELOPMENT OF INCOME TAXES							
TI	2								
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS		5,021	79,842	31,941	12,101	12,644	26,640
TI	4	LESS:							
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	SCH E, LN 99	53	18,506	10,619	9,789	12,235	23,789
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	SCH D, LN 42	2,812	27,101	11,351	878	147	1,484
TI	7	TAXES OTHER THAN INCOME TAXES	SCH TO, LN 21	1	1,596	606	408	71	691
TI	8	NET OPERATING INCOME BEFORE TAXES		2,154	32,640	9,365	1,026	190	676
TI	9	LESS:							
TI	10	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)		558	13,611	3,709	352	67	358
TI	11								
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS		1,596	19,029	5,655	674	123	318
TI	13								
TI	14	FEDERAL & STATE TAX ADJUSTMENTS							
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	SALWAGES	0	343	161	324	54	548
TI	16	Other Property Basis Adjustment (CIAC/ICM)	DISTPLT	0	4,024	1,395	0	0	0
TI	17	Removal Costs/Software	TOTPLT	0	2,893	1,004	11	2	18
TI	18	AFUDC Equity	TOTPLT	0	1,739	604	6	1	11
TI	19	Permanent Adjustments	TOTPLT	(0)	(246)	(85)	(1)	(0)	(2)
TI	20	Repair Allowance Deduction	TOTPLT	0	42,048	14,597	154	26	260
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS		0	50,801	17,676	494	83	835
TI	22								
TI	23	CALCULATION OF PA STATE INCOME TAXES							
TI	24	BASE TAXABLE INCOME	SCH TI, LN 12	1,596	19,029	5,655	674	123	318
TI	25	LESS:							
TI	26	State Tax Depreciation (Over) Under Book	TOTPLT	(0)	(8,102)	(2,813)	(30)	(5)	(50)
TI	27	Total Tax Adjustments	SCH TI, LN 21	0	50,801	17,676	494	83	835
TI	28	PA STATE TAXABLE DISTRIBUTION INCOME		1,596	(23,670)	(9,208)	210	45	(466)
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%		159	(2,365)	(920)	21	5	(47)
TI	30	PLUS: DEFERRED STATE INCOME TAXES							
TI	31	Net Operating Loss Utilization	CALCULATED	(159)	2,365	920	(21)	(5)	47
TI	32	TOTAL STATE INCOME TAX		0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	TOTPLT	(0)	(486)	(169)	(2)	(0)	(3)
TI	34	Deferred Taxes on State NOL	TOTPLT	0	1,803	626	7	1	11
TI	35	TOTAL STATE INCOME TAX EXPENSE		0	1,317	457	5	1	8

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
TI	36										
TI	37	CALCULATION OF FEDERAL INCOME TAXES									
TI	38	BASE TAXABLE INCOME	SCH TI, LN 12	79,344	51,665	1,878	25,800	(105)	1,447	50,324	282
TI	39	LESS:									
TI	40	PA State Income Taxes	SCH TI, LN 32	0	0	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	TOTPLT	(33,615)	(19,137)	(0)	(14,478)	(150)	(715)	(18,272)	(0)
TI	42	Total Tax Adjustments	SCH TI, LN 21	161,697	91,807	0	69,889	668	3,311	87,829	0
TI	43	FEDERAL TAXABLE DISTRIBUTION INCOME		(48,738)	(21,005)	1,878	(29,611)	(623)	(1,149)	(19,234)	282
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%		10,235	4,411	(394)	6,218	131	241	4,039	(59)
TI	45										
TI	46										
TI	47										
TI	48										
TI	49										
TI	50										
TI	51	DEVELOPMENT OF INCOME TAXES CONTINUED									
TI	52										
TI	53	FEDERAL INCOME TAXES @ Tax Rate 21.00%	SCH TI, LN 44	10,235	4,411	(394)	6,218	131	241	4,039	(59)
TI	54	PLUS: DEFERRED FEDERAL INCOME TAXES									
TI	55	Deferred Taxes on Timing Differences - Federal	TOTPLT	1,053	600	0	454	5	22	572	0
TI	56	Excess Deferred Amortization	TOTPLT	3,455	1,967	0	1,488	15	74	1,878	0
TI	57	FIT Expense on Flow Through Adjustments	TOTPLT	(953)	(542)	(0)	(410)	(4)	(20)	(518)	(0)
TI	58	LESS: OTHER FEDERAL TAX ADJUSTMENTS									
TI	59	Amortization of ITC - Gas Plant	TOTPLT	(64)	(36)	(0)	(28)	(0)	(1)	(35)	(0)
TI	60	TOTAL FEDERAL INCOME TAX EXPENSE		13,854	6,472	(394)	7,777	147	318	6,006	(59)
TI	61	TOTAL INCOME TAX EXPENSE EXCLUDING PURCHASED GAS		18,005	8,835	(394)	9,565	165	407	8,263	(59)
TI	62										
TI	63	DEVELOPMENT OF PURCHASED GAS TAXES									
TI	64	PURCHASED GAS OPERATING REVENUES		226,900	0	226,900	0	0	0	0	226,900
TI	65	LESS:									
TI	66	OPERATION & MAINTAINENCE EXPENSE		226,900	0	226,900	0	0	0	0	226,900
TI	67	NET OPERATING INCOME BEFORE TAXES		0	0	0	0	0	0	0	0
TI	68	LESS:									
TI	69	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)		66	0	66	0	0	0	0	66
TI	70	BASE TAXABLE PURCHASED GAS INCOME		(66)	0	(66)	0	0	0	0	(66)
TI	71	LESS:									
TI	72	PA STATE PURCHASED GAS INCOME TAXES @ Tax Rate 9.99%		(7)	0	(7)	0	0	0	0	(7)
TI	73	Net Operating Loss Utilization	CALCULATED	7	0	7	0	0	0	0	7
TI	74	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0
TI	75	EQUALS:									
TI	76	FEDERAL PURCHASED GAS INCOME TAXES @ Tax Rate 21.00%		14	0	14	0	0	0	0	14
TI	77										
TI	78	TOTAL PA INCOME TAX EXPENSE		4,151	2,363	0	1,788	19	88	2,256	0
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE		13,868	6,472	(381)	7,777	147	318	6,006	(45)
TI	80	TOTAL INCOME TAX EXPENSE		18,019	8,835	(381)	9,565	165	407	8,263	(45)
TI	81										
TI	82	TOTAL OTHER TAX EXPENSE		7,545	4,119	54	3,372	34	322	3,763	53
TI	83										
TI	84	TOTAL TAX EXPENSE		25,564	12,954	(326)	12,937	199	729	12,026	8

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
TI	36								
TI	37	CALCULATION OF FEDERAL INCOME TAXES							
TI	38	BASE TAXABLE INCOME	SCH TI, LN 12	1,596	19,029	5,655	674	123	318
TI	39	LESS:							
TI	40	PA State Income Taxes	SCH TI, LN 32	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	TOTPLT	(0)	(10,664)	(3,702)	(39)	(7)	(66)
TI	42	Total Tax Adjustments	SCH TI, LN 21	0	50,801	17,676	494	83	835
TI	43	FEDERAL TAXABLE DISTRIBUTION INCOME		1,596	(21,108)	(8,319)	219	47	(450)
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%		(335)	4,433	1,747	(46)	(10)	95
TI	45								
TI	46								
TI	47								
TI	48								
TI	49								
TI	50								
TI	51	DEVELOPMENT OF INCOME TAXES CONTINUED							
TI	52								
TI	53	FEDERAL INCOME TAXES @ Tax Rate 21.00%	SCH TI, LN 44	(335)	4,433	1,747	(46)	(10)	95
TI	54	PLUS: DEFERRED FEDERAL INCOME TAXES							
TI	55	Deferred Taxes on Timing Differences - Federal	TOTPLT	0	334	116	1	0	2
TI	56	Excess Deferred Amortization	TOTPLT	0	1,096	380	4	1	7
TI	57	FIT Expense on Flow Through Adjustments	TOTPLT	(0)	(302)	(105)	(1)	(0)	(2)
TI	58	LESS: OTHER FEDERAL TAX ADJUSTMENTS							
TI	59	Amortization of ITC - Gas Plant	TOTPLT	(0)	(20)	(7)	(0)	(0)	(0)
TI	60	TOTAL FEDERAL INCOME TAX EXPENSE		(335)	5,581	2,146	(42)	(9)	102
TI	61	TOTAL INCOME TAX EXPENSE EXCLUDING PURCHASED GAS		(335)	6,898	2,603	(37)	(8)	110
TI	62								
TI	63	DEVELOPMENT OF PURCHASED GAS TAXES							
TI	64	PURCHASED GAS OPERATING REVENUES		0	0	0	0	0	0
TI	65	LESS:							
TI	66	OPERATION & MAINTAINENCE EXPENSE		0	0	0	0	0	0
TI	67	NET OPERATING INCOME BEFORE TAXES		0	0	0	0	0	0
TI	68	LESS:							
TI	69	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)		0	0	0	0	0	0
TI	70	BASE TAXABLE PURCHASED GAS INCOME		0	0	0	0	0	0
TI	71	LESS:							
TI	72	PA STATE PURCHASED GAS INCOME TAXES @ Tax Rate 9.99%		0	0	0	0	0	0
TI	73	Net Operating Loss Utilization	CALCULATED	0	0	0	0	0	0
TI	74	TOTAL STATE INCOME TAX		0	0	0	0	0	0
TI	75	EQUALS:							
TI	76	FEDERAL PURCHASED GAS INCOME TAXES @ Tax Rate 21.00%		0	0	0	0	0	0
TI	77								
TI	78	TOTAL PA INCOME TAX EXPENSE		0	1,317	457	5	1	8
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE		(335)	5,581	2,146	(42)	(9)	102
TI	80	TOTAL INCOME TAX EXPENSE		(335)	6,898	2,603	(37)	(8)	110
TI	81								
TI	82	TOTAL OTHER TAX EXPENSE		1	1,596	606	408	71	691
TI	83								
TI	84	TOTAL TAX EXPENSE		(334)	8,493	3,209	371	63	800

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
TI	85										
TI	86										
TI	87										
TI	88										
TI	89										
TI	90	TAX RATES & FACTORS									
TI	91	GROSS RECEIPTS TAX RATE	0.00%								
TI	92	STATE TAX RATE	9.99%								
TI	93	FEDERAL TAX RATE - CURRENT	21.00%								
TI	94	1 - EFFECTIVE TAX RATE									
TI	95	EFFECTIVE TAX RATE									
TI	96	GROSS REVENUE CONVERSION FACTOR	1.41376								
TI	97	UNCOLLECTIBLES EXPENSE FACTOR	0.003472								
TI	98	PUC / OTS & SBA FEE AS % OF REV FACTOR	0.003080								
TI	99	WEIGHTED COST OF DEBT	1.79%								
TI	100										
SW	1	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR									
SW	2										
SW	3	PRODUCTION SALARIES & WAGES EXPENSE									
SW	4	Manufactured Gas Production Expense									
SW	5	Operation - Acct 717	OX_PRODM	48	48	0	0	48	0	0	0
SW	6	Maintenance - Accts 741-742	MX_PRODM	112	112	0	0	112	0	0	0
SW	7	Total Manufactured Gas Production Expense		160	160	0	0	160	0	0	0
SW	8										
SW	9	Other Gas Supply Expense									
SW	10	Operation - Accounts 804-808	OX_PRODO	0	0	0	0	0	0	0	0
SW	11	Total Other Gas Supply		0	0	0	0	0	0	0	0
SW	12	TOTAL PRODUCTION S&W EXP		160	160	0	0	160	0	0	0
SW	13										
SW	14	STORAGE SALARIES & WAGES EXPENSE									
SW	15	Operation - Accts 840-841	OX_STOR	541	541	0	0	0	541	0	0
SW	16	Maintenance - Acct 843	MX_STOR	1,672	1,672	0	0	0	1,672	0	0
SW	17	TOTAL STORAGE S&W EXP		2,213	2,213	0	0	0	2,213	0	0
SW	18										
SW	19	TRANSMISSION SALARIES & WAGES EXPENSE									
SW	20	Operation	OX_TRAN	0	0	0	0	0	0	0	0
SW	21	Maintenance	MX_TRAN	0	0	0	0	0	0	0	0
SW	22	TOTAL TRANSMISSION S&W EXP		0	0	0	0	0	0	0	0
SW	23										
SW	24	DISTRIBUTION SALARIES & WAGES EXPENSE									
SW	25	Operation									
SW	26	874-Mains and Services Expenses	OX_874	5,809	3,570	0	2,239	0	0	3,570	0
SW	27	875-Measuring & Reg. Station Exp.-General	OX_875	714	714	0	0	0	0	714	0
SW	28	878-Meter & House Regulator Expenses	OX_878	1,217	0	0	1,217	0	0	0	0
SW	29	879-Customer Installations Expenses	OX_879	3,662	0	0	3,662	0	0	0	0
SW	30	880-Other Expenses	OX_880	2,695	1,505	0	1,190	0	0	1,505	0
SW	31	Total Operation		14,096	5,789	0	8,307	0	0	5,789	0
SW	32	Maintenance									
SW	33	887-Maintenance of Mains	MX_887	9,628	9,628	0	0	0	0	9,628	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
TI	85								
TI	86								
TI	87								
TI	88								
TI	89								
TI	90	TAX RATES & FACTORS							
TI	91	GROSS RECEIPTS TAX RATE	0.00%						
TI	92	STATE TAX RATE	9.99%						
TI	93	FEDERAL TAX RATE - CURRENT	21.00%						
TI	94	1 - EFFECTIVE TAX RATE							
TI	95	EFFECTIVE TAX RATE							
TI	96	GROSS REVENUE CONVERSION FACTOR	1.41376						
TI	97	UNCOLLECTIBLES EXPENSE FACTOR	0.003472						
TI	98	PUC / OTS & SBA FEE AS % OF REV FACTOR	0.003080						
TI	99	WEIGHTED COST OF DEBT	1.79%						
TI	100								
SW	1	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR							
SW	2								
SW	3	PRODUCTION SALARIES & WAGES EXPENSE							
SW	4	Manufactured Gas Production Expense							
SW	5	Operation - Acct 717	OX_PRODM	0	0	0	0	0	0
SW	6	Maintenance - Accts 741-742	MX_PRODM	0	0	0	0	0	0
SW	7	Total Manufactured Gas Production Expense		0	0	0	0	0	0
SW	8								
SW	9	Other Gas Supply Expense							
SW	10	Operation - Accounts 804-808	OX_PRODO	0	0	0	0	0	0
SW	11	Total Other Gas Supply		0	0	0	0	0	0
SW	12	TOTAL PRODUCTION S&W EXP		0	0	0	0	0	0
SW	13								
SW	14	STORAGE SALARIES & WAGES EXPENSE							
SW	15	Operation - Accts 840-841	OX_STOR	0	0	0	0	0	0
SW	16	Maintenance - Acct 843	MX_STOR	0	0	0	0	0	0
SW	17	TOTALSTORAGE S&W EXP		0	0	0	0	0	0
SW	18								
SW	19	TRANSMISSION SALARIES & WAGES EXPENSE							
SW	20	Operation	OX_TRAN	0	0	0	0	0	0
SW	21	Maintenance	MX_TRAN	0	0	0	0	0	0
SW	22	TOTAL TRANSMISSION S&W EXP		0	0	0	0	0	0
SW	23								
SW	24	DISTRIBUTION SALARIES & WAGES EXPENSE							
SW	25	Operation							
SW	26	874-Mains and Services Expenses	OX_874	0	2,239	0	0	0	0
SW	27	875-Measuring & Reg. Station Exp.-General	OX_875	0	0	0	0	0	0
SW	28	878-Meter & House Regulator Expenses	OX_878	0	0	1,217	0	0	0
SW	29	879-Customer Installations Expenses	OX_879	0	0	0	3,662	0	0
SW	30	880-Other Expenses	OX_880	0	883	306	0	0	0
SW	31	Total Operation		0	3,122	1,523	3,662	0	0
SW	32	Maintenance							
SW	33	887-Maintenance of Mains	MX_887	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
SW	34	889-Maint. of Measuring & Reg. Station Equip.-Gen	MX_889	494	494	0	0	0	0	494	0
SW	35	892-Maintenance of Services	MX_892	710	0	0	710	0	0	0	0
SW	36	893-Maint. of Meters & House Regulators	MX_893	285	0	0	285	0	0	0	0
SW	37	894-Maintenance of Other Equipment	MX_894	116	65	0	51	0	0	65	0
SW	38	Total Distribution Maintenance		11,234	10,186	0	1,047	0	0	10,186	0
SW	39	TOTAL DISTRIBUTION S&W EXP		25,330	15,976	0	9,354	0	0	15,976	0
SW	40	TOTAL OPER & MAINT S&W EXP (PROD, STOR, TRAN,& DIST)		27,702	18,348	0	9,354	160	2,213	15,976	0
SW	41										
SW	42										
SW	43										
SW	44										
SW	45										
SW	46										
SW	47										
SW	48										
SW	49										
SW	50										
SW	51	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR CONTINUED									
SW	52										
SW	53	CUSTOMER ACCOUNTS EXPENSES									
SW	54	902-Meter Reading	CMETRDG	0	0	0	0	0	0	0	0
SW	55	903-Customer Records and Collection Expense	CUSTREC	5,897	0	0	5,897	0	0	0	0
SW	56	904-Uncollectible Accounts	EXP_904	0	0	0	0	0	0	0	0
SW	57	904-Uncollectible Accounts - PPA	EXP_904	0	0	0	0	0	0	0	0
SW	58	905-Miscellaneous CA	CUSTCAM	291	0	0	291	0	0	0	0
SW	59	TOTAL CUSTOMER ACCTS S&W EXPENSE		6,188	0	0	6,188	0	0	0	0
SW	60										
SW	61	CUSTOMER SERVICE & SALES EXPENSES									
SW	62	908-Customer Assistance	CUSTASST	226	0	0	226	0	0	0	0
SW	63	909-Advertisement	CUSTADVT	0	0	0	0	0	0	0	0
SW	64	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0
SW	65	912-Demonstrating and Selling Expenses	CUSTSALES	388	0	0	388	0	0	0	0
SW	66	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0
SW	67	TOTAL CUST SERVICE & SALES S&W EXP		615	0	0	615	0	0	0	0
SW	68										
SW	69	TOTAL OPER & MAINT S&W EXP EXCL A&G		34,505	18,348	0	16,157	160	2,213	15,976	0
SW	70										
SW	71	ADMINISTRATIVE & GENERAL EXPENSE									
SW	72	920-Administrative Salaries	SALWAGXAG	7,398	3,934	0	3,464	34	474	3,425	0
SW	73	921-Office Supplies & Expense	SALWAGXAG	0	0	0	0	0	0	0	0
SW	74	923-Outside Service Employed	SALWAGXAG	0	0	0	0	0	0	0	0
SW	75	924-Property Insurance	PSTDGPLT	0	0	0	0	0	0	0	0
SW	76	925-Injuries and Damages	SALWAGXAG	129	69	0	60	1	8	60	0
SW	77	926-Employee Pensions & Benefits	SALWAGXAG	0	0	0	0	0	0	0	0
SW	78	928-Regulatory Commission	CLAIMREV	0	0	0	0	0	0	0	0
SW	79	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0
SW	80	930.1-General Advertising	SALWAGXAG	0	0	0	0	0	0	0	0
SW	81	930.2-Miscellaneous General	SALWAGXAG	0	0	0	0	0	0	0	0
SW	82	932-Maintenance of General Plant	GENLPLT	177	94	0	83	1	11	82	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
SW	34	889-Maint. of Measuring & Reg. Station Equip.-Gen	MX_889	0	0	0	0	0	0
SW	35	892-Maintenance of Services	MX_892	0	710	0	0	0	0
SW	36	893-Maint. of Meters & House Regulators	MX_893	0	0	285	0	0	0
SW	37	894-Maintenance of Other Equipment	MX_894	0	38	13	0	0	0
SW	38	Total Distribution Maintenance		0	748	299	0	0	0
SW	39	TOTAL DISTRIBUTION S&W EXP		0	3,870	1,822	3,662	0	0
SW	40	TOTAL OPER & MAINT S&W EXP (PROD, STOR, TRAN,& DIST)		0	3,870	1,822	3,662	0	0
SW	41								
SW	42								
SW	43								
SW	44								
SW	45								
SW	46								
SW	47								
SW	48								
SW	49								
SW	50								
SW	51	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR COI							
SW	52								
SW	53	CUSTOMER ACCOUNTS EXPENSES							
SW	54	902-Meter Reading	CMETRDG	0	0	0	0	0	0
SW	55	903-Customer Records and Collection Expense	CUSTREC	0	0	0	0	0	5,897
SW	56	904-Uncollectible Accounts	EXP_904	0	0	0	0	0	0
SW	57	904-Uncollectible Accounts - PPA	EXP_904	0	0	0	0	0	0
SW	58	905-Miscellaneous CA	CUSTCAM	0	0	0	0	0	291
SW	59	TOTAL CUSTOMER ACCTS S&W EXPENSE		0	0	0	0	0	6,188
SW	60								
SW	61	CUSTOMER SERVICE & SALES EXPENSES							
SW	62	908-Customer Assistance	CUSTASST	0	0	0	0	226	0
SW	63	909-Advertisement	CUSTADVT	0	0	0	0	0	0
SW	64	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0
SW	65	912-Demonstrating and Selling Expenses	CUSTSALES	0	0	0	0	388	0
SW	66	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0
SW	67	TOTAL CUST SERVICE & SALES S&W EXP		0	0	0	0	615	0
SW	68								
SW	69	TOTAL OPER & MAINT S&W EXP EXCL A&G		0	3,870	1,822	3,662	615	6,188
SW	70								
SW	71	ADMINISTRATIVE & GENERAL EXPENSE							
SW	72	920-Administrative Salaries	SALWAGXAG	0	830	391	785	132	1,327
SW	73	921-Office Supplies & Expense	SALWAGXAG	0	0	0	0	0	0
SW	74	923-Outside Service Employed	SALWAGXAG	0	0	0	0	0	0
SW	75	924-Property Insurance	PSTDGPLT	0	0	0	0	0	0
SW	76	925-Injuries and Damages	SALWAGXAG	0	14	7	14	2	23
SW	77	926-Employee Pensions & Benefits	SALWAGXAG	0	0	0	0	0	0
SW	78	928-Regulatory Commission	CLAIMREV	0	0	0	0	0	0
SW	79	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0
SW	80	930.1-General Advertising	SALWAGXAG	0	0	0	0	0	0
SW	81	930.2-Miscellaneous General	SALWAGXAG	0	0	0	0	0	0
SW	82	932-Maintenance of General Plant	GENPLT	0	20	9	19	3	32

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
SW	83	TOTAL A&G S&W EXPENSE		7,704	4,097	0	3,607	36	494	3,567	0
SW	84										
SW	85	TOTAL OPER & MAINTENANCE SALARIES & WAGES EXP		42,209	22,445	0	19,764	195	2,707	19,543	0
SW	86										
SW	87										
SW	88										
SW	89										
SW	90										
SW	91										
SW	92										
SW	93										
SW	94										
SW	95										
SW	96										
SW	97										
SW	98										
SW	99										
SW	100										
AF	1	ALLOCATION FACTOR TABLE									
AF	2	EXTERNALLY DEVELOPED ALLOCATION FACTORS									
AF	3										
AF	4	CAPACITY									
AF	5	<u>CAPACITY - PRODUCTION RELATED (LPG)</u>									
AF	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	846,416							
AF	7										
AF	8										
AF	9	<u>CAPACITY - STORAGE RELATED (LNG)</u>									
AF	10	Capacity Storage - Design Peak Day Sendout	DPKDAY	846,416							
AF	11										
AF	12										
AF	13										
AF	14	<u>CAPACITY - TRANSMISSION RELATED</u>									
AF	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	846,416							
AF	16										
AF	17										
AF	18										
AF	19										
AF	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>									
AF	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	681,237							
AF	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	15,289							
AF	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	2,147							
AF	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	155							
AF	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	846,416							
AF	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	11,382							
AF	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	2,689							
AF	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	159							
AF	29										
AF	30	Capacity Avg Daily Del excl Direct	DAVGDD	230,679							
AF	31										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
SW	83	TOTAL A&G S&W EXPENSE		0	864	407	818	137	1,382
SW	84								
SW	85	TOTAL OPER & MAINTENANCE SALARIES & WAGES EXP		0	4,735	2,229	4,479	752	7,570
SW	86								
SW	87								
SW	88								
SW	89								
SW	90								
SW	91								
SW	92								
SW	93								
SW	94								
SW	95								
SW	96								
SW	97								
SW	98								
SW	99								
SW	100								
AF	1	ALLOCATION FACTOR TABLE							
AF	2	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	3								
AF	4	<u>CAPACITY</u>							
AF	5	<u>CAPACITY - PRODUCTION RELATED (LPG)</u>							
AF	6	Capacity Production - Design Peak Day Sendout	DPKDAYP						
AF	7								
AF	8								
AF	9	<u>CAPACITY - STORAGE RELATED (LNG)</u>							
AF	10	Capacity Storage - Design Peak Day Sendout	DPKDAY						
AF	11								
AF	12								
AF	13								
AF	14	<u>CAPACITY - TRANSMISSION RELATED</u>							
AF	15	Capacity Transmission - Design Peak Day Sendout	DTRAN						
AF	16								
AF	17								
AF	18								
AF	19								
AF	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>							
AF	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS						
AF	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS						
AF	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD						
AF	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE						
AF	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY						
AF	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR						
AF	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD						
AF	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE						
AF	29								
AF	30	Capacity Avg Daily Del excl Direct	DAVGDD						
AF	31								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	32										
AF	33										
AF	34										
AF	35										
AF	36										
AF	37										
AF	38										
AF	39										
AF	40										
AF	41										
AF	42										
AF	43										
AF	44										
AF	45										
AF	46										
AF	47										
AF	48										
AF	49										
AF	50										
AF	51	ALLOCATION FACTOR TABLE CONTINUED									
AF	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>									
AF	53										
AF	54	<u>COMMODITY</u>									
AF	55	Annual Gas Deliveries - Thrupt (Mcf)	ETHRUPUT	90,879,246							
AF	56	Annual Gas Deliveries - Firm	ETHRUPUTF	76,208,882							
AF	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	25,845,137							
AF	58										
AF	59										
AF	60	Commodity Gas Storage	ESTORAGE	1.0000							
AF	61										
AF	62										
AF	63										
AF	64										
AF	65	Annual Gas Cost (PGC)	EGAS	201,810							
AF	66	Commodity - Balancing Service Charge (BSC)	EBSC	25,090							
AF	67										
AF	68	<u>CUSTOMER</u>									
AF	69	380-Services	CSERVICE	3,347,375							
AF	70	381-Meters (Avg Cost per meter)	CMETERS	215,514							
AF	71	381-Meters Direct Assignment	CMETERSDA	1							
AF	72	382-Meters Installations Direct Assignment	CMETINSTDA	1							
AF	73										
AF	74	Customer Deposits	CUSTDEP	12,465							
AF	75	Customer Deposits Interest	CUSTDEPINT	351							
AF	76										
AF	77	879-Customer Installation Expense	CUSTINSTALL	539,593							
AF	78	902-Meter Reading Expense	CMETRDG	539,593							
AF	79	903-Customer Records and Collections	CUSTREC	1.0000							
AF	80	905-Miscellaneous Customer Accounts	CUSTCAM	539,593							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	32								
AF	33								
AF	34								
AF	35								
AF	36								
AF	37								
AF	38								
AF	39								
AF	40								
AF	41								
AF	42								
AF	43								
AF	44								
AF	45								
AF	46								
AF	47								
AF	48								
AF	49								
AF	50								
AF	51	ALLOCATION FACTOR TABLE CONTINUED							
AF	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	53								
AF	54	<u>COMMODITY</u>							
AF	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT						
AF	56	Annual Gas Deliveries - Firm	ETHRUPUTF						
AF	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT						
AF	58								
AF	59								
AF	60	Commodity Gas Storage	ESTORAGE						
AF	61								
AF	62								
AF	63								
AF	64								
AF	65	Annual Gas Cost (PGC)	EGAS						
AF	66	Commodity - Balancing Service Charge (BSC)	EBSC						
AF	67								
AF	68	<u>CUSTOMER</u>							
AF	69	380-Services	CSERVICE						
AF	70	381-Meters (Avg Cost per meter)	CMETERS						
AF	71	381-Meters Direct Assignment	CMETERSDA						
AF	72	382-Meters Installations Direct Assignment	CMETINSTDA						
AF	73								
AF	74	Customer Deposits	CUSTDEP						
AF	75	Customer Deposits Interest	CUSTDEPINT						
AF	76								
AF	77	879-Customer Installation Expense	CUSTINSTALL						
AF	78	902-Meter Reading Expense	CMETRDG						
AF	79	903-Customer Records and Collections	CUSTREC						
AF	80	905-Miscellaneous Customer Accounts	CUSTCAM						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	81	908-Customer Assistance	CUSTASST	1.0000							
AF	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	44,498							
AF	83	909-Informational and Instructional Advertising	CUSTADVT	1.0000							
AF	84	910-Miscellaneous Customer Service	CUSTCSM	1.0000							
AF	85	916-Miscellaneous Sales Expense	CUSTSALES	1.0000							
AF	86										
AF	87	Number of Bills	CUSTBILLS	6,475,119							
AF	88	Number of Customers (Average Annual)	CUST	539,593							
AF	89										
AF	90										
AF	91										
AF	92										
AF	93										
AF	94										
AF	95										
AF	96										
AF	97										
AF	98										
AF	99										
AF	100										
AF	101	ALLOCATION FACTOR TABLE CONTINUED									
AF	102	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AF	103	Plant Related									
AF	104	Intangible Plant	INTPLT	18,229							
AF	105	Production Plant	PRODPLT	15,539							
AF	106	Storage Plant	STORPLT	72,428							
AF	107	Transmission Plant in Service	TRANPLT	0							
AF	108	Distribution Plant in Service	DISTPLT	3,392,977							
AF	109	General Plant in Service	GENLPLT	38,495							
AF	110	Total Gas Plant In Service	TOTPLT	3,537,669							
AF	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	3,391,524							
AF	112	Total Transmission and Distribution Plant	TDPLT	3,392,977							
AF	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	3,519,440							
AF	114	Total Distribution and General Plant	DGPLT	3,431,473							
AF	115	Rate Base	RATEBASE	2,463,555							
AF	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1,873,802							
AF	117										
AF	118	Account 374	PLT_374	3,637							
AF	119	Account 375	PLT_375	15,745							
AF	120	Account 376-General Excess	PLT_376GE	1,312,325							
AF	121	Account 376-General Average	PLT_376GA	444,376							
AF	122	Account 376-DA	PLT_376DA	15,289							
AF	123	Account 376	PLT_376	1,771,990							
AF	124	Account 378	PLT_378	24,652							
AF	125	Account 379-City Gate	PLT_379CG	65,778							
AF	126	Account 379-Joint	PLT_379DA	11,382							
AF	127	Account 379	PLT_379	77,160							
AF	128	Account 380	PLT_380	1,111,048							
AF	129	Account 381	PLT_381	164,090							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	81	908-Customer Assistance	CUSTASST						
AF	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA						
AF	83	909-Informational and Instructional Advertising	CUSTADVT						
AF	84	910-Miscellaneous Customer Service	CUSTCSM						
AF	85	916-Miscellaneous Sales Expense	CUSTSALES						
AF	86								
AF	87	Number of Bills	CUSTBILLS						
AF	88	Number of Customers (Average Annual)	CUST						
AF	89								
AF	90								
AF	91								
AF	92								
AF	93								
AF	94								
AF	95								
AF	96								
AF	97								
AF	98								
AF	99								
AF	100								
AF	101	ALLOCATION FACTOR TABLE CONTINUED							
AF	102	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	103	<u>Plant Related</u>							
AF	104	Intangible Plant	INTPLT						
AF	105	Production Plant	PRODPLT						
AF	106	Storage Plant	STORPLT						
AF	107	Transmission Plant in Service	TRANPLT						
AF	108	Distribution Plant in Service	DISTPLT						
AF	109	General Plant in Service	GENLPLT						
AF	110	Total Gas Plant In Service	TOTPLT						
AF	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR						
AF	112	Total Transmission and Distribution Plant	TDPLT						
AF	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT						
AF	114	Total Distribution and General Plant	DGPLT						
AF	115	Rate Base	RATEBASE						
AF	116	Distribution Plant in Service - Capacity Related	DDISTPLT						
AF	117								
AF	118	Account 374	PLT_374						
AF	119	Account 375	PLT_375						
AF	120	Account 376-General Excess	PLT_376GE						
AF	121	Account 376-General Average	PLT_376GA						
AF	122	Account 376-DA	PLT_376DA						
AF	123	Account 376	PLT_376						
AF	124	Account 378	PLT_378						
AF	125	Account 379-City Gate	PLT_379CG						
AF	126	Account 379-Joint	PLT_379DA						
AF	127	Account 379	PLT_379						
AF	128	Account 380	PLT_380						
AF	129	Account 381	PLT_381						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	130	Account 382	PLT_382	221,083							
AF	131	Account 387	PLT_387	2,118							
AF	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1,454							
AF	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1,873,802							
AF	134	Accounts 376 & 380 - Mains & Services	PLT_376380	2,883,038							
AF	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1,275,138							
AF	136	Accounts 374 & 375 - Land & Structures	PLT_374375	19,382							
AF	137	Accounts 381 through 385	PLT_3815	385,173							
AF	138	Accounts 378, 379, & 387	PLT_378387	103,930							
AF	139										
AF	140	Residential	DPLTRES	1,164,680							
AF	141	Small Commercial and Industrial	DPLTCI	236,838							
AF	142	Large High Load Factor	DPLTLHLF	262							
AF	143	Motor Vehicle - Firm	DPLTMVF	404							
AF	144	Motor Vehicle - Interruptible	DPLTMVI	9							
AF	145	Interruptible Service	DPLTIS	36							
AF	146	Temperature Control	DPLTTC	411							
AF	147	Transportation Service - Firm	DPLTTSF	31,279							
AF	148	Transportation Service - Interruptible	DPLTTSI	20,191							
AF	149										
AF	150										
AF	151	ALLOCATION FACTOR TABLE CONTINUED									
AF	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>									
AF	153										
AF	154	<u>Production Expense Related</u>									
AF	155	Account 717	OX_717	80							
AF	156	Account 741	MX_741	53							
AF	157	Account 743	MX_743	133							
AF	158	Manufactured Gas Production Operation Expense	OX_PRODM	80							
AF	159	Manufactured Gas Production Maintenance Expense	MX_PRODM	186							
AF	160	Other Production Operation Expense	OX_PRODO	226,900							
AF	161										
AF	162										
AF	163	<u>Storage Expense Related</u>									
AF	164	Storage Operation Expense	OX_STOR	1,065							
AF	165	Storage Maintenance Expense	MX_STOR	4,414							
AF	166										
AF	167										
AF	168	<u>Transmission Expense Related</u>									
AF	169	Transmission Operation Expense	OX_TRAN	0							
AF	170	Transmission Maintenance Expense	MX_TRAN	0							
AF	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0							
AF	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0							
AF	173										
AF	174										
AF	175	<u>Distribution Expense Related</u>									
AF	176	Account 874	OX_874	16,959							
AF	177	Account 875	OX_875	1,036							
AF	178	Account 878	OX_878	5,979							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	130	Account 382	PLT_382						
AF	131	Account 387	PLT_387						
AF	132	Account 388-Asset Retirement Costs for Distribution	PLT_388						
AF	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379						
AF	134	Accounts 376 & 380 - Mains & Services	PLT_376380						
AF	135	Accounts 380 & 381 - Services & Meters	PLT_380381						
AF	136	Accounts 374 & 375 - Land & Structures	PLT_374375						
AF	137	Accounts 381 through 385	PLT_3815						
AF	138	Accounts 378, 379, & 387	PLT_378387						
AF	139								
AF	140	Residential	DPLTRES						
AF	141	Small Commercial and Industrial	DPLTCI						
AF	142	Large High Load Factor	DPLTLHLF						
AF	143	Motor Vehicle - Firm	DPLTMVF						
AF	144	Motor Vehicle - Interruptible	DPLTMVI						
AF	145	Interruptible Service	DPLTIS						
AF	146	Temperature Control	DPLTTC						
AF	147	Transportation Service - Firm	DPLTTSF						
AF	148	Transportation Service - Interruptible	DPLTTSI						
AF	149								
AF	150								
AF	151	ALLOCATION FACTOR TABLE CONTINUED							
AF	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	153								
AF	154	<u>Production Expense Related</u>							
AF	155	Account 717	OX_717						
AF	156	Account 741	MX_741						
AF	157	Account 743	MX_743						
AF	158	Manufactured Gas Production Operation Expense	OX_PROD						
AF	159	Manufactured Gas Production Maintenance Expense	MX_PROD						
AF	160	Other Production Operation Expense	OX_PRODO						
AF	161								
AF	162								
AF	163	<u>Storage Expense Related</u>							
AF	164	Storage Operation Expense	OX_STOR						
AF	165	Storage Maintenance Expense	MX_STOR						
AF	166								
AF	167								
AF	168	<u>Transmission Expense Related</u>							
AF	169	Transmission Operation Expense	OX_TRAN						
AF	170	Transmission Maintenance Expense	MX_TRAN						
AF	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO						
AF	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM						
AF	173								
AF	174								
AF	175	<u>Distribution Expense Related</u>							
AF	176	Account 874	OX_874						
AF	177	Account 875	OX_875						
AF	178	Account 878	OX_878						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	179	Account 879	OX_879	5,158							
AF	180	Account 880	OX_880	13,512							
AF	181	Account 887	MX_887	17,505							
AF	182	Account 889	MX_889	1,014							
AF	183	Account 892	MX_892	1,445							
AF	184	Account 893	MX_893	418							
AF	185	Account 894	MX_894	879							
AF	186	O&M Accounts 874-880	OX_DIST	42,643							
AF	187	O&M Accounts 887-894	MX_DIST	3,756							
AF	188										
AF	189										
AF	190										
AF	191										
AF	192										
AF	193										
AF	194										
AF	195										
AF	196										
AF	197										
AF	198										
AF	199										
AF	200										
AF	201	ALLOCATION FACTOR TABLE CONTINUED									
AF	202	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AF	203										
AF	204	<u>Customer Distribution Expense Related</u>									
AF	205	Account 902	OX_902	199							
AF	206	Account 903	OX_903	14,723							
AF	207	Account 904	OX_904	2,264							
AF	208	O&M Accounts 902-905	OX_CA	18,950							
AF	209										
AF	210	Account908	OX_908	7,742							
AF	211	Account909	OX_909	309							
AF	212	Account910	OX_910	0							
AF	213	O&M Accounts 908-910	OX_CS	8,550							
AF	214	Accounts 901-910	X_CACS	30,311							
AF	215										
AF	216	Total O&M less Purchased Gas	OMXPP	143,235							
AF	217										
AF	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	86,031							
AF	219										
AF	220	Base Taxable Income	EBT	79,278							
AF	221										
AF	222										
AF	223	<u>Salaries and Wages Expense Related</u>									
AF	224	Salaries & Wages Accounts 870-880	SALWAGDO	14,096							
AF	225	Salaries & Wages Accounts 887-894	SALWAGDM	11,234							
AF	226	Salaries & Wages Accounts 902-905	SALWAGCA	6,188							
AF	227	Salaries & Wages Accounts 908-910	SALWAGCS	226							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	179	Account 879	OX_879						
AF	180	Account 880	OX_880						
AF	181	Account 887	MX_887						
AF	182	Account 889	MX_889						
AF	183	Account 892	MX_892						
AF	184	Account 893	MX_893						
AF	185	Account 894	MX_894						
AF	186	O&M Accounts 874-880	OX_DIST						
AF	187	O&M Accounts 887-894	MX_DIST						
AF	188								
AF	189								
AF	190								
AF	191								
AF	192								
AF	193								
AF	194								
AF	195								
AF	196								
AF	197								
AF	198								
AF	199								
AF	200								
AF	201	ALLOCATION FACTOR TABLE CONTINUED							
AF	202	INTERNALLY DEVELOPED ALLOCATION FACTORS							
AF	203								
AF	204	<u>Customer Distribution Expense Related</u>							
AF	205	Account 902	OX_902						
AF	206	Account 903	OX_903						
AF	207	Account 904	OX_904						
AF	208	O&M Accounts 902-905	OX_CA						
AF	209								
AF	210	Account908	OX_908						
AF	211	Account909	OX_909						
AF	212	Account910	OX_910						
AF	213	O&M Accounts 908-910	OX_CS						
AF	214	Accounts 901-910	X_CACS						
AF	215								
AF	216	Total O&M less Purchased Gas	OMXPP						
AF	217								
AF	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP						
AF	219								
AF	220	Base Taxable Income	EBT						
AF	221								
AF	222								
AF	223	<u>Salaries and Wages Expense Related</u>							
AF	224	Salaries & Wages Accounts 870-880	SALWAGDO						
AF	225	Salaries & Wages Accounts 887-894	SALWAGDM						
AF	226	Salaries & Wages Accounts 902-905	SALWAGCA						
AF	227	Salaries & Wages Accounts 908-910	SALWAGCS						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	34,505							
AF	229	Total Salaries and Wages Expense	SALWAGES	42,209							
AF	230										
AF	231										
AF	232										
AF	233										
AF	234										
AF	235										
AF	236										
AF	237										
AF	238										
AF	239										
AF	240										
AF	241										
AF	242										
AF	243										
AF	244										
AF	245										
AF	246										
AF	247										
AF	248										
AF	249										
AF	250										
AF	251	REVENUES AND BILLING DETERMINANTS									
AF	252										
AF	253	Base Rate Sales Revenue	SALESREV	361,576							
AF	254										
AF	255	Residential	SREVRES	234,455							
AF	256	Small Commercial and Industrial	SREVC	100,030							
AF	257	Large High Load Factor	SREVLHLF	75							
AF	258	Motor Vehicle - Firm	SREVMVF	470							
AF	259	Motor Vehicle - Interruptible	SREVMVI	3							
AF	260	Interruptible Service	SREVIS	35							
AF	261	Temperature Control	SREVTC	682							
AF	262	Transportation Service - Firm	SREVTSF	16,565							
AF	263	Transportation Service - Interruptible	SREVTSI	9,262							
AF	264										
AF	265										
AF	266	Claimed Rate Sales Revenue	CLAIMREV	654,670							
AF	267										
AF	268										
AF	269										
AF	270										
AF	271										
AF	272	PRESENT REVENUES FROM SALES INPUT									
AF	273										
AF	274	Total Sales of Gas Revenues		588,476							
AF	275	Sales of Gas Revenues - Distribution		361,576							
AF	276	Sales of Gas Revenues - PGC		201,810							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG						
AF	229	Total Salaries and Wages Expense	SALWAGES						
AF	230								
AF	231								
AF	232								
AF	233								
AF	234								
AF	235								
AF	236								
AF	237								
AF	238								
AF	239								
AF	240								
AF	241								
AF	242								
AF	243								
AF	244								
AF	245								
AF	246								
AF	247								
AF	248								
AF	249								
AF	250								
AF	251	REVENUES AND BILLING DETERMINANTS							
AF	252								
AF	253	Base Rate Sales Revenue	SALESREV						
AF	254								
AF	255	Residential	SREVRES						
AF	256	Small Commercial and Industrial	SREVC						
AF	257	Large High Load Factor	SREVLHLF						
AF	258	Motor Vehicle - Firm	SREVMVF						
AF	259	Motor Vehicle - Interruptible	SREVMVI						
AF	260	Interruptible Service	SREVIS						
AF	261	Temperature Control	SREVTC						
AF	262	Transportation Service - Firm	SREVTSF						
AF	263	Transportation Service - Interruptible	SREVTSI						
AF	264								
AF	265								
AF	266	Claimed Rate Sales Revenue	CLAIMREV						
AF	267								
AF	268								
AF	269								
AF	270								
AF	271								
AF	272	PRESENT REVENUES FROM SALES INPUT							
AF	273								
AF	274	Total Sales of Gas Revenues							
AF	275	Sales of Gas Revenues - Distribution							
AF	276	Sales of Gas Revenues - PGC							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	277	Sales of Gas Revenues - BSC		25,090							
AF	278										
AF	279										
AF	280	Sales of Gas Revenues - Transmission		0							
AF	281										
AF	282										
AF	283	BILLING DETERMINATE INPUTS									
AF	284	Number of Customer Bills	SCH AF, LN 87	6,475,119							
AF	285	Annual Booked Throughput Sales (Mcf)	SCH AF, LN 55	90,879,246							
AF	286										
AF	287										
AF	288										
AF	289	RATE OF RETURN									
AF	290	Rate of Return (Equalized)	SCH AF, LN 290	7.64%							
AF	291										
AF	292										
AF	293										
AF	294										
AF	295										
AF	296										
AF	297										
AF	298										
AF	299										
AF	300										
AP	1	ALLOCATION PROPORTIONS TABLE									
AP	2	EXTERNALLY DEVELOPED ALLOCATION FACTOR									
AP	3										
AP	4	CAPACITY									
AP	5	CAPACITY - PRODUCTION RELATED (LPG)									
AP	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	7										
AP	8										
AP	9	CAPACITY - STORAGE RELATED (LNG)									
AP	10	Capacity Storage - Design Peak Day Sendout	DPKDAYD	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	11										
AP	12										
AP	13										
AP	14	CAPACITY - TRANSMISSION RELATED									
AP	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	16										
AP	17										
AP	18										
AP	19										
AP	20	CAPACITY - DISTRIBUTION RELATED (Non-Coincid)									
AP	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	277	Sales of Gas Revenues - BSC							
AF	278								
AF	279								
AF	280	Sales of Gas Revenues - Transmission							
AF	281								
AF	282								
AF	283	BILLING DETERMINATE INPUTS							
AF	284	Number of Customer Bills	SCH AF, LN 87						
AF	285	Annual Booked Throughput Sales (Mcf)	SCH AF, LN 55						
AF	286								
AF	287								
AF	288								
AF	289	RATE OF RETURN							
AF	290	Rate of Return (Equalized)	SCH AF, LN 290						
AF	291								
AF	292								
AF	293								
AF	294								
AF	295								
AF	296								
AF	297								
AF	298								
AF	299								
AF	300								
AP	1	ALLOCATION PROPORTIONS TABLE							
AP	2	EXTERNALLY DEVELOPED ALLOCATION FACTOR							
AP	3								
AP	4	CAPACITY							
AP	5	CAPACITY - PRODUCTION RELATED (LPG)							
AP	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	7								
AP	8								
AP	9	CAPACITY - STORAGE RELATED (LNG)							
AP	10	Capacity Storage - Design Peak Day Sendout	DPKDAY	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	11								
AP	12								
AP	13								
AP	14	CAPACITY - TRANSMISSION RELATED							
AP	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	16								
AP	17								
AP	18								
AP	19								
AP	20	CAPACITY - DISTRIBUTION RELATED (Non-Coincid)							
AP	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	29										
AP	30	Capacity Avg Daily Del excl Direct	DAVGDD	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	31										
AP	32										
AP	33										
AP	34										
AP	35										
AP	36										
AP	37										
AP	38										
AP	39										
AP	40										
AP	41										
AP	42										
AP	43										
AP	44										
AP	45										
AP	46										
AP	47										
AP	48										
AP	49										
AP	50										
AP	51	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	52	EXTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	53										
AP	54	COMMODITY									
AP	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	56	Annual Gas Deliveries - Firm	ETHRUPUTF	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	58										
AP	59										
AP	60	Commodity Gas Storage	ESTORAGE	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	61										
AP	62										
AP	63										
AP	64										
AP	65	Annual Gas Cost (PGC)	EGAS	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	66	Commodity - Balancing Service Charge (BSC)	EBSC	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	67										
AP	68	CUSTOMER									
AP	69	380-Services	CSERVICE	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	70	381-Meters (Avg Cost per meter)	CMETERS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	71	381-Meters Direct Assignment	CMETERSDA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	72	382-Meters Installations Direct Assignment	CMETINSTDA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	73										
AP	74	Customer Deposits	CUSTDEP	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	29								
AP	30	Capacity Avg Daily Del excl Direct	DAVGDD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	31								
AP	32								
AP	33								
AP	34								
AP	35								
AP	36								
AP	37								
AP	38								
AP	39								
AP	40								
AP	41								
AP	42								
AP	43								
AP	44								
AP	45								
AP	46								
AP	47								
AP	48								
AP	49								
AP	50								
AP	51	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	52	EXTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	53								
AP	54	COMMODITY							
AP	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	56	Annual Gas Deliveries - Firm	ETHRUPUTF	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	58								
AP	59								
AP	60	Commodity Gas Storage	ESTORAGE	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	61								
AP	62								
AP	63								
AP	64								
AP	65	Annual Gas Cost (PGC)	EGAS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	66	Commodity - Balancing Service Charge (BSC)	EBSC	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	67								
AP	68	CUSTOMER							
AP	69	380-Services	CSERVICE	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	70	381-Meters (Avg Cost per meter)	CMETERS	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	71	381-Meters Direct Assignment	CMETERSDA	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	72	382-Meters Installations Direct Assignment	CMETINSTDA	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	73								
AP	74	Customer Deposits	CUSTDEP	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	75	Customer Deposits Interest	CUSTDEPINT	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	76										
AP	77	879-Customer Installation Expense	CUSTINSTALL	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	78	902-Meter Reading Expense	CMETRDG	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	79	903-Customer Records and Collections	CUSTREC	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	80	905-Miscellaneous Customer Accounts	CUSTCAM	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	81	908-Customer Assistance	CUSTASST	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	83	909-Informational and Instructional Advertising	CUSTADVT	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	84	910-Miscellaneous Customer Service	CUSTCSM	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	85	916-Miscellaneous Sales Expense	CUSTSALES	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	86										
AP	87	Number of Bills	CUSTBILLS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	88	Number of Customers (Average Annual)	CUST	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	89										
AP	90										
AP	91										
AP	92										
AP	93										
AP	94										
AP	95										
AP	96										
AP	97										
AP	98										
AP	99										
AP	100										
AP	101	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	102	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	103	Plant Related									
AP	104	Intangible Plant	INTPLT	1.00000	0.56930	0.00000	0.43070	0.00447	0.02128	0.54355	0.00000
AP	105	Production Plant	PRODPLT	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	106	Storage Plant	STORPLT	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	107	Transmission Plant in Service	TRANPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	108	Distribution Plant in Service	DISTPLT	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	109	General Plant in Service	GENLPLT	1.00000	0.53176	0.00000	0.46824	0.00463	0.06413	0.46300	0.00000
AP	110	Total Gas Plant In Service	TOTPLT	1.00000	0.56930	0.00000	0.43070	0.00447	0.02128	0.54355	0.00000
AP	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	112	Total Transmission and Distribution Plant	TDPLT	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	1.00000	0.56930	0.00000	0.43070	0.00447	0.02128	0.54355	0.00000
AP	114	Total Distribution and General Plant	DGPLT	1.00000	0.55826	0.00000	0.44174	0.00005	0.00072	0.55749	0.00000
AP	115	Rate Base	RATEBASE	1.00000	0.57521	0.01441	0.41038	0.00060	0.01833	0.55629	0.00175
AP	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	117										
AP	118	Account 374	PLT_374	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	119	Account 375	PLT_375	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	120	Account 376-General Excess	PLT_376GE	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	121	Account 376-General Average	PLT_376GA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	122	Account 376-DA	PLT_376DA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	123	Account 376	PLT_376	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	75	Customer Deposits Interest	CUSTDEPINT	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	76								
AP	77	879-Customer Installation Expense	CUSTINSTALL	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	78	902-Meter Reading Expense	CMETRDG	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	79	903-Customer Records and Collections	CUSTREC	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	80	905-Miscellaneous Customer Accounts	CUSTCAM	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	81	908-Customer Assistance	CUSTASST	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	83	909-Informational and Instructional Advertising	CUSTADVT	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	84	910-Miscellaneous Customer Service	CUSTCSM	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	85	916-Miscellaneous Sales Expense	CUSTSALES	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	86								
AP	87	Number of Bills	CUSTBILLS	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	88	Number of Customers (Average Annual)	CUST	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	89								
AP	90								
AP	91								
AP	92								
AP	93								
AP	94								
AP	95								
AP	96								
AP	97								
AP	98								
AP	99								
AP	100								
AP	101	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	102	INTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	103	Plant Related							
AP	104	Intangible Plant	INTPLT	0.00000	0.31725	0.11013	0.00116	0.00019	0.00196
AP	105	Production Plant	PRODPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	106	Storage Plant	STORPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	107	Transmission Plant in Service	TRANPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	108	Distribution Plant in Service	DISTPLT	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	109	General Plant in Service	GENLPLT	0.00000	0.11217	0.05280	0.10612	0.01782	0.17933
AP	110	Total Gas Plant In Service	TOTPLT	0.00000	0.31725	0.11013	0.00116	0.00019	0.00196
AP	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	112	Total Transmission and Distribution Plant	TDPLT	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	0.00000	0.31725	0.11013	0.00116	0.00019	0.00196
AP	114	Total Distribution and General Plant	DGPLT	0.00000	0.32538	0.11296	0.00119	0.00020	0.00201
AP	115	Rate Base	RATEBASE	0.01266	0.30866	0.08411	0.00799	0.00151	0.00811
AP	116	Distribution Plant in Service - Capacity Related	DDISTPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	117								
AP	118	Account 374	PLT_374	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	119	Account 375	PLT_375	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	120	Account 376-General Excess	PLT_376GE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	121	Account 376-General Average	PLT_376GA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	122	Account 376-DA	PLT_376DA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	123	Account 376	PLT_376	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	124	Account 378	PLT_378	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	125	Account 379-City Gate	PLT_379CG	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	126	Account 379-Joint	PLT_379DA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	127	Account 379	PLT_379	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	128	Account 380	PLT_380	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	129	Account 381	PLT_381	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	130	Account 382	PLT_382	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	131	Account 387	PLT_387	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	134	Accounts 376 & 380 - Mains & Services	PLT_376380	1.00000	0.61463	0.00000	0.38537	0.00000	0.00000	0.61463	0.00000
AP	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	136	Accounts 374 & 375 - Land & Structures	PLT_374375	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	137	Accounts 381 through 385	PLT_3815	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	138	Accounts 378, 379, & 387	PLT_378387	1.00000	0.99100	0.00000	0.00900	0.00000	0.00000	0.99100	0.00000
AP	139										
AP	140	Residential	DPLTRES	1.00000	0.07769	0.00000	0.92231	0.00000	0.00000	0.07769	0.00000
AP	141	Small Commercial and Industrial	DPLTCI	1.00000	0.20409	0.00000	0.79591	0.00000	0.00000	0.20409	0.00000
AP	142	Large High Load Factor	DPLTLHLF	1.00000	0.88288	0.00000	0.11712	0.00000	0.00000	0.88288	0.00000
AP	143	Motor Vehicle - Firm	DPLTMVF	1.00000	0.49383	0.00000	0.50617	0.00000	0.00000	0.49383	0.00000
AP	144	Motor Vehicle - Interruptible	DPLTMVI	1.00000	0.03254	0.00000	0.96746	0.00000	0.00000	0.03254	0.00000
AP	145	Interruptible Service	DPLTIS	1.00000	0.51559	0.00000	0.48441	0.00000	0.00000	0.51559	0.00000
AP	146	Temperature Control	DPLTTC	1.00000	0.20199	0.00000	0.79801	0.00000	0.00000	0.20199	0.00000
AP	147	Transportation Service - Firm	DPLTTSF	1.00000	0.77240	0.00000	0.22760	0.00000	0.00000	0.77240	0.00000
AP	148	Transportation Service - Interruptible	DPLTTSI	1.00000	0.76593	0.00000	0.23407	0.00000	0.00000	0.76593	0.00000
AP	149										
AP	150										
AP	151	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>									
AP	153										
AP	154	<u>Production Expense Related</u>									
AP	155	Account 717	OX_717	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	156	Account 741	MX_741	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	157	Account 743	MX_743	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	158	Manufactured Gas Production Operation Expense	OX_PROD	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	159	Manufactured Gas Production Maintenance Expense	MX_PROD	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	160	Other Production Operation Expense	OX_PRODO	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	161										
AP	162										
AP	163	<u>Storage Expense Related</u>									
AP	164	Storage Operation Expense	OX_STOR	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	165	Storage Maintenance Expense	MX_STOR	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	166										
AP	167										
AP	168	<u>Transmission Expense Related</u>									
AP	169	Transmission Operation Expense	OX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	170	Transmission Maintenance Expense	MX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	124	Account 378	PLT_378	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	125	Account 379-City Gate	PLT_379CG	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	126	Account 379-Joint	PLT_379DA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	127	Account 379	PLT_379	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	128	Account 380	PLT_380	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	129	Account 381	PLT_381	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	130	Account 382	PLT_382	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	131	Account 387	PLT_387	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	134	Accounts 376 & 380 - Mains & Services	PLT_376380	0.00000	0.38537	0.00000	0.00000	0.00000	0.00000
AP	135	Accounts 380 & 381 - Services & Meters	PLT_380381	0.00000	0.87132	0.12868	0.00000	0.00000	0.00000
AP	136	Accounts 374 & 375 - Land & Structures	PLT_374375	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	137	Accounts 381 through 385	PLT_3815	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	138	Accounts 378, 379, & 387	PLT_378387	0.00000	0.00668	0.00232	0.00000	0.00000	0.00000
AP	139								
AP	140	Residential	DPLTRES	0.00000	0.82404	0.09827	0.00000	0.00000	0.00000
AP	141	Small Commercial and Industrial	DPLTCI	0.00000	0.61852	0.17739	0.00000	0.00000	0.00000
AP	142	Large High Load Factor	DPLTLHLF	0.00000	0.10088	0.01624	0.00000	0.00000	0.00000
AP	143	Motor Vehicle - Firm	DPLTMVF	0.00000	0.12249	0.38368	0.00000	0.00000	0.00000
AP	144	Motor Vehicle - Interruptible	DPLTMVI	0.00000	0.70997	0.25749	0.00000	0.00000	0.00000
AP	145	Interruptible Service	DPLTIS	0.00000	0.36559	0.11882	0.00000	0.00000	0.00000
AP	146	Temperature Control	DPLTTC	0.00000	0.24836	0.54965	0.00000	0.00000	0.00000
AP	147	Transportation Service - Firm	DPLTTSF	0.00000	0.09689	0.13071	0.00000	0.00000	0.00000
AP	148	Transportation Service - Interruptible	DPLTTSI	0.00000	0.07833	0.15575	0.00000	0.00000	0.00000
AP	149								
AP	150								
AP	151	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AP	153								
AP	154	<u>Production Expense Related</u>							
AP	155	Account 717	OX_717	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	156	Account 741	MX_741	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	157	Account 743	MX_743	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	158	Manufactured Gas Production Operation Expense	OX_PRODM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	159	Manufactured Gas Production Maintenance Expense	MX_PRODM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	160	Other Production Operation Expense	OX_PRODO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	161								
AP	162								
AP	163	<u>Storage Expense Related</u>							
AP	164	Storage Operation Expense	OX_STOR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	165	Storage Maintenance Expense	MX_STOR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	166								
AP	167								
AP	168	<u>Transmission Expense Related</u>							
AP	169	Transmission Operation Expense	OX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	170	Transmission Maintenance Expense	MX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	173										
AP	174										
AP	175	Distribution Expense Related									
AP	176	Account 874	OX_874	1.00000	0.61463	0.00000	0.38537	0.00000	0.00000	0.61463	0.00000
AP	177	Account 875	OX_875	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	178	Account 878	OX_878	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	179	Account 879	OX_879	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	180	Account 880	OX_880	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	181	Account 887	MX_887	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	182	Account 889	MX_889	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	183	Account 892	MX_892	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	184	Account 893	MX_893	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	185	Account 894	MX_894	1.00000	0.55856	0.00000	0.44144	0.00000	0.00000	0.55856	0.00000
AP	186	O&M Accounts 874-880	OX_DIST	1.00000	0.44571	0.00000	0.55429	0.00000	0.00000	0.44571	0.00000
AP	187	O&M Accounts 887-894	MX_DIST	1.00000	0.40069	0.00000	0.59931	0.00000	0.00000	0.40069	0.00000
AP	188										
AP	189										
AP	190										
AP	191										
AP	192										
AP	193										
AP	194										
AP	195										
AP	196										
AP	197										
AP	198										
AP	199										
AP	200										
AP	201	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	202	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	203										
AP	204	Customer Distribution Expense Related									
AP	205	Account 902	OX_902	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	206	Account 903	OX_903	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	207	Account 904	OX_904	1.00000	0.45040	0.01512	0.53447	0.00168	0.03599	0.41272	0.00389
AP	208	O&M Accounts 902-905	OX_CA	1.00000	0.06099	0.00205	0.93695	0.00023	0.00489	0.05587	0.00053
AP	209										
AP	210	Account908	OX_908	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	211	Account909	OX_909	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	212	Account910	OX_910	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	213	O&M Accounts 908-910	OX_CS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	214	Accounts 901-910	X_CACS	1.00000	0.03813	0.00128	0.96058	0.00014	0.00306	0.03493	0.00033
AP	215										
AP	216	Total O&M less Purchased Gas	OMXPP	1.00000	0.46976	0.00706	0.52318	0.00318	0.05696	0.40962	0.00669
AP	217										
AP	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	1.00000	0.43705	(0.00000)	0.56295	0.00242	0.05438	0.38026	(0.00000)
AP	219										
AP	220	Base Taxable Income	EBT	1.00000	0.65170	0.02286	0.32544	(0.00133)	0.01825	0.63478	0.00273
AP	221										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	173								
AP	174								
AP	175	Distribution Expense Related							
AP	176	Account 874	OX_874	0.00000	0.38537	0.00000	0.00000	0.00000	0.00000
AP	177	Account 875	OX_875	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	178	Account 878	OX_878	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	179	Account 879	OX_879	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	180	Account 880	OX_880	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	181	Account 887	MX_887	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	182	Account 889	MX_889	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	183	Account 892	MX_892	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	184	Account 893	MX_893	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	185	Account 894	MX_894	0.00000	0.32780	0.11364	0.00000	0.00000	0.00000
AP	186	O&M Accounts 874-880	OX_DIST	0.00000	0.25713	0.17621	0.12095	0.00000	0.00000
AP	187	O&M Accounts 887-894	MX_DIST	0.00000	0.46140	0.13791	0.00000	0.00000	0.00000
AP	188								
AP	189								
AP	190								
AP	191								
AP	192								
AP	193								
AP	194								
AP	195								
AP	196								
AP	197								
AP	198								
AP	199								
AP	200								
AP	201	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	202	INTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	203								
AP	204	Customer Distribution Expense Related							
AP	205	Account 902	OX_902	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	206	Account 903	OX_903	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	207	Account 904	OX_904	0.01123	0.26318	0.08754	0.04337	0.04588	0.09450
AP	208	O&M Accounts 902-905	OX_CA	0.00152	0.03615	0.01193	0.00598	0.00633	0.87656
AP	209								
AP	210	Account908	OX_908	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	211	Account909	OX_909	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	212	Account910	OX_910	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	213	O&M Accounts 908-910	OX_CS	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	214	Accounts 901-910	X_CACS	0.00095	0.02260	0.00746	0.00374	0.37876	0.54802
AP	215								
AP	216	Total O&M less Purchased Gas	OMXPP	0.00037	0.12920	0.07414	0.06834	0.08542	0.16609
AP	217								
AP	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	(0.00000)	0.13438	0.08715	0.04782	0.12946	0.16413
AP	219								
AP	220	Base Taxable Income	EBT	0.02013	0.24003	0.07134	0.00850	0.00156	0.00402
AP	221								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	222										
AP	223	Salaries and Wages Expense Related									
AP	224	Salaries & Wages Accounts 870-880	SALWAGDO	1.00000	0.41070	0.00000	0.58930	0.00000	0.00000	0.41070	0.00000
AP	225	Salaries & Wages Accounts 887-894	SALWAGDM	1.00000	0.90679	0.00000	0.09321	0.00000	0.00000	0.90679	0.00000
AP	226	Salaries & Wages Accounts 902-905	SALWAGCA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	227	Salaries & Wages Accounts 908-910	SALWAGCS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	1.00000	0.53176	0.00000	0.46824	0.00463	0.06413	0.46300	0.00000
AP	229	Total Salaries and Wages Expense	SALWAGES	1.00000	0.53176	0.00000	0.46824	0.00463	0.06413	0.46300	0.00000
AP	230										
AP	231										
AP	232										
AP	233										
AP	234										
AP	235										
AP	236										
AP	237										
AP	238										
AP	239										
AP	240										
AP	241										
AP	242										
AP	243										
AP	244										
AP	245										
AP	246										
AP	247										
AP	248										
AP	249										
AP	250										
AP	251	REVENUES AND BILLING DETERMINANTS									
AP	252										
AP	253	Base Rate Sales Revenue	SALESREV	1.00000	0.53325	0.01746	0.44929	0.00169	0.03645	0.49512	0.00360
AP	254										
AP	255	Residential	SREVRES	1.00000	0.42236	0.01453	0.56311	0.00164	0.03480	0.38592	0.00393
AP	256	Small Commercial and Industrial	SREVC I	1.00000	0.70780	0.01997	0.27223	0.00225	0.04981	0.65575	0.00360
AP	257	Large High Load Factor	SREVLH L F	1.00000	0.93000	0.00828	0.06173	0.01017	0.18958	0.73025	0.00387
AP	258	Motor Vehicle - Firm	SREVMV F	1.00000	0.82267	0.04528	0.13203	0.00214	0.04942	0.77111	0.01636
AP	259	Motor Vehicle - Interruptible	SREVMV I	1.00000	0.23360	0.02449	0.73840	0.00000	0.00000	0.23360	0.01670
AP	260	Interruptible Service	SREVIS	1.00000	0.78893	0.07110	0.13996	0.00000	0.00000	0.78893	0.03550
AP	261	Temperature Control	SREVT C	1.00000	0.63917	0.02600	0.33484	0.00000	0.00000	0.63917	0.01780
AP	262	Transportation Service - Firm	SREVT S F	1.00000	0.87432	0.02282	0.10286	0.00000	0.00000	0.87432	0.00000
AP	263	Transportation Service - Interruptible	SREVT S I	1.00000	0.81875	0.05268	0.12857	0.00000	0.00000	0.81875	0.00000
AP	264										
AP	265										
AP	266	Claimed Rate Sales Revenue	CLAIMREV	1.00000	0.34264	0.35804	0.29932	0.00099	0.02182	0.31983	0.34918
AP	267										
AP	268										
AP	269										
AP	270										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	222								
AP	223	Salaries and Wages Expense Related							
AP	224	Salaries & Wages Accounts 870-880	SALWAGDO	0.00000	0.22148	0.10806	0.25977	0.00000	0.00000
AP	225	Salaries & Wages Accounts 887-894	SALWAGDM	0.00000	0.06663	0.02658	0.00000	0.00000	0.00000
AP	226	Salaries & Wages Accounts 902-905	SALWAGCA	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	227	Salaries & Wages Accounts 908-910	SALWAGCS	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	0.00000	0.11217	0.05280	0.10612	0.01782	0.17933
AP	229	Total Salaries and Wages Expense	SALWAGES	0.00000	0.11217	0.05280	0.10612	0.01782	0.17933
AP	230								
AP	231								
AP	232								
AP	233								
AP	234								
AP	235								
AP	236								
AP	237								
AP	238								
AP	239								
AP	240								
AP	241								
AP	242								
AP	243								
AP	244								
AP	245								
AP	246								
AP	247								
AP	248								
AP	249								
AP	250								
AP	251	REVENUES AND BILLING DETERMINANTS							
AP	252								
AP	253	Base Rate Sales Revenue	SALESREV	0.01386	0.21963	0.08792	0.03338	0.03488	0.07348
AP	254								
AP	255	Residential	SREVRES	0.01060	0.27694	0.08668	0.04692	0.04989	0.10268
AP	256	Small Commercial and Industrial	SREVC	0.01637	0.14024	0.09615	0.01049	0.00845	0.01689
AP	257	Large High Load Factor	SREVLHLF	0.00440	0.00289	0.00381	0.00100	0.00483	0.04920
AP	258	Motor Vehicle - Firm	SREVMVF	0.02892	0.01374	0.09695	0.00081	0.00061	0.01994
AP	259	Motor Vehicle - Interruptible	SREVMVI	0.00779	0.36932	0.29491	0.01985	0.01434	0.03999
AP	260	Interruptible Service	SREVIS	0.03561	0.03943	0.03016	0.00138	0.00542	0.06340
AP	261	Temperature Control	SREVTC	0.00815	0.05928	0.26058	0.00181	0.00091	0.01222
AP	262	Transportation Service - Firm	SREVTSF	0.02282	0.01519	0.05369	0.00064	0.00260	0.03075
AP	263	Transportation Service - Interruptible	SREVTSI	0.05268	0.01670	0.07928	0.00061	0.00244	0.02953
AP	264								
AP	265								
AP	266	Claimed Rate Sales Revenue	CLAIMREV	0.00886	0.16125	0.05686	0.01954	0.01948	0.04218
AP	267								
AP	268								
AP	269								
AP	270								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	271										
AP	272	PRESENT REVENUES FROM SALES INPUT									
AP	273										
AP	274	Total Sales of Gas Revenues		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	275	Sales of Gas Revenues - Distribution		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	276	Sales of Gas Revenues - PGC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	277	Sales of Gas Revenues - BSC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	278										
AP	279										
AP	280	Sales of Gas Revenues - Transmission		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	281										
AP	282										
AP	283										
AP	284										
AP	285										
AP	286										
AP	287										
AP	288										
AP	289										
AP	290										
AP	291										
AP	292										
AP	293										
AP	294										
AP	295										
AP	296										
AP	297										
AP	298										
AP	299										
AP	300										
ADA	1	ALLOCATED DIRECT ASSIGNMENTS									
ADA	2	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS									
ADA	3										
ADA	4	Net Write-Offs									
ADA	5	Residential	SREVRES	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
ADA	6	Small Commercial and Industrial	SREVC I	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
ADA	7	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	8	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	9	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	10	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	11	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	12	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	13	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	14										
ADA	15	Total Write-Offs	EXP_904	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ADA	16										
ADA	17	Total Write-Offs	EXP_904	1.00000	0.45040	0.01512	0.53447	0.00168	0.03599	0.41272	0.00389
ADA	18										
ADA	19										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	271								
AP	272	<u>PRESENT REVENUES FROM SALES INPUT</u>							
AP	273								
AP	274	Total Sales of Gas Revenues		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	275	Sales of Gas Revenues - Distribution		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	276	Sales of Gas Revenues - PGC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	277	Sales of Gas Revenues - BSC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	278								
AP	279								
AP	280	Sales of Gas Revenues - Transmission		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	281								
AP	282								
AP	283								
AP	284								
AP	285								
AP	286								
AP	287								
AP	288								
AP	289								
AP	290								
AP	291								
AP	292								
AP	293								
AP	294								
AP	295								
AP	296								
AP	297								
AP	298								
AP	299								
AP	300								
ADA	1	ALLOCATED DIRECT ASSIGNMENTS							
ADA	2	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS							
ADA	3								
ADA	4	Net Write-Offs							
ADA	5	Residential	SREVRES	0.90	0.90	0.90	0.90	0.90	0.90
ADA	6	Small Commercial and Industrial	SREVC I	0.09	0.09	0.09	0.09	0.09	0.09
ADA	7	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	8	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	9	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	10	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00
ADA	11	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00
ADA	12	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	13	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	14								
ADA	15	Total Write-Offs	EXP_904	1.00	1.00	1.00	1.00	1.00	1.00
ADA	16								
ADA	17	Total Write-Offs	EXP_904	0.01123	0.26318	0.08754	0.04337	0.04588	0.09450
ADA	18								
ADA	19								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
ADA	20	Net Write-Offs - Pre-Programmed Arrearages (PPA)									
ADA	21	Residential	SREVRES	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ADA	22	Small Commercial and Industrial	SREVC I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	23	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	24	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	25	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	26	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	27	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	28	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	29	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	30										
ADA	31	Total Write-Offs	EXP_904PPA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ADA	32										
ADA	33	Total Write-Offs	EXP_904PPA	1.00000	0.42236	0.01453	0.56311	0.00164	0.03480	0.38592	0.00393
ADA	34										
ADA	35										
ADA	36	Forfeited Discounts - Account 487									
ADA	37	Residential	SREVRES	824	824	824	824	824	824	824	824
ADA	38	Small Commercial and Industrial	SREVC I	212	212	212	212	212	212	212	212
ADA	39	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0
ADA	40	Motor Vehicle - Firm	SREVMVF	1	1	1	1	1	1	1	1
ADA	41	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0	0	0
ADA	42	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0
ADA	43	Temperature Control	SREVTC	1	1	1	1	1	1	1	1
ADA	44	Transportation Service - Firm	SREVTSF	33	33	33	33	33	33	33	33
ADA	45	Transportation Service - Interruptible	SREVTSI	18	18	18	18	18	18	18	18
ADA	46										
ADA	47	Total Forfeited Discounts	REV_487	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
ADA	48										
ADA	49	Total Forfeited Discounts	REV_487	1.00000	0.49871	0.01652	0.48477	0.00168	0.03606	0.46097	0.00371
ADA	50										
ADA	51	ALLOCATED DIRECT ASSIGNMENTS									
ADA	52	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS									
ADA	53										
ADA	54	Purchase of Receivables (POR)									
ADA	55	Residential	SREVRES	45,995	45,995	45,995	45,995	45,995	45,995	45,995	45,995
ADA	56	Small Commercial and Industrial	SREVC I	17,260	17,260	17,260	17,260	17,260	17,260	17,260	17,260
ADA	57	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0
ADA	58	Motor Vehicle - Firm	SREVMVF	81	81	81	81	81	81	81	81
ADA	59	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0	0	0
ADA	60	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0
ADA	61	Temperature Control	SREVTC	118	118	118	118	118	118	118	118
ADA	62	Transportation Service - Firm	SREVTSF	0	0	0	0	0	0	0	0
ADA	63	Transportation Service - Interruptible	SREVTSI	0	0	0	0	0	0	0	0
ADA	64										
ADA	65	Purchase of Receivables	REV_POR	63,454	63,454	63,454	63,454	63,454	63,454	63,454	63,454
ADA	66										
ADA	67	Purchase of Receivables	REV_POR	1.00000	0.50091	0.01607	0.48302	0.00180	0.03883	0.46028	0.00388
ADA	68										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
ADA	20	Net Write-Offs - Pre-Programmed Arrearages (PPA)							
ADA	21	Residential	SREVRES	1.00	1.00	1.00	1.00	1.00	1.00
ADA	22	Small Commercial and Industrial	SREVCI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	23	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	24	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	25	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	26	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00
ADA	27	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00
ADA	28	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	29	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	30								
ADA	31	Total Write-Offs	EXP_904PPA	1.00	1.00	1.00	1.00	1.00	1.00
ADA	32								
ADA	33	Total Write-Offs	EXP_904PPA	0.01060	0.27694	0.08668	0.04692	0.04989	0.10268
ADA	34								
ADA	35								
ADA	36	Forfeited Discounts - Account 487							
ADA	37	Residential	SREVRES	824	824	824	824	824	824
ADA	38	Small Commercial and Industrial	SREVCI	212	212	212	212	212	212
ADA	39	Large High Load Factor	SREVLHLF	0	0	0	0	0	0
ADA	40	Motor Vehicle - Firm	SREVMVF	1	1	1	1	1	1
ADA	41	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0
ADA	42	Interruptible Service	SREVIS	0	0	0	0	0	0
ADA	43	Temperature Control	SREVTC	1	1	1	1	1	1
ADA	44	Transportation Service - Firm	SREVTSF	33	33	33	33	33	33
ADA	45	Transportation Service - Interruptible	SREVTSI	18	18	18	18	18	18
ADA	46								
ADA	47	Total Forfeited Discounts	REV_487	1,090	1,090	1,090	1,090	1,090	1,090
ADA	48								
ADA	49	Total Forfeited Discounts	REV_487	0.01281	0.23762	0.08765	0.03757	0.03951	0.08242
ADA	50								
ADA	51	ALLOCATED DIRECT ASSIGNMENTS							
ADA	52	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS							
ADA	53								
ADA	54	Purchase of Receivables (POR)							
ADA	55	Residential	SREVRES	45,995	45,995	45,995	45,995	45,995	45,995
ADA	56	Small Commercial and Industrial	SREVCI	17,260	17,260	17,260	17,260	17,260	17,260
ADA	57	Large High Load Factor	SREVLHLF	0	0	0	0	0	0
ADA	58	Motor Vehicle - Firm	SREVMVF	81	81	81	81	81	81
ADA	59	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0
ADA	60	Interruptible Service	SREVIS	0	0	0	0	0	0
ADA	61	Temperature Control	SREVTC	118	118	118	118	118	118
ADA	62	Transportation Service - Firm	SREVTSF	0	0	0	0	0	0
ADA	63	Transportation Service - Interruptible	SREVTSI	0	0	0	0	0	0
ADA	64								
ADA	65	Purchase of Receivables	REV_POR	63,454	63,454	63,454	63,454	63,454	63,454
ADA	66								
ADA	67	Purchase of Receivables	REV_POR	0.01219	0.23902	0.08959	0.03687	0.03847	0.07907
ADA	68								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
ADA	69										
ADA	70	DIRECT ASSIGN TO CLASSES W/SALES DIST PLT FUNCTIONS									
ADA	71										
ADA	72	Customer Advances for Construction									
ADA	73	Residential	DPLTRES	832	832	832	832	832	832	832	832
ADA	74	Small Commercial and Industrial	DPLTCI	171	171	171	171	171	171	171	171
ADA	75	Large High Load Factor	DPLTLHLF	0	0	0	0	0	0	0	0
ADA	76	Motor Vehicle - Firm	DPLTMVF	0	0	0	0	0	0	0	0
ADA	77	Motor Vehicle - Interruptible	DPLTMVI	0	0	0	0	0	0	0	0
ADA	78	Interruptible Service	DPLTIS	0	0	0	0	0	0	0	0
ADA	79	Temperature Control	DPLTTC	0	0	0	0	0	0	0	0
ADA	80	Transportation Service - Firm	DPLTTSF	0	0	0	0	0	0	0	0
ADA	81	Transportation Service - Interruptible	DPLTTSI	0	0	0	0	0	0	0	0
ADA	82										
ADA	83	Customer Advances for Construction	CUSTADV	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004
ADA	84										
ADA	85	Customer Advances for Construction	CUSTADV	1.00000	0.09927	0.00000	0.90073	0.00000	0.00000	0.09927	0.00000
ADA	86										
ADA	87										
ADA	88										
ADA	89										
ADA	90										
ADA	91										
ADA	92										
ADA	93										
ADA	94										
ADA	95										
ADA	96										
ADA	97										
ADA	98										
ADA	99										
ADA	100										
RRW	1	DISTRIBUTION REVENUE REQUIREMENTS									
RRW	2										
RRW	3	PRESENT RATES - Excludes Purchased Gas									
RRW	4	-----									
RRW	5	RATE BASE		2,459,873	1,417,066	31,809	1,010,998	1,470	45,154	1,370,442	626
RRW	6	NET OPER INC (PRESENT RATES)		141,381	85,865	2,053	53,462	87	2,661	83,117	234
RRW	7	RATE OF RETURN (PRES RATES)		5.75%	6.06%	6.45%	5.29%	5.89%	5.89%	6.06%	37.42%
RRW	8	RELATIVE RATE OF RETURN		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RRW	9	SALES REVENUE (PRE RATES)		361,576	192,812	6,312	162,452	610	13,178	179,024	1,302
RRW	10	REVENUE PRES RATES \$/Mcf		\$3.9786	\$2.1216	\$0.0695	\$1.7876	\$0.0067	\$0.1450	\$1.9699	\$0.0143
RRW	11	REVENUE REQUIRED - \$/MO/CUST		\$55.84	\$29.78	\$0.97	\$25.09	\$0.09	\$2.04	\$27.65	\$0.20
RRW	12										
RRW	13										
RRW	14	CLAIMED RATE OF RETURN									
RRW	15	-----									
RRW	16	CLAIMED RATE OF RETURN		7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
RRW	17	RETURN REQ FOR CLAIMED ROR - Excludes Purchased Gas		189,756	108,591	3,878	77,286	(198)	3,272	105,517	372

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
ADA	69								
ADA	70	DIRECT ASSIGN TO CLASSES W/SALES DIST PLT FUNCTIONS							
ADA	71								
ADA	72	Customer Advances for Construction							
ADA	73	Residential	DPLTRES	832	832	832	832	832	832
ADA	74	Small Commercial and Industrial	DPLTCI	171	171	171	171	171	171
ADA	75	Large High Load Factor	DPLTLHLF	0	0	0	0	0	0
ADA	76	Motor Vehicle - Firm	DPLTMVF	0	0	0	0	0	0
ADA	77	Motor Vehicle - Interruptible	DPLTMVI	0	0	0	0	0	0
ADA	78	Interruptible Service	DPLTIS	0	0	0	0	0	0
ADA	79	Temperature Control	DPLTTC	0	0	0	0	0	0
ADA	80	Transportation Service - Firm	DPLTTSF	0	0	0	0	0	0
ADA	81	Transportation Service - Interruptible	DPLTTSI	0	0	0	0	0	0
ADA	82								
ADA	83	Customer Advances for Construction	CUSTADV	1,004	1,004	1,004	1,004	1,004	1,004
ADA	84								
ADA	85	Customer Advances for Construction	CUSTADV	0.00000	0.78896	0.11178	0.00000	0.00000	0.00000
ADA	86								
ADA	87								
ADA	88								
ADA	89								
ADA	90								
ADA	91								
ADA	92								
ADA	93								
ADA	94								
ADA	95								
ADA	96								
ADA	97								
ADA	98								
ADA	99								
ADA	100								
RRW	1	DISTRIBUTION REVENUE REQUIREMENTS							
RRW	2								
RRW	3	PRESENT RATES - Excludes Purchased Gas							
RRW	4	-----							
RRW	5	RATE BASE		31,184	760,399	207,217	19,674	3,726	19,984
RRW	6	NET OPER INC (PRESENT RATES)		1,819	39,538	11,967	989	182	786
RRW	7	RATE OF RETURN (PRES RATES)		5.83%	5.20%	5.78%	5.03%	4.88%	3.93%
RRW	8	RELATIVE RATE OF RETURN		1.00	1.00	1.00	1.00	1.00	1.00
RRW	9	SALES REVENUE (PRE RATES)		5,010	79,414	31,788	12,069	12,610	26,570
RRW	10	REVENUE PRES RATES \$/Mcf		\$0.0551	\$0.8738	\$0.3498	\$0.1328	\$0.1388	\$0.2924
RRW	11	REVENUE REQUIRED - \$/MO/CUST		\$0.77	\$12.26	\$4.91	\$1.86	\$1.95	\$4.10
RRW	12								
RRW	13								
RRW	14	CLAIMED RATE OF RETURN							
RRW	15	-----							
RRW	16	CLAIMED RATE OF RETURN		7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
RRW	17	RETURN REQ FOR CLAIMED ROR - Excludes Purchased Gas		3,506	59,255	13,734	1,995	389	1,914

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RRW	18	SALES REVENUE REQ CLAIMED ROR - Excludes Purchased Gas		427,392	224,316	7,120	195,955	646	14,287	209,383	1,317
RRW	19	REVENUE DEFICIENCY SALES REV		66,194	31,504	1,186	33,504	36	1,109	30,359	393
RRW	20	PERCENT INCREASE REQUIRED		18.31%	16.34%	18.79%	20.62%	5.92%	8.41%	16.96%	30.19%
RRW	21	ANNUAL BOOKED THROUGHPUT SALES (Mcf)		90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246
RRW	22	SALES REV REQUIRED \$/Mcf		\$4.7029	\$2.4683	\$0.0783	\$2.1562	\$0.0071	\$0.1572	\$2.3040	\$0.0145
RRW	23	REVENUE DEFICIENCY \$/Mcf		\$0.7284	\$0.3467	\$0.0130	\$0.3687	\$0.0004	\$0.0122	\$0.3341	\$0.0043
RRW	24	SALES REVENUE REQ CLAIMED ROR - Purchased Gas		227,278	0	227,278	0	0	0	0	227,278
RRW	25										
RRW	26	SALES REVENUE REQ CLAIMED ROR - COMPOSITE		654,670	224,316	234,398	195,955	646	14,287	209,383	228,595
RRW	27										
RRW	28										
RRW	29										
RRW	30										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RRW	18	SALES REVENUE REQ CLAIMED ROR - Excludes Purchased Gas		5,803	105,565	37,226	12,793	12,755	27,616
RRW	19	REVENUE DEFICIENCY SALES REV		793	26,151	5,437	724	145	1,046
RRW	20	PERCENT INCREASE REQUIRED		15.82%	32.93%	17.10%	6.00%	1.15%	3.94%
RRW	21	ANNUAL BOOKED THROUGHPUT SALES (Mcf)		90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246
RRW	22	SALES REV REQUIRED \$/Mcf		\$0.0638	\$1.1616	\$0.4096	\$0.1408	\$0.1404	\$0.3039
RRW	23	REVENUE DEFICIENCY \$/Mcf		\$0.0087	\$0.2878	\$0.0598	\$0.0080	\$0.0016	\$0.0115
RRW	24	SALES REVENUE REQ CLAIMED ROR - Purchased Gas		0	0	0	0	0	0
RRW	25								
RRW	26	SALES REVENUE REQ CLAIMED ROR - COMPOSITE		5,803	105,565	37,226	12,793	12,755	27,616
RRW	27								
RRW	28								
RRW	29								
RRW	30								

PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

R-2020-3018929
 2/17/21 JK

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	PRESENT RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS											
2												
3	RATE OF RETURN		5.75%	4.76%	8.06%	-2.09%	12.33%	14.65%	9.34%	43.73%	6.69%	8.43%
4												
5	REVENUES REQUIRED											
6	CAPACITY COMPONENT	192,812	192,812	99,024	70,801	70	387	1	28	436	14,483	7,583
7	CAPACITY PRODUCTION COMPONENT		610	384	225	1	1	0	0	0	0	0
8	CAPACITY STORAGE COMPONENT		13,178	8,159	4,982	14	23	0	0	0	0	0
9	CAPACITY TRANSMISSION COMPONENT		0	0	0	0	0	0	0	0	0	0
10	CAPACITY DISTRIBUTION COMPONENT		179,024	90,482	65,594	55	362	1	28	436	14,483	7,583
11	COMMODITY COMPONENT	6,312	6,312	3,406	1,998	1	21	0	2	18	378	488
12	COMMODITY PURCHASED GAS		1,302	921	360	0	8	0	1	12	0	0
13	COMMODITY OTHER COMMODITY		5,010	2,486	1,637	0	14	0	1	6	378	488
14	CUSTOMER COMPONENT	162,452	162,452	132,024	27,231	5	62	2	5	228	1,704	1,191
15	CUSTOMER SERVICES INVESTMENT		79,414	64,930	14,029	0	6	1	1	40	252	155
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		31,788	20,322	9,618	0	46	1	1	178	889	734
17	CUSTOMER INSTALLATION EXPENSE		12,069	11,001	1,050	0	0	0	0	1	11	6
18	CUSTOMER SERVICE & SALES EXPENSE		12,610	11,697	845	0	0	0	0	1	43	23
19	CUSTOMER ACCOUNTS EXPENSE		26,570	24,074	1,689	4	9	0	2	8	509	274
20												
21												
22	TOTAL COMPANY	361,576	361,576	234,455	100,030	75	470	3	35	682	16,565	9,262
23												
24												
25												
26												
27	Annual Booked Throughput Sales (Mcf)		90,879,246	41,968,538	22,401,370	16,559	428,335	670	40,050	178,588	11,394,081	14,451,056
28												
29	Number of Customer Bills		6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
30												
31	Use per Month per Customer (Mcf)		14	7	42	345	2,380	28	1,669	480	2,070	5,030
32												
33												
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PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	PRESENT RATE OF RETURN SUMMARY SCHEDULE - UNIT COST											
2												
3	RATE OF RETURN		5.75%	4.76%	8.06%	-2.09%	12.33%	14.65%	9.34%	43.73%	6.69%	8.43%
4												
5	<u>\$/Mcf</u>											
6	CAPACITY COMPONENT	\$2.1216	\$2.1216	\$2.3595	\$3.1606	\$4.2398	\$0.9024	\$0.9327	\$0.6888	\$2.4403	\$1.2711	\$0.5247
7	CAPACITY PRODUCTION COMPONENT		\$0.0067	\$0.0091	\$0.0100	\$0.0464	\$0.0023	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8	CAPACITY STORAGE COMPONENT		\$0.1450	\$0.1944	\$0.2224	\$0.8643	\$0.0542	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9	CAPACITY TRANSMISSION COMPONENT		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	CAPACITY DISTRIBUTION COMPONENT		\$1.9699	\$2.1559	\$2.9281	\$3.3291	\$0.8459	\$0.9327	\$0.6888	\$2.4403	\$1.2711	\$0.5247
11	COMMODITY COMPONENT	\$0.0695	\$0.0695	\$0.0812	\$0.0892	\$0.0377	\$0.0497	\$0.0978	\$0.0621	\$0.0992	\$0.0332	\$0.0338
12	COMMODITY PURCHASED GAS		\$0.0143	\$0.0219	\$0.0161	\$0.0177	\$0.0179	\$0.0667	\$0.0310	\$0.0680	\$0.0000	\$0.0000
13	COMMODITY OTHER COMMODITY		\$0.0551	\$0.0592	\$0.0731	\$0.0201	\$0.0317	\$0.0311	\$0.0311	\$0.0312	\$0.0332	\$0.0338
14	CUSTOMER COMPONENT	\$1.7876	\$1.7876	\$3.1458	\$1.2156	\$0.2814	\$0.1448	\$2.9483	\$0.1222	\$1.2784	\$0.1495	\$0.0824
15	CUSTOMER SERVICES INVESTMENT		\$0.8738	\$1.5471	\$0.6262	\$0.0132	\$0.0151	\$1.4746	\$0.0344	\$0.2263	\$0.0221	\$0.0107
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$0.3498	\$0.4842	\$0.4293	\$0.0174	\$0.1063	\$1.1775	\$0.0263	\$0.9949	\$0.0781	\$0.0508
17	CUSTOMER INSTALLATION EXPENSE		\$0.1328	\$0.2621	\$0.0469	\$0.0046	\$0.0009	\$0.0792	\$0.0012	\$0.0069	\$0.0009	\$0.0004
18	CUSTOMER SERVICE & SALES EXPENSE		\$0.1388	\$0.2787	\$0.0377	\$0.0220	\$0.0007	\$0.0573	\$0.0047	\$0.0035	\$0.0038	\$0.0016
19	CUSTOMER ACCOUNTS EXPENSE		\$0.2924	\$0.5736	\$0.0754	\$0.2243	\$0.0219	\$0.1597	\$0.0554	\$0.0467	\$0.0447	\$0.0189
20												
21												
22	TOTAL COMPANY	\$3.9786	\$3.9786	\$5.5864	\$4.4653	\$4.5589	\$1.0969	\$3.9928	\$0.8730	\$3.8179	\$1.4538	\$0.6409
23												
24	<u>\$/MONTH/CUSTOMER</u>											
25	CUSTOMER COMPONENTS	\$25.09	\$25.09	\$22.25	\$51.05	\$97.08	\$344.70	\$82.33	\$204.00	\$613.72	\$309.51	\$414.50
26	CUSTOMER SERVICES INVESTMENT		\$12.26	\$10.94	\$26.30	\$4.54	\$35.85	\$41.18	\$57.50	\$108.65	\$45.70	\$53.84
27	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$4.91	\$3.43	\$18.03	\$5.99	\$253.05	\$32.88	\$43.75	\$477.61	\$161.56	\$255.59
28	CUSTOMER INSTALLATION EXPENSE		\$1.86	\$1.85	\$1.97	\$1.58	\$2.12	\$2.21	\$2.00	\$3.31	\$1.91	\$1.98
29	CUSTOMER SERVICE & SALES EXPENSE		\$1.95	\$1.97	\$1.58	\$7.59	\$1.59	\$1.60	\$7.92	\$1.67	\$7.83	\$7.90
30	CUSTOMER ACCOUNTS EXPENSE		\$4.10	\$4.06	\$3.17	\$77.38	\$52.06	\$4.46	\$92.50	\$22.40	\$92.51	\$95.20
31												
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PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS											
2												
3	RATE OF RETURN		7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
4												
5	REVENUES REQUIRED											
6	CAPACITY COMPONENT	224,316	224,316	132,403	68,211	358	267	0	24	65	15,933	7,056
7	CAPACITY PRODUCTION COMPONENT		646	423	222	1	1	0	0	0	0	0
8	CAPACITY STORAGE COMPONENT		14,287	9,354	4,890	25	19	0	0	0	0	0
9	CAPACITY TRANSMISSION COMPONENT		0	0	0	0	0	0	0	0	0	0
10	CAPACITY DISTRIBUTION COMPONENT		209,383	122,626	63,100	332	247	0	24	65	15,933	7,056
11	COMMODITY COMPONENT	234,398	234,398	171,636	59,698	78	1,084	6	193	837	382	484
12	COMMODITY PURCHASED GAS		228,595	168,301	58,118	77	1,070	6	191	831	0	0
13	COMMODITY OTHER COMMODITY		5,803	3,335	1,580	1	13	0	1	6	382	484
14	CUSTOMER COMPONENT	195,955	195,955	166,556	26,346	9	46	1	5	46	1,813	1,132
15	CUSTOMER SERVICES INVESTMENT		105,565	91,695	13,435	3	4	1	1	5	279	143
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		37,226	26,197	9,304	1	33	0	1	33	965	691
17	CUSTOMER INSTALLATION EXPENSE		12,793	11,735	1,040	0	0	0	0	1	11	6
18	CUSTOMER SERVICE & SALES EXPENSE		12,755	11,843	845	0	0	0	0	1	43	23
19	CUSTOMER ACCOUNTS EXPENSE		27,616	25,085	1,722	4	9	0	2	7	515	271
20												
21												
22	TOTAL COMPANY	654,670	654,670	303,232	96,497	368	334	2	31	128	18,128	8,672
23												
24												
25												
26												
27	Annual Booked Throughput Sales (Mcf)		90,879,246	41,968,538	22,401,370	16,559	428,335	670	40,050	178,588	11,394,081	14,451,056
28												
29	Number of Customer Bills		6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
30												
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PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - UNIT COSTS											
2												
3	RATE OF RETURN		7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%
4												
5	\$/Mcf											
6	CAPACITY COMPONENT	\$2.4683	\$2.4683	\$3.1548	\$3.0449	\$21.6104	\$0.6237	\$0.5437	\$0.5914	\$0.3660	\$1.3983	\$0.4883
7	CAPACITY PRODUCTION COMPONENT		\$0.0071	\$0.0101	\$0.0099	\$0.0667	\$0.0020	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8	CAPACITY STORAGE COMPONENT		\$0.1572	\$0.2229	\$0.2183	\$1.4914	\$0.0445	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9	CAPACITY TRANSMISSION COMPONENT		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	CAPACITY DISTRIBUTION COMPONENT		\$2.3040	\$2.9219	\$2.8168	\$20.0524	\$0.5771	\$0.5437	\$0.5914	\$0.3660	\$1.3983	\$0.4883
11	COMMODITY COMPONENT	\$0.0783	\$0.0783	\$0.1018	\$0.0866	\$0.0886	\$0.0488	\$0.0967	\$0.0618	\$0.0934	\$0.0335	\$0.0335
12	COMMODITY PURCHASED GAS		\$0.0145	\$0.0223	\$0.0160	\$0.0193	\$0.0174	\$0.0656	\$0.0307	\$0.0623	\$0.0000	\$0.0000
13	COMMODITY OTHER COMMODITY		\$0.0638	\$0.0795	\$0.0705	\$0.0693	\$0.0314	\$0.0311	\$0.0311	\$0.0311	\$0.0335	\$0.0335
14	CUSTOMER COMPONENT	\$2.1562	\$2.1562	\$3.9686	\$1.1761	\$0.5190	\$0.1084	\$1.8220	\$0.1120	\$0.2589	\$0.1592	\$0.0784
15	CUSTOMER SERVICES INVESTMENT		\$1.1616	\$2.1848	\$0.5997	\$0.1610	\$0.0099	\$0.8178	\$0.0291	\$0.0290	\$0.0245	\$0.0099
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$0.4096	\$0.6242	\$0.4153	\$0.0614	\$0.0764	\$0.7361	\$0.0232	\$0.1851	\$0.0847	\$0.0478
17	CUSTOMER INSTALLATION EXPENSE		\$0.1408	\$0.2796	\$0.0464	\$0.0058	\$0.0008	\$0.0685	\$0.0012	\$0.0037	\$0.0009	\$0.0004
18	CUSTOMER SERVICE & SALES EXPENSE		\$0.1404	\$0.2822	\$0.0377	\$0.0229	\$0.0007	\$0.0565	\$0.0048	\$0.0033	\$0.0038	\$0.0016
19	CUSTOMER ACCOUNTS EXPENSE		\$0.3039	\$0.5977	\$0.0769	\$0.2679	\$0.0206	\$0.1431	\$0.0539	\$0.0378	\$0.0452	\$0.0187
20	AVAILABLE COMPONENT											
21	AVAILABLE COMPONENT											
22	TOTAL COMPANY	\$4.7029	\$4.7029	\$7.2252	\$4.3076	\$22.2180	\$0.7809	\$2.4687	\$0.7652	\$0.7183	\$1.5910	\$0.6001
23												
24	\$/MONTH/CUSTOMER											
25	CUSTOMER COMPONENTS	\$30.26	\$30.26	\$28.07	\$49.39	\$179.04	\$257.87	\$50.88	\$187.50	\$124.29	\$329.40	\$394.18
26	CUSTOMER SERVICES INVESTMENT		\$16.30	\$15.46	\$25.19	\$55.54	\$23.57	\$22.84	\$50.00	\$13.92	\$50.68	\$49.71
27	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$5.75	\$4.42	\$17.44	\$21.20	\$181.77	\$20.55	\$37.50	\$88.86	\$175.31	\$240.36
28	CUSTOMER INSTALLATION EXPENSE		\$1.98	\$1.98	\$1.95	\$2.00	\$1.92	\$1.91	\$0.00	\$1.77	\$1.95	\$1.95
29	CUSTOMER SERVICE & SALES EXPENSE		\$1.97	\$2.00	\$1.58	\$7.89	\$1.57	\$1.58	\$8.33	\$1.57	\$7.86	\$7.87
30	CUSTOMER ACCOUNTS EXPENSE		\$4.26	\$4.23	\$3.23	\$92.41	\$49.04	\$4.00	\$91.67	\$18.17	\$93.60	\$94.30
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Customer-Related Revenue Requirement and Customer Charge

R-2020-3018929 2/17/21 JK

Line	Description	Residential	GC	Transportation Firm	Transportation Interruptible	All Other
1	Customer Services Investment(\$000)	\$ 91,695	\$ 13,435	\$ 279	\$ 143	\$ 14
2	Customer Meter Investment(\$000)	\$ 26,197	\$ 9,304	\$ 965	\$ 691	\$ 68
3	Customer Installation Expense(\$000)	\$ 11,735	\$ 1,040	\$ 11	\$ 6	\$ 1
4	Customer Service Expense(\$000)	\$ 11,843	\$ 845	\$ 43	\$ 23	\$ 1
5	Customer Record & Collection Expense and Uncollectible Accounts(\$000)	\$ 25,085	\$ 1,722	\$ 515	\$ 271	\$ 22
6	Total Revenue Requirement(\$000)	\$ 166,556	\$ 26,346	\$ 1,813	\$ 1,132	\$ 107
7	Number of Customer Bills	5,932,690	533,403	5,505	2,873	\$ 648
8	\$/Month/Customer (Line 6/Line 7*1000)	\$ 28.07	\$ 49.39	\$ 329.40	\$ 394.18	\$ 165.08

Notes:

- 1.) Above costs included allocated payroll, administrative, pension and benefits and working capital supporting general plant.
- 2.) Line 1 through line 5 from PECO Exhibit JD-4R, page 3, lines 15 to 19.
- 3.) Lines with no measures of value have been hidden from pages 2 through 19.
- 4.) Pages 2 through 10 included Residential and GC customer-related costs; pages 11 through 19 included TSF and TSI customer-related costs.

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS						GC CUSTOMER RELATED COSTS					
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
S 1	SUMMARY AT PRESENT RATES												
S 2													
S 3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS												
S 4	OPERATING REVENUE												
S 5	Sales of Gas Revenue - Base	64,930	20,322	11,001	11,697	24,074	132,024	14,029	9,618	1,050	845	1,689	27,231
S 6	Other Operating Revenue	374	110	30	32	66	612	53	36	2	1	3	95
S 7	TOTAL OPERATING REVENUE	65,304	20,432	11,031	11,729	24,140	132,637	14,081	9,654	1,052	847	1,692	27,325
S 8													
S 9	OPERATING EXPENSES												
S 10	Operation and Maintenance Expense Excl Pur Gas	16,052	7,448	8,976	11,342	21,045	64,863	2,376	2,677	799	829	2,058	8,740
S 11	Depreciation and Amortization Expense	23,410	7,919	805	142	1,309	33,585	3,573	2,907	72	4	130	6,686
S 12	Taxes Other Than Income Taxes-General	1,379	423	374	68	609	2,853	210	155	34	2	60	461
S 13	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 14	Income Taxes	6,742	2,208	(21)	(7)	2	8,925	150	347	(16)	(1)	112	590
S 15	TOTAL OPERATING EXPENSES	34,098	13,581	10,175	11,559	22,962	92,376	6,010	5,393	921	837	2,137	15,297
S 16													
S 17	OPERATING INCOME (RETURN)	31,205	6,851	856	170	1,179	40,261	8,071	4,261	130	10	(445)	12,028
S 18													
S 19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS												
S 20	Gas Plant in Service	969,486	271,498	3,762	666	6,121	1,251,534	147,975	99,660	338	19	608	248,601
S 21	Less: Accumulated Depreciation	232,933	105,011	1,586	281	2,581	342,393	35,553	38,547	143	8	256	74,507
S 22	Plus: Rate Base Additions Excl Purchased Gas	12,562	4,888	13,488	2,777	22,075	55,790	1,943	1,807	1,213	102	2,186	7,251
S 23	Less: Rate Base Deductions	92,260	27,172	(2,361)	(418)	805	117,458	14,063	9,969	(212)	(12)	8,068	31,875
S 24	TOTAL RATE BASE EXCL PURCHASED GAS	656,855	144,203	18,025	3,581	24,810	847,474	100,302	52,951	1,621	126	(5,530)	149,469
S 25													
S 26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	4.76%	4.76%	4.76%	4.76%	4.76%	4.75%	8.06%	8.06%	8.06%	8.06%	8.06%	8.05%
S 27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	0.92	0.82	0.95	0.98	1.21		1.55	1.40	1.60	1.65	2.05	
S 28													
S 40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 41	Total Distribution Sales Revenue at Current Rates	64,930	20,322	11,001	11,697	24,074	132,024	14,029	9,618	1,050	845	1,689	27,231
S 42	Total Distribution Operating Revenues	65,304	20,432	11,031	11,729	24,140	132,637	14,081	9,654	1,052	847	1,692	27,325
S 43	Total Distribution Operating Expenses Excl Federal & State Taxes	40,841	15,790	10,154	11,553	22,964	101,301	6,160	5,739	905	835	2,249	15,888
S 44	Plus: Total Federal & State Taxes	6,742	2,208	(21)	(7)	2	8,925	150	347	(16)	(1)	112	590
S 45	Total Operating Income (Return)	31,205	6,851	856	170	1,179	40,261	8,071	4,261	130	10	(445)	12,028
S 46	Total Rate Base	656,855	144,203	18,025	3,581	24,810	847,474	100,302	52,951	1,621	126	(5,530)	149,469
S 47													
S 48	COMPOSITE RATE OF RETURN (PRESENT)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	8.05%	8.05%	8.05%	8.05%	8.05%	8.05%
S 49	COMPOSITE INDEX RATE OF RETURN (PRESENT)	0.91	0.82	0.94	0.97	1.21		1.55	1.39	1.60	1.65	2.05	
S 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS						GC CUSTOMER RELATED COSTS					
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
S 51	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%												
S 52													
S 53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED R												
S 54													
S 55	Rate Base Excluding Purchased Gas	656,855	144,203	18,025	3,581	24,810	847,474	100,302	52,951	1,621	126	(5,530)	149,469
S 56	Change in Operating Income (Rate Base * (7.64% - ROR (Present)))	18,932	4,156	520	103	715	24,426	(420)	(222)	(7)	(1)	23	(626)
S 57		0	0	0	0	0	0	0	0	0	0	0	0
S 58	OPERATING REVENUES												
S 59	Change in Revenue (Change in Return * 1.414)	26,765	5,876	734	146	1,011	34,532	(594)	(313)	(10)	(1)	33	(885)
S 60	Distribution Base Rate Revenue (Present Rates)	64,930	20,322	11,001	11,697	24,074	132,024	14,029	9,618	1,050	845	1,689	27,231
S 61	Total Dist Base Rate Revenue (Proposed Rate)	91,695	26,197	11,735	11,843	25,085	166,556	13,435	9,304	1,040	845	1,722	26,346
S 62													
S 63	Forfeited Discounts Revenues	18	6	3	3	7	36	2	2	0	0	0	5
S 64	Other Operating Revenue (Present Rates)	374	110	30	32	66	612	53	36	2	1	3	95
S 65	TOTAL OPERATING REVENUES	92,086	26,313	11,769	11,879	25,158	167,205	13,490	9,342	1,042	846	1,725	26,445
S 66													
S 67	OPERATING EXPENSES												
S 68	Operation and Maintenance Expense Excl Pur Gas	16,052	7,448	8,976	11,342	21,045	64,863	2,376	2,677	799	829	2,058	8,740
S 69	Depreciation and Amortization Expense	23,410	7,919	805	142	1,309	33,585	3,573	2,907	72	4	130	6,686
S 70	Additional Bad Debt Expense	93	20	3	1	4	120	(2)	(1)	(0)	(0)	0	(3)
S 71	Additional PUC / OTS & SBA Fee Expense	82	18	2	0	3	106	(2)	(1)	(0)	(0)	0	(3)
S 72	Taxes Other Than Income Taxes-General	1,379	423	374	68	609	2,853	210	155	34	2	60	461
S 73	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 74	TOTAL OPERATING EXPENSES BEFORE TAXES	41,016	15,828	10,159	11,554	22,970	101,527	6,156	5,737	905	835	2,249	15,882
S 75	State and Federal Income Taxes @ Effective Tax Rate	6,742	2,208	(21)	(7)	2	8,925	150	347	(16)	(1)	112	590
S 76	State and Federal Income Taxes @ Statutory Rates	(7,687)	(1,688)	(212)	(43)	(292)	(9,922)	170	89	3	0	(9)	253
S 77	TOTAL OPERATING EXPENSES	40,071	16,349	9,927	11,504	22,680	100,531	6,475	6,173	892	834	2,351	16,725
S 78													
S 79	NET OPERATING INCOME EXCL PURCHASED GAS	52,015	9,965	1,842	374	2,478	66,674	7,015	3,169	150	12	(626)	9,720
S 80													
S 81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.64%	91,695	26,197	11,735	11,843	25,085	166,556	13,435	9,304	1,040	845	1,722	26,346
S 82													
S 83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE	26,783	5,881	738	149	1,018	34,568	(591)	(312)	(9)	(1)	33	(880)
S 84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)	41.25%	28.94%	6.70%	1.27%	4.23%	26.18%	-4.21%	-3.24%	-0.90%	-0.07%	1.95%	-3.23%
S 85													
S 86													
S 132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	91,695	26,197	11,735	11,843	25,085	166,556	13,435	9,304	1,040	845	1,722	26,346
S 134													
S 135													
S 136													
S 146	NUMBER OF CUSTOMER BILLS	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	533,403	533,403	533,403	533,403	533,403	533,403
S 147													
S 148	\$/MONTH/CUSTOMER	\$15.46	\$4.42	\$1.98	\$2.00	\$4.23	\$28.07	\$25.19	\$17.44	\$1.95	\$1.58	\$3.23	\$49.39
S 149													
S 150													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBP 1	DEVELOPMENT OF RATE BASE												
RBP 2													
RBP 3	GAS PLANT IN SERVICE												
RBP 4	INTANGIBLE PLANT												
RBP 5	301-Organization	4,996	1,399	19	3	32	6,449	763	514	2	0	3	1,281
RBP 6	303-Miscellaneous Intangible Plant	0	0	0	0	0	0	0	0	0	0	0	0
RBP 7	TOTAL INTANGIBLE PLANT	4,996	1,399	19	3	32	6,449	763	514	2	0	3	1,281
RBP 8													
RBP 9	PRODUCTION PLANT (LPG)												
RBP 27	DISTRIBUTION PLANT												
RBP 40	380-Services	959,749	0	0	0	0	959,749	146,489	0	0	0	0	146,489
RBP 41	381-Meters	0	114,453	0	0	0	114,453	0	42,012	0	0	0	42,012
RBP 42	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 43	Total Account 381	0	114,453	0	0	0	114,453	0	42,012	0	0	0	42,012
RBP 44	382-Meter Installations	0	153,948	0	0	0	153,948	0	56,510	0	0	0	56,510
RBP 45	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 46	Total Account 382	0	153,948	0	0	0	153,948	0	56,510	0	0	0	56,510
RBP 47	387-Other Equipment	600	168	0	0	0	767	92	62	0	0	0	153
RBP 53	GENERAL PLANT												
RBP 54	389-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
RBP 55	390-Structures and Improvements	1,006	382	1,010	179	1,643	4,220	154	140	91	5	163	553
RBP 56	391-Office Furniture & Equipment	665	252	667	118	1,085	2,787	101	93	60	3	108	365
RBP 57	393-Store Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 58	394-Tools, Shop & Garage Equip.	1,565	594	1,571	278	2,556	6,564	239	218	141	8	254	860
RBP 59	395-Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 60	397-Communication Equipment	472	179	474	84	771	1,980	72	66	43	2	77	259
RBP 61	398-Miscellaneous Equipment	22	8	22	4	35	91	3	3	2	0	4	12
RBP 62	TOTAL GENERAL PLANT	3,730	1,416	3,743	663	6,090	15,642	569	520	337	19	605	2,050
RBP 63													
RBP 64													
RBP 65	TOTAL GAS PLANT IN SERVICE	969,486	271,498	3,762	666	6,121	1,251,534	147,975	99,660	338	19	608	248,601
RBP 99													
RBP 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBD 1	LESS: ACCUMULATED DEPRECIATION												
RBD 2													
RBD 3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION	4,587	1,284	18	3	29	5,921	700	471	2	0	3	1,176
RBD 10													
RBD 11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION												
RBD 24	380-Services	226,222	0	0	0	0	226,222	34,529	0	0	0	0	34,529
RBD 25	381-Meters	0	50,042	0	0	0	50,042	0	18,369	0	0	0	18,369
RBD 26	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 27	Total Account 381	0	50,042	0	0	0	50,042	0	18,369	0	0	0	18,369
RBD 28	382-Meter Installations	0	52,935	0	0	0	52,935	0	19,431	0	0	0	19,431
RBD 29	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 30	Total Account 382	0	52,935	0	0	0	52,935	0	19,431	0	0	0	19,431
RBD 31	387-Other Equipment	404	113	0	0	0	517	62	42	0	0	0	103
RBD 32	388-Asset Retirement Costs for Distribution Plant	157	44	0	0	0	201	24	16	0	0	0	40
RBD 33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION	226,784	103,133	0	0	0	329,917	34,615	37,857	0	0	0	72,472
RBD 34													
RBD 35	GENERAL PLANT ACCUMULATED DEPRECIATION	1,563	593	1,568	278	2,552	6,554	239	218	141	8	253	859
RBD 37	TOTAL ACCUMULATED DEPRECIATION	232,933	105,011	1,586	281	2,581	342,393	35,553	38,547	143	8	256	74,507
RBD 38													
RBD 39													
RBD 50													
RBO 1	ADDITIONS AND DEDUCTIONS TO RATE BASE												
RBO 2													
RBO 3	PLUS: ADDITIONS TO RATE BASE												
RBO 4													
RBO 5	COMMON PLANT	13,252	5,032	13,298	2,355	21,637	55,574	2,023	1,847	1,196	68	2,149	7,283
RBO 6													
RBO 7	WORKING CAPITAL												
RBO 8	Cash Working Capital - Purchased Gas	0	0	0	0	0	0	0	0	0	0	0	0
RBO 9	Cash Working Capital	(812)	(178)	189	422	437	59	(98)	(53)	17	34	37	(63)
RBO 10	Gas Storage Inventory	0	0	0	0	0	0	0	0	0	0	0	0
RBO 11	Materials and Supplies	122	34	0	0	1	157	19	12	0	0	0	31
RBO 12	TOTAL WORKING CAPITAL	(690)	(144)	190	422	438	216	(80)	(40)	17	34	37	(32)
RBO 13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS	12,562	4,888	13,488	2,777	22,075	55,790	1,943	1,807	1,213	102	2,186	7,251
RBO 14	TOTAL ADDITIONS TO RATE BASE	12,562	4,888	13,488	2,777	22,075	55,790	1,943	1,807	1,213	102	2,186	7,251
RBO 15													
RBO 16	LESS: DEDUCTIONS TO RATE BASE												
RBO 17	Customer Deposits	0	0	0	0	4,647	4,647	0	0	0	0	8,450	8,450
RBO 18	Customer Advances for Construction	857	102	0	0	0	960	132	38	0	0	0	170
RBO 19	Deferred Income Taxes and Credits												
RBO 20	Plant	105,034	29,414	408	72	663	135,591	16,032	10,797	37	2	66	26,933
RBO 21	Common Plant	638	242	640	113	1,041	2,674	97	89	58	3	103	350
RBO 22	Pension Assets / (Liability)	(3,397)	(1,290)	(3,409)	(604)	(5,546)	(14,246)	(519)	(473)	(306)	(18)	(551)	(1,867)
RBO 23	ML Non-Conforming	0	0	0	0	0	0	0	0	0	0	0	0
RBO 24	Contributions in Aid of Construction (CIAC)	(10,872)	(1,296)	0	0	0	(12,168)	(1,680)	(482)	0	0	0	(2,162)
RBO 25	Total Deferred Income Taxes and Credits	91,403	27,070	(2,361)	(418)	(3,842)	111,851	13,930	9,931	(212)	(12)	(382)	23,255
RBO 26	TOTAL DEDUCTIONS TO RATE BASE	92,260	27,172	(2,361)	(418)	805	117,458	14,063	9,969	(212)	(12)	8,068	31,875
RBO 27													
RBO 28	TOTAL PURCHASED GAS RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0
RBO 29	TOTAL RATE BASE EXCLUDING PURCHASED GAS	656,855	144,203	18,025	3,581	24,810	847,474	100,302	52,951	1,621	126	(5,530)	149,469
RBO 30													
RBO 31	TOTAL RATE BASE	656,855	144,203	18,025	3,581	24,810	847,474	100,302	52,951	1,621	126	(5,530)	149,469
RBO 32													
RBO 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS						GC CUSTOMER RELATED COSTS					
		SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
RBC 1	CASH WORKING CAPITAL (LEAD LAG)												
RBC 2													
RBC 3	TOTAL EXCLUDING PURCHASED GAS												
RBC 4	O&M EXPENSE RELATED CASH WORKING CAPITAL												
RBC 5	Payroll (Distribution Only)	4,090	1,553	4,104	727	6,677	17,151	624	570	369	21	663	2,248
RBC 6	Pension	245	93	245	43	399	1,026	37	34	22	1	40	134
RBC 7	Other Expenses												
RBC 8	Other Expenses	11,134	5,825	4,203	11,462	13,922	46,545	1,699	2,138	378	889	1,374	6,479
RBC 9	BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 10	Purchase of Receivables (POR)	12,738	3,987	2,158	2,295	4,723	25,900	2,421	1,660	181	146	291	4,699
RBC 11	TOTAL EXPENSES	28,206	11,458	10,710	14,527	25,722	90,623	4,782	4,402	950	1,058	2,368	13,559
RBC 12													
RBC 13	TOTAL EXPENSES PER DAY	77	31	29	40	70	248	13	12	3	3	6	37
RBC 14													
RBC 15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)	404	164	154	208	369	1,299	69	63	14	15	34	194
RBC 16													
RBC 17	AVERAGE PREPAYMENTS	360	105	40	215	76	796	57	40	4	19	6	125
RBC 18	DISTRIBUTION ACCRUED TAXES	14	(2)	2	0	3	17	19	8	0	0	(2)	25
RBC 19	INTEREST PAYMENTS	(1,590)	(445)	(6)	(1)	(10)	(2,053)	(243)	(163)	(1)	(0)	(1)	(408)
RBC 20													
RBC 21													
RBC 22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT	(812)	(178)	189	422	437	59	(98)	(53)	17	34	37	(63)
RBC 23													
RBC 24													
RBC 15	DISTRIBUTION ACCRUED TAXES												
RBC 17	Federal Income Tax			110	22	146	3,214	1,218	590	23	2	(91)	1,742
RBC 18	State Income Tax	15,731	2,552	686	140	907	20,015	7,585	3,673	145	12	(567)	10,849
RBC 19	PURTA Taxes	(43,716)	(12,242)	(170)	(30)	(276)	(56,435)	(6,673)	(4,494)	(15)	(1)	(27)	(11,210)
RBC 20	PA Capital Stock Tax	0	0	0	0	0	0	0	0	0	0	0	0
RBC 21	PA & Local Use Taxes	0	0	0	0	0	0	0	0	0	0	0	0
RBC 22	PA Property tax	30,582	8,564	119	21	193	39,480	4,668	3,144	11	1	19	7,842
RBC 23	TOTAL ACCRUED TAXES	5,123	(717)	745	153	970	6,274	6,798	2,913	164	13	(666)	9,223
RBC 24	TOTAL ACCRUED TAXES PER DAY	14	(2)	2	0	3	17	19	8	0	0	(2)	25
RBC 25													
RBC 26	DISTRIBUTION AVERAGE PREPAYMENTS												
RBC 27	AGA Membership Dues	32	10	6	6	12	66	7	5	1	0	1	14
RBC 28	EAPA & NGA Membership Dues	11	4	2	2	4	23	2	2	0	0	0	5
RBC 29	PUC Assess - Gas	105	30	13	14	29	190	15	11	1	1	2	30
RBC 30	Cellent Gas Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0
RBC 31	Gas Software Maintenance	3	1	0	0	0	4	1	0	0	0	0	1
RBC 32	Customer and Research	0	0	0	32	0	32	0	0	0	3	0	3
RBC 33	VEBA Adjustment	11	4	11	2	18	46	2	2	1	0	2	6
RBC 34	Facility Contracts	5	1	0	0	0	6	1	1	0	0	0	1
RBC 35	IT License & Maintenance	169	47	1	0	1	218	26	17	0	0	0	43
RBC 36	Fleet Activities	7	3	7	1	12	31	1	1	1	0	1	4
RBC 37	Prepared Rent	16	4	0	0	0	20	2	2	0	0	0	4
RBC 38	Postage	0	0	0	158	0	158	0	0	0	14	0	14
RBC 39	TOTAL AVERAGE PREPAYMENTS	360	105	40	215	76	796	57	40	4	19	6	125
RBC 49													
RBC 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBC 51	OPERATING REVENUES												
RBC 52													
RBC 53	SALES REVENUES												
RBC 54	Sales of Gas Revenues - Base	64,930	20,322	11,001	11,697	24,074	132,024	14,029	9,618	1,050	845	1,689	27,231
RBC 55	Sales Revenues - Purchased Gas-PGC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 56	Sales Revenues - Balancing Service Charge-BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 57	TOTAL SALES OF GAS	64,930	20,322	11,001	11,697	24,074	132,024	14,029	9,618	1,050	845	1,689	27,231
RBC 58													
RBC 59	OTHER OPERATING REVENUES												
RBC 60	487-Forfeited Discounts	175	55	30	32	65	357	23	16	2	1	3	44
RBC 61	488-Miscellaneous Service Revenues	3	1	0	0	1	5	0	0	0	0	0	0
RBC 62	489-Transport of Gas of Others Revenue	0	0	0	0	0	0	0	0	0	0	0	0
RBC 63	494-Interdepartmental Rents	196	55	0	0	0	250	30	20	0	0	0	50
RBC 64	TOTAL OTHER OPERATING REV	374	110	30	32	66	612	53	36	2	1	3	95
RBC 65													
RBC 66	TOTAL OPERATING REVENUES	65,304	20,432	11,031	11,729	24,140	132,637	14,081	9,654	1,052	847	1,692	27,325
RBC 67													
RBC 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
E 1	OPERATION & MAINTENANCE EXPENSE												
E 2													
E 40	DISTRIBUTION EXPENSES												
E 41	Operation												
E 42	870-Operation Supervision and Engineering	209	82	260	0	0	552	32	30	23	0	0	86
E 43	874-Mains and Services Expenses	5,645	0	0	0	0	5,645	862	0	0	0	0	862
E 44	875-Measuring & Reg. Station Exp.-General	0	0	0	0	0	0	0	0	0	0	0	0
E 45	877-Measuring & Reg. Station Exp.-City Gate Sta.	0	0	0	0	0	0	0	0	0	0	0	0
E 46	878-Meter & House Regulator Expenses	0	4,166	0	0	0	4,166	0	1,529	0	0	0	1,529
E 47	879-Customer Installations Expenses	0	0	4,726	0	0	4,726	0	0	425	0	0	425
E 48	880-Other Expenses	3,826	1,070	0	0	0	4,896	584	393	0	0	0	977
E 49	Total Distribution Operation	9,681	5,318	4,986	0	0	19,985	1,478	1,952	448	0	0	3,878
E 50													
E 53	Maintenance												
E 54	887-Maintenance of Mains	0	0	0	0	0	0	0	0	0	0	0	0
E 55	889-Maint. of Measuring & Reg. Station Equip.-Gen	0	0	0	0	0	0	0	0	0	0	0	0
E 56	892-Maintenance of Services	1,248	0	0	0	0	1,248	191	0	0	0	0	191
E 57	893-Maint. of Meters & House Regulators	0	291	0	0	0	291	0	107	0	0	0	107
E 58	894-Maintenance of Other Equipment	249	70	0	0	0	318	38	26	0	0	0	64
E 59	Total Distribution Maintenance	1,497	361	0	0	0	1,858	229	133	0	0	0	361
E 60	TOTAL DISTRIBUTION PLANT O&M EXPENSES	11,178	5,679	4,986	0	0	21,844	1,706	2,085	448	0	0	4,239
E 61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)	11,178	5,679	4,986	0	0	21,844	1,706	2,085	448	0	0	4,239
E 62													
E 63	CUSTOMER ACCOUNTS EXPENSES												
E 64	902-Meter Reading	0	0	0	0	182	182	0	0	0	0	16	16
E 65	903-Customer Records and Collection Expense	0	0	0	0	12,963	12,963	0	0	0	0	1,294	1,294
E 66	904-Uncollectible Accounts	567	177	96	102	210	1,152	29	20	2	2	3	56
E 67	904-Uncollectible Accounts - PPA	89	28	15	16	33	182	0	0	0	0	0	0
E 68	905-Miscellaneous CA	0	0	0	0	1,322	1,322	0	0	0	0	119	119
E 69	TOTAL CUSTOMER ACCTS EXPENSE	656	205	111	118	14,710	15,801	29	20	2	2	1,432	1,485
E 70													
E 71	CUSTOMER SERVICE & SALES EXPENSES												
E 72	908-Customer Assistance	0	0	0	7,482	0	7,482	0	0	0	217	0	217
E 73	908-Customer Assistance	0	0	0	0	0	0	0	0	0	499	0	499
E 74	909-Advertisement	0	0	0	299	0	299	0	0	0	9	0	9
E 75	910-Miscellaneous CS	0	0	0	0	0	0	0	0	0	0	0	0
E 76	912-Demonstrating and Selling Expenses	0	0	0	2,716	0	2,716	0	0	0	79	0	79
E 77	916 Miscellaneous Sales Expenses	0	0	0	0	0	0	0	0	0	0	0	0
E 78	TOTAL CUSTOMER SERVICE & SALES EXP	0	0	0	10,496	0	10,496	0	0	0	804	0	804
E 79													
E 80	TOTAL OPER & MAINT EXCL A&G	11,834	5,885	5,097	10,614	14,710	48,140	1,735	2,104	450	806	1,432	6,528
E 81													
E 82	ADMINISTRATIVE & GENERAL EXPENSE												
E 83	920-Administrative Salaries	897	341	900	159	1,465	3,763	137	125	81	5	146	493
E 84	921-Office Supplies & Expense	141	54	141	25	230	591	22	20	13	1	23	77
E 85	923-Outside Service Employed	1,642	623	1,647	292	2,680	6,884	251	229	148	8	266	902
E 86	924-Property Insurance	21	6	0	0	0	27	3	2	0	0	0	5
E 87	925-Injuries and Damages	26	10	27	5	43	111	4	4	2	0	4	15
E 88	926-Employee Pensions & Benefits	939	357	942	167	1,533	3,938	143	131	85	5	152	516
E 89	928-Regulatory Commission	381	109	49	49	104	691	56	39	4	4	7	109
E 90	929-Duplicate Charges-Credit	0	0	0	0	0	0	0	0	0	0	0	0
E 91	930.1-General Advertising	0	0	0	0	0	0	0	0	0	0	0	0
E 92	930.2-Miscellaneous General	53	20	53	9	86	221	8	7	5	0	9	29
E 93	932-Maintenance of General Plant	118	45	119	21	193	497	18	17	11	1	19	65
E 94	TOTAL A&G EXPENSE	4,218	1,564	3,879	727	6,336	16,723	641	573	349	23	626	2,212
E 95													
E 96	TOTAL OPERATION & MAINTENANCE EXPENSES	16,052	7,448	8,976	11,342	21,045	64,863	2,376	2,677	799	829	2,058	8,740
E 97													
E 98	TOTAL PURCHASED GAS O&M EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0
E 99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS	16,052	7,448	8,976	11,342	21,045	64,863	2,376	2,677	799	829	2,058	8,740
E 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
D	1	DEPRECIATION / AMORTIZATION EXPENSE												
D	2													
D	3	INTANGIBLE PLANT EXPENSE	2,832	793	11	2	18	3,656	432	291	1	0	2	726
D	4													
D	11	DISTRIBUTION PLANT EXPENSE												
D	24	380-Services	19,787	0	0	0	0	19,787	3,020	0	0	0	0	3,020
D	25	381-Meters	0	3,764	0	0	0	3,764	0	1,382	0	0	0	1,382
D	26	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
D	27	Total Account 381	0	3,764	0	0	0	3,764	0	1,382	0	0	0	1,382
D	28	382-Meter Installations	0	3,061	0	0	0	3,061	0	1,124	0	0	0	1,124
D	29	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
D	30	Total Account 382	0	3,061	0	0	0	3,061	0	1,124	0	0	0	1,124
D	31	387-Other Equipment	1	0	0	0	0	1	0	0	0	0	0	0
D	32	388-Asset Retirement Costs for Distribution Plant	0	0	0	0	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE	19,788	6,825	0	0	0	26,613	3,020	2,505	0	0	0	5,526
D	34													
D	35	GENERAL PLANT EXPENSE	167	63	168	30	273	700	25	23	15	1	27	92
D	36													
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	624	237	626	111	1,019	2,616	95	87	56	3	101	343
D	38													
D	39	NET MANUFACTURED GAS PLANT EXP	0	0	0	0	0	0	0	0	0	0	0	0
D	40													
D	50													
TO	1	OTHER OPERATING EXPENSES												
TO	2													
TO	3	TAXES OTHER THAN INCOME TAXES												
TO	4	General Taxes												
TO	5	PURTA Taxes	562	157	2	0	4	725	86	58	0	0	0	144
TO	6	Capital Stock	0	0	0	0	0	0	0	0	0	0	0	0
TO	7	Payroll Related	366	139	367	65	597	1,534	56	51	33	2	59	201
TO	8	Real Estate Tax	430	120	2	0	3	555	66	44	0	0	0	110
TO	9	PA and Local Use Tax	21	6	3	3	6	39	3	2	0	0	0	6
TO	10	Total General Taxes	1,379	423	374	68	609	2,853	210	155	34	2	60	461
TO	11													
TO	12													
TO	20													
TO	21	TOTAL TAXES OTHER THAN INCOME	1,379	423	374	68	609	2,853	210	155	34	2	60	461
TO	22													
TO	50													
TI	1	DEVELOPMENT OF INCOME TAXES												
TI	2													
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS	65,304	20,432	11,031	11,729	24,140	132,637	14,081	9,654	1,052	847	1,692	27,325
TI	4	LESS:												
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	16,052	7,448	8,976	11,342	21,045	64,863	2,376	2,677	799	829	2,058	8,740
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	23,410	7,919	805	142	1,309	33,585	3,573	2,907	72	4	130	6,686
TI	7	TAXES OTHER THAN INCOME TAXES	1,379	423	374	68	609	2,853	210	155	34	2	60	461
TI	8	NET OPERATING INCOME BEFORE TAXES	24,463	4,642	877	177	1,177	31,335	7,922	3,915	146	12	(557)	11,438
TI	9	LESS:												
TI	10	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)	11,758	2,581	323	64	444	15,170	1,795	948	29	2	(99)	2,675
TI	11													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS	12,705	2,061	554	113	733	16,166	6,126	2,967	117	9	(458)	8,762
TI	13													
TI	14	FEDERAL & STATE TAX ADJUSTMENTS												
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	296	112	297	53	483	1,241	45	41	27	2	48	163
TI	16	Other Property Basis Adjustment (CIAC/ICM)	3,476	972	0	0	0	4,448	531	357	0	0	0	887
TI	17	Removal Costs/Software	2,499	700	10	2	16	3,226	381	257	1	0	2	641
TI	18	AFUDC Equity	1,502	421	6	1	9	1,939	229	154	1	0	1	385
TI	19	Permanent Adjustments	(212)	(59)	(1)	(0)	(1)	(274)	(32)	(22)	(0)	(0)	(0)	(54)
TI	20	Repair Allowance Deduction	36,322	10,172	141	25	229	46,889	5,544	3,734	13	1	23	9,314
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS	43,883	12,317	453	80	736	57,470	6,698	4,521	41	2	73	11,336
TI	22													
TI	23	CALCULATION OF PA STATE INCOME TAXES												
TI	24	BASE TAXABLE INCOME	12,705	2,061	554	113	733	16,166	6,126	2,967	117	9	(458)	8,762
TI	25	LESS:												
TI	26	State Tax Depreciation (Over) Under Book	(6,999)	(1,960)	(27)	(5)	(44)	(9,035)	(1,068)	(719)	(2)	(0)	(4)	(1,795)
TI	27	Total Tax Adjustments	43,883	12,317	453	80	736	57,470	6,698	4,521	41	2	73	11,336
TI	28	PA STATE TAXABLE DISTRIBUTION INCOME	(24,180)	(8,296)	129	37	40	(32,270)	496	(835)	79	7	(526)	(779)
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%	(2,416)	(829)	13	4	4	(3,224)	50	(83)	8	1	(53)	(78)
TI	30	PLUS: DEFERRED STATE INCOME TAXES												
TI	31	Net Operating Loss Utilization	2,416	829	(13)	(4)	(4)	3,224	(50)	83	(8)	(1)	53	78
TI	32	TOTAL STATE INCOME TAX	0	0	0	0	0	0	0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	(420)	(118)	(2)	(0)	(3)	(542)	(64)	(43)	(0)	(0)	(0)	(108)
TI	34	Deferred Taxes on State NOL	1,557	436	6	1	10	2,010	238	160	1	0	1	399
TI	35	TOTAL STATE INCOME TAX EXPENSE	1,138	319	4	1	7	1,469	174	117	0	0	1	292
TI	36													
TI	37	CALCULATION OF FEDERAL INCOME TAXES												
TI	38	BASE TAXABLE INCOME	12,705	2,061	554	113	733	16,166	6,126	2,967	117	9	(458)	8,762
TI	39	LESS:												
TI	40	PA State Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	(9,212)	(2,580)	(36)	(6)	(58)	(11,892)	(1,406)	(947)	(3)	(0)	(6)	(2,362)
TI	42	Total Tax Adjustments	43,883	12,317	453	80	736	57,470	6,698	4,521	41	2	73	11,336
TI	43	FEDERAL TAXABLE DISTRIBUTION INCOME	(21,966)	(7,677)	137	39	54	(29,412)	834	(608)	80	7	(525)	(211)
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%	4,613	1,612	(29)	(8)	(11)	6,177	(175)	128	(17)	(2)	110	44
TI	45													
TI	78	TOTAL PA INCOME TAX EXPENSE	1,138	319	4	1	7	1,469	174	117	0	0	1	292
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE	5,605	1,890	(25)	(7)	(5)	7,457	(24)	230	(16)	(1)	111	299
TI	80	TOTAL INCOME TAX EXPENSE	6,742	2,208	(21)	(7)	2	8,925	150	347	(16)	(1)	112	590
TI	81													
TI	82	TOTAL OTHER TAX EXPENSE	1,379	423	374	68	609	2,853	210	155	34	2	60	461
TI	83													
TI	84	TOTAL TAX EXPENSE	8,121	2,631	353	62	611	11,778	360	502	18	1	172	1,052
TI	85													
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	91,695	26,197	11,735	11,843	25,085	166,556	13,435	9,304	1,040	845	1,722	26,346
S	146	NUMBER OF CUSTOMER BILLS	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	533,403	533,403	533,403	533,403	533,403	533,403
S	148	\$/MONTH/CUSTOMER	\$ 15.46	\$ 4.42	\$ 1.98	\$ 2.00	\$ 4.23	\$ 28.07	\$ 25.19	\$ 17.44	\$ 1.95	\$ 1.58	\$ 3.23	\$ 49.39

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
S 1	SUMMARY AT PRESENT RATES												
S 2													
S 3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS												
S 4	OPERATING REVENUE												
S 5	Sales of Gas Revenue - Base	252	889	11	43	509	1,704	155	734	6	23	274	1,191
S 6	Other Operating Revenue	1	3	0	0	1	5	1	3	0	0	0	4
S 7	TOTAL OPERATING REVENUE	253	893	11	43	510	1,709	155	737	6	23	274	1,194
S 8													
S 9	OPERATING EXPENSES												
S 10	Operation and Maintenance Expense Excl Pur Gas	49	269	8	41	437	804	25	199	4	22	230	480
S 11	Depreciation and Amortization Expense	74	281	1	1	29	385	39	218	0	0	15	272
S 12	Taxes Other Than Income Taxes-General	4	16	0	0	13	34	2	12	0	0	7	21
S 13	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 14	Income Taxes	11	51	(0)	(0)	(2)	60	1	23	(0)	(0)	(2)	21
S 15	TOTAL OPERATING EXPENSES	116	515	9	42	480	1,163	65	406	5	22	254	752
S 16													
S 17	OPERATING INCOME (RETURN)	137	378	1	1	30	546	90	331	1	1	20	442
S 18													
S 19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS												
S 20	Gas Plant in Service	3,061	10,072	3	2	134	13,273	1,598	7,460	2	1	70	9,131
S 21	Less: Accumulated Depreciation	736	3,556	1	1	56	4,350	384	2,885	1	1	30	3,300
S 22	Plus: Rate Base Additions Excl Purchased Gas	39	180	12	10	480	721	21	134	7	5	253	419
S 23	Less: Rate Base Deductions	323	1,052	(2)	(2)	110	1,481	169	779	(1)	(1)	57	1,003
S 24	TOTAL RATE BASE EXCL PURCHASED GAS	2,042	5,643	17	13	448	8,163	1,066	3,929	9	7	237	5,246
S 25													
S 26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	6.69%	6.69%	6.69%	6.69%	6.69%	6.69%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%
S 27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	1.29	1.16	1.33	1.37	1.70		1.62	1.46	1.68	1.73	2.14	
S 28													
S 40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 41	Total Distribution Sales Revenue at Current Rates	252	889	11	43	509	1,704	155	734	6	23	274	1,191
S 42	Total Distribution Operating Revenues	253	893	11	43	510	1,709	155	737	6	23	274	1,194
S 43	Total Distribution Operating Expenses Excl Federal & State Taxes	127	566	9	42	479	1,223	66	428	5	22	252	774
S 44	Plus: Total Federal & State Taxes	11	51	(0)	(0)	(2)	60	1	23	(0)	(0)	(2)	21
S 45	Total Operating Income (Return)	137	378	1	1	30	546	90	331	1	1	20	442
S 46	Total Rate Base	2,042	5,643	17	13	448	8,163	1,066	3,929	9	7	237	5,246
S 47													
S 48	COMPOSITE RATE OF RETURN (PRESENT)	6.69%	6.69%	6.69%	6.69%	6.69%	6.69%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%
S 49	COMPOSITE INDEX RATE OF RETURN (PRESENT)	1.29	1.16	1.33	1.37	1.70		1.62	1.46	1.68	1.73	2.14	
S 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
S 51	EQUALIZED RETURN AT PROPOSED ROR OF 7.64%												
S 52													
S 53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED R.												
S 54													
S 55	Rate Base Excluding Purchased Gas	2,042	5,643	17	13	448	8,163	1,066	3,929	9	7	237	5,246
S 56	Change in Operating Income (Rate Base * (7.64% - ROR (Present)))	19	54	0	0	4	77	(8)	(31)	(0)	(0)	(2)	(41)
S 57		0	0	0	0	0	0	0	0	0	0	0	0
S 58	OPERATING REVENUES												
S 59	Change in Revenue (Change in Return * 1.414)	27	76	0	0	6	110	(12)	(44)	(0)	(0)	(3)	(58)
S 60	Distribution Base Rate Revenue (Present Rates)	252	889	11	43	509	1,704	155	734	6	23	274	1,191
S 61	Total Dist Base Rate Revenue (Proposed Rate)	279	965	11	43	515	1,813	143	691	6	23	271	1,132
S 62													
S 63	Forfeited Discounts Revenues	0	0	0	0	0	0	0	0	0	0	0	0
S 64	Other Operating Revenue (Present Rates)	1	3	0	0	1	5	1	3	0	0	0	4
S 65	TOTAL OPERATING REVENUES	280	969	11	43	516	1,819	143	693	6	23	271	1,136
S 66													
S 67	OPERATING EXPENSES												
S 68	Operation and Maintenance Expense Excl Pur Gas	49	269	8	41	437	804	25	199	4	22	230	480
S 69	Depreciation and Amortization Expense	74	281	1	1	29	385	39	218	0	0	15	272
S 70	Additional Bad Debt Expense	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
S 71	Additional PUC / OTS & SBA Fee Expense	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
S 72	Taxes Other Than Income Taxes-General	4	16	0	0	13	34	2	12	0	0	7	21
S 73	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 74	TOTAL OPERATING EXPENSES BEFORE TAXES	127	566	9	42	479	1,223	66	428	5	22	252	773
S 75	State and Federal Income Taxes @ Effective Tax Rate	11	51	(0)	(0)	(2)	60	1	23	(0)	(0)	(2)	21
S 76	State and Federal Income Taxes @ Statutory Rates	(8)	(22)	(0)	(0)	(2)	(32)	3	13	0	0	1	17
S 77	TOTAL OPERATING EXPENSES	130	595	9	42	475	1,252	70	463	5	22	251	811
S 78													
S 79	NET OPERATING INCOME EXCL PURCHASED GAS	150	374	2	1	41	567	73	230	1	1	20	325
S 80													
S 81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.64%	279	965	11	43	515	1,813	143	691	6	23	271	1,132
S 82													
S 83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE	27	76	0	0	6	110	(12)	(44)	(0)	(0)	(3)	(58)
S 84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)	10.91%	8.53%	2.14%	0.41%	1.20%	6.44%	-7.65%	-5.94%	-1.69%	-0.31%	-0.95%	-4.89%
S 85													
S 86													
S 132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	279	965	11	43	515	1,813	143	691	6	23	271	1,132
S 134													
S 135													
S 136													
S 146	NUMBER OF CUSTOMER BILLS	5,505	5,505	5,505	5,505	5,505	5,505	2,873	2,873	2,873	2,873	2,873	2,873
S 147													
S 148	\$/MONTH/CUSTOMER	\$50.67	\$175.31	\$1.95	\$7.86	\$93.60	\$329.40	\$49.71	\$240.37	\$1.95	\$7.85	\$94.29	\$394.17
S 149													
S 150													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
	(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
RBP 1	DEVELOPMENT OF RATE BASE												
RBP 2													
RBP 3	GAS PLANT IN SERVICE												
RBP 4	INTANGIBLE PLANT												
RBP 5	301-Organization	16	52	0	0	1	68	8	38	0	0	0	47
RBP 6	303-Miscellaneous Intangible Plant	0	0	0	0	0	0	0	0	0	0	0	0
RBP 7	TOTAL INTANGIBLE PLANT	16	52	0	0	1	68	8	38	0	0	0	47
RBP 8													
RBP 9	PRODUCTION PLANT (LPG)												
RBP 27	DISTRIBUTION PLANT												
RBP 40	380-Services	3,031	0	0	0	0	3,031	1,581	0	0	0	0	1,581
RBP 41	381-Meters	0	3,856	0	0	0	3,856	0	3,145	0	0	0	3,145
RBP 42	Direct Assignment	0	232	0	0	0	232	0	0	0	0	0	0
RBP 43	Total Account 381	0	4,088	0	0	0	4,088	0	3,145	0	0	0	3,145
RBP 44	382-Meter Installations	0	5,187	0	0	0	5,187	0	4,230	0	0	0	4,230
RBP 45	Direct Assignment	0	681	0	0	0	681	0	0	0	0	0	0
RBP 46	Total Account 382	0	5,868	0	0	0	5,868	0	4,230	0	0	0	4,230
RBP 47	387-Other Equipment	2	6	0	0	0	8	1	5	0	0	0	6
RBP 53	GENERAL PLANT												
RBP 54	389-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
RBP 55	390-Structures and Improvements	3	14	1	1	36	55	2	11	0	0	19	32
RBP 56	391-Office Furniture & Equipment	2	9	1	0	24	36	1	7	0	0	12	21
RBP 57	393-Store Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 58	394-Tools, Shop & Garage Equip.	5	22	1	1	56	85	3	16	1	1	29	50
RBP 59	395-Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 60	397-Communication Equipment	1	7	0	0	17	26	1	5	0	0	9	15
RBP 61	398-Miscellaneous Equipment	0	0	0	0	1	1	0	0	0	0	0	1
RBP 62	TOTAL GENERAL PLANT	12	53	3	2	133	203	6	39	2	1	70	118
RBP 63													
RBP 64													
RBP 65	TOTAL GAS PLANT IN SERVICE	3,061	10,072	3	2	134	13,273	1,598	7,460	2	1	70	9,131
RBP 99													
RBP 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
RBD 1	LESS: ACCUMULATED DEPRECIATION												
RBD 2													
RBD 3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION	14	48	0	0	1	63	8	35	0	0	0	43
RBD 10													
RBD 11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION												
RBD 24	380-Services	714	0	0	0	0	714	373	0	0	0	0	373
RBD 25	381-Meters	0	1,686	0	0	0	1,686	0	1,375	0	0	0	1,375
RBD 26	Direct Assignment	0	3	0	0	0	3	0	0	0	0	0	0
RBP 27	Total Account 381	0	1,689	0	0	0	1,689	0	1,375	0	0	0	1,375
RBD 28	382-Meter Installations	0	1,784	0	0	0	1,784	0	1,454	0	0	0	1,454
RBD 29	Direct Assignment	0	8	0	0	0	8	0	0	0	0	0	0
RBP 30	Total Account 382	0	1,791	0	0	0	1,791	0	1,454	0	0	0	1,454
RBD 31	387-Other Equipment	1	4	0	0	0	5	1	3	0	0	0	4
RBD 32	388-Asset Retirement Costs for Distribution Plant	0	2	0	0	0	2	0	1	0	0	0	1
RBD 33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION	716	3,486	0	0	0	4,202	374	2,834	0	0	0	3,207
RBD 34													
RBD 35	GENERAL PLANT ACCUMULATED DEPRECIATION	5	22	1	1	56	85	3	16	1	1	29	50
RBD 37	TOTAL ACCUMULATED DEPRECIATION	736	3,556	1	1	56	4,350	384	2,885	1	1	30	3,300
RBD 38													
RBD 39													
RBD 50													
RBO 1	ADDITIONS AND DEDUCTIONS TO RATE BASE												
RBO 2													
RBO 3	PLUS: ADDITIONS TO RATE BASE												
RBO 4													
RBO 5	COMMON PLANT	42	187	12	9	472	722	22	138	6	5	249	420
RBO 6													
RBO 7	WORKING CAPITAL												
RBO 8	Cash Working Capital - Purchased Gas	0	0	0	0	0	0	0	0	0	0	0	0
RBO 9	Cash Working Capital	(3)	(8)	0	1	8	(2)	(1)	(6)	0	0	4	(2)
RBO 10	Gas Storage Inventory	0	0	0	0	0	0	0	0	0	0	0	0
RBO 11	Materials and Supplies	0	1	0	0	2	0	1	0	0	0	0	1
RBO 12	TOTAL WORKING CAPITAL	(3)	(7)	0	1	8	(1)	(1)	(5)	0	0	4	(1)
RBO 13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS	39	180	12	10	480	721	21	134	7	5	253	419
RBO 14	TOTAL ADDITIONS TO RATE BASE	39	180	12	10	480	721	21	134	7	5	253	419
RBO 15													
RBO 16	LESS: DEDUCTIONS TO RATE BASE												
RBO 17	Customer Deposits	0	0	0	0	194	194	0	0	0	0	101	101
RBO 18	Customer Advances for Construction	0	0	0	0	0	0	0	0	0	0	0	0
RBO 19	Deferred Income Taxes and Credits												
RBO 20	Plant	332	1,091	0	0	14	1,438	173	808	0	0	8	989
RBO 21	Common Plant	2	9	1	0	23	35	1	7	0	0	12	20
RBO 22	Pension Assets / (Liability)	(11)	(48)	(3)	(2)	(121)	(185)	(6)	(35)	(2)	(1)	(64)	(108)
RBO 23	ML Non-Conforming	0	0	0	0	0	0	0	0	0	0	0	0
RBO 24	Contributions in Aid of Construction (CIAC)	0	0	0	0	0	0	0	0	0	0	0	0
RBO 25	Total Deferred Income Taxes and Credits	323	1,052	(2)	(2)	(84)	1,288	169	779	(1)	(1)	(44)	902
RBO 26	TOTAL DEDUCTIONS TO RATE BASE	323	1,052	(2)	(2)	110	1,481	169	779	(1)	(1)	57	1,003
RBO 27													
RBO 28	TOTAL PURCHASED GAS RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0
RBO 29	TOTAL RATE BASE EXCLUDING PURCHASED GAS	2,042	5,643	17	13	448	8,163	1,066	3,929	9	7	237	5,246
RBO 30													
RBO 31	TOTAL RATE BASE	2,042	5,643	17	13	448	8,163	1,066	3,929	9	7	237	5,246
RBO 32													
RBO 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
	(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
RBC 1	CASH WORKING CAPITAL (LEAD LAG)												
RBC 2													
RBC 3	TOTAL EXCLUDING PURCHASED GAS												
RBC 4	O&M EXPENSE RELATED CASH WORKING CAPITAL												
RBC 5	Payroll (Distribution Only)	13	58	4	3	146	223	7	43	2	1	77	130
RBC 6	Pension	1	3	0	0	9	13	0	3	0	0	5	8
RBC 7	Other Expenses												
RBC 8	Other Expenses	35	216	4	42	284	582	18	160	2	22	150	352
RBC 9	BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 10	Purchase of Receivables (POR)	0	0	0	0	0	0	0	0	0	0	0	0
RBC 11	TOTAL EXPENSES	49	277	8	45	439	818	25	205	4	24	231	490
RBC 12													
RBC 13	TOTAL EXPENSES PER DAY	0	1	0	0	1	2	0	1	0	0	1	1
RBC 14													
RBC 15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)	1	4	0	1	6	12	0	3	0	0	3	7
RBC 16													
RBC 17	AVERAGE PREPAYMENTS	1	4	0	0	2	7	1	3	0	0	1	5
RBC 18	DISTRIBUTION ACCRUED TAXES	0	1	0	0	0	1	0	1	0	0	0	1
RBC 19	INTEREST PAYMENTS	(5)	(17)	(0)	(0)	(0)	(22)	(3)	(12)	(0)	(0)	(0)	(15)
RBC 20													
RBC 21													
RBC 22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT	(3)	(8)	0	1	8	(2)	(1)	(6)	0	0	4	(2)
RBC 23													
RBC 24													
RBC 15													
RBC 16	DISTRIBUTION ACCRUED TAXES												
RBC 17	Federal Income Tax	18	45	0	0	5	68	14	47	0	0	4	65
RBC 18	State Income Tax	110	280	1	1	29	421	87	295	1	1	22	405
RBC 19	PURTA Taxes	(138)	(454)	(0)	(0)	(6)	(598)	(72)	(336)	(0)	(0)	(3)	(412)
RBC 20	PA Capital Stock Tax	0	0	0	0	0	0	0	0	0	0	0	0
RBC 21	PA & Local Use Taxes	0	0	0	0	0	0	0	0	0	0	0	0
RBC 22	PA Property tax	97	318	0	0	4	419	50	235	0	0	2	288
RBC 23	TOTAL ACCRUED TAXES	87	188	1	1	32	309	79	241	1	1	24	346
RBC 24	TOTAL ACCRUED TAXES PER DAY	0	1	0	0	0	1	0	1	0	0	0	1
RBC 25													
RBC 26	DISTRIBUTION AVERAGE PREPAYMENTS												
RBC 27	AGA Membership Dues	0	0	0	0	0	1	0	0	0	0	0	1
RBC 28	EAPA & NGA Membership Dues	0	0	0	0	0	0	0	0	0	0	0	0
RBC 29	PUC Assess - Gas	0	1	0	0	1	2	0	1	0	0	0	1
RBC 30	Cellent Gas Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0
RBC 31	Gas Software Maintenance	0	0	0	0	0	0	0	0	0	0	0	0
RBC 32	Customer and Research	0	0	0	0	0	0	0	0	0	0	0	0
RBC 33	VEBA Adjustment	0	0	0	0	0	1	0	0	0	0	0	0
RBC 34	Facility Contracts	0	0	0	0	0	0	0	0	0	0	0	0
RBC 35	IT License & Maintenance	1	2	0	0	0	2	0	1	0	0	0	2
RBC 36	Fleet Activities	0	0	0	0	0	0	0	0	0	0	0	0
RBC 37	Prepared Rent	0	0	0	0	0	0	0	0	0	0	0	0
RBC 38	Postage	0	0	0	0	0	0	0	0	0	0	0	0
RBC 39	TOTAL AVERAGE PREPAYMENTS	1	4	0	0	2	7	1	3	0	0	1	5
RBC 49													
RBC 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
RBC 51	OPERATING REVENUES												
RBC 52													
RBC 53	SALES REVENUES												
RBC 54	Sales of Gas Revenues - Base	252	889	11	43	509	1,704	155	734	6	23	274	1,191
RBC 55	Sales Revenues - Purchased Gas-PGC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 56	Sales Revenues - Balancing Service Charge-BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 57	TOTAL SALES OF GAS	252	889	11	43	509	1,704	155	734	6	23	274	1,191
RBC 58													
RBC 59	OTHER OPERATING REVENUES												
RBC 60	487-Forfeited Discounts	0	1	0	0	1	3	0	1	0	0	0	2
RBC 61	488-Miscellaneous Service Revenues	0	0	0	0	0	0	0	0	0	0	0	0
RBC 62	489-Transport of Gas of Others Revenue	0	0	0	0	0	0	0	0	0	0	0	0
RBC 63	494-Interdepartmental Rents	1	2	0	0	0	3	0	2	0	0	0	2
RBC 64	TOTAL OTHER OPERATING REV	1	3	0	0	1	5	1	3	0	0	0	4
RBC 65													
RBC 66	TOTAL OPERATING REVENUES	253	893	11	43	510	1,709	155	737	6	23	274	1,194
RBC 67													
RBC 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
E	1	OPERATION & MAINTENANCE EXPENSE												
E	2													
E	40	DISTRIBUTION EXPENSES												
E	41	Operation												
E	42	870-Operation Supervision and Engineering	1	3	0	0	0	4	0	2	0	0	0	3
E	43	874-Mains and Services Expenses	18	0	0	0	0	18	9	0	0	0	0	9
E	44	875-Measuring & Reg. Station Exp.-General	0	0	0	0	0	0	0	0	0	0	0	0
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	0	0	0	0	0	0	0	0	0	0	0	0
E	46	878-Meter & House Regulator Expenses	0	155	0	0	0	155	0	114	0	0	0	114
E	47	879-Customer Installations Expenses	0	0	4	0	0	4	0	0	2	0	0	2
E	48	880-Other Expenses	12	40	0	0	0	52	6	29	0	0	0	36
E	49	Total Distribution Operation	31	197	5	0	0	232	16	146	2	0	0	164
E	50													
E	53	Maintenance												
E	54	887-Maintenance of Mains	0	0	0	0	0	0	0	0	0	0	0	0
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	0	0	0	0	0	0	0	0	0	0	0	0
E	56	892-Maintenance of Services	4	0	0	0	0	4	2	0	0	0	0	2
E	57	893-Maint. of Meters & House Regulators	0	11	0	0	0	11	0	8	0	0	0	8
E	58	894-Maintenance of Other Equipment	1	3	0	0	0	3	0	2	0	0	0	2
E	59	Total Distribution Maintenance	5	13	0	0	0	18	2	10	0	0	0	12
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES	35	211	5	0	0	251	18	156	2	0	0	177
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)	35	211	5	0	0	251	18	156	2	0	0	177
E	62													
E	63	CUSTOMER ACCOUNTS EXPENSES												
E	64	902-Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0
E	65	903-Customer Records and Collection Expense	0	0	0	0	297	297	0	0	0	0	156	156
E	66	904-Uncollectible Accounts	0	0	0	0	1	1	0	0	0	0	0	0
E	67	904-Uncollectible Accounts - PPA	0	0	0	0	0	0	0	0	0	0	0	0
E	68	905-Miscellaneous CA	0	0	0	0	1	1	0	0	0	0	1	1
E	69	TOTAL CUSTOMER ACCTS EXPENSE	0	0	0	0	299	299	0	0	0	0	157	158
E	70													
E	71	CUSTOMER SERVICE & SALES EXPENSES												
E	72	908-Customer Assistance	0	0	0	28	0	28	0	0	0	14	0	14
E	73	908-Customer Assistance	0	0	0	0	0	0	0	0	0	0	0	0
E	74	909-Advertisement	0	0	0	1	0	1	0	0	0	1	0	1
E	75	910-Miscellaneous CS	0	0	0	0	0	0	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	0	0	0	10	0	10	0	0	0	5	0	5
E	77	916 Miscellaneous Sales Expenses	0	0	0	0	0	0	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP	0	0	0	39	0	39	0	0	0	20	0	20
E	79													
E	80	TOTAL OPER & MAINT EXCL A&G	35	211	5	39	299	588	18	156	2	20	157	355
E	81													
E	82	ADMINISTRATIVE & GENERAL EXPENSE												
E	83	920-Administrative Salaries	3	13	1	1	32	49	1	9	0	0	17	28
E	84	921-Office Supplies & Expense	0	2	0	0	5	8	0	1	0	0	3	4
E	85	923-Outside Service Employed	5	23	2	1	59	89	3	17	1	1	31	52
E	86	924-Property Insurance	0	0	0	0	0	0	0	0	0	0	0	0
E	87	925-Injuries and Damages	0	0	0	0	1	1	0	0	0	0	0	1
E	88	926-Employee Pensions & Benefits	3	13	1	1	33	51	2	10	0	0	18	30
E	89	928-Regulatory Commission	1	4	0	0	2	8	1	3	0	0	1	5
E	90	929-Duplicate Charges-Credit	0	0	0	0	0	0	0	0	0	0	0	0
E	91	930.1-General Advertising	0	0	0	0	0	0	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	0	1	0	0	2	3	0	1	0	0	1	2
E	93	932-Maintenance of General Plant	0	2	0	0	4	6	0	1	0	0	2	4
E	94	TOTAL A&G EXPENSE	13	58	4	3	138	216	7	43	2	1	73	126
E	95													
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES	49	269	8	41	437	804	25	199	4	22	230	480
E	97													
E	98	TOTAL PURCHASED GAS O&M EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS	49	269	8	41	437	804	25	199	4	22	230	480
E	100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
D	1	DEPRECIATION / AMORTIZATION EXPENSE												
D	2													
D	3	INTANGIBLE PLANT EXPENSE	9	29	0	0	0	39	5	22	0	0	0	27
D	4													
D	11	DISTRIBUTION PLANT EXPENSE												
D	24	380-Services	62	0	0	0	0	62	33	0	0	0	0	33
D	25	381-Meters	0	127	0	0	0	127	0	103	0	0	0	103
D	26	Direct Assignment	0	3	0	0	0	3	0	0	0	0	0	0
D	27	Total Account 381	0	129	0	0	0	129	0	103	0	0	0	103
D	28	382-Meter Installations	0	103	0	0	0	103	0	84	0	0	0	84
D	29	Direct Assignment	0	8	0	0	0	8	0	0	0	0	0	0
D	30	Total Account 382	0	111	0	0	0	111	0	84	0	0	0	84
D	31	387-Other Equipment	0	0	0	0	0	0	0	0	0	0	0	0
D	32	388-Asset Retirement Costs for Distribution Plant	0	0	0	0	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE	62	240	0	0	0	303	33	188	0	0	0	220
D	34													
D	35	GENERAL PLANT EXPENSE	1	2	0	0	6	9	0	2	0	0	3	5
D	36													
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	2	9	1	0	22	34	1	7	0	0	12	20
D	38													
D	39	NET MANUFACTURED GAS PLANT EXP	0	0	0	0	0	0	0	0	0	0	0	0
D	40													
D	50													
TO	1	OTHER OPERATING EXPENSES												
TO	2													
TO	3	TAXES OTHER THAN INCOME TAXES												
TO	4	General Taxes												
TO	5	PURTA Taxes	2	6	0	0	0	8	1	4	0	0	0	5
TO	6	Capital Stock	0	0	0	0	0	0	0	0	0	0	0	0
TO	7	Payroll Related	1	5	0	0	13	20	1	4	0	0	7	12
TO	8	Real Estate Tax	1	4	0	0	0	6	1	3	0	0	0	4
TO	9	PA and Local Use Tax	0	0	0	0	0	0	0	0	0	0	0	0
TO	10	Total General Taxes	4	16	0	0	13	34	2	12	0	0	7	21
TO	11													
TO	12													
TO	20													
TO	21	TOTAL TAXES OTHER THAN INCOME	4	16	0	0	13	34	2	12	0	0	7	21
TO	22													
TO	50													
TI	1	DEVELOPMENT OF INCOME TAXES												
TI	2													
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS	253	893	11	43	510	1,709	155	737	6	23	274	1,194
TI	4	LESS:												
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	49	269	8	41	437	804	25	199	4	22	230	480
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	74	281	1	1	29	385	39	218	0	0	15	272
TI	7	TAXES OTHER THAN INCOME TAXES	4	16	0	0	13	34	2	12	0	0	7	21
TI	8	NET OPERATING INCOME BEFORE TAXES	126	327	1	1	31	486	89	309	1	1	22	421
TI	9	LESS:												
TI	10	INTEREST EXPENSE (Rate Base * 1.79% Weighted Cost of Debt)	37	101	0	0	8	146	19	70	0	0	4	94
TI	11													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
TI 12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS	89	226	1	1	23	340	70	238	1	1	18	327
TI 13													
TI 14	FEDERAL & STATE TAX ADJUSTMENTS												
TI 15	Regulatory Asset Prog M-1 (Pension & Post Ret)	1	4	0	0	11	16	0	3	0	0	6	9
TI 16	Other Property Basis Adjustment (CIAC/ICM)	11	36	0	0	0	47	6	27	0	0	0	32
TI 17	Removal Costs/Software	8	26	0	0	0	34	4	19	0	0	0	24
TI 18	AFUDC Equity	5	16	0	0	0	21	2	12	0	0	0	14
TI 19	Permanent Adjustments	(1)	(2)	(0)	(0)	(0)	(3)	(0)	(2)	(0)	(0)	(0)	(2)
TI 20	Repair Allowance Deduction	115	377	0	0	5	497	60	279	0	0	3	342
TI 21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS	139	457	0	0	16	612	72	338	0	0	8	420
TI 22													
TI 23	CALCULATION OF PA STATE INCOME TAXES												
TI 24	BASE TAXABLE INCOME	89	226	1	1	23	340	70	238	1	1	18	327
TI 25	LESS:												
TI 26	State Tax Depreciation (Over) Under Book	(22)	(73)	(0)	(0)	(1)	(96)	(12)	(54)	(0)	(0)	(1)	(66)
TI 27	Total Tax Adjustments	139	457	0	0	16	612	72	338	0	0	8	420
TI 28	PA STATE TAXABLE DISTRIBUTION INCOME	(27)	(158)	1	0	8	(176)	9	(46)	0	0	10	(27)
TI 29	PA STATE INCOME TAXES @ Tax Rate 9.99%	(3)	(16)	0	0	1	(18)	1	(5)	0	0	1	(3)
TI 30	PLUS: DEFERRED STATE INCOME TAXES												
TI 31	Net Operating Loss Utilization	3	16	(0)	(0)	(1)	18	(1)	5	(0)	(0)	(1)	3
TI 32	TOTAL STATE INCOME TAX	0	0	0	0	0	0	0	0	0	0	0	0
TI 33	Deferred Taxes on Timing Differences - State	(1)	(4)	(0)	(0)	(0)	(6)	(1)	(3)	(0)	(0)	(0)	(4)
TI 34	Deferred Taxes on State NOL	5	16	0	0	0	21	3	12	0	0	0	15
TI 35	TOTAL STATE INCOME TAX EXPENSE	4	12	0	0	0	16	2	9	0	0	0	11
TI 36													
TI 37	CALCULATION OF FEDERAL INCOME TAXES												
TI 38	BASE TAXABLE INCOME	89	226	1	1	23	340	70	238	1	1	18	327
TI 39	LESS:												
TI 40	PA State Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
TI 41	Federal Tax Depreciation (Over) Under Book	(29)	(96)	(0)	(0)	(1)	(126)	(15)	(71)	(0)	(0)	(1)	(87)
TI 42	Total Tax Adjustments	139	457	0	0	16	612	72	338	0	0	8	420
TI 43	FEDERAL TAXABLE DISTRIBUTION INCOME	(20)	(135)	1	0	9	(146)	13	(29)	0	0	10	(6)
TI 44	FEDERAL INCOME TAXES @ Tax Rate 21.00%	4	28	(0)	(0)	(2)	31	(3)	6	(0)	(0)	(2)	1
TI 45													
TI 78	TOTAL PA INCOME TAX EXPENSE	4	12	0	0	0	16	2	9	0	0	0	11
TI 79	TOTAL FEDERAL INCOME TAX EXPENSE	7	39	(0)	(0)	(2)	44	(1)	14	(0)	(0)	(2)	11
TI 80	TOTAL INCOME TAX EXPENSE	11	51	(0)	(0)	(2)	60	1	23	(0)	(0)	(2)	21
TI 81													
TI 82	TOTAL OTHER TAX EXPENSE	4	16	0	0	13	34	2	12	0	0	7	21
TI 83													
TI 84	TOTAL TAX EXPENSE	15	66	0	0	12	94	3	34	0	0	5	42
TI 85													
S 133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	279	965	11	43	515	1,813	143	691	6	23	271	1,132
S 146	NUMBER OF CUSTOMER BILLS	5,505	5,505	5,505	5,505	5,505	5,505	2,873	2,873	2,873	2,873	2,873	2,873
S 148	\$/MONTH/CUSTOMER	\$ 50.67	\$ 175.31	\$ 1.95	\$ 7.86	\$ 93.60	\$ 329.40	\$ 49.71	\$ 240.37	\$ 1.95	\$ 7.85	\$ 94.29	\$ 394.17

PECO Energy Company (Gas)
Fully Projected Future Test Year July 2021 to June 2022
Cost of Service Study

R-2020-3018929
2/17/21 JK

Table of External Allocators

Schedule	Allocators	Page
	Table of External Allocators	1
1	Summary of External Allocator Values by Class	2
2	Gas Deliveries Allocator	3
3	Customers Allocator	4
4	Demand Allocators	5
5	Storage Allocator	6
6	Mains, M&R and Meter Direct Assignments	7
7	Service Investment Allocator	8
8	Meter Investment Allocator	9
9	Customer Records and Collection Expenses (Account 903) Allocator	10
10	Accounts 908-916 Allocator	11
11	Accounts Receivable Over 60-Day Allocator	12
12	Write-Offs	13
13	Deposits, Interest, Advances and Forfeited Discounts	14
14	Purchased Gas Cost (PGC)	15
15	Balancing Service Cost (BSC)	16
16	Purchase of Receivables (POR)	17

PECO Energy Company (Gas)
Cost of Service Study
Summary of External Allocator Values by Class

<u>Line</u>	<u>Unit</u>	<u>Allocator Name</u>	<u>Total</u>	<u>Residential</u>	<u>GC</u>	<u>Large</u>	<u>Motor Vehicle Firm</u>	<u>Motor Vehicle Interruptible</u>	<u>Interruptible Services</u>	<u>Temperature Control</u>	<u>Transportation Firm</u>	<u>Transportation Interruptible</u>
1	#	Cust_Avg	539,593	494,391	44,450	4	15	2	2	31	459	239
2	#	Cust_Excl. Ind	538,889	494,391	44,450		15	2		31		
3	#	Cust_Res	494,391	494,391								
4	#	Cust_Comm	44,498		44,450		15	2		31		
5	#	Cust_Ind	704			4			2		459	239
6	Mcf	Gas_Deliveries	90,879,246	41,968,538	22,401,370	16,559	428,335	670	40,050	178,588	11,394,081	14,451,056
7	Mcf	Gas_Deliveries_Firm	76,208,882	41,968,538	22,401,370	16,559	428,335				11,394,081	
8	Mcf	Gas_Sales_Firm	64,814,801	41,968,538	22,401,370	16,559	428,335					
9	Mcf	Daily_Del_Excl. Dir	230,679	114,982	61,374	45	1,174	2	110	489	25,052	27,451
10	Mcf	Excess_Demand	681,237	417,813	223,260	1,316	0	0	0	0	38,848	0
11	Mcf	Peak_Sendout	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
12	Mcf	Peak_Mains	911,916	550,000	293,826	1,416	1,174	0	0	0	65,500	0
13	Mcf	Peaks_NCP	939,968	550,000	293,826	1,416	1,174	2	110	489	65,500	27,451
14	Mcf	Winter_FirmSales	9,776,458	6,488,288	3,250,000	2,231	35,939	0	0	0	0	0
15	%	Storage	100.0%	66.9%	30.9%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.2%
16	%	AR Over60-Day	100.0%	77.2%	19.0%	0.0%	0.1%	0.0%	0.0%	0.1%	2.3%	1.3%
17	%	WriteOff	100.0%	90.4%	9.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.2%
18	%	Account903	100.0%	88.0%	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	1.1%
19	%	Account908-916	100.0%	96.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%
20	\$000	Meter_Invest	215,514	150,533	55,257	6	204	3	6	297	5,072	4,136
21	\$000	Service_Invest	3,347,375	2,891,540	441,344	80	149	20	40	308	9,131	4,765
22	Minutes	Call Center	1,892,626	1,720,100	169,965	0	2	0	0	1	0	0
23	\$000	Deposits	12,465	4,323	7,860	0	3	0	0	5	180	94
24	\$000	Deposit_Interest	351	216	130	0	0	0	0	0	3	2
25	\$000	Advances	1,004	832	171	0	0	0	0	0	0	0
26	\$000	Forfeited Discounts	1,090	824	212	0	1	0	0	1	33	18
27	\$000	Purchased Gas Cost	201,810	150,889	49,024	70	897	5	174	750	0	0
28	\$000	Balancing Service Cost	25,090	16,191	8,642	6	165	1	15	69	0	0
29	\$000	Purchase of Receivables	63,454	45,995	17,260	0	81	0	0	118	0	0

PECO Energy Company (Gas)
 Cost of Service Study
 Gas Deliveries Allocator
 Deliveries for All Customer Classes (Mcf)

<u>Class</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>TOTAL</u>
1 Residential	693,549	697,881	825,050	2,066,119	4,379,857	7,056,096	8,451,576	6,992,637	5,561,272	2,850,109	1,584,194	810,197	41,968,538
2 GC	552,462	551,500	605,715	1,246,626	2,165,282	3,499,391	4,168,796	3,550,914	2,865,617	1,552,565	1,027,262	615,241	22,401,370
3 Large	549	713	753	719	3,353	1,044	2,310	2,340	2,108	1,751	578	340	16,559
4 Motor Vehicles- Firm	31,256	34,821	37,142	40,050	39,490	39,262	34,648	32,831	33,467	32,963	35,220	37,187	428,335
5 Motor Vehicles- Interr	49	54	58	63	62	61	54	51	52	52	55	58	670
6 Interruptible	1,003	745	543	606	8,203	8,639	5,859	5,878	4,042	2,312	909	1,309	40,050
7 Temperature	296	11,205	2,213	1,058	7,559	20,601	25,429	29,540	28,477	24,957	14,845	12,410	178,588
8 Transport- Firm	802,093	736,727	739,596	899,192	1,015,493	1,197,550	1,185,597	1,149,067	1,144,051	937,657	809,956	777,101	11,394,081
9 Transport- Interr	1,017,290	934,388	938,026	1,140,441	1,287,944	1,518,847	1,503,687	1,457,356	1,450,994	1,189,225	1,027,264	985,594	14,451,056
10 TOTAL	<u>3,098,547</u>	<u>2,968,034</u>	<u>3,149,096</u>	<u>5,394,874</u>	<u>8,907,242</u>	<u>13,341,492</u>	<u>15,377,956</u>	<u>13,220,615</u>	<u>11,090,080</u>	<u>6,591,591</u>	<u>4,500,283</u>	<u>3,239,437</u>	<u>90,879,246</u>

PECO Energy Company (Gas)
 Cost of Service Study
 Customers Allocator
 Number of Customers in Each Rate Class

<u>Class</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Average</u>
1 Residential	491,379	491,546	491,827	492,535	493,518	494,430	495,251	495,955	496,463	496,641	496,515	496,630	494,391
2 GC	44,127	44,085	44,095	44,254	44,438	44,574	44,643	44,701	44,742	44,673	44,573	44,498	44,450
3 Large	4	4	4	4	4	4	4	4	4	4	4	4	4
4 Motor Vehicles- Firm	15	15	15	15	15	15	15	15	15	15	15	15	15
5 Motor Vehicles- Interr	2	2	2	2	2	2	2	2	2	2	2	2	2
6 Interruptible	2	2	2	2	2	2	2	2	2	2	2	2	2
7 Temperature	31	31	31	31	31	31	31	31	31	31	31	31	31
8 Transport- Firm	462	461	462	461	461	458	456	457	457	457	457	457	459
9 Transport- Interr	241	241	241	241	241	239	238	238	238	238	238	238	239
10 TOTAL	<u>536,263</u>	<u>536,387</u>	<u>536,679</u>	<u>537,545</u>	<u>538,712</u>	<u>539,755</u>	<u>540,642</u>	<u>541,405</u>	<u>541,954</u>	<u>542,063</u>	<u>541,837</u>	<u>541,877</u>	<u>539,593</u>

PECO Energy Company (Gas)
 Cost of Service Study
 Demand Allocators

Class	Peak_Sendout	Peak_Mains	Daily_Del-Excl. Dir	Peaks_NCP	NCP vs. Daily_Del-Excl. Dir	Ratio of Excess Demand Allocation Basis	Excess Demand	Excess Demand by Class	Average & Excess Demand	Ratio of Average & Excess Demand
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1 Residential	550,000	550,000	114,982	550,000	435,018	61.3%		417,813	532,795	58.4%
2 GC	293,826	293,826	61,374	293,826	232,453	32.8%		223,260	284,633	31.2%
3 Large	1,416	1,416	45	1,416	1,371	0.2%		1,316	1,362	0.1%
4 Motor Vehicles- Firm	1,174	1,174	1,174	1,174	0	0.0%		0	1,174	0.1%
5 Motor Vehicles- Interr			2	2	0	0.0%		0	2	0.0%
6 Interruptible			110	110	0	0.0%		0	110	0.0%
7 Temperature			489	489	0	0.0%		0	489	0.1%
8 Transport- Firm		65,500	25,052	65,500	40,448	5.7%		38,848	63,900	7.0%
9 Transport- Interr			27,451	27,451	0	0.0%		0	27,451	3.0%
10 TOTAL	846,416	911,916	230,679	939,968	709,289	100%	681,237	681,237	911,916	100%

11 System Load Factor

25.30%

12 (A) & (B) Peak_Sendout and Peak_Mains: Design Day peak sendout requirements from April 30, 2020 1307 (f) filing; TSF total reduced by TCQ of customer with Direct Assigned Main

13 (C) Daily_Del_Excl. Dir (Average daily deliveries excluding Direct) = Daily amounts from Exhibit Page 3, with TSF & TSI totals reduced by volumes of customers with Directly Assigned Mains. Used for main deliveries portion allocation

14 (D) Peaks_NCP (estimated non-coincident peaks) = Greater of Peak_Mains (B) and Daily_Del_Excl. Dir (C)

15 (E) Excess Damand Allocation Basis = Peak_NCP (D) minus Daily_Del-Excl. Dir (C)

16 (F) Ratio of Excess Damand Allocation Basis

17 (G) Excess Demand = Peak_Mains (B) minus Daily_Del-Excl. Dir (C)

18 (H) Excess Demand by Rate Class = Ratio (F) multiple Excess Demand (G). Used for main capacity excess portion allocation

19 (I) Average and Excess Demand by Rate Class = Daily_Del-Excl. Dir (C) plus Excess Demand (H). Used for measuring and regulating station equipment allocation

20 (J) Ratio of Average & Excess Demand

21 System Load Factor = Total from (C) 230,679 / Total from (B) 911,916

PECO Energy Company (Gas)
 Cost of Service Study
 Storage Allocator

<u>Class</u>	Winter_FirmSales (b)	Average Monthly Sales	Excess Winter_FirmSales	% of Winter_FirmSales	Average Monthly Deliveries	% of Average Monthly Deliveries	Storage Allocator
1 Residential	6,488,288	3,497,378	2,990,910	68.4%		0.0%	66.86%
2 GC	3,250,000	1,866,781	1,383,219	31.6%		0.0%	30.92%
3 Large	2,231	1,380	851	0.0%		0.0%	0.02%
4 Motor Vehicles- Firm	35,939	35,695	245	0.0%		0.0%	0.01%
5 Motor Vehicles- Interr				0.0%		0.0%	0.00%
6 Interruptible				0.0%		0.0%	0.00%
7 Temperature				0.0%		0.0%	0.00%
8 Transport- Firm				0.0%	949,507	44.1%	0.97%
9 Transport- Interr				0.0%	1,204,255	55.9%	1.23%
10 TOTAL	<u>9,776,458</u>	<u>5,401,233</u>	<u>4,375,225</u>	<u>100.0%</u>	<u>2,153,761</u>	<u>100.0%</u>	<u>100.0%</u>
11 Storage Fraction (a)				97.80%		2.2%	
12 (a) Usage of Storage as split between Winter sales and Transportation							
13 (b) Average Sales (Mcf) from January-March and November and December							

PECO Energy Company (Gas)
 Cost of Service Study
 Mains, M&R and Meter Direct Assignments

Customer	Installed	Length (ft)	Capacity (mcf)	Cost	Depreciation Expense 7/1/19-6/30/20 (a) \$ 000s	Accumulated Depreciation 6/30/2020	Annual Usage (Mcf) (b)
Mains (Account 376)							
1 Customer 1	1988 & 2015	13,900	14,000	1,570	22	320	
2 Customer 2	2001	14,400	48,000	2,300	33	607	
3 Customer 3	1994	4,900	133,000	3,200	46	1,166	
4 Total Customers 1-3		33,200	195,000	7,070	101	2,094	4,431,459
5 Customer 4	2020	7,301	7,500	8,219	54	54	2,250,000
Measuring & Regulating (Account 378 & 379)							
6 Customer 1	1988			290	6	183	
7 Customer 2		Served by Customer 1 station					
8 Customer 3	1994			4,800	96	2,448	
9 Total Customers 1-3				5,090	102	2,631	
10 Customer 4	2020			6,292	58	58	
Meters (Account 381)							
11 Customer 4	2020			232	3	3	
Meter Installations (Account 382)							
12 Customer 4	2020			681	8	8	

13 (a) Depreciation expenses for Steel Mains, Measuring & Regulating and Meters were based on 70, 50 and 40 year-life respectively
 14 Depreciation expenses were from 1/16/2020 to 6/30/2020 for customer 4
 15 (b) Customers 1-3 are Rates TSP customers (annual usage as of June 30, 2020) and customer 4 is Rate TSP customer (annual usage based on contract)

PECO Energy Company (Gas)
Cost of Service Study
Meter Investment Allocator
Costs of Meters for 2020

<u>Class</u>	<u>Average Cost (\$) (a)</u>	<u>Average Customers Excl. Dir (b)</u>	<u>Cost (\$000s)</u>	<u>Ratio</u>
1 Residential	304	494,391	150,533	69.8%
2 GC	1,243	44,450	55,257	25.6%
3 Large	1,399	4	6	0.0%
4 Motor Vehicles- Firm	13,577	15	204	0.1%
5 Motor Vehicles- Interr	1,572	2	3	0.0%
6 Interruptible	2,824	2	6	0.0%
7 Temperature	9,593	31	297	0.1%
8 Transport- Firm	11,080	458	5,072	2.4%
9 Transport- Interr	17,277	239	4,136	1.9%
10 Total		539,592	215,514	100.0%

11 (a) Cost includes Materials and Labor

12 (b) Average customer numbers excluding Direct in Transport-Firm

PECO Energy Company (Gas)
 Cost of Service Study
 Customer Records and Collection Expenses (Account 903) Allocator

Listed below is a listing of the activities in Account 903, and the allocation base used for each activity.

		July 2019 to June 2020										
<u>Customer Records & Collection- Account 903</u>		<u>Percentage (%)</u>	<u>Dollars (\$000s)</u>	<u>Sub-Allocator</u>								<u>Description</u>
1	Mailing Bills	11.3%	1,318	Cust_Avg								Customer Count - Average
2	Financial Call Center	6.1%	716	AR Over60-Day								Delinquencies
3	CAP Rates	7.8%	907	Cust_Res								Residential Customers
4	Customer Billing	9.5%	1,109	Cust_Avg								Customer Count - Average
5	Manage and Support Recoveries	5.2%	610	AR Over60-Day								Delinquencies
6	Call Center	24.4%	2,840	Call Center								Call Center Calls
7	Customer Payments	1.4%	161	Cust_Avg								Customer Count - Average
8	Meter Records	8.1%	944	Cust_Avg								Customer Count - Average
9	Customer Care Center	4.7%	545	Cust_Excl. Ind								Customer Count - Non Large
10	ESO Activities	2.6%	306	Cust_Ind								Customer Count - LC&I
11	Balance-C&MS & Field Vendor Activities	18.8%	2,185	Cust_Avg								Customer Count - Average
12	Account Balance	100.0%	11,642									
		<u>Amount</u>	<u>Residential</u>	<u>GC</u>	<u>Large</u>	<u>MV Firm</u>	<u>MV Interr</u>	<u>Interr</u>	<u>Temperature</u>	<u>Trans Firm</u>	<u>Trans Interr</u>	
13	Cust_Avg	5,718	5,239	471	0	0	0	0	0	5	3	
14	Call Center	2,840	2,581	255	0	3	0	0	1	0	0	
15	AR Over60-Day	1,326	1,023	252	0	1	0	0	2	31	17	
16	Cust_Res	907	907	0	0	0	0	0	0	0	0	
17	Cust_Excl. Ind	545	500	45	0	0	0	0	0	0	0	
18	Cust_Ind	306	0	0	2	0	0	1	0	199	104	
19		11,642	10,251	1,023	2	4	0	1	3	235	124	
20	Acct903 Allocator	100.0%	88.0%	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	1.1%	

PECO Energy Company (Gas)
 Cost of Service Study
 Accounts 908-916 Allocator

Listed below is a listing of the activities in Accounts 908-916, and the allocation base used for each activity.

		July 2019 to June 2020									
<u>Customer Service & Informational Expenses</u>		<u>Percentage (%)</u>	<u>Dollars (\$000s)</u>	<u>Sub-Allocator</u>	<u>Description</u>						
1	Residential Marketing	24.6%	865	Cust_Res	Residential Customers						
2	LIURP	42.0%	1,474	Cust_Res	Residential Customers						
3	SC&I Marketing	0.1%	4	Cust_Comm	SC&I Customers						
4	Marketing- Residential & Small C&I	4.0%	141	Cust_Excl. Ind	Non-Large Customers						
5	LC&I Marketing	0.5%	18	Cust_Ind	LC&I Customers						
6	Balance-Marketing	28.7%	1,009	Cust_Avg	Customer Count - Average						
7	Account Balance	100.0%	3,510								
		<u>Amount</u>	<u>Residential</u>	<u>GC</u>	<u>Large</u>	<u>MV Firm</u>	<u>MV Interr</u>	<u>Interr</u>	<u>Temperature</u>	<u>Trans Firm</u>	<u>Trans Interr</u>
8	Cust_Res	2,338	2,338.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Cust_Comm	4	0.0	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Cust_Excl. Ind	141	129.5	11.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Cust_Ind	18	0.0	0.0	0.1	0.0	0.0	0.1	0.0	11.7	6.1
12	Cust_Avg	1,009	924.4	83.1	0.0	0.0	0.0	0.0	0.1	0.9	0.4
13		3,510	3,392	98	0	0	0	0	0	13	7
14	Acct908-916 Allocator	100.0%	96.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%

PECO Energy Company (Gas)
 Cost of Service Study
 Accounts Receivable Over 60-Day Allocator
 Accounts Receivable Agings for July 2019 to June 2020

<u>Class</u>	<u>Average Over 2 Months (\$000)</u>	<u>Over60-Day Allocator</u>	<u>Large C&I Revenue</u>	<u>% Large C&I Revenue</u>	<u>SC&I Revenue</u>	<u>% SC&I Revenue</u>
1 Residential	2,624	77.2%				
2 GC	646	19.0%			100,030	98.86%
3 Large	0	0.0%	75	0.29%		
4 Motor Vehicles- Firm	3	0.1%			470	0.46%
5 Motor Vehicles- Interr	0	0.0%			3	0.00%
6 Interruptible	0	0.0%	35	0.13%		
7 Temperature	4	0.1%			682	0.67%
8 Transport- Firm	78	2.3%	16,565	63.87%		
9 Transport- Interr	44	1.3%	9,262	35.71%		
10 Total	<u>3,400</u>	<u>100.0%</u>	25,937	100.00%	101,184	100.00%
11			Over 2 months	123	653	

PECO Energy Company (Gas)
Cost of Service Study
Deposits, Interest, Advances and Forfeited Discounts

<u>Class</u>	<u>Deposits</u> <u>(\$000s)</u>	<u>Interest on Deposits</u> <u>(\$000s)</u>	<u>Advances</u> <u>(\$000s)</u>	<u>Forfeited Discounts</u> <u>(\$000s)</u>
1 Residential	4,323	216	832	824
2 GC	7,860	130	171	212
3 Large	0	0		0
4 Motor Vehicles- Firm	3	0		1
5 Motor Vehicles- Interr	0	0		0
6 Interruptible	0	0		0
7 Temperature	5	0		1
8 Transport- Firm	180	3		33
9 Transport- Interr	94	2		18
10 Totals	12,465	351	1,004	1,090

PECO Energy Company (Gas)
Cost of Service Study
Purchased Gas Cost (PGC)

<u>Class</u>	<u>PGC (\$000s)</u>
1 Residential	150,889
2 GC	49,024
3 Large	70
4 Motor Vehicles- Firm	897
5 Motor Vehicles- Interr	5
6 Interruptible	174
7 Temperature	750
8 Transport- Firm	0
9 Transport- Interr	0
10 Totals	<u><u>201,810</u></u>

PECO Energy Company (Gas)
Cost of Service Study
Balancing Service Cost (BSC)

<u>Class</u>	<u>BSC (\$000s)</u>
1 Residential	16,191
2 GC	8,642
3 Large	6
4 Motor Vehicles- Firm	165
5 Motor Vehicles- Interr	1
6 Interruptible	15
7 Temperature	69
8 Transport- Firm	0
9 Transport- Interr	0
10 Totals	<u><u>25,090</u></u>

PECO Energy Company (Gas)
Cost of Service Study
Purchase of Receivables (POR)

	<u>Class</u>	<u>POR (\$000)</u>
1	Residential	45,995
2	GC	17,260
3	Large	0
4	Motor Vehicles- Firm	81
5	Motor Vehicles- Interr	0
6	Interruptible	0
7	Temperature	118
8	Transport- Firm	0
9	Transport- Interr	0
10	Total	<u><u>63,454</u></u>

**PECO ENERGY COMPANY
STATEMENT NO. 7-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

PUBLIC VERSION

WITNESS: JOSEPH A. BISTI

SUBJECT: REVENUE ALLOCATION; INCREASE TO
RESIDENTIAL CUSTOMER CHARGE; RATE
DESIGN; INTERRUPTIBLE SERVICE
RATES; NEGOTIATED GAS SERVICE; AND
SCALE BACK OF RATES

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. REVENUE ALLOCATION.....	2
III. INCREASE TO RESIDENTIAL CUSTOMER CHARGE	6
IV. RATE DESIGN FOR NON-RESIDENTIAL CUSTOMERS	12
V. INTERRUPTIBLE SERVICE RATES	16
VI. NGS CUSTOMERS	19
VII. CONCLUSION	25

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**REBUTTAL TESTIMONY
OF
JOSEPH A. BISTI**

4

I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your full name, professional position, and business address.**

6 A. My name is Joseph A. Bisti. I am employed by PECO Energy Company
7 ("PECO" or the "Company") as a Principal Regulatory and Rates Specialist. My
8 business address is PECO Energy Company, 2301 Market Street, Philadelphia,
9 Pennsylvania 19103.

10 **2. Q. Have you previously submitted testimony in this proceeding?**

11 A. Yes. I submitted direct testimony that is marked as PECO Statement No. 7. My
12 educational background and work experience are set forth in my direct testimony.

13 **3. Q. What is the purpose of your rebuttal testimony?**

14 A. The purpose of my rebuttal testimony is to: (1) respond to the direct testimony of
15 Mr. Ethan H. Cline on behalf of the Bureau of Investigation and Enforcement
16 ("I&E"), Glenn A. Watkins on behalf of the Pennsylvania Office of Consumer
17 Advocate ("OCA"), Robert D. Knecht on behalf of the Pennsylvania Office of
18 Small Business Advocate ("OSBA"), and Billie LaConte on behalf of the
19 Philadelphia Area Industrial Energy Users Group ("PAIEUG") concerning the
20 allocation of the Company's proposed revenue increase among customer classes;
21 (2) respond to the direct testimony of Mr. Cline, Mr. Watkins, Mr. Roger D.
22 Colton on behalf of OCA, and Mr. Mitchell Miller on behalf of the Coalition for

1 Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-
2 PA”) concerning the proposed increase to the residential customer charge;
3 (3) respond to the direct testimony of Mr. Knecht concerning rate design for non-
4 residential customers; (4) respond to the direct testimony of Mr. Knecht and Mr.
5 Watkins concerning the Company’s interruptible service rates; and (5) respond to
6 the direct testimony of Mr. Knecht, Mr. Watkins, and Mr. Cline concerning the
7 Company’s Negotiated Gas Service (“NGS”) customers.

8 **4. Q. Have you prepared any exhibits to support your rebuttal testimony?**

9 A. Yes. Exhibit JAB-1 Revised contains the Company’s revised Proposed Revenue
10 Allocation, Proposed Increase by Class and Class Rates of Return and Relative
11 Rates of Return under Proposed Rates.

12 Exhibit JAB-3 Revised contains an updated Comparison of Residential Customer
13 Charges for Pennsylvania Natural Gas Distribution Utilities.

14 Exhibit JAB-4 Revised contains the Company’s revised Proof of Revenue at
15 Present and Proposed Rates.

16 **II. REVENUE ALLOCATION**

17 **5. Q. Please describe the Company’s initial proposed revenue allocation.**

18 A. PECO presented an initial proposed revenue allocation in PECO Exhibit JAB-1
19 based upon the factors I discuss on page 9 of my direct testimony.

1 **6. Q. Have any of those factors changed since you prepared Exhibit JAB-1?**

2 A. Yes. Ms. Ding developed a revised gas cost of service study (“GCOSS”). The
3 revised GCOSS is discussed further in Ms. Ding’s rebuttal testimony, PECO
4 Statement No. 6-R. In addition, as noted further in my rebuttal testimony, the
5 Company has also modified its approach regarding the revenue allocation to Rates
6 GC and L.

7 **7. Q. Please summarize the other parties’ proposed alternative revenue**
8 **allocations.**

9 A. Witnesses on behalf of I&E, OCA, OSBA, and PAIEUG presented alternatives to
10 the revenue allocation proposal set forth in PECO Exhibit JAB-1. I&E, OCA,
11 and OSBA also presented testimony regarding the Company’s proposal in its
12 initial revenue allocation to move towards eliminating the remaining difference
13 between the class rates of return for Rate GC and Rate L and the system average
14 rate of return in this rate case without eliminating those differences entirely. Mr.
15 Cline did not change the Company’s proposal to Rate L but recommended a
16 slight decrease to Rate GC. Mr. Watkins stated that a “mathematical approach”
17 that would eliminate the remaining difference between the class rates of return
18 for Rate GC and Rate L and the system average rate of return would not result in
19 just and reasonable rates for all customers at this point in time. Mr. Watkins also
20 noted that if Rate GC rates and revenues are reduced, the only rate class large
21 enough to incur the corresponding increase would be the residential class. Mr.
22 Knecht stated that the Company should have completely eliminated the

1 remaining difference between the class rates of return for Rate GC and Rate L
2 and the system average rate of return in this rate case.

3 With respect to the Company's overall revenue allocation, Mr. Cline
4 asserted that the Company's proposed revenue allocation would move the relative
5 rates of return for most of the rate classes further from the system average rate of
6 return, and therefore, the Company's rate allocation methodology is unsupported
7 and should be rejected. Mr. Watkins also stated it was necessary to move the rate
8 classes' relative rates of return closer to parity. Mr. Knecht stated the Company's
9 proposed revenue allocation was inconsistent with the original GCOSS presented
10 by Ms. Ding. He developed an alternative revenue allocation based upon an
11 alternative GCOSS that he developed. Ms. LaConte also asserted that the
12 Company's proposed revenue allocation did not align with the relative rates of
13 return calculated using the process set forth in PECO's revised GCOSS provided
14 in response to Interrogatories OSBA-I-1 and OSBA-I-2.

15 **8. Q. Does the Company believe that any change is called for in its revenue**
16 **allocation proposal?**

17 A. Yes. PECO's revised proposed revenue allocation is presented in PECO Exhibit
18 JAB-1 Revised. While the process utilized by PECO to prepare its initial
19 proposed revenue allocation was correct, the development of a revised GCOSS
20 necessitated updates to JAB-1. The use of the revised GCOSS should address
21 many of the concerns raised by other parties. In addition, JAB-1-Revised
22 eliminates the remaining difference between the system average rate of return and

1 the class rates of return for Rate GC and Rate L as required under the terms of the
 2 Commission-approved Joint Petition for Settlement of PECO’s 2008 gas base rate
 3 case at Docket No. R-2008-2028934.

4 There are many ways to allocate the increase that purport to give due
 5 consideration to cost of service and the principle of gradualism, as illustrated by
 6 the various proposals advanced in this case. The Company’s revised allocation
 7 of the increase, except for the proposed allocation to Rate TS-F, is within the
 8 range of the alternatives for the major classes as shown in Table 1 below.

9 **Table 1: Proposed Relative Rates of Return by Rate Class**

<u>Class</u>	<u>Present Rates</u>	<u>PECO Revised Proposal</u>	<u>I&E</u>	<u>OCA</u>	<u>OSBA</u>	<u>PAIEUG</u>
GR	0.86	0.98	0.98	0.98	0.96	0.91
GC	1.53	1.00	0.99	1.13	1.17	1.20
L	0.03	1.00	-0.42	0.24	2.44	-0.12
MV-F	0.61	1.25	1.67	0.73	0.93	1.63
MV-I	4.37	1.25	5.1	3.25	3.48	4.17
IS	0.56	1.00	-1.21	0.69	-0.66	-0.06
TCS	4.40	1.47	6.59	3.27	1.91	5.76
TS-F	0.79	1.24	1.05	0.87	0.99	1.07
TS-I	0.55	1.09	1.46	0.67	0.63	1.30

10 In my opinion, the Company’s proposal provides an appropriate balance
 11 of the competing interests of all customer classes and produces reasonable
 12 movement toward the system average rate of return.

13 **9. Q. Do the different parties propose methods of scaling back the proposed**
 14 **increases if the Commission grants less than the Company’s requested**
 15 **revenue increases?**

16 A. Mr. Cline recommended excluding rate classes that receive no increase or receive

1 a rate decrease from any scale back of rates. Mr. Watkins recommended
2 excluding Rates GC, OL, MV-I and TCS from an otherwise proportional scale
3 back of rates. Ms. LaConte recommended a proportional scale back of rates,
4 absent any exclusions, based on her proposed alternative revenue allocation.
5 While I disagree with the alternative allocations of the proposed revenue
6 increase, I agree with the concept of a proportional scale back with respect to
7 revenue increases and rates, with the exception of customer charges, as stated in
8 my direct testimony.

9 III. INCREASE TO RESIDENTIAL CUSTOMER CHARGE

10 **10. Q. Please describe the Company's proposed residential customer charge.**

11 A. The Company proposed a residential customer charge of \$16 per month. This
12 would constitute a 36% increase in the Company's current customer charge of
13 \$11.75 per month, which has been in place for more than a decade after rates
14 went into effect following the Company's 2010 gas base rate case. As described
15 in PECO Exhibit JAB-3 Revised, the Company's current residential customer
16 charge is lower than the residential customer charges of all other major gas
17 distribution companies in Pennsylvania, and its proposed customer charge is well
18 within the range of the residential customer charges of the other major gas
19 distribution companies serving customers in the Commonwealth.

20 **11. Q. Did any parties agree with the Company's proposed residential customer**
21 **charge?**

22 A. Mr. Cline agreed with the Company's proposed residential customer charge,

1 noting that the Company's proposal is supported by its customer cost analysis.

2 **12. Q. Did Mr. Cline make any other recommendations regarding the Company's**
3 **proposed residential customer charge?**

4 A. Mr. Cline recommend that, if the Commission grants the Company less than its
5 requested increase in rates, the residential customer charge increase be included in
6 the scale back of rates.

7 **13. Q. Do you agree with Mr. Cline's proposal to include the residential customer**
8 **charge in a potential scale back of rates?**

9 A. No, I do not. As described in my direct testimony and as noted above, even with
10 the increase the Company is proposing, its residential customer charge would be
11 well within the range of the residential customer charge of the Commonwealth's
12 other major gas distribution companies and lower than the residential customer-
13 related costs identified by Ms. Ding in the Company's revised GCOSS.

14 **14. Q. Did any parties disagree with the Company's proposed residential customer**
15 **charge?**

16 A. Mr. Watkins and Mr. Colton on behalf of the OCA, and Mr. Miller on behalf of
17 CAUSE-PA, submitted testimony opposing the Company's proposed residential
18 customer charge increase.

19 **15. Q. Please summarize Mr. Watkins' testimony.**

20 A. Mr. Watkins agreed with Mr. Rubin's general position that there should be no rate

1 increase – and therefore there should be no change to PECO’s residential
2 customer charge. However, Mr. Watkins stated that if the Commission does grant
3 a rate increase under a “business as usual” scenario, the residential customer
4 charge increase should be limited to \$13.00. Mr. Watkins noted that many
5 customers are experiencing financial hardship as a result of the COVID-19
6 pandemic and that an increase in the fixed customer charge would leave
7 customers with less ability to control their gas bills. Mr. Watkins also stated that
8 a 36% increase in the Company’s customer charge violates the principle of
9 gradualism and is contrary to the goal of promoting energy conservation. In
10 addition, similar to Mr. Cline, Mr. Watkins recommended that if the Commission
11 awards a lower revenue requirement than requested by the Company, the
12 residential customer charge should be scaled-back proportionally to the overall
13 authorized revenue increase.

14 **16. Q. Please respond to Mr. Watkins’ testimony.**

15 A. Mr. Watkins’ initial position is that there should be no rate increase, and therefore
16 no corresponding increase to the residential customer charge, based on the
17 testimony of Mr. Scott Rubin. This is addressed by the testimony of Mr. Paul
18 Hibbard in PECO Statement 10-R. Mr. Watkins then proposes an alternative
19 increase to the residential customer charge in a “business as usual” scenario,
20 which he maintains should be capped at \$13.00 (an approximately 10% increase).

21 With respect to Mr. Watkins’ “business as usual” scenario, PECO’s
22 proposed residential customer charge of \$16.00 per month is well supported and

1 designed to lessen the impact of the overall rate increase on high usage, low-
2 income customers. As acknowledged by Mr. Cline, even at \$16.00, the
3 residential charge would be lower than the residential customer-related costs
4 identified by Ms. Ding in the Company's revised GCOSS. While a 36% increase
5 in the residential customer charge would be significant, the Company does not
6 believe this would constitute "rate shock." As I stated earlier, PECO's proposed
7 customer charge is well within the range of the customer charges of the other
8 major Pennsylvania gas distribution companies, while its current customer
9 charge is the lowest among all other major Pennsylvania gas distribution
10 companies. This is, in part, due to the fact that PECO's residential customer
11 charge has remained unchanged for over a decade. Denying PECO the ability to
12 bring its customer charge closer to, but still less than, the residential customer-
13 related costs identified in the Company's revised GCOSS would be
14 unreasonable. Mr. Watkins did not provide any support as to why a \$13.00/10%
15 cap is more appropriate. Mr. Watkins' suggestion to scale back the residential
16 customer charge is unsupported for the same reasons and should be rejected.

17 I also disagree with Mr. Watkins' assertion that increasing the Company's
18 customer charge is contrary to the goal of promoting energy conservation. Mr.
19 Watkins concedes that an increase to the customer charge is warranted if the
20 Commission approves an increase in the Company's rates – the only question is
21 the amount of that increase. Mr. Watkins has not provided any evidence
22 indicating that a \$13.00 customer charge would have any greater impact on
23 energy conservation than a \$16.00 customer charge.

1 attainable through LIURP measures. He claims that this could be especially
2 problematic for customers ineligible for CAP or LIHEAP who would otherwise
3 be eligible for energy efficiency and conservation services through LIURP or the
4 federal Weatherization Assistance Program (“WAP”). He noted that the
5 residential customer charge currently makes up 14.7% of the current average
6 residential bill, but that would increase to 18% if PECO’s proposed increase to the
7 customer charge and rate increase are approved (or 20% if only the increase to the
8 customer charge is approved). Mr. Miller also commented, similar to Mr.
9 Watkins, that the Company’s proposed increase to its residential customer charge
10 would undermine its energy efficiency efforts.

11 **19. Q. Please respond to Mr. Miller’s testimony.**

12 A. The Company believes that its proposed increase is reasonable for the reasons
13 stated above in response to the testimony provided by OCA witness Watkins. Mr.
14 Miller has not supported his assertions that the Company’s proposed increase to
15 the residential customer charge will impair efficiency efforts, nor has Mr. Miller
16 provided any evidence that the proposed increase to the residential customer
17 charge will undermine its LIURP. PECO’s proposal, however, comports with
18 well-accepted ratemaking principles since the residential customer charge will be
19 brought closer to (but still less than) the residential customer-related costs
20 identified in the Company’s revised GCOSS.

1 **IV. RATE DESIGN FOR NON-RESIDENTIAL CUSTOMERS**

2 **20. Q. Has the Company modified its position with respect to Rate GC and Rate L?**

3 A. Yes. As previously noted in Section II, the Company has modified its proposed
4 revenue allocation as set forth in Exhibit JAB-1 Revised to reflect its
5 Commission-approved 2008 gas base rate case settlement commitment to
6 eliminate the remaining difference between the system average rate of return and
7 the class rates of return for Rate GC and Rate L.

8 **21. Q. Please respond to Mr. Cline’s and Mr. Watkins’ assertions that the Company**
9 **should not eliminate the remaining difference between the system average**
10 **rate of return and the class rates of return for Rate GC and Rate L in this**
11 **rate case.**

12 A. The Company acknowledges the reasons for Mr. Cline’s and Mr. Watkins’
13 recommendations concerning that allocation of revenues to Rates GC and L. The
14 Company believes it should abide by its 2008 settlement commitment to offer a
15 proposal eliminating the remaining difference between the system average rate of
16 return and the class rates of return for Rate GC and Rate L.

17 **22. Q. Please describe Mr. Knecht’s concerns regarding the allocation of costs to**
18 **Rate GC customers under the Company’s existing Distribution Service**
19 **Improvement Charge (“DSIC”) mechanism.**

20 A. Mr. Knecht asserted that the Company’s allocation of DSIC-eligible costs among
21 rate classes based on volumetric charge revenue does not comport with cost

1 causation principles or the cost allocation method for the DSIC employed by other
2 utilities. Mr. Knecht also stated that he believed the Company's DSIC cost
3 allocation is inconsistent with Act 11 and the Commission's Implementation
4 Order at Docket No. M-2012-2293611. Mr. Knecht recommended that, going
5 forward, the Company should be required to modify its allocation procedures to
6 distribute DSIC-eligible costs among the rate classes based on total rate base
7 revenues in the same manner that the overall DSIC percentage is determined.

8 **23. Q. Do you agree with Mr. Knecht that the Company should modify its**
9 **methodology for cost allocation for the DSIC?**

10 A. The Company does not agree with Mr. Knecht that the Company's methodology
11 for cost allocation for its DSIC is inconsistent with Act 11 or the Commission's
12 Implementation Order at Docket No. M-2012-2293611. Although Mr. Knecht's
13 experience with other utilities may be different, the Company is not aware of any
14 Commission requirement that would render its DSIC cost allocation mechanism
15 non-compliant. DSIC charges to customers are capped at 5% of the amount billed
16 to customers for distribution service, consistent with Commission requirements
17 and the Company's tariff. OSBA's assertion that the Company allegedly over-
18 collected from certain customers is incorrect, as the figures OSBA relied upon to
19 reach that conclusion relate solely to the Company's budgeting process. Actual
20 DSIC charges to customers properly reflect the 5% cap.

21 However, the Company recognizes the benefits in the approach
22 recommended by Mr. Knecht and agrees to modify its budgetary cost allocation

1 procedures to distribute DSIC-eligible costs among the rate classes based on total
 2 rate base revenues, including both customer charge and volumetric revenues,
 3 rather than distribute such costs based solely on the volumetric revenues. PECO
 4 Exhibit JAB-4 Revised includes modified DSIC revenues for the FPPTY under
 5 present rates, updated to reflect this change.

6 The revised DSIC cost allocation (in \$000s) is shown in the table below:

Customer Class	DSIC Rev. as Filed		Revised DSIC Rev.		Change in DSIC Revenue		
	Customer Charge	Variable Charge	DSIC Revenue	DSIC % of Dist. Charge		DSIC Revenue	DSIC % of Dist. Charge
	A	B	C	D=C/(A+B)	E	F=E/(A+B)	G=E-C
R	\$ 69,709	\$ 152,484	\$ 10,044	4.5%	\$ 11,009	5.0%	\$ 966
GC	\$ 15,229	\$ 79,864	\$ 5,261	5.5%	\$ 4,712	5.0%	\$ (549)
L	\$ 12	\$ 59	\$ 4	5.6%	\$ 4	5.0%	\$ (0)
MV F / MV I	\$ 7	\$ 443	\$ 29	6.4%	\$ 22	5.0%	\$ (7)
IS	\$ 5	\$ 30	\$ 2	5.7%	\$ 2	5.0%	\$ (0)
TCS	\$ 47	\$ 603	\$ 40	6.2%	\$ 32	5.0%	\$ (8)
TS F / TS I	\$ -	\$ 24,608	\$ 1,621	6.6%	\$ 1,219	5.0%	\$ (402)
Total	\$ 85,009	\$ 258,091	\$ 17,000	5.0%	\$ 17,000	5.0%	\$ (0)

7
 8 **24. Q. Please address Mr. Knecht's recommendations concerning the Company's**
 9 **Rate GC customer charge.**

10 A. Mr. Knecht recommended that, to avoid cross-subsidization, the customer charge
 11 for Rate GC should be set no higher than the full customer-related cost for the
 12 residential class. Mr. Knecht also suggested that, in an alternative, the Company
 13 could differentiate the customer charge within the GC class between smaller and
 14 larger customers, applying the current customer charge of \$28.55 to smaller GC
 15 customers and a higher charge to customers with annual volumes above some
 16 reasonable level. However, under the Company's revised revenue allocation

1 described earlier in my rebuttal testimony, PECO is no longer proposing to
2 increase its current customer charge for Rate GC.

3 **25. Q. Please summarize and comment on Mr. Knecht's recommendations**
4 **regarding the Rate GC rate design.**

5 A. Mr. Knecht expressed concerns regarding the design of the Rate GC declining
6 block volumetric charge. Mr. Knecht asserted the Company has not provided
7 any support for why a declining block tariff design is necessary and
8 recommended that the Company reduce the volumetric charge differential by
9 applying a larger percentage rate increase to the tail block charge. The Company
10 believes that Mr. Knecht's proposed differential between the two Rate GC blocks
11 is reasonable and has incorporated the differential into its proposed rate design.

12 **26. Q. Did Mr. Knecht offer any additional rate design recommendations?**

13 A. Yes. Mr. Knecht asserted that PECO's proposed TS-F volumetric charge
14 differential is excessive and should be reduced. In light of his concerns, Mr.
15 Knecht developed two alternative rate proposals. Mr. Knecht also took issue with
16 the Company's rate design for Rate TS-I and developed alternative rate proposals
17 for customers above and below 18 mmcf per year. The Company agrees with Mr.
18 Knecht's proposed TS-I and TS-F volumetric differentials, assuming there are no

1 changes to the Company's proposed rates, and incorporated those
2 recommendations into its proposed rate design.

3 **V. INTERRUPTIBLE SERVICE RATES**

4 **27. Q. Please summarize Mr. Knecht's testimony regarding the Company's**
5 **interruptible service rates as it relates to rate design.**

6 A. Mr. Knecht recommended that gross margins from Rate IS should be used to
7 offset base rate costs rather than the margin being divided between the Purchased
8 Gas Cost ("PGC") rates and shareholders. Mr. Knecht based this
9 recommendation on his opinions that (i) the current division of Rate IS gross
10 margin is no longer appropriate; (ii) using base rate margins as a credit to PGC
11 rates constitutes an improper subsidization of utility gas supply service at the
12 expense of all base rate customers (which he asserts is anti-competitive and unfair
13 to transportation service customers); and (iii) the Company should not be allowed
14 extra profit through the Rate IS sharing mechanism. Mr. Knecht also noted that
15 the structure does not seem to have been successful in attracting new customers
16 since there are only two customers taking service under IS, and that the Company
17 has been able and willing to estimate margins for other base rate margins, such as
18 Rate TCS and Rate MV-I.

19 In addition, Mr. Knecht recommended that the Company consider
20 eliminating Rate IS as a base rate option. Mr. Knecht based this
21 recommendation on his opinion that (i) since the service is primarily an
22 interruptible gas supply service, the Company is free to offer interruptible gas

1 supply service within its gas supply function; (ii) there is little obvious benefit to
2 the interruptibility of this service to firm base rate customers in terms of avoided
3 distribution costs; and (iii) the pricing mechanism does not appear to reflect the
4 cost of the alternative fuels upon which it is based.

5 **28. Q. Did Mr. Watkins make any recommendations regarding the Rate IS rate**
6 **design?**

7 A. Yes. Mr. Watkins also recommended that the Company abandon the margin
8 sharing mechanism described above, noting that the mechanism is outdated and
9 results in PECO's captive ratepayers subsidizing the Rate IS customers.

10 **29. Q. Does the Company agree with Mr. Knecht's and Mr. Watkins'**
11 **recommendations regarding the Rate IS rate design?**

12 A. In part. The Company will propose to eliminate the Rate IS sharing mechanism
13 on or before December 1, 2021 as part of its next annual PGC reconciliation filing
14 and has updated its revenue requirements and GCOSS to reflect this change as
15 described in Mr. Trzaska's and Ms. Ding's rebuttal testimony. The Company's
16 revised revenue allocation and proof of revenues, set forth in PECO Exhibit JAB-
17 1 Revised and PECO Exhibit JAB-4 Revised, respectively, also reflect this
18 change.

19 However, Mr. Knecht provides no evidence that eliminating Rate IS will
20 provide a greater benefit to the Company's distribution system and its customers
21 than keeping Rate IS in place. Maintaining interruptible customers is essential to

1 protecting firm customers, including residential customers, from system
2 interruptions during extreme weather conditions. Interruptible customers also
3 enable the Company to avoid investments that might otherwise be necessary to
4 bolster reliability if all customers were firm. The Company sees no benefit to
5 eliminating Rate IS at this time.

6 **30. Q. Did Mr. Knecht make any recommendations with respect to Rate MV-I and**
7 **Rate TCS?**

8 A. Yes. Mr. Knecht recommended that the Company consider eliminating these rate
9 classes as well. Mr. Knecht stated that the interruptible nature of these rate
10 classes appears to provide little or no benefit to the gas distribution system since
11 Rate MV-1 customers have not been interrupted for at least five years and Rate
12 TCS customers have only been interrupted once over the past five years. Mr.
13 Knecht also contends that (i) for Rate MV-I, there are only two small customers
14 taking service under this tariff, natural gas vehicles (“NGVs”) do not appear to be
15 a “winning technology,” and having “special rate treatment serves little purpose;”
16 (ii) the Company’s proposed FPFTY rates for both services exceed the cost of
17 Rate GC service; and (iii) MV-I and TCS are anti-competitive in that they are
18 designed to provide lower-cost delivery service to customers taking gas service
19 from the Company rather than from competitive natural gas suppliers. Mr.
20 Knecht also observed that Philadelphia Gas Works (“PGW”) had similar tariff
21 mechanisms that have generally been abandoned.

1 **31. Q. Please respond.**

2 A. The Company believes that Rate MV-I and Rate TCS should be retained for
3 similar reasons as Rate IS. Mr. Knecht has failed to demonstrate that the
4 elimination of these rate classes provide a greater benefit to the Company’s
5 distribution system and its customers than keeping those rate classes in place.
6 The Company sees no benefit to retiring Rate MV-I and Rate TCS. While the
7 Company has only had to interrupt its Rate MVI and Rate TCS customers
8 infrequently, these customers are still subject to interruption when circumstances
9 demand it. PECO’s system still benefits from the potential to interrupt its MV-I
10 customers, even if they are few. The fact that PECO has only interrupted its
11 interruptible customers sparingly is a testament to the Company’s superior
12 planning and operational management of its system. In the light PECO’s
13 customers continues use of NGVs, the Company also finds no merit in Mr.
14 Knecht’s predictions regarding their continued popularity.

15 Mr. Knecht correctly highlights the Company’s tariff caps the Rate MVI
16 and Rate TCS variable distribution charges based on Rate GC pricing. As shown
17 on PECO Exhibit JAB-4 Revised, the Company’s proposed rates for these two
18 classes comply with those tariff provisions.

19 **VI. NGS CUSTOMERS**

20 **32. Q. Please describe Rate NGS.**

21 A. Rate NGS is available to existing customers that consume, and new customers
22 who are likely to consume, at least 18,000 Mcf of natural gas per year, and in

1 each case, have a viable competitive alternative to service from the Company
2 under Rates GC, L, TS-F, TS-I or CGS.

3 **33. Q. Have any parties taken issue with the Company's Rate NGS agreements?**

4 A. Yes, Mr. Knecht on behalf of OSBA, Mr. Watkins on behalf of OCA, and Mr.
5 Cline on behalf of I&E.

6 **34. Q. Please describe Mr. Knecht's comments.**

7 A. Yes. Mr. Knecht stated that, *******BEGIN CONFIDENTIAL*******

*******END**

19 **CONFIDENTIAL*******

20 Mr. Knecht recommended that if the Commission determines that, for the
21 TS-F class, if any of the Company's negotiated rate discounts are not justified,

1 additional revenues from these customers should be used to reduce the rate
2 increase required from other TS-F customers. For the TS-I class, Mr. Knecht
3 recommended that additional revenues should first be used to reduce the rate
4 increase of other TS-I customers, but if the revenue increase is more than
5 sufficient to bring TS-I revenues into line with allocation cost, any additional
6 revenues should be credited to the Rate GR Residential class.

7 **35. Q. Please describe Mr. Watkins' recommendations.**

8 A. Mr. Watkins recommended that PECO reevaluate the terms and rates for
9 Customers 3, 5, and 6, including performing a detailed analysis of (i) each
10 customer's ability to use alternative fuels, (ii) whether such alternative fuels could
11 viably be used to replace some or all of its current natural gas usage, (iii) the
12 burner tip cost of the identified alternative fuel(s), and (iv) the financial
13 justification supporting each negotiated rate with adjustments to the current rates,
14 as appropriate. Mr. Watkins recommended that such findings be provided to the
15 Commission and OCA on or before the Company's next base rate case filing.

16 **36. Q. Please describe Mr. Cline's recommendations.**

17 A. Mr. Cline recommended that the Company provide an update to the competitive
18 alternative analysis for any customer that has not had its alternative fuel source
19 verified for a period of five years or more at the point at which PECO files a base
20 rate case, and that the Company cease NGS service to any customer that does not
21 have a verified alternative supply and switch those customers to the appropriate
22 tariffed rate. Mr. Cline also recommended that, in future base rate cases, PECO

1 separate the costs and revenues of customers discounted or reduced rates in their
2 own class in the GCOSS.

3 **37. Q. Please respond to these recommendations.**

4 A. I would first like to respond to Mr. Cline’s assertion that the Company has not
5 been adhering to its tariff requirements because, in the Company’s response to
6 I&E-RS-11, the Company stated that it “does not require customers to have an
7 alternative fuel source to be eligible for a negotiated or reduced rate.” The
8 Company’s tariff requires that NGS customers have a “viable, currently available
9 competitive alternative to service under the Rates GC, L, TS-F, TS-I or CGS
10 including any applicable riders.” The tariff does not require the competitive
11 alternative to be an alternative fuel source. The competitive alternative could be,
12 for example, pipeline bypass or relocation. The Company complies with its tariff
13 and does require customers to document such competitive alternative when
14 customers seek service under Rate NGS.

15 When PECO enters into Rate NGS agreements, PECO and its customers
16 generally evaluate the potential benefits from such agreements over the long-
17 term – potentially several decades in the case of a bypass alternative or
18 relocation. For that reason, if the Company required periodic re-evaluation and
19 potentially re-negotiation of these agreements, regardless of the timing relative to
20 subsequent base rate cases, or every five years as suggested by Mr. Cline,
21 customers might be less likely to enter into competitive agreements with the
22 Company due to long-term uncertainty. These customers might be more likely to

1 pursue alternatives to PECO service, ultimately resulting in a greater risk of lost
2 revenues that could impact all PECO gas customers. The Company, therefore,
3 disagrees with Mr. Cline's recommendation for periodic updates to the
4 associated competitive analysis.

5 ***** BEGIN CONFIDENTIAL *****

1

***** END**

6

CONFIDENTIAL ***

7

VII. CONCLUSION

8

38. Q. Does this conclude your rebuttal testimony?

9

A. Yes, it does.

R-2020-3018929 2/17/21 JK

PECO ENERGY COMPANY

GAS SERVICE TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 3.

Issued June 12, 2020

Effective July 1, 2020

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

Provisions for the Tax Accounting Repair Credit (TARC) - 3rd Revised Page No. 47

TARC set to zero for GR, GC, TS-I and TS-F.

Rate GR General Service Residential – 9th Revised Page No. 54

Variable Distribution Charge is decreased.

Rate GC General Service Residential – 7th Revised Page No. 55

Variable Distribution Charge is decreased.

Rate TS-I Gas Transportation Service - Interruptible – 7th Revised Page No. 71

Variable Distribution Charge is decreased.

Rate TS-F Gas Transportation Service - Firm – 7th Revised Page No. 72

Variable Distribution Charge is decreased.

PECO Energy Company

TABLE OF CONTENTS

Index of Communities Served.....	3
How to Use Loose-Leaf Tariff.....	4
Definition of Terms and Explanation of Abbreviations.....	5, 6, 7 ³
RULES AND REGULATIONS:	
1. The Gas Service Tariff.....	8
2. Service Specifications.....	9
3. Customer's Installation.....	10
4. Application for Service.....	11
5. Credit.....	12
6. Service-Supply Facilities.....	13
7. Extensions.....	13
8. Rights-of-Way.....	15
9. Introduction of Service.....	15
10. Company Equipment.....	16
11. Tariff Options on Applications for Service.....	17
12. Service Continuity.....	18
13. Customer's Use of Service.....	22
14. Measurement.....	22
15. Tests.....	23
16. Payment Terms.....	24
17. Termination by the Company.....	26
18. Unfulfilled Contracts.....	26
19. Cancellation by Customer.....	27
20. General.....	27
21. Gas Choice Program Enrollment and/or Switching.....	28
22. Usage Data.....	28
23. Affiliated Marketer Standards of Conduct.....	29
24. Requests for Energy Efficiency Information.....	32
25. Creditworthiness of Natural Gas Supplier (NGS) Serving High Volume Transportation Customers.....	32
STATE TAX ADJUSTMENT CLAUSE.....	35 ³
TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE.....	35A ²
UNIVERSAL SERVICE COST RECOVERY MECHANISM.....	36 ²
SALES SERVICE COSTS - ("SSC") Section 1307(f).....	37 ¹¹ , 38 ⁵
GAS PROCUREMENT CHARGE.....	40
MERCHANT FUNCTION CHARGE.....	41 ¹¹ , 42 ¹¹
BALANCING SERVICE COSTS ("BSC").....	43 ¹¹
CONSUMER EDUCATION CHARGE (CEC).....	46
PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC).....	47 ³
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC).....	48 ¹
RATES:	
Rate GR General Service - Residential.....	54 ⁹
Rate GC General Service - Commercial and Industrial.....	55 ⁷
Rate OL Outdoor Lighting.....	56 ⁵
Rate L Large High Load Factor Service.....	57 ⁵
Rate MV-F Motor Vehicle Service-Firm.....	59 ⁵
Rate MV-I Motor Vehicle Service-Interruptible.....	60 ³
Rate IS Interruptible Service.....	62 ³
Rate TCS Temperature Controlled Service.....	64 ³
Gas Transportation Service - General Terms and Conditions.....	66 ² , 67 ⁵
Rate TS-I Gas Transportation Service - Interruptible.....	71 ⁷
Rate TS-F Gas Transportation Service-Firm.....	72 ⁷
Rate CGS - City Gate Sales Service.....	73 ¹⁰
Rate NGS – Negotiated Gas Service.....	75
RIDERS:	
Applicability Index of Riders.....	77
Casualty Rider.....	78
Construction Rider.....	78
Excess Off-Peak Use Rider.....	79 ⁴
Neighborhood Gas Pilot Rider.....	80 ¹
Receivership Rider.....	82
Temporary Service Rider.....	82
Customer Assistance Program (CAP) Rider.....	83

PECO Energy Company**LIST OF COMMUNITIES SERVED****BUCKS COUNTY:**

BOROUGHES: Bristol, Chalfont, Doylestown, Dublin, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Penndel, Telford, Tullytown, Yardley.

FIRST-CLASS TOWNSHIP: Bristol.

SECOND-CLASS TOWNSHIPS: Bedminster, Bensalem, Bridgeton, Buckingham, Doylestown, Falls, Hilltown, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Tinicum, Upper Makefield, Upper Southampton, Warminster, Warrington, Warwick, West Rockhill, Wrightstown.

CHESTER COUNTY:

CITY: Coatesville.

BOROUGHES: Atglen, Avondale, Downingtown, Elverson, Honey Brook, Kennett Square, Malvern, Modena, Oxford, Parkesburg, Phoenixville, South Coatesville, Spring City, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Caln.

SECOND-CLASS TOWNSHIPS: Birmingham, Charlestown, East Bradford, East Brandywine, East Caln, East Coventry, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Nottingham, East Pikeland, Easttown, East Vincent, East Whiteland, Elk, Franklin, Highland, Honey Brook, Kennett, London Britain, Londonderry, London Grove, Lower Oxford, New Garden, Newlin, New London, North Coventry, Penn, Pennsbury, Pocopson, Sadsbury, Schuylkill, South Coventry, Thornbury, Tredyffrin, Upper Oxford, Upper Uwchlan, Uwchlan, Valley, Wallace, Warwick, West Bradford, West Brandywine, West Caln, West Fallowfield, West Goshen, West Marlborough, West Nantmeal, West Nottingham, West Pikeland, West Sadsbury, Westtown, West Vincent, West Whiteland, Willistown.

DELAWARE COUNTY:

CITY: Chester.

BOROUGHES: Aldan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colywn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Haverford, Lansdowne, Marcus Hook, Media, Millbourne, Morton, Norwood, Parkside, Prospect Park, Radnor, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Lower Chichester, Marple, Nether Providence, Ridley, Springfield, Tinicum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Chadds Ford, Chester, Concord, Edgmont, Haverford, Middletown, Newtown, Radnor, Thornbury, Upper Providence,

LANCASTER COUNTY:

BOROUGH: Christiana

SECOND-CLASS TOWNSHIPS: Sadsbury, Salisbury.

MONTGOMERY COUNTY:

BOROUGHES: Ambler, Bridgeport, Bryn Athyn, Collegeville, Conshohocken, East Greenville, Green Lane, Hatboro, Hatfield, Jenkintown, Lansdale, Narbeth, Norristown, North Wales, Pennsburg, Pottstown, Red Hill, Rockledge, Royersford, Schwenksville, Souderton, Telford, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Merion, Lower Moreland, Lower Pottsgrove, Plymouth, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland, Upper Pottsgrove, West Norriton, West Pottsgrove.

SECOND-CLASS TOWNSHIPS: East Norriton, Franconia, Horsham, Limerick, Lower Frederick, Lower Gwynedd, Lower Providence, Lower Salford, Marlborough, Montgomery, Perkiomen, Salford, Skippack, Towamencin, Upper Frederick, Upper Hanover, Upper Merion, Upper Providence, Upper Salford, Whitemarsh, Whitpain, Worcester.

HOW TO USE LOOSE LEAF-TARIFF

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page", consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2", "Original Page No. 3," etc.

2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.

3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No.," the second time as "Second Revised Page No." etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.

4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example: If changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B." Subsequent reprints will be consecutively designated as "First Revised....," "Second Revised....," etc.

5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it is to supersede, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

PECO Energy CompanyDEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Aggregation Services Fee - A charge of 1¢/mcf applicable to all Low Volume Sales and Transportation Customers to be added to such Customers' Variable Distribution Service Charge effective January 1, 2001.

Available rate - A rate which may be obtained by a Customer if the use of service conforms to the character of service contemplated in the rate, and the Customer's location is such that this service can be supplied from existing facilities of the Company.

Bad credit (for deposit purposes) - A customer shall be deemed by the Company to have bad credit if the customer has been delinquent on payment of two consecutive bills or three or more bills in the last twelve billing cycles or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles. Industrial and commercial customers also shall be deemed by the Company to have bad credit if the customer is insolvent, (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has a class of publicly-traded debt outstanding that is rated to be below investment grade, or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles.

Balancing Service Cost or ("BSC") – Charge to all Low Volume Customers, both Sales and Transportation, included in Variable Distribution Charges, for fixed and variable storage costs for each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L, and MV-F and under the Excess Off-Peak Use Rider of this Tariff, or the successors thereto.

British thermal unit (Btu) - The quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury at or near its point of maximum density. One Btu equals 252 calories, (gram), 778 foot-pounds, 1,055 joules or 0.293 watt hours

Ccf – 100 cubic feet.. This is a measure of gas usage.

Chapter 56 – The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

Commodity Charge ("CC") – The "C" factor component of the Sales Service Cost representing the charge to Low Volume Sales Customers for purchased gas costs for each McF of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F and under the Excess Off-Peak Use Rider of this Tariff, or the successors thereto.

Commission or PAPUC– The Pennsylvania Public Utility Commission.

Company – PECO Energy Company

Competition Act - the Natural Gas Choice and Competition Act, 66 Pa.C.S. §2201, et seq.

Competitive Natural Gas Supply - firm natural gas provided by an NGS to Low Volume Transportation Customers under the Company's Gas Choice program.

Consolidated NGDC Billing – Billing provided by the Company that contains both the Company's charges for its services and the NGS's separate charges for gas supply services.

Creditworthy - A creditworthy customer pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the PaPUC. To determine whether a customer is creditworthy with respect to a particular account, the Company will evaluate the customer's record of paying Company charges for all of the customer's other Company accounts, and may also take into consideration the customer's general credit.

cu. ft. - Cubic foot.

Customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. In addition, unless explicitly prohibited by the Public Utility Code or the Commission's Rules or Regulations, an NGS may act as an agent for a Customer upon written authorization to PECO Energy, which authorization may be included in the notice of NGS selection.

Daily quantity - The quantity of gas used in a 24-hour period beginning at 10:00 a.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use.

PECO Energy Company

Delivery point - That point at which the Customer's facilities are connected to the Company's facilities which is the first fitting after the outlet side of the meter connection.

Firm Service - Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

Fixed Distribution Service Charge – A charge to recover costs caused by the presence of the Low Volume Customer on the system, other than the costs associated with the Customer's usage.

Gas Choice – Program under which Suppliers provide Competitive Natural Gas Supply to Low Volume Transportation Customers.

Gas Cost Adjustment (“GCA”) Charge – The “E” factor component of the Sales Service Cost representing the net overcollection or undercollection of purchased gas costs, charged to Low Volume Sales Customers for each Mcf of Sales Service gas supplied under Rate Schedules GR, GC, CAP, OL, L, MV-F and the Excess Off-Peak Use Rider, or the successors thereto.

High Volume Transportation (HVT) - PECO Energy's Gas program as administered by this tariff for Suppliers providing Competitive Natural Gas Supply to High Volume Transportation Customers.

High Volume Transportation Customers - Customers who purchase natural gas from an alternative Supplier under Rates Schedules TS-F, TS-I and/or CGS, or the successors thereto, and not under the Company's Gas Choice program.

Holidays - Company holidays include: New Year's Day, Martin Luther King, Jr.'s Birthday, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving, Christmas, and Sundays

Initial Contract Term - The Customer's initial contract term, or in the case of transportation service, any renegotiation of an existing contract, for a service location shall be the Customer's first term of contract for service as specified under a given tariff rate or contract agreement to a location and shall also be the first term of contract after the Customer changes service at a location to a different rate, or in case of transportation service, any renegotiation of an existing contract.

Low Volume Customers – Customers served under Rate Schedules GR, GC, CAP, OL, L, MV-F and the Excess Off-Peak use rider, or successors thereto.

Low Volume Sales Customer – Low Volume Customers served under Rate Schedules GR, GC, CAP, OL, L, MV-F and the Excess Off-Peak Use Rider, who purchase their gas from the Company.

Low Volume Transportation Customers (“LVT Customers”) - Low Volume Customers who purchase Competitive Natural Gas Supply from a Supplier pursuant to the Company's Gas Choice program, under Rates Schedules GR, GC, OL, MV-F, or the Excess Off-Peak Use Rider, or the successors thereto, and not under Rate Schedules CAP, L, TCS, IS, MV-I, TS-F, TS-I, and/or CGS, or the successors thereto.

Mcf – 1,000 cubic feet. This is a measure of gas usage.

Month - A month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular consecutive meter readings dates of the Company's meter or meters installed on the Customer's premises.

Natural Gas Distribution Company (“NGDC”) - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

Natural Gas Supplier (“Supplier” or “NGS”) - A natural gas supplier as defined in 66 Pa.C.S. § 2202, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply to Low Volume Transportation Customers on the Company's system under the Company's Gas Choice program, to sell natural gas to Customers under Rates TCS, IS and/or MV-I or to sell natural gas to High Volume Transportation Customers under Rate Schedules TS-F, TS-I, and/or CGS or any other entity that takes title to gas as defined in 52 Pa. Code § 62.101

PECO Energy Company

Natural Gas Supplier Coordination Tariff – The Tariff, setting forth the basic requirements for interactions and coordination between the Company, as the natural gas distribution company, and Suppliers necessary for maintaining the delivery of Competitive Natural Gas Supply from Suppliers to their Low Volume Transportation Customers under the Company's Gas Choice program.

Principal Office - The Company's Main Office Building located at 2301 Market Street, Philadelphia, Pa. 19103.

Property line - The division line between land held in, or for, private use, and land in which the public or the Company has a right of use; or, the division line between separately owned or occupied land.

Sales Service Cost ("SSC") - Cost of commodity and non-storage interstate pipeline firm transportation capacity to delivery such commodity to the city gate for Low Volume Sales Customers.

Rate - The rates are CAP, GR, GC, OL, L, MV-F, MV-I, IS, TCS, TS-I, TS-F, NGS and CGS or the successors thereto.

Separate NGS Billing ("Dual Billing") – Separate Billing by an NGS of its charges for gas supply service.

Service - The distribution of gas for use by the Customer, including all things done by the Company in connection with such distribution.

Service-Supply Pipe - The pipe extending from the Company's supply main to a metered delivery point or, in the case of installations comprised exclusively of outdoor gas lights, to the first such light.

Summary Billing Accounts - An aggregate bill prepared at the option of the Company for Customers with multiple accounts that are related within the same partnership, association, corporation or governmental agency.

Supplier of Last Resort Service ("SLR Service" or "Sales Service") - Natural gas supply service provided by the Company as supplier-of-last-resort to residential, small commercial, small industrial and essential human needs Customers who: (1) do not choose a Supplier or chose to be served by their supplier of last resort; (2) who are refused service by a Supplier; (3) whose Supplier has defaulted or exited the system; or (4) who return to SLR service after having obtained Competitive Natural Gas Supply.

System Maintenance Order ("SMO") – operational directive issued by the Company in its sole discretion to protect the operational integrity of its systems in terms of line pressure and adequacy of supply, which orders directly affect the quantity of gas to be delivered on the same gas day or other near-term gas days and may require a Customer or class of Customers, or a Customer's natural gas supplier or agent, to maintain, decrease or increase the quantity of natural gas delivered to the Company's system.

Tariff – This Gas Service Tariff comprising the rates, rules and regulations that apply to the distribution of natural gas, including all things done by the Company in connection with such distribution and/or the supply of natural gas under Supplier of Last Resort (Sales) Service.

Transportation Service – Natural gas supply service provided to HVT Customers, by an alternative Natural Gas Supplier as further detailed in Rule 1.1 of the Gas Transportation Service General Terms and Conditions Section of this Tariff.

Variable Distribution Service Charge – The variable charges on a Mcf basis for the provision of unbundled distribution service, including all things done by the Company in connection with such distribution service.

Volume Adjustment - the current adjustable factor applied to all rate classes to account for: a) reduction for system losses of 1.8% and b) thermal correction, the latter being determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot. (D)

(D) Denotes Decrease

RULES AND REGULATIONS**1. THE GAS SERVICE TARIFF**

1.1 FILING AND POSTING. A copy of this Tariff, which comprises the Rates, Rules and Regulations under which service and SLR (Sales) Service will be supplied to its Customers by PECO Energy Company, is on file with the Pennsylvania Public Utility Commission and is posted and open to inspection at the Principal Office of the Company. A copy of this Tariff also is available on the Company's website at: peco.com

1.2 REVISIONS. This Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the Pennsylvania "Public Utility Law", and such changes, when effective, shall have the same force as the present Tariff.

1.3 APPLICATION. The Tariff provisions apply to everyone lawfully receiving service from the Company, under the rates therein, and receipt of service shall constitute the receiver a Customer of the Company as the term is used herein, whether service is based upon contract, agreement, accepted signed application, or otherwise. A Customer will receive service under this Tariff effective with their first scheduled billing cycle beginning after July 1, 2000.

1.4 BASIS OF CHARGE. Time elapsed is a factor in the supply of service and the rates and minimum charges named in this Tariff, while predicated on periods of supply of not less than one year, are stated in values for direct application only to monthly periods of service provision and will be adjusted for application to service provided during other time intervals.

1.5 RULES AND REGULATIONS. The Rules and Regulations, filed as a part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate or rider provision. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service.

1.6 USE OF RIDERS. The terms governing the provision of service under a particular rate may be modified or amended only by the application of standard riders, filed as part of this Tariff.

1.7 STATEMENT BY AGENTS. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

RULES AND REGULATIONS - Continued**2. SERVICE SPECIFICATIONS**

2.1 CHARACTER. This Tariff applies only to the distribution and/or supply of natural gas, or its equivalent. Supply pressures will be limited in accordance with Company specifications.

2.2 SINGLE-POINT DELIVERY. The rates named in this Tariff are based upon the Company's distribution and/or supply through a single delivery point. Separate distribution and/or supply for the same Customer at other points of delivery shall be billed separately unless otherwise specifically provided for under a rate or rider statement.

2.3 SINGLE-POINT AVAILABILITY. Service delivered at a single point is available to one or more buildings or units devoted essentially to a single purpose, provided and so long as:

a. Such buildings or units are:

- (1) held, possessed, and either utilized or operated as a single establishment by a single responsible entity, and
- (2) unified on the basis of family, business, industry, enterprise, or governmental agency or through conveniences and services, such as heat, elevator, janitor, care of halls, walks and lawns, etc., furnished by such entity, and
- (3) situated on a single or on contiguous land parcels except where such buildings or units constitute interdependent parts of a single industrial enterprise. In determining "contiguity" hereunder of parcels abutting opposite sides of public or private ways, the boundaries of such parcels shall be considered as extending to the center of such ways.

b. There is granted and maintained to the Company easement or other rights, adequate in the Company's reasonable judgment to supply service direct to any such buildings or units if, as and when a cessation of any one or more of the conditions stated in paragraph lettered "a" above should occur, or there should arise in any manner a Company duty of such direct supply.

c. The distribution and other facilities on the Customer's side of the delivery point are:

- (1) furnished, installed and maintained at the expense of the Customer, and
- (2) owned or leased by the Customer, and
- (3) operated and controlled by or at the expense of the Customer.

d. The Company is under no legal obligation of direct supply to any portion of said buildings or units or their appurtenances.

e. A guarantee by deposit or otherwise is given and maintained to the Company sufficient in its reasonable judgment to insure it against loss in distribution and other investment in the event of change in the nature of holding and possession of such buildings or units, or in the occupancy thereof, or in the type of service delivered thereto.

f. All utilization equipment on the Customer's side of the Company delivery point is furnished, installed, operated and maintained by the operator of the buildings or units supplied or by the tenants of such operator whose use of gas is dependent upon the single point delivery and metering of service.

g. Any use of public highways by such operator for the latter's distribution facilities does not conflict or interfere with the franchise rights of the Company.

2.4 COMPLIANCE WITH AVAILABILITY. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate or rider under which service is supplied.

2.5 COMPLIANCE WITH BUILDING ENERGY CONSERVATION ACT STANDARDS. Prior to furnishing permanent residential service for heating or cooling purposes to new residential buildings, a copy of the Compliance Certification from the Pennsylvania Department of Community Affairs indicating proof of compliance with, or exemption from, the insulation standards set forth in the Building Energy Conservation Act and the regulations promulgated thereunder, will be required for residential buildings located in municipalities that have not elected to administer the Act.

RULES AND REGULATIONS - Continued**3. CUSTOMER'S INSTALLATION**

3.1 INFORMATION FROM APPLICANT FOR SERVICE. The Company should be advised by the applicant for service in writing, preferably on a form supplied by the Company, of premises to be equipped for gas, giving exact location, and details of all gas appliances to be installed.

The applicant for service shall supply the Company information regarding potential or actual contamination, waste or other materials or other adverse environmental conditions on the Customer's premises on or near where the Company facilities are to be located. The Customer has a continuing obligation to provide the Company with copies of any environmental assessment relating to the premises. The Company also has a continuing right to inspect the Customer's premises for the purposes of performing an environmental assessment.

3.2 DELIVERY POINT. The Company will designate in writing, upon request, a satisfactory point at which the Customer shall terminate the Customer's piping for connection to the facilities of the Company. The failure to request and obtain such information may result in refusal of service pending rearrangement of Customer's facilities, but the designation of a termination point does not constitute an agreement or obligation on the part of the Company to furnish service.

In establishing a point of delivery, the Company has the right to avoid areas known or suspected to contain contamination waste or other materials or other adverse environmental conditions.

The Company may waive this right upon agreement from the Customer or applicant to indemnify, defend and hold harmless the Company (its successors, assigns, trustees, officers, employees and agents) from and against all actions, causes of action, claims and demands whatsoever, and from all costs, damages, expenses, losses, charges, debts and liabilities whatsoever (including attorney's fees), whether known or unknown, present or future, that arise from such conditions. This indemnification provision shall survive the termination or expiration of this Agreement and the termination of the business relationship of the parties hereto.

3.3 METER LOCATION. There shall be provided, free of expense to the Company, at a location outdoors, unless otherwise designated by the Company, which the Company will designate in writing upon request, a suitable place for the regulator or regulators, meter or meters, and any other supply, protective or control equipment of the Company which may be required in the delivery of gas service. Meters and regulators must be located outside and above ground in accordance with 52 Pa. Code § 59.18. However, meters and service regulators cannot be installed in locations specified in 52 Pa. Code § 59.18(a)(8)(i-vi). Inside meter and service regulator locations shall be considered by the Company, but only in accordance with the exceptions contained in 52 Pa. Code §59.18(d). The Company may also consider other meter or regulator locations (such as a specially constructed cabinet recessed in the building wall, sealed from inside the building and vented to and accessible from outside the building) per 52 PA Code §59.18(e). The customer shall provide access and space, in an amount deemed necessary by the Company, to install and maintain its meter(s) and equipment. This location shall be convenient, unimpeded and easily accessible to the Company's employees, contractors and agents. The Customer shall also minimize any risk for damage and/or harm to the Company's employees, contractors, agents and equipment at the meter location. There also must not be any impediment or obstruction of the Company's ability to receive, an adequate communication signal from its meter(s) for remote reading purposes. The meter(s) location also shall be situated so that the meter(s) are not concealed, but shall be situated in a manner acceptable to the Company.

3.4 NONSTANDARD SERVICE. The Customer shall pay the cost of any special installation necessary to meet any peculiar requirements for service.

The Customer shall pay all costs to the Company of performing environmental assessments, including consultant costs and the costs of removal and disposal of hazardous materials associated with either the initial installation of service, modifications to the service or repair and maintenance of service.

3.5 REVERSE FLOW. The Customer may be required to install check-valves, or other devices, to prevent compressed air or other gases from entering the Company's mains.

3.6 EXCESS FLOW VALVES ("EFVs") At the request of a customer who qualifies for installation of an Excess Flow Valve (EFV) pursuant to 49 C.F.R. § 192.383, the Company will install an EFV at the customer's expense. Eligible customers who request installation of an EFV on existing service lines must pay the installation costs before any work begins.

RULES AND REGULATIONS - Continued**4. APPLICATION FOR SERVICE**

4.1 PLACE OF APPLICATION. Applications for service may be made at any commercial office of the Company or, in some cases, over the telephone.

4.2 SERVICE CONTRACT. Every applicant for service may be required to sign a contract, agreement, or other form, then in use by the Company, covering the special circumstances of the use of gas, and shall abide by these Rules and Regulations and the standard requirements of the Company.

4.3 CONTRACT DATA. The application shall contain a statement of the premises to be served, the rate under which service is desired, and such conditions or riders as are applicable to the special circumstances of the case.

4.4 RIGHT TO REJECT. The Company may place limitations on the amount and character of service it will supply or may reject applications for service not available under a standard rate, or which might affect the supply of service to other Customers, or to be delivered at a location which involves excessive cost; for bad credit; for the applicant's failure to provide identifying documentation; when an applicant's self-identification cannot be verified; or for other good and sufficient reasons. Customer can be denied SLR (Sales) Service or new service for failure to pay an NGS's charges.

The Company has the right to restrict service to only those locations which will not expose the Company to liability for known or suspected contaminated waste or materials or other adverse environmental conditions.

4.5 ACCEPTANCE. When an application is accepted, or when service is supplied according thereto either without modification or with supplemental agreement, it constitutes the contract between the Customer and the Company, subject to the Rules and Regulations.

4.6 SPECIAL CONTRACTS. Standard contracts shall be for terms as specified in the statement of the rate, but where large or special investment is necessary for the supply of service, or where service is to be used for an emergency or temporary replacement of another method of operation, contracts of longer term than specified in the rate, or with special guarantees of revenue, or both, may be required.

4.7 UNAUTHORIZED USE. Unauthorized connection to the Company's service-supply facilities, and/or unauthorized use of utility service, may be terminated by the Company without notice. Unauthorized use of utility service means unreasonable interference or diversion of service, including meter tampering any-act which affects the proper registration of service through a meter, by-passing (unmetered service that flows through a device connected between a service line and Customer-owned facilities), and unauthorized service restoral. In cases of tampering or by-passing, the use of service without notifying the Company and enabling it to read its meter will render the user liable for any amount due for service supplied to the premises from the time of the last reading of the meter, immediately preceding the Customer's occupancy, as shown by the Company's books.

4.8 WITHDRAWAL OF APPLICATION BY NON-RESIDENTIAL CUSTOMERS. In the event the Customer or potential Customer withdraws, in whole or in part, an application for either new or modified service, the Customer will reimburse the Company for all reasonable costs incurred by the Company in anticipation of supplying the new or modified service where such costs were described by the Company to the Customer at or before the time application was made. This provision does not apply to individual residential service applicants.

RULES AND REGULATIONS - Continued**5. CREDIT**

5.1 PAYMENT OBLIGATION. The provision of service for any purpose, at any location, is contingent upon payment of all charges provided for in this Tariff as applicable to the location and the character of service.

5.2 PRIOR DEBTS. Service will not be furnished to applicants or former customers until any indebtedness to the Company for previous service of the same or similar classification has been satisfied or a payment arrangement has been made on the debt. The Company may, at its discretion, determine liability for prior debts or past due balances by: (1) the use of company records that contain information provided to the Company; (2) information contained on a valid mortgage, lease, deed or renter's license; (3) the use of commercially available public records databases; (4) Government and property ownership records. This rule does not apply to the disputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed; and (4) the customer nevertheless continues to dispute the same matter in bad faith.

5.3 GUARANTEE OF PAYMENTS. The Company may charge a security deposit before it will render service to an applicant or before the Company will continue to render service to a customer for whom the Company provides Consolidated EDC Billing or Separate EDC Billing. The Company may charge deposits to applicants and customers if they have bad credit, lack creditworthiness or as otherwise permitted by Commission statutes, rules, regulations, and as required by Federal Bankruptcy Law. The applicant or customer may be required to provide a cash deposit, letter of credit, surety bond, or other guarantee, satisfactory to the Company. The Company will hold the deposit as security for the payment of final bills and in compliance with the Company's Rules and Regulations. In addition, the Company may require industrial and commercial customers to post a deposit at any time if the Company determines that the customer is no longer creditworthy or has bad credit or as otherwise permitted by Commission statutes, rules, regulations and as required by Federal Bankruptcy Law. The Company retains the right to charge customers additional deposits based upon continued bad credit or lack of creditworthiness and increased usage.

5.4 AMOUNT OF DEPOSIT. For residential customers the deposit will be equal to one-sixth of the applicant's or customers estimated annual bill for Company charges, based on applicable rates. A deposit from a residential customer shall conform to the requirements of 66 Pa. C.S. 1404(c) and applicable Pennsylvania Public Utility Commission regulations. For industrial and commercial accounts, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

5.5 RETURN OF DEPOSIT Deposits secured from a residential Customer shall be returned with accrued interest, in accordance with 66 Pa. C.S. §1404(C) and applicable Pennsylvania Public Utility Commission regulations. In cases of discontinuance of service, deposits will be returned with accrued interest upon payment of all service charges and guarantees or with deduction of unpaid accounts. Effective July 1, 2011, PECO will return the deposit on a non-residential account if the account was assessed fewer than two late payments in the previous 24 months. The first annual review of the customer's payment status will occur 24 months after the initial deposit date. Any residential or commercial customer having secured the return of a deposit may be required to make another deposit, in accordance with Commission statutes, regulations, or Federal Bankruptcy Law, if the Customer demonstrates bad credit or lacks creditworthiness subsequent to the return of the initial deposit.

5.6 INTEREST ON DEPOSIT. The Company will allow simple interest on cash deposits calculated as follows:

- (1) with respect to residential accounts:
 - (a) interest accrued prior to December 14, 2004, at an annual rate determined by the average of the 1-Year Treasury Bills for September, October and November of the previous year ("Interest Index");
 - (b) interest accrued on or after December 14, 2004, at an annual rate determined by the legal rate of interest pursuant to 66 Pa. C.S.A. § 1404(C)(6);
- (2) with respect to commercial and industrial accounts, at the lower of the Interest Index or six percent; provided that interest accrued prior to April 14, 1995 shall be calculated at six percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

5.7 CREDIT INFORMATION.

CUSTOMERS: In addition to information required otherwise hereunder, customers for whom the Company provides Consolidated NGDC Billing or Separate NGDC Billing shall be required to provide to the Company with such credit information, as the Company requires. The Company may report to a national credit bureau on credit history associated with past due amounts.

APPLICANTS: The Company's credit and application procedures for applicants are as follows: (1) positive identification of applicant obtained from previous customer record or through one of the major credit reporting bureaus or through in-person identification; (2) determination of liability for a past due balance; (3) determination if a deposit is required based upon applicant's previous account history if available or through third party credit scoring of applicant.

The Company's credit scoring methodology and standards are as follows: The Company uses a commercially recognized credit scoring methodology that is within the range of generally accepted industry practice. The applicant's or customer's utility payment history determines the credit score. The Company uses this customer-specific credit score to either request or waive a security deposit.

RULES AND REGULATIONS - Continued**6. SERVICE-SUPPLY FACILITIES**

6.1 COMPANY'S SERVICE-SUPPLY PIPE. The Company will install, own and maintain the required service-supply pipe with Company participation in the cost of installation determined by the Company in accordance with Section 7 Extensions.

6.2 SERVICE-SUPPLY ALTERATIONS. Changes in location of service-supply pipe, or meter and connections, for the accommodation of the Customer, shall be at the expense of the Customer. A customer or building owner requesting that a meter or regulator be moved shall pay the costs associated with relocation when the meter and regulator are currently situated in a suitable location under State and Federal regulations per PA 52 Code § 59.18(a)(11).

6.3 STUB-SERVICE PIPE. When supply mains are in place, service-supply pipe to a point beyond the curb line may be installed, at the option of the Company, ahead of paving, providing the owners of the abutting property shall request and pay for such stub-service pipe. The cost of any such stub-service pipe may be refunded to the Customer over a term of years, upon such basis or condition as may be determined by the Company and specified in the contract for service.

6.4 METERS AND REGULATORS. The Company will provide, own and maintain any meter or meters, regulator or regulators, required in the supply of service.

7. EXTENSIONS

7.1 SUPPLY MAIN CONSTRUCTION. The Company will install, own and maintain gas supply mains located on the highway or on rights-of-way acquired by the Company and used or usable as part of the Company's general supply system.

7.2 OBLIGATION TO EXTEND. Subject to the terms set forth herein, the Company will extend its facilities to a new point of delivery without charge to a potential customer making a valid request for natural gas service. For additional details see Section 7.3, Service Pipe and Main Extension Policy.

7.3 SERVICE PIPE AND MAIN EXTENSION POLICY. When gas is available for sale to new customers under one of the Company's firm sales or transportation rate schedules, main and service facilities will be extended to an applicant in accordance with the following provisions:

A.. General Economic Test. For firm service customers the Company will make a capital investment in the total cost of new main and service facilities to serve the customer (including, but not limited to, allocated overheads and related system modifications) when the net present value (NPV) from a proposed project is greater than or equal to zero. Net present value shall be calculated based on the capital investment, exclusive of the costs of meter and meter installation, required to serve the applicant(s) and the estimated base annual revenues (EBAR) generated from the applicant(s). The "EBAR" shall be calculated by multiplying the applicable Variable Distribution Charge rate (excluding any applicable gross receipts tax or certain fixed TCS costs) times the estimated annual consumption, plus the portion of annualized Fixed Distribution Charge attributable to service line capital costs. In calculating the NPV, the following assumptions will be made: 1) a 40 year evaluation period, 2) the discount rate shall be the Company's after-tax cost of capital, 3) revenue shall be assumed to be collected throughout the year, and 4) capital is assumed to be invested at the beginning of the year. If the proposed project has a negative NPV, the Customer shall make a payment to bring the net present value to a zero value. This will enable the proposed project to support a reasonable rate of return to the Company.

B. Developments. Payments shall be required in advance for all lot developments. If a payment is required, the amount of payment shall be based on the General Economic Test set forth in Section 7.3A, and shall incorporate known gas applications in buildings under construction or buildings not yet under construction but which are expected to be fully constructed within a five year period from the date of the original contract signing. This requirement may alternatively be satisfied by payment of at least 35 percent of the required contribution upon execution of the service agreement with the remainder subject to payment bond and interest (at prime rate) and is due no later than 6 months after PECO certifies, in writing, that service is available to the development. At the time of execution of the service agreement, the developer shall also post a letter of credit, surety bond, or other security, satisfactory to the Company equal to 50% of the value of the revenue stream as calculated by the Company under Section 7.3A. If the developer does not fully develop the lots within five years, including, but not limited to, installing all required appliances and flowing natural gas to them, the Company reserves the right to use the security as payment for the contract amount. Lot developments are defined as tracts subdivided for sale as individual lots or groups of lots to more than one builder or buyer.

C. Interruptible Service Installations. The Company will make a capital investment in the total cost of new main, service facilities and dual fuel installations, (including, but not limited to allocated overheads and related system modifications) to serve Customers with interruptible service installations, up to an amount equal to three times the additional Estimated Base Annual Revenue (EBAR) attributable to the Customer. The Customer shall pay the cost, if any, in excess of the above limit exclusive of the costs of the meter and, meter installation.

D. After-tax cost of capital (discount rate) shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

7.4 EXTENSION REFUNDS. Upon receipt of a written request by a Customer or developer made no earlier than the end of the third year following the date of an agreement for new gas service, PECO will: (a) review its records to determine if a refund is due the customer or the developer for additional customers beyond those used to calculate the projected revenue stream as determined in the General Economic Test above that attached to the facilities paid for by the customer or the developer within three (3) years after the execution date of the agreement for new gas service, and (b) within sixty (60) days of receipt of such request, (i) make payment to the customer or developer of any refund due and (ii) provide the customer or developer with documentation substantiating the refund calculations and identifying the attached loads for which the developer was credited. Customer or developer contributions may be refunded if, within three years of the date of the service agreement, new loads are added to facilities paid for by the contributing Customer or developer. Revenue and cost computations shall simulate that the original and new loads were installed at the same time. Refunds will be paid only to the contributing Customer or developer, and the original contribution shall be the maximum refund.

7.5 TAX ACCOUNTING OF CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES. All contributions in aid of construction (CIAC), customer advances or other like payments received by the Company shall constitute taxable income as defined by the Internal Revenue Service. The income taxes on such CIAC or customer advances will be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with CIAC or customer advances will not be charged to the specific contributor of the capital.

RULES AND REGULATIONS - Continued**8. RIGHTS-OF-WAY**

8.1 TERM AND RENTALS. When the premises of a Customer is so located that the Customer can be served only by facilities extending over the property of another, the Customer shall accept service for such term as is provided in the permit or agreement covering the location and the maintenance of service equipment, and the Customer shall reimburse Company for any and all special or rental charges that may be made for such rights by said permit or agreement.

8.2 PROCUREMENT BY CUSTOMER. Customers applying for the construction of an extension may be required to secure to, and for, the Company, all necessary and convenient rights-of-way and to pay the costs incident thereto.

8.3 DELAYS. Applications for service from an extension to be constructed where a right-of-way is not owned by the Company will only be accepted subject to delays incident to obtaining a satisfactory right-of-way.

9. INTRODUCTION OF SERVICE

9.1 COMPANY'S RIGHT TO INSPECT. The Company shall have the right, but shall not be obliged, to inspect any installation before service is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects in the installation, piping, or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the Customer.

9.2 DEFECTIVE INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's installation is defective, or does not comply with such reasonable requirements as may be necessary for safety, or is in violation of the Company's standard requirements.

9.3 UNSATISFACTORY INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's equipment, or use thereof, might injuriously affect the equipment of the Company, or the Company's service to other Customers.

9.4 INITIAL SERVICE. In all cases gas shall be introduced to the Customer's installation by, or under the supervision of, a representative of the Company.

RULES AND REGULATIONS - Continued**10. COMPANY EQUIPMENT**

10.1 COMPANY MAINTENANCE. The Company shall keep in repair and maintain its own property installed on the premises of the Customer.

10.2 CUSTOMER'S RESPONSIBILITY. The Customer shall be responsible for safekeeping of the Company's property while on the Customer's premises. In event of injury or destruction of any such property the Customer shall pay the costs of repairs and replacement. Any changes made to the Customer's premises after the Company completes its service and meter installation that, in the opinion of the Company, creates an unsafe condition, shall be the Customer's responsibility to pay any costs associated with remedying the unsafe condition including but not limited to any required protective measures and/or relocations of Company property.

10.3 PROTECTION BY CUSTOMER. The Customer shall protect the equipment of the Company on the Customer's premises, and shall not permit any person, except a Company employee having a standard badge of the Company or other Company identification, to break any seals upon, or do any work on, any meter, service-supply pipe or other equipment of the Company located on the Customer's premises.

10.4 TAMPERING. In the event of the Company's meters or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations.

10.5 RIGHT OF ACCESS. The Company's identified employees shall have access to the premises of the Customer at all reasonable times for the purpose of reading meters and disconnecting service, and for installing, testing, inspecting, repairing, removing or changing any or all equipment belonging to the Company.

10.6 OWNERSHIP AND REMOVAL. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the Customer at any time after the termination of service from whatever cause.

10.7 RELOCATION OF COMPANY FACILITIES REQUESTED BY NON-RESIDENTIAL PROPERTY OWNERS. Except as otherwise provided by law (e.g., 66 Pa. C.S. Section 2704 et seq.), a non-residential property owner, such as a builder, developer or contractor (Owner), shall compensate the Company for the costs of relocation of Company facilities or equipment, made for the accommodation of the Owner or in fulfillment of the Owner's obligation to any public authority. A request for relocation of Company facilities shall be in writing.

Where the relocation is done in conjunction with construction of a supply line to a development, the Company shall include in the relocation cost those costs caused by the Owner's request. Such relocation costs are not part of the capital investment toward supplying service and are, therefore, not included in the revenue test with which the line extension contribution is calculated.

The Company will notify the Owner in writing of the relocation cost. Advance payment of relocation costs will be required before the Company will commence the work, except, at the sole discretion of the Company, under special circumstances.

10.8 RECOVERY FOR PROPERTY DAMAGE. If Company equipment is damaged through the negligence or intentional act(s) of any individual(s) or entity(s), the one(s) responsible for causing the damage shall reimburse the Company for all aspects of the resulting damages. The reimbursement shall include costs related to: labor, material, transportation and tools. "Labor" shall include benefit and administrative overheads based on the Company's current standard schedule, including third party contract repairs or modifications. Additionally, "Labor" may be calculated using a "blended" or average pay rate consistent with the above referenced standards. "Materials" may include an added stores expense calculated using the above referenced standards.

RULES AND REGULATIONS - Continued**11. TARIFF OPTIONS ON APPLICATIONS FOR SERVICE**

11.1 CHOICE OF RATE. Where the classes of service-supply or conditions of use are such that two or more rates are available, an applicant shall select the rate or rates to be applied to the applicant's service.

11.2 COMPANY ASSISTANCE. The Company upon request will, to a reasonable extent, assist an applicant in selecting the most advantageous rate or rate application.

11.3 RATE CHANGES. A Customer may not change rates during the "initial contract term" as defined in the "Definition of Terms and Explanation of Abbreviations" section above. At any other time, a Customer may change to a rate for which the Customer qualifies upon 30 days notice to the Company. The new rate will be effective the next meter reading date after Company approval.

The Company will not make any rate change retroactive, unless the Company failed to adequately respond to a Customer's request for assistance or modification at the time of such request.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY**

12.1 REGULARITY OF SUPPLY. The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service.

12.2 CURTAILMENT OF SERVICE.

a. Authority to Curtail. In the event of a natural gas emergency, the Company may curtail the availability of natural gas service to its Customers in accordance with this Rule 12.2.

b. Priority of Service. Following are the service priority categories listed in descending order of priority (highest to lowest):

Priority 1

(1) Residential and firm critical commercial essential human needs.

Priority 2

(2) Firm small commercial requirements, excluding critical essential human needs requirements in Category 1, and firm large commercial and industrial requirements for plant protection.

(3) Firm small industrial requirements.

(4) Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in Category 1.

(5) Firm large non-critical commercial and industrial requirements other than requirements for boiler fuel use.

(6) Firm large non-critical commercial and industrial requirements for boiler fuel use.

Priority 3

(7) Contractually interruptible use.

c. Definitions Applicable. The definition for terms used in the Curtailment of Service Rule are as follows:

(1) Alternate Fuel Capability. The installed and operable ability to use any fuel other than natural gas on a time sensitive basis. For purposes of this definition, alternate fuel means any fuel other than natural gas or its equivalent.

(2) Commercial Use. Gas usage by Customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies and shall include Customers in Standard Industrial Classification Codes 01 through 09, 15 through 19, and 49 through 99. Commercial use shall not include use of gas for manufacturing or electric power generation.

(3) Critical Use. Gas usage where natural gas, or its equivalent, is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.

(4) Essential Human Needs Use. Gas usage in any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals, and nursing homes, where the Customer does not have alternate fuel capability.

(5) Firm Service. Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

(6) Industrial Use. Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power and shall include Customers in Standard Industrial Classification Codes 10 through 14 and 20 through 39.

(7) Interruptible Service. Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY – Continued**

- (8) Large Customer. A customer with annual usage of at least 18,000 Mcf during the prior calendar year.
 - (9) Natural Gas Emergency. Whenever the aggregate demand of firm service customers on the Company's system or portion of the Company's system, for any reason, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity or the ability of the Company to satisfy the demand requirements of its Priority 1 Customers (including when continued delivery of gas to Customers would prevent the Company to arrange for the injection of gas into underground storage pools necessary for the protection of winter season supply requirements).
 - (10) Non-Critical Use. Gas usage where natural gas is not the only feasible form of energy; i.e., where the Customer has alternate fuel capability.
 - (11) Small Customer. A customer with annual usage of less than 18,000 Mcf during the prior calendar year.
 - (12) System Maintenance Order ("SMO") – as defined in the definitions section of the tariff.
 - (13) Plant Protection Use. Minimum usage of natural gas required to prevent physical harm to an industrial or commercial customer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternative fuel. Plant protection requirements includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
 - (14) Residential Use. Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.
- d. Curtailment Process.
- (1) Reservation of Company Right to Curtail. The Company reserves the right to reduce or eliminate the availability of firm natural gas service to Customers during a natural gas emergency, on a system-wide or localized basis ("curtailment"), when, in the Company's sole judgment, curtailment of natural gas service is necessary to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets. When necessary, the Company may curtail service to Priority 1 customers.
 - (2) Pre-Curtailment Procedures. To avoid curtailment of service, the Company will use reasonable business and operational efforts to interrupt all Priority 3 services; issue appropriate system maintenance orders (SMO) to HVT and LVT Customers, their Natural Gas Suppliers or other agents; and/or request customers to institute voluntary usage reductions.
 - (3) Curtailment Directive. In the event that Pre-Curtailment Procedures are not practicable or fail to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, the Company may issue a curtailment directive. The curtailment directive should be reasonably well-tailored by the Company to require Customers of lower priority services to reduce usage by an amount calculated by the Company, as necessary to minimize the potential threat to public health and safety and to minimize the effect of a natural gas emergency on the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, but may be issued without regard to priorities of service. During the period specified by the curtailment directive, Customers directed to curtail usage must comply with the directive or face physical shut-off by the Company and/or the assessment of penalties elsewhere set forth in this Rule 12.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY – Continued**

- (4) Curtailment Sequence. Curtailment of a customer class of a higher priority shall not be initiated until all Customers falling into the lower classifications have been completely curtailed. Where only partial curtailment of any one classification is required, customer usage should be reduced pro rata to the extent reasonably possible. As applied to High Volume Transportation Customers served under Rate TS-F, pro rata reductions will be based on a percentage of the Customer's Transportation Contract Quantity unless the Customer has alternative fuel capability. If the Customer has alternative fuel capability, a pro rata reduction shall be based on a percentage of the Customer's Transportation Contract Quantity less the daily alternative fuel capability. The Company shall restore service as soon as practicable to any gas-fired generation facility that is deemed critical to electric system reliability by the applicable electrical system's control area operator.
- (5) Customer Notification. The Company shall provide maximum notice possible of a curtailment directive or of a change in curtailment amount or priority level set forth in a curtailment directive. In the curtailment directive, the Company shall specify the authorized consumption for a specified period or until further notice. The Company reserves the right to provide notice by any reasonable means, including by telephone, pager, e-mail, facsimile or personal contact. If such notice is by telephone, then it will be followed by a written notice to the Customer, specifying the Customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement, as the case may be. An emergency curtailment may be made after oral notice to the Customer, effective when so given, but such oral notice will be confirmed in writing within 48 hours.
- (6) Commission Notification. The Company shall notify the Commission as soon as practicable after the issuance of a curtailment directive.
- (7) Curtailment Directive Exceeding 5 Days. The Company must obtain Commission authorization before it may extend a curtailment directive beyond a maximum duration of 5 business days. Business days shall be all days except Saturdays, Sundays, and federal holidays.
- (8) Natural Gas Emergency Plan. This Rule 12 is supplemented by Company procedures referenced in the Company's Natural Gas Emergency Plan filed by the Company in compliance with Commission Regulations, 52 Pa. Code § 59.63 and 59.71 et seq., and such procedures may be modified from time to time.

e. Unauthorized Use.

- (1) Penalties. A Customer determined to have used natural gas in violation of a SMO issued pursuant to Rule 12.2.d(3) or a curtailment directive issued by the Company ("unauthorized use") shall pay the Company a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Also, included will be the actual, additional cost incurred by the Company as a result of such unauthorized gas usage, as reasonably determined by the Company.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-Non NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

- (2) Disposition of Penalties. As of December 31 of each year, the Company shall subtract the total of all penalties paid that year to the Company's suppliers from penalties collected that year from Customers. The Company will then distribute all remaining penalties collected by the Company to its curtailed Customers who did not incur penalties under e(i) above.
- (3) To determine the amount of reimbursement due a Customer, the total amount to be redistributed shall be divided by the total volume of sales during the twelve-month period to all Customers eligible for reimbursement. This quotient shall represent the factor, which when multiplied by an eligible Customer's total purchase volume during the twelve-month period will equal the amount to be credited to that Customer. However, no reimbursement shall be made to Customers who have terminated service during the year.
- (4) The Company will make periodic reports to the Commission containing itemized statements, status of penalty accounts and the extent and nature of disbursements from such accounts made during that period.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY - Continued**

12.3 LIMITATION OF LIABILITY. Should the supply of service be curtailed or interrupted by the Company because of gas shortage, or for the purpose of making repairs, changes or improvements, in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted, curtailed or fail, by reason of accident, strike, legal process, state or municipal interference, or any cause whatsoever the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure unless such interruption or failure resulted from the Company's wanton or willful misconduct. If the supply of service to a firm service Customer is interrupted for more than seven consecutive days as a result of the Company's wanton or willful misconduct, the Customer's bill will be prorated for the month during which this interruption occurs.

12.4 ADDITIONAL LIMITATIONS OF LIABILITY IN CONNECTION WITH CUSTOMER CHOICE. Other than its duty to deliver natural gas, the Company shall have no other duty or liability to a Customer receiving Competitive Natural Gas Supply arising out of or relating to a contract or other relationship between such Customer and an NGS. The Company shall implement Low Volume Customer selection of an NGS consistent with applicable rules of the Commission and shall have no liability to a Low Volume Customer receiving Competitive Natural Gas Supply arising out of or relating to switching NGSs unless the Company is negligent in switching or failing to switch a Customer. The Company shall have no duty or liability with respect to natural gas before it is delivered by an NGS to a point of delivery on the Company's distribution system. After its receipt of natural gas at the point of delivery the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Natural Gas Supply as to those purchasing natural gas from the Company.

12.5 NOTICE OF TROUBLE. The Customer must immediately notify the Company if there is any defect, leak, trouble or accident affecting the supply of gas.

RULES AND REGULATIONS - Continued**13. CUSTOMER'S USE OF SERVICE**

13.1 RESALE OF SERVICE. As of January 5, 1980, the resale of gas and/or service provided by the Company is prohibited for Customers who receive gas service from the Company through a master meter and resell it to individual dwelling units by the use of submeters. Customers receiving service prior to January 5, 1980, may resell gas purchased from the Company through a single master meter in accordance with 66 Pa.C.S. § 1313 if the purchased gas is: (1) for the total requirements of the premises served and (2) the use of the resold gas conforms to the availability requirements of this tariff for the Customer's own account.

13.2 FLUCTUATIONS. Gas and/or service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and, in the case of violation of this rule, the Company may discontinue service, or require the Customer to modify the installation and/or equip it with approved controlling devices.

13.3 ADDITIONAL LOAD. Any additional loads, either connected to existing equipment or new equipment, will not be allowed except by consent of the Company.

13.4 FAILURE TO GIVE NOTICE. Failure to give notice of additions or changes in load or location shall render the Customer liable for any damage to the regulator, meters, or other equipment of the Company, caused by the additional or changed installation.

14. MEASUREMENT

14.1 SUPPLY OF METERS. The measurement of gas usage shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment, and may, from time to time, change or alter the equipment, its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes.

14.2 SPECIAL MEASUREMENTS. The Company shall have the right, at its option and its own expense, to place demand meters, pressure gauges, special meters, or other instruments, on the premises of any Customer for the purpose of determining the adequacy of the Company's service or for making tests of all or any part of the Customer's load.

14.3 METER READING INTERVALS. The Company will read its meters at scheduled regular intervals of one or more months and will render standard bills for the recorded gas usage based upon the time interval between meter readings. Only those bills which cover a period of service of less than 27 days or more than 34 days will be prorated.

14.4 ESTIMATED USAGE. The Company may estimate the amount of gas usage at the premises where access to the meter is not available, or to installations at remote locations, for such number of months as the type of installation, normal regularity of usage, or other circumstances may warrant, and will render bills in standard form based on such estimate and so marked, for the Customer's acceptance. Meter readings will be secured from time to time and billing will be revised when they disclose that the estimate failed to approximate the actual usage. For residential Customers, an actual meter reading will be obtained at least every six months, in accordance with Commission regulations.

14.5 CORRECTION TO STANDARD CONDITIONS. The quantities of gas used may be corrected to standard conditions, namely 60 degrees Fahrenheit temperature and 30 inches of mercury barometric pressure. All methods employed in correcting measurements of gas volume to said standard conditions shall be in accordance with established industry standards.

RULES AND REGULATIONS - Continued**15. TESTS**

15.1 METER TESTS. The Company, at its expense, will make periodic tests and inspections of its meters in order to maintain them at a high standard of accuracy.

15.2 REQUEST TESTS. The Company will make additional tests or inspections of its meters at the request of a Customer, or an NGS providing Competitive Natural Gas Supply to a Customer, but reserves the right to charge the Customer or NGS, as applicable, any Commission-approved charge as provided in the Commission's Gas Regulations.

15.3 ADJUSTMENT FOR ERROR. Should any meter become defective or fail to register correctly, the quantity of gas consumed shall be determined by a test of the meter, or by the registration of a meter set in its place during the period next following, or by averaging the amount of gas used for the nearest meter reading period preceding and the meter reading period immediately following the date when the meter was found not be to registering, taking into consideration the character of use by the Customer.

15.4 RESIDENTIAL METER ERRORS. Meter errors in residential service may be determined on the basis of the registration of the corresponding period during the preceding year, if records are available and conditions of use remain the same.

15.5 ADMINISTRATION TESTS. The Company, at its own expense, will make only such tests as it deems necessary for the proper administration of its rates, or as are required by law.

15.6 TESTING SERVICE. The Company will, upon request by the Customer, make tests to supply special information regarding the Customer's use of service, provided that the estimated cost of such special tests shall be paid by the Customer to the Company in advance.

RULES AND REGULATIONS - Continued**16. PAYMENT TERMS**

16.1 BILLING PERIOD. Billing for service will be based upon the amount of use and the time interval of its supply. Rate values stated for direct application to monthly periods will be adjusted when the time elapsed between readings is substantially greater or less than a month.

16.2 BILLING OPTIONS. A Low Volume Customer may select one of the following two billing options as communicated to PECO by the customers' supplier: (1) Consolidated NGDC Billing; or (2) Separate NGS Billing.

16.3 PAYMENT PERIOD. Bills are payable upon presentation, and payment may be made at any commercial office of the Company or at any authorized payment agency. Payment for service received must be made on or before the due date shown on the bill, which shall be not less than 20 days from the date of transmittal of the bill for Rate GR, GC and OL (excluding Summary Billing Accounts); not less than 15 days from the date of transmittal of the bill for all other rates, including Summary Billing Accounts, with the exception of accounts (including Summary Billing Accounts) with the United States of America or the Commonwealth of Pennsylvania or any of their departments or institutions for which 30 days will be allowed. If a normal due date should fall on a Saturday, Sunday, bank holiday, or any other day when the offices of the Company which regularly receive payments are not open to the general public, the due date shall be extended to the next business day. The payment period will not be extended because of the Customer's failure to receive a bill unless said failure is due to the fault of the Company.

16.4 FINANCE CHARGE. If payment may be made at a Company office or authorized payment agency after the due date shown on the bill, a finance charge will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the finance charge will be added if the payment is received by the Company more than 5 days after the due date shown on the bill. For Rates GR, GC and OL, this finance charge will be 1-1/2% per month; for all other rates the finance charge will be 2% per month.

16.5 BUDGET BILLING

(a) At the option of a Customer receiving service under Rates GR, GC, and OL, an estimated total bill for all service to be received by the Customer over a twelve-month period may be budgeted over the period and an average bill rendered monthly for payment each month. Any difference between the budgeted amounts so paid and the actual charges for a twelve-month budget period will at the customer's option, either be amortized over the next twelve months or incorporated into the twelfth month bill. Absent an indication of preference from the customer, the debit or credit will be amortized. Budget billing may be discontinued upon the customer's request at which time any difference between budget billing amounts and actual charges becomes due and payable. If a monthly budget bill is not paid, a late fee will be added to the unpaid balance of actual charges on the next billing date in accordance with Rule 16.4. Any such late fee will be calculated based on the lesser of budget billing arrears and arrears from actual charges.

(b) When the Company provides Consolidated NGDC Billing, the NGSs charges will be included in the Customer's Budget Billing Plan.

16.6 CALCULATION OF FINANCE CHARGE. Where a finance charge is applicable, the amount of the finance charge to be added to the unpaid balance shall be calculated by multiplying the unpaid past due balance, exclusive of any previous unpaid finance charges, by the appropriate finance charge rate. Finance charges shall be applied to all charges when the Company is providing Supplier of Last Resort service and to the Fixed Distribution Service Charges, Variable Distribution Service Charges and any applicable service charges when the Customer has selected an NGS. The Company will apply finance charges to NGS charges at the NGS's electronic request when the Company is performing billing services for the NGS.

16.7 APPLICATION OF PAYMENT. When the Company provides Consolidated NGDC Billing or SLR (Sales) Service and a Low Volume Customer remits a partial payment to the Company, the payment will be applied as follows:

1. Any past due balances including those for prior PECO basic service charges, for prior NGS receivables purchased by the Company, for prior installment amounts on payment agreements, and also for any reconnection charges.
2. Any current charges including those for PECO basic service charges, for current NGS receivables purchased by the Company, and for current installment amounts on payment agreements.
3. Non-basic service charges.

16.8 RETURNED CHECK CHARGE. If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment on the second attempt, a \$20.00 charge for the returned check will be added to the Customer's account.

16.9 BILLING ERRORS. When the Company provides Consolidated NGDC Billing, the Company shall not be responsible for billing errors resulting from incorrect information received from an NGS.

16.10 PAYMENT TERMS. The Company will negotiate payment arrangements with Sales Service Customers. The Company will also negotiate payment arrangements for customers served under Consolidated NDGC Billing which includes NGS charges. If the NGS is providing Separate NGS Billing ("dual billing"), the Company will not negotiate agreements on behalf of those NGS charges.

RULES AND REGULATIONS - Continued**17. TERMINATION BY THE COMPANY**

17.1 NON-PAYMENT SHUT-OFF. On reasonable notice, the Customer is subject to collection action, including termination of service (in accordance with the Pennsylvania Public Utility Code or the Commission's regulations,) on the portion of the past due amount attributable to the Company's charges for service and/or gas commodity. Upon termination of service, the Company may also remove its equipment. Notice that complies with applicable Commission regulations shall conclusively be considered "reasonable hereunder". Consistent with 52 PA Code §56.100, the Company will accept the following most current and valid documents as proof of household income: (1) income tax returns; (2) pay stubs; (3) benefit letters and governmental agency verification; (4) other forms to be accepted at the Company's discretion. The customer must provide this information within 10 days of the Company's request. This information may also be used by the company to determine deposit requirements, payment arrangements, and any other income specific program.

17.2 SHUT-OFF FOR CAUSE. The Company may terminate on reasonable notice if entry to its meter or meters is refused or if access thereto is obstructed or hazardous; or if utility service is taken without the knowledge or approval of the Company; or for other violation of these Rules and/or applicable Commission rules in accordance with the Pennsylvania Public Utility Code or the Commission's regulations.

17.3 SAFETY SHUT-OFF. The Company may terminate without notice if the Customer's installation has become hazardous or defective.

17.4 DEFECTIVE EQUIPMENT SHUT-OFF. The Company may terminate without notice if the Customer's equipment or use thereof might injuriously affect the equipment of the Company, or the Company's service to other Customers.

17.5 SHUT-OFF FOR FRAUD. The Company may terminate without notice for abuse, fraud, material misrepresentation of the customer's identity or tampering with the connections, meters, or other equipment of the Company.

17.6 RECONNECTION CHARGE. If service is terminated or discontinued by reason or act of the Customer, the same Customer, whether an applicant or a customer as defined at 66 Pa. C.S. 1403, shall pay a reconnection charge, prior to restoration of service at the same address within twelve months after discontinuance or termination. The reconnection charges, listed below, are based on the Company's current standard schedule of reconnection fees, which include direct labor costs, contractor costs, and material/transportation costs. In the case of fraud, the reconnection charge will also include allocated overheads, all investigative costs and administrative costs as determined by the Company.

	Reconnect Fees For Non-Payment	Reconnect Fees For Theft / Fraud
Gas Reconnect at Meter	\$ 80.00	\$ 370.00
Gas Reconnect at Curb	\$ 70.00	\$ 370.00

The Company will not condition restoration or reconnection of service on payment of any unpaid charges owed to an NGS except for the supplier of last resort service.

18. UNFULFILLED CONTRACTS

18.1 NOTICE OF DISCONTINUANCE BY CUSTOMER. Notice to discontinue service prior to the expiration of a contract term will not relieve a Customer from any minimum, or guaranteed, payment under any contract or rate.

18.2 COMPLETION OF TERM. If, by reason of any act, neglect or default of a Customer, the Company's service is suspended, or the Company is prevented from supplying service in accordance with the terms of any contract it may have entered into with the Customer, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract. These liquidated damages may, at the option of the Company, be offset by any estimated revenues from a succeeding Customer at the same location if such exists.

18.3 TEMPORARY SUSPENSION OF SERVICE. A residential Customer may elect to have service temporarily disconnected at the start of a period of suspension and then reconnected at the end of the period by paying a charge of \$30.00. During the period of suspension, the Customer will be relieved of the payment of minimum bills.

RULES AND REGULATIONS - Continued**19. CANCELLATION BY CUSTOMER**

19.1 **TERMINATION NOTICE.** Customers who have fulfilled their initial contract term and wish to discontinue service must give at least 7 days notice to that effect, unless otherwise provided for in a rate schedule or service agreement.

19.2 **FINAL BILL.** The Customer is liable for service taken after notice to terminate the contract until the meter is read and gas shut off. The final bill for service is then due and payable within 20 days from the date of transmittal of the bill for residential customers and 15 days for non-residential customers.

19.3 **EXIT FEES.** A Customer, other than a Low Volume Customer, taking firm sales service that transfers to an interruptible service or to firm Transportation Service without firm standby sales service will be required to continue payment of the firm gas supply demand costs allocable to Customer's firm sales service until the Company is able to reduce its contract demand level or otherwise utilize the contract demand allocable to Customer's firm sales service.

20. GENERAL

20.1 **OFFICE OF THE COMPANY.** Wherever, in this Tariff, it is provided that notice be given or sent to the Company, or the office of the Company, such notice, delivered or mailed, postage prepaid, to any commercial office, shall be deemed sufficient, unless the Main Office of the Company at 2301 Market Street, Philadelphia, is expressly mentioned.

20.2 **NO PREJUDICE OF RIGHTS.** The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to do so.

20.3 **GRATUITIES TO EMPLOYEES.** The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on the Company's time.

20.4 **BILLING CHANGES.** Where billing changes are made as the result of an investigation made at Customer's request or by routine inspection, the change of billing may be applied to the bill for the regular meter reading period preceding such investigation, and will in any event apply to the bill for the period during which the check is made.

20.5 **EXCEPTIONAL CASES.** Sales and/or Transportation service shall be subject to the provisions of this Tariff; but where special conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its terms to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard tariff provisions.

20.6 **ASSIGNMENT.** Subject to the Rules and Regulations, all contracts made by the Company shall be binding upon, and oblige and ensure to the benefit of, the successors and assigns, heirs, executors, and administrators of the parties thereto.

20.7 **OTHER CHARGES.** Except as where otherwise provided in this tariff the Company may where feasible, provide and charge for services requested by the Customer or his agent. The Company is not obligated to provide such services. The Company will, if possible, give the Customer an advance written estimate of the costs to provide the service.

21. GAS CHOICE PROGRAM ENROLLMENT AND SWITCHING

In accordance with all applicable final Commission Orders:

21.1 All LVT Customers will be eligible to obtain Competitive Natural Gas Supply starting with their first regularly scheduled meter reading after July 1, 2000.

21.2 The Company will send Gas Choice Release of Information packets to all new LVT Customers, which information will provide Customers the opportunity to authorize the release of their confidential account information. PECO annually notifies customers that they can change this authorization. Every three years, in accordance with PUC Docket No. M-2012-2324075, PECO will re-solicit its entire customer base for the purpose of opting out of disclosing information.

21.3 Customers may select a Supplier, as often as monthly, in accordance with Commission Orders and the procedures contained in this Tariff and in the Supplier Coordination Tariff.

21.4 If a Customer, or agent authorized to act on the Customer's behalf, contacts the Company via telephone to select a Supplier, the Company will advise the Customer or agent to contact the selected Supplier to submit the required electronic enrollment file.

21.5 For a Customer's enrollment to become effective on the Customer's next regularly scheduled meter read date, the Supplier must submit the required electronic file at least eleven (11) days prior to said meter read date.

21.6 If, in any month, a Customer selects more than one Supplier, the Supplier that submitted to the Company, before the end of the applicable Supplier selection period, the Supplier enrollment file with the latest valid Supplier contract will become the Customer's Supplier of record.

21.7 The Company will send a confirmation notice to all Customers who have made a Supplier selection by the next business day after receiving the Customer's enrollment file from the Supplier. This confirmation shall include notification of a five (5) day waiting period in which the Customer may cancel its selection of a Supplier. The waiting period shall begin on the date the Company confirmation is mailed to the Customer. If the five (5)-day waiting period expires, and the Customer has not contacted the Company to cancel the Supplier selection, the Supplier will become the Customer's Supplier of record.

21.8 If the Customer elects to cancel its Supplier selection, the Company will notify the rejected Supplier electronically via an approved EDI transaction. In the event the Customer cancels its Supplier selection after the five (5) day waiting period, the Customer will be required to remain with the selected Supplier for a minimum of one billing cycle.

21.9 If at least eleven (11) days prior to the Customer's next regularly scheduled meter read date, a Customer contacts the Company to request a switch from a Supplier to the Company's (SLR) Sales Service, the request will be effective as of that meter read date and the Company as the supplier of-last resort will become the Supplier of record for delivery.

21.10 In the event the Customer requests a switch less than eleven (11) days before the Customer's next regularly scheduled meter read date, the switch will be effective as of the next following meter read date.

21.11 If, other than at the end of a billing cycle, and because of an NGS's default, an NGS terminates sales to a Customer prior to the end of the Customer's contract with the NGS, for gas supply provided through the end of the relevant billing cycle, said Customer will pay the NGS's contract rate in accordance with information filed by the NGS with the Commission.

22. USAGE DATA

At the request of the Customer, or at the request the Customer's designated Supplier or authorized agent, the Company will supply twelve (12) individual months of historical usage data for no charge. Any additional historical information requested will be provided, if available, for a fee of ninety two dollars (\$92.00) per provision.

23. AFFILIATED MARKETER STANDARDS OF CONDUCT

PECO Energy and its affiliated natural gas supplier shall comply with the following requirements:

- (1) A natural gas distribution company shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.
- (2) A natural gas distribution company shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or nondelivery, and all other services provided to its affiliated natural gas supplier.
- (3) Mandatory tariff provisions shall not be waived by a natural gas distribution company for any natural gas suppliers absent prior approval of the Commission.
- (4) If a tariff provision is not mandatory or provides for waivers, a natural gas distribution company shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.
- (5) A natural gas distribution company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.
- (6) A natural gas distribution company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. A natural gas distribution company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.
- (7) If a natural gas distribution company provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, the natural gas distribution company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either the natural gas distribution company or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.
- (8) Subject to customer privacy or confidentiality constraints, a natural gas distribution company shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that a natural gas distribution company does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.
- (9) A natural gas distribution company shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.
- (10) Natural gas distribution companies shall not condition or tie the provision of any product, service or price agreement by the natural gas distribution company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.
- (11) A natural gas distribution company shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.

- (12) A natural gas distribution company and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between the natural gas distribution company and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the natural gas distribution company function and the affiliated natural gas supplier function. The natural gas distribution company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.
- (13) Natural gas distribution company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such natural gas distribution company employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.
- (14) Neither the natural gas distribution company nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of the natural gas distribution company's affiliates or subsidiary, such as:
- That the Commission regulated services provided by the natural gas distribution company are of a superior quality when services is purchased from its affiliated natural gas supplier; or
 - That the merchant services (for natural gas) are being provided by the natural gas distribution company when they are in fact being provided by an affiliated natural gas supplier;
 - That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
 - That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.
- (15) When affiliated natural gas supplier market or communicate to the public using the natural gas distribution company name or logo, it shall include a legible disclaimer that states:
- That the affiliated natural gas supplier is not the same company as the natural gas distribution company;
 - That the prices of the affiliated natural gas supplier are not regulated by the Pa PUC; and
 - That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from the natural gas distribution company.
- When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using the natural gas distribution company name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.
- (16) Except in competitive bid situations a natural gas distribution company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its natural gas distribution company bills promoting an affiliated natural gas supplier's services or a link from the natural gas distribution company's web-site, unless the natural gas distribution company offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.
- (17) A natural gas distribution company shall not offer or sell natural gas commodity or capacity to its affiliated natural gas supplier without simultaneously posting the offering electronically on a source generally available to the market or otherwise

making a sufficient offer to the market. The natural gas distribution company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

- (18) Natural gas distribution companies shall establish and file with the Commission a complaint procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (9), which are exclusively under the purview of the Commission. These procedures shall be developed in consultation with interested parties during consideration of any tariff guided by this section and §69.191 (relating to general). The Commission may grant an exception to these requirements if warranted by the facts or circumstances.
- (19) A natural gas distribution company shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.
- (20) Dispute Resolution Procedures: In addition to the procedure set forth in paragraph 18:
- Any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide the natural gas distribution company and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
 - Within five (5) days of a natural gas distribution company's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
 - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
 - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
 - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
 - Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.
- (21) A natural gas distribution company shall file a compliance filing within sixty (60) days of the entry of an order approving or modifying a restructuring plan, which sets forth a detailed plan for compliance with this Standard of Conduct as well as the Commission separation and cost allocation requirements already ordered.
- (22) Every natural gas distribution company and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

RULES AND REGULATIONS – Continued**24 REQUESTS FOR ENERGY EFFICIENCY INFORMATION**

Upon request of a Customer for energy efficiency information, the Company will provide a copy of its then current residential or commercial energy efficiency guide, as applicable.

25. CREDITWORTHINESS OF A NATURAL GAS SUPPLIER (NGS) SERVING HIGH VOLUME TRANSPORTATION CUSTOMERS

- (a) Unless a mutual agreement is reached between the Company and a NGS, or other applicable entity as specified in 52 Pa. Code § 62.101 the amount and form of security shall be based on the criteria established in 52 Pa. Code §62.111. In accordance with §62.111, a NGS seeking to deliver natural gas supplies to the Company for the account of one or more of the Company's non-exempt HVT Customers must satisfy at least one of the following financial criteria:
- (1) The NGS has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moodys, or a rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps; or
 - (2) The NGS has furnished the Company with an irrevocable and binding form of security (e.g., surety bond, letter of credit, security interest in collateral acceptable to the Company, a corporate guaranty, or a written affirmation of financial support by a parent or affiliated company) issued by an obligor that has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, a minimum bond rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps, or, for an insurance company, an A.M. Best credit rating of no less than A-and in which the obligor designates the Company as the sole beneficiary and which otherwise is in a form and amount acceptable to the Company; or
 - (3) The NGS provides the Company with a cash deposit and/or a cash escrow arrangement in an amount and form acceptable to the Company, and agrees, in a writing furnished to the Company, to be responsible, as between the Company and the Supplier, for the payment of all deficient and excess delivery charges assessed in accordance with the Company's Gas Transportation Service – General Terms and Conditions that are caused by the NGS' excess or deficient deliveries. Such responsibility on the part of the NGS would not relieve the HVT Customer of its responsibility for the payment of the same charges in accordance with the Gas Transportation General Terms and Conditions. If the NGS is determined to have been responsible for the excess/deficient delivery and if the NGS pays the related charges to the Company, then the HVT customer would be relieved of such responsibility.

For the purposes of this subsection (a), the "amount acceptable to the Company" shall be a dollar amount (\$US) equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

- (4) The NGS has furnished the Company with an acceptable amount of Security in the form of an escrow account or nets any gas supply sales that the NGS has made to the Company and for which the Company owes payment to the NGS against the amount of Security required. The amount of Security contained in either situation must be in an amount equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

RULES AND REGULATIONS – Continued

- (b) The Company shall have the right to assess each NGS' creditworthiness on an annual basis. As such, the Supplier is required to furnish annual audited financial statements to the Company. In the event the Company does not receive any annual audited financial statements, unaudited financial statements may be acceptable. The Company also may perform more than one financial analysis for any Supplier during the course of the year when the Company reviews financial information of a Supplier and determines, in the Company's judgment that the Supplier's creditworthiness has materially changed.
- (c) Unless a mutual agreement is reached, the amount of Security required may be modified based on one or more of the following criteria:
1. The NGS's past operating history on all other NGDC systems, including the duration that the NGS operated on each system, the number of customers served on each system and any supply reliability problems that occurred on each system.
 2. An NGS's credit reports.
 3. The number and class of customers being served.
 4. Information that materially affects a NGS's creditworthiness such as:
 - a) a change in the NGS's recent operating history on the Company's system or on other NGDC systems that has materially affected NGDC system operation or reliability. Such a change may occur when a Supplier fails to deliver natural gas supply to meet its customers' needs or fails to comply with NGDC operational flow orders as defined at 52 Pa. Code § 69.11;
 - b) a change in the NGS's credit reports that materially affects its creditworthiness. Creditworthiness could be materially affected when 2 of the following credit rating companies change the Supplier's credit rating:
 1. Dun & Bradstreet
 2. Standard & Poors Rating Services Inc.
 3. Transunion LLC
 4. Equifax Inc.
 5. Experian Information Solutions, Inc.;
 - c) a significant change, defined as a 25% change over a 30-day period, in the number and class of customers served, the volume of gas delivered or the average unit price of natural gas;
 - d) a change in operational or financial circumstances that materially affects a NGS's creditworthiness. This can occur when 2 of the following investment rating companies change the NGS's rating of its issued securities from an investment grade or good rating to a speculative or moderate credit risk rating and vice versa:
 1. Standard & Poors Rating Services Inc.
 2. Moody's Investment Service, Inc.
 3. Fitch, Inc.
 4. A.M. Best Company, Inc.
 5. DBRS, Inc.;
 - e) a change in the NGS's demonstrated capability to provide the necessary volume of natural gas to meet its customers' needs that materially affects the Company's system operation or reliability. Such a change may occur when the NGS fails to deliver natural gas supply sufficient to meet its customers' needs on 5 separate occasions within a 30-day period or fails to comply with the Company's operational flow orders.

RULES AND REGULATIONS – Continued

5. The NGS's demonstrated capability to provide the volume of natural gas necessary to meet its customers' needs.
- (d) After it is reasonably determined by the Company that an adjustment to the amount of Security provided by the Supplier is required, the Company will adjust the Security amount in accordance with subsection (a)(3).
- (e) The NGS shall have the affirmative obligation to inform the Company in writing of any material change in its financial condition in a timely manner.
- (f) Notwithstanding anything to the contrary stated in this Rule 25, an NGS shall not be creditworthy if, for any reason, it owes a past due amount to the Company that is not subject to a good faith billing dispute and the payment has not been received by the Company within two business days after the Company has provided a past due notice, or if so determined by order of the Pennsylvania Public Utility Commission.
- (g) When the Company determines that a Security adjustment is required, it will provide written notice to the NGS. The NGS shall comply with the Company's determination within 5 business days after the NGS is served with such notice. If the NGS disagrees with the Company's determination, it shall file a dispute in accordance with subsection (h). However, the NGS is still required to post the full amount of adjusted Security requested by the Company within 5 business days after the NGS is served with the Company's notice. An NGS also may request, in writing, that the Company adjust its Security amount according to the criteria set forth in subsection (c). The Company will provide a written response to the NGS within 5 business days after receipt of the written request from the NGS. In the event that the Company agrees with the NGS's request, the NGS shall post the Security adjustment within 5 business days after the NGS is served with the Company's determination. In the event that the NGS disagrees with the Company's determination, it may file a dispute in accordance with subsection (h). However, if the Company requires an adjustment of Security, the NGS is still required to post the full amount of adjusted Security within 5 business days after the NGS is served with the Company's notice.
- (h) An applicant, licensee or NGS shall notify the Company in writing of any dispute(s) it may have regarding the form and amount of Security or the adjustment of Security requested by the Company. If a resolution cannot be reached within 30 days after the Company receives the written notice, the applicant, licensee or NGS may do any of the following:
1. Request that the Secretary of the PUC initiate an informal mediation and resolution process. If the NGS is dissatisfied with the PUC's decision at the informal level, it may petition to appeal the decision or file a Formal Complaint.
 2. File a Formal Complaint at the Commission.
 3. File a Petition challenging the criteria used by the Company to determine the form and amount of Security requested or the Security adjustment amount.

If a NGS initiates a dispute or files a complaint related to an adjustment in Security by the Company, the following requirements exist during the pendency of the dispute:

1. The NGS is required to provide and maintain the full adjusted Security amount to the Company until the dispute is resolved.
2. The NGS must continue to operate in accordance with the Company's system operations and business rules and practices.
3. The NGS must continue to deliver natural gas volumes necessary to fulfill customer needs and provide customer support services.
4. The Company shall allow the NGS to continue to operate on the Company's system.

PECO Energy Company

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a surcharge credit value of 0.36% will apply to all service on and after January 1, 2020. (D)
(C)

Whenever any of the tax rates used in the calculation of the surcharge are changed, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the tax rates 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, the Company will thereafter file each year on December 21 annual updates 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 as the effect of the change in tax rates has been included in base rate.

(C) Denotes Change
(D) Denotes Decrease

TCJA VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing PECO to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing PECO to establish temporary rates as follows:

A negative surcharge of 3.12% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2018. This negative surcharge will be distributed equally among the utility's various customer classes and will be included in distribution charges or provided through a separate mechanism showing a line item on customer bills (e.g., Federal Tax Adjustment Credit – "FTAC").

The first negative surcharge will be filed by June 15, 2018, effective July 1, 2018 through December 31, 2018 and reflect an estimate of the tax savings for the TCJA from January 1, 2018 through December 31, 2018. PECO will file revised surcharges (or FTAC) as required at least thirty (30) days prior to the effective date of January 1st of each year reflecting an estimate of the savings for the TCJA from January 1 through December 31 exclusive of STAS and non-distribution automatic adjustment clause revenues. A surcharge of 1.74% will apply to intrastate service to all customer bills rendered on and after January 1, 2020. (C)

This negative surcharge or FTAC will be reconciled at the end of each calendar year and will remain in place until PECO files and the Commission approves new base rates for PECO pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. Interest on the over or under collection shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.). The reconciliation shall be submitted by April 30th of each calendar year and shall be subject for review and audit by the Commission's Bureau of Audits.

The Company may file an interim rate adjustment in order to eliminate any over or under recovery of the surcharge outside of the annual filing period. Such adjustment would be filed on at least 10 days' notice.

PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)

Variable Distribution Service Charge rates for gas service in Residential Rate Schedule GR of this Tariff shall include a credit of (\$0.1511) per Mcf (1,000 cubic feet) for recovery of Universal Service Fund Cost (USFC), calculated in the manner set forth below. The USFC rate for gas service shall be increased or decreased annually, to reflect changes in the level of Universal Service Fund costs, net of base rate recoveries, in the manner described below: (I)

COMPUTATION OF USFC.

The USFC per Mcf (\$x.xxxx), shall be computed in accordance with the formula set forth below:

$$\text{USFC} = \frac{\text{(C-E-I)}}{\text{(S)}}$$

The USFC, so computed, shall be included in distribution rates charged to Customers for service pursuant to the rate schedule identified above. The amount of USFC, per Mcf, will vary, if appropriate, based upon annual filings by the Company.

In computing the USFC, per Mcf, pursuant to the formula above, the following definitions shall apply:

"Reconcilable Customer Assistance Program (CAP) Costs" – The difference between discounts provided to CAP customers (CAP revenue shortfalls) recovered through base rates and total CAP discounts, net of a 27% offset factor.

"USFC" – Universal Service Fund Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the rate for each Mcf of Variable Distribution Service Charge calculated under Rate Schedule GR, to recover or refund Reconcilable CAP Costs and other items as addressed in the "E" factor.

"C" - Cost in dollars of the Reconcilable CAP Costs for the projected period.

"E" - the net (overcollection) or undercollection of Universal Service Fund Charges. The net overcollection or undercollection shall be determined for the most recent period, beginning with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Included in the "E" factor will be Reconcilable CAP Costs, and up to \$500,000 of LIURP expenditures above a \$1.75 million threshold incurred prior to January 1, 2011. Also included in the "E" Factor will be any rate credit due customers to the extent PECO expends less than \$2,008,000 annually in its Energy Efficiency Plan effective January 1, 2011, or \$1,800,000 annually prior to January 1, 2011.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous USFC.

I – Interest shall be computed monthly at a 6% annual simple interest rate from the month that the overcollection or undercollection occurs to the mid-point of the period such overcollection is refunded or undercollection is recouped. The interest calculation will not apply to the LIURP amounts.

"S" - projected Mcf of gas service to be billed under Rate GR (exclusive of CAP Rider) during the projected period when rates will be in effect. Mcf's shall be consistent with the projected residential throughput used in the applicable Purchased Gas Cost filing.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual USFC filing and its annual reconciliation statement shall be submitted to the Commission 120 days prior to new rates being effective December 1 of each year, or at such time as the Commission may prescribe. The USFC mechanism is subject to annual audit review by the Bureau of Audits.

(I) Denotes Increase

PECO Energy Company

SALES SERVICE COSTS (SSC) - Section 1307(f)

PROVISIONS FOR RECOVERY OF GAS COSTS RELATED TO SALES SERVICE

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F, and under the Excess Off-Peak Use Rider of this Tariff shall include the Commodity Charge (CC) at **\$3.3052** per Mcf (1,000 cubic feet) for Rate Schedules GR and CAP, **\$3.2800** per Mcf for Rate Schedules GC and the Excess Off-Peak Use Rider and **\$3.2702** per Mcf for Rate Schedules OL, L and MV-F for recovery of gas costs related to Sales Service, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code as well as procurement costs as reflected in the Gas Procurement Charge ("GPC") uncollectable charge-offs as reflected in the Merchant Function Charge ("MFC") and fifty percent of implementation and maintenance costs associated with the Gas Account Number Lookup Mechanism ("GANLC"). In addition, the Gas Cost Adjustment Charge (GCA) in the amount of **\$0.7464** per Mcf will be applicable to customers served under the above mentioned Rate Schedules. Such rates for Sales Service gas shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of recovery of gas costs related to Sales Service. (D)

COMPUTATION OF CC AND GCA PER MCF.

The CC and GCA, per Mcf, shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formulas set forth below:

$$CC = \frac{(C)}{(S)} \times \frac{1}{(1-T)} + GPC + MFC + GANLC ; \text{ and}$$

$$GCA = \frac{(E)}{(S)} \times \frac{1}{(1-T)}$$

For March 1, June 1 and September 1 quarterly updates, CC is revised to:

$$CC = (CC1 + \frac{O + C1}{S1 S2} \times \frac{1}{(1-T)} + GPC + MFC + GANLC$$

The CC and GCA so computed, shall be applicable to Customers receiving Sales Service pursuant to the rate schedules identified above. The CC and GCA, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto.

In computing the Charges, per Mcf, pursuant to the formulas above, the following definitions shall apply:

"CC" - Purchased Gas Costs determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of-Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F, and under the Excess Off-Peak Use Rider of this Tariff.

"C" - Cost in dollars: (a) for all types of purchased gas, project the commodity and all non-storage interstate pipeline costs for each purchase (adjusted for net current gas stored) for the projected period when rates will be in effect; plus (b) the cost of gas provided from storage and LNG facilities, less (c) all reservation and commodity revenue, received from Rate CGS sales and (d) the new monthly cash-out result determined pursuant to Rule 10.11.3, or the successor thereto, of the Gas Choice Supplier Coordination Tariff .

"C1" - defined as the difference between the current projection of "C" and the projection of "C" used to establish the rates effective December 1 for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"CC1" – defined as the Commodity Charge rate effective December 1 of the current PGC period.

"O" – defined as the difference between the current net over/under collections and the associated projected net over/under collections from the applicable PGC rate calculation, as defined by Commodity Charge revenues less associated gas costs, from December 1 of the current PGC year through the end of the month before the applicable quarterly rate change.

GCA - the "E" factor component of the CC, representing the net overcollection or undercollection of Purchased Gas Costs. Applicable to Sales Service and determined to the nearest one-hundredth cent (0.01¢) for service provided under Rate Schedules GR, GC, CAP, OL, L, MV-F, and the Excess Off-Peak Use Rider of this Tariff.

"E" - the net (overcollection) or undercollection of Purchased Gas Costs applicable to the CC.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the Commission for the Company's Section 1307(f) tariff filing.

Supplier refunds received after July 1, 2001 associated with Commodity Charges will be included in the calculation of "E" with interest added at the annual rate of six percent (6%) beginning with the month such refund is received by the Company.

(D) Denotes Decrease

PECO Energy Company

"GPC" – Gas Procurement Charge determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, MV-F and under the Excess Off Peak Use Rider of this Tariff.

"GANLC" – Gas Account Number Lookup Charge determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, MV-F and under the Excess Off Peak Use Rider of this Tariff.

"MFC" – Merchant Function Charge determined to the nearest one hundredth cent (0.01¢) to be charged for each Mcf of Sales Services gas supplied under Rate Schedules GR, CAP, GC and the Excess Off-Peak Use Rider of this Tariff.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous 1307(f) GCA.

Interest shall be computed monthly at the prime rate for commercial borrowing in effect sixty days prior to the tariff filing in accordance with Section 1307(f) of the Public Utility Code as modified by PA Act 47. The interest rate will be based on that reported in the Wall Street Journal. Interest will be computed from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. The interest rate basis will become effective with the December 2016 billing cycle

"S" projected Mcf of gas to be billed to Customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L & MV-F and Excess Off-Peak Use Rider during the projected period when rates will be in effect.

"S1" - defined as the applicable twelve month mcf sales billed to customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L, MV-F and Excess Off-Peak Use Rider.

"S2" – defined as mcf sales billed to customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L, MV-F and Excess Off-Peak Use Rider for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"T" the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

"Purchased Gas Costs" - Include the direct costs paid by the Company for the purchase and delivery of natural gas (which also includes liquefied natural gas, synthetic natural gas, and natural gas substitutes, excluding propane, the cost of which is included in the Balancing Service Costs) to its system to supply its Customers (plus such portion of the Company's used and unaccounted for gas as the Commission permits), including costs paid under agreements to purchase natural gas from sellers; costs paid for transporting natural gas to its system; all charges, fees, taxes and rates paid in connection with such purchases, pipeline gathering, and transportation; and costs paid for employing futures, options and other risk management tools.

QUARTERLY UPDATES

The Company's rates for recovery of gas costs related to Sales Service are also subject to quarterly adjustments under procedures set forth in Section 1307 (f) of the Public Utility Code and in the Commission's regulations. Such updates shall reflect, adjustments for under or overcollections and, adjustments to the projected cost of gas related to Sales Service based upon more current versions of the same sources of data and using the same methods to project the gas costs related to Sales Service approved by the Commission in the Company's most recent annual proceeding for recovery of gas costs related to Sales Service under section 1307 (f).

OFF-SYSTEM SALES SHARING MECHANISM

The rate for Sales Service gas as determined above shall be adjusted to reflect the operation of the off-system sales sharing mechanism set forth herein. Revenues received by PECO Energy from third party storage management services and revenues from exchanges or swaps of gas, excluding the Customer's share of such revenue attributable to use or management of storage or related storage transportation capacity by customers not connected to the Company's system (which revenue shall be included in the Balancing Service Costs E factor, shall be included as off-system sales revenues). Effective April 1, 2001 through March 30, 2008, PECO Energy will be permitted to retain 25% of off system sales margin revenues up to the first \$3.5 million in margin revenues, and PECO Energy will be permitted to retain 30% of off system sales margin revenues for margin revenues over \$3.5 million. Subsequently, effective March 31, 2008 through November 30, 2022 and thereafter, until terminated or otherwise revised by Final Order of the Commission, PECO Energy will be permitted to retain 25% of off-system sales margin revenues. PECO Energy's share shall be computed on a pre-income tax basis, "below the line" for ratemaking purposes. The remaining off-system sales margin will be credited to the recovery of purchased gas costs. Margin revenues derived from sales of gas which is taken from system supply are defined as the unit revenue less the monthly weighted average commodity cost of gas, less any applicable taxes other than income taxes. Margin revenues derived from specific purchase sales (sales where a specific gas supply has been purchased to make a sale) shall be defined as the unit revenue less the specific purchase commodity cost of gas, less any applicable taxes other than income taxes. Specific purchase sales will have no impact on the cost of system supply. Off-system sales for operational purposes such as for meeting mandatory storage withdrawals are excluded from the mechanism. The calculations under this mechanism shall be subject to audit and to review in annual 1307(f) proceedings.

(C)

(C) Denotes Change

SALES SERVICE COSTS (SSC) - Section 1307 (f) - Continued

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION.

The Company's annual Section 1307(f) filing or its annual reconciliation statement shall be submitted to the Commission by June 1 of each year, or such other time as the Commission may prescribe by order or by regulation.

The Company shall notify the Commission of any change in the price of purchased gas from any supplier, which change would cause an increase or decrease of more than one per cent (1%) in the "C" factor, defined above. Such notification will be given within thirty (30) days after the effective date of such change in price, or as soon as reasonably practical thereafter.

GAS PROCUREMENT CHARGE**PROVISIONS FOR RECOVERY OF GAS PROCUREMENT CHARGES**

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F and under the Excess Off-Peak Use Rider of this Tariff shall include the Gas Procurement Charge ("GPC") at **\$0.0401** per Mcf (1,000 cubic feet) for recovery of gas procurement costs related to Sales Service, calculated in the manner set forth below and pursuant to the Final Order at Docket No. P-2012-2328614. The GPC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC").

COMPUTATION OF GAS PROCUREMENT CHARGE

The GPC shall include gas procurement costs incurred by the Company on behalf of its Sales Service customers. The GPC shall include the following costs:

1. Natural gas supply service, acquisition and management costs, including natural gas supply bidding, contracting, hedging, credit, risk management costs and working capital.
2. Administrative, legal, regulatory and general expenses related to those natural gas procurement activities, excluding those related to the administration of firm storage and transportation capacity.

The GPC shall be computed as follows:

$$\text{GPC} = \text{GPCC}/\text{S} \times 1/(1-\text{T})$$

"GPCC" – applicable gas procurement costs as defined in Items 1 and 2 above.

"S" – defined as twelve month Mcf sales billed to customers receiving Sales Service under Rate Schedules GR, CAP, GC, OL, L, MV-F and Excess Off-Peak Use Rider.

"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

The costs for the GPC shall remain in effect until reviewed and updated in each base rate case filed by the Company. The calculation of the GPC shall be updated in conjunction with updates in costs for the GPC. The GPC shall not be subject to reconciliation for any prior period over or under collections.

GAS ACCOUNT NUMBER LOOKUP CHARGE**PROVISIONS FOR RECOVERY OF GAS ACCOUNT NUMBER LOOKUP CHARGE**

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, MV-F and the Excess Off-Peak Use Rider shall include the Gas Account Number Lookup Charge ("GANLC") at **\$0.0000** per Mcf (1,000 cubic feet) for recovery of fifty percent of implementation and maintenance costs associated with the Gas Account Number Lookup Mechanism pursuant to the Final Order at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers. The GANLC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC").

COMPUTATION OF GAS ACCOUNT NUMBER LOOKUP CHARGE

The GANLC shall include fifty percent of implementation and maintenance costs associated with the Gas Account Number Lookup Mechanism incurred by the Company on behalf of its Sales Service customers and calculated for Rate Schedules GR, CAP, GC, OL, L, MV-F and the Excess Off-Peak Use Rider. The GANLC shall be computed as follows:

$$\text{GANLC} = \text{Cost} / \text{S} \times 1 / (1 - \text{T})$$

"Cost" – reflects fifty percent of implementation and maintenance associated with the Gas Account Number Lookup Mechanism per the Final Order at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers.

"S" – defined as twelve month Mcf sales billed to customers receiving Sales Service under Rate Schedules GR, CAP, GC, OL, L, MV-F and Excess Off-Peak Use Rider.

"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

MERCHANT FUNCTION CHARGE

PROVISIONS FOR RECOVERY OF MERCHANT FUNCTION CHARGES

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC and the Excess Off-Peak Use Rider shall include the Merchant Function Charge ("MFC") at **\$0.0350** per Mcf (1,000 cubic feet) for Rate Schedules GR and CAP and at **\$0.0098** per Mcf for Rate Schedules GC and the Excess Off-Peak Use Rider for recovery of gas uncollectible charge-offs related to Sales Service, calculated in the manner set forth below and pursuant to the Final Order at Docket No. P-2012-2328614. The MFC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC") and shall be updated quarterly in conjunction with the calculation of the CC. (D)

COMPUTATION OF MERCHANT FUNCTION CHARGE

The MFC shall include uncollectible charge-offs incurred by the Company on behalf of its Sales Service customers and calculated separately for Rate Schedules GR, CAP, GC and the Excess Off-Peak Use Rider. The MFC shall be computed as follows:

$$\text{MFC} = \text{Write-Off Factor} \times \text{CCEMFC} \times 1 / (1 - T)$$

"Write-Off Factor" - the initial write-off factors for Rate Schedules GR and CAP (**1.07%**) and Rate Schedules GC and the Excess Off-Peak Use Rider (**0.30%**) as determined at Docket No R-2010-2161592, the Company's 2010 gas base rate case. The write-off factors shall be updated as part of future base rate cases.

"CCEMFC" – the applicable quarterly CC including the GPC and the GANLC and excluding the MFC.

"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

The calculation of the MFC shall be updated in conjunction with changes in the CC including the GPC and the GANLC and excluding the MFC and updates in the write-off factors. The MFC shall not be subject to reconciliation for any prior period over or under collections.

PRICE TO COMPARE

The Price to Compare ("PTC") is comprised of the Commodity Charge ("CC"), the Gas Cost Adjustment ("GCA"), the Gas Procurement Charge ("GPC") and the Merchant Function Charge ("MFC") and the Gas Account Number Lookup Charge ("GANLC"). The Commodity Charge includes the Gas Procurement Charge and the Merchant Function Charge and the Gas Account Number Lookup Charge. The PTC will change whenever any components of the PTC change. The current PTC's are detailed below:

<u>COMPONENT</u>	<u>RATES GR and CAP</u>	
Commodity Charge excluding GPC, GANLC, and MFC	\$3.2301 per Mcf	(D)
Gas Cost Adjustment	\$0.7464 per Mcf	(D)
Gas Procurement Charge	\$0.0401 per Mcf	
Merchant Function Charge	\$0.0350 per Mcf	(D)
Gas Account Number Lookup Charge	\$0.0000 per Mcf	
Price to Compare	\$4.0516 per Mcf	(D)

<u>COMPONENT</u>	<u>RATES GC and EXCESS OFF-PEAK USE RIDER</u>	
Commodity Charge excluding GPC, GANLC and MFC	\$3.2301 per Mcf	(D)
Gas Cost Adjustment	\$0.7464 per Mcf	(D)
Gas Procurement Charge	\$0.0401 per Mcf	
Merchant Function Charge	\$0.0098 per Mcf	(D)
Gas Account Number Lookup Charge	\$0.0000 per Mcf	
Price to Compare	\$4.0264 per Mcf	(D)

(D) Denotes Decrease

PECO Energy Company

<u>COMPONENT</u>	<u>RATES OL, L and MV-F</u>	
Commodity Charge excluding GPC, GANLC and MFC	\$3.2301 per Mcf	(D)
Gas Cost Adjustment	\$0.7464 per Mcf	(D)
Gas Procurement Charge	\$0.0401 per Mcf	
Merchant Function Charge	\$0.0000 per Mcf	
Gas Account Number Lookup Charge	<u>\$0.0000 per Mcf</u>	
Price to Compare	\$4.0166 per Mcf	(D)

(D) Denotes Decrease

BALANCING SERVICE COSTS (BSC)- Section 1307(f)

PROVISIONS FOR RECOVERY OF BALANCING SERVICE COSTS.

Rates for Balancing Service for all gas delivered under Rate Schedules GR, CAP, GC, OL, L and MV-F, and under the Excess Off-Peak Use Rider of this Tariff shall be charged at **\$0.3858** per Mcf (1,000 cubic feet) for recovery of those costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. Such rates for Balancing Service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of recovery of Balancing Service Costs. (D)

COMPUTATION OF BALANCING SERVICE COSTS PER MCF

Balancing Service Costs, per Mcf, shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\text{BSC} = \frac{(C - E)}{(S)} \times \frac{1}{(1 - T)}$$

For March 1, June 1 and September 1 quarterly updates, the BSC is revised to:

$$\text{BSC} = \frac{(CC1 + \frac{O}{S1} + \frac{C1}{S2} - E)}{S1} \times \frac{1}{(1 - T)}$$

Projected Balancing Service Costs, so computed, shall be charged to Customers for all gas delivered pursuant to the rate schedules identified above. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto.

In computing the Balancing Service Costs, per Mcf, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (0.01¢) to be charged to each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L and MV-F, and under the Excess Off-Peak Use Rider of this Tariff.

"C" - Cost in dollars: for all types of storage and related services, project the cost for the projected period when rates will be in effect.

"C1" - defined as the difference between the current projection of "C" and the projection of "C" used to establish the rates effective December 1 for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"CC1" - defined as the rate associated with "C" effective December 1 of the current PGC period.

"O" - defined as the difference between the current net over/under collections and the associated projected net over/under collections from the applicable PGC rate calculation, as defined by storage and related services revenues less associated storage and related services costs from December 1 of the current PGC year through the end of the month before the applicable quarterly rate change.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the Commission for the Company's Section 1307(f) tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate.

Interest shall be computed monthly at the prime rate for commercial borrowing in effect sixty days prior to the tariff filing in accordance with Section 1307(f) of the Public Utility Code as modified by PA Act 47. The interest rate will be based on that reported in the Wall Street Journal. Interest will be computed from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. The interest rate basis will become effective with the December 2016 billing cycle.

As otherwise described in the Sales Service Costs section "Off-System Sales Sharing Mechanisms", the portion of margin revenue attributable to certain balancing assets shall be included in the calculation of "E".

Supplier refunds received prior to July 1, 2001 will be included in the calculation of "E" with interest added at the annual rate of six per cent (6%) beginning with the month such refund is received by the Company.

"S" - projected Mcf of gas to be delivered to Customers during the projected period when rates will be in effect.

"S1" - defined as the applicable twelve month mcf of gas to be delivered to customers.

"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

"S2" - defined as mcf sales delivered to customers for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

Balancing Service Costs - fixed and variable storage costs and the cost of propane to be charged to all customers served under Rate Schedules GR, CAP, GC, OL, L, MV-F and under the Excess Off-Peak Use Rider of this Tariff.

QUARTERLY UPDATES

The Company's rates for recovery of Balancing Service Costs are also subject to quarterly adjustments under procedures set forth in the Commission's regulations at 52.Pa. Code 53.64 (1) (5). Such updates shall reflect adjustments for under or over collections and adjustments to the projected cost of Balancing Services based upon more current versions of the same sources of data and using the same methods to project the Balancing Service Costs approved by the Commission in the Company's most annual proceeding for recovery of Balancing Service Costs under section 1307 (f) of the Public Utility Code.

(D) Denotes Decrease

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION.

The Company's annual Section 1307(f) filing or its annual reconciliation statement shall be submitted to the Commission by June 1 of each year, or such other time as the Commission may prescribe by order or by regulation.

The Transition Surcharge has been eliminated

Consumer Education Charge (CEC)**PROVISIONS FOR RECOVERY OF CONSUMER EDUCATION COSTS**

Variable Distribution rates for Low Volume Customers of this Tariff shall include \$0.0000 per MCF for recovery of Consumer Education Costs associated with Gas Choice. The CEC for Gas service will be recomputed annually as needed, to reflect changes in the level of Consumer Education Costs associated with Gas Choice, in the manner described below.

COMPUTATION OF CEC

The CEC per MCF shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set below:

$$\text{CEC} = \text{EC}/\text{S}$$

In computing the CEC, pursuant to the formula above, the following definitions shall apply:

Consumer Education Cost: Costs attributable to the Company's payment of the Commission's Statewide Education Assessment and all incremental external and incremental internal costs of the Company's own local customer choice education program. Such program costs may include outreach programs, paid media, direct mail, company call center, grass roots outreach and other costs as approved by the Commission.

"CEC" - Consumer Education Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the Variable Distribution Charge calculated for Low Volume Customers to recover Gas Consumer Education Costs.

"EC" – The net over collection or under collection of Consumer Education Costs. The net over collection or under collection shall be determined using actual data for the most recent period through the end of January. The EC application period, begins March 1 and runs through the end of February.

"S" – projected MCF of gas, as included in the Balancing Service Costs (BSC) provided in the Company's most recent Commission approved annual 1307(f) Purchase Gas Cost (PGC) filing.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual CEC filing and its annual reconciliation statement shall be submitted to the Commission one day prior to new rates being effective March 1 of each year, or at such time as the Commission may prescribe. The CEC mechanism is subject to annual audit review by the Bureau of Audits.

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)

Purpose: The purpose of this credit is to provide customers a bill credit for the tax benefits gained as a result of a change in the method of tax accounting for certain expenditures. The Tax Accounting Repair Credit is as proposed in the Settlement at Docket No. R-2010-2161592 in Section II F(2).

Applicability: The credit shall be calculated to the nearest one-hundredth of a cent for billing purposes for all customers. The TARC shall be credited to each rate schedule as follows:

Rate GR, CAP	\$0.0000/Mcf	(D)
Rate GC	\$0.0000/Mcf	(D)
Rate OL	\$0.0000/Mcf	
Rate L	\$0.0000/Mcf	
Rate MV-F	\$0.0000/Mcf	
Rate MV-I	\$0.0000/Mcf	
Rate IS	\$0.0000/Mcf	
Rate TCS	\$0.0000/Mcf	
Rate TS-I	\$0.0000/Mcf	(D)
Rate TS-F	\$0.0000/Mcf	(D)

The Variable Distribution Service charges, for the above rate schedules shall include the above listed TARC credits.

Rate CGS \$0.00/per month

For Rate CGS the TARC shall be included in the Acquisition Service Charge.

Calculation of TARC Credit:

Billing Provisions: The credit shall be calculated by rate schedule using the following formula:

$TARC = \frac{R}{BU}$ where:

R – The amount accrued as a result of a change in the tax accounting method for gas system repairs for rate class n divided by 7.

BU – The total annual Billing Units for the rate class.

Filings and Reconciliations: One year prior to the scheduled expiration of the credit the Company will evaluate whether a change in the credit is required in order to avoid a significant over or under recovery at the end of the rate credit period. If a base rate case has not been filed prior to the expiration of the credit, a final reconciliation filing will be made on or before January 31, 2020, at which time any under or over recoveries will be reflected in rates in effect from April 1, 2020 to June 30, 2020. If it is apparent that such methodology would result in a significant over or under recovery at December 31, 2019 for an individual rate class the Company will propose a revised rate credit to become effective April 1, 2019. Interest will not be applied to any over or undercollections. If the amount to be credited to customers is modified based upon IRS safe harbor rules or the results of an IRS audit of the accounting change, the Company shall modify the credit accordingly through a filing with the Commission. Such filing shall be made 60 days prior to the effective date. Additionally, if the value of the credit has been reduced due to a State Net Operating Loss (NOL), a filing shall be made to increase the credit when the NOL has been used by the Company.

(D) Denotes Decrease

PECO Energy Company

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC)

In addition to the net charges provided for in this Tariff, a charge of 5.00% will apply consistent with the Commission Order dated September 3, 2015 at Docket No. P-2013-2347340, approving the DSIC. (C)

(C) Denotes Change

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not included for recovery in the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective October 1, 2015.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)**2. Computation of the DSIC**

A. Calculation: The initial DSIC, effective October 1, 2015, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2015 and August 31, 2015. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Billing for the DSIC will be on a bills rendered basis. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC Eligible Plant Additions Reflected
January 1	September - November
April 1	December - February
July 1	March - May
October 1	June - August

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR}) + \text{Dep} + e}{\text{PQR}}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Revenue shall be based on one fourth of the projected annual revenue.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

3. Quarterly Updates. Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

4. Customer Safeguards

A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. The Company is not permitted to accrue interest on under collections

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

E. All customer classes: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives who are paying flexed or discounted rates and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs

G. Residual E-Factor Recovery Upon Reset To Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Company shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the Company determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

RATE GR - GENERAL SERVICE -RESIDENTIAL

AVAILABILITY.

Service in the entire service territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units whether occupied or not), for domestic requirements of its members when such service is supplied through one meter. Resale of gas and/or service provided by the Company under this rate is only allowed for those locations being served through a single meter prior to January 6, 1980.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$11.75 per month
 VARIABLE DISTRIBUTION CHARGE: \$3.6358 per Mcf.

(D)

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge. The Universal Service Fund Charge is incorporated in the Variable Distribution Charge.

CONTROLLED LOW PRESSURE SERVICE AND 2 PSIG DELIVERY.

For those Customers served from medium or high pressure mains, low pressure delivery of gas at 12.2 inches of water column or 2 PSIG will be provided upon request in lieu of the normal low pressure delivery. For these Customers multipliers of 1.03 will be applied to all meter readings for 12.2 inches of water column delivery and 1.14 for 2 psig delivery to recognize the additional volume of gas delivered.

BUDGET BILLING.

At the option of the Customer, budget billing is available in accordance with the provisions of Rule 16.5.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial term for any contract shall be at least one year.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

RATE GC - GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL

AVAILABILITY.

Service for use in commercial and/or industrial applications, with the right reserved to restrict its use as boiler fuel and for other non-critical use.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$28.55 per month

VARIABLE DISTRIBUTION CHARGE: \$3.7319 per Mcf for all or any part of the first 200 Mcf
\$2.5924 per Mcf for the additional use

(D)
(D)

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

CONTROLLED LOW PRESSURE SERVICE AND 2 PSIG DELIVERY.

For those Customers served from medium or high pressure mains, low pressure delivery of gas at 12.2 inches of water column or 2 PSIG will be provided upon request in lieu of the normal low pressure delivery. For these Customers multipliers of 1.03 will be applied to all meter readings for 12.2 inches of water column delivery and 1.14 for 2 psig delivery to recognize the additional volume of gas delivered.

BUDGET BILLING.

At the option of a Customer, budget billing is available in accordance with the provisions of Rule 16.5

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

RATE OL - OUTDOOR LIGHTING SERVICE**AVAILABILITY.**

Service for outdoor lighting by Company-approved lighting devices of the sizes hereinafter specified, where the consumption is not registered on a meter.

MONTHLY RATE TABLE.

Manufacturer's Rated Input to Lighting Devices	Nominal Mcf Rating Per Month	Distribution Charges		
		When Not in Conjunction With Service Under Other Gas Rates	When in Conjunction With Service Under Other Gas Rates	
1,999 Btu/Hr. or less	1.5 Mcf	\$5.4703	\$2.7224	(I)
2,000 Btu/Hr. to 2,499 Btu/Hr.	1.7 Mcf	\$6.3638	\$3.6365	(I)
2,500 Btu/Hr. to 2,999 Btu/Hr.	2.1 Mcf	\$7.1434	\$4.4058	(I)
3,000 Btu/Hr. to 3,499 Btu/Hr.	2.4 Mcf	\$7.9749	\$5.2473	(I)

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") if customer receives Sales Service, GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Distribution Charge.

INSTALLATIONS.

The Customer shall install, own and maintain the lighting devices and all tubing from the Company's service-supply pipe to the lighting devices.

FINAL CONNECTION.

The final connection of any lighting devices or tubing to the supply system shall be made by or under the supervision of a representative of the Company and the costs of such connections shall be borne by the Customer.

BUDGET BILLING.

At the option of the Customer, budget billing is available in accordance with the provisions of Rule 16.5

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

(I) Denotes Increase

PECO Energy Company

RATE L - LARGE HIGH LOAD FACTOR SERVICE

AVAILABILITY.

Large volume high load factor service for use in commercial and/or industrial applications, with the right reserved to restrict its use as a boiler fuel and for other non-critical use. This service shall be under a contract specifying in Mcf, the maximum daily quantity (MDQ) of natural gas to be supplied on a seasonal basis. The winter period MDQ may not exceed the summer period MDQ. Deliveries shall be as nearly as practicable at uniform hourly rates of flow.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE:	\$260.00 per month	(I)
VARIABLE DISTRIBUTION CHARGE:	\$5.3835 per Mcf for the first 15 days' use of billing demand.	(I)
	\$1.6352 per Mcf for the additional use.	(I)

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) (C) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

SEASONAL PERIODS DEFINED.

The summer period is defined as the calendar months of April through November, inclusive. The winter period is defined as the calendar months of December, January, February and March.

DETERMINATION OF BILLING DEMAND.

The billing demand shall be computed each month to the nearest Mcf and shall be the highest measured quantity of gas, corrected to standard conditions, taken in a 24-hour interval. The summer period billing demand for all Customers will never be less than 80% of the summer period MDQ nor less than 100 Mcf per day.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Charge, plus the Variable Distribution Charge price applied to the Mcf that would result from 15 days' use of the Customer's billing demand for the month.

MEASUREMENT.

The quantities of gas used shall be determined from the Company's meters, corrected to standard conditions, namely 60° Fahrenheit temperature and 30 inches of mercury barometric pressure.

UNAUTHORIZED OVERRUN.

Any quantity of gas taken for this service on any day of the month in excess of the MDQ specified in the contract for this service shall constitute unauthorized overrun volume for such day, except when such excess results from fluctuations in day-to-day deliveries hereunder determined by the Company to be normal and in accordance with good operating practices. The sum of all such unauthorized volume in a month shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily Weighted prices for a particular calendar month are summed and the result is equal to the MWP.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

(I) Denotes Increase

PECO Energy Company

MDQ DETERMINATION.

Each Customer shall review the contract annually and shall supply the Company written notification by August 1 of the Customer's requested MDQ(s) for the coming contract year. The MDQ requested shall be subject to reduction by the Company for either or both of the seasonal periods in light of available gas supplies, winter deliverability constraints, or for other good reason before the contract becomes effective. Any reduction made by the Company below the prior year's MDQ(s) shall be limited to the Customer's boiler fuel and other non-critical use.

The Company may, with the consent of the Customer, increase the existing winter MDQ up to the level of the contracted summer MDQ at such time during the winter period when, in the judgment of the Company, sufficient quantities of gas are available for the balance of the contract year.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

PECO Energy Company

RATE MV-F MOTOR VEHICLE SERVICE-FIRM

AVAILABILITY.

Firm motor vehicle service is available to Customers using natural gas exclusively as fuel for motor vehicles.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$34.00 per month.

(I)

ADDITIONAL FIXED DISTRIBUTION CHARGE: If the Customer contracts with the Company for the installation and maintenance of compressor equipment to deliver gas at the necessary pressure for vehicle use, there will be an additional Customer Charge as specified in the Customer's contract.

VARIABLE DISTRIBUTION CHARGE: \$0.9797 per Mcf

(I)

ADDITIONAL VARIABLE DISTRIBUTION CHARGE: If the Customer contracts with the Company for the purchase of compressed gas at a Company-owned refueling location, there will be a compression and refueling charge of \$2.66 per Mcf added for each Mcf of gas supplied.

(I)

MINIMUM CHARGE: The minimum charge per month shall be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) and any applicable fuel taxes apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

(I) Denotes Increase

PECO Energy Company**RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE****AVAILABILITY.**

Interruptible motor vehicle service is available to Customers using natural gas for the sole purpose of a fuel for motor vehicles which have installed dual-fuel capability.

QUALITY OF SERVICE.

Upon notification by the Company, the Customer is required to transfer load to an alternate fuel. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. However, the notice period in emergency situations may be less than four hours. The Customer shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Sales under this rate schedule are subordinate to all firm sales or firm transportation service provided by the Company.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$34.00 per month

(I)

ADDITIONAL FIXED DISTRIBUTION CHARGE: If the Customer contracts with the Company for the installation and maintenance of compressor equipment to deliver gas at the necessary pressure for vehicle use, there will be an additional Customer Charge as specified in the Customer's contract.

VARIABLE DISTRIBUTION CHARGE AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels that this Customer class has the economic capability of consuming.

The total of the Variable Distribution Charge and the Commodity Charge shall be no less than the allocated monthly cost of gas plus three cents, plus the applicable gross receipts tax factor.

The total of the Variable Distribution Charge and the Commodity Charge shall not exceed the sum of the end block of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and the Gas Cost Adjustment Charge ("GCA") of Rate GC.

The Company will provide the Pennsylvania Public Utility Commission with written notification of the Rate MV-I prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. Once established, the price will remain in effect from month to month unless changed by the above notification procedure.

ADDITIONAL COMMODITY CHARGE: If the Customer contracts with the Company for the purchase of compressed gas at a Company-owned refueling location, there will be a compression and refueling charge of \$2.65 per Mcf added for each Mcf of gas supplied.

(I)

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), and any applicable fuel taxes apply to this rate.

OTHER CONDITIONS.

1. The Company reserves the right to enter the Customer's premises to inspect the equipment and apparatus at any time to determine whether the Customer's equipment and the Company's equipment is properly functioning, and whether the Customer is in compliance with all the provisions of this rate. It is the Customer's responsibility to inform the Company immediately if the Customer-owned or Company-owned control equipment does not operate properly.

2. Service under this rate may be separately supplied to a Customer who is also supplied under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

(I) Denotes Increase

RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE - Continued

3. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the allocated monthly cost of gas and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent unleaded gasoline dealer tank wagon price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The revenue received for Customer emergency service which is in excess of the normal Rate MV-I revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

4. Any unauthorized gas consumed in violation of the provisions of this rate shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate. Such payment by the Customer for unauthorized use shall not be deemed as giving the Customer any rights to use such gas.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission). All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

5. Should the Customer cause the control device to be ineffective, or in any way change the operation thereof, all gas registered on the meter since the last meter reading, in addition to all other rates and charges, will be subject to the penalty charge shown above.

6. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

PECO Energy Company

RATE IS - INTERRUPTIBLE SERVICE

AVAILABILITY.

Interruptible sales service is available to individual Customers who have dual-fuel capability or are willing to accept interruption of gas service. The Customer must have an estimated gas consumption of at least 3,000 Mcf per month during each summer month. The summer period includes the months of April through November. For a Customer that also receives service under Rates L, TS-I, or TS-F, the 3,000 Mcf per month use requirement does not apply.

Rate GC or other firm sales services may not be used as a backup supply during periods of interruption under this rate schedule. Rate GC service may be provided through separate metering where firm service is required. Piping connections between the firm and interruptible fuel line systems are prohibited.

The Customer will be required to execute a contract specifying the maximum daily quantity (MDQ) of gas that the Company's service and metering facilities are designed to supply. The maximum hourly capacity that the Company's facilities are designed to supply shall not be more than 6.5% of the MDQ.

QUALITY OF SERVICE.

Service under this rate is made available to Customers for purposes of balancing the Company's gas demands and optimizing its daily use of pipeline supplies and is strictly within the discretion of the Company. When the available quantity of gas is inadequate to serve the needs of all Customers under this rate, the Company will impose limitations, as necessary, endeavoring to provide each Customer with the opportunity to take gas from time to time. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. However, the notice period in emergency situations may be less than four hours. Those Customers who have dual fuel capability shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Interruptible sales are subordinate to all firm sales or firm transportation service provided by the Company.

BILLING.

FIXED DISTRIBUTION CHARGE: \$217.89 per month.

(I)

VARIABLE DISTRIBUTION AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels the Customer has the economic capability of consuming. The total of the Variable Distribution Charge and the Commodity Charge shall be no less than the applicable commodity cost of gas for the current month plus three cents, increased by the applicable gross receipts tax factor and shall be no higher than the applicable delivered price, on an equivalent BTU basis of alternate fuel.

The Company will provide the Pennsylvania Public Utility Commission with written notification of each of the prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. Once established, prices will remain in effect from month to month unless changed in accordance with the above notification procedure. If there is a major change in competitive fuel prices during the month, the Company may change the Commodity Charge prices within the same upper and lower limits on notice of five working days to the Commission.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

METERING SEQUENCE.

Service under this rate may be supplied in combination with Rates L, TS-F or TS-I at a single point and through a single metering installation, in which case the MDQ for each rate schedule shall be specified in the contract. The Company will assume for billing purposes that metered volumes first reflect deliveries of the Contract Maximum Daily Quantity of Rate L gas, next the Firm Transportation Contract Quantity of Rate TS-F, next the Contract Quantity of Interruptible Transportation under Rate TS-I, and finally the Interruptible Gas under this rate schedule. Determination of Rate IS deliveries will be made at the end of the billing period. The number of Mcf billed under Rate L shall never be less than the number of Mcf resulting from 15 days' use of the Rate L billing demand.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate.

(I) Denotes Increase

RATE IS - INTERRUPTIBLE SERVICE - Continued

OTHER CONDITIONS.

1. Any quantity of gas taken for this service on any day of the month in excess of the MDQ specified in the contract shall constitute unauthorized overrun volume for such day, except when such excess results from fluctuations in day-to-day deliveries hereunder determined by the Company to be normal and in accordance with good operating practices. The sum of all such unauthorized volume in a month shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission). All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the applicable commodity cost used to establish the current Rate IS Commodity Charge for the Customer and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent No. 2 oil consumer tank car price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate schedule.

The revenue received for Customer emergency service which is in excess of the normal Rate IS revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

EXTENSION OF MAIN - INSTALLATION OF SERVICE.

Each Customer shall prepay the total cost of any main extension, service installation, meter installation, or enlargement or rearrangement of existing facilities required for service under this rate schedule.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least 1 year.

PAYMENT TERMS.

Standard.

RATE TCS - TEMPERATURE CONTROLLED SERVICE**AVAILABILITY**

Temperature controlled service is available to individual Customers that have dual-fuel equipment with a rated input of more than 2,100,000 Btu per hour and an estimated fuel use which totals 5,000 Mcf or more during the billing months of December, January, February and March and are willing to accept interruption of service at the cut-off temperature specified by the Company.

QUALITY OF SERVICE.

Upon notification by the Company, the Customer is required to transfer load to an alternate fuel whenever the outdoor temperature is below the cut-off limit specified by the Company. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. However, the notice period in emergency situations may be less than four hours. During August of each year the Company will notify each Customer of the cut-off temperature limit to be effective during the twelve-month period beginning September 1. Those Customers who have dual fuel capability shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Sales under this rate are subordinate to all firm sales or firm transportation service provided by the Company.

BILLING.

FIXED DISTRIBUTION CHARGE: \$125.00 per month.

VARIABLE DISTRIBUTION AND COMMODITY CHARGES:**(I)**

Prices shall be established by the Company based on the alternate fuels that this Customer class has the economic capability of consuming.

Monthly prices shall not exceed the sum of the end block of the Variable Distribution Charge of Rate GC, the monthly projected weighted average commodity cost of gas (WACCOG) and the Fixed Cost Credit determined in the most recent annual 1307(f) proceeding. Monthly prices shall be no less than monthly projected WACCOG and the 1307(f) Fixed Cost Credit, plus three cents. The Company will provide the Pennsylvania Public Utility Commission with written notification of the prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. If there is a significant change in WACCOG during a month, the Company may change the commodity charge prices within the same upper and lower limits on notice of five working days to the Commission.

"Fixed Cost Credit" means the result derived by dividing the Company's annual projected interstate pipeline transportation and storage demand charges by its projected annual firm sales throughput as determined by reference to the Company's Section 1307(f) filing made immediately prior to the period in which the Fixed Cost Credit shall apply.

"Commodity cost of gas" shall include all purchased gas costs charged by the Company's natural gas and interstate pipeline suppliers on a volumetric or commodity basis (including but not limited to interstate pipeline fuel and the Company's company use and unaccounted for gas) and shall exclude all costs used in determining the Fixed Cost Credit.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate.

OTHER CONDITIONS.

1. The Company reserves the right to enter the Customer's premises to inspect the equipment and apparatus at any time to determine whether the Customer's equipment and the Company's equipment is properly functioning, and whether the Customer is in compliance with all the provisions of this rate.

It is the Customer's responsibility to inform the Company immediately if the Customer-owned or Company-owned control equipment does not operate properly.

2. Service under this rate may be separately supplied to a Customer who is also supplied under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

The Company may, in its sole discretion, permit minimal volumes of gas which would otherwise be supplied under Rate GC to flow through the Rate TCS metering where, in the Company's judgment, the cost of installing separate metering is uneconomical.

(Continued)

(I) Denotes Increase

RATE TCS - TEMPERATURE CONTROLLED SERVICE – Continued

3. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the allocated monthly cost of gas and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent No. 2 oil consumer tank car price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The revenue received for Customer emergency service which is in excess of the normal Rate TCS revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

4. Upon notification to the Customer by the Company that an emergency condition exists, the Company may change the threshold outdoor ambient temperature at which service is provided, for the duration of the emergency.

5. Any unauthorized gas consumed in violation of the provisions of this rate shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate. Such payment by the Customer for unauthorized use shall not be deemed as giving the Customer any rights to use such gas.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

6. Should the Customer cause the control device to be ineffective, or in any way change the operation thereof, all gas registered on the meter since the last meter reading, in addition to all other rates and charges, will be subject to the penalty charge shown above.

7. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least 1 year.

PAYMENT TERMS.

Standard.

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and Rate TS-F Gas Transportation Service-Firm.)

1. TRANSPORTATION SERVICE

1.1 GENERAL. Transportation service shall consist of: the receipt of gas on behalf of a Customer; the transportation of gas through the Company's distribution facilities; and the delivery of equivalent quantities of gas to the Customer, adjusted for thermal correction and system losses where applicable.

Transportation service may also include Standby Sales Service to permit purchases of gas under one of the Company's retail sales rate schedules.

1.2 TERMS DEFINED. The following definitions shall apply throughout the transportation portion of this tariff:

RECEIVED/RECEIPT shall refer to gas tendered to the Company for the Customer's account at one or more of the interconnections between the Company and its interstate pipeline suppliers, or other specified location. The normal unit of measurement is the decatherm or mmBtu.

DELIVERED/DELIVERY shall refer to gas tendered to the Customer by the Company at the Customer's specified location. The normal unit of measurement is the Mcf.

USE/USAGE shall refer to gas actually consumed by the Customer at the specified location as measured by the Company's meter in Mcf.

DEFICIENT DELIVERIES shall refer to occurrences in which the Customer uses more gas than the quantity of transportation gas tendered by the Company for delivery.

EXCESS DELIVERIES shall refer to occurrences in which the Customer uses less than the quantity of gas tendered by the Company for delivery.

1.3 VOLUME ADJUSTMENT. The quantity of transportation gas received into the Company's distribution system for the Customer's account shall be: (a) reduced by 1.8% for system losses; and (b) adjusted for thermal correction determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot. Where the transported gas can be delivered directly to the Customer without commingling with other system supplies, no reduction for system losses shall be made, and the thermal correction shall be based on the daily average Btu content of the pipeline to which the Customer is directly connected. (D)

1.4 SUPPLY COST ADJUSTMENT. If the Company incurs any added gas supply cost in order to provide transportation service by displacement, or for other reasons, such additional cost will be charged to the Customer. Displacement occurs when a Customer, who is directly connected to one of the Company's pipeline suppliers, arranges for receipt of transportation gas on another pipeline to which the Customer is not directly connected. Revenues received by the Company in payment for added gas supply cost will be credited to firm sales Customers through the annual Sales Service Costs reconciliation (Section 1307[f]).

1.5 SERVICE AGREEMENT. The Customer will be required to execute a Transportation Service Agreement which will specify an initial Transportation Contract Quantity (TCQ) to be the maximum daily volume of gas, expressed in Mcf net of system losses where applicable, to be transported and delivered to the Customer. The agreement will also specify delivery locations, the election of Standby Sales Service, the commodity charge to be in effect for the term of the agreement, and any special provisions for service. The standard term for a Transportation Service Agreement shall be twelve months, unless the Company and the Customer agree to a shorter or longer term.

The TCQ shall not exceed the lower of (a) the capacity of the Company's metering and regulating equipment at the Customer's location; or (b) 110% of the maximum daily usage of the Customer during the twelve-month period prior to the execution of the Transportation Service Agreement, unless full documentation of new or additional gas usage capability is provided by the Customer. If a Customer chooses to designate an Agent to act on the Customer's behalf for scheduling, dispatching, billing and other administrative aspects of transportation service, such designation shall be made in the Transportation Service Agreement. The designation of an Agent shall not relieve the Customer of ultimate responsibility for payment for service or other obligations incurred under this tariff.

Every November 1 following execution of the Transportation Service Agreement, the Customer's TCQ shall be automatically adjusted by the Company to be 110% of the maximum daily usage of the Customer during the prior twelve-month period if such adjustment would raise or lower the customer TCQ by the higher of either 10 mcf or 10%. The TCQ may also be adjusted by mutual agreement of the Customer and the Company.

(Continued)

(D) Denotes Decrease

GAS TRANSPORTATION SERVICE GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS I Gas Transportation Service Interruptible and Rate TS F Gas Transportation Service Firm.)

1.6 BUYER GROUP/LEAD CUSTOMER. A Buyer Group generally consists of up to ten individual Customers who voluntarily join together to obtain either firm or interruptible transportation service. The Company, at its discretion, may require all members of the Buyer Group to execute the same Transportation Service Agreement and make the same elections as to Standby Sales Service. One member of the Buyer Group may be designated by the Company as the Lead Customer who shall be responsible for the timely payment of all bills rendered to the Buyer Group, as well as all day to day dispatch scheduling coordination and administrative communication between the Company and all members of the Buyer Group. A member of one Buyer Group may not be a member of another Buyer Group. Eleven or more individual Customers may form a Buyer Group only upon specific agreement by the Company. Unless otherwise described, the term "Customer" as used throughout these general terms and conditions shall refer to an individual Customer or to a Buyer Group. The Company, at its discretion, may set the maximum Commodity Charge for a Buyer Group at the maximum which any member would be individually required to pay.

1.7 MINIMUM SIZE. The minimum total gas consumption capability required to be eligible for transportation service shall be less than or equal to 5,000 Mcf per year. This minimum shall apply to an individual Customer or to a Buyer Group which, in the aggregate, uses less than or equal to 5,000 Mcf of gas annually.

2. BALANCING PROVISIONS

2.1 GENERAL. Transportation balancing is provided to adjust for the unavoidable minor variations between Customer usage and scheduled deliveries, and is not intended to function as a storage service or a standby sales service. Each Customer shall use best efforts to balance deliveries and usage at all times.

2.2 INTERRUPTED RECEIPTS. On days when no transportation gas is received for the Customer's account, all gas used by the Customer shall be billed as a purchase from the Company. For Customers which have elected Standby Sales Service, the usage shall be billed at the applicable rate. For Customers which have not elected Standby Sales Service, the usage shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and, the Gas Cost Adjustment Charge ("GCA") of Rate GC and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Excess deliveries already being held for the Customer at the time of interruption will be tendered for delivery when transportation receipts resume. If the interruption of receipts continues for more than thirty days, the Company will tender excess deliveries as soon as practicable subject to operating and gas procurement considerations.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6, non-NY

North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2.3 BALANCING CHARGE. A **\$0.0076** per Mcf balancing charge shall be imposed on all transportation deliveries in a billing month. The Balancing Charge shall be reviewed and adjusted annually, as necessary, effective December 1 subject to approval of the new charge in the Company's annual purchased gas cost filing under 66 Pa. C.S. § 1307(f) (I)

2.4 ALLOWABLE DAILY VARIATION. In order to minimize the effect of transportation imbalances on the operation of the Company's system, the allowable daily variation between delivered quantities and Customer usage is ten percent of the TCQ.

If a Customer exceeds these limits, the Company shall: (a) in the case of excess deliveries, impose a \$0.25 per Mcf penalty charge on that portion of daily excess deliveries greater than the allowable daily variation and have the right to limit the receipt of Gas Transportation if a customer has excess deliveries greater than the allowable daily variation (b) in the case of deficient deliveries, have the right to bill such deficiency as a purchase from the Company. For Customers which have elected Standby Sales Service, the deficiency shall be billed at the applicable rate. For Customers which have not elected Standby Sales Service, the deficiency shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and, the Gas Cost Adjustment Charge ("GCA") of Rate GC, and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6, Non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

(I) Denotes Increase

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and
Rate TS-F Gas Transportation Service-Firm.)

2.5 MONTHLY BALANCING FOR DEFICIENT DELIVERIES. If in any billing month a Customer has deficient deliveries, the volumes shall be billed at the applicable rate for those customers that have elected Standby Sales Service. For Customers which have not elected Standby Sales Service, the volumes shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and Gas Cost Adjustment Charge ("GCA") of Rate GC, and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 Non-NY North Daily rate for such unauthorized usage day; or b) the Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2.6 MONTHLY BANKING SERVICE FOR EXCESS DELIVERIES. The Customer is permitted to carry over or bank a positive imbalance each month at the following monthly charges:

- (a) where the monthly excess does not exceed the TCQ - \$0.00 per Mcf;
- (b) for the monthly excess greater than the TCQ and less than twice the TCQ - \$1.00 per Mcf;
- (c) for the monthly excess greater than twice the TCQ and less than three times the TCQ - \$5.00 per Mcf;
- (d) for the monthly excess greater than three times the TCQ - \$10.00 per Mcf.

2.7 OPERATIONAL POOLING AND BALANCING SERVICE. Pooling is an optional service provided by PECO whereby marketers, producers of natural gas or brokers may aggregate natural gas supplies needed to serve more than one transportation customer. Individual customers assign their balancing rights and responsibilities under PECO's then current tariff to one marketer, producer or broker, which operates the pool (the Pool Operator). Each Pool Operator shall execute an Operational Pooling and Balancing Agreement. The allowable daily variation for a pool is 15 percent between delivered quantities and pool usage. The Pool Operator manages the day-to-day balancing for each pool member and will be responsible for any applicable penalty charges and cash-out transactions, though the transportation customer remains jointly liable with the pool operator for all charges.

3. STANDBY SALES SERVICE

3.1 GENERAL. Standby Sales Service permits the Customer to purchase gas under one of the Company's retail sales rate schedules when:

- (a) no transportation gas is received for the Customer;
- (b) transportation deliveries are deficient with respect to the Customer's usage;
- (c) a Customer elects to purchase gas from the Company in lieu of transportation service.

Transportation service under Rate TS-I automatically provides Standby Sales Service as described in Section 3.2 below. A Customer purchasing transportation service under Rate TS-F shall indicate in the Transportation Service Agreement if the Customer elects to have Standby Sales Service. If the Customer elects Standby Sales Service the Customer shall specify the election in the Transportation Service Agreement as well as the Standby Sales Quantity (SSQ) which is the maximum daily quantity of gas expressed in Mcf that the Customer may purchase. A penalty charge based on the following will be imposed on volumes taken in excess of the SSQ: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

The Company maintains no current or future duty to provide retail sales service to a Customer who declines to elect Standby Sales Service. Availability of Standby Sales Service for new gas loads not previously served under a retail firm sales rate schedule is contingent upon the Company's ability to arrange the required supply contracts.

3.2 INTERRUPTIBLE SERVICE. Interruptible Standby Sales Service under Rate IS is automatically provided to the Customer in conjunction with Rate TS-I. The billing and all other conditions of service shall be as stated under the Rate IS tariff, except that the Customer Charge shall be waived.

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and
Rate TS-F Gas Transportation Service-Firm.)

3.3 FIRM SERVICE. All Rate TS-F Customers may elect Standby Sales Service under:

(a) Rate L, for Customers with an SSQ of at least 100 Mcf per day and gas consumption capability of at least 18,000 Mcf per year;

(b) Rate GC, for Customers with an SSQ of less than 100 Mcf per day or gas consumption capability of less than 18,000 Mcf per year except that the Standby Sales Service rate schedule applicable to a Buyer Group may, at the Company's discretion, be set at the highest priced rate schedule under which any member would be individually required to pay. The billing and all other conditions of service shall be as stated in the applicable rate schedule and prorated for actual days of use, except that the Customer Charge shall be waived. In addition, the Customer shall pay a monthly demand charge per Mcf of SSQ which is based on 110% of the average monthly demand charges paid for the Company's firm supply. The monthly demand charge, prorated on an Mcf-per-day basis, will be credited to all volumes purchased. Following the end of the Company's supply contract year (October 31), the Customer shall also be assessed those minimum bill, take-or-pay, supply inventory, or other similar charges actually paid by the Company, which are attributable to the annual volume reserved but not taken under this provision. Customers that request to terminate Standby Sales Service after one or more years will be required to continue payment of the monthly demand charge until the Company is able to reduce its purchase obligations or otherwise utilize the released supplies.

4. OTHER PROVISIONS

4.1 METERING SEQUENCE. Where gas is used by the Customer under more than one of the Company's rate schedules through the same meter location, the Company will assume for billing purposes that metered volumes reflect deliveries in the following sequence where applicable:

- (a) Rate L, up to maximum daily quantity.
- (b) Rate TS-F, up to transportation contract quantity.
- (c) Rate TS-I, up to transportation contract quantity, or actual delivered quantity, whichever is lower.
- (d) Rate IS.

4.2 GAS SUPPLY SHORTAGE. The Company shall have the right to appropriate natural gas supplies to be delivered by or on behalf of a Customer in the event of a natural gas emergency (as defined in Rule 12 of the Rules and Regulations). In the event of a natural gas emergency, the Customer or its Natural Gas Supplier (NGS) shall continue to deliver all available natural gas supplies to the Company for which the Customer is contracted to purchase from the NGS. As compensation, the Company shall pay a price not in excess of the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the customer for delivered substitute energy, as documented by the Customer. The Company may also provide compensation in kind at the discretion of the affected customer or NGS. Upon request, the Customer shall demonstrate its cost of natural gas by making a copy and invoice of the contract with the natural gas supplier available to the Company upon request.

(Continued)

4.3 LIABILITY.

- (a) The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the Customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendering of service hereunder, and regardless of any defect in such law, regulation, or order.
- (b) Gas shall be and remain the property of the Customer while transported and delivered by the Company. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
- (c) The Company shall not be liable for any loss to the Customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause. The Company reserves the right to commingle gas of the Customer with other supplies.
- (d) The Company shall not be liable, under any circumstances or in any respect, to a Customer, to a gas producer or natural gas supplier, or to any other person or entity for damages arising either directly or indirectly from interruption, curtailment, or termination of transportation service.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

RATE TS-I GAS TRANSPORTATION SERVICE-INTERRUPTIBLE

(Gas Transportation Service - General Terms and Conditions Apply To This Rate.)

AVAILABILITY.

Interruptible transportation service (Rate TS-I) is available to an individual Customer, or a Buyer Group, who may have dual fuel capability or is willing to accept interruption of gas service.

Service is available under this rate only to customers served by a licensed natural gas supplier who is deemed creditworthy by the Company pursuant to Rule 25 of the Rules and Regulations of the Gas Service Tariff.

High Volume Transportation (HVT) Customers receiving service under this Rate, as of March 1, 2002, shall be exempt from the above supplier eligibility criteria; provided, however, such an HVT Customer may waive such exemption, in a writing submitted to the Company, by indicating its desire to be served by a natural gas supplier deemed creditworthy by the Company pursuant to the above referenced Rule 25.

UPGRADING AND OR INSTALLATION OF FACILITIES.

Upgrading and/or installation of mains and services required to provide adequate delivery capacity for interruptible transportation service for the Customer will be in accordance with the Rules and Regulations governing Extensions. The Customer shall prepay the total cost of any new receipt point for Customer-owned gas into the Company system, or improvements to an existing receipt point, which then shall be constructed, subject to specific contract terms and conditions, owned, and maintained by the Company.

QUALITY OF SERVICE.

Interruptible transportation service will be provided on a best efforts basis by the Company and may be restricted or interrupted from time to time due to operating and capacity limitations. Under normal operating conditions a minimum of four hours notice will be given before interruptions of service. However, the notice period in emergency situations may be less than four hours.

BILLING.

A. For each meter location having a gas consumption capability of at least 18,000 Mcf per year.

1. **FIXED DISTRIBUTION CHARGE.**

\$260.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$109.00.

2. **VARIABLE DISTRIBUTION CHARGE.**

The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$0.6613 per Mcf. **(D)**

B. For each meter location having a gas consumption capability of less than 18,000 Mcf per year.

1. **FIXED DISTRIBUTION CHARGE.**

\$219.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$109.00.

2. **VARIABLE DISTRIBUTION CHARGE.**

The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual customer. The maximum Variable Distribution Charge shall be \$1.2418 per Mcf. **(D)**

C. The State Tax Adjustment Clause does not apply to this rate.

D. The PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) , TAX CUTS AND JOBS ACT (TCJA), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), and VOLUNTARY SURCHARGE applies to this rate.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge.

SEPARATION OF SERVICE.

Service under this rate may be separately supplied to a Customer who is also supplied under Rate GC at the same premises provided that each supply shall be separate and distinct with respect to delivery, metering, and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

**Supplement No. 29 to
Gas-Pa. P.U.C. No. 3
Seventh Revised Page No. 72**

PECO Energy Company**Supersedes Sixth Revised Page No. 72****RATE TS-F GAS TRANSPORTATION SERVICE-FIRM**

(Gas Transportation Service - General Terms and Conditions Apply To This Rate.)

AVAILABILITY.

Firm transportation service (Rate TS-F) is available to an individual Customer or a Buyer Group, who desires uninterrupted transportation service. Firm transportation service is not available with Rate GC through the same meter, except as provided under Standby Sales Service of the General Terms and Conditions.

Service is available under this rate only to customers served by a licensed natural gas supplier who is deemed creditworthy by the Company pursuant to Rule 25 of the Rules and Regulations of the Gas Service Tariff.

High Volume Transportation (HVT) Customers receiving service under this Rate as of March 1, 2002, shall be exempt from the above supplier eligibility criteria; provided, however, such an HVT Customer may waive such exemption, in a writing submitted to the Company, by indicating its desire to be served by a natural gas supplier deemed creditworthy by the Company pursuant to the above referenced Rule 25.

UPGRADING AND OR INSTALLATION OF FACILITIES.

Upgrading and/or installation of mains and services required to provide adequate delivery capacity for firm transportation service for the Customer will be in accordance with the Rules and Regulations governing Extensions. The Customer shall prepay the total cost of any new receipt point for Customer-owned gas into the Company system, or improvements to an existing receipt point, which then shall be constructed, subject to specific contract terms and conditions, owned, and maintained by the Company.

QUALITY OF SERVICE.

Transportation service under this rate schedule is firm and shall be interrupted only in cases of operating emergencies experienced by the Company or in the case of a natural gas shortage when the supply of gas is insufficient to meet the requirements of Priority 1 Customers.

BILLING.

- A. For each meter location having a gas consumption capability of at least 18,000 Mcf per year.
1. **FIXED DISTRIBUTION CHARGE**
\$199.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$109.00.
 2. **VARIABLE DISTRIBUTION CHARGE.**
The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$0.8297 per Mcf. (D)
- B. For each meter location having a gas consumption capability of less than 18,000 Mcf per year.
1. **FIXED DISTRIBUTION CHARGE.**
\$166.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$109.00.
 2. **VARIABLE DISTRIBUTION CHARGE.**
The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$1.7384 per Mcf. (D)
- C. The State Tax Adjustment Clause does not apply to this rate.
- D. The PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), TAX CUTS AND JOBS ACT (TCJA), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) and VOLUNTARY SURCHARGE applies to this rate.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge plus 15 days' use of the TCQ at the Customer's applicable commodity charge.

SEPARATION OF SERVICE.

Service under this rate may be separately supplied to a Customer who is also supplied under Rate GC at the same premises provided that each supply shall be separate and distinct with respect to delivery, metering, and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

PECO Energy Company

Supersedes Seventh Revised Page No. 73

RATE CGS - CITY GATE SALES SERVICE

AVAILABILITY

City Gate Sales Service is available in conjunction with the Company's gas transportation services (Rates TS-F and/or TS-I) upon execution of a City Gate Sales Service Agreement. Supplies from the Company's total gas acquisition pool are made available for purchase at the interstate pipeline delivery points (city gates), for redelivery to the Customer under the terms and conditions of the applicable transportation service(s).

QUALITY OF SERVICE

Firm: Customers electing firm service under this rate are not subject to interruption or proration except pursuant to Section 12 of the Rules and Regulations of this Tariff.

Interruptible: Customers electing interruptible service under this rate are subject to interruption from time to time as necessary to meet the demands of firm Customers. Under normal operating conditions, the Customer will be notified by 10:00 AM of the previous gas dispatch day of any interruption of service. Under emergency conditions, the Company may shorten this notice period and interrupt service at times other than the start of the gas dispatch day (10:00 AM).

BILLING

Acquisition Service Charge

\$95.00 per month.

Firm Supply Reservation Charge

\$20.50 per month per Mcf of firm demand.

(I)

Interruptible Supply Reservation Charge

<u>Quarter</u>	<u>(\$/Mcf/Month)</u>	
December 1 - February 29	\$2.05	(I)
March 1 - May 31	\$2.05	(I)
June 1- August 31	\$2.05	(I)
September 1 - November 30	\$2.05	(I)

Commodity Charge

A monthly rate, expressed in dollars per thousand cubic feet (\$/Mcf), which represents the weighted average commodity cost for the Company's total acquisition pool during the month of service. This rate is applied to the firm and interruptible usage at the Customer's location during the current billing month.

State Tax Adjustment Charge

Does not apply to this rate.

TAX ACCOUNTING REPAIR CREDIT (TARC), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) and VOLUNTARY SURCHARGE applies to the Acquisition Service Charge.

DEMAND QUANTITIES

Firm Demand Quantity: The greater of: (a) the Customer's transportation contract quantity under Rate TS-F, or (b) the highest daily firm usage at the Customer's location at any time during the current billing month and previous twelve months.

Interruptible Demand Quantity: The highest daily Rate CGS interruptible usage at the Customer's location during the current billing month.

MINIMUM CHARGE

The minimum charge per month will be the Acquisition Service Charge, plus the applicable Supply Reservation Charge(s).

(Continued)

(I) Denotes Increase

RATE CGS - CITY GATE SALES SERVICE - Continued**OTHER RATE PROVISIONS**

1. Supply reservation charges will be updated in conjunction with the Company's Sales Service Cost (SSC) filing.
2. The Interruptible Supply Reservation Charge will be the greater of (a) ten percent (10%) of the Firm Supply Reservation Charge, or (b) the average revenue received per Mcf per month under an interstate pipeline capacity release/reassignment program during the most recent SSC actual period.
3. Billing rates include any applicable PA Public Utility Gross Receipts Tax and an adjustment factor to account for system losses. This adjustment factor will be excluded from the billing rates where deliveries are made directly to the Customer without commingling with other system supplies.
4. All reservation charge and commodity charge revenue, exclusive of any applicable gross receipts tax and commodity-related take-or-pay costs, will be credited to firm SSC Customers through the Company's annual SSC filing.
5. The Company will provide the applicable monthly commodity charge rate to the Customer no later than 10:00 AM on the last working day prior to the start of each new month.

OPERATING PROVISIONS

1. **Monthly Nominations:** At least ten working days prior to the start of a month, the Customer shall provide to the Company its estimated daily purchases under Rate CGS for the forthcoming month. Customers receiving both firm and interruptible service through the same meter may make separate nominations for each type of service.

An initial nomination greater than zero represents the Customer's selection of Rate CGS as its source of gas supply for the subject month, and the Company will not accept gas from any other supply source for redelivery to the Customer during that month.

Subsequent to the initial nomination, the Customer shall notify the Company promptly of a change of more than ten percent in any of the estimated quantities.

2. **Daily Scheduling:** The Company's System Control Group shall establish for each Customer a communication plan appropriate to the Customer's size and usage pattern, which will provide accurate and timely information on actual and projected daily gas usage. Communication may be required in verbal or electronic form at the Company's sole discretion.
3. **Metering Sequence:** Firm service up to the Firm Demand Quantity shall be considered the first service through the meter each day for a Customer that has elected both firm and interruptible service through a single meter.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where no inconsistent with any specific provision hereof, are a part of this rate.

TERMS OF CONTRACT

The minimum initial term of contract for this service shall be a period of one year. At the end of the initial term, the contract shall continue from month to month until terminated by 60 days written notice from one party to the other.

PAYMENT TERMS

Invoices for this service will normally be rendered on or before the tenth day of the following month. Payment, by check or wire transfer, is due by the twentieth day, or ten days after the date of the invoice, whichever is later. Payments received after the due date are subject to a finance charge of two percent per month.

PECO ENERGY COMPANY**RATE NGS - Negotiated Gas Service**

AVAILABILITY. Service under this rate is available only to customers that satisfy the following criteria:

1. The customer either must have a history of at least 18,000 Mcf of annual natural gas usage billed by the Company. Alternatively, if a new customer, the customer must establish that the facilities to be served are likely to consume at least 18,000 Mcf of annual natural gas usage.
2. The customer must document a viable, currently available competitive alternative to service under the Rates GC, L, TS-F, TS-I or CGS including any applicable riders. Documentation must include a written description of the competitive alternative and any further information necessary to establish the cost and demonstrate the viability of the customer's competitive alternative with reasonable certainty. The Company shall have sole discretion over whether the customer is eligible for a rate negotiated pursuant to this rate based on the information provided by the customer. If the customer already has in place a competitive alternative, the Company may require such written proof of the existence, nature, and working condition of such alternative, as the Company deems appropriate and necessary.
3. The customer executes an NGS agreement that comports with all other provisions of this rate.

QUALITY OF SERVICE. Service quality shall be negotiated and specified in each service agreement. Service quality may be firm, interruptible or a hybrid thereof. Priority 1 customers, however, shall be required to take firm standby service as a component of service provided under this rate schedule unless the customer demonstrates to the Company's reasonable satisfaction that it has an installed, operable backup system. Unless expressly stated in the service agreement, an interruptible customer shall bear the entire risk for any and all damages associated with an interruption.

NATURE OF SERVICE. The nature of service shall be negotiated and specified in each service agreement. Service may involve any one or more of the following services: supply; transportation; storage; upgrade or installation of mains, services, and appurtenant facilities; and such other natural gas management services the customer may require from time to time. The service agreement shall include all essential terms and conditions of the negotiated service. Where a term is not defined expressly in the service agreement, it shall have the meaning specified in the Tariff or, if the Tariff does not provide a definition, the meaning generally understood within the natural gas industry.

TERM LENGTH/NOTICE OF TERMINATION. The primary term length of a service agreement shall be no less than one year in length. Either the customer or the Company may terminate the agreement at the end of the primary term by giving written notice of termination at least one hundred-eighty (180) days before primary term ending date unless otherwise stated in the service agreement. If neither party gives such notice, then the agreement shall continue for consecutive one year terms until terminated by either party giving written notice of termination at least one hundred-eighty (180) days before the end of the continued term. Terms and conditions applicable to any continued term shall be stated in the service agreement.

RATES, CHARGES, BILLING.

1. Rates for service shall be negotiated and specified in the applicable service agreement. Rates negotiated for this service shall be presumed to have been designed to recover a fair rate of return on the incremental investment in facilities needed to provide service to the customer.
2. Rates will be, in the Company's sole judgment, competitive but the Company shall not be obligated to agree to charges that match the customer's costs under the customer's viable, currently available competitive alternative. _
3. Unless otherwise stated in the service agreement, no charge of otherwise general applicability (e.g., State Tax Adjustment Clause) shall apply to service under this rate.
4. Unless otherwise stated in the service agreement, no charge applicable to other sales or transportation services offered under the Company's tariff (e.g., Rates GC, L, TS-I, TS-F) shall apply to service under this rate.

PAYMENT TERMS. Payment terms may be negotiated and specified in the service agreement. Unless the service agreement provides specific terms governing the billing of charges, Section 16. Standard Payment Terms of the Rules and Regulations of the Tariff shall apply.

RULES AND REGULATIONS. The Company's Rules and Regulations in effect from time to time, where not inconsistent with any provision hereof or the terms and conditions of the applicable service agreement, shall apply to a service agreement negotiated under this rate.

RATE NGS - Negotiated Gas Service - Continued**CREDITWORTHINESS**

1. Prior to commencement of performance, or at any time during the term of service under this rate, Customer must provide financial information reasonably requested by the Company to ascertain Customer's ability to discharge its payment or other obligations under this rate. The Company shall be permitted to conduct financial evaluations during the term of the service agreement when information received by the Company indicates that the effective Credit Assurance has become unsatisfactory. The Company may charge \$100.00 for each evaluation up to two evaluations per calendar year.
2. Based on the Company's initial or subsequent credit evaluation, the Company may refuse, suspend or terminate service under this rate if the Customer fails to deliver the requested credit information or assurance of its ability to pay within ten (10) business days of such request. Credit Assurance may include (i) the required posting of an irrevocable letter of credit acceptable to the Company, (ii) a cash prepayment in an amount acceptable to the Company, (iii) a corporate guaranty or (iv) other security acceptable to the Company.
3. Upon five days prior written notice ("Notice Period") to an NGS customer, the Company may suspend or terminate service to the customer upon the occurrence of a Default Event. A Default Event shall mean (i) the failure by the customer to make, when due, any payment or perform any obligation required under the service agreement, (ii) any representation or warranty made by the customer shall prove to have been false or misleading in any material respect when made, (iii) the customer is subject to a Bankruptcy Proceeding, or (iv) the customer fails to post satisfactory Credit Assurance. If the customer cures the Default Event within the Notice Period, service will be continued by the Company pursuant to the terms of the service agreement.

CONFIDENTIALITY/PENALTY FOR DISCLOSURE.

1. The terms and conditions of a service agreement executed pursuant to this rate shall be considered "Highly Confidential and Privileged" by the parties and by the Commission.
2. "Highly Confidential and Privileged" shall mean that disclosure to any third party, non-governmental entity is likely to cause the non-disclosing party pecuniary and competitive damage not easily susceptible to quantification.
3. Unless disclosure is otherwise permitted, each party to a service agreement under this rate must agree not to oppose a legal action by a party that is designed to enjoin or otherwise prevent the other party from disclosing the terms and conditions of such service agreement to a third party.
4. Service agreements may be disclosed to a third party only: a) upon prior written authorization by the parties to the agreement; b) as necessary for the parties to administer and enforce the agreement; c) to an agent, attorney or consultant of either party which has executed an agreement in which it acknowledges the "Highly Confidential and Privileged" nature of the service agreement and agrees to be subject to these Confidentiality/Penalty for Disclosure provisions set forth herein; or d) pursuant to the order of a court of agency having appropriate jurisdiction. Disclosure under b) or d) shall be permitted only after the parties to the service agreement have been provided adequate prior notice and opportunity to prevent such disclosure or to seek an appropriate protective order.
5. Any disclosure by the customer in violation of this provision shall result in a penalty equal to 10% of the otherwise applicable rate for the remaining term of the agreement, or as otherwise set forth in the service agreement.

EXCLUSION OF RATE NGS PURCHASED GAS COSTS FROM SECTION 1307(f) CLAIM

Purchased gas commodity and interstate pipeline demand costs, and associated quantities of natural gas purchased to provide service to customers served under Rate NGS, shall be excluded from the Company's annual purchased gas cost filing under 66 Pa. C.S. § 1307(f), in accordance with Exhibit RAF-1 submitted by the Company at Docket No. R-00016366.

APPLICABILITY INDEX OF RIDERS INTRODUCTORY STATEMENT

Customers under the different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the rate under which they are supplied. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the Customer and the Company as the case may require.

<u>RIDERS</u>	<u>PAGE NUMBERS</u>	<u>RATES TO WHICH RIDERS APPLY</u>							
		<u>GR</u>	<u>GC</u>	<u>OL</u>	<u>L</u>	<u>IS</u>	<u>TSI</u>	<u>TSF</u>	<u>CGS</u>
Casualty	78	X	X	X	X	X	X	X	X
Construction	78	-	X	-	X	X	X	X	X
Excess Off-Peak Use	79	-	X	-	-	-	-	-	-
Neighborhood Gas	80	X	-	-	-	-	-	-	-
Receivership	82	X	X	X	X	X	X	X	X
Temporary Service	82	X	X	-	X	-	-	-	-
Customer Assistance Program	83	X	-	-	-	-	-	-	-

CASUALTY RIDER

APPLICABILITY. To service delivered during a period when a Customer is prevented for a length of time in excess of 48 hours from using all or a substantial part of the amount contracted for by reason of strike, riot, fire, storm, flood, drought, interference by civil or military authorities, or any other cause beyond the Customer's control.

NOTICE REQUIRED. Written request shall be made to the Company for the application of this rider with advice as to the extent of the interruption, its date, cause and probable duration.

GUARANTEES WAIVED. Guarantees of revenue under the Customer's contract shall be suspended during the period of the interruption, but shall be restored when the cause of interruption shall cease, be removed or remedied.

BILLS PRORATED. Bills for service supplied shall be prorated, based upon the actual level of operation during the period of suspension of guarantees.

RETURN TO NORMAL USE. The Customer shall use reasonable diligence in resuming the use of service provided in the Customer's contract.

TERM. The contract term shall be extended for a period equal to the period of suspension so that the Company shall secure a working term at full connected load equal to the term of the contract.

CONSTRUCTION RIDER

APPLICABILITY. To service supplied during a preliminary operating or construction period while the load is being built up to normal level or during a receding load period after the expiration of a standard contract term while a business is in process of dissolution.

GUARANTEE WAIVED. The guarantee minimum of a contract will be waived during the expanding load period preceding the operation within the load limits provided in the contract or the receding load period subsequent to the fulfillment of a contract term.

RIDER TERM. The total term of application of this rider during the preliminary or construction period shall be 6 months subject to the option of the Company to grant not more than two successive renewals of the rider term on major construction projects. Its application subsequent to the completion of a contract term shall be for not more than one year.

CONTRACT TERM. The termination date of a contract for service to permanent installations to which this rider is applied shall be extended for a period corresponding to the total time of the rider application during start up, construction or extension of the Customer's plant so that the Company will be assured the business represented by service to the total connected load for the term provided in the contract.

EXCESS OFF-PEAK USE RIDER

(This rider is in process of elimination and its application is restricted to those installations and those customers who were served under its provisions as of June 2, 1975.)

APPLICABILITY. To contracts for service under Rate GC, provided that:

- 1.All gas used under the contract to which this rider is applied is delivered to and metered at a single point.
- 2.The premises are used for purposes other than those of a private residence.

ON-PEAK MONTHS are the 5 months beginning November 16 and ending April 15.

OFF-PEAK MONTHS are the 7 months beginning April 16 and ending November 15.

ON-PEAK USE is the greatest monthly consumption of gas during any billing month within the preceding on-peak period.

EXCESS GAS is the gas used in any off-peak month in excess of on-peak use. In each off-peak month the Customer shall pay for gas used up to the on-peak use at the rate specified in the contract to which this rider is applied, and for all excess gas used at the applicable Commodity Charge ("CC") (if customer receives Sales Service) Gas Cost Adjustment Charge ("GCA"), Balancing Service Cost ("BSC"); provided, however, that the Customer must pay, during the seven-month off-peak period, for at least 50 Mcf at the rate for excess gas. During the initial year of service under this rider, the requirement of a minimum payment for 50 Mcf of excess gas will be proportionately reduced for Customers beginning service after April 15.

VARIABLE DISTRIBUTION CHARGE PRICE: \$1.5354 per Mcf.

(I)

The STATE TAX ADJUSTMENT CLAUSE, TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC") apply to this rider. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

When the time a new Customer begins to take service hereunder precludes the determination of the on-peak use from records or experience, it shall be estimated by the Company.

(I) Denotes Increase

NEIGHBORHOOD GAS PILOT RIDER (NGPR)

AVAILABILITY

The Neighborhood Gas Pilot Rider (NGPR) is available to any new residential customer who: (1) applies for natural gas service within the Company's service territory under Rate Schedules GR or CAP; (2) would be required to pay the portion of the main extension and service line project costs that exceed the Company's capital investment under Rule No. 7 – Extensions of the Company's gas service tariff ("Rule No. 7") for an extension of the Company's distribution facilities needed to furnish natural gas service to that customer; and (3) meets the Program Criteria set forth below.

The NGPR will close for new main extension projects on March 31, 2021 unless the Company decides to extend this program and the extension is approved by the Commission. The Company reserves the right to suspend the pilot program if, in its sole judgment, critical safety or reliability related issues require that the resources that would be used to implement the NGPR are needed to maintain safe and reliable natural gas service to its existing customers. The Company shall be the sole judge in establishing what constitutes a neighborhood when determining the availability under this pilot program.

(C)

NATURE OF THE NGPR

The NGPR provides customers an alternative method of making the payment required by Rule No. 7 when the extension of distribution facilities needed to serve eligible new customers is not economically justified based on the anticipated revenues from natural gas distribution service that would be provided to customers served by such extension. The NGPR provides for a fixed charge (NGPR Charge) to be added to the customer's bill. The NGPR Charge shall be calculated separately for each main extension project and shall be based on the cost of that particular project in the manner described below for each customer served from such main extension project.

PROGRAM CRITERIA

For a main extension project to qualify for the NGPR, the cost for such project must equal or exceed \$15,000 and must meet the following additional criteria:

(1) A minimum of twenty percent (20%) of the existing residences located along the new main extension must commit to receive natural gas service by signing an agreement prior to the start of construction;

(2) The Company must have adequate system capacity to serve the customers that are eligible to receive natural gas service from the main extension; and

(3) The Company's total investment under this pilot program is limited to no more than \$25,000,000 over five (5) years. The five-year period that this pilot program is in effect shall commence on March 31, 2016 and, as set forth above, shall close on March 31, 2021.

(C)

CALCULATION OF THE NGPR CHARGE

A Net Present Value (NPV) economic test (based on 40 years of revenue for each customer) shall be used to determine the payment required by Rule No. 7.

Pursuant to Rule No. 7, if the NPV of the capital investment and the associated estimated revenues is less than zero, a customer is required to make a payment to the Company in an amount that would produce an NPV of zero, exclusive of any tax on the NGPR. For purposes of this NGPR, however, in calculating the NPV, the anticipated revenues from natural gas service shall consist of: (1) the revenues from 20% (or greater) of eligible customers signing a contract prior to the start of construction to take natural gas service in the first year, which is one of the Program Criteria that must be satisfied for a project to be eligible for the NGPR; and (2) additional revenues based on the assumption that 66% of the eligible customers within the project area will sign a contract for natural gas service within 20 years of the completion of the project.

Capital investment shall include the total cost of new main(s) and service facilities installed under the NGPR, excluding the costs of meters and meter installations, to serve eligible customers. Estimated revenues shall be based on the applicable variable distribution charge rate set forth in the Company's gas service tariff, the estimated annual consumption and the portion of the fixed distribution charge that is attributable to the capital costs of a service line.

(C) Denotes Change

NEIGHBORHOOD GAS PILOT RIDER (NGPR) - Continued

Because the NGPR permits payment over time, rather than a lump-sum payment prior to the start of construction of main extension projects, as Rule No. 7 requires, the NGPR Charge will recover a reasonable return on the Company's capital investment in new facilities installed pursuant to the NGPR. For purposes of the NGPR calculation, the discount rate shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

The NGPR shall be calculated to enable the project to have an NPV of zero based upon the above cost of capital. The resulting charge shall be increased by 1% by dividing the calculated rate by 0.99 to reflect an adjustment for uncollectible accounts expense.

BILLING

The NGPR Charge shall appear as a fixed monthly charge on the customer's bill.

The NGPR Charge calculated for a specific main extension will apply to all customers taking service from that main extension including any future customers that connect after the first year of the project.

For CAP customers, the NGPR charge will not be subject to the CAP discount.

If a customer fails to pay the full amount of any bill, a late payment charge of one and one-half percent (1.5%) per month will accrue on the portion of the bill that is unpaid on the due date.

PAYMENT TERMS

NGPR Charges shall be calculated based on input data specific to each project undertaken pursuant to the NGPR and shall be in effect for 20 years for each customer taking gas service from the main installed under this pilot within 20 years after the project has been completed.

The customer shall retain the right to pay the present value of the remaining monthly payments at any point in time during the 20 year period. Payments shall be present valued using PECO's after-tax cost of capital which shall be based on the sources as described above.

Service shall not be terminated for non-payment of this charge during the pilot program.

Fifth Year Evaluation – At the fifth anniversary of the start date of the Pilot Program the Company shall review the actual penetration rate achieved on the main to the projected rate. To the extent the revised projection results in a reduction of the NGPR, the Company shall modify the rate going forward. If an increase in the NGPR is the result of the analysis, the rate shall not change.

The STATE TAX ADJUSTMENT CLAUSE applies to this rider.

RECEIVERSHIP RIDER

APPLICABILITY. To service supplied a Receiver-Trustee for the continued operation of a property formerly under contract for its gas service requirements.

AUTHORITY FOR OPERATION. The Receiver-Trustee shall possess the authority under appointment by Court, through an order duly entered, to operate premises recited in a contract for gas service under which the Company has been supplying gas.

ACCEPTANCE. The Receiver-Trustee shall accept and adopt for the continuation of the supply of gas service the contract therefore in effect, including all of its provisions, and agree to pay the Company for all service furnished hereunder during the receivership-trusteeship at the rate specified therein.

BILLING. The Company reserves the right to render bills on a biweekly basis. To provide for biweekly billing under this rider, the provisions of the applicable rate and rider, if any, will be modified as follows:

- (a) Where applicable, all references to monthly or month will be changed to biweekly or biweek.
- (b) Where applicable, the commodity charge will be determined on a monthly basis and multiplied by 14/30ths (0.4667).
- (c) The monthly rate per lighting device for Rate OL will be multiplied by 0.4667.
- (d) The minimum charge will be determined on a monthly basis and such sum will then be multiplied by 0.4667 to determine the minimum charge for the billing period.
- (e) A discount of 0.4% will be applied to the total bill.
- (f) A bill will be rendered biweekly covering the charges for the preceding billing period and such bill shall be paid within fifteen (15) days after receipt thereof.

CONTRACT TERM. The completion of the term of the contract taken over, or as terminated by the discharge of the Receiver-Trustee, or as arranged with the Receiver-Trustee for the continuation of supply under the standard terms of this Tariff.

TEMPORARY SERVICE RIDER

APPLICABILITY. To the supply of service for a temporary period.

AVAILABILITY. Temporary service will be supplied only when the Company has available unsold capacity from which to furnish it and its supply will not in any way interfere with service to other Customers.

INVESTMENT IN SUPPLY FACILITIES. The cost of the connection and disconnection of the service supply and of any equipment and extension of facilities required to furnish the temporary service under the applicable rate shall be paid by the Customer, but such payment shall not confer upon, nor entitle the Customer to any title to, or right of property in, said facilities and equipment.

MINIMUM TERM. Application of this rider shall not, for billing purposes, be considered to be for a period of less than one month.

CONTRACT TERM. Short term arrangements as agreed upon.

Customer Assistance Program (CAP) Rider**AVAILABILITY:**

To payment-troubled customers who are currently served under or otherwise qualify for Rate GR (excluding multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for the rates contained in this rider and must demonstrate annual household gross income at or below 150% of the Federal Poverty guidelines. Customers must be on budget billing, will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. Based on the applicable level of income number of household members, and their historical usage CAP customers will receive a Fixed Credit Option ("FCO") based upon that individual household's need. The details of the FCO calculation can be found in the PECO Universal Service and Energy Conservation Plan at Docket No. M-2015-2507139.

DISCOUNT LEVELS: The Company will modify the level of discounts every quarter to adjust for changes in the Customer's usage as well as any Rates changes which may have occurred.

CERTIFICATION/VERIFICATION Prior to enrollment in the CAP Rider, and then again every two years, customers must verify, to PECO's satisfaction, that their household income level meets the "Availability" standards set forth in this Rider. Customers being considered for the CAP Rider will be required to:

- Provide information sufficient to demonstrate to PECO their household income level.
- Waive certain privacy rights to enable PECO to effectively conduct the above certification process.
- Participate in energy reduction and conservation programs offered by PECO if identified as high-usage.

CAP customers are also encouraged to apply for a Low Income Home Energy Assistance Program ("LIHEAP") grant each LIHEAP season.

PECO may, at its sole discretion, supplement this verification process by using data from Commonwealth or federal government programs which demonstrate the income eligibility of its customers. Such data may come from a customer's participation in, or receipt of benefits from, the Low Income Home Energy Assistance Program, Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income, and Medicaid. Information available from the Pa. Department of Revenue may also be used where appropriate to expedite the process.

MINIMUM CHARGE. The minimum charge per month will be \$25, or if the customer can demonstrate exclusive non-house heating use the minimum charge will be \$10.

ARREARAGE.

Customers who qualify and are enrolled in CAP will have their pre-program arrearage ("PPA") forgiven if the customer pays his / her new, discounted CAP bill on time and in full each month. With every full and on-time monthly payment, one-twelfth of the PPA will be forgiven. PECO allows for customers who may have missed a PPA "forgiveness" due to late or missed payments to "catch-up" on missed forgivenesses. Whenever a customer brings their bill current during the initial 12-month period of PPA set-up, PECO will forgive any missed forgivenesses the customer did not receive during that time. If the customer brings their bill current after the 12-month period or beyond, PECO will forgive all missed forgivenesses.

Gas-Pa. P.U.C. No. 4
SUPERCEDES GAS PA P.U.C. NO. 3 AND ALL SUPPLEMENTS THERETO

R-2020-3018929 2/17/21 JK

PECO ENERGY COMPANY

GAS SERVICE TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 3.

Issued September 30, 2020

Effective November 29, 2020

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

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS - Original Page No. 6

Master Meter definition added.

COMPANY EQUIPMENT - Customer's Responsibility Rule 10.2 and 10.7 Original Page No. 16

Language added to align with electric tariff and also reflect current business practice.

SERVICE CONTINUITY – Rule 12.3 – Original Page No. 21

Language added to be consistent with the strict product liability language contained in the Company's electric tariff.

MEASUREMENT – Rule 14.6 – Original Page No. 22 and Original Page No. 23

This new provision is being added for clarity and consistency, as this telemetry requirement is already reflected in the Company's gas transportation services contract. Page 23 has been repaginated.

TESTING SERVICE – Rule 15.6 – Original Page No. 24

Revised the rule by deleting the term "in advance" and adding "at the Company's discretion" to allow greater flexibility for charging for special tests.

TERMINATION BY THE COMPANY – Rule 17.6, 17.7 and 18.3 – Original Page No. 27

Sentence is no longer applicable with Gas POR in place. Reconnection and Theft/Fraud Investigation Charge fees have been updated.

TCJA VOLUNTARY SURCHARGE – Original Page No. 37

Removed language which applied during the initial application of the FTAC mechanism starting in 2018 but is now obsolete. Added wording concerning final reconciliation of the TCJA.

PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)- Original Page No. 38

Revised to reflect the new energy efficiency spending target. Removed language that applied prior to 2011.

SALES SERVICE COSTS (SSC) - Original Page No. 39 and Original Page No. 40

Removed sentence that had reference to CGS and reference to Off Peak Use Rider. Removed reference of the "GANLC" – Gas Account Number Lookup Charge and removed throughout tariff. All associated costs were eliminated. Commodity Charges are changed to reflect updates to the Gas Procurement Charge and the Merchant Function Charge.

GAS PROCUREMENT CHARGE - Original Page No. 42

The Gas Procurement Charge is updated.

MERCHANT FUNCTION CHARGE - Original Page No. 43

Added Rate L/OL/MV to the Provisions for Recovery of Merchant Function Charges Section, Computation of Merchant Function Charge and the Write off Factor. Removed reference to the Excess Off-Peak Rider. The Merchant Function Charges and the write-off factors have been updated.

PRICE TO COMPARE – Original Page No. 43 and Original Page No. 44

The Prices to Compare have been updated to reflect changes to the Gas Procurement Charge and the Merchant Function Charges.

Distribution System Improvement Charge (DSIC) - Original Page No. 49

Reset rate to 0% due to rate case.

RATE GR - GENERAL SERVICE -RESIDENTIAL - Original Page No. 55

Distribution prices updated.

RATE GC - GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL - Original Page No. 56

Distribution prices updated.

RATE OL - OUTDOOR LIGHTING SERVICE - Original Page No. 57

Distribution prices updated.

RATE L - LARGE HIGH LOAD FACTOR SERVICE – Original Page No. 58

Updated VDC to align with current business practice. Distribution prices updated.

RATE MV-F MOTOR VEHICLE SERVICE-FIRM Original Page No. 60

Distribution prices updated.

RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE - Original Page No. 61

Added language in the QUALITY OF SERVICE section for clarity and consistency. Distribution prices updated.

RATE IS - INTERRUPTIBLE SERVICE - Original Page No. 63

Added language in the QUALITY OF SERVICE section for clarity and consistency.

RATE TCS TEMPERATURE CONTROLLED SERVICE – Original Page No. 65

Added language in the QUALITY OF SERVICE section for clarity and consistency.

LIST OF CHANGES MADE BY THIS SUPPLEMENT - continued**GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS – Original Page No. 69**

Rule 2.7 removed.

RATE TS-I GAS TRANSPORTATION SERVICE-INTERRUPTIBLE – Original Page No. 72

Added language in the QUALITY OF SERVICE section for clarity and consistency. Distribution prices updated.

RATE TS-F GAS TRANSPORTATION SERVICE-FIRM - Original Page No. 73

Distribution prices updated.

NEIGHBORHOOD GAS PILOT RIDER - Original Page No. 78

Rider is revised to reflect extension of the pilot program period by an additional five years from 7/1/2021 through 6/30/2026 with an increase in the budget to \$37.5M. Also reflects program related changes to several sections of the rider.

RATE CGS – Removed rate and references throughout tariff.

EXCESS OFF-PEAK USE RIDER - Removed rider and references throughout tariff.

PECO Energy Company

TABLE OF CONTENTS

Index of Communities Served..... 3
 How to Use Loose-Leaf Tariff..... 4
 Definition of Terms and Explanation of Abbreviations..... 5, 6, 7
RULES AND REGULATIONS:
 1. The Gas Service Tariff.....8
 2. Service Specifications.....9
 3. Customer's Installation10
 4. Application for Service.....11
 5. Credit.....12
 6. Service-Supply Facilities.....13
 7. Extensions.....13
 8. Rights-of-Way15
 9. Introduction of Service.....15
 10. Company Equipment.....16
 11. Tariff Options on Applications for Service17
 12. Service Continuity.....18
 13. Customer's Use of Service.....22
 14. Measurement22
 15. Tests.....24
 16. Payment Terms.....25
 17. Termination by the Company.....27
 18. Unfulfilled Contracts27
 19. Cancellation by Customer.....28
 20. General28
 21. Gas Choice Program Enrollment and/or Switching29
 22. Usage Data29
 23. Affiliated Marketer Standards of Conduct.....30
 24. Requests for Energy Efficiency Information33
 25. Creditworthiness of Natural Gas Supplier (NGS) Serving High Volume Transportation Customers..... 33
 STATE TAX ADJUSTMENT CLAUSE.....36
 TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE37
 UNIVERSAL SERVICE COST RECOVERY MECHANISM38
 SALES SERVICE COSTS - ("SSC") Section 1307(f) 39, 40, 41
 GAS PROCUREMENT CHARGE.....42
 MERCHANT FUNCTION CHARGE.....43, 44
 BALANCING SERVICE COSTS ("BSC")45, 46
 CONSUMER EDUCATION CHARGE (CEC)47
 PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC).....48
 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC).....49
RATES:
 Rate GR General Service - Residential.....55
 Rate GC General Service - Commercial and Industrial.....56
 Rate OL Outdoor Lighting.....57
 Rate L Large High Load Factor Service58
 Rate MV-F Motor Vehicle Service-Firm.....60
 Rate MV-I Motor Vehicle Service-Interruptible.....61
 Rate IS-Interruptible Service.....63
 Rate TCS-Temperature Controlled Service.....65
 Gas Transportation Service - General Terms and Conditions.....67, 68, 69, 70, 71
 Rate TS-I Gas Transportation Service - Interruptible72
 Rate TS-F Gas Transportation Service-Firm73
 Rate NGS – Negotiated Gas Service74
RIDERS:
 Applicability Index of Riders76
 Casualty Rider77
 Construction Rider.....77
 Neighborhood Gas Pilot Rider.....78
 Receivership Rider.....80
 Temporary Service Rider80
 Customer Assistance Program (CAP) Rider.....81

LIST OF COMMUNITIES SERVED

BUCKS COUNTY:

BOROUGHES: Bristol, Chalfont, Doylestown, Dublin, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Penndel, Telford, Tullytown, Yardley.

FIRST-CLASS TOWNSHIP: Bristol.

SECOND-CLASS TOWNSHIPS: Bedminster, Bensalem, Bridgeton, Buckingham, Doylestown, Falls, Hilltown, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Tinicum, Upper Makefield, Upper Southampton, Warminster, Warrington, Warwick, West Rockhill, Wrightstown.

CHESTER COUNTY:

CITY: Coatesville.

BOROUGHES: Atglen, Avondale, Downingtown, Elverson, Honey Brook, Kennett Square, Malvern, Modena, Oxford, Parkesburg, Phoenixville, South Coatesville, Spring City, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Caln.

SECOND-CLASS TOWNSHIPS: Birmingham, Charlestown, East Bradford, East Brandywine, East Caln, East Coventry, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Nottingham, East Pikeland, Easttown, East Vincent, East Whiteland, Elk, Franklin, Highland, Honey Brook, Kennett, London Britain, Londonderry, London Grove, Lower Oxford, New Garden, Newlin, New London, North Coventry, Penn, Pennsbury, Pocopson, Sadsbury, Schuylkill, South Coventry, Thornbury, Tredyffrin, Upper Oxford, Upper Uwchlan, Uwchlan, Valley, Wallace, Warwick, West Bradford, West Brandywine, West Caln, West Fallowfield, West Goshen, West Marlborough, West Nantmeal, West Nottingham, West Pikeland, West Sadsbury, Westtown, West Vincent, West Whiteland, Willistown.

DELAWARE COUNTY:

CITY: Chester.

BOROUGHES: Aldan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Haverford, Lansdowne, Marcus Hook, Media, Millbourne, Morton, Norwood, Parkside, Prospect Park, Radnor, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Lower Chichester, Marple, Nether Providence, Ridley, Springfield, Tinicum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Chadds Ford, Chester, Concord, Edgmont, Haverford, Middletown, Newtown, Radnor, Thornbury, Upper Providence,

LANCASTER COUNTY:

BOROUGH: Christiana

SECOND-CLASS TOWNSHIPS: Sadsbury, Salisbury.

MONTGOMERY COUNTY:

BOROUGHES: Ambler, Bridgeport, Bryn Athyn, Collegeville, Conshohocken, East Greenville, Green Lane, Hatboro, Hatfield, Jenkintown, Lansdale, Narbeth, Norristown, North Wales, Pennsburg, Pottstown, Red Hill, Rockledge, Royersford, Schwenksville, Souderton, Telford, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Merion, Lower Moreland, Lower Pottsgrove, Plymouth, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland, Upper Pottsgrove, West Norriton, West Pottsgrove.

SECOND-CLASS TOWNSHIPS: East Norriton, Franconia, Horsham, Limerick, Lower Frederick, Lower Gwynedd, Lower Providence, Lower Salford, Marlborough, Montgomery, Perkiomen, Salford, Skippack, Towamencin, Upper Frederick, Upper Hanover, Upper Merion, Upper Providence, Upper Salford, Whitmarsh, Whippen, Worcester.

HOW TO USE LOOSE LEAF-TARIFF

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page", consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2", "Original Page No. 3," etc.
2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.
3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No...," the second time as "Second Revised Page No. ..." etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.
4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example: If changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B." Subsequent reprints will be consecutively designated as "First Revised...", "Second Revised...", etc.
5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it is to supersede, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Aggregation Services Fee - A charge of 1¢/mcf applicable to all Low Volume Sales and Transportation Customers to be added to such Customers' Variable Distribution Service Charge effective January 1, 2001.

Available rate - A rate which may be obtained by a Customer if the use of service conforms to the character of service contemplated in the rate, and the Customer's location is such that this service can be supplied from existing facilities of the Company.

Bad credit (for deposit purposes) - A customer shall be deemed by the Company to have bad credit if the customer has been delinquent on payment of two consecutive bills or three or more bills in the last twelve billing cycles or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles. Industrial and commercial customers also shall be deemed by the Company to have bad credit if the customer is insolvent, (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has a class of publicly-traded debt outstanding that is rated to be below investment grade, or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles.

Balancing Service Cost or ("BSC") – Charge to all Low Volume Customers, both Sales and Transportation, included in Variable Distribution Charges, for fixed and variable storage costs for each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff, or the successors thereto.

British thermal unit (Btu) - The quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury at or near its point of maximum density. One Btu equals 252 calories, (gram), 778 foot-pounds, 1,055 joules or 0.293 watt hours

Ccf – 100 cubic feet. This is a measure of gas usage.

Chapter 56 – The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

Commodity Charge ("CC") – The "C" factor component of the Sales Service Cost representing the charge to Low Volume Sales Customers for purchased gas costs for each McF of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff, or the successors thereto.

Commission or PAPUC– The Pennsylvania Public Utility Commission.

Company – PECO Energy Company

Competition Act - the Natural Gas Choice and Competition Act, 66 Pa.C.S. §2201, et seq.

Competitive Natural Gas Supply - firm natural gas provided by an NGS to Low Volume Transportation Customers under the Company's Gas Choice program.

Consolidated NGDC Billing – Billing provided by the Company that contains both the Company's charges for its services and the NGS's separate charges for gas supply services.

Creditworthy - A creditworthy customer pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the PaPUC. To determine whether a customer is creditworthy with respect to a particular account, the Company will evaluate the customer's record of paying Company charges for all of the customer's other Company accounts, and may also take into consideration the customer's general credit.

cu. ft. - Cubic foot.

Customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. In addition, unless explicitly prohibited by the Public Utility Code or the Commission's Rules or Regulations, an NGS may act as an agent for a Customer upon written authorization to PECO Energy, which authorization may be included in the notice of NGS selection.

Daily quantity - The quantity of gas used in a 24-hour period beginning at 10:00 a.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use.

PECO Energy Company

Delivery point - That point at which the Customer's facilities are connected to the Company's facilities which is the first fitting after the outlet side of the meter connection.

Firm Service - Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

Fixed Distribution Service Charge – A charge to recover costs caused by the presence of the Low Volume Customer on the system, other than the costs associated with the Customer's usage.

Gas Choice – Program under which Suppliers provide Competitive Natural Gas Supply to Low Volume Transportation Customers.

Gas Cost Adjustment (“GCA”) Charge – The “E” factor component of the Sales Service Cost representing the net overcollection or undercollection of purchased gas costs, charged to Low Volume Sales Customers for each Mcf of Sales Service gas supplied under Rate Schedules GR, GC, CAP, OL L, and MV-F or the successors thereto.

High Volume Transportation (HVT) - PECO Energy's Gas program as administered by this tariff for Suppliers providing Competitive Natural Gas Supply to High Volume Transportation Customers.

High Volume Transportation Customers - Customers who purchase natural gas from an alternative Supplier under Rates Schedules TS-F, TS-I and/or the successors thereto, and not under the Company's Gas Choice program.

Holidays - Company holidays include: New Year's Day, Martin Luther King, Jr.'s Birthday, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving, Christmas, and Sundays

Initial Contract Term - The Customer's initial contract term, or in the case of transportation service, any renegotiation of an existing contract, for a service location shall be the Customer's first term of contract for service as specified under a given tariff rate or contract agreement to a location and shall also be the first term of contract after the Customer changes service at a location to a different rate, or in case of transportation service, any renegotiation of an existing contract.

Low Volume Customers – Customers served under Rate Schedules GR, GC, CAP, OL, L, and MV-F or successors thereto.

Low Volume Sales Customer – Low Volume Customers served under Rate Schedules GR, GC, CAP, OL, L, and MV-F who purchase their gas from the Company.

Low Volume Transportation Customers (“LVT Customers”) - Low Volume Customers who purchase Competitive Natural Gas Supply from a Supplier pursuant to the Company's Gas Choice program, under Rates Schedules GR, GC, OL, MV-F or the successors thereto, and not under Rate Schedules CAP, L, TCS, IS, MV-I, TS-F, TS-I, and/or the successors thereto.

Master Meter System - a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter (i.e. Master Meter) or by other means, such as by rents.

Mcf – 1,000 cubic feet. This is a measure of gas usage.

Month - A month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular consecutive meter readings dates of the Company's meter or meters installed on the Customer's premises.

Natural Gas Distribution Company (“NGDC”) - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

Natural Gas Supplier (“Supplier” or “NGS”) - A natural gas supplier as defined in 66 Pa.C.S. § 2202, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply to Low Volume Transportation Customers on the Company's system under the Company's Gas Choice program, to sell natural gas to Customers under Rates TCS, IS and/or MV-I or to sell natural gas to High Volume Transportation Customers under Rate Schedules TS-F, TS-I, and/or any other entity that takes title to gas as defined in 52 Pa. Code § 62.101

PECO Energy Company

Natural Gas Supplier Coordination Tariff – The Tariff, setting forth the basic requirements for interactions and coordination between the Company, as the natural gas distribution company, and Suppliers necessary for maintaining the delivery of Competitive Natural Gas Supply from Suppliers to their Low Volume Transportation Customers under the Company's Gas Choice program.

Principal Office - The Company's Main Office Building located at 2301 Market Street, Philadelphia, Pa. 19103.

Property line - The division line between land held in, or for, private use, and land in which the public or the Company has a right of use; or, the division line between separately owned or occupied land.

Sales Service Cost ("SSC") - Cost of commodity and non-storage interstate pipeline firm transportation capacity to delivery such commodity to the city gate for Low Volume Sales Customers.

Rate - The rates are CAP, GR, GC, OL, L, MV-F, MV-I, IS, TCS, TS-I, TS-F, and NGS or the successors thereto.

Separate NGS Billing ("Dual Billing") – Separate Billing by an NGS of its charges for gas supply service.

Service - The distribution of gas for use by the Customer, including all things done by the Company in connection with such distribution.

Service-Supply Pipe - The pipe extending from the Company's supply main to a metered delivery point or, in the case of installations comprised exclusively of outdoor gas lights, to the first such light.

Summary Billing Accounts - An aggregate bill prepared at the option of the Company for Customers with multiple accounts that are related within the same partnership, association, corporation or governmental agency.

Supplier of Last Resort Service ("SLR Service" or "Sales Service") - Natural gas supply service provided by the Company as supplier-of-last-resort to residential, small commercial, small industrial and essential human needs Customers who: (1) do not choose a Supplier or chose to be served by their supplier of last resort; (2) who are refused service by a Supplier; (3) whose Supplier has defaulted or exited the system; or (4) who return to SLR service after having obtained Competitive Natural Gas Supply.

System Maintenance Order ("SMO") – operational directive issued by the Company in its sole discretion to protect the operational integrity of its systems in terms of line pressure and adequacy of supply, which orders directly affect the quantity of gas to be delivered on the same gas day or other near-term gas days and may require a Customer or class of Customers, or a Customer's natural gas supplier or agent, to maintain, decrease or increase the quantity of natural gas delivered to the Company's system.

Tariff – This Gas Service Tariff comprising the rates, rules and regulations that apply to the distribution of natural gas, including all things done by the Company in connection with such distribution and/or the supply of natural gas under Supplier of Last Resort (Sales) Service.

Transportation Service – Natural gas supply service provided to HVT Customers, by an alternative Natural Gas Supplier as further detailed in Rule 1.1 of the Gas Transportation Service General Terms and Conditions Section of this Tariff.

Variable Distribution Service Charge – The variable charges on a Mcf basis for the provision of unbundled distribution service, including all things done by the Company in connection with such distribution service.

Volume Adjustment - the current adjustable factor applied to all rate classes to account for: a) reduction for system losses of 1.8% and b) thermal correction, the latter being determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot.

RULES AND REGULATIONS

1. THE GAS SERVICE TARIFF

1.1 FILING AND POSTING. A copy of this Tariff, which comprises the Rates, Rules and Regulations under which service and SLR (Sales) Service will be supplied to its Customers by PECO Energy Company, is on file with the Pennsylvania Public Utility Commission and is posted and open to inspection at the Principal Office of the Company. A copy of this Tariff also is available on the Company's website at: peco.com

1.2 REVISIONS. This Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the Pennsylvania "Public Utility Law", and such changes, when effective, shall have the same force as the present Tariff.

1.3 APPLICATION. The Tariff provisions apply to everyone lawfully receiving service from the Company, under the rates therein, and receipt of service shall constitute the receiver a Customer of the Company as the term is used herein, whether service is based upon contract, agreement, accepted signed application, or otherwise. A Customer will receive service under this Tariff effective with their first scheduled billing cycle beginning after July 1, 2000.

1.4 BASIS OF CHARGE. Time elapsed is a factor in the supply of service and the rates and minimum charges named in this Tariff, while predicated on periods of supply of not less than one year, are stated in values for direct application only to monthly periods of service provision and will be adjusted for application to service provided during other time intervals.

1.5 RULES AND REGULATIONS. The Rules and Regulations, filed as a part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate or rider provision. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service.

1.6 USE OF RIDERS. The terms governing the provision of service under a particular rate may be modified or amended only by the application of standard riders, filed as part of this Tariff.

1.7 STATEMENT BY AGENTS. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

RULES AND REGULATIONS - Continued

2. SERVICE SPECIFICATIONS

2.1 CHARACTER. This Tariff applies only to the distribution and/or supply of natural gas, or its equivalent. Supply pressures will be limited in accordance with Company specifications.

2.2 SINGLE-POINT DELIVERY. The rates named in this Tariff are based upon the Company's distribution and/or supply through a single delivery point. Separate distribution and/or supply for the same Customer at other points of delivery shall be billed separately unless otherwise specifically provided for under a rate or rider statement.

2.3 SINGLE-POINT AVAILABILITY. Service delivered at a single point is available to one or more buildings or units devoted essentially to a single purpose, provided and so long as:

a. Such buildings or units are:

- (1) held, possessed, and either utilized or operated as a single establishment by a single responsible entity, and
- (2) unified on the basis of family, business, industry, enterprise, or governmental agency or through conveniences and services, such as heat, elevator, janitor, care of halls, walks and lawns, etc., furnished by such entity, and
- (3) situated on a single or on contiguous land parcels except where such buildings or units constitute interdependent parts of a single industrial enterprise. In determining "contiguity" hereunder of parcels abutting opposite sides of public or private ways, the boundaries of such parcels shall be considered as extending to the center of such ways.

b. There is granted and maintained to the Company easement or other rights, adequate in the Company's reasonable judgment to supply service direct to any such buildings or units if, as and when a cessation of any one or more of the conditions stated in paragraph lettered "a" above should occur, or there should arise in any manner a Company duty of such direct supply.

c. The distribution and other facilities on the Customer's side of the delivery point are:

- (1) furnished, installed and maintained at the expense of the Customer, and
- (2) owned or leased by the Customer, and
- (3) operated and controlled by or at the expense of the Customer.

d. The Company is under no legal obligation of direct supply to any portion of said buildings or units or their appurtenances.

e. A guarantee by deposit or otherwise is given and maintained to the Company sufficient in its reasonable judgment to insure it against loss in distribution and other investment in the event of change in the nature of holding and possession of such buildings or units, or in the occupancy thereof, or in the type of service delivered thereto.

f. All utilization equipment on the Customer's side of the Company delivery point is furnished, installed, operated and maintained by the operator of the buildings or units supplied or by the tenants of such operator whose use of gas is dependent upon the single point delivery and metering of service.

g. Any use of public highways by such operator for the latter's distribution facilities does not conflict or interfere with the franchise rights of the Company.

2.4 COMPLIANCE WITH AVAILABILITY. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate or rider under which service is supplied.

2.5 COMPLIANCE WITH BUILDING ENERGY CONSERVATION ACT STANDARDS. Prior to furnishing permanent residential service for heating or cooling purposes to new residential buildings, a copy of the Compliance Certification from the Pennsylvania Department of Community Affairs indicating proof of compliance with, or exemption from, the insulation standards set forth in the Building Energy Conservation Act and the regulations promulgated thereunder, will be required for residential buildings located in municipalities that have not elected to administer the Act.

RULES AND REGULATIONS - Continued**3. CUSTOMER'S INSTALLATION**

3.1 INFORMATION FROM APPLICANT FOR SERVICE. The Company should be advised by the applicant for service in writing, preferably on a form supplied by the Company, of premises to be equipped for gas, giving exact location, and details of all gas appliances to be installed.

The applicant for service shall supply the Company information regarding potential or actual contamination, waste or other materials or other adverse environmental conditions on the Customer's premises on or near where the Company facilities are to be located. The Customer has a continuing obligation to provide the Company with copies of any environmental assessment relating to the premises. The Company also has a continuing right to inspect the Customer's premises for the purposes of performing an environmental assessment.

3.2 DELIVERY POINT. The Company will designate in writing, upon request, a satisfactory point at which the Customer shall terminate the Customer's piping for connection to the facilities of the Company. The failure to request and obtain such information may result in refusal of service pending rearrangement of Customer's facilities, but the designation of a termination point does not constitute an agreement or obligation on the part of the Company to furnish service.

In establishing a point of delivery, the Company has the right to avoid areas known or suspected to contain contamination waste or other materials or other adverse environmental conditions.

The Company may waive this right upon agreement from the Customer or applicant to indemnify, defend and hold harmless the Company (its successors, assigns, trustees, officers, employees and agents) from and against all actions, causes of action, claims and demands whatsoever, and from all costs, damages, expenses, losses, charges, debts and liabilities whatsoever (including attorney's fees), whether known or unknown, present or future, that arise from such conditions. This indemnification provision shall survive the termination or expiration of this Agreement and the termination of the business relationship of the parties hereto.

3.3 METER LOCATION. There shall be provided, free of expense to the Company, at a location outdoors, unless otherwise designated by the Company, which the Company will designate in writing upon request, a suitable place for the regulator or regulators, meter or meters, and any other supply, protective or control equipment of the Company which may be required in the delivery of gas service. Meters and regulators must be located outside and above ground in accordance with 52 Pa. Code § 59.18. However, meters and service regulators cannot be installed in locations specified in 52 Pa. Code § 59.18(a)(8)(i-vi). Inside meter and service regulator locations shall be considered by the Company, but only in accordance with the exceptions contained in 52 Pa. Code § 59.18(d). The Company may also consider other meter or regulator locations (such as a specially constructed cabinet recessed in the building wall, sealed from inside the building and vented to and accessible from outside the building) per 52 PA Code § 59.18(e). The customer shall provide access and space, in an amount deemed necessary by the Company, to install and maintain its meter(s) and equipment. This location shall be convenient, unimpeded and easily accessible to the Company's employees, contactors and agents. The Customer shall also minimize any risk for damage and/or harm to the Company's employees, contractors, agents and equipment at the meter location. There also must not be any impediment or obstruction of the Company's ability to receive, an adequate communication signal from its meter(s) for remote reading purposes. The meter(s) location also shall be situated so that the meter(s) are not concealed, but shall be situated in a manner acceptable to the Company.

3.4 NONSTANDARD SERVICE. The Customer shall pay the cost of any special installation necessary to meet any peculiar requirements for service.

The Customer shall pay all costs to the Company of performing environmental assessments, including consultant costs and the costs of removal and disposal of hazardous materials associated with either the initial installation of service, modifications to the service or repair and maintenance of service.

3.5 REVERSE FLOW. The Customer may be required to install check-valves, or other devices, to prevent compressed air or other gases from entering the Company's mains.

3.6 EXCESS FLOW VALVES ("EFVs") At the request of a customer who qualifies for installation of an Excess Flow Valve (EFV) pursuant to 49 C.F.R. § 192.383, the Company will install an EFV at the customer's expense. Eligible customers who request installation of an EFV on existing service lines must pay the installation costs before any work begins.

RULES AND REGULATIONS - Continued**4. APPLICATION FOR SERVICE**

4.1 PLACE OF APPLICATION. Applications for service may be made at any commercial office of the Company or, in some cases, over the telephone.

4.2 SERVICE CONTRACT. Every applicant for service may be required to sign a contract, agreement, or other form, then in use by the Company, covering the special circumstances of the use of gas, and shall abide by these Rules and Regulations and the standard requirements of the Company.

4.3 CONTRACT DATA. The application shall contain a statement of the premises to be served, the rate under which service is desired, and such conditions or riders as are applicable to the special circumstances of the case.

4.4 RIGHT TO REJECT. The Company may place limitations on the amount and character of service it will supply or may reject applications for service not available under a standard rate, or which might affect the supply of service to other Customers, or to be delivered at a location which involves excessive cost; for bad credit; for the applicant's failure to provide identifying documentation; when an applicant's self-identification cannot be verified; or for other good and sufficient reasons. Customer can be denied SLR (Sales) Service or new service for failure to pay an NGS's charges.

The Company has the right to restrict service to only those locations which will not expose the Company to liability for known or suspected contaminated waste or materials or other adverse environmental conditions.

4.5 ACCEPTANCE. When an application is accepted, or when service is supplied according thereto either without modification or with supplemental agreement, it constitutes the contract between the Customer and the Company, subject to the Rules and Regulations.

4.6 SPECIAL CONTRACTS. Standard contracts shall be for terms as specified in the statement of the rate, but where large or special investment is necessary for the supply of service, or where service is to be used for an emergency or temporary replacement of another method of operation, contracts of longer term than specified in the rate, or with special guarantees of revenue, or both, may be required.

4.7 UNAUTHORIZED USE. Unauthorized connection to the Company's service-supply facilities, and/or unauthorized use of utility service, may be terminated by the Company without notice. Unauthorized use of utility service means unreasonable interference or diversion of service, including meter tampering any act which affects the proper registration of service through a meter, by-passing (unmetered service that flows through a device connected between a service line and Customer-owned facilities), and unauthorized service restoral. In cases of tampering or by-passing, the use of service without notifying the Company and enabling it to read its meter will render the user liable for any amount due for service supplied to the premises from the time of the last reading of the meter, immediately preceding the Customer's occupancy, as shown by the Company's books.

4.8 WITHDRAWAL OF APPLICATION BY NON-RESIDENTIAL CUSTOMERS. In the event the Customer or potential Customer withdraws, in whole or in part, an application for either new or modified service, the Customer will reimburse the Company for all reasonable costs incurred by the Company in anticipation of supplying the new or modified service where such costs were described by the Company to the Customer at or before the time application was made. This provision does not apply to individual residential service applicants.

RULES AND REGULATIONS - Continued

5. CREDIT

5.1 PAYMENT OBLIGATION. The provision of service for any purpose, at any location, is contingent upon payment of all charges provided for in this Tariff as applicable to the location and the character of service.

5.2 PRIOR DEBTS. Service will not be furnished to applicants or former customers until any indebtedness to the Company for previous service of the same or similar classification has been satisfied or a payment arrangement has been made on the debt. The Company may, at its discretion, determine liability for prior debts or past due balances by: (1) the use of company records that contain information provided to the Company; (2) information contained on a valid mortgage, lease, deed or renter's license; (3) the use of commercially available public records databases; (4) Government and property ownership records. This rule does not apply to the disputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed; and (4) the customer nevertheless continues to dispute the same matter in bad faith.

5.3 GUARANTEE OF PAYMENTS. The Company may charge a security deposit before it will render service to an applicant or before the Company will continue to render service to a customer for whom the Company provides Consolidated EDC Billing or Separate EDC Billing. The Company may charge deposits to applicants and customers if they have bad credit, lack creditworthiness or as otherwise permitted by Commission statutes, rules, regulations, and as required by Federal Bankruptcy Law. The applicant or customer may be required to provide a cash deposit, letter of credit, surety bond, or other guarantee, satisfactory to the Company. The Company will hold the deposit as security for the payment of final bills and in compliance with the Company's Rules and Regulations. In addition, the Company may require industrial and commercial customers to post a deposit at any time if the Company determines that the customer is no longer creditworthy or has bad credit or as otherwise permitted by Commission statutes, rules, regulations and as required by Federal Bankruptcy Law. The Company retains the right to charge customers additional deposits based upon continued bad credit or lack of creditworthiness and increased usage.

5.4 AMOUNT OF DEPOSIT. For residential customers the deposit will be equal to one-sixth of the applicant's or customer's estimated annual bill for Company charges, based on applicable rates. A deposit from a residential customer shall conform to the requirements of 66 Pa. C.S. 1404(c) and applicable Pennsylvania Public Utility Commission regulations. For industrial and commercial accounts, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

5.5 RETURN OF DEPOSIT Deposits secured from a residential Customer shall be returned with accrued interest, in accordance with 66 Pa. C.S. §1404(C) and applicable Pennsylvania Public Utility Commission regulations. In cases of discontinuance of service, deposits will be returned with accrued interest upon payment of all service charges and guarantees or with deduction of unpaid accounts. Effective July 1, 2011, PECO will return the deposit on a non-residential account if the account was assessed fewer than two late payments in the previous 24 months. The first annual review of the customer's payment status will occur 24 months after the initial deposit date. Any residential or commercial customer having secured the return of a deposit may be required to make another deposit, in accordance with Commission statutes, regulations, or Federal Bankruptcy Law, if the Customer demonstrates bad credit or lacks creditworthiness subsequent to the return of the initial deposit.

5.6 INTEREST ON DEPOSIT. The Company will allow simple interest on cash deposits calculated as follows:

- (1) with respect to residential accounts:
 - (a) interest accrued prior to December 14, 2004, at an annual rate determined by the average of the 1-Year Treasury Bills for September, October and November of the previous year ("Interest Index");
 - (b) interest accrued on or after December 14, 2004, at an annual rate determined by the legal rate of interest pursuant to 66 Pa. C.S.A. § 1404(C)(6);
- (2) with respect to commercial and industrial accounts, at the lower of the Interest Index or six percent; provided that interest accrued prior to April 14, 1995 shall be calculated at six percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

5.7 CREDIT INFORMATION.

CUSTOMERS: In addition to information required otherwise hereunder, customers for whom the Company provides Consolidated NGDC Billing or Separate NGDC Billing shall be required to provide to the Company with such credit information, as the Company requires. The Company may report to a national credit bureau on credit history associated with past due amounts.

APPLICANTS: The Company's credit and application procedures for applicants are as follows: (1) positive identification of applicant obtained from previous customer record or through one of the major credit reporting bureaus or through in-person identification; (2) determination of liability for a past due balance; (3) determination if a deposit is required based upon applicant's previous account history if available or through third party credit scoring of applicant.

The Company's credit scoring methodology and standards are as follows: The Company uses a commercially recognized credit scoring methodology that is within the range of generally accepted industry practice. The applicant's or customer's utility payment history determines the credit score. The Company uses this customer-specific credit score to either request or waive a security deposit.

RULES AND REGULATIONS - Continued

6. SERVICE-SUPPLY FACILITIES

6.1 COMPANY'S SERVICE-SUPPLY PIPE. The Company will install, own and maintain the required service-supply pipe with Company participation in the cost of installation determined by the Company in accordance with Section 7 Extensions.

6.2 SERVICE-SUPPLY ALTERATIONS. Changes in location of service-supply pipe, or meter and connections, for the accommodation of the Customer, shall be at the expense of the Customer. A customer or building owner requesting that a meter or regulator be moved shall pay the costs associated with relocation when the meter and regulator are currently situated in a suitable location under State and Federal regulations per PA 52 Code § 59.18(a)(11).

6.3 STUB-SERVICE PIPE. When supply mains are in place, service-supply pipe to a point beyond the curb line may be installed, at the option of the Company, ahead of paving, providing the owners of the abutting property shall request and pay for such stub-service pipe. The cost of any such stub-service pipe may be refunded to the Customer over a term of years, upon such basis or condition as may be determined by the Company and specified in the contract for service.

6.4 METERS AND REGULATORS. The Company will provide, own and maintain any meter or meters, regulator or regulators, required in the supply of service.

7. EXTENSIONS

7.1 SUPPLY MAIN CONSTRUCTION. The Company will install, own and maintain gas supply mains located on the highway or on rights-of-way acquired by the Company and used or usable as part of the Company's general supply system.

7.2 OBLIGATION TO EXTEND. Subject to the terms set forth herein, the Company will extend its facilities to a new point of delivery without charge to a potential customer making a valid request for natural gas service. For additional details see Section 7.3, Service Pipe and Main Extension Policy.

7.3 SERVICE PIPE AND MAIN EXTENSION POLICY. When gas is available for sale to new customers under one of the Company's firm sales or transportation rate schedules, main and service facilities will be extended to an applicant in accordance with the following provisions:

A. General Economic Test. For firm service customers the Company will make a capital investment in the total cost of new main and service facilities to serve the customer (including, but not limited to, allocated overheads and related system modifications) when the net present value (NPV) from a proposed project is greater than or equal to zero. Net present value shall be calculated based on the capital investment, exclusive of the costs of meter and meter installation, required to serve the applicant(s) and the estimated base annual revenues (EBAR) generated from the applicant(s). The "EBAR" shall be calculated by multiplying the applicable Variable Distribution Charge rate (excluding any applicable gross receipts tax or certain fixed TCS costs) times the estimated annual consumption, plus the portion of annualized Fixed Distribution Charge attributable to service line capital costs. In calculating the NPV, the following assumptions will be made: 1) a 40 year evaluation period, 2) the discount rate shall be the Company's after-tax cost of capital, 3) revenue shall be assumed to be collected throughout the year, and 4) capital is assumed to be invested at the beginning of the year. If the proposed project has a negative NPV, the Customer shall make a payment to bring the net present value to a zero value. This will enable the proposed project to support a reasonable rate of return to the Company.

B. Developments. Payments shall be required in advance for all lot developments. If a payment is required, the amount of payment shall be based on the General Economic Test set forth in Section 7.3A, and shall incorporate known gas applications in buildings under construction or buildings not yet under construction but which are expected to be fully constructed within a five year period from the date of the original contract signing. This requirement may alternatively be satisfied by payment of at least 35 percent of the required contribution upon execution of the service agreement with the remainder subject to payment bond and interest (at prime rate) and is due no later than 6 months after PECO certifies, in writing, that service is available to the development. At the time of execution of the service agreement, the developer shall also post a letter of credit, surety bond, or other security, satisfactory to the Company equal to 50% of the value of the revenue stream as calculated by the Company under Section 7.3A. If the developer does not fully develop the lots within five years, including, but not limited to, installing all required appliances and flowing natural gas to them, the Company reserves the right to use the security as payment for the contract amount. Lot developments are defined as tracts subdivided for sale as individual lots or groups of lots to more than one builder or buyer.

C. Interruptible Service Installations. The Company will make a capital investment in the total cost of new main, service facilities and dual fuel installations, (including, but not limited to allocated overheads and related system modifications) to serve Customers with interruptible service installations, up to an amount equal to three times the additional Estimated Base Annual Revenue (EBAR) attributable to the Customer. The Customer shall pay the cost, if any, in excess of the above limit exclusive of the costs of the meter and, meter installation.

D. After-tax cost of capital (discount rate) shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

7.4 EXTENSION REFUNDS. Upon receipt of a written request by a Customer or developer made no earlier than the end of the third year following the date of an agreement for new gas service, PECO will: (a) review its records to determine if a refund is due the customer or the developer for additional customers beyond those used to calculate the projected revenue stream as determined in the General Economic Test above that attached to the facilities paid for by the customer or the developer within three (3) years after the execution date of the agreement for new gas service, and (b) within sixty (60) days of receipt of such request, (i) make payment to the customer or developer of any refund due and (ii) provide the customer or developer with documentation substantiating the refund calculations and identifying the attached loads for which the developer was credited. Customer or developer contributions may be refunded if, within three years of the date of the service agreement, new loads are added to facilities paid for by the contributing Customer or developer. Revenue and cost computations shall simulate that the original and new loads were installed at the same time. Refunds will be paid only to the contributing Customer or developer, and the original contribution shall be the maximum refund.

PECO Energy Company

7.5 TAX ACCOUNTING OF CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES. All contributions in aid of construction (CIAC), customer advances or other like payments received by the Company shall constitute taxable income as defined by the Internal Revenue Service. The income taxes on such CIAC or customer advances will be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with CIAC or customer advances will not be charged to the specific contributor of the capital.

RULES AND REGULATIONS - Continued**8. RIGHTS-OF-WAY**

8.1 TERM AND RENTALS. When the premises of a Customer is so located that the Customer can be served only by facilities extending over the property of another, the Customer shall accept service for such term as is provided in the permit or agreement covering the location and the maintenance of service equipment, and the Customer shall reimburse Company for any and all special or rental charges that may be made for such rights by said permit or agreement.

8.2 PROCUREMENT BY CUSTOMER. Customers applying for the construction of an extension may be required to secure to, and for, the Company, all necessary and convenient rights-of-way and to pay the costs incident thereto.

8.3 DELAYS. Applications for service from an extension to be constructed where a right-of-way is not owned by the Company will only be accepted subject to delays incident to obtaining a satisfactory right-of-way.

9. INTRODUCTION OF SERVICE

9.1 COMPANY'S RIGHT TO INSPECT. The Company shall have the right, but shall not be obliged, to inspect any installation before service is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects in the installation, piping, or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the Customer.

9.2 DEFECTIVE INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's installation is defective, or does not comply with such reasonable requirements as may be necessary for safety, or is in violation of the Company's standard requirements.

9.3 UNSATISFACTORY INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's equipment, or use thereof, might injuriously affect the equipment of the Company, or the Company's service to other Customers.

9.4 INITIAL SERVICE. In all cases gas shall be introduced to the Customer's installation by, or under the supervision of, a representative of the Company.

RULES AND REGULATIONS - Continued**10. COMPANY EQUIPMENT**

10.1 COMPANY MAINTENANCE. The Company shall keep in repair and maintain its own property installed on the premises of the Customer.

10.2 CUSTOMER'S RESPONSIBILITY. The Customer shall be responsible for safekeeping of the Company's property while on the Customer's premises. In event of injury or destruction of any such property the Customer shall pay the costs of repairs and replacement. Any changes made to the Customer's premises after the Company completes its service and meter installation that, in the opinion of the Company, creates an unsafe condition, shall be the Customer's responsibility to pay any costs associated with remedying the unsafe condition including but not limited to any required protective measures and/or relocations of Company property. Customers with privately owned or operated underground utility facilities on their premises may have obligations as facility owners under the Underground Utility Line Protection Act, 73 P.S. Section 176 et. seq. These include becoming a member of Pennsylvania One Call, maintaining said facilities, and providing approximate locations of said facilities with temporary markings within the required time period in response to Pennsylvania One Call notifications. Customers should create and retain as-built drawings reflecting the locations of said facilities on the premises and revise these drawings as necessary to reflect any changes made following installation. If said facilities are insufficiently marked prior to the lawful start date of any Company excavation or construction work, the Company has the right to require the associated customer to bear all incremental costs necessary to ensure safe digging by the Company, including but not limited to subsurface utility excavation and engineering, materials, supplies, transportation, labor, and overhead. If 1) said facilities are insufficiently marked prior to the lawful start date of any Company excavation or construction work or 2) the Company is unable to notify a facility owner of its intent for excavation or similar work covered under the Act because the facility owner is not a member of the Pennsylvania One Call system, the Company shall not be liable to customers or any other third parties for any damages, including property damage, economic damages, costs, associated consequential damages or personal injuries.

10.3 PROTECTION BY CUSTOMER. The Customer shall protect the equipment of the Company on the Customer's premises, and shall not permit any person, except a Company employee having a standard badge of the Company or other Company identification, to break any seals upon, or do any work on, any meter, service-supply pipe or other equipment of the Company located on the Customer's premises.

10.4 TAMPERING. In the event of the Company's meters or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations.

10.5 RIGHT OF ACCESS. The Company's identified employees shall have access to the premises of the Customer at all reasonable times for the purpose of reading meters and disconnecting service, and for installing, testing, inspecting, repairing, removing or changing any or all equipment belonging to the Company.

10.6 OWNERSHIP AND REMOVAL. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the Customer at any time after the termination of service from whatever cause.

10.7 RELOCATION OF COMPANY FACILITIES REQUESTED BY NON-RESIDENTIAL PROPERTY OWNERS. Except as otherwise provided by law (e.g., 66 Pa. C.S. Section 2704 et seq.), a non-residential property owner, such as a builder, developer or contractor (Owner), shall compensate the Company for the costs of relocation of Company facilities or equipment, made for the accommodation of the Owner or in fulfillment of the Owner's obligation to any public authority.

If the facility relocation is made to accommodate the Owner's project or in fulfillment of the Owner's obligation to any public authority, then the Owner shall be responsible to pay PECO for the relocation costs even if the relocation request is made by an entity other than the Owner. A request for relocation of Company facilities shall be in writing. The relocation cost shall include labor (including overhead), materials, storeroom expense and transportation, less the depreciated value of any equipment replaced.

Where the relocation is done in conjunction with construction of a supply line to a development, the Company shall include in the relocation cost those costs caused by the Owner's request. Such relocation costs are not part of the capital investment toward supplying service and are, therefore, not included in the revenue test with which the line extension contribution is calculated.

The Company will notify the Owner in writing of the relocation cost. Advance payment of relocation costs will be required before the Company will commence the work, except, at the sole discretion of the Company, under special circumstances.

10.8 RECOVERY FOR PROPERTY DAMAGE. If Company equipment is damaged through the negligence or intentional act(s) of any individual(s) or entity(s), the one(s) responsible for causing the damage shall reimburse the Company for all aspects of the resulting damages. The reimbursement shall include costs related to: labor, material, transportation and tools. "Labor" shall include benefit and administrative overheads based on the Company's current standard schedule, including third party contract repairs or modifications. Additionally, "Labor" may be calculated using a "blended" or average pay rate consistent with the above referenced standards. "Materials" may include an added stores expense calculated using the above referenced standards.

RULES AND REGULATIONS - Continued

11. TARIFF OPTIONS ON APPLICATIONS FOR SERVICE

11.1 CHOICE OF RATE. Where the classes of service-supply or conditions of use are such that two or more rates are available, an applicant shall select the rate or rates to be applied to the applicant's service.

11.2 COMPANY ASSISTANCE. The Company upon request will, to a reasonable extent, assist an applicant in selecting the most advantageous rate or rate application.

11.3 RATE CHANGES. A Customer may not change rates during the "initial contract term" as defined in the "Definition of Terms and Explanation of Abbreviations" section above. At any other time, a Customer may change to a rate for which the Customer qualifies upon 30 days notice to the Company. The new rate will be effective the next meter reading date after Company approval.

The Company will not make any rate change retroactive, unless the Company failed to adequately respond to a Customer's request for assistance or modification at the time of such request.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY**

12.1 REGULARITY OF SUPPLY. The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service.

12.2 CURTAILMENT OF SERVICE.

a. Authority to Curtail. In the event of a natural gas emergency, the Company may curtail the availability of natural gas service to its Customers in accordance with this Rule 12.2.

b. Priority of Service. Following are the service priority categories listed in descending order of priority (highest to lowest):

Priority 1

(1) Residential and firm critical commercial essential human needs.

Priority 2

(2) Firm small commercial requirements, excluding critical essential human needs requirements in Category 1, and firm large commercial and industrial requirements for plant protection.

(3) Firm small industrial requirements.

(4) Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in Category 1.

(5) Firm large non-critical commercial and industrial requirements other than requirements for boiler fuel use.

(6) Firm large non-critical commercial and industrial requirements for boiler fuel use.

Priority 3

(7) Contractually interruptible use.

c. Definitions Applicable. The definition for terms used in the Curtailment of Service Rule are as follows:

(1) Alternate Fuel Capability. The installed and operable ability to use any fuel other than natural gas on a time sensitive basis. For purposes of this definition, alternate fuel means any fuel other than natural gas or its equivalent.

(2) Commercial Use. Gas usage by Customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies and shall include Customers in Standard Industrial Classification Codes 01 through 09, 15 through 19, and 49 through 99. Commercial use shall not include use of gas for manufacturing or electric power generation.

(3) Critical Use. Gas usage where natural gas, or its equivalent, is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.

(4) Essential Human Needs Use. Gas usage in any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals, and nursing homes, where the Customer does not have alternate fuel capability.

(5) Firm Service. Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

(6) Industrial Use. Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power and shall include Customers in Standard Industrial Classification Codes 10 through 14 and 20 through 39.

(7) Interruptible Service. Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY – Continued**

- (8) Large Customer. A customer with annual usage of at least 18,000 Mcf during the prior calendar year.
 - (9) Natural Gas Emergency. Whenever the aggregate demand of firm service customers on the Company's system or portion of the Company's system, for any reason, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity or the ability of the Company to satisfy the demand requirements of its Priority 1 Customers (including when continued delivery of gas to Customers would prevent the Company to arrange for the injection of gas into underground storage pools necessary for the protection of winter season supply requirements).
 - (10) Non-Critical Use. Gas usage where natural gas is not the only feasible form of energy; i.e., where the Customer has alternate fuel capability.
 - (11) Small Customer. A customer with annual usage of less than 18,000 Mcf during the prior calendar year.
 - (12) System Maintenance Order ("SMO") – as defined in the definitions section of the tariff.
 - (13) Plant Protection Use. Minimum usage of natural gas required to prevent physical harm to an industrial or commercial customer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternative fuel. Plant protection requirements includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
 - (14) Residential Use. Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.
- d. Curtailment Process.
- (1) Reservation of Company Right to Curtail. The Company reserves the right to reduce or eliminate the availability of firm natural gas service to Customers during a natural gas emergency, on a system-wide or localized basis ("curtailment"), when, in the Company's sole judgment, curtailment of natural gas service is necessary to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets. When necessary, the Company may curtail service to Priority 1 customers.
 - (2) Pre-Curtailment Procedures. To avoid curtailment of service, the Company will use reasonable business and operational efforts to interrupt all Priority 3 services; issue appropriate system maintenance orders (SMO) to HVT and LVT Customers, their Natural Gas Suppliers or other agents; and/or request customers to institute voluntary usage reductions.
 - (3) Curtailment Directive. In the event that Pre-Curtailment Procedures are not practicable or fail to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, the Company may issue a curtailment directive. The curtailment directive should be reasonably well-tailored by the Company to require Customers of lower priority services to reduce usage by an amount calculated by the Company, as necessary to minimize the potential threat to public health and safety and to minimize the effect of a natural gas emergency on the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, but may be issued without regard to priorities of service. During the period specified by the curtailment directive, Customers directed to curtail usage must comply with the directive or face physical shut-off by the Company and/or the assessment of penalties elsewhere set forth in this Rule 12.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY – Continued**

- (4) **Curtailment Sequence.** Curtailment of a customer class of a higher priority shall not be initiated until all Customers falling into the lower classifications have been completely curtailed. Where only partial curtailment of any one classification is required, customer usage should be reduced pro rata to the extent reasonably possible. As applied to High Volume Transportation Customers served under Rate TS-F, pro rata reductions will be based on a percentage of the Customer's Transportation Contract Quantity unless the Customer has alternative fuel capability. If the Customer has alternative fuel capability, a pro rata reduction shall be based on a percentage of the Customer's Transportation Contract Quantity less the daily alternative fuel capability. The Company shall restore service as soon as practicable to any gas-fired generation facility that is deemed critical to electric system reliability by the applicable electrical system's control area operator.
- (5) **Customer Notification.** The Company shall provide maximum notice possible of a curtailment directive or of a change in curtailment amount or priority level set forth in a curtailment directive. In the curtailment directive, the Company shall specify the authorized consumption for a specified period or until further notice. The Company reserves the right to provide notice by any reasonable means, including by telephone, pager, e-mail, facsimile or personal contact. If such notice is by telephone, then it will be followed by a written notice to the Customer, specifying the Customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement, as the case may be. An emergency curtailment may be made after oral notice to the Customer, effective when so given, but such oral notice will be confirmed in writing within 48 hours.
- (6) **Commission Notification.** The Company shall notify the Commission as soon as practicable after the issuance of a curtailment directive.
- (7) **Curtailment Directive Exceeding 5 Days.** The Company must obtain Commission authorization before it may extend a curtailment directive beyond a maximum duration of 5 business days. Business days shall be all days except Saturdays, Sundays, and federal holidays.
- (8) **Natural Gas Emergency Plan.** This Rule 12 is supplemented by Company procedures referenced in the Company's Natural Gas Emergency Plan filed by the Company in compliance with Commission Regulations, 52 Pa. Code § 59.63 and 59.71 et seq., and such procedures may be modified from time to time.

e. Unauthorized Use.

- (1) **Penalties.** A Customer determined to have used natural gas in violation of a SMO issued pursuant to Rule 12.2.d(3) or a curtailment directive issued by the Company ("unauthorized use") shall pay the Company a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Also, included will be the actual, additional cost incurred by the Company as a result of such unauthorized gas usage, as reasonably determined by the Company.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-Non NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

- (2) **Disposition of Penalties.** As of December 31 of each year, the Company shall subtract the total of all penalties paid that year to the Company's suppliers from penalties collected that year from Customers. The Company will then distribute all remaining penalties collected by the Company to its curtailed Customers who did not incur penalties under e(i) above.
- (3) To determine the amount of reimbursement due a Customer, the total amount to be redistributed shall be divided by the total volume of sales during the twelve-month period to all Customers eligible for reimbursement. This quotient shall represent the factor, which when multiplied by an eligible Customer's total purchase volume during the twelve-month period will equal the amount to be credited to that Customer. However, no reimbursement shall be made to Customers who have terminated service during the year.
- (4) The Company will make periodic reports to the Commission containing itemized statements, status of penalty accounts and the extent and nature of disbursements from such accounts made during that period.

RULES AND REGULATIONS – Continued**12. SERVICE CONTINUITY - Continued**

12.3 LIMITATION OF LIABILITY. Should the supply of service be curtailed or interrupted by the Company because of gas shortage, or for the purpose of making repairs, changes or improvements, in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted, curtailed or fail, by reason of accident, weather, strike, legal process, state or municipal interference, or any cause whatsoever the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure unless such interruption or failure resulted from the Company's wanton or willful misconduct. If the supply of service to a firm service Customer is interrupted for more than seven consecutive days as a result of the Company's wanton or willful misconduct, the Customer's bill will be prorated for the month during which this interruption occurs.

In all other circumstances, including but not limited to failure to furnish a sufficient supply of gas or failure to transport the customer's gas to the customer, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to equipment and appliances, loss of business, or loss of production caused by any interruption or variation in supply or pressure, or any other failure in the supply of natural gas shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of \$1000 or two times the charge to the customer for the service affected during the period in which such interruption or variation in supply or pressure, or any other failure in the supply of natural gas occurs.

The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

12.4 ADDITIONAL LIMITATIONS OF LIABILITY IN CONNECTION WITH CUSTOMER CHOICE. Other than its duty to deliver natural gas, the Company shall have no other duty or liability to a Customer receiving Competitive Natural Gas Supply arising out of or relating to a contract or other relationship between such Customer and an NGS. The Company shall implement Low Volume Customer selection of an NGS consistent with applicable rules of the Commission and shall have no liability to a Low Volume Customer receiving Competitive Natural Gas Supply arising out of or relating to switching NGSs unless the Company is negligent in switching or failing to switch a Customer. The Company shall have no duty or liability with respect to natural gas before it is delivered by an NGS to a point of delivery on the Company's distribution system. After its receipt of natural gas at the point of delivery the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Natural Gas Supply as to those purchasing natural gas from the Company.

12.5 NOTICE OF TROUBLE. The Customer must immediately notify the Company if there is any defect, leak, trouble or accident affecting the supply of gas.

RULES AND REGULATIONS - Continued**13. CUSTOMER'S USE OF SERVICE**

13.1 RESALE OF SERVICE. As of January 5, 1980, the resale of gas and/or service provided by the Company is prohibited for Customers who receive gas service from the Company through a master meter and resell it to individual dwelling units by the use of submeters. Customers receiving service prior to January 5, 1980, may resell gas purchased from the Company through a single master meter in accordance with 66 Pa.C.S. § 1313 if the purchased gas is: (1) for the total requirements of the premises served and (2) the use of the resold gas conforms to the availability requirements of this tariff for the Customer's own account.

13.2 FLUCTUATIONS. Gas and/or service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and, in the case of violation of this rule, the Company may discontinue service, or require the Customer to modify the installation and/or equip it with approved controlling devices.

13.3 ADDITIONAL LOAD. Any additional loads, either connected to existing equipment or new equipment, will not be allowed except by consent of the Company.

13.4 FAILURE TO GIVE NOTICE. Failure to give notice of additions or changes in load or location shall render the Customer liable for any damage to the regulator, meters, or other equipment of the Company, caused by the additional or changed installation.

14. MEASUREMENT

14.1 SUPPLY OF METERS. The measurement of gas usage shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment, and may, from time to time, change or alter the equipment, its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes.

14.2 SPECIAL MEASUREMENTS. The Company shall have the right, at its option and its own expense, to place demand meters, pressure gauges, special meters, or other instruments, on the premises of any Customer for the purpose of determining the adequacy of the Company's service or for making tests of all or any part of the Customer's load.

14.3 METER READING INTERVALS. The Company will read its meters at scheduled regular intervals of one or more months and will render standard bills for the recorded gas usage based upon the time interval between meter readings. Only those bills which cover a period of service of less than 27 days or more than 34 days will be prorated.

14.4 ESTIMATED USAGE. The Company may estimate the amount of gas usage at the premises where access to the meter is not available, or to installations at remote locations, for such number of months as the type of installation, normal regularity of usage, or other circumstances may warrant, and will render bills in standard form based on such estimate and so marked, for the Customer's acceptance. Meter readings will be secured from time to time and billing will be revised when they disclose that the estimate failed to approximate the actual usage. For residential Customers, an actual meter reading will be obtained at least every six months, in accordance with Commission regulations.

14.5 CORRECTION TO STANDARD CONDITIONS. The quantities of gas used may be corrected to standard conditions, namely 60 degrees Fahrenheit temperature and 30 inches of mercury barometric pressure. All methods employed in correcting measurements of gas volume to said standard conditions shall be in accordance with established industry standards.

14.6 TELEMETRY AND TELEPHONE EQUIPMENT

(a) Customer shall permit PECO to install and operate telemetering equipment to remotely read PECO's meter.

(b) Customer shall provide and pay for telephone service required for the operation of PECO's equipment and/or the transmittal of data from PECO's meter, as directed by PECO. Customer must maintain either a dedicated non-digital telephone line or telephone equipment that converts the digital signal to analog. Customer shall provide telephone service for this purpose at least fifteen (15) working days prior to the commencement of service under this agreement.

(c) Service will not be provided prior to the date on which Customer installs the required telephone service. Customer is responsible to maintain the telephone service in working order at all times.

(d) PECO will read the meter on the last day of the month if a reading is not transmitted. If PECO determines that the phone line is not functioning, Customer will be notified that the phone line must be repaired within thirty (30) days.

(e) If more than thirty (30) days elapse and the telephone service is not restored to working order to PECO's satisfaction, then the following steps will be taken:

PECO Energy Company

(1) If PECO has sufficient capacity in its gas supply system to supply Customer, then Customer's Account will be served as firm service on PECO's Rate GC-General Service—Commercial and Industrial, for a minimum of twelve (12) months.

(2) If PECO does not have sufficient capacity in its gas supply system to supply Customer, then PECO will disconnect Customer's facility from the PECO gas supply system for a minimum of twelve (12) months. During any such period of disconnection, Customer will use an alternate fuel to meet its heating and process needs.

RULES AND REGULATIONS - Continued

15. TESTS

15.1 METER TESTS. The Company, at its expense, will make periodic tests and inspections of its meters in order to maintain them at a high standard of accuracy.

15.2 REQUEST TESTS. The Company will make additional tests or inspections of its meters at the request of a Customer, or an NGS providing Competitive Natural Gas Supply to a Customer, but reserves the right to charge the Customer or NGS, as applicable, any Commission-approved charge as provided in the Commission's Gas Regulations.

15.3 ADJUSTMENT FOR ERROR. Should any meter become defective or fail to register correctly, the quantity of gas consumed shall be determined by a test of the meter, or by the registration of a meter set in its place during the period next following, or by averaging the amount of gas used for the nearest meter reading period preceding and the meter reading period immediately following the date when the meter was found not be to registering, taking into consideration the character of use by the Customer.

15.4 RESIDENTIAL METER ERRORS. Meter errors in residential service may be determined on the basis of the registration of the corresponding period during the preceding year, if records are available and conditions of use remain the same.

15.5 ADMINISTRATION TESTS. The Company, at its own expense, will make only such tests as it deems necessary for the proper administration of its rates, or as are required by law.

15.6 TESTING SERVICE. The Company will, upon request by the Customer, make tests to supply special information regarding the Customer's use of service, provided that the estimated cost of such special tests shall be paid by the Customer to the Company at the Company's discretion.

RULES AND REGULATIONS - Continued**16. PAYMENT TERMS**

16.1 BILLING PERIOD. Billing for service will be based upon the amount of use and the time interval of its supply. Rate values stated for direct application to monthly periods will be adjusted when the time elapsed between readings is substantially greater or less than a month.

16.2 BILLING OPTIONS. A Low Volume Customer may select one of the following two billing options as communicated to PECO by the customers' supplier: (1) Consolidated NGDC Billing; or (2) Separate NGS Billing.

16.3 PAYMENT PERIOD. Bills are payable upon presentation, and payment may be made at any commercial office of the Company or at any authorized payment agency. Payment for service received must be made on or before the due date shown on the bill, which shall be not less than 20 days from the date of transmittal of the bill for Rate GR, GC and OL (excluding Summary Billing Accounts); not less than 15 days from the date of transmittal of the bill for all other rates, including Summary Billing Accounts, with the exception of accounts (including Summary Billing Accounts) with the United States of America or the Commonwealth of Pennsylvania or any of their departments or institutions for which 30 days will be allowed. If a normal due date should fall on a Saturday, Sunday, bank holiday, or any other day when the offices of the Company which regularly receive payments are not open to the general public, the due date shall be extended to the next business day. The payment period will not be extended because of the Customer's failure to receive a bill unless said failure is due to the fault of the Company.

16.4 FINANCE CHARGE. If payment may be made at a Company office or authorized payment agency after the due date shown on the bill, a finance charge will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the finance charge will be added if the payment is received by the Company more than 5 days after the due date shown on the bill. For Rates GR, GC and OL, this finance charge will be 1-1/2% per month; for all other rates the finance charge will be 2% per month.

16.5 BUDGET BILLING

(a) At the option of a Customer receiving service under Rates GR, GC, and OL, an estimated total bill for all service to be received by the Customer over a twelve-month period may be budgeted over the period and an average bill rendered monthly for payment each month. Any difference between the budgeted amounts so paid and the actual charges for a twelve-month budget period will at the customer's option, either be amortized over the next twelve months or incorporated into the twelfth month bill. Absent an indication of preference from the customer, the debit or credit will be amortized. Budget billing may be discontinued upon the customer's request at which time any difference between budget billing amounts and actual charges becomes due and payable. If a monthly budget bill is not paid, a late fee will be added to the unpaid balance of actual charges on the next billing date in accordance with Rule 16.4. Any such late fee will be calculated based on the lesser of budget billing arrears and arrears from actual charges.

(b) When the Company provides Consolidated NGDC Billing, the NGSs charges will be included in the Customer's Budget Billing Plan.

16.6 CALCULATION OF FINANCE CHARGE. Where a finance charge is applicable, the amount of the finance charge to be added to the unpaid balance shall be calculated by multiplying the unpaid past due balance, exclusive of any previous unpaid finance charges, by the appropriate finance charge rate. Finance charges shall be applied to all charges when the Company is providing Supplier of Last Resort service and to the Fixed Distribution Service Charges, Variable Distribution Service Charges and any applicable service charges when the Customer has selected an NGS. The Company will apply finance charges to NGS charges at the NGS's electronic request when the Company is performing billing services for the NGS.

16.7 APPLICATION OF PAYMENT. When the Company provides Consolidated NGDC Billing or SLR (Sales) Service and a Low Volume Customer remits a partial payment to the Company, the payment will be applied as follows:

1. Any past due balances including those for prior PECO basic service charges, for prior NGS receivables purchased by the Company, for prior installment amounts on payment agreements, and also for any reconnection charges.
2. Any current charges including those for PECO basic service charges, for current NGS receivables purchased by the Company, and for current installment amounts on payment agreements.
3. Non-basic service charges.

PECO Energy Company

16.8 RETURNED CHECK CHARGE. If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment on the second attempt, a \$20.00 charge for the returned check will be added to the Customer's account.

16.9 BILLING ERRORS. When the Company provides Consolidated NGDC Billing, the Company shall not be responsible for billing errors resulting from incorrect information received from an NGS.

16.10 PAYMENT TERMS. The Company will negotiate payment arrangements with Sales Service Customers. The Company will also negotiate payment arrangements for customers served under Consolidated NDGC Billing which includes NGS charges. If the NGS is providing Separate NGS Billing ("dual billing"), the Company will not negotiate agreements on behalf of those NGS charges.

RULES AND REGULATIONS - Continued

17. TERMINATION BY THE COMPANY

17.1 NON-PAYMENT SHUT-OFF. On reasonable notice, the Customer is subject to collection action, including termination of service (in accordance with the Pennsylvania Public Utility Code or the Commission’s regulations,) on the portion of the past due amount attributable to the Company’s charges for service and/or gas commodity. Upon termination of service, the Company may also remove its equipment. Notice that complies with applicable Commission regulations shall conclusively be considered “reasonable hereunder”. Consistent with 52 PA Code §56.100, the Company will accept the following most current and valid documents as proof of household income: (1) income tax returns; (2) pay stubs; (3) benefit letters and governmental agency verification; (4) other forms to be accepted at the Company’s discretion. The customer must provide this information within 10 days of the Company’s request. This information may also be used by the company to determine deposit requirements, payment arrangements, and any other income specific program.

17.2 SHUT-OFF FOR CAUSE. The Company may terminate on reasonable notice if entry to its meter or meters is refused or if access thereto is obstructed or hazardous; or if utility service is taken without the knowledge or approval of the Company; or for other violation of these Rules and/or applicable Commission rules in accordance with the Pennsylvania Public Utility Code or the Commission’s regulations.

17.3 SAFETY SHUT-OFF. The Company may terminate without notice if the Customer’s installation has become hazardous or defective.

17.4 DEFECTIVE EQUIPMENT SHUT-OFF. The Company may terminate without notice if the Customer’s equipment or use thereof might injuriously affect the equipment of the Company, or the Company’s service to other Customers.

17.5 SHUT-OFF FOR FRAUD. The Company may terminate without notice for abuse, fraud, material misrepresentation of the customer’s identity or tampering with the connections, meters, or other equipment of the Company.

17.6 RECONNECTION CHARGE. If service is terminated or discontinued by reason or act of the Customer, the same Customer, whether an applicant or a customer as defined at 66 Pa. C.S. § 1403, shall pay a reconnection charge, prior to restoration of service at the same address within twelve months after discontinuance or termination. The reconnection charges, listed below, are based on the Company’s current standard schedule of reconnection fees, which include direct labor costs, contractor costs, and material/transportation costs.

	Reconnect Fees
Gas Reconnect at Meter	\$80.00
Gas Reconnect at Curb	\$70.00

17.7 THEFT/FRAUD INVESTIGATION CHARGE. If the Company’s meters or other Company equipment on the customer’s premises have been tampered or interfered with by any means whatsoever, the customer being supplied through such equipment whether an applicant or a customer as defined at pa C.S. § 1403 shall pay a theft/fraud investigation charge in addition to any amount that the Company estimates is due for service used, but not registered on the Company’s meter. These theft/fraud investigation charges listed below include allocated overheads, all investigative costs and administrative cost deemed necessary by the Company to correct any and all unauthorized conditions at the premise. The Company reserves the right to assess theft/fraud investigation charges as a precedent to reconnection of service as well as the right to assess a separate reconnection charge as described in Rule 17.6.

	Theft/Fraud Investigation Fees
Gas Theft/Fraud at Meter	\$460.00

18. UNFULFILLED CONTRACTS

18.1 NOTICE OF DISCONTINUANCE BY CUSTOMER. Notice to discontinue service prior to the expiration of a contract term will not relieve a Customer from any minimum, or guaranteed, payment under any contract or rate.

18.2 COMPLETION OF TERM. If, by reason of any act, neglect or default of a Customer, the Company’s service is suspended, or the Company is prevented from supplying service in accordance with the terms of any contract it may have entered into with the Customer, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract. These liquidated damages may, at the option of the Company, be offset by any estimated revenues from a succeeding Customer at the same location if such exists.

18.3 TEMPORARY SUSPENSION OF SERVICE. A residential or commercial Customer may elect to have service temporarily disconnected at the start of a period of suspension and then reconnected at the end of the period by paying a charge of \$115.00. During the period of suspension, the Customer will be relieved of the payment of minimum bills.

RULES AND REGULATIONS - Continued**19. CANCELLATION BY CUSTOMER**

19.1 **TERMINATION NOTICE.** Customers who have fulfilled their initial contract term and wish to discontinue service must give at least 7 days' notice to that effect, unless otherwise provided for in a rate schedule or service agreement.

19.2 **FINAL BILL.** The Customer is liable for service taken after notice to terminate the contract until the meter is read and gas shut off. The final bill for service is then due and payable within 20 days from the date of transmittal of the bill for residential customers and 15 days for non-residential customers.

19.3 **EXIT FEES.** A Customer, other than a Low Volume Customer, taking firm sales service that transfers to an interruptible service or to firm Transportation Service without firm standby sales service will be required to continue payment of the firm gas supply demand costs allocable to Customer's firm sales service until the Company is able to reduce its contract demand level or otherwise utilize the contract demand allocable to Customer's firm sales service.

20. GENERAL

20.1 **OFFICE OF THE COMPANY.** Wherever, in this Tariff, it is provided that notice be given or sent to the Company, or the office of the Company, such notice, delivered or mailed, postage prepaid, to any commercial office, shall be deemed sufficient, unless the Main Office of the Company at 2301 Market Street, Philadelphia, is expressly mentioned.

20.2 **NO PREJUDICE OF RIGHTS.** The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to do so.

20.3 **GRATUITIES TO EMPLOYEES.** The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on the Company's time.

20.4 **BILLING CHANGES.** Where billing changes are made as the result of an investigation made at Customer's request or by routine inspection, the change of billing may be applied to the bill for the regular meter reading period preceding such investigation, and will in any event apply to the bill for the period during which the check is made.

20.5 **EXCEPTIONAL CASES.** Sales and/or Transportation service shall be subject to the provisions of this Tariff; but where special conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its terms to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard tariff provisions.

20.6 **ASSIGNMENT.** Subject to the Rules and Regulations, all contracts made by the Company shall be binding upon, and oblige and ensure to the benefit of, the successors and assigns, heirs, executors, and administrators of the parties thereto.

20.7 **OTHER CHARGES.** Except as where otherwise provided in this tariff the Company may where feasible, provide and charge for services requested by the Customer or his agent. The Company is not obligated to provide such services. The Company will, if possible, give the Customer an advance written estimate of the costs to provide the service.

21. GAS CHOICE PROGRAM ENROLLMENT AND SWITCHING

In accordance with all applicable final Commission Orders:

21.1 All LVT Customers will be eligible to obtain Competitive Natural Gas Supply starting with their first regularly scheduled meter reading after July 1, 2000.

21.2 The Company will send Gas Choice Release of Information packets to all new LVT Customers, which information will provide Customers the opportunity to authorize the release of their confidential account information. PECO annually notifies customers that they can change this authorization. Every three years, in accordance with PUC Docket No. M-2012-2324075, PECO will re-solicit its entire customer base for the purpose of opting out of disclosing information.

21.3 Customers may select a Supplier, as often as monthly, in accordance with Commission Orders and the procedures contained in this Tariff and in the Supplier Coordination Tariff.

21.4 If a Customer, or agent authorized to act on the Customer's behalf, contacts the Company via telephone to select a Supplier, the Company will advise the Customer or agent to contact the selected Supplier to submit the required electronic enrollment file.

21.5 For a Customer's enrollment to become effective on the Customer's next regularly scheduled meter read date, the Supplier must submit the required electronic file at least eleven (11) days prior to said meter read date.

21.6 If, in any month, a Customer selects more than one Supplier, the Supplier that submitted to the Company, before the end of the applicable Supplier selection period, the Supplier enrollment file with the latest valid Supplier contract will become the Customer's Supplier of record.

21.7 The Company will send a confirmation notice to all Customers who have made a Supplier selection by the next business day after receiving the Customer's enrollment file from the Supplier. This confirmation shall include notification of a five (5) day waiting period in which the Customer may cancel its selection of a Supplier. The waiting period shall begin on the date the Company confirmation is mailed to the Customer. If the five (5)-day waiting period expires, and the Customer has not contacted the Company to cancel the Supplier selection, the Supplier will become the Customer's Supplier of record.

21.8 If the Customer elects to cancel its Supplier selection, the Company will notify the rejected Supplier electronically via an approved EDI transaction. In the event the Customer cancels its Supplier selection after the five (5) day waiting period, the Customer will be required to remain with the selected Supplier for a minimum of one billing cycle.

21.9 If at least eleven (11) days prior to the Customer's next regularly scheduled meter read date, a Customer contacts the Company to request a switch from a Supplier to the Company's (SLR) Sales Service, the request will be effective as of that meter read date and the Company as the supplier of-last resort will become the Supplier of record for delivery.

21.10 In the event the Customer requests a switch less than eleven (11) days before the Customer's next regularly scheduled meter read date, the switch will be effective as of the next following meter read date.

21.11 If, other than at the end of a billing cycle, and because of an NGS's default, an NGS terminates sales to a Customer prior to the end of the Customer's contract with the NGS, for gas supply provided through the end of the relevant billing cycle, said Customer will pay the NGS's contract rate in accordance with information filed by the NGS with the Commission.

22. USAGE DATA

At the request of the Customer, or at the request the Customer's designated Supplier or authorized agent, the Company will supply twelve (12) individual months of historical usage data for no charge. Any additional historical information requested will be provided, if available, for a fee of ninety two dollars (\$92.00) per provision.

23. AFFILIATED MARKETER STANDARDS OF CONDUCT

PECO Energy and its affiliated natural gas supplier shall comply with the following requirements:

- (1) A natural gas distribution company shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.
- (2) A natural gas distribution company shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliated natural gas supplier.
- (3) Mandatory tariff provisions shall not be waived by a natural gas distribution company for any natural gas suppliers absent prior approval of the Commission.
- (4) If a tariff provision is not mandatory or provides for waivers, a natural gas distribution company shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.
- (5) A natural gas distribution company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.
- (6) A natural gas distribution company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. A natural gas distribution company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.
- (7) If a natural gas distribution company provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, the natural gas distribution company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either the natural gas distribution company or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.
- (8) Subject to customer privacy or confidentiality constraints, a natural gas distribution company shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that a natural gas distribution company does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.
- (9) A natural gas distribution company shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.
- (10) Natural gas distribution companies shall not condition or tie the provision of any product, service or price agreement by the natural gas distribution company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.
- (11) A natural gas distribution company shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.

- (12) A natural gas distribution company and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between the natural gas distribution company and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the natural gas distribution company function and the affiliated natural gas supplier function. The natural gas distribution company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.
- (13) Natural gas distribution company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such natural gas distribution company employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.
- (14) Neither the natural gas distribution company nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of the natural gas distribution company's affiliates or subsidiary, such as:
- That the Commission regulated services provided by the natural gas distribution company are of a superior quality when services is purchased from its affiliated natural gas supplier; or
 - That the merchant services (for natural gas) are being provided by the natural gas distribution company when they are in fact being provided by an affiliated natural gas supplier;
 - That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
 - That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.
- (15) When affiliated natural gas supplier market or communicate to the public using the natural gas distribution company name or logo, it shall include a legible disclaimer that states:
- That the affiliated natural gas supplier is not the same company as the natural gas distribution company;
 - That the prices of the affiliated natural gas supplier are not regulated by the Pa PUC; and
 - That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from the natural gas distribution company.
- When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using the natural gas distribution company name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.
- (16) Except in competitive bid situations a natural gas distribution company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its natural gas distribution company bills promoting an affiliated natural gas supplier's services or a link from the natural gas distribution company's web-site, unless the natural gas distribution company offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.
- (17) A natural gas distribution company shall not offer or sell natural gas commodity or capacity to its affiliated natural gas supplier without simultaneously posting the offering electronically on a source generally available to the market or otherwise

making a sufficient offer to the market. The natural gas distribution company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

- (18) Natural gas distribution companies shall establish and file with the Commission a complaint procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (9), which are exclusively under the purview of the Commission. These procedures shall be developed in consultation with interested parties during consideration of any tariff guided by this section and §69.191 (relating to general). The Commission may grant an exception to these requirements if warranted by the facts or circumstances.
- (19) A natural gas distribution company shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.
- (20) Dispute Resolution Procedures: In addition to the procedure set forth in paragraph 18:
- Any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide the natural gas distribution company and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
 - Within five (5) days of a natural gas distribution company's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
 - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
 - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
 - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
 - Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.
- (21) A natural gas distribution company shall file a compliance filing within sixty (60) days of the entry of an order approving or modifying a restructuring plan, which sets forth a detailed plan for compliance with this Standard of Conduct as well as the Commission separation and cost allocation requirements already ordered.
- (22) Every natural gas distribution company and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

RULES AND REGULATIONS – Continued**24 REQUESTS FOR ENERGY EFFICIENCY INFORMATION**

Upon request of a Customer for energy efficiency information, the Company will provide a copy of its then current residential or commercial energy efficiency guide, as applicable.

25. CREDITWORTHINESS OF A NATURAL GAS SUPPLIER (NGS) SERVING HIGH VOLUME TRANSPORTATION CUSTOMERS

- (a) Unless a mutual agreement is reached between the Company and a NGS, or other applicable entity as specified in 52 Pa. Code § 62.101 the amount and form of security shall be based on the criteria established in 52 Pa. Code §62.111. In accordance with §62.111, a NGS seeking to deliver natural gas supplies to the Company for the account of one or more of the Company's non-exempt HVT Customers must satisfy at least one of the following financial criteria:
- (1) The NGS has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, or a rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps; or
 - (2) The NGS has furnished the Company with an irrevocable and binding form of security (e.g., surety bond, letter of credit, security interest in collateral acceptable to the Company, a corporate guaranty, or a written affirmation of financial support by a parent or affiliated company) issued by an obligor that has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, a minimum bond rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps, or, for an insurance company, an A.M. Best credit rating of no less than A-and in which the obligor designates the Company as the sole beneficiary and which otherwise is in a form and amount acceptable to the Company; or
 - (3) The NGS provides the Company with a cash deposit and/or a cash escrow arrangement in an amount and form acceptable to the Company, and agrees, in a writing furnished to the Company, to be responsible, as between the Company and the Supplier, for the payment of all deficient and excess delivery charges assessed in accordance with the Company's Gas Transportation Service – General Terms and Conditions that are caused by the NGS' excess or deficient deliveries. Such responsibility on the part of the NGS would not relieve the HVT Customer of its responsibility for the payment of the same charges in accordance with the Gas Transportation General Terms and Conditions. If the NGS is determined to have been responsible for the excess/deficient delivery and if the NGS pays the related charges to the Company, then the HVT customer would be relieved of such responsibility.

For the purposes of this subsection (a), the "amount acceptable to the Company" shall be a dollar amount (\$US) equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

- (4) The NGS has furnished the Company with an acceptable amount of Security in the form of an escrow account or nets any gas supply sales that the NGS has made to the Company and for which the Company owes payment to the NGS against the amount of Security required. The amount of Security contained in either situation must be in an amount equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

RULES AND REGULATIONS – Continued

- (b) The Company shall have the right to assess each NGS' creditworthiness on an annual basis. As such, the Supplier is required to furnish annual audited financial statements to the Company. In the event the Company does not receive any annual audited financial statements, unaudited financial statements may be acceptable. The Company also may perform more than one financial analysis for any Supplier during the course of the year when the Company reviews financial information of a Supplier and determines, in the Company's judgment that the Supplier's creditworthiness has materially changed.
- (c) Unless a mutual agreement is reached, the amount of Security required may be modified based on one or more of the following criteria:
1. The NGS's past operating history on all other NGDC systems, including the duration that the NGS operated on each system, the number of customers served on each system and any supply reliability problems that occurred on each system.
 2. An NGS's credit reports.
 3. The number and class of customers being served.
 4. Information that materially affects a NGS's creditworthiness such as:
 - a) a change in the NGS's recent operating history on the Company's system or on other NGDC systems that has materially affected NGDC system operation or reliability. Such a change may occur when a Supplier fails to deliver natural gas supply to meet its customers' needs or fails to comply with NGDC operational flow orders as defined at 52 Pa. Code § 69.11;
 - b) a change in the NGS's credit reports that materially affects its creditworthiness. Creditworthiness could be materially affected when 2 of the following credit rating companies change the Supplier's credit rating:
 1. Dun & Bradstreet
 2. Standard & Poor's Rating Services Inc.
 3. Transunion LLC
 4. Equifax Inc.
 5. Experian Information Solutions, Inc.;
 - c) a significant change, defined as a 25% change over a 30-day period, in the number and class of customers served, the volume of gas delivered or the average unit price of natural gas;
 - d) a change in operational or financial circumstances that materially affects a NGS's creditworthiness. This can occur when 2 of the following investment rating companies change the NGS's rating of its issued securities from an investment grade or good rating to a speculative or moderate credit risk rating and vice versa:
 1. Standard & Poor's Rating Services Inc.
 2. Moody's Investment Service, Inc.
 3. Fitch, Inc.
 4. A.M. Best Company, Inc.
 5. DBRS, Inc.;
 - e) a change in the NGS's demonstrated capability to provide the necessary volume of natural gas to meet its customers' needs that materially affects the Company's system operation or reliability. Such a change may occur when the NGS fails to deliver natural gas supply sufficient to meet its customers' needs on 5 separate occasions within a 30-day period or fails to comply with the Company's operational flow orders.

RULES AND REGULATIONS – Continued

5. The NGS's demonstrated capability to provide the volume of natural gas necessary to meet its customers' needs.

- (d) After it is reasonably determined by the Company that an adjustment to the amount of Security provided by the Supplier is required, the Company will adjust the Security amount in accordance with subsection (a)(3).
- (e) The NGS shall have the affirmative obligation to inform the Company in writing of any material change in its financial condition in a timely manner.
- (f) Notwithstanding anything to the contrary stated in this Rule 25, an NGS shall not be creditworthy if, for any reason, it owes a past due amount to the Company that is not subject to a good faith billing dispute and the payment has not been received by the Company within two business days after the Company has provided a past due notice, or if so determined by order of the Pennsylvania Public Utility Commission.
- (g) When the Company determines that a Security adjustment is required, it will provide written notice to the NGS. The NGS shall comply with the Company's determination within 5 business days after the NGS is served with such notice. If the NGS disagrees with the Company's determination, it shall file a dispute in accordance with subsection (h). However, the NGS is still required to post the full amount of adjusted Security requested by the Company within 5 business days after the NGS is served with the Company's notice. An NGS also may request, in writing, that the Company adjust its Security amount according to the criteria set forth in subsection (c). The Company will provide a written response to the NGS within 5 business days after receipt of the written request from the NGS. In the event that the Company agrees with the NGS's request, the NGS shall post the Security adjustment within 5 business days after the NGS is served with the Company's determination. In the event that the NGS disagrees with the Company's determination, it may file a dispute in accordance with subsection (h). However, if the Company requires an adjustment of Security, the NGS is still required to post the full amount of adjusted Security within 5 business days after the NGS is served with the Company's notice.
- (h) An applicant, licensee or NGS shall notify the Company in writing of any dispute(s) it may have regarding the form and amount of Security or the adjustment of Security requested by the Company. If a resolution cannot be reached within 30 days after the Company receives the written notice, the applicant, licensee or NGS may do any of the following:
1. Request that the Secretary of the PUC initiate an informal mediation and resolution process. If the NGS is dissatisfied with the PUC's decision at the informal level, it may petition to appeal the decision or file a Formal Complaint.
 2. File a Formal Complaint at the Commission.
 3. File a Petition challenging the criteria used by the Company to determine the form and amount of Security requested or the Security adjustment amount.

If a NGS initiates a dispute or files a complaint related to an adjustment in Security by the Company, the following requirements exist during the pendency of the dispute:

1. The NGS is required to provide and maintain the full adjusted Security amount to the Company until the dispute is resolved.
2. The NGS must continue to operate in accordance with the Company's system operations and business rules and practices.
3. The NGS must continue to deliver natural gas volumes necessary to fulfill customer needs and provide customer support services.
4. The Company shall allow the NGS to continue to operate on the Company's system.

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a surcharge credit value of 0.36% will apply to all service on and after January 1, 2020.

Whenever any of the tax rates used in the calculation of the surcharge are changed, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the tax rates 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, the Company will thereafter file each year on December 21 annual updates 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 as the effect of the change in tax rates has been included in base rate.

TCJA VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing PECO to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order at Docket R-2018-3000512 superseding the March 15, 2018 Temporary Rates Order directing PECO to establish a surcharge effective July 1, 2018 to provide the benefits of the TCJA to customers.

A surcharge of 0% will apply to intrastate service to all customer bills rendered on and after January 1, 2021. This surcharge will be distributed equally among the utility's various customer classes and will be provided through a separate mechanism showing a line item on customer bills (e.g., Federal Tax Adjustment Credit – "FTAC").

PECO will file revised surcharges (or FTAC) as required at least thirty (30) days prior to the effective date of January 1st of each year reflecting an estimate of the savings for the TCJA from January 1 through December 31 exclusive of STAS and non-distribution automatic adjustment clause revenues.

This surcharge or FTAC will be reconciled at the end of each calendar year and will remain in place until PECO files and the Commission approves new base rates for PECO pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. Interest on the over or under collection shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.). The reconciliation shall be submitted by April 30th of each calendar year and shall be subject for review and audit by the Commission's Bureau of Audits.

The Company may file an interim rate adjustment in order to eliminate any over or under recovery of the surcharge outside of the annual filing period. Such adjustment would be filed on at least 10 days' notice.

A final reconciliation statement will be filed within 30 days after completion of the final over/under collection refund/recovery. The FTAC revenues and reconciliation will be subject to audit by the Commission's Bureau of Audits.

PECO Energy Company**PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)**

Variable Distribution Service Charge rates for gas service in Residential Rate Schedule GR of this Tariff shall include a credit of (\$0.1511) per Mcf (1,000 cubic feet) for recovery of Universal Service Fund Cost (USFC), calculated in the manner set forth below. The USFC rate for gas service shall be increased or decreased annually, to reflect changes in the level of Universal Service Fund costs, net of base rate recoveries, in the manner described below:

COMPUTATION OF USFC.

The USFC per Mcf (\$x.xxxx), shall be computed in accordance with the formula set forth below:

$$\text{USFC} = \frac{(\text{C}-\text{E}-\text{I})}{(\text{S})}$$

The USFC, so computed, shall be included in distribution rates charged to Customers for service pursuant to the rate schedule identified above. The amount of USFC, per Mcf, will vary, if appropriate, based upon annual filings by the Company.

In computing the USFC, per Mcf, pursuant to the formula above, the following definitions shall apply:

"Reconcilable Customer Assistance Program (CAP) Costs" – The difference between discounts provided to CAP customers (CAP revenue shortfalls) recovered through base rates and total CAP discounts, net of a 27% offset factor.

"USFC" – Universal Service Fund Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the rate for each Mcf of Variable Distribution Service Charge calculated under Rate Schedule GR, to recover or refund Reconcilable CAP Costs and other items as addressed in the "E" factor.

"C" - Cost in dollars of the Reconcilable CAP Costs for the projected period.

"E" - the net (overcollection) or undercollection of Universal Service Fund Charges. The net overcollection or undercollection shall be determined for the most recent period, beginning with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Also included in the "E" Factor will be any rate credit due customers to the extent PECO expends less than \$4,500,000 annually in its Energy Efficiency Plan effective January 1, 2021.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous USFC.

I – Interest shall be computed monthly at a 6% annual simple interest rate from the month that the overcollection or undercollection occurs to the mid-point of the period such overcollection is refunded or undercollection is recouped. The interest calculation will not apply to the LIURP amounts.

"S" - projected Mcf of gas service to be billed under Rate GR (exclusive of CAP Rider) during the projected period when rates will be in effect. Mcf's shall be consistent with the projected residential throughput used in the applicable Purchased Gas Cost filing.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual USFC filing and its annual reconciliation statement shall be submitted to the Commission 120 days prior to new rates being effective December 1 of each year, or at such time as the Commission may prescribe. The USFC mechanism is subject to annual audit review by the Bureau of Audits.

SALES SERVICE COSTS (SSC) - Section 1307(f)

PROVISIONS FOR RECOVERY OF GAS COSTS RELATED TO SALES SERVICE

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff shall include the Commodity Charge (CC) at **\$3.2679** per Mcf (1,000 cubic feet) for Rate Schedules GR and CAP, **\$3.2569** per Mcf for Rate Schedules GC and **\$3.2553** per Mcf for Rate Schedules OL, L and MV-F for recovery of gas costs related to Sales Service, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code as well as procurement costs as reflected in the Gas Procurement Charge ("GPC") uncollectable charge-offs as reflected in the Merchant Function Charge ("MFC"). In addition, the Gas Cost Adjustment Charge (GCA) in the amount of **\$0.7464** per Mcf will be applicable to customers served under the above mentioned Rate Schedules. Such rates for Sales Service gas shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of recovery of gas costs related to Sales Service.

COMPUTATION OF CC AND GCA PER MCF.

The CC and GCA, per Mcf, shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formulas set forth below:

$$CC = \frac{(C)}{(S)} \times \frac{1}{(1 - T)} + GPC + MFC \quad ; \text{ and}$$

$$GCA = \frac{(E)}{(S)} \times \frac{1}{(1 - T)}$$

For March 1, June 1 and September 1 quarterly updates, CC is revised to:

$$CC = (CC1 + \frac{O + C1}{S1 \ S2} \times \frac{1}{(1-T)} + GPC + MFC$$

The CC and GCA so computed, shall be applicable to Customers receiving Sales Service pursuant to the rate schedules identified above. The CC and GCA, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto.

In computing the Charges, per Mcf, pursuant to the formulas above, the following definitions shall apply:

"CC" - Purchased Gas Costs determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of-Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff.

"C" - Cost in dollars: (a) for all types of purchased gas, project the commodity and all non-storage interstate pipeline costs for each purchase (adjusted for net current gas stored) for the projected period when rates will be in effect; plus (b) the cost of gas provided from storage and LNG facilities, less (c) the new monthly cash-out result determined pursuant to Rule 10.11.3, or the successor thereto, of the Gas Choice Supplier Coordination Tariff .

"C1" - defined as the difference between the current projection of "C" and the projection of "C" used to establish the rates effective December 1 for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"CC1" – defined as the Commodity Charge rate effective December 1 of the current PGC period.

"O" – defined as the difference between the current net over/under collections and the associated projected net over/under collections from the applicable PGC rate calculation, as defined by Commodity Charge revenues less associated gas costs, from December 1 of the current PGC year through the end of the month before the applicable quarterly rate change.

GCA - the "E" factor component of the CC, representing the net overcollection or undercollection of Purchased Gas Costs.

Applicable to Sales Service and determined to the nearest one-hundredth cent (0.01¢) for service provided under Rate Schedules GR, GC, CAP, OL, L, and MV-F of this Tariff.

"E" - the net (overcollection) or undercollection of Purchased Gas Costs applicable to the CC.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the Commission for the Company's Section 1307(f) tariff filing.

Supplier refunds received after July 1, 2001 associated with Commodity Charges will be included in the calculation of "E" with interest added at the annual rate of six percent (6%) beginning with the month such refund is received by the Company.

PECO Energy Company

"GPC" – Gas Procurement Charge determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff.

"MFC" – Merchant Function Charge determined to the nearest one hundredth cent (0.01¢) to be charged for each Mcf of Sales Services gas supplied under Rate Schedules GR, CAP, and GC of this Tariff.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous 1307(f) GCA.

Interest shall be computed monthly at the prime rate for commercial borrowing in effect sixty days prior to the tariff filing in accordance with Section 1307(f) of the Public Utility Code as modified by PA Act 47. The interest rate will be based on that reported in the Wall Street Journal. Interest will be computed from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. The interest rate basis will become effective with the December 2016 billing cycle

"S" projected Mcf of gas to be billed to Customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L & and MV-F during the projected period when rates will be in effect.

"S1" - defined as the applicable twelve month mcf sales billed to customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L, and MV-F.

"S2" – defined as mcf sales billed to customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L, and MV-F and for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"T" the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

"Purchased Gas Costs" - Include the direct costs paid by the Company for the purchase and delivery of natural gas (which also includes liquefied natural gas, synthetic natural gas, and natural gas substitutes, excluding propane, the cost of which is included in the Balancing Service Costs) to its system to supply its Customers (plus such portion of the Company's used and unaccounted for gas as the Commission permits), including costs paid under agreements to purchase natural gas from sellers; costs paid for transporting natural gas to its system; all charges, fees, taxes and rates paid in connection with such purchases, pipeline gathering, and transportation; and costs paid for employing futures, options and other risk management tools.

QUARTERLY UPDATES

The Company's rates for recovery of gas costs related to Sales Service are also subject to quarterly adjustments under procedures set forth in Section 1307 (f) of the Public Utility Code and in the Commission's regulations. Such updates shall reflect, adjustments for under or overcollections and, adjustments to the projected cost of gas related to Sales Service based upon more current versions of the same sources of data and using the same methods to project the gas costs related to Sales Service approved by the Commission in the Company's most recent annual proceeding for recovery of gas costs related to Sales Service under section 1307 (f).

OFF-SYSTEM SALES SHARING MECHANISM

The rate for Sales Service gas as determined above shall be adjusted to reflect the operation of the off-system sales sharing mechanism set forth herein. Revenues received by PECO Energy from third party storage management services and revenues from exchanges or swaps of gas, excluding the Customer's share of such revenue attributable to use or management of storage or related storage transportation capacity by customers not connected to the Company's system (which revenue shall be included in the Balancing Service Costs E factor, shall be included as off-system sales revenues). Effective April 1, 2001 through March 30, 2008, PECO Energy will be permitted to retain 25% of off system sales margin revenues up to the first \$3.5 million in margin revenues, and PECO Energy will be permitted to retain 30% of off system sales margin revenues for margin revenues over \$3.5 million. Subsequently, effective March 31, 2008 through November 30, 2022 and thereafter, until terminated or otherwise revised by Final Order of the Commission, PECO Energy will be permitted to retain 25% of off-system sales margin revenues. PECO Energy's share shall be computed on a pre-income tax basis, "below the line" for ratemaking purposes. The remaining off-system sales margin will be credited to the recovery of purchased gas costs. Margin revenues derived from sales of gas which is taken from system supply are defined as the unit revenue less the monthly weighted average commodity cost of gas, less any applicable taxes other than income taxes. Margin revenues derived from specific purchase sales (sales where a specific gas supply has been purchased to make a sale) shall be defined as the unit revenue less the specific purchase commodity cost of gas, less any applicable taxes other than income taxes. Specific purchase sales will have no impact on the cost of system supply. Off-system sales for operational purposes such as for meeting mandatory storage withdrawals are excluded from the mechanism. The calculations under this mechanism shall be subject to audit and to review in annual 1307(f) proceedings.

SALES SERVICE COSTS (SSC) - Section 1307 (f) - Continued

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION.

The Company's annual Section 1307(f) filing or its annual reconciliation statement shall be submitted to the Commission by June 1 of each year, or such other time as the Commission may prescribe by order or by regulation.

The Company shall notify the Commission of any change in the price of purchased gas from any supplier, which change would cause an increase or decrease of more than one per cent (1%) in the "C" factor, defined above. Such notification will be given within thirty (30) days after the effective date of such change in price, or as soon as reasonably practical thereafter.

GAS PROCUREMENT CHARGE

PROVISIONS FOR RECOVERY OF GAS PROCUREMENT CHARGES

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff shall include the Gas Procurement Charge ("GPC") at **\$0.0232** per Mcf (1,000 cubic feet) for recovery of gas procurement costs related to Sales Service, calculated in the manner set forth below and pursuant to the Final Order at Docket No. P-2012-2328614. The GPC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC").

COMPUTATION OF GAS PROCUREMENT CHARGE

The GPC shall include gas procurement costs incurred by the Company on behalf of its Sales Service customers. The GPC shall include the following costs:

1. Natural gas supply service, acquisition and management costs, including natural gas supply bidding, contracting, hedging, credit, risk management costs and working capital.
2. Administrative, legal, regulatory and general expenses related to those natural gas procurement activities, excluding those related to the administration of firm storage and transportation capacity.

The GPC shall be computed as follows:

$$\text{GPC} = \text{GPCC}/\text{S} \times 1/(1-\text{T})$$

"GPCC" – applicable gas procurement costs as defined in Items 1 and 2 above.

"S" – defined as twelve month Mcf sales billed to customers receiving Sales Service under Rate Schedules GR, CAP, GC, OL, L, and MV-F.

"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

The costs for the GPC shall remain in effect until reviewed and updated in each base rate case filed by the Company. The calculation of the GPC shall be updated in conjunction with updates in costs for the GPC. The GPC shall not be subject to reconciliation for any prior period over or under collections.

MERCHANT FUNCTION CHARGE

PROVISIONS FOR RECOVERY OF MERCHANT FUNCTION CHARGES

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP GC, OL, L and MV-F shall include the Merchant Function Charge ("MFC") at **\$0.0146** per Mcf (1,000 cubic feet) for Rate Schedules GR and CAP, at **\$0.0036** per Mcf for Rate Schedule GC and at **\$0.0020** per Mcf for Rate Schedules OL, L and MV-F for recovery of gas uncollectible charge-offs related to Sales Service, calculated in the manner set forth below and pursuant to the Final Order at Docket No. P-2012-2328614. The MFC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC") and shall be updated quarterly in conjunction with the calculation of the CC.

COMPUTATION OF MERCHANT FUNCTION CHARGE

The MFC shall include uncollectible charge-offs incurred by the Company on behalf of its Sales Service customers and calculated for Rate Schedules GR, CAP, GC, OL, L and MV-F. The MFC shall be computed as follows:

$$\text{MFC} = \text{Write-Off Factor} \times \text{CCMFC} \times 1 / (1 - T)$$

"Write-Off Factor" - the write-off factors for Rate Schedules GR and CAP (**0.45%**), Rate Schedule GC (**0.11%**) and Rate Schedules OL, L and MV-F (**0.06%**) as determined at Docket No R-2020-3018929, the Company's 2020 gas base rate case. The write-off factors shall be updated as part of future base rate cases.

"CCMFC" – the applicable quarterly CC including the GPC and excluding the MFC.

"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

The calculation of the MFC shall be updated in conjunction with changes in the CC including the GPC and excluding the MFC and updates in the write-off factors. The MFC shall not be subject to reconciliation for any prior period over or under collections.

PRICE TO COMPARE

The Price to Compare ("PTC") is comprised of the Commodity Charge ("CC"), the Gas Cost Adjustment ("GCA"), the Gas Procurement Charge ("GPC") and the Merchant Function Charge ("MFC"). The Commodity Charge includes the Gas Procurement Charge and the Merchant Function Charge. The PTC will change whenever any components of the PTC change. The current PTC's are detailed below:

<u>COMPONENT</u>	<u>RATES GR and CAP</u>
Commodity Charge excluding GPC and MFC	\$3.2301 per Mcf
Gas Cost Adjustment	\$0.7464 per Mcf
Gas Procurement Charge	\$0.0232 per Mcf
Merchant Function Charge	<u>\$0.0146</u> per Mcf
Price to Compare	\$4.0143 per Mcf

<u>COMPONENT</u>	<u>RATES GC</u>
Commodity Charge excluding GPC, and MFC	\$3.2301 per Mcf
Gas Cost Adjustment	\$0.7464 per Mcf
Gas Procurement Charge	\$0.0232 per Mcf
Merchant Function Charge	<u>\$0.0036</u> per Mcf
Price to Compare	\$4.0033 per Mcf

PECO Energy Company

COMPONENT	<u>RATES OL, L and MV-F</u>
Commodity Charge excluding GPC, and MFC	\$3.2301 per Mcf
Gas Cost Adjustment	\$0.7464 per Mcf
Gas Procurement Charge	\$0.0232 per Mcf
Merchant Function Charge	<u>\$0.0020</u> per Mcf
Price to Compare	\$4.0017 per Mcf

BALANCING SERVICE COSTS (BSC)- Section 1307(f)

PROVISIONS FOR RECOVERY OF BALANCING SERVICE COSTS.

Rates for Balancing Service for all gas delivered under Rate Schedules GR, CAP, GC, OL, L and MV-F Use Rider of this Tariff shall be charged at **\$0.3858** per Mcf (1,000 cubic feet) for recovery of those costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. Such rates for Balancing Service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of recovery of Balancing Service Costs.

COMPUTATION OF BALANCING SERVICE COSTS PER MCF

Balancing Service Costs, per Mcf, shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$BSC = \frac{(C - E)}{(S)} \times \frac{1}{(1 - T)}$$

For March 1, June 1 and September 1 quarterly updates, the BSC is revised to:

$$BSC = \frac{(CC1 + \frac{O}{S1} + \frac{C1}{S2} - E)}{S1} \times \frac{1}{(1 - T)}$$

Projected Balancing Service Costs, so computed, shall be charged to Customers for all gas delivered pursuant to the rate schedules identified above. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto.

In computing the Balancing Service Costs, per Mcf, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (0.01¢) to be charged to each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff.

"C" - Cost in dollars: for all types of storage and related services, project the cost for the projected period when rates will be in effect.

"C1" - defined as the difference between the current projection of "C" and the projection of "C" used to establish the rates effective December 1 for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"CC1" - defined as the rate associated with "C" effective December 1 of the current PGC period.

"O" - defined as the difference between the current net over/under collections and the associated projected net over/under collections from the applicable PGC rate calculation, as defined by storage and related services revenues less associated storage and related services costs from December 1 of the current PGC year through the end of the month before the applicable quarterly rate change.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the Commission for the Company's Section 1307(f) tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate.

Interest shall be computed monthly at the prime rate for commercial borrowing in effect sixty days prior to the tariff filing in accordance with Section 1307(f) of the Public Utility Code as modified by PA Act 47. The interest rate will be based on that reported in the Wall Street Journal. Interest will be computed from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. The interest rate basis will become effective with the December 2016 billing cycle.

As otherwise described in the Sales Service Costs section "Off-System Sales Sharing Mechanisms", the portion of margin revenue attributable to certain balancing assets shall be included in the calculation of "E".

Supplier refunds received prior to July 1, 2001 will be included in the calculation of "E" with interest added at the annual rate of six per cent (6%) beginning with the month such refund is received by the Company.

"S" - projected Mcf of gas to be delivered to Customers during the projected period when rates will be in effect.

"S1" - defined as the applicable twelve month mcf of gas to be delivered to customers.

"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

"S2" - defined as mcf sales delivered to customers for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

Balancing Service Costs - fixed and variable storage costs and the cost of propane to be charged to all customers served under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff.

QUARTERLY UPDATES

The Company's rates for recovery of Balancing Service Costs are also subject to quarterly adjustments under procedures set forth in the Commission's regulations at 52.Pa. Code 53.64 (1) (5). Such updates shall reflect adjustments for under or over collections and adjustments to the projected cost of Balancing Services based upon more current versions of the same sources of data and using the same methods to project the Balancing Service Costs approved by the Commission in the Company's most annual proceeding for recovery of Balancing Service Costs under section 1307 (f) of the Public Utility Code.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION.

The Company's annual Section 1307(f) filing or its annual reconciliation statement shall be submitted to the Commission by June 1 of each year, or such other time as the Commission may prescribe by order or by regulation.

Consumer Education Charge (CEC)**PROVISIONS FOR RECOVERY OF CONSUMER EDUCATION COSTS**

Variable Distribution rates for Low Volume Customers of this Tariff shall include \$0.0000 per MCF for recovery of Consumer Education Costs associated with Gas Choice. The CEC for Gas service will be recomputed annually as needed, to reflect changes in the level of Consumer Education Costs associated with Gas Choice, in the manner described below.

COMPUTATION OF CEC

The CEC per MCF shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set below:

$$\text{CEC} = \text{EC}/\text{S}$$

In computing the CEC, pursuant to the formula above, the following definitions shall apply:

Consumer Education Cost: Costs attributable to the Company's payment of the Commission's Statewide Education Assessment and all incremental external and incremental internal costs of the Company's own local customer choice education program. Such program costs may include outreach programs, paid media, direct mail, company call center, grass roots outreach and other costs as approved by the Commission.

"CEC" - Consumer Education Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the Variable Distribution Charge calculated for Low Volume Customers to recover Gas Consumer Education Costs.

"EC" – The net over collection or under collection of Consumer Education Costs. The net over collection or under collection shall be determined using actual data for the most recent period through the end of January. The EC application period begins March 1 and runs through the end of February.

"S" – projected MCF of gas, as included in the Balancing Service Costs (BSC) provided in the Company's most recent Commission approved annual 1307(f) Purchase Gas Cost (PGC) filing.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual CEC filing and its annual reconciliation statement shall be submitted to the Commission one day prior to new rates being effective March 1 of each year, or at such time as the Commission may prescribe. The CEC mechanism is subject to annual audit review by the Bureau of Audits.

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)

Purpose: The purpose of this credit is to provide customers a bill credit for the tax benefits gained as a result of a change in the method of tax accounting for certain expenditures. The Tax Accounting Repair Credit is as proposed in the Settlement at Docket No. R-2010-2161592 in Section II F(2).

Applicability: The credit shall be calculated to the nearest one-hundredth of a cent for billing purposes for all customers. The TARC shall be credited to each rate schedule as follows:

Rate GR, CAP	\$0.0000/Mcf
Rate GC	\$0.0000/Mcf
Rate OL	\$0.0000/Mcf
Rate L	\$0.0000/Mcf
Rate MV-F	\$0.0000/Mcf
Rate MV-I	\$0.0000/Mcf
Rate IS	\$0.0000/Mcf
Rate TCS	\$0.0000/Mcf
Rate TS-I	\$0.0000/Mcf
Rate TS-F	\$0.0000/Mcf

The Variable Distribution Service charges, for the above rate schedules shall include the above listed TARC credits.

Calculation of TARC Credit:

Billing Provisions: The credit shall be calculated by rate schedule using the following formula:

$TARC = \frac{R}{BU}$ where:

R – The amount accrued as a result of a change in the tax accounting method for gas system repairs for rate class n divided by 7.

BU – The total annual Billing Units for the rate class.

Filings and Reconciliations: One year prior to the scheduled expiration of the credit the Company will evaluate whether a change in the credit is required in order to avoid a significant over or under recovery at the end of the rate credit period. If a base rate case has not been filed prior to the expiration of the credit, a final reconciliation filing will be made on or before January 31, 2020, at which time any under or over recoveries will be reflected in rates in effect from April 1, 2020 to June 30, 2020. If it is apparent that such methodology would result in a significant over or under recovery at December 31, 2019 for an individual rate class the Company will propose a revised rate credit to become effective April 1, 2019. Interest will not be applied to any over or undercollections. If the amount to be credited to customers is modified based upon IRS safe harbor rules or the results of an IRS audit of the accounting change, the Company shall modify the credit accordingly through a filing with the Commission. Such filing shall be made 60 days prior to the effective date. Additionally, if the value of the credit has been reduced due to a State Net Operating Loss (NOL), a filing shall be made to increase the credit when the NOL has been used by the Company.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission Order dated September 3, 2015 at Docket No. P-2013-2347340, approving the DSIC.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not included for recovery in the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective October 1, 2015.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

2. Computation of the DSIC

A. Calculation: The initial DSIC, effective October 1, 2015, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2015 and August 31, 2015. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Billing for the DSIC will be on a bills rendered basis. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC Eligible Plant Additions Reflected
January 1	September - November
April 1	December - February
July 1	March - May
October 1	June - August

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR}) + \text{Dep} + e}{\text{PQR}}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Revenue shall be based on one fourth of the projected annual revenue.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

3. Quarterly Updates. Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

4. Customer Safeguards

A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. The Company is not permitted to accrue interest on under collections

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

E. All customer classes: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives who are paying flexed or discounted rates and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs

G. Residual E-Factor Recovery Upon Reset To Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Company shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the Company determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

RATE GR - GENERAL SERVICE -RESIDENTIAL

AVAILABILITY.

Service in the entire service territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units whether occupied or not), for domestic requirements of its members when such service is supplied through one meter. Resale of gas and/or service provided by the Company under this rate is only allowed for those locations being served through a single meter prior to January 6, 1980.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$16.00 per month
VARIABLE DISTRIBUTION CHARGE: \$4.3849 per Mcf

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge. The Universal Service Fund Charge is incorporated in the Variable Distribution Charge.

CONTROLLED LOW PRESSURE SERVICE AND 2 PSIG DELIVERY.

For those Customers served from medium or high pressure mains, low pressure delivery of gas at 12.2 inches of water column or 2 PSIG will be provided upon request in lieu of the normal low pressure delivery. For these Customers multipliers of 1.03 will be applied to all meter readings for 12.2 inches of water column delivery and 1.14 for 2 psig delivery to recognize the additional volume of gas delivered.

BUDGET BILLING.

At the option of the Customer, budget billing is available in accordance with the provisions of Rule 16.5.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial term for any contract shall be at least one year.

PAYMENT TERMS.

Standard.

RATE GC - GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL

AVAILABILITY.

Service for use in commercial and/or industrial applications, with the right reserved to restrict its use as boiler fuel and for other non-critical use.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$40.00 per month

VARIABLE DISTRIBUTION CHARGE: \$4.5625 per Mcf for all or any part of the first 200 Mcf
\$3.1694 per Mcf for the additional use

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

CONTROLLED LOW PRESSURE SERVICE AND 2 PSIG DELIVERY.

For those Customers served from medium or high pressure mains, low pressure delivery of gas at 12.2 inches of water column or 2 PSIG will be provided upon request in lieu of the normal low pressure delivery. For these Customers multipliers of 1.03 will be applied to all meter readings for 12.2 inches of water column delivery and 1.14 for 2 psig delivery to recognize the additional volume of gas delivered.

BUDGET BILLING.

At the option of a Customer, budget billing is available in accordance with the provisions of Rule 16.5

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

PECO Energy Company

RATE OL - OUTDOOR LIGHTING SERVICE

AVAILABILITY.

Service for outdoor lighting by Company-approved lighting devices of the sizes hereinafter specified, where the consumption is not registered on a meter.

MONTHLY RATE TABLE.

Manufacturer's Rated Input to Lighting Devices	Nominal Mcf Rating Per Month	Distribution Charges	
		When Not in Conjunction With Service Under Other Gas Rates	When in Conjunction With Service Under Other Gas Rates
1,999 Btu/Hr. or less	1.5 Mcf	\$8.8517	\$4.4052
2,000 Btu/Hr. to 2,499 Btu/Hr.	1.7 Mcf	\$10.2975	\$5.8844
2,500 Btu/Hr. to 2,999 Btu/Hr.	2.1 Mcf	\$11.5590	\$7.1292
3,000 Btu/Hr. to 3,499 Btu/Hr.	2.4 Mcf	\$12.9045	\$8.4909

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") if customer receives Sales Service, GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Distribution Charge.

INSTALLATIONS.

The Customer shall install, own and maintain the lighting devices and all tubing from the Company's service-supply pipe to the lighting devices.

FINAL CONNECTION.

The final connection of any lighting devices or tubing to the supply system shall be made by or under the supervision of a representative of the Company and the costs of such connections shall be borne by the Customer.

BUDGET BILLING.

At the option of the Customer, budget billing is available in accordance with the provisions of Rule 16.5

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

RATE L - LARGE HIGH LOAD FACTOR SERVICE

AVAILABILITY.

Large volume high load factor service for use in commercial and/or industrial applications, with the right reserved to restrict its use as a boiler fuel and for other non-critical use. This service shall be under a contract specifying in Mcf, the maximum daily quantity (MDQ) of natural gas to be supplied on a seasonal basis. The winter period MDQ may not exceed the summer period MDQ. Deliveries shall be as nearly as practicable at uniform hourly rates of flow.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$260.00 per month
VARIABLE DISTRIBUTION CHARGE: \$9.0400 per Mcf for the first 50% of all usage.
\$2.7458 per Mcf for the additional use.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Charge.

MEASUREMENT.

The quantities of gas used shall be determined from the Company's meters, corrected to standard conditions, namely 60° Fahrenheit temperature and 30 inches of mercury barometric pressure.

UNAUTHORIZED OVERRUN.

Any quantity of gas taken for this service on any day of the month in excess of the MDQ specified in the contract for this service shall constitute unauthorized overrun volume for such day, except when such excess results from fluctuations in day-to-day deliveries hereunder determined by the Company to be normal and in accordance with good operating practices. The sum of all such unauthorized volume in a month shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily Weighted prices for a particular calendar month are summed and the result is equal to the MWP.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

PECO Energy Company

MDQ DETERMINATION.

Each Customer shall review the contract annually and shall supply the Company written notification by August 1 of the Customer's requested MDQ(s) for the coming contract year. The MDQ requested shall be subject to reduction by the Company for either or both of the seasonal periods in light of available gas supplies, winter deliverability constraints, or for other good reason before the contract becomes effective. Any reduction made by the Company below the prior year's MDQ(s) shall be limited to the Customer's boiler fuel and other non-critical use.

The Company may, with the consent of the Customer, increase the existing winter MDQ up to the level of the contracted summer MDQ at such time during the winter period when, in the judgment of the Company, sufficient quantities of gas are available for the balance of the contract year.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

RATE MV-F MOTOR VEHICLE SERVICE-FIRM

AVAILABILITY.

Firm motor vehicle service is available to Customers using natural gas exclusively as fuel for motor vehicles.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$40.00 per month.

ADDITIONAL FIXED DISTRIBUTION CHARGE: If the Customer contracts with the Company for the installation and maintenance of compressor equipment to deliver gas at the necessary pressure for vehicle use, there will be an additional Customer Charge as specified in the Customer's contract.

VARIABLE DISTRIBUTION CHARGE: \$1.2764 per Mcf

ADDITIONAL VARIABLE DISTRIBUTION CHARGE: If the Customer contracts with the Company for the purchase of compressed gas at a Company-owned refueling location, there will be a compression and refueling charge of \$2.66 per Mcf added for each Mcf of gas supplied.

MINIMUM CHARGE: The minimum charge per month shall be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) and any applicable fuel taxes apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE**AVAILABILITY.**

Interruptible motor vehicle service is available to Customers using natural gas for the sole purpose of a fuel for motor vehicles which have installed dual-fuel capability.

QUALITY OF SERVICE.

Upon notification by the Company, the Customer is required to transfer load to an alternate fuel. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day. However, the notice period in emergency situations may be less than four hours and the Company may interrupt service at times other than the start of the gas day. The Customer shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Sales under this rate schedule are subordinate to all firm sales or firm transportation service provided by the Company.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$40.00 per month

ADDITIONAL FIXED DISTRIBUTION CHARGE: If the Customer contracts with the Company for the installation and maintenance of compressor equipment to deliver gas at the necessary pressure for vehicle use, there will be an additional Customer Charge as specified in the Customer's contract.

VARIABLE DISTRIBUTION CHARGE AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels that this Customer class has the economic capability of consuming.

The total of the Variable Distribution Charge and the Commodity Charge shall be no less than the allocated monthly cost of gas plus three cents, plus the applicable gross receipts tax factor.

The total of the Variable Distribution Charge and the Commodity Charge shall not exceed the sum of the end block of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and the Gas Cost Adjustment Charge ("GCA") of Rate GC.

The Company will provide the Pennsylvania Public Utility Commission with written notification of the Rate MV-I prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. Once established, the price will remain in effect from month to month unless changed by the above notification procedure.

ADDITIONAL COMMODITY CHARGE: If the Customer contracts with the Company for the purchase of compressed gas at a Company-owned refueling location, there will be a compression and refueling charge of \$2.65 per Mcf added for each Mcf of gas supplied.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), and any applicable fuel taxes apply to this rate.

OTHER CONDITIONS.

1. The Company reserves the right to enter the Customer's premises to inspect the equipment and apparatus at any time to determine whether the Customer's equipment and the Company's equipment is properly functioning, and whether the Customer is in compliance with all the provisions of this rate. It is the Customer's responsibility to inform the Company immediately if the Customer-owned or Company-owned control equipment does not operate properly.

2. Service under this rate may be separately supplied to a Customer who is also supplied under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE - Continued

3. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the allocated monthly cost of gas and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent unleaded gasoline dealer tank wagon price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The revenue received for Customer emergency service which is in excess of the normal Rate MV-I revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

4. Any unauthorized gas consumed in violation of the provisions of this rate shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate. Such payment by the Customer for unauthorized use shall not be deemed as giving the Customer any rights to use such gas.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission). All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

5. Should the Customer cause the control device to be ineffective, or in any way change the operation thereof, all gas registered on the meter since the last meter reading, in addition to all other rates and charges, will be subject to the penalty charge shown above.

6. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

RATE IS - INTERRUPTIBLE SERVICE

AVAILABILITY.

Interruptible sales service is available to individual Customers who have dual-fuel capability or are willing to accept interruption of gas service. The Customer must have an estimated gas consumption of at least 3,000 Mcf per month during each summer month. The summer period includes the months of April through November. For a Customer that also receives service under Rates L, TS-I, or TS-F, the 3,000 Mcf per month use requirement does not apply.

Rate GC or other firm sales services may not be used as a backup supply during periods of interruption under this rate schedule. Rate GC service may be provided through separate metering where firm service is required. Piping connections between the firm and interruptible fuel line systems are prohibited.

The Customer will be required to execute a contract specifying the maximum daily quantity (MDQ) of gas that the Company's service and metering facilities are designed to supply. The maximum hourly capacity that the Company's facilities are designed to supply shall not be more than 6.5% of the MDQ.

QUALITY OF SERVICE.

Service under this rate is made available to Customers for purposes of balancing the Company's gas demands and optimizing its daily use of pipeline supplies and is strictly within the discretion of the Company. When the available quantity of gas is inadequate to serve the needs of all Customers under this rate, the Company will impose limitations, as necessary, endeavoring to provide each Customer with the opportunity to take gas from time to time. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day. However, the notice period in emergency situations may be less than four hours and the Company may interrupt service at times other than the start of the gas day. Those Customers who have dual fuel capability shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Interruptible sales are subordinate to all firm sales or firm transportation service provided by the Company.

BILLING.

FIXED DISTRIBUTION CHARGE: \$217.89 per month.

VARIABLE DISTRIBUTION AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels the Customer has the economic capability of consuming. The total of the Variable Distribution Charge and the Commodity Charge shall be no less than the applicable commodity cost of gas for the current month plus three cents, increased by the applicable gross receipts tax factor and shall be no higher than the applicable delivered price, on an equivalent BTU basis of alternate fuel.

The Company will provide the Pennsylvania Public Utility Commission with written notification of each of the prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. Once established, prices will remain in effect from month to month unless changed in accordance with the above notification procedure. If there is a major change in competitive fuel prices during the month, the Company may change the Commodity Charge prices within the same upper and lower limits on notice of five working days to the Commission.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

METERING SEQUENCE.

Service under this rate may be supplied in combination with Rates L, TS-F or TS-I at a single point and through a single metering installation, in which case the MDQ for each rate schedule shall be specified in the contract. The Company will assume for billing purposes that metered volumes first reflect deliveries of the Contract Maximum Daily Quantity of Rate L gas, next the Firm Transportation Contract Quantity of Rate TS-F, next the Contract Quantity of Interruptible Transportation under Rate TS-I, and finally the Interruptible Gas under this rate schedule. Determination of Rate IS deliveries will be made at the end of the billing period. The number of Mcf billed under Rate L shall never be less than the number of Mcf resulting from 15 days' use of the Rate L billing demand.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate.

RATE IS - INTERRUPTIBLE SERVICE - Continued

OTHER CONDITIONS.

1. Any quantity of gas taken for this service on any day of the month in excess of the MDQ specified in the contract shall constitute unauthorized overrun volume for such day, except when such excess results from fluctuations in day-to-day deliveries hereunder determined by the Company to be normal and in accordance with good operating practices. The sum of all such unauthorized volume in a month shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission). All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the applicable commodity cost used to establish the current Rate IS Commodity Charge for the Customer and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent No. 2 oil consumer tank car price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate schedule.

The revenue received for Customer emergency service which is in excess of the normal Rate IS revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

EXTENSION OF MAIN - INSTALLATION OF SERVICE.

Each Customer shall prepay the total cost of any main extension, service installation, meter installation, or enlargement or rearrangement of existing facilities required for service under this rate schedule.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least 1 year.

PAYMENT TERMS.

Standard.

RATE TCS - TEMPERATURE CONTROLLED SERVICE

AVAILABILITY

Temperature controlled service is available to individual Customers that have dual-fuel equipment with a rated input of more than 2,100,000 Btu per hour and an estimated fuel use which totals 5,000 Mcf or more during the billing months of December, January, February and March and are willing to accept interruption of service at the cut-off temperature specified by the Company.

QUALITY OF SERVICE.

Upon notification by the Company, the Customer is required to transfer load to an alternate fuel whenever the outdoor temperature is below the cut-off limit specified by the Company. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day. However, the notice period in emergency situations may be less than four hours and the Company may interrupt service at times other than the start of the gas day. During August of each year the Company will notify each Customer of the cut-off temperature limit to be effective during the twelve-month period beginning September 1. Those Customers who have dual fuel capability shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Sales under this rate are subordinate to all firm sales or firm transportation service provided by the Company.

BILLING.

FIXED DISTRIBUTION CHARGE: \$175.00 per month.

VARIABLE DISTRIBUTION AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels that this Customer class has the economic capability of consuming.

Monthly prices shall not exceed the sum of the end block of the Variable Distribution Charge of Rate GC, the monthly projected weighted average commodity cost of gas (WACCOG) and the Fixed Cost Credit determined in the most recent annual 1307(f) proceeding. Monthly prices shall be no less than monthly projected WACCOG and the 1307(f) Fixed Cost Credit, plus three cents. The Company will provide the Pennsylvania Public Utility Commission with written notification of the prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. If there is a significant change in WACCOG during a month, the Company may change the commodity charge prices within the same upper and lower limits on notice of five working days to the Commission.

"Fixed Cost Credit" means the result derived by dividing the Company's annual projected interstate pipeline transportation and storage demand charges by its projected annual firm sales throughput as determined by reference to the Company's Section 1307(f) filing made immediately prior to the period in which the Fixed Cost Credit shall apply.

"Commodity cost of gas" shall include all purchased gas costs charged by the Company's natural gas and interstate pipeline suppliers on a volumetric or commodity basis (including but not limited to interstate pipeline fuel and the Company's company use and unaccounted for gas) and shall exclude all costs used in determining the Fixed Cost Credit.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate.

OTHER CONDITIONS.

1. The Company reserves the right to enter the Customer's premises to inspect the equipment and apparatus at any time to determine whether the Customer's equipment and the Company's equipment is properly functioning, and whether the Customer is in compliance with all the provisions of this rate.

It is the Customer's responsibility to inform the Company immediately if the Customer-owned or Company-owned control equipment does not operate properly.

2. Service under this rate may be separately supplied to a Customer who is also supplied under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

The Company may, in its sole discretion, permit minimal volumes of gas which would otherwise be supplied under Rate GC to flow through the Rate TCS metering where, in the Company's judgment, the cost of installing separate metering is uneconomical.

(Continued)

RATE TCS - TEMPERATURE CONTROLLED SERVICE – Continued

3. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the allocated monthly cost of gas and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent No. 2 oil consumer tank car price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The revenue received for Customer emergency service which is in excess of the normal Rate TCS revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

4. Upon notification to the Customer by the Company that an emergency condition exists, the Company may change the threshold outdoor ambient temperature at which service is provided, for the duration of the emergency.

5. Any unauthorized gas consumed in violation of the provisions of this rate shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate. Such payment by the Customer for unauthorized use shall not be deemed as giving the Customer any rights to use such gas.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

6. Should the Customer cause the control device to be ineffective, or in any way change the operation thereof, all gas registered on the meter since the last meter reading, in addition to all other rates and charges, will be subject to the penalty charge shown above.

7. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least 1 year.

PAYMENT TERMS.

Standard.

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and Rate TS-F Gas Transportation Service-Firm.)

1. TRANSPORTATION SERVICE

1.1 GENERAL. Transportation service shall consist of: the receipt of gas on behalf of a Customer; the transportation of gas through the Company's distribution facilities; and the delivery of equivalent quantities of gas to the Customer, adjusted for thermal correction and system losses where applicable.

Transportation service may also include Standby Sales Service to permit purchases of gas under one of the Company's retail sales rate schedules.

1.2 TERMS DEFINED. The following definitions shall apply throughout the transportation portion of this tariff:

RECEIVED/RECEIPT shall refer to gas tendered to the Company for the Customer's account at one or more of the interconnections between the Company and its interstate pipeline suppliers, or other specified location. The normal unit of measurement is the dekatherm or mmBtu.

DELIVERED/DELIVERY shall refer to gas tendered to the Customer by the Company at the Customer's specified location. The normal unit of measurement is the Mcf.

USE/USAGE shall refer to gas actually consumed by the Customer at the specified location as measured by the Company's meter in Mcf.

DEFICIENT DELIVERIES shall refer to occurrences in which the Customer uses more gas than the quantity of transportation gas tendered by the Company for delivery.

EXCESS DELIVERIES shall refer to occurrences in which the Customer uses less than the quantity of gas tendered by the Company for delivery.

1.3 VOLUME ADJUSTMENT. The quantity of transportation gas received into the Company's distribution system for the Customer's account shall be: (a) reduced by 1.8% for system losses; and (b) adjusted for thermal correction determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot. Where the transported gas can be delivered directly to the Customer without commingling with other system supplies, no reduction for system losses shall be made, and the thermal correction shall be based on the daily average Btu content of the pipeline to which the Customer is directly connected.

1.4 SUPPLY COST ADJUSTMENT. If the Company incurs any added gas supply cost in order to provide transportation service by displacement, or for other reasons, such additional cost will be charged to the Customer. Displacement occurs when a Customer, who is directly connected to one of the Company's pipeline suppliers, arranges for receipt of transportation gas on another pipeline to which the Customer is not directly connected. Revenues received by the Company in payment for added gas supply cost will be credited to firm sales Customers through the annual Sales Service Costs reconciliation (Section 1307[f]).

1.5 SERVICE AGREEMENT. The Customer will be required to execute a Transportation Service Agreement which will specify an initial Transportation Contract Quantity (TCQ) to be the maximum daily volume of gas, expressed in Mcf net of system losses where applicable, to be transported and delivered to the Customer. The agreement will also specify delivery locations, the election of Standby Sales Service, the commodity charge to be in effect for the term of the agreement, and any special provisions for service. The standard term for a Transportation Service Agreement shall be twelve months, unless the Company and the Customer agree to a shorter or longer term.

The TCQ shall not exceed the lower of (a) the capacity of the Company's metering and regulating equipment at the Customer's location; or (b) 110% of the maximum daily usage of the Customer during the twelve-month period prior to the execution of the Transportation Service Agreement, unless full documentation of new or additional gas usage capability is provided by the Customer. If a Customer chooses to designate an Agent to act on the Customer's behalf for scheduling, dispatching, billing and other administrative aspects of transportation service, such designation shall be made in the Transportation Service Agreement. The designation of an Agent shall not relieve the Customer of ultimate responsibility for payment for service or other obligations incurred under this tariff.

Every November 1 following execution of the Transportation Service Agreement, the Customer's TCQ shall be automatically adjusted by the Company to be 110% of the maximum daily usage of the Customer during the prior twelve-month period if such adjustment would raise or lower the customer TCQ by the higher of either 10 mcf or 10%. The TCQ may also be adjusted by mutual agreement of the Customer and the Company.

(Continued)

GAS TRANSPORTATION SERVICE GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service Interruptible and Rate TS F Gas Transportation Service Firm.)

1.6 BUYER GROUP/LEAD CUSTOMER. A Buyer Group generally consists of up to ten individual Customers who voluntarily join together to obtain either firm or interruptible transportation service. The Company, at its discretion, may require all members of the Buyer Group to execute the same Transportation Service Agreement and make the same elections as to Standby Sales Service. One member of the Buyer Group may be designated by the Company as the Lead Customer who shall be responsible for the timely payment of all bills rendered to the Buyer Group, as well as all day to day dispatch scheduling coordination and administrative communication between the Company and all members of the Buyer Group. A member of one Buyer Group may not be a member of another Buyer Group. Eleven or more individual Customers may form a Buyer Group only upon specific agreement by the Company. Unless otherwise described, the term "Customer" as used throughout these general terms and conditions shall refer to an individual Customer or to a Buyer Group. The Company, at its discretion, may set the maximum Commodity Charge for a Buyer Group at the maximum which any member would be individually required to pay.

1.7 MINIMUM SIZE. The minimum total gas consumption capability required to be eligible for transportation service shall be less than or equal to 5,000 Mcf per year. This minimum shall apply to an individual Customer or to a Buyer Group which, in the aggregate, uses less than or equal to 5,000 Mcf of gas annually.

2. BALANCING PROVISIONS

2.1 GENERAL. Transportation balancing is provided to adjust for the unavoidable minor variations between Customer usage and scheduled deliveries, and is not intended to function as a storage service or a standby sales service. Each Customer shall use best efforts to balance deliveries and usage at all times.

2.2 INTERRUPTED RECEIPTS. On days when no transportation gas is received for the Customer's account, all gas used by the Customer shall be billed as a purchase from the Company. For Customers which have elected Standby Sales Service, the usage shall be billed at the applicable rate. For Customers which have not elected Standby Sales Service, the usage shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and, the Gas Cost Adjustment Charge ("GCA") of Rate GC and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Excess deliveries already being held for the Customer at the time of interruption will be tendered for delivery when transportation receipts resume. If the interruption of receipts continues for more than thirty days, the Company will tender excess deliveries as soon as practicable subject to operating and gas procurement considerations.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6, non-NY

North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2.3 BALANCING CHARGE. A **\$0.0076** per Mcf balancing charge shall be imposed on all transportation deliveries in a billing month. The Balancing Charge shall be reviewed and adjusted annually, as necessary, effective December 1 subject to approval of the new charge in the Company's annual purchased gas cost filing under 66 Pa. C.S. § 1307(f)

2.4 ALLOWABLE DAILY VARIATION. In order to minimize the effect of transportation imbalances on the operation of the Company's system, the allowable daily variation between delivered quantities and Customer usage is ten percent of the TCQ.

If a Customer exceeds these limits, the Company shall: (a) in the case of excess deliveries, impose a \$0.25 per Mcf penalty charge on that portion of daily excess deliveries greater than the allowable daily variation and have the right to limit the receipt of Gas Transportation if a customer has excess deliveries greater than the allowable daily variation (b) in the case of deficient deliveries, have the right to bill such deficiency as a purchase from the Company. For Customers which have elected Standby Sales Service, the deficiency shall be billed at the applicable rate. For Customers which have not elected Standby Sales Service, the deficiency shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and, the Gas Cost Adjustment Charge ("GCA") of Rate GC, and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6, Non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and
Rate TS-F Gas Transportation Service-Firm.)

2.5 MONTHLY BALANCING FOR DEFICIENT DELIVERIES. If in any billing month a Customer has deficient deliveries, the volumes shall be billed at the applicable rate for those customers that have elected Standby Sales Service. For Customers which have not elected Standby Sales Service, the volumes shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and Gas Cost Adjustment Charge ("GCA") of Rate GC, and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 Non-NY North Daily rate for such unauthorized usage day; or b) the Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2.6 MONTHLY BANKING SERVICE FOR EXCESS DELIVERIES. The Customer is permitted to carry over or bank a positive imbalance each month at the following monthly charges:

- (a) where the monthly excess does not exceed the TCQ - \$0.00 per Mcf;
- (b) for the monthly excess greater than the TCQ and less than twice the TCQ - \$1.00 per Mcf;
- (c) for the monthly excess greater than twice the TCQ and less than three times the TCQ - \$5.00 per Mcf;
- (d) for the monthly excess greater than three times the TCQ - \$10.00 per Mcf.

3. STANDBY SALES SERVICE

3.1 GENERAL. Standby Sales Service permits the Customer to purchase gas under one of the Company's retail sales rate schedules when:

- (a) no transportation gas is received for the Customer;
- (b) transportation deliveries are deficient with respect to the Customer's usage;
- (c) a Customer elects to purchase gas from the Company in lieu of transportation service.

Transportation service under Rate TS-I automatically provides Standby Sales Service as described in Section 3.2 below. A Customer purchasing transportation service under Rate TS-F shall indicate in the Transportation Service Agreement if the Customer elects to have Standby Sales Service. If the Customer elects Standby Sales Service the Customer shall specify the election in the Transportation Service Agreement as well as the Standby Sales Quantity (SSQ) which is the maximum daily quantity of gas expressed in Mcf that the Customer may purchase. A penalty charge based on the following will be imposed on volumes taken in excess of the SSQ: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

The Company maintains no current or future duty to provide retail sales service to a Customer who declines to elect Standby Sales Service. Availability of Standby Sales Service for new gas loads not previously served under a retail firm sales rate schedule is contingent upon the Company's ability to arrange the required supply contracts.

3.2 INTERRUPTIBLE SERVICE. Interruptible Standby Sales Service under Rate IS is automatically provided to the Customer in conjunction with Rate TS-I. The billing and all other conditions of service shall be as stated under the Rate IS tariff, except that the Customer Charge shall be waived.

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and
Rate TS-F Gas Transportation Service-Firm.)

3.3 FIRM SERVICE. All Rate TS-F Customers may elect Standby Sales Service under:

(a) Rate L, for Customers with an SSQ of at least 100 Mcf per day and gas consumption capability of at least 18,000 Mcf per year;

(b) Rate GC, for Customers with an SSQ of less than 100 Mcf per day or gas consumption capability of less than 18,000 Mcf per year except that the Standby Sales Service rate schedule applicable to a Buyer Group may, at the Company's discretion, be set at the highest priced rate schedule under which any member would be individually required to pay. The billing and all other conditions of service shall be as stated in the applicable rate schedule and prorated for actual days of use, except that the Customer Charge shall be waived. In addition, the Customer shall pay a monthly demand charge per Mcf of SSQ which is based on 110% of the average monthly demand charges paid for the Company's firm supply. The monthly demand charge, prorated on an Mcf-per-day basis, will be credited to all volumes purchased. Following the end of the Company's supply contract year (October 31), the Customer shall also be assessed those minimum bill, take-or-pay, supply inventory, or other similar charges actually paid by the Company, which are attributable to the annual volume reserved but not taken under this provision. Customers that request to terminate Standby Sales Service after one or more years will be required to continue payment of the monthly demand charge until the Company is able to reduce its purchase obligations or otherwise utilize the released supplies.

4. OTHER PROVISIONS

4.1 METERING SEQUENCE. Where gas is used by the Customer under more than one of the Company's rate schedules through the same meter location, the Company will assume for billing purposes that metered volumes reflect deliveries in the following sequence where applicable:

- (a) Rate L, up to maximum daily quantity.
- (b) Rate TS-F, up to transportation contract quantity.
- (c) Rate TS-I, up to transportation contract quantity, or actual delivered quantity, whichever is lower.
- (d) Rate IS.

4.2 GAS SUPPLY SHORTAGE. The Company shall have the right to appropriate natural gas supplies to be delivered by or on behalf of a Customer in the event of a natural gas emergency (as defined in Rule 12 of the Rules and Regulations). In the event of a natural gas emergency, the Customer or its Natural Gas Supplier (NGS) shall continue to deliver all available natural gas supplies to the Company for which the Customer is contracted to purchase from the NGS. As compensation, the Company shall pay a price not in excess of the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the customer for delivered substitute energy, as documented by the Customer. The Company may also provide compensation in kind at the discretion of the affected customer or NGS. Upon request, the Customer shall demonstrate its cost of natural gas by making a copy and invoice of the contract with the natural gas supplier available to the Company upon request.

(Continued)

4.3 LIABILITY.

- (a) The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the Customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendering of service hereunder, and regardless of any defect in such law, regulation, or order.
- (b) Gas shall be and remain the property of the Customer while transported and delivered by the Company. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
- (c) The Company shall not be liable for any loss to the Customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause. The Company reserves the right to commingle gas of the Customer with other supplies.
- (d) The Company shall not be liable, under any circumstances or in any respect, to a Customer, to a gas producer or natural gas supplier, or to any other person or entity for damages arising either directly or indirectly from interruption, curtailment, or termination of transportation service.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

RATE TS-I GAS TRANSPORTATION SERVICE-INTERRUPTIBLE
(Gas Transportation Service - General Terms and Conditions Apply To This Rate.)

AVAILABILITY.

Interruptible transportation service (Rate TS-I) is available to an individual Customer, or a Buyer Group, who may have dual fuel capability or is willing to accept interruption of gas service.

Service is available under this rate only to customers served by a licensed natural gas supplier who is deemed creditworthy by the Company pursuant to Rule 25 of the Rules and Regulations of the Gas Service Tariff.

High Volume Transportation (HVT) Customers receiving service under this Rate, as of March 1, 2002, shall be exempt from the above supplier eligibility criteria; provided, however, such an HVT Customer may waive such exemption, in a writing submitted to the Company, by indicating its desire to be served by a natural gas supplier deemed creditworthy by the Company pursuant to the above referenced Rule 25.

UPGRADING AND OR INSTALLATION OF FACILITIES.

Upgrading and/or installation of mains and services required to provide adequate delivery capacity for interruptible transportation service for the Customer will be in accordance with the Rules and Regulations governing Extensions. The Customer shall prepay the total cost of any new receipt point for Customer-owned gas into the Company system, or improvements to an existing receipt point, which then shall be constructed, subject to specific contract terms and conditions, owned, and maintained by the Company.

QUALITY OF SERVICE.

Interruptible transportation service will be provided on a best efforts basis by the Company and may be restricted or interrupted from time to time due to operating and capacity limitations. Under normal operating conditions a minimum of four hours notice will be given before interruptions of service. The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day. However, the notice period in emergency situations may be less than four hours and the Company may interrupt service at times other than the start of the gas day.

BILLING.

A. For each meter location having a gas consumption capability of at least 18,000 Mcf per year.

1. **FIXED DISTRIBUTION CHARGE.**

\$299.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$125.00.

2. **VARIABLE DISTRIBUTION CHARGE.**

The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$1.0647 per Mcf.

B. For each meter location having a gas consumption capability of less than 18,000 Mcf per year.

1. **FIXED DISTRIBUTION CHARGE.**

\$251.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$125.00.

2. **VARIABLE DISTRIBUTION CHARGE.**

The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual customer. The maximum Variable Distribution Charge shall be \$1.9994 per Mcf.

C. The State Tax Adjustment Clause does not apply to this rate.

D. The PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), TAX CUTS AND JOBS ACT (TCJA), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), and VOLUNTARY SURCHARGE applies to this rate.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge.

SEPARATION OF SERVICE.

Service under this rate may be separately supplied to a Customer who is also supplied under Rate GC at the same premises provided that each supply shall be separate and distinct with respect to delivery, metering, and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

PAYMENT TERMS.

Standard.

RATE TS-F GAS TRANSPORTATION SERVICE-FIRM

(Gas Transportation Service - General Terms and Conditions Apply To This Rate.)

AVAILABILITY.

Firm transportation service (Rate TS-F) is available to an individual Customer or a Buyer Group, who desires uninterrupted transportation service. Firm transportation service is not available with Rate GC through the same meter, except as provided under Standby Sales Service of the General Terms and Conditions.

Service is available under this rate only to customers served by a licensed natural gas supplier who is deemed creditworthy by the Company pursuant to Rule 25 of the Rules and Regulations of the Gas Service Tariff.

High Volume Transportation (HVT) Customers receiving service under this Rate as of March 1, 2002, shall be exempt from the above supplier eligibility criteria; provided, however, such an HVT Customer may waive such exemption, in a writing submitted to the Company, by indicating its desire to be served by a natural gas supplier deemed creditworthy by the Company pursuant to the above referenced Rule 25.

UPGRADING AND OR INSTALLATION OF FACILITIES.

Upgrading and/or installation of mains and services required to provide adequate delivery capacity for firm transportation service for the Customer will be in accordance with the Rules and Regulations governing Extensions. The Customer shall prepay the total cost of any new receipt point for Customer-owned gas into the Company system, or improvements to an existing receipt point, which then shall be constructed, subject to specific contract terms and conditions, owned, and maintained by the Company.

QUALITY OF SERVICE.

Transportation service under this rate schedule is firm and shall be interrupted only in cases of operating emergencies experienced by the Company or in the case of a natural gas shortage when the supply of gas is insufficient to meet the requirements of Priority 1 Customers.

BILLING.

- A. For each meter location having a gas consumption capability of at least 18,000 Mcf per year.
 - 1. FIXED DISTRIBUTION CHARGE
\$249.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$125.00.
 - 2. VARIABLE DISTRIBUTION CHARGE.
The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$ 1.1859 per Mcf.
- B. For each meter location having a gas consumption capability of less than 18,000 Mcf per year.
 - 1. FIXED DISTRIBUTION CHARGE.
\$208.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$125.00.
 - 2. VARIABLE DISTRIBUTION CHARGE.
The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$2.4847per Mcf.
- C. The State Tax Adjustment Clause does not apply to this rate.
- D. The PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), TAX CUTS AND JOBS ACT (TCJA), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) and VOLUNTARY SURCHARGE applies to this rate.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge plus 15 days' use of the TCQ at the Customer's applicable commodity charge.

SEPARATION OF SERVICE.

Service under this rate may be separately supplied to a Customer who is also supplied under Rate GC at the same premises provided that each supply shall be separate and distinct with respect to delivery, metering, and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

PAYMENT TERMS.

Standard.

PECO ENERGY COMPANY**RATE NGS - Negotiated Gas Service**

AVAILABILITY. Service under this rate is available only to customers that satisfy the following criteria:

1. The customer either must have a history of at least 18,000 Mcf of annual natural gas usage billed by the Company. Alternatively, if a new customer, the customer must establish that the facilities to be served are likely to consume at least 18,000 Mcf of annual natural gas usage.
2. The customer must document a viable, currently available competitive alternative to service under the Rates GC, L, TS-F, or TS-I including any applicable riders. Documentation must include a written description of the competitive alternative and any further information necessary to establish the cost and demonstrate the viability of the customer's competitive alternative with reasonable certainty. The Company shall have sole discretion over whether the customer is eligible for a rate negotiated pursuant to this rate based on the information provided by the customer. If the customer already has in place a competitive alternative, the Company may require such written proof of the existence, nature, and working condition of such alternative, as the Company deems appropriate and necessary.
3. The customer executes an NGS agreement that comports with all other provisions of this rate.

QUALITY OF SERVICE. Service quality shall be negotiated and specified in each service agreement. Service quality may be firm, interruptible or a hybrid thereof. Priority 1 customers, however, shall be required to take firm standby service as a component of service provided under this rate schedule unless the customer demonstrates to the Company's reasonable satisfaction that it has an installed, operable backup system. Unless expressly stated in the service agreement, an interruptible customer shall bear the entire risk for any and all damages associated with an interruption.

NATURE OF SERVICE. The nature of service shall be negotiated and specified in each service agreement. Service may involve any one or more of the following services: supply; transportation; storage; upgrade or installation of mains, services, and appurtenant facilities; and such other natural gas management services the customer may require from time to time. The service agreement shall include all essential terms and conditions of the negotiated service. Where a term is not defined expressly in the service agreement, it shall have the meaning specified in the Tariff or, if the Tariff does not provide a definition, the meaning generally understood within the natural gas industry.

TERM LENGTH/NOTICE OF TERMINATION. The primary term length of a service agreement shall be no less than one year in length. Either the customer or the Company may terminate the agreement at the end of the primary term by giving written notice of termination at least one hundred-eighty (180) days before primary term ending date unless otherwise stated in the service agreement. If neither party gives such notice, then the agreement shall continue for consecutive one year terms until terminated by either party giving written notice of termination at least one hundred-eighty (180) days before the end of the continued term. Terms and conditions applicable to any continued term shall be stated in the service agreement.

RATES, CHARGES, BILLING.

1. Rates for service shall be negotiated and specified in the applicable service agreement. Rates negotiated for this service shall be presumed to have been designed to recover a fair rate of return on the incremental investment in facilities needed to provide service to the customer.
2. Rates will be, in the Company's sole judgment, competitive but the Company shall not be obligated to agree to charges that match the customer's costs under the customer's viable, currently available competitive alternative. _
3. Unless otherwise stated in the service agreement, no charge of otherwise general applicability (e.g., State Tax Adjustment Clause) shall apply to service under this rate.
4. Unless otherwise stated in the service agreement, no charge applicable to other sales or transportation services offered under the Company's tariff (e.g., Rates GC, L, TS-I, TS-F) shall apply to service under this rate.

PAYMENT TERMS. Payment terms may be negotiated and specified in the service agreement. Unless the service agreement provides specific terms governing the billing of charges, Section 16. Standard Payment Terms of the Rules and Regulations of the Tariff shall apply.

RULES AND REGULATIONS. The Company's Rules and Regulations in effect from time to time, where not inconsistent with any provision hereof or the terms and conditions of the applicable service agreement, shall apply to a service agreement negotiated under this rate.

RATE NGS - Negotiated Gas Service - ContinuedCREDITWORTHINESS

1. Prior to commencement of performance, or at any time during the term of service under this rate, Customer must provide financial information reasonably requested by the Company to ascertain Customer's ability to discharge its payment or other obligations under this rate. The Company shall be permitted to conduct financial evaluations during the term of the service agreement when information received by the Company indicates that the effective Credit Assurance has become unsatisfactory. The Company may charge \$100.00 for each evaluation up to two evaluations per calendar year.
2. Based on the Company's initial or subsequent credit evaluation, the Company may refuse, suspend or terminate service under this rate if the Customer fails to deliver the requested credit information or assurance of its ability to pay within ten (10) business days of such request. Credit Assurance may include (i) the required posting of an irrevocable letter of credit acceptable to the Company, (ii) a cash prepayment in an amount acceptable to the Company, (iii) a corporate guaranty or (iv) other security acceptable to the Company.
3. Upon five days prior written notice ("Notice Period") to an NGS customer, the Company may suspend or terminate service to the customer upon the occurrence of a Default Event. A Default Event shall mean (i) the failure by the customer to make, when due, any payment or perform any obligation required under the service agreement, (ii) any representation or warranty made by the customer shall prove to have been false or misleading in any material respect when made, (iii) the customer is subject to a Bankruptcy Proceeding, or (iv) the customer fails to post satisfactory Credit Assurance. If the customer cures the Default Event within the Notice Period, service will be continued by the Company pursuant to the terms of the service agreement.

CONFIDENTIALITY/PENALTY FOR DISCLOSURE.

1. The terms and conditions of a service agreement executed pursuant to this rate shall be considered "Highly Confidential and Privileged" by the parties and by the Commission.
2. "Highly Confidential and Privileged" shall mean that disclosure to any third party, non-governmental entity is likely to cause the non-disclosing party pecuniary and competitive damage not easily susceptible to quantification.
3. Unless disclosure is otherwise permitted, each party to a service agreement under this rate must agree not to oppose a legal action by a party that is designed to enjoin or otherwise prevent the other party from disclosing the terms and conditions of such service agreement to a third party.
4. Service agreements may be disclosed to a third party only: a) upon prior written authorization by the parties to the agreement; b) as necessary for the parties to administer and enforce the agreement; c) to an agent, attorney or consultant of either party which has executed an agreement in which it acknowledges the "Highly Confidential and Privileged" nature of the service agreement and agrees to be subject to these Confidentiality/Penalty for Disclosure provisions set forth herein; or d) pursuant to the order of a court of agency having appropriate jurisdiction. Disclosure under b) or d) shall be permitted only after the parties to the service agreement have been provided adequate prior notice and opportunity to prevent such disclosure or to seek an appropriate protective order.
5. Any disclosure by the customer in violation of this provision shall result in a penalty equal to 10% of the otherwise applicable rate for the remaining term of the agreement, or as otherwise set forth in the service agreement.

EXCLUSION OF RATE NGS PURCHASED GAS COSTS FROM SECTION 1307(f) CLAIM

Purchased gas commodity and interstate pipeline demand costs, and associated quantities of natural gas purchased to provide service to customers served under Rate NGS, shall be excluded from the Company's annual purchased gas cost filing under 66 Pa. C.S. § 1307(f), in accordance with Exhibit RAF-1 submitted by the Company at Docket No. R-00016366.

APPLICABILITY INDEX OF RIDERS INTRODUCTORY STATEMENT

Customers under the different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the rate under which they are supplied. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the Customer and the Company as the case may require.

<u>RIDERS</u>	<u>PAGE NUMBERS</u>	<u>RATES TO WHICH RIDERS APPLY</u>						
		<u>GR</u>	<u>GC</u>	<u>OL</u>	<u>L</u>	<u>IS</u>	<u>TSI</u>	<u>TSF</u>
Casualty	77	X	X	X	X	X	X	X
Construction	77	-	X	-	X	X	X	X
Neighborhood Gas	78	X	-	-	-	-	-	-
Receivership	80	X	X	X	X	X	X	X
Temporary Service	80	X	X	-	X	-	-	-
Customer Assistance Program	81	X	-	-	-	-	-	-

CASUALTY RIDER

APPLICABILITY. To service delivered during a period when a Customer is prevented for a length of time in excess of 48 hours from using all or a substantial part of the amount contracted for by reason of strike, riot, fire, storm, flood, drought, interference by civil or military authorities, or any other cause beyond the Customer's control.

NOTICE REQUIRED. Written request shall be made to the Company for the application of this rider with advice as to the extent of the interruption, its date, cause and probable duration.

GUARANTEES WAIVED. Guarantees of revenue under the Customer's contract shall be suspended during the period of the interruption, but shall be restored when the cause of interruption shall cease, be removed or remedied.

BILLS PRORATED. Bills for service supplied shall be prorated, based upon the actual level of operation during the period of suspension of guarantees.

RETURN TO NORMAL USE. The Customer shall use reasonable diligence in resuming the use of service provided in the Customer's contract.

TERM. The contract term shall be extended for a period equal to the period of suspension so that the Company shall secure a working term at full connected load equal to the term of the contract.

CONSTRUCTION RIDER

APPLICABILITY. To service supplied during a preliminary operating or construction period while the load is being built up to normal level or during a receding load period after the expiration of a standard contract term while a business is in process of dissolution.

GUARANTEE WAIVED. The guarantee minimum of a contract will be waived during the expanding load period preceding the operation within the load limits provided in the contract or the receding load period subsequent to the fulfillment of a contract term.

RIDER TERM. The total term of application of this rider during the preliminary or construction period shall be 6 months subject to the option of the Company to grant not more than two successive renewals of the rider term on major construction projects. Its application subsequent to the completion of a contract term shall be for not more than one year.

CONTRACT TERM. The termination date of a contract for service to permanent installations to which this rider is applied shall be extended for a period corresponding to the total time of the rider application during start up, construction or extension of the Customer's plant so that the Company will be assured the business represented by service to the total connected load for the term provided in the contract.

NEIGHBORHOOD GAS PILOT RIDER (NGPR)**AVAILABILITY**

The Neighborhood Gas Pilot Rider (NGPR) is available to any existing residential neighborhood that: (1) applies for natural gas service within the Company's service territory under Rate Schedules GR or CAP; (2) would be required to pay the portion of the main extension and service line project costs that exceed the Company's capital investment under Rule No. 7 – Extensions of the Company's gas service tariff ("Rule No. 7") for an extension of the Company's distribution facilities needed to furnish natural gas service to a neighborhood; and (3) meets the Program Criteria set forth below.

The NGPR will close for new main extension projects on June 30, 2026 unless the Company decides to extend this program and the extension is approved by the Commission. The Company reserves the right to suspend the pilot program if, in its sole judgment, critical safety or reliability related issues require that the resources that would be used to implement the NGPR are needed to maintain safe and reliable natural gas service to its existing customers. The Company shall be the sole judge in establishing what constitutes a neighborhood when determining the availability under this pilot program.

NATURE OF THE NGPR

The NGPR provides customers in a neighborhood an alternative method of making the payment required by Rule No. 7 when the extension of distribution facilities needed to serve eligible new customers is not economically justified based on the anticipated revenues from natural gas distribution service that would be provided to customers served by such extension. The NGPR provides for a fixed charge (NGPR Charge) to be added to the customer's bill or an option to pay via a lump sum payment. The NGPR Charge shall be calculated separately for each main extension project and shall be based on the cost of that particular project in the manner described below for each customer served from such main extension project.

PROGRAM CRITERIA

For a main extension project to qualify for the NGPR, the neighborhood must consist of 2 or more existing residences, and the cost for such project must equal or exceed \$15,000 and must meet the following additional criteria:

- (1) A minimum of twenty percent (20%) of the existing residences located along the new main extension must commit to receive natural gas service by signing an agreement prior to the start of construction;
- (2) The Company must have adequate system capacity to serve the customers that are eligible to receive natural gas service from the main extension; and
- (3) The Company's total investment under this pilot program is limited to no more than \$37,500,000 over five (5) years. The five-year period that this pilot program is in effect shall commence on July 1, 2021 and, as set forth above, shall close on June 30, 2026.

CALCULATION OF THE NGPR CHARGE

A Net Present Value (NPV) economic test (based on 40 years of revenue for each customer) shall be used to determine the payment required by Rule No. 7.

Pursuant to Rule No. 7, if the NPV of the capital investment (excluding 40 feet gas main allotment per existing residences) and the associated estimated revenues is less than zero, a customer is required to make a payment to the Company in an amount that would produce an NPV of zero, exclusive of any tax on the NGPR. For purposes of this NGPR, however, in calculating the NPV, the anticipated revenues from natural gas service shall consist of: (1) the revenues from 20% (or greater) of eligible customers signing a contract prior to the start of construction to take natural gas service in the first year, which is one of the Program Criteria that must be satisfied for a project to be eligible for the NGPR; and (2) additional revenues will be applied in the first year based on the assumption a minimum of 66% of the eligible customers within the project area will sign a contract for natural gas service within 20 years of the completion of the project.

Capital investment shall include the total cost of new main(s) (excluding 40 feet gas main allotment per existing residence) and service facilities installed under the NGPR, excluding the costs of meters and meter installations, to serve eligible customers.

Estimated revenues shall be based on the applicable variable distribution charge rate set forth in the Company's gas service tariff, the estimated annual consumption and the portion of the fixed distribution charge that is attributable to the capital costs of a service line.

NEIGHBORHOOD GAS PILOT RIDER (NGPR) - Continued

Because the NGPR permits payment over time, rather than a lump-sum payment prior to the start of construction of main extension projects, as Rule No. 7 requires, the NGPR Charge will recover a reasonable return on the Company's capital investment in new facilities installed pursuant to the NGPR. For purposes of the NGPR calculation, the discount rate shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

The NGPR shall be calculated to enable the project to have an NPV of zero based upon the above cost of capital. The resulting charge shall be increased by 1% by dividing the calculated rate by 0.99 to reflect an adjustment for uncollectible accounts expense.

BILLING

The NGPR Charge shall appear as a fixed monthly charge on the customer's bill.

The NGPR Charge calculated for a specific main extension will apply to all customers taking service from that main extension including any future customers that connect after the first year of the project.

For CAP customers, the NGPR charge will not be subject to the CAP discount.

If a customer fails to pay the full amount of any bill, a late payment charge of one and one-half percent (1.5%) per month will accrue on the portion of the bill that is unpaid on the due date.

PAYMENT TERMS

NGPR Charges shall be calculated based on input data specific to each project undertaken pursuant to the NGPR and shall be in effect for 20 years for each customer taking gas service from the main installed under this pilot within 20 years after the project has been completed.

The customer shall retain the right to pay the present value of the remaining monthly payments at any point in time during the 20 year period. Payments shall be present valued using PECO's after-tax cost of capital which shall be based on the sources as described above.

Service shall not be terminated for non-payment of this charge during the pilot program.

The STATE TAX ADJUSTMENT CLAUSE applies to this rider.

RECEIVERSHIP RIDER

APPLICABILITY. To service supplied a Receiver-Trustee for the continued operation of a property formerly under contract for its gas service requirements.

AUTHORITY FOR OPERATION. The Receiver-Trustee shall possess the authority under appointment by Court, through an order duly entered, to operate premises recited in a contract for gas service under which the Company has been supplying gas.

ACCEPTANCE. The Receiver-Trustee shall accept and adopt for the continuation of the supply of gas service the contract therefore in effect, including all of its provisions, and agree to pay the Company for all service furnished hereunder during the receivership-trusteeship at the rate specified therein.

BILLING. The Company reserves the right to render bills on a biweekly basis. To provide for biweekly billing under this rider, the provisions of the applicable rate and rider, if any, will be modified as follows:

- (a) Where applicable, all references to monthly or month will be changed to biweekly or biweek.
- (b) Where applicable, the commodity charge will be determined on a monthly basis and multiplied by 14/30ths (0.4667).
- (c) The monthly rate per lighting device for Rate OL will be multiplied by 0.4667.
- (d) The minimum charge will be determined on a monthly basis and such sum will then be multiplied by 0.4667 to determine the minimum charge for the billing period.
- (e) A discount of 0.4% will be applied to the total bill.
- (f) A bill will be rendered biweekly covering the charges for the preceding billing period and such bill shall be paid within fifteen (15) days after receipt thereof.

CONTRACT TERM. The completion of the term of the contract taken over, or as terminated by the discharge of the Receiver-Trustee, or as arranged with the Receiver-Trustee for the continuation of supply under the standard terms of this Tariff.

TEMPORARY SERVICE RIDER

APPLICABILITY. To the supply of service for a temporary period.

AVAILABILITY. Temporary service will be supplied only when the Company has available unsold capacity from which to furnish it and its supply will not in any way interfere with service to other Customers.

INVESTMENT IN SUPPLY FACILITIES. The cost of the connection and disconnection of the service supply and of any equipment and extension of facilities required to furnish the temporary service under the applicable rate shall be paid by the Customer, but such payment shall not confer upon, nor entitle the Customer to any title to, or right of property in, said facilities and equipment.

MINIMUM TERM. Application of this rider shall not, for billing purposes, be considered to be for a period of less than one month.

CONTRACT TERM. Short term arrangements as agreed upon.

Customer Assistance Program (CAP) Rider**AVAILABILITY:**

To payment-troubled customers who are currently served under or otherwise qualify for Rate GR (excluding multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for the rates contained in this rider and must demonstrate annual household gross income at or below 150% of the Federal Poverty guidelines. Customers must be on budget billing, will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. Based on the applicable level of income number of household members, and their historical usage CAP customers

will receive a Fixed Credit Option ("FCO") based upon that individual household's need. The details of the FCO calculation can be found in the PECO Universal Service and Energy Conservation Plan at Docket No. M-2015-2507139.

DISCOUNT LEVELS: The Company will modify the level of discounts every quarter to adjust for changes in the Customer's usage as well as any Rates changes which may have occurred.

CERTIFICATION/VERIFICATION Prior to enrollment in the CAP Rider, and then again every two years, customers must verify, to PECO's satisfaction, that their household income level meets the "Availability" standards set forth in this Rider. Customers being considered for the CAP Rider will be required to:

- Provide information sufficient to demonstrate to PECO their household income level.
- Waive certain privacy rights to enable PECO to effectively conduct the above certification process.
- Participate in energy reduction and conservation programs offered by PECO if identified as high-usage.

CAP customers are also encouraged to apply for a Low Income Home Energy Assistance Program ("LIHEAP") grant each LIHEAP season.

PECO may, at its sole discretion, supplement this verification process by using data from Commonwealth or federal government programs which demonstrate the income eligibility of its customers. Such data may come from a customer's participation in, or receipt of benefits from, the Low Income Home Energy Assistance Program, Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income, and Medicaid. Information available from the Pa. Department of Revenue may also be used where appropriate to expedite the process.

MINIMUM CHARGE. The minimum charge per month will be \$25, or if the customer can demonstrate exclusive non-house heating use the minimum charge will be \$10.

ARREARAGE.

Customers who qualify and are enrolled in CAP will have their pre-program arrearage ("PPA") forgiven if the customer pays his / her new, discounted CAP bill on time and in full each month. With every full and on-time monthly payment, one-twelfth of the PPA will be forgiven. PECO allows for customers who may have missed a PPA "forgiveness" due to late or missed payments to "catch-up" on missed forgivenesses whenever a customer brings their bill current during the initial 12-month period of PPA set-up, PECO will forgive any missed forgivenesses the customer did not receive during that time. If the customer brings their bill current after the 12-month period or beyond, PECO will forgive all missed forgivenesses

PECO Energy Company
Proposed Revenue Allocation and Rates of Return by Rate Class

R-2020-3018929
2/17/21 JK

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Current Distribution	Proposed	(2) - (1)	GPC	MFC	(3) + (4) + (5)	(1) + (6)	(6) / (1)
Rate	Revenue (a)	Distribution Revenue	Increase In Distribution Revenue	Reduction (b)	Reduction (c)	Net Revenue Ask	Adjusted Proposed Distribution Revenue	Increase %
Residential (GR)	\$ 234,493,528	\$ 299,907,364	\$ 65,413,836	\$ (693,000)	\$ (800,000)	\$ 63,920,836	\$ 298,414,364	27.3%
General Service (GC)	\$ 100,029,711	\$ 96,588,408	\$ (3,441,303)	\$ (370,000)	\$ (66,000)	\$ (3,877,303)	\$ 96,152,408	-3.9%
Outdoor Lighting (OL)	\$ 414	\$ 399	\$ (14)	\$ -	\$ -	\$ (16)	\$ 398	-3.9%
Large High Load Factor (L)	\$ 75,475	\$ 367,674	\$ 292,199	\$ -	\$ -	\$ 292,199	\$ 367,674	387.1%
Motor Vehicle Service - Firm (MV-F)	\$ 469,852	\$ 391,319	\$ (78,533)	\$ (7,000)	\$ -	\$ (85,533)	\$ 384,319	-18.2%
Motor Vehicle Service - Interruptible (MV-I)	\$ 2,676	\$ 1,942	\$ (734)	\$ -	\$ -	\$ (734)	\$ 1,942	-27.4%
Interruptible Service (IS)	\$ 34,964	\$ 30,972	\$ (3,992)	\$ -	\$ -	\$ (3,992)	\$ 30,972	-11.4%
Temperature-Controlled Service (TCS)	\$ 681,833	\$ 184,764	\$ (497,069)	\$ -	\$ -	\$ (497,069)	\$ 184,764	-72.9%
Gas Transportation - Interruptible (TS-I)	\$ 9,261,536	\$ 9,186,804	\$ (74,732)	\$ -	\$ -	\$ (74,732)	\$ 9,186,804	-0.8%
Gas Transportation - Firm (TS-F)	\$ 16,564,871	\$ 21,148,140	\$ 4,583,269	\$ -	\$ -	\$ 4,583,269	\$ 21,148,140	27.7%
Total	\$ 361,614,860	\$ 427,807,787	\$ 66,192,926	\$ (1,070,000)	\$ (866,000)	\$ 64,256,926	\$ 425,871,787	17.8%

	(9)	(10)	(11)	(12)
	Present	(9) / Average of (9)	Proposed	(11) / Average of (11)
Rate	Rate of Return	Present Relative Rate of Return	Proposed Rate of Return	Proposed Relative Rate of Return
Residential (GR)	4.76%	0.83	7.49%	0.98
General Service (GC)	8.06%	1.40	7.64%	1.00
Outdoor Lighting (OL)	8.06%	1.40	7.64%	1.00
Large High Load Factor (L)	-2.09%	-0.36	7.64%	1.00
Motor Vehicle Service - Firm (MV-F)	12.33%	2.14	9.55%	1.25
Motor Vehicle Service - Interruptible (MV-I)	14.65%	2.55	9.55%	1.25
Interruptible Service (IS)	9.34%	1.63	7.64%	1.00
Temperature-Controlled Service (TCS)	43.73%	7.61	11.23%	1.47
Gas Transportation - Interruptible (TS-I)	8.43%	1.47	8.33%	1.09
Gas Transportation - Firm (TS-F)	6.69%	1.16	9.47%	1.24
Total	5.75%		7.64%	

(a) Includes O&M components recovered by PECO's Gas Procurement Charge (GPC) and Merchant Function Charge (MFC)

(b) Refer to PECO Exhibit RAS-2, Page 7

(c) Refer to PECO Exhibit RAS-3, Page 3

Comparison of Residential Customer Charges for Pennsylvania Natural Gas Distribution Utilities

R-2020-3018929 2/17/21 JK

<u>Company</u>	<u>Current Residential Customer Charge</u>
Columbia Gas of Pennsylvania	\$ 16.75
National Fuel	\$ 12.00
Peoples Gas (<i>Formerly Peoples TWP</i>)	\$ 15.75
Peoples Natural Gas	\$ 14.50
Philadelphia Gas Works	\$ 14.10
UGI	\$ 14.60
PECO Current	\$ 11.75
PECO Proposed	\$ 16.00

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Residential (GR)

R-2020-3018929 2/17/21 JK

Line		PRESENT RATES		PROPOSED RATES	
		Bills	Rate	Revenue	Rate
1	Customer Charge				
2	Base Rate	5,932,690	\$ 11.75	\$ 69,709,108	\$ 16.00 \$ 94,923,040
3					
4	Total Customer Charge Revenue			<u>\$ 69,709,108</u>	<u>\$ 94,923,040</u>
5					
6	Variable Distribution Charges				
7	Base Rate	41,968,538	\$ 3.7869	\$ 158,930,655	\$ 5.1083 \$ 214,388,126
8	CAP Discount - Distribution - Shortfall			\$ (5,149,590)	\$ (6,966,530)
9	CAP Discount - Distribution - USFC Deferral			\$ (4,083,412)	\$ (5,524,170)
10	Distribution System Improvement Charge (DSIC)			\$ 11,009,315	\$ -
11	Tax Reform (TCJA) - Base Rate Impact			\$ 2,824,971	\$ -
12					
13	Total Variable Distribution Revenue			<u>\$ 163,531,938</u>	<u>\$ 201,897,426</u>
14					
15	Revenue Annualization			\$ 1,292,610	\$ 1,644,964
16	CAP Annualization			\$ (40,128)	\$ (51,067)
17					
18	Adjusted Total Distribution Revenue			<u>\$ 234,493,528</u>	<u>\$ 298,414,364</u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - General Service Commercial & Industrial (GC)

Line		PRESENT RATES			PROPOSED RATES	
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charge					
2	Base Rate	533,403	\$ 28.55	\$ 15,228,656	\$ 28.55	\$ 15,228,656
3						
4	Total Customer Charge Revenue			\$ 15,228,656		\$ 15,228,656
5						
6	Variable Distribution Charges					
7	Base Rate - First 200 mcf	17,965,875	\$ 3.7319	\$ 67,046,849	\$ 3.7837	\$ 67,976,903
8	Base Rate - Over 200 mcf	4,419,883	\$ 2.5924	\$ 11,458,106	\$ 2.8509	\$ 12,600,490
9						
10	Negotiated Gas Sales	15,258	Negotiated	\$ 128,927	Negotiated	\$ 128,927
11						
12	Distribution System Improvement Charge (DSIC)			\$ 4,711,588		\$ -
13	Tax Reform (TCJA) - Base Rate Impact			\$ 1,229,386		\$ -
14				\$ -		
15	Total Variable Distribution Charge Revenue			\$ 84,574,855		\$ 80,706,320
16						
17	Annualization			\$ 226,200		\$ 217,433
18						
19	Adjusted Total Distribution Revenue			\$ 100,029,711		\$ 96,152,408

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Outdoor Lighting (OL)

Line		Units	PRESENT RATES		PROPOSED RATES	
			Rate	Revenue	Rate	Revenue
1	Manufacturer-Rated Input to Lighting Devices (lamp-based)					
2	When <u>NOT</u> in Conjunction With Service Under Other Gas Rates					
3	Up to 1,999 Btu/Hr	24	\$ 5.4703	\$ 131	\$ 7.1002	\$ 170
4	2,000-2,499 Btu/Hr	12	\$ 6.3638	\$ 76	\$ 8.2599	\$ 99
5	2,500-2,999 Btu/Hr	-	\$ 7.1434	\$ -	\$ 9.2718	\$ -
6	3,000-3,499 Btu/Hr	-	\$ 7.9749	\$ -	\$ 10.3511	\$ -
7				<u>\$ 208</u>		<u>\$ 270</u>
8	When in Conjunction With Service Under Other Gas Rates					
9	Up to 1,999 Btu/Hr	12	\$ 2.7224	\$ 33	\$ 3.5336	\$ 42
10	2,000-2,499 Btu/Hr	-	\$ 3.6365	\$ -	\$ 4.7200	\$ -
11	2,500-2,999 Btu/Hr	-	\$ 4.4058	\$ -	\$ 5.7185	\$ -
12	3,000-3,499 Btu/Hr	12	\$ 5.2473	\$ 63	\$ 6.8108	\$ 82
13				<u>\$ 96</u>		<u>\$ 124</u>
14						
15	Distribution System Improvement Charge (DSIC)			\$ 84		\$ -
16	Tax Reform (TCJA) - Base Rate Impact			\$ 22		\$ -
17						
18	Total Lamp-Based Distribution Revenue			<u>\$ 410</u>		<u>\$ 394</u>
19						
20	Annualization			\$ 4		\$ 4
21						
22	Adjusted Total Distribution Revenue			<u>\$ 414</u>		<u>\$ 398</u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Large Load Factor (L)

Line		PRESENT RATES		PROPOSED RATES		
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charge					
2	Base Rate	48	\$ 260.00	\$ 12,480	\$ 260.00	\$ 12,480
3						
4	Total Customer Charge Revenue			<u>\$ 12,480</u>		<u>\$ 12,480</u>
5						
6	Variable Distribution Charges (mcf-based)					
7	Base Rate - First 50% of usage	8,279	\$ 5.3835	\$ 44,572	\$ 32.8712	\$ 272,153
8	Base Rate - Additional usage	8,279	\$ 1.6352	\$ 13,538	\$ 9.9844	\$ 82,665
9						
10	Distribution System Improvement Charge (DSIC)			\$ 3,889		\$ -
11	Tax Reform (TCJA) - Base Rate Impact			\$ 918		\$ -
12						
13	Total Variable Distribution Charge Revenue			<u>\$ 62,918</u>		<u>\$ 354,818</u>
14						
15	Annualization			\$ 77		\$ 375
16						
17	Adjusted Total Distribution Revenue			<u><u>\$ 75,475</u></u>		<u><u>\$ 367,673</u></u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Motor Vehicles - Firm (MV-F)

Line		PRESENT RATES		PROPOSED RATES		
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charge					
2	Base Rate	180	\$ 34.00	\$ 6,120	\$ 40.00	\$ 7,200
3						
4	Total Customer Charge Revenue			\$ 6,120		\$ 7,200
5						
6	Variable Distribution Charges					
7	Base Rate	444,320	\$ 0.9797	\$ 435,300	\$ 0.8482	\$ 376,856
8	Distribution System Improvement Charge (DSIC)			\$ 22,202		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 5,908		\$ -
10						
11	Total Variable Distribution Charge Revenue			\$ 463,411		\$ 376,856
12						
13	Annualization			\$ 321		\$ 263
14						
15	Adjusted Total Distribution Revenue			\$ 469,852		\$ 384,319

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Motor Vehicles - Interruptible (MV-I)

Line		PRESENT RATES		PROPOSED RATES		
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charge					
2	Base Rate	24	\$ 34.00	\$ 816	\$ 40.00	\$ 960
3						
4	Total Customer Charge Revenue			\$ 816		\$ 960
5						
6	Variable Distribution Charges					
		mcf	Rate	Revenue	Rate	Revenue
7	Flex Rate	670	\$ 2.5924	\$ 1,737	\$ 1.4643	\$ 981
8	Distribution System Improvement Charge (DSIC)			\$ 96		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 25		\$ -
10						
11	Total Variable Distribution Charge Revenue			\$ 1,859		\$ 981
12						
13	Annualization			\$ 1.4		\$ 1.0
14						
15	Adjusted Total Distribution Revenue			\$ 2,676		\$ 1,942

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Interruptible Service (IS)

Line		PRESENT RATES		PROPOSED RATES		
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charge					
2	Base Rate	24	\$ 217.89	\$ 5,229	\$ 217.89	\$ 5,229
3						
4	Total Customer Charge Revenue			<u>\$ 5,229</u>		<u>\$ 5,229</u>
5						
6	Variable Distribution Charges					
7	Flex Rate	40,050	\$ 0.6908	\$ 27,667	\$ 0.6428	\$ 25,743
8	Distribution System Improvement Charge (DSIC)			\$ 1,732		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 335		\$ -
10						
11	Total Variable Distribution Charge Revenue			<u>\$ 29,735</u>		<u>\$ 25,743</u>
12						
13	Adjusted Total Distribution Revenue			<u><u>\$ 34,964</u></u>		<u><u>\$ 30,972</u></u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Temperature Controlled Service (TCS)

Line		PRESENT RATES		PROPOSED RATES	
		Bills	Rate	Revenue	Rate
1	Customer Charge				
2	Base Rate	372	\$ 125.00	\$ 46,500	\$ 125.00 \$ 46,500
3					
4	Total Customer Charge Revenue			\$ 46,500	\$ 46,500
5					
6	Variable Distribution Charges	mcf	Rate	Revenue	Rate Revenue
7	Flex Rate	229,002	\$ 2.5924	\$ 593,664	\$ 0.6026 \$ 137,995
8	Distribution System Improvement Charge (DSIC)			\$ 32,164	\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 8,512	\$ -
10					
11	Total Variable Distribution Charge Revenue			\$ 634,340	\$ 137,995
12					
13	Annualization			\$ 993	\$ 269
14					
15	Adjusted Total Distribution Revenue			\$ 681,833	\$ 184,764

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Interruptible (TS-I)

Line		<u>Bills</u>	<u>PRESENT RATES</u>		<u>PROPOSED RATES</u>	
			<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
1	Customer Charges					
2	No backup (TSI)					
3	>= 18,000 mcf annually	936	\$ 260.00	\$ 243,360	\$ 299.00	\$ 279,864
4	< 18,000 mcf annually	1,320	\$ 219.00	\$ 289,080	\$ 251.00	\$ 331,320
5						
6	Rate L backup (TSL)					
7	>= 18,000 mcf annually	324				
8	TS-I Base Rate		\$ 260.00	\$ 84,240	\$ 299.00	\$ 96,876
9	TS-F Duel Fuel		\$ 109.00	\$ 35,316	\$ 125.00	\$ 40,500
10	< 18,000 mcf annually	-				
11	TS-I Base Rate		\$ 219.00	\$ -	\$ 251.00	\$ -
12	TS-F Duel Fuel		\$ 109.00	\$ -	\$ 125.00	\$ -
13						
14	Rate GC backup (TSG)					
15	>= 18,000 mcf annually	84				
16	TS-I Base Rate		\$ 260.00	\$ 21,840	\$ 299.00	\$ 25,116
17	TS-F Duel Fuel		\$ 109.00	\$ 9,156	\$ 125.00	\$ 10,500
18	< 18,000 mcf annually	204				
19	TS-I Base Rate		\$ 219.00	\$ 44,676	\$ 251.00	\$ 51,204
20	TS-F Duel Fuel		\$ 109.00	\$ 22,236	\$ 125.00	\$ 25,500
21						
22	Total Customer Charge Revenue			<u>\$ 749,904</u>		<u>\$ 860,880</u>
23	<i>(TS-I continued on next page...)</i>					

**PECO Energy Company (Gas)
Rate Year Ended June 30, 2022**

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Interruptible (TS-I)

Line		PRESENT RATES		PROPOSED RATES	
		mcf	Rate	Revenue	Rate
24	Variable Distribution Charges				
25	No Backup (TSI)				
26	>= 18,000 mcf annually	4,662,048	\$ 0.6613	\$ 3,083,012	\$ 0.7514 \$ 3,503,016
27	< 18,000 mcf annually	719,057	\$ 1.2418	\$ 892,925	\$ 1.1647 \$ 837,453
28	Negotiated Gas Sales	5,215,735	Negotiated	\$ 503,921	Negotiated \$ 503,921
29					
30	Rate L Backup (TSL)				
31	>= 18,000 mcf annually				
32	Commodity TSI Mcf	1,085,202	\$ 0.6613	\$ 717,644	\$ 0.7514 \$ 815,410
33	Commodity TSF Mcf	368,810	\$ 0.8297	\$ 306,001	\$ 1.2964 \$ 478,122
34	Additional Commodity (15 days TCQ)	33,193	\$ 0.8297	\$ 27,540	\$ 1.2964 \$ 43,031
35	< 18,000 mcf annually				
36	Commodity TSI Mcf	-	\$ 1.2418	\$ -	\$ 1.1647 \$ -
37	Commodity TSF Mcf	-	\$ 1.7384	\$ -	\$ 2.1027 \$ -
38	Additional Commodity (15 days TCQ)	-	\$ 1.7384	\$ -	\$ 2.1027 \$ -
39	Negotiated Gas Sales				
40	Commodity TSI Mcf	1,305,695	Negotiated	\$ 716,560	Negotiated \$ 716,560
41	Commodity TSF Mcf	880,303	\$ 0.8297	\$ 730,387	\$ 1.2964 \$ 1,141,218
42					
43	Rate GC Backup (TSG)				
44	>= 18,000 mcf annually				
45	Commodity TSI Mcf	37,681	\$ 0.6613	\$ 24,918	\$ 0.7514 \$ 28,313
46	Commodity TSF Mcf	20,380	\$ 0.8297	\$ 16,909	\$ 1.2964 \$ 26,420
47	Additional Commodity (15 days TCQ)	5,706	\$ 0.8297	\$ 4,735	\$ 1.2964 \$ 7,398
48	< 18,000 mcf annually				
49	Commodity TSI Mcf	117,821	\$ 1.2418	\$ 146,310	\$ 1.1647 \$ 137,220
50	Commodity TSF Mcf	38,325	\$ 1.7384	\$ 66,625	\$ 2.1027 \$ 80,588
51	Additional Commodity (15 days TCQ)	3,449	\$ 1.7384	\$ 5,996	\$ 2.1027 \$ 7,253
52	<i>(TS-I continued on next page...)</i>				

**PECO Energy Company (Gas)
Rate Year Ended June 30, 2022**

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Interruptible (TS-I)

Line		<u>PRESENT RATES</u>		<u>PROPOSED RATES</u>	
			<u>Revenue</u>		<u>Revenue</u>
53					
54	Distribution System Improvement Charge (DSIC)		\$ 750,653		\$ -
55	Tax Reform (TCJA) - Base Rate Impact		\$ 200,330		\$ -
56					
57	Balancing Charge (credited to PGC)		\$ 119,122		\$ -
58	Standby Sales Demand Charge (credited to PGC)		\$ 49,407		\$ -
59	Standby Sales Commodity Charge (credited to PGC)		\$ 14,718		\$ -
60	Distribution and Commodity Charge IS (credited to PGC)		\$ 131,259		\$ -
61	Penalty Charges (Excess and Unauthorized Use) (credited to PGC)		\$ 2,660		\$ -
62					
63	Total Variable Distribution Charge Revenue		<u>\$ 8,511,632</u>		<u>\$ 8,325,924</u>
64					
65	Adjusted Total Distribution Revenue		<u>\$ 9,261,536</u>		<u>\$ 9,186,804</u>

PECO Energy Company (Gas)

Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Firm (TS-F)

Line		PRESENT RATES			PROPOSED RATES	
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charges					
2	>= 18,000 mcf annually (TFL)	1,488	\$ 199.00	\$ 296,112	\$ 249.00	\$ 370,512
3	< 18,000 mcf annually (TFG)	4,008	\$ 166.00	\$ 665,328	\$ 208.00	\$ 833,664
4						
5	Total Customer Charge Revenue			\$ 961,440		\$ 1,204,176
6						
7	Variable Distribution Charges	mcf	Rate	Revenue	Rate	Revenue
8	>= 18,000 mcf annually (TFL)					
9	Negotiated Gas Sales	2,372,500	Negotiated	\$ 877,825	Negotiated	\$ 877,825
10	Commodity TSF Mcf	6,714,487	\$ 0.8297	\$ 5,571,009	\$ 1.2964	\$ 8,704,607
11	Additional Commodity (15 days TCQ)	1,859,565	\$ 0.8297	\$ 1,542,881	\$ 1.2964	\$ 2,410,725
12	< 18,000 mcf annually (TFG)					
13	Commodity TSF Mcf	2,307,094	\$ 1.7384	\$ 4,010,652	\$ 2.1027	\$ 4,851,237
14	Additional Commodity (15 days TCQ)	1,474,057	\$ 1.7384	\$ 2,562,501	\$ 2.1027	\$ 3,099,570
15						
16	Distribution System Improvement Charge (DSIC)			\$ 468,621		\$ -
17	Tax Reform (TCJA) - Base Rate Impact			\$ 125,063		\$ -
18						
19	Balancing Charge	(credited to PGC)		\$ 59,318		\$ -
20	Standby Sales Demand Charge	(credited to PGC)		\$ 293,005		\$ -
21	Standby Sales Commodity Charge	(credited to PGC)		\$ 14,006		\$ -
22	Penalty Charges (Excess Delivery and Unauthorized Use)	(credited to PGC)		\$ 78,550		\$ -
23						
24	Total Variable Distribution Charge Revenue			\$ 15,603,431		\$ 19,943,964
25						
26	Adjusted Total Distribution Revenue			\$ 16,564,871		\$ 21,148,140

**PECO ENERGY COMPANY
STATEMENT NO. 8-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: RICHARD A. SCHLESINGER

SUBJECT: PROPOSED RULE 17.7,
STANDBY SALES SERVICE

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. PROPOSED RULE 17.7.....	1
III. STANDBY SALES SERVICE (RATE L)	4
IV. CONCLUSION.....	6

1
2
3

**REBUTTAL TESTIMONY
OF
RICHARD A. SCHLESINGER**

4

I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your name, professional occupation and business address.**

6 A. My name is Richard A. Schlesinger. I am employed by PECO Energy Company
7 (“PECO” or the “Company”) as Manager, Retail Rates. My business address is
8 PECO Energy Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

9 **2. Q. Have you previously submitted testimony in this proceeding?**

10 A. Yes. I submitted direct testimony that is marked as PECO Statement No. 8. My
11 background and qualifications are set forth in that Statement.

12 **3. Q. What is the purpose of your rebuttal testimony?**

13 A. I am responding to: (i) the direct testimony of Roger D. Colton on behalf of the
14 Office of Consumer Advocate (“OCA”) regarding a new Rule 17.7 in the
15 Company’s proposed Tariff Gas – Pa. P.U.C. No. 4 (“Tariff No. 4”) filed in this
16 case, and (ii) the testimony of Robert D. Knecht on behalf of the Office of Small
17 Business Advocate (“OSBA”) regarding Standby Sales Service under Rate L.

18

II. PROPOSED RULE 17.7

19 **4. Q. Please briefly describe proposed Rule 17.7.**

20 A. In the Company’s existing Tariff, Rule 17.6 establishes reconnection fees for
21 terminations associated with non-payment, as well as fees for investigation and

1 remediation of theft or fraud. In this proceeding, PECO has proposed to separate
2 these two fees into distinct tariff rules, with the new Rule 17.7 specifically
3 addressing fees for investigation and remediation of theft or fraud. Under Rule
4 17.7, PECO is proposing a \$460 fee for investigating theft/fraud, replacing the
5 current theft/fraud reconnection fee of \$370, which is consistent with the average
6 cost that PECO incurs to investigate and remediate theft or fraud.

7 **5. Q. Mr. Colton contends that proposed Rule 17.7 should be rejected because the**
8 **language is vague, excessively broad, improperly applies to “applicants” and**
9 **assesses a fee that improperly includes “allocated overheads and**
10 **administrative costs”. Please respond.**

11 A. First, I note that the majority of Mr. Colton’s objections to proposed Rule 17.7
12 relate to elements that are already part of the Company’s existing, Commission-
13 approved Rule 17.6. In particular, PECO’s current Rule 17.6 does not provide a
14 definition of “theft/fraud,” does not detail a Company process to confirm
15 allegations of theft or fraud, applies to “applicants” and assesses a fee that
16 includes “allocated overheads, all investigative costs and administrative costs as
17 determined by the Company.”

18 Although not detailed in its tariff, PECO has established procedures in place to
19 investigate theft and/or fraud and apply fees as appropriate. The theft and/or
20 fraud fee would only be applied in cases of confirmed active theft (i.e. where

1 there is a loss of gas revenue due to tampering with the service).¹ PECO does not
2 believe it is prudent to provide a specific definition in the Company's tariff
3 because the means by which tampering occurs evolves over time.

4 Finally, regarding Mr. Colton's claim that PECO is improperly recovering
5 allocated overheads and administrative costs "twice", PECO offers the following
6 comments. PECO believes that the costs associated with theft investigations
7 should continue to be collected via its proposed theft fee (due to the principles of
8 cost causation) and should not be socialized to all customers via base rates.
9 Therefore, PECO will make an adjustment to increase its budgeted theft fee
10 revenue by \$10,000 in PECO Exhibit MJT-4 Revised, Schedule B-3. This
11 adjustment will reduce the Company's revenue requirement by \$10,000.

12 For all these reasons, the concerns raised by Mr. Colton should be rejected and
13 proposed Rule 17.7 should be approved by the Commission.

14 **6. Q. Mr. Colton provides a hypothetical landlord/tenant scenario which he**
15 **contends demonstrates the "over-reach of the tariff". Do you agree?**

16 A. No. Proposed Rule 17.7 would not apply to the scenario presented by Mr. Colton.
17 If a tenant failed to apply for service in his or her name as requested by the
18 landlord, PECO would classify the situation as "consumption on an inactive
19 account." The theft/fraud fee would not apply because no active gas theft would

¹ Some examples of active gas theft include but are not limited to: breaking off the barrel lock pin from the gas insulated valve union and turning service on; installing a flex hose to divert the gas flow and bypass meter; and tampering with the gas module in a way that causes the meter dial to not register usage.

1 have occurred (e.g., tampering with the gas meter to eliminate or minimize billed
2 usage). PECO would send the required regulatory notices to the premise
3 requesting that an application for service be submitted.

4 III. STANDBY SALES SERVICE (RATE L)

5 7. Q. What does Mr. Knecht propose regarding Standby Sales Service under Rate
6 L?

7 A. Mr. Knecht made two proposals with which the Company disagrees. Under Mr.
8 Knecht's first proposal, which is addressed in the discussion by Ms. Jiang Ding
9 (PECO Statement No. 6-R, pages 21-22), Mr. Knecht recommended removing the
10 demands associated with Standby Sales Service from the Rate L class and,
11 instead, combining those sales-service demands with the demands of customers
12 receiving only transportation service under Rate TS-F.

13 Under his second proposal, Mr. Knecht recommends, in effect, that the Company
14 cease providing Standby Sales Service under Rate L and, instead, adopt a
15 fundamentally different approach. Specifically, Mr. Knecht would require PECO
16 to offer to sell back-up gas supplies to Rate TS-F customers as a completely
17 stand-alone service (i.e., PECO would, for purposes of such standby sales, furnish
18 totally unbundled gas commodity service) and deliver those unbundled back-up
19 supplies at PECO's regular Rate TS-F rates.

1 **8. Q. Please address Mr. Knecht’s second proposal.**

2 A. Mr. Knecht’s second proposal, which he describes at page 52 of his direct
3 testimony, is a radical departure from the existing structure and relationship
4 between Standby Sales Service that customers can voluntarily elect under Rate L
5 and transportation service they are furnished under Rate TS-F. Mr. Knecht
6 proposes, in effect, eliminating voluntary Standby Sales Service under Rate L and
7 requiring PECO to provide stand-alone unbundled gas commodity sales service to
8 back-up Rate TS-F customers’ regular gas supplies.

9 Totally restructuring the relationship of Standby Sales Service to firm
10 transportation service is not warranted. This is especially true because the
11 changes Mr. Knecht proposes, and the impact his proposal would have on either
12 Rate L or Rate TS-F customers (or indirectly on other classes), is not material.
13 Total Rate L revenues under existing rates are approximately \$75,000, and only a
14 portion of those revenues relate to Standby Sales Service. Therefore, reshaping
15 the long-standing, customer-accepted relationship between Rate L and Rate TS-F
16 to make incremental changes in revenues is not warranted.

17 In addition, Mr. Knecht’s proposal simply ignores implementation and
18 administration costs that would have to be incurred for such a fundamental change
19 to occur. Refashioning standby sales service the way Mr. Knecht proposes would
20 require the Company to make significant information technology (“IT”) changes
21 to its customer information and billing systems to track and bill the new form of
22 service he proposes. A reasonable estimate of the cost of those changes exceeds

1 by many multiples (an order of magnitude or more) the revenues that would be
2 reassigned to different classes by adopting Mr. Knecht's proposal.

3 Standby Sales Service under Rate L is voluntary. Rate TS-F customers can
4 choose it, or not. Customers understand and accept the existing relationship and
5 rely upon it to arrange the way they operate and how they manage their energy
6 supplies. These Rate TS-F customers are sophisticated and well-informed
7 businesses, and have raised no concerns over the many years that Rate L has
8 served as the backup sales service rate. Clearly, they do not share Mr. Knecht's
9 alleged concerns with the existing relationship between Rate L and Rate TS-F.
10 Mr. Knecht's proposal is a remedy (and a very costly one) in search of a problem.
11 Mr. Knecht's proposal should be rejected.

12 IV. CONCLUSION

13 9. Q. Does this complete your rebuttal testimony?

14 A. Yes, it does.

**PECO ENERGY COMPANY
STATEMENT NO. 9-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: DOREEN L. MASALTA

SUBJECT: PECO'S PROPOSED NATURAL GAS
ENERGY EFFICIENCY AND
CONSERVATION PROGRAMS AND
PECO'S NEIGHBORHOOD GAS PILOT

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. PECO’S NATURAL GAS EE&C PROGRAMS	2
A. Cost-Effectiveness Of The Company’s Proposed EE&C Program	2
B. Overall EE&C Program Budget And Projected Customer Participation.....	4
C. Low-Income Safe And Efficient Heating Program	8
D. Evaluation, Measurement And Verification Of The Company’s EE&C Program.....	9
E. Reconciliation For Commercial Programs.....	10
III. PECO’S NEIGHBORHOOD GAS PILOT	10
IV. CONCLUSION.....	12

1 **REBUTTAL TESTIMONY**
2 **OF**
3 **DOREEN L. MASALTA**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your name, professional occupation and business address.**

6 A. My name is Doreen L. Masalta. I am employed by PECO Energy Company
7 (“PECO” or the “Company”) as Director of Energy and Marketing Services. My
8 business address is PECO Energy Company, 2301 Market Street, Philadelphia, PA
9 19103.

10 **2. Q. Have you previously submitted testimony in this proceeding?**

11 A. Yes. I submitted direct testimony marked as PECO Statement No. 9. My
12 background and qualifications are set forth in that Statement.

13 **3. Q. What is the purpose of your rebuttal testimony?**

14 A. My rebuttal testimony will address the following areas:

15 **Energy Efficiency and Conservation (“EE&C”) Programs:** I will respond to the
16 direct testimony of Messrs. Geoffrey C. Crandall and Lafayette K. Morgan on behalf
17 of the Pennsylvania Office of Consumer Advocate (“OCA”), Mr. D.C. Patel on behalf
18 of the Bureau of Investigation and Enforcement (“I&E”), and Mr. Mitchell Miller on
19 behalf of the Coalition for Affordable Utility Services and Energy Efficiency in
20 Pennsylvania (“CAUSE-PA”) concerning PECO’s proposed changes to its natural gas
21 EE&C programs.

1 **Neighborhood Gas Pilot:** I will respond to the direct testimony of Mr. Christopher
2 Keller on behalf of I&E concerning PECO’s Neighborhood Gas Pilot Rider
3 (“NGPR”).

4 **4. Q. Have you prepared any exhibits to accompany your rebuttal testimony?**

5 A. Yes. My rebuttal testimony is accompanied by Exhibit DLM-1 Revised, Exhibit
6 DLM-2 Revised, and Exhibit DLM-1-R.

7 **II. PECO’S NATURAL GAS EE&C PROGRAMS**

8 **A. Cost-Effectiveness Of The Company’s Proposed EE&C Program**

9 **5. Q. OCA claims that errors exist in the Company’s cost-effectiveness calculations,**
10 **including an overstatement of gas savings attributable to smart thermostats and**
11 **improper use of annual levelized cost of gas. Do you agree, and if so, has the**
12 **Company revised its cost-effectiveness calculations?**

13 A. PECO acknowledges that the original cost-effectiveness calculations contained some
14 errors and the Company has performed a revised Total Resource Cost (“TRC”)
15 analysis (the “Revised Analysis”) which has been provided to the parties in the form
16 of a revised discovery response. The following changes were made in the Revised
17 Analysis:

- 18 • Reduced smart thermostat savings from 62 MCF/yr to 4.76 MCF/yr
19 comparable with Mr. Crandall’s recommendations.
- 20 • Gas avoided costs were updated to be consistent with the values used to
21 develop the Act 129 Phase IV Energy Efficiency and Conservation Plan at

1 Docket No. M-2020-3020830. Gas avoided costs were updated within the
2 analysis using the Statewide Evaluator Phase IV avoided cost calculator.

- 3 • Added electric avoided costs from the Company's Act 129 Phase IV model
4 consistent with Mr. Crandall's recommendations.
- 5 • Added electric savings to the analysis of smart thermostats and residential and
6 commercial furnaces consistent with Mr. Crandall's recommendation.
- 7 • Added the commercial gas EE&C programs for a more comprehensive
8 analysis.

9 Exhibit DLM-1 Revised and Exhibit DLM-2 Revised reflect the updated gas savings
10 forecasts from the Revised Analysis.

11 PECO agrees with Mr. Crandall that using the annual levelized cost of gas could
12 understate the actual avoided costs for the space and water heating measures.
13 However, accurate gas load shape data was not readily available to change the models
14 to a seasonal approach. Under the Company's approach, the portfolio remains cost
15 effective with the other changes I have described.

16 **6. Q. Has the Company's Revised Analysis resulted in different TRC values for the**
17 **overall portfolio?**

18 A. Yes. Under the Revised Analysis, the EE&C portfolio has a TRC of 1.02.

19 **7. Q. Did any customer participation forecasts change as a result of the new analysis?**

1 A. No.

2 **8. Q. OCA argues that programs such as the residential boiler and hot water heater**
3 **programs are not cost-effective and therefore should be eliminated from the**
4 **EE&C portfolio. How do you respond?**

5 A. The Company's EE&C program was designed to be cost-effective at the portfolio
6 level and also provide a range of different energy savings opportunities for customers.
7 While certain programs may not be cost-effective on a standalone basis, they
8 contribute to the breadth of the portfolio and can incentivize individual customers to
9 make more efficient purchasing decisions. For example, the residential boiler and hot
10 water heater programs will encourage customers to purchase efficient equipment that
11 can have a life span of 20 years or more. The emphasis on customer opportunities
12 and total portfolio cost-effectiveness is also consistent with how the Company's
13 Commission-approved electric EE&C programs have been designed.

14 **B. Overall EE&C Program Budget And Projected Customer Participation**

15 **9. Q. OCA and I&E argue that the Company's expanded EE&C programs do not**
16 **require a larger budget than the current programs, citing low historical**
17 **spending and customer participation levels. Do you agree?**

18 A. No. PECO acknowledges that past customer participation levels have not met
19 projections and that program expenditures have been less than budgeted amounts.
20 The Company's proposed budget, however, will support both the expanded program
21 offerings as well as the development and execution of campaigns to promote natural
22 gas efficiency rebates. The campaigns will focus on the economic benefits of

1 purchasing more-efficient equipment and will be directed to targeted customer
2 markets and engage trade allies.

3 ***Expanded Program Offerings.*** As I described in detail in my direct testimony,
4 PECO has proposed several new programs and expanded rebate offerings. I&E did
5 not oppose the implementation of these new programs, and, OCA, I&E and CAUSE-
6 PA all expressed support for the Company's proposed Low-Income Safe and
7 Efficient Heating Program. These expanded program offerings will require
8 approximately \$1.8 million annually to implement along with an additional \$500,000
9 in education and administrative costs to garner the projected levels of customer
10 participation.

11 ***Targeted Marketing Efforts.*** The funding in the requested budget will allow PECO
12 to produce targeted campaigns by analyzing customer data points relevant to PECO's
13 EE&C portfolio. PECO will then market natural gas energy efficiency rebates to
14 targeted customers using social media platforms together with weather-driven ad
15 campaigns and paid search results. The requested funding will allow for these more
16 effective, but more costly, marketing practices.

17 ***Trade Ally Engagement.*** PECO will also expand its outreach to trade allies to
18 increase their level of engagement with the EE&C portfolio. Leveraging trade ally
19 interactions with customers will be a major focus moving forward. The requested
20 funding will allow for additional outreach and education to provide HVAC and
21 plumbing contractors with tools and information to promote natural gas energy
22 efficiency. Utilizing PECO's existing relationships, with organizations such as the

1 Electrical Association of Philadelphia, will provide direct lines to trade ally education
2 and outreach. Additional funding will also allow for various marketing efforts
3 featuring Energy Star™ appliances through channels such as plumbing and HVAC
4 supply houses and retail home improvement stores.

5 In sum, the proposed additional funding is necessary to support the expanded EE&C
6 programming, outreach and education that I have described. The past participation
7 rates represent a strong base from which to build, and the expanded outreach and
8 education programs will increase both customer participation and energy savings.

9 **10. Q. OCA and I&E contend that low natural gas prices and the economic impacts of**
10 **the COVID-19 pandemic will reduce customer willingness to participate in**
11 **EE&C programs in the future. Please respond.**

12 A. Customers will still see significant savings by opting for more efficient natural gas
13 heating equipment even with the current, historically low natural gas prices.
14 According to PECO's online calculator,¹ customers could save, on average, 16%
15 annually by installing a 96% AFUE furnace compared to the cost of operating an 80%
16 AFUE system.² Even higher savings can be achieved by customers with older
17 systems where the efficiency is far less due to outdated technology and/or poorly
18 maintained equipment. PECO's rebates for equipment meeting certain Energy Star™
19 requirements incentivize customers to choose higher efficiency equipment when

¹ PECO's Heating Comparison Calculator can be found at
<https://www.peco.com/WaystoSave/LearnMore/Pages/HeatingComparison.aspx>

² Calculations are based on the cost comparison of a 1,800-square-foot home at an average of 70 degrees Fahrenheit for the difference between the cost of running an 80% AFUE gas furnace and higher efficiency 96% unit.

1 making this long-term investment.

2 As for the economic effects of the COVID-19 pandemic, the Company has not
3 experienced a decrease in customer participation in its current gas EE&C programs.

4 There has been a 9% increase in Energy Star™ rebates from 2019 to 2020.

5 Comparing the fourth quarter of 2019 to the fourth quarter of 2020, the Company has
6 seen a 16% increase in Energy Star™ rebates. For this reason, the Company believes
7 that its customer participation forecasts are reasonable and support the Company's
8 request for \$4.5 million annually for the expanded EE&C programs.

9 **11. Q. Mr. Crandall contends that it is reasonable to spend 15% of total portfolio costs**
10 **on administrative, education, and conservation service provider program**
11 **administration. Do you agree?**

12 A. No, a 15% spending limit is neither reasonable nor realistic. I note that the
13 Commission recently considered the appropriate balance of non-incentive and
14 incentive spending in the context of its Phase IV Implementation Order and found
15 that Phase IV EE&C plans must limit non-incentive spending to under 50% of the
16 total plan cost.³ The Company forecasts that approximately 72% of its gas EE&C
17 portfolio spending will be dedicated to customer incentives and direct install
18 measures for the Low-Income Safe and Efficient Heating Program; therefore,
19 PECO's gas EE&C proposal is in alignment with the Commission's requirements for
20 Phase IV EE&C plans. Further, PECO believes that the outlined education and

³ Implementation Order, *Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228 (Order entered June 18, 2020) ("Phase IV Implementation Order").

1 administrative costs in the proposed budget reflect the level of resources needed to
2 administer a successful EE&C gas program. Finally, and as discussed below, PECO
3 has agreed to conduct periodic evaluation, measurement and verification (“EM&V”)
4 studies in future years. While the Company believes these EM&V costs can be
5 absorbed within the current proposed budget, the amount of available incentives to
6 the customer will be lowered if the overall budget is significantly reduced or a
7 restriction is placed on administrative spending.

8 **C. Low-Income Safe And Efficient Heating Program**

9 **12. Q. CAUSE-PA recommends that PECO modify its Low-Income Safe and Efficient**
10 **Heating Program to expand eligibility to all customers with a household income**
11 **at or below 150% of the Federal Poverty Level (“FPL”) and provide additional**
12 **opportunities for such customers to access energy efficient equipment at no cost.**
13 **Please respond.**

14 A. PECO’s Low-Income Safe and Efficient Heating program is designed to provide
15 valuable services to low-income customers who do not qualify for a heating audit
16 under the Low-Income Usage Reduction Program (“LIURP”). In order to manage the
17 overall program budget, the highest income grouping of low-income customers is not
18 eligible to participate in the program. This program is not cost-effective (TRC of 0.2)
19 and lowers the residential sector portfolio TRC from 1.3 to 1.1. If program eligibility
20 were expanded, as Mr. Miller proposes, additional funding would be required and
21 likely result in the overall portfolio not being cost-effective. Without additional
22 funding, the Company expects that it would accept customer requests on a first-come
23 basis until funding is exhausted, and therefore, some of the neediest customers may

1 not receive benefits from the program. Similarly, Mr. Miller’s recommendation to
2 provide additional no-cost measures to low-income customers has the potential to
3 significantly increase the costs of the EE&C portfolio and result in the portfolio not
4 being cost-effective.

5 PECO believes that its proposed budget and structure for the Low-Income Safe and
6 Efficient Heating Program will provide significant assistance to a significant number
7 of the Company’s neediest customers while managing overall costs. I note that the
8 OCA recommended that the budget for this program remain as proposed by the
9 Company. I also note that Mr. Miller performed no analysis of the costs of his
10 recommendation. *See Exhibit DLM-1-R.*

11 **13. Q. CAUSE-PA also recommends that PECO host a collaborative meeting to develop**
12 **a plan for coordinating the Company’s EE&C program with other services for**
13 **low-income customers. Please respond.**

14 A. PECO will continue to collaborate with other parties, share program information,
15 exchange customer leads, and provide EE&C program guidelines. PECO agrees to
16 hold a collaborative meeting to discuss the coordination of the Company’s EE&C
17 program with other services for low-income customers.

18 **D. Evaluation, Measurement And Verification Of The Company’s EE&C**
19 **Program**

20 **14. Q. OCA expresses concern about the level of EM&V of current programs and**
21 **recommends that the Company submit EE&C implementation reports on a**
22 **going forward basis. Please respond.**

1 A. In the past, the Commission has not required any formal EM&V studies, and the
2 Company has not performed such studies. PECO agrees with OCA that EM&V
3 studies should be conducted for these programs and will perform the studies and
4 believes the cost of the studies can be accommodated within the requested
5 administrative budget. PECO will file EM&V studies as part of future gas base rate
6 case filings, as applicable.

7 **E. Reconciliation For Commercial Programs**

8 **15. Q. OCA expresses concern about the lack of a reconciliation mechanism for the**
9 **commercial EE&C programs and recommends that unspent funds be returned**
10 **to commercial customers. Please respond.**

11 A. PECO will continue to track expenses against the \$28,000 annual budget and report
12 such expenses in the Company's next gas base rate case filing. A pro forma
13 adjustment to the GC revenue requirement will be made in the next gas rate case.

14 **III. PECO'S NEIGHBORHOOD GAS PILOT**

15 **16. Q. Did any party oppose the continuation of the NGPR for a five-year term?**

16 A. No.

17 **17. Q. I&E agrees with the Company's proposal to allow up to 40 feet of main line per**
18 **contracted residential customer at no cost with certain limitations but**
19 **recommends that the Company maintain its current contribution in aid of**
20 **construction ("CIAC") calculation for the above 40-foot allowance based on past**
21 **spending and customer participation rates. Please respond.**

1 A. The Company's current CIAC calculation assumes that 66% of potential customers
2 along the extension will take service by year 20. In the first five years of the NGPR
3 however, 44% of potential customers have signed contracts to take service. The rapid
4 uptake of natural gas service by potential customers shows that the current CIAC
5 assumption should be revised. PECO has proposed to modify the CIAC calculation
6 to assume that 66% of potential customers will contract for service in year one to
7 better align with NGPR data. This change will also reduce the complexity of the
8 CIAC calculation. PECO expects that this change will speed up the intake process
9 and increase customer satisfaction, and for some projects, reduce the CIAC. The
10 NGPR will continue to require that 20% of customers execute contracts for gas
11 service for a gas main extension project to move forward.

12 **18. Q. I&E also asserts that the Company's proposal to increase the annual NGPR to**
13 **\$7.5 million is without support because the Company has historically spent less**
14 **than the current annual budget of \$5 million. Please respond.**

15 A. PECO believes that there will be increased customer interest in the NGPR with the
16 new 40-foot allowance and revised CIAC calculation. In addition, some customers
17 that have already expressed interest in the NGPR have decided to wait for the
18 outcome of the gas rate case before proceeding. For these reasons, the Company
19 expects installed projects to increase by 25 neighborhoods per year under the revised
20 program. This projected growth would require the full \$7.5 million budget requested
21 by the Company in this case.

22 The Company continued to see strong interest in the NGPR in 2020 despite the

1 COVID-19 pandemic and received inquiries from over 284 neighborhoods. This is
2 only a slight decrease from 2019 in which PECO received 311 inquiries. PECO was
3 also able to complete a significant number of projects in 2020 despite the COVID-19
4 pandemic. PECO completed 27 main extension projects making gas available to 337
5 neighbors in 2020, which is a slight decrease from 2019 in which PECO completed
6 39 project bringing gas to 391 neighbors.

7 **IV. CONCLUSION**

8 **19. Q. Does this complete your rebuttal testimony?**

9 A. Yes, it does.

R-2020-3018929 2/17/21 JK

PECO Exhibit DLM-1 Revised: Forecasted Participation Levels and Natural Gas Savings

July 1, 2021 to June 30, 2022 Forecast		
Program	Forecasted Participation (number of rebates)	Forecasted Gross MCF Savings
Residential Gas High-Efficiency Furnace Rebate	5,025	56,838
Residential ENERGY STAR®+ Furnace Rebate*	500	6,410
Residential Gas High-Efficiency Boiler Rebate	500	2,919
Residential Gas High-Efficiency Water Heater Rebate**	250	282
Residential Gas Heating Smart Thermostat Rebate*	6,650	31,628
Residential Gas Water Heating Rebate (aerators)*	7,250	2,088
Residential Gas Water Heating Rebate (showerheads)*	7,200	8,617
Residential Total	27,375	108,782
Low-Income Safe and Efficient Heating Program*	289	3,529
Low-Income Total	289	3,529
Commercial Energy Star Furnace <225 kBTU/h (>=95% AFUE)	40	459
Commercial Energy Star Boiler <300 kBTU/h (>=90% AFUE)	35	732
Commercial Total	75	1,191
Portfolio Total	27,739	113,501

* New program

** Increased rebate for existing program

Interrogatory Responses of the Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) to PECO Energy Company, SET II

PECO to CAUSE-PA II-9.

Refer to CAUSE-PA St. No 1, page 47, lines 20-21 and page 48, lines 1-6. Please provide:

- a. the estimated cost of CAUSE PA's proposal to increase the income participation level to 150% of the FPL. Include all supporting documents, calculations, analysis and assumptions.
- b. CAUSE PA's estimated increase in participation by customers. Include all supporting documents, calculations, analysis and assumptions.
- c. the estimated cost of the proposal to increase access to energy efficient equipment without an upfront cost. Include all supporting documents, calculations, analysis and assumptions.

Response:

Mr. Miller has not performed the requested analysis.


Respondent: Mitchell Miller

Date: 01/11/2021

VERIFICATION

I, Mitchell Miller hereby state that the facts set forth in my response to PECO Interrogatories, Set II, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsifications to authorities.)

January 11, 2021
Date



Mitchell Miller
Witness for CAUSE-PA

R-2020-3018929 2/17/21 JK

PECO Exhibit DLM-2 Revised: Forecasted Breakdown of Program Costs

July 1, 2021 to June 30, 2022 Forecast				Breakdown of Program Costs			
	Forecasted Participation (number of rebates)	Forecasted Gross MCF Savings	Forecasted TOTAL Program Costs	Incentives	Direct Install Measure Costs	CSP Administration	PECO Administration
Residential Programs	27,375	108,782	\$2,875,000	\$2,330,000	\$0	\$545,000	\$0
Low-Income Program	289	3,529	\$1,000,000	\$0	\$883,866	\$116,134	\$0
Commercial	75	1,191	\$28,125	\$22,500	\$0	\$5,625	\$0
PECO Admin and Education	N/A	N/A	\$500,000	\$0	\$0	\$0	\$500,000
Emerging Technologies Pilot	N/A	N/A	\$125,000	\$0	\$0	\$0	\$125,000
Portfolio Total	27,739	113,501	\$4,528,125	\$2,352,500	\$883,866	\$666,759	\$625,000

R-2020-3018929
2/17/21 JK**CAP Participation Data For NGDCs**Created with data from the Pennsylvania Public Utility Commission Bureau of Consumer Services
Report on 2019 Universal Service and Collections Performance

Utility	(a) Estimated Low-Income (Penn State Census Data) (2019 USP page 7)	(b) Confirmed Low-Income Customers (2019 USP page 6)	(c) Confirmation Rate as a percentage of Census Data (a/b) (calculated from USP data, but not reported in USP Report)	(d) CAP Participants (2019 USP Report page 51)	(e) CAP Participation Rate as a % of Confirmed Low-Income (2019 USP Report page 51) (Also d/b)	(f) CAP Participation Rate as a % of Penn State Census Data (d/a) (calculated from USP data, but not reported in USP Report)
Columbia	97,268	67,582	69.5%	22,707	33.6%	23.3%
NFG	60,947	24,987	45.9%	7,392	29.6%	12.1%
PECO-Gas	74,914	24,977	33.3%	19,358	77.5%	25.8%
Peoples	84,437	67,718	80.2%	15,969	23.6%	18.9%
Peoples -- Equitable	58,791	41,485	70.6%	12,214	29.4%	20.8%
PGW	197,855	147,014	74.3%	54,040	36.8%	27.3%
UGI South	86,314	39,108	45.3%	11,265	28.8%	13.1%
UGI North	46,297	24,934	53.9%	7,613	30.5%	16.4%

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: PAUL J. HIBBARD

SUBJECT: JUST AND REASONABLE RATES DURING
THE COVID-19 PANDEMIC

DATED: JANUARY 19, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. SUMMARY	3
III. TESTIMONY OF THE OCA AND CAUSE-PA	6
IV. JUST AND REASONABLE	8
V. RATE CASE DATA AND FORECASTS	17
VI. RATE CASE PRECEDENT DURING THE PANDEMIC.....	20
VII. THE PURPOSE FOR REASONED APPLICATION OF RATE MAKING PRINCIPLES.....	25
VIII. CONCLUSION AND RECOMMENDATIONS	26
EXHIBITS – PECO Exhibit-PJH-1-R - Curriculum Vitae & Testimony	

1
2
3
4
5
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**REBUTTAL TESTIMONY
OF
PAUL J. HIBBARD**

I. INTRODUCTION

7 **1. Q. Would you please state your name, business address, and occupation?**

8 A. My name is Paul Hibbard. I am a Principal at Analysis Group, Inc. (AGI), an
9 economic, finance and strategy consulting firm headquartered in Boston,
10 Massachusetts, where I work on energy and environmental economic and policy
11 consulting. My business address is 111 Huntington Avenue, 14th Floor, Boston,
12 Massachusetts 02199.

13 **2. Q. Please describe your background and experience.**

14 A. I have been with AGI for approximately fourteen years, since 2003. First, from
15 2003 to April 2007, and most recently, from August 2010 to the present. In
16 between, from April 2007 to June 2010, I served as Chairman of the
17 Massachusetts Department of Public Utilities (“MA DPU”). While Chairman, I
18 also served as a member of the Massachusetts Energy Facilities Siting Board, the
19 New England Governors' Conference Power Planning Committee, and the
20 NARUC Electricity Committee and Procurement Work Group. I also served as
21 State Manager for the New England States Committee on Electricity and as
22 Treasurer to the Executive Committee of the 41-state Eastern Interconnect States'
23 Planning Council.

1 I have previously worked in energy and environmental consulting with Lexecon,
2 Inc. from 2000 to 2003. Prior to working with Lexecon, I worked in state energy
3 and environmental agencies for almost ten years. From 1998 to 2000, I worked
4 for the Massachusetts Department of Environmental Protection on the
5 development and administration of air quality regulations, State Implementation
6 Plans and emission control programs for the electric industry with a focus on
7 criteria pollutants and carbon dioxide (“CO₂”), as well as various policy issues
8 related to controlling pollutants from electric power generators within the
9 Commonwealth of Massachusetts. From 1991 to 1998, I worked in the Electric
10 Power Division of the DPU on cases related to the setting of company rates,
11 restructuring of the electric industry in Massachusetts, quantification of
12 environmental externalities, integrated resource planning, energy efficiency,
13 utility compliance with state and federal emission control requirements, regional
14 electricity market structure development, and coordination with other states on
15 electricity and gas policy issues through the staff subcommittee of the New
16 England Conference of Public Utility Commissioners.

17 I hold an M.S. in Energy and Resources from the University of California,
18 Berkeley, and a B.S. in Physics from the University of Massachusetts at Amherst.
19 My curriculum vitae is provided in Appendix A, which follows my rebuttal
20 testimony.

1 **3. Q. Have you previously testified before the Pennsylvania Public Utilities**
2 **Commission (“PUC,” or “Commission”)?**

3 A. Yes. In November of 2011, I presented comments to the Commission in an En
4 Banc Hearing related to auctions for retail service in the electric sector on behalf
5 of Direct Energy.

6 **II. SUMMARY**

7 **4. Q. What is the purpose of your testimony?**

8 A. In this testimony I respond to the testimony of OCA witness Scott Rubin, and in
9 part to the testimony of CAUSE-PA witness Mitchell Miller, regarding steps they
10 ask the Commission to take in this rate case in response to the impacts of COVID-
11 19 on consumers and the economy.

12 **5. Q. Please provide an overview of your views.**

13 A. Mr. Rubin notes the obvious: the pandemic has had a meaningful impact on every
14 utility’s customers and the economies in which they operate. Many customers
15 have experienced hardship and difficult personal finances. Many businesses—
16 particularly small retail and hospitality industry businesses—are struggling or
17 have closed. Whether or not the pandemic has had a negative impact on many
18 people and businesses is not in dispute.

19 What is in dispute, however, is how and in what forums the Commission and
20 other policy makers should consider responses to address the impact of the
21 pandemic on utility operations and on the ability of residents and businesses to

1 pay for essential energy supply services. In this case, OCA witness Scott Rubin
2 and CAUSE-PA witness Mitchell Miller make an extreme and unwarranted
3 recommendation that the Commission respond by rejecting any general rate
4 increase for the Company.

5 Witness Scott Rubin supports his recommendation with an absurdly simplistic and
6 incorrect representation of the industry's long-standing judicial and regulatory
7 precedent around the oft-used terms "just and reasonable" and "zone of
8 reasonableness." He also wrongly dismisses the use of data and forecasting that
9 must be relied upon (and carefully reviewed) as part of the rate setting process,
10 and brings forth a highly-selective subset of recent rate cases that neither supports
11 his argument nor comports with the actual experience of U.S. public utility
12 commission ratemaking during the pandemic.

13 The issue of economic hardship vis-à-vis the cost of energy supply is hardly new.
14 There have always been customers who struggle with paying energy bills, and
15 there have always been businesses that struggle to stay solvent. That is why
16 commissions and other policy makers have continuously developed and adapted
17 rate design and public policy mechanisms to address these concerns, including
18 low-income rates, economic development rates, arrearage management plans,
19 universal service programs, fuel assistance programs, disconnection moratoria,
20 energy efficiency investments targeted to low income and other rate classes, and
21 the like.

1 These are the appropriate and effective ways for the Commission and other policy
2 makers to respond to the impact of COVID-19 on energy company operations and
3 customers.¹ In contrast, the out-of-hand rejection of a proposed increase in the
4 Company's revenue requirement—one that is needed for it to be made whole for
5 discharging its public service obligation—is inappropriate and unwarranted,
6 constituting a flagrant violation of regulatory and judicial precedent. Importantly,
7 rejecting Mr. Rubin's extreme recommendation will not mean that the
8 Commission does not recognize the gravity of the impact of the pandemic; these
9 concerns are appropriately addressed in other ways.

10 **6. Q. Please provide a summary of the conclusions you draw based on your review**
11 **of Mr. Rubin's testimony.**

12 A. Based on my review, I draw the following observations and conclusions,
13 described further throughout this testimony:

14 (1) Mr. Rubin and Mr. Miller's recommendation to reject the Company's
15 proposed rate increase should be rejected by the Commission. It is unwarranted,
16 inappropriate, and highly inconsistent with ratemaking principle and precedent.

17 (2) Mr. Rubin's conclusion that the data relied on by the Company in its rate
18 case filing are not reliable due to the potential influence of the pandemic on
19 historic data and forecasts is incorrect and should be rejected by the Commission.

20 There is nothing in the record that suggests that the data relied on are in any way

¹ The Company has provided testimony that focuses on assistance to residential customers during the COVID-19 pandemic and PECO's universal service programs. PECO Statement No. 10-R, Rebuttal Testimony of Kelly Colarelli.

1 unreliable, or that the potential impact of recent events represents a degree of
2 uncertainty in data and forecasts that is qualitatively different than what is
3 routinely addressed in the adjudication of rate cases under any other
4 circumstances.

5 (3) Mr. Rubin’s selective representation of recent U.S. and Canadian rate case
6 history (and the observations he draws from it) is wildly different than the actual
7 recent history of rate cases, based on a review of all rate cases filed in the past few
8 years. Contrary to Mr. Rubin’s suggestion, a comprehensive review of rate cases
9 shows, unsurprisingly, that commissions continue to review and approve rate
10 increases to a degree fully unaffected by the impact of the pandemic in utility
11 service territories.

12 III. TESTIMONY OF THE OCA AND CAUSE-PA

13 **7. Q. Please summarize the testimony provided by OCA witness Scott Rubin and**
14 **CAUSE-PA witness Mitchell Miller.**

15 A. OCA witness Scott Rubin provides data on the hardships to some residents and
16 businesses in PECO’s service territory, concluding that “...the Commission
17 cannot rely on many of the assumptions made in PECO’s filing” and “[i]t ...
18 would not be just or reasonable to impose a rate increase on customers at this
19 time.”² As a result, Mr. Rubin recommends that the Commission deny any rate

² Pa. Public Utility Commission, Claimants, v. PECO Energy Company – Gas Division, Respondent, *Direct Testimony of Scott J. Rubin, on Behalf of the Pennsylvania Office of Consumer Advocate*, December 22, 2020 (hereafter “OCA Statement”), at 3:16-19.

1 increase to PECO in this proceeding.³ Mr. Miller also recommends rejecting any
2 rate increase in this case.⁴

3 **8. Q. Generally, do you agree with OCA witness Scott Rubin and CAUSE-PA**
4 **witness Mitchell Miller with respect to these recommendations?**

5 A. No, I do not. Mr. Rubin's and Mr. Miller's recommendations that the
6 Commission reject a rate increase out-of-hand are extreme, unwarranted, and
7 unnecessary. They fly in the face of long-standing principles of ratemaking,
8 threaten to sever the Company's public service obligations from its ability to
9 collect revenues sufficient to discharge that duty, remove the quantitative basis
10 needed for the Commission to make reasoned decisions based on record evidence,
11 risk compromising the safe and reliable provision of natural gas to residents and
12 businesses in PECO's service territory, and would deter PECO from making local
13 investments that create jobs at exactly the time when job creation is desperately
14 needed. Accepting Mr. Rubin's and Mr. Miller's recommendations would go
15 beyond injecting fiscal risk into the Company's operations, decreasing its ability
16 to attract capital while increasing its cost of capital, and compromising reliability
17 in an industry that provides essential services for the public good; it may also
18 represent confiscatory action by the Commission.

³ OCA Statement at 3:20-21.

⁴ Pa. Public Utility Commission, Claimants, v. PECO Energy Company – Gas Division, Respondent, *Direct Testimony of Mitchell Miller, on Behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania*, December 22, 2020, at 9:1-3. Mr. Miller also focuses on the Company's design of various programs to address issues associated with service to low and moderate income families. In my testimony, I focus only on Mr. Miller's recommendations related to whether or not the Company should be granted a rate increase.

1 **9. Q. Which elements of Mr. Rubin’s and Mr. Miller’s testimonies do you review**
2 **in particular?**

3 A. First, I discuss Mr. Rubin’s hypothesis about a new way to interpret the long-
4 standing ratemaking principles of “just and reasonable” and “zone of
5 reasonableness,” as they apply to setting the Company’s revenue requirements
6 and rate of return. Next, I review Mr. Rubin’s suggestion that the data and
7 forecasting used in the Company’s filing cannot serve as a reasonable basis for
8 the Commission’s review of Company costs, demand, and billing determinants.
9 Third, I analyze Mr. Rubin’s selective culling of a few recent rate cases to make a
10 point about the current state of affairs regarding state regulation of utility rates in
11 the U.S. Finally, I highlight for the Commission what is at stake behind Mr.
12 Rubin’s and Mr. Miller’s recommendations from the perspectives of the
13 Company’s financial health, ability to attract capital at a reasonable cost, job
14 creation, and provision of safe and reliable natural gas services for heating and
15 other end use applications in the homes and businesses within PECO’s service
16 territory.

17 **IV. JUST AND REASONABLE**

18 **10. Q. Are you familiar with the principles behind the setting of regulated utility**
19 **rates by public utility commissions?**

20 A. Yes. I have participated in rate cases for electric, natural gas, and water utilities
21 as a staff person, as Chairman of the Massachusetts Department of Public
22 Utilities, and in private practice. The principles and precedent underlying

1 commission rate case decisions are a well-understood bedrock that guides
2 commission review of record evidence to set company rates in a way that ensures
3 efficient, safe, and reliable utility service at the lowest cost to consumers.

4 **11. Q. Please provide a summary of your understanding of these principles.**

5 A. Public utilities are generally obligated through law and regulation to reliably meet
6 the needs of all present and future customers. In exchange for meeting all
7 customers' needs, utilities are allowed to collect the costs of serving customers
8 through commission-approved cost of service rates, including operating expenses
9 and a return on capital investment. Rates are set in order to allow the utility an
10 opportunity to earn a fair return on the value of the property which it employs for
11 the convenience of the public, with the rate of return designed to approximate the
12 return being earned at the same time in businesses that face similar risks and
13 uncertainties. This level of return on investment is designed to assure confidence
14 in the financial soundness of the utility and to be sufficient to enable the utility to
15 maintain credit and attract the capital needed to reliably meet customer needs over
16 time.⁵

17 In addition, in rate cases, regulators try to design the approved changes in rates in
18 a way that addresses additional ratemaking and policy criteria.⁶ Specifically, rates

⁵ See, e.g., James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, Public Utility Reports, Inc., March 1998 (Second Edition) (hereafter "Bonbright"), at 315-316; and Dr. Karl McDermott, *Cost of Service Regulation in the Investor-Owned Electric Utility Industry*, Edison Electric Institute, June 2012 (hereafter "McDermott") at 5-7.

⁶ Bonbright defines these four criteria as the capital attraction function, the efficiency-incentive function, the consumer-rationing function, and the compensatory income-transfer function. See Bonbright at 48-49.

1 should be designed to allow the recovery of prudently-incurred costs while
2 promoting efficient consumption decisions by consumers, encouraging efficiency
3 in the management and operation of the utility, and allocating costs fairly. When
4 a utility's operational practices and/or the prudence of its investment decisions are
5 questioned, commissions evaluate claims based on record evidence.⁷ The
6 structure of regulated utility rate setting encourages utility managers to make
7 reasonable operational and investment decisions on behalf of their customers, in
8 order to provide reliable service through efficient management and at the lowest
9 expected cost, in a manner consistent with the ratemaking and policy directives of
10 the state.⁸ The foundational principles for the purpose and process of setting rates
11 for regulated utilities are not new law or policy; they have been actively used and
12 vetted through regulatory and legal decisions consistent with principles set in
13 place beginning almost a century ago.⁹

14 **12. Q. Based on your review, do you have a view as to an appropriate approach to**
15 **assessing the operational and investment decisions of the utility?**

16 A. Yes. First and foremost, evaluating the Company's actions and investments must
17 not be taken lightly. The practice of setting rates evolved from a necessary but
18 difficult balancing of companies' obligations to shareholders and ratepayers; they

⁷ The job of a public utility commission is not to substitute its judgement for that of the utility; utilities are presumed to act in good faith and make efficient operational and prudent investment decisions absent evidence to the contrary.

⁸ See e.g., McDermott at 7.

⁹ The *Bluefield* decision, one of the landmark Supreme Court decisions on ratemaking, was issued by the U.S. Supreme Court just under 100 years ago, in 1923. Butler, Pierce, and Supreme Court of the United States, *U.S. Reports: Bluefield Co. v. Pub. Serv. Comm'n*, 262 U.S. 697. 1922. Periodical. Retrieved from the Library of Congress, www.loc.gov/item/usrep262679, accessed 1/13/2021.

1 are part of the fabric of public utility ratemaking that seeks to maintain the
2 financial integrity of regulated utilities while providing appropriate incentives for
3 efficiency in management, operations, and customer consumption. One cannot be
4 cavalier in a review of the costs associated with the utility’s management and
5 discharge of its public service obligations; rate case reviews need to be based on
6 careful review of record evidence in the context of regulatory and judicial
7 precedent, with an eye toward sustaining a functioning and efficient service
8 provider.

9 **13. Q. How do the principles of “just and reasonable” and “zone of reasonableness”**
10 **enter into commission rate case deliberations?**

11 A. In practice, the setting of rates is not formulaic; there are often variabilities and
12 uncertainties in the data and forecasts that underlie utility and intervener
13 perspectives on forward-looking costs, billing determinants, and company rates.
14 A commission must weigh record evidence against appropriate standards to
15 determine—within those ranges of uncertainty—where rates should be set. In this
16 context, various principles such as “just and reasonable” and “zone of
17 reasonableness” have evolved to guide commission deliberations and have been
18 encoded in federal and state law. These principles have been interpreted through
19 decades of precedent as standards to apply in the evaluation of record evidence
20 and the ultimate setting of rates. Importantly, just and reasonable is bounded; it is
21 not meant to be used by commissions to render decisions that are not tethered to
22 the purpose of allowing utilities to recover the costs they incur to provide reliable
23 service.

1 **14. Q. Please summarize Mr. Rubin’s hypothesis with respect to the application of**
2 **these principles in public utility ratemaking.**

3 A. Mr. Rubin would have the Commission believe that the principle of just and
4 reasonable provides the Commission an unbounded latitude to set rates based on
5 exogenous circumstances, even if the outcome does not reflect the true costs for
6 the utility to discharge its public service obligation and attract the capital needed
7 to safely and reliably meet customer demands on a going-forward basis. Mr.
8 Rubin supports his notion with a hypothetical “venn diagram,” suggesting
9 somehow that a “zone of reasonableness” exists separately for consumers and
10 utilities—in effect that each entity affected by the setting of utility rates somehow
11 can be in its own zone. This then allows Mr. Rubin to ponder on what “zone of
12 reasonableness” means only from the perspective of the consumer.

13 Mr. Rubin suggests that the key perspective to consider when interpreting just and
14 reasonable is that of the consumer: “...if economic conditions change such that
15 rates become unaffordable to many customers, rates may need to be reduced in
16 order to remain “just and reasonable” from the perspective of consumers.”¹⁰ In
17 Mr. Rubin’s view, if the utility is unable to recover its costs, so be it. If “market
18 forces” lead to a reduction in demand, the utility may fail to be made whole:
19 “That is not a failure of regulation, but a natural evolution of the market –

¹⁰ OCA Statement 1 at 5:8-10, emphasis added.

1 businesses fail if they cannot keep up with changes in consumers’ preferences or
2 respond to technological innovation.”¹¹

3 **15. Q. Do you agree with Mr. Rubin’s hypothesis?**

4 A. No. “Just and reasonable” is not a concept that varies with one’s perspective. It
5 is not a one-sided standard to be interpreted to define a range of rate outcomes
6 acceptable only to the consumer.¹² Mr. Rubin’s theory on just and reasonable
7 ignores or understates the fundamental balance established between requiring a
8 utility to safely and reliably meet the needs of current and future customers in
9 exchange for the ability to recover the costs of doing so, including a return on
10 prudently-invested capital sufficient to attract investors.

11 As Mr. Rubin suggests, “market forces” and technological change can affect the
12 ability of established rates to allow the utility to recover its expected revenue
13 requirement over time, in either direction. But the regulatory response to this is
14 not—and is not meant to be—a collective shrug of the shoulders. If revenues and
15 earnings become too high, the Commission may bring the utility in for a reset (on
16 its own or in response to a petition by interveners). Conversely, if revenue
17 recovery becomes too low for the Company to recover its legitimate costs of
18 meeting its public service obligation, it may request an increase.

¹¹ OCA Statement 1 at 5:1-7.

¹² See, e.g., Filipink’s analysis of the Supreme Court cases *Bluefield Waterworks* and *Hope Natural Gas*: “These decisions said that a return should be reasonably sufficient so that investors had confidence in the financial soundness of the utility and should be adequate to raise necessary financing,” including “capital costs of the business.” Eric Filipink, *Serving the Public Interest - Traditional vs. Expansive Utility Regulation*, December 30, 2009, at 12-13.

1 **16. Q. Are there other elements of Mr. Rubin’s theory that do not align with rate**
2 **making practice?**

3 A. Yes. First, Mr. Rubin refers to his over-simplified venn diagram and imagines a
4 pretextual “null zone” notion (an area of no intersection between investor and
5 ratepayer interests) to introduce the idea of a consumer zone of reasonableness
6 based on “willingness to pay”: “That is, there is a range of rates that consumers
7 are willing and able to pay...”, and “...the highest price which consumers are
8 willing to pay may be very small, thereby falling below the low end of the
9 investors’ range.”¹³

10 Consumers’ “willingness to pay” is not a practical concept in the setting of rates,
11 in the review of what is just and reasonable, or in identifying a “zone of
12 reasonableness.”¹⁴ To the extent it is relevant in the context of a rate case, it is
13 reflected (1) in the historical demand data and the demand forecast provided in
14 the Company’s rate case filing as reduced demand for customers that are not
15 willing to pay, and (2) in utility proposals for, and Commission review of, rate
16 designs and programs to address low-income customer concerns (e.g., universal
17 service programs, low-income rates, and service moratoriums). PECO is
18 obligated to serve anyone that wants natural gas service in its service territory,

¹³ OCA Statement 1 at 6:6 and 7:5-6.

¹⁴ A “zone of reasonableness” is intended to represent both the consumer and investor interest, for example the landmark *Hope* case adopted “just and reasonable rates as a balance of the investor and the consumer interests.” This balance was “gradually refined into the concept of a ‘zone of reasonableness.’” Further, *Duquesne Light Co. v. Barasch* describes the “lower limit of the zone of reasonableness, that is, where just and reasonable is bounded by a constitutional prohibition against confiscation.” Steve Isser, *Just and Reasonable: The Cornerstone of Energy Regulation*, June 30, 2015 (hereafter “Isser”), at 31, 38.

1 provided service is available at the customer’s location (which depends on
2 existing infrastructure and, in the case of new developments, whether sufficient
3 demand exists to warrant the construction of new service mains). The consumer,
4 however, has many alternatives for heating and other end-use applications
5 provided by gas (e.g., hot water, stoves, and other appliances) that represent
6 potentially economic alternatives. If the rates for natural gas supply and
7 distribution result in end-use costs that exceed alternatives and customers select
8 alternatives, the Company’s overall demand (and operational cost of service) will
9 decline over time.

10 Second, Mr. Rubin appears to complain (ironically) that rate cases require
11 significant efforts to determine an appropriate rate of return for the Company,
12 suggesting “[i]n most cases, the investors’ interest becomes a central focus of the
13 case, by attempting to determine the return on capital which investors require in
14 order to continue to invest money in the utility,” and “[v]ery rarely, though, do
15 regulators or parties place as much emphasis on attempting to define the
16 consumers’ interest.”¹⁵

17 As a former Commissioner who has been deeply embedded in many rate cases
18 across natural gas, electricity, and water industries, I find Mr. Rubin’s complaint
19 perplexing, to say the least. The entire point of a rate case is to determine the
20 proper rates to charge consumers—rates that will allow a company to recover no
21 more than its costs with a fair return on investment and rate design that provides

¹⁵ OCA Statement 1 at 8:10-15.

1 incentives for cost control and efficient consumption. The entire process is an
2 exercise in limiting what the utility can charge consumers and establishing
3 incentives to lower costs over time.¹⁶ The entire process is an exercise in
4 “defining the consumer interest.”

5 One component of this exercise is establishing the Company’s weighted average
6 cost of capital, to allow returns sufficient to pay debt and attract investment at a
7 low cost, but not allow the Company to earn excessive returns. Mr. Rubin is
8 correct that this is a significant effort among the Company, the Commission, and
9 interveners, but contrary to Mr. Rubin’s insinuation, this is far from a bad thing.
10 The allowed rate of return, including decisions on return on equity, cost of debt,
11 and amortization periods, represents a significant component of the revenue
12 requirement that results from the adjudicatory process. Moreover, it represents a
13 difficult decision for the Commission because it is based on complicated and
14 varying financial and industry conditions—it simply must be explored in detail in
15 order for the Commission to have sufficient evidentiary basis for its decision.

16 Yet Mr. Rubin actually implies that this level of effort somehow is a bad thing
17 from the consumers’ perspective. Effectively, Mr. Rubin’s view presumes that
18 the rate case process is biased to favor outcomes that enrich the Company at the
19 expense of consumers. While I disagree with Mr. Rubin’s presumption, it is at

¹⁶ Legal review has shown an emphasis on a consistent method balancing interests of the utility and the public, and that “[a] regulatory commission cannot ‘arbitrarily switch back and forth between methodologies in a way which required investors to bear the risk of bad investments at some times while denying them the benefit of good investments at others.’” Isser at 38, citing to *Duquesne Light Co. v. Barasch et al.*, 488 U.S. 299 (1989) at 315. Inconsistency in the ratemaking process raises the cost of capital, which ultimately leads to higher rates for consumers.

1 best very difficult to understand how reducing the effort in reviewing analyses on
2 rate of return in a rate case by the Company and interveners would somehow
3 improve the outcome from the consumer's perspective.

4 **V. RATE CASE DATA AND FORECASTS**

5 **17. Q. Have you reviewed Mr. Rubin's discussions with respect to the validity of**
6 **data used in the rate case filed by PECO?**

7 A. Yes.

8 **18. Q. Please summarize Mr. Rubin's position.**

9 A. Based on his review of economic and consumer conditions during the pandemic,
10 Mr. Rubin concludes that "the Commission cannot have any confidence in the
11 projections made by PECO for the FPFTY" and "...cannot have any certainty
12 about the appropriate, ongoing level of expenses, interest rates, consumption
13 patterns, and the numerous other factors that affect the determination of an
14 appropriate level of rates."¹⁷

15 **19. Q. Do you agree with Mr. Rubin?**

16 A. No, I do not. While I agree that the pandemic has the potential to affect natural
17 gas demand (and thus the Company's operations), as well as certain economic
18 conditions that affect the Company's finances, Mr. Rubin has provided zero
19 evidence that circumstances have changed in any qualitative or quantitative way.

¹⁷ OCA Statement 1 at 26:6-14.

1 In particular, Mr. Rubin has provided no evidence which would be needed to
2 support his argument; he fails to support his postulated variations and
3 uncertainties in data and forecasts with evidence in that they:

- 4 a) are not observable or quantifiable,
- 5 b) are somehow qualitatively different in magnitude and duration from
6 uncertainties and variation in operational and financial conditions routinely
7 evaluated in the Company's forecasting efforts and/or experienced by the
8 Company at other points in recent history,
- 9 c) cannot be forecasted with the same degree of certainty as in past years,
- 10 d) are likely to propagate forward in a way that introduces meaningful
11 challenges relative to those encountered in the Company's routine
12 forecasting efforts, or
- 13 e) will persist in unpredictable ways many years into the future.

14 **20. Q. Are companies, interveners, and the Commission able to appropriately**
15 **ascertain and incorporate the impacts and potential impacts of the pandemic**
16 **into the data used to set rates?**

17 A. Yes.

18 **21. Q. Please explain.**

19 A. There is no such thing as a rate case that does not require close examination of
20 historical and forecast data, as well as adjudication of different perspectives on
21 the data sources, assumptions, and forecasts that underlie them. Commissions are
22 very comfortable with reviewing what is reflected in historic or "test year" data,
23 evaluating any proposed "known and measurable" changes to the historic data,
24 and vetting the assumptions and models that underlie future test year forecasts.

1 In any rate case, establishing the validity of historic data and resolving known and
2 measurable differences to use on a going-forward basis is a common-sense,
3 weight of evidence exercise, one that requires the development of sufficient
4 record evidence and the application of reasoned judgment by commissioners on a
5 case-by-case basis. The most important element of the decision-making process
6 is that in the end, a commission has before it sufficient evidence to determine
7 whether or not any proposed adjustments to historic data or forecasts are
8 warranted.

9 Mr. Rubin would have the Commission short-circuit this process and assume ex-
10 ante that this exercise is not possible at this time, without providing any evidence
11 to support his claim. While he talks about all the impacts to people and
12 businesses, he does not connect any of his hyperbolic statements on the impacts of
13 the pandemic to data or analyses in the record that are somehow unknowable or
14 structurally flawed in light of this. The fact that the Company developed its data
15 and forecasts during the pandemic does not invalidate the results; rate cases
16 always rely on forecasts in the face of uncertain future conditions, and Mr. Rubin
17 has not presented any evidence demonstrating how the degree of accuracy in the
18 forecasts used in this case is any different than other rate cases. To the contrary,
19 there is no reason to assume a priori that the impacts of COVID-19 in any way
20 compromise the data and forecasts used by the Company in their filing, and there
21 is no reason for the Commission to conclude that any diminished credence should
22 be assigned to PECO's projections for the FPFTY.

23

1 **VI. RATE CASE PRECEDENT DURING THE PANDEMIC**

2 **22. Q. Have you reviewed Mr. Rubin’s presentation of examples to support his**
3 **position that the Commission should not allow a rate increase in this**
4 **proceeding?**

5 A. Yes.

6 **23. Q. Please summarize Mr. Rubin’s analysis.**

7 A. Mr. Rubin provides examples of utilities taking action to support customers
8 during the pandemic, although he concedes that he has not conducted “exhaustive
9 research.”¹⁸ He considers the experiences and specific elements of rate case
10 proceedings in several examples, and he highlights actions that he states are
11 intended to provide some relief to customers due to the impacts of the pandemic.¹⁹

12 **24. Q. Do you find Mr. Rubin’s examples relevant?**

13 A. No. Mr. Rubin’s admission that his review is not exhaustive is a significant
14 understatement. His sampling selectively reviews a very small and biased
15 percentage of the experience with rate case proceedings during the pandemic.
16 Specifically, the scope of his analysis is limited in nearly every dimension. He
17 provides eight specific examples, only six of which are in the United States. None
18 of the examples he provides are for gas companies, and he does not consider the
19 full universe of rate increase requests or explain how his examples are

¹⁸ OCA Statement 1 at 21:13-14.

¹⁹ OCA Statement 1 at 21:15-18, 22:1-24, and 23:1-10.

1 representative of all rate cases reviewed or under review by commissions. The
2 fact that the pandemic has not impacted all states and utilities evenly, and has not
3 had a uniform impact over time since its start, further reduces the credibility of
4 Mr. Rubin's sample. Lastly, a utility voluntarily postponing rate increases or
5 withdrawing rate increase requests does not set legal or regulatory precedent on
6 ratemaking for all others.

7 **25. Q. Does Mr. Rubin's analysis support his recommendation that the Commission**
8 **reject any rate increase for PECO?**

9 A. No. Mr. Rubin's selected examples do not demonstrate any consistent approach
10 to postponing, dropping or rejecting rate increases. Instead, they typically involve
11 reductions (that may or may not have occurred anyway), delays, or
12 postponements of proposed or approved rate increases.

13 **26. Q. Is Mr. Rubin's analysis consistent with the actual experience with**
14 **ratemaking during 2020?**

15 A. Absolutely not. I reviewed the actual experience with full rate cases in 2020 (and
16 compared to prior years) across a majority of states and across both gas and
17 electric industries. The conclusions I draw based on this analysis are contrary to
18 the conclusions Mr. Rubin drew from his analysis and instead reflect ratemaking
19 that is consistent with the application of traditional ratemaking principles in prior
20 years.

1 **27. Q. Please describe your analytic method and data.**

2 A. I completed a systematic review of rate cases in 2020 and prior years to assess
3 whether and how the approach to setting rates may have changed during the
4 pandemic. Summary rate case outcomes were identified using data from S&P
5 Market Intelligence from the start of 2018 through the present. For each rate case,
6 I reviewed information related to the type of rate case (e.g., full or single-issue),
7 utility, location, level of approved rate increase, and allowed return on equity
8 (“ROE”).²⁰ For the purpose of the analysis, the time period of the pandemic is
9 defined as the period through the present, starting March 1, 2020.²¹ The pre-
10 pandemic period is defined as January 1, 2018 through February 29, 2020.

11 I reviewed the data to discern whether, as a general matter, commissions were
12 outright rejecting or dramatically reducing rate proposals, whether the number of
13 rate cases proposed or approved during the pandemic period in 2020 was
14 meaningfully different than previous years, how the allowed returns on equity
15 compared to past years, and whether the conclusions drawn by Mr. Rubin based
16 on his selected sample hold up to a comprehensive review of rate case outcomes
17 across the country.

²⁰ S&P Global Market Intelligence, Rate Case History (Past Rate Cases) data, accessed on 1/4/2021 (hereafter “S&P Market Intelligence Data”).

²¹ The World Health Organization classified COVID-19 as a pandemic on March 11, 2020. For simplicity, March 1, 2020 is chosen as the start date. World Health Organization, “WHO Timeline - COVID-19,” available at <https://www.who.int/news/item/27-04-2020-who-timeline---covid-19>, accessed January, 4, 2021.

1 **28. Q. Please summarize your observations based on the analysis.**

2 A. While Mr. Rubin only considers six examples from the US, 67 rate cases have
3 been settled or fully litigated since the start of the pandemic, and 43 rate cases that
4 have been filed since the start of the pandemic are pending a final decision.²²
5 Thus Mr. Rubin’s sampling represents an insignificant fraction of cases actually
6 filed and decided; a sampling too small to be assigned any meaningful
7 significance.

8 Among the decided rate cases since the start of the pandemic the vast majority
9 have resulted in rate increases. These results are consistent across industries,
10 geographies, and commissions. Since the start of the pandemic, rate increases
11 have been approved widely, across 26 states. This is true in general and in
12 particular for natural gas utilities, for whom the percent of approved rate increases
13 (81 percent) is essentially the same as it has been in recent years, prior to the
14 pandemic.²³ Moreover, for gas utilities, the average approved rate increase has
15 been larger during the pandemic than it was prior to the pandemic.²⁴

16 In addition, the approved return on equity has remained virtually unchanged since
17 the start of the pandemic relative to rate cases decided prior to the pandemic,
18 despite the significantly lower level of interest rates during the pandemic than

²² S&P Market Intelligence Data, using March 1, 2020 as the start date, for vertically integrated and distribution utilities only, and settled or fully litigated decisions only. Data were accessed on 1/4/2021.

²³ From the start of 2018 until the start of the pandemic, 82 percent of gas rate cases resulted in an increase. For gas companies that did not receive an increase during 2020, the majority were for companies that did not request an increase.

²⁴ Rate increases for gas utilities has been \$34.5M during the pandemic, compared to \$29.6M before the pandemic, an increase of 16 percent.

1 before. Controlling for the reduction in interest rates, approved ROEs would
2 actually be higher during than before the pandemic.

3 Finally, for December 2020, it is worth noting that even as the pandemic has
4 reached its most devastating levels,²⁵ rate increase requests have continued and
5 commissions have reached decisions at a volume comparable to previous years.²⁶
6 Rate changes requested in December total \$185.3M, and utilities sought returns
7 on equity comparable to those approved before the pandemic.

8 **29. Q. What conclusions do you draw from your review of data on rate cases**
9 **proposed and/or decided during the pandemic?**

10 A. The results of my analysis are not surprising, because they are consistent with
11 long-standing ratemaking principles and precedent. What is surprising is the
12 argument made by Mr. Rubin: that because of the pandemic, PECO should not be
13 allowed a general rate increase based in part on his review of a few selected cases.
14 This recommendation is so far outside the norm and outside the principles,
15 precedent, and framework for utility rate regulation that it is not surprising the
16 effect of his recommendation would be fully inconsistent with the current practice
17 of ratemaking across the U.S. My analysis shows that despite the altered

²⁵ Forbes, *U.S. Coronavirus Hospitalizations Reach All-Time High*, December 14, 2020, available at <https://www.forbes.com/sites/elanagross/2020/12/14/us-coronavirus-hospitalizations-reach-all-time-high/?sh=348fbbbc7688>. See also Forbes, *U.S. Records All-Time High Of 2,804 New Covid-19 Deaths*, December 3, 2020, available at <https://www.forbes.com/sites/siladityaray/2020/12/03/us-records-all-time-high-of-2804-new-covid-19-deaths/?sh=2ce0303d4bd7>.

²⁶ “Compared to prior years, December 2020 was the fourth most active regarding rate case decisions,” Monica Hlinka, *A flurry of rate case decisions fell upon utility regulators in December* S&P Global Market Intelligence, Januar 7, 2021, available at https://platform.marketintelligence.spglobal.com/web/client?auth=inherit#news/article?id=62003431&KeyProductLinkType=58&utm_source=MIAalerts&utm_medium=scheduledalert&utm_campaign=Alert_Email.

1 economic and financial conditions of the pandemic, utility commissions across
2 the U.S.—and across both natural gas and electricity industries—continue to
3 consistently adjudicate company rate increase requests as they did prior to the
4 pandemic. Short-term economic fluctuations do not remove a utility’s need to
5 spend and invest to continue to provide safe, reliable service, nor do they
6 compromise the Commission’s obligation to allow increases in rates as needed for
7 the utility to be made whole for discharging this public service obligation.

8 **VII. THE PURPOSE FOR REASONED APPLICATION**
9 **OF RATE MAKING PRINCIPLES**

10 **30. Q. You have observed that utilities should be compensated for providing**
11 **reliable services. Are there potential negative impacts if the Commission**
12 **were to reject PECO’s request for a rate increase, from a public policy**
13 **perspective?**

14 A. Yes. There are numerous reasons for ensuring the financial integrity of natural
15 gas utilities like PECO, and sufficiently funding system investment and
16 operations. PECO serves a critical function, providing an essential service needed
17 to support the health and welfare of residents in its service territory, and
18 supporting the operation of businesses vital to the local economy. It has no
19 choice. As a regulated utility it must provide safe and reliable service to
20 customers in its service territory, who have access to its system and who wish to
21 connect.

22 Residents and businesses in natural gas service territories rely on natural gas for
23 winter heating, hot water, cooking, and other end uses. Safe operation of the

1 natural gas system can prevent accidents or outages that could result in significant
2 costs and disrupt reliable service. In turn, providing a stable and secure revenue
3 environment for such utilities supports local economic activity both through
4 projects funded through utility investments and support of local business activity,
5 and it can help lower the costs incurred by utilities in attracting capital to fund
6 such investments.

7 If the Commission accepts the recommendation of the OCA and CAUSE-PA, it
8 risks destabilizing the financial conditions for efficient operation of the
9 Company's system, increasing the long-run cost of providing reliable service,
10 depressing local investment in the economy, and increasing the risks of less safe
11 and reliable system operations.

12 VIII. CONCLUSION AND RECOMMENDATIONS

13 **31. Q. What are Mr. Rubin's and Mr. Miller's recommendations in this case?**

14 A. Mr. Rubin concludes that current circumstances are markedly different than what
15 he calls "business as usual" circumstances, and recommends that the Commission
16 deny any rate increase to PECO in this case. Mr. Miller also recommends that the
17 Commission deny any rate increase to PECO in this case.

18 **32. Q. Do you agree with Mr. Rubin's and Mr. Miller's recommendations?**

19 A. No, I do not. As described throughout this testimony, PECO requires sufficient
20 revenues to support operations and investment, with a fair return on investment to
21 attract capital on reasonable terms and at reasonable costs. This is needed to meet

1 its public service obligation in a way that is safe, reliable and efficient, to meet
2 growing needs, maintain and improve the system, reduce the risks of accidents,
3 and allow for economic growth. A century's worth of ratemaking practice and
4 precedent dictate that after careful review and deliberation, the Company be
5 allowed to recover the revenues needed to meet this obligation, even if it means
6 an increase in rates. Accepting Mr. Rubin's recommendation would not only
7 represent an inappropriate and unwarranted major departure from ratemaking
8 practices, it would set a dangerous precedent for the review of similar needed
9 revenue increases in future cases.

10 **33. Q. Does this conclude your rebuttal testimony?**

11 A. Yes.

Curriculum Vitae & Testimony

R-2020-3018929 2/17/21 JK

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EDUCATION

Ph.D. program (coursework), Nuclear Engineering, University of California, Berkeley

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Thesis: Safety and Environmental Hazards of Nuclear Reactor Designs

B.S. in Physics, University of Massachusetts, Amherst

PROFESSIONAL EXPERIENCE

2010 - Present Analysis Group, Inc., Boston, MA
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2007 - 2010 MA Department of Public Utilities, Boston, MA
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2003 - 2007 Analysis Group, Inc., Boston, MA
Vice President
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2000 - 2003 Lexecon Inc., Cambridge, MA
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1998 - 2000 Massachusetts Department of Environmental Protection, Boston, MA
Environmental Analyst

1991 - 1998 Massachusetts Department of Public Utilities, Boston, MA
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1988 - 1991 University of California, Berkeley, CA
Research Assistant, Safety/Environmental Factors in Nuclear Designs

TESTIMONY IN THE LAST FOUR YEARS

Testimony of Paul J. Hibbard before Commonwealth Edison on issues associated with a request for a certificate of public convenience and necessity by NextEra related to the proposed acquisition of the transmission assets of Rochelle Municipal Utilities (2020).

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**PECO ENERGY COMPANY
STATEMENT NO. 10-R**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

REBUTTAL TESTIMONY

WITNESS: KELLY COLARELLI

SUBJECT: EMERGENCY COVID RELIEF PROGRAM,
LOW-INCOME CUSTOMER ISSUES,
ALLOCATION OF UNIVERSAL SERVICE
COSTS

ORIGINAL SUBMISSION: JANUARY 19, 2021
REVISED SUBMISSION: FEBRUARY 9, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. EMERGENCY COVID-19 RELIEF PROGRAM	3
III. LOW-INCOME CUSTOMER ISSUES	5
IV. ALLOCATION OF UNIVERSAL SERVICE COSTS	12
V. CONCLUSION.....	12

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**REBUTTAL TESTIMONY
OF
KELLY COLARELLI**

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1. Q. Please state your name and business address.

A. My name is Kelly Colarelli. My business address is PECO Energy Company, 2301 Market Street, Philadelphia, PA 19103.

2. Q. By whom are you employed and in what capacity?

A. I am employed by PECO Energy Company (“PECO” or the “Company”) as the Director of Customer Financial Operations. In that capacity, I am responsible, among other things, for Billing, Payment Processing, Revenue Management and Universal Services.

3. Q. Please describe your educational background.

A. I received a Bachelor of Science in Electrical Engineering from Drexel University and a Master of Business Administration from West Chester University.

4. Q. Please describe your professional experience.

A. I began working for PECO in November 1995 as a Rates Engineer. I have worked in a variety of roles of increasing responsibility across Information Technology, Finance, Electric Operations, Exelon Utilities, and Customer Operations prior to moving to my current role. Prior to working at PECO, I worked as an engineer at the Naval Surface Warfare Center.

1 5. Q. What is the purpose of your rebuttal testimony?

2 A. My rebuttal testimony will address three separate but related areas involving
3 assistance to residential customers during the COVID-19 pandemic and PECO's
4 universal service programs:

5 **Emergency COVID-19 Relief Program:** I will respond to the direct testimony of
6 Roger D. Colton on behalf of the Office of Consumer Advocate ("OCA") proposing
7 that the Company implement an Emergency COVID-19 Relief Program to provide
8 financial and collections relief to residential customers.

9 **Low-Income Customer Issues:** I will respond to the direct testimony of Mitchell
10 Miller on behalf of the Coalition for Affordable Utility Services and Energy
11 Efficiency in Pennsylvania ("CAUSE-PA") and Mr. Colton concerning low-income
12 customer participation in universal service programs, bill affordability concerns, and
13 proposed changes to several of the Company's universal service programs.

14 **Allocation of Universal Service Costs:** I will respond to the direct testimony of Mr.
15 Colton and Mr. Miller concerning the allocation of universal service programming
16 costs among customer classes.

17 6. Q. Have you prepared any exhibits to accompany your rebuttal?

18 A. Yes. PECO Exhibit KC-1-R, which I discuss later in my testimony, presents
19 information on Customer Assistance Program ("CAP") participation for different
20 natural gas distribution companies ("NGDCs").

1 **II. EMERGENCY COVID-19 RELIEF PROGRAM**

2 **7. Q. What actions has the Company taken to assist residential customers during the**
3 **COVID-19 pandemic?**

4 A. As noted in the direct testimony of PECO witness Ronald Bradley, the Company has
5 been proactive in seeking to help customers throughout the COVID-19 pandemic.
6 Since March of 2020, PECO has offered all residential customers the opportunity to
7 enter into a 24-month payment agreement. The Company has utilized multiple
8 strategies, including emails targeted to customers with past due balances, letters, bill
9 inserts, social media channels and the Company’s website, to inform customers about
10 this special payment agreement. PECO also has implemented an automated
11 enrollment process whereby a customer may sign up for the special payment
12 agreement online or via Interactive Voice Response (“IVR”).

13 With respect to its universal service programs, the Company has proposed a variety of
14 temporary measures to provide additional relief to low-income customers during this
15 time. For example, on December 17, 2020, the Commission approved PECO’s
16 proposal to temporarily modify the eligibility requirements for the Company’s
17 hardship fund (the Matching Energy Assistance Fund or “MEAF”) to expand the
18 number of customers who may qualify for assistance.¹

19 In addition, on June 26, 2020, the Company filed a COVID-19 relief proposal to: (1)
20 provide a \$50 bill credit to all customers that are enrolled in PECO’s CAP as of July

¹ *Petition of PECO Energy Company (PECO) to temporarily amend its current 2016-2018 Universal Service and Energy Conservation Plan (2016 USECP)*, Docket Nos. P-2020-3022124 and M-2015-2507139 (Secretarial Letter issued Dec. 17, 2020).

1 1, 2020; (2) expedite the CAP enrollment and recertification process by temporarily
2 waiving the requirement for customers to submit written income documentation and,
3 for high-usage customers, the requirement to participate in the Company's Low-
4 Income Usage Reduction Program ("LIURP"); and (3) transfer \$1.5 million of 2020
5 electric LIURP funding, which the Company does not expect to be able to spend in
6 2020 due to COVID-19 related restrictions and market impacts, to a Summer Cooling
7 Initiative.² The Commission has not taken any final action on the Company's
8 COVID-19 relief proposal.

9 Finally, in accordance with Commission orders at Docket No. M-2020-3019244, the
10 Company implemented a variety of COVID-19 relief measures, including a
11 moratorium on termination of service and waiver of connection fees and deposits for
12 reconnection of service.

13 **8. Q. Please describe the Emergency COVID-19 Relief Program proposed by Mr.**
14 **Colton.**

15 A. As detailed in Mr. Colton's Schedule RDC-1, the Relief Program would be available
16 to residential customers who are in arrears, are not eligible for or participating in
17 CAP, and provide proof of unemployment benefits or receipt of the first federal
18 COVID-19 relief check. The Relief Program would have four primary benefits: (1)
19 access to a long-term payment arrangement; (2) screening for CAP and MEAF
20 eligibility; (3) suspension of collection efforts; and (4) a one-time bill credit of up to

² *Petition of PECO Energy Company for Public Meeting August 6, 2020 Expedited Approval of Temporary Universal Service Measures To Address COVID-19 Related Economic Hardship And Provide Additional Opportunities For Electric Usage Reduction*, Docket No. P-2020-3020555.

1 \$400.

2 **9. Q. Do you believe the Relief Program proposed by Mr. Colton is necessary?**

3 A. No. In light of the Company’s existing COVID-19 response and the Commission’s
4 continuing direction on collections matters during the pandemic, I do not believe Mr.
5 Colton’s proposal is necessary or appropriate. The Company is already providing *all*
6 residential customers with access to a payment agreement with a term up to 24
7 months and *any* residential customer that identifies a financial difficulty is provided
8 with information about PECO’s universal service programs. As to collections
9 activity, the Company believes it is appropriate to continue to act consistently with
10 the Commission’s directives at Docket No. M-2020-3019244, which the Commission
11 issued after extensive consideration of the views of many stakeholders. Finally, the
12 Company has previously submitted a proposal to the Commission which included a
13 \$50 bill credit (for CAP customers) and the Commission has not yet acted on that
14 proposal.

15 **III. LOW-INCOME CUSTOMER ISSUES**

16 **10. Q. Both Mr. Colton and Miller express concern about the percentage of low-income**
17 **customers served by PECO’s CAP. Please respond.**

18 A. Mr. Colton and Mr. Miller are generally focused on the percentage of *estimated* low-
19 income customers that are enrolled in the Company’s CAP. PECO provides
20 estimated low-income population numbers based on county-level U.S. Census data in
21 accordance with Commission requirements and without any adjustment for
22 households that may not be PECO customers, such as households in master-metered

1 apartment complexes.³

2 When the Commission evaluates CAP participation, it considers the number of
3 participants enrolled divided by the number of *confirmed* low-income customers
4 served by the NGDC or electric distribution company. In its Report on 2019
5 Universal Service and Collections Performance, the Commission noted that “the CAP
6 participation rate would be much lower if the rate reflected estimated low-income
7 customers rather than confirmed low-income customers, as estimated customer
8 numbers based on census data are much higher and less accurate.”⁴

9 As shown in PECO Exhibit KC-1-R, PECO’s CAP participation rate, as defined by
10 the Commission, is 77.5% and *the highest* of any NGDC. If CAP participation were
11 to be calculated as a percentage of PECO’s estimated low-income population, the
12 Company’s participation rate of 25.8% is *the second highest* of any NGDC. For these
13 reasons, I believe that the general low-income customer participation concerns raised
14 by Mr. Miller and Mr. Colton are misplaced.

15 **11. Q. [QUESTION REMOVED IN REVISED SUBMISSION]**

16

17

³ See, e.g., Pennsylvania Public Utility Commission Bureau of Consumer Services Report on 2019 Universal Service and Collections Performance, accessible at: https://www.puc.pa.gov/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2019.pdf, p. 6 (“The estimated low-income customers represent the public utility’s approximation of its total (maximum) population of low-income customers in its service territory and is based on the latest census data available at the time of reporting. Census data is compiled by Pennsylvania State University annually and sent to the Commission for distribution to the public utilities for use in determining the estimated number of low-income customers.”).

⁴ *Id.*, p. 50.

1 A. **[RESPONSE REMOVED IN REVISED SUBMISSION]**

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21 12. **Q. Mr. Miller and Mr. Colton both emphasize concerns about affordability for low-**
22 **income customers in response to the Company’s proposed base rate increase.**

23 **Has the Company made any recent proposals to improve bill affordability for**

1 **low-income customers?**

2 A. Yes. On July 8, 2020, the Company filed an amended proposed 2019-2024 Universal
3 Service and Energy Conservation Plan (the “Amended Proposed USECP”) to change
4 the format of its CAP from a Fixed Credit Option (“FCO”) to a Percentage of Income
5 Payment Plan (“PIPP”).⁵ Under the PIPP, a CAP customer would receive a bill credit
6 based upon his or her annual income and the applicable energy burden (“EB”)
7 percentage. PECO has proposed to adopt recommended EBs from the Revised CAP
8 Policy Statement⁶ for customers at 0-50% and 51-100% of the federal poverty level
9 (“FPL”) and maintain PECO’s existing EBs for customers at 101-150% of the FPL.
10 The PIPP also incorporates reduced minimum bill amounts and new customer
11 notifications if a customer approaches maximum credit amounts.

12 PECO expects the PIPP to improve bill affordability for all CAP income groups as
13 compared to its current FCO. Subject to minimum bill and maximum credit amounts,
14 a CAP customer’s credit would increase under the PIPP to ensure the customer
15 continued to pay no more than the applicable EB.

16 **13. Q. Has the Company proposed any changes to the Amended Proposed USECP?**

17 A. Yes. On September 25, 2020, PECO filed a petition in the 2019-2024 USECP docket
18 seeking Commission approval to utilize the recommended EBs from the Revised
19 CAP Policy Statement as part of the FCO until the Company transitions from the

⁵ See *PECO’s Amended Proposed 2019-2024 Universal Service and Energy Conservation Plan*, Docket No. M-2018-3005795 (filed July 8, 2020). The filing was docketed at P-2020-3020727.

⁶ *2019 Amendments to Policy Statement on Customer Assistance Program*, 52 Pa. Code § 69.261–69.267, Docket No. M-2019-3012599 (Order entered Nov. 5, 2019). 50 Pa. B. No. 12 at 1691-1695 (Mar. 21, 2020).

1 FCO to its PIPP.⁷ Given the time that will be required to transition to a PIPP, PECO
2 concluded that it would be reasonable, with Commission approval, to incorporate the
3 recommended EBs into the Revised CAP Policy Statement in the FCO as a “bridge”
4 to the PIPP. This petition, and the Amended Proposed USECP, remain pending
5 before the Commission.

6 **14. Q. Mr. Miller recommends several changes to the Company’s CAP, including: (1)**
7 **adopting the Commission’s revised EBs; (2) adjusting the credit under the FCO**
8 **to immediately account for any base rate increase; (3) developing a plan to**
9 **increase CAP enrollment by 50% by 2025; (4) moving arrears from CAP**
10 **customers into pre-program arrearage forgiveness; (5) waiving all late fees and**
11 **reconnection fees; and (6) waving income certification requirements until the**
12 **pandemic is over. Please respond.**

13 A. Many of Mr. Miller’s recommendations have already been implemented or are
14 already pending before the Commission in other dockets. PECO does not believe it is
15 appropriate to re-litigate issues that are already under consideration by the
16 Commission in other proceedings.

17 The Company is already waiving late fees and reconnection fees in accordance with
18 Commission Orders at Docket No. M-2020-3019244 and the Company no longer
19 assesses late fees to CAP customers in accordance with the Revised CAP Policy
20 Statement. In the docket for the Company’s Amended Proposed USECP, which
21 addresses both gas and electric customers, the Company has already proposed to

⁷ See Docket No. P-2020-3022154.

1 implement all of the Commission’s revised EBs into its CAP FCO and the EBs for
2 customers at 0-50% and 51-100% of FPL as part of the PIPP. The Company
3 determined that implementing the revised EBs for customers at 101-150% of FPL
4 would result in substantial additional costs (over \$10 million) without improving
5 affordability. As I explained earlier, the PIPP is designed to improve bill
6 affordability and better protect CAP customers from an increased bill after a base rate
7 increase.

8 Consistent with the Revised CAP Policy Statement, the Amended Proposed USECP
9 now before the Commission also includes an expanded outreach and education
10 program for gas and electric customers. A gas distribution base rate case is not the
11 appropriate place to consider a broad CAP enrollment proposal, particularly when
12 PECO’s gas-only CAP population (300 customers) is a very small part of its total gas
13 and electric CAP population (114,000). For similar reasons, consideration of a CAP
14 arrearage forgiveness program is not appropriate for this proceeding. Finally, the
15 Company’s proposal to temporarily waive written income documentation
16 requirements also remains pending before the Commission.

17 For all these reasons, PECO does not believe that Mr. Miller’s CAP recommendations
18 are necessary or appropriate to consider in this proceeding.

19 **15. Q. Mr. Miller recommends several changes to the Company’s Low-Income Usage**
20 **Reduction Program (“LIURP”), including: (1) increasing the budget by \$2**
21 **million for an annual budget of \$4,250,000; (2) establishing a per-job \$2,000**
22 **health and safety budget to remediate health and safety issues that prevent**

1 **LIURP services; (3) making the Company’s heating pilot program a permanent**
2 **part of the LIURP at the current annual funding level of \$700,000; (4) adopting**
3 **a lower high usage threshold for multifamily units; and (5) adopting a policy of**
4 **rolling over any unspent LIURP funds to the next year. Please respond.**

5 A. The Company’s LIURP proposals, including overall program funding, spending
6 limitations and high-usage thresholds are all pending before the Commission at
7 Docket No. M-2018-3005795. I note that the Company’s LIURP budget reflects the
8 limited number of qualifying high-usage customers that can be served by the program
9 (i.e., customers with an income at or below 200% of FPL, with usage greater than 150
10 ccfs and who have not been served by LIURP in the past two years). Almost
11 doubling the budget, as Mr. Miller proposes, is unrealistic and would not change the
12 size of the eligible customer pool. Further, the Company’s heating pilot is not yet
13 complete and addresses *electric* heating usage. Any decision about making the
14 electric heating pilot permanent is premature without final data, and, in any event,
15 should not be made in a gas base rate proceeding.

16 **16. Q. Mr. Miller contends that PECO should waive the MEAF requirement that grant**
17 **recipients achieve a zero balance, provide grant recipients with a payment**
18 **arrangement for any remaining balance, and utilize pipeline refunds to increase**
19 **MEAF funding by \$2 million. Do you agree?**

20 A. No. The Company has already proposed, and received Commission approval of,
21 several temporary modifications to MEAF requirements to expand the number of
22 customers who may qualify for assistance. PECO does not believe the zero balance

1 requirement should be waived because MEAF is not intended to be a supplemental
2 grant program but rather a means to address collections risk by achieving a zero
3 balance.

4 PECO further believes that its gas and electric MEAF budget, under which it will
5 match up to \$250,000 of individual contributions, is appropriate. The pipeline
6 refunds identified by Mr. Miller are currently applied to reduce the Purchased Gas
7 Cost (“PGC”) and, therefore, any diversion of those refunds would increase the PGC
8 paid by non-shopping PECO customers, including residential customers.

9 **IV. ALLOCATION OF UNIVERSAL SERVICE COSTS**

10 **17. Q. Both Mr. Colton and Mr. Mitchell recommend that the Company allocate**
11 **universal service costs to all customer classes. Please respond.**

12 A. This gas distribution base rate case is not the appropriate place to consider broad
13 universal service cost allocation proposals, particularly when, as explained earlier,
14 PECO’s gas-only CAP population is an exceedingly small part of its total CAP
15 population. The Company does not support a change in universal service cost
16 allocation as part of this proceeding but intends to address the allocation of universal
17 service costs in its next electric base rate proceeding.

18 **V. CONCLUSION**

19 **18. Q. Does this complete your rebuttal testimony?**

20 A. Yes, it does.

21

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PECO ENERGY COMPANY - GAS DIVISION

DOCKET NO. R-2020-3018929

VOLUME II OF IX

- PECO Statement No. 1: Direct Testimony of Ronald A. Bradley**
- PECO Statement No. 2: Direct Testimony of Robert J. Stefani
(and related exhibit)**
- PECO Statement No. 3: Direct Testimony of Michael J. Trzaska
(and related exhibits)**
- PECO Statement No. 4: Direct Testimony of Caroline Fulginiti
(and related exhibits)**

September 30, 2020

**PECO ENERGY COMPANY
STATEMENT NO. 1**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: RONALD A. BRADLEY

SUBJECT: PECO'S GAS OPERATIONS; OVERVIEW
OF PECO'S RATE FILING; PECO'S
CAPITAL INVESTMENT PROCESS;
FULFILLMENT OF PRIOR RATE CASE
COMMITMENTS; MANUFACTURED GAS
PLANT REMEDIATION PROGRAM;
ENHANCEMENT OF QUALITY OF
SERVICE AND SUPPORT FOR ECONOMIC
DEVELOPMENT

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. DESCRIPTION OF GAS OPERATIONS.....	2
III. OVERVIEW OF RATE FILING.....	5
IV. PECO’S CAPITAL INVESTMENT PROCESS	9
V. FULFILLMENT OF PRIOR RATE CASE COMMITMENTS.....	11
VI. MANUFACTURED GAS PLANT REMEDIATION PROGRAM.....	13
VII. SYSTEM SAFETY AND RELIABILITY	14
VIII. QUALITY OF SERVICE, COMMUNITY SUPPORT AND ECONOMIC DEVELOPMENT.....	19
IX. CONCLUSION.....	25

1 **DIRECT TESTIMONY**
2 **OF**
3 **RONALD A. BRADLEY**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your full name and business address.**

6 A. My name is Ronald A. Bradley. My business address is PECO Energy Company,
7 2301 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company (“PECO” or the “Company”) as the
10 Vice President of Gas. In that capacity, I am responsible for the administration of
11 PECO’s gas system construction and maintenance, engineering, plant operations
12 and system control, new business and regulatory compliance. I have been
13 performing these functions since 2009.

14 **3. Q. Please describe your educational background and professional experience.**

15 A. I received a Bachelor of Science degree in engineering from Widener University
16 and a Master of Management degree from Penn State University. Other than a
17 brief period during 2007 and 2008 when I served as Chief Security Officer for
18 PJM Interconnection L.L.C., I have been employed by PECO or Exelon
19 Corporation since 1984. I have held engineering, security, operations, and
20 program-management positions in the areas of gas and electric operations,
21 environmental, safety and industrial hygiene, and engineering design, in addition
22 to my current responsibilities described above.

1 **4. Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to: (1) generally describe PECO’s gas
3 operations; (2) provide an overview of PECO’s request for rate relief and the
4 testimony filed in support of that relief; (3) explain PECO’s capital investment
5 process and identify, by major plant category, PECO’s claimed future test year
6 (“FTY”) and fully projected future test year (“FPFTY”) plant additions; (4)
7 briefly describe PECO’s fulfillment of each of the commitments PECO made in
8 prior rate cases; (5) support the claim for manufactured gas plant (“MGP”)
9 remediation expense; and (6) describe various initiatives launched by PECO to
10 ensure system safety and reliability, enhance customer service, community
11 support and economic development, and protect and preserve the environment
12 and to explain why, pursuant to Section 523 of the Public Utility Code, PECO’s
13 superior management performance justifies a higher return on equity (“ROE”) as
14 recommended by PECO Witness Paul R. Moul (PECO Statement No. 5).

15 **II. DESCRIPTION OF GAS OPERATIONS**

16 **5. Q. Please provide an overview of PECO’s gas operations.**

17 A. PECO provides natural gas service to approximately 534,000 retail customers and
18 provides transportation service to 1,800 large commercial and industrial
19 customers. PECO’s natural gas service region is located throughout a 1,900
20 square-mile area in southeastern Pennsylvania adjacent to, but exclusive of, the
21 City of Philadelphia. The Company’s gas service territory comprises all or

1 portions of Bucks, Chester, Delaware, Montgomery and Lancaster Counties and
2 includes a total population served of approximately 2.5 million people.

3 **6. Q. What services does PECO offer its gas customers?**

4 A. PECO makes available both bundled and unbundled natural gas service. Most of
5 our customers have elected a bundled service, whereby PECO procures and
6 delivers gas to their home or place of business. With the advent of transportation
7 service in the 1980s and the passage of the Natural Gas Choice and Competition
8 Act in 1999, customers also have the option to procure their own gas supply and
9 pay PECO for delivery service only. In addition, and as set forth in our gas tariff,
10 qualifying customers can avail themselves of a variety of firm, interruptible and
11 temperature-controlled services.

12 **7. Q. How does PECO's customer base break down by major customer**
13 **classification?**

14 A. As of June 30, 2020, PECO served approximately 488,000 residential customers;
15 approximately 44,000 small commercial and industrial customers; and 1,800 large
16 commercial and industrial customers. Residential customers account for nearly
17 50% of total metered volume.

18 **8. Q. What are the major assets and facilities that PECO utilizes to provide gas**
19 **service to its customers?**

20 A. The natural gas PECO delivers to its customers is procured through contracts with
21 third-party suppliers. PECO transports and stores gas for its customers on six

1 interstate pipelines. PECO has direct interconnects on its distribution system with
2 three of these interstate pipelines. To supplement that supply on an as-needed
3 basis during peak-demand periods, PECO operates a liquefied natural gas
4 (“LNG”) plant in West Conshohocken and a propane-air peaking plant in Chester.
5 In the last five years, PECO has invested in two new portable vaporizers, three
6 LNG transport trailers, two portable storage tanks, and off-loading facilities built
7 to handle LNG transport trailers that are located at the West Conshohocken gas
8 plant, East Greenville Gate Station, and Parkesburg Gate Station. In addition to
9 its supply and storage facilities, PECO operates approximately 7,000 miles of
10 low-, medium-, high-, and over-high-pressure gas mains, 460,000 gas service
11 lines and 30 gate stations that feed its distribution system. PECO’s purchased gas
12 costs are recovered through a separate Section 1307(f) rate mechanism, which is
13 reviewed and reconciled annually. Those costs are not part of the increase
14 requested by this filing.

15 **9. Q. How does PECO staff its gas operations?**

16 A. At the end of the FPFTY, PECO projects that 376 employees will be engaged
17 full-time on gas operations within the Gas Department. Of that number, 335 will
18 be involved in the physical operation of the gas system, including the design,
19 installation and replacement of mains and other facilities; the operation and
20 maintenance of PECO’s LNG plant, propane-air peaking plant and gas gate
21 stations; damage prevention and safety; and regulatory compliance. Another
22 forty-one employees will be engaged on the administrative side of the business,
23 including contract controls administration; planning and reporting; and the

1 representation of PECO in proceedings before the Pennsylvania Public Utility
2 Commission (“PUC” or “Commission”) and the Federal Energy Regulatory
3 Commission (“FERC”). Other departments within PECO that support the gas
4 business include Legal, Regulatory and External Affairs, Distribution System
5 Operations, Technical Services and Customer Operations, to name a few
6 examples, and will contribute an estimated 263 employees for the benefit of the
7 gas business. In addition, and as discussed in greater detail by Mr. Robert J.
8 Stefani (PECO Statement No. 2), PECO takes advantage of various support
9 services (e.g., finance and accounting, supply, legal, corporate governance, and
10 information technology) offered by the Exelon Business Services Company.

11 III. OVERVIEW OF RATE FILING

12 **10. Q. Please summarize the relief that PECO is requesting through this rate filing.**

13 A. PECO is seeking an increase in its annual gas operating revenues of \$68.7
14 million, or 8.9% on a total retail revenue basis. We have proposed an effective
15 date of November 29, 2020, but recognize that our filing will likely be suspended
16 and investigated.

17 **11. Q. Why is PECO requesting a rate increase at this time?**

18 A. As further discussed by Mr. Stefani and Mr. Michael J. Trzaska (PECO Statement
19 No. 3), our base rates are no longer sufficient to provide a reasonable return on
20 our ongoing investment in the facilities required to provide our customers the safe
21 and reliable service they have come to expect. In short, we continue to invest in

1 new and replacement plant and our costs continue to rise, without sufficient
2 revenue to support necessary investments and customer services.

3 **12. Q. What steps has PECO taken to constrain increases in the cost of providing**
4 **gas service?**

5 A. As discussed by Mr. Stefani, since the Company's last gas base rate case, PECO
6 has carefully managed its operation and maintenance ("O&M") expenses. PECO
7 projects that the compound annual growth rate ("CAGR") in O&M expense from
8 2010 through the end of 2021 will be 1.3%, excluding increases in expenses since
9 2010 caused by PECO's enhancement of its gas-facility mapping system¹ and a
10 significant increase in PA One Call requests to locate and mark PECO's
11 underground facilities.² This rate is well below the actual and expected average
12 annual rates of inflation for the same period. The CAGR in PECO's O&M
13 expense would only be 1.9% even if the increases in gas mapping and PA One
14 Call facility location expenses were included.

15 Gas Operations continues to implement several other initiatives that contribute to
16 the reduction of operating costs and increase the safety of the distribution system.
17 For example, the Company's accelerated replacement programs outlined in
18 PECO's Gas Long Term Infrastructure Improvement Plan ("LTIIP") retire aging
19 gas main and services, reduce the incoming leak volume and enable crews to

¹ The Company's gas mapping project started in 2017 as part of the settlement agreed to in Docket No. C-2015-2479970 and involves implementing mapping system enhancements that will allow PECO to map and locate its facilities with sub-foot accuracy.

² The volume of locate tickets has increased approximately 60% from 2010 to 2019.

1 implement more capital replacement and new customer projects. Moreover, the
2 Company utilizes risk modeling software to help target replacements of bare steel
3 main with higher leak rates and a higher probability of reoccurrence.

4 PECO also leverages new and existing technologies to minimize disruption to
5 local roads and properties and thereby reduce restoration cost and the time
6 required to restore roads to full service. Examples of such efforts include:
7 directional drilling equipment to eliminate the need to open trenches and to
8 increase overall productivity; camera equipment to investigate pipeline interiors
9 and pinpoint corrective maintenance, reducing both the number of street openings
10 required and cost of restoration; and facility locating equipment to further assist in
11 pinpointing our facilities and reducing the potential for damage while excavating.

12 **13. Q. Please identify the other witnesses providing direct testimony on behalf of**
13 **PECO in this proceeding.**

14 A. In addition to myself, the following witnesses will be responsible for presenting
15 PECO's case-in-chief:

16 **Robert J. Stefani** (PECO Statement No. 2) is Senior Vice President, Chief
17 Financial Officer and Treasurer at PECO. Mr. Stefani provides an overview of
18 PECO's principal accounting exhibits; discusses PECO's budgeting process;
19 explains and supports PECO's gas sales forecast; and describes the services that
20 PECO receives from affiliated entities and the estimated cost of those services
21 during the FTY and FPFTY.

1 **Michael J. Trzaska** (PECO Statement No. 3) is a Principal Regulatory and Rates
2 Specialist at PECO. Mr. Trzaska sponsors PECO Exhibits MJT-1, MJT-2 and
3 MJT-3, which set forth PECO’s revenue requirement for the FPFTY ending June
4 30, 2022, FTY ending June 30, 2021, and historic test year (“HTY”) ended June
5 30, 2020, respectively. He specifically supports PECO’s measures of value,
6 revenue, operating expense and tax claims.

7 **Caroline Fulginiti** (PECO Statement No. 4) is the Director of Accounting at
8 PECO. Ms. Fulginiti describes PECO’s accounting processes; supports the
9 assignment and allocation of common costs between PECO’s electric and gas
10 operations; and explains the development of the depreciated original cost of the
11 Company’s utility plant in service and its claim for annual depreciation expense.

12 **Paul R. Moul** (PECO Statement No. 5) is the Managing Consultant of P. Moul &
13 Associates, Inc. Mr. Moul presents testimony concerning the rate of return that
14 PECO should be afforded an opportunity to earn on its measures of value. He
15 supports PECO’s claimed capital structure ratios, its embedded costs of debt, and
16 its requested equity allowance.

17 **Jiang Ding** (PECO Statement No. 6) is a Principal Regulatory and Rates
18 Specialist at PECO. Ms. Ding presents an unbundled, fully allocated, customer
19 class cost-of-service study (“COSS”).

20 **Joseph A. Bisti** (PECO Statement No. 7) is a Principal Regulatory and Rates
21 Specialist at PECO. Mr. Bisti presents PECO’s proposed tariff rates and explains

1 how the results of Ms. Ding’s COSS, as well as the consideration of other factors,
2 were utilized in the rate design process.

3 **Richard A. Schlesinger** (PECO Statement No. 8) is the Manager of Retail Rates
4 at PECO. Mr. Schlesinger discusses proposed changes and clarifications to
5 PECO’s gas service tariff.

6 **Doreen L. Masalta** (PECO Statement No. 9) is the Director of Energy and
7 Marketing Services at PECO. Ms. Masalta describes the Company’s proposed
8 enhancements to its residential gas energy efficiency programs, changes to the
9 Company’s neighborhood gas pilot, and a proposed small business grant program.

10 **IV. PECO’S CAPITAL INVESTMENT PROCESS**

11 **14. Q. How does PECO determine its annual capital investment requirements?**

12 A. PECO’s capital investment plan begins with a detailed budgeting and long-range
13 plan (“LRP”) development process. A key goal of that process is to integrate and
14 align capital investments with PECO’s operational, regulatory and financial plans.
15 The mix of capital investment needs can change from year to year and is the
16 product of a variety of factors, including trends in the housing market, emergent
17 operational constraints, local municipality workloads and, most importantly, the
18 condition of existing facilities. Annual capital investment requirements are
19 evaluated on a functional level and are primarily placed into one of four
20 categories: system performance, capacity improvement, facility relocation, or new
21 business.

1 **System performance projects** are risk modeled and evaluated to prioritize the
2 projects for replacements. These projects are ranked based on certain criteria
3 including but not limited to: age of main, repaired leaks/breaks, main pressures,
4 active leaks, customer complaints, cost to replace versus cost to repair, condition
5 of main, and environmental factors. Of particular note are system performance
6 projects under our Bare Steel Service, Bare Steel Main and Cast Iron Main
7 replacement programs which target aging infrastructure based on field
8 observations and a review of performance metrics.

9 **Capacity improvement projects** prevent system pressure from dropping below
10 design standards and relieve capacity constrained areas which prevent the addition
11 of new customers.

12 **Facility relocation projects** move gas facilities away from conflicting township
13 and state road improvements.

14 Finally, **new business projects** support residential and commercial customer
15 requests for new gas service, an upgrade of existing service and the relocation of
16 gas facilities.

17 Projects requiring a capital investment of over \$1.5 million (“Major Projects”) are
18 subject to an additional, rigorous review committee process which includes senior
19 management control of project scope and contract strategy. The primary goals of
20 the process are to ensure that: (1) the technical merits of each Major Project are
21 balanced with the economic benefits and goals of the Company; (2) Major
22 Projects are properly researched, developed, planned, reviewed, and authorized by

1 senior management before significant resources are committed or expended; and
2 (3) decision points for consideration and approval of any additional funds are
3 established as the details of Major Projects evolve.

4 All of these capital investment processes work together to ensure that PECO's
5 investments fully support safety, reliability and customer service goals as well as
6 achieve an optimal operational efficiency.

7 PECO's FTY and FPFTY plant additions are itemized by functional area and by
8 FERC account in PECO Statement No. 3, the direct testimony of Michael J.
9 Trzaska, Exhibit MJT-2, Schedule C-2, and MJT-1, Schedule C-2, for the FTY
10 and FPFTY, respectively.

11 **15. Q. In your opinion, is all of the plant that PECO has included in its rate base**
12 **claim needed in order to provide safe and reliable gas service?**

13 A. Yes, it is.

14 **V. FULFILLMENT OF PRIOR RATE CASE COMMITMENTS**

15 **16. Q. In the Joint Petition for Settlement of Rate Investigation ("Settlement**
16 **Agreement") which the Commission approved in PECO's last gas base rate**
17 **proceeding at Docket No. R-2010-2161592, the Company, at pages 4-8, made**
18 **a number of commitments. Did PECO fulfill those commitments?**

19 A. Yes, it did.³

³ PECO's commitment related to MGP remediation expense is discussed in Section VI below.

1 **17. Q. PECO made several commitments in the Settlement Agreement that would**
2 **apply if the Company obtained a change in its method of tax accounting for**
3 **repairs. Did PECO change its tax accounting for repairs and has the**
4 **Company satisfied the related commitments?**

5 A. Yes. Mr. Schlesinger (PECO Statement No. 8) explains that the Company
6 changed its tax accounting for repairs and satisfied the associated commitments
7 made in the Settlement Agreement.

8 **18. Q. In the Settlement Agreement, PECO agreed that if a Merchant Function**
9 **Charge (“MFC”) was implemented pursuant to certain Commission**
10 **proceedings, the Company’s \$4.4 million in Purchase of Receivables (“POR”)**
11 **uncollectibles would be unbundled, converted to a percent-of-revenue by**
12 **class, and recovered through the MFC. PECO would also apply a**
13 **corresponding discount to the receivables purchased from natural gas**
14 **suppliers. Has PECO implemented an MFC and satisfied the related**
15 **commitments?**

16 A. Yes, PECO has implemented an MFC and met the related provisions in the
17 Settlement Agreement. Both Mr. Bisti (PECO Statement No. 7) and Mr.
18 Schlesinger (PECO Statement No. 8) describe the recovery of uncollectibles for
19 Sales Service customers through the MFC and the application of a corresponding
20 discount to the receivables purchased from natural gas suppliers.

1 **19. Q. In PECO’s 2008 gas base rate proceeding, Docket No. R-2008-2028394, the**
2 **Company agreed that, over the course of its next two gas base rate**
3 **proceedings, it would propose to move the Rate GC and L class rates of**
4 **return to the system average rate of return. Is this commitment being**
5 **addressed in this case?**

6 A. Yes. Mr. Bisti (PECO Statement No. 7) explains what the Company is proposing
7 in this case to address this commitment.

8 **VI. MANUFACTURED GAS PLANT REMEDIATION PROGRAM**

9 **20. Q. Please discuss the Company’s program to remediate former manufactured**
10 **gas plant sites and its FTY and FPFTY claims for the cost of that program.**

11 A. PECO has undertaken positive efforts to eliminate potential environmental
12 concerns at its former MGP sites. At one time, these sites were used to
13 manufacture gas from coal for distribution to customers on the PECO gas system,
14 but they later became unnecessary following construction of the interstate natural
15 gas pipeline system. The sites are geographically dispersed around our service
16 territory and need to be remediated to certain specifications established by the
17 Pennsylvania Department of Environmental Protection (“PADEP”). Once
18 remediated, the sites may be used for various beneficial land-use purposes that
19 otherwise would not be permitted. It is our intention to achieve regulatory closure
20 with PADEP for 24 of the 26 presently identified MGP sites by the end of 2023.
21 Due to issues regarding obtaining site access, the timeframe for the remediation of

1 the remaining two sites cannot be projected. To date, we have closed out the
2 remediation of 18 of the sites and one partial site.

3 Historically, we have spent, on average, \$5.9 million per year for MGP
4 remediation. The Company expects to spend approximately \$14.2 million over
5 the next ten years (2021-2031) and a total of \$21.9 million through 2043 on MGP
6 remediation.

7 **21. Q. In the Settlement Agreement, PECO agreed that, in the Company's next**
8 **general gas base rate case, PECO's MGP remediation expense allowance**
9 **would be reset based on a methodology detailed in the Settlement Agreement.**
10 **Has the Company met this commitment?**

11 A. Yes. Mr. Trzaska (PECO Statement No. 3) explains how the Company's reset of
12 the MGP remediation expense is consistent with the Settlement Agreement.

13 VII. SYSTEM SAFETY AND RELIABILITY

14 **22. Q. How does PECO ensure the safety and reliability of its gas distribution**
15 **system?**

16 A. PECO manages its natural gas distribution system in a safe and responsible
17 manner in order to ensure pipeline reliability while meeting or exceeding all
18 requirements of the pipeline safety regulations (49 C.F.R. Part 192) and the
19 applicable provisions of the Pennsylvania Code (Title 52, Chapter 59). The
20 Company regularly reviews and assesses many factors affecting its distribution
21 system to identify risk and determine the best mitigation strategy. Furthermore, in

1 compliance with Federal requirements, the Company has a Distribution Integrity
2 Management Program (“DIMP”) plan which provides, among other things, a
3 rigorous framework for analyzing, ranking and mitigating threats to PECO’s
4 entire distribution system. The DIMP plan addresses the following seven areas:
5 (1) System Knowledge; (2) Threat Identification; (3) Risk Evaluation and
6 Ranking; (4) Identification and Implementation of Measures to Address Risks; (5)
7 Performance Measurements, Results Monitoring and Evaluation of Effectiveness;
8 (6) Periodic Evaluation and Improvement; and (7) Reporting Results.

9 The Company monitors its compliance with each prescribed element of the DIMP
10 plan in order to evaluate PECO’s performance in meeting the applicable standards
11 and to reassess threat levels and mitigation measures in light of new information
12 and evolving conditions on the Company’s system. PECO’s DIMP plan plays a
13 very important role in focusing enhanced efforts and expenditures on areas that
14 will reduce overall risk and improve safety and reliability.

15 **23. Q. How do you identify the facilities most in need of replacement?**

16 A. The DIMP plan’s risk reduction goal is a very important input to PECO’s
17 replacement plans, as it is utilized principally to target additional investment for
18 the acceleration of infrastructure repair and replacement. The process starts with
19 knowing the system and identifying the threats. PECO’s field personnel are
20 constantly inspecting the Company’s gas distribution system and, whenever a leak
21 or system anomaly is detected and/or reported, detailed information is recorded
22 regarding the location, observed conditions and any repairs made. This

1 information, coupled with asset attributes (e.g. material type, age, environment,
2 size, pressure, location, leak history, etc.), helps the Company evaluate and
3 understand the performance of PECO's infrastructure and make informed
4 decisions about replacement. Out of PECO's 7,000 miles of gas mains and
5 services, approximately 9% is iron pipe and 4% is unprotected steel pipe, both of
6 which are more prone over time to leakage and ultimately failure than newer
7 plastic pipe. To address this risk, we have established system performance
8 programs, as I discussed previously, that further analyze and prioritize the
9 accelerated replacement of cast iron main, bare steel main and bare steel services.

10 **24. Q. What other steps has PECO taken to enhance the safety and reliability of its**
11 **gas distribution operations?**

12 A. Since the Company's last gas base rate case, PECO has implemented a number of
13 important initiatives and technological improvements focused on safety and
14 reliability.

15 **Mapping Enhancements.** The Company is actively enhancing its mapping
16 system using modern technology to integrate with our Geographic Information
17 System ("GIS"). To improve the accuracy of asset location records, our field
18 employees now have the ability to enter data into mapping products during main
19 and service replacement, leak repairs, new construction and any other process
20 where pipe is exposed. The integration of mobile and geospatial technologies
21 improves the Company's ability to locate and track gas distribution facilities.

1 **Marker Ball Utilization.** PECO utilizes marker balls, which are buried
2 alongside underground facilities, to provide an accurate, convenient and long-
3 lasting means to identify specific locations on PECO’s gas distribution system,
4 including valves, dead ends, leaks, or places where pipe changes directions.

5 **Prevention of Cross-Boring.** As part of projects that utilize trenchless
6 technologies, PECO has implemented improved measures to avoid occurrences of
7 incidental cross-boring with another existing utility. The Company locates and
8 exposes all utility facilities within the boring pathway, including laterals, prior to
9 initiating boring activity. PECO also performs a camera inspection of relevant
10 sewer laterals before and after boring activity, as appropriate.

11 **Ongoing Reliability Project.** The Company recently initiated a natural gas
12 reliability project in Delaware and Montgomery counties to meet the growing
13 needs and demands of our customers. The project includes: (1) installing 11.5
14 miles of over high-pressure gas main; (2) installing a natural gas reliability
15 station; and (3) upgrading PECO’s natural gas plant in West Conshohocken. By
16 the end of 2021, the 11.5 miles of over high-pressure gas main and the reliability
17 station will be in-service, improving the Company’s ability to provide more gas to
18 the area. The upgrades to the West Conshohocken Plant will be completed in
19 2022, which will increase the plant’s output and utilize the over high-pressure gas
20 main to reinforce gas supply as needed during peak-demand periods.

21 Pipeline Safety Management System (“PSMS”). PSMS is a holistic approach to
22 improving pipeline safety for the public, the Company’s workforce and its gas

1 system. PSMS is a Recommended Practice created by the American Petroleum
2 Institute (API RP 1173) and its implementation is recommended by the National
3 Transportation Safety Board, the U.S. Pipeline and Hazardous Materials Safety
4 Administration and the American Gas Association. PECO began working on
5 PSMS implementation shortly after the Recommended Practice was issued and
6 will have an implemented PSMS in 2020. The Company's PSMS will highlight
7 safety risks and provide a framework for addressing those risks with the goal of
8 reducing pipeline incidents on the PECO gas system.

9 **25. Q. In your opinion, has PECO been successful in ensuring system safety and**
10 **reliability?**

11 A. Yes, it has. Our programs include:

12 **Accelerated Replacement of Mains and Services.** PECO has been replacing
13 outmoded (i.e. cast iron and unprotected bare steel) mains and bare steel services
14 on an accelerated basis pursuant to the Company's LTIP. In fact, all bare steel
15 services will be replaced by 2022 and all outmoded mains will be replaced by
16 2035. Since the 2015 filing of the first modification of the LTIP, leaks have
17 decreased 23%.

18 **Gas Odor Response.** PECO's odor response rate has performed in the top decile
19 for the last 13 years among similar gas utilities per industry benchmarking.
20 Additionally, in 2019, the Company successfully responded to 21,622 gas odor
21 calls, with only two odors exceeding the industry metric of a 60-minute response
22 time.

1 **Gas Line Hits.** When notified by contractors or individuals of planned digging
2 activities, it is PECO’s responsibility to mark the location of the Company’s
3 underground facilities. The gas damage rate (i.e. the number of third-party
4 damages/number of One Call tickets) has declined by 62% since 2010.

5 **VIII. QUALITY OF SERVICE, COMMUNITY SUPPORT**
6 **AND ECONOMIC DEVELOPMENT**

7 **26. Q. Has PECO launched any programs in recent years to enhance the quality of**
8 **its customer service?**

9 A. Yes, the Company has undertaken several initiatives to improve its customer
10 service. For example, PECO expanded its communications capabilities so
11 customers can interact with the Company using mobile devices. PECO deployed
12 a mobile application with features such as slide-to-pay (by credit card and e-
13 check), outage reporting, and the ability to enroll in electronic billing, automatic
14 payments, and budget billing. The Company also added a two-way outage text
15 feature that enables customers to text “OUT” to report an outage and “STAT” to
16 receive an outage status update.

17 PECO also upgraded the overall look and feel of its website and, consistent with
18 applicable Web Content Accessibility Guidelines, updated its website’s content to
19 be accessible to people with disabilities. The Company’s Customer Preference
20 Center now also provides notifications to customers for “Bill is Ready,” “Payment
21 Reminders,” “Usage Alerts,” “Budget Bill,” and “Outages.”

1 The Company has also been proactive in seeking to help customers during the
2 COVID-19 pandemic. PECO has utilized emails targeted to customers with past
3 due balances, letters, bill inserts, social media channels and the Company’s
4 website to inform customers about special payment arrangements being offered
5 during the pandemic. To facilitate participation in these special measures, the
6 Company has automated the enrollment process so customers may sign up on the
7 web or via Interactive Voice Response (“IVR”).

8 Finally, the Company remains focused on how customers interact with its
9 Customer Care Center (i.e., PECO’s call center). PECO staffs its Customer Care
10 Center to ensure customer demands are met and invests in training programs to
11 improve agent skills on an ongoing basis.

12 Recent enhancements related to the Customer Care Center include the following:

- 13 • The Company’s “at-home agents” program, which enables the Company
14 to have additional call center agents available for storm response during
15 especially hazardous weather conditions thereby reducing the wait times
16 of customers assisted by agents physically located in PECO’s Customer
17 Care Center.
- 18 • Post-call surveys, which give agents real-time feedback directly from
19 customers focused on resolution of issues, courteousness and knowledge,
20 indicate that PECO customers are consistently rating our Customer Care
21 Center agents highly. Through 2019 and into 2020, we have attained high
22 scores of between 4.4 and 4.7 on a 5-point scale in each category.

- The Customer Care Center now employs approximately 13 bilingual Spanish-speaking agents, who can be more responsive to Spanish-speaking customers than non-Spanish-speaking agents. PECO’s Spanish-speaking agents assisted approximately 8,585 customers in Spanish in 2018 and approximately 12,140 customers in Spanish in 2019.
- PECO’s IVR was updated to include a “Pay Now” feature that enables customers to easily make a payment, which resulted in the reduction in the time of an average payment call by a minute and a half, or 25% (from approximately 6 minutes to approximately 4.5 minutes).

27. Q. Have these enhancements helped PECO improve its performance in the area of customer service?

A. Yes, they have. The effectiveness of PECO’s approach to customer service is reflected in the fact that, in 2019, the Company experienced improvements over its 2014 performance in the following key metrics:

Metric	2014	2019
PECO’s Overall Call Center Satisfaction Index	7.84	8.18
J.D. Power Gas Rating	628	748
Overall Call Center Satisfaction	76.8%	85.8%
Average Speed of Answer	33 seconds	14 seconds
Abandoned Rate	2.84%	1.0%
% of Gas Odor Calls Responded to in 1 Hour or Less	99.97%	99.99%

28. Q. How does PECO’s customer service performance compare to other utilities?

A. As noted in my previous answer, the PECO customer experience, as measured by J.D. Power, has improved from a score of 628 to 748 in the last five years. This

1 has resulted in PECO’s customer service ranking among comparative utility
2 companies increasing to 4th out of 12 in 2019.

3 **29. Q. Does PECO have any plans to further enhance customer services?**

4 A. Yes. Initiatives to enhance customer service include:

- 5 • Additional customer service representative coaching and training to
6 improve the customer experience and resolve the customer’s questions
7 during the first call (“First Call Resolution”).
- 8 • An operational metric to track First Call Resolution.
- 9 • Improved web and mobile capabilities to provide customers additional
10 options for self-service.

11 **30. Q. Please describe PECO’s efforts to support economic development and the**
12 **communities in which the Company provides energy.**

13 A. PECO has a dedicated Economic Development Team that works cooperatively
14 with local, regional and state economic development officials as well as
15 commercial and industrial real-estate professionals to assist businesses that are
16 considering locating or expanding in southeastern Pennsylvania. For example, the
17 Company identifies office and industrial space available for sale or lease, as well
18 as land available for development. PECO’s Economic Development Team also
19 provides information on electric and gas availability and prices to companies,
20 developers and consultants as key inputs to location decisions.

1 Moreover, as I discussed earlier, PECO makes significant capital and
2 infrastructure investments in its service territory every year that create and
3 maintain thousands of jobs in the region. The Company also implements a variety
4 of workforce development programs to train individuals for opportunities at
5 PECO. Every fall, PECO recruits new natural gas apprentice mechanics to
6 complete the Company’s intensive training program before joining PECO’s field
7 force. The field force represents PECO’s front line and works to ensure safe and
8 reliable gas service for PECO customers across the region, and the Company’s
9 training program develops the fundamental skills needed to work safely on
10 PECO’s natural gas distribution system.

11 PECO also partners with Philadelphia Opportunities Industrialization Center
12 (“OIC”) in support of the Smart Energy Technical Training program (“SETT”),
13 which provides energy sector opportunities for the unemployed and
14 underemployed. PECO’s \$100,000 contribution to the program allows for soft
15 skills training, construction and skilled trades (“CAST”) test preparation,
16 contractor training for entry-level vegetation and locator positions, and the
17 development of a solar installation training curriculum.

18 In addition, PECO’s neighborhood gas pilot program extends natural gas mains to
19 serve communities where natural gas is not currently available. The cost to install
20 a new natural gas main will be shared by customers in the community.

21 Additionally, the cost can be spread across a 20-year period, which can be
22 included on customers' monthly bills or can be paid as a one-time, lump sum
23 payment.

1 PECO has a strong commitment to diversity, both among its workforce and in the
2 communities it serves. For example, PECO has employed minority and women-
3 owned businesses, contractors and vendors in its communities and has business
4 relationships with local minority-owned banks. PECO also has a strong and
5 continuing tradition of community involvement. The Company's corporate
6 citizenship efforts are designed to improve the quality of life for the people who
7 live and work in PECO's service territory, and include support for education and
8 the environment, sponsorships, employee volunteer activities, and executive
9 involvement on outside nonprofit boards.

10 Finally, PECO has a strong commitment to protecting and preserving the
11 environment. By converting more than 19,000 homes from traditional home
12 heating fuels to natural gas over the last 10 years, PECO has supported emissions
13 reductions equivalent to planting 2.4 million trees or not driving 250 million car
14 miles. The Company is also taking steps to reduce emissions from the
15 distribution of natural gas. First, PECO is a member of a consortium of North
16 American natural gas utilities focused on renewable natural gas and hydrogen
17 blending with the goal of decreasing greenhouse gas ("GHG") emissions from
18 natural gas distribution. Second, PECO joined its Exelon sister utilities
19 (Baltimore Gas & Electric and Delmarva Power) in a collective commitment
20 through the EPA's Natural Gas STAR Methane Challenge Program to replace
21 older cast iron and steel piping with plastic piping to reduce methane emissions.

1 **31. Q. Mr. Bradley, based on the factors you discussed above, how do you**
2 **characterize PECO’s record with regard to the performance factor**
3 **considerations of efficiency, effectiveness and adequacy of service identified**
4 **in Section 523 of the Public Utility Code?**

5 A. My assessment is based on PECO’s demonstrated excellence with regard to the
6 quality and reliability of its service, its commitment to energy efficiency, its
7 willingness to embrace cost-effective new technologies, its vigilance in protecting
8 the safety of its workers, and its strong promotion of community and economic
9 development, all of which I have discussed above. It is also based on PECO’s
10 significant and successful efforts to manage and control its operating expenses
11 since its last base rate case in 2010, as discussed by Mr. Stefani in PECO
12 Statement No. 2. Based on all of those factors, PECO has exhibited, and
13 continues to exhibit, superior management performance, which fully supports Mr.
14 Moul’s recommendation that PECO receive an ROE enhancement.

15 **IX. CONCLUSION**

16 **32. Q. Does this complete your direct testimony at this time?**

17 A. Yes, it does.

**PECO ENERGY COMPANY
STATEMENT NO. 2**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: ROBERT J. STEFANI

SUBJECT: PECO'S NEED FOR RATE RELIEF;
OPERATIONS AND MAINTENANCE
COSTS; OVERVIEW OF PECO'S
ACCOUNTING EXHIBITS AND
BUDGETING PROCESS; GAS SALES
FORECAST; AFFILIATED SERVICES

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. NEED FOR RATE RELIEF	2
III. PECO’S EFFORTS TO CONTROL OPERATING AND MAINTENANCE COSTS PROCESS.....	5
IV. OVERVIEW OF PECO’S PRINCIPAL ACCOUNTING EXHIBITS AND BUDGETING PROCESS.....	8
V. GAS SALES FORECAST.....	13
VI. AFFILIATED SERVICES	16
VII. COVID-19 COSTS	21
VIII. CONCLUSION.....	23

1 **DIRECT TESTIMONY**
2 **OF**
3 **ROBERT J. STEFANI**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your full name and business address.**

6 A. My name is Robert J. Stefani. My business address is 2301 Market Street,
7 Philadelphia, PA 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company (“PECO” or the “Company”) as
10 Senior Vice President, Chief Financial Officer and Treasurer. I am responsible
11 for PECO’s financial function, including budgeting, long-range financial
12 planning, financial analysis and reporting, project evaluation and financings. I
13 also conduct oversight and coordination of PECO’s accounting, tax, treasury,
14 investor relations and risk management activities.

15 **3. Q. Please brief describe your educational background and professional**
16 **experience.**

17 A. I received a bachelor’s degree in accounting from the University of Notre Dame
18 and an MBA from the University of Texas at Austin. Prior to joining PECO, I
19 was Vice President of Corporate Development at Exelon, responsible for
20 identification and execution of merger, acquisition, and divestiture opportunities.
21 Before joining Exelon, I led strategic investments in North America, Europe and
22 South Africa for Caterpillar’s Corporate Development Group. Prior to my work

1 at Caterpillar, I was an investment banker at Citigroup and then Marathon Capital
2 where I provided strategic and capital markets advisory services to major
3 corporations. I also previously served as an Officer in the United States Navy and
4 was on active duty from 1996 to 2003.

5 **4. Q. What is the purpose of your direct testimony?**

6 The purpose of my direct testimony is to: (1) briefly explain PECO's need for rate
7 relief; (2) summarize PECO's efforts to control operating and maintenance
8 ("O&M") costs since its last approved base rate increase in 2010; (3) provide an
9 overview of PECO's accounting exhibits and its budgeting process; (4) explain
10 the derivation of PECO's gas sales forecast; and (5) describe the nature and
11 allocation of costs for services that PECO receives from Exelon Business Service
12 Company ("EBSC"). Please note that all amounts shown for 2020 and beyond are
13 for the 12-month period ending June 30 of that year unless otherwise noted.

14 **II. NEED FOR RATE RELIEF**

15 **5. Q. Why is PECO seeking a rate increase at this time?**

16 A. PECO last requested a base rate increase in 2010. Since the Company's current
17 base rates became effective on January 1, 2011, PECO has continued to invest in
18 new and replacement gas utility plant, and materials and contracting costs have
19 escalated as a result of general inflationary trends and rising labor and material
20 costs in the utility industry over the past decade. Usage per residential customer
21 also remains below 2011 levels and has generally declined year-over-year. In
22 addition, PECO has continued to provide its employees with reasonable increases

1 in wages and salaries and incur increasing employee health care costs. As a result
2 of these factors, PECO has been unable to achieve a fair return on its investment
3 in its Gas Division.

4 PECO also plans to make significant investments in new and replacement gas
5 utility plant designed to maintain and/or enhance the safety and reliability of the
6 Company's distribution system. PECO recognizes that it is imperative, for the
7 continued provision of safe and reliable service to its customers, to continually
8 invest in its distribution infrastructure. To that end, PECO projects that it will
9 need to invest approximately \$1.2 billion in new and replacement gas utility plant
10 between July 1, 2020 and June 30, 2024 as follows:

Year	Capital Expenditures (in \$ millions)
July 1, 2020 – June 30 2021	\$338
July 1, 2021 – June 30, 2022	\$313
July 1, 2022 – June 30, 2023	\$294
July 1, 2023 – June 30, 2024	\$282

11 These amounts include both Accelerated Gas Infrastructure Modernization Plan
12 (“AGIMP”) and non-AGIMP related capital expenditures. While some portion of
13 the AGIMP costs are recoverable through PECO's Commission-authorized
14 Distribution System Improvement Charge (“DSIC”), the Company anticipates
15 that it will need to obtain external financing for the remainder of these costs.
16 PECO will endeavor to obtain such financing at the most favorable terms
17 possible.
18

1 **6. Q. Please elaborate as to why PECO’s current base rates are insufficient to**
2 **support its current and planned operations.**

3 A. Without an increase in revenues, PECO’s gas operations are projected to produce
4 an overall return on investment capital of 5.73%, and a return on common equity
5 of 7.26%, during the twelve months ending June 30, 2022.

6 As explained by Mr. Paul R. Moul (PECO Statement No. 5), such levels of return
7 are inadequate under any reasonable standard and below the rates of return
8 generally afforded to public utilities. Absent a rate increase, the erosion to
9 PECO’s projected returns would jeopardize the Company’s ability to make all of
10 the reasonable and prudent investments in gas infrastructure that are currently
11 planned through June 30, 2024, and which are necessary to maintain and enhance
12 the provision of safe, reliable, and resilient natural gas service to its customers.
13 Inadequate returns would also negatively impact PECO’s credit coverage ratios
14 and its ability to maintain or improve its investment grade credit ratings, thereby
15 increasing the Company’s financing costs.

16 **7. Q. Why is it important that PECO maintain and/or possibly improve its credit**
17 **ratings?**

18 A. Maintaining or improving PECO’s credit ratings is important to reducing
19 customer costs. As previously stated, the Company needs to make significant
20 investments in its system to ensure the continued provision of safe and reliable
21 service. PECO projects that it will need to invest approximately \$1.2 billion in
22 new and replacement gas distribution plant by June 30, 2024. A meaningful

1 portion of these planned investments will be financed with debt and other forms
2 of capital. The Company's credit ratings will impact the cost it will need to pay
3 to attract such capital, and ultimately, such costs will be borne by PECO's gas
4 customers. Therefore, it is important that the Company maintain its favorable
5 credit metrics in order to minimize customer costs.

6 **8. Q. What steps, if any, has PECO taken to minimize its costs of borrowing?**

7 A. PECO has leveraged the recent low interest rate environment and its strong credit
8 ratings to reduce its weighted average long-term debt rate of 4.10% in 2019 to
9 approximately 4.00% as projected for 2021, which remains below its 2010 long-
10 term debt rate of 5.81%. PECO has also taken steps to obtain debt financing at
11 favorable terms to the Company and its customers. On June 1, 2020, PECO
12 successfully priced a \$350,000,000, 30-year bond offering at a spread of 135 basis
13 points over the 30-year U.S. Treasury for an all-in coupon rate of 2.80%. The
14 2.80% coupon rate is 20 basis points lower than PECO's previous all-time lowest
15 coupon rate and at the time of issuance was one of the lowest coupon rates ever
16 issued in conjunction with a 30-year U.S. utility corporate bond.

17 **III. PECO'S EFFORTS TO CONTROL OPERATING**
18 **AND MAINTENANCE COSTS PROCESS**

19 **9. Q. Please describe PECO's efforts to control its O&M expenses since its current**
20 **base rates became effective on January 1, 2011.**

21 A. PECO projects that the compound annual growth rate ("CAGR") in O&M
22 expense from 2010 through the end of the fully projected future test year

1 (“FPFTY”) will be 1.9%. When the Company’s projected 2010- June 30, 2022
2 CAGR is adjusted for increases in gas mapping and locate expense since 2010,
3 the projected CAGR in O&M decreases further to 1.3%, which is well below the
4 expected inflation CAGR for the same period. Notwithstanding the increase in
5 gas mapping¹ and locate² expenses since 2010, the Company has taken reasonable
6 and prudent steps to minimize such costs to the extent possible.

7 In addition, PECO has taken concrete action to control its O&M expenditures
8 including reducing bad debt expense and effectively managing pension and other
9 post-employment benefits (“OPEB”). The Company’s O&M expenditures may
10 be impacted by COVID-19 and the Company is still evaluating these impacts, as
11 discussed in Section VII of my testimony.

12 **10. Q. Please describe the actions PECO has taken relative to reducing its bad debt**
13 **expense.**

14 A. PECO reduced its bad debt expense significantly from \$7 million in 2010 to
15 projecting only \$2.1 million and \$2.7 million of bad debt expense in 2020 and
16 2021, respectively. PECO is achieving these reductions through a variety of

¹ PECO’s gas mapping project started in 2017 as a result of the settlement agreed to in P.U.C. Docket No. C-2015-2479970. The Company is in the process of implementing mapping system enhancements that will allow it to map and locate its facilities with sub-foot accuracy. The mapping project includes: (i) converting legacy maps into a Geographic Information System; (ii) completing a “Visualization Tool” that will enable the Company to visualize what is connected to mains via service points and incorporate service record information and drawings; (iii) retiring legacy maps; and (iv) capturing X, Y, and Z coordinates on legacy pipe and validating service line information.

² The Company’s locate expense has grown significantly since 2010 due to an increase in PA One Call locate requests. The Company is required, pursuant to the Underground Utility Line Protection Law, to respond to One Call requests seeking information regarding the location and type of its underground lines and mark, stake, locate, or otherwise provide the position of its underground lines at work sites. *See* 73 P.S. § 177.

1 initiatives, which include increasing oversight of high balance accounts, requiring
2 down payments for most types of payment arrangements, and mandating deposits
3 for delinquent accounts.

4 **11. Q. What steps has PECO taken to manage its pension and OPEB?**

5 A. PECO's overall employee benefits costs have decreased, even as underlying
6 health care costs have generally increased by approximately 5% annually in
7 recent years. PECO actively manages its employee benefit costs by evaluating
8 trends in benefits and identifying and implementing cost reduction measures
9 while maintaining competitive compensation packages for its employees. As part
10 of this cost management strategy, PECO has implemented changes to the design
11 of its OPEB plans to reduce their overall cost. PECO previously provided eligible
12 retirees a company-sponsored medical plan with a traditional premium cost-
13 sharing arrangement. In 2015, PECO began to provide eligible retirees a defined
14 contribution credit that can be used to purchase coverage in the individual
15 Medicare marketplace. The change capped the Company's exposure to future
16 medical inflation and leveraged Medicare subsidies available in the individual
17 marketplace. As a result of PECO's changes in the design of its OPEB plan,
18 PECO's OPEB expenses decreased from \$3.6 million in 2010 to \$1.3 million
19 budgeted for 2021, while still providing eligible retirees with comparable benefits.
20 The expensed portion of PECO's pension cash contribution increased from \$9.9
21 million in 2010 to an expected cash contribution of \$15.7 million in 2021 due to a
22 combination of factors, including implementation of a modified investment

1 strategy in 2010 to reduce the volatility of the Company’s pension assets relative
2 to its pension liabilities.

3 **IV. OVERVIEW OF PECO’S PRINCIPAL ACCOUNTING**
4 **EXHIBITS AND BUDGETING PROCESS**

5 **12. Q. Please provide an overview of PECO’s principal accounting exhibits.**

6 A. PECO’s principal accounting exhibits are MJT-1, MJT-2, and MJT-3, which
7 represent PECO’s revenue requirement for the FPFTY, future test year (“FTY”),
8 and historical test year (“HTY”), respectively, and which are sponsored by Mr.
9 Michael J. Trzaska (PECO Statement No. 3). As explained by Mr. Trzaska, these
10 exhibits are based, in part, upon data provided by other PECO witnesses. Exhibit
11 MJT-1, which represents PECO’s revenue requirement for the FPFTY ending
12 June 30, 2022, is comprised of five sections, as follows:

13 **Section I** consists of a summary schedule setting forth PECO’s claimed
14 measures of value (i.e., rate base) and the derivation of the Company’s requested
15 rate increase.

16 **Section II** contains basic accounting data, primarily extracted from the
17 Company’s financial records, including a FPFTY-end balance sheet; statements of
18 net operating income and FPFTY revenues; a schedule of expense items by
19 primary account; and a calculation of PECO’s tax expenses. Also included are
20 schedules developing PECO’s embedded costs of debt and stock, its FPFTY
21 capital structure, and the Company’s overall claimed rate of return.

1 **Section III** provides a detailed development of the major components of
2 the Company's rate base claim. The section includes summaries of the original
3 cost and accumulated depreciation at FPFTY-end of the various categories of
4 utility plant, including allocated common plant, and calculations of PECO's
5 working capital, gas inventories, materials and supplies, accumulated deferred
6 income taxes, and customer deposits and advances.

7 **Section IV** contains detailed adjustments required to place FPFTY
8 revenues and expenses on a ratemaking basis. These adjustments are summarized
9 on Schedules D-3 to D-17, and, together with certain tax adjustments, are carried
10 forward to Schedule D-1 to derive PECO's pro forma operating income at present
11 and proposed rates.

12 **Section V** briefly describes the FTY and HTY data.

13 Exhibits MJT-2 and MJT-3 are essentially identical in format. As explained by
14 Mr. Trzaska, adjustments were made to budgeted data, where necessary, to ensure
15 that the Company's claimed revenue, expenses, and taxes are representative of the
16 levels that the Company expects to experience on a normalized, ongoing basis,
17 and in accordance with the Commission's established ratemaking precedent.

18 Because PECO is basing its requested rate increase on FPFTY data, Exhibit MJT-
19 1 is key to understanding and evaluating the derivation of the Company's claimed
20 revenue requirement. For that reason, Mr. Trzaska devotes most of his testimony
21 to a discussion of PECO Exhibit MJT-1.

1 **13. Q. What is contained in PECO Exhibit MJT-2?**

2 A. PECO Exhibit MJT-2 follows the same format as PECO Exhibit MJT-1, but
3 presents information for the FTY ending on June 30, 2021.

4 **14. Q. What is contained in PECO Exhibit MJT-3?**

5 A. PECO Exhibit MJT-3 follows the same format as PECO Exhibits MJT-1 and
6 MJT-2, but presents information for the HTY, which ended on June 30, 2020.
7 This information is being furnished in accordance with the Commission’s filing
8 requirements and provides a basis for comparing PECO’s FPFTY claims to the
9 actual results of historic operations, adjusted for rate making purposes, for the
10 HTY.

11 **15. Q. Please describe PECO’s budgeting process.**

12 A. One of the key goals of the annual budgeting and planning process is to integrate
13 and align PECO’s operational, regulatory, and financial plans. As discussed in
14 Mr. Bradley’s testimony, the operational plan includes goals focused on achieving
15 best-in-class safety performance at top decile and first quartile performance for
16 both reliability and customer satisfaction. The operational plan is also consistent
17 with statutory and Commission-imposed regulatory requirements. For the
18 financial plan, spending targets are set in order to achieve operational goals,
19 comply with regulatory requirements, and will seek to manage to keep O&M
20 expense increases at a rate lower than the rate of inflation. As explained above,

1 the Company's projected CAGR in O&M expense from 2010 through the FPFTY
2 is well below the expected rate of inflation for that same period.

3 The planning process starts with a review and update of PECO's operational and
4 regulatory goals and initiatives to determine if changes are required for the future.
5 Any significant changes in such goals and initiatives are taken into consideration
6 when updating the Company's financial Long Range Plan ("LRP"). The LRP is a
7 five-year outlook and is updated with key assumptions (e.g., inflation rates,
8 interest rates) and with detailed input provided by "responsibility areas." Each
9 responsibility area reviews its historic expense levels, current and anticipated
10 employee staffing levels, performance assessments, regulatory requirements,
11 operational goals, specific projects, and other factors.

12 The individual responsibility areas of LRPs are typically submitted to PECO's
13 finance group in June of each year and are carefully analyzed for consistency,
14 completeness and appropriateness. The responsibility area LRPs are then
15 consolidated and delivered to PECO's senior management (i.e., the Chief
16 Executive Officer, Chief Operating Officer, and Chief Financial Officer) for
17 review and approval in September.

18 Once the LRP has been updated and approved, data are used to formulate a
19 detailed two-year budget. The two-year budget is "built up" by responsibility
20 area, similar to the LRP process described above. The financing plan is then
21 developed to ensure PECO can maintain investment grade credit ratings. Based
22 on that plan, PECO determines the amount it can borrow to fund its spending

1 plans and the dividend levels that will achieve its targeted capital structure.

2 The final consolidated budget is then submitted to PECO's senior management
3 for review and approval.

4 **16. Q. When was the last time the Commission reviewed PECO's budgeting**
5 **process?**

6 A. PECO's budgeting process was reviewed by the Commission during its Focused
7 Management and Operations Audit of PECO in 2014 ("2014 Audit"). The
8 Commission's auditors found no deficiencies or weaknesses in the way PECO
9 prepares its budgets.

10 **17. Q. Do the personnel in each of the responsibility areas develop their budgets by**
11 **FERC account?**

12 A. No, the responsibility areas do not budget by FERC account. Rather, the
13 responsibility areas budgets are prepared on the basis of business activities and
14 related cost elements, such as payroll, employee benefits, outside services, etc.

15 **18. Q. Mr. Trzaska, in Schedules B-2 and B-4 of PECO Exhibit MJT-1, presents the**
16 **budgeted data for the twelve months ending June 30, 2022 on a FERC**
17 **account basis. How were those figures derived?**

18 A. As Mr. Trzaska explains in his testimony, he analyzed PECO's budgeted
19 expenses for the twelve months ending June 30, 2022 to determine their
20 composition (e.g., payroll, benefits, rent) and then distributed the budgeted costs

1 for those months to the appropriate FERC account based on his findings. The
2 results of Mr. Trzaska's proposed distribution of costs were then reviewed and
3 confirmed with members of my staff.

4 **19. Q. Do PECO Exhibits MJT-1, MJT-2, and MJT-3 contain all of the data needed**
5 **to evaluate PECO's claimed revenue requirement?**

6 A. No. While MJT-1, MJT-2, and MJT-3 present, in considerable detail, the
7 Company's rate base, revenue, expense and tax claims, much of the supporting
8 data are provided in the separately-bound volumes comprising the Company's
9 responses to the Commission's standard rate case filing requirements at 52 Pa.
10 Code §§ 53.52, 53.53, 53.62, and 53.64 and supplemental data requests issued by
11 the Commission's staff. In addition, other PECO witnesses are also sponsoring
12 testimony and specific exhibits in the areas of depreciation, rate of return, energy-
13 efficiency programs, and unbundling of certain costs.

14 **V. GAS SALES FORECAST**

15 **20. Q. How does PECO develop its gas sales forecast, generally?**

16 A. The natural gas forecasting process uses multiple regression-analysis models that
17 determine the relationship between monthly gas sales and predictive variables,
18 such as weather, usage trends, and calendar. The modeled results are evaluated
19 using standard statistical criteria (like the Adjusted R-Squared Score, Mean
20 Absolute Percentage Error (MAPE), t-statistics and coefficients) to ensure that
21 there are statistically significant relationships between the dependent and

1 independent variables. Further detail is provided in the Company's responses to
2 Commission filing requirements SDR-RR-9 and SDR-RR-10.

3 **21. Q. How does PECO utilize historical weather data in developing its gas sales**
4 **forecasts?**

5 A. PECO's gas forecasts utilize "weather normal" assumptions based on weather
6 averages from the prior 30 years. PECO's weather normal assumptions are re-
7 calculated annually using the latest 30-year period. The Company also utilizes
8 weather normals to normalize historical sales results, which are leveraged to
9 analyze usage trends over time. Out-of-Model adjustments are then made to the
10 modeled forecasts to reflect these trends along with additional impact of gas
11 energy efficiency and gas growth programs. The results of the forecast are then
12 compared to prior forecasts for consistency and reviewed with the Exelon Utilities
13 Manager of Load Forecasting, the PECO Director of Financial Planning and
14 Business Analysis, and other Exelon Utilities and PECO senior management for
15 their approval.

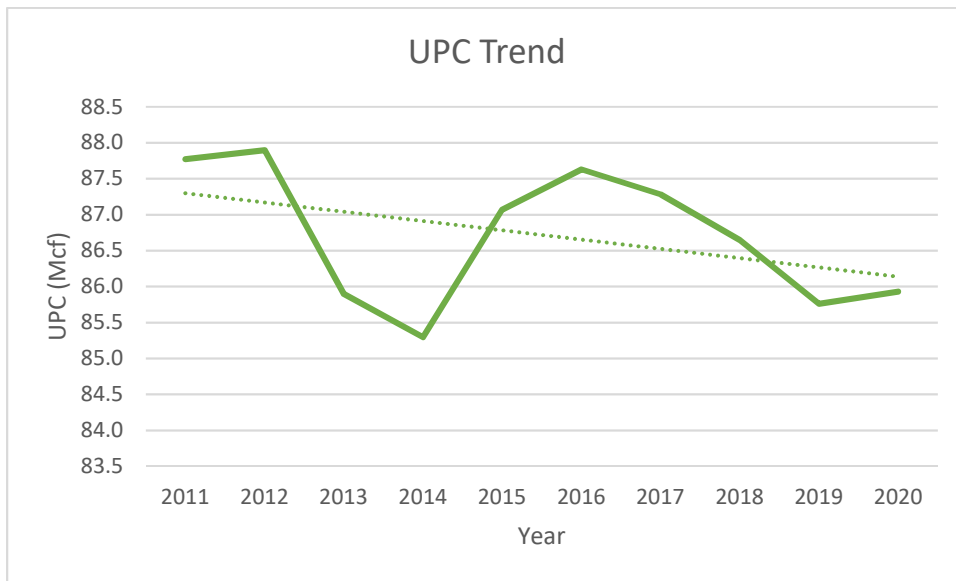
16 **22. Q. You previously observed that PECO had witnessed a general decrease in use**
17 **per residential customer. Please explain.**

18 A. The average residential Use per Customer ("UPC") remains below 2011 levels
19 and has generally declined year-over-year. This is primarily driven by increases
20 in energy efficiency and declining Heating Degree Day ("HDD") trends in
21 weather normal calculations over time. Weather normalized UPC for residential

1 customers and 30-year moving average of HDDs are displayed in the following
2 table and graph:

Year	UPC (Mcf)	HDD (30 Yr Avg)*
2011	87.8	4,617
2012	87.9	4,584
2013	85.9	4,548
2014	85.3	4,532
2015	87.1	4,522
2016	87.6	4,507
2017	87.3	4,487
2018	86.6	4,462
2019	85.8	4,445
2020	85.9	

3
4 * Moving averages are based on 30-year periods that end one year prior (e.g., for 2019, the 30-year period is 1989 to
5 2018). The averages used for years 2020 to 2024 are all based on the 1989 to 2018 range because that is the current
6 30-year period used by PECO for its forecasting and weather normalization processes.



7
8 **23. Q. Has PECO taken this trend into account in calculating its revenue**
9 **requirement in this case?**

10 A. Yes. As mentioned above, the forecasting process includes an evaluation of

1 historical weather normalized UPC trends. These historical observations are
2 impacted by the change in the Company's weather normal calculations over time.
3 While PECO does not forecast future weather changes, the Company does adjust
4 its forecasts so that they are consistent with UPC trends.

5 **24. Q. Has PECO accounted for the impact of COVID-19 on gas sales in the**
6 **forecast?**

7 A. Yes. The impact of COVID-19 on sales has been noticeable and a challenge to
8 forecast due to the lack of historical precedence. An analysis of April and May
9 2020 weather normalized gas sales concluded that total actual gas sales had been
10 reduced by approximately 5%. Mandated business closures drove sales to
11 commercial and industrial customers down by approximately 13%, which were
12 partially offset by an approximately 7% increase in residential usage from more
13 residential customers working from home. With the re-opening of businesses
14 starting in June, a gradual return of sales back to normal levels is expected.
15 However, if there is a lingering recession, this recovery could be slowed. While
16 2020 year-over-year sales declined by 2.7% due to COVID-19 and recession
17 impacts, 2021 and 2022 have forecasted growth rates of 1.0% and 2.2%,
18 respectively.

19 VI. AFFILIATED SERVICES

20 **25. Q. Does PECO procure certain shared services from an affiliated service**
21 **company?**

22 A. Yes. Like many other energy holding-company enterprises, Exelon created a

1 service company, the EBSC, following the merger of PECO and the former
2 Unicom Corporation, to house specific support functions that it believed could be
3 staffed more efficiently and economically on a centralized basis.

4 **26. Q. What types of services does the EBSC make available and to whom?**

5 A. The EBSC is designed to provide a range of what would typically be regarded as
6 in-house services in the case of a stand-alone utility. In broad terms, those
7 services fall into the following categories: information technology (“IT”), supply,
8 commercial operations, finance, human resources, government and external
9 affairs and public policy, legal, corporate governance, strategy, and
10 communications.

11 The EBSC offers its services to PECO and other affiliated members of the Exelon
12 family of companies, including the other Exelon utilities (Atlantic City Electric
13 Company, Baltimore Gas and Electric Company, Commonwealth Edison
14 Company, Delmarva Power & Light Company, and Potomac Electric Power
15 Company).

16 **27. Q. Is PECO required to utilize the EBSC’s services?**

17 A. No, PECO is not required to use the EBSC’s services. Under the terms of the
18 General Services Agreement (“GSA”) between PECO and the EBSC, as approved
19 in the PECO/Unicom merger proceeding at Docket No. A-110550F0147, PECO
20 has the discretion to determine whether and to what extent to utilize the EBSC’s
21 services in all areas except corporate governance.

1 **28. Q. What role does the EBSC play in PECO’s natural gas distribution**
2 **operations?**

3 A. PECO’s overall approach is to use its own personnel or independent contractors to
4 staff the day-to-day operations of its natural gas delivery system, as well as its
5 customer-service functions (e.g., call taking, billing). Other services, such as
6 employee-benefits administration, mass purchasing, insurance and treasury, to
7 name a few, are provided by the EBSC, and certain highly specialized services,
8 for which it would not be cost-effective to maintain the required expertise at
9 either PECO or the EBSC, are obtained through contracting with outside firms
10 (e.g., paving).

11 **29. Q. What is the principal advantage of the service company structure?**

12 A. The EBSC enables PECO to realize economies of scale and scope that, in my
13 judgment, could be very difficult to achieve on an individual company basis.
14 Indeed, if PECO were to try to maintain a full complement of comparably
15 qualified personnel on its own payroll, the total cost PECO would incur to obtain
16 the same level and quality of service it receives from the EBSC likely would be
17 considerably higher.

18 **30. Q. How does the EBSC price the services it provides to PECO?**

19 A. The GSA provides that the services furnished by the EBSC to PECO are to be
20 billed at the EBSC’s cost. Prior to the enactment of the Energy Policy Act of
21 2005, the Exelon utility companies were subject to the affiliate-transaction and

1 cost-allocation rules prescribed by the United States Securities and Exchange
2 Commission (“SEC”) under the Public Utility Holding Company Act of 1935
3 (“PUHCA”), which generally mandated that service companies, such as the
4 EBSC, offer their services to affiliates at fully distributed cost. The “at cost” rules
5 were incorporated into the GSA, and their continued use in the provision of non-
6 power goods and services has been approved by the FERC, which assumed some
7 of the SEC’s oversight responsibilities when PUHCA was repealed, in part,
8 several years ago.

9 **31. Q. How is the cost of those services determined?**

10 A. Direct charges are made for services where possible. Otherwise, costs are
11 allocated on the basis of the allocation factors/methodologies identified in the
12 attachment to the GSA, which were previously reviewed and approved by the
13 SEC. These allocations and methodologies were also reviewed as part of the
14 Commission’s 2014 Audit and the Commission’s auditors found no issues with
15 respect to PECO’s allocations and methodologies.

16 **32. Q. How does PECO satisfy itself that the services it procures from the EBSC are
17 provided at a competitive price?**

18 A. PECO takes several steps to ensure that the services it procures from the EBSC
19 are provided at a competitive price. First, PECO and the management of EBSC
20 work together to identify PECO’s needs and to define service priorities and major
21 new initiatives. As a consequence, PECO has meaningful input into the
22 development of the EBSC’s budget for the upcoming year, and PECO’s Chief

1 Financial Officer ultimately approves the service level arrangements (“SLAs”).
2 SLAs are annual agreements between the EBSC and Exelon’s operating
3 companies (including PECO) entered into under the express authority of the
4 Commission-approved GSA that detail the specific services that the EBSC will
5 provide during the following year, including the scope of services, unit cost
6 expectations and performance measures. Services are grouped by function so that
7 budgeted and actual costs can be tracked.

8 Second, the EBSC’s monthly billings are carefully scrutinized by PECO
9 personnel. Variances between actual and budgeted charges are reviewed by
10 PECO personnel with their EBSC counterparts to ensure that all costs are properly
11 justified.

12 In addition, for functions that are not already outsourced, PECO obtains extensive
13 information regarding the composition of the EBSC’s costs, which PECO can
14 then review for reasonableness. This “Market Testing Analysis,” developed in
15 conjunction with the Commission’s management auditors, is a formal approach
16 for evaluating the cost-effectiveness of using the EBSC’s shared services. This
17 analysis is performed on an annual basis, which, along with allocation factors and
18 methodologies used for EBSC costs, was reviewed as part of the 2014 Audit. In
19 2017, the Commission conducted a Management Efficiency Investigation to
20 evaluate PECO’s implementation of recommendations from the 2014 Audit.³ The

³ See PECO Energy Company Management Efficiency Investigation Evaluating the Implementation of Selected Management Audit Recommendations from the 2014 Focused Management and Operations Audit, Docket No. D-2016-2562303 (August 2017).

1 Commission again examined PECO’s affiliated interest and cost allocations
2 processes and concluded that PECO (and EBSC) had taken steps to verify that
3 “shared services are being provided in an efficient and cost-effective manner
4 and/or improvement opportunities are identified to ensure service offerings are
5 fair and reasonable.” PECO has also worked to implement recommendations
6 made by the Commission, including those related to its payroll and accounts
7 payable systems and the sharing of benchmarking reviews between EBSC, PECO,
8 and other Exelon companies.

9 **33. Q. What is PECO’s claim in this proceeding for EBSC services?**

10 A. PECO has included \$22.0 million in its FPFTY expense claim for charges from
11 EBSC. A breakdown of those costs is attached as PECO Exhibit RJS-1.

12 **VII. COVID-19 COSTS**

13 **34. Q. Can you please address the Secretarial letter at Docket No. M-2020-3019775**
14 **titled *COVID-19 Cost Tracking and Creation of Regulatory Asset* that the**
15 **Commission issued on May 13, 2020?**

16 A. The Secretarial letter acknowledged that utilities would incur additional costs and
17 experience other financial impacts because of the COVID-19 emergency,
18 including increased uncollectible accounts expense resulting from the service-
19 termination moratorium established by the Commission’s Order in *Public Utility*
20 *Service Termination Moratorium Proclamation of Disaster Emergency-COVID-*
21 *19*, issued at Docket No. M-2020-3019244 and ratified on March 26, 2020
22 (“Emergency Order”). The Secretarial letter authorized utilities “to create a

1 regulatory asset for any incremental uncollectible expenses incurred above those
2 embedded in rates since the issuance of the Emergency Order;” directed utilities
3 to notify the Commission upon establishing such a regulatory asset; and stated
4 that it will consider requests for recovery of the regulatory asset in future
5 proceedings if claimed “at [a utility’s] first available opportunity.” Additionally,
6 the Secretarial letter directed jurisdictional utilities “to track extraordinary,
7 nonrecurring incremental COVID-19 related expenses” and to maintain detailed
8 accounting records of “the incremental expenses incurred for the provisioning of
9 utility services used to maintain the health, safety and welfare of Pennsylvania
10 customers during the COVID-19 pandemic.” The Secretarial letter did not
11 authorize utilities to establish a regulatory asset or otherwise defer the expenses
12 that it directed them to “track.”

13 **35. Q. Has PECO created a regulatory asset for incremental uncollectible accounts**
14 **expense as the Secretarial letter has authorized?**

15 A. No. PECO has not created a regulatory asset for these incremental uncollectible
16 accounts for its gas business based on current circumstances, but PECO does plan
17 to file a notice in accordance with the Secretarial letter for its electric distribution
18 business.

19 **36. Q. Is PECO tracking extraordinary, nonrecurring incremental COVID-19**
20 **related expenses as directed by the Secretarial letter?**

21 A. Yes, it is. The Company has experienced increases in employee-related costs
22 (including required enhancements to employee sick-leave benefits), increased

1 costs for personal protective equipment, and increased labor and contracting costs
2 due to the impact on productivity of complying with social distancing and other
3 measures designed to protect employees, customers and the general public during
4 the COVID-19 pandemic.

5 **37. Q. Is PECO making a claim in this case to recover incremental COVID-19**
6 **related expenses and lost revenues?**

7 A. No. The full impact of COVID-19 is not known at this time and the Company is
8 continuing to evaluate its effects.

9 **VIII. CONCLUSION**

10 **38. Q. Does this complete your direct testimony at this time?**

11 A. Yes, it does.

PECO Energy Co.
BSC Operations & Maintenance Costs
Presentation Basis: PECO Gas Distribution

PECO Exhibit RJS-1

(\$ in millions)

July 2021 - June 2022 Budget

1	Legal Governance	1.3
2	Executive Services	1.3
3	Security	1.0
4	Gov Env & Pub Affairs	0.3
5	BSC Exelon Utilities	1.6
6	Communicatons	0.3
7	Finance	2.8
8	Human Resources	1.1
9	Real Estate	0.1
10	Supply Services	0.2
11	Subtotal of Non-IT EBSC	10.0
12	IT EBSC	12.1
13	Charitable Contributions	0.1
14	Lobbying / Other	0.0
15	Subtotal of Non-Recoverable Costs	0.1
16	Total EBSC Charges (excl. Non-Recoverable)	22.0

**PECO ENERGY COMPANY
STATEMENT NO. 3**

R-2020-3018929 2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: MICHAEL J. TRZASKA

SUBJECT: PRESENTING PECO’S OVERALL REVENUE
REQUIREMENT AND SUPPORTING
CERTAIN RATEMAKING ADJUSTMENTS

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. OVERVIEW OF PECO’S FULLY PROJECTED FUTURE TEST YEAR REVENUE REQUIREMENT	4
III. MEASURES OF VALUE.....	13
A. Summary Of Measures Of Value.....	13
B. Plant In Service	13
C. Accumulated Depreciation.....	15
D. Cash Working Capital.....	16
E. Pension Asset.....	22
F. ADIT	24
G. Customer Deposits	25
H. Common Plant	26
I. Customer Advances for Construction.....	26
J. Materials and Supplies	26
K. ADIT – Regulatory Liability	27
L. Gas Storage Inventory.....	27
IV. REVENUES AND EXPENSES	27
A. Revenue Adjustments	29
B. Operating Expense Adjustments.....	32
C. Taxes – Other Than Income Taxes	41
D. Depreciation Expense	42
E. Income Taxes	42
V. FUTURE TEST YEAR AND HISTORIC TEST YEAR.....	48
VI. CONCLUSION.....	66

1 **DIRECT TESTIMONY**
2 **OF**
3 **MICHAEL J. TRZASKA**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your full name and business address.**

6 A. My name is Michael J. Trzaska, and my business address is PECO Energy
7 Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company ("PECO" or the "Company") as a
10 Principal Regulatory and Rate Specialist in the Regulatory Policy and Strategy
11 Department. My duties and responsibilities in that capacity include performing
12 financial analysis, project management and regulatory strategy for gas and electric
13 operations throughout the Company's service territory. I am responsible for
14 providing expert testimony on behalf of the Company with respect to various
15 regulatory issues.

16 **3. Q. Please describe your educational background.**

17 A. I received a Bachelor of Science degree in Accounting from Drexel University in
18 1987 and a Master of Science in Finance degree from LaSalle University in 1996.

19 **4. Q. Please describe your work experience in the energy industry.**

20 A. Upon graduation from Drexel University in 1987, I was hired by PECO and have

1 been with the Company since that time in various positions of increasing
2 responsibility.

3 **5. Q. What is the purpose of your direct testimony in this proceeding?**

4 A. The principal purpose of my direct testimony is to explain the preparation and
5 presentation of data supporting PECO’s request for a general base rate increase
6 for its natural gas operations. Specifically, I explain how the components of the
7 Company’s overall revenue requirement were developed. This includes certain
8 portions of the claimed measures of value and the pro forma ratemaking
9 adjustments that were made to calculate the Company’s revenue requirement
10 based on data for a fully projected future test year ending June 30, 2022
11 (“FPFTY”), a future test year ending June 30, 2021 (“FTY”) and an historic test
12 year ended June 30, 2020 (“HTY”). For purposes of supporting PECO’s
13 proposed increase in base rate distribution operating revenue under its proposed
14 rates, the Company is relying principally upon data for the FPFTY.

15 **6. Q. Are you sponsoring all or portions of any exhibits in this proceeding?**

16 A. Yes. I am sponsoring PECO Exhibits MJT-1, MJT-2, MJT-3.
17 PECO Exhibits MJT-1, MJT-2 and MJT-3 comprise PECO’s principal accounting
18 exhibits for the FPFTY, the FTY and the HTY, respectively.¹ As explained by

¹ PECO Exhibits MJT-1, MJT-2 and MJT-3 each contain multiple schedules and each page of the exhibit is numbered on a continuous sequential basis. Specific schedule pages will be cited to using the applicable exhibit pagination. For example, the second page of Schedule B-1, which is the third page of Exhibit MJT-1, will be cited as “Exhibit MJT-1, Schedule B-1, page 3.”

1 Mr. Robert J. Stefani, Senior Vice President and PECO's Chief Financial Officer
2 and Treasurer (PECO Statement No. 2), the base data for the FPFTY that I used to
3 develop PECO Exhibit MJT-1 were derived, for the most part, from PECO's
4 capital and operating budgets for the twelve months ending June 30, 2022, while
5 the corresponding data for the FTY used to develop PECO Exhibit MJT-2 were
6 derived from PECO's capital and operating budgets for the twelve months ending
7 June 30, 2021. The data for the HTY used to develop PECO Exhibit MJT-3 are
8 the data actually recorded in PECO's books of account for the twelve months
9 ended June 30, 2020.

10 In addition to sponsoring the exhibits described above, I am responsible for
11 responses to certain standard data filing requirements of the Pennsylvania Public
12 Utility Commission (the "Commission").

13 **7. Q. Will you discuss separately PECO Exhibit MJT-1, PECO Exhibit MJT-2 and**
14 **PECO Exhibit MJT-3?**

15 A. Yes, I will. However, because PECO is basing its proposed rate increase on the
16 adjusted FPFTY data, most of my direct testimony is devoted to explaining PECO
17 Exhibit MJT-1. My testimony regarding PECO Exhibits MJT-2 and MJT-3,
18 which are essentially identical in format to PECO Exhibit MJT-1, will briefly
19 address the pro forma adjustments that were made to budget data for the twelve
20 months ending June 30, 2021 and historic actual data for the twelve months ended
21 June 30, 2020, respectively, because the nature of those adjustments is the same
22 or similar to adjustments that I will have already discussed in the context of

1 PECO Exhibit MJT-1. However, I will specifically address any additional
2 adjustments or other differences among those exhibits.

3 **8. Q. How is the balance of your testimony structured?**

4 A. In Section II, I present an overview of PECO's FPFTY revenue requirement and
5 explain, in summary fashion, how the claimed measures of value, pro forma
6 present rate revenues, operating expenses, depreciation and taxes were
7 determined. Section III of my testimony provides a more detailed description of
8 the individual components comprising PECO's requested measures of value for
9 the FPFTY, while Section IV discusses the derivation, including appropriate
10 ratemaking adjustments, of PECO's revenue and expense claims for the FPFTY.
11 Section V briefly describes the FTY and the HTY data.

12 **II. OVERVIEW OF PECO'S FULLY PROJECTED FUTURE**
13 **TEST YEAR REVENUE REQUIREMENT**

14 **9. Q. Please provide an overview of how the Company's FPFTY measures of value**
15 **were determined.**

16 A. PECO's measures of value, as presented in PECO Exhibit MJT-1, consist of nine
17 principal components: (1) the depreciated original cost of utility plant in service
18 (original cost less accumulated depreciation); (2) cash working capital; (3) a
19 pension asset; (4) accumulated deferred income taxes ("ADIT"); (5) customer
20 deposits; (6) customer advances for construction; (7) materials and supplies;
21 (8) the regulatory liability for excess ADIT; and (9) gas storage inventory. Each
22 is described briefly below.

1 **Depreciated Original Cost of Utility Plant in Service.** To determine utility
2 plant in service at the end of the FTY, I began with the closing plant balances
3 actually recorded on the Company's books of account at June 30, 2020, including
4 allocated common plant. To those balances, I added the budgeted capital
5 expenditures for PECO projects that are scheduled to close to plant in service
6 during the FTY and subtracted the anticipated plant retirements. The same
7 process was used to develop utility plant in service balances at the end of the
8 FPFTY, beginning with the projected balances of plant in service at June 30,
9 2021, adding capital expenditures projected to be closed to plant in service by the
10 end of the FPFTY and subtracting anticipated retirements. The Company's claim
11 for accumulated depreciation was determined in a similar fashion, starting with
12 the accumulated depreciation at June 30, 2020 assigned to each plant account, and
13 bringing those data forward to reflect additional depreciation accruals, plant
14 retirements, and cost of removal net of salvage for the period through June 30,
15 2021. Accumulated depreciation at June 30, 2022, was then deducted from the
16 projected balance of utility plant as of that date to derive the Company's claimed
17 FPFTY year-end net utility plant of \$2.78 billion.

18 **Cash Working Capital.** Cash working capital was calculated using a lead-lag
19 study and includes elements that are consistent with past practice and
20 Commission precedent.

21 **Pension Asset.** PECO has included a pension asset in measures of value that
22 consists of the portion of PECO's cash pension contributions that it will have
23 neither recovered as an operating expense nor capitalized to utility plant because

1 the capitalized amounts are based on costs determined pursuant to Financial
2 Accounting Standards Codification Topic 715 (“ASC 715”), which was formerly
3 Statement of Financial Accounting Standards 87 or “SFAS 87”.

4 **ADIT.** The credit balance of ADIT includes the liability for deferred Federal
5 income taxes, net of an offset (debit) for the ADIT assets related to Federal
6 income tax paid by the Company in advance of recognizing the associated tax
7 determinants for financial reporting purposes, which consist principally of
8 contributions-in-aid-of-construction (“CIAC”) recognized as income for income
9 tax purposes.

10 **Customer Deposits, Customer Advances for Construction, Gas Storage**

11 **Inventory and Material and Supplies.** The claimed levels of customer deposits
12 and customer advances for construction are deducted in determining the measures
13 of value. The claimed levels of gas storage inventory and material and supplies
14 are added in determining the measures of value. All of the claimed levels are
15 based on thirteen-month historic averages for the period ended June 30, 2020,
16 consistent with Commission precedent.

17 **Regulatory Liability for Excess ADIT.** Due to the reduction in the Federal
18 corporate tax rate that became effective on January 1, 2018, pursuant to the Tax
19 Cuts and Jobs Act (“TCJA”), there is “excess” ADIT. Excess ADIT represents
20 taxes that were deferred prior to January 1, 2018 at the then-applicable 35% tax
21 rate but will be paid to the Federal government, after January 1, 2018, at the
22 current 21% tax rate. The excess ADIT is to be returned to customers over

1 periods that correspond to the periods over which the ADIT would have been paid
2 to the government if the Federal corporate tax rate had not been reduced. To
3 reflect that obligation, the Company has transferred its excess ADIT from the
4 Company's ADIT account to a new regulatory liability account. The sum of the
5 Company's ADIT account and its regulatory liability for excess ADIT is deducted
6 from the Company's measures of value.

7 The components of the measures of value described above are shown in PECO
8 Exhibit MJT-1 on Schedule A-1 at lines 1 to 14 and are discussed in more detail
9 in Section III of my testimony.

10 **10. Q. How were the revenues at present rates derived?**

11 A. Revenues at present rates were based on the budgeted revenues for PECO's gas
12 operations for the FPFTY. Adjustments were made to: (1) remove revenues
13 relating to PECO's portion of off-system gas sales and the margin on sales under
14 PECO Rate IS – Interruptible Service; (2) annualize revenues related to changes
15 in number of customers, including customers on PECO's Customer Assistance
16 Plan ("CAP"), to reflect levels at the end of the FPFTY; and (3) normalize
17 revenues to reflect 365.25 days. These adjustments are summarized on Schedule
18 D-5 of PECO Exhibit MJT-1 and are discussed in more detail later in my
19 testimony.

20 **11. Q. How were PECO's claimed operating expenses for the FPFTY determined?**

21 A. The pro forma FPFTY expenses were determined using PECO's budget for the

1 twelve-month period ending June 30, 2022 as a starting point. Budgeted
2 expenses, which were prepared based on business activities and related cost
3 elements such as payroll, employee benefits, and outside contracting costs, were
4 distributed to FERC accounts based upon the actual distribution experienced by
5 the Company during calendar year-ended December 31, 2019. The budget data
6 were then annualized or normalized in accordance with established Commission
7 ratemaking practices, and other appropriate adjustments were made, all of which
8 are included in Schedule D of PECO Exhibit MJT-1. The necessary adjustments
9 were made to the appropriate FERC accounts.

10 **12. Q. Please describe how the taxes-other-than-income were determined for the**
11 **FPFTY.**

12 A. Those amounts were determined using budgeted amounts for the FPFTY, with pro
13 forma adjustments to payroll taxes to reflect the impact of the FPFTY salary and
14 wage adjustments, as shown on Schedule D-16 of PECO Exhibit MJT-1.

15 **13. Q. Please describe the calculation of depreciation expense for the FPFTY.**

16 A. The development of annual depreciation for gas and common plant is set forth on
17 Schedule D-17 of PECO Exhibit MJT-1. Each of pages 79 through 82 have
18 columns numbered 1 through 5. Each of pages 83 through 86 have columns
19 numbered 6 through 11. Each of pages 87 through 90 have columns numbered 12
20 through 17. Columns 1 through 5 show the annual depreciation for gas
21 distribution and common plant. Column 6 shows the allocation factors used to
22 allocate annual depreciation to the Gas Division. The allocation factor is 100%

1 for gas distribution plant. For common plant, the allocation factor is 23.03%,
2 which is the portion of common plant allocated to the Gas Division. Columns 7
3 through 11 show the annual depreciation allocated to the Gas Division. These
4 figures are the same as those in columns 1 through 6 for gas distribution plant
5 because it is allocated entirely to the Gas Division. The figures in columns 7
6 through 11 for common plant reflect the amounts in columns 1 through 6
7 multiplied by the allocation factor of 23.03%. Column 12 is designed to allocate
8 utility costs between Commission jurisdictional service and non-Commission
9 jurisdictional service. However, because PECO's Gas Division furnishes only
10 Commission-jurisdictional service, the Functional Allocation Factor shown in
11 column 12 is 100%. Accordingly, the amounts shown in columns 13 through 17
12 represent the amounts properly allocated in their entirety to Commission-
13 jurisdictional service for the Gas Division. For all of the columns, the total for
14 FERC Account 403 Depreciation Expense is shown on line 65 and the total for
15 FERC Account 404 Amortization of Limited-Term Plant is shown on line 140.

16 The annual depreciation expense budgeted by the Company for gas distribution
17 plant and total-Company common plant is \$127.0 million, which is the sum of the
18 amounts shown in column 1, lines 65 and 140. This amount is the annual
19 depreciation developed by Ms. Caroline Fulginiti (PECO Statement No. 4) based
20 on utility plant that will be in service at June 30, 2021 (as shown in Schedule D-
21 17, column 3) and utility plant additions that will be in service at June 30, 2022
22 (as shown in Schedule D-17, column 2). As Ms. Fulginiti explains, the budgeted
23 annual depreciation amounts for both plant in service at June 30, 2021 and for

1 additions during the twelve months ending June 30, 2022 were calculated using
2 depreciation rates that reflect the service life parameters developed in the
3 Company's 2018 service life study. The annual depreciation for plant additions
4 made during the twelve-month period ending June 30, 2022 is based on their
5 expected actual in-service dates and, therefore, reflects less than twelve months of
6 depreciation for that plant. Accordingly, Schedule D-17, column 4, adjusts the
7 amounts in column 1 to annualize the annual depreciation on plant additions made
8 during the twelve-month period ending June 30, 2022. Depreciation expense does
9 not include Asset Retirement Obligations ("AROs").

10 The resulting pro forma FPFTY depreciation expense of \$136.5 million related to
11 gas distribution plant and common plant is shown in column 5. The resulting pro
12 forma FPFTY depreciation expense for gas distribution and common plant
13 allocable to the Gas Division's Commission-jurisdictional service is \$86.1, as
14 shown in column 17. That amount is the sum of \$75.8 million shown on line 65
15 and \$10.3 million shown on line 140.

16 **14. Q. How were income taxes calculated?**

17 A. Income taxes were calculated using procedures normally followed by the
18 Commission. Federal income tax expense was calculated at the 21% Federal
19 corporate tax rate that became effective on January 1, 2018, pursuant to the TCJA.
20 The interest expense deduction was synchronized with the Company's measures
21 of value and claimed weighted average cost of long-term debt. The normalization
22 method was used to reflect the tax-book timing differences associated with the use

1 of accelerated methods of tax depreciation to the extent permitted by the
2 Commission and appellate precedent. Tax expense was reduced to reflect the
3 amortization of the unamortized investment tax credits. Tax expense was also
4 reduced to reflect the flow-back of excess ADIT that results from the TCJA's
5 reduction of the Federal corporate tax rate. The income tax claimed for the
6 FPFTY at present rate and proposed rate revenue levels is shown on PECO
7 Exhibit MJT-1, Schedule D-18.

8 **15. Q. Please describe how the pro forma revenue increase and revenues at**
9 **proposed rates were established.**

10 A. Schedule A-1 of PECO Exhibit MJT-1 shows the calculation of PECO's claimed
11 revenue requirement and its requested revenue increase. Column 2, lines 1 to 16,
12 summarize the pro forma measures of value.

13 Column 2, line 19, shows the Company's gas distribution base rate revenue at
14 present rates. Column 3, line 19, shows the increase over revenues at present
15 rates needed to recover the Company's FPFTY revenue requirement, which is
16 \$68.7 million.

17 Lines to 24 to 46 of column 2 set forth the calculation of the increase above
18 present rate revenue required to provide the Company the opportunity to earn the
19 overall rate of return of 7.70% calculated on Schedule B-7, and supported by Mr.
20 Paul R. Moul (PECO Statement No. 5). The resulting required increase in net
21 operating income on line 42 was increased by the Gross Revenue Conversion
22 Factor ("GRCF"), shown on line 44, to provide for revenue from forfeited

1 discounts, uncollectible accounts expenses, regulatory fees and income taxes on
2 the increased revenues requested. The revenue increase shown on line 46 of
3 column 2 is the difference between present rate revenue adjusted for the effects of
4 the TCJA and revenues at proposed rates. The increase in unadjusted present rate
5 revenue of \$68.7 million is shown on line 46 of column 2 and line 19 of column
6 3. Column 3, lines 19 through 31, also contain the calculation of the revenue and
7 expenses related to the proposed revenue increase.

8 Measures of value, revenues and expenses at proposed rates are shown in column
9 4, with the resulting overall rate of return of 7.70% shown on line 33 of column 4.

10 **16. Q. What is the overall required increase in annual revenues for the Company's**
11 **gas distribution operations for the FPFTY?**

12 A. As shown on line 46 of PECO Exhibit MJT-1, Schedule A-1, the proposed
13 increase in annual operating revenues is approximately \$68.7 million.

14 **17. Q. What is contained in Schedule B?**

15 A. Schedule B consists of a balance sheet for the total Company at June 30, 2022
16 reflecting the Company's budget for the twelve months ending June 30, 2022
17 (Schedule B-1); a statement of Pennsylvania jurisdictional net operating income
18 for the twelve months ending June 30, 2022 (Schedule B-2); a statement of
19 Pennsylvania jurisdictional operating revenue for the twelve months ending June
20 30, 2022 (Schedule B-3); a statement of Pennsylvania jurisdictional operating and
21 maintenance expense for the twelve months ending June 30, 2022 (Schedule B-4);

1 a detailed breakdown of Pennsylvania jurisdictional taxes other than income for
2 the twelve months ending June 30, 2022 (Schedule B-5); PECO's projected
3 composite cost of long-term debt at June 30, 2022 (Schedule B-6); and the
4 calculation of PECO's claimed overall rate of return for the FPFTY (Schedule B-
5 7). Schedules B-6 and B-7 reflect information derived from the exhibits
6 sponsored by PECO's rate of return witness, Mr. Paul R. Moul.

7 III. MEASURES OF VALUE

8 A. Summary Of Measures Of Value

9 **18. Q. Please describe Schedule C-1 of PECO Exhibit MJT-1.**

10 A. Schedule C-1 summarizes the measures of value for the FPFTY for the
11 Company's total Gas Division. Column 1 identifies the schedule where each of
12 the measures of value elements is derived, and columns 2 to 4 show the
13 Company's total Gas Division amounts. The Company's claimed measures of
14 value for the FPFTY, as shown in column 4, on line 14, is approximately \$2.5
15 billion.

16 B. Plant In Service

17 **19. Q. Please describe Schedule C-2 of PECO Exhibit MJT-1.**

18 A. Schedule C-2 contains 5 pages and presents the Company's claimed FPFTY
19 utility plant in service.

20 **20. Q. What is shown on Schedule C-2, page 15?**

21 A. Schedule C-2, page 15, is a summary of estimated year-end plant in service

1 balances for the FPFTY by functional plant category. Column 4 reflects the
2 Company's estimated gas distribution plant in service at the end of the FPFTY of
3 \$3.5 billion (line 35), which is shown on PECO Exhibit MJT-1, Schedule A-1, at
4 column 2, line 2.

5 **21. Q. How was total utility plant in service for the Gas Division of \$3.5 billion,**
6 **shown on Schedule C-2, page 15, column 4, line 35, determined?**

7 A. The amount of \$3.5 billion represents the estimated plant in service balance at
8 June 30, 2022 for the Gas Division, exclusive of allocated common plant, and is
9 based on utility plant in service at June 30, 2020, plus budgeted capital
10 expenditures estimated to be closed to plant in service in the FTY and FPFTY,
11 less the estimated retirements in the FTY and FPFTY.

12 **22. Q. What is shown on Schedule C-2, page 16?**

13 A. Page 16 sets forth the Company's estimated additions to be closed to plant in
14 service during the FPFTY. These data were developed based on the FPFTY
15 capital budget. The total-Company additions of \$322.1 million are shown on line
16 32, column 1.

17 **23. Q. What is shown on Schedule C-2, page 17?**

18 A. Page 17 of Schedule C-2 presents the estimated plant retirements for the FPFTY,
19 based on the average of actual retirements for the July 2017 through June 2020.

1 **C. Accumulated Depreciation**

2 **24. Q. What is the purpose of Schedule C-3 of PECO Exhibit MJT-1?**

3 A. This schedule, consisting of 3 pages, presents the provision for accumulated
4 depreciation at June 30, 2022 by FERC account, as developed by Ms. Fulginiti,
5 and cost of removal net of salvage, as explained more fully below. PECO's
6 accumulated depreciation of approximately \$893.4 million is summarized on
7 Schedule C-3, page 20, and carried forward to Schedule A-1, line 3.

8 **25. Q. Please describe Schedule C-3, page 20.**

9 A. This page shows the accumulated depreciation balance for the FPFTY by account
10 category.

11 **26. Q. What is shown on Schedule C-3, page 21?**

12 A. Page 21 shows the accumulated depreciation balance by FERC account at the end
13 of the FPFTY. To determine the accumulated depreciation balance at the end of
14 FPFTY, the Company started with the accumulated depreciation balance at June
15 30, 2020 and added depreciation expense, less retirements and cost of removal net
16 of salvage, for the FTY and FPFTY. Schedule C-3 page 22 shows the cost of
17 removal net of salvage included in the FPFTY accumulated depreciation
18 calculations, based on the average of actual cost of removal net of salvage for the
19 years period of July 2017 through June 2020.

1 **D. Cash Working Capital**

2 **27. Q. What is set forth on Schedule C-4, page 23 of PECO Exhibit MJT-1?**

3 A. This is a summary of the Cash Working Capital (“CWC”) calculations, which are
4 detailed on pages 24 to 31. The total of \$3.2 million shown on line 27 is included
5 in PECO’s claimed measures of value as shown on PECO Exhibit MJT-1,
6 Schedule A-1, columns 2 and 4, line 7. Page 23 summarizes the derivation of
7 PECO’s revenue collection lag and overall operating expense payment lag. The
8 revenue lag of 43.17 days is shown on line 3. The expense lag days for each of
9 the components of operating and maintenance expenses appear on lines 6 to 10.
10 Line 9 shows the lag associated with payments to NGSs for the purchase of
11 receivables (“POR”) from NGSs pursuant to the Company’s Commission-
12 approved POR program. The composite operating and maintenance expense and
13 POR lag of 37.27 days is shown on line 13. The net lag of 5.90 days (43.17 –
14 37.27) shown on line 15 is multiplied by the average daily operating expense
15 balance on line 19 to arrive at the base CWC amount of \$7.0 million for operating
16 expenses shown on line 21. The average daily operating expense balance of
17 \$1.18 million on line 19 was determined by dividing the total pro forma annual
18 operating expenses, excluding uncollectible accounts expense, of \$432.0 million
19 on line 11, column 2, by the number of days in a year, 365. The other
20 components of CWC are shown on lines 23 to 25 and will be described in
21 connection with my discussion of related supporting schedules.

1 **28. Q. Please describe the revenue lag calculation shown on Schedule C-4, page 24.**

2 A. The total revenue lag days shown on line 29 of 43.17 days consist of three parts.
3 First, the average of the month-end accounts receivable balances for the thirteen
4 months ended June 30, 2020 (shown in column 3 on line 15) was divided by
5 thirteen to calculate an average accounts receivable factor. Annual revenue billed
6 during the twelve months ended June 30, 2020 was then divided by the average
7 accounts receivable balance to calculate an accounts receivable turnover rate of
8 13.54 (column 4, line 21). A turnover rate of 13.54 is equivalent to 26.96 revenue
9 lag days (365 days divided by 13.54 accounts receivable turnover rate), as shown
10 in column 5 on line 21. This is referred to as the collection lag or the payment
11 portion of the revenue lag. The payment portion of the revenue lag is added to:
12 (1) the 1-day lag between the meter reading date and the day that bills are
13 recorded as revenue and accounts receivable by the Company; and (2) the 15.21
14 day period from the midpoint of the service period until the meter reading date, to
15 calculate the total revenue lag of 43.17 days, as shown on line 29.

16 **29. Q. How was the midpoint of the service period calculated?**

17 A. The midpoint of the service period is equal to the days in an average month (365
18 days divided by 12, or 30.42 days) divided by 2, or 15.21 days.

19 **30. Q. Please describe Schedule C-4, page 25.**

20 A. Schedule C-4, page 25, shows the calculation of the expense lags used in the
21 CWC calculation. Lines 1 to 5 reflect the payroll expense lag. The payroll

1 amounts for the FPFTY are developed on Schedule D-6. The lag periods for the
2 payment of union and non-union payroll are combined because all employees are
3 paid on the same schedule. The lag days reflect PECO's 2020 payment cycles,
4 the last full year for which the payment cycles are known. Lines 7 to 15 show the
5 lag in the payment of pension costs during the FPFTY. The lag period is
6 calculated using a midpoint of January 1 and the payment dates shown in column
7 2. This results in an average payment lag of 14 days, which was applied to the
8 pro forma pension expense derived from Schedule D-9, line 13 and shown on
9 Schedule C-4, page 23, line 7.

10 **31. Q. How did you develop the lag days associated with the purchased gas costs**
11 **shown on line 8 of Schedule C-4, page 23?**

12 A. The lag in payment of purchased gas costs is based on an analysis of gas
13 payments during the HTY. The total dollar amount of payments during that
14 period was \$199.7 million and the average payment lag equaled 36.51 days. The
15 latter figure was calculated using the midpoint of the service period for each of
16 the payments and the payment date for each, averaged for the entire year's worth
17 of data.

18 **32. Q. How was the expense lag of 56.21 days for POR payments determined?**

19 A. PECO pays NGSs 40 days after bill-ready data are provided by the NGSs to the
20 Company for both residential and commercial and industrial accounts. The
21 weighted average payment lag for all accounts is 40 days as shown on page 31,
22 line 3. The NGSs provide bill-ready data (page 31, line 5) to PECO one day after

1 the meter reading date, and there is an average of 15.21 days from the midpoint of
2 a service period to the meter reading date (page 31, line 6). The total payment
3 lag, therefore, is 56.21 days (page 31, line 7).

4 **33. Q. Please describe how you determined the payment lag associated with other**
5 **operating and maintenance expenses.**

6 A. The average payment lag for all remaining expenses, as set forth on lines 19 to 24
7 of Schedule C-4, page 25, was derived from data for the four months shown in
8 detail on Schedule C-4, page 26. More specifically, the Company obtained a
9 listing of all cash disbursements during each of the four months displayed in a
10 format that shows the payee, the date of service or the invoice receipt date, the
11 amount of the disbursement, the date the payment cleared the bank, the account to
12 which the disbursement was charged and certain other data. Each month contains
13 thousands of cash disbursements.

14 **34. Q. How did you utilize the data?**

15 A. I used the data in the column showing the number of days it took each
16 disbursement to clear the bank from the invoice receipt date or service date to
17 calculate the dollar days (the amount of the disbursement times the number of
18 days the payment took to clear the bank) and sorted the disbursements by amount.
19 I then eliminated disbursements that should not be included in a CWC calculation
20 or that are included elsewhere in the CWC calculation.

1 **35. Q. What disbursements did you eliminate from the balances used on Schedule**
2 **C-4, page 26?**

3 A. First, I eliminated all disbursements related to capital charges because they are not
4 part of the Company’s claimed operating expenses. Second, I eliminated all
5 disbursements under \$1,000 since those amounts, while significant in number,
6 would not have a meaningful impact on the overall lag-day calculation. Third, I
7 removed all commodity purchases since those are reflected in separate CWC
8 calculations, as I previously described, and all non-recoverable expenses and
9 expenses of departments and functions of the Company that do not provide any
10 services to the gas business. Fourth, I removed all amounts charged to non-
11 expense accounts. This process was completed for each of the four months shown
12 on page 26, lines 1 to 11. The total cash disbursements for all four months of
13 \$51.3 million, as shown in column 2, on line 14, of page 26 Schedule C-4, and the
14 related dollar-days of \$1.9 billion, shown in column 3, were used to calculate the
15 payment lag for general expenses of 37.54 days shown in column 4. The 37.54
16 lag days for Other Disbursements were then brought forward to page 23 of
17 Schedule C-4, line 10.

18 **36. Q. Describe what is shown on Schedule C-4, page 27.**

19 A. This page shows the calculation of the net payment lag days for the tax expense
20 components of PECO’s CWC allowance. The first two columns, which are not
21 numbered, identify the type of tax and show the applicable payment schedule for
22 each tax. The payment dates are shown in column 1. The payment lead or (lag)

1 from the midpoint of the year is shown in column 3. The pro forma amount of the
2 payment for each tax is shown in column 4. For example, the pro forma Federal
3 income tax amount, based on the Company's proposed revenue level, is \$2.1
4 million, as shown in column 4, line 1 through 4. The required amounts are shown
5 by payment date for each tax in column 6. The weighted lead (lag) amount for
6 each payment for each tax is calculated in column 7. The weighted lead (lag)
7 days are netted against the revenue lag days shown on page 28, column 4. The
8 net payment lag shown on page 28, column 5, is used to calculate the average
9 daily amount for working capital shown on page 28, column 7. The net total of
10 the amounts in column 7 are shown on Schedule C-4, page 23, column 2, line 24.

11 **37. Q. Please describe the calculation of the interest expense lag shown on page 29**
12 **and included on Schedule C-4, page 23.**

13 A. This calculation measures the lag associated with the semi-annual payment of
14 interest on outstanding debt. The pro forma interest expense is the amount
15 resulting from the synchronized interest calculation using the pro forma measures
16 of value and the weighted cost of debt included in PECO's requested rate of
17 return. The daily interest expense amount, calculated on line 6, is multiplied by
18 the net payment lag of 48.1 days for a reduction to the working capital allowance
19 of \$6.0 million, as shown on line 10 and on page 23 at line 25.

20 **38. Q. Please explain how the average prepayments of \$2.0 million shown on**
21 **Schedule C-4, page 30, line 25, were determined.**

22 A. That amount is calculated on Schedule C-4, page 30, and represents the thirteen-

1 month average of actual amounts at the end of each month from June 2019 to
2 June 2020. The Company reviewed its prepaid accounts and selected only those
3 prepaid expenses that were related, in whole or in part, to its gas delivery
4 operations. The resulting prepaid accounts are shown in columns 2 to 15 of page
5 30. Where the account related to both gas and electric operations, the total and
6 average were distributed using an appropriate allocation factor that eliminates
7 non-gas related expenses, as shown on line 17 in columns 9 to 15. The thirteen-
8 month average for prepaid expenses for the gas distribution operations is \$2.0
9 million as shown on line 25 of Schedule C-4, page 30 and on Schedule C-4, page
10 23, line 23.

11 **39. Q. What is the total amount of CWC included in the claimed measures of value?**

12 A. That amount is the \$3.2 million shown on Schedule C-4, page 23, line 27 and on
13 Schedule A-1, page 1, line 7.

14 **E. Pension Asset**

15 **40. Q. Please describe Schedule C-5.**

16 A. Schedule C-5 shows the calculation of the pension asset of \$35.1 million (column
17 2, line 8) that the Company has included in measures of value. The asset
18 represents the portion of the Company's net aggregate total of pension costs to be
19 incurred at the end of the FPFTY, calculated in the manner required for
20 ratemaking purposes, that was not, and will not be, recovered in operating
21 expenses and was also not, and will not be, capitalized to its plant accounts. This
22 asset represents the difference between the manner in which pension expense is

1 calculated for ratemaking purposes and the manner in which pension costs are
2 determined for purposes of calculating the labor loading rate used to capitalize a
3 portion of pension costs under applicable Generally Accepted Accounting
4 Principles (“GAAP”). Specifically, for ratemaking purposes, consistent with
5 Commission policy and practice, PECO has historically claimed for recovery its
6 cash contributions to its pension fund. However, also consistent with
7 Commission policy and practice, the amount of the total cash contribution
8 included in operating and maintenance expenses was determined by reducing the
9 total cash contribution by the capitalization rate used for ratemaking purposes. In
10 that way, labor-related costs are separated between amounts that are expensed and
11 amounts assigned, on a pro forma basis, to capital.

12 Using the FPFTY ending June 30, 2022 as an example, as shown on Schedule D-
13 9, PECO’s total pension cash contribution will be \$13.0 million, of which 21.25%
14 is attributable to gas distribution. PECO’s capitalization rate is 41.62%.

15 Therefore, \$1.1 million ($[\$13.0 \text{ million} \times 21.25\% \times 41.62\%]$) was assumed to be
16 capitalized and included in applicable plant accounts. However, in the FPFTY, as
17 in each prior twelve-month period, the amount PECO included in applicable plant
18 accounts for capitalized pension costs was calculated on the basis of ASC 715, as
19 GAAP and applicable financial reporting mandates require. For the FPFTY
20 ending June 30, 2022, the amount of pension cost actually capitalized would be
21 only \$0.1 million. As a consequence, there was a gap of \$1.0 million of pension
22 costs. As shown on Schedule C-5, the pension asset balance at the end of the
23 FPFTY will be \$35.1 million for gas distribution operations.

1 **F. ADIT**

2 **41. Q. What is the purpose of Schedule C-6?**

3 A. Schedule C-6 shows the June 30, 2022 balance of ADIT that is deducted in
4 determining the measures of value. The ADIT shown on line 16 of \$247.6
5 million reflects the Federal income tax that must be deferred in compliance with
6 the normalization provisions pertaining to the use of accelerated tax depreciation
7 for Federal income tax purposes on test year plant balances and other tax-book
8 timing differences that have been normalized. The accelerated tax depreciation
9 used in the determination of taxable income for Federal and state income tax
10 expense calculations is reflected on Schedule D-18.

11 **42. Q. Have you made an adjustment for the Federal income tax on CIAC?**

12 A. It was not necessary to make a separate adjustment for CIAC. CIAC is treated as
13 a capital contribution for ratemaking purposes but is treated as taxable income for
14 Federal income tax purposes. PECO pays the Federal income tax due on CIAC in
15 the year the CIAC is received and included in taxable income. The associated tax
16 payment is recorded as a debit to the ADIT account, which normally carries a
17 credit balance. Consequently, the net effect of the calculation of ADIT properly
18 reflects the tax-book timing difference related to taxes paid on CIAC.

19 **43. Q. What is the amount of ADIT used in the measures of value?**

20 A. The amount for gas distribution operations is \$247.6 million, as shown on line 16
21 of Schedule C-6 and on line 9 of Schedule A-1, in columns 2 and 4.

1 **G. Customer Deposits**

2 **44. Q. Please explain how you determined the amount of customer deposits on**
3 **Schedule C-7 that was deducted from the claimed measures of value on**
4 **Schedule A-1.**

5 A. The customer deposits shown in column 4 (lines 1-13) reflect the month-end
6 balances for the thirteen months ended June 30, 2020. The Company maintains a
7 joint customer deposit account because many of its customers use both its electric
8 and natural gas services. Total Company customer deposits were allocated
9 between electric and gas operations based on electric and gas customer class
10 revenues. Schedule C-7 shows the customer deposits related solely to the
11 Company's gas distribution operations.

12 **45. Q. Where are these amounts of customer deposits and interest shown?**

13 A. The total of customer deposits for all classes of gas distribution customers is a
14 deduction to measures of value of \$13.4 million, as shown on Schedule C-7, line
15 25 and on Schedule A-1, line 10, columns 2 and 4. The calculated interest
16 expense related to these customer deposits of \$0.4 million, as shown in Schedule
17 D-12, is included in the Company's operating expenses as shown on PECO
18 Exhibit MJT-1, Schedule D-3, page 46, column 14, line 79.

1 **H. Common Plant**

2 **46. Q. What is shown on Schedule C-8?**

3 A. This schedule shows the common plant, net of accumulated depreciation, included
4 in the measure of value on Schedule A-1.

5 **I. Customer Advances for Construction**

6 **47. Q. What is contained on Schedule C-9?**

7 A. This schedule shows the average monthly balance of customer advances for
8 construction of \$1.3 million on line 19, which is deducted in calculating the
9 measures of value on Schedule A-1, line 11, columns 2 and 4.

10 **48. Q. How were the monthly balances determined?**

11 A. The Company was able to identify the specific amounts attributable to its gas
12 distribution operations based on a review of its accounting records.

13 **J. Materials and Supplies**

14 **49. Q. Please describe Schedule C-11.**

15 A. Schedule C-11 shows the derivation of PECO's claim for materials and supplies
16 and undistributed stores expense. The materials and supplies balances in column
17 2 were specifically identified as gas distribution-related amounts and, therefore,
18 100% of those amounts is shown on line 22 in column 2. The undistributed stores
19 expense shown in column 3 reflects amounts attributable to PECO's total utility
20 operations and, therefore, the gas distribution allocation factor of 23.03% was

1 applied to determine the thirteen-month average of monthly balances, as shown
2 on line 22, in column 3. The claimed amount of \$0.5 million reflected in column
3 4 is based on the thirteen-month average for the period ended June 30, 2020 and is
4 shown on line 12, columns 2 and 4, of the measures of value on Schedule A-1.

5 **K. ADIT – Regulatory Liability**

6 **50. Q. What is shown in Schedule C-12?**

7 A. Schedule C-12 shows the calculation of excess ADIT that has been removed from
8 the ADIT account and recorded as a regulatory liability.

9 **L. Gas Storage Inventory**

10 **51. Q. What is shown on Schedule C-13?**

11 A. This schedule shows the calculation of the gas storage inventory included in the
12 measures of value on Schedule A-1. The Company is using the thirteen-month
13 average balance for the period ended June 30, 2020 for each of the stored
14 underground, LNG and propane components.

15 **52. Q. What is the Company's claimed measures of value in this proceeding?**

16 A. PECO's claimed measures of value, or rate base, equals \$2.46 billion, as shown
17 on Schedule A-1, line 16.

18 **IV. REVENUES AND EXPENSES**

19 **53. Q. What is shown on Schedule D-1 of PECO Exhibit MJT-1?**

20 A. Schedule D-1 is a summary income statement that depicts PECO's claimed gas

1 revenues, expenses and taxes at present and proposed rate levels. The derivation
2 of most of the individual line items will be discussed in connection with the
3 remaining schedules in Section D. Schedule D-1 also shows the proposed
4 revenue increase of \$68.7 million in column 3, line 10.

5 **54. Q. What is the indicated net operating income before interest and income taxes**
6 **at proposed rates?**

7 A. As shown on Schedule D-1, column 4, line 30 and also on Schedule A-1, column
8 4, line 26, that amount is \$190.5 million.

9 **55. Q. Please describe Schedule D-2.**

10 A. Schedule D-2 shows the derivation of the various line items on Schedule D-1,
11 column 2. Schedule D-2 begins with the Company's budgeted revenues and
12 expenses for the FPFTY, in column 1, and then annualizes and/or normalizes
13 those figures through adjustments summarized in column 2. The pro forma data
14 in column 3 are summarized and brought forward to Schedule D-1 and used in the
15 determination of the required revenue increase. The various revenue adjustments
16 in column 2 are summarized on Schedule D-3 and listed by adjustment on
17 Schedule D-5, and the expense adjustments are summarized on Schedule D-3 and
18 described in more detail on the separate adjustment schedules beginning with
19 Schedule D-6 and continuing through Schedule D-17.

20 **56. Q. Please describe Schedule D-3.**

21 A. Schedule D-3 summarizes the various adjustments that were made to the budgeted

1 revenue and expense data to derive the pro forma amounts at present rates that
2 appear in column 3 of Schedule D-2 and are included in the adjusted amounts that
3 are carried forward to column 1 of Schedule D-2. The FPFTY budgeted amounts
4 are shown in column 1 and the revenue adjustment totals are shown in columns 2
5 to 7. The various expense adjustments are reflected in columns 8 to 19. Each of
6 the pro forma adjustments will be described in connection with the specific
7 schedule supporting the adjustment. The pro forma adjusted amounts for the
8 FPFTY are shown in column 21.

9 **57. Q. Please describe Schedule D-4.**

10 A. Schedule D-4 contains six pages and presents a summary, by FERC account, of
11 the pro forma operating expenses shown on Schedule D-3.

12 **A. Revenue Adjustments**

13 **58. Q. Please describe Schedule D-5.**

14 A. Schedule D-5 presents a summary of the separate pro forma adjustments to
15 revenue for the FPFTY. Each of these adjustments will be described in detail in
16 connection with the separate calculation of the adjustment shown on Schedules D-
17 5A to D-5I.

18 **59. Q. How did you calculate the revenue adjustment shown on Schedule D-5A?**

19 A. This adjustment annualizes distribution revenues for the projected number of
20 customers at the end of the FPFTY. As shown on lines 1 to 5, for all retail
21 customer classifications this calculation determines the test-year net distribution

1 revenues at present rates for the FPFTY. The net distribution revenues on line 5
2 were divided by the average number of customers for the budget for the twelve
3 months ending June 30, 2022 on line 7 to determine the average distribution
4 revenue per customer on line 9. The average distribution revenue, or margin, per
5 customer for the FPFTY on line 9 was then multiplied by the difference between:
6 (1) the average number of customers (line 7); and (2) the number of customers at
7 the end of the FPFTY (line 11). The products of those calculations yield
8 additional revenue of approximately \$1.2 million for the residential and C&I
9 customer classes. This pro forma adjustment is then reflected on Schedule D-5,
10 column 2 by customer classification.

11 **60. Q. Please describe the adjustment calculated on Schedule D-5B.**

12 A. This adjustment annualizes the cost of the discounts that are provided (in the form
13 of a bill credit) to customers enrolled in PECO's CAP to reflect the number of
14 CAP customers at the end of the FPFTY. As shown in line 8, the average CAP
15 discount per CAP customer is determined by dividing the total budgeted CAP
16 discount on line 1 by the average number of CAP customers shown on line 7.
17 The average CAP discount per CAP customer is then multiplied by the difference
18 between FPFTY year-end CAP customers on line 10 and the average number of
19 CAP customers shown on line 7. This yields an increase in the CAP discount of
20 \$55,000, which is offset by adjustments for uncollectible accounts and CWC
21 factors, as shown on line 15. Thus, the net change of \$40,000 is shown on line
22 17, which is brought forward to column 3 in Schedule D-5.

1 **61. Q. Please describe the adjustment shown on Schedule D-5F.**

2 A. This adjustment normalizes revenue the Company budgeted for the FPFTY by
3 increasing variable distribution service charge revenue to reflect an additional
4 0.25 days. The Company’s budgeted revenue for the FPFTY is based on 365
5 days, reflecting the 28 calendar days in February 2022. This adjustment
6 normalizes revenue to reflect the average number of days in the month of
7 February over a four-year cycle that includes one leap year. The customer charge
8 revenue does not change irrespective of the number of days in a year and,
9 therefore, is not adjusted in this schedule. Additionally, the classes have variable
10 distribution service charges that apply to each thousand cubic feet (“Mcf”) of
11 usage and, therefore, are sensitive to the number of days of usage in the test year.
12 Line 1 of Schedule D-5F shows the non-customer and non-reconcilable surcharge
13 distribution revenue for the classes for February 2022. Lines 2 and 4 show the
14 number of days in February 2022 and the normalized number of days in that
15 month over a four-year cycle. The difference is shown in line 5. The adjustment
16 necessary to normalize revenues for 0.25 days is shown, by class on line 7.

17 **62. Q. Please describe the adjustment calculated on Schedule D-5H.**

18 A. This schedule reflects the elimination of asset optimization revenues representing
19 the Company’s net margin from off-system sales and capacity release credits.
20 Customers receive their share of the net proceeds from these sales and capacity
21 releases through the operation of the Purchased Gas Cost rate, and the Company

22

1 retains its appropriate share of the margin, which is recorded below the
2 line for ratemaking purposes.

3 **63. Q. Please describe the adjustment on Schedule D-5I.**

4 A. The adjustment on Schedule D-5I eliminates the Rate IS revenues from the
5 calculation of present rate revenues. In accordance with the terms of this rate,
6 75% of the Rate IS margin is returned to customers through the Purchased Gas
7 Cost rate and 25% is retained by the Company.

8 **B. Operating Expense Adjustments**

9 **64. Q. Does the Company budget its operating expenses by FERC account?**

10 A. No, as I mentioned previously, it does not. Rather, the Company budgets its
11 operating expenses by cost element or business activity, such as payroll,
12 employee benefits, rent, etc.

13 **65. Q. How were the FPFTY data restated by FERC account for purposes of**
14 **preparing the Company's supporting data in this case?**

15 A. The amounts recorded in FERC accounts for calendar year 2019 were analyzed to
16 develop a chart showing charges for each cost element within each FERC
17 account. After this process was completed, I then distributed the forecasted
18 FPFTY charges by cost elements in those cost categories to the corresponding
19 FERC accounts based upon the ratios experienced during calendar year 2019. For
20 example, I determined how much of the salaries and wages ("S&W") expensed
21 during calendar year 2019 was charged to each FERC account and then

1 distributed the FPFTY forecasted S&W to each FERC accounts based on those
2 ratios. This process was used for each cost category to transform the FPFTY
3 expense forecast by cost element to a FERC-based forecast. This FERC-based
4 forecast is brought forward to Schedule B-4.

5 **66. Q. Why was it necessary to transform the FPFTY cost-category forecast to a**
6 **FERC-account based forecast?**

7 A. It was done for two reasons. First, the Company's annual reports to the
8 Commission are presented on a FERC-account basis and, therefore, having the
9 FPFTY forecast presented in the same format facilitates a comparison of the
10 FPFTY forecast data to prior years' experience. Second, it was necessary to have
11 the FPFTY data available by FERC account for use by Ms. Jiang Ding (PECO
12 Statement No. 6) in the cost-of-service study.

13 **67. Q. In your opinion, does this process result in a fair presentation of the**
14 **Company's FPFTY forecast expenses by FERC account?**

15 A. Yes, it does.

16 **68. Q. Were each of the pro forma adjustments reflected on Schedule D-4 also**
17 **assigned to the appropriate FERC accounts?**

18 A. Yes, they were.

1 **69. Q. Are the various pro forma expense adjustments presented on Schedule D-4**
2 **shown by the type of expense and also by the FERC account distribution?**

3 A. Yes, they are. The expense categories are identified in the headers of the columns
4 on Schedule D-4, and each adjustment is described in connection with a separate
5 schedule showing its derivation. These adjustments are shown by FERC expense
6 category on Schedule D-4 and also on the Section D summary schedules.

7 **70. Q. Please describe Schedule D-6.**

8 A. Schedule D-6 consists of four pages and shows the calculation of the FPPTY
9 annualization adjustments for S&W. Pages 64 and 65 show the calculation of the
10 pro forma adjustments for overall S&W. Pages 66 and 67 contain the forecasted
11 data for the FPPTY summarized by FERC account categories showing a total to
12 be expensed of \$41.5 million in column 1, line 72. Column 2 shows the
13 annualization adjustment of \$0.7 million distributed to the FERC expense
14 categories, while column 3 provides the pro forma amounts for S&W expense,
15 which totals \$42.2 million, as shown on line 72. The adjustment of \$0.7 million
16 is reflected on Schedule D-4, column 4.

17 **71. Q. How was the annualization adjustment derived?**

18 A. The calculation is shown on Schedule D-6 pages 64 and 65. The adjustment
19 annualizes budgeted S&W expense to reflect the number of employees at the end
20 of the FPPTY and certain wage increases to become effective during the FPPTY.
21 More specifically, I have annualized: (1) the 2.5% wage increase for non-union

1 employees forecasted to be effective on March 1, 2022 and the projected 2.5%
2 wage increase for union employees to be effective on January 1, 2022, (columns 2
3 and 3, line 6).

4 **72. Q. Please explain the adjustment shown on lines 6 to 10 of Schedule D-6, page**
5 **65.**

6 A. This adjustment normalizes a one-time cash payment to union employees made in
7 connection with the ratification of current union contracts. The portion of the
8 payment that was expensed (\$1.127 million) was split between electric
9 distribution, transmission and gas operations, and the amount allocated to gas
10 distribution operations \$241,000 was divided by six to reflect the six-year term of
11 the contract. The resulting amount of \$40,000 shown in column 2, line 10, was
12 added to the pro forma adjustment for S&W.

13 **73. Q. Please explain the calculations shown on Schedule D-6, page 65, columns 1**
14 **and 2, lines 15-19.**

15 A. These calculations annualize an increase in the number of employees to occur
16 during the FPFTY. As shown in column 2, line 15, the projected number of
17 Company employees at the end of the FPFTY is 639. The average number of
18 employees during the FPFTY is projected to be 638, which is the figure that the
19 Company used to develop the S&W in its budget which is shown on line 1. The
20 detailed calculation of the average number of employees included in the budgeted
21 expense level is shown on Schedule D-8, page 69, in lines 2 to 15. The increase
22 in employees shown on line 17 was multiplied by the average annual S&W per

1 employee shown in Schedule D-6, page 65, line 18, to determine the total
2 annualization adjustment to S&W of \$78,000 due to the increase in number of
3 employees, as shown on Schedule D-6, page 65, line 19.

4 **74. Q. What is the total pro forma adjustment for S&W expense for the FPFTY?**

5 A. The total amount is \$0.720 million, which is an increase of 1.73% from the
6 Company's S&W budget for FPFTY, as shown on Schedule D-6, page 65, lines
7 23 and 25.

8 **75. Q. Please describe Schedule D-7 of PECO Exhibit MJT-1.**

9 A. Schedule D-7 shows the adjustment to normalize rate case expense. The
10 Company expended approximately \$645,000 on this filing during the twelve
11 months ended June 30, 2020 (line 5) and has budgeted an additional \$914,000
12 (line 11) during the twelve months ending June 30, 2021. This total, \$1.6 million
13 (line 13), is normalized over a period of three years as shown on line 15, column
14 2, which results in a total estimated normalized annual cost for this case of
15 approximately \$520,000, as shown on line 19, column 2.

16 **76. Q. Please describe Schedule D-8 of PECO Exhibit MJT-1.**

17 A. The bottom half of Schedule D-8 annualizes the non-pension employee benefits
18 expense to reflect the full year's level of costs associated with the number of
19 employees during the FPFTY. The annualization, reflecting an increase of
20 \$11,000 in non-pension benefit expense, was derived by using the increase in the

1 number of employees, on line 22, and the budgeted average non-pension
2 benefit expense per employee of \$9,000 on line 21.

3 **77. Q. Please explain how you calculated the change in number of employees to a**
4 **year-end level on Schedule D-8.**

5 A. Line 15 shows the twelve-month average of employees that is reflected in the
6 Company's budget. I compared the twelve-month average to the number of
7 employees reflected in the budget to be employed at June 30, 2022. The
8 difference is shown on line 16. Because the average and year-end employee
9 numbers reflect rounding to obtain the levels of full-time equivalent employees,
10 the difference between those figures does not exactly match the figure on line 16.

11 **78. Q. What is contained in PECO Exhibit MJT-1 Schedule D-9?**

12 A. Schedule D-9 shows the calculation of the Company's claim for pension expense,
13 which is based on a five-year average of actual and projected contributions to its
14 pension plan. The portion of the pension cost assigned to gas distribution
15 operating expense in the FPFTY is \$2.5 million, as shown on line 13.
16 Accordingly, an adjustment of \$2.4 million has been made to the Company's
17 FPFTY budget amount, as shown on line 15, and the adjustment amount was
18 brought forward to Schedule D-3, column 11, line 95.

19 **79. Q. What is presented on Schedule D-10 of PECO Exhibit MJT-1?**

20 A. Schedule D-10 calculates an adjustment to the Company's budgeted uncollectible
21 accounts expenses. Lines 1 to 4 calculate net uncollectible accounts charged off,

1 excluding CAP Pre-Program Arrearage (“PPA”) write-offs, as a percentage of
2 total tariff revenue, based on an average of annual data for the period July 1, 2017
3 - June 30, 2020. That percentage was used to adjust the amount of uncollectible
4 accounts expense in the budget to conform to the method historically used by the
5 Commission for this expense. The resulting 0.3472% shown on line 4, column 6,
6 of Schedule D-10 is applied to the pro forma revenues at present rates for the
7 FPFTY to calculate the general pro forma uncollectible accounts expense of \$2.4
8 million shown in column 8 on line 14. A three-year average of PPA write-offs
9 associated with the CAP program, which are not included in other accounts, was
10 developed on lines 16 to 20 of Schedule D-10 and added to the general
11 uncollectible accounts expense. The PPA average is \$0.3 million, as shown on
12 line 20 in column 8. The total pro forma amount for uncollectible account
13 expenses at present rates for the FPFTY is \$2.6 million, which is a net decrease of
14 \$0.1 million, as shown on line 26 and brought forward to Schedule D-3, (column
15 12, line 80). In addition, the 0.3472% write-off rate is used in determining the
16 level of uncollectible accounts expense at proposed rates, as shown in column 3
17 on line 19 of Schedule D-1.

18 **80. Q. Please describe the pro forma adjustment on Schedule D-11.**

19 A. This schedule reflects the incremental costs associated with the Company’s
20 proposed changes to its energy efficiency program offerings for its customers. It
21 also reflects costs associated with a small business grant program. Accordingly,
22 an adjustment of \$3.0 million has been made to the Company’s FPFTY budget

1 amount, as shown on line 3, and the adjustment amount was brought
2 forward to Schedule D-3, column 13, line 83.

3 **81. Q. Please describe the pro forma adjustment on Schedule D-12.**

4 A. The adjustment shown on Schedule D-12 captures the interest expense that the
5 Company must pay on customer deposits. Since the average balance of customer
6 deposits is a reduction to measures of value, the interest expense is included as a
7 pro forma expense for the FPPTY. The interest for residential customer deposits
8 was calculated using an annual rate of interest of 5.0% and a monthly rate of
9 0.417%. An annual rate of 1.66% (a monthly rate of 0.138%) was used for
10 commercial and industrial customers. The total pro forma expense of \$0.4 million
11 is shown on Schedule D-12, line 33 and brought forward to Schedule D-3, column
12 14, line 79.

13 **82. Q. Please explain what is shown on Schedule D-13.**

14 A. Schedule D-13 shows the adjustment needed for PECO to recover costs to
15 remediate former manufactured gas plant (“MGP”) sites. The figure of \$7.2
16 million on line 1 reflects the amount PECO will not have recovered for its MGP
17 remediation liability in its current rates as of June 30, 2021. PECO is proposing to
18 recover the regulatory asset for the remaining unrecovered MGP remediation
19 liability over nine years, as shown on line 2 of Schedule D-13 and, therefore, has
20 reflected an annual amortization amount of \$804,000 (\$7.237 million/9 years) in
21 its operating expense claim in this case, as shown on line 4 of that schedule.
22 Thus, PECO’s claim accounts for both its MGP remediation liability at June 30,

1 2021 and the amount included in rates to recover its MGP liability through the
2 same date, in conformity with the terms of the Joint Petition for Settlement in its
3 last gas base rate case. If PECO's future unrecovered MGP remediation costs
4 exceed the current MGP remediation liability, PECO would be entitled to recover
5 its prudent and reasonably-incurred future MGP remediation costs in excess of its
6 estimate in PECO's next gas base rate case.

7 **83. Q. Please describe the adjustment shown on Schedule D-14.**

8 A. Schedule D-14 is the calculation of the O&M expenses and depreciation expense
9 incurred prior to the FPFTY associated with implementing regulatory programs
10 for which the Commission did not provide full and current recovery. These costs
11 are for: (1) regulatory initiatives to establish and implement a Gas Procurement
12 Charge and Merchant Function Charge pursuant to the Commission's Order at
13 Docket No. P-2012-2328614; and (2) implementation of the Company's
14 Neighborhood Gas Pilot, which was approved by the Commission at Docket No.
15 P-2014-2451772. The aggregate amount developed on Schedule D-14 provides
16 for recovery of O&M and deprecation expenses for each of the regulatory
17 initiatives (as shown on lines 1 and 2), which the Company proposes to amortize
18 over three years. The annual revenue requirement reflected in line 5 is
19 approximately \$0.8 million. This adjustment is brought forward to Schedule D-3,
20 column 16, line 79.

21 **84. Q. Please explain what is shown on Schedule D-15.**

22 A. Schedule D-15 shows PECO's claim to amortize over three years its allocable

1 share of the costs to achieve the merger savings that were produced by the merger
2 of PECO's parent, Exelon Corporation, with Pepco Holdings, Inc. in 2016. As
3 explained by Mr. Stefani in PECO Statement No. 2, the merger produced
4 significant savings and PECO received and continues to receive its allocable share
5 of those savings, which are reflected in the budget data that were used to develop
6 its claims in this case. However, costs were also incurred by Exelon to integrate
7 the merged companies in order to produce the merger savings flowing through to
8 PECO. And, as Mr. Stefani also explains, the merger savings substantially exceed
9 the costs to achieve. Because PECO and its customers receive the benefit of
10 PECO's allocable share of merger savings, it is appropriate that PECO should
11 bear (and recover in gas distribution rates) the costs to achieve those savings that
12 were properly allocated to it.

13 **C. Taxes – Other Than Income Taxes**

14 **85. Q. Please describe Schedule D-16 of PECO Exhibit MJT-1.**

15 A. Schedule D-16 contains two pages. Page 77 is a summary showing the budgeted
16 amounts for the FPFTY (column 1) for the Company's Gas Division, the total pro
17 forma adjustments (column 2), and the pro forma expenses claimed in this case
18 (column 3). The calculations of payroll-related changes are made on Schedule D-
19 16, page 78. The increase in payroll taxes, shown on page 78, line 5, was
20 calculated using the ratio of tax expense to payroll expense in the FPFTY forecast
21 applied to the payroll tax expense for the FPFTY, which is an increase of \$0.1
22 million. This amount is then reflected on page 77 in column 2, line 6.

1 **D. Depreciation Expense**

2 **86. Q. What is shown on PECO Exhibit MJT-1, Schedule D-17, pages 79 to 90.**

3 A. I described Schedule D-17 in detail earlier in my testimony. As I explained,
4 Schedule D-17 shows the development of the Company's claims for annual
5 depreciation for gas distribution and common plant. Schedule D-17 starts with
6 the annual depreciation for gas distribution and common plant developed by Ms.
7 Fulginiti and presented in PECO Exhibit CF-3. The adjustments set forth on
8 Schedule D-17, in addition to allocating a portion of common plant to the Gas
9 Division, annualize depreciation expense related FPFTY additions to reflect a full
10 year's depreciation for that plant. PECO's total depreciation expense
11 annualization adjustment for the Company's gas business is \$5.5 million, which is
12 the sum of the amounts shown on Schedule D-17, column 16, line 65 and 140.

13 **E. Income Taxes**

14 **87. Q. Please describe the income tax calculation shown on PECO Exhibit MJT-1,**
15 **Schedule D-18, pages 91 and 92.**

16 A. This schedule calculates the pro forma income tax for the FPFTY at present and
17 proposed rates, as set forth in columns 1 and 3, respectively. Line 1 shows the
18 revenue at present rates, the revenue increase (with the related forfeited discounts
19 increase) and revenue at proposed rates. Line 2 shows the total operating
20 expenses at present rates, changes related to the revenue increase and at the
21 proposed rates from Schedule D-1. Line 3 shows the operating income before
22 interest expense and income taxes. Synchronized interest expense is calculated on

1 lines 5 to 7 using the total measures of value for the FPFTY on line 5 and the
2 weighted cost of debt recommended by Mr. Moul on line 6. The resulting interest
3 expense on line 7 is used to reduce the taxable income to the amount shown on
4 line 8.

5 In compliance with Commission practice, the difference between accelerated tax
6 depreciation (line 10) and pro forma book depreciation (line 11) is used to adjust
7 the state taxable income as shown on line 8 to reflect the fact that the effects of
8 accelerated depreciation are flowed through for state income tax purposes. In
9 addition, there are adjustments to other tax-book differences and flow-through
10 amounts as shown on lines 13 to 18. These adjustments result in the net reduction
11 of state taxable income from line 8 to line 20. The statutory state income tax rate
12 of 9.99% was used to determine the pro forma current state income tax
13 (expense)/credit shown on line 26. Federal income tax is calculated on lines 28 to
14 38 with a Federal corporate income tax rate of 21%. Line 42 shows the total
15 current state and Federal income tax (expense)/credit before the amount for
16 deferred income taxes is calculated. Lines 44 to 49 reflect the Federal and state
17 deferred income taxes.

18 The total income tax (expense)/credit before other adjustments is shown on line
19 53 at present and proposed rates in columns 1 and 3, respectively, including the
20 flow-back of excess ADIT resulting from the lower Federal corporate income tax
21 rate under the TCJA. The other adjustments include the amortization of the
22 investment tax credit (“ITC”) for gas distribution plant, including the portion of
23 common plant allocated to gas distribution, as shown on line 56.

1 **88. Q. Please explain the nature and calculation of the ITC amortization.**

2 A. The ITC reflects tax credits used by the Company in years prior to 1987, the
3 amortization of which will not have been completed by the end of the FPFTY.
4 While the availability of the ITC ended in 1987, the credit has been amortized
5 over the useful lives of the assets that generated it. The amortization for the
6 FPFTY ending June 30, 2022 reduces income tax expense at both present and
7 proposed rates, shown on Schedule D-18, page 92.

8 **89. Q. Please explain the adjustment to flow-back excess ADIT.**

9 A. As I previously explained, the TCJA reduced the Federal corporate income tax
10 rate from 35% to 21% effective January 1, 2018, and the Company's ADIT
11 balances as of December 31, 2017 reflect taxes that were deferred at the higher
12 corporate income tax rates in effect prior to January 1, 2018. PECO has recorded
13 excess ADIT in a regulatory liability account. For ADIT that relates to tax-book
14 timing differences associated with utility plant subject to the normalization
15 requirements of the Internal Revenue Code, PECO is required to flow back the
16 difference between its ADIT balance and what its ADIT balance would have been
17 if the deferrals had been made at the current 21% corporate tax rate (excess
18 ADIT) over the remaining lives used in its books of account for the property that
19 gave rise to the reserve for deferred taxes. The Company used the Average Rate
20 Adjustment Method ("ARAM"), as defined by applicable IRS regulations, for this
21 purpose. Shorter flow-back periods are permissible for property that is not
22 subject to normalization requirements. Schedule D-18, page 92, line 48, reflects

1 the annual amount of the regulatory liability to be flowed back.

2 **90. Q. Has PECO included a consolidated income tax adjustment (“CTA”) in its**
3 **calculation of Federal income tax expense?**

4 A. No, it has not, because such an adjustment is no longer authorized under Section
5 1301.1(a), which was added to the Public Utility Code by Act 40 of 2016. Act 40
6 became law on June 12, 2016 and was effective sixty days later (August 11, 2016)
7 to “all cases where the final order is entered after the effective date of [Section
8 1301.1].” Consequently, Section 1301.1 applies to this case. Section 1301.1(a)
9 specifies how the Commission is to compute income tax expense in setting
10 utilities’ base rates. Section 1301.1(b) states how any incremental internally-
11 generated funds produced by the application of Section 1301.1(a) should be used
12 by an affected utility pending the December 31, 2025 “sunset” of Section
13 1301.1(b).

14 **91. Q. What does Section 1301.1 direct the Commission to do in calculating income**
15 **tax expenses for ratemaking purposes?**

16 A. In summary, Section 1301.1(a) provides that current and deferred income taxes of
17 a Pennsylvania utility are to be calculated for ratemaking purposes based only on
18 the income, deductions and credits of the utility itself. Therefore, the
19 Commission may not take into account income, deductions (including taxable
20 losses) or credits of the utility’s parent or affiliated companies with which it joins
21 in filing a consolidated Federal income tax return. This is generally referred to as
22 a “stand-alone” computation of income tax expense because it reflects income tax

1 expense of the utility standing alone and without regard to taxable income,
2 deductions or credits of other companies in the same consolidated group.

3 **92. Q. How does Section 1301.1(a) change prior Commission practice?**

4 A. Section 1301.1(a) terminates the practice of making a CTA when calculating a
5 utility's Federal income taxes for ratemaking purposes in Pennsylvania. As
6 directed by prior decisions of Pennsylvania appellate courts, the Commission,
7 until Act 40 became effective, was required to calculate CTAs employing the
8 "Modified Effective Tax Rate Method." Under the Modified Effective Tax Rate
9 Method, the consolidated tax savings generated by the non-regulated companies
10 of a corporate group were allocated to the regulated and non-regulated members
11 of the group having positive taxable incomes. CTAs, therefore, captured a
12 portion of the tax benefits of deductions and losses of unregulated affiliates of
13 public utilities and gave those benefits to the utilities' customers (as lower income
14 tax expense than the utilities would have on a stand-alone basis) even though the
15 utilities' customers did not pay the expenses that gave rise to those tax benefits.
16 With the enactment of Act 40, Pennsylvania joins the majority of other
17 jurisdictions, including the Federal Energy Regulatory Commission, that do not
18 make CTAs for ratemaking purposes.

19 **93. Q. What does Section 1301.1(b) provide?**

20 A. Section 1301.1(b) states as follows:

21 If a differential accrues to a public utility resulting from applying
22 the ratemaking methods employed by the commission prior to the

1 effective date of subsection (a) for ratemaking purposes, the
2 differential shall be used as follows:

3 (1) fifty percent to support reliability or infrastructure
4 related to the rate-base eligible capital investment as
5 determined by the commission; and

6 (2) fifty percent for general corporate purposes.

7 Section 1301.1(b) will no longer apply after December 31, 2025.
8

9 **94. Q. Have you calculated the “differential” in income taxes referenced in Section**
10 **1301.1(b)?**

11 A. Yes, Schedule D-18, page 93 sets forth the computation of a CTA using the
12 Modified Effective Tax Rate Method and data for tax years 2014 through 2018,
13 which are the most recent five years for which tax returns have been filed.
14 Column 7, line 28 shows the “differential” corresponding to the CTA calculated
15 in the manner I described above.

16 **95. Q. Does PECO propose to invest 50% of the differential in rate base-eligible**
17 **reliability projects or other infrastructure improvements?**

18 A. Yes. PECO’s capital budget calls for overall gas distribution plant additions of
19 approximately \$292 million during the twelve months ending June 30, 2021 and
20 \$322 million during the twelve months ending June 30, 2022. As stated in Mr.
21 Bradley’s testimony, these investments will target reliability projects and other
22 infrastructure improvements. These infrastructure improvements will support
23 PECO’s compliance with Act 40.

1 **96. Q. What is PECO’s total income tax expense claim in this proceeding?**

2 A. As shown on Schedule D-18, page 92, line 58, column 1, pro forma income tax
3 credit at present rates equals \$18.8 million. The increment for income tax
4 expense associated with the proposed revenue increase is shown in column 2, in
5 the amount of \$19.8 million, and the total pro forma income tax credit at proposed
6 rates of \$1.0 million is shown in column 3.

7 **97. Q. Please explain Schedule D-19.**

8 A. This schedule shows the calculation of the GRCF used on Schedule A-1 to
9 determine the revenues required to achieve the overall rate of return requested by
10 PECO. The conversion factor captures the additional late payment revenue,
11 uncollectible accounts expense, regulatory fees and Federal and state income
12 taxes attributable to the additional revenues resulting from the proposed rate
13 increase.

14 **V. FUTURE TEST YEAR AND HISTORIC TEST YEAR**

15 **98. Q. Please describe the process used to prepare the pro forma FTY and HTY**
16 **presentations in PECO Exhibit MJT-2 and PECO Exhibit MJT-3,**
17 **respectively.**

18 A. The basic process was the same as described in connection with PECO Exhibit
19 MJT-1, except I used budgeted data for the FTY and actual recorded data for the
20 HTY as the starting point for each exhibit. As with the FPFTY, I reviewed the
21 budgeted data for the FTY and recorded data for the HTY and, where appropriate,

1 made pro forma adjustments. In addition, I used data from PECO Exhibit MJT-1
2 as the basis for several of the pro forma amounts used in PECO Exhibits MJT-2
3 and MJT-3.

4 **99. Q. What assumptions did you make to determine what pro forma adjustments**
5 **would be necessary for the FTY and HTY?**

6 A. I included pro forma adjustments that reflected the annualization and
7 normalization of FTY and HTY elements and adjustments for future events that
8 have impacted the FPFTY. For example, I have annualized S&W expense for
9 increases and adjusted for the year-end number of employees, as I did in the
10 FPFTY. The pro forma adjustments for the FTY and HTY are numbered
11 consistently with the adjustments for the FPFTY. To illustrate, the adjustment for
12 S&W is on Schedule D-6 in all three test years to facilitate reference between the
13 FPFTY, the FTY and the HTY. Where there is no adjustment required for the
14 FTY or the HTY, the correlation simply shows that further adjustment is not
15 applicable.

16 **100. Q. Referring now to PECO Exhibit MJT-2, for the FTY, what is contained on**
17 **Schedule A-1?**

18 A. Schedule A-1 shows a summary of the measures of value on lines 1 to 16,
19 operating revenues and expenses and calculated rates of return at present and
20 proposed rates on lines 18 to 33, and the revenue increase required on lines 35 to
21 46.

1 **101. Q. What is contained on Schedules B-1 to B-5?**

2 A. These schedules contain budgeted financial data for the FTY.

3 **102. Q. Please describe Schedules B-6 and B-7.**

4 A. These two schedules contain the FTY pro forma capital structure and rate of
5 return developed by Mr. Moul. As shown on lines 1 to 3 of Schedule B-7, the
6 Company is using its expected capital structure at the end of the FTY and cost
7 rates as shown on Schedule B-7.

8 **103. Q. Please describe Schedule C-1.**

9 A. Schedule C-1 lists the measures of value components. The measures of value
10 total for the FTY is \$2.2 billion, as shown on column 4, line 14.

11 **104. What is contained in Schedule C-2?**

12 A. Schedule C-2 consists of five pages and shows the utility plant in service balances
13 at June 30, 2021 for the Company's gas operations, as well as the additions,
14 retirements and adjustments for the FTY. Pages 18 and 19 contain the summary
15 of pro forma plant in service balances by plant grouping. Page 15 shows the plant
16 in service by FERC account. Pages 16 and 17 show the additions to plant and
17 retirements from plant during the FTY. Finally, adjustments to plant are reflected
18 on pages 18 and 19. The total pro forma plant in service at the end of the FTY is
19 \$3.2 billion and is shown on Schedule C-2, page 15, column 4, line 35.

1 **105. Q. Please describe Schedule C-3.**

2 A. Schedule C-3 contains three pages and shows the accumulated depreciation at
3 June 30, 2021. These pages show the pro forma balances by FERC account
4 developed using the same procedures employed for the FPFTY. The accumulated
5 depreciation at the end of the FTY is \$852 million, as shown on page 20, column
6 4, line 36.

7 **106. Q. What is contained in Schedule C-4?**

8 A. Schedule C-4 consists of nine pages that show the calculation of the CWC
9 allowance for the FTY of \$4.3 million on page 23, line 27. The information for
10 average prepayments on line 23 is the same as utilized in PECO Exhibit MJT-1
11 because the FPFTY claim is based on the thirteen-month average for the period
12 ended June 30, 2020. In addition to the prepayments, the methodology used to
13 calculate the lag periods for revenue, payroll, pension expense, gas purchases and
14 other disbursements utilized in PECO Exhibit MJT-1 were also used in the FTY
15 calculation.

16 Page 23 provides a summary of the calculations for each of the elements of the
17 CWC for the FTY. The expenses in column 2 and those included in the
18 determination of the lead-lag amounts for taxes, interest and preferred dividends
19 are the pro forma amounts for the FTY, while the prepayment amount is the
20 thirteen-month average of month-end balances through June 30, 2020. The
21 resulting \$4.3 million of CWC shown on line 27 is brought forward to Schedule
22 A-1 in the calculation of the measures of value.

1 **107. Q. Please describe Schedule C-4, pages 24 to 31.**

2 A. These pages show the calculations of various leads and lags and working capital
3 requirements for the FTY following the same procedures used for the FPFTY as
4 described in connection with PECO Exhibit MJT-1, Schedule C-4. While the
5 amounts for the FTY expenses vary from those in the FPFTY, the procedures
6 followed to determine the lead/lag periods applied to those expense levels are the
7 same as those described in connection with the corresponding PECO Exhibit
8 MJT-1 schedules.

9 **108. Q. What is contained on Schedule C-5?**

10 A. Schedule C-5 shows the Company's claim for a pension asset to be included in
11 the measures of value. The procedures to determine the asset are the same as
12 those described with respect to PECO Exhibit MJT-1, Schedule C-5, except that
13 the pension asset balance for the FTY reflects data through June 30, 2021, which,
14 on a net aggregate basis, is \$34.2 million, as shown on line 7.

15 **109. Q. Please describe the calculations on Schedule C-6.**

16 A. These calculations show the ADIT for the FTY. The procedures followed to
17 determine FTY ADIT were the same as those utilized for the ADIT calculation at
18 the end of the FPFTY except that balances as of June 30, 2021 were used. The
19 resulting ADIT of \$244.1 million for the total of gas distribution utility plant and
20 the gas distribution portion of the common plant for the FTY is shown on line 11.

1 As shown on Schedule C-12, line 9, \$128.4 million of excess ADIT has
2 been removed from the ADIT balance and recorded as a regulatory
3 liability.

4 **110. Q. Please describe the data presented on Schedules C-7, C-9, C-11 and C-13.**

5 A. The data on these four schedules are the same as the data presented and described
6 in connection with the comparable schedules in PECO Exhibit MJT-1, because
7 the same thirteen-month period was used.

8 **111. Q. What is shown on Schedule C-8?**

9 A. This schedule shows the common plant, net of accumulated depreciation, included
10 in the measures of value on Schedule A-1 for the FTY.

11 **112. Q. What is presented on Schedule D-1?**

12 A. Schedule D-1 shows the net operating income at present rates for the FTY, the pro
13 forma revenue deficiency and the pro forma required revenue level.

14 **113. Q. Please describe Schedule D-2.**

15 A. Schedule D-2 shows revenues and expenses budgeted for the FTY, pro forma
16 adjustments and the pro forma revenue and expense amounts at present rates.
17 This schedule summarizes the adjustments that are detailed on Schedules D-3 and
18 D-5 and explained in connection with other supporting schedules to be described
19 later in my testimony.

1 **114. Q. Please describe Schedule D-3.**

2 A. Schedule D-3 contains nine pages which present a summary of each of the pro
3 forma adjustments made to revenues and operating expenses, including
4 depreciation and taxes-other than income taxes. Each of the adjustments will be
5 described in connection with the specific schedule containing the calculation of
6 the adjustment.

7 **115. Q. What is contained in Schedule D-4?**

8 A. This schedule contains six pages and shows the budgeted and pro forma
9 adjustment amounts for the FTY by revenue category and by FERC account for
10 expenses.

11 **116. Q. Please describe Schedule D-5.**

12 A. Schedule D-5 shows the pro forma adjustments to the FTY budgeted revenues.
13 Each of the listed adjustments is discussed in connection with Schedules D-5A to
14 D-5I. All of these adjustments were prepared using the same methodology as
15 described in connection with PECO Exhibit MJT-1.

16 **117. Q. Please describe the adjustment shown on Schedule D-5A.**

17 A. The adjustment shown on Schedule D-5A annualizes revenues for customer
18 growth during the FTY. The process utilized is the same as described in
19 connection with the same adjustment for the FPFTY on PECO Exhibit MJT-1,
20 Schedule D-5A.

1 **118. Q. What is the adjustment shown on Schedule D-5B?**

2 A. The adjustment shown on Schedule D-5B annualizes CAP discounts for the FTY.
3 The process utilized is the same as described in connection with the
4 corresponding adjustment for the FPFTY shown on PECO Exhibit MJT-1,
5 Schedule D-5B.

6 **119. Q. Please describe the adjustment shown on Schedule D-5F.**

7 A. This schedule shows the development of a normalized level of distribution
8 revenue based on the average number of days per year in a four-year cycle.

9 **120. Q. Please describe the adjustment shown on Schedule D-5H.**

10 A. This adjustment eliminates revenues associated with asset optimization items.

11 **121. Q. Please describe the adjustment shown on Schedule D-5I.**

12 A. This adjustment removes the revenues representing the Company's margin on
13 sales under Rate IS.

14 **122. Q. Please describe Schedule D-6.**

15 A. Schedule D-6 annualizes S&W for the FTY. Pages 66 and 67 show the budgeted
16 amounts in column 1 and the pro forma adjustment in column 2 by FERC expense
17 category. Pages 64 and 65 show the calculation of the annualization adjustments
18 of S&W and the normalization of the union contract ratification payment, which
19 follow the same procedures described in connection with the FPFTY using the
20 data from FTY for the wage increases.

1 **123. Q. What is contained on Schedule D-7?**

2 A. Schedule D-7 normalizes rate case expenses using the same recorded and
3 estimated amounts used in the FPFTY calculation shown on PECO Exhibit MJT-
4 1, Schedule D-7.

5 **124. Q. Please describe the adjustment shown on Schedule D-8.**

6 A. This adjustment, which annualizes non-pension benefits related to the change in
7 number of employees during the FTY, was calculated using the same procedures
8 used for the comparable adjustment for the FPFTY and described in connection
9 with PECO Exhibit MJT-1, Schedule D-8.

10 **125. Q. Please describe the adjustment shown on Schedule D-9.**

11 A. This adjustment to pension expense follows the same procedures used for the
12 FPFTY, which were described in connection with PECO Exhibit MJT-1,
13 Schedule D-9.

14 **126. Q. Are the adjustments shown on Schedules D-10 to D-15 similar to the**
15 **adjustments included in PECO Exhibit MJT-1 and described in connection**
16 **with the schedules presented in that exhibit?**

17 A. Yes, they are.

18 **127. Q. Please describe Schedule D-16.**

19 A. Schedule D-16 shows the development of the Company's claim for taxes other
20 than income taxes for the FTY.

1 **128. Q. Please describe Schedule D-17.**

2 A. Schedule D-17 presents the pro forma adjustment for depreciation to annualize
3 depreciation expense for plant amounts at the end of the FTY, similar to the pro
4 forma adjustment set forth in PECO Exhibit MJT-1.

5 **129. Q. Please describe the income tax calculations on Schedule D-18.**

6 A. This schedule shows the calculation of the pro forma income tax for the FTY
7 reflecting the revenues, expenses and measures of value included in the pro forma
8 present rate data for the Company and a 21% Federal corporate tax rate. In
9 addition to the tax depreciation amounts, the ITC amortization was calculated, as
10 shown on pages 91 and 92 of Schedule D-18. The flow-back of excess ADIT was
11 reflected in calculating income tax. The total calculated income tax shown on line
12 58 was used in the calculation of the overall revenue requirement shown on
13 Schedule A-1.

14 **130. Q. Referring now to PECO Exhibit MJT-3, for the HTY, what is contained on**
15 **Schedule A-1?**

16 A. Schedule A-1 shows a summary of the measures of value on lines 1 to 16,
17 operating revenues and expenses and calculated rates of return at present and
18 proposed rates on lines 18 to 33, and the revenue increase required on lines 35 to
19 46.

1 **131. Q. What is contained on Schedules B-1 to B-5?**

2 A. These schedules contain recorded financial data for the HTY.

3 **132. Q. Please describe Schedules B-6 and B-7.**

4 A. These two schedules contain the HTY capital structure and rate of return
5 developed by Mr. Moul. As shown on lines 1 to 3 of Schedule B-7, the Company
6 is using its capital structure at the end of the HTY and cost rates as shown on
7 Schedule B-7.

8 **133. Q. Please describe Schedule C-1.**

9 A. Schedule C-1 lists the measures of value components. The measures of value
10 total for the HTY is \$1.9 billion, as shown on column 4, line 14.

11 **134. Q. What is contained in Schedule C-2?**

12 A. Schedule C-2 consists of five pages and shows the utility plant in service balances
13 at June 30, 2020 for the Company's distribution operations, as well as the
14 adjustments for the HTY. Pages 18 and 19 contain the summary of plant in
15 service balances by plant grouping. Page 15 shows the plant in service by FERC
16 account. Pages 16 and 17 are left blank intentionally because they reflect
17 schedules that are used for the FTY and FPFTY but are not relevant to the HTY.
18 Finally, adjustments to plant are reflected on pages 18 and 19. The total plant in
19 service at the end of the HTY is \$3.0 billion and is shown on Schedule C-2, page
20 15, column 4, line 35.

1 **135. Q. Please describe Schedule C-3.**

2 A. Schedule C-3 contains three pages and shows the accumulated depreciation at
3 June 30, 2020. These pages reflect the balances by FERC account for the HTY.
4 The accumulated depreciation at the end of the HTY is \$819 million, as shown on
5 page 20, column 4, line 36.

6 **136. Q. What is contained in Schedule C-4?**

7 A. Schedule C-4 contains nine pages that show the calculation of the CWC
8 allowance for the HTY of \$4.4 million on page 23, line 27. The information for
9 average prepayments shown on line 23 is the same as that utilized in PECO
10 Exhibit MJT-1 because the FPFTY claim is based on the thirteen-month average
11 for the period ended June 30, 2020. In addition to the prepayments, the
12 methodology used to calculate the lag periods for revenue, payroll, pension
13 expense, gas purchases and other disbursements utilized in PECO Exhibit MJT-1
14 were also used in the HTY calculation.

15 Page 23 provides a summary of the calculations for each of the elements of the
16 CWC for the HTY. The expenses in column 2 and those included in the
17 determination of the lead-lag amounts for taxes, interest and preferred dividends
18 are the adjusted pro forma amounts for the HTY, while the prepayment amount is
19 the thirteen-month average through June 30, 2020. The resulting \$4.4 million of
20 CWC shown on line 27 is brought forward to Schedule A-1 in the calculation of
21 the measures of value.

1 **137. Q. Please describe what is shown on Schedule C-4, pages 24 to 31.**

2 A. These pages show the calculations of various leads and lags and working capital
3 requirements for the HTY following the same procedures used for the FPFTY as
4 described in connection with PECO Exhibit MJT-1, Schedule C-4. While the
5 amounts for the HTY expenses vary from those in the FPFTY, the procedures
6 followed to determine the lead/lag periods applied to those expense levels are the
7 same and were described in connection with the corresponding PECO Exhibit
8 MJT-1 schedules.

9 **138. Q. What is contained on Schedule C-5?**

10 A. Schedule C-5 shows the Company's claim for a pension asset included in the
11 measures of value. The procedures to determine the asset are the same as those
12 described in connection with PECO Exhibit MJT-1, Schedule C-5, except that the
13 pension asset balance for the HTY reflects data through June 30, 2020, which, on
14 a net aggregate basis, is \$33.5 million, as shown on line 5.

15 **139. Q. Please describe the calculations shown on Schedule C-6.**

16 A. These calculations show the ADIT for the HTY. The procedures followed to
17 determine HTY ADIT were the same as those utilized for the ADIT calculation at
18 the end of the FPFTY, except that twelve month ended June 30, 2020 balances
19 were used. The resulting ADIT of \$238.0 million for the total of gas distribution
20 utility plant and the gas distribution portion of common plant for the HTY is
21 shown on line 4. As shown on Schedule C-12, line 3, \$133.1 million of excess

1 ADIT has been removed from the ADIT balance and recorded as a regulatory
2 liability.

3 **140. Q. Please describe the data presented on Schedules C-7, C-9, C-11 and C-13.**

4 A. The data on these four schedules are the same as the data presented and described
5 in connection with the comparable schedules in PECO Exhibit MJT-1, because
6 the same thirteen-month period was used.

7 **141. Q. What is shown on Schedule C-8?**

8 A. This schedule shows the common plant, net of accumulated depreciation, included
9 in the measures of value on Schedule A-1 for the HTY.

10 **142. Q. What is presented on Schedule D-1?**

11 A. Schedule D-1 shows the net operating income at present rates for the HTY, the
12 pro forma revenue deficiency and the pro forma required revenue level.

13 **143. Q. Please describe Schedule D-2.**

14 A. Schedule D-2 shows revenues and expenses for the HTY, pro forma adjustments
15 and the pro forma revenue and expense amounts at present rates. This schedule
16 summarizes the adjustments that are detailed on Schedules D-3 and D-5 and
17 explained in connection with other supporting schedules to be described later in
18 my testimony.

1 **144. Q. Please describe Schedule D-3.**

2 A. Schedule D-3 contains nine pages, which present a summary of each of the pro
3 forma adjustments made to revenues and operating expenses, including
4 depreciation and taxes other than income taxes. Each of the adjustments will be
5 described in connection with the specific schedule containing the calculation of
6 the adjustment.

7 **145. Q. What is contained in Schedule D-4?**

8 A. This schedule contains six pages and shows the recorded amounts and pro forma
9 adjustment amounts for the HTY by revenue category and by FERC account for
10 expenses.

11 **146. Q. Please describe Schedule D-5.**

12 A. Schedule D-5 shows the pro forma adjustments to the HTY revenues. Each of the
13 listed adjustments is discussed in connection with Schedules D-5A to D-5I. All of
14 these adjustments were prepared using the same methodology described in
15 connection with PECO Exhibit MJT-1, except Schedule D-5G, which is the
16 weather normalization adjustment to distribution revenue recorded for the twelve
17 months ended June 30, 2020.

18 **147. Q. Please describe the adjustment shown on Schedule D-5A.**

19 A. The adjustment shown on Schedule D-5A annualizes revenues for customer
20 growth during the HTY. The process utilized is the same as that described in

1 connection with the same adjustment for the FPFTY on PECO Exhibit MJT-1,
2 Schedule D-5A.

3 **148. Q. What is the adjustment shown on Schedule D-5B?**

4 A. The adjustment shown on Schedule D-5B annualizes CAP discounts for the HTY.
5 The process utilized is the same as described in connection with the
6 corresponding adjustment for the FPFTY shown on PECO Exhibit MJT-1,
7 Schedule D-5B.

8 **149. Q. Please describe the adjustment on Schedule D-5F.**

9 A. This schedule shows the development of a normalized level of distribution
10 revenue based on average number of days per year in a four-year cycle.

11 **150. Q. Please describe the adjustment shown on Schedule D-5G.**

12 A. Schedule D-5G shows the adjustment to normalize HTY distribution revenue to
13 reflect normal weather for weather sensitive load. This adjustment does not apply
14 to the FTY and the FPFTY because the distribution revenue for both of those
15 years was budgeted on the basis of normal weather.

16 **151. Q. Please describe the adjustment shown on Schedule D-5H.**

17 A. This adjustment eliminates revenues associated with the asset optimization items.

1 **152. Q. Please describe the adjustment shown on Schedule D-5I.**

2 A. This adjustment removes the revenues representing the Company's margin on
3 sales under Rate IS.

4 **153. Q. Please describe Schedule D-6.**

5 A. Schedule D-6 annualizes S&W for the HTY. Pages 66 and 67 show the recorded
6 amounts in column 1, and the pro forma adjustment in column 2 by FERC
7 expense category. Pages 64 and 65 show the calculation of the annualization
8 adjustments of S&W and the normalization of the union contract ratification
9 payment, which follows the same procedures described in connection with the
10 FPFTY using the data from the HTY to calculate the wage increases.

11 **154. Q. What is contained on Schedule D-7?**

12 A. Schedule D-7 normalizes rate case expenses using the same recorded and
13 estimated amounts used in the FPFTY calculation shown on PECO Exhibit MJT-
14 1, Schedule D-7.

15 **155. Q. Please describe the adjustments shown on Schedule D-8.**

16 A. This adjustment, which annualizes non-pension benefits related to the change in
17 number of employees during the HTY, was calculated using the same procedures
18 used for the comparable adjustment for the FPFTY and described in connection
19 with PECO Exhibit MJT-1, Schedule D-8.

1 **156. Q. Please describe the adjustment on Schedule D-9.**

2 A. This adjustment to pension expense in the HTY follows the same procedures used
3 for the FPFTY, which were described in connection with PECO Exhibit MJT-1,
4 Schedule D-9.

5 **157. Q. Are the adjustments on Schedules D-10 to D-15 similar to the adjustments**
6 **included in PECO Exhibit MJT-1 and described in connection with the**
7 **schedules presented in that exhibit?**

8 A. Yes, they are.

9 **158. Q. Please describe Schedule D-16?**

10 A. Schedule D-16 shows the development of the Company's claim for taxes other
11 than income taxes for the HTY.

12 **159. Q. Please describe Schedule D-17.**

13 A. Schedule D-17 presents the pro forma adjustment for depreciation to annualize
14 depreciation expense for plant balances at the end of the HTY, similar to the pro
15 forma adjustment set forth in PECO Exhibits MJT-1 and MJT-2.

16 **160. Q. Please describe the income tax calculations on Schedule D-18.**

17 A. This schedule shows the calculation of the pro forma income tax expense for the
18 HTY reflecting the revenues, expenses and measures of value included in the pro
19 forma present rate data for the Company and a 21% Federal corporate tax rate. In
20 addition to the tax depreciation amounts, the ITC amortization was calculated as

1 shown on pages 91 and 92 of Schedule D-18. The flow-back of excess ADIT was
2 reflected in calculating income tax. The total calculated income tax shown on line
3 58 was used in the calculation of the overall revenue requirement shown on
4 Schedule A-1.

5 **VI. CONCLUSION**

6 **161. Q. Does this complete your direct testimony at this time?**

7 A. Yes, it does.

8

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PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 A-1 Overall Summary

Exhibit MJT-1
 Schedule A-1
 Witness: Michael J. Trzaska
 Page 1 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Revenue Increase	(3) Total
1	<u>MEASURE OF VALUE</u>				
2	Utility Plant	C-2	\$3,537,669		\$3,537,669
3	Accumulated Depreciation	C-3	893,447		893,447
4	Common Plant - Net of Accum Depr	C-8	136,770		136,770
5	Net Plant in service	L2 - L3 + L4	\$2,780,992		\$2,780,992
6					
7	Working Capital	C-1	\$3,223		\$3,223
8	Pension Assets / (Liability)	C-1	35,059		35,059
9	Accum Deferred Income Taxes	C-1	(247,620)		(247,620)
10	Customer Deposits	C-1	(13,418)		(13,418)
11	Customer Advances for Construction	C-1	(1,334)		(1,334)
12	Materials and Supplies	C-1	489		489
13	Accum Deferred Income Taxes - Reg Liability	C-1	(126,322)		(126,322)
14	Gas Storage	C-1	30,870		30,870
15					
16	TOTAL RATE BASE	SUM L5 to L14	\$2,461,939		\$2,461,939
17					
18	<u>OPERATING REVENUES AND EXPENSES</u>				
19	Base Customer Charges	D-5	\$361,541	\$68,723	\$430,264
20	Supply Cost Revenue	D-5	226,710		226,710
21	Other Operating Revenues	D-5	1,528	88	1,617
22	Total Revenues	SUM L19 to L21	\$589,780	\$68,812	\$658,591
23					
24	Operating Expenses	D-1	\$467,605	\$450	\$468,055
25					
26	OIBIT	L22 - L24	\$122,175	\$68,361	\$190,536
27					
28	Income Taxes @ Eff Inc Tax Rate	D-18	\$18,784		\$18,784
29	Income Taxes @ Statutory Rates	D-18		(19,751)	(19,751)
30					
31	NET OPERATING INCOME	SUM L26 to L29	\$140,959	\$48,610	\$189,569
32					
33	RATE OF RETURN	L31 / L16	5.73%		7.70%
34					
35	<u>REVENUE INCREASE REQUIRED</u>				
36	Rate of Return at Present Rates	L33	5.73%		
37					
38	Rate of Return Required	B-7	7.70%		
39					
40	Change in ROR	L38 - L36	1.97%		
41					
42	Change in Operating Income	L16 * L40	\$48,610		
43					
44	Gross Revenue Conversion Factor	D-19	1.414		
45					
46	Change in Revenues	L42 * L44	\$68,723		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-1 Balance Sheet

Exhibit MJT-1
 Schedule B-1
 Witness: Michael J. Trzaska
 Page 2 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	<u>Utility Plant</u>		
2	Utility Plant (101-106, 108, 114)		\$15,288,380
3	Construction Work In Progress (107)		497,304
4	Total Utility Plant	SUM L1 to L2	\$15,785,685
5	Less: Accum. Prov. for Depr. and Amort. (108, 110, 111, 115)		4,516,590
6	Net Utility Plant	L4 - L5	\$11,269,095
7			
8	<u>Other Property and Investments</u>		
9	Non-utility Property (121)		\$10,976
10	Less: Accum. Prov. for Depr. and Amort. (122)		1,992
11	Invest in Assoc Company (123)		8,083
12	Other Investments (124-129, 175-176)		20,639
13	Total Other Property and Investments	SUM L9 to L12	\$37,706
14			
15	<u>Current and Accrued Assets</u>		
16	Cash & Other Temporary Investments(131-136)		\$562,774
17	Customer Accounts Receivable (142)		353,689
18	Other Accounts Receivable (143)		41,158
19	Accum. Prov. for Uncollectible (144)		(78,539)
20	Accounts Receivable Assoc. Comp. (146)		0
21	Fuel Stock (151)		18,635
22	Plant Materials & Supplies (154)		37,075
23	Prepayments (165)		90,327
24	Accrued Utility Revenues (173)		127,400
25	Miscellaneous Current & Accrued Assets (174)		43,282
26	Total Current and Accrued Assets	SUM L16 to L25	\$1,195,801
27			
28	<u>Deferred Debits</u>		
29	Unamortized Debt Expense (181)		\$34,698
30	Other Regulatory Assets (182.3)		864,334
31	Miscellaneous Deferred Debits (186)		554,915
32	Unamortized Loss on Reacquired Debt (189)		681
33	Accumulated Deferred Income Taxes (190)		201,772
34	Total Deferred Debits	SUM L29 to L33	\$1,656,401
35			
36	Total Assets	L6 + L13 + L26 + L34	<u>\$14,159,002</u>

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FPFTY Ending June 2022
(\$ in Thousands)
B-1 Balance Sheet

Exhibit MJT-1
Schedule B-1
Witness: Michael J. Trzaska
Page 3 of 94

Line No.	Description	Reference	Total - PECO
		(1)	(2)
37	<u>Proprietary Capital</u>		
38	Common Stock Issued (201)		\$1,423,004
39	Preferred Stock Issued (204)		
40	Other Paid-In Capital (208-211)		2,200,105
41	Capital Stock Expense (214)		(87)
42	Retained Earnings (215, 215.2, 216)		1,766,462
43	Unappropriated Undistributed Subsidiary Earnings (216.1)		
44	Accum Other Comprehensive Income (219)		
45	Total Propriety Capital & Margins	SUM L38 to L44	\$5,389,485
46			
47	<u>Long Term Debt</u>		
48	Bonds (221)		\$4,525,000
49	Advances from Associated Companies (223)		184,419
50	Other Long-Term Debt (224)		
51	Unamortized Premium on LTD (225)		
52	Unamortized Discount on LTD (226)		(18,967)
53	Total Long-Term Debt	SUM L48 to L52	\$4,690,452
54			
55	<u>Other Non-Current Liabilities</u>		
56	Obligations under Capital Leases (227)		
57	Accum. Prov for Injuries & Damages (228.2)		\$39,510
58	Accum. Prov for Pensions & Benefits (228.3)		304,232
59	Accum. Miscellaneous Operating Prov (228.4)		15,766
60	Asset Retirement Obligation (230)		26,379
61	Total Other Non-Current Liabilities	SUM L56 to L60	\$385,887
62			
63	<u>Current and Accrued Liabilities</u>		
64	Notes Payable (231)		
65	Accounts Payable (232)		\$552,862
66	Notes Payable to Assoc. Companies (233)		
67	Accounts Payable to Assoc. Companies (234)		13,673
68	Customer Deposits (235)		67,274
69	Taxes Accrued (236)		63,476
70	Interest Accrued (237)		46,551
71	Dividends Declared (238)		0
72	Tax Collections Payable (241)		(33)
73	Misc Current & Accrued Liabilities (242)		171,861
74	Total Current & Accrued Liabilities	SUM L64 to L73	\$915,664
75			
76	<u>Other Deferred Credits</u>		
77	Customer Advances for Construction (252)		\$2,928
78	Other Deferred Credits (253)		13,208
79	Other Regulatory Liabilities (254)		148,207
80	Deferred Investment Tax Credit (255)		404
81	Unamortized Gain on Reacquired Debt (257)		
82	Accumulated Deferred Income Taxes (281-283)		2,612,768
83	Total Other Deferred Credits	SUM L77 to L82	\$2,777,515
84			
85	Total Liabilities and Other Credits	L45 + L53 + L61 + L74 + L83	<u>\$14,159,002</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Summary

Exhibit MJT-1
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 4 of 94

Line No.	Category	Description	(1) FPFTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
1	Total Operating Revenues	Customer & Distribution Revenues	\$360,096		\$360,096
2		Gas Cost Revenue	226,900		226,900
3		Other Operating Revenues	4,751		4,751
4		Total Operating Revenues	\$591,747		\$591,747
5					
6	Total Operating Expenses	Operation & Maintenance Expenses	\$365,365		\$365,365
7		Depreciation & Amortization Expense	80,695		80,695
8		Amortization of Regulatory Expense	2,652		2,652
9		Taxes Other Than Income Taxes - Other	7,481		7,481
10		Total Operating Expenses	\$456,194		\$456,194
11					
12	Net Utility Operating Income Before Income Tax		\$135,553		\$135,553

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-1
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 5 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FPFTY Amount	Non-Jurisdictional	Jurisdictional
1	Operating Revenues	Customer & Distribution Revenues	Residential	480.0	\$232,236		\$232,236
2			C & I	481.0	101,631		101,631
3			Transportation of Gas of Others	489.3	26,229		26,229
4			Subtotal		\$360,096		\$360,096
5							
6	Gas Cost Revenue		Residential	480.0	\$167,080		\$167,080
7			C & I	481.0	59,819		59,819
8			Interdepartmental	484.0			
9			Subtotal		\$226,900		\$226,900
10							
11	Other Operating Revenues		Sales For Resale	483.0	\$3,223		\$3,223
12			Forfeited Discounts	487.0	838		838
13			Miscellaneous Service Revenues	488.0			
14			Rent for Gas Property	493.0			
15			Interdepartmental Rents	494.0	691		691
16			Other Gas Revenues	495.0			
17			Subtotal		\$4,751		\$4,751
18							
19			Total Operating Revenues		\$591,747		\$591,747
20							
21	Operating Expenses	Operation & Maintenance Expenses	Manufactured Gas Production	710.0	\$0		\$0
22			Liquefied Petroleum Gas Expenses	717.0	79		79
23			Liquefied Petroleum Gas Expenses	728.0			
24			Maintenance of Structures and Improvements	741.0	53		53
25			Maintenance of Production Equipment	742.0	131		131
26			Natural Gas City Gate Purchases	804.0	228,998		228,998
27			Other Gas Purchases	805.0			
28			Purchases Gas Cost Adjustments	805.1			
29			Purchased Gas Expenses	807.0			
30			Gas Withdrawn from Storage-Debit	808.1			
31			Gas Delivered to Storage-Credit	808.2			
32			Other Gas Supply Purchases	813.0			
33			Other Expenses	824.0			
34			Operating Supervision and Engineering	840.0	250		250

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-1
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 6 of 94

Line No.	Category	Description	Description	Account	(1) FPFTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
35			Operation Labor and Expenses	841.0	806		806
36			Maintenance Supervision and Engineering	843.1	1,042		1,042
37			Maintenance of Structures and Improvements	843.2	3,344		3,344
38			Operation Supervision and Engineering	870.0	1,094		1,094
39			Mains and Services Expenses	874.0	16,860		16,860
40			Measuring and Regulating Station Expenses-General	875.0	1,023		1,023
41			Measuring and Regulating Station Expenses-City Gate	877.0	1		1
42			Meter and House Regulator Expenses	878.0	5,958		5,958
43			Customer Installations Expenses	879.0	5,095		5,095
44			Other Expenses	880.0	13,434		13,434
45			Rents	881.0	32		32
46			Maintenance of Mains	887.0	17,341		17,341
47			Maintenance of Measuring & Reg. Station Equip.-Genl.	889.0	1,006		1,006
48			Maintenance of Services	892.0	1,433		1,433
49			Maintenance of Meters & House Regulators	893.0	413		413
50			Maintenance of Other Equipment	894.0	877		877
51			Meter Reading	902.0	199		199
52			Customer Records and Collection	903.0	14,622		14,622
53			Uncollectible Accounts	904.0	2,718		2,718
54			Miscellaneous Customer Accounts	905.0	1,013		1,013
55			Customer Assistance	908.0	5,246		5,246
56			Informational & Instructional	909.0	309		309
57			Miscellaneous Customer & Informational	910.0			
58			Demonstrating & Selling	912.0	2,803		2,803
59			Miscellaneous Sales	916.0			
60			Administrative and General Salaries	920.0	9,135		9,135
61			Office Supplies and Expenses	921.0	1,454		1,454
62			Administrative Expenses Transferred-Credit	922.0			
63			Outside Service Employed	923.0	16,571		16,571
64			Property Insurance	924.0	75		75
65			Franchise Requirements	925.0	271		271
66			Employee Pensions and Benefits	926.0	7,719		7,719
67			Regulatory Commission Expenses	928.0	2,197		2,197
68			Duplicate Charges-Credit	929.0			

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-1
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 7 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FPFTY Amount	Non-Jurisdictional	Jurisdictional
69		Miscellaneous General Expenses		930.2	545		545
70		Maintenance of General Plant		932.0	1,219		1,219
71				Subtotal	\$365,365		\$365,365
72							
73		Depreciation & Amortization Expense		403.0	\$71,048		\$71,048
74				403.1			
75				404.0	9,647		9,647
76				Subtotal	\$80,695		\$80,695
77							
78		Amortization of Regulatory Expense		407.3	\$2,652		\$2,652
79				Subtotal	\$2,652		\$2,652
80							
81		Taxes Other Than Income Taxes - Other		408.1	\$7,481		\$7,481
82				Subtotal	\$7,481		\$7,481
83							
84				Total Operating Expenses	\$456,194		\$456,194
85							
86				Net Utility Operating Income Before Income Tax	\$135,553		135,553

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-4 O + M Expenses

Exhibit MJT-1
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 9 of 94

(1) (2) (3)

Line No.	Category	Description	Description	Account	Budget FPFTY	Non-Jurisdictional	Jurisdictional
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	Manufactured Gas Production		710.0	\$0	\$0
2			Liquefied Petroleum Gas Expenses		717.0	79	79
3			Maintenance of Structures and Improvements		741.0	53	53
4			Maintenance of Production Equipment		742.0	131	131
5				SUM L1 to L4	\$263		\$263
6							
7	GAS RAW MATERIALS	Gas Raw Materials	Liquefied Petroleum Gas Expenses		728.0		
8							
9	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	Natural Gas City Gate Purchases		804.0	\$228,998	\$228,998
10			Other Gas Purchases		805.0		
11			Purchases Gas Cost Adjustments		805.1		
12			Purchased Gas Expenses		807.0		
13			Gas Withdrawn from Storage-Debit		808.1		
14			Gas Delivered to Storage-Credit		808.2		
15			Other Gas Supply Purchases		813.0		
16				SUM L9 to L15	\$228,998		\$228,998
17							
18	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	Other Expenses		824.0		
19							
20	STORAGE EXPENSE	Storage Operations Expense	Operating Supervision and Engineering		840.0	\$250	\$250
21			Operation Labor and Expenses		841.0	806	806
22				SUM L20 to L21	\$1,056		\$1,056
23							
24		Storage Maintenance Expense	Maintenance Supervision and Engineering		843.1	\$1,042	\$1,042
25			Maintenance of Structures and Improvements		843.2	3,344	3,344
26				SUM L24 to L25	\$4,386		\$4,386
27							
28			Subtotal STORAGE EXPENSE	L22 + L26	\$5,441		\$5,441
29							
30	DISTRIBUTION EXPENSE	Distribution Operations	Operation Supervision and Engineering		870.0	\$1,094	\$1,094
31			Mains and Services Expenses		874.0	16,860	16,860
32			Measuring and Regulating Station Expenses-General		875.0	1,023	1,023
33			Measuring and Regulating Station Expenses-City Gate		877.0	1	1
34			Meter and House Regulator Expenses		878.0	5,958	5,958
35			Customer Installations Expenses		879.0	5,095	5,095
36			Other Expenses		880.0	13,434	13,434
37			Rents		881.0	32	32
38				SUM L30 to L37	\$43,497		\$43,497
39							
40		Distribution Maintenance	Maintenance of Mains		887.0	\$17,341	\$17,341
41			Maintenance of Measuring & Reg. Station Equip.-Genl.		889.0	1,006	1,006
42			Maintenance of Services		892.0	1,433	1,433
43			Maintenance of Meters & House Regulators		893.0	413	413

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-4 O + M Expenses

Exhibit MJT-1
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 10 of 94

(1) (2) (3)

Line No.	Category	Description	Description	Account	Budget FPFTY	Non-Jurisdictional	Jurisdictional
44			Maintenance of Other Equipment		894.0	877	877
45				SUM L40 to L44	\$21,070		\$21,070
46							
47			Subtotal DISTRIBUTION EXPENSE	L38 + L45	\$64,567		\$64,567
48							
49	CUSTOMER ACCOUNTS	Customer Accounts	Meter Reading		902.0	\$199	\$199
50			Customer Records and Collection		903.0	14,622	14,622
51			Uncollectible Accounts		904.0	2,718	2,718
52			Miscellaneous Customer Accounts		905.0	1,013	1,013
53			Subtotal CUSTOMER ACCOUNTS	SUM L49 to L52	\$18,552		\$18,552
54							
55	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	Customer Assistance		908.0	\$5,246	\$5,246
56			Informational & Instructional		909.0	309	309
57			Miscellaneous Customer & Informational		910.0		
58			Subtotal CUSTOMER SERVICE & INFORMATION	SUM L55 to L57	\$5,555		\$5,555
59							
60	SALES	Sales	Demonstrating & Selling		912.0	\$2,803	\$2,803
61			Miscellaneous Sales		916.0		
62			Subtotal SALES	SUM L60 to L61	\$2,803		\$2,803
63							
64	ADMINISTRATION & GENERAL	A&G Operations	Administrative and General Salaries		920.0	\$9,135	\$9,135
65			Office Supplies and Expenses		921.0	1,454	1,454
66			Administrative Expenses Transferred-Credit		922.0		
67			Outside Service Employed		923.0	16,571	16,571
68			Property Insurance		924.0	75	75
69			Franchise Requirements		925.0	271	271
70			Employee Pensions and Benefits		926.0	7,719	7,719
71			Regulatory Commission Expenses		928.0	2,197	2,197
72			Duplicate Charges-Credit		929.0		
73			Miscellaneous General Expenses		930.2	545	545
74			Subtotal ADMINISTRATION & GENERAL	SUM L64 to L73	\$37,967		\$37,967
75							
76		A&G Maintenance	Maintenance of General Plant		932.0	\$1,219	\$1,219
77							
78			Subtotal ADMINISTRATION & GENERAL	L74 + L76	\$39,186		\$39,186
79							
80			Total	L5+L28+L47+L53+L58+L62+L78	\$365,365		\$365,365
81							
82			Total Operations Expense		\$338,690		\$338,690
83			Total Maintenance Expense		26,675		26,675
84			Total O&M Expense	L82 + L83	\$365,365		\$365,365

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-5 Taxes Detail

Exhibit MJT-1
 Schedule B-5
 Witness: Michael J. Trzaska
 Page 11 of 94

(1)

(2)

Line No.	Description	Total	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,050	\$2,050
2	Capital Stock & Franchise Tax		
3	Use Tax Accrued	152	152
4	Real Estate Tax Accrual	1,568	1,568
5	Miscellaneous TOTI		
6	Payroll Tax Accrued	3,711	3,776
7	Total	\$7,481	\$7,545

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 B-6 Cost of Long Term Debt

Line No.	Type of Bond Issue	Bond Issue	Reference	Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate	Annualized Cost
1	First & Refunding Mortgage Bonds - Fixed Rate	PECO - FMB - \$350 - 2.375% - Due 9-15-2022		\$350,000		2.47%		
2					7.43%		0.18%	
3		PECO - FMB - \$350 - 3.15% - Due 10-15-2025		350,000		3.29%		
4					7.43%		0.24%	
5		PECO - FMB - \$75 - 5.90% - Due 5-1-2034		75,000		6.00%		
6					1.59%		0.10%	
7		PECO - FMB - \$300 - 5.95% - Due 10-1-2036		300,000		6.04%		
8					6.37%		0.38%	
9		PECO - FMB - \$175 - 5.70% - Due 3-15-2037		175,000		5.81%		
10					3.72%		0.22%	
11		PECO - FMB - \$250 - 4.80% - Due 10-15-2043		250,000		4.89%		
12					5.31%		0.26%	
13		PECO - FMB - \$300 - 4.15% - Due 10-1-2044		300,000		4.23%		
14					6.37%		0.27%	
15		PECO - FMB - \$325 - 3.70% - Due 9-15-2047		325,000		3.77%		
16					6.90%		0.26%	
17		PECO - FMB - \$650 - 3.90% - Due 3-1-2048		650,000		4.08%		
18					13.80%		0.56%	
19		PECO - FMB - \$325 - 3.00% - Due 9-15-2049		325,000		3.10%		
20					6.90%		0.21%	
21		PECO - FMB - \$50 - 2.00% - Due 6-20-2023		50,000		2.27%		
22					1.06%		0.02%	
23		PECO - FMB - \$350 - 2.80% - Due 6-15-2050		350,000		2.86%		
24					7.43%		0.21%	
25		PECO - FMB - \$300 - 3.35% - Due 3-1-2051		300,000		3.46%		
26					6.37%		0.22%	
27		PECO - FMB - \$375 - 3.35% - Due 9-1-2051		375,000		3.46%		
28					7.96%		0.28%	
29		PECO - FMB - \$350 - 3.40% - Due 3-1-2052		350,000		3.51%		
30					7.43%		0.26%	
31		Sub-Total Mortgage Bonds	SUM L1 to L30	\$4,525,000	96.08%		3.67%	
32								
33	Trust Preferred Capital Securities	PECO - TOPRS - \$80.5 - 7.38% - Due 4-6-2028		\$80,521		7.46%		
34					1.71%		0.13%	
35		PECO - TOPRS - \$0.8 - Var (6.75%) - Due 4-6-2028		805		6.75%		
36					0.02%			
37		PECO - TOPRS - \$103 - 5.75% - Due 6-15-2033		103,093		5.88%		
38					2.19%		0.13%	
39								
40		Sub-Total Capital Securities	SUM L33 to L38	\$184,419	3.92%		0.26%	
41								
42		Total Long-Term Debt	L31 + L40	\$4,709,419	100.00%		3.93%	
43								
44		Adjustments for Tenders & Calls		(2,214)				
45								
46		Net Long-Term Debt	L42 + L44	\$4,707,205				
47								
48		Annualized Cost		185,080				
49								
50		Adjustment for Tenders & Calls Reacquired		1,584				
51								
52		Total	L48 + L50	\$186,664			3.97%	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 B-7 Rate of Return

Exhibit MJT-1
 Schedule B-7
 Witness: Michael J. Trzaska
 Page 13 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Capitalization	Capitalization Ratio	Embedded Cost	Return %
1					
2	Long-Term Debt	\$4,707,205	46.62%	3.97%	1.85%
3					
4	Common Equity	5,389,485	53.38%	10.95%	5.85%
5					
6	Total	\$10,096,690	100.00%		7.70%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-1 Measures of Value

Exhibit MJT-1
 Schedule C-1
 Witness: Michael J. Trzaska
 Page 14 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	FPFTY Amount	Non-Jurisdictional	Jurisdictional
1	Utility Plant	C-2	\$3,537,669		\$3,537,669
2	Accumulated Depreciation	C-3	893,447		893,447
3	Common Plant	C-8	136,770		136,770
4	Net Plant in Service	L1 - L2 + L3	\$2,780,992		\$2,780,992
5					
6	Working Capital	C-4	\$3,223		\$3,223
7	Pension Assets / (Liabilities)	C-5	35,059		35,059
8	Accumulated Deferred Income Taxes	C-6	(247,620)		(247,620)
9	Customer Deposits	C-7	(13,418)		(13,418)
10	Customer Advances for Construction	C-9	(1,334)		(1,334)
11	Material & Supplies	C-11	489		489
12	ADIT - Reg Liability	C-12	(126,322)		(126,322)
13	Gas Storage	C-13	30,870		30,870
14	Total Measures of Value	SUM L4 to L13	\$2,461,939		\$2,461,939

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Utility Plant

Exhibit MJT-1
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 15 of 94

Line No.	Category	Account	Reference	(1) FPFTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional	(4)
1	Intangible Plant	G302 - Franchises & Consents		\$50		\$50	
2		G303 - Intangible Property		18,179		18,179	
3		Subtotal	SUM L1 to L2	\$18,229		\$18,229	
4							
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$1,206		\$1,206	
6		G311 - Liquefied Petroleum Gas Equip.		14,334		14,334	
7		Subtotal	SUM L5 to L6	\$15,539		\$15,539	
8							
9	Other Storage Plant	G360 - Land and Land Rights		\$16		\$16	
10		G361 - Structures & Improvements		14,919		14,919	
11		G362 - Gas Holders		7,084		7,084	
12		G363 - Gas Storage Equipment		50,409		50,409	
13		Subtotal	SUM L9 to L12	\$72,428		\$72,428	
14							
15	Distribution Plant	G374 - Land and Land Rights		\$3,637		\$3,637	
16		G375 - Structures and Improvements		15,745		15,745	
17		G376 - Gas Mains		1,771,990		1,771,990	
18		G378 - Measure & Regulate Sta Equip		24,652		24,652	
19		G379 - City Gate Station		77,160		77,160	
20		G380 - Services		1,111,048		1,111,048	
21		G381 - Meters		164,090		164,090	
22		G382 - Meter Installations		221,083		221,083	
23		G387 - Other Equipment		2,118		2,118	
24		G388 - ARO Costs Distribution Plt		1,454		1,454	
25		Subtotal	SUM L15 to L24	\$3,392,977		\$3,392,977	
26							
27	General Plant	G390 - Structures & Improvements		\$10,387		\$10,387	
28		G391 - Office Furniture & Equipment		6,858		6,858	
29		G394 - Tools, Shop & Garage Equip		16,155		16,155	
30		G397 - Communication Equipment		4,872		4,872	
31		G398 - Miscellaneous Equipment		107		107	
32		G399.1 - ARO Costs General Plt		116		116	
33		Subtotal	SUM L27 to L32	\$38,495		\$38,495	
34							
35		Total	Lines 3+7+13+25+33	\$3,537,669		\$3,537,669	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Additions to Plant

Exhibit MJT-1
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 16 of 94

(1)

Line No.	Category	Account	Additions to Plant
1	<u>Intangible Plant</u>	G303 - Intangible Property	
2		Subtotal Intangible Plant	
3			
4	<u>Manufactured Gas Production Plant</u>	G305 - Structures and Improvements	
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	
7			
8	<u>Other Storage Plant</u>	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	\$67
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	6,976
12		Subtotal Other Storage Plant	\$7,043
13			
14	<u>Distribution Plant</u>	G374 - Land and Land Rights	\$64
15		G375 - Structures and Improvements	758
16		G376 - Gas Mains	163,893
17		G378 - Measure & Regulate Station Equipment	2,402
18		G379 - City Gate Station	10,041
19		G380 - Services	109,982
20		G381 - Meters	5,979
21		G382 - Meter Installations	16,810
22		G387 - Other Equipment	
23		Subtotal Distribution Plant	\$309,929
24			
25	<u>General Plant</u>	G390 - Structures & Improvements	\$1,071
26		G391 - Office Furniture & Equipment	1,782
27		G394 - Tools, Shop & Garage Equipment	2,168
28		G397 - Communication Equipment	153
29		G398 - Miscellaneous Equipment	
30		Subtotal General Plant	\$5,174
31			
32		Total	\$322,146

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Plant Retirements

Exhibit MJT-1
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 17 of 94

(1)

Line No.	Category	Account	Plant Retirements
1	<u>Intangible Plant</u>	G303 - Intangible Property	(\$307)
2		Subtotal Intangible Plant	(\$307)
3			
4	<u>Manufactured Gas Production Plant</u>	G305 - Structures and Improvements	(10)
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	(\$10)
7			
8	<u>Other Storage Plant</u>	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	(\$30)
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	(1,086)
12		Subtotal Other Storage Plant	(\$1,117)
13			
14	<u>Distribution Plant</u>	G374 - Land and Land Rights	(\$143)
15		G375 - Structures and Improvements	(18)
16		G376 - Gas Mains	(6,218)
17		G378 - Measure & Regulate Station Equipment	(73)
18		G379 - City Gate Station	(16)
19		G380 - Services	(7,417)
20		G381 - Meters	(311)
21		G382 - Meter Installations	(723)
22		G388 - ARO Costs Distribution Plant	(2)
23		Subtotal Distribution Plant	(\$14,922)
24			
25	<u>General Plant</u>	G390 - Structures & Improvements	(\$6)
26		G391 - Office Furniture & Equipment	(22)
27		G394 - Tools, Shop & Garage Equipment	(168)
28		G397 - Communication Equipment	(20)
29		G398 - Miscellaneous Equipment	(12)
30		G399.1 - ARO Costs General Plant	(7)
31		Subtotal General Plant	(\$235)
32			
33		Total	(\$16,592)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

Exhibit MJT-1
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 18 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Account	FPFTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents	\$50	100.00%	\$50	100.00%	\$50	
2			\$50		\$50		\$50	
3								
4		G303 - Intangible Property	18,179	100.00%	18,179	100.00%	18,179	
5			\$18,179		\$18,179		\$18,179	
6								
7		Subtotal	\$18,229		\$18,229		\$18,229	
8								
9	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$1,206	100.00%	\$1,206	100.00%	\$1,206	
10			\$1,206		\$1,206		\$1,206	
11								
12		G311 - Liquefied Petroleum Gas Equip	\$14,334	100.00%	\$14,334	100.00%	\$14,334	
13			\$14,334		\$14,334		\$14,334	
14								
15		Subtotal	\$15,539		\$15,539		\$15,539	
16								
17	Other Storage Plant	G360 - Land and Land Rights	\$16	100.00%	\$16	100.00%	\$16	
18			\$16		\$16		\$16	
19								
20		G361 - Structures & Improvements	\$14,919	100.00%	\$14,919	100.00%	\$14,919	
21			\$14,919		\$14,919		\$14,919	
22								
23		G362 - Gas Holders	\$7,084	100.00%	\$7,084	100.00%	\$7,084	
24			\$7,084		\$7,084		\$7,084	
25								
26		G363 - Gas Storage Equipment	\$50,409	100.00%	\$50,409	100.00%	\$50,409	
27			\$50,409		\$50,409		\$50,409	
28								
29		Subtotal	\$72,428		\$72,428		\$72,428	
30								
31	Distribution Plant	G374 - Land and Land Rights	\$3,637	100.00%	\$3,637	100.00%	\$3,637	
32			\$3,637		\$3,637		\$3,637	
33								
34		G375 - Structures and Improvements	\$15,745	100.00%	\$15,745	100.00%	\$15,745	
35			\$15,745		\$15,745		\$15,745	
36								
37		G376 - Gas Mains	\$1,771,990	100.00%	\$1,771,990	100.00%	\$1,771,990	
38			\$1,771,990		\$1,771,990		\$1,771,990	
39								
40		G378 - Measure & Regulate Sta Equip	\$24,652	100.00%	\$24,652	100.00%	\$24,652	
41			\$24,652		\$24,652		\$24,652	
42								
43		G379 - City Gate Station	\$77,160	100.00%	\$77,160	100.00%	\$77,160	
44			\$77,160		\$77,160		\$77,160	
45								
46		G380 - Services	\$1,111,048	100.00%	\$1,111,048	100.00%	\$1,111,048	
47			\$1,111,048		\$1,111,048		\$1,111,048	
48								
49		G381 - Meters	\$164,090	100.00%	\$164,090	100.00%	\$164,090	
50			\$164,090		\$164,090		\$164,090	
51								
52		G382 - Meter Installations	\$221,083	100.00%	\$221,083	100.00%	\$221,083	
53			\$221,083		\$221,083		\$221,083	
54								
55		G387 - Other Equipment	\$2,118	100.00%	\$2,118	100.00%	\$2,118	
56			\$2,118		\$2,118		\$2,118	
57								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

Exhibit MJT-1
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 19 of 94

Line No.	Description	Account	(1) FPFTY Amount	(2) Utility Allocation Factor	(3) Allocated to Utility	(4) Jurisdictional Allocation Factor	(5) Allocated to Jurisdiction	(6) Allocated to Non Jurisdiction
58		G388 - ARO Costs Distribution Plant	\$1,454	100.00%	\$1,454	100.00%	\$1,454	
59			\$1,454		\$1,454		\$1,454	
60								
61		Subtotal	\$3,392,977		\$3,392,977		\$3,392,977	
62								
63	General Plant	G390 - Structures & Improvements	\$10,387	100.00%	\$10,387	100.00%	\$10,387	
64			\$10,387		\$10,387		\$10,387	
65								
66		G391 - Office Furniture & Equipment	\$6,858	100.00%	\$6,858	100.00%	\$6,858	
67			\$6,858		\$6,858		\$6,858	
68								
69		G394 - Tools, Shop & Garage Equip	\$16,155	100.00%	\$16,155	100.00%	\$16,155	
70			\$16,155		\$16,155		\$16,155	
71								
72		G395 - Laboratory Equipment						
73								
74								
75		G397 - Communication Equipment	\$4,872	100.00%	\$4,872	100.00%	\$4,872	
76			\$4,872		\$4,872		\$4,872	
77								
78		G398 - Miscellaneous Equipment	\$107	100.00%	\$107	100.00%	\$107	
79			\$107		\$107		\$107	
80								
81		G399.1 - ARO Costs General Plant	\$116	100.00%	\$116	100.00%	\$116	
82			\$116		\$116		\$116	
83								
84		Subtotal	\$38,495		\$38,495		\$38,495	
85								
86								
87		Total	\$3,537,669		\$3,537,669		\$3,537,669	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-3 Accumulated Depreciation

Exhibit MJT-1
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 20 of 94

Line No.	Category	Account	Reference	FPFTY Amount	Non- Jurisdictional	Jurisdictional
			(1)	(2)	(3)	(4)
1	Intangible Plant	G302 - Franchises & Consents				
2		G303 - Intangible Property		\$16,737		\$16,737
3		Subtotal Intangible Plant	SUM L1 to L2	\$16,737		\$16,737
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$798		\$798
6		G311 - Liquefied Petroleum Gas Equipment		12,423		12,423
7		Subtotal Manufactured Gas Production Plant	SUM L5 to L6	\$13,221		\$13,221
8						
9	Other Storage Plant	G360 - Land and Land Rights				
10		G361 - Structures & Improvements		\$7,292		\$7,292
11		G362 - Gas Holders		6,900		6,900
12		G363 - Gas Storage Equipment		17,080		17,080
13		Subtotal Other Storage Plant	SUM L9 to L12	\$31,273		\$31,273
14						
15	Distribution Plant	G374 - Land and Land Rights		(\$158)		(\$158)
16		G375 - Structures and Improvements		6,022		6,022
17		G376 - Gas Mains		365,491		365,491
18		G378 - Measure & Regulate Station Equipment		8,285		8,285
19		G379 - City Gate Station		24,867		24,867
20		G380 - Services		262,159		262,159
21		G381 - Meters		71,646		71,646
22		G382 - Meter Installations		75,793		75,793
23		G387 - Other Equipment		1,428		1,428
24		G388 - ARO Costs Distribution Plant		555		555
25		Subtotal Distribution Plant	SUM L15 to L24	\$816,087		\$816,087
26						
27	General Plant	G390 - Structures & Improvements		\$3,347		\$3,347
28		G391 - Office Furniture & Equipment		2,781		2,781
29		G394 - Tools, Shop & Garage Equipment		5,373		5,373
30		G395 - Laboratory Equipment				
31		G397 - Communication Equipment		4,583		4,583
32		G398 - Miscellaneous Equipment		29		29
33		G399.1 - ARO Costs General Plant		18		18
34		Subtotal General Plant	SUM L27 to L33	\$16,131		\$16,131
35						
36		Total	Lines 3+7+13+25+34	<u>\$893,447</u>		<u>\$893,447</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 C-3 Accum. Depr. Pro Forma Adj.

Exhibit MJT-1
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 21 of 94

Line No.	Category	Account	(1) FPPTY Amount	(2) Utility Allocation Factor	(3) Allocated to Utility	(4) Jurisdictional Allocation Factor	(5) Allocated to Jurisdiction	(6) Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents						
2								
3		G303 - Intangible Property	\$16,737	100.00%	\$16,737	100.00%	\$16,737	
4								
5		Subtotal	\$16,737		\$16,737		\$16,737	
6								
7	Distribution Plant	G374 - Land and Land Rights	(\$158)	100.00%	(\$158)	100.00%	(\$158)	
8								
9		G375 - Structures and Improvements	6,022	100.00%	6,022	100.00%	6,022	
10								
11		G376 - Gas Mains	365,491	100.00%	365,491	100.00%	365,491	
12								
13		G378 - Measure & Regulate Sta Equip	8,285	100.00%	8,285	100.00%	8,285	
14								
15		G379 - City Gate Station	24,867	100.00%	24,867	100.00%	24,867	
16								
17		G380 - Services	262,159	100.00%	262,159	100.00%	262,159	
18								
19		G381 - Meters	71,646	100.00%	71,646	100.00%	71,646	
20								
21		G382 - Meter Installations	75,793	100.00%	75,793	100.00%	75,793	
22								
23		G387 - Other Equipment	1,428	100.00%	1,428	100.00%	1,428	
24								
25		G388 - ARO Costs Distribution Plant	555	100.00%	555	100.00%	555	
26								
27		Subtotal	\$816,087		\$816,087		\$816,087	
28								
29	General Plant	G390 - Structures & Improvements	\$3,347	100.00%	\$3,347	100.00%	\$3,347	
30								
31		G391 - Office Furniture & Equipment	2,781	100.00%	2,781	100.00%	2,781	
32								
33		G394 - Tools, Shop & Garage Equip	5,373	100.00%	5,373	100.00%	5,373	
34								
35		G395 - Laboratory Equipment						
36								
37		G397 - Communication Equipment	4,583	100.00%	4,583	100.00%	4,583	
38								
39		G398 - Miscellaneous Equipment	29	100.00%	29	100.00%	29	
40								
41		G399.1 - ARO Costs General Plant	18	100.00%	18	100.00%	18	
42								
43		Subtotal	\$16,131		\$16,131		\$16,131	
44								
45	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$798	100.00%	\$798	100.00%	\$798	
46								
47		G311 - Liquefied Petroleum Gas Eqp	12,423	100.00%	12,423	100.00%	12,423	
48								
49		Subtotal	\$13,221		\$13,221		\$13,221	
50								
51	Other Storage Plant	G360 - Land and Land Rights						
52								
53		G361 - Structures & Improvements	\$7,292	100.00%	\$7,292	100.00%	\$7,292	
54								
55		G362 - Gas Holders	6,900	100.00%	6,900	100.00%	6,900	
56								
57		G363 - Gas Storage Equipment	17,080	100.00%	17,080	100.00%	17,080	
58								
59		Subtotal	\$31,273		\$31,273		\$31,273	
60								
61		Total	\$893,447		\$893,447		\$893,447	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-3 Cost of Removal

Exhibit MJT-1
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 22 of 94

Line No.	Category	Account	Reference	FPFTY Amount
1	Gas - Production Plant	G305 - Structures and Improvements		(\$3)
2		G311 - Liquefied Petroleum Gas Equipment		
3		Subtotal Gas - Production Plant	SUM L1 to L2	<u>(\$3)</u>
4				
5	Gas - Storage	G361 - Structures & Improvements		(\$11)
6		G363 - Gas Storage Equipment		(193)
7		Subtotal Gas - Storage	SUM L5 to L6	<u>(\$203)</u>
8				
9	Gas - Distribution	G374 - Land and Land Rights		\$64
10		G375 - Structures and Improvements		(9)
11		G376 - Gas Mains		(6,007)
12		G378 - Measure & Regulate Station Equipment		(83)
13		G379 - City Gate Station		(7)
14		G380 - Services		(3,684)
15		G382 - Meter Installations		(0)
16		Subtotal Gas - Distribution	SUM L9 to L15	<u>(\$9,726)</u>
17				
18	Gas - General Plant	G390 - Structures & Improvements		(\$5)
19		G391 - Office Furniture & Equipment		(5)
20		G394 - Tools, Shop & Garage Equipment		(20)
21		G397 - Communication Equipment		(3)
22		Subtotal Gas - General Plant	SUM L18 to L21	<u>(\$32)</u>
23				
24		Total	Lines 3+7+16+22	<u><u>(\$9,964)</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 CWC Summary

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 23 of 94

Line No.	Description	(1) Reference	(2) FPFTY Expenses	(3) (Lead)/Lag Days	(4) Dollar-Days
1	<u>Working Capital Requirement</u>				
2					
3	Revenue Lag Days			43.17	
4					
5	<u>Expense Lag</u>				
6	Payroll (Dist Only)		\$42,209	13.67	\$576,862
7	Pension Expense		2,513	14.00	35,189
8	Commodity Purchased - Gas		226,710	36.51	8,277,801
9	Payment to Suppliers		63,454	56.21	3,566,661
10	Other Expenses		97,082	37.54	3,644,467
11	Total O&M and POR Payments	SUM L6 to L10	<u>\$431,970</u>		<u>\$16,100,980</u>
12					
13	O&M Expense / POR Payment Lag Days			37.27	
14					
15	Net (Lead)/Lag Days	L3 - L13		5.90	
16					
17	Days in Current Year			365	
18					
19	Operating Expenses Per Day		<u>\$1,183</u>		
20					
21	Working Capital for O&M Expense		\$6,981		
22					
23	Average Prepayments		\$2,048		
24	Accrued Taxes		189		
25	Interest Payments		(5,995)		
26					
27	Total Working Capital Requirement	SUM L21 to L25	<u>\$3,223</u>		
28					
29	Pro Forma O&M Expense		\$371,101		
30	Uncollectible Expense		2,585		
31	Pro Forma Cash O&M Expense	L29 - L30	<u>\$368,515</u>		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Revenue Lag

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 24 of 94

		(1)	(2)	(3)	(4)	(5)
Line No.	Description	Reference	Accounts Receivable Balance End of Month	Total Monthly Billing Revenue	A/R Turnover	Days Lag
1	Annual Number of Days					<u>365</u>
2						
3	June		\$27,736			
4	July		20,955	\$22,224		
5	August		19,005	21,474		
6	September		19,937	21,471		
7	October		21,226	31,084		
8	November		41,040	76,374		
9	December		67,763	87,198		
10	January		78,104	94,392		
11	February		83,350	85,788		
12	March		68,163	60,942		
13	April		57,130	48,084		
14	May		47,672	33,795		
15	June		<u>31,354</u>	<u>24,695</u>		
16						
17	Total	SUM L3 to L15	<u>\$583,434</u>	<u>\$607,520</u>		
18						
19	Average A/R Balance		<u>13</u>			
20						
21	Factor		<u>\$44,880</u>	<u>\$607,520</u>	13.54	26.96
22						
23	Collection Days Lag					26.96
24						
25	Billing and Revenue Recording Days Lag					1.00
26						
27	Billing Lag (Average Period)	365 / 12. * 0.5				<u>15.21</u>
28						
29	Total Revenue Lag Days	L23 + L25 + L27				<u><u>43.17</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 O + M Lag for CWC

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 25 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Description	Reference	Payment Date	Mid-point of Service Period	Expense Amount	(Lead)/Lag Days	Dollar Days
1	PAYROLL	Union & Non-Union Payroll				\$41,490		
2		Paid Twice Per Month					13.67	
3		Weighted Payroll Dollar Value						\$567,026
4								
5		Payroll Lag	SUM L1 to L3			41,490	13.67	\$567,026
6								
7	PENSION PAYMENTS	First Payment						
8		Second Payment						
9		Third Payment						
10		Fourth Payment						
11		Final Payment		1/15/2022	1/1/2022	\$12,954	14.00	\$181,356
12								
13		Sub-Total	SUM L7 to L11			\$12,954		\$181,356
14								
15		Lag Days for Pension Payment					14.00	
16								
17	PURCHASE COMMODITY COSTS	Payment Lag - Payment to Suppliers						56.21
18								
19	OTHER O & M EXPENSES	July				\$10,661		\$438,696
20		October				9,360		349,717
21		January				10,245		411,297
22		April				21,044		726,465
23								
24		TOTAL	SUM L19 to L22			\$51,310	37.54	\$1,926,175

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 General Disbursements Lag

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 26 of 94

			(1)	(2)	(3)	(4)
Line No.	Months	Description	Number of CDs	Cash Disbursements	Dollar-Days	Expense Lag Days
1	July	Total Disbursements for Month	23,745	\$189,031		
2		Total Disbursements for Expenses	755	\$10,661	\$438,696	41.15
3						
4	October	Total Disbursements for Month	29,083	\$131,658		
5		Total Disbursements for Expenses	829	\$9,360	\$349,717	37.36
6						
7	January	Total Disbursements for Month	23,441	\$119,715		
8		Total Disbursements for Expenses	837	\$10,245	\$411,297	40.15
9						
10	April	Total Disbursements for Month	20,660	\$178,558		
11		Total Disbursements for Expenses	1,378	\$21,044	\$726,465	34.52
12	<u>TOTAL FOUR TEST MONTHS</u>					
13						
14	Total Test Month Expense Disbursement		3,799	\$51,310	\$1,926,175	37.54

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Tax Expense Lag Dollars

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 27 of 94

			(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Tax	Description	Payment Date	Mid Point Date	Lead/(Lag) Payment Days	Total Payment Amount	Payment Percentage	Payment Amount	Weighted Dollar Days
1	FEDERAL INCOME TAX	First Payment	9/15/2021	1/1/2022	108	\$2,117	25.00%	\$529	\$57,151
2		Second Payment	12/15/2021	1/1/2022	17	2,117	25.00%	529	8,996
3		Third Payment	4/15/2022	1/1/2022	(104)	2,117	25.00%	529	(55,034)
4		Fourth Payment	6/15/2022	1/1/2022	(165)	2,117	25.00%	529	(87,314)
5		Subtotal FEDERAL INCOME TAX					100.00%	\$2,117	(\$76,202)
6									
7	STATE INCOME TAX	First Payment	9/15/2021	1/1/2022	108	\$6,829	25.00%	\$1,707	\$184,391
8		Second Payment	12/15/2021	1/1/2022	17	6,829	25.00%	1,707	29,025
9		Third Payment	3/15/2022	1/1/2022	(73)	6,829	25.00%	1,707	(124,635)
10		Fourth Payment	6/15/2022	1/1/2022	(165)	6,829	25.00%	1,707	(281,709)
11		Subtotal STATE INCOME TAX					100.00%	\$6,829	(\$192,928)
12									
13	PURTA	First Payment	5/2/2022	1/1/2022	(121)	\$2,050	100.00%	\$2,050	(\$248,010)
14		Subtotal PURTA					100.00%	\$2,050	(\$248,010)
15									
16	PA CAPITAL STOCK TAX	First Payment							
17		Second Payment							
18		Third Payment							
19		Fourth Payment							
20		Subtotal PA CAPITAL STOCK TAX							
21									
22	PA PROPERTY TAX	First Payment	12/4/2021	1/1/2022	28	\$1,568	100.00%	1,568	43,903
23		Second Payment							
24		Subtotal PA PROPERTY TAX					100.00%	1,568	43,903
25									
26	GROSS RECEIPTS TAX	First Payment							
27		Subtotal GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Tax Expense Net Lag Days

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 28 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Total Payment Amount	Weighted Dollar Days	Payment Lead/(Lag) Days	Revenue Lag Days	Net Payment Lead/(Lag) Days	Net Payment Lead/(Lag) Dollars Days	Average Daily Amount for Working Capital
1	FEDERAL INCOME TAX	\$2,117	(\$76,202)	(36.00)	43.17	7.17	\$15,181	\$42
2	STATE INCOME TAX	\$6,829	(\$192,928)	(28.25)	43.17	14.92	\$101,908	\$279
3	PURTA	\$2,050	(\$248,010)	(121.00)	43.17	(77.83)	(\$159,522)	(\$437)
4	PA CAPITAL STOCK TAX							
5	PA PROPERTY TAX	\$1,568	\$43,903	28.00	43.17	71.17	\$111,596	\$306
6	GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Interest Payments

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 29 of 94

		(1)	(2)
Line No.	Description	Reference	Jurisdictional
1	Measures of Value at End of Test Year		\$2,461,939
2	Long-Term Debt Ratio		46.62%
3	Embedded Cost of Long-Term Debt		3.97%
4	Pro Forma Interest Expense	L1 * L2 * L3	\$45,514
5	Days in Current Year		365
6	Daily Amount	L4 / L5	\$125
7	Days to Mid-Point of Interest Payments	L5 / 4	91.25
8	Less: Revenue Lag Days		43.17
9	Interest Payment Lag Days	L8 - L7	(48.08)
10	Total Interest for Working Capital	L6 * L9	(5,995)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Prepayments

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 30 of 94

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Line No.	Description	Reference	AGA Membership Dues	EAP Membership Dues	NGA Membership Dues	PUC Assessment Gas	Maintenance	IT License & Maintenance	Prepaid Rent	VEBA Adjust	Facilities Contracts	IT License & Maintenance	Fleet Activities	IT License & Maintenance	Customer Experience	Postage	Total Prepayment
1	June		\$195	\$20		\$1,299	\$15	(\$0)	\$48	\$389	\$104	\$797	\$336	\$1,257	\$196	\$667	
2	July		163		(14)	1,120	15	490	32	389	77	728	341	\$1,321	186	552	
3	August		130		(14)	941	15	441	51	389	50	601	289	\$1,078	143	599	
4	September		98			1,301	15	500	86	(0)	23	488	237	\$836	100	719	
5	October		98	(20)	(9)	1,156	15	437	70	(0)	(4)	792	298	\$594	56	537	
6	November		33	10	5	1,012	15	364	90	(0)	(31)	680	323	\$759	46	659	
7	December		1	(1)		867	15	297	74	135	0	339	337	\$516	17	595	
8	January		371	114		723	15	201	58	135	175	441	339	\$586	258	743	
9	February		337	104		578	15	134	77	135	159	397	339	\$382	226	588	
10	March		303	93	41	434	10	67	54	120	143	376	359	\$185	218	698	
11	April		270	83	37	289	10	22	38	120	127	444	364	\$645	209	618	
12	May		236	73	32	144	10	729	57	120	111	355	354	\$467	168	808	
13	June		202	62	28	0	10	662	41	1,174	95	306	356	\$620	148	720	
14																	
15	Total	SUM L1 to L13	\$2,436	\$538	\$105	\$9,864	\$173	\$4,346	\$776	\$3,105	\$1,027	\$6,744	\$4,272	\$9,247	\$1,972	\$8,503	
16																	
17	Distribution Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	23.03%	23.03%	23.03%	23.03%	24.84%	24.84%	24.84%	
18																	
19	Distribution Amount	L15 * L17	\$2,436	\$538	\$105	\$9,864	\$173	\$4,346	\$776	\$715	\$237	\$1,553	\$984	\$2,297	\$490	\$2,112	
20																	
21	Number of Months	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
22																	
23	Monthly Average	L19 / L21	\$187	\$41	\$8	\$759	\$13	\$334	\$60	\$55	\$18	\$119	\$76	\$177	\$38	\$162	
24																	
25	Rate Case Amount																\$2,048

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-4 Energy Lag

Exhibit MJT-1
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 31 of 94

		(1)	(2)	(3)
Line No.	Description	Shopping Percentage	Weighted Lag Days	Lag Days
1	Residential	72%		40.00
2	Nonresidential	28%		40.00
3	Weighted Payment Lag Days		40.00	
4				
5	Billing and Revenue Days Lag			1.00
6	Billing Lag (Average Period)			15.21
7	Total Payment Lag Days			56.21

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-5 Pension

Exhibit MJT-1
 Schedule C-5
 Witness: Michael J. Trzaska
 Page 32 of 94

(1) (2)

Line No.	Description	Reference	Pension Asset
1	Balance at End of HTY - Total		\$378,708
2	Activities in FTY - Total		8,544
3	Activities in FPFTY - Total		9,160
4	Balance at End of FPFTY - Total		<u>\$396,412</u>
5	Allocation % to Utility		21.25%
6	Utility Amount	L4 * L5	\$84,231
7	Allocation % to Distribution Capital		41.62%
8	Balance at End of FPFTY - Distribution Capital	L6 * L7	<u><u>\$35,059</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-6 ADIT - A/C #282

Exhibit MJT-1
 Schedule C-6
 Witness: Michael J. Trzaska
 Page 33 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - CIAC		(\$10,667)	100.00%	(\$10,667)	100.00%	(\$10,667)
2		ADIT - Common Plant		6,582	100.00%	6,582	100.00%	6,582
3		ADIT - Gas Distribution		242,089	100.00%	242,089	100.00%	242,089
4		Sub-Total	SUM L1 to L3	\$238,004		\$238,004		\$238,004
5								
6	FTY	DIT - CIAC		(\$1,771)	100.00%	(\$1,771)	100.00%	(\$1,771)
7		DIT - Common Plant			100.00%		100.00%	
8		DIT - Gas Distribution		7,816	100.00%	7,816	100.00%	7,816
9		Sub-Total	SUM L6 to L8	\$6,046		\$6,046		\$6,046
10								
11	FPFTY	DIT - CIAC		(\$1,994)	100.00%	(\$1,994)	100.00%	(\$1,994)
12		DIT - Common Plant			100.00%		100.00%	
13		DIT - Gas Distribution		5,564	100.00%	5,564	100.00%	5,564
14		Sub-Total	SUM L11 to L13	\$3,570		\$3,570		\$3,570
15								
16		Total	L4 + L9 + L14	\$247,620		\$247,620		\$247,620

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-7 Customer Deposits

Exhibit MJT-1
 Schedule C-7
 Witness: Michael J. Trzaska
 Page 34 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	Residential	Non-Residential	Total
1	June		\$4,674	\$8,369	\$13,043
2	July		4,665	8,323	12,988
3	August		4,705	8,359	13,064
4	September		4,721	8,273	12,994
5	October		4,764	8,269	13,033
6	November		4,743	8,286	13,029
7	December		4,739	8,319	13,058
8	January		4,766	9,268	14,034
9	February		4,765	9,250	14,014
10	March		4,769	9,296	14,065
11	April		4,713	9,203	13,916
12	May		4,632	9,079	13,711
13	June		4,540	8,948	13,488
14					
15	Total	SUM L1 to L13	\$61,196	\$113,242	\$174,438
16					
17	Average Monthly Balance	L15 / 13	\$4,707	\$8,711	\$13,418
18					
19	<u>HTY Deposits by Customer Classification</u>				
20	Residential				\$4,707
21	Small C&I				8,388
22	Large C&I				323
23	Transportation				
24					
25	Total	SUM L20 to L23			\$13,418

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-8 Common Plant

Exhibit MJT-1
 Schedule C-8
 Witness: Michael J. Trzaska
 Page 35 of 94

		(1)	(2)
Line No.	Description	Reference	PECO - Total
1	Common Plant in Service:		
2			
3	Land		\$7,057
4	Organization		677
5	Software		365,156
6	General Plant		734,696
7	Other		(0)
8	Subtotal	SUM L3 to L7	\$1,107,586
9			
10	Common Plant Accumulated Depreciation:		
11			
12	Land		
13	Organization		
14	Software		\$280,592
15	General Plant		233,117
16	Other		0
17	Subtotal	SUM L12 to L16	\$513,709
18			
19	Net Common Plant	L8 - L17	\$593,877
20			
21	Allocation Factor		23.030%
22			
23	Common Plant in Service to Utility	L8 * L21	\$255,077
24	Common Plant Accumulated Depreciation to Utility	L17 * L21	118,307
25	Net Common Plant to Utility	L23 - L24	\$136,770

C-9 Customer Advances For Construction

(1)

Line No.	Description	Total FPFTY Amount
1	<u>HTY 13-Month Average</u>	
2	June	\$1,243
3	July	1,254
4	August	1,420
5	September	1,429
6	October	1,901
7	November	1,879
8	December	1,082
9	January	1,319
10	February	1,355
11	March	1,198
12	April	1,228
13	May	1,032
14	June	1,004
15		
16	13-Month Total	<u>\$17,343</u>
17		
18		
19	Average Monthly Balance	<u>\$1,334</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-11 Materials and Supplies

Exhibit MJT-1
 Schedule C-11
 Witness: Michael J. Trzaska
 Page 37 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	Materials & Supplies	Undistributed Stores Expense	Total
1	HTY 13-Month Average				
2	June		\$599	(\$0)	\$599
3	July		601	(482)	119
4	August		611	(527)	84
5	September		602	(0)	602
6	October		595	(670)	(76)
7	November		590	(664)	(74)
8	December		592	(0)	592
9	January		443	107	549
10	February		434	151	585
11	March		453	(0)	453
12	April		461	(6)	455
13	May		434	(32)	401
14	June		436		436
15					
16	Total	SUM L2 to L14	\$6,850	(\$2,125)	\$4,725
17					
18	Distribution Expense Allocation Factor		100.00%	23.03%	
19					
20	Allocation to Distribution	L16 * L18	\$6,850	(\$489)	
21					
22	Average Monthly Balance	L20 / 13	\$527	(\$38)	\$489

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-12 ADIT - Reg Liability

Exhibit MJT-1
 Schedule C-12
 Witness: Michael J. Trzaska
 Page 38 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - Distribution		\$136,680	100.00%	\$136,680	100.00%	\$136,680
2		ADIT - CIAC		(3,547)	100.00%	(3,547)	100.00%	(3,547)
3		Subtotal HTY	L1 + L2	133,133		133,133		133,133
4								
5	FTY	DIT - Distribution		(\$5,780)	100.00%	(\$5,780)	100.00%	(\$5,780)
6		DIT - CIAC		1,085	100.00%	1,085	100.00%	1,085
7		Subtotal FTY	L5 + L6	(4,695)		(4,695)		(4,695)
8								
9	FPFTY	DIT - Distribution		(\$3,100)	100.00%	(\$3,100)	100.00%	(\$3,100)
10		DIT - CIAC		985	100.00%	985	100.00%	985
11		Subtotal FPFTY	L9 + L10	(2,115)		(2,115)		(2,115)
12								
13		Total	L3 + L7 + L11	\$126,322		\$126,322		\$126,322

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 C-13 Gas Storage

Exhibit MJT-1
 Schedule C-13
 Witness: Michael J. Trzaska
 Page 39 of 94

	(1)	(2)	(3)	(4)	(5)	
Line No.	Description	Reference	Stored Underground	LNG	Propane Gas	Total
1	June		\$21,180	\$3,563	\$1,653	\$26,395
2	July		25,468	4,096	1,653	31,217
3	August		29,678	4,533	1,653	35,864
4	September		34,092	4,486	1,653	40,231
5	October		38,278	4,434	1,653	44,365
6	November		37,131	4,383	1,653	43,166
7	December		30,932	4,349	1,629	36,910
8	January		23,880	4,271	1,629	29,780
9	February		17,295	4,209	1,629	23,132
10	March		15,107	4,151	1,629	20,887
11	April		14,413	4,101	1,629	20,142
12	May		17,455	4,052	1,629	23,137
13	June		20,461	3,997	1,629	26,087
14						
15	Total	SUM L1 to L13	<u>\$325,370</u>	<u>\$54,624</u>	<u>\$21,318</u>	<u>\$401,312</u>
16						
17	Average Monthly Balance	L15 / 13	<u>\$25,028</u>	<u>\$4,202</u>	<u>\$1,640</u>	<u>\$30,870</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-1 Present and Proposed Rates

Exhibit MJT-1
 Schedule D-1
 Witness: Michael J. Trzaska
 Page 40 of 94

Line No.	Category	Description	Reference	(1) Pro Forma Adjusted at Present Rates	(2) Proposed Rate Increase	(3) Adjusted Amounts with Proposed Rate Increase	(4)
1	Operating Revenues	Residential		\$400,569		\$400,569	
2		C & I		161,453		161,453	
3		Interdepartmental					
4		Sales for Resale					
5		Forfeited Discounts		838	88	926	
6		Miscellaneous Service Revenues					
7		Rent For Electric Property					
8		Other Gas Revenues		691		691	
9		Transportation of Gas of Others		26,229		26,229	
10		Revenue Increase			68,723	68,723	
11		Subtotal Operating Revenues	SUM L1 to L10	\$589,780	\$68,812	\$658,591	
12							
13	Operating Expenses	Manufactured Gas Production		\$266		\$266	
14		Storage Operations Expense		1,065		1,065	
15		Storage Maintenance Expense		4,414		4,414	
16		Underground Storage Expenses					
17		Other Gas Supply		226,710		226,710	
18		Distribution Expense		64,999		64,999	
19		Total Customer Accounts		19,658	239	19,897	
20		Total Customer Service & Information		8,550		8,550	
21		Total Sales		2,810		2,810	
22		Administrative & General		42,628	212	42,840	
23		O&M Expense	SUM L13 to L22	\$371,101	\$450	\$371,551	
24							
25		Depreciation & Amortization Expense		\$86,146		\$86,146	
26		Amortization of Regulatory Expense		2,812		2,812	
27		Taxes Other Than Income Taxes - Other		7,545		7,545	
28		Subtotal Operating Expenses	SUM L26 to L30	\$467,605	\$450	\$468,055	
29							
30	Net Operating Income - BIT		L11 - L28	\$122,175	\$68,361	\$190,536	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-2 Adjusted Present Rates

Exhibit MJT-1
 Schedule D-2
 Witness: Michael J. Trzaska
 Page 41 of 94

Line No.	Category	Description	(1) FPFTY Amount Pre Adjustments	(2) Adjustments Sub-Total	(3) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	\$399,317	\$1,252	\$400,569
2		C & I	161,450	3	161,453
3		Interdepartmental			
4		Sales for Resale	3,223	(3,223)	
5		Forfeited Discounts	838		838
6		Miscellaneous Service Revenues			
7		Rent For Electric Property			
8		Other Gas Revenues	691		691
9		Transportation of Gas of Others	26,229		26,229
10		Revenue Increase			
11		Subtotal Operating Revenues	\$591,747	(\$1,967)	\$589,780
12					
13	Operating Expenses	Manufactured Gas Production	\$263	\$3	\$266
14		Storage Operations Expense	1,056	9	1,065
15		Storage Maintenance Expense	4,386	29	4,414
16		Underground Storage Expenses			
17		Other Gas Supply	228,998	(2,287)	226,710
18		Distribution Expense	64,567	432	64,999
19		Total Customer Accounts	18,552	1,106	19,658
20		Total Customer Service & Information	5,555	2,996	8,550
21		Total Sales	2,803	7	2,810
22		Administrative & General	39,186	3,442	42,628
23		O&M Expense	\$365,365	\$5,736	\$371,101
24					
25		Depreciation & Amortization Expense	\$80,695	\$5,451	\$86,146
26		Amortization of Regulatory Expense	2,652	160	2,812
27		Taxes Other Than Income Taxes - Other	7,481	64	7,545
28		Subtotal Operating Expenses	\$456,194	\$11,411	\$467,605
29					
30	Net Operating Income - BIT		\$135,553	(\$13,379)	\$122,175

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(1) FPFTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
1	Operating Revenues	Residential	Gas Cost	\$167,080						
2			Cust & Dist	232,236	1,052	(40)	241			
3			Subtotal Residential	\$399,317	\$1,052	(\$40)	\$241			
4										
5		C & I	Gas Cost	\$59,819						(\$190)
6			Cust & Dist	101,631	108		120			(35)
7			Subtotal C & I	\$161,450	\$108		\$120			(\$225)
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale	\$3,223						(\$3,223)
13			Subtotal Sales for Resale	\$3,223						(\$3,223)
14										
15		Forfeited Discounts	Forfeited Discounts	\$838						
16			Subtotal Forfeited Discounts	\$838						
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues	\$691						
25			Subtotal Other Gas Revenues	\$691						
26										
27		Transportation of Gas of Others	Transportation of Gas of Others	\$26,229						
28			Subtotal Transportation of Gas of Others	\$26,229						
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues	\$591,747	\$1,160	(\$40)	\$361		(\$3,223)	(\$225)
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production	\$0						
36			Liquefied Petroleum Gas Expenses	79						
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements	53						
39			Maintenance of Production Equipment	131						
40			Subtotal Manufactured Gas Production	\$263						
41										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Exhibit MJT-1
 Schedule D-3
 Witness: Michael J. Trzaska
 Page 43 of 94

Line No.	Category	Description	Description	(1) FPFTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
42		Other Gas Supply	Natural Gas City Gate Purchases	\$228,998					(\$2,098)	(\$190)
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply	\$228,998					(\$2,098)	(\$190)
50										
51		Storage Maintenance Expense	Maintenance Supervision and Engineering	\$1,042						
52			Maintenance of Structures and Improvements	3,344						
53			Subtotal Storage Maintenance Expense	\$4,386						
54										
55		Storage Operations Expense	Operating Supervision and Engineering	\$250						
56			Operation Labor and Expenses	806						
57			Subtotal Storage Operations Expense	\$1,056						
58										
59		Underground Storage Expenses	Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62		Distribution Expense	Operation Supervision and Engineering	\$1,094						
63			Mains and Services Expenses	16,860						
64			Measuring and Regulating Station Expenses-General	1,023						
65			Measuring and Regulating Station Expenses-City Gate	1						
66			Meter and House Regulator Expenses	5,958						
67			Customer Installations Expenses	5,095						
68			Other Expenses	13,434						
69			Rents	32						
70			Maintenance of Mains	17,341						
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	1,006						
72			Maintenance of Services	1,433						
73			Maintenance of Meters & House Regulators	413						
74			Maintenance of Other Equipment	877						
75			Subtotal Distribution Expense	\$64,567						
76										
77		Total Customer Accounts	Customer Records and Collection	\$14,622						
78			Meter Reading	199						
79			Miscellaneous Customer Accounts	1,013						
80			Uncollectible Accounts	2,718						
81			Subtotal Total Customer Accounts	\$18,552						
82										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Exhibit MJT-1
 Schedule D-3
 Witness: Michael J. Trzaska
 Page 44 of 94

				(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Category	Description	Description	FPFTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization - Margin Adjustment Expense	D-5I IS Revenue Adjustment
83		Total Customer Service & Information	Customer Assistance	\$5,246						
84			Informational & Instructional	309						
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$5,555						
87										
88		Total Sales	Demonstrating & Selling	\$2,803						
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$2,803						
91										
92		Administrative & General	Administrative and General Salaries	\$9,135						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits	7,719						
96			Franchise Requirements	271						
97			Injuries and Damages							
98			Maintenance of General Plant	1,219						
99			Miscellaneous General Expenses	545						
100			Office Supplies and Expenses	1,454						
101			Outside Service Employed	16,571						
102			Property Insurance	75						
103			Regulatory Commission Expenses	2,197						
104			Subtotal Administrative & General	\$39,186						
105										
106			O&M Expense	\$365,365					(\$2,098)	(\$190)
107										
108		Depreciation & Amortization Expense	Depreciation & Amortization Expense	\$80,695						
109			Subtotal Depreciation & Amortization Expense	\$80,695						
110										
111		Amortization of Regulatory Expense	Amortization of Regulatory Expense	\$2,652						
112			Subtotal Amortization of Regulatory Expense	\$2,652						
113										
114		Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other	\$7,481						
115			Subtotal Taxes Other Than Income Taxes - Other	\$7,481						
116										
117			Total Operating Expenses	\$456,194					(\$2,098)	(\$190)
118										
119		Net Operating Income Before Income Tax		\$135,553	\$1,160	(\$40)	\$361		(\$1,125)	(\$35)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest
1	Operating Revenues	Residential	Gas Cost							
2			Cust & Dist							
3			Subtotal Residential							
4										
5		C & I	Gas Cost							
6			Cust & Dist							
7			Subtotal C & I							
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale							
13			Subtotal Sales for Resale							
14										
15		Forfeited Discounts	Forfeited Discounts							
16			Subtotal Forfeited Discounts							
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							
25			Subtotal Other Gas Revenues							
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							
28			Subtotal Transportation of Gas of Others							
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues							
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							
36			Liquefied Petroleum Gas Expenses		1					
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements		1					
39			Maintenance of Production Equipment		1					
40			Subtotal Manufactured Gas Production		\$3					
41										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

				(8)	(9)	(10)	(11)	(12)	(13)	(14)		
Line No.	Category	Description	Description	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest		
42		Other Gas Supply	Natural Gas City Gate Purchases									
43			Other Gas Purchases									
44			Purchases Gas Cost Adjustments									
45			Purchased Gas Expenses									
46			Gas Withdrawn from Storage-Debit									
47			Gas Delivered to Storage-Credit									
48			Other Gas Supply Purchases									
49			Subtotal Other Gas Supply									
50												
51		Storage Maintenance Expense	Maintenance Supervision and Engineering	\$8								
52			Maintenance of Structures and Improvements	20								
53			Subtotal Storage Maintenance Expense	\$29								
54												
55		Storage Operations Expense	Operating Supervision and Engineering	\$2								
56			Operation Labor and Expenses	7								
57			Subtotal Storage Operations Expense	\$9								
58												
59		Underground Storage Expenses	Other Expenses									
60			Subtotal Underground Storage Expenses									
61												
62		Distribution Expense	Operation Supervision and Engineering	\$0								
63			Mains and Services Expenses	\$99								
64			Measuring and Regulating Station Expenses-General	\$12								
65			Measuring and Regulating Station Expenses-City Gate									
66			Meter and House Regulator Expenses	\$21								
67			Customer Installations Expenses	\$62								
68			Other Expenses	\$46								
69			Rents									
70			Maintenance of Mains	\$164								
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	\$8								
72			Maintenance of Services	\$12								
73			Maintenance of Meters & House Regulators	\$5								
74			Maintenance of Other Equipment	\$2								
75			Subtotal Distribution Expense	\$432								
76												
77		Total Customer Accounts	Customer Records and Collection	\$101								
78			Meter Reading									
79			Miscellaneous Customer Accounts	\$5						381		
80			Uncollectible Accounts					(132)				
81			Subtotal Total Customer Accounts	\$106							(132)	\$381
82												

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Exhibit MJT-1
 Schedule D-3
 Witness: Michael J. Trzaska
 Page 47 of 94

				(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Category	Description	Description	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest
83		Total Customer Service & Information	Customer Assistance	\$4					\$2,992	
84			Informational & Instructional							
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$4					\$2,992	
87										
88		Total Sales	Demonstrating & Selling	\$7						
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$7						
91										
92		Administrative & General	Administrative and General Salaries	\$126						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits			11	2,410			
96			Franchise Requirements							
97			Injuries and Damages	\$2						
98			Maintenance of General Plant	\$3						
99			Miscellaneous General Expenses							
100			Office Supplies and Expenses							
101			Outside Service Employed							
102			Property Insurance							
103			Regulatory Commission Expenses		520					
104			Subtotal Administrative & General	\$131	\$520	\$11	\$2,410			
105										
106			O&M Expense	\$720	\$520	\$11	\$2,410	(\$132)	\$2,992	\$381
107										
108		Depreciation & Amortization Expense	Depreciation & Amortization Expense							
109			Subtotal Depreciation & Amortization Expense							
110										
111		Amortization of Regulatory Expense	Amortization of Regulatory Expense							
112			Subtotal Amortization of Regulatory Expense							
113										
114		Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other							
115			Subtotal Taxes Other Than Income Taxes - Other							
116										
117			Total Operating Expenses	\$720	\$520	\$11	\$2,410	(\$132)	\$2,992	\$381
118										
119		Net Operating Income Before Income Tax		(\$720)	(\$520)	(\$11)	(\$2,410)	\$132	(\$2,992)	(\$381)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Line No.	Category	Description	Description	(15)	(16)	(17)	(18)	(19)	(20)	(21)
				D-13 MGP Recovery	D-14 Regulatory Initiative Cost Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income	D-17 Depreciation Annualization	Adjustments Sub-total	Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	Gas Cost							\$167,080
2			Cust & Dist						1,252	233,489
3			Subtotal Residential						\$1,252	\$400,569
4										
5		C & I	Gas Cost						(\$190)	\$59,630
6			Cust & Dist						193	101,824
7			Subtotal C & I						\$3	\$161,453
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale						(\$3,223)	
13			Subtotal Sales for Resale						(\$3,223)	
14										
15		Forfeited Discounts	Forfeited Discounts							\$838
16			Subtotal Forfeited Discounts							\$838
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							\$691
25			Subtotal Other Gas Revenues							\$691
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							\$26,229
28			Subtotal Transportation of Gas of Others							\$26,229
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues						(\$1,967)	\$589,780
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							\$0
36			Liquefied Petroleum Gas Expenses						\$1	80
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements						\$1	53
39			Maintenance of Production Equipment						\$1	133
40			Subtotal Manufactured Gas Production						\$3	\$266
41										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Exhibit MJT-1
 Schedule D-3
 Witness: Michael J. Trzaska
 Page 49 of 94

Line No.	Category	Description	Description	(15) D-13 MGP Recovery	(16) D-14 Regulatory Initiative Cost Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
42		Other Gas Supply	Natural Gas City Gate Purchases							\$226,710
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply						(\$2,287)	\$226,710
50										
51		Storage Maintenance Expense	Maintenance Supervision and Engineering						\$8	\$1,050
52			Maintenance of Structures and Improvements						\$20	3,364
53			Subtotal Storage Maintenance Expense						\$29	\$4,414
54										
55		Storage Operations Expense	Operating Supervision and Engineering						\$2	\$252
56			Operation Labor and Expenses						\$7	812
57			Subtotal Storage Operations Expense						\$9	\$1,065
58										
59		Underground Storage Expenses	Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62		Distribution Expense	Operation Supervision and Engineering						\$0	\$1,094
63			Mains and Services Expenses						\$99	16,959
64			Measuring and Regulating Station Expenses-General						\$12	1,036
65			Measuring and Regulating Station Expenses-City Gate							1
66			Meter and House Regulator Expenses						\$21	5,979
67			Customer Installations Expenses						\$62	5,158
68			Other Expenses						\$46	13,480
69			Rents							32
70			Maintenance of Mains						\$164	17,505
71			Maintenance of Measuring & Reg. Station Equip.-Genl.						\$8	1,014
72			Maintenance of Services						\$12	1,445
73			Maintenance of Meters & House Regulators						\$5	418
74			Maintenance of Other Equipment						\$2	879
75			Subtotal Distribution Expense						\$432	\$64,999
76										
77		Total Customer Accounts	Customer Records and Collection						\$101	\$14,723
78			Meter Reading							199
79			Miscellaneous Customer Accounts		753				\$1,138	2,152
80			Uncollectible Accounts						(\$132)	2,585
81			Subtotal Total Customer Accounts		\$753				\$1,106	\$19,658
82										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-3 Adj.'s to Net Operating Income

Exhibit MJT-1
 Schedule D-3
 Witness: Michael J. Trzaska
 Page 50 of 94

Line No.	Category	Description	Description	(15) D-13 MGP Recovery	(16) D-14 Regulatory Initiative Cost Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
83		Total Customer Service & Information	Customer Assistance						\$2,996	\$8,242
84			Informational & Instructional							309
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information						\$2,996	\$8,550
87										
88		Total Sales	Demonstrating & Selling						\$7	\$2,810
89			Miscellaneous Sales							
90			Subtotal Total Sales						\$7	\$2,810
91										
92		Administrative & General	Administrative and General Salaries						\$126	\$9,261
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits						\$2,421	10,139
96			Franchise Requirements							271
97			Injuries and Damages						\$2	2
98			Maintenance of General Plant						\$3	1,222
99			Miscellaneous General Expenses							545
100			Office Supplies and Expenses							1,454
101			Outside Service Employed			370			\$370	16,942
102			Property Insurance							75
103			Regulatory Commission Expenses						\$520	2,717
104			Subtotal Administrative & General			\$370			\$3,442	\$42,628
105										
106			O&M Expense			\$753	\$370		\$5,736	\$371,101
107										
108		Depreciation & Amortization Expense	Depreciation & Amortization Expense					\$5,451	\$5,451	\$86,146
109			Subtotal Depreciation & Amortization Expense					\$5,451	\$5,451	\$86,146
110										
111		Amortization of Regulatory Expense	Amortization of Regulatory Expense	\$160					\$160	\$2,812
112			Subtotal Amortization of Regulatory Expense	\$160					\$160	\$2,812
113										
114		Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other				\$64		\$64	\$7,545
115			Subtotal Taxes Other Than Income Taxes - Other				\$64		\$64	\$7,545
116										
117			Total Operating Expenses	\$160	\$753	\$370	\$64	\$5,451	\$11,411	\$467,605
118										
119		Net Operating Income Before Income Tax		(\$160)	(\$753)	(\$370)	(\$64)	(\$5,451)	(\$13,379)	\$122,175

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(1) FPPTY Amount Pre Adjustments	(2) D-5H Asset Optimization - Margin Adjustment	(3) D-5I IS Expense	(4) D-6 Salary & Wages	(5) D-7 Rate Case Expense	(6) D-8 Adjustments for Employee Benefits	(7) D-9 Adjustments for Pension
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.	\$0						
2			717.0 Liquefied Petroleum Gas Expenses.	79			1			
3			741.0 Maintenance Of Structures And Improvements.	53			1			
4			742.0 Maintenance Of Production Equipment.	131			1			
5			Subtotal	\$263			\$3			
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.							
8			Subtotal							
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.	\$228,998	(\$2,098)	(\$190)				
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.							
13			807.0 Purchased Gas Expenses.							
14			808.1 Gas Withdrawn From Storage-Debit.							
15			808.2 Gas Delivered To Storage-Credit.							
16			813.0 Other Gas Supply Expenses.							
17			Subtotal	\$228,998	(\$2,098)	(\$190)				
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.	\$250			\$2			
23			841.0 Operation Labor And Expenses.	806			7			
24			Subtotal	\$1,056			\$9			
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.	\$1,042			\$8			
27			843.2 Maintenance Of Structures And Improvements.	3,344			20			
28			Subtotal	\$4,386			\$29			
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.	\$1,094			\$0			
31			874.0 Mains And Services Expenses.	16,860			99			
32			875.0 Measuring And Regulating Station Expenses--General.	1,023			12			
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.	1						
34			878.0 Meter And House Regulator Expenses.	5,958			21			
35			879.0 Customer Installations Expenses.	5,095			62			
36			880.0 Other Expenses.	13,434			46			
37			881.0 Rents.	32						
38			Subtotal	\$43,497			\$240			
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.	\$17,341			\$164			
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	1,006			8			
42			892.0 Maintenance Of Services.	1,433			12			
43			893.0 Maintenance Of Meters And House Regulators.	413			5			
44			894.0 Maintenance Of Other Equipment.	877			2			
45			Subtotal	\$21,070			\$192			
46										
47			Distribution Expense Subtotal	\$64,567			\$432			

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

				(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Category	Description	Account	FPPTY Amount Pre Adjustments	D-5H Asset Optimization - Margin Adjustment	D-5I IS Expense	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension
48										
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.	\$199						
50			903.0 Customer Records And Collection Expenses.	14,622			101			
51			904.0 Uncollectible Accounts.	2,718						
52			905.0 Miscellaneous Customer Accounts Expenses.	1,013			5			
53										
54			Subtotal	\$18,552			\$106			
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses	\$5,246			\$4			
57			909.0 Informational And Instructional Advertising Expenses.	309						
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal	\$5,555			\$4			
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.	\$2,803			\$7			
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal	\$2,803			\$7			
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.	\$9,135			\$126			
66			921.0 Office Supplies And Expenses.	1,454						
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.	16,571						
69			924.0 Property Insurance.	75						
70			925.0 Injuries And Damages.	271			2			
71			926.0 Employee Pensions And Benefits.	7,719					11	2,410
72			928.0 Regulatory Commission Expenses.	2,197				\$520		
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.	545						
75										
76			Subtotal	\$37,967			\$128	\$520	\$11	\$2,410
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.	\$1,219			\$3			
79			Subtotal	\$1,219			\$3			
80										
81			A&G Expense Sub-total	\$39,186			\$131	\$520	\$11	\$2,410
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$71,048						
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Plant	9,647						
86			Subtotal	\$80,695						
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.	\$2,652						
89			Subtotal	\$2,652						
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.	\$7,481						
92			Subtotal	\$7,481						
93										
94			Total	\$456,194	(\$2,098)	(\$190)	\$720	\$520	\$11	\$2,410

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.							
2			717.0 Liquefied Petroleum Gas Expenses.							
3			741.0 Maintenance Of Structures And Improvements.							
4			742.0 Maintenance Of Production Equipment.							
5			Subtotal							
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.							
8			Subtotal							
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.							
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.							
13			807.0 Purchased Gas Expenses.							
14			808.1 Gas Withdrawn From Storage-Debit.							
15			808.2 Gas Delivered To Storage-Credit.							
16			813.0 Other Gas Supply Expenses.							
17			Subtotal							
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.							
23			841.0 Operation Labor And Expenses.							
24			Subtotal							
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.							
27			843.2 Maintenance Of Structures And Improvements.							
28			Subtotal							
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.							
31			874.0 Mains And Services Expenses.							
32			875.0 Measuring And Regulating Station Expenses--General.							
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.							
34			878.0 Meter And House Regulator Expenses.							
35			879.0 Customer Installations Expenses.							
36			880.0 Other Expenses.							
37			881.0 Rents.							
38			Subtotal							
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.							
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.							
42			892.0 Maintenance Of Services.							
43			893.0 Maintenance Of Meters And House Regulators.							
44			894.0 Maintenance Of Other Equipment.							
45			Subtotal							
46										
47			Distribution Expense Subtotal							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income
48										
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.							
50			903.0 Customer Records And Collection Expenses.							
51			904.0 Uncollectible Accounts.	(132)						
52			905.0 Miscellaneous Customer Accounts Expenses.			381		753		
53										
54			Subtotal	(132)		\$381		\$753		
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$2,992					
57			909.0 Informational And Instructional Advertising Expenses.							
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal		\$2,992					
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.							
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal							
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.							
66			921.0 Office Supplies And Expenses.							
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.						370	
69			924.0 Property Insurance.							
70			925.0 Injuries And Damages.							
71			926.0 Employee Pensions And Benefits.							
72			928.0 Regulatory Commission Expenses.							
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.							
75										
76			Subtotal						\$370	
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.							
79			Subtotal							
80										
81			A&G Expense Sub-total						\$370	
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.							
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Plant							
86			Subtotal							
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.				\$160			
89			Subtotal				\$160			
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.							\$64
92			Subtotal							\$64
93										
94			Total	(132)	\$2,992	\$381	\$160	\$753	\$370	\$64

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub-total	(17) Pro Forma Adjusted at Present Rates
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.			\$0
2			717.0 Liquefied Petroleum Gas Expenses.		1	80
3			741.0 Maintenance Of Structures And Improvements.		1	53
4			742.0 Maintenance Of Production Equipment.		1	133
5			Subtotal		\$3	\$266
6						
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.			
8			Subtotal			
9						
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.		(\$2,287)	\$226,710
11			805.0 Other Gas Purchases.			
12			805.1 Purchased Gas Cost Adjustments.			
13			807.0 Purchased Gas Expenses.			
14			808.1 Gas Withdrawn From Storage-Debit.			
15			808.2 Gas Delivered To Storage-Credit.			
16			813.0 Other Gas Supply Expenses.			
17			Subtotal		(\$2,287)	\$226,710
18						
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.			
20			Subtotal			
21						
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.		\$2	\$252
23			841.0 Operation Labor And Expenses.		7	812
24			Subtotal		\$9	\$1,065
25						
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.		\$8	\$1,050
27			843.2 Maintenance Of Structures And Improvements.		20	3,364
28			Subtotal		\$29	\$4,414
29						
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.		\$0	\$1,094
31			874.0 Mains And Services Expenses.		99	16,959
32			875.0 Measuring And Regulating Station Expenses--General.		12	1,036
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			1
34			878.0 Meter And House Regulator Expenses.		21	5,979
35			879.0 Customer Installations Expenses.		62	5,158
36			880.0 Other Expenses.		46	13,480
37			881.0 Rents.			32
38			Subtotal		\$240	\$43,737
39						
40		Distribution Maintenance	887.0 Maintenance Of Mains.		\$164	\$17,505
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.		8	1,014
42			892.0 Maintenance Of Services.		12	1,445
43			893.0 Maintenance Of Meters And House Regulators.		5	418
44			894.0 Maintenance Of Other Equipment.		2	879
45			Subtotal		\$192	\$21,261
46						
47			Distribution Expense Subtotal		\$432	\$64,999

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub-total	(17) Pro Forma Adjusted at Present Rates
48						
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.			\$199
50			903.0 Customer Records And Collection Expenses.		101	14,723
51			904.0 Uncollectible Accounts.		(132)	2,585
52			905.0 Miscellaneous Customer Accounts Expenses.		1,138	2,152
53						
54			Subtotal		\$1,106	\$19,658
55						
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$2,996	\$8,242
57			909.0 Informational And Instructional Advertising Expenses.			309
58			910.0 Miscellaneous Customer Service And Informational Expenses.			
59			Subtotal		\$2,996	\$8,550
60						
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.		\$7	\$2,810
62			916.0 Miscellaneous Sales Expenses.			
63			Subtotal		\$7	\$2,810
64						
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.		\$126	\$9,261
66			921.0 Office Supplies And Expenses.			1,454
67			922.0 Administrative Expenses Transferred--Credit.			
68			923.0 Outside Services Employed.		370	16,942
69			924.0 Property Insurance.			75
70			925.0 Injuries And Damages.		2	273
71			926.0 Employee Pensions And Benefits.		2,421	10,139
72			928.0 Regulatory Commission Expenses.		520	2,717
73			929.0 Duplicate Charges--Credit.			
74			930.2 Miscellaneous General Expenses.			545
75						
76			Subtotal		\$3,439	\$41,406
77						
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.		\$3	\$1,222
79			Subtotal		\$3	\$1,222
80						
81			A&G Expense Sub-total		\$3,442	\$42,628
82						
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$4,765	\$4,765	\$75,813
84			403.1 Depreciation Expense - ARO/FIN-47			-
85			404.0 Amort. Of Limited-Term Plant	686	686	10,333
86			Subtotal	\$5,451	\$5,451	\$86,146
87						
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.		\$160	\$2,812
89			Subtotal		\$160	\$2,812
90						
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.		\$64	\$7,545
92			Subtotal		\$64	\$7,545
93						
94			Total	\$5,451	\$11,411	\$467,605

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5 Revenue Adjustment Summary

Exhibit MJT-1
 Schedule D-5
 Witness: Michael J. Trzaska
 Page 57 of 94

					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Category	Description	Description	Account	FPFTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization Margin	D-5I IS Revenue Adjustment	Adjustments Sub-total	Pro Forma Adjusted at Present Rates
1	<i>OPERATING REVENUE</i>	Customer & Distribution Revenue	Residential	480.0	\$232,236	\$1,052	(\$40)	\$241				\$1,252	\$233,489
2			C & I	481.0	101,631	108		120			(35)	193	101,824
3			Transportation of Gas of Others	489.3	26,229								26,229
4			Subtotal		\$360,096	\$1,160	(\$40)	\$361			(\$35)	\$1,445	\$361,541
5													
6		Gas Cost Revenue	Residential	480.0	\$167,080								\$167,080
7			C & I	481.0	59,819						(190)	(190)	59,630
8			Interdepartmental	484.0									
9			Subtotal		\$226,900						(\$190)	(\$190)	\$226,710
10													
11			Subtotal OPERATING REVENUE		\$586,996	\$1,160	(\$40)	\$361			(\$225)	\$1,255	\$588,251
12													
13	<i>OTHER REVENUE</i>	Other Gas Revenue	Rent for Gas Property	493.0									
14			Interdepartmental Rents	494.0	\$691								\$691
15			Other Gas Revenues	495.0									
16			Subtotal		\$691								\$691
17													
18		Other Operating Revenue	Sales For Resale	483.0	\$3,223					(\$3,223)		(3,223)	
19			Forfeited Discounts	487.0	838								838
20													
21			Miscellaneous Service Revenues	488.0									
22			Subtotal		\$4,060					(\$3,223)		(\$3,223)	\$838
23													
24			Subtotal OTHER REVENUE		\$4,751					(\$3,223)		(\$3,223)	\$1,528
25													
26			Total		\$591,747	\$1,160	(\$40)	\$361		(\$3,223)	(\$225)	(\$1,967)	\$589,780

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5A Revenue Annualization

Exhibit MJT-1
 Schedule D-5A
 Witness: Michael J. Trzaska
 Page 58 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Total FPFTY Revenues		\$399,317	\$1,508	\$158,019	\$152	\$1,546	\$161,226
2	Commodity Billings in Revenues		(167,080)	(819)	(57,667)	(77)	(1,067)	(59,630)
3	Weather Adjustment							
4	Total Reconcilable Surcharge in Revenues							
5	Revenues Net of Commodity - Margin	SUM L1 to L4	\$232,236	\$689	\$100,353	\$75	\$479	\$101,596
6								
7	Average Monthly Customers in FPFTY		494,391	31	44,450	4	17	
8								
9	Average Annual Margin Per Customer	L5 / L7	\$0.470	\$22.221	\$2.258	\$18.853	\$28.189	
10								
11	Number of Customers of Current Month		496,630	31	44,498	4	17	44,550
12								
13	Increase in Customers during FPFTY	L11 - L7	2,239		48			44,550
14								
15	Annualization of Revenue	L9 * L13	\$1,052		\$108			\$108

D-5B - CAP Revenue Credits and Adjustments

Line No.	Description	Reference	Residential Sales
1	CAP Discount		(\$5,150)
2			
3			
4	<u>ANNUALIZATION TO YEAR END CUSTOMERS</u>		
5			
6	Annual CAP Customers		237,098
7	Average Monthly CAP Customers		19,758
8	Average Annual CAP Discount Per Customer	L1 / L7	(\$0.261)
9			
10	CAP Customers at End of FPFTY		19,969
11	Increase of CAP Customers	L10 - L7	211
12			
13	Gross Decrease / (Increase) in CAP Discount	L8 * L11	(\$55)
14	Write-Offs & Working Capital Factor		27.0%
15	Reflect Impact in Write-Offs and Working Capital	- L13 * L14	\$15
16			
17	Net Decrease / (Increase) in CAP Discount	L13 + L15	(\$40)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5F - Leap Year Revenue Normalization

Exhibit MJT-1
 Schedule D-5F
 Witness: Michael J. Trzaska
 Page 60 of 94

(1) (2) (3) (4) (5) (6) (7)

Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Revenue in February of FPFTY		\$26,967	\$111	\$13,261	\$9	\$36	\$13,417
2	Days in February of FPFTY		28	28	28	28	28	
3	Average Daily Revenue in February	L1 / L2	963	4	474	0	1	
4	Average Days in February		28.25	28.25	28.25	28.25	28.25	
5	Difference in Days	L4 - L2	0.25	0.25	0.25	0.25	0.25	
6								
7	Leap Year Adjustment	L5 * L3	\$241	\$1	\$118	\$0	\$0	\$120

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FPFTY Ending June 2022
(\$ in Thousands)
D-5G Weather Normalization

Exhibit MJT-1
Schedule D-5G
Witness: Michael J. Trzaska
Page 61 of 94

(1)

Line No.	Description	Total
1	Residential Sales	
2	TCS Sales	
3	GC Sales	
4	C & I Total	
5	Revenues - Gas Transportation	_____
6	Total	=====

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FPFTY Ending June 2022
(\$ in Thousands)
D-5H Asset Optimization Margin

Exhibit MJT-1
Schedule D-5H
Witness: Michael J. Trzaska
Page 62 of 94

(1)

Line No.	Description	Account	Total
1	Other Operating Revenue	483000: Sales for Resale - Gas	(\$3,223)
2			
3	Purchased Fuel	804000: Natural Gas City Gate Purchases	(\$2,098)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-5I IS Revenue Adjustment

Exhibit MJT-1
 Schedule D-5I
 Witness: Michael J. Trzaska
 Page 63 of 94

(1)

Line No.	Account	Description	Total
1	IS Sales	Customer & Distribution Revenue	(\$35)
2		Gas Cost Revenue	(190)
3		Subtotal IS Sales	<u>(\$225)</u>
4			
5	Natural Gas City Gate Purchase	Other Gas Supply Expenses	<u>(\$190)</u>
6		Subtotal Natural Gas City Gate Purchase	(\$190)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Pro Forma

Exhibit MJT-1
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 64 of 94

Line No.	Description	(1) Reference	(2) Union	(3) Non-Union
1	Number of Employees @ HTY - Union/Non-Union		314	288
2	Number of Employees @ HTY - Total		602	602
3	Percentage of Employees @ HTY	L1 / L2	52.11%	47.89%
4	Distribution of Budget S&W Expense		\$21,619	\$19,871
5	TY Wage Increase			
6	Number of Months TY		6	8
7	Rate for Increase TY		2.50%	2.50%
8	Total Wage Increase TY	L4 * L6 * L7 / 12	270	331
9	Annualized S&W Including Wage Increases	L4 + L8	\$21,889	\$20,202

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Pro Forma

Exhibit MJT-1
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 65 of 94

		(1)	(2)
Line No.	Description	Reference	PECO - Gas
1	Distribution of S&W Expense		\$41,490
2			
3	Annualized S&W Including Wage Increases		\$42,091
4			
5	<u>Normalize One-Time Contract Payment to Union</u>		
6	One-Time Contract Payment		\$1,127
7	One-Time Contract Payment % for Utility		21.25%
8	One-Time Contract Payment for Utility	L6 * L7	\$239
9	One-Time Contract Payment Normalization Period		6
10	Annual One-Time Contract Payment Normalized	L8 / L9	\$40
11			
12	Annualized S&W for Employees in FPFTY	L3 + L10	\$42,131
13			
14	<u>Pro Forma For New Employees</u>		
15	Number of Employees @ FPFTY		639
16	Average Number of Employees in FPFTY - Total		638
17	Annualization for Number of Employees	L15 - L16	1
18	Annual S&W per Employee	L12 / L16	\$66.1
19	Annualization of S&W for New Employees	L17 * L18	\$78
20			
21	Pro Forma FPFTY S&W	L12 + L19	<u>\$42,209</u>
22			
23	Pro Forma Increase in S&W	L21 - L1	<u>\$720</u>
24			
25	S&W Pro Forma Factor	L23 / L1	1.73%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Summary

Exhibit MJT-1
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 66 of 94

Line No.	Category	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
1	Operations	Power Supply Expenses	710.0 Operation Supervision And Engineering.			
2			717.0 Liquefied Petroleum Gas Expenses.	\$47	\$1	\$48
3			728.0 Liquefied Petroleum Gas.			
4			804.0 Natural Gas City Gate Purchases.			
5			805.0 Other Gas Purchases.			
6			805.1 Purchased Gas Cost Adjustments.			
7			807.0 Purchased Gas Expenses.			
8			808.1 Gas Withdrawn From Storage-Debit.			
9			808.2 Gas Delivered To Storage-Credit.			
10			813.0 Other Gas Supply Expenses.			
11			840.0 Operation Supervision And Engineering.	135	2	138
12			841.0 Operation Labor And Expenses.	396	7	403
13			843.1 Maintenance Supervision And Engineering.	481	8	489
14			843.2 Maintenance Of Structures And Improvements.	1,163	20	1,183
15			Subtotal Power Supply Expenses	\$2,222	\$39	\$2,261
16						
17		Distribution Expense	870.0 Operation Supervision And Engineering.	\$15	\$0	\$15
18			874.0 Mains And Services Expenses.	5,695	99	5,794
19			875.0 Measuring And Regulating Station Expenses--General.	702	12	714
20			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			
21			878.0 Meter And House Regulator Expenses.	1,196	21	1,217
22			879.0 Customer Installations Expenses.	3,599	62	3,662
23			880.0 Other Expenses.	2,649	46	2,695
24			881.0 Rents.			
25			887.0 Maintenance Of Mains.	9,464	164	9,628
26			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	485	8	494
27			892.0 Maintenance Of Services.	698	12	710
28			893.0 Maintenance Of Meters And House Regulators.	281	5	285
29			894.0 Maintenance Of Other Equipment.	114	2	116
30			Subtotal Distribution Expense	\$24,898	\$432	\$25,330
31						
32		Customer Accounts	902.0 Meter Reading Expenses.			
33			903.0 Customer Records And Collection Expenses.	\$5,797	\$101	\$5,897
34			904.0 Uncollectible Accounts.			
35			905.0 Miscellaneous Customer Accounts Expenses.	286	5	291
36						
37			Subtotal Customer Accounts	\$6,082	\$106	\$6,188
38						
39		Customer Service & Information	908.0 Customer Assistance Expenses	\$223	\$4	\$226
40			909.0 Informational And Instructional Advertising Expenses.			

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-6 S + W Summary

Line No.	Category	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
41			910.0 Miscellaneous Customer Service And Informational Expenses.			
42			Subtotal Customer Service & Information	\$223	\$4	\$226
43						
44	Sales		912.0 Demonstrating And Selling Expenses.	\$382	\$7	\$388
45			916.0 Miscellaneous Sales Expenses.			
46			Subtotal Sales	\$382	\$7	\$388
47						
48	Administration & General - General		920.0 Administrative And General Salaries.	\$7,272	\$126	\$7,398
49			921.0 Office Supplies And Expenses.			
50			922.0 Administrative Expenses Transferred--Credit.			
51			923.0 Outside Services Employed.			
52			924.0 Property Insurance.			
53			925.0 Injuries And Damages.	127	2	129
54			926.0 Employee Pensions And Benefits.			
55			928.0 Regulatory Commission Expenses.			
56			929.0 Duplicate Charges--Credit.			
57			930.2 Miscellaneous General Expenses.			
58						
59			Subtotal Administration & General - General	\$7,399	\$128	\$7,527
60						
61			Subtotal Operations	\$41,206	\$715	\$41,921
62						
63	Maintenance	Administration & General - General	932.0 Maintenance Of Gas General Plant.	\$174	\$3	\$177
64			Subtotal Administration & General - General	\$174	\$3	\$177
65						
66	Gas Expense		741.0 Maintenance Of Structures And Improvements.	\$31	\$1	\$32
67			742.0 Maintenance Of Production Equipment.	79	1	80
68			Subtotal Gas Expense	\$110	\$2	\$112
69						
70			Subtotal Maintenance	\$284	\$5	\$289
71						
72	Total Operations & Maintenance		Total Operations & Maintenance	\$41,490	\$720	\$42,209
73						
74	Percent Increase		Percent Increase			1.73%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-7 Rate Case Expenses

Exhibit MJT-1
 Schedule D-7
 Witness: Michael J. Trzaska
 Page 68 of 94

		(1)	(2)
Line No.	Description	Reference	Amount
1	EXPENDITURES UP TO PERIOD END OF HTY		
2	External Consultants		\$13
3	External Legal		398
4	Materials, IT Costs, Travel, Copies, etc.		233
5	Total Recorded Up To Period End of HTY	SUM L2 to L4	<u>\$645</u>
6			
7	EXPENDITURES IN FTY		
8	External Consultants		\$5
9	External Legal		875
10	Materials, IT Costs, Travel, Copies, etc.		34
11	Total Expenditure Expected in FTY	SUM L8 to L10	<u>\$914</u>
12			
13	Total Rate Case Expense	L5 + L11	\$1,559
14			
15	Amortization Period		3
16	Annual Amortization Amount	L13 / L15	<u>\$520</u>
17			
18	Annual Amortization Amount Included in Budget		
19	Pro Forma Adjustment for Annual Amortization	L16 - L18	<u>\$520</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-8 Employee Benefits

Exhibit MJT-1
 Schedule D-8
 Witness: Michael J. Trzaska
 Page 69 of 94

		(1)	(2)
Line No.	Description	Reference	Jurisdictional
1	<u>Number of Employees</u>		
2	Employees at Eleven Months Prior		635
3	Employees at Ten Months Prior		633
4	Employees at Nine Months Prior		633
5	Employees at Eight Months Prior		641
6	Employees at Seven Months Prior		638
7	Employees at Six Months Prior		638
8	Employees at Five Months Prior		639
9	Employees at Four Months Prior		639
10	Employees at Three Months Prior		639
11	Employees at Two Months Prior		639
12	Employees at One Month Prior		639
13	Employees at End of FPFTY		639
14			
15	Average Monthly Employees in FPFTY	AVERAGE L2 to L13	638
16	Additional Employees in FPFTY		1
17			
18	<u>Employee Benefits</u>		
19	Total Benefits Expensed		\$5,907
20	Number of Employees for Budget		638
21	Budget Expense Per Employee	L19 / L20	\$9
22	Additional Employees for Annualization	L16	1
23	Total Benefits Pro Forma Adjustment	L21 * L22	\$11

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-9 Pension Costs

Exhibit MJT-1
 Schedule D-9
 Witness: Michael J. Trzaska
 Page 70 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	Pension Contribution for Four Years Prior to FPFTY		\$28,031
2	Pension Contribution for Three Years Prior to FPFTY		26,339
3	Pension Contribution for Two Years Prior to FPFTY		18,312
4	Pension Contribution for One Year Prior to FPFTY		15,681
5	Pension Contribution for FPFTY		12,954
6			
7	Average Pension Contribution	AVERAGE L1 to L5	\$20,263
8			
9	Allocation Percent to Utility		21.25%
10	Total Amount to Utility		\$4,306
11	Allocation Percent to Capital		41.62%
12	Pension Contribution To Be Capitalized	L10 * L11	\$1,792
13	Pension Contribution To Be Expensed	L10 - L12	\$2,513
14	Test Year Distribution Pension Expense		\$104
15	Additional Pension Expense	L13 - L14	\$2,410

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-10 Uncollectible Accounts

Exhibit MJT-1
 Schedule D-10
 Witness: Michael J. Trzaska
 Page 71 of 94

Line No.	Description	Reference	Reference	Charge Off Amounts	InPA Charge Off Amounts	Net Charge Off Amounts	Billed Revenue	Percent	PPA	Totals
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	NET GENERAL UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY		\$1,924		\$1,924	\$582,737	0.3301%		
2		One Year Prior to HTY		2,141		2,141	670,622	0.3193%		
3		HTY		2,397		2,397	607,520	0.3945%		
4		Three Year Average	SUM L1 to L3 / 3	\$2,154		\$2,154	\$620,293	0.3472%		
5										
6	Base Customer Charge & Energy Cost Revenue After Pro Formas	FPFTY					\$588,251			
7										
8	Tariff Revenue - Non Shopping Revenue	FPFTY	L6				\$588,251			
9										
10	Tariff Revenue - Shopping Revenue	FPFTY					\$63,454			
11										
12	Tariff Revenue - Including Shopping Revenue	FPFTY	L8 + L10				\$651,706			
13										
14	Total General Pro Forma Uncollectible Accounts									\$2,263
15										
16	NET PPA UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY							\$297	
17		One Year Prior to HTY							333	
18		HTY							337	
19										
20	Three Year Average PPA		SUM L16 to L18 / 3							\$322
21										
22	Total Pro Forma Uncollectible Accounts		L14 + L20							\$2,585
23										
24	Uncollectible Accounts (904)	FPFTY								\$2,718
25										
26	Total Pro Forma Adjustment for Uncollectible Accounts		L22 - L24							(\$132)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-11 EE and Grant Programs

Exhibit MJT-1
 Schedule D-11
 Witness: Michael J. Trzaska
 Page 72 of 94

(1) (2)

Line No.	Description	Reference	Jurisdictional
1	Total Proposed Energy Efficiency Spending charged to Expense		\$4,500
2	Energy Efficiency Costs in FPFTY Budget		<u>2,008</u>
3	Pro Forma Increase in Energy Efficiency Costs	L1 - L2	<u>\$2,492</u>
4			<u> </u>
5	Small Business Grants		<u>\$500</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-12 Customer Deposit Interest

Exhibit MJT-1
 Schedule D-12
 Witness: Michael J. Trzaska
 Page 73 of 94

Line No.	Description	Description	Reference	Interest Rate	Deposit Amount	Interest on Deposit Amount	Interest Sub Total	Interest Total
			(1)	(2)	(3)	(4)	(5)	(6)
1	Residential	Monthly Interest Rate		<u>0.417%</u>				
2	June				\$4,665	\$19		
3	July				4,705	20		
4	August				4,721	20		
5	September				4,764	20		
6	October				4,743	20		
7	November				4,739	20		
8	December				4,766	20		
9	January				4,765	20		
10	February				4,769	20		
11	March				4,713	20		
12	April				4,632	19		
13	May				4,540	19		
14	June							
15	Total Residential		SUM Col 4 L2 to L13				<u>\$236</u>	
16								
17	Non-Residential	Monthly Interest Rate		<u>0.138%</u>				
18	June				\$8,323	\$12		
19	July				8,359	12		
20	August				8,273	11		
21	September				8,269	11		
22	October				8,286	11		
23	November				8,319	12		
24	December				9,268	13		
25	January				9,250	13		
26	February				9,296	13		
27	March				9,203	13		
28	April				9,079	13		
29	May				8,948	12		
30	June							
31	Total Non-Residential		SUM Col 4 L18 to L29				<u>\$145</u>	
32								
33	Interest on Customer Deposits		Col 5 L15 + L31				<u><u>\$381</u></u>	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-13 MGP Cost Recovery

Exhibit MJT-1
 Schedule D-13
 Witness: Michael J. Trzaska
 Page 74 of 94

(1) (2)

Line No.	Description	Reference	Total
1	Regulatory Asset for Unrecovered MGP Remediation Liability		\$7,237
2	Amortization Years		<u>9</u>
3			
4	Total Annual Amortization Amount	L1/L2	<u><u>\$804</u></u>
5			
6	Amount Included in Budget		<u><u>\$644</u></u>
7			
8	Pro Forma Adjustment Amount	L4 - L6	<u><u>\$160</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-14 Reg Initiative Cost Recovery

Exhibit MJT-1
 Schedule D-14
 Witness: Michael J. Trzaska
 Page 75 of 94

		(1)	(2)
Line No.	Description	Reference	Total
1	Gas Unbundling of GPC/MFC Charge Expense		\$141
2	Gas Neighborhood Pilot Program Expense		2,117
3	Total Regulatory Initiative Expense	L1 + L2	\$2,258
4	Amortization Period		3
5	Annual Amortization Expense	L3 / 3	\$753

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-15 O + M Cost To Achieve

Exhibit MJT-1
 Schedule D-15
 Witness: Michael J. Trzaska
 Page 76 of 94

(1)

(2)

Line No.	Description	Reference	O&M Cost To Achieve
1	<u>Cost To Achieve</u>		
2			
3	2016		\$601
4			
5	2017		430
6			
7	2018		<u>80</u>
8			
9	Total CTA To Be Recovered	SUM L3 to L7	\$1,111
10			
11	Annual CTA Recovery	L9 / 3	<u><u>\$370</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-16 TOTI - Summary

Exhibit MJT-1
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 77 of 94

		(1)	(2)	(3)
Line No.	Description	Total	Pro Forma Adjustments	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,050		\$2,050
2	Capital Stock & Franchise Tax			
3	Use Tax Accrued	152		152
4	Real Estate Tax Accrual	1,568		1,568
5	Miscellaneous TOTI			
6	Payroll Tax Accrued	3,711	\$64	3,776
7	Total	\$7,481	\$64	\$7,545

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-16 TOTI - Payroll Tax Adjustments

Exhibit MJT-1
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 78 of 94

(1)

(2)

Line No.	Description	Reference	Jurisdictional
1	Total Payroll Charged to Expense		\$41,490
2	Payroll Tax Expense		\$3,711
3	Payroll Tax Expense - Percent	L2 / L1	8.95%
4	Pro Forma Increase in S&W		<u>\$720</u>
5	Payroll Tax Pro Forma	L3 * L4	<u><u>\$64</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 79 of 94

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	\$4,457	\$182	\$4,275	\$182	\$4,640
2			PECO Common 3902 IL	19		19		19
3			PECO Common 3902 PA	2,106	208	1,897	208	2,314
4			PECO Common 3903 PA	39	6	32	6	45
5			PECO Common 3911 PA	16	1	15	1	18
6			PECO Common 3912 PA	2,130	178	1,952	178	2,309
7			PECO Common 3913 IL	2,287	242	2,046	242	2,529
8			PECO Common 3913 PA	7,850	812	7,038	812	8,662
9			PECO Common 3930 PA	134	8	126	8	142
10			PECO Common 3941 PA	11		11		11
11			PECO Common 3942 PA	101	12	89	12	113
12			PECO Common 3970 PA	6,379	697	5,683	697	7,076
13			PECO Common 3980 PA	83	0	83	0	83
14			Subtotal Common - General Plant	\$25,613	\$2,347	\$23,266	\$2,347	\$27,960
15								
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA					
17			Subtotal					
18								
19		Gas - Distribution	PECO Gas 3751 PA	\$134	\$3	\$131	\$3	\$137
20			PECO Gas 3752 PA	15		15		15
21			PECO Gas 3753 PA	186	7	179	7	192
22			PECO Gas 3761 PA	9,867	637	9,230	637	10,505
23			PECO Gas 3762 PA	900		900		900
24			PECO Gas 3763 PA	17,681	1,524	16,157	1,524	19,205
25			PECO Gas 3780 PA	477	32	445	32	508
26			PECO Gas 3790 PA	1,394	128	1,266	128	1,521
27			PECO Gas 3801 PA	3,571	56	3,515	56	3,628
28			PECO Gas 3802 PA	17,889	1,389	16,500	1,389	19,279
29			PECO Gas 3810 PA	1,854	45	1,809	45	1,900
30			PECO Gas 3811 PA	3,462	31	3,431	31	3,492
31			PECO Gas 3820 PA	4,176	214	3,962	214	4,390
32			PECO Gas 3870 PA	133	0	133	0	133
33			Subtotal Gas - Distribution	\$61,738	\$4,066	\$57,672	\$4,066	\$65,805
34								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 80 of 94

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
35		Gas - General Plant	PECO Gas 3901 PA	\$102	\$2	\$100	\$2	\$103
36			PECO Gas 3902 PA	62	7	56	7	69
37			PECO Gas 3903 PA	59	7	52	7	66
38			PECO Gas 3911 PA	0		0		0
39			PECO Gas 3912 PA	21	0	21	0	21
40			PECO Gas 3913 IL	0		0		0
41			PECO Gas 3913 PA	539	22	517	22	562
42			PECO Gas 3940 PA	685	28	657	28	713
43			PECO Gas 3950 PA	0		0		0
44			PECO Gas 3970 PA	178	2	176	2	180
45			PECO Gas 3980 PA	8		8		8
46			Subtotal Gas - General Plant	\$1,655	\$68	\$1,587	\$68	\$1,723
47								
48		Gas - Production Plant	PECO Gas 3050 PA	\$25	(\$2)	\$27	(\$2)	\$24
49			PECO Gas 3053 PA	(0)		(0)		(0)
50			PECO Gas 3110 PA	94		94		94
51			Subtotal Gas - Production Plant	\$119	(\$2)	\$121	(\$2)	\$117
52								
53		Gas - Storage	PECO Gas 3611 PA	\$43	\$1	\$42	\$1	\$44
54			PECO Gas 3612 PA	325		325		325
55			PECO Gas 3613 PA	9	0	9	0	9
56			PECO Gas 3620 PA	18		18		18
57			PECO Gas 3630 PA	25		25		25
58			PECO Gas 3631 PA	156		156		156
59			PECO Gas 3632 PA	715	74	641	74	788
60			PECO Gas 3633 PA	218	13	205	13	231
61			PECO Gas 3634 PA	36	2	33	2	38
62			PECO Gas 3635 PA	93	2	91	2	96
63			Subtotal Gas - Storage	\$1,637	\$92	\$1,545	\$92	\$1,729
64								
65			Subtotal 403.0 Depreciation Expense.	\$90,763	\$6,572	\$84,191	\$6,572	\$97,334
66								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 81 of 94

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
67	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	\$284	\$9	\$275	\$9	\$294
68			PECO Com 303-AMI NONBILL SW EDE EOL					
69			PECO Com 303-AMI NONBILL SW IDS EOL					
70			PECO Com 303-IAM SW Enhance PA					
71			PECO Com 3030- North Star RE SW	447		447		447
72			PECO Com 3030-BIDA Customer Project	1,849		1,849		1,849
73			PECO Com 3030-CallRoutingSW	152		152		152
74			PECO Com 3030-CIMS Enhancements PA					
75			PECO Com 3030-CIMS EOL PA					
76			PECO Com 3030-CIS Transformation SW	100		100		100
77			PECO Com 3030-Client Devices SW PA					
78			PECO Com 3030-Cloud Serv 3 yr	159		159		159
79			PECO Com 3030-Cloud Serv 5 yr	868		868		868
80			PECO Com 3030-Common MDM SW	8,078		8,078		8,078
81			PECO Com 3030-CTA PHI Consol SW	449		449		449
82			PECO Com 3030-Cust Appt Sched SW	615		615		615
83			PECO Com 3030-Data Loss Prevent PA					
84			PECO Com 3030-Digital Strat Platfor	128		128		128
85			PECO Com 3030-Documentum PA					
86			PECO Com 3030-EAM Asset Suite PA	3		3		3
87			PECO Com 3030-EU Dig Strat EPay SW	444		444		444
88			PECO Com 3030-EUWebCon					
89			PECO Com 3030-Fixed Credit Option S A (Original)	388		388		388
90			PECO Com 3030-Fusion Mig Non-MDM SW	791		791		791
91			PECO Com 3030-HR Payroll HCM Cloud	179		179		179
92			PECO Com 3030-HRPC Enhance PA	44		44		44
93			PECO Com 3030-HRPC-PA					
94			PECO Com 3030-Hyperion Enhance PA	(4)		(4)		(4)
95			PECO Com 3030-Hyperion Fin MGMT SW	97		97		97
96			PECO Com 3030-HyperionPI					
97			PECO Com 3030-I O Directory Svcs PA					
98			PECO Com 3030-I Sign Up and Move	1,557		1,557		1,557
99			PECO Com 3030-IAM Consolidate	42		42		42
100			PECO Com 3030-Informatica PA					
101			PECO Com 3030-IT Cust Mobile App SW	400		400		400
102			PECO Com 3030-IVR System PA					
103			PECO Com 3030-Lease IT SW	112		112		112
104			PECO Com 3030-Misc 5 yr FR PA	13,682	2,970	10,711	2,970	16,652
105			PECO Com 3030-Misc 5 yr PA	(1)		(1)		(1)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
106			PECO Com 3030-Mobile Disp Enh PA					
107			PECO Com 3030-OBIEE Migration SW	1,033		1,033		1,033
108			PECO Com 3030-Oracle Lic PA EOL					
109			PECO Com 3030-Oracle MW Upgrade SW	329		329		329
110			PECO Com 3030-Passport Enhance PA					
111			PECO Com 3030-PBF SW Enhance PA					
112			PECO Com 3030-PECO RNI Upgrade SW	1,287		1,287		1,287
113			PECO Com 3030-Peoplesoft GL Upgrade					
114			PECO Com 3030-PeopleSoft SW Enh PA					
115			PECO Com 3030-PowePlant Enhance PA					
116			PECO Com 3030-PowePlant v10 PA					
117			PECO Com 3030-Rev Req Filing SW	720		720		720
118			PECO Com 3030-Robotic Process Auto	89		89		89
119			PECO Com 3030-SCP Splunk SW	60		60		60
120			PECO Com 3030-Service Mgt SW PA					
121		Gas - General Plant	PECO Com 3030-Tax Tech Trans SW	107		107		107
122			PECO Com 3030-WallStreet SW PA					
123		Gas - Intangible Plant	Subtotal Common - Intangible Plant	\$34,488	\$2,980	\$31,508	\$2,980	\$37,467
124								
125			PECO Gas 3913 PA					
126			Subtotal					
127								
128			PECO Gas 303 Account Lookup Asset					
129			PECO Gas 303 Account Lookup Liab					
130			PECO Gas 303 AMI CDW PA	\$6		\$6		\$6
131			PECO Gas 303 AMI CIMS PA	9		9		9
132			PECO Gas 303 AMI MDMS Enh PA					
133			PECO Gas 303 AMI Middleware PA					
134			PECO Gas 303 Misc 5 YR FR PA	1,678		1,678		1,678
135			PECO Gas 303 SG GIS PA	11		11		11
136			PECO Gas 303 SM ADM PA					
137			PECO Gas 303 SM MDMS PA					
138			Subtotal Gas - Intangible Plant	\$1,704		\$1,704		\$1,704
139								
140			Subtotal 404.0 Amort. Of Limited-Term Plant	\$36,192	\$2,980	\$33,212	\$2,980	\$39,172

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 83 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	0.2303	\$1,027	\$42	\$985	\$42	\$1,068
2			PECO Common 3902 IL	0.2303	4		4		4
3			PECO Common 3902 PA	0.2303	485	48	437	48	533
4			PECO Common 3903 PA	0.2303	9	1	7	1	10
5			PECO Common 3911 PA	0.2303	4	0	3	0	4
6			PECO Common 3912 PA	0.2303	491	41	450	41	532
7			PECO Common 3913 IL	0.2303	527	56	471	56	582
8			PECO Common 3913 PA	0.2303	1,808	187	1,621	187	1,995
9			PECO Common 3930 PA	0.2303	31	2	29	2	33
10			PECO Common 3941 PA	0.2303	3		3		3
11			PECO Common 3942 PA	0.2303	23	3	21	3	26
12			PECO Common 3970 PA	0.2303	1,469	160	1,309	160	1,630
13			PECO Common 3980 PA	0.2303	19	0	19	0	19
14			Subtotal Common - General Plant		\$5,899	\$541	\$5,358	\$541	\$6,439
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	0.2303					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$134	\$3	\$131	\$3	\$137
20			PECO Gas 3752 PA	1.0000	15		15		15
21			PECO Gas 3753 PA	1.0000	186	7	179	7	192
22			PECO Gas 3761 PA	1.0000	9,867	637	9,230	637	10,505
23			PECO Gas 3762 PA	1.0000	900		900		900
24			PECO Gas 3763 PA	1.0000	17,681	1,524	16,157	1,524	19,205
25			PECO Gas 3780 PA	1.0000	477	32	445	32	508
26			PECO Gas 3790 PA	1.0000	1,394	128	1,266	128	1,521
27			PECO Gas 3801 PA	1.0000	3,571	56	3,515	56	3,628
28			PECO Gas 3802 PA	1.0000	17,889	1,389	16,500	1,389	19,279
29			PECO Gas 3810 PA	1.0000	1,854	45	1,809	45	1,900
30			PECO Gas 3811 PA	1.0000	3,462	31	3,431	31	3,492
31			PECO Gas 3820 PA	1.0000	4,176	214	3,962	214	4,390
32			PECO Gas 3870 PA	1.0000	133	0	133	0	133
33			Subtotal Gas - Distribution		\$61,738	\$4,066	\$57,672	\$4,066	\$65,805
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 84 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$102	\$2	\$100	\$2	\$103
36			PECO Gas 3902 PA	1.0000	62	7	56	7	69
37			PECO Gas 3903 PA	1.0000	59	7	52	7	66
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	21	0	21	0	21
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	539	22	517	22	562
42			PECO Gas 3940 PA	1.0000	685	28	657	28	713
43			PECO Gas 3950 PA	1.0000	0		0		0
44			PECO Gas 3970 PA	1.0000	178	2	176	2	180
45			PECO Gas 3980 PA	1.0000	8		8		8
46			Subtotal Gas - General Plant		\$1,655	\$68	\$1,587	\$68	\$1,723
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$25	(\$2)	\$27	(\$2)	\$24
49			PECO Gas 3053 PA	1.0000	(0)		(0)		(0)
50			PECO Gas 3110 PA	1.0000	94		94		94
51			Subtotal Gas - Production Plant		\$119	(\$2)	\$121	(\$2)	\$117
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$43	\$1	\$42	\$1	\$44
54			PECO Gas 3612 PA	1.0000	325		325		325
55			PECO Gas 3613 PA	1.0000	9	0	9	0	9
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	25		25		25
58			PECO Gas 3631 PA	1.0000	156		156		156
59			PECO Gas 3632 PA	1.0000	715	74	641	74	788
60			PECO Gas 3633 PA	1.0000	218	13	205	13	231
61			PECO Gas 3634 PA	1.0000	36	2	33	2	38
62			PECO Gas 3635 PA	1.0000	93	2	91	2	96
63			Subtotal Gas - Storage		\$1,637	\$92	\$1,545	\$92	\$1,729
64									
65			Subtotal 403.0 Depreciation Expense.		\$71,048	\$4,765	\$66,283	\$4,765	\$75,813
66									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 85 of 94

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
67	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	0.2303	\$65	\$2	\$63	\$2	\$68
68			PECO Com 303-AMI NONBILL SW EDE EOL	0.2303					
69			PECO Com 303-AMI NONBILL SW IDS EOL	0.2303					
70			PECO Com 303-IAM SW Enhance PA	0.2303					
71			PECO Com 3030- North Star RE SW	0.2303	103		103		103
72			PECO Com 3030-BIDA Customer Project	0.2303	426		426		426
73			PECO Com 3030-CallRoutingSW	0.2303	35		35		35
74			PECO Com 3030-CIMS Enhancements PA	0.2303					
75			PECO Com 3030-CIMS EOL PA	0.2303					
76			PECO Com 3030-CIS Transformation SW	0.2303	23		23		23
77			PECO Com 3030-Client Devices SW PA	0.2303					
78			PECO Com 3030-Cloud Serv 3 yr	0.2303	37		37		37
79			PECO Com 3030-Cloud Serv 5 yr	0.2303	200		200		200
80			PECO Com 3030-Common MDM SW	0.2303	1,860		1,860		1,860
81			PECO Com 3030-CTA PHI Consol SW	0.2303	103		103		103
82			PECO Com 3030-Cust Appt Sched SW	0.2303	142		142		142
83			PECO Com 3030-Data Loss Prevent PA	0.2303					
84			PECO Com 3030-Digital Strat Platfor	0.2303	29		29		29
85			PECO Com 3030-Documentum PA	0.2303					
86			PECO Com 3030-EAM Asset Suite PA	0.2303	1		1		1
87			PECO Com 3030-EU Dig Strat EPay SW	0.2303	102		102		102
88			PECO Com 3030-EUWebCon	0.2303					
89			PECO Com 3030-Fixed Credit Option S A (Original)	0.2303	89		89		89
90			PECO Com 3030-Fusion Mig Non-MDM SW	0.2303	182		182		182
91			PECO Com 3030-HR Payroll HCM Cloud	0.2303	41		41		41
92			PECO Com 3030-HRPC Enhance PA	0.2303	10		10		10
93			PECO Com 3030-HRPC-PA	0.2303					
94			PECO Com 3030-Hyperion Enhance PA	0.2303	(1)		(1)		(1)
95			PECO Com 3030-Hyperion Fin MGMT SW	0.2303	22		22		22
96			PECO Com 3030-HyperionPI	0.2303					
97			PECO Com 3030-I O Directory Svcs PA	0.2303					
98			PECO Com 3030-I Sign Up and Move	0.2303	358		358		358
99			PECO Com 3030-IAM Consolidate	0.2303	10		10		10
100			PECO Com 3030-Informatica PA	0.2303					
101			PECO Com 3030-IT Cust Mobile App SW	0.2303	92		92		92
102			PECO Com 3030-IVR System PA	0.2303					
103			PECO Com 3030-Lease IT SW	0.2303	26		26		26
104			PECO Com 3030-Misc 5 yr FR PA	0.2303	3,151	684	2,467	684	3,835
105			PECO Com 3030-Misc 5 yr PA	0.2303	(0)		(0)		(0)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 86 of 94

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
106			PECO Com 3030-Mobile Disp Enh PA	0.2303					
107			PECO Com 3030-OBIEE Migration SW	0.2303	238		238		238
108			PECO Com 3030-Oracle Lic PA EOL	0.2303					
109			PECO Com 3030-Oracle MW Upgrade SW	0.2303	76		76		76
110			PECO Com 3030-Passport Enhance PA	0.2303					
111			PECO Com 3030-PBF SW Enhance PA	0.2303					
112			PECO Com 3030-PECO RNI Upgrade SW	0.2303	296		296		296
113			PECO Com 3030-Peoplesoft GL Upgrade	0.2303					
114			PECO Com 3030-PeopleSoft SW Enh PA	0.2303					
115			PECO Com 3030-PowePlant Enhance PA	0.2303					
116			PECO Com 3030-PowePlant v10 PA	0.2303					
117			PECO Com 3030-Rev Req Filing SW	0.2303	166		166		166
118			PECO Com 3030-Robotic Process Auto	0.2303	20		20		20
119			PECO Com 3030-SCP Splunk SW	0.2303	14		14		14
120			PECO Com 3030-Service Mgt SW PA	0.2303					
121		Gas - General Plant	PECO Com 3030-Tax Tech Trans SW	0.2303	25		25		25
122			PECO Com 3030-WallStreet SW PA	0.2303					
123		Gas - Intangible Plant	Subtotal Common - Intangible Plant		\$7,942	\$686	\$7,256	\$686	\$8,629
124									
125			PECO Gas 3913 PA	1.0000					
126			Subtotal						
127									
128			PECO Gas 303 Account Lookup Asset						
129			PECO Gas 303 Account Lookup Liab	1.0000					
130			PECO Gas 303 AMI CDW PA	1.0000	\$6		\$6		\$6
131			PECO Gas 303 AMI CIMS PA	1.0000	9		9		9
132			PECO Gas 303 AMI MDMS Enh PA	1.0000					
133			PECO Gas 303 AMI Middleware PA	1.0000					
134			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,678		1,678		1,678
135			PECO Gas 303 SG GIS PA	1.0000	11		11		11
136			PECO Gas 303 SM ADM PA	1.0000					
137			PECO Gas 303 SM MDMS PA	1.0000					
138			Subtotal Gas - Intangible Plant		\$1,704		\$1,704		\$1,704
139									
140			Subtotal 404.0 Amort. Of Limited-Term Plant		\$9,647	\$686	\$8,960	\$686	\$10,333

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 87 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma FPFTY Depr (Function)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	1.0000	\$1,027	\$42	\$985	\$42	\$1,068
2			PECO Common 3902 IL	1.0000	4		4		4
3			PECO Common 3902 PA	1.0000	485	48	437	48	533
4			PECO Common 3903 PA	1.0000	9	1	7	1	10
5			PECO Common 3911 PA	1.0000	4	0	3	0	4
6			PECO Common 3912 PA	1.0000	491	41	450	41	532
7			PECO Common 3913 IL	1.0000	527	56	471	56	582
8			PECO Common 3913 PA	1.0000	1,808	187	1,621	187	1,995
9			PECO Common 3930 PA	1.0000	31	2	29	2	33
10			PECO Common 3941 PA	1.0000	3		3		3
11			PECO Common 3942 PA	1.0000	23	3	21	3	26
12			PECO Common 3970 PA	1.0000	1,469	160	1,309	160	1,630
13			PECO Common 3980 PA	1.0000	19	0	19	0	19
14			Subtotal Common - General Plant		\$5,899	\$541	\$5,358	\$541	\$6,439
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	1.0000					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$134	\$3	\$131	\$3	\$137
20			PECO Gas 3752 PA	1.0000	15		15		15
21			PECO Gas 3753 PA	1.0000	186	7	179	7	192
22			PECO Gas 3761 PA	1.0000	9,867	637	9,230	637	10,505
23			PECO Gas 3762 PA	1.0000	900		900		900
24			PECO Gas 3763 PA	1.0000	17,681	1,524	16,157	1,524	19,205
25			PECO Gas 3780 PA	1.0000	477	32	445	32	508
26			PECO Gas 3790 PA	1.0000	1,394	128	1,266	128	1,521
27			PECO Gas 3801 PA	1.0000	3,571	56	3,515	56	3,628
28			PECO Gas 3802 PA	1.0000	17,889	1,389	16,500	1,389	19,279
29			PECO Gas 3810 PA	1.0000	1,854	45	1,809	45	1,900
30			PECO Gas 3811 PA	1.0000	3,462	31	3,431	31	3,492
31			PECO Gas 3820 PA	1.0000	4,176	214	3,962	214	4,390
32			PECO Gas 3870 PA	1.0000	133	0	133	0	133
33			Subtotal Gas - Distribution		\$61,738	\$4,066	\$57,672	\$4,066	\$65,805
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 88 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma FPPTY Depr (Function)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$102	\$2	\$100	\$2	\$103
36			PECO Gas 3902 PA	1.0000	62	7	56	7	69
37			PECO Gas 3903 PA	1.0000	59	7	52	7	66
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	21	0	21	0	21
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	539	22	517	22	562
42			PECO Gas 3940 PA	1.0000	685	28	657	28	713
43			PECO Gas 3950 PA	1.0000	0		0		0
44			PECO Gas 3970 PA	1.0000	178	2	176	2	180
45			PECO Gas 3980 PA	1.0000	8		8		8
46			Subtotal Gas - General Plant		\$1,655	\$68	\$1,587	\$68	\$1,723
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$25	(\$2)	\$27	(\$2)	\$24
49			PECO Gas 3053 PA	1.0000	(0)		(0)		(0)
50			PECO Gas 3110 PA	1.0000	94		94		94
51			Subtotal Gas - Production Plant		\$119	(\$2)	\$121	(\$2)	\$117
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$43	\$1	\$42	\$1	\$44
54			PECO Gas 3612 PA	1.0000	325		325		325
55			PECO Gas 3613 PA	1.0000	9	0	9	0	9
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	25		25		25
58			PECO Gas 3631 PA	1.0000	156		156		156
59			PECO Gas 3632 PA	1.0000	715	74	641	74	788
60			PECO Gas 3633 PA	1.0000	218	13	205	13	231
61			PECO Gas 3634 PA	1.0000	36	2	33	2	38
62			PECO Gas 3635 PA	1.0000	93	2	91	2	96
63			Subtotal Gas - Storage		\$1,637	\$92	\$1,545	\$92	\$1,729
64									
65			Subtotal 403.0 Depreciation Expense.		\$71,048	\$4,765	\$66,283	\$4,765	\$75,813
66									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 89 of 94

Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	(12)	(13)	(14)	(15)	(16)	(17)
					Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma FPFTY Depr (Function)	
67	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	1.0000	\$65	\$2	\$63	\$2	\$68	
68			PECO Com 303-AMI NONBILL SW EDE EOL	1.0000						
69			PECO Com 303-AMI NONBILL SW IDS EOL	1.0000						
70			PECO Com 303-IAM SW Enhance PA	1.0000						
71			PECO Com 3030- North Star RE SW	1.0000	103		103		103	
72			PECO Com 3030-BIDA Customer Project	1.0000	426		426		426	
73			PECO Com 3030-CallRoutingSW	1.0000	35		35		35	
74			PECO Com 3030-CIMS Enhancements PA	1.0000						
75			PECO Com 3030-CIMS EOL PA	1.0000						
76			PECO Com 3030-CIS Transformation SW	1.0000	23		23		23	
77			PECO Com 3030-Client Devices SW PA	1.0000						
78			PECO Com 3030-Cloud Serv 3 yr	1.0000	37		37		37	
79			PECO Com 3030-Cloud Serv 5 yr	1.0000	200		200		200	
80			PECO Com 3030-Common MDM SW	1.0000	1,860		1,860		1,860	
81			PECO Com 3030-CTA PHI Consol SW	1.0000	103		103		103	
82			PECO Com 3030-Cust Appt Sched SW	1.0000	142		142		142	
83			PECO Com 3030-Data Loss Prevent PA	1.0000						
84			PECO Com 3030-Digital Strat Platfor	1.0000	29		29		29	
85			PECO Com 3030-Documentum PA	1.0000						
86			PECO Com 3030-EAM Asset Suite PA	1.0000	1		1		1	
87			PECO Com 3030-EU Dig Strat EPay SW	1.0000	102		102		102	
88			PECO Com 3030-EUWebCon	1.0000						
89			PECO Com 3030-Fixed Credit Option S A (Original)	1.0000	89		89		89	
90			PECO Com 3030-Fusion Mig Non-MDM SW	1.0000	182		182		182	
91			PECO Com 3030-HR Payroll HCM Cloud	1.0000	41		41		41	
92			PECO Com 3030-HRPC Enhance PA	1.0000	10		10		10	
93			PECO Com 3030-HRPC-PA	1.0000						
94			PECO Com 3030-Hyperion Enhance PA	1.0000	(1)		(1)		(1)	
95			PECO Com 3030-Hyperion Fin MGMT SW	1.0000	22		22		22	
96			PECO Com 3030-HyperionPI	1.0000						
97			PECO Com 3030-I O Directory Svcs PA	1.0000						
98			PECO Com 3030-I Sign Up and Move	1.0000	358		358		358	
99			PECO Com 3030-IAM Consolidate	1.0000	10		10		10	
100			PECO Com 3030-Informatica PA	1.0000						
101			PECO Com 3030-IT Cust Mobile App SW	1.0000	92		92		92	
102			PECO Com 3030-IVR System PA	1.0000						
103			PECO Com 3030-Lease IT SW	1.0000	26		26		26	
104			PECO Com 3030-Misc 5 yr FR PA	1.0000	3,151	684	2,467	684	3,835	
105			PECO Com 3030-Misc 5 yr PA	1.0000	(0)		(0)		(0)	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-1
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 90 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma FPFTY Depr (Function)
106			PECO Com 3030-Mobile Disp Enh PA	1.0000					
107			PECO Com 3030-OBIEE Migration SW	1.0000	238		238		238
108			PECO Com 3030-Oracle Lic PA EOL	1.0000					
109			PECO Com 3030-Oracle MW Upgrade SW	1.0000	76		76		76
110			PECO Com 3030-Passport Enhance PA	1.0000					
111			PECO Com 3030-PBF SW Enhance PA	1.0000					
112			PECO Com 3030-PECO RNI Upgrade SW	1.0000	296		296		296
113			PECO Com 3030-Peoplesoft GL Upgrade	1.0000					
114			PECO Com 3030-PeopleSoft SW Enh PA	1.0000					
115			PECO Com 3030-PowePlant Enhance PA	1.0000					
116			PECO Com 3030-PowePlant v10 PA	1.0000					
117			PECO Com 3030-Rev Req Filing SW	1.0000	166		166		166
118			PECO Com 3030-Robotic Process Auto	1.0000	20		20		20
119			PECO Com 3030-SCP Splunk SW	1.0000	14		14		14
120			PECO Com 3030-Service Mgt SW PA	1.0000					
121		Gas - General Plant	PECO Com 3030-Tax Tech Trans SW	1.0000	25		25		25
122			PECO Com 3030-WallStreet SW PA	1.0000					
123		Gas - Intangible Plant	Subtotal Common - Intangible Plant		\$7,942	\$686	\$7,256	\$686	\$8,629
124									
125			PECO Gas 3913 PA	1.0000					
126			Subtotal						
127									
128			PECO Gas 303 Account Lookup Asset	1.0000					
129			PECO Gas 303 Account Lookup Liab	1.0000					
130			PECO Gas 303 AMI CDW PA	1.0000	\$6		\$6		\$6
131			PECO Gas 303 AMI CIMS PA	1.0000	9		9		9
132			PECO Gas 303 AMI MDMS Enh PA	1.0000					
133			PECO Gas 303 AMI Middleware PA	1.0000					
134			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,678		1,678		1,678
135			PECO Gas 303 SG GIS PA	1.0000	11		11		11
136			PECO Gas 303 SM ADM PA	1.0000					
137			PECO Gas 303 SM MDMS PA	1.0000					
138			Subtotal Gas - Intangible Plant		\$1,704		\$1,704		\$1,704
139									
140			Subtotal 404.0 Amort. Of Limited-Term Plant		\$9,647	\$686	\$8,960	\$686	\$10,333

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-18 Income Taxes

Exhibit MJT-1
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 91 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Rate Increase	(3) Proposed Rates
1	Revenue		\$589,780	\$68,812	\$658,591
2	Operating Expenses		467,605	450	468,055
3	OIBIT	L1 - L2	\$122,175	\$68,361	\$190,536
4					
5	Rate Base		\$2,461,939		\$2,461,939
6	Weighted Cost of Debt		1.850%		1.850%
7	Synchronized Interest Expense	L5 * L6	\$45,546		\$45,546
8	Base Taxable Income	L3 - L7	\$76,629	\$68,361	\$144,990
9					
10	State Accelerated Tax Depreciation		\$60,609		\$60,609
11	Pro Forma Book Depreciation		86,146		86,146
12	State Tax Depreciation (Over) Under Book	L11 - L10	\$25,538		\$25,538
13	Regulatory Asset Programs M-1, Pension & Post-Retirement		(3,054)		(3,054)
14	Other Property Basis Adjustments (CIAC/ICM)		(12,276)		(12,276)
15	Removal Costs/Software		(9,120)		(9,120)
16	AFUDC Equity		(5,482)		(5,482)
17	Permanent Adjustments		775		775
18	Repair Deduction		(132,540)		(132,540)
19					
20	State Taxable Income	L8+L12+L13+L14+L15+L16+L17+L18	(\$59,530)	\$68,361	\$8,831
21					
22	State Income Tax Rate		9.99%	9.99%	9.99%
23	State Income Tax Benefit / (Expense) before Net Operating Loss	- L20 * L22	\$5,947	(\$6,829)	(\$882)
24	Net Operating Loss Utilization %		100.00%		
25	Net Operating Loss Utilization	- L24 * L23	(5,947)		(5,947)
26	State Income Tax Benefit / (Expense)	L23 + L25	-	(\$6,829)	(\$6,829)
27					
28	Federal Accelerated Tax Depreciation		\$52,531		\$52,531
29	Pro Forma Book Depreciation		86,146		86,146
30	Federal Tax Deducts (Over) Under Book	L29 - L28	\$33,615		\$33,615
31	Regulatory Asset Programs M-1, Pension & Post-Retirement		(3,054)		(3,054)
32	Other Property Basis Adjustments (CIAC/ICM)		(12,276)		(12,276)
33	Removal Costs/Software		(9,120)		(9,120)
34	AFUDC Equity		(5,482)		(5,482)
35	Permanent Adjustments		775		775
36	Repair Deduction		(132,540)		(132,540)
37	Federal NOL				
38	Federal Taxable Income	L8-L26+L30+L31+L32+L33+L34+L35+L36+L37	(\$51,453)	\$61,532	\$10,080
39					
40	Federal Income Tax Rate %		21.00%	21.00%	21.00%
41	Federal Income Tax Benefit / (Expense) before Deferred and Adjustments	- L38 * L40	\$10,805	(\$12,922)	(\$2,117)
42	Total Tax Benefit / (Expense) before Deferred Income Tax	L26 + L41	\$10,805	(\$19,751)	(\$8,946)
43					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPPTY Ending June 2022
 (\$ in Thousands)
 D-18 Income Taxes

Exhibit MJT-1
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 92 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Rate Increase	(3) Proposed Rates
44	DEFERRED INCOME TAXES				
45	Deferred Taxes on Timing Differences- Federal		\$998		\$998
46	Deferred Taxes on Timing Differences- State		(1,531)		(1,531)
47	Deferred Taxes on State NOL		5,947		5,947
48	Excess Deferred Amortization		3,455		3,455
49	Federal Income Tax on Flow Through Adjustments		(953)		(953)
50					
51	Deferred Income Taxes Benefit / (Expense)	SUM L45 to L49	\$7,915		\$7,915
52					
53	Net Income Tax Benefit / (Expense)	L42 + L51	\$18,720	(\$19,751)	(\$1,031)
54					
55	Other Income Tax Adjustments				
56	Amortization of Investment Tax Credit		\$64		\$64
57					
58	Combined Income Tax Benefit / (Expense)	L53 + L56	\$18,784	(\$19,751)	(\$967)
59					
60	Federal Income Tax Benefit / (Expense)	L41 + L45 + L48 + L49 + L56	\$14,369	(\$12,922)	\$1,447
61	State Income Tax Benefit / (Expense)	L26 + L46 + L47	4,416	(6,829)	(2,414)
62	Total Income Tax Benefit / (Expense)	L60 + L61	\$18,784	(\$19,751)	(\$967)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 Section 1301.1(b) Differential

Exhibit MJT-1
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 93 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	2014	2015	2016	2017	2018	Average
1	PECO Consolidated Taxable Income		\$97,822	\$165,388	\$185,545	\$129,850	\$149,461	
2								
3								
4	Consolidated Income Companies Taxable Income		\$1,762,414	\$925,343	\$1,249,191	\$574,523	\$1,031,664	
5								
6								
7	Taxable Income Percentage to PECO	L1 / L4	5.55%	17.87%	14.85%	22.60%	14.49%	
8								
9								
10	Consolidated Companies Loss		\$ (90,836)	\$ (1,598)	\$ (921)	\$ (1,816,977)	\$ (111,977)	
11								
12								
13	PECO Allocation of Loss	L7 * L10	\$ (5,042)	\$ (286)	\$ (137)	\$ (410,660)	\$ (16,223)	
14								
15								
16	Gas Percentage		37.13%	3.63%	-17.42%	-10.64%	-8.19%	
17								
18								
19	Loss Allocable to Gas	L13 * L16	(\$1,872)	(\$10)	\$24	\$43,701	\$1,329	
20								
21								
22								
23	Average for 2014 to 2018	Average L19						8,634
24								
25								
26	Tax Rate							21.00%
27								
28	Section 1301.1(b) Differential	L23 * L26						\$ 1,813

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FPFTY Ending June 2022
 (\$ in Thousands)
 D-19 Conversion Factor

Exhibit MJT-1
 Schedule D-19
 Witness: Michael J. Trzaska
 Page 94 of 94

(1)

(2)

Line No.	Description	Reference	Utility
1	<u>GROSS REVENUE CONVERSION FACTOR</u>		
2	GROSS REVENUE FACTOR		1.000000
3	Forfeited Discounts Amount		838
4	Total Customer Revenue		586,996
5	Shopping Revenue		63,454
6	LPC REVENUE	L3 / (L4 + L5)	0.001288
7	GROSS RECEIPTS TAX		
8	UNCOLLECTIBLE EXPENSES		(0.003472)
9	PUC / OCA & SBA ASSESSMENT AS A % OF REVENUE		(0.003080)
10			
11			
12	NET REVENUES	L2 + L6 + L7 + L8 + L9	0.994735
13			
14	STATE INCOME TAX RATE		9.990%
15			
16	STATE INCOME TAX FACTOR	- L12 * L14	(0.099374)
17			
18	FACTOR AFTER STATE TAXES	L12 + L16	0.895361
19			
20	FEDERAL INCOME TAX RATE		21.000%
21			
22	FEDERAL INCOME TAX FACTOR	- L18 * L20	(0.188026)
23			
24			
25	NET OPERATING INCOME FACTOR	L18 + L22	0.707335
26			
27	GROSS REVENUE CONVERSION FACTOR	1 / L25	1.413757
28			
29	Combined Income Tax Factor on Gross Revenues	- L16 - L22	28.740%
30			
31			
32	<u>INCOME TAX FACTOR</u>		
33			
34	GROSS REVENUE FACTOR	L2	1.000000
35			
36	STATE INCOME TAX RATE		9.990%
37			
38	STATE INCOME TAX FACTOR	- L34 * L36	(0.099900)
39			
40			
41	FACTOR AFTER STATE TAXES	L34 + L38	0.900100
42			
43	FEDERAL INCOME TAX RATE		21.000%
44			
45	FEDERAL INCOME TAX FACTOR	- L41 * L43	(0.189021)
46			
47	NET OPERATING INCOME FACTOR	L41 + L45	0.711079
48			
49			
50	GROSS REVENUE CONVERSION FACTOR	1 / L47	1.406314
51			
52			
53	Combined Income Tax Factor On Taxable Income	L34 - L47	28.892%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 A-1 Overall Summary

Exhibit MJT-2
 Schedule A-1
 Witness: Michael J. Trzaska
 Page 1 of 94

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Present Rates	Revenue Increase	Total
1	<u>MEASURE OF VALUE</u>				
2	Utility Plant	C-2	\$3,232,114		\$3,232,114
3	Accumulated Depreciation	C-3	851,997		851,997
4	Common Plant - Net of Accum Depr	C-8	128,447		128,447
5	Net Plant in service	L2 - L3 + L4	\$2,508,565		\$2,508,565
6					
7	Working Capital	C-1	\$4,277		\$4,277
8	Pension Assets / (Liability)	C-1	34,249		34,249
9	Accum Deferred Income Taxes	C-1	(244,050)		(244,050)
10	Customer Deposits	C-1	(13,418)		(13,418)
11	Customer Advances for Construction	C-1	(1,334)		(1,334)
12	Materials and Supplies	C-1	489		489
13	Accum Deferred Income Taxes - Reg Liability	C-1	(128,438)		(128,438)
14	Gas Storage	C-1	30,870		30,870
15					
16	TOTAL RATE BASE	SUM L5 to L14	\$2,191,210		\$2,191,210
17					
18	<u>OPERATING REVENUES AND EXPENSES</u>				
19	Base Customer Charges	D-5	\$346,391	\$61,352	\$407,743
20	Supply Cost Revenue	D-5	232,663		232,663
21	Other Operating Revenues	D-5	1,566	86	1,652
22	Total Revenues	SUM L19 to L21	\$580,620	\$61,438	\$642,059
23					
24	Operating Expenses	D-1	465,296	402	465,698
25					
26	OIBIT	L22 - L24	\$115,324	\$61,036	\$176,360
27					
28	Income Taxes @ Eff Inc Tax Rate	D-18	\$9,778		\$9,778
29	Income Taxes @ Statutory Rates	D-18		(17,635)	(17,635)
30					
31	NET OPERATING INCOME	SUM L26 to L29	\$125,102	\$43,402	\$168,504
32					
33	RATE OF RETURN	L31 / L16	5.71%		7.69%
34					
35	<u>REVENUE INCREASE REQUIRED</u>				
36	Rate of Return at Present Rates	L33	5.71%		
37					
38	Rate of Return Required	B-7	7.69%		
39					
40	Change in ROR	L38 - L36	1.98%		
41					
42	Change in Operating Income	L16 * L40	\$43,402		
43					
44	Gross Revenue Conversion Factor	D-19	1.414		
45					
46	Change in Revenues	L42 * L44	\$61,352		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-1 Balance Sheet

Exhibit MJT-2
 Schedule B-1
 Witness: Michael J. Trzaska
 Page 2 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	<u>Utility Plant</u>		
2	Utility Plant (101-106, 108, 114)		\$14,131,426
3	Construction Work In Progress (107)		452,436
4	Total Utility Plant	SUM L1 to L2	\$14,583,862
5	Less: Accum. Prov. for Depr. and Amort. (108, 110, 111, 115)		4,144,946
6	Net Utility Plant	L4 - L5	\$10,438,917
7			
8	<u>Other Property and Investments</u>		
9	Non-utility Property (121)		\$10,976
10	Less: Accum. Prov. for Depr. and Amort. (122)		1,935
11	Invest in Assoc Company (123)		7,816
12	Other Investments (124-129, 175-176)		19,964
13	Total Other Property and Investments	SUM L9 to L12	\$36,821
14			
15	<u>Current and Accrued Assets</u>		
16	Cash & Other Temporary Investments(131-136)		\$261,568
17	Customer Accounts Receivable (142)		413,380
18	Other Accounts Receivable (143)		88,652
19	Accum. Prov. for Uncollectible (144)		(103,919)
20	Accounts Receivable Assoc. Comp. (146)		0
21	Fuel Stock (151)		18,725
22	Plant Materials & Supplies (154)		36,425
23	Prepayments (165)		85,486
24	Accrued Utility Revenues (173)		118,248
25	Miscellaneous Current & Accrued Assets (174)		43,607
26	Total Current and Accrued Assets	SUM L16 to L25	\$962,171
27			
28	<u>Deferred Debits</u>		
29	Unamortized Debt Expense (181)		\$29,404
30	Other Regulatory Assets (182.3)		747,887
31	Miscellaneous Deferred Debits (186)		629,999
32	Unamortized Loss on Reacquired Debt (189)		809
33	Accumulated Deferred Income Taxes (190)		199,991
34	Total Deferred Debits	SUM L29 to L33	\$1,608,089
35			
36	Total Assets	L6 + L13 + L26 + L34	\$13,045,998

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-1 Balance Sheet

Exhibit MJT-2
 Schedule B-1
 Witness: Michael J. Trzaska
 Page 3 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
37	<u>Proprietary Capital</u>		
38	Common Stock Issued (201)		\$1,423,004
39	Preferred Stock Issued (204)		
40	Other Paid-In Capital (208-211)		1,878,438
41	Capital Stock Expense (214)		(87)
42	Retained Earnings (215, 215.2, 216)		1,600,464
43	Unappropriated Undistributed Subsidiary Earnings (216.1)		
44	Accum Other Comprehensive Income (219)		
45	Total Propriety Capital & Margins	SUM L39 to L45	\$4,901,820
46			
47	<u>Long Term Debt</u>		
48	Bonds (221)		\$4,100,000
49	Advances from Associated Companies (223)		184,419
50	Other Long-Term Debt (224)		
51	Unamortized Premium on LTD (225)		
52	Unamortized Discount on LTD (226)		(19,783)
53	Total Long-Term Debt	SUM L48 to L52	\$4,264,636
54			
55	<u>Other Non-Current Liabilities</u>		
56	Obligations under Capital Leases (227)		
57	Accum. Prov for Injuries & Damages (228.2)		\$39,510
58	Accum. Prov for Pensions & Benefits (228.3)		302,891
59	Accum. Miscellaneous Operating Prov (228.4)		16,798
60	Asset Retirement Obligation (230)		26,379
61	Total Other Non-Current Liabilities	SUM L56 to L60	\$385,578
62			
63	<u>Current and Accrued Liabilities</u>		
64	Notes Payable (231)		
65	Accounts Payable (232)		\$410,046
66	Notes Payable to Assoc. Companies (233)		
67	Accounts Payable to Assoc. Companies (234)		14,042
68	Customer Deposits (235)		67,274
69	Taxes Accrued (236)		74,389
70	Interest Accrued (237)		39,884
71	Dividends Declared (238)		0
72	Tax Collections Payable (241)		(33)
73	Misc Current & Accrued Liabilities (242)		172,522
74	Total Current & Accrued Liabilities	SUM L64 to L73	\$778,125
75			
76	<u>Other Deferred Credits</u>		
77	Customer Advances for Construction (252)		\$2,928
78	Other Deferred Credits (253)		13,208
79	Other Regulatory Liabilities (254)		236,835
80	Deferred Investment Tax Credit (255)		488
81	Unamortized Gain on Reacquired Debt (257)		
82	Accumulated Deferred Income Taxes (281-283)		2,462,380
83	Total Other Deferred Credits	SUM L77 to L82	\$2,715,839
84			
85	Total Liabilities and Other Credits	L45 + L53 + L61 + L74 + L83	\$13,045,998

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-2 Income Statement Summary

Exhibit MJT-2
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 4 of 94

Line No.	Category	Description	(1) FTY Amount	(2) Non- Jurisdiction	(3) Jurisdiction
1	Total Operating Revenues	Customer & Distribution Revenues	\$345,577		\$345,577
2		Gas Cost Revenue	232,834		232,834
3		Other Operating Revenues	4,788		4,788
4		Subtotal Total Operating Revenues	\$583,200		\$583,200
5					
6	Total Operating Expenses	Operation & Maintenance Expenses	\$370,993		\$370,993
7		Depreciation & Amortization Expense	71,547		71,547
8		Amortization of Regulatory Expense	5,321		5,321
9		Taxes Other Than Income Taxes - Other	7,367		7,367
10		Subtotal Total Operating Expenses	\$455,228		\$455,228
11					
12	Net Utility Operating Income Before Income Tax		\$127,972		\$127,972

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-2
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 5 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FTY Amount	Non-Jurisdictional	Jurisdictional
1	Operating Revenues	Customer & Distribution Revenues	Residential	480.0	\$226,007		\$226,007
2			C & I	481.0	95,489		95,489
3			Transportation of Gas of Others	489.3	24,081		24,081
4			Subtotal		\$345,577		\$345,577
5							
6		Gas Cost Revenue	Residential	480.0	\$173,650		\$173,650
7			C & I	481.0	59,184		59,184
8			Interdepartmental	484.0			
9			Subtotal		\$232,834		\$232,834
10							
11		Other Operating Revenues	Sales For Resale	483.0	\$3,223		\$3,223
12			Forfeited Discounts	487.0	898		898
13			Miscellaneous Service Revenues	488.0			
14			Rent for Gas Property	493.0			
15				494.0	668		668
16			Other Gas Revenues	495.0			
17			Subtotal		\$4,788		\$4,788
18							
19			Total Operating Revenues		\$583,200		\$583,200
20							
21	Operating Expenses	Operation & Maintenance Expenses	Manufactured Gas Production	710.0	\$0		\$0
22			Liquefied Petroleum Gas Expenses	717.0	83		83
23			Liquefied Petroleum Gas Expenses	728.0			
24			Maintenance of Structures and Improvements	741.0	56		56
25			Maintenance of Production Equipment	742.0	139		139
26			Natural Gas City Gate Purchases	804.0	234,928		234,928
27			Other Gas Purchases	805.0			
28			Purchases Gas Cost Adjustments	805.1			
29			Purchased Gas Expenses	807.0			
30			Gas Withdrawn from Storage-Debit	808.1			
31			Gas Delivered to Storage-Credit	808.2			
32			Other Gas Supply Purchases	813.0			
33			Other Expenses	824.0			
34			Operating Supervision and Engineering	840.0	268		268
35			Operation Labor and Expenses	841.0	858		858
36			Maintenance Supervision and Engineering	843.1	1,106		1,106

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-2
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 6 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FTY Amount	Non-Jurisdictional	Jurisdictional
37		Maintenance of Structures and Improvements		843.2	3,593		3,593
38		Operation Supervision and Engineering		870.0	1,162		1,162
39		Mains and Services Expenses		874.0	17,721		17,721
40		Measuring and Regulating Station Expenses-General		875.0	1,066		1,066
41		Measuring and Regulating Station Expenses-City Gate		877.0	1		1
42		Meter and House Regulator Expenses		878.0	6,141		6,141
43		Customer Installations Expenses		879.0	5,296		5,296
44		Other Expenses		880.0	13,512		13,512
45		Rents		881.0	30		30
46		Maintenance of Mains		887.0	19,077		19,077
47		Maintenance of Measuring & Reg. Station Equip.-Genl.		889.0	1,007		1,007
48		Maintenance of Services		892.0	1,452		1,452
49		Maintenance of Meters & House Regulators		893.0	432		432
50		Maintenance of Other Equipment		894.0	902		902
51		Meter Reading		902.0	164		164
52		Customer Records and Collection		903.0	14,170		14,170
53		Uncollectible Accounts		904.0	2,249		2,249
54		Miscellaneous Customer Accounts		905.0	1,053		1,053
55		Customer Assistance		908.0	4,594		4,594
56		Informational & Instructional		909.0	330		330
57		Miscellaneous Customer & Informational		910.0			
58		Demonstrating & Selling		912.0	3,021		3,021
59		Miscellaneous Sales		916.0			
60		Administrative and General Salaries		920.0	9,748		9,748
61		Office Supplies and Expenses		921.0	1,451		1,451
62		Administrative Expenses Transferred-Credit		922.0			
63		Outside Service Employed		923.0	16,096		16,096
64		Property Insurance		924.0	71		71
65		Franchise Requirements		925.0	275		275
66		Employee Pensions and Benefits		926.0	5,158		5,158
67		Regulatory Commission Expenses		928.0	2,110		2,110
68		Duplicate Charges-Credit		929.0			
69		Miscellaneous General Expenses		930.2	509		509
70		Maintenance of General Plant		932.0	1,164		1,164
71				Subtotal	\$370,993		\$370,993
72							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-2
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 7 of 94

Line No.	Category	Description	Account	(1)	(2)	(3)
				FTY Amount	Non-Jurisdictional	Jurisdictional
73		Depreciation & Amortization Expense	403.0	\$62,088		\$62,088
74			403.1			
75			404.0	9,458		9,458
76			Subtotal	\$71,547		\$71,547
77						
78		Amortization of Regulatory Expense	407.3	\$5,321		5,321
79			Subtotal	\$5,321		\$5,321
80						
81		Taxes Other Than Income Taxes - Other	408.1	\$7,367		\$7,367
82			Subtotal	\$7,367		\$7,367
83						
84			Total Operating Expenses	\$455,228		\$455,228
85						
86			Net Utility Operating Income Before Income Tax	\$127,972		\$127,972

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-3 Operating Revenues

Exhibit MJT-2
 Schedule B-3
 Witness: Michael J. Trzaska
 Page 8 of 94

Line No.	Category	Description	Description	Account	(1)	(2)	(3)
					FTY Amount	Non-Jurisdictional	Jurisdictional
1	OPERATING REVENUE	Customer & Distribution Revenue	Residential	480.0	\$226,007		\$226,007
2			C & I	481.0	95,489		95,489
3			Transportation of Gas of Others	489.3	24,081		24,081
4				Subtotal	<u>\$345,577</u>		<u>\$345,577</u>
5							
6		Gas Cost Revenue	Residential	480.0	\$173,650		\$173,650
7			C & I	481.0	59,184		59,184
8			Interdepartmental	484.0			
9				Subtotal	<u>\$232,834</u>		<u>\$232,834</u>
10							
11					<u>OPERATING REVENUE</u>		<u>\$578,411</u>
12							
13	OTHER REVENUE	Other Operating Revenue	Sales For Resale	483.0	\$3,223		\$3,223
14			Forfeited Discounts	487.0	898		898
15			Miscellaneous Service Revenues	488.0			
16				Subtotal	<u>\$4,120</u>		<u>\$4,120</u>
17							
18		Other Gas Revenue	Rent for Gas Property	493.0			
19			Interdepartmental Rents	494.0	\$668		\$668
20			Other Gas Revenues	495.0			
21				Subtotal	<u>\$668</u>		<u>\$668</u>
22							
23					<u>OTHER REVENUE</u>		<u>\$4,788</u>
24							
25					OTHER OPERATING REVENUES		
26							
27				Total	<u><u>\$583,200</u></u>		<u><u>\$583,200</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-4 O + M Expenses

Exhibit MJT-2
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 9 of 94

Line No.	Category	Description	Description	Account	Budget FTY	Non-Jurisdictional	Jurisdictional
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	Manufactured Gas Production		710.0	\$0	\$0
2			Liquefied Petroleum Gas Expenses		717.0	83	83
3			Maintenance of Structures and Improvements		741.0	56	56
4			Maintenance of Production Equipment		742.0	139	139
5				SUM L1 to L4		\$278	\$278
6							
7	GAS RAW MATERIALS	Gas Raw Materials	Liquefied Petroleum Gas Expenses		728.0		
8							
9	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	Natural Gas City Gate Purchases		804.0	\$234,928	\$234,928
10			Other Gas Purchases		805.0		
11			Purchases Gas Cost Adjustments		805.1		
12			Purchased Gas Expenses		807.0		
13			Gas Withdrawn from Storage-Debit		808.1		
14			Gas Delivered to Storage-Credit		808.2		
15			Other Gas Supply Purchases		813.0		
16				SUM L9 to L15		\$234,928	\$234,928
17							
18	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	Other Expenses		824.0		
19							
20	STORAGE EXPENSE	Storage Operations Expense	Operating Supervision and Engineering		840.0	\$268	\$268
21			Operation Labor and Expenses		841.0	858	858
22				SUM L20 to L21		\$1,126	\$1,126
23							
24		Storage Maintenance Expense	Maintenance Supervision and Engineering		843.1	\$1,106	\$1,106
25			Maintenance of Structures and Improvements		843.2	3,593	3,593
26				SUM L24 to L25		\$4,699	\$4,699
27							
28			Subtotal STORAGE EXPENSE	L22 + L26		\$5,825	\$5,825
29							
30	DISTRIBUTION EXPENSE	Distribution Operations	Operation Supervision and Engineering		870.0	\$1,162	\$1,162
31			Mains and Services Expenses		874.0	17,721	17,721
32			Measuring and Regulating Station Expenses-General		875.0	1,066	1,066
33			Measuring and Regulating Station Expenses-City Gate		877.0	1	1
34			Meter and House Regulator Expenses		878.0	6,141	6,141
35			Customer Installations Expenses		879.0	5,296	5,296
36			Other Expenses		880.0	13,512	13,512
37			Rents		881.0	30	30
38				SUM L30 to L37		\$44,930	\$44,930
39							
40		Distribution Maintenance	Maintenance of Mains		887.0	\$19,077	\$19,077
41			Maintenance of Measuring & Reg. Station Equip.-Genl.		889.0	1,007	1,007
42			Maintenance of Services		892.0	1,452	1,452
43			Maintenance of Meters & House Regulators		893.0	432	432

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-4 O + M Expenses

Exhibit MJT-2
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 10 of 94

(1) (2) (3)

Line No.	Category	Description	Description	Account	Budget FTY	Non-Jurisdictional	Jurisdictional
44			Maintenance of Other Equipment		894.0	902	902
45				SUM L40 to L44	\$22,870		\$22,870
46							
47				L38 + L45	\$67,799		\$67,799
48							
49	CUSTOMER ACCOUNTS	Customer Accounts	Meter Reading		902.0	\$164	\$164
50			Customer Records and Collection		903.0	14,170	14,170
51			Uncollectible Accounts		904.0	2,249	2,249
52			Miscellaneous Customer Accounts		905.0	1,053	1,053
53				SUM L49 to L52	\$17,636		\$17,636
54							
55	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	Customer Assistance		908.0	\$4,594	\$4,594
56			Informational & Instructional		909.0	330	330
57			Miscellaneous Customer & Informational		910.0		
58				SUM L55 to L57	\$4,924		\$4,924
59							
60	SALES	Sales	Demonstrating & Selling		912.0	\$3,021	\$3,021
61			Miscellaneous Sales		916.0		
62				SUM L60 to L61	\$3,021		\$3,021
63							
64	ADMINISTRATION & GENERAL	A&G Operations	Administrative and General Salaries		920.0	\$9,748	9,748
65			Office Supplies and Expenses		921.0	1,451	1,451
66			Administrative Expenses Transferred-Credit		922.0		
67			Outside Service Employed		923.0	16,096	16,096
68			Property Insurance		924.0	71	71
69			Franchise Requirements		925.0	275	275
70			Employee Pensions and Benefits		926.0	5,158	5,158
71			Regulatory Commission Expenses		928.0	2,110	2,110
72			Duplicate Charges-Credit		929.0		
73			Miscellaneous General Expenses		930.2	509	509
74				SUM L64 to L73	\$35,418		35,418
75							
76		A&G Maintenance	Maintenance of General Plant		932.0	\$1,164	\$1,164
77							
78			Subtotal ADMINISTRATION & GENERAL	L74 + L76	\$36,582		36,582
79							
80			Total	L5+L28+L47+L53+L58+L62+L78	\$370,993		\$370,993
81							
82			Total Operations Expense		\$342,260		\$342,260
83			Total Maintenance Expense		28,732		28,732
84			Total O&M Expense	L82 + L83	\$370,993		\$370,993

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-5 Taxes Details

Exhibit MJT-2
 Schedule B-5
 Witness: Michael J. Trzaska
 Page 11 of 94

(1)

(2)

Line No.	Description	Total	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,050	\$2,050
2	Capital Stock & Franchise Tax		
3	Use Tax Accrued	152	152
4	Real Estate Tax Accrual	1,544	1,544
5	Miscellaneous TOTI		
6	Payroll Tax Accrued	3,621	3,685
7	Total	<u><u>\$7,367</u></u>	<u><u>\$7,431</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-6 Cost of Long Term Debt

		(1)	(2)	(3)	(4)	(5)	(6)	
Line No.	Type of Bond Issue	Bond Issue	Reference	Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate	Annualized Cost
1	First & Refunding Mortgage Bonds - Fixed Rate	PECO - FMB - \$300 - 1.70% - Due 9-15-2021		\$300,000		1.86%		
2					7.00%		0.13%	
3		PECO - FMB - \$350 - 2.375% - Due 9-15-2022		350,000		2.47%		
4					8.17%		0.20%	
5		PECO - FMB - \$350 - 3.15% - Due 10-15-2025		350,000		3.29%		
6					8.17%		0.27%	
7		PECO - FMB - \$75 - 5.90% - Due 5-1-2034		75,000		6.00%		
8					1.75%		0.11%	
9		PECO - FMB - \$300 - 5.95% - Due 10-1-2036		300,000		6.04%		
10					7.00%		0.42%	
11		PECO - FMB - \$175 - 5.70% - Due 3-15-2037		175,000		5.81%		
12					4.08%		0.24%	
13		PECO - FMB - \$250 - 4.80% - Due 10-15-2043		250,000		4.89%		
14					5.84%		0.29%	
15		PECO - FMB - \$300 - 4.15% - Due 10-1-2044		300,000		4.23%		
16					7.00%		0.30%	
17		PECO - FMB - \$325 - 3.70% - Due 9-15-2047		325,000		3.77%		
18					7.59%		0.29%	
19		PECO - FMB - \$650 - 3.90% - Due 3-1-2048		650,000		4.08%		
20					15.17%		0.62%	
21		PECO - FMB - \$325 - 3.00% - Due 9-15-2049		325,000		3.10%		
22					7.59%		0.24%	
23		PECO - FMB - \$50 - 2.00% - Due 6-20-2023		50,000		2.27%		
24					1.17%		0.03%	
25		PECO - FMB - \$350 - 2.80% - Due 6-15-2050		350,000		2.86%		
26					8.17%		0.23%	
27		PECO - FMB - \$300 - 3.35% - Due 3-1-2051		300,000		3.46%		
28					7.00%		0.24%	
29		Sub-Total Mortgage Bonds	SUM L1 to L28	\$4,100,000	95.70%		3.61%	
30								
31	Trust Preferred Capital Securities	PECO - TOPRS - \$80.5 - 7.38% - Due 4-6-2028		\$80,521		7.46%		
32					1.88%		0.14%	
33		PECO - TOPRS - \$0.8 - Var (6.75%) - Due 4-6-2028		805		6.75%		
34					0.02%			
35		PECO - TOPRS - \$103 - 5.75% - Due 6-15-2033		103,093		5.88%		
36					2.41%		0.14%	
37								
38		Sub-Total Capital Securities	SUM L31 to L36	\$184,419	4.30%		0.28%	
39								
40		Total Long-Term Debt	L29 + L38	\$4,284,419	100.00%		3.89%	
41								
42		Adjustments for Tenders & Calls		(4,253)				
43								
44		Net Long-Term Debt	L40 + L42	\$4,280,166				
45								
46		Annualized Cost		166,664				
47								
48		Adjustment for Tenders & Calls Reacquired		2,442				
49								
50		Total	L46 + L48	\$169,106			3.95%	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 B-7 Rate of Return

Exhibit MJT-2
 Schedule B-7
 Witness: Michael J. Trzaska
 Page 13 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Capitalization	Capitalization Ratio	Embedded Cost	Return %
1					
2	Long-Term Debt	\$4,280,166	46.61%	3.95%	1.84%
3					
4	Common Equity	4,901,820	53.39%	10.95%	5.85%
5					
6	Total	\$9,181,986	100.00%		7.69%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-1 Measures of Value

Exhibit MJT-2
 Schedule C-1
 Witness: Michael J. Trzaska
 Page 14 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	FTY Amount	Non-Jurisdictional	Jurisdictional
1	Utility Plant	C-2	\$3,232,114		\$3,232,114
2	Accumulated Depreciation	C-3	851,997		851,997
3	Common Plant	C-8	128,447		128,447
4	Net Plant in Service	L1 - L2 + L3	\$2,508,565		\$2,508,565
5					
6	Working Capital	C-4	\$4,277		\$4,277
7	Pension Assets / (Liabilities)	C-5	34,249		34,249
8	Accumulated Deferred Income Taxes	C-6	(244,050)		(244,050)
9	Customer Deposits	C-7	(13,418)		(13,418)
10	Customer Advances for Construction	C-9	(1,334)		(1,334)
11	Material & Supplies	C-11	489		489
12	ADIT - Reg Liability	C-12	(128,438)		(128,438)
13	Gas Storage	C-13	30,870		30,870
14	Total Measures of Value	SUM L4 to L13	\$2,191,210		\$2,191,210

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-2 Utility Plant

Exhibit MJT-2
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 15 of 94

			(1)	(2)	(3)	(4)
Line No.	Category	Account	Reference	FTY Amount	Non-Jurisdictional	Jurisdictional
1	Intangible Plant	G302 - Franchises & Consents		\$50		\$50
2		G303 - Intangible Property		18,487		18,487
3		Subtotal	SUM L1 to L2	\$18,537		\$18,537
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$1,215		\$1,215
6		G311 - Liquefied Petroleum Gas Equip.		14,334		14,334
7		Subtotal	SUM L5 to L6	\$15,549		\$15,549
8						
9	Other Storage Plant	G360 - Land and Land Rights		\$16		\$16
10		G361 - Structures & Improvements		14,883		14,883
11		G362 - Gas Holders		7,084		7,084
12		G363 - Gas Storage Equipment		44,519		44,519
13		Subtotal	SUM L9 to L12	\$66,502		\$66,502
14						
15	Distribution Plant	G374 - Land and Land Rights		\$3,716		\$3,716
16		G375 - Structures and Improvements		15,006		15,006
17		G376 - Gas Mains		1,614,315		1,614,315
18		G378 - Measure & Regulate Sta Equip		22,324		22,324
19		G379 - City Gate Station		67,136		67,136
20		G380 - Services		1,008,483		1,008,483
21		G381 - Meters		158,421		158,421
22		G382 - Meter Installations		204,996		204,996
23		G387 - Other Equipment		2,118		2,118
24		G388 - ARO Costs Distribution Plt		1,456		1,456
25		Subtotal	SUM L15 to L24	\$3,097,970		\$3,097,970
26						
27	General Plant	G390 - Structures & Improvements		\$9,321		\$9,321
28		G391 - Office Furniture & Equipment		5,097		5,097
29		G394 - Tools, Shop & Garage Equip		14,156		14,156
30		G397 - Communication Equipment		4,740		4,740
31		G398 - Miscellaneous Equipment		119		119
32		G399.1 - ARO Costs General Plt		123		123
33		Subtotal	SUM L27 to L32	\$33,556		\$33,556
34						
35		Total	Lines 3+7+13+25+33	\$3,232,114		\$3,232,114

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-2 Additions to Plant

Exhibit MJT-2
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 16 of 94

(1)

Line No.	Category	Account	Additions to Plant
1	<u>Intangible Plant</u>	G303 - Intangible Property	\$784
2		Subtotal Intangible Plant	<u>\$784</u>
3			
4	<u>Manufactured Gas Production Plant</u>	G305 - Structures and Improvements	
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	
7			
8	<u>Other Storage Plant</u>	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	\$59
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	6,311
12		Subtotal Other Storage Plant	<u>\$6,371</u>
13			
14	<u>Distribution Plant</u>	G374 - Land and Land Rights	\$64
15		G375 - Structures and Improvements	687
16		G376 - Gas Mains	148,133
17		G378 - Measure & Regulate Station Equipment	2,171
18		G379 - City Gate Station	9,109
19		G380 - Services	99,438
20		G381 - Meters	5,425
21		G382 - Meter Installations	15,251
22		G387 - Other Equipment	
23		Subtotal Distribution Plant	<u>\$280,277</u>
24			
25	<u>General Plant</u>	G390 - Structures & Improvements	971
26		G391 - Office Furniture & Equipment	1,617
27		G394 - Tools, Shop & Garage Equipment	1,965
28		G397 - Communication Equipment	139
29		G398 - Miscellaneous Equipment	
30		Subtotal General Plant	<u>\$4,691</u>
31			
32		Total	<u><u>\$292,123</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-2 Plant Retirements

Exhibit MJT-2
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 17 of 94

(1)

Line No.	Category	Account	Plant Retirements
1	<u>Intangible Plant</u>	G303 - Intangible Property	(\$307)
2		Subtotal Intangible Plant	(\$307)
3			
4	<u>Manufactured Gas Production Plant</u>	G305 - Structures and Improvements	(\$10)
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	(\$10)
7			
8	<u>Other Storage Plant</u>	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	(\$30)
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	(1,086)
12		Subtotal Other Storage Plant	(\$1,117)
13			
14	<u>Distribution Plant</u>	G374 - Land and Land Rights	(\$143)
15		G375 - Structures and Improvements	(18)
16		G376 - Gas Mains	(6,218)
17		G378 - Measure & Regulate Station Equipment	(73)
18		G379 - City Gate Station	(16)
19		G380 - Services	(7,417)
20		G381 - Meters	(311)
21		G382 - Meter Installations	(723)
22		G388 - ARO Costs Distribution Plant	(2)
23		Subtotal Distribution Plant	(\$14,922)
24			
25	<u>General Plant</u>	G390 - Structures & Improvements	(\$6)
26		G391 - Office Furniture & Equipment	(22)
27		G394 - Tools, Shop & Garage Equipment	(168)
28		G397 - Communication Equipment	(20)
29		G398 - Miscellaneous Equipment	(12)
30		G399.1 - ARO Costs General Plant	(7)
31		Subtotal General Plant	(\$235)
32			
33		Total	(\$16,592)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments
 (1) (2) (3) (4) (5) (6)

Exhibit MJT-2
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 18 of 94

Line No.	Description	Account	FTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents	\$50	100.00%	\$50	100.00%	\$50	
2			\$50		\$50		\$50	
3								
4		G303 - Intangible Property	18,487	100.00%	18,487	100.00%	18,487	
5			\$18,487		\$18,487		\$18,487	
6								
7		Subtotal	\$18,537		\$18,537		\$18,537	
8								
9	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$1,215	100.00%	\$1,215	100.00%	\$1,215	
10			\$1,215		\$1,215		\$1,215	
11								
12		G311 - Liquefied Petroleum Gas Equip	\$14,334	100.00%	\$14,334	100.00%	\$14,334	
13			\$14,334		\$14,334		\$14,334	
14								
15		Subtotal	\$15,549		\$15,549		\$15,549	
16								
17	Other Storage Plant	G360 - Land and Land Rights	\$16	100.00%	\$16	100.00%	\$16	
18			\$16		\$16		\$16	
19								
20		G361 - Structures & Improvements	\$14,883	100.00%	\$14,883	100.00%	\$14,883	
21			\$14,883		\$14,883		\$14,883	
22								
23		G362 - Gas Holders	\$7,084	100.00%	\$7,084	100.00%	\$7,084	
24			\$7,084		\$7,084		\$7,084	
25								
26		G363 - Gas Storage Equipment	\$44,519	100.00%	\$44,519	100.00%	\$44,519	
27			\$44,519		\$44,519		\$44,519	
28								
29		Subtotal	\$66,502		\$66,502		\$66,502	
30								
31	Distribution Plant	G374 - Land and Land Rights	\$3,716	100.00%	\$3,716	100.00%	\$3,716	
32			\$3,716		\$3,716		\$3,716	
33								
34		G375 - Structures and Improvements	\$15,006	100.00%	\$15,006	100.00%	\$15,006	
35			\$15,006		\$15,006		\$15,006	
36								
37		G376 - Gas Mains	\$1,614,315	100.00%	\$1,614,315	100.00%	\$1,614,315	
38			\$1,614,315		\$1,614,315		\$1,614,315	
39								
40		G378 - Measure & Regulate Sta Equip	\$22,324	100.00%	\$22,324	100.00%	\$22,324	
41			\$22,324		\$22,324		\$22,324	
42								
43		G379 - City Gate Station	\$67,136	100.00%	\$67,136	100.00%	\$67,136	
44			\$67,136		\$67,136		\$67,136	
45								
46		G380 - Services	\$1,008,483	100.00%	\$1,008,483	100.00%	\$1,008,483	
47			\$1,008,483		\$1,008,483		\$1,008,483	
48								
49		G381 - Meters	\$158,421	100.00%	\$158,421	100.00%	\$158,421	
50			\$158,421		\$158,421		\$158,421	
51								
52		G382 - Meter Installations	\$204,996	100.00%	\$204,996	100.00%	\$204,996	
53			\$204,996		\$204,996		\$204,996	
54								
55		G387 - Other Equipment	\$2,118	100.00%	\$2,118	100.00%	\$2,118	
56			\$2,118		\$2,118		\$2,118	
57								
58		G388 - ARO Costs Distribution Plant	\$1,456	100.00%	\$1,456	100.00%	\$1,456	
59			\$1,456		\$1,456		\$1,456	
60								
61		Subtotal	\$3,097,970		\$3,097,970		\$3,097,970	
62								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

Exhibit MJT-2
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 19 of 94

(1) (2) (3) (4) (5) (6)

Line No.	Description	Account	FTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
63	General Plant	G390 - Structures & Improvements	\$9,321	100.00%	\$9,321	100.00%	\$9,321	
64			\$9,321		\$9,321		\$9,321	
65								
66		G391 - Office Furniture & Equipment	\$5,097	100.00%	\$5,097	100.00%	\$5,097	
67			\$5,097		\$5,097		\$5,097	
68								
69		G394 - Tools, Shop & Garage Equip	\$14,156	100.00%	\$14,156	100.00%	\$14,156	
70			\$14,156		\$14,156		\$14,156	
71								
72		G395 - Laboratory Equipment						
73								
74								
75		G397 - Communication Equipment	\$4,740	100.00%	\$4,740	100.00%	\$4,740	
76			\$4,740		\$4,740		\$4,740	
77								
78		G398 - Miscellaneous Equipment	\$119	100.00%	\$119	100.00%	\$119	
79			\$119		\$119		\$119	
80								
81		G399.1 - ARO Costs General Plant	\$123	100.00%	\$123	100.00%	\$123	
82			\$123		\$123		\$123	
83								
84		Subtotal	\$33,556		\$33,556		\$33,556	
85								
86								
87		Total	\$3,232,114		\$3,232,114		\$3,232,114	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-3 Accumulated Depreciation

Exhibit MJT-2
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 20 of 94

			(1)	(2)	(3)	(4)
Line No.	Category	Account	Reference	FTY Amount	Non- Jurisdictional	Jurisdictional
1	Intangible Plant	G302 - Franchises & Consents				
2		G303 - Intangible Property		\$15,334		\$15,334
3		Subtotal Intangible Plant	SUM L1 to L2	\$15,334		\$15,334
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$786		\$786
6		G311 - Liquefied Petroleum Gas Equipment		12,329		12,329
7		Subtotal Manufactured Gas Production Plant	SUM L5 to L6	\$13,115		\$13,115
8						
9	Other Storage Plant	G360 - Land and Land Rights				
10		G361 - Structures & Improvements		\$6,957		\$6,957
11		G362 - Gas Holders		6,881		6,881
12		G363 - Gas Storage Equipment		17,117		17,117
13		Subtotal Other Storage Plant	SUM L9 to L12	\$30,955		\$30,955
14						
15	Distribution Plant	G374 - Land and Land Rights		(\$79)		(\$79)
16		G375 - Structures and Improvements		5,715		5,715
17		G376 - Gas Mains		348,477		348,477
18		G378 - Measure & Regulate Station Equipment		7,964		7,964
19		G379 - City Gate Station		23,497		23,497
20		G380 - Services		251,526		251,526
21		G381 - Meters		66,641		66,641
22		G382 - Meter Installations		72,340		72,340
23		G387 - Other Equipment		1,295		1,295
24		G388 - ARO Costs Distribution Plant		478		478
25		Subtotal Distribution Plant	SUM L15 to L24	\$777,853		\$777,853
26						
27	General Plant	G390 - Structures & Improvements		\$3,134		\$3,134
28		G391 - Office Furniture & Equipment		2,247		2,247
29		G394 - Tools, Shop & Garage Equipment		4,877		4,877
30		G395 - Laboratory Equipment				
31		G397 - Communication Equipment		4,428		4,428
32		G398 - Miscellaneous Equipment		33		33
33		G399.1 - ARO Costs General Plant		21		21
34		Subtotal General Plant	SUM L27 to L33	\$14,740		\$14,740
35						
36		Total	Lines 3+7+13+25+34	\$851,997		\$851,997

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-3 Accum Depr Pro Forma Adj

Exhibit MJT-2
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 21 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Account	FTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents						
2								
3		G303 - Intangible Property	\$15,334	100.00%	\$15,334	100.00%	\$15,334	
4								
5		Subtotal	\$15,334		\$15,334		\$15,334	
6								
7	Distribution Plant	G374 - Land and Land Rights	(\$79)	100.00%	(\$79)	100.00%	(\$79)	
8								
9		G375 - Structures and Improvements	5,715	100.00%	5,715	100.00%	5,715	
10								
11		G376 - Gas Mains	348,477	100.00%	348,477	100.00%	348,477	
12								
13		G378 - Measure & Regulate Sta Equip	7,964	100.00%	7,964	100.00%	7,964	
14								
15		G379 - City Gate Station	23,497	100.00%	23,497	100.00%	23,497	
16								
17		G380 - Services	251,526	100.00%	251,526	100.00%	251,526	
18								
19		G381 - Meters	66,641	100.00%	66,641	100.00%	66,641	
20								
21		G382 - Meter Installations	72,340	100.00%	72,340	100.00%	72,340	
22								
23		G387 - Other Equipment	1,295	100.00%	1,295	100.00%	1,295	
24								
25		G388 - ARO Costs Distribution Plant	478	100.00%	478	100.00%	478	
26								
27		Subtotal	\$777,853		\$777,853		\$777,853	
28								
29	General Plant	G390 - Structures & Improvements	\$3,134	100.00%	\$3,134	100.00%	\$3,134	
30								
31		G391 - Office Furniture & Equipment	2,247	100.00%	2,247	100.00%	2,247	
32								
33		G394 - Tools, Shop & Garage Equip	4,877	100.00%	4,877	100.00%	4,877	
34								
35		G395 - Laboratory Equipment		100.00%		100.00%		
36								
37		G397 - Communication Equipment	4,428	100.00%	4,428	100.00%	4,428	
38								
39		G398 - Miscellaneous Equipment	33	100.00%	33	100.00%	33	
40								
41		G399.1 - ARO Costs General Plant	21	100.00%	21	100.00%	21	
42								
43		Subtotal	\$14,740		\$14,740		\$14,740	
44								
45	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$786	100.00%	\$786	100.00%	\$786	
46								
47		G311 - Liquefied Petroleum Gas Eqp	12,329	100.00%	12,329	100.00%	12,329	
48								
49		Subtotal	\$13,115		\$13,115		\$13,115	
50								
51	Other Storage Plant	G360 - Land and Land Rights						
52								
53		G361 - Structures & Improvements	\$6,957	100.00%	\$6,957	100.00%	\$6,957	
54								
55		G362 - Gas Holders	6,881	100.00%	6,881	100.00%	6,881	
56								
57		G363 - Gas Storage Equipment	17,117	100.00%	17,117	100.00%	17,117	
58								
59		Subtotal	\$30,955		\$30,955		\$30,955	
60								
61		Total	\$851,997		\$851,997		\$851,997	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-3 Cost of Removal

Exhibit MJT-2
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 22 of 94

Line No.	Category	Account	Reference	FTY Amount
1	Gas - Production Plant	G305 - Structures and Improvements		(3)
2		G311 - Liquefied Petroleum Gas Equipment		
3		Subtotal Gas - Production Plant	SUM L1 to L2	<u>(3)</u>
4				
5	Gas - Storage	G361 - Structures & Improvements		(\$11)
6		G363 - Gas Storage Equipment		(193)
7		Subtotal Gas - Storage	SUM L5 to L6	<u>(\$203)</u>
8				
9	Gas - Distribution	G374 - Land and Land Rights		\$64
10		G375 - Structures and Improvements		(9)
11		G376 - Gas Mains		(6,007)
12		G378 - Measure & Regulate Station Equipment		(83)
13		G379 - City Gate Station		(7)
14		G380 - Services		(3,684)
15		G382 - Meter Installations		(0)
16		Subtotal Gas - Distribution	SUM L9 to L15	<u>(\$9,726)</u>
17				
18	Gas - General Plant	G390 - Structures & Improvements		(\$5)
19		G391 - Office Furniture & Equipment		(5)
20		G394 - Tools, Shop & Garage Equipment		(20)
21		G397 - Communication Equipment		(3)
22		Subtotal Gas - General Plant	SUM L18 to L21	<u>(\$32)</u>
23				
24		Total	Lines 3+7+16+22	<u><u>(\$9,964)</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 CWC Summary

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 23 of 94

Line No.	Description	Reference	FTY Expenses	(Lead)/Lag Days	Dollar-Days
1	<u>Working Capital Requirement</u>				
2					
3	Revenue Lag Days			43.17	
4					
5	<u>Expense Lag</u>				
6	Payroll (Dist Only)		\$42,948	13.67	\$586,961
7	Pension Expense		2,776	14.00	38,867
8	Commodity Purchased - Gas		232,663	36.51	8,495,169
9	Payment to Suppliers		59,878	56.21	3,365,639
10	Other Expenses		95,805	37.54	3,596,504
11	Total O&M and POR Payments	SUM L6 to L10	<u>\$434,071</u>		<u>\$16,083,141</u>
12					
13	O&M Expense / POR Payment Lag Days			37.05	
14					
15	Net (Lead)/Lag Days	L3 - L13		6.12	
16					
17	Days in Current Year			366	
18					
19	Operating Expenses Per Day		<u>\$1,186</u>		
20					
21	Working Capital for O&M Expense		\$7,258		
22					
23	Average Prepayments		\$2,048		
24	Accrued Taxes		299		
25	Interest Payments		(5,328)		
26					
27	Total Working Capital Requirement	SUM L21 to L25	<u>\$4,277</u>		
28					
29	Pro Forma O&M Expense		\$376,734		
30	Uncollectible Expense		2,541		
31	Pro Forma Cash O&M Expense	L29 - L30	<u>\$374,193</u>		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 Revenue Lag

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 24 of 94

	(1)	(2)	(3)	(4)	(5)	
Line No.	Description	Reference	Accounts Receivable Balance End of Month	Total Monthly Billing Revenue	A/R Turnover	Days Lag
1	Annual Number of Days					<u>365</u>
2						
3	June		\$27,736			
4	July		20,955	\$22,224		
5	August		19,005	21,474		
6	September		19,937	21,471		
7	October		21,226	31,084		
8	November		41,040	76,374		
9	December		67,763	87,198		
10	January		78,104	94,392		
11	February		83,350	85,788		
12	March		68,163	60,942		
13	April		57,130	48,084		
14	May		47,672	33,795		
15	June		<u>31,354</u>	<u>24,695</u>		
16						
17	Total	SUM L3 to L15	<u>\$583,434</u>	<u>\$607,520</u>		
18						
19	Average A/R Balance		<u>13</u>			
20						
21	Factor		<u>\$44,880</u>	<u>\$607,520</u>	13.54	26.96
22						
23	Collection Days Lag					26.96
24						
25	Billing and Revenue Recording Days Lag					1.00
26						
27	Billing Lag (Average Period)	365 / 12. * 0.5				<u>15.21</u>
28						
29	Total Revenue Lag Days	L23 + L25 + L27				<u><u>43.17</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 O + M Lag for CWC

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 25 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Description	Reference	Payment Date	Mid-point of Service Period	Expense Amount	(Lead)/Lag Days	Dollar Days
1	PAYROLL	Union & Non-Union Payroll				\$42,205		
2		Paid Twice Per Month					13.67	
3		Weighted Payroll Dollar Value						\$565,637
4								
5		Payroll Lag	SUM L1 to L3			\$42,205	13.67	\$565,637
6								
7	PENSION PAYMENTS	First Payment						
8		Second Payment						
9		Third Payment						
10		Fourth Payment						
11		Final Payment		1/15/2021	1/1/2021	\$15,681	14.00	\$219,534
12								
13		Sub-Total	SUM L7 to L11			\$15,681		\$219,534
14								
15		Lag Days for Pension Payment					14.00	
16								
17	PURCHASE COMMODITY COSTS	Payment Lag - Payment to Suppliers						56.21
18								
19	OTHER O & M EXPENSES	July				\$10,661		\$438,696
20		October				9,360		349,717
21		January				10,245		411,297
22		April				21,044		726,465
23								
24		TOTAL	SUM L19 to L22			\$51,310	37.54	\$1,926,175
25								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 General Disbursements Lag

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 26 of 94

Line No.	Months	Description	(1) Number of CDs	(2) Cash Disbursements	(3) Dollar-Days	(4) Expense Lag Days
1	July	Total Disbursements for Month	23,745	\$189,031		
2		Total Disbursements for Expenses	755	\$10,661	\$438,696	41.15
3						
4	October	Total Disbursements for Month	29,083	\$131,658		
5		Total Disbursements for Expenses	829	\$9,360	\$349,717	37.36
6						
7	January	Total Disbursements for Month	23,441	\$119,715		
8		Total Disbursements for Expenses	837	\$10,245	\$411,297	40.15
9						
10	April	Total Disbursements for Month	20,660	\$178,558		
11		Total Disbursements for Expenses	1,378	\$21,044	\$726,465	34.52
12	<u>TOTAL FOUR TEST MONTHS</u>		-			
13						
14	Total Test Month Expense Disbursement		3,799	\$51,310	\$1,926,175	37.54

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 Tax Expense Lag Dollars

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 27 of 94

			(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Tax	Description	Payment Date	Mid Point Date	Lead/(Lag) Payment Days	Total Payment Amount	Payment Percentage	Payment Amount	Weighted Dollar Days
1	FEDERAL INCOME TAX	First Payment	9/15/2020	1/1/2021	108	\$9,753	25.00%	\$2,438	\$263,334
2		Second Payment	12/15/2020	1/1/2021	17	\$9,753	25.00%	2,438	41,451
3		Third Payment	4/15/2021	1/1/2021	(104)	\$9,753	25.00%	2,438	(253,581)
4		Fourth Payment	6/15/2021	1/1/2021	(165)	\$9,753	25.00%	2,438	(402,316)
5		Subtotal FEDERAL INCOME TAX					100.00%	\$9,753	(\$351,112)
6									
7	STATE INCOME TAX	First Payment	9/15/2020	1/1/2021	108	\$6,098	25.00%	\$1,524	\$164,633
8		Second Payment	12/15/2020	1/1/2021	17	\$6,098	25.00%	1,524	25,914
9		Third Payment	3/15/2021	1/1/2021	(73)	\$6,098	25.00%	1,524	(111,280)
10		Fourth Payment	6/15/2021	1/1/2021	(165)	\$6,098	25.00%	1,524	(251,523)
11		Subtotal STATE INCOME TAX					100.00%	\$6,098	(\$172,255)
12									
13	PURTA	First Payment	5/3/2021	1/1/2021	(122)	\$2,050	100.00%	\$2,050	(\$250,060)
14		Subtotal PURTA					100.00%	\$2,050	(\$250,060)
15									
16	PA CAPITAL STOCK TAX	First Payment							
17		Second Payment							
18		Third Payment							
19		Fourth Payment							
20		Subtotal PA CAPITAL STOCK TAX							
21									
22	PA PROPERTY TAX	First Payment	12/4/2020	1/1/2021	28	1,544	100.00%	\$1,544	\$43,239
23		Second Payment							
24		Subtotal PA PROPERTY TAX					100.00%	\$1,544	\$43,239
25									
26	GROSS RECEIPTS TAX	First Payment							
27		Subtotal GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 Tax Expense Net Lag Days

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 28 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Total Payment Amount	Weighted Dollar Days	Payment (Lead)/Lag Days	Revenue Lag Days	Net Payment Lead/(Lag) Days	Net Payment Lead/(Lag) Dollars Days	Average Daily Amount for Working Capital
1	FEDERAL INCOME TAX	\$9,753	(\$351,112)	(36.00)	43.17	7.17	\$69,950	\$191
2	STATE INCOME TAX	\$6,098	(\$172,255)	(28.25)	43.17	14.92	\$90,988	\$249
3	PURTA	\$2,050	(\$250,060)	(122.00)	43.17	(78.83)	(\$161,571)	(\$441)
4	PA CAPITAL STOCK TAX							
5	PA PROPERTY TAX	\$1,544	\$43,239	28.00	43.17	71.17	\$109,907	\$300
6	GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 Interest Payments

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 29 of 94

(1) (2)

Line No.	Description	Reference	Jurisdictional
1	Measures of Value at End of Test Year		\$2,191,210
2	Long-Term Debt Ratio		46.61%
3	Embedded Cost of Long-Term Debt		3.95%
4	Pro Forma Interest Expense	L1 * L2 * L3	\$40,352
5	Days in Current Year		366
6	Daily Amount	L4 / L5	\$110
7	Days to Mid-Point of Interest Payments	L5 / 4	91.50
8	Less: Revenue Lag Days		43.17
9	Interest Payment Lag Days	L8 - L7	(48.33)
10	Total Interest for Working Capital	L6 * L9	(5,328)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 Prepayments

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Line No.	Description	Reference	AGA Membership Dues	EAP Membership Dues	NGA Membership Dues	PUC Assessment Gas	Maintenance	IT License & Maintenance	Prepaid Rent	VEBA Adjust	Facilities Contracts	IT License & Maintenance	Fleet Activities	IT License & Maintenance	Customer Experience	Postage	Total Prepayment
1	June		\$195	\$20		\$1,299	\$15	(50)	\$48	\$389	\$104	\$797	\$336	\$1,257	\$196	\$667	
2	July		163		(14)	1,120	15	490	32	389	77	728	341	\$1,321	186	552	
3	August		130		(14)	941	15	441	51	389	50	601	289	\$1,078	143	599	
4	September		98			1,301	15	500	86	(0)	23	488	237	\$836	100	719	
5	October		98	(20)	(9)	1,156	15	437	70	(0)	(4)	792	298	\$594	56	537	
6	November		33	10	5	1,012	15	364	90	(0)	(31)	680	323	\$759	46	659	
7	December		1	(1)		867	15	297	74	135	0	339	337	\$516	17	595	
8	January		371	114		723	15	201	58	135	175	441	339	\$586	258	743	
9	February		337	104		578	15	134	77	135	159	397	339	\$382	226	588	
10	March		303	93	41	434	10	67	54	120	143	376	359	\$185	218	698	
11	April		270	83	37	289	10	22	38	120	127	444	364	\$645	209	618	
12	May		236	73	32	144	10	729	57	120	111	355	354	\$467	168	808	
13	June		202	62	28	0	10	662	41	1,174	95	306	356	\$620	148	720	
14																	
15	Total	SUM L1 to L13	\$2,436	\$538	\$105	\$9,864	\$173	\$4,346	\$776	\$3,105	\$1,027	\$6,744	\$4,272	\$9,247	\$1,972	\$8,503	
16																	
17	Distribution Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	23.03%	23.03%	23.03%	23.03%	24.84%	24.84%	24.84%	
18																	
19	Distribution Amount	L15 * L17	\$2,436	\$538	\$105	\$9,864	\$173	\$4,346	\$776	\$715	\$237	\$1,553	\$984	\$2,297	\$490	\$2,112	
20																	
21	Number of Months	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
22																	
23	Monthly Average	L19 / L21	\$187	\$41	\$8	\$759	\$13	\$334	\$60	\$55	\$18	\$119	\$76	\$177	\$38	\$162	
24																	
25	Rate Case Amount																\$2,048

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-4 Energy Lag

Exhibit MJT-2
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 31 of 94

		(1)	(2)	(3)
Line No.	Description	Shopping Percentage	Weighted Lag Days	Lag Days
1	Residential	74%		40.00
2	Nonresidential	26%		40.00
3	Weighted Payment Lag Days		40.00	
4				
5	Billing and Revenue Days Lag			1.00
6	Billing Lag (Average Period)			15.21
7	Total Payment Lag Days			56.21

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-5 Pension

Exhibit MJT-2
 Schedule C-5
 Witness: Michael J. Trzaska
 Page 32 of 94

(1)

(2)

Line No.	Description	Reference	Pension Asset
1	Balance at End of HTY - Total		\$378,708
2	Activities in FTY - Total		8,544
3	Balance at End of FTY - Total		<u>387,252</u>
4	Allocation % to Utility		21.25%
5	Utility Amount	L3 * L4	\$82,284
6	Allocation % to Distribution Capital		41.62%
7	Balance at End of FPFTY - Distribution Capital	L5 * L6	<u><u>\$34,249</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-6 ADIT - A/C #282

Exhibit MJT-2
 Schedule C-6
 Witness: Michael J. Trzaska
 Page 33 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - CIAC		(\$10,667)	100.00%	(\$10,667)	100.00%	(\$10,667)
2		ADIT - Common Plant		6,582	100.00%	6,582	100.00%	6,582
3		ADIT - Gas Distribution		242,089	100.00%	242,089	100.00%	242,089
4		Sub-Total	SUM L1 to L3	\$238,004		\$238,004		\$238,004
5								
6	FTY	DIT - CIAC		(\$1,771)	100.00%	(\$1,771)	100.00%	(\$1,771)
7		DIT - Common Plant			100.00%		100.00%	
8		DIT - Gas Distribution		7,816	100.00%	7,816	100.00%	7,816
9		Sub-Total	SUM L6 to L8	\$6,046		\$6,046		\$6,046
10								
11		Total	L4 + L9	\$244,050		\$244,050		\$244,050

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-7 Customer Deposits

Exhibit MJT-2
 Schedule C-7
 Witness: Michael J. Trzaska
 Page 34 of 94

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Residential	Non-Residential	Total
1	June		\$4,674	\$8,369	\$13,043
2	July		4,665	8,323	12,988
3	August		4,705	8,359	13,064
4	September		4,721	8,273	12,994
5	October		4,764	8,269	13,033
6	November		4,743	8,286	13,029
7	December		4,739	8,319	13,058
8	January		4,766	9,268	14,034
9	February		4,765	9,250	14,014
10	March		4,769	9,296	14,065
11	April		4,713	9,203	13,916
12	May		4,632	9,079	13,711
13	June		4,540	8,948	13,488
14					
15	Total	SUM L1 to L13	\$61,196	\$113,242	\$174,438
16					
17	Average Monthly Balance	L15 / 13	\$4,707	\$8,711	\$13,418
18					
19	<u>HTY Deposits by Customer Classification</u>				
20	Residential				\$4,707
21	Small C&I				8,388
22	Large C&I				323
23	Transportation				
24					
25	Total	SUM L20 to L23			\$13,418

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-8 Common Plant

Exhibit MJT-2
 Schedule C-8
 Witness: Michael J. Trzaska
 Page 35 of 94

(1) (2)

Line No.	Description	Reference	PECO - Total
1	Common Plant in Service:		
2			
3	Land		\$6,920
4	Organization		677
5	Software		338,268
6	General Plant		671,511
7	Other		(0)
8	Subtotal	SUM L3 to L7	\$1,017,376
9			
10	Common Plant Accumulated Depreciation:		
11			
12	Land		
13	Organization		
14	Software		\$251,288
15	General Plant		208,349
16	Other		0
17	Subtotal	SUM L12 to L16	\$459,637
18			
19	Net Common Plant	L8 - L17	\$557,739
20			
21	Allocation Factor		23.030%
22			
23	Common Plant in Service to Utility	L8 * L21	\$234,302
24	Common Plant Accumulated Depreciation to Utility	L17 * L21	105,854
25	Net Common Plant to Utility	L23 - L24	\$128,447

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-9 Customer Advances For Construction

Exhibit MJT-2
 Schedule C-9
 Witness: Michael J. Trzaska
 Page 36 of 94

(1)

Line No.	Description	Total FTY Amount
1	<u>HTY 13-Month Average</u>	
2	June	\$1,243
3	July	1,254
4	August	1,420
5	September	1,429
6	October	1,901
7	November	1,879
8	December	1,082
9	January	1,319
10	February	1,355
11	March	1,198
12	April	1,228
13	May	1,032
14	June	1,004
15		
16	13-Month Total	<u>\$17,343</u>
17		
18		
19	Average Monthly Balance	<u>\$1,334</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-11 Materials Supplies

Exhibit MJT-2
 Schedule C-11
 Witness: Michael J. Trzaska
 Page 37 of 94

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Materials & Supplies	Undistributed Stores Expense	Total
1	HTY 13-Month Average				
2	June		\$599	(\$0)	\$599
3	July		601	(482)	119
4	August		611	(527)	84
5	September		602	(0)	602
6	October		595	(670)	(76)
7	November		590	(664)	(74)
8	December		592	(0)	592
9	January		443	107	549
10	February		434	151	585
11	March		453	(0)	453
12	April		461	(6)	455
13	May		434	(32)	401
14	June		436		436
15					
16	Total	SUM L2 to L14	\$6,850	(\$2,125)	\$4,725
17					
18	Distribution Expense Allocation Factor		100.00%	23.03%	
19					
20	Allocation to Distribution	L16 * L18	\$6,850	(\$489)	
21					
22	Average Monthly Balance	L20 / 13	\$527	(\$38)	\$489

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-12 ADIT - Reg Liability

Exhibit MJT-2
 Schedule C-12
 Witness: Michael J. Trzaska
 Page 38 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - Property Related		\$136,680	100.00%	\$136,680	100.00%	\$136,680
2		ADIT - OPEB Related		(3,547)	100.00%	(3,547)	100.00%	(3,547)
3		Subtotal HTY	L1 + L2	\$133,133		\$133,133		\$133,133
4								
5	FTY	DIT - Property Related		(\$5,780)	100.00%	(\$5,780)	100.00%	(\$5,780)
6		DIT - OPEB Related		1,085	100.00%	1,085	100.00%	1,085
7		Subtotal FTY	L5 + L6	(\$4,695)		(\$4,695)		(\$4,695)
8								
9		Total	L3 + L7 + L11	\$128,438		\$128,438		\$128,438

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 C-13 Gas Storage

Exhibit MJT-2
 Schedule C-13
 Witness: Michael J. Trzaska
 Page 39 of 94

		(1)	(2)	(3)	(4)	(5)
Line No.	Description	Reference	Stored Underground	LNG	Propane Gas	Total
1	June		\$21,180	\$3,563	\$1,653	\$26,395
2	July		25,468	4,096	1,653	31,217
3	August		29,678	4,533	1,653	35,864
4	September		34,092	4,486	1,653	40,231
5	October		38,278	4,434	1,653	44,365
6	November		37,131	4,383	1,653	43,166
7	December		30,932	4,349	1,629	36,910
8	January		23,880	4,271	1,629	29,780
9	February		17,295	4,209	1,629	23,132
10	March		15,107	4,151	1,629	20,887
11	April		14,413	4,101	1,629	20,142
12	May		17,455	4,052	1,629	23,137
13	June		20,461	3,997	1,629	26,087
14						
15	Total	SUM L1 to L13	\$325,370	\$54,624	\$21,318	\$401,312
16						
17	Average Monthly Balance	L15 / 13	\$25,028	\$4,202	\$1,640	\$30,870

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission\
 FTY Ending June 2021
 (\$ in Thousands)
 D-1 Present and Proposed Rates

Exhibit MJT-2
 Schedule D-1
 Witness: Michael J. Trzaska
 Page 40 of 94

Line No.	Category	Description	Reference	(1) Pro Forma Adjusted at Present Rates	(2) Proposed Rate Increase	(3) Proposed Rate Increase	(4) Adjusted Amounts with Proposed Rate Increase
1	Operating Revenues	Residential		\$400,485			\$400,485
2		C & I		154,489			154,489
3		Interdepartmental					
4		Sales for Resale					
5		Forfeited Discounts		898	86		984
6		Miscellaneous Service Revenues					
7		Rent For Electric Property					
8		Other Gas Revenues		668			668
9		Transportation of Gas of Others		24,081			24,081
10		Revenue Increase			61,352		61,352
11		Subtotal Operating Revenues	SUM L1 to L10	\$580,620	\$61,438		\$642,059
12							
13	Operating Expenses	Manufactured Gas Production		\$281			\$281
14		Storage Operations Expense		1,136			1,136
15		Storage Maintenance Expense		4,728			4,728
16		Underground Storage Expenses					
17		Other Gas Supply		232,663			232,663
18		Distribution Expense		68,248			68,248
19		Total Customer Accounts		19,170	213		19,383
20		Total Customer Service & Information		7,920			7,920
21		Total Sales		3,027			3,027
22		Administrative & General		39,561	189		39,750
23		O&M Expense	SUM L16 to L25	\$376,734	\$402		\$377,136
24							
25		Depreciation & Amortization Expense		\$78,320			\$78,320
26		Amortization of Regulatory Expense		2,812			2,812
27		Taxes Other Than Income Taxes - Other		7,431			7,431
28		Subtotal Operating Expenses	SUM L26 to L30	\$465,296	\$402		\$465,698
29							
30	Net Operating Income - BIT		L11 - L28	\$115,324	\$61,036		\$176,360

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-2 Adjusted Present Rates

Exhibit MJT-2
 Schedule D-2
 Witness: Michael J. Trzaska
 Page 41 of 94

Line No.	Category	Description	(1) FTY Amount Pre Adjustments	(2) Adjustments Sub-Total	(3) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	\$399,657	\$828	\$400,485
2		C & I	154,674	(185)	154,489
3		Interdepartmental			
4		Sales for Resale	3,223	(3,223)	
5		Forfeited Discounts	898		898
6		Miscellaneous Service Revenues			
7		Rent For Electric Property			
8		Other Gas Revenues	668		668
9		Transportation of Gas of Others	24,081		24,081
10		Revenue Increase			
11		Subtotal Operating Revenues	\$583,200	(2,579)	\$580,620
12					
13	Operating Expenses	Manufactured Gas Production	\$278	\$3	\$281
14		Storage Operations Expense	1,126	10	1,136
15		Storage Maintenance Expense	4,699	29	4,728
16		Underground Storage Expenses			
17		Other Gas Supply	234,928	(2,265)	232,663
18		Distribution Expense	67,799	449	68,248
19		Total Customer Accounts	17,636	1,534	19,170
20		Total Customer Service & Information	4,924	2,996	7,920
21		Total Sales	3,021	7	3,027
22		Administrative & General	36,582	2,979	39,561
23		O&M Expense	\$370,993	\$5,741	\$376,734
24					
25		Depreciation & Amortization Expense	\$71,547	\$6,773	\$78,320
26		Amortization of Regulatory Expense	5,321	(2,509)	2,812
27		Taxes Other Than Income Taxes - Other	7,367	64	7,431
28		Subtotal Operating Expenses	\$455,228	\$10,068	\$465,296
29					
30	Net Operating Income - BIT		127,972	(12,648)	115,324

PECO Gas Operations
Before The PA PUC
FTY Ending June 2021
(\$ in Thousands)
D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(1) FTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(8) D-5H Asset Optimization - Margin Adjustment Expense	(6) D-5I IS Revenue Adjustment
1	Operating Revenues	Residential	Gas Cost	\$173,650						
2			Cust & Dist	226,007	597	0	231			
3			Subtotal Residential	\$399,657	\$597	\$0	\$231			
4										
5		C & I	Gas Cost	\$59,184						(171)
6			Cust & Dist	95,489	(98)		112			(29)
7			Subtotal C & I	\$154,674	(\$98)		\$112			(\$199)
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale	\$3,223					(\$3,223)	
13			Subtotal Sales for Resale	\$3,223					(\$3,223)	
14										
15		Forfeited Discounts	Forfeited Discounts	\$898						
16			Subtotal Forfeited Discounts	\$898						
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues	\$668						
25			Subtotal Other Gas Revenues	\$668						
26										
27		Transportation of Gas of Others	Transportation of Gas of Others	\$24,081						
28			Subtotal Transportation of Gas of Others	\$24,081						
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues	\$583,200	\$499	\$0	\$343		(\$3,223)	(\$199)
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production	\$0						
36			Liquefied Petroleum Gas Expenses	83						
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements	56						
39			Maintenance of Production Equipment	139						
40			Subtotal Manufactured Gas Production	\$278						
41										
42		Other Gas Supply	Natural Gas City Gate Purchases	\$234,928					(\$2,094)	(\$171)
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							

PECO Gas Operations
 Before The PA PUC
 FTY Ending June 2021
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(1) FTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(8) D-5H Asset Optimization - Margin Adjustment Expense	(6) D-5I IS Revenue Adjustment
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply	\$234,928					(\$2,094)	(\$171)
50										
51	Storage Maintenance Expense		Maintenance Supervision and Engineering	\$1,106						
52			Maintenance of Structures and Improvements	3,593						
53			Subtotal Storage Maintenance Expense	\$4,699						
54										
55	Storage Operations Expense		Operating Supervision and Engineering	\$268						
56			Operation Labor and Expenses	858						
57			Subtotal Storage Operations Expense	\$1,126						
58										
59	Underground Storage Expenses		Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62	Distribution Expense		Operation Supervision and Engineering	\$1,162						
63			Mains and Services Expenses	17,721						
64			Measuring and Regulating Station Expenses-General	1,066						
65			Measuring and Regulating Station Expenses-City Gate	1						
66			Meter and House Regulator Expenses	6,141						
67			Customer Installations Expenses	5,296						
68			Other Expenses	13,512						
69			Rents	30						
70			Maintenance of Mains	19,077						
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	1,007						
72			Maintenance of Services	1,452						
73			Maintenance of Meters & House Regulators	432						
74			Maintenance of Other Equipment	902						
75			Subtotal Distribution Expense	\$67,799						
76										
77	Total Customer Accounts		Customer Records and Collection	\$14,170						
78			Meter Reading	164						
79			Miscellaneous Customer Accounts	1,053						
80			Uncollectible Accounts	2,249						
81			Subtotal Total Customer Accounts	\$17,636						
82										
83	Total Customer Service & Information		Customer Assistance	\$4,594						
84			Informational & Instructional	330						
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$4,924						
87										
88	Total Sales		Demonstrating & Selling	\$3,021						

PECO Gas Operations
Before The PA PUC
FTY Ending June 2021
(\$ in Thousands)
D-3 Adjustments to Net Operating Income

				(1)	(2)	(3)	(4)	(5)	(8)	(6)
Line No.	Category	Description	Description	FTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization - Margin Adjustment Expense	D-5I IS Revenue Adjustment
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$3,021						
91										
92	Administrative & General		Administrative and General Salaries	\$9,748						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits	5,158						
96			Franchise Requirements	275						
97			Injuries and Damages							
98			Maintenance of General Plant	1,164						
99			Miscellaneous General Expenses	509						
100			Office Supplies and Expenses	1,451						
101			Outside Service Employed	16,096						
102			Property Insurance	71						
103			Regulatory Commission Expenses	2,110						
104			Subtotal Administrative & General	\$36,582						
105										
106			O&M Expense	370,993					(2,094)	(171)
107										
108	Depreciation & Amortization Expense		Depreciation & Amortization Expense	\$71,547						
109			Subtotal Depreciation & Amortization Expense	71,547						
110										
111	Amortization of Regulatory Expense		Amortization of Regulatory Expense	\$5,321						
112			Subtotal Amortization of Regulatory Expense	5,321						
113										
114	Taxes Other Than Income Taxes - Other		Taxes Other Than Income Taxes - Other	\$7,367						
115			Subtotal Taxes Other Than Income Taxes - Other	7,367						
116										
117			Total Operating Expenses	\$455,228					(\$2,094)	(\$171)
118										
119	Net Operating Income Before Income Tax			\$127,972	\$499	\$0	\$343		(\$1,128)	(\$29)

PECO Gas Operations
 Before The PA PUC
 FTY Ending June 2021
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(8) D-6 Salary & Wages	(10) D-7 Rate Case Expense	(11) D-8 Adjustments for Employee Benefits	(12) D-9 Adjustments for Pension	(13) D-10 Uncollectible Accounts	(14) D-11 Energy Efficiency & Grant Program Expense	(15) D-12 Customer Deposit Interest
1	Operating Revenues	Residential	Gas Cost							
2			Cust & Dist							
3			Subtotal Residential							
4										
5		C & I	Gas Cost							
6			Cust & Dist							
7			Subtotal C & I							
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale							
13			Subtotal Sales for Resale							
14										
15		Forfeited Discounts	Forfeited Discounts							
16			Subtotal Forfeited Discounts							
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							
25			Subtotal Other Gas Revenues							
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							
28			Subtotal Transportation of Gas of Others							
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues							
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							
36			Liquefied Petroleum Gas Expenses		1					
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements		1					
39			Maintenance of Production Equipment		1					
40			Subtotal Manufactured Gas Production		\$3					
41										
42		Other Gas Supply	Natural Gas City Gate Purchases							
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							

PECO Gas Operations
 Before The PA PUC
 FTY Ending June 2021
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

				(8)	(10)	(11)	(12)	(13)	(14)	(15)
Line No.	Category	Description	Description	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply							
50										
51	Storage Maintenance Expense		Maintenance Supervision and Engineering	\$9						
52			Maintenance of Structures and Improvements	21						
53			Subtotal Storage Maintenance Expense	\$29						
54										
55	Storage Operations Expense		Operating Supervision and Engineering	\$2						
56			Operation Labor and Expenses	7						
57			Subtotal Storage Operations Expense	\$10						
58										
59	Underground Storage Expenses		Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62	Distribution Expense		Operation Supervision and Engineering	\$0						
63			Mains and Services Expenses	\$103						
64			Measuring and Regulating Station Expenses-General	\$13						
65			Measuring and Regulating Station Expenses-City Gate							
66			Meter and House Regulator Expenses	\$21						
67			Customer Installations Expenses	\$65						
68			Other Expenses	\$47						
69			Rents							
70			Maintenance of Mains	\$171						
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	\$9						
72			Maintenance of Services	\$13						
73			Maintenance of Meters & House Regulators	\$5						
74			Maintenance of Other Equipment	\$2						
75			Subtotal Distribution Expense	\$449						
76										
77	Total Customer Accounts		Customer Records and Collection	\$103						
78			Meter Reading							\$381
79			Miscellaneous Customer Accounts	\$5						
80			Uncollectible Accounts					292		
81			Subtotal Total Customer Accounts	\$108				\$292		\$381
82										
83	Total Customer Service & Information		Customer Assistance	\$4					\$2,992	
84			Informational & Instructional							
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$4					\$2,992	
87										
88	Total Sales		Demonstrating & Selling	\$7						

PECO Gas Operations
 Before The PA PUC
 FTY Ending June 2021
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(8) D-6 Salary & Wages	(10) D-7 Rate Case Expense	(11) D-8 Adjustments for Employee Benefits	(12) D-9 Adjustments for Pension	(13) D-10 Uncollectible Accounts	(14) D-11 Energy Efficiency & Grant Program Expense	(15) D-12 Customer Deposit Interest
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$7						
91										
92	Administrative & General		Administrative and General Salaries	\$129						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits			8	1,946			
96			Franchise Requirements							
97			Injuries and Damages	\$2						
98			Maintenance of General Plant	\$3						
99			Miscellaneous General Expenses							
100			Office Supplies and Expenses							
101			Outside Service Employed							
102			Property Insurance							
103			Regulatory Commission Expenses		520					
104			Subtotal Administrative & General	\$134	\$520	\$8	\$1,946			
105										
106			O&M Expense	\$743	520	8	1,946	292	2,992	381
107										
108	Depreciation & Amortization Expense		Depreciation & Amortization Expense							
109			Subtotal Depreciation & Amortization Expense							
110										
111	Amortization of Regulatory Expense		Amortization of Regulatory Expense							
112			Subtotal Amortization of Regulatory Expense							
113										
114	Taxes Other Than Income Taxes - Other		Taxes Other Than Income Taxes - Other							
115			Subtotal Taxes Other Than Income Taxes - Other							
116										
117			Total Operating Expenses	\$743	\$520	\$8	\$1,946	\$292	\$2,992	\$381
118										
119	Net Operating Income Before Income Tax			(\$743)	(\$520)	(\$8)	(\$1,946)	(\$292)	(\$2,992)	(\$381)

PECO Gas Operations
Before The PA PUC
FTY Ending June 2021
(\$ in Thousands)
D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(16) D-13 MGP Recovery	(16) D-14 Reg Initiative Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Subtotal	(21) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	Gas Cost							\$173,650
2			Cust & Dist						828	226,835
3			Subtotal Residential						\$828	\$400,485
4										
5		C & I	Gas Cost						(\$171)	\$59,014
6			Cust & Dist						(14)	95,475
7			Subtotal C & I						(\$185)	\$154,489
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale						(\$3,223)	
13			Subtotal Sales for Resale						(\$3,223)	
14										
15		Forfeited Discounts	Forfeited Discounts							\$898
16			Subtotal Forfeited Discounts							\$898
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							\$668
25			Subtotal Other Gas Revenues							\$668
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							\$24,081
28			Subtotal Transportation of Gas of Others							\$24,081
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues						(\$2,579)	\$580,620
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							\$0
36			Liquefied Petroleum Gas Expenses						1	84
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements						1	56
39			Maintenance of Production Equipment						1	140
40			Subtotal Manufactured Gas Production						\$3	\$281
41										
42		Other Gas Supply	Natural Gas City Gate Purchases						(\$2,265)	\$232,663
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							

PECO Gas Operations
 Before The PA PUC
 FTY Ending June 2021
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(16) D-13 MGP Recovery	(16) D-14 Reg Initiative Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply						(\$2,265)	\$232,663
50										
51	Storage Maintenance Expense		Maintenance Supervision and Engineering						\$9	\$1,115
52			Maintenance of Structures and Improvements						21	3,613
53			Subtotal Storage Maintenance Expense						\$29	\$4,728
54										
55	Storage Operations Expense		Operating Supervision and Engineering						\$2	\$271
56			Operation Labor and Expenses						7	865
57			Subtotal Storage Operations Expense						\$10	\$1,136
58										
59	Underground Storage Expenses		Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62	Distribution Expense		Operation Supervision and Engineering						\$0	\$1,162
63			Mains and Services Expenses						103	17,824
64			Measuring and Regulating Station Expenses-General						13	1,079
65			Measuring and Regulating Station Expenses-City Gate							1
66			Meter and House Regulator Expenses						21	6,162
67			Customer Installations Expenses						65	5,361
68			Other Expenses						47	13,559
69			Rents							30
70			Maintenance of Mains						171	19,247
71			Maintenance of Measuring & Reg. Station Equip.-Genl.						9	1,015
72			Maintenance of Services						13	1,465
73			Maintenance of Meters & House Regulators						5	437
74			Maintenance of Other Equipment						2	904
75			Subtotal Distribution Expense						\$449	\$68,248
76										
77	Total Customer Accounts		Customer Records and Collection						\$103	\$14,273
78			Meter Reading		\$753				1,133	1,297
79			Miscellaneous Customer Accounts						5	1,058
80			Uncollectible Accounts						292	2,541
81			Subtotal Total Customer Accounts		\$753				\$1,534	\$19,170
82										
83	Total Customer Service & Information		Customer Assistance						\$2,996	\$7,590
84			Informational & Instructional							330
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information						\$2,996	\$7,920
87										
88	Total Sales		Demonstrating & Selling						\$7	\$3,027

PECO Gas Operations
 Before The PA PUC
 FTY Ending June 2021
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(16) D-13 MGP Recovery	(16) D-14 Reg Initiative Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
89			Miscellaneous Sales							
90			Subtotal Total Sales						\$7	\$3,027
91										
92	Administrative & General		Administrative and General Salaries						\$129	\$9,877
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits			370			2,325	7,483
96			Franchise Requirements							275
97			Injuries and Damages						2	2
98			Maintenance of General Plant						3	1,167
99			Miscellaneous General Expenses							509
100			Office Supplies and Expenses							1,451
101			Outside Service Employed							16,096
102			Property Insurance							71
103			Regulatory Commission Expenses						520	2,630
104			Subtotal Administrative & General			\$370			\$2,979	\$39,561
105										
106			O&M Expense			753	370		5,741	376,734
107										
108	Depreciation & Amortization Expense		Depreciation & Amortization Expense					\$6,773	\$6,773	\$78,320
109			Subtotal Depreciation & Amortization Expense					6,773	6,773	78,320
110										
111	Amortization of Regulatory Expense		Amortization of Regulatory Expense	(\$2,509)					(\$2,509)	\$2,812
112			Subtotal Amortization of Regulatory Expense	(2,509)					(2,509)	2,812
113										
114	Taxes Other Than Income Taxes - Other		Taxes Other Than Income Taxes - Other				\$64		\$64	\$7,431
115			Subtotal Taxes Other Than Income Taxes - Other				64		64	7,431
116										
117			Total Operating Expenses	(\$2,509)	\$753	\$370	\$64	\$6,773	\$10,068	\$465,296
118										
119	Net Operating Income Before Income Tax			\$2,509	(\$753)	(\$370)	(\$64)	(\$6,773)	(\$12,648)	\$115,324

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Exhibit MJT-2
 Schedule D-4
 Witness: Michael J. Trzaska
 Page 51 of 94

Line No.	Category	Description	Account	(1) FTY Amount Pre Adjustments	(2) D-5H Asset Optimization - Margin Adjustment	(3) D-5I IS Expense	(4) D-6 Salary & Wages	(5) D-7 Rate Case Expense	(6) D-8 Adjustments for Employee Benefits	(7) D-9 Adjustments for Pension
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.	\$0						
2			717.0 Liquefied Petroleum Gas Expenses.	83			1			
3			741.0 Maintenance Of Structures And Improvements.	56			1			
4			742.0 Maintenance Of Production Equipment.	139			1			
5			Subtotal Manufactured Gas Production	\$278			\$3			
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.							
8			Subtotal Gas Raw Materials							
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.	\$234,928	(\$2,094)	(\$171)				
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.							
13			807.0 Purchased Gas Expenses.							
14			808.1 Gas Withdrawn From Storage-Debit.							
15			808.2 Gas Delivered To Storage-Credit.							
16			813.0 Other Gas Supply Expenses.							
17			Subtotal Other Gas Supply	\$234,928	(\$2,094)	(\$171)				
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal Underground Storage Expenses							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.	\$268			\$2			
23			841.0 Operation Labor And Expenses.	858			7			
24			Subtotal Storage Operations Expense	\$1,126			\$10			
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.	\$1,106			\$9			
27			843.2 Maintenance Of Structures And Improvements.	3,593			21			
28			Subtotal Storage Maintenance Expense	\$4,699			\$29			
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.	\$1,162			\$0			
31			874.0 Mains And Services Expenses.	17,721			103			
32			875.0 Measuring And Regulating Station Expenses--General.	1,066			13			
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.	1						
34			878.0 Meter And House Regulator Expenses.	6,141			21			
35			879.0 Customer Installations Expenses.	5,296			65			
36			880.0 Other Expenses.	13,512			47			
37			881.0 Rents.	30						
38			Subtotal Distribution Operations	\$44,930			\$249			
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.	\$19,077			\$171			
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	1,007			9			
42			892.0 Maintenance Of Services.	1,452			13			
43			893.0 Maintenance Of Meters And House Regulators.	432			5			
44			894.0 Maintenance Of Other Equipment.	902			2			
45			Subtotal Distribution Maintenance	\$22,870			\$199			
46										
47			Distribution Expense Subtotal	\$67,799			\$449			
48										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Exhibit MJT-2
 Schedule D-4
 Witness: Michael J. Trzaska
 Page 52 of 94

Line No.	Category	Description	Account	(1) FTY Amount Pre Adjustments	(2) D-5H Asset Optimization - Margin Adjustment	(3) D-5I IS Expense	(4) D-6 Salary & Wages	(5) D-7 Rate Case Expense	(6) D-8 Adjustments for Employee Benefits	(7) D-9 Adjustments for Pension
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.	\$164						
50			903.0 Customer Records And Collection Expenses.	14,170			103			
51			904.0 Uncollectible Accounts.	2,249						
52			905.0 Miscellaneous Customer Accounts Expenses.	1,053			5			
53										
54			Subtotal Customer Accounts	\$17,636			\$108			
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses	\$4,594			\$4			
57			909.0 Informational And Instructional Advertising Expenses.	330						
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal Customer Service & Information	\$4,924			\$4			
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.	\$3,021			\$7			
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal Sales	\$3,021			\$7			
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.	\$9,748			\$129			
66			921.0 Office Supplies And Expenses.	1,451						
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.	16,096						
69			924.0 Property Insurance.	71						
70			925.0 Injuries And Damages.	275			2			
71			926.0 Employee Pensions And Benefits.	5,158					8	1,946
72			928.0 Regulatory Commission Expenses.	2,110				520		
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.	509						
75										
76			Subtotal A&G Operations	\$35,418			\$131	\$520	\$8	\$1,946
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.	\$1,164			\$3			
79			Subtotal A&G Maintenance	1,164			3			
80										
81			A&G Expense Sub-total	\$36,582			\$134	\$520	\$8	\$1,946
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$62,088						
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Electric Plant.	\$9,458						
86			Subtotal Depreciation & Amortization Expense	\$71,547						
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.	\$5,321						
89			Subtotal Amortization of Regulatory Expense	\$5,321						
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.	\$7,367						
92			Subtotal Taxes Other Than Income Taxes - Other	\$7,367						
93										
94			Total	\$455,228	(\$2,094)	(\$171)	\$743	\$520	\$8	\$1,946
95										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

(8) (9) (10) (11) (12) (13) (14)

Line No.	Category	Description	Account	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income	
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.								
2			717.0 Liquefied Petroleum Gas Expenses.								
3			741.0 Maintenance Of Structures And Improvements.								
4			742.0 Maintenance Of Production Equipment.								
5			Subtotal Manufactured Gas Production	<hr/>							
6											
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.								
8			Subtotal Gas Raw Materials	<hr/>							
9											
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.								
11			805.0 Other Gas Purchases.								
12			805.1 Purchased Gas Cost Adjustments.								
13			807.0 Purchased Gas Expenses.								
14			808.1 Gas Withdrawn From Storage-Debit.								
15			808.2 Gas Delivered To Storage-Credit.								
16			813.0 Other Gas Supply Expenses.								
17			Subtotal Other Gas Supply	<hr/>							
18											
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.								
20			Subtotal Underground Storage Expenses	<hr/>							
21											
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.								
23			841.0 Operation Labor And Expenses.								
24			Subtotal Storage Operations Expense	<hr/>							
25											
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.								
27			843.2 Maintenance Of Structures And Improvements.								
28			Subtotal Storage Maintenance Expense	<hr/>							
29											
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.								
31			874.0 Mains And Services Expenses.								
32			875.0 Measuring And Regulating Station Expenses--General.								
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.								
34			878.0 Meter And House Regulator Expenses.								
35			879.0 Customer Installations Expenses.								
36			880.0 Other Expenses.								
37			881.0 Rents.								
38			Subtotal Distribution Operations	<hr/>							
39											
40		Distribution Maintenance	887.0 Maintenance Of Mains.								
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.								
42			892.0 Maintenance Of Services.								
43			893.0 Maintenance Of Meters And House Regulators.								
44			894.0 Maintenance Of Other Equipment.								
45			Subtotal Distribution Maintenance	<hr/>							
46											
47			Distribution Expense Subtotal	<hr/>							
48											

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Exhibit MJT-2
 Schedule D-4
 Witness: Michael J. Trzaska
 Page 54 of 94

(8) (9) (10) (11) (12) (13) (14)

Line No.	Category	Description	Account	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.							
50			903.0 Customer Records And Collection Expenses.							
51			904.0 Uncollectible Accounts.	292						
52			905.0 Miscellaneous Customer Accounts Expenses.			381		753		
53										
54			Subtotal Customer Accounts	\$292		\$381		\$753		
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses							
57			909.0 Informational And Instructional Advertising Expenses.		\$2,992					
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal Customer Service & Information		\$2,992					
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.							
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal Sales							
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.							
66			921.0 Office Supplies And Expenses.							
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.						370	
69			924.0 Property Insurance.							
70			925.0 Injuries And Damages.							
71			926.0 Employee Pensions And Benefits.							
72			928.0 Regulatory Commission Expenses.							
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.							
75										
76			Subtotal A&G Operations						\$370	
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.							
79			Subtotal A&G Maintenance							
80										
81			A&G Expense Sub-total						\$370	
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.							
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Electric Plant.							
86			Subtotal Depreciation & Amortization Expense							
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.				(\$2,509)			
89			Subtotal Amortization of Regulatory Expense				(\$2,509)			
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.							\$64
92			Subtotal Taxes Other Than Income Taxes - Other							\$64
93										
94			Total	\$292	\$2,992	\$381	(\$2,509)	\$753	\$370	\$64
95										

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub-total	(17) Pro Forma Adjusted at Present Rates
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.			\$0
2			717.0 Liquefied Petroleum Gas Expenses.		1	84
3			741.0 Maintenance Of Structures And Improvements.		1	56
4			742.0 Maintenance Of Production Equipment.		1	140
5			Subtotal Manufactured Gas Production		\$3	\$281
6						
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.			
8			Subtotal Gas Raw Materials			
9						
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.		(\$2,265)	\$232,663
11			805.0 Other Gas Purchases.			
12			805.1 Purchased Gas Cost Adjustments.			
13			807.0 Purchased Gas Expenses.			
14			808.1 Gas Withdrawn From Storage-Debit.			
15			808.2 Gas Delivered To Storage-Credit.			
16			813.0 Other Gas Supply Expenses.			
17			Subtotal Other Gas Supply		(\$2,265)	\$232,663
18						
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.			
20			Subtotal Underground Storage Expenses			
21						
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.		\$2	\$271
23			841.0 Operation Labor And Expenses.		7	865
24			Subtotal Storage Operations Expense		\$10	\$1,136
25						
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.		\$9	\$1,115
27			843.2 Maintenance Of Structures And Improvements.		21	3,613
28			Subtotal Storage Maintenance Expense		\$29	\$4,728
29						
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.		\$0	\$1,162
31			874.0 Mains And Services Expenses.		103	17,824
32			875.0 Measuring And Regulating Station Expenses--General.		13	1,079
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			1
34			878.0 Meter And House Regulator Expenses.		21	6,162
35			879.0 Customer Installations Expenses.		65	5,361
36			880.0 Other Expenses.		47	13,559
37			881.0 Rents.			30
38			Subtotal Distribution Operations		\$249	\$45,179
39						
40		Distribution Maintenance	887.0 Maintenance Of Mains.		\$171	\$19,247
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.		9	1,015
42			892.0 Maintenance Of Services.		13	1,465
43			893.0 Maintenance Of Meters And House Regulators.		5	437
44			894.0 Maintenance Of Other Equipment.		2	904
45			Subtotal Distribution Maintenance		\$199	\$23,069
46						
47			Distribution Expense Subtotal		\$449	\$68,248
48						

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Exhibit MJT-2
 Schedule D-4
 Witness: Michael J. Trzaska
 Page 56 of 94

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub-total	(17) Pro Forma Adjusted at Present Rates
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.			\$164
50			903.0 Customer Records And Collection Expenses.		103	14,273
51			904.0 Uncollectible Accounts.		292	2,541
52			905.0 Miscellaneous Customer Accounts Expenses.		1,138	2,192
53						
54			Subtotal Customer Accounts		<u>\$1,534</u>	<u>\$19,170</u>
55						
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$4	\$4,598
57			909.0 Informational And Instructional Advertising Expenses.		2,992	3,322
58			910.0 Miscellaneous Customer Service And Informational Expenses.			
59			Subtotal Customer Service & Information		<u>\$2,996</u>	<u>\$7,920</u>
60						
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.		\$7	\$3,027
62			916.0 Miscellaneous Sales Expenses.			
63			Subtotal Sales		<u>\$7</u>	<u>\$3,027</u>
64						
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.		\$129	\$9,877
66			921.0 Office Supplies And Expenses.			1,451
67			922.0 Administrative Expenses Transferred--Credit.			
68			923.0 Outside Services Employed.		370	16,466
69			924.0 Property Insurance.			71
70			925.0 Injuries And Damages.		2	278
71			926.0 Employee Pensions And Benefits.		1,954	7,113
72			928.0 Regulatory Commission Expenses.		520	2,630
73			929.0 Duplicate Charges--Credit.			
74			930.2 Miscellaneous General Expenses.			509
75						
76			Subtotal A&G Operations		<u>\$2,976</u>	<u>\$38,394</u>
77						
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.		\$3	\$1,167
79			Subtotal A&G Maintenance		<u>3</u>	<u>1,167</u>
80						
81			A&G Expense Sub-total		<u>\$2,979</u>	<u>\$39,561</u>
82						
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$3,321	\$3,321	\$65,410
84			403.1 Depreciation Expense - ARO/FIN-47			-
85			404.0 Amort. Of Limited-Term Electric Plant.	\$3,451	\$3,451	\$12,910
86			Subtotal Depreciation & Amortization Expense	<u>\$6,773</u>	<u>\$6,773</u>	<u>\$78,320</u>
87						
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.		(\$2,509)	\$2,812
89			Subtotal Amortization of Regulatory Expense		<u>(\$2,509)</u>	<u>\$2,812</u>
90						
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.		\$64	\$7,431
92			Subtotal Taxes Other Than Income Taxes - Other		<u>\$64</u>	<u>\$7,431</u>
93						
94			Total	<u><u>\$6,773</u></u>	<u><u>\$10,068</u></u>	<u><u>\$465,296</u></u>
95						

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-5 Revenue Adjustment Summary

Exhibit MJT-2
 Schedule D-5
 Witness: Michael J. Trzaska
 Page 57 of 94

					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Category	Description	Description	Account	FTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization Margin	D-5I IS Revenue Adjustment	Adjustments Subtotal	Pro Forma Adjusted at Present Rates
1	<i>OPERATING REVENUE</i>	Customer & Distribution Revenue	Residential	480.0	\$226,007	\$597	\$0	\$231				\$828	\$226,835
2			C & I	481.0	95,489	(98)		112			(29)	(14)	95,475
3			Transportation of Gas of Others	489.3	24,081								24,081
4			Subtotal		\$345,577	\$499	\$0	\$343			(\$29)	\$814	\$346,391
5													
6		Gas Cost Revenue	Residential	480.0	\$173,650								\$173,650
7			C & I	481.0	59,184						(171)	(171)	59,014
8			Interdepartmental	484.0									
9			Subtotal		\$232,834						(\$171)	(\$171)	\$232,663
10													
11			Subtotal OPERATING REVENUE		\$578,411	\$499	\$0	\$343			(\$199)	\$643	\$579,054
12													
13	<i>OTHER REVENUE</i>	Other Gas Revenue	Rent for Gas Property	493.0									
14			Interdepartmental Rents	494.0	\$668								\$668
15			Other Gas Revenues	495.0									
16			Subtotal		\$668								\$668
17													
18		Other Operating Revenue	Sales For Resale	483.0	\$3,223					(\$3,223)		(\$3,223)	
19			Forfeited Discounts	487.0	898								898
20													
21			Miscellaneous Service Revenues	488.0									
22			Subtotal		\$4,120					(\$3,223)		(\$3,223)	\$898
23													
24			Subtotal OTHER REVENUE		\$4,788					(\$3,223)		(\$3,223)	\$1,566
25													
26			Total		\$583,200	\$499	\$0	\$343		(\$3,223)	(\$199)	(\$2,579)	\$580,620
27													

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-5A Revenue Annualization

Exhibit MJT-2
 Schedule D-5A
 Witness: Michael J. Trzaska
 Page 58 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Total FTY Revenues		\$399,657	\$1,463	\$151,367	\$142	\$1,501	\$154,474
2	Commodity Billings in Revenues		(173,650)	(814)	(57,060)	(75)	(1,065)	(59,014)
3	Weather Adjustment							
4	Total Reconcilable Surcharge in Revenues							
5	Revenues Net of Commodity - Margin	SUM L1 to L4	\$226,007	\$649	\$94,307	\$67	\$437	\$95,461
6								
7	Average Monthly Customers in FTY		489,978	31	44,222	3	17	
8								
9	Average Annual Margin Per Customer	L5 / L7	\$0.461	\$20.942	\$2.133	\$26.833	\$25.693	
10								
11	Number of Customers of Current Month		491,272	31	44,176	4	17	44,228
12								
13	Increase in Customers during FTY	L11 - L7	1,294		(46)			44,228
14								
15	Annualization of Revenue	L9 * L13	\$597		(\$98)			(\$98)

D-5B - CAP Revenue Credits and Adjustments

Line No.	Description	Reference	Residential Sales
1	CAP Discount		(\$3,868)
2			
3			
4	<u>ANNUALIZATION TO YEAR END CUSTOMERS</u>		
5			
6	Annual CAP Customers		235,466
7	Average Monthly CAP Customers		19,622
8	Average Annual CAP Discount Per Customer	L1 / L7	(\$0.197)
9			
10	CAP Customers at End of FTY		19,620
11	Increase of CAP Customers	L10 - L7	(2)
12			
13	Gross Decrease / (Increase) in CAP Discount	L8 * L11	\$0
14	Write-Offs & Working Capital Factor		27.0%
15	Reflect Impact in Write-Offs and Working Capital	- L13 * L14	(\$0)
16			
17	Net Decrease / (Increase) in CAP Discount	L13 + L15	\$0

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-5F - Leap Year Revenue Normalization

Exhibit MJT-2
 Schedule D-5F
 Witness: Michael J. Trzaska
 Page 60 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Revenue in February of FTY		\$25,851	\$106	\$12,406	\$8	\$34	\$12,554
2	Days in February of FTY		28	28	28	28	28	
3	Average Daily Revenue in February	L1 / L2	\$923	\$4	\$443	\$0	\$1	
4	Average Days in February		28.25	28.25	28.25	28.25	28.25	
5	Difference in Days	L4 - L2	0.25	0.25	0.25	0.25	0.25	
6								
7	Leap Year Adjustment	L5 * L3	\$231	\$1	\$111	\$0	\$0	\$112

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FTY Ending June 2021
(\$ in Thousands)
D-5G Weather Normalization

Exhibit MJT-2
Schedule D-5G
Witness: Michael J. Trzaska
Page 61 of 94

(1)

Line No.	Description	Total
1	Residential Sales	
2	TCS Sales	
3	GC Sales	
4	C & I Total	
5	Revenues - Gas Transportation	<hr/>
6	Total	<hr/> <hr/>

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
FTY Ending June 2021
(\$ in Thousands)
D-5H Asset Optimization

Exhibit MJT-2
Schedule D-5H
Witness: Michael J. Trzaska
Page 62 of 94

(1)

Line No.	Description	Account	Total
1	Other Operating Revenue	483000: Sales for Resale - Gas	(\$3,223)
2			
3	Purchased Fuel	804000: Natural Gas City Gate Purchases	(\$2,094)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-5I IS Revenue Adjustment

Exhibit MJT-2
 Schedule D-5I
 Witness: Michael J. Trzaska
 Page 63 of 94

(1)

Line No.	Category	Description	Total
1	IS Sales	Customer & Distribution Revenue	(\$29)
2		Gas Cost Revenue	(171)
3		Subtotal IS Sales	(\$199)
4			
5	Natural Gas City Gate Purchase	Other Gas Supply Expenses	(\$171)
6		Subtotal Natural Gas City Gate Purchase	(\$171)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-6 S + W Pro Forma

Exhibit MJT-2
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 64 of 94

Line No.	Description	(1) Reference	(2) Union	(3) Non-Union
1	Number of Employees @ HTY - Union/Non-Union		340	296
2	Number of Employees @ HTY - Total		635	635
3	Percentage of Employees @ HTY	L1 / L2	53.47%	46.53%
4	Distribution of Budget S&W Expense		\$22,566	\$19,639
5	TY Wage Increase			
6	Number of Months TY		6	8
7	Rate for Increase TY		2.50%	2.50%
8	Total Wage Increase TY	L4 * L6 * L7 / 12	\$282	\$327
9				
10	Annualized S&W Including Wage Increases	L4 + L8	\$22,848	\$19,966

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-6 S + W Pro Forma

Exhibit MJT-2
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 65 of 94

(1) (2)

Line No.	Description	Reference	PECO Gas PA
1	Distribution of S&W Expense		\$42,205
2			
3	Annualized S&W Including Wage Increases		\$42,814
4			
5	<u>Normalize One-Time Contract Payment to Union</u>		
6	One-Time Contract Payment		\$1,127
7	One-Time Contract Payment % for Utility		21.25%
8	One-Time Contract Payment for Utility	L6 * L7	\$239
9	One-Time Contract Payment Normalization Period		6
10	Annual One-Time Contract Payment Normalized	L8 / L9	\$40
11			
12	Annualized S&W for Employees in FTY	L3 + L10	\$42,854
13			
14	<u>Pro Forma For New Employees</u>		
15	Number of Employees @ FTY		635
16	Average Number of Employees in FTY - Total		634
17	Annualization for Number of Employees	L15 - L16	1
18	Annual S&W per Employee	L12 / L16	\$68
19	Annualization of S&W for New Employees	L17 * L18	\$94
20			
21	Pro Forma Test Year S&W	L12 + L19	<u>\$42,948</u>
22			
23	Pro Forma Increase in S&W	L21 - L1	<u>\$743</u>
24			
25	S&W Pro Forma Factor	L23 / L1	1.762%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-6 S + W Summary

Line No.	Description	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
1	Operations	Power Supply Expenses	710.0 Operation Supervision And Engineering.			
2			717.0 Liquefied Petroleum Gas Expenses.	\$48	\$1	\$49
3			728.0 Liquefied Petroleum Gas.			
4			804.0 Natural Gas City Gate Purchases.			
5			805.0 Other Gas Purchases.			
6			805.1 Purchased Gas Cost Adjustments.			
7			807.0 Purchased Gas Expenses.			
8			808.1 Gas Withdrawn From Storage-Debit.			
9			808.2 Gas Delivered To Storage-Credit.			
10			813.0 Other Gas Supply Expenses.			
11			840.0 Operation Supervision And Engineering.	138	2	140
12			841.0 Operation Labor And Expenses.	403	7	410
13			843.1 Maintenance Supervision And Engineering.	489	9	497
14			843.2 Maintenance Of Structures And Improvements.	1,181	21	1,202
15			Subtotal Power Supply Expenses	\$2,258	\$40	\$2,298
16						
17		Distribution Expense	870.0 Operation Supervision And Engineering.	\$16	\$0	\$16
18			874.0 Mains And Services Expenses.	5,841	103	5,944
19			875.0 Measuring And Regulating Station Expenses--General.	712	13	724
20			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			
21			878.0 Meter And House Regulator Expenses.	1,208	21	1,230
22			879.0 Customer Installations Expenses.	3,692	65	3,757
23			880.0 Other Expenses.	2,673	47	2,720
24			881.0 Rents.			
25			887.0 Maintenance Of Mains.	9,702	171	9,873
26			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	496	9	505
27			892.0 Maintenance Of Services.	720	13	732
28			893.0 Maintenance Of Meters And House Regulators.	287	5	292
29			894.0 Maintenance Of Other Equipment.	115	2	117
30			Subtotal Distribution Expense	\$25,463	\$449	\$25,911
31						
32		Customer Accounts	902.0 Meter Reading Expenses.			
33			903.0 Customer Records And Collection Expenses.	\$5,846	\$103	\$5,949
34			904.0 Uncollectible Accounts.			
35			905.0 Miscellaneous Customer Accounts Expenses.	288	5	293
36						
37			Subtotal Customer Accounts	\$6,134	\$108	\$6,242
38						
39		Customer Service & Information	908.0 Customer Assistance Expenses	\$224	\$4	\$228

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-6 S + W Summary

Line No.	Description	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
40			909.0 Informational And Instructional Advertising Expenses.			
41			910.0 Miscellaneous Customer Service And Informational Expenses.			
42			Subtotal Customer Service & Information	\$224	\$4	\$228
43						
44		Sales	912.0 Demonstrating And Selling Expenses.	\$384	\$7	\$391
45			916.0 Miscellaneous Sales Expenses.			
46			Subtotal Sales	\$384	\$7	\$391
47						
48		Administration & General - General	920.0 Administrative And General Salaries.	\$7,324	\$129	\$7,453
49			921.0 Office Supplies And Expenses.			
50			922.0 Administrative Expenses Transferred--Credit.			
51			923.0 Outside Services Employed.			
52			924.0 Property Insurance.			
53			925.0 Injuries And Damages.	128	2	130
54			926.0 Employee Pensions And Benefits.			
55			928.0 Regulatory Commission Expenses.			
56			929.0 Duplicate Charges--Credit.			
57			930.2 Miscellaneous General Expenses.			
58						
59			Subtotal Administration & General - General	\$7,452	\$131	\$7,583
60						
61			Subtotal Operations	\$41,915	\$738	\$42,654
62						
63	Maintenance	Administration & General - General	932.0 Maintenance Of Gas General Plant.	\$177	\$3	\$180
64			Subtotal Administration & General - General	\$177	\$3	\$180
65						
66		Gas Expense	741.0 Maintenance Of Structures And Improvements.	\$32	\$1	\$33
67			742.0 Maintenance Of Production Equipment.	81	1	82
68			Subtotal Gas Expense	\$113	\$2	\$115
69						
70			Subtotal Maintenance	\$290	\$5	\$295
71						
72	Total Operations & Maintenance		Total Operations & Maintenance	\$42,205	\$743	\$42,948
73						
74	Percent Increase		Percent Increase			1.762%
75						

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-7 Rate Case Expense

Exhibit MJT-2
 Schedule D-7
 Witness: Michael J. Trzaska
 Page 68 of 94

(1) (2)

Line No.	Description	Reference	Amount
1	EXPENDITURES UP TO PERIOD END OF HTY		
2	External Consultants		\$13
3	External Legal		398
4	Materials, IT Costs, Travel, Copies, etc.		233
5	Total Recorded Up To Period End of HTY	SUM L2 to L4	<u>\$645</u>
6			
7	EXPENDITURES IN FTY		
8	External Consultants		\$5
9	External Legal		875
10	Materials, IT Costs, Travel, Copies, etc.		34
11	Total Expenditure Expected in FTY	SUM L8 to L10	<u>\$914</u>
12			
13	Total Rate Case Expense	L5 + L11	\$1,559
14			
15	Amortization Period		3
16	Annual Amortization Amount	L13 / L15	<u>\$520</u>
17			
18	Annual Amortization Amount Included in Budget		
19	Pro Forma Adjustment for Annual Amortization	L16 - L18	<u>\$520</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-8 Employee Benefits

Exhibit MJT-2
 Schedule D-8
 Witness: Michael J. Trzaska
 Page 69 of 94

(1)

(2)

Line No.	Description	Reference	Jurisdictional
1	<u>Number of Employees</u>		
2	Employees at Eleven Months Prior		631
3	Employees at Ten Months Prior		628
4	Employees at Nine Months Prior		629
5	Employees at Eight Months Prior		637
6	Employees at Seven Months Prior		635
7	Employees at Six Months Prior		635
8	Employees at Five Months Prior		637
9	Employees at Four Months Prior		636
10	Employees at Three Months Prior		636
11	Employees at Two Months Prior		634
12	Employees at One Month Prior		633
13	Employees at End of FTY		635
14			
15	Average Monthly Employees in FTY	AVERAGE L2 to L13	634
16	Additional Employees in FTY		1
17			
18	<u>Employee Benefits</u>		
19	Total Benefits Expensed		\$3,814
20	Number of Employees for Budget		634
21	Budget Expense Per Employee	L19 / L20	\$6
22	Additional Employees for Annualization	L16	1
23	Total Benefits Pro Forma Adjustment	L21 * L22	<u>\$8</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-9 Pension Costs

Exhibit MJT-2
 Schedule D-9
 Witness: Michael J. Trzaska
 Page 70 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	Pension Contribution for Four Years Prior to FTY		\$23,545
2	Pension Contribution for Three Years Prior to FTY		28,031
3	Pension Contribution for Two Years Prior to FTY		26,339
4	Pension Contribution for One Year Prior to FTY		18,312
5	Pension Contribution for FTY		15,681
6			
7	Average Pension Contribution	AVERAGE L1 to L5	\$22,382
8			
9	Allocation Percent to Utility		21.25%
10	Total Amount to Utility		4,756
11	Allocation Percent to Capital		41.62%
12	Pension Contribution To Be Capitalized	L10 * L11	\$1,979
13	Pension Contribution To Be Expensed	L10 - L12	\$2,776
14	Test Year Distribution Pension Expense		830
15	Additional Pension Expense	L13 - L14	\$1,946

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-10 Uncollectible Accounts

Exhibit MJT-2
 Schedule D-10
 Witness: Michael J. Trzaska
 Page 71 of 94

Line No.	Description	Reference	Reference	Charge Off Amounts	InPA Charge Off Amounts	Net Charge Off Amounts	Billed Revenue	Percent	PPA	Totals
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	NET GENERAL UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY		\$1,924		\$1,924	\$582,737	0.3301%		
2		One Year Prior to HTY		2,141		2,141	670,622	0.3193%		
3		HTY		2,397		2,397	607,520	0.3945%		
4		Three Year Average	SUM L1 to L3 / 3	<u>\$2,154</u>		<u>\$2,154</u>	<u>\$620,293</u>	<u>0.3472%</u>		
5										
6	Base Customer Charge & Energy Cost Revenue After Pro Formas	FTY					\$579,054			
7										
8	Tariff Revenue - Non Shopping Revenue	FTY	L6				<u>\$579,054</u>			
9										
10	Tariff Revenue - Shopping Revenue	FTY					\$59,878			
11										
12	Tariff Revenue - Including Shopping Revenue	FTY	L8 + L10				<u>\$638,932</u>			
13										
14	Total General Pro Forma Uncollectible Accounts									<u>\$2,219</u>
15										
16	NET PPA UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY							\$297	
17		One Year Prior to HTY							333	
18		HTY							<u>337</u>	
19										
20	Three Year Average PPA		SUM L16 to L18 / 3							<u>\$322</u>
21										
22	Total Pro Forma Uncollectible Accounts		L14 + L20							\$2,541
23										
24	Uncollectible Accounts (904)	FTY								\$2,249
25										
26	Total Pro Forma Adjustment for Uncollectible Accounts		L22 - L24							<u>\$292</u>

PECO Gas Operations
 Before the Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ In Thousands)
 D-11 EE and Business Grant Programs

MJT-2
 Schedule D-11
 Witness: Michael .J. Trzaska
 Page 72 of 94

(1) (2)

Line No.	Description	Reference	Jurisdictional
1	Total Proposed Energy Efficiency Spending charged to Expense		\$4,500
2	Energy Efficiency Costs in FTY Budget		<u>2,008</u>
3	Pro Forma Increase in Energy Efficiency Costs	L1 - L2	<u>\$2,492</u>
4			
5	Small Business Grants		<u>\$500</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-12 Customer Deposit Interest

Exhibit MJT-2
 Schedule D-12
 Witness: Michael J. Trzaska
 Page 73 of 94

(1)	(2)	(3)	(4)	(5)	(6)			
Line No.	Description	Description	Reference	Interest Rate	Deposit Amount	Interest on Deposit Amount	Interest Sub Total	Interest Total
1	Residential	Monthly Interest Rate		<u>0.417%</u>				
2	June				\$4,665	\$19		
3	July				4,705	20		
4	August				4,721	20		
5	September				4,764	20		
6	October				4,743	20		
7	November				4,739	20		
8	December				4,766	20		
9	January				4,765	20		
10	February				4,769	20		
11	March				4,713	20		
12	April				4,632	19		
13	May				4,540	19		
14	June							
15	Total Residential		SUM Col 4 L2 to L13				<u>\$236</u>	
16								
17	Nonresidential	Monthly Interest Rate		<u>0.138%</u>				
18	June				\$8,323	\$12		
19	July				8,359	12		
20	August				8,273	11		
21	September				8,269	11		
22	October				8,286	11		
23	November				8,319	12		
24	December				9,268	13		
25	January				9,250	13		
26	February				9,296	13		
27	March				9,203	13		
28	April				9,079	13		
29	May				8,948	12		
30	June							
31	Total Nonresidential		SUM Col 4 L18 to L29				<u>\$145</u>	
32								
33	Interest on Customer Deposits		Col 5 L15 + L31					<u><u>\$381</u></u>

PECO Gas Operations
 Before the Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-13 MGP Cost Recovery

Exhibit MJT-2
 Schedule D-13
 Witness: Michael J. Trzaska
 Page 74 of 94

		(1)	(2)
Line No.	Description	Reference	Total
1	Regulatory Asset for Unrecovered MGP Remediation Liability		\$7,237
2	Amortization Years		<u>9</u>
3			
4	Total Annual Amortization Amount	L1/L2	<u><u>\$804</u></u>
5			
6	Amount Included in Budget		<u><u>\$3,313</u></u>
7			
8	Pro Forma Adjustment Amount	L4 - L6	<u><u>(\$2,509)</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-14 Regulatory Initiative Cost Recovery

Exhibit MJT-2
 Schedule D-14
 Witness: Michael J. Trzaska
 Page 75 of Pages}

(1)

(2)

Line No.	Description	Reference	Total
1	Gas Unbundling of GPC/MFC Charge Expense		\$141
2	Gas Neighborhood Pilot Program Expense		2,117
3	Total Regulatory Initiative Expense	L1 + L2	\$2,258
4	Amortization Period		3
5	Annual Amortization Expense	L3 / 3	\$753

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-15 O + M Cost To Achieve

Exhibit MJT-2
 Schedule D-15
 Witness: Michael J. Trzaska
 Page 76 of 94

(1)

(2)

Line No.	Description	Reference	O&M Cost To Achieve
1	<u>Cost To Achieve</u>		
2			
3	2016		\$601
4			
5	2017		430
6			
7	2018		<u>80</u>
8			
9	Total CTA To Be Recovered	SUM L3 to L7	\$1,111
10			
11	Annual CTA Recovery	L9 / 3	<u><u>\$370</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-16 TOTI - Summary

Exhibit MJT-2
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 77 of 94

		(1)	(2)	(3)
Line No.	Description	Total	Pro Forma Adjustments	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,050		\$2,050
2	Capital Stock & Franchise Tax			
3	Use Tax Accrued	152		152
4	Real Estate Tax Accrual	1,544		1,544
5	Miscellaneous TOTI			
6	Payroll Tax Accrued	3,621	\$64	3,685
7	Total	\$7,367	\$64	\$7,431

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-16 TOTI - Payroll Tax Adjustments

Exhibit MJT-2
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 78 of 94

(1)

(2)

Line No.	Description	Reference	Jurisdictional
1	Total Payroll Charged to Expense		\$42,205
2	Payroll Tax Expense		\$3,621
3	Payroll Tax Expense - Percent	L2 / L1	8.58%
4	Pro Forma Increase in S&W		<u>\$743</u>
5	Payroll Tax Pro Forma	L3 * L4	<u><u>\$64</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	\$3,992	\$105	\$3,888	\$105	\$4,097
2			PECO Common 3902 IL	19		19		19
3			PECO Common 3902 PA	1,676	133	1,542	133	1,809
4			PECO Common 3903 PA	27	1	26	1	28
5			PECO Common 3911 PA	14	14	0	14	28
6			PECO Common 3912 PA	1,803	171	1,631	171	1,974
7			PECO Common 3913 IL	1,757	290	1,468	290	2,047
8			PECO Common 3913 PA	6,158	876	5,283	876	7,034
9			PECO Common 3930 PA	117	17	100	17	135
10			PECO Common 3941 PA	10		10		10
11			PECO Common 3942 PA	79		79		79
12			PECO Common 3970 PA	5,473	617	4,856	617	6,090
13			PECO Common 3980 PA	82		82		82
14			Subtotal Common - General Plant	\$21,207	\$2,223	\$18,984	\$2,223	\$23,430
15								
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA					
17			Subtotal					
18								
19		Gas - Distribution	PECO Gas 3751 PA	\$128	\$0	\$128	\$0	\$128
20			PECO Gas 3752 PA	15	0	15	0	15
21			PECO Gas 3753 PA	176	5	171	5	181
22			PECO Gas 3761 PA	8,660	545	8,115	545	9,205
23			PECO Gas 3762 PA	905	74	830	74	979
24			PECO Gas 3763 PA	14,786	678	14,108	678	15,464
25			PECO Gas 3780 PA	405	30	375	30	435
26			PECO Gas 3790 PA	1,141	64	1,076	64	1,205
27			PECO Gas 3801 PA	3,455	(26)	3,481	(26)	3,429
28			PECO Gas 3802 PA	15,238	1,059	14,179	1,059	16,296
29			PECO Gas 3810 PA	1,771	70	1,701	70	1,841
30			PECO Gas 3811 PA	3,377	11	3,365	11	3,388
31			PECO Gas 3820 PA	3,758	159	3,599	159	3,917
32			PECO Gas 3870 PA	131		131		131
33			Subtotal Gas - Distribution	\$53,945	\$2,671	\$51,274	\$2,671	\$56,616
34								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
35		Gas - General Plant	PECO Gas 3901 PA	\$98	(\$0)	\$98	(\$0)	\$98
36			PECO Gas 3902 PA	49	(0)	49	(0)	49
37			PECO Gas 3903 PA	45	2	43	2	46
38			PECO Gas 3911 PA	0		0		0
39			PECO Gas 3912 PA	20	(1)	21	(1)	18
40			PECO Gas 3913 IL	0		0		0
41			PECO Gas 3913 PA	478	28	450	28	506
42			PECO Gas 3940 PA	630	32	598	32	662
43			PECO Gas 3950 PA	1		1		1
44			PECO Gas 3970 PA	348		348		348
45			PECO Gas 3980 PA	8		8		8
46			Subtotal Gas - General Plant	\$1,677	\$60	\$1,616	\$60	\$1,737
47								
48		Gas - Production Plant	PECO Gas 3050 PA	\$28	\$1	\$27	\$1	\$30
49			PECO Gas 3053 PA	(0)	(0)	(0)	(0)	(0)
50			PECO Gas 3110 PA	94		94		94
51			Subtotal Gas - Production Plant	\$122	\$1	\$121	\$1	\$124
52								
53		Gas - Storage	PECO Gas 3611 PA	\$41		\$41		\$41
54			PECO Gas 3612 PA	325	46	279	46	371
55			PECO Gas 3613 PA	9		9		9
56			PECO Gas 3620 PA	18		18		18
57			PECO Gas 3630 PA	25		25		25
58			PECO Gas 3631 PA	156		156		156
59			PECO Gas 3632 PA	572	(20)	592	(20)	552
60			PECO Gas 3633 PA	193	20	174	20	213
61			PECO Gas 3634 PA	32	13	19	13	45
62			PECO Gas 3635 PA	90	18	71	18	108
63			Subtotal Gas - Storage	\$1,461	\$77	\$1,384	\$77	\$1,538
64								
65			Subtotal 403.0 Depreciation Expense.	\$78,411	\$5,032	\$73,379	\$5,032	\$83,444
66								
67	403.1 Depreciation Expense - ARO/FIN-47	Gas - Distribution	PECO Gas Distr-ARC EXP PA					
68			Subtotal Gas - Distribution					
69								
70			Subtotal 403.1 Depreciation Expense - ARO/FIN-47					
71								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-2
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 81 of 94

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
72	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	\$174	(\$0)	\$174	(\$0)	\$174
73			PECO Com 303-AMI NONBILL SW EDE EOL	217		\$217		\$217
74			PECO Com 303-AMI NONBILL SW IDS EOL	289		\$289		\$289
75			PECO Com 303-IAM SW Enhance PA					
76			PECO Com 3030- North Star RE SW	447	280	\$168	\$280	\$727
77			PECO Com 3030-BIDA Customer Project	1,849	1,130	\$719	\$1,130	\$2,979
78			PECO Com 3030-CallRoutingSW	732		\$732		\$732
79			PECO Com 3030-CIMS Enhancements PA	60		\$60		\$60
80			PECO Com 3030-CIMS EOL PA					
81			PECO Com 3030-CIS Transformation SW	100	4	\$96	\$4	\$104
82			PECO Com 3030-Client Devices SW PA					
83			PECO Com 3030-Cloud Serv 3 yr	160	103	\$57	\$103	\$262
84			PECO Com 3030-Cloud Serv 5 yr	867	322	\$545	\$322	\$1,189
85			PECO Com 3030-Common MDM SW	8,078	9,485	(\$1,407)	\$9,485	\$17,563
86			PECO Com 3030-CTA PHI Consol SW	449		\$449		\$449
87			PECO Com 3030-Cust Appt Sched SW	615	403	\$213	\$403	\$1,018
88			PECO Com 3030-Data Loss Prevent PA					
89			PECO Com 3030-Digital Strat Platfor	128	107	\$21	\$107	\$235
90			PECO Com 3030-Documentum PA	12		\$12		\$12
91			PECO Com 3030-EAM Asset Suite PA	8		\$8		\$8
92			PECO Com 3030-EU Dig Strat EPay SW	444	261	\$183	\$261	\$706
93			PECO Com 3030-EUWebCon	905		\$905		\$905
94			PECO Com 3030-Fixed Credit Option S A (Original)	1,329		\$1,329		\$1,329
95			PECO Com 3030-Fusion Mig Non-MDM SW	791	659	\$132	\$659	\$1,451
96			PECO Com 3030-HR Payroll HCM Cloud	179		\$179		\$179
97			PECO Com 3030-HRPC Enhance PA	44		\$44		\$44
98			PECO Com 3030-HRPC-PA					
99			PECO Com 3030-Hyperion Enhance PA	(4)		(\$4)		(\$4)
100			PECO Com 3030-Hyperion Fin MGMT SW	97		\$97		\$97
101			PECO Com 3030-HyperionPI	82		\$82		\$82
102			PECO Com 3030-I O Directory Svcs PA					
103			PECO Com 3030-I Sign Up and Move	1,557	254	\$1,302	\$254	\$1,811
104			PECO Com 3030-IAM Consolidate	101		\$101		\$101
105			PECO Com 3030-Informatica PA					
106			PECO Com 3030-IT Cust Mobile App SW	400		\$400		\$400
107			PECO Com 3030-IVR System PA					
108			PECO Com 3030-Lease IT SW	112	154	(\$42)	\$154	\$266
109			PECO Com 3030-Misc 5 yr FR PA	9,644	(1,393)	\$11,037	(\$1,393)	\$8,251
110			PECO Com 3030-Misc 5 yr PA	(2)	24	(\$26)	\$24	\$22
111			PECO Com 3030-Mobile Disp Enh PA					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
112			PECO Com 3030-OBIEE Migration SW	1,033	568	\$465	\$568	\$1,602
113			PECO Com 3030-Oracle Lic PA EOL					
114			PECO Com 3030-Oracle MW Upgrade SW	329	302	\$27	\$302	\$631
115			PECO Com 3030-Passport Enhance PA					
116			PECO Com 3030-PBF SW Enhance PA					
117			PECO Com 3030-PECO RNI Upgrade SW	1,287	354	\$933	\$354	\$1,641
118			PECO Com 3030-Peoplesoft GL Upgrade	73		\$73		\$73
119			PECO Com 3030-PeopleSoft SW Enh PA					
120			PECO Com 3030-PowePlant Enhance PA					
121			PECO Com 3030-PowePlant v10 PA					
122			PECO Com 3030-Rev Req Filing SW	720		\$720		\$720
123			PECO Com 3030-Robotic Process Auto	89	30	\$59	\$30	\$119
124			PECO Com 3030-SCP Splunk SW	60		\$60		\$60
125			PECO Com 3030-Service Mgt SW PA					
126			PECO Com 3030-Tax Tech Trans SW	107		\$107		\$107
127			PECO Com 3030-WallStreet SW PA					
128			Subtotal Common - Intangible Plant	\$33,562	\$13,047	\$20,515	\$13,047	\$46,608
129								
130		Gas - General Plant	PECO Gas 3913 PA					
131			Subtotal					
132								
133		Gas - Intangible Plant	PECO Gas 303 Account Lookup Asset					
134			PECO Gas 303 Account Lookup Liab					
135			PECO Gas 303 AMI CDW PA	\$46		\$46		\$46
136			PECO Gas 303 AMI CIMS PA	44		44		44
137			PECO Gas 303 AMI MDMS Enh PA					
138			PECO Gas 303 AMI Middleware PA					
139			PECO Gas 303 Misc 5 YR FR PA	1,628	447	1,181	447	2,075
140			PECO Gas 303 SG GIS PA	11		11		11
141			PECO Gas 303 SM ADM PA					
			PECO Gas 303 SM MDMS PA					
			Subtotal Gas - Intangible Plant	\$1,729	\$447	\$1,282	\$447	\$2,176
			Subtotal 404.0 Amort. Of Limited-Term Plant	\$35,291	\$13,493	\$21,798	\$13,493	\$48,784

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	0.2303	\$919	\$24	\$895	\$24	\$944
2			PECO Common 3902 IL	0.2303	4		4		4
3			PECO Common 3902 PA	0.2303	386	31	355	31	417
4			PECO Common 3903 PA	0.2303	6	0	6	0	6
5			PECO Common 3911 PA	0.2303	3	3	0	3	6
6			PECO Common 3912 PA	0.2303	415	39	376	39	455
7			PECO Common 3913 IL	0.2303	405	67	338	67	471
8			PECO Common 3913 PA	0.2303	1,418	202	1,217	202	1,620
9			PECO Common 3930 PA	0.2303	27	4	23	4	31
10			PECO Common 3941 PA	0.2303	2		2		2
11			PECO Common 3942 PA	0.2303	18		18		18
12			PECO Common 3970 PA	0.2303	1,260	142	1,118	142	1,402
13			PECO Common 3980 PA	0.2303	19		19		19
14			Subtotal Common - General Plant		\$4,884	\$512	\$4,372	\$512	\$5,396
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	0.2303					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$128	\$0	\$128	\$0	\$128
20			PECO Gas 3752 PA	1.0000	15	0	15	0	15
21			PECO Gas 3753 PA	1.0000	176	5	171	5	181
22			PECO Gas 3761 PA	1.0000	8,660	545	8,115	545	9,205
23			PECO Gas 3762 PA	1.0000	905	74	830	74	979
24			PECO Gas 3763 PA	1.0000	14,786	678	14,108	678	15,464
25			PECO Gas 3780 PA	1.0000	405	30	375	30	435
26			PECO Gas 3790 PA	1.0000	1,141	64	1,076	64	1,205
27			PECO Gas 3801 PA	1.0000	3,455	(26)	3,481	(26)	3,429
28			PECO Gas 3802 PA	1.0000	15,238	1,059	14,179	1,059	16,296
29			PECO Gas 3810 PA	1.0000	1,771	70	1,701	70	1,841
30			PECO Gas 3811 PA	1.0000	3,377	11	3,365	11	3,388
31			PECO Gas 3820 PA	1.0000	3,758	159	3,599	159	3,917
32			PECO Gas 3870 PA	1.0000	131		131		131
33			Subtotal Gas - Distribution		\$53,945	\$2,671	\$51,274	\$2,671	\$56,616
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Line No.	Account	Plant Account	Depreciation Category	(6) Utility Allocation Factor	(7) Depr on Existing Assets + Adds (Utility)	(8) Depr on Adds (Utility)	(9) Depr on Existing Assets (Utility)	(10) Annualize Current Yr Depr (Utility)	(11) Pro Forma Test Yr Depr (Utility)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$98	(\$0)	\$98	(\$0)	\$98
36			PECO Gas 3902 PA	1.0000	49	(0)	49	(0)	49
37			PECO Gas 3903 PA	1.0000	45	2	43	2	46
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	20	(1)	21	(1)	18
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	478	28	450	28	506
42			PECO Gas 3940 PA	1.0000	630	32	598	32	662
43			PECO Gas 3950 PA	1.0000	1		1		1
44			PECO Gas 3970 PA	1.0000	348		348		348
45			PECO Gas 3980 PA	1.0000	8		8		8
46			Subtotal Gas - General Plant		\$1,677	\$60	\$1,616	\$60	\$1,737
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$28	\$1	\$27	\$1	\$30
49			PECO Gas 3053 PA	1.0000	(0)	(0)	(0)	(0)	(0)
50			PECO Gas 3110 PA	1.0000	94		94		94
51			Subtotal Gas - Production Plant		\$122	\$1	\$121	\$1	\$124
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$41		\$41		\$41
54			PECO Gas 3612 PA	1.0000	325	46	279	46	371
55			PECO Gas 3613 PA	1.0000	9		9		9
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	25		25		25
58			PECO Gas 3631 PA	1.0000	156		156		156
59			PECO Gas 3632 PA	1.0000	572	(20)	592	(20)	552
60			PECO Gas 3633 PA	1.0000	193	20	174	20	213
61			PECO Gas 3634 PA	1.0000	32	13	19	13	45
62			PECO Gas 3635 PA	1.0000	90	18	71	18	108
63			Subtotal Gas - Storage		\$1,461	\$77	\$1,384	\$77	\$1,538
64									
65			Subtotal 403.0 Depreciation Expense.		\$62,088	\$3,321	\$58,767	\$3,321	\$65,410
66									
67	403.1 Depreciation Expense - ARO/FIN-47	Gas - Distribution	PECO Gas Distr-ARC EXP PA	1.0000					
68			Subtotal Gas - Distribution						
69									
70			Subtotal 403.1 Depreciation Expense - ARO/FIN-47						
71									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
72	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	0.2303	\$40	(\$0)	\$40	(\$0)	\$40
73			PECO Com 303-AMI NONBILL SW EDE EOL	0.2303	\$50		\$50		\$50
74			PECO Com 303-AMI NONBILL SW IDS EOL	0.2303	\$67		\$67		\$67
75			PECO Com 303-IAM SW Enhance PA	0.2303					
76			PECO Com 3030- North Star RE SW	0.2303	\$103	\$64	\$39	\$64	\$167
77			PECO Com 3030-BIDA Customer Project	0.2303	\$426	\$260	\$166	\$260	\$686
78			PECO Com 3030-CallRoutingSW	0.2303	\$169		\$169		\$169
79			PECO Com 3030-CIMS Enhancements PA	0.2303	\$14		\$14		\$14
80			PECO Com 3030-CIMS EOL PA	0.2303					
81			PECO Com 3030-CIS Transformation SW	0.2303	\$23	\$1	\$22	\$1	\$24
82			PECO Com 3030-Client Devices SW PA	0.2303					
83			PECO Com 3030-Cloud Serv 3 yr	0.2303	\$37	\$24	\$13	\$24	\$60
84			PECO Com 3030-Cloud Serv 5 yr	0.2303	\$200	\$74	\$125	\$74	\$274
85			PECO Com 3030-Common MDM SW	0.2303	\$1,860	\$2,184	(\$324)	\$2,184	\$4,045
86			PECO Com 3030-CTA PHI Consol SW	0.2303	\$103		\$103		\$103
87			PECO Com 3030-Cust Appt Sched SW	0.2303	\$142	\$93	\$49	\$93	\$234
88			PECO Com 3030-Data Loss Prevent PA	0.2303					
89			PECO Com 3030-Digital Strat Platfor	0.2303	\$29	\$25	\$5	\$25	\$54
90			PECO Com 3030-Documentum PA	0.2303	\$3		\$3		\$3
91			PECO Com 3030-EAM Asset Suite PA	0.2303	\$2		\$2		\$2
92			PECO Com 3030-EU Dig Strat EPay SW	0.2303	\$102	\$60	\$42	\$60	\$163
93			PECO Com 3030-EUWebCon	0.2303	\$208		\$208		\$208
94			PECO Com 3030-Fixed Credit Option S A (Original)	0.2303	\$306		\$306		\$306
95			PECO Com 3030-Fusion Mig Non-MDM SW	0.2303	\$182	\$152	\$30	\$152	\$334
96			PECO Com 3030-HR Payroll HCM Cloud	0.2303	\$41		\$41		\$41
97			PECO Com 3030-HRPC Enhance PA	0.2303	\$10		\$10		\$10
98			PECO Com 3030-HRPC-PA	0.2303					
99			PECO Com 3030-Hyperion Enhance PA	0.2303	(\$1)		(\$1)		(\$1)
100			PECO Com 3030-Hyperion Fin MGMT SW	0.2303	\$22		\$22		\$22
101			PECO Com 3030-HyperionPI	0.2303	\$19		\$19		\$19
102			PECO Com 3030-I O Directory Svcs PA	0.2303					
103			PECO Com 3030-I Sign Up and Move	0.2303	\$358	\$59	\$300	\$59	\$417
104			PECO Com 3030-IAM Consolidate	0.2303	\$23		\$23		\$23
105			PECO Com 3030-Informatica PA	0.2303					
106			PECO Com 3030-IT Cust Mobile App SW	0.2303	\$92		\$92		\$92
107			PECO Com 3030-IVR System PA	0.2303					
108			PECO Com 3030-Lease IT SW	0.2303	\$26	\$35	(\$10)	\$35	\$61
109			PECO Com 3030-Misc 5 yr FR PA	0.2303	\$2,221	(\$321)	\$2,542	(\$321)	\$1,900
110			PECO Com 3030-Misc 5 yr PA	0.2303	(\$0)	\$6	(\$6)	\$6	\$5
111			PECO Com 3030-Mobile Disp Enh PA	0.2303					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

			(6)	(7)	(8)	(9)	(10)	(11)	
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
112			PECO Com 3030-OBIEE Migration SW	0.2303	\$238	\$131	\$107	\$131	\$369
113			PECO Com 3030-Oracle Lic PA EOL	0.2303					
114			PECO Com 3030-Oracle MW Upgrade SW	0.2303	\$76	\$69	\$6	\$69	\$145
115			PECO Com 3030-Passport Enhance PA	0.2303					
116			PECO Com 3030-PBF SW Enhance PA	0.2303					
117			PECO Com 3030-PECO RNI Upgrade SW	0.2303	\$296	\$82	\$215	\$82	\$378
118			PECO Com 3030-Peoplesoft GL Upgrade	0.2303	\$17		\$17		\$17
119			PECO Com 3030-PeopleSoft SW Enh PA	0.2303					
120			PECO Com 3030-PowePlant Enhance PA	0.2303					
121			PECO Com 3030-PowePlant v10 PA	0.2303					
122			PECO Com 3030-Rev Req Filing SW	0.2303	\$166		\$166		\$166
123			PECO Com 3030-Robotic Process Auto	0.2303	\$20	\$7	\$14	\$7	\$27
124			PECO Com 3030-SCP Splunk SW	0.2303	\$14		\$14		\$14
125			PECO Com 3030-Service Mgt SW PA	0.2303					
126			PECO Com 3030-Tax Tech Trans SW	0.2303	\$25		\$25		\$25
127			PECO Com 3030-WallStreet SW PA	0.2303					
128			Subtotal Common - Intangible Plant		\$7,729	\$3,005	\$4,725	\$3,005	\$10,734
129									
130		Gas - General Plant	PECO Gas 3913 PA	1.0000					
131			Subtotal						
132									
133		Gas - Intangible Plant	PECO Gas 303 Account Lookup Asset						
134			PECO Gas 303 Account Lookup Liab	1.0000					
135			PECO Gas 303 AMI CDW PA	1.0000	\$46		\$46		\$46
136			PECO Gas 303 AMI CIMS PA	1.0000	44		44		44
137			PECO Gas 303 AMI MDMS Enh PA	1.0000					
138			PECO Gas 303 AMI Middleware PA	1.0000					
139			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,628	447	1,181	447	2,075
140			PECO Gas 303 SG GIS PA	1.0000	11		11		11
141			PECO Gas 303 SM ADM PA	1.0000					
			PECO Gas 303 SM MDMS PA	1.0000					
			Subtotal Gas - Intangible Plant		\$1,729	\$447	\$1,282	\$447	\$2,176
			Subtotal 404.0 Amort. Of Limited-Term Plant		\$9,458	\$3,451	\$6,007	\$3,451	\$12,910

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(12)	(13)	(14)	(15)	(16)	(17)
Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma Test Yr Depr (Function)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	1.0000	\$919	\$24	\$895	\$24	\$944
2			PECO Common 3902 IL	1.0000	4		4		4
3			PECO Common 3902 PA	1.0000	386	31	355	31	417
4			PECO Common 3903 PA	1.0000	6	0	6	0	6
5			PECO Common 3911 PA	1.0000	3	3	0	3	6
6			PECO Common 3912 PA	1.0000	415	39	376	39	455
7			PECO Common 3913 IL	1.0000	405	67	338	67	471
8			PECO Common 3913 PA	1.0000	1,418	202	1,217	202	1,620
9			PECO Common 3930 PA	1.0000	27	4	23	4	31
10			PECO Common 3941 PA	1.0000	2		2		2
11			PECO Common 3942 PA	1.0000	18		18		18
12			PECO Common 3970 PA	1.0000	1,260	142	1,118	142	1,402
13			PECO Common 3980 PA	1.0000	19		19		19
14			Subtotal Common - General Plant		\$4,884	\$512	\$4,372	\$512	\$5,396
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	1.0000					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$128	\$0	\$128	\$0	\$128
20			PECO Gas 3752 PA	1.0000	15	0	15	0	15
21			PECO Gas 3753 PA	1.0000	176	5	171	5	181
22			PECO Gas 3761 PA	1.0000	8,660	545	8,115	545	9,205
23			PECO Gas 3762 PA	1.0000	905	74	830	74	979
24			PECO Gas 3763 PA	1.0000	14,786	678	14,108	678	15,464
25			PECO Gas 3780 PA	1.0000	405	30	375	30	435
26			PECO Gas 3790 PA	1.0000	1,141	64	1,076	64	1,205
27			PECO Gas 3801 PA	1.0000	3,455	(26)	3,481	(26)	3,429
28			PECO Gas 3802 PA	1.0000	15,238	1,059	14,179	1,059	16,296
29			PECO Gas 3810 PA	1.0000	1,771	70	1,701	70	1,841
30			PECO Gas 3811 PA	1.0000	3,377	11	3,365	11	3,388
31			PECO Gas 3820 PA	1.0000	3,758	159	3,599	159	3,917
32			PECO Gas 3870 PA	1.0000	131		131		131
33			Subtotal Gas - Distribution		\$53,945	\$2,671	\$51,274	\$2,671	\$56,616
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(12)	(13)	(14)	(15)	(16)	(17)
Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma Test Yr Depr (Function)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$98	(\$0)	\$98	(\$0)	\$98
36			PECO Gas 3902 PA	1.0000	49	(0)	49	(0)	49
37			PECO Gas 3903 PA	1.0000	45	2	43	2	46
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	20	(1)	21	(1)	18
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	478	28	450	28	506
42			PECO Gas 3940 PA	1.0000	630	32	598	32	662
43			PECO Gas 3950 PA	1.0000	1		1		1
44			PECO Gas 3970 PA	1.0000	348		348		348
45			PECO Gas 3980 PA	1.0000	8		8		8
46			Subtotal Gas - General Plant		\$1,677	\$60	\$1,616	\$60	\$1,737
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$28	\$1	\$27	\$1	\$30
49			PECO Gas 3053 PA	1.0000	(0)	(0)	(0)	(0)	(0)
50			PECO Gas 3110 PA	1.0000	94		94		94
51			Subtotal Gas - Production Plant		\$122	\$1	\$121	\$1	\$124
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$41		\$41		\$41
54			PECO Gas 3612 PA	1.0000	325	46	279	46	371
55			PECO Gas 3613 PA	1.0000	9		9		9
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	25		25		25
58			PECO Gas 3631 PA	1.0000	156		156		156
59			PECO Gas 3632 PA	1.0000	572	(20)	592	(20)	552
60			PECO Gas 3633 PA	1.0000	193	20	174	20	213
61			PECO Gas 3634 PA	1.0000	32	13	19	13	45
62			PECO Gas 3635 PA	1.0000	90	18	71	18	108
63			Subtotal Gas - Storage		\$1,461	\$77	\$1,384	\$77	\$1,538
64									
65			Subtotal 403.0 Depreciation Expense.		\$62,088	\$3,321	\$58,767	\$3,321	\$65,410
66									
67	403.1 Depreciation Expense - ARO/FIN-47	Gas - Distribution	PECO Gas Distr-ARC EXP PA	1.0000					
68			Subtotal Gas - Distribution						
69									
70			Subtotal 403.1 Depreciation Expense - ARO/FIN-47						
71									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(12)	(13)	(14)	(15)	(16)	(17)
Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma Test Yr Depr (Function)
72	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	1.0000	\$40	(\$0)	\$40	(\$0)	\$40
73			PECO Com 303-AMI NONBILL SW EDE EOL	1.0000	\$50		\$50		\$50
74			PECO Com 303-AMI NONBILL SW IDS EOL	1.0000	\$67		\$67		\$67
75			PECO Com 303-IAM SW Enhance PA	1.0000					
76			PECO Com 3030- North Star RE SW	1.0000	\$103	\$64	\$39	\$64	\$167
77			PECO Com 3030-BIDA Customer Project	1.0000	\$426	\$260	\$166	\$260	\$686
78			PECO Com 3030-CallRoutingSW	1.0000	\$169		\$169		\$169
79			PECO Com 3030-CIMS Enhancements PA	1.0000	\$14		\$14		\$14
80			PECO Com 3030-CIMS EOL PA	1.0000					
81			PECO Com 3030-CIS Transformation SW	1.0000	\$23	\$1	\$22	\$1	\$24
82			PECO Com 3030-Client Devices SW PA	1.0000					
83			PECO Com 3030-Cloud Serv 3 yr	1.0000	\$37	\$24	\$13	\$24	\$60
84			PECO Com 3030-Cloud Serv 5 yr	1.0000	\$200	\$74	\$125	\$74	\$274
85			PECO Com 3030-Common MDM SW	1.0000	\$1,860	\$2,184	(\$324)	\$2,184	\$4,045
86			PECO Com 3030-CTA PHI Consol SW	1.0000	\$103		\$103		\$103
87			PECO Com 3030-Cust Appt Sched SW	1.0000	\$142	\$93	\$49	\$93	\$234
88			PECO Com 3030-Data Loss Prevent PA	1.0000					
89			PECO Com 3030-Digital Strat Platfor	1.0000	\$29	\$25	\$5	\$25	\$54
90			PECO Com 3030-Documentum PA	1.0000	\$3		\$3		\$3
91			PECO Com 3030-EAM Asset Suite PA	1.0000	\$2		\$2		\$2
92			PECO Com 3030-EU Dig Strat EPay SW	1.0000	\$102	\$60	\$42	\$60	\$163
93			PECO Com 3030-EUWebCon	1.0000	\$208		\$208		\$208
94			PECO Com 3030-Fixed Credit Option S A (Original)	1.0000	\$306		\$306		\$306
95			PECO Com 3030-Fusion Mig Non-MDM SW	1.0000	\$182	\$152	\$30	\$152	\$334
96			PECO Com 3030-HR Payroll HCM Cloud	1.0000	\$41		\$41		\$41
97			PECO Com 3030-HRPC Enhance PA	1.0000	\$10		\$10		\$10
98			PECO Com 3030-HRPC-PA	1.0000					
99			PECO Com 3030-Hyperion Enhance PA	1.0000	(\$1)		(\$1)		(\$1)
100			PECO Com 3030-Hyperion Fin MGMT SW	1.0000	\$22		\$22		\$22
101			PECO Com 3030-HyperionPI	1.0000	\$19		\$19		\$19
102			PECO Com 3030-I O Directory Svcs PA	1.0000					
103			PECO Com 3030-I Sign Up and Move	1.0000	\$358	\$59	\$300	\$59	\$417
104			PECO Com 3030-IAM Consolidate	1.0000	\$23		\$23		\$23
105			PECO Com 3030-Informatica PA	1.0000					
106			PECO Com 3030-IT Cust Mobile App SW	1.0000	\$92		\$92		\$92
107			PECO Com 3030-IVR System PA	1.0000					
108			PECO Com 3030-Lease IT SW	1.0000	\$26	\$35	(\$10)	\$35	\$61
109			PECO Com 3030-Misc 5 yr FR PA	1.0000	\$2,221	(\$321)	\$2,542	(\$321)	\$1,900
110			PECO Com 3030-Misc 5 yr PA	1.0000	(\$0)	\$6	(\$6)	\$6	\$5
111			PECO Com 3030-Mobile Disp Enh PA	1.0000					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-17 Depreciation Adjustment

			(12)	(13)	(14)	(15)	(16)	(17)	
Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma Test Yr Depr (Function)
112			PECO Com 3030-OBIEE Migration SW	1.0000	\$238	\$131	\$107	\$131	\$369
113			PECO Com 3030-Oracle Lic PA EOL	1.0000					
114			PECO Com 3030-Oracle MW Upgrade SW	1.0000	\$76	\$69	\$6	\$69	\$145
115			PECO Com 3030-Passport Enhance PA	1.0000					
116			PECO Com 3030-PBF SW Enhance PA	1.0000					
117			PECO Com 3030-PECO RNI Upgrade SW	1.0000	\$296	\$82	\$215	\$82	\$378
118			PECO Com 3030-Peoplesoft GL Upgrade	1.0000	\$17		\$17		\$17
119			PECO Com 3030-PeopleSoft SW Enh PA	1.0000					
120			PECO Com 3030-PowePlant Enhance PA	1.0000					
121			PECO Com 3030-PowePlant v10 PA	1.0000					
122			PECO Com 3030-Rev Req Filing SW	1.0000	\$166		\$166		\$166
123			PECO Com 3030-Robotic Process Auto	1.0000	\$20	\$7	\$14	\$7	\$27
124			PECO Com 3030-SCP Splunk SW	1.0000	\$14		\$14		\$14
125			PECO Com 3030-Service Mgt SW PA	1.0000					
126			PECO Com 3030-Tax Tech Trans SW	1.0000	\$25		\$25		\$25
127			PECO Com 3030-WallStreet SW PA	1.0000					
128			Subtotal Common - Intangible Plant		\$7,729	\$3,005	\$4,725	\$3,005	\$10,734
129									
130		Gas - General Plant	PECO Gas 3913 PA	1.0000					
131			Subtotal						
132									
133		Gas - Intangible Plant	PECO Gas 303 Account Lookup Asset	1.0000					
134			PECO Gas 303 Account Lookup Liab	1.0000					
135			PECO Gas 303 AMI CDW PA	1.0000	\$46		\$46		\$46
136			PECO Gas 303 AMI CIMS PA	1.0000	44		44		44
137			PECO Gas 303 AMI MDMS Enh PA	1.0000					
138			PECO Gas 303 AMI Middleware PA	1.0000					
139			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,628	447	1,181	447	2,075
140			PECO Gas 303 SG GIS PA	1.0000	11		11		11
141			PECO Gas 303 SM ADM PA	1.0000					
			PECO Gas 303 SM MDMS PA	1.0000					
			Subtotal Gas - Intangible Plant		\$1,729	\$447	\$1,282	\$447	\$2,176
			Subtotal 404.0 Amort. Of Limited-Term Plant		\$9,458	\$3,451	\$6,007	\$3,451	\$12,910

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-18 Income Taxes

Exhibit MJT-2
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 91 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Rate Increase	(3) Proposed Rates
1	Revenue		\$580,620	\$61,438	\$642,059
2	Operating Expenses		465,296	402	465,698
3	OIBIT	L1 - L2	\$115,324	\$61,036	\$176,360
4					
5	Rate Base		\$2,191,210		\$2,191,210
6	Weighted Cost of Debt		1.840%		1.840%
7	Synchronized Interest Expense	L5 * L6	\$40,318		\$40,318
8	Base Taxable Income	L3 - L7	\$75,006	\$61,036	\$136,042
9					
10	State Accelerated Tax Depreciation		\$58,075		\$58,075
11	Pro Forma Book Depreciation		78,320		78,320
12	State Tax Depreciation (Over) Under Book	L11 - L10	\$20,244		\$20,244
13	Regulatory Asset Programs M-1, Pension & Post-Retirement		7,768		7,768
14	Other Property Basis Adjustments (CIAC/ICM)		(10,718)		(10,718)
15	Removal Costs/Software		(6,799)		(6,799)
16	AFUDC Equity		(4,458)		(4,458)
17	Permanent Adjustments		715		715
18	Repair Deduction		(99,847)		(99,847)
19					
20	State Taxable Income	L8+L12+L13+L14+L15+L16+L17+L18	(\$18,090)	\$61,036	\$42,947
21					
22	State Income Tax Rate		9.99%	9.99%	9.99%
23	State Income Tax Benefit / (Expense) before Net Operating Loss	- L20 * L22	1,807	(6,098)	(4,290)
24	Net Operating Loss Utilization %		100.00%		
25	Net Operating Loss Utilization	- L24 * L23	(1,807)		(1,807)
26	State Income Tax Benefit / (Expense)	L23 + L25		(\$6,098)	(\$6,098)
27					
28	Federal Accelerated Tax Depreciation		\$48,481		\$48,481
29	Pro Forma Book Depreciation		78,320		78,320
30	Federal Tax Deducts (Over) Under Book	L29 - L28	\$29,839		\$29,839
31	Regulatory Asset Programs M-1, Pension & Post-Retirement		7,768		7,768
32	Other Property Basis Adjustments (CIAC/ICM)		(10,718)		(10,718)
33	Removal Costs/Software		(6,799)		(6,799)
34	AFUDC Equity		(4,458)		(4,458)
35	Permanent Adjustments		715		715
36	Repair Deduction		(99,847)		(99,847)
37	Federal NOL				
38	Federal Taxable Income	L8-L26+L30+L31+L32+L33+L34+L35+L36+L37	(\$8,495)	\$54,939	\$46,443
39					
40	Federal Income Tax Rate %		21.00%	21.00%	21.00%
41	Federal Income Tax Benefit / (Expense) before Deferred and Adjustments	- L38 * L40	1,784	(11,537)	(9,753)
42	Total Tax Benefit / (Expense) before Deferred Income Tax	L26 + L41	\$1,784	(\$17,635)	(\$15,851)
43					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-18 Income Taxes

Exhibit MJT-2
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 92 of 94

			(1)	(2)	(3)
Line No.	Description	Reference	Present Rates	Rate Increase	Proposed Rates
44	DEFERRED INCOME TAXES				
45	Deferred Taxes on Timing Differences- Federal		\$3,901		\$3,901
46	Deferred Taxes on Timing Differences- State		(295)		(295)
47	Deferred Taxes on State NOL		1,807		1,807
48	Excess Deferred Amortization		3,455		3,455
49	Federal Income Tax on Flow Through Adjustments		(953)		(953)
50					
51	Deferred Income Taxes Benefit / (Expense)	SUM L45 to L49	\$7,916		\$7,916
52					
53	Net Income Tax Benefit / (Expense)	L42 + L51	\$9,700	(\$17,635)	(\$7,935)
54					
55	Other Income Tax Adjustments				
56	Amortization of Investment Tax Credit		\$79		\$79
57					
58	Combined Income Tax Benefit / (Expense)	L53 + L56	\$9,778	(\$17,635)	(\$7,856)
59					
60	Federal Income Tax Benefit / (Expense)	L41 + L45 + L48 + L49 + L56	\$8,266	(\$11,537)	(\$3,271)
61	State Income Tax Benefit / (Expense)	L26 + L46 + L47	1,512	(6,098)	(4,585)
62	Total Income Tax Benefit / (Expense)	L60 + L61	\$9,778	(\$17,635)	(\$7,856)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 Section 1301.1(b) Differential

Exhibit MJT-2
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 93 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	2014	2015	2016	2017	2018	Average
1	PECO Consolidated Taxable Income		\$97,822	\$165,388	\$185,545	\$129,850	\$149,461	
2								
3								
4	Consolidated Income Companies Taxable Income		\$1,762,414	\$925,343	\$1,249,191	\$574,523	\$1,031,664	
5								
6								
7	Taxable Income Percentage to PECO	L1 / L4	5.55%	17.87%	14.85%	22.60%	14.49%	
8								
9								
10	Consolidated Companies Loss		\$ (90,836)	\$ (1,598)	\$ (921)	\$ (1,816,977)	\$ (111,977)	
11								
12								
13	PECO Allocation of Loss	L7 * L10	\$ (5,042)	\$ (286)	\$ (137)	\$ (410,660)	\$ (16,223)	
14								
15								
16	Gas Percentage		37.13%	3.63%	-17.42%	-10.64%	-8.19%	
17								
18								
19	Loss Allocable to Gas	L13 * L16	(\$1,872)	(\$10)	\$24	\$43,701	\$1,329	
20								
21								
22								
23	Average for 2014 to 2018	Average L19						\$8,634
24								
25								
26	Tax Rate							21.00%
27								
28	Section 1301.1(b) Differential	L23 * L26						\$ 1,813

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 FTY Ending June 2021
 (\$ in Thousands)
 D-19 Conversion Factor

Exhibit MJT-2
 Schedule D-19
 Witness: Michael J. Trzaska
 Page 94 of 94

(1) (2)

Line No.	Description	Reference	Utility
1	<u>GROSS REVENUE CONVERSION FACTOR</u>		
2	GROSS REVENUE FACTOR		1.000000
3	Forfeited Discounts Amount		898
4	Total Customer Revenue		578,411
5	Shopping Revenue		59,878
6	LPC REVENUE	L3 / (L4 + L5)	0.001406
7	GROSS RECEIPTS TAX		
8	UNCOLLECTIBLE EXPENSES		(0.003472)
9	PUC / OCA & SBA ASSESSMENT AS A % OF REVENUE		(0.003080)
10			
11			
12	NET REVENUES	+ L6 + L7 + L8 + L9	0.994854
13			
14	STATE INCOME TAX RATE		9.990%
15			
16	STATE INCOME TAX FACTOR	- L12 * L14	(0.099386)
17			
18	FACTOR AFTER STATE TAXES	L12 + L16	0.895468
19			
20	FEDERAL INCOME TAX RATE		21.000%
21			
22	FEDERAL INCOME TAX FACTOR	- L18 * L20	(0.188048)
23			
24			
25	NET OPERATING INCOME FACTOR	L18 + L22	0.707420
26			
27	GROSS REVENUE CONVERSION FACTOR	1 / L25	1.413588
28			
29	Combined Income Tax Factor on Gross Revenues	- L16 - L22	28.743%
30			
31			
32	<u>INCOME TAX FACTOR</u>		
33			
34	GROSS REVENUE FACTOR	L2	1.000000
35			
36	STATE INCOME TAX RATE		9.990%
37			
38	STATE INCOME TAX FACTOR	- L34 * L36	(0.099900)
39			
40			
41	FACTOR AFTER STATE TAXES	L34 + L38	0.900100
42			
43	FEDERAL INCOME TAX RATE		21.000%
44			
45	FEDERAL INCOME TAX FACTOR	- L41 * L43	(0.189021)
46			
47	NET OPERATING INCOME FACTOR	L41 + L45	0.711079
48			
49			
50	GROSS REVENUE CONVERSION FACTOR	1 / L47	1.406314
51			
52			
53	Combined Income Tax Factor On Taxable Income	L34 - L47	28.892%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 A-1 Overall Summary

Exhibit MJT-3
 Schedule A-1
 Witness: Michael J. Trzaska
 Page 1 of 94

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Present Rates	Revenue Increase	Total
1	MEASURE OF VALUE				
2	Utility Plant	C-2	\$2,956,582		\$2,956,582
3	Accumulated Depreciation	C-3	819,468		819,468
4	Common Plant - Net of Accum Depr	C-8	117,683		117,683
5	Net Plant in service	L2 - L3 + L4	\$2,254,798		\$2,254,798
6					
7	Working Capital	C-1	4,428		4,428
8	Pension Assets / (Liability)	C-1	33,493		33,493
9	Accum Deferred Income Taxes	C-1	(238,004)		(238,004)
10	Customer Deposits	C-1	(13,418)		(13,418)
11	Customer Advances for Construction	C-1	(1,334)		(1,334)
12	Materials and Supplies	C-1	489		489
13	Accum Deferred Income Taxes - Reg Liability	C-1	(133,133)		(133,133)
14	Gas Storage	C-1	30,870		30,870
15					
16	TOTAL RATE BASE	SUM L5 to L14	\$1,938,189		\$1,938,189
17					
18	OPERATING REVENUES AND EXPENSES				
19	Base Customer Charges	D-5	\$344,348	\$1,150	\$345,498
20	Supply Cost Revenue	D-5	211,909		211,909
21	Other Operating Revenues	D-5	2,298	1	2,300
22	Total Revenues	SUM L19 to L21	\$558,555	\$1,151	\$559,707
23					
24	Operating Expenses	D-1	\$428,527	\$8	\$428,534
25					
26	OIBIT	L22 - L24	\$130,028	\$1,144	\$131,172
27					
28	Income Taxes @ Eff Inc Tax Rate	D-18	\$17,430		\$17,430
29	Income Taxes @ Statutory Rates	D-18		(\$331)	(\$331)
30					
31	NET OPERATING INCOME	SUM L26 to L29	\$147,458	\$813	\$148,271
32					
33	RATE OF RETURN	L31 / L16	7.61%		7.65%
34					
35	REVENUE INCREASE REQUIRED				
36	Rate of Return at Present Rates	L33	7.61%		
37					
38	Rate of Return Required	B-7	7.65%		
39					
40	Change in ROR	L38 - L36	0.04%		
41					
42	Change in Operating Income	L16 * L40	\$813		
43					
44	Gross Revenue Conversion Factor	D-19	1.414		
45					
46	Change in Revenues	L42 * L44	\$1,150		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-1 Balance Sheet

Exhibit MJT-3
 Schedule B-1
 Witness: Michael J. Trzaska
 Page 2 of 94

Line No.	Description	Reference	Total - PECO
		(1)	(2)
1	Utility Plant		
2	Utility Plant (101-106, 108, 114)		\$13,065,586
3	Construction Work In Progress (107)		400,211
4	Total Utility Plant	SUM L1 to L2	\$13,465,797
5	Less: Accum. Prov. for Depr. and Amort. (108, 110, 111, 115)		3,780,645
6	Net Utility Plant	L4 - L5	\$9,685,151
7			
8	Other Property and Investments		
9	Non-utility Property (121)		\$10,976
10	Less: Accum. Prov. for Depr. and Amort. (122)		1,878
11	Invest in Assoc Company (123)		13,326
12	Other Investments (124-129, 175-176)		19,272
13	Total Other Property and Investments	SUM L9 to L12	\$41,696
14			
15	Current and Accrued Assets		
16	Cash & Other Temporary Investments(131-136)		\$356,355
17	Customer Accounts Receivable (142)		259,047
18	Other Accounts Receivable (143)		146,460
19	Accum. Prov. for Uncollectible (144)		(78,372)
20	Accounts Receivable Assoc. Comp. (146)		7,938
21	Fuel Stock (151)		25,845
22	Plant Materials & Supplies (154)		35,079
23	Prepayments (165)		83,138
24	Accrued Utility Revenues (173)		120,856
25	Miscellaneous Current & Accrued Assets (174)		13,194
26	Total Current and Accrued Assets	SUM L16 to L25	\$969,540
27			
28	Deferred Debits		
29	Unamortized Debt Expense (181)		\$27,130
30	Other Regulatory Assets (182.3)		648,486
31	Miscellaneous Deferred Debits (186)		774,231
32	Unamortized Loss on Reacquired Debt (189)		0
33	Accumulated Deferred Income Taxes (190)		193,777
34	Total Deferred Debits	SUM L29 to L33	\$1,643,624
35			
36	Total Assets	L6 + L13 + L26 + L34	<u>\$12,340,011</u>

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
HTY Ending June 2020
(\$ in Thousands)
B-1 Balance Sheet

Exhibit MJT-3
Schedule B-1
Witness: Michael J. Trzaska
Page 3 of 94

Line No.	Description	Reference	Total - PECO
		(1)	(2)
37	<u>Proprietary Capital</u>		
38	Common Stock Issued (201)		\$1,423,004
39	Preferred Stock Issued (204)		
40	Other Paid-In Capital (208-211)		1,574,450
41	Capital Stock Expense (214)		(87)
42	Retained Earnings (215, 215.2, 216)		4,671,068
43	Unappropriated Undistributed Subsidiary Earnings (216.1)		(3,252,535)
44	Accum Other Comprehensive Income (219)		2,259
45	Total Propriety Capital & Margins	SUM L38 to L44	\$4,418,160
46			
47	<u>Long Term Debt</u>		
48	Bonds (221)		\$3,800,000
49	Advances from Associated Companies (223)		184,419
50	Other Long-Term Debt (224)		
51	Unamortized Premium on LTD (225)		
52	Unamortized Discount on LTD (226)		(20,612)
53	Total Long-Term Debt	SUM L48 to L52	\$3,963,807
54			
55	<u>Other Non-Current Liabilities</u>		
56	Obligations under Capital Leases (227)		
57	Accum. Prov for Injuries & Damages (228.2)		41,013
58	Accum. Prov for Pensions & Benefits (228.3)		300,632
59	Accum. Miscellaneous Operating Prov (228.4)		16,022
60	Asset Retirement Obligation (230)		26,352
61	Total Other Non-Current Liabilities	SUM L56 to L60	\$384,019
62			
63	<u>Current and Accrued Liabilities</u>		
64	Notes Payable (231)		
65	Accounts Payable (232)		\$463,201
66	Notes Payable to Assoc. Companies (233)		
67	Accounts Payable to Assoc. Companies (234)		57,880
68	Customer Deposits (235)		67,274
69	Taxes Accrued (236)		3,090
70	Interest Accrued (237)		36,943
71	Dividends Declared (238)		
72	Tax Collections Payable (241)		
73	Misc Current & Accrued Liabilities (242)		79,044
74	Total Current & Accrued Liabilities	SUM L64 to L73	\$707,432
75			
76	<u>Other Deferred Credits</u>		
77	Customer Advances for Construction (252)		\$2,928
78	Other Deferred Credits (253)		8,930
79	Other Regulatory Liabilities (254)		519,181
80	Deferred Investment Tax Credit (255)		592
81	Unamortized Gain on Reacquired Debt (257)		1,031
82	Accumulated Deferred Income Taxes (281-283)		2,333,932
83	Total Other Deferred Credits	SUM L77 to L82	\$2,866,594
84			
85	Total Liabilities and Other Credits	L45 + L53 + L61 + L74 + L83	<u>\$12,340,011</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-2 Income Statement Summary

Exhibit MJT-3
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 4 of 94

Line No.	Category	Description	(1) HTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
1	Total Operating Revenues	Customer & Distribution Revenues	\$329,741		\$329,741
2		Gas Cost Revenue	212,110		212,110
3		Other Operating Revenues	3,809		3,809
4		Total Operating Revenues	\$545,661		\$545,661
5					
6	Total Operating Expenses	Operation & Maintenance Expenses	\$333,747		\$333,747
7		Depreciation & Amortization Expense	66,877		66,877
8		Amortization of Regulatory Expense	7,990		7,990
9		Taxes Other Than Income Taxes - Other	8,458		8,458
10		Total Operating Expenses	\$417,071		\$417,071
11					
12	Net Utility Operating Income Before Income Tax		\$128,589		\$128,589

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-3
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 5 of 94

Line No.	Category	Description	Description	Account	(1) HTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
1	Operating Revenues	Customer & Distribution Revenues	Residential	480.0	\$221,228		\$221,228
2			C & I	481.0	84,523		84,523
3			Transportation of Gas of Others	489.3	23,991		23,991
4				Subtotal	\$329,741		\$329,741
5							
6	Gas Cost Revenue		Residential	480.0	\$161,595		\$161,595
7			C & I	481.0	50,515		50,515
8			Interdepartmental	484.0			
9				Subtotal	\$212,110		\$212,110
10							
11	Other Operating Revenues		Sales For Resale	483.0	\$1,511		\$1,511
12			Forfeited Discounts	487.0	791		791
13			Miscellaneous Service Revenues	488.0	183		183
14			Rent for Gas Property	493.0	743		743
15			Interdepartmental Rents	494.0			
16			Other Gas Revenues	495.0	580		580
17				Subtotal	\$3,809		\$3,809
18							
19				Total Operating Revenues	\$545,661		\$545,661
20							
21	Operating Expenses	Operation & Maintenance Expenses	Manufactured Gas Production	710.0	\$0		\$0
22			Liquefied Petroleum Gas Expenses	717.0	70		70
23			Liquefied Petroleum Gas Expenses	728.0	24		24
24			Maintenance of Structures and Improvements	741.0	47		47
25			Maintenance of Production Equipment	742.0	117		117
26			Natural Gas City Gate Purchases	804.0	183,735		183,735
27			Other Gas Purchases	805.0			
28			Purchases Gas Cost Adjustments	805.1	26,555		26,555
29			Purchased Gas Expenses	807.0	797		797
30			Gas Withdrawn from Storage-Debit	808.1	27,619		27,619
31			Gas Delivered to Storage-Credit	808.2	(24,411)		(24,411)
32			Other Gas Supply Purchases	813.0	(1,486)		(1,486)
33			Other Expenses	824.0			
34			Operating Supervision and Engineering	840.0	250		250

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-3
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 6 of 94

Line No.	Category	Description	Description	Account	(1) HTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
35			Operation Labor and Expenses	841.0	743		743
36			Maintenance Supervision and Engineering	843.1	920		920
37			Maintenance of Structures and Improvements	843.2	2,145		2,145
38			Operation Supervision and Engineering	870.0	196		196
39			Mains and Services Expenses	874.0	13,820		13,820
40			Measuring and Regulating Station Expenses-General	875.0	1,368		1,368
41			Measuring and Regulating Station Expenses-City Gate	877.0	0		0
42			Meter and House Regulator Expenses	878.0	5,311		5,311
43			Customer Installations Expenses	879.0	5,642		5,642
44			Other Expenses	880.0	11,933		11,933
45			Rents	881.0	200		200
46			Maintenance of Mains	887.0	21,816		21,816
47			Maintenance of Measuring & Reg. Station Equip.-Genl.	889.0	830		830
48			Maintenance of Services	892.0	2,039		2,039
49			Maintenance of Meters & House Regulators	893.0	382		382
50			Maintenance of Other Equipment	894.0	1,102		1,102
51			Meter Reading	902.0	98		98
52			Customer Records and Collection	903.0	11,699		11,699
53			Uncollectible Accounts	904.0	2,766		2,766
54			Miscellaneous Customer Accounts	905.0	900		900
55			Customer Assistance	908.0	4,158		4,158
56			Informational & Instructional	909.0	253		253
57			Miscellaneous Customer & Informational	910.0			
58			Demonstrating & Selling	912.0	1,107		1,107
59			Miscellaneous Sales	916.0			
60			Administrative and General Salaries	920.0	5,502		5,502
61			Office Supplies and Expenses	921.0	1,892		1,892
62			Administrative Expenses Transferred-Credit	922.0			
63			Outside Service Employed	923.0	12,818		12,818
64			Property Insurance	924.0	83		83
65			Franchise Requirements	925.0	325		325
66			Employee Pensions and Benefits	926.0	7,075		7,075
67			Regulatory Commission Expenses	928.0	1,700.075		1,700
68			Duplicate Charges-Credit	929.0	(70)		(70)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-2 Income Statement Detail

Exhibit MJT-3
 Schedule B-2
 Witness: Michael J. Trzaska
 Page 7 of 94

Line No.	Category	Description	Description	Account	(1) HTY Amount	(2) Non- Jurisdictional	(3) Jurisdictional
			General Advertising Expenses	930.1			
69			Miscellaneous General Expenses	930.2	608		608
70			Maintenance of General Plant	932.0	1,070		1,070
71				Subtotal	\$333,747		\$333,747
72							
73			Depreciation & Amortization Expense	403.0	\$58,283		\$58,283
74				403.1			
75				404.0	8,594		8,594
76				Subtotal	\$66,877		\$66,877
77							
78			Amortization of Regulatory Expense	407.3	\$7,990		\$7,990
79				Subtotal	\$7,990		\$7,990
80							
81			Taxes Other Than Income Taxes - Other	408.1	\$8,458		\$8,458
82				Subtotal	\$8,458		\$8,458
83							
84			Total Operating Expenses		\$417,071		\$417,071
85							
86			Net Utility Operating Income Before Income Tax		\$128,589		128,589

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-3 Operating Revenues

Exhibit MJT-3
 Schedule B-3
 Witness: Michael J. Trzaska
 Page 8 of 94

Line No.	Category	Description	Description	Account	(1) HTY Amount	(2) Non-Jurisdictional	(3) Jurisdictional
1	OPERATING REVENUE	Customer & Distribution Revenue	Residential	480.0	\$221,228		\$221,228
2			C & I	481.0	\$84,523		84,523
3			Transportation of Gas of Others	489.3	\$23,991		23,991
4			Subtotal			\$329,741	
5							
6		Gas Cost Revenue	Residential	480.0	\$161,595		\$161,595
7			C & I	481.0	\$50,515		50,515
8			Interdepartmental	484.0			
9			Subtotal			\$212,110	
10							
11			OPERATING REVENUE		\$541,852		\$541,852
12							
13	OTHER REVENUE	Other Operating Revenue	Sales For Resale	483.0	\$1,511		\$1,511
14			Forfeited Discounts	487.0	\$791		791
15			Miscellaneous Service Revenues	488.0	\$183		183
16			Subtotal		\$2,486		\$2,486
17							
18		Other Gas Revenue	Rent for Gas Property	493.0	743		743
19			Interdepartmental Rents	494.0			
20			Other Gas Revenues	495.0	580		580
21			Subtotal			\$1,324	
22							
23			OTHER REVENUE		\$3,809		\$3,809
24							
25			OTHER OPERATING REVENUES				
26							
27			TOTAL		\$545,661		\$545,661

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-4 O + M Expenses

Exhibit MJT-3
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 9 of 94

Line No.	Category	Description	Description	Account	(1) Budget HTY	(2) Non-Jurisdictional	(3) Jurisdictional
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	Manufactured Gas Production	710.0	\$0		\$0
2			Liquefied Petroleum Gas Expenses	717.0	70		70
3			Maintenance of Structures and Improvements	741.0	47		47
4			Maintenance of Production Equipment	742.0	117		117
5				SUM L1 to L4	\$235		\$235
6							
7	GAS RAW MATERIALS	Gas Raw Materials	Liquefied Petroleum Gas Expenses	728.0	\$24		\$24
8							
9	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	Natural Gas City Gate Purchases	804.0	\$183,735		\$183,735
10			Other Gas Purchases	805.0			
11			Purchases Gas Cost Adjustments	805.1	26,555		26,555
12			Purchased Gas Expenses	807.0	797		797
13			Gas Withdrawn from Storage-Debit	808.1	27,619		27,619
14			Gas Delivered to Storage-Credit	808.2	(24,411)		(24,411)
15			Other Gas Supply Purchases	813.0	(1,486)		(1,486)
16				SUM L9 to L15	\$212,809		\$212,809
17							
18	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	Other Expenses	824.0			
19							
20	STORAGE EXPENSE	Storage Operations Expense	Operating Supervision and Engineering	840.0	\$250		\$250
21			Operation Labor and Expenses	841.0	743		743
22				SUM L20 to L21	\$993		\$993
23							
24		Storage Maintenance Expense	Maintenance Supervision and Engineering	843.1	\$920		\$920
25			Maintenance of Structures and Improvements	843.2	2,145		2,145
26				SUM L24 to L25	\$3,064		\$3,064
27							
28			Subtotal STORAGE EXPENSE	L22 + L26	\$4,057		\$4,057
29							
30	DISTRIBUTION EXPENSE	Distribution Operations	Operation Supervision and Engineering	870.0	\$196		\$196
31			Mains and Services Expenses	874.0	13,820		13,820
32			Measuring and Regulating Station Expenses-General	875.0	1,368		1,368
33			Measuring and Regulating Station Expenses-City Gate	877.0	0		0
34			Meter and House Regulator Expenses	878.0	5,311		5,311
35			Customer Installations Expenses	879.0	5,642		5,642
36			Other Expenses	880.0	11,933		11,933
37			Rents	881.0	200		200
38				SUM L30 to L37	\$38,469		\$38,469
39							
40		Distribution Maintenance	Maintenance of Mains	887.0	\$21,816		\$21,816
41			Maintenance of Measuring & Reg. Station Equip.-Genl.	889.0	830		830
42			Maintenance of Services	892.0	2,039		2,039
43			Maintenance of Meters & House Regulators	893.0	382		382
44			Maintenance of Other Equipment	894.0	1,102		1,102
45				SUM L40 to L44	\$26,170		\$26,170

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-4 O + M Expenses

Exhibit MJT-3
 Schedule B-4
 Witness: Michael J. Trzaska
 Page 10 of 94

(1) (2) (3)

Line No.	Category	Description	Description	Account	Budget HTY	Non-Jurisdictional	Jurisdictional
46							
47			Subtotal DISTRIBUTION EXPENSE	L38 + L45	\$64,639		\$64,639
48							
49	CUSTOMER ACCOUNTS	Customer Accounts	Meter Reading	902.0	\$98		\$98
50			Customer Records and Collection	903.0	11,699		11,699
51			Uncollectible Accounts	904.0	2,766		2,766
52			Miscellaneous Customer Accounts	905.0	900		900
53			Subtotal CUSTOMER ACCOUNTS	SUM L49 to L52	\$15,462		\$15,462
54							
55	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	Customer Assistance	908.0	\$4,158		\$4,158
56			Informational & Instructional	909.0	253		253
57			Miscellaneous Customer & Informational	910.0			
58			Subtotal CUSTOMER SERVICE & INFORMATION	SUM L55 to L57	\$4,411		\$4,411
59							
60	SALES	Sales	Demonstrating & Selling	912.0	\$1,107		\$1,107
61			Miscellaneous Sales	916.0			
62			Subtotal SALES	SUM L60 to L61	\$1,107		\$1,107
63							
64	ADMINISTRATION & GENERAL	A&G Operations	Administrative and General Salaries	920.0	\$5,502		\$5,502
65			Office Supplies and Expenses	921.0	1,892		1,892
66			Administrative Expenses Transferred-Credit	922.0			
67			Outside Service Employed	923.0	12,818		12,818
68			Property Insurance	924.0	83		83
69			Franchise Requirements	925.0	325		325
70			Employee Pensions and Benefits	926.0	7,075		7,075
71			Regulatory Commission Expenses	928.0	1,700		1,700
72			Duplicate Charges-Credit	929.0	(70)		(70)
			General Advertising Expenses	930.1			
73			Miscellaneous General Expenses	930.2	608		608
74			Subtotal ADMINISTRATION & GENERAL	SUM L64 to L73	\$29,934		\$29,934
75							
76		A&G Maintenance	Maintenance of General Plant	932.0	\$1,070		\$1,070
77							
78			Subtotal ADMINISTRATION & GENERAL	L74 + L76	\$31,004		\$31,004
79							
80			Total	L5+L28+L47+L53+L58+L62+L78	\$333,747		\$333,747
81							
82			Total Operations Expense		\$303,443		\$303,443
83			Total Maintenance Expense		30,304		30,304
84			Total O&M Expense	L82 + L83	\$333,747		\$333,747

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-5 Taxes Details

Exhibit MJT-3
 Schedule B-5
 Witness: Michael J. Trzaska
 Page 11 of 94

(1)

(2)

Line No.	Description	Total	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,952	\$2,952
2	Capital Stock & Franchise Tax		
3	Use Tax Accrued	99	99
4	Real Estate Tax Accrual	2,089	2,089
5	Miscellaneous TOTI	1	1
6	Payroll Tax Accrue	3,317	3,383
7	Total	\$8,458	\$8,524

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-6 Cost of Long Term Debt

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Type of Bond Issue	Bond Issue	Reference	Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate	Annualized Cost
1	First & Refunding Mortgage Bonds - Fixed Rate	PECO - FMB - \$300 - 1.70% - Due 9-15-2021		\$300,000		1.86%		
2					7.53%		0.14%	
3		PECO - FMB - \$350 - 2.375% - Due 9-15-2022		350,000		2.47%		
4					8.78%		0.22%	
5		PECO - FMB - \$350 - 3.15% - Due 10-15-2025		350,000		3.29%		
6					8.78%		0.29%	
7		PECO - FMB - \$75 - 5.90% - Due 5-1-2034		75,000		6.00%		
8					1.88%		0.11%	
9		PECO - FMB - \$300 - 5.95% - Due 10-1-2036		300,000		6.04%		
10					7.53%		0.45%	
11		PECO - FMB - \$175 - 5.70% - Due 3-15-2037		175,000		5.81%		
12					4.39%		0.26%	
13		PECO - FMB - \$250 - 4.80% - Due 10-15-2043		250,000		4.89%		
14					6.27%		0.31%	
15		PECO - FMB - \$300 - 4.15% - Due 10-1-2044		300,000		4.23%		
16					7.53%		0.32%	
17		PECO - FMB - \$325 - 3.70% - Due 9-15-2047		325,000		3.77%		
18					8.16%		0.31%	
19		PECO - FMB - \$650 - 3.90% - Due 3-1-2048		650,000		4.08%		
20					16.31%		0.67%	
21		PECO - FMB - \$325 - 3.00% - Due 9-15-2049		325,000		3.10%		
22					8.16%		0.25%	
23		PECO - FMB - \$50 - 2.00% - Due 6-20-2023		50,000		2.27%		
24					1.25%		0.03%	
25		PECO - FMB - \$350 - 2.80% - Due 6-15-2050		350,000		2.86%		
26					8.78%		0.25%	
27		Sub-Total Mortgage Bonds	SUM L1 to L26	\$3,800,000	95.37%		3.61%	
28								
29	Trust Preferred Capital Securities	PECO - TOPRS - \$80.5 - 7.38% - Due 4-6-2028		\$80,521		7.46%		
30					2.02%		0.15%	
31		PECO - TOPRS - \$0.8 - Var (6.75%) - Due 4-6-2028		805		6.75%		
32					0.02%			
33		PECO - TOPRS - \$103 - 5.75% - Due 6-15-2033		103,093		5.88%		
34					2.59%		0.15%	
35								
36		Sub-Total Capital Securities	SUM L29 to L34	\$184,419	4.63%		0.30%	
37								
38		Total Long-Term Debt	L27 + L36	\$3,984,419	100.00%		3.91%	
39								
40		Adjustments for Tenders & Calls		(6,734)				
41								
42		Net Long-Term Debt	L38 + L40	\$3,977,685				
43								
44		Annualized Cost		155,791				
45								
46		Adjustment for Tenders & Calls Reacquired		2,521				
47								
48		Total	L44 + L46	\$158,312			<u>3.98%</u>	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 B-7 Rate of Return

Exhibit MJT-3
 Schedule B-7
 Witness: Michael J. Trzaska
 Page 13 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Capitalization	Capitalization Ratio	Embedded Cost	Return %
1					
2	Long-Term Debt	\$3,977,685	47.38%	3.98%	1.89%
3					
4	Common Equity	4,418,160	52.62%	10.95%	5.76%
5					
6	Total	\$8,395,845	100.00%		7.65%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-1 Measures of Value

Exhibit MJT-3
 Schedule C-1
 Witness: Michael J. Trzaska
 Page 14 of 94

		(1)	(2)	(3)	(4)
Line No.	Description	Reference	HTY Amount	Non-Jurisdictional	Jurisdictional
1	Utility Plant	C-2	\$2,956,582		\$2,956,582
2	Accumulated Depreciation	C-3	819,468		819,468
3	Common Plant	C-8	117,683		117,683
4	Net Plant in Service	L1 - L2 + L3	\$2,254,798		\$2,254,798
5					
6	Working Capital	C-1	4,428		4,428
7	Pension Assets / (Liabilities)	C-1	33,493		33,493
8	Accumulated Deferred Income Taxes	C-1	(238,004)		(238,004)
9	Customer Deposits	C-1	(13,418)		(13,418)
10	Customer Advances for Construction	C-1	(1,334)		(1,334)
11	Material & Supplies	C-1	489		489
12	ADIT - Reg Liability	C-1	(133,133)		(133,133)
13	Gas Storage	C-1	30,870		30,870
14	Total Measures of Value	SUM L4 to L13	\$1,938,189		\$1,938,189

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-2 Utility Plant

Exhibit MJT-3
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 15 of 94

			(1)	(2)	(3)	(4)
Line No.	Category	Account	Reference	HTY Amount	Non-Jurisdictional	Jurisdictional
1	Intangible Plant	G302 - Franchises & Consents		\$50		\$50
2		G303 - Intangible Property		18,010		18,010
3		Subtotal	SUM L1 to L2	\$18,060		\$18,060
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$1,225		\$1,225
6		G311 - Liquefied Petroleum Gas Equip.		14,334		14,334
7		Subtotal	SUM L5 to L6	\$15,559		\$15,559
8						
9	Other Storage Plant	G360 - Land and Land Rights		\$16		\$16
10		G361 - Structures & Improvements		14,854		14,854
11		G362 - Gas Holders		7,084		7,084
12		G363 - Gas Storage Equipment		39,294		39,294
13		Subtotal	SUM L9 to L12	\$61,248		\$61,248
14						
15	Distribution Plant	G374 - Land and Land Rights		\$3,795		\$3,795
16		G375 - Structures and Improvements		14,337		14,337
17		G376 - Gas Mains		1,472,400		1,472,400
18		G378 - Measure & Regulate Sta Equip		20,226		20,226
19		G379 - City Gate Station		58,043		58,043
20		G380 - Services		916,462		916,462
21		G381 - Meters		153,307		153,307
22		G382 - Meter Installations		190,469		190,469
23		G387 - Other Equipment		2,118		2,118
24		G388 - ARO Costs Distribution Plt		1,458		1,458
25		Subtotal	SUM L15 to L24	\$2,832,615		\$2,832,615
26						
27	General Plant	G390 - Structures & Improvements		\$8,356		\$8,356
28		G391 - Office Furniture & Equipment		3,502		3,502
29		G394 - Tools, Shop & Garage Equip		12,359		12,359
30		G397 - Communication Equipment		4,622		4,622
31		G398 - Miscellaneous Equipment		132		132
32		G399.1 - ARO Costs General Plt		129		129
33		Subtotal	SUM L27 to L32	\$29,101		\$29,101
34						
35		Total	Lines 3+7+13+25+33	\$2,956,582		\$2,956,582

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-2 Additions To Plant

Exhibit MJT-3
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 16 of 94

(1)

Line No.	Category	Account	Additions to Plant
1	Intangible Plant	G303 - Intangible Property	
2		Subtotal Intangible Plant	
3			
4	Manufactured Gas Production Plant	G305 - Structures and Improvements	
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	
7			
8	Other Storage Plant	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	
12		Subtotal Other Storage Plant	
13			
14	Distribution Plant	G374 - Land and Land Rights	
15		G375 - Structures and Improvements	
16		G376 - Gas Mains	
17		G378 - Measure & Regulate Station Equipment	
18		G379 - City Gate Station	
19		G380 - Services	
20		G381 - Meters	
21		G382 - Meter Installations	
22		G387 - Other Equipment	
23		Subtotal Distribution Plant	
24			
25	General Plant	G390 - Structures & Improvements	
26		G391 - Office Furniture & Equipment	
27		G394 - Tools, Shop & Garage Equipment	
28		G397 - Communication Equipment	
29		G398 - Miscellaneous Equipment	
30		Subtotal General Plant	
31			
32		Total	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-2 Plant Retirements

Exhibit MJT-3
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 17 of 94

(1)

Line No.	Category	Account	Plant Retirements
1	Intangible Plant	G303 - Intangible Property	
2		Subtotal Intangible Plant	
3			
4	Manufactured Gas Production Plant	G305 - Structures and Improvements	
5		G311 - Liquefied Petroleum Gas Equipment	
6		Subtotal Manufactured Gas Production Plant	
7			
8	Other Storage Plant	G360 - Land and Land Rights	
9		G361 - Structures & Improvements	
10		G362 - Gas Holders	
11		G363 - Gas Storage Equipment	
12		Subtotal Other Storage Plant	
13			
14	Distribution Plant	G374 - Land and Land Rights	
15		G375 - Structures and Improvements	
16		G376 - Gas Mains	
17		G378 - Measure & Regulate Station Equipment	
18		G379 - City Gate Station	
19		G380 - Services	
20		G381 - Meters	
21		G382 - Meter Installations	
22		G388 - ARO Costs Distribution Plant	
23		Subtotal Distribution Plant	
24			
25	General Plant	G390 - Structures & Improvements	
26		G391 - Office Furniture & Equipment	
27		G394 - Tools, Shop & Garage Equipment	
28		G397 - Communication Equipment	
29		G398 - Miscellaneous Equipment	
30		G399.1 - ARO Costs General Plant	
31		Subtotal General Plant	
32			
33		Total	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

Exhibit MJT-3
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 18 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Account	HTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents	\$50	100.00%	\$50	100.00%	\$50	
2			\$50		50		50	
3								
4		G303 - Intangible Property	18,010	100.00%	18,010	100.00%	18,010	
5			\$18,010		18,010		18,010	
6								
7		Subtotal	\$18,060		\$18,060		\$18,060	
8								
9	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$1,225	100.00%	\$1,225	100.00%	\$1,225	
10			\$1,225		1,225		1,225	
11								
12		G311 - Liquefied Petroleum Gas Equip	\$14,334	100.00%	\$14,334	100.00%	\$14,334	
13			\$14,334		14,334		14,334	
14								
15		Subtotal	\$15,559		\$15,559		\$15,559	
16								
17	Other Storage Plant	G360 - Land and Land Rights	\$16	100.00%	\$16	100.00%	\$16	
18			\$16		16		16	
19								
20		G361 - Structures & Improvements	\$14,854	100.00%	\$14,854	100.00%	\$14,854	
21			\$14,854		14,854		14,854	
22								
23		G362 - Gas Holders	\$7,084	100.00%	\$7,084	100.00%	\$7,084	
24			\$7,084		7,084		7,084	
25								
26		G363 - Gas Storage Equipment	\$39,294	100.00%	\$39,294	100.00%	\$39,294	
27			\$39,294		39,294		39,294	
28								
29		Subtotal	\$61,248		\$61,248		\$61,248	
30								
31	Distribution Plant	G374 - Land and Land Rights	\$3,795	100.00%	\$3,795	100.00%	\$3,795	
32			\$3,795		3,795		3,795	
33								
34		G375 - Structures and Improvements	\$14,337	100.00%	\$14,337	100.00%	\$14,337	
35			\$14,337		14,337		14,337	
36								
37		G376 - Gas Mains	\$1,472,400	100.00%	\$1,472,400	100.00%	\$1,472,400	
38			\$1,472,400		1,472,400		1,472,400	
39								
40		G378 - Measure & Regulate Sta Equip	\$20,226	100.00%	\$20,226	100.00%	\$20,226	
41			\$20,226		20,226		20,226	
42								
43		G379 - City Gate Station	\$58,043	100.00%	\$58,043	100.00%	\$58,043	
44			\$58,043		58,043		58,043	
45								
46		G380 - Services	\$916,462	100.00%	\$916,462	100.00%	\$916,462	
47			\$916,462		916,462		916,462	
48								
49		G381 - Meters	\$153,307	100.00%	\$153,307	100.00%	\$153,307	
50			\$153,307		153,307		153,307	
51								
52		G382 - Meter Installations	\$190,469	100.00%	\$190,469	100.00%	\$190,469	
53			\$190,469		190,469		190,469	
54								
55		G387 - Other Equipment	\$2,118	100.00%	\$2,118	100.00%	\$2,118	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-2 Plant Pro Forma Adjustments

Exhibit MJT-3
 Schedule C-2
 Witness: Michael J. Trzaska
 Page 19 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Account	HTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
56			\$2,118		2,118		2,118	
57								
58		G388 - ARO Costs Distribution Plant	\$1,458	100.00%	\$1,458	100.00%	\$1,458	
59			\$1,458		1,458		1,458	
60								
61		Subtotal	\$2,832,615		\$2,832,615		\$2,832,615	
62								
63	General Plant	G390 - Structures & Improvements	\$8,356	100.00%	\$8,356	100.00%	\$8,356	
64			\$8,356		8,356		8,356	
65								
66		G391 - Office Furniture & Equipment	\$3,502	100.00%	\$3,502	100.00%	\$3,502	
67			\$3,502		3,502		3,502	
68								
69		G394 - Tools, Shop & Garage Equip	\$12,359	100.00%	\$12,359	100.00%	\$12,359	
70			\$12,359		12,359		12,359	
71								
72		G395 - Laboratory Equipment						
73								
74								
75		G397 - Communication Equipment	\$4,622	100.00%	\$4,622	100.00%	\$4,622	
76			\$4,622		4,622		4,622	
77								
78		G398 - Miscellaneous Equipment	\$132	100.00%	\$132	100.00%	\$132	
79			\$132		132		132	
80								
81		G399.1 - ARO Costs General Plant	\$129	100.00%	\$129	100.00%	\$129	
82			\$129		129		129	
83								
84		Subtotal	\$29,101		\$29,101		\$29,101	
85								
86								
87		Total	\$2,956,582		\$2,956,582		\$2,956,582	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-3 Accumulated Depreciation

Exhibit MJT-3
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 20 of 94

Line No.	Category	Account	Reference	HTY Amount	Non- Jurisdictional	Jurisdictional
			(1)	(2)	(3)	(4)
1	Intangible Plant	G302 - Franchises & Consents				
2		G303 - Intangible Property		\$13,844		\$13,844
3		Subtotal Intangible Plant	SUM L1 to L2	\$13,844		\$13,844
4						
5	Manufactured Gas Production Plant	G305 - Structures and Improvements		\$771		\$771
6		G311 - Liquefied Petroleum Gas Equipment		12,235		12,235
7		Subtotal Manufactured Gas Production Plant	SUM L5 to L6	\$13,005		\$13,005
8						
9	Other Storage Plant	G360 - Land and Land Rights				
10		G361 - Structures & Improvements		\$6,623		\$6,623
11		G362 - Gas Holders		6,863		6,863
12		G363 - Gas Storage Equipment		17,328		17,328
13		Subtotal Other Storage Plant	SUM L9 to L12	\$30,814		\$30,814
14						
15	Distribution Plant	G374 - Land and Land Rights				
16		G375 - Structures and Improvements		5,423		5,423
17		G376 - Gas Mains		336,351		336,351
18		G378 - Measure & Regulate Station Equipment		7,716		7,716
19		G379 - City Gate Station		22,380		22,380
20		G380 - Services		243,934		243,934
21		G381 - Meters		61,804		61,804
22		G382 - Meter Installations		69,305		69,305
23		G387 - Other Equipment		1,164		1,164
24		G388 - ARO Costs Distribution Plant		401		401
25		Subtotal Distribution Plant	SUM L15 to L24	\$748,478		\$748,478
26						
27	General Plant	G390 - Structures & Improvements		\$2,953		\$2,953
28		G391 - Office Furniture & Equipment		1,776		1,776
29		G394 - Tools, Shop & Garage Equipment		4,435		4,435
30		G395 - Laboratory Equipment		(1)		(1)
31		G397 - Communication Equipment		4,103		4,103
32		G398 - Miscellaneous Equipment		38		38
33		G399.1 - ARO Costs General Plant		24		24
34		Subtotal General Plant	SUM L27 to L33	\$13,327		\$13,327
35						
36		Total	Lines 3+7+13+25+34	\$819,468		\$819,468

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-3 Accum Depr Pro Forma Adj

Exhibit MJT-3
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 21 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Account	HTY Amount	Utility Allocation Factor	Allocated to Utility	Jurisdictional Allocation Factor	Allocated to Jurisdiction	Allocated to Non Jurisdiction
1	Intangible Plant	G302 - Franchises & Consents						
2								
3		G303 - Intangible Property	\$13,844	100.00%	\$13,844	100.00%	\$13,844	
4								
5		Subtotal	\$13,844		\$13,844		\$13,844	
6								
7	Distribution Plant	G374 - Land and Land Rights		100.00%		100.00%		
8								
9		G375 - Structures and Improvements	5,423	100.00%	5,423	100.00%	5,423	
10								
11		G376 - Gas Mains	336,351	100.00%	336,351	100.00%	336,351	
12								
13		G378 - Measure & Regulate Sta Equip	7,716	100.00%	7,716	100.00%	7,716	
14								
15		G379 - City Gate Station	22,380	100.00%	22,380	100.00%	22,380	
16								
17		G380 - Services	243,934	100.00%	243,934	100.00%	243,934	
18								
19		G381 - Meters	61,804	100.00%	61,804	100.00%	61,804	
20								
21		G382 - Meter Installations	69,305	100.00%	69,305	100.00%	69,305	
22								
23		G387 - Other Equipment	1,164	100.00%	1,164	100.00%	1,164	
24								
25		G388 - ARO Costs Distribution Plant	401	100.00%	401	100.00%	401	
26								
27		Subtotal	\$748,478		\$748,478		\$748,478	
28								
29	General Plant	G390 - Structures & Improvements	\$2,953	100.00%	\$2,953	100.00%	\$2,953	
30								
31		G391 - Office Furniture & Equipment	1,776	100.00%	1,776	100.00%	1,776	
32								
33		G394 - Tools, Shop & Garage Equip	4,435	100.00%	4,435	100.00%	4,435	
34								
35		G395 - Laboratory Equipment	(1)	100.00%	(1)	100.00%	(1)	
36								
37		G397 - Communication Equipment	4,103	100.00%	4,103	100.00%	4,103	
38								
39		G398 - Miscellaneous Equipment	38	100.00%	38	100.00%	38	
40								
41		G399.1 - ARO Costs General Plant	24	100.00%	24	100.00%	24	
42								
43		Subtotal	\$13,327		\$13,327		\$13,327	
44								
45	Manufactured Gas Production Plant	G305 - Structures and Improvements	\$771	100.00%	\$771	100.00%	\$771	
46								
47		G311 - Liquefied Petroleum Gas Eqp	12,235	100.00%	12,235	100.00%	12,235	
48								
49		Subtotal	\$13,005		\$13,005		\$13,005	
50								
51	Other Storage Plant	G360 - Land and Land Rights						
52								
53		G361 - Structures & Improvements	\$6,623	100.00%	\$6,623	100.00%	\$6,623	
54								
55		G362 - Gas Holders	6,863	100.00%	6,863	100.00%	6,863	
56								
57		G363 - Gas Storage Equipment	17,328	100.00%	17,328	100.00%	17,328	
58								
59		Subtotal	\$30,814		\$30,814		\$30,814	
60								
61		Total	\$819,468		\$819,468		\$819,468	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-3 Cost of Removal

Exhibit MJT-3
 Schedule C-3
 Witness: Michael J. Trzaska
 Page 22 of 94

			(1)	(2)
Line No.	Category	Account	Reference	HTY Amount
1	Gas - Production Plant	G305 - Structures and Improvements		
2		G311 - Liquefied Petroleum Gas Equipment		
3		Subtotal Gas - Production Plant	SUM L1 to L2	
4				
5	Gas - Storage	G361 - Structures & Improvements		
6		G363 - Gas Storage Equipment		
7		Subtotal Gas - Storage	SUM L5 to L6	
8				
9	Gas - Distribution	G374 - Land and Land Rights		
10		G375 - Structures and Improvements		
11		G376 - Gas Mains		
12		G378 - Measure & Regulate Station Equipment		
13		G379 - City Gate Station		
14		G380 - Services		
15		G382 - Meter Installations		
16		Subtotal Gas - Distribution	SUM L9 to L15	
17				
18	Gas - General Plant	G390 - Structures & Improvements		
19		G391 - Office Furniture & Equipment		
20		G394 - Tools, Shop & Garage Equipment		
21		G397 - Communication Equipment		
22		Subtotal Gas - General Plant	SUM L18 to L21	
23				
24		Total	Lines 3+7+16+22	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 CWC Summary

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 23 of 94

Line No.	Description	(1) Reference	(2) HTY Expenses	(3) (Lead)/Lag Days	(4) Dollar-Days
1	<u>Working Capital Requirement</u>				
2					
3	Revenue Lag Days			43.17	
4					
5	<u>Expense Lag</u>				
6	Payroll (Dist Only)		\$42,671	13.67	\$583,171
7	Pension Expense		3,126	14.00	43,764
8	Commodity Purchased - Gas		182,373	36.51	6,658,914
9	Payment to Suppliers		65,691	56.21	3,692,365
10	Other Expenses		109,231	37.54	4,100,543
11	Total O&M and POR Payments	SUM L6 to L10	<u>\$403,092</u>		<u>\$15,078,757</u>
12					
13	O&M Expense / POR Payment Lag Days			37.41	
14					
15	Net (Lead)/Lag Days	L3 - L13		5.76	
16					
17	Days in Current Year			365	
18					
19	Operating Expenses Per Day		<u>\$1,104</u>		
20					
21	Working Capital for O&M Expense		\$6,366		
22					
23	Average Prepayments		2,048		
24	Accrued Taxes		829		
25	Interest Payments		(4,814)		
26					
27	Total Working Capital Requirement	SUM L21 to L25	<u>\$4,428</u>		
28					
29	Pro Forma O&M Expense		\$339,883		
30	Uncollectible Expense		2,482		
31	Pro Forma Cash O&M Expense	L29 - L30	<u>\$337,401</u>		

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 Revenue Lag

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 24 of 94

	(1)	(2)	(3)	(4)	(5)	
Line No.	Description	Reference	Accounts Receivable Balance End of Month	Total Monthly Billing Revenue	A/R Turnover	Days Lag
1	Annual Number of Days					<u>365</u>
2						
3	June		\$27,736			
4	July		20,955	\$22,224		
5	August		19,005	21,474		
6	September		19,937	21,471		
7	October		21,226	31,084		
8	November		41,040	76,374		
9	December		67,763	87,198		
10	January		78,104	94,392		
11	February		83,350	85,788		
12	March		68,163	60,942		
13	April		57,130	48,084		
14	May		47,672	33,795		
15	June		<u>31,354</u>	<u>24,695</u>		
16						
17	Total	SUM L3 to L15	<u>\$583,434</u>	<u>\$607,520</u>		
18						
19	Average A/R Balance		<u>13</u>			
20						
21	Factor		<u>\$44,880</u>	<u>\$607,520</u>	13.54	26.96
22						
23	Collection Days Lag					26.96
24						
25	Billing and Revenue Recording Days Lag					1.00
26						
27	Billing Lag (Average Period)	365 / 12. * 0.5				<u>15.21</u>
28						
29	Total Revenue Lag Days	L23 + L25 + L27				<u><u>43.17</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 O + M Lag for CWC

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 25 of 94

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Category	Description	Reference	Payment Date	Mid-point of Service Period	Expense Amount	(Lead)/Lag Days	Dollar Days
1	PAYROLL	Union & Non-Union Payroll				\$41,844		
2		Paid Twice Per Month					13.67	
3		Weighted Payroll Dollar Value						\$559,255
4								
5		Payroll Lag	SUM L1 to L3			<u>\$41,844</u>	13.67	<u>\$559,255</u>
6								
7	PENSION PAYMENTS	First Payment						
8		Second Payment						
9		Third Payment						
10		Fourth Payment						
11		Final Payment		1/15/2020	1/1/2020	\$18,312	14.00	\$256,368
12								
13		Sub-Total	SUM L7 to L11			<u>\$18,312</u>		<u>\$256,368</u>
14								
15		Lag Days for Pension Payment					<u>14.00</u>	
16								
17	PURCHASE COMMODITY COSTS	Payment Lag - Payment to Suppliers					56.21	
18								
19	OTHER O & M EXPENSES	January				\$10,661		\$438,696
20		April				9,360		349,717
21		July				10,245		411,297
22		October				21,044		726,465
23								
24		TOTAL	SUM L19 to L22			<u>\$51,310</u>	37.54	<u>\$1,926,175</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 General Disbursements Lag

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 26 of 94

Line No.	Months	Description	(1) Number of CDs	(2) Cash Disbursements	(3) Dollar-Days	(4) Expense Lag Days
1	July	Total Disbursements for Month	\$23,745	\$189,031		
2		Total Disbursements for Expenses	\$755	\$10,661	\$438,696	41.15
3						
4	October	Total Disbursements for Month	\$29,083	\$131,658		
5		Total Disbursements for Expenses	\$829	\$9,360	\$349,717	37.36
6						
7	January	Total Disbursements for Month	\$23,441	\$119,715		
8		Total Disbursements for Expenses	\$837	\$10,245	\$411,297	40.15
9						
10	April	Total Disbursements for Month	\$20,660	\$178,558		
11		Total Disbursements for Expenses	\$1,378	\$21,044	\$726,465	34.52
12	<u>TOTAL FOUR TEST MONTHS</u>					
13						
14	Total Test Month Expense Disbursement		<u>\$3,799</u>	<u>\$51,310</u>	<u>\$1,926,175</u>	<u>37.54</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 Tax Expense Lag Dollars

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 27 of 94

			(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Tax	Description	Payment Date	Mid Point Date	Lead/(Lag) Payment Days	Total Payment Amount	Payment Percentage	Payment Amount	Weighted Dollar Days
1	FEDERAL INCOME TAX	First Payment	9/15/2019	1/1/2020	108	(\$16,196)	25.00%	(\$4,049)	(\$437,290)
2		Second Payment	12/15/2019	1/1/2020	17	(16,196)	25.00%	(4,049)	(68,833)
3		Third Payment	7/15/2020	1/1/2020	(196)	(16,196)	25.00%	(4,049)	793,601
4		Fourth Payment	7/15/2020	1/1/2020	(196)	(16,196)	25.00%	(4,049)	793,601
5		Subtotal FEDERAL INCOME TAX					100.00%	(\$16,196)	\$1,081,079
6									
7	STATE INCOME TAX	First Payment	9/15/2019	1/1/2020	108	\$114	25.00%	\$29	\$3,085
8		Second Payment	12/15/2019	1/1/2020	17	114	25.00%	29	486
9		Third Payment	3/15/2020	1/1/2020	(74)	114	25.00%	29	(2,114)
10		Fourth Payment	6/15/2020	1/1/2020	(166)	114	25.00%	29	(4,743)
11		Subtotal STATE INCOME TAX					100.00%	\$114	(\$3,285)
12									
13	PURTA	First Payment	5/1/2020	1/1/2020	(121)	\$2,952	100.00%	\$2,952	(\$357,192)
14		Subtotal PURTA					100.00%	\$2,952	(\$357,192)
15									
16	PA CAPITAL STOCK TAX	First Payment							
17		Second Payment							
18		Third Payment							
19		Fourth Payment							
20		Subtotal PA CAPITAL STOCK TAX							
21									
22	PA PROPERTY TAX	First Payment	12/4/2019	1/1/2020	28	2,089	100.00%	2,089	58,492
23		Second Payment							
24		Subtotal PA PROPERTY TAX					100.00%	2,089	58,492
25									
26	GROSS RECEIPTS TAX	First Payment							
27		Subtotal GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 Tax Expense Net Lag Days

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 28 of 94

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Description	Total Payment Amount	Weighted Dollar Days	Payment Lead/(Lag) Days	Revenue Lag Days	Net Payment Lead/(Lag) Days	Net Payment Lead/(Lag) Dollars Days	Average Daily Amount for Working Capital
1	FEDERAL INCOME TAX	(\$16,196)	\$1,081,079	(66.75)	43.17	(23.58)	\$381,866	\$1,046
2	STATE INCOME TAX	\$114	(\$3,285)	(28.75)	43.17	14.42	\$1,648	\$5
3	PURTA	\$2,952	(\$357,192)	(121.00)	43.17	(77.83)	(\$229,748)	(\$629)
4	PA CAPITAL STOCK TAX							
5	PA PROPERTY TAX	\$2,089	\$58,492	28.00	43.17	71.17	\$148,678	\$407
6	GROSS RECEIPTS TAX							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 Interest Payments

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 29 of 94

		(1)	(2)
Line No.	Description	Reference	Jurisdictional
1	Measures of Value at End of Test Year		\$1,938,189
2	Long-Term Debt Ratio		47.38%
3	Embedded Cost of Long-Term Debt		3.98%
4	Pro Forma Interest Expense	L1 * L2 * L3	\$36,549
5	Days in Current Year		365
6	Daily Amount	L4 / L5	\$100
7	Days to Mid-Point of Interest Payments	L5 / 4	91.25
8	Less: Revenue Lag Days		43.17
9	Interest Payment Lag Days	L8 - L7	(48.08)
10	Total Interest for Working Capital	L6 * L9	(4,814)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 Prepayments

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 30 of 94

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Line No.	Description	Reference	AGA Membership Dues	EAP Membership Dues	NGA Membership Dues	PUC Assessment Gas	Maintenance	IT License & Maintenance	Prepaid Rent	VEBA Adjust	Facilities Contracts	IT License & Maintenance	Fleet Activities	IT License & Maintenance	Customer Experience	Postage	Total Prepayment
1	June		\$195	\$20		\$1,299	\$15	(\$0)	\$48	\$389	\$104	\$797	\$336	\$1,257	\$196	\$667	
2	July		163		(14)	1,120	15	490	32	389	77	728	341	\$1,321	186	552	
3	August		130		(14)	941	15	441	51	389	50	601	289	\$1,078	143	599	
4	September		98			1,301	15	500	86	(0)	23	488	237	\$836	100	719	
5	October		98	(20)	(9)	1,156	15	437	70	(0)	(4)	792	298	\$594	56	537	
6	November		33	10	5	1,012	15	364	90	(0)	(31)	680	323	\$759	46	659	
7	December		1	(1)		867	15	297	74	135	0	339	337	\$516	17	595	
8	January		371	114		723	15	201	58	135	175	441	339	\$586	258	743	
9	February		337	104		578	15	134	77	135	159	397	339	\$382	226	588	
10	March		303	93	41	434	10	67	54	120	143	376	359	\$185	218	698	
11	April		270	83	37	289	10	22	38	120	127	444	364	\$645	209	618	
12	May		236	73	32	144	10	729	57	120	111	355	354	\$467	168	808	
13	June		202	62	28	0	10	662	41	1,174	95	306	356	\$620	148	720	
14																	
15	Total	SUM L1 to L13	\$2,436	\$538	\$105	\$9,864	\$173	\$4,346	\$776	\$3,105	\$1,027	\$6,744	\$4,272	\$9,247	\$1,972	\$8,503	
16																	
17	Distribution Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	23.03%	23.03%	23.03%	23.03%	24.84%	24.84%	24.84%	
18																	
19	Distribution Amount	L15 * L17	\$2,436	\$538	\$105	\$9,864	\$173	\$4,346	\$776	\$715	\$237	\$1,553	\$984	\$2,297	\$490	\$2,112	
20																	
21	Number of Months	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
22																	
23	Monthly Average	L19 / L21	\$187	\$41	\$8	\$759	\$13	\$334	\$60	\$55	\$18	\$119	\$76	\$177	\$38	\$162	
24																	
25	Rate Case Amount																\$2,048

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-4 Energy Lag

Exhibit MJT-3
 Schedule C-4
 Witness: Michael J. Trzaska
 Page 31 of 94

		(1)	(2)	(3)
Line No.	Description	Shopping Percentage	Weighted Lag Days	Lag Days
1	Residential	70%		40.00
2	Nonresidential	30%		40.00
3	Weighted Payment Lag Days		40.00	
4				
5	Billing and Revenue Days Lag			1.00
6	Billing Lag (Average Period)			15.21
7	Total Payment Lag Days			56.21

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-5 Pension

Exhibit MJT-3
 Schedule C-5
 Witness: Michael J. Trzaska
 Page 32 of 94

(1) (2)

Line No.	Description	Reference	Pension Asset
1	Balance at End of HTY - Total		\$378,708
2	Allocation % to Utility		21.25%
3	Utility Amount	L1 * L2	\$80,469
4	Allocation % to Distribution Capital		41.62%
5	Balance at End of FPFTY - Distribution Capital	L3 * L4	<u>\$33,493</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-6 ADIT - A/C #282

Exhibit MJT-3
 Schedule C-6
 Witness: Michael J. Trzaska
 Page 33 of 94

	(1)	(2)	(3)	(4)	(5)	(6)		
Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - CIAC		(10,667)	100.00%	(\$10,667)	100.00%	(\$10,667)
2		ADIT - Common Plant		6,582	100.00%	6,582	100.00%	6,582
3		ADIT - Gas Distribution		242,089	100.00%	242,089	100.00%	242,089
4		Total	SUM L1 to L3	<u>\$238,004</u>		<u>\$238,004</u>		<u>\$238,004</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-7 Customer Deposits

Exhibit MJT-3
 Schedule C-7
 Witness: Michael J. Trzaska
 Page 34 of 94

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Residential	Non-Residential	Total
1	June		4,674	8,369	13,043
2	July		4,665	8,323	12,988
3	August		4,705	8,359	13,064
4	September		4,721	8,273	12,994
5	October		4,764	8,269	13,033
6	November		4,743	8,286	13,029
7	December		4,739	8,319	13,058
8	January		4,766	9,268	14,034
9	February		4,765	9,250	14,014
10	March		4,769	9,296	14,065
11	April		4,713	9,203	13,916
12	May		4,632	9,079	13,711
13	June		4,540	8,948	13,488
14					
15	Total	SUM L1 to L13	\$61,196	\$113,242	\$174,438
16					
17	Average Monthly Balance	L15 / 13	\$4,707	\$8,711	\$13,418
18					
19	<u>HTY Deposits by Customer Classification</u>				
20	Residential				\$4,707
21	Small C&I				8,388
22	Large C&I				323
23	Transportation				
24					
25	Total	SUM L20 to L23			\$13,418

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-8 Common Plant

Exhibit MJT-3
 Schedule C-8
 Witness: Michael J. Trzaska
 Page 35 of 94

(1) (2)

Line No.	Description	Reference	PECO - Total
1	Common Plant in Service:		
2			
3	Land		\$6,783
4	Organization		677
5	Software		314,764
6	General Plant		601,258
7	Other		(0)
8	Subtotal	SUM L3 to L7	<u>\$923,482</u>
9			
10	Common Plant Accumulated Depreciation:		
11			
12	Land		
13	Organization		
14	Software		\$222,909
15	General Plant		189,574
16	Other		(0)
17	Subtotal	SUM L12 to L16	<u>\$412,483</u>
18			
19	Net Common Plant	L8 - L17	<u>\$510,999</u>
20			
21	Allocation Factor		<u>23.030%</u>
22			
23	Common Plant in Service to Utility	L8 * L21	\$212,678
24	Common Plant Accumulated Depreciation to Utility	L17 * L21	94,995
25	Net Common Plant to Utility	L23 - L24	<u>\$117,683</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-9 Customer Advances For Construction

Exhibit MJT-3
 Schedule C-9
 Witness: Michael J. Trzaska
 Page 36 of 94

(1)

Line No.	Description	Total HTY Amount
1	<u>HTY 13-Month Average</u>	
2	June	1,243
3	July	1,254
4	August	1,420
5	September	1,429
6	October	1,901
7	November	1,879
8	December	1,082
9	January	1,319
10	February	1,355
11	March	1,198
12	April	1,228
13	May	1,032
14	June	1,004
15		
16	13-Month Total	<u><u>\$17,343</u></u>
17		
18		
19	Average Monthly Balance	<u><u>\$1,334</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-11 Materials and Supplies

Exhibit MJT-3
 Schedule C-11
 Witness: Michael J. Trzaska
 Page 37 of 94

	(1)	(2)	(3)	(4)	
Line No.	Description	Reference	Materials & Supplies	Undistributed Stores Expense	Total
1	HTY 13-Month Average				
2	June		\$599	(\$0)	\$599
3	July		\$601	(\$482)	\$119
4	August		\$611	(\$527)	\$84
5	September		\$602	(\$0)	\$602
6	October		\$595	(\$670)	(\$76)
7	November		\$590	(\$664)	(\$74)
8	December		\$592	(\$0)	\$592
9	January		\$443	\$107	\$549
10	February		\$434	\$151	\$585
11	March		\$453	(\$0)	\$453
12	April		\$461	(\$6)	\$455
13	May		\$434	(\$32)	\$401
14	June		\$436		\$436
15					
16	Total	SUM L2 to L14	\$6,850	(\$2,125)	\$4,725
17					
18	Distribution Expense Allocation Factor		100.00%	23.03%	
19					
20	Allocation to Distribution	L16 * L18	6,850	(489)	
21					
22	Average Monthly Balance	L20 / 13	\$527	(\$38)	\$489

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-12 ADIT - Reg Liability

Exhibit MJT-3
 Schedule C-12
 Witness: Michael J. Trzaska
 Page 38 of 94

(1) (2) (3) (4) (5) (6)

Line No.	Test Year	Description	Reference	Total Amount	Percent to Utility	Utility Amount	Percent to Distribution	Distribution Amount
1	HTY	ADIT - Distribution		136,680	100.00%	\$136,680	100.00%	\$136,680
2		ADIT - CIAC		<u>(3,547)</u>	100.00%	<u>(3,547)</u>	100.00%	<u>(3,547)</u>
3		Total	L1 + L2	<u><u>\$133,133</u></u>		<u><u>\$133,133</u></u>		<u><u>\$133,133</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 C-13 Gas Storage

Exhibit MJT-3
 Schedule C-13
 Witness: Michael J. Trzaska
 Page 39 of 94

	(1)	(2)	(3)	(4)	(5)	
Line No.	Description	Reference	Stored Underground	LNG	Propane Gas	Total
1	June		\$21,180	\$3,563	\$1,653	\$26,395
2	July		25,468	4,096	1,653	31,217
3	August		29,678	4,533	1,653	35,864
4	September		34,092	4,486	1,653	40,231
5	October		38,278	4,434	1,653	44,365
6	November		37,131	4,383	1,653	43,166
7	December		30,932	4,349	1,629	36,910
8	January		23,880	4,271	1,629	29,780
9	February		17,295	4,209	1,629	23,132
10	March		15,107	4,151	1,629	20,887
11	April		14,413	4,101	1,629	20,142
12	May		17,455	4,052	1,629	23,137
13	June		20,461	3,997	1,629	26,087
14						
15	Total	SUM L1 to L13	\$325,370	\$54,624	\$21,318	\$401,312
16						
17	Average Monthly Balance	L15 / 13	\$25,028	\$4,202	\$1,640	\$30,870

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-1 Present and Proposed Rates

Exhibit MJT-3
 Schedule D-1
 Witness: Michael J. Trzaska
 Page 40 of 94

Line No.	Category	Description	Reference	(1) Pro Forma Adjusted at Present Rates	(2) Proposed Rate Increase	(3)	(4) Adjusted Amounts with Proposed Rate Increase
1	Operating Revenues	Residential		\$392,992			\$392,992
2		C & I		138,958			138,958
3		Interdepartmental					
4		Sales for Resale					
5		Forfeited Discounts		791	1		793
6		Miscellaneous Service Revenues		183			183
7		Rent For Electric Property		743			743
8		Other Gas Revenues		580			580
9		Transportation of Gas of Others		24,306			24,306
10		Revenue Increase			1,150		1,150
11		Subtotal Operating Revenues	SUM L1 to L10	\$558,555	\$1,151		\$559,707
12							
13	Operating Expenses	Manufactured Gas Production		\$261			\$261
14		Storage Operations Expense		1,003			1,003
15		Storage Maintenance Expense		3,097			3,097
16		Underground Storage Expenses					
17		Other Gas Supply		211,446			211,446
18		Distribution Expense		65,155			65,155
19		Total Customer Accounts		16,419	4		16,423
20		Total Customer Service & Information		7,407			7,407
21		Total Sales		1,114			1,114
22		Administrative & General		33,980	4		33,984
23		O&M Expense	SUM L13 to L22	\$339,883	\$8		\$339,891
24							
25		Depreciation & Amortization Expense		\$72,130			\$72,130
26		Amortization of Regulatory Expense		7,990			7,990
27		Taxes Other Than Income Taxes - Other		8,524			8,524
28		Subtotal Operating Expenses	SUM L26 to L30	\$428,527	\$8		\$428,534
29							
30	Net Operating Income - BIT		L11 - L28	\$130,028	\$1,144		\$131,172

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-2 Adjusted Present Rates

Exhibit MJT-3
 Schedule D-2
 Witness: Michael J. Trzaska
 Page 41 of 94

Line No.	Category	Description	(1) HTY Amount Pre Adjustments	(2) Adjustments Sub-Total	(3) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	\$382,823	\$10,169	\$392,992
2		C & I	135,038	3,920	138,958
3		Interdepartmental			
4		Sales for Resale	1,511	(1,511)	
5		Forfeited Discounts	791		791
6		Miscellaneous Service Revenues	183		183
7		Rent For Electric Property	743		743
8		Other Gas Revenues	580		580
9		Transportation of Gas of Others	23,991	316	24,306
10		Revenue Increase			
11		Subtotal Operating Revenues	\$545,661	\$12,894	\$558,555
12					
13	Operating Expenses	Manufactured Gas Production	\$259	\$2	\$261
14		Storage Operations Expense	993	10	1,003
15		Storage Maintenance Expense	3,064	33	3,097
16		Underground Storage Expenses			
17		Other Gas Supply	212,809	(1,363)	211,446
18		Distribution Expense	64,639	516	65,155
19		Total Customer Accounts	15,462	958	16,419
20		Total Customer Service & Information	4,411	2,996	7,407
21		Total Sales	1,107	7	1,114
22		Administrative & General	31,004	2,977	33,980
23		O&M Expense	\$333,747	\$6,137	\$339,883
24					
25		Depreciation & Amortization Expense	\$66,877	\$5,253	\$72,130
26		Amortization of Regulatory Expense	7,990		7,990
27		Taxes Other Than Income Taxes - Other	8,458	66	8,524
28		Subtotal Operating Expenses	\$417,071	\$11,455	\$428,527
29					
30	Net Operating Income - BIT		\$128,589	\$1,439	\$130,028

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(1) HTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
1	Operating Revenues	Residential	Gas Cost	\$161,595						
2			Cust & Dist	221,228	982	(47)	(639)	9,873		
3			Subtotal Residential	\$382,823	\$982	(\$47)	(\$639)	\$9,873		
4										
5		C & I	Gas Cost	\$50,515						(\$202)
6			Cust & Dist	84,523	(71)		(302)	4,548		(53)
7			Subtotal C & I	\$135,038	(\$71)		(\$302)	\$4,548		(\$254)
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale	\$1,511					(\$1,511)	
13			Subtotal Sales for Resale	\$1,511					(\$1,511)	
14										
15		Forfeited Discounts	Forfeited Discounts	\$791						
16			Subtotal Forfeited Discounts	\$791						
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues	183						
19			Subtotal Miscellaneous Service Revenues	183						
20										
21		Rent For Electric Property	Rent for Gas Property	743						
22			Subtotal Rent For Electric Property	743						
23										
24		Other Gas Revenues	Other Gas Revenues	\$580						
25			Subtotal Other Gas Revenues	\$580						
26										
27		Transportation of Gas of Others	Transportation of Gas of Others	\$23,991				\$316		
28			Subtotal Transportation of Gas of Others	\$23,991				\$316		
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues	\$545,661	\$911	(\$47)	(\$941)	\$14,736	(\$1,511)	(\$254)
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production	\$0						
36			Liquefied Petroleum Gas Expenses	70						
37			Liquefied Petroleum Gas Expenses	24						
38			Maintenance of Structures and Improvements	47						
39			Maintenance of Production Equipment	117						
40			Subtotal Manufactured Gas Production	\$259						
41										
42		Other Gas Supply	Natural Gas City Gate Purchases	\$183,735					(\$1,161)	(\$202)
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments	26,555						

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

				(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Category	Description	Description	HTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization - Margin Adjustment Expense	D-5I IS Revenue Adjustment
45			Purchased Gas Expenses	797						
46			Gas Withdrawn from Storage-Debit	27,619						
47			Gas Delivered to Storage-Credit	(24,411)						
48			Other Gas Supply Purchases	(1,486)						
49			Subtotal Other Gas Supply	\$212,809					(\$1,161)	(\$202)
50										
51	Storage Maintenance Expense		Maintenance Supervision and Engineering	\$920						
52			Maintenance of Structures and Improvements	2,145						
53			Subtotal Storage Maintenance Expense	\$3,064						
54										
55	Storage Operations Expense		Operating Supervision and Engineering	\$250						
56			Operation Labor and Expenses	743						
57			Subtotal Storage Operations Expense	\$993						
58										
59	Underground Storage Expenses		Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62	Distribution Expense		Operation Supervision and Engineering	\$196						
63			Mains and Services Expenses	13,820						
64			Measuring and Regulating Station Expenses-General	1,368						
65			Measuring and Regulating Station Expenses-City Gate	0						
66			Meter and House Regulator Expenses	5,311						
67			Customer Installations Expenses	5,642						
68			Other Expenses	11,933						
69			Rents	200						
70			Maintenance of Mains	21,816						
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	830						
72			Maintenance of Services	2,039						
73			Maintenance of Meters & House Regulators	382						
74			Maintenance of Other Equipment	1,102						
75			Subtotal Distribution Expense	\$64,639						
76										
77	Total Customer Accounts		Customer Records and Collection	\$11,699						
78			Meter Reading	98						
79			Miscellaneous Customer Accounts	900						
80			Uncollectible Accounts	2,766						
81			Subtotal Total Customer Accounts	\$15,462						
82										
83	Total Customer Service & Information		Customer Assistance	\$4,158						
84			Informational & Instructional	253						
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$4,411						
87										
88	Total Sales		Demonstrating & Selling	\$1,107						

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(1) HTY Amount Pre Adjustments	(2) D-5A Revenue Annualization	(3) D-5B CAP Revenue Credits and Adjustments	(4) D-5F Leap Year Adjustment	(5) D-5G Weather Normalization	(6) D-5H Asset Optimization - Margin Adjustment Expense	(7) D-5I IS Revenue Adjustment
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$1,107						
91										
92	Administrative & General		Administrative and General Salaries	\$5,502						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit	(70)						
95			Employee Pensions and Benefits	7,075						
96			Franchise Requirements	325						
97			Injuries and Damages							
98			Maintenance of General Plant	1,070						
99			Miscellaneous General Expenses	608						
100			Office Supplies and Expenses	1,892						
101			Outside Service Employed	12,818						
102			Property Insurance	83						
103			Regulatory Commission Expenses	1,700						
104			Subtotal Administrative & General	\$31,004						
105										
106			O&M Expense	\$333,747					(\$1,161)	(\$202)
107										
108	Depreciation & Amortization Expense		Depreciation & Amortization Expense	\$66,877						
109			Subtotal Depreciation & Amortization Expense	\$66,877						
110										
111	Amortization of Regulatory Expense		Amortization of Regulatory Expense	\$7,990						
112			Subtotal Amortization of Regulatory Expense	\$7,990						
113										
114	Taxes Other Than Income Taxes - Other		Taxes Other Than Income Taxes - Other	\$8,458						
115			Subtotal Taxes Other Than Income Taxes - Other	\$8,458						
116										
117			Total Operating Expenses	\$417,071					(\$1,161)	(\$202)
118										
119	Net Operating Income Before Income Tax			\$128,589	\$911	(\$47)	(\$941)	\$14,736	(\$350)	(\$53)

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

				(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Category	Description	Description	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest
1	Operating Revenues	Residential	Gas Cost							
2			Cust & Dist							
3			Subtotal Residential							
4										
5		C & I	Gas Cost							
6			Cust & Dist							
7			Subtotal C & I							
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale							
13			Subtotal Sales for Resale							
14										
15		Forfeited Discounts	Forfeited Discounts							
16			Subtotal Forfeited Discounts							
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							
19			Subtotal Miscellaneous Service Revenues							
20										
21		Rent For Electric Property	Rent for Gas Property							
22			Subtotal Rent For Electric Property							
23										
24		Other Gas Revenues	Other Gas Revenues							
25			Subtotal Other Gas Revenues							
26										
27		Transportation of Gas of Others	Transportation of Gas of Others							
28			Subtotal Transportation of Gas of Others							
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues							
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							
36			Liquefied Petroleum Gas Expenses		1					
37			Liquefied Petroleum Gas Expenses							
38			Maintenance of Structures and Improvements		0					
39			Maintenance of Production Equipment		1					
40			Subtotal Manufactured Gas Production		\$2					
41										
42		Other Gas Supply	Natural Gas City Gate Purchases							
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

				(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Category	Description	Description	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest
45			Purchased Gas Expenses							
46			Gas Withdrawn from Storage-Debit							
47			Gas Delivered to Storage-Credit							
48			Other Gas Supply Purchases							
49			Subtotal Other Gas Supply							
50										
51	Storage Maintenance Expense		Maintenance Supervision and Engineering	\$10						
52			Maintenance of Structures and Improvements	23						
53			Subtotal Storage Maintenance Expense	\$33						
54										
55	Storage Operations Expense		Operating Supervision and Engineering	\$3						
56			Operation Labor and Expenses	8						
57			Subtotal Storage Operations Expense	\$10						
58										
59	Underground Storage Expenses		Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62	Distribution Expense		Operation Supervision and Engineering	\$0						
63			Mains and Services Expenses	\$92						
64			Measuring and Regulating Station Expenses-General	\$17						
65			Measuring and Regulating Station Expenses-City Gate							
66			Meter and House Regulator Expenses	\$24						
67			Customer Installations Expenses	\$78						
68			Other Expenses	\$47						
69			Rents							
70			Maintenance of Mains	\$217						
71			Maintenance of Measuring & Reg. Station Equip.-Genl.	\$11						
72			Maintenance of Services	\$22						
73			Maintenance of Meters & House Regulators	\$5						
74			Maintenance of Other Equipment	\$3						
75			Subtotal Distribution Expense	\$516						
76										
77	Total Customer Accounts		Customer Records and Collection	\$102						
78			Meter Reading							
79			Miscellaneous Customer Accounts	\$6						381
80			Uncollectible Accounts					(283)		
81			Subtotal Total Customer Accounts	\$108				(\$283)		\$381
82										
83	Total Customer Service & Information		Customer Assistance	\$4					\$2,992	
84			Informational & Instructional							
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information	\$4					\$2,992	
87										
88	Total Sales		Demonstrating & Selling	\$7						

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

				(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Category	Description	Description	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension	D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest
89			Miscellaneous Sales							
90			Subtotal Total Sales	\$7						
91										
92	Administrative & General		Administrative and General Salaries	\$140						
93			Administrative Expenses Transferred-Credit							
94			Duplicate Charges-Credit							
95			Employee Pensions and Benefits			25	1,915			
96			Franchise Requirements							
97			Injuries and Damages	\$3						
98			Maintenance of General Plant	\$3						
99			Miscellaneous General Expenses							
100			Office Supplies and Expenses							
101			Outside Service Employed	(0)						
102			Property Insurance							
103			Regulatory Commission Expenses		520					
104			Subtotal Administrative & General	\$146	\$520	\$25	\$1,915			
105										
106			O&M Expense	\$827	\$520	\$25	\$1,915	(\$283)	\$2,992	\$381
107										
108	Depreciation & Amortization Expense		Depreciation & Amortization Expense							
109			Subtotal Depreciation & Amortization Expense							
110										
111	Amortization of Regulatory Expense		Amortization of Regulatory Expense							
112			Subtotal Amortization of Regulatory Expense							
113										
114	Taxes Other Than Income Taxes - Other		Taxes Other Than Income Taxes - Other							
115			Subtotal Taxes Other Than Income Taxes - Other							
116										
117			Total Operating Expenses	\$827	\$520	\$25	\$1,915	(\$283)	\$2,992	\$381
118										
119	Net Operating Income Before Income Tax			(\$827)	(\$520)	(\$25)	(\$1,915)	\$283	(\$2,992)	(\$381)

PECO Gas Operation
Before The PA PUC
HTY Ending June 2020
(\$ in Thousands)
D-3 Adjustments to Net Operating Income

Line No.	Category	Description	Description	(15) D-13 MGP Recovery	(16) D-14 Gas Unbundling Expense Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates
1	Operating Revenues	Residential	Gas Cost							\$161,595
2			Cust & Dist						10,169	231,397
3			Subtotal Residential						\$10,169	\$392,992
4										
5		C & I	Gas Cost						(\$202)	\$50,313
6			Cust & Dist						4,122	88,645
7			Subtotal C & I						\$3,920	\$138,958
8										
9		Interdepartmental	Gas Cost							
10			Subtotal Interdepartmental							
11										
12		Sales for Resale	Sales For Resale						(\$1,511)	
13			Subtotal Sales for Resale						(\$1,511)	
14										
15		Forfeited Discounts	Forfeited Discounts							\$791
16			Subtotal Forfeited Discounts							\$791
17										
18		Miscellaneous Service Revenues	Miscellaneous Service Revenues							183
19			Subtotal Miscellaneous Service Revenues							183
20										
21		Rent For Electric Property	Rent for Gas Property							743
22			Subtotal Rent For Electric Property							743
23										
24		Other Gas Revenues	Other Gas Revenues							\$580
25			Subtotal Other Gas Revenues							\$580
26										
27		Transportation of Gas of Others	Transportation of Gas of Others						\$316	\$24,306
28			Subtotal Transportation of Gas of Others						\$316	\$24,306
29										
30		Revenue Increase	Revenue Increase							
31			Subtotal Revenue Increase							
32										
33			Total Operating Revenues						\$12,894	\$558,555
34										
35	Operating Expenses	Manufactured Gas Production	Manufactured Gas Production							\$0
36			Liquefied Petroleum Gas Expenses						\$1	71
37			Liquefied Petroleum Gas Expenses							24
38			Maintenance of Structures and Improvements						\$0	47
39			Maintenance of Production Equipment						\$1	119
40			Subtotal Manufactured Gas Production						\$2	\$261
41										
42		Other Gas Supply	Natural Gas City Gate Purchases						(\$1,363)	\$182,373
43			Other Gas Purchases							
44			Purchases Gas Cost Adjustments							26,555

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

				(15)	(16)	(17)	(18)	(19)	(20)	(21)
Line No.	Category	Description	Description	D-13 MGP Recovery	D-14 Gas Unbundling Expense Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income	D-17 Depreciation Annualization	Adjustments Sub-total	Pro Forma Adjusted at Present Rates
45			Purchased Gas Expenses							797
46			Gas Withdrawn from Storage-Debit							27,619
47			Gas Delivered to Storage-Credit							(24,411)
48			Other Gas Supply Purchases							(1,486)
49			Subtotal Other Gas Supply						(\$1,363)	\$211,446
50										
51	Storage Maintenance Expense		Maintenance Supervision and Engineering						\$10	\$929
52			Maintenance of Structures and Improvements						\$23	2,168
53			Subtotal Storage Maintenance Expense						\$33	\$3,097
54										
55	Storage Operations Expense		Operating Supervision and Engineering						\$3	\$253
56			Operation Labor and Expenses						\$8	751
57			Subtotal Storage Operations Expense						\$10	\$1,003
58										
59	Underground Storage Expenses		Other Expenses							
60			Subtotal Underground Storage Expenses							
61										
62	Distribution Expense		Operation Supervision and Engineering						\$0	\$196
63			Mains and Services Expenses						\$92	13,912
64			Measuring and Regulating Station Expenses-General						\$17	1,385
65			Measuring and Regulating Station Expenses-City Gate							0
66			Meter and House Regulator Expenses						\$24	5,335
67			Customer Installations Expenses						\$78	5,719
68			Other Expenses						\$47	11,981
69			Rents							200
70			Maintenance of Mains						\$217	22,034
71			Maintenance of Measuring & Reg. Station Equip.-Genl.						\$11	842
72			Maintenance of Services						\$22	2,061
73			Maintenance of Meters & House Regulators						\$5	387
74			Maintenance of Other Equipment						\$3	1,105
75			Subtotal Distribution Expense						\$516	\$65,155
76										
77	Total Customer Accounts		Customer Records and Collection						\$102	\$11,801
78			Meter Reading							98
79			Miscellaneous Customer Accounts		753				\$1,139	2,039
80			Uncollectible Accounts						(\$283)	2,482
81			Subtotal Total Customer Accounts		\$753				\$958	\$16,419
82										
83	Total Customer Service & Information		Customer Assistance						\$2,996	\$7,155
84			Informational & Instructional							253
85			Miscellaneous Customer & Informational							
86			Subtotal Total Customer Service & Information						\$2,996	\$7,407
87										
88	Total Sales		Demonstrating & Selling						\$7	\$1,114

PECO Gas Operation
 Before The PA PUC
 HTY Ending June 2020
 (\$ in Thousands)
 D-3 Adjustments to Net Operating Income

Line No.	Category	Description	(15) D-13 MGP Recovery	(16) D-14 Gas Unbundling Expense Recovery	(17) D-15 O&M Cost to Achieve	(18) D-16 Taxes Other Than Income	(19) D-17 Depreciation Annualization	(20) Adjustments Sub-total	(21) Pro Forma Adjusted at Present Rates	
89		Miscellaneous Sales								
90		Subtotal Total Sales						\$7	\$1,114	
91										
92	Administrative & General	Administrative and General Salaries						\$140	\$5,642	
93		Administrative Expenses Transferred-Credit								
94		Duplicate Charges-Credit							(70)	
95		Employee Pensions and Benefits						\$1,940	9,016	
96		Franchise Requirements							325	
97		Injuries and Damages						\$3	3	
98		Maintenance of General Plant						\$3	1,073	
99		Miscellaneous General Expenses							608	
100		Office Supplies and Expenses							1,892	
101		Outside Service Employed			370			\$370	13,188	
102		Property Insurance							83	
103		Regulatory Commission Expenses						\$520	2,220	
104		Subtotal Administrative & General			\$370			\$2,977	\$33,980	
105										
106		O&M Expense			\$753	\$370		\$6,137	\$339,883	
107										
108	Depreciation & Amortization Expense	Depreciation & Amortization Expense					\$5,253	\$5,253	\$72,130	
109		Subtotal Depreciation & Amortization Expense					\$5,253	\$5,253	\$72,130	
110										
111	Amortization of Regulatory Expense	Amortization of Regulatory Expense							\$7,990	
112		Subtotal Amortization of Regulatory Expense							\$7,990	
113										
114	Taxes Other Than Income Taxes - Other	Taxes Other Than Income Taxes - Other				\$66		\$66	\$8,524	
115		Subtotal Taxes Other Than Income Taxes - Other				\$66		\$66	\$8,524	
116										
117		Total Operating Expenses			\$753	\$370	\$66	\$5,253	\$11,455	\$428,527
118										
119	Net Operating Income Before Income Tax				(\$753)	(\$370)	(\$66)	(\$5,253)	\$1,439	\$130,028

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

				(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Category	Description	Account	HTY Amount Pre Adjustments	D-5H Asset Optimization - Margin Adjustment	D-5I IS Expense	D-6 Salary & Wages	D-7 Rate Case Expense	D-8 Adjustments for Employee Benefits	D-9 Adjustments for Pension
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.	\$0						
2			717.0 Liquefied Petroleum Gas Expenses.	70			1			
3			741.0 Maintenance Of Structures And Improvements.	47			0			
4			742.0 Maintenance Of Production Equipment.	117			1			
5			Subtotal	\$235			\$2			
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.	24						
8			Subtotal	\$24						
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.	\$183,735	(\$1,161)	(\$202)				
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.	26,555						
13			807.0 Purchased Gas Expenses.	797						
14			808.1 Gas Withdrawn From Storage-Debit.	27,619						
15			808.2 Gas Delivered To Storage-Credit.	(24,411)						
16			813.0 Other Gas Supply Expenses.	(1,486)						
17			Subtotal	\$212,809	(\$1,161)	(\$202)				
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.	\$250			\$3			
23			841.0 Operation Labor And Expenses.	743			8			
24			Subtotal	\$993			\$10			
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.	\$920			\$10			
27			843.2 Maintenance Of Structures And Improvements.	2,145			23			
28			Subtotal	\$3,064			\$33			
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.	\$196			\$0			
31			874.0 Mains And Services Expenses.	13,820			92			
32			875.0 Measuring And Regulating Station Expenses--General.	1,368			17			
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.	0						
34			878.0 Meter And House Regulator Expenses.	5,311			24			
35			879.0 Customer Installations Expenses.	5,642			78			
36			880.0 Other Expenses.	11,933			47			
37			881.0 Rents.	200						
38			Subtotal	\$38,469			\$259			
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.	\$21,816			\$217			
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	830			11			
42			892.0 Maintenance Of Services.	2,039			22			
43			893.0 Maintenance Of Meters And House Regulators.	382			5			
44			894.0 Maintenance Of Other Equipment.	1,102			3			
45			Subtotal	\$26,170			\$258			
46										
47			Distribution Expense Subtotal	\$64,639			\$516			

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(1) HTY Amount Pre Adjustments	(2) D-5H Asset Optimization - Margin Adjustment	(3) D-5I IS Expense	(4) D-6 Salary & Wages	(5) D-7 Rate Case Expense	(6) D-8 Adjustments for Employee Benefits	(7) D-9 Adjustments for Pension
48										
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.	\$98						
50			903.0 Customer Records And Collection Expenses.	11,699			102			
51			904.0 Uncollectible Accounts.	2,766						
52			905.0 Miscellaneous Customer Accounts Expenses.	900			6			
53										
54			Subtotal	\$15,462			\$108			
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses	\$4,158			\$4			
57			909.0 Informational And Instructional Advertising Expenses.	253						
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal	\$4,411			\$4			
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.	\$1,107			\$7			
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal	\$1,107			\$7			
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.	\$5,502			\$140			
66			921.0 Office Supplies And Expenses.	1,892			0			
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.	12,818			(0)			
69			924.0 Property Insurance.	83						
70			925.0 Injuries And Damages.	325			3			
71			926.0 Employee Pensions And Benefits.	7,075					25	1,915
72			928.0 Regulatory Commission Expenses.	1,700				\$20		
73			929.0 Duplicate Charges--Credit.	(70)						
74			930.2 Miscellaneous General Expenses.	608						
75										
76			Subtotal	\$29,934			\$143	\$20	\$25	\$1,915
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.	\$1,070			\$3			
79			Subtotal	\$1,070			\$3			
80										
81			A&G Expense Sub-total	\$31,004			\$146	\$20	\$25	\$1,915
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$58,283						
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Plant	8,594						
86			Subtotal	\$66,877						
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.	\$7,990						
89			Subtotal	\$7,990						
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.	\$8,458						
92			Subtotal	\$8,458						
93										
94			Total	\$417,071	(\$1,161)	(\$202)	\$827	\$520	\$25	\$1,915

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.							
2			717.0 Liquefied Petroleum Gas Expenses.							
3			741.0 Maintenance Of Structures And Improvements.							
4			742.0 Maintenance Of Production Equipment.							
5			Subtotal							
6										
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.							
8			Subtotal							
9										
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.							
11			805.0 Other Gas Purchases.							
12			805.1 Purchased Gas Cost Adjustments.							
13			807.0 Purchased Gas Expenses.							
14			808.1 Gas Withdrawn From Storage-Debit.							
15			808.2 Gas Delivered To Storage-Credit.							
16			813.0 Other Gas Supply Expenses.							
17			Subtotal							
18										
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.							
20			Subtotal							
21										
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.							
23			841.0 Operation Labor And Expenses.							
24			Subtotal							
25										
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.							
27			843.2 Maintenance Of Structures And Improvements.							
28			Subtotal							
29										
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.							
31			874.0 Mains And Services Expenses.							
32			875.0 Measuring And Regulating Station Expenses--General.							
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.							
34			878.0 Meter And House Regulator Expenses.							
35			879.0 Customer Installations Expenses.							
36			880.0 Other Expenses.							
37			881.0 Rents.							
38			Subtotal							
39										
40		Distribution Maintenance	887.0 Maintenance Of Mains.							
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.							
42			892.0 Maintenance Of Services.							
43			893.0 Maintenance Of Meters And House Regulators.							
44			894.0 Maintenance Of Other Equipment.							
45			Subtotal							
46										
47			Distribution Expense Subtotal							

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				D-10 Uncollectible Accounts	D-11 Energy Efficiency & Grant Program Expense	D-12 Customer Deposit Interest	D-13 MGP Recovery	D-14 Reg Initiative Recovery	D-15 O&M Cost to Achieve	D-16 Taxes Other Than Income
48										
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.							
50			903.0 Customer Records And Collection Expenses.							
51			904.0 Uncollectible Accounts.	(283)						
52			905.0 Miscellaneous Customer Accounts Expenses.			381		753		
53										
54			Subtotal	(283)		\$381		\$753		
55										
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$2,992					
57			909.0 Informational And Instructional Advertising Expenses.							
58			910.0 Miscellaneous Customer Service And Informational Expenses.							
59			Subtotal		\$2,992					
60										
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.							
62			916.0 Miscellaneous Sales Expenses.							
63			Subtotal							
64										
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.							
66			921.0 Office Supplies And Expenses.							
67			922.0 Administrative Expenses Transferred--Credit.							
68			923.0 Outside Services Employed.						370	
69			924.0 Property Insurance.							
70			925.0 Injuries And Damages.							
71			926.0 Employee Pensions And Benefits.							
72			928.0 Regulatory Commission Expenses.							
73			929.0 Duplicate Charges--Credit.							
74			930.2 Miscellaneous General Expenses.							
75										
76			Subtotal						\$370	
77										
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.							
79			Subtotal							
80										
81			A&G Expense Sub-total						\$370	
82										
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.							
84			403.1 Depreciation Expense - ARO/FIN-47							
85			404.0 Amort. Of Limited-Term Plant							
86			Subtotal							
87										
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.							
89			Subtotal							
90										
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.							\$66
92			Subtotal							\$66
93										
94			Total	(283)	\$2,992	\$381		\$753	\$370	\$66

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub-total	(17) Pro Forma Adjusted at Present Rates
1	MANUFACTURED GAS PRODUCTION EXPENSES	Manufactured Gas Production	710.0 Operation Supervision And Engineering.			\$0
2			717.0 Liquefied Petroleum Gas Expenses.		1	71
3			741.0 Maintenance Of Structures And Improvements.		0	47
4			742.0 Maintenance Of Production Equipment.		1	119
5			Subtotal		\$2	\$237
6						
7	GAS RAW MATERIALS	Gas Raw Materials	728.0 Liquefied Petroleum Gas.			24
8			Subtotal			\$24
9						
10	OTHER GAS SUPPLY EXPENSES	Other Gas Supply	804.0 Natural Gas City Gate Purchases.		(\$1,363)	\$182,373
11			805.0 Other Gas Purchases.			
12			805.1 Purchased Gas Cost Adjustments.			26,555
13			807.0 Purchased Gas Expenses.			797
14			808.1 Gas Withdrawn From Storage-Debit.			27,619
15			808.2 Gas Delivered To Storage-Credit.			(24,411)
16			813.0 Other Gas Supply Expenses.			(1,486)
17			Subtotal		(\$1,363)	\$211,446
18						
19	UNDERGROUND STORAGE EXPENSES	Underground Storage Expenses	824.0 Other Expenses.			
20			Subtotal			
21						
22	STORAGE EXPENSE	Storage Operations Expense	840.0 Operation Supervision And Engineering.		\$3	\$253
23			841.0 Operation Labor And Expenses.		8	751
24			Subtotal		\$10	\$1,003
25						
26		Storage Maintenance Expense	843.1 Maintenance Supervision And Engineering.		\$10	\$929
27			843.2 Maintenance Of Structures And Improvements.		23	2,168
28			Subtotal		\$33	\$3,097
29						
30	DISTRIBUTION EXPENSE	Distribution Operations	870.0 Operation Supervision And Engineering.		\$0	\$196
31			874.0 Mains And Services Expenses.		92	13,912
32			875.0 Measuring And Regulating Station Expenses--General.		17	1,385
33			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			0
34			878.0 Meter And House Regulator Expenses.		24	5,335
35			879.0 Customer Installations Expenses.		78	5,719
36			880.0 Other Expenses.		47	11,981
37			881.0 Rents.			200
38			Subtotal		\$259	\$38,727
39						
40		Distribution Maintenance	887.0 Maintenance Of Mains.		\$217	\$22,034
41			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.		11	842
42			892.0 Maintenance Of Services.		22	2,061
43			893.0 Maintenance Of Meters And House Regulators.		5	387
44			894.0 Maintenance Of Other Equipment.		3	1,105
45			Subtotal		\$258	\$26,428
46						
47			Distribution Expense Subtotal		\$516	\$65,155

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-4 Expense Adjustment Summary

Line No.	Category	Description	Account	(15) D-17 Depreciation Annualization	(16) Adjustments Sub-total	(17) Pro Forma Adjusted at Present Rates
48						
49	CUSTOMER ACCOUNTS	Customer Accounts	902.0 Meter Reading Expenses.			\$98
50			903.0 Customer Records And Collection Expenses.		102	11,801
51			904.0 Uncollectible Accounts.		(283)	2,482
52			905.0 Miscellaneous Customer Accounts Expenses.		1,139	2,039
53						
54			Subtotal		\$958	\$16,419
55						
56	CUSTOMER SERVICE & INFORMATION	Customer Service & Information	908.0 Customer Assistance Expenses		\$2,996	\$7,155
57			909.0 Informational And Instructional Advertising Expenses.			253
58			910.0 Miscellaneous Customer Service And Informational Expenses.			
59			Subtotal		\$2,996	\$7,407
60						
61	SALES	Sales	912.0 Demonstrating And Selling Expenses.		\$7	\$1,114
62			916.0 Miscellaneous Sales Expenses.			
63			Subtotal		\$7	\$1,114
64						
65	ADMINISTRATION & GENERAL	A&G Operations	920.0 Administrative And General Salaries.		\$140	\$5,642
66			921.0 Office Supplies And Expenses.		0	1,892
67			922.0 Administrative Expenses Transferred--Credit.			
68			923.0 Outside Services Employed.		370	13,188
69			924.0 Property Insurance.			83
70			925.0 Injuries And Damages.		3	327
71			926.0 Employee Pensions And Benefits.		1,940	9,016
72			928.0 Regulatory Commission Expenses.		520	2,220
73			929.0 Duplicate Charges--Credit.			(70)
74			930.2 Miscellaneous General Expenses.			608
75						
76			Subtotal		\$2,973	\$32,907
77						
78		A&G Maintenance	932.0 Maintenance Of Gas General Plant.		\$3	\$1,073
79			Subtotal		\$3	\$1,073
80						
81			A&G Expense Sub-total		\$2,977	\$33,980
82						
83	DEPRECIATION & AMORTIZATION EXPENSE	Depreciation & Amortization Expense	403.0 Depreciation Expense.	\$4,267	\$4,267	\$62,550
84			403.1 Depreciation Expense - ARO/FIN-47			-
85			404.0 Amort. Of Limited-Term Plant	986	986	9,580
86			Subtotal	\$5,253	\$5,253	\$72,130
87						
88	AMORTIZATION OF REGULATORY EXPENSE	Amortization of Regulatory Expense	407.3 Regulatory Debits.			\$7,990
89			Subtotal			\$7,990
90						
91	TAXES OTHER THAN INCOME TAXES	Taxes Other Than Income Taxes - Other	408.1 Taxes Other Than Income Taxes, Utility Operating Income.		\$66	\$8,524
92			Subtotal		\$66	\$8,524
93						
94			Total	\$5,253	\$11,455	\$428,527

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-5 Revenue Adjustment Summary

Exhibit MJT-3
 Schedule D-5
 Witness: Michael J. Trzaska
 Page 57 of 94

					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Category	Description	Description	Account	HTY Amount Pre Adjustments	D-5A Revenue Annualization	D-5B CAP Revenue Credits and Adjustments	D-5F Leap Year Adjustment	D-5G Weather Normalization	D-5H Asset Optimization Margin	D-5I IS Revenue Adjustment	Adjustments Subtotal	Pro Forma Adjusted at Present Rates
1	<i>OPERATING REVENUE</i>	Customer & Distribution Revenue	Residential	480.0	\$221,228	\$982	(\$47)	(\$639)	\$9,873			\$10,169	\$231,397
2			C & I	481.0	84,523	(71)		(302)	4,548		(53)	4,122	88,645
3			Transportation of Gas of Others	489.3	23,991				316			316	24,306
4			Subtotal		\$329,741	\$911	(\$47)	(\$941)	\$14,736		(\$53)	\$14,607	\$344,348
5													
6		Gas Cost Revenue	Residential	480.0	\$161,595								\$161,595
7			C & I	481.0	50,515						(202)	(202)	50,313
8			Interdepartmental	484.0									
9			Subtotal		\$212,110						(\$202)	(\$202)	\$211,909
10													
11			Subtotal OPERATING REVENUE		\$541,852	\$911	(\$47)	(\$941)	\$14,736		(\$254)	\$14,405	\$556,257
12													
13	<i>OTHER REVENUE</i>	Other Gas Revenue	Rent for Gas Property	493.0	\$743								\$743
14			Interdepartmental Rents	494.0									
15			Other Gas Revenues	495.0	580								580
16			Subtotal		\$1,324								\$1,324
17													
18		Other Operating Revenue	Sales For Resale	483.0	\$1,511					(\$1,511)		(1,511)	
19			Forfeited Discounts	487.0	791								791
20													
21			Miscellaneous Service Revenues	488.0	183								183
22			Subtotal		\$2,486					(\$1,511)		(\$1,511)	\$975
23													
24			Subtotal OTHER REVENUE		\$3,809					(\$1,511)		(\$1,511)	\$2,298
25													
26			Total		\$545,661	\$911	(\$47)	(\$941)	\$14,736	(\$1,511)	(\$254)	\$12,894	\$558,555

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-5A Revenue Annualization

Exhibit MJT-3
 Schedule D-5A
 Witness: Michael J. Trzaska
 Page 58 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Total HTY Revenues		\$382,679	\$842	\$132,398	\$67	\$1,619	\$134,926
2	Commodity Billings in Revenues		(161,451)	(326)	(48,931)	(31)	(1,168)	(50,456)
3	Weather Adjustment		9,873		4,548			4,548
4	Total Reconcilable Surcharge in Revenues							
5	Revenues Net of Commodity - Margin	SUM L1 to L4	\$231,101	\$516	\$88,015	\$35	\$451	\$89,017
6								
7	Average Monthly Customers in HTY		487,131	31	44,177	2	16	
8								
9	Average Annual Margin Per Customer	L5 / L7	\$0.474	\$16.507	\$1.992	\$20.280	\$27.874	
10								
11	Number of Customers of Current Month		489,201	31	44,141	4	17	44,193
12								
13	Increase in Customers during HTY	L11 - L7	2,070		(36)			44,193
14								
15	Annualization of Revenue	L9 * L13	\$982		(\$71)			(\$71)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-5B - CAP Revenue Credits and Adjustments

Exhibit MJT-3
 Schedule D-5B
 Witness: Michael J. Trzaska
 Page 59 of 94

(1)

(2)

Line No.	Description	Reference	Residential Sales
1	CAP Discount		(\$2,436)
2			
3			
4	<u>ANNUALIZATION TO YEAR END CUSTOMERS</u>		
5			
6	Annual CAP Customers		233,610
7	Average Monthly CAP Customers		19,468
8	Average Annual CAP Discount Per Customer	L1 / L7	(0.125)
9			
10	CAP Customers at End of FPFTY		19,985
11	Increase of CAP Customers	L10 - L7	518
12			
13	Gross Decrease / (Increase) in CAP Discount	L8 * L11	(65)
14	Write-Offs & Working Capital Factor		27.0%
15	Reflect Impact in Write-Offs and Working Capital	- L13 * L14	17
16			
17	Net Decrease / (Increase) in CAP Discount	L13 + L15	(\$47)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-5F - Leap Year Revenue Normalization

Exhibit MJT-3
 Schedule D-5F
 Witness: Michael J. Trzaska
 Page 60 of 94

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Reference	480000: Residential Sales	481001: TCS Sales	481002: GC Sales	481003: L Sales	481005: Other Sales	C & I Total
1	Revenue in February of HTY		\$24,709	\$123	\$11,496	\$0	\$44	\$11,663
2	Days in February of HTY		29	29	29	29	29	
3	Average Daily Revenue in February	L1 / L2	852	4	396	0	2	
4	Average Days in February		28.25	28.25	28.25	28.25	28.25	
5	Difference in Days	L4 - L2	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	
6								
7	Leap Year Adjustment	L5 * L3	(\$639)	(\$3)	(\$297)	(\$0)	(\$1)	(\$302)

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
HTY Ending June 2020
(\$ in Thousands)
D-5G Weather Normalization

Exhibit MJT-3
Schedule D-5G
Witness: Michael J. Trzaska
Page 61 of 94

(1)

Line No.	Description	Total
1	Residential Sales	\$9,873
2	TCS Sales	
3	GC Sales	4,548
4	C & I Total	4,548
5	Revenues - Gas Transportation	<u>316</u>
6	Total	<u><u>\$14,736</u></u>

PECO Gas Operations
Before The Pennsylvania Public Utility Commission
HTY Ending June 2020
(\$ in Thousands)
D-5H Asset Optimization Margin

Exhibit MJT-3
Schedule D-5H
Witness: Michael J. Trzaska
Page 62 of 94

(1)

Line No.	Description	Account	Total
1	Other Operating Revenue	483000: Sales for Resale - Gas	(\$1,511)
2			
3	Purchased Fuel	804000: Natural Gas City Gate Purchases	(\$1,161)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-5I IS Revenue Adjustment

Exhibit MJT-3
 Schedule D-5I
 Witness: Michael J. Trzaska
 Page 63 of 94

(1)

Line No.	Account	Description	Total
1	IS Sales	Customer & Distribution Revenue	(\$53)
2		Gas Cost Revenue	(202)
3		Subtotal IS Sales	<u>(\$254)</u>
4			
5	Natural Gas City Gate Purchase	Other Gas Supply Expenses	<u>(\$202)</u>
6		Subtotal Natural Gas City Gate Purchase	(\$202)

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-6 S + W Pro Forma

Exhibit MJT-3
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 64 of 94

		(1)	(2)	(3)
Line No.	Description	Reference	Union	Non-Union
1	Number of Employees @ HTY - Union/Non-Union		342	297
2	Number of Employees @ HTY - Total		639	639
3	Percentage of Employees @ HTY	L1 / L2	53.52%	46.48%
4	Distribution of Budget S&W Expense		\$22,394	\$19,450
5	TY Wage Increase			
6	Number of Months TY		6	8
7	Rate for Increase TY		2.50%	2.50%
8	Total Wage Increase TY	L4 * L6 * L7 / 12	280	324
9				
10	Annualized S&W Including Wage Increases	L4 + L8	\$22,674	\$19,774

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-6 S + W Pro Forma

Exhibit MJT-3
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 65 of 94

(1) (2)

Line No.	Description	Reference	PECO - Gas
1	Distribution of S&W Expense		\$41,844
2			
3	Annualized S&W Including Wage Increases		\$42,448
4			
5	<u>Normalize One-Time Contract Payment to Union</u>		
6	One-Time Contract Payment		\$1,127
7	One-Time Contract Payment % for Utility		21.25%
8	One-Time Contract Payment for Utility	L6 * L7	\$239
9	One-Time Contract Payment Normalization Period		6
10	Annual One-Time Contract Payment Normalized	L8 / L9	\$40
11			
12	Annualized S&W for Employees in HTY	L3 + L10	\$42,488
13			
14	<u>Pro Forma For New Employees</u>		
15	Number of Employees @ HTY		602
16	Average Number of Employees in HTY - Total		600
17	Annualization for Number of Employees	L15 - L16	3
18	Annual S&W per Employee	L12 / L16	70.8
19	Annualization of S&W for New Employees	L17 * L18	183
20			
21	Pro Forma FPFTY S&W	L12 + L19	<u>\$42,671</u>
22			
23	Pro Forma Increase in S&W	L21 - L1	<u>\$827</u>
24			
25	S&W Pro Forma Factor	L23 / L1	1.98%

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-6 S + W Summary

Exhibit MJT-3
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 66 of 94

Line No.	Category	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
1	Operations	Power Supply Expenses	710.0 Operation Supervision And Engineering.			
2			717.0 Liquefied Petroleum Gas Expenses.	\$36	\$1	\$36
3			728.0 Liquefied Petroleum Gas.			
4			804.0 Natural Gas City Gate Purchases.			
5			805.0 Other Gas Purchases.			
6			805.1 Purchased Gas Cost Adjustments.			
7			807.0 Purchased Gas Expenses.			
8			808.1 Gas Withdrawn From Storage-Debit.			
9			808.2 Gas Delivered To Storage-Credit.			
10			813.0 Other Gas Supply Expenses.			
11			840.0 Operation Supervision And Engineering.	132	3	134
12			841.0 Operation Labor And Expenses.	395	8	403
13			843.1 Maintenance Supervision And Engineering.	488	10	498
14			843.2 Maintenance Of Structures And Improvements.	1,160	23	1,183
15			Subtotal Power Supply Expenses	\$2,211	\$44	\$2,254
16						
17		Distribution Expense	870.0 Operation Supervision And Engineering.	\$2	\$0	\$2
18			874.0 Mains And Services Expenses.	4,664	92	4,756
19			875.0 Measuring And Regulating Station Expenses--General.	868	17	885
20			877.0 Measuring And Regulating Station Expenses--City Gate Check Stations.			
21			878.0 Meter And House Regulator Expenses.	1,239	24	1,263
22			879.0 Customer Installations Expenses.	3,921	78	3,999
23			880.0 Other Expenses.	2,390	47	2,437
24			881.0 Rents.			
25			887.0 Maintenance Of Mains.	10,985	217	11,202
26			889.0 Maintenance Of Measuring And Reg. Stn. Equip.--General.	569	11	580
27			892.0 Maintenance Of Services.	1,113	22	1,135
28			893.0 Maintenance Of Meters And House Regulators.	248	5	253
29			894.0 Maintenance Of Other Equipment.	132	3	135
30			Subtotal Distribution Expense	\$26,132	\$516	\$26,648
31						
32		Customer Accounts	902.0 Meter Reading Expenses.			
33			903.0 Customer Records And Collection Expenses.	\$5,175	\$102	\$5,277
34			904.0 Uncollectible Accounts.			
35			905.0 Miscellaneous Customer Accounts Expenses.	281	6	287
36						
37			Subtotal Customer Accounts	\$5,456	\$108	\$5,564
38						

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-6 S + W Summary

Exhibit MJT-3
 Schedule D-6
 Witness: Michael J. Trzaska
 Page 67 of 94

Line No.	Category	Description	Account	(1) Jurisdictional Payroll Amount	(2) Pro Forma Payroll Adjustment	(3) Total Adjusted Payroll
39		Customer Service & Information	908.0 Customer Assistance Expenses	\$212	\$4	\$216
40			909.0 Informational And Instructional Advertising Expenses.			
41			910.0 Miscellaneous Customer Service And Informational Expenses.			
42			Subtotal Customer Service & Information	<u>\$212</u>	<u>\$4</u>	<u>\$216</u>
43						
44	Sales		912.0 Demonstrating And Selling Expenses.	\$349	\$7	\$356
45			916.0 Miscellaneous Sales Expenses.			
46			Subtotal Sales	<u>\$349</u>	<u>\$7</u>	<u>\$356</u>
47						
48	Administration & General - General		920.0 Administrative And General Salaries.	\$7,100	\$140	\$7,240
49			921.0 Office Supplies And Expenses.	0	0	0
50			922.0 Administrative Expenses Transferred--Credit.			
51			923.0 Outside Services Employed.	(0)	(0)	(0)
52			924.0 Property Insurance.			
53			925.0 Injuries And Damages.	134	3	136
54			926.0 Employee Pensions And Benefits.			
55			928.0 Regulatory Commission Expenses.			
56			929.0 Duplicate Charges--Credit.			
57			930.2 Miscellaneous General Expenses.			
58						
59			Subtotal Administration & General - General	<u>\$7,234</u>	<u>\$143</u>	<u>\$7,377</u>
60						
61			Subtotal Operations	<u>\$41,593</u>	<u>\$822</u>	<u>\$42,415</u>
62						
63	Maintenance	Administration & General - General	932.0 Maintenance Of Gas General Plant.	\$168	\$3	\$171
64			Subtotal Administration & General - General	<u>\$168</u>	<u>\$3</u>	<u>\$171</u>
65						
66	Gas Expense		741.0 Maintenance Of Structures And Improvements.	\$24	\$0	\$24
67			742.0 Maintenance Of Production Equipment.	60	1	61
68			Subtotal Gas Expense	<u>\$83</u>	<u>\$2</u>	<u>\$85</u>
69						
70			Subtotal Maintenance	<u>\$251</u>	<u>\$5</u>	<u>\$256</u>
71						
72	Total Operations & Maintenance		Total Operations & Maintenance	<u><u>\$41,844</u></u>	<u><u>\$827</u></u>	<u><u>\$42,671</u></u>
73						
74	Percent Increase		Percent Increase			<u><u>1.98%</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-7 Rate Case Expense

Exhibit MJT-3
 Schedule D-7
 Witness: Michael J. Trzaska
 Page 68 of 94

(1) (2)

Line No.	Description	Reference	Amount
1	EXPENDITURES UP TO PERIOD END OF HTY		
2	External Consultants		\$13
3	External Legal		\$398
4	Materials, IT Costs, Travel, Copies, etc.		233
5	Total Recorded Up To Period End of HTY	SUM L2 to L4	<u>\$645</u>
6			
7	EXPENDITURES IN FTY		
8	External Consultants		\$5
9	External Legal		\$875
10	Materials, IT Costs, Travel, Copies, etc.		\$34
11	Total Expenditure Expected in FTY	SUM L8 to L10	<u>\$914</u>
12			
13	Total Rate Case Expense	L5 + L11	\$1,559
14			
15	Amortization Period		3
16	Annual Amortization Amount	L5 / L7	<u>\$520</u>
17			
18	Annual Amortization Amount Included in Budget		
19	Pro Forma Adjustment for Annual Amortization	L8 - L10	<u>\$520</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-8 Employee Benefits

Exhibit MJT-3
 Schedule D-8
 Witness: Michael J. Trzaska
 Page 69 of 94

		(1)	(2)
Line No.	Description	Reference	Jurisdictional
1	<u>Number of Employees</u>		
2	Employees at Eleven Months Prior		599
3	Employees at Ten Months Prior		599
4	Employees at Nine Months Prior		599
5	Employees at Eight Months Prior		599
6	Employees at Seven Months Prior		599
7	Employees at Six Months Prior		599
8	Employees at Five Months Prior		599
9	Employees at Four Months Prior		599
10	Employees at Three Months Prior		599
11	Employees at Two Months Prior		599
12	Employees at One Month Prior		599
13	Employees at End of HTY		602
14			
15	Average Monthly Employees in HTY	AVERAGE L2 to L13	600
16	Additional Employees in HTY		3
17			
18	<u>Employee Benefits</u>		
19	Total Benefits Expensed		\$5,805
20	Number of Employees for Budget		600
21	Budget Expense Per Employee	L19 / L20	10
22	Additional Employees for Annualization	L16	3
23	Total Benefits Pro Forma Adjustment	L21 * L22	25

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-9 Pension Cost

Exhibit MJT-3
 Schedule D-9
 Witness: Michael J. Trzaska
 Page 70 of 94

		(1)	(2)
Line No.	Description	Reference	Total - PECO
1	Pension Contribution for Four Years Prior to HTY		\$29,781
2	Pension Contribution for Three Years Prior to HTY		23,545
3	Pension Contribution for Two Years Prior to HTY		28,031
4	Pension Contribution for One Year Prior to HTY		26,339
5	Pension Contribution for HTY		18,312
6			
7	Average Pension Contribution	AVERAGE L1 to L5	\$25,201
8			
9	Allocation Percent to Utility		21.25%
10	Total Amount to Utility		5,355
11	Allocation Percent to Capital		41.62%
12	Pension Contribution To Be Capitalized	L10 * L11	\$2,229
13	Pension Contribution To Be Expensed	L10 - L12	\$3,126
14	Test Year Distribution Pension Expense		\$1,211
15	Additional Pension Expense	L13 - L14	\$1,915

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-10 Uncollectible Accounts

Exhibit MJT-3
 Schedule D-10
 Witness: Michael J. Trzaska
 Page 71 of 94

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line No.	Description	Reference	Reference	Charge Off Amounts	InPA Charge Off Amounts	Net Charge Off Amounts	Billed Revenue	Percent	PPA	Totals
1	NET GENERAL UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY		\$1,924		\$1,924	\$582,737	0.3301%		
2		One Year Prior to HTY		2,141		2,141	670,622	0.3193%		
3		HTY		2,397		2,397	607,520	0.3945%		
4		Three Year Average	SUM L1 to L3 / 3	<u>\$2,154</u>		<u>\$2,154</u>	<u>\$620,293</u>	<u>0.3472%</u>		
5										
6	Base Customer Charge & Energy Cost Revenue After Pro Formas	HTY					\$556,257			
7										
8	Tariff Revenue - Non Shopping Revenue	HTY	L6				<u>\$556,257</u>			
9										
10	Tariff Revenue - Shopping Revenue	HTY					\$65,691			
11										
12	Tariff Revenue - Including Shopping Revenue	HTY	L8 + L10				<u>\$621,947</u>			
13										
14	Total General Pro Forma Uncollectible Accounts									<u>\$2,160</u>
15										
16	NET PPA UNCOLLECTIBLE ACCOUNTS	Two Years Prior to HTY							\$297	
17		One Year Prior to HTY							333	
18		HTY							<u>337</u>	
19										
20	Three Year Average PPA		SUM L16 to L18 / 3							<u>\$322</u>
21										
22	Total Pro Forma Uncollectible Accounts		L14 + L20							\$2,482
23										
24	Uncollectible Accounts (904)	HTY								\$2,766
25										
26	Total Pro Forma Adjustment for Uncollectible Accounts		L22 - L24							<u><u>(\$283)</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-11 EE and Business Grant Programs

Exhibit MJT-3
 Schedule D-11
 Witness: Michael J. Trzaska
 Page 72 of 94

(1) (2)

Line No.	Description	Reference	Jurisdictional
1	Total Proposed Energy Efficiency Spending charged to Expense		\$4,500
2	Energy Efficiency Costs in HTY Budget		<u>2,008</u>
3	Pro Forma Increase in Energy Efficiency Costs	L1 - L2	<u>\$2,492</u>
4			
5	Small Business Grants		<u>\$500</u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-12 Customer Deposit Interest

Exhibit MJT-3
 Schedule D-12
 Witness: Michael J. Trzaska
 Page 73 of 94

(1)	(2)	(3)	(4)	(5)	(6)			
Line No.	Description	Description	Reference	Interest Rate	Deposit Amount	Interest on Deposit Amount	Interest Sub-Total	Interest Total
1	Residential	Monthly Interest Rate		<u>0.417%</u>				
2	June				\$4,665	\$19		
3	July				4,705	\$20		
4	August				4,721	\$20		
5	September				4,764	\$20		
6	October				4,743	\$20		
7	November				4,739	\$20		
8	December				4,766	\$20		
9	January				4,765	\$20		
10	February				4,769	\$20		
11	March				4,713	\$20		
12	April				4,632	\$19		
13	May				4,540	\$19		
14	June							
15	Total Residential		SUM Col 4 L2 to L13				<u>\$236</u>	
16								
17	Non-Residential	Monthly Interest Rate		<u>0.138%</u>				
18	June				\$8,323	\$12		
19	July				8,359	\$12		
20	August				8,273	\$11		
21	September				8,269	\$11		
22	October				8,286	\$11		
23	November				8,319	\$12		
24	December				9,268	\$13		
25	January				9,250	\$13		
26	February				9,296	\$13		
27	March				9,203	\$13		
28	April				9,079	\$13		
29	May				8,948	\$12		
30	June							
31	Total Non-Residential		SUM Col 4 L18 to L29				<u>\$145</u>	
32								
33	Interest on Customer Deposits		Col 5 L15 + L31					<u><u>\$381</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-13 MGP Recovery

Exhibit MJT-3
 Schedule D-13
 Witness: Michael J. Trzaska
 Page 74 of 94

(1) (2)

Line No.	Description	Reference	Total
1	Annual Amortization from 2010 Rate Case Settlement		<u>\$5,982</u>
2			
3	Amount Included in Actual		<u>\$5,982</u>
4			
5	Pro Forma Adjustment Amount	L1 - L3	<u> </u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-14 Regulatory Initiative Cost Recovery

Exhibit MJT-3
 Schedule D-14
 Witness: Michael J. Trzaska
 Page 75 of 94

(1) (2)

Line No.	Description	Reference	Total
1	Gas Unbundling of GPC/MFC Charge Expense		\$141
2	Gas Neighborhood Pilot Program Expense		2,117
3	Total Regulatory Initiative Expense	L1 + L2	\$2,258
4	Amortization Period		3
5	Annual Amortization Expense	L3 / 3	\$753

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-15 O + M Cost To Achieve

Exhibit MJT-3
 Schedule D-15
 Witness: Michael J. Trzaska
 Page 76 of 94

(1)

(2)

Line No.	Description	Reference	O&M Cost To Achieve
1	<u>Cost To Achieve</u>		
2			
3	2016		\$601
4			
5	2017		430
6			
7	2018		<u>80</u>
8			
9	Total CTA To Be Recovered	SUM L3 to L7	\$1,111
10			
11	Annual CTA Recovery	L9 / 3	<u><u>\$370</u></u>

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-16 TOTI - Summary

Exhibit MJT-3
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 77 of 94

		(1)	(2)	(3)
Line No.	Description	Total	Pro Forma Adjustments	Pro Forma Tax Expense
1	Public Utility Real Tax (PURTA) Total Expense	\$2,952		\$2,952
2	Capital Stock & Franchise Tax			
3	Use Tax Accrued	99		99
4	Real Estate Tax Accrual	2,089		2,089
5	Miscellaneous TOTI	1		1
6	Payroll Tax Accrued	3,317	\$66	3,383
7	Total	\$8,458	\$66	\$8,524

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-16 TOTI - Payroll Tax Adjustments

Exhibit MJT-3
 Schedule D-16
 Witness: Michael J. Trzaska
 Page 78 of 94

(1) (2)

Line No.	Description	Reference	Jurisdictional
1	Total Payroll Charged to Expense		\$41,844
2	Payroll Tax Expense		3,317
3	Payroll Tax Expense - Percent	L2 / L1	7.93%
4	Pro Forma Increase in S&W		827
5	Payroll Tax Pro Forma	L3 * L4	\$66

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	\$4,177	\$187	\$3,990	\$187	\$4,364
2			PECO Common 3902 IL	21		21		21
3			PECO Common 3902 PA	1,546	214	1,333	214	1,760
4			PECO Common 3903 PA	24	7	17	7	30
5			PECO Common 3911 PA	22	1	20	1	23
6			PECO Common 3912 PA	1,586	183	1,404	183	1,769
7			PECO Common 3913 IL	1,617	252	1,366	252	1,869
8			PECO Common 3913 PA	5,672	846	4,826	846	6,518
9			PECO Common 3930 PA	112	8	104	8	121
10			PECO Common 3941 PA	11		11		11
11			PECO Common 3942 PA	68	12	55	12	80
12			PECO Common 3970 PA	3,201	713	2,487	713	3,914
13			PECO Common 3980 PA	83	0	82	0	83
14			Subtotal Common - General Plant	\$18,139	\$2,422	\$15,717	\$2,422	\$20,561
15								
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA					
17			Subtotal					
18								
19		Gas - Distribution	PECO Gas 3751 PA	\$126	\$3	\$124	\$3	\$129
20			PECO Gas 3752 PA	15		15		15
21			PECO Gas 3753 PA	160	6	154	6	166
22			PECO Gas 3761 PA	7,856	559	7,297	559	8,415
23			PECO Gas 3762 PA	849		849		849
24			PECO Gas 3763 PA	13,232	1,337	11,896	1,337	14,569
25			PECO Gas 3780 PA	409	28	382	28	437
26			PECO Gas 3790 PA	975	112	863	112	1,087
27			PECO Gas 3801 PA	2,882	50	2,832	50	2,931
28			PECO Gas 3802 PA	14,120	1,219	12,901	1,219	15,338
29			PECO Gas 3810 PA	1,692	40	1,652	40	1,732
30			PECO Gas 3811 PA	3,382	27	3,355	27	3,409
31			PECO Gas 3820 PA	3,552	188	3,364	188	3,739
32			PECO Gas 3870 PA	138	0	138	0	138
33			Subtotal Gas - Distribution	\$49,389	\$3,566	\$45,822	\$3,566	\$52,955
34								

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Line No.	Account	Plant Account	Depreciation Category	(1) Depr on Existing Assets + Adds	(2) Depr on Adds	(3) Depr on Existing Assets	(4) Annualize Current Yr Depr	(5) Pro Forma Test Yr Depr
35		Gas - General Plant	PECO Gas 3901 PA	\$108	\$1	\$106	\$1	\$109
36			PECO Gas 3902 PA	47	6	41	6	52
37			PECO Gas 3903 PA	41	6	35	6	48
38			PECO Gas 3911 PA	0		0		0
39			PECO Gas 3912 PA	20	0	19	0	20
40			PECO Gas 3913 IL	0		0		0
41			PECO Gas 3913 PA	489	20	470	20	509
42			PECO Gas 3940 PA	612	24	588	24	637
43			PECO Gas 3950 PA	3		3		3
44			PECO Gas 3970 PA	456	2	454	2	457
45			PECO Gas 3980 PA	9		9		9
46			Subtotal Gas - General Plant	\$1,784	\$60	\$1,725	\$60	\$1,844
47								
48		Gas - Production Plant	PECO Gas 3050 PA	\$37	(\$1)	\$39	(\$1)	\$36
49			PECO Gas 3053 PA	(0)		(0)		(0)
50			PECO Gas 3110 PA	185		185		185
51			Subtotal Gas - Production Plant	\$222	(\$1)	\$224	(\$1)	\$221
52								
53		Gas - Storage	PECO Gas 3611 PA	\$75	\$1	\$74	\$1	\$75
54			PECO Gas 3612 PA	564	0	564	0	564
55			PECO Gas 3613 PA	16	65	(49)	65	81
56			PECO Gas 3620 PA	18		18		18
57			PECO Gas 3630 PA	47		47		47
58			PECO Gas 3631 PA	312		312		312
59			PECO Gas 3632 PA	1,013		1,013		1,013
60			PECO Gas 3633 PA	424	11	413	11	436
61			PECO Gas 3634 PA	59	2	57	2	61
62			PECO Gas 3635 PA	186	2	184	2	188
63			Subtotal Gas - Storage	\$2,714	\$81	\$2,633	\$81	\$2,795
64								
65			Subtotal 403.0 Depreciation Expense.	\$72,248	\$6,127	\$66,121	\$6,127	\$78,376
66								
67								
68	403.1 Depreciation Expense - ARO/FIN-47	Gas - Distribution	PECO Gas Distr-ARC EXP PA					
69			Subtotal Gas - Distribution					
70			Subtotal 403.1 Depreciation Expense - ARO/FIN-47					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
70	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS		\$174	(\$174)	\$174	\$174
71			PECO Com 303-AMI NONBILL SW EDE EOL	651		651		651
71			PECO Com 303-AMI NONBILL SW IDS EOL	579		579		579
72			PECO Com 303-IAM SW Enhance PA	39		39		39
72			PECO Com 3030- North Star RE SW	280		280		280
73			PECO Com 3030-BIDA Customer Project	1,130		1,130		1,130
73			PECO Com 3030-CallRoutingSW	732		732		732
74			PECO Com 3030-CIMS Enhancements PA	490		490		490
74			PECO Com 3030-CIMS EOL PA					
75			PECO Com 3030-CIS Transformation SW	4		4		4
76			PECO Com 3030-Client Devices SW PA					
77			PECO Com 3030-Cloud Serv 3 yr	103		103		103
78			PECO Com 3030-Cloud Serv 5 yr	322	6	316	6	328
79			PECO Com 3030-Common MDM SW	7,198		7,198		7,198
80			PECO Com 3030-CTA PHI Consol SW	449		449		449
81			PECO Com 3030-Cust Appt Sched SW	403		403		403
82			PECO Com 3030-Data Loss Prevent PA	13		13		13
83			PECO Com 3030-Digital Strat Platfor	107		107		107
84			PECO Com 3030-Documentum PA	67		67		67
85			PECO Com 3030-EAM Asset Suite PA	1,070		1,070		1,070
86			PECO Com 3030-EU Dig Strat EPay SW	261		261		261
87			PECO Com 3030-EUWebCon	944		944		944
88			PECO Com 3030-Fixed Credit Option S A (Original)	1,329		1,329		1,329
89			PECO Com 3030-Fusion Mig Non-MDM SW	659		659		659
90			PECO Com 3030-HR Payroll HCM Cloud	179		179		179
91			PECO Com 3030-HRPC Enhance PA	44		44		44
92			PECO Com 3030-HRPC-PA					
93			PECO Com 3030-Hyperion Enhance PA	77		77		77
94			PECO Com 3030-Hyperion Fin MGMT SW	97		97		97
95			PECO Com 3030-HyperionPI	152		152		152
96			PECO Com 3030-I O Directory Svcs PA	74		74		74
97			PECO Com 3030-I Sign Up and Move	254		254		254
98			PECO Com 3030-IAM Consolidate	101		101		101
99			PECO Com 3030-Informatica PA					
100			PECO Com 3030-IT Cust Mobile App SW	400		400		400
101			PECO Com 3030-IVR System PA					
102			PECO Com 3030-Lease IT SW	116		116		116
103			PECO Com 3030-Misc 5 yr FR PA	8,070	3,159	4,910	3,159	11,229

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-3
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 82 of 94

				(1)	(2)	(3)	(4)	(5)
Line No.	Account	Plant Account	Depreciation Category	Depr on Existing Assets + Adds	Depr on Adds	Depr on Existing Assets	Annualize Current Yr Depr	Pro Forma Test Yr Depr
104			PECO Com 3030-Misc 5 yr PA	98		98		98
105			PECO Com 3030-Mobile Disp Enh PA	83		83		83
106			PECO Com 3030-OBIEE Migration SW	568		568		568
107			PECO Com 3030-Oracle Lic PA EOL					
108			PECO Com 3030-Oracle MW Upgrade SW	302		302		302
109			PECO Com 3030-Passport Enhance PA					
110			PECO Com 3030-PBF SW Enhance PA					
111			PECO Com 3030-PECO RNI Upgrade SW	354		354		354
112			PECO Com 3030-Peoplesoft GL Upgrade	80		80		80
113			PECO Com 3030-PeopleSoft SW Enh PA					
114			PECO Com 3030-PowePlant Enhance PA	121		121		121
115			PECO Com 3030-PowePlant v10 PA					
116			PECO Com 3030-Rev Req Filing SW	720		720		720
117			PECO Com 3030-Robotic Process Auto	30		30		30
118			PECO Com 3030-SCP Splunk SW	60		60		60
119			PECO Com 3030-Service Mgt SW PA	9		9		9
120			PECO Com 3030-Tax Tech Trans SW	107		107		107
121			PECO Com 3030-WallStreet SW PA	21		21		21
122			Subtotal Common - Intangible Plant	\$28,946	\$3,339	\$25,606	\$3,339	\$32,285
123								
124		Gas - General Plant	PECO Gas 3913 PA					
125			Subtotal					
126								
127		Gas - Intangible Plant	PECO Gas 303 Account Lookup Asset					
128			PECO Gas 303 Account Lookup Liab					
129			PECO Gas 303 AMI CDW PA	\$62		\$62		\$62
130			PECO Gas 303 AMI CIMS PA	152		152		152
131			PECO Gas 303 AMI MDMS Enh PA					
132			PECO Gas 303 AMI Middleware PA					
133			PECO Gas 303 Misc 5 YR FR PA	1,813	107	1,707	107	1,920
134			PECO Gas 303 SG GIS PA	11		11		11
135			PECO Gas 303 SM ADM PA					
			PECO Gas 303 SM MDMS PA					
			Subtotal Gas - Intangible Plant	\$2,038	\$107	\$1,932	\$107	\$2,145
			Subtotal 404.0 Amort. Of Limited-Term Plant	\$30,984	\$3,446	\$27,538	\$3,446	\$34,430

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	0.2303	\$962	\$43	\$919	\$43	\$1,005
2			PECO Common 3902 IL	0.2303	5		5		5
3			PECO Common 3902 PA	0.2303	356	49	307	49	405
4			PECO Common 3903 PA	0.2303	5	1	4	1	7
5			PECO Common 3911 PA	0.2303	5	0	5	0	5
6			PECO Common 3912 PA	0.2303	365	42	323	42	407
7			PECO Common 3913 IL	0.2303	372	58	314	58	430
8			PECO Common 3913 PA	0.2303	1,306	195	1,111	195	1,501
9			PECO Common 3930 PA	0.2303	26	2	24	2	28
10			PECO Common 3941 PA	0.2303	3		3		3
11			PECO Common 3942 PA	0.2303	16	3	13	3	18
12			PECO Common 3970 PA	0.2303	737	164	573	164	901
13			PECO Common 3980 PA	0.2303	19	0	19	0	19
14			Subtotal Common - General Plant		\$4,177	\$558	\$3,620	\$558	\$4,735
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	0.2303					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$126	\$3	\$124	\$3	\$129
20			PECO Gas 3752 PA	1.0000	15		15		15
21			PECO Gas 3753 PA	1.0000	160	6	154	6	166
22			PECO Gas 3761 PA	1.0000	7,856	559	7,297	559	8,415
23			PECO Gas 3762 PA	1.0000	849		849		849
24			PECO Gas 3763 PA	1.0000	13,232	1,337	11,896	1,337	14,569
25			PECO Gas 3780 PA	1.0000	409	28	382	28	437
26			PECO Gas 3790 PA	1.0000	975	112	863	112	1,087
27			PECO Gas 3801 PA	1.0000	2,882	50	2,832	50	2,931
28			PECO Gas 3802 PA	1.0000	14,120	1,219	12,901	1,219	15,338
29			PECO Gas 3810 PA	1.0000	1,692	40	1,652	40	1,732
30			PECO Gas 3811 PA	1.0000	3,382	27	3,355	27	3,409
31			PECO Gas 3820 PA	1.0000	3,552	188	3,364	188	3,739
32			PECO Gas 3870 PA	1.0000	138	0	138	0	138
33			Subtotal Gas - Distribution		\$49,389	\$3,566	\$45,822	\$3,566	\$52,955
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$108	\$1	\$106	\$1	\$109
36			PECO Gas 3902 PA	1.0000	47	6	41	6	52
37			PECO Gas 3903 PA	1.0000	41	6	35	6	48
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	20	0	19	0	20
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	489	20	470	20	509
42			PECO Gas 3940 PA	1.0000	612	24	588	24	637
43			PECO Gas 3950 PA	1.0000	3		3		3
44			PECO Gas 3970 PA	1.0000	456	2	454	2	457
45			PECO Gas 3980 PA	1.0000	9		9		9
46			Subtotal Gas - General Plant		\$1,784	\$60	\$1,725	\$60	\$1,844
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$37	(\$1)	\$39	(\$1)	\$36
49			PECO Gas 3053 PA	1.0000	(0)		(0)		(0)
50			PECO Gas 3110 PA	1.0000	185		185		185
51			Subtotal Gas - Production Plant		\$222	(\$1)	\$224	(\$1)	\$221
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$75	\$1	\$74	\$1	\$75
54			PECO Gas 3612 PA	1.0000	564	0	564	0	564
55			PECO Gas 3613 PA	1.0000	16	65	(49)	65	81
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	47		47		47
58			PECO Gas 3631 PA	1.0000	312		312		312
59			PECO Gas 3632 PA	1.0000	1,013		1,013		1,013
60			PECO Gas 3633 PA	1.0000	424	11	413	11	436
61			PECO Gas 3634 PA	1.0000	59	2	57	2	61
62			PECO Gas 3635 PA	1.0000	186	2	184	2	188
63			Subtotal Gas - Storage		\$2,714	\$81	\$2,633	\$81	\$2,795
64									
65			Subtotal 403.0 Depreciation Expense.		\$58,287	\$4,263	\$54,024	\$4,263	\$62,550
66									
67									
68	403.1 Depreciation Expense - ARO/FIN-47	Gas - Distribution	PECO Gas Distr-ARC EXP PA	1.0000					
68			Subtotal Gas - Distribution						
69									
69			Subtotal 403.1 Depreciation Expense - ARO/FIN-47						
70									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
70	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	0.2303		\$40	(\$40)	\$40	\$40
71			PECO Com 303-AMI NONBILL SW EDE EOL	0.2303	\$150		\$150		\$150
71			PECO Com 303-AMI NONBILL SW IDS EOL	0.2303	\$133		\$133		\$133
72			PECO Com 303-IAM SW Enhance PA	0.2303	\$9		\$9		\$9
72			PECO Com 3030- North Star RE SW	0.2303	\$64		\$64		\$64
73			PECO Com 3030-BIDA Customer Project	0.2303	\$260		\$260		\$260
73			PECO Com 3030-CallRoutingSW	0.2303	\$169		\$169		\$169
74			PECO Com 3030-CIMS Enhancements PA	0.2303	\$113		\$113		\$113
74			PECO Com 3030-CIMS EOL PA	0.2303					
75			PECO Com 3030-CIS Transformation SW	0.2303	\$1		\$1		\$1
76			PECO Com 3030-Client Devices SW PA	0.2303					
77			PECO Com 3030-Cloud Serv 3 yr	0.2303	\$24		\$24		\$24
78			PECO Com 3030-Cloud Serv 5 yr	0.2303	\$74	\$1	\$73	\$1	\$76
79			PECO Com 3030-Common MDM SW	0.2303	\$1,658		\$1,658		\$1,658
80			PECO Com 3030-CTA PHI Consol SW	0.2303	\$103		\$103		\$103
81			PECO Com 3030-Cust Appt Sched SW	0.2303	\$93		\$93		\$93
82			PECO Com 3030-Data Loss Prevent PA	0.2303	\$3		\$3		\$3
83			PECO Com 3030-Digital Strat Platfor	0.2303	\$25		\$25		\$25
84			PECO Com 3030-Documentum PA	0.2303	\$16		\$16		\$16
85			PECO Com 3030-EAM Asset Suite PA	0.2303	\$246		\$246		\$246
86			PECO Com 3030-EU Dig Strat EPay SW	0.2303	\$60		\$60		\$60
87			PECO Com 3030-EUWebCon	0.2303	\$217		\$217		\$217
88			PECO Com 3030-Fixed Credit Option S A (Original)	0.2303	\$306		\$306		\$306
89			PECO Com 3030-Fusion Mig Non-MDM SW	0.2303	\$152		\$152		\$152
90			PECO Com 3030-HR Payroll HCM Cloud	0.2303	\$41		\$41		\$41
91			PECO Com 3030-HRPC Enhance PA	0.2303	\$10		\$10		\$10
92			PECO Com 3030-HRPC-PA	0.2303					
93			PECO Com 3030-Hyperion Enhance PA	0.2303	\$18		\$18		\$18
94			PECO Com 3030-Hyperion Fin MGMT SW	0.2303	\$22		\$22		\$22
95			PECO Com 3030-HyperionPI	0.2303	\$35		\$35		\$35
96			PECO Com 3030-I O Directory Svcs PA	0.2303	\$17		\$17		\$17
97			PECO Com 3030-I Sign Up and Move	0.2303	\$59		\$59		\$59
98			PECO Com 3030-IAM Consolidate	0.2303	\$23		\$23		\$23
99			PECO Com 3030-Informatica PA	0.2303					
100			PECO Com 3030-IT Cust Mobile App SW	0.2303	\$92		\$92		\$92
101			PECO Com 3030-IVR System PA	0.2303					
102			PECO Com 3030-Lease IT SW	0.2303	\$27		\$27		\$27
103			PECO Com 3030-Misc 5 yr FR PA	0.2303	\$1,858	\$728	\$1,131	\$728	\$2,586

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-3
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 86 of 94

				(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Account	Plant Account	Depreciation Category	Utility Allocation Factor	Depr on Existing Assets + Adds (Utility)	Depr on Adds (Utility)	Depr on Existing Assets (Utility)	Annualize Current Yr Depr (Utility)	Pro Forma Test Yr Depr (Utility)
104			PECO Com 3030-Misc 5 yr PA	0.2303	\$23		\$23		\$23
105			PECO Com 3030-Mobile Disp Enh PA	0.2303	\$19		\$19		\$19
106			PECO Com 3030-OBIEE Migration SW	0.2303	\$131		\$131		\$131
107			PECO Com 3030-Oracle Lic PA EOL	0.2303					
108			PECO Com 3030-Oracle MW Upgrade SW	0.2303	\$69		\$69		\$69
109			PECO Com 3030-Passport Enhance PA	0.2303					
110			PECO Com 3030-PBF SW Enhance PA	0.2303					
111			PECO Com 3030-PECO RNI Upgrade SW	0.2303	\$82		\$82		\$82
112			PECO Com 3030-Peoplesoft GL Upgrade	0.2303	\$18		\$18		\$18
113			PECO Com 3030-PeopleSoft SW Enh PA	0.2303					
114			PECO Com 3030-PowePlant Enhance PA	0.2303	\$28		\$28		\$28
115			PECO Com 3030-PowePlant v10 PA	0.2303					
116			PECO Com 3030-Rev Req Filing SW	0.2303	\$166		\$166		\$166
117			PECO Com 3030-Robotic Process Auto	0.2303	\$7		\$7		\$7
118			PECO Com 3030-SCP Splunk SW	0.2303	\$14		\$14		\$14
119			PECO Com 3030-Service Mgt SW PA	0.2303	\$2		\$2		\$2
120			PECO Com 3030-Tax Tech Trans SW	0.2303	\$25		\$25		\$25
121			PECO Com 3030-WallStreet SW PA	0.2303	\$5		\$5		\$5
122			Subtotal Common - Intangible Plant		\$6,666	\$769	\$5,897	\$769	\$7,435
123									
124		Gas - General Plant	PECO Gas 3913 PA	1.0000					
125			Subtotal						
126									
127		Gas - Intangible Plant	PECO Gas 303 Account Lookup Asset						
128			PECO Gas 303 Account Lookup Liab	1.0000					
129			PECO Gas 303 AMI CDW PA	1.0000	\$62		\$62		\$62
130			PECO Gas 303 AMI CIMS PA	1.0000	152		152		152
131			PECO Gas 303 AMI MDMS Enh PA	1.0000					
132			PECO Gas 303 AMI Middleware PA	1.0000					
133			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,813	107	1,707	107	1,920
134			PECO Gas 303 SG GIS PA	1.0000	11		11		11
135			PECO Gas 303 SM ADM PA	1.0000					
			PECO Gas 303 SM MDMS PA	1.0000					
			Subtotal Gas - Intangible Plant		\$2,038	\$107	\$1,932	\$107	\$2,145
			Subtotal 404.0 Amort. Of Limited-Term Plant		\$8,705	\$876	\$7,829	\$876	\$9,580

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

				(12)	(13)	(14)	(15)	(16)	(17)
Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma HTY Depr (Function)
1	403.0 Depreciation Expense.	Common-General Plant	PECO Common 3901 PA	1.0000	\$962	\$43	\$919	\$43	\$1,005
2			PECO Common 3902 IL	1.0000	5		5		5
3			PECO Common 3902 PA	1.0000	356	49	307	49	405
4			PECO Common 3903 PA	1.0000	5	1	4	1	7
5			PECO Common 3911 PA	1.0000	5	0	5	0	5
6			PECO Common 3912 PA	1.0000	365	42	323	42	407
7			PECO Common 3913 IL	1.0000	372	58	314	58	430
8			PECO Common 3913 PA	1.0000	1,306	195	1,111	195	1,501
9			PECO Common 3930 PA	1.0000	26	2	24	2	28
10			PECO Common 3941 PA	1.0000	3		3		3
11			PECO Common 3942 PA	1.0000	16	3	13	3	18
12			PECO Common 3970 PA	1.0000	737	164	573	164	901
13			PECO Common 3980 PA	1.0000	19	0	19	0	19
14			Subtotal Common - General Plant		\$4,177	\$558	\$3,620	\$558	\$4,735
15									
16		Intangible Plant	PECO Com 3030-Misc 5 yr FR PA	1.0000					
17			Subtotal						
18									
19		Gas - Distribution	PECO Gas 3751 PA	1.0000	\$126	\$3	\$124	\$3	\$129
20			PECO Gas 3752 PA	1.0000	15		15		15
21			PECO Gas 3753 PA	1.0000	160	6	154	6	166
22			PECO Gas 3761 PA	1.0000	7,856	559	7,297	559	8,415
23			PECO Gas 3762 PA	1.0000	849		849		849
24			PECO Gas 3763 PA	1.0000	13,232	1,337	11,896	1,337	14,569
25			PECO Gas 3780 PA	1.0000	409	28	382	28	437
26			PECO Gas 3790 PA	1.0000	975	112	863	112	1,087
27			PECO Gas 3801 PA	1.0000	2,882	50	2,832	50	2,931
28			PECO Gas 3802 PA	1.0000	14,120	1,219	12,901	1,219	15,338
29			PECO Gas 3810 PA	1.0000	1,692	40	1,652	40	1,732
30			PECO Gas 3811 PA	1.0000	3,382	27	3,355	27	3,409
31			PECO Gas 3820 PA	1.0000	3,552	188	3,364	188	3,739
32			PECO Gas 3870 PA	1.0000	138	0	138	0	138
33			Subtotal Gas - Distribution		\$49,389	\$3,566	\$45,822	\$3,566	\$52,955
34									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-3
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 88 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma HTY Depr (Function)
35		Gas - General Plant	PECO Gas 3901 PA	1.0000	\$108	\$1	\$106	\$1	\$109
36			PECO Gas 3902 PA	1.0000	47	6	41	6	52
37			PECO Gas 3903 PA	1.0000	41	6	35	6	48
38			PECO Gas 3911 PA	1.0000	0		0		0
39			PECO Gas 3912 PA	1.0000	20	0	19	0	20
40			PECO Gas 3913 IL	1.0000	0		0		0
41			PECO Gas 3913 PA	1.0000	489	20	470	20	509
42			PECO Gas 3940 PA	1.0000	612	24	588	24	637
43			PECO Gas 3950 PA	1.0000	3		3		3
44			PECO Gas 3970 PA	1.0000	456	2	454	2	457
45			PECO Gas 3980 PA	1.0000	9		9		9
46			Subtotal Gas - General Plant		\$1,784	\$60	\$1,725	\$60	\$1,844
47									
48		Gas - Production Plant	PECO Gas 3050 PA	1.0000	\$37	(\$1)	\$39	(\$1)	\$36
49			PECO Gas 3053 PA	1.0000	(0)		(0)		(0)
50			PECO Gas 3110 PA	1.0000	185		185		185
51			Subtotal Gas - Production Plant		\$222	(\$1)	\$224	(\$1)	\$221
52									
53		Gas - Storage	PECO Gas 3611 PA	1.0000	\$75	\$1	\$74	\$1	\$75
54			PECO Gas 3612 PA	1.0000	564	0	564	0	564
55			PECO Gas 3613 PA	1.0000	16	65	(49)	65	81
56			PECO Gas 3620 PA	1.0000	18		18		18
57			PECO Gas 3630 PA	1.0000	47		47		47
58			PECO Gas 3631 PA	1.0000	312		312		312
59			PECO Gas 3632 PA	1.0000	1,013		1,013		1,013
60			PECO Gas 3633 PA	1.0000	424	11	413	11	436
61			PECO Gas 3634 PA	1.0000	59	2	57	2	61
62			PECO Gas 3635 PA	1.0000	186	2	184	2	188
63			Subtotal Gas - Storage		\$2,714	\$81	\$2,633	\$81	\$2,795
64									
65			Subtotal 403.0 Depreciation Expense.		\$58,287	\$4,263	\$54,024	\$4,263	\$62,550
66									
68	403.1 Depreciation Expense - ARO/FIN-47	Gas - Distribution	PECO Gas Distr-ARC EXP PA	1.0000					
68			Subtotal Gas - Distribution						
69									
69			Subtotal 403.1 Depreciation Expense - ARO/FIN-47						
70									

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-3
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 89 of 94

				(12)	(13)	(14)	(15)	(16)	(17)
Line No.	Account	Plant Account	Depreciation Category	Functional Allocation Factor	Depr on Existing Assets + Adds (Function)	Depr on Adds (Function)	Depr on Existing Assets (Function)	Annualize Current Yr Depr (Function)	Pro Forma HTY Depr (Function)
70	404.0 Amort. Of Limited-Term Intangible Plant.	Common - Intangible Plant	FDG_PECO_C_CIMS:PECO - Common - CIMS	1.0000		\$40	(\$40)	\$40	\$40
71			PECO Com 303-AMI NONBILL SW EDE EOL	1.0000	\$150		\$150		\$150
71			PECO Com 303-AMI NONBILL SW IDS EOL	1.0000	\$133		\$133		\$133
72			PECO Com 303-IAM SW Enhance PA	1.0000	\$9		\$9		\$9
72			PECO Com 3030- North Star RE SW	1.0000	\$64		\$64		\$64
73			PECO Com 3030-BIDA Customer Project	1.0000	\$260		\$260		\$260
73			PECO Com 3030-CallRoutingSW	1.0000	\$169		\$169		\$169
74			PECO Com 3030-CIMS Enhancements PA	1.0000	\$113		\$113		\$113
74			PECO Com 3030-CIMS EOL PA	1.0000					
75			PECO Com 3030-CIS Transformation SW	1.0000	\$1		\$1		\$1
76			PECO Com 3030-Client Devices SW PA	1.0000					
77			PECO Com 3030-Cloud Serv 3 yr	1.0000	\$24		\$24		\$24
78			PECO Com 3030-Cloud Serv 5 yr	1.0000	\$74	\$1	\$73	\$1	\$76
79			PECO Com 3030-Common MDM SW	1.0000	\$1,658		\$1,658		\$1,658
80			PECO Com 3030-CTA PHI Consol SW	1.0000	\$103		\$103		\$103
81			PECO Com 3030-Cust Appt Sched SW	1.0000	\$93		\$93		\$93
82			PECO Com 3030-Data Loss Prevent PA	1.0000	\$3		\$3		\$3
83			PECO Com 3030-Digital Strat Platfor	1.0000	\$25		\$25		\$25
84			PECO Com 3030-Documentum PA	1.0000	\$16		\$16		\$16
85			PECO Com 3030-EAM Asset Suite PA	1.0000	\$246		\$246		\$246
86			PECO Com 3030-EU Dig Strat EPay SW	1.0000	\$60		\$60		\$60
87			PECO Com 3030-EUWebCon	1.0000	\$217		\$217		\$217
88			PECO Com 3030-Fixed Credit Option S A (Original)	1.0000	\$306		\$306		\$306
89			PECO Com 3030-Fusion Mig Non-MDM SW	1.0000	\$152		\$152		\$152
90			PECO Com 3030-HR Payroll HCM Cloud	1.0000	\$41		\$41		\$41
91			PECO Com 3030-HRPC Enhance PA	1.0000	\$10		\$10		\$10
92			PECO Com 3030-HRPC-PA	1.0000					
93			PECO Com 3030-Hyperion Enhance PA	1.0000	\$18		\$18		\$18
94			PECO Com 3030-Hyperion Fin MGMT SW	1.0000	\$22		\$22		\$22
95			PECO Com 3030-HyperionPI	1.0000	\$35		\$35		\$35
96			PECO Com 3030-I O Directory Svcs PA	1.0000	\$17		\$17		\$17
97			PECO Com 3030-I Sign Up and Move	1.0000	\$59		\$59		\$59
98			PECO Com 3030-IAM Consolidate	1.0000	\$23		\$23		\$23
99			PECO Com 3030-Informatica PA	1.0000					
100			PECO Com 3030-IT Cust Mobile App SW	1.0000	\$92		\$92		\$92
101			PECO Com 3030-IVR System PA	1.0000					
102			PECO Com 3030-Lease IT SW	1.0000	\$27		\$27		\$27
103			PECO Com 3030-Misc 5 yr FR PA	1.0000	\$1,858	\$728	\$1,131	\$728	\$2,586

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-17 Depreciation Adjustment

Exhibit MJT-3
 Schedule D-17
 Witness: Michael J. Trzaska
 Page 90 of 94

Line No.	Account	Plant Account	Depreciation Category	(12) Functional Allocation Factor	(13) Depr on Existing Assets + Adds (Function)	(14) Depr on Adds (Function)	(15) Depr on Existing Assets (Function)	(16) Annualize Current Yr Depr (Function)	(17) Pro Forma HTY Depr (Function)
104			PECO Com 3030-Misc 5 yr PA	1.0000	\$23		\$23		\$23
105			PECO Com 3030-Mobile Disp Enh PA	1.0000	\$19		\$19		\$19
106			PECO Com 3030-OBIEE Migration SW	1.0000	\$131		\$131		\$131
107			PECO Com 3030-Oracle Lic PA EOL	1.0000					
108			PECO Com 3030-Oracle MW Upgrade SW	1.0000	\$69		\$69		\$69
109			PECO Com 3030-Passport Enhance PA	1.0000					
110			PECO Com 3030-PBF SW Enhance PA	1.0000					
111			PECO Com 3030-PECO RNI Upgrade SW	1.0000	\$82		\$82		\$82
112			PECO Com 3030-Peoplesoft GL Upgrade	1.0000	\$18		\$18		\$18
113			PECO Com 3030-PeopleSoft SW Enh PA	1.0000					
114			PECO Com 3030-PowePlant Enhance PA	1.0000	\$28		\$28		\$28
115			PECO Com 3030-PowePlant v10 PA	1.0000					
116			PECO Com 3030-Rev Req Filing SW	1.0000	\$166		\$166		\$166
117			PECO Com 3030-Robotic Process Auto	1.0000	\$7		\$7		\$7
118			PECO Com 3030-SCP Splunk SW	1.0000	\$14		\$14		\$14
119			PECO Com 3030-Service Mgt SW PA	1.0000	\$2		\$2		\$2
120			PECO Com 3030-Tax Tech Trans SW	1.0000	\$25		\$25		\$25
121			PECO Com 3030-WallStreet SW PA	1.0000	\$5		\$5		\$5
122			Subtotal Common - Intangible Plant		\$6,666	\$769	\$5,897	\$769	\$7,435
123									
124		Gas - General Plant	PECO Gas 3913 PA	1.0000					
125			Subtotal						
126									
127		Gas - Intangible Plant	PECO Gas 303 Account Lookup Asset	1.0000					
128			PECO Gas 303 Account Lookup Liab	1.0000					
129			PECO Gas 303 AMI CDW PA	1.0000	\$62		\$62		\$62
130			PECO Gas 303 AMI CIMS PA	1.0000	152		152		152
131			PECO Gas 303 AMI MDMS Enh PA	1.0000					
132			PECO Gas 303 AMI Middleware PA	1.0000					
133			PECO Gas 303 Misc 5 YR FR PA	1.0000	1,813	107	1,707	107	1,920
134			PECO Gas 303 SG GIS PA	1.0000	11		11		11
135			PECO Gas 303 SM ADM PA	1.0000					
			PECO Gas 303 SM MDMS PA	1.0000					
			Subtotal Gas - Intangible Plant		\$2,038	\$107	\$1,932	\$107	\$2,145
			Subtotal 404.0 Amort. Of Limited-Term Plant		\$8,705	\$876	\$7,829	\$876	\$9,580

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-18 Income Taxes

Exhibit MJT-3
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 91 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Rate Increase	(3) Proposed Rates
1	Revenue		\$558,555	\$1,151	\$559,707
2	Operating Expenses		428,527	8	428,534
3	OIBIT	L1 - L2	\$130,028	\$1,144	\$131,172
4					
5	Rate Base		\$1,938,189		\$1,938,189
6	Weighted Cost of Debt		1.890%		1.890%
7	Synchronized Interest Expense	L5 * L6	\$36,632		\$36,632
8	Base Taxable Income	L3 - L7	\$93,397	\$1,144	\$94,541
9					
10	State Accelerated Tax Depreciation		\$69,809		\$69,809
11	Pro Forma Book Depreciation		72,130		72,130
12	State Tax Depreciation (Over) Under Book	L11 - L10	\$2,321		\$2,321
13	Regulatory Asset Programs M-1, Pension & Post-Retirement		(15,908)		(15,908)
14	Other Property Basis Adjustments (CIAC/ICM)		(10,062)		(10,062)
15	Removal Costs/Software		(22,292)		(22,292)
16	AFUDC Equity		(3,548)		(3,548)
17	Permanent Adjustments		548		548
18	Repair Deduction		(131,989)		(131,989)
19					
20	State Taxable Income	L8+L12+L13+L14+L15+L16+L17+L18	(\$87,533)	\$1,144	(\$86,389)
21					
22	State Income Tax Rate		9.99%	9.99%	9.99%
23	State Income Tax Benefit / (Expense) before Net Operating Loss	- L20 * L22	\$8,745	(\$114)	\$8,630
24	Net Operating Loss Utilization %		100.00%		
25	Net Operating Loss Utilization	- L24 * L23	(8,745)		(8,745)
26	State Income Tax Benefit / (Expense)	L23 + L25	-	(\$114)	(\$114)
27					
28	Federal Accelerated Tax Depreciation		\$60,429		\$60,429
29	Pro Forma Book Depreciation		72,130		72,130
30	Federal Tax Deducts (Over) Under Book	L29 - L28	\$11,701		\$11,701
31	Regulatory Asset Programs M-1, Pension & Post-Retirement		(15,908)		(15,908)
32	Other Property Basis Adjustments (CIAC/ICM)		(10,062)		(10,062)
33	Removal Costs/Software		(22,292)		(22,292)
34	AFUDC Equity		(3,548)		(3,548)
35	Permanent Adjustments		548		548
36	Repair Deduction		(131,989)		(131,989)
37	Federal NOL				
38	Federal Taxable Income	L8-L26+L30+L31+L32+L33+L34+L35+L36+L37	(\$78,153)	\$1,030	(\$77,123)
39					
40	Federal Income Tax Rate %		21.00%	21.00%	21.00%
41	Federal Income Tax Benefit / (Expense) before Deferred and Adjustments	- L38 * L40	\$16,412	(\$216)	\$16,196
42	Total Tax Benefit / (Expense) before Deferred Income Tax	L26 + L41	\$16,412	(\$331)	\$16,082
43					

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-18 Income Taxes

Exhibit MJT-3
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 92 of 94

Line No.	Description	Reference	(1) Present Rates	(2) Rate Increase	(3) Proposed Rates
44	DEFERRED INCOME TAXES				
45	Deferred Taxes on Timing Differences- Federal		(8,969)		(\$8,969)
46	Deferred Taxes on Timing Differences- State		(2,594)		(2,594)
47	Deferred Taxes on State NOL		8,745		8,745
48	Excess Deferred Amortization		3,836		3,836
49	Federal Income Tax on Flow Through Adjustments		(92)		(92)
50					
51	Deferred Income Taxes Benefit / (Expense)	SUM L45 to L49	\$924		\$924
52					
53	Net Income Tax Benefit / (Expense)	L42 + L51	\$17,337	(\$331)	\$17,006
54					
55	Other Income Tax Adjustments				
56	Amortization of Investment Tax Credit		\$93		\$93
57					
58	Combined Income Tax Benefit / (Expense)	L53 + L56	\$17,430	(\$331)	\$17,099
59					
60	Federal Income Tax Benefit / (Expense)	L41 + L45 + L48 + L49 + L56	\$11,279	(\$216)	\$11,063
61	State Income Tax Benefit / (Expense)	L26 + L46 + L47	6,150	(114)	6,036
62	Total Income Tax Benefit / (Expense)	L60 + L61	\$17,430	(\$331)	\$17,099

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 Section 1301.1(b) Differential

Exhibit MJT-3
 Schedule D-18
 Witness: Michael J. Trzaska
 Page 93 of 94

Line No.	Description	Reference	(1) 2014	(2) 2015	(3) 2016	(4) 2017	(5) 2018	(6) 2018	(7) Average
1	PECO Consolidated Taxable Income		\$97,822	\$165,388	\$185,545	\$129,850	\$149,461		
2									
3									
4	Consolidated Income Companies Taxable Income		\$1,762,414	\$925,343	\$1,249,191	\$574,523	\$1,031,664		
5									
6									
7	Taxable Income Percentage to PECO	L1 / L4	5.55%	17.87%	14.85%	22.60%	14.49%		
8									
9									
10	Consolidated Companies Loss		\$ (90,836)	\$ (1,598)	\$ (921)	\$ (1,816,977)	\$ (111,977)		
11									
12									
13	PECO Allocation of Loss	L7 * L10	\$ (5,042)	\$ (286)	\$ (137)	\$ (410,660)	\$ (16,223)		
14									
15									
16	Gas Percentage		37.13%	3.63%	-17.42%	-10.64%	-8.19%		
17									
18									
19	Loss Allocable to Gas	L13 * L16	(\$1,872)	(\$10)	\$24	\$43,701	\$1,329		
20									
21									
22									
23	Average for 2014 to 2018	Average L19							8,634
24									
25									
26	Tax Rate								21.00%
27									
28	Section 1301.1(b) Differential	L23 * L26						\$ 1,813	

PECO Gas Operations
 Before The Pennsylvania Public Utility Commission
 HTY Ending June 2020
 (\$ in Thousands)
 D-19 Conversion Factor

Exhibit MJT-3
 Schedule D-19
 Witness: Michael J. Trzaska
 Page 94 of 94

(1)

(2)

Line No.	Description	Reference	Utility
1	<u>GROSS REVENUE CONVERSION FACTOR</u>		
2	GROSS REVENUE FACTOR		1.000000
3	Forfeited Discounts Amount		791
4	Total Customer Revenue		541,852
5	Shopping Revenue		65,691
6	LPC REVENUE	L3 / (L4 + L5)	0.001303
7	GROSS RECEIPTS TAX		
8	UNCOLLECTIBLE EXPENSES		(0.003472)
9	PUC / OCA & SBA ASSESSMENT AS A % OF REVENUE		(0.003080)
10			
11			
12	NET REVENUES	L2 + L6 + L7 + L8 + L9	0.994750
13			
14	STATE INCOME TAX RATE		9.990%
15			
16	STATE INCOME TAX FACTOR	- L12 * L14	(0.099376)
17			
18	FACTOR AFTER STATE TAXES	L12 + L16	0.895375
19			
20	FEDERAL INCOME TAX RATE		21.000%
21			
22	FEDERAL INCOME TAX FACTOR	- L18 * L20	(0.188029)
23			
24			
25	NET OPERATING INCOME FACTOR	L18 + L22	0.707346
26			
27	GROSS REVENUE CONVERSION FACTOR	1 / L25	1.413735
28			
29	Combined Income Tax Factor on Gross Revenues	- L16 - L22	28.740%
30			
31			
32	<u>INCOME TAX FACTOR</u>		
33			
34	GROSS REVENUE FACTOR	L2	1.000000
35			
36	STATE INCOME TAX RATE		9.990%
37			
38	STATE INCOME TAX FACTOR	- L34 * L36	(0.099900)
39			
40			
41	FACTOR AFTER STATE TAXES	L34 + L38	0.900100
42			
43	FEDERAL INCOME TAX RATE		21.000%
44			
45	FEDERAL INCOME TAX FACTOR	- L41 * L43	(0.189021)
46			
47	NET OPERATING INCOME FACTOR	L41 + L45	0.711079
48			
49			
50	GROSS REVENUE CONVERSION FACTOR	1 / L47	1.406314
51			
52			
53	Combined Income Tax Factor On Taxable Income	L34 - L47	28.892%

**PECO ENERGY COMPANY
STATEMENT NO. 4**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: CAROLINE FULGINITI

SUBJECT: OVERVIEW OF PECO ENERGY
COMPANY'S ACCOUNTING PROCESSES;
ALLOCATION OF COSTS BETWEEN
ELECTRIC AND GAS OPERATIONS; GAS
DIVISION DEPRECIATION CLAIMS

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. OVERVIEW OF PECO’S ACCOUNTING PROCESSES	3
III. ALLOCATION OF COSTS BETWEEN ELECTRIC AND GAS OPERATIONS.....	5
IV. PECO GAS DIVISION DEPRECIATION CLAIMS	7
V. CONCLUSION.....	11

1 **DIRECT TESTIMONY**
2 **OF**
3 **CAROLINE FULGINITI**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your name and business address.**

6 A. My name is Caroline Fulginiti. My business address is PECO Energy Company,
7 2301 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company ("PECO" or the "Company") as the
10 Director of Accounting. In that capacity, I am responsible for maintaining PECO's
11 accounting books and records under United States Generally Accepted Accounting
12 Principles ("GAAP") and the Federal Energy Regulatory Commission's ("FERC")
13 *Uniform System of Accounts Prescribed for Public Utilities and Licensees* and
14 *Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the*
15 *Provisions of the Federal Power Act* ("Uniform System of Accounts"). In addition, I
16 am responsible for PECO's financial reporting to the U.S. Securities and Exchange
17 Commission ("SEC"), the FERC and the Pennsylvania Public Utility Commission
18 ("PUC" or "Commission").

19 **3. Q. Please describe your educational background.**

20 A. I received a Bachelor of Business Administration from James Madison University
21 and Master of Professional Accountancy from Indiana University.

1 **4. Q. Please describe your professional experience.**

2 A. Upon graduation, I was hired as an audit associate for PricewaterhouseCoopers, LLP
3 in Chicago. After 7 years at PricewaterhouseCoopers, I began employment with
4 Exelon Corporation in 2007. I held various roles at Exelon, including Manager of
5 Accounting Policy & Research, Manager of Power Team Accounting and Manager of
6 PECO Accounting prior to being promoted to Director of Property Accounting and
7 Project Controls in 2014. In 2016, I became Director of Financial Operations for
8 PECO, overseeing the Company's capital and operations and maintenance budgeting
9 process. I assumed my current responsibilities as the Director of Accounting for
10 PECO in January 2020.

11 **5. Q. What is the purpose of your testimony?**

12 A. I will provide a general overview of PECO's accounting processes. I will then
13 describe how PECO allocates common costs between its natural gas and electric
14 operations. Finally, I will present and explain PECO's claims for accrued and annual
15 depreciation related to the utility plant in service of PECO's Gas Division as of the
16 end of the historic test year (June 30, 2020) ("HTY"), future test year (June 30, 2021)
17 ("FTY") and the fully projected future test year (June 30, 2022) ("FPFTY").

18 **6. Q. Please identify the exhibits you are sponsoring.**

19 A. I am sponsoring PECO Exhibits CF-1, CF-2 and CF-3, which include, respectively,
20 the results of the depreciation studies related to the original cost of PECO's gas and
21 common plant in service at June 30, 2020 and estimated to be in service at June 30,

1 2021 and June 30, 2022. I am also sponsoring PECO Exhibit CF-4, which is a
2 service-life-study performed by Gannett Fleming based upon plant balances at
3 December 31, 2018.

4 **II. OVERVIEW OF PECO'S ACCOUNTING PROCESSES**

5 **7. Q. How are PECO's accounting records maintained?**

6 A. The Company's accounting records are kept in accordance with GAAP and FERC's
7 Uniform System of Accounts, as required by the PUC's regulations at 52 Pa. Code §
8 57.42(a). In addition, PECO maintains a continuing property records system in
9 accordance with PUC and FERC requirements.

10 **8. Q. Do PECO's continuing property records accurately reflect the original cost of** 11 **the property in question?**

12 A. Yes, they do. A determination of the original cost of PECO's gas plant was made in
13 the 1940s with the approval of the PUC. Subsequent plant additions, retirements and
14 adjustments have been recorded on an original cost basis in accordance with GAAP,
15 the PUC's regulations and the Uniform System of Accounts.

16 **9. Q. Are PECO's books and records audited?**

17 A. Yes, PECO's books and records are audited. Exelon Corporation, PECO's parent,
18 maintains Exelon Audit Services ("EAS")¹ that routinely audits various aspects of

¹ Prior to 2018, EAS was referred to as the Internal Audit Department, or "IA."

1 PECO's operations. In addition, PECO's books and records are audited annually by
2 its outside auditors.

3 In 2014, the PUC completed a Focused Management and Operations Audit of PECO,
4 which included a review of the Company's internal audit process.² The PUC's report
5 made note that "the IA department is responsible for evaluating the design and
6 effectiveness of internal control systems and governance processes throughout the
7 Exelon organization by performing risk based audits on activities affecting the
8 financial, legal, reputational and operational aspects of the Company." The PUC's
9 review of the internal audit process resulted in no findings or recommendations.

10 **10. Q. How can you be sure that all property reflected in PECO's plant accounts is, in**
11 **fact, used and useful?**

12 A. As explained in the testimony of Mr. Ronald A. Bradley (PECO Statement No. 1), the
13 assets included in PECO's rate base in this case are, or by the end of the FTY and the
14 FPFTY will be, in service and used by PECO to provide gas service to its customers.
15 Moreover, PECO has a process in place requiring that: (1) a record be made in the
16 field at the time any property unit is added to service or permanently removed from
17 service; and (2) based on the records made in the field, appropriate accounting entries
18 be made to the Company's property accounts to add or remove, respectively, the
19 original cost of any property unit that was added or retired. Individuals with
20 appropriate authority must review and approve the entries that are made to record the

² See Focused Management and Operations Audit of PECO Energy Company, Docket No. D-2013-2370921 (Issued September 2014).

1 addition and removal of property units from the Company’s plant accounts.
2 Additionally, EAS performed an audit of the controls surrounding PECO’s fixed asset
3 process in 2015, which included review of fixed asset accounting records. EAS
4 concluded that the processes and general control environment – which includes those
5 activities necessary to provide reasonable assurance that risks are being managed and
6 objectives met – are effective.

7 **III. ALLOCATION OF COSTS BETWEEN**
8 **ELECTRIC AND GAS OPERATIONS**

9 **11. Q. Does PECO maintain separate books and records for its electric and natural gas**
10 **operations?**

11 A. Yes. Under applicable PUC and FERC regulations, PECO is required to maintain,
12 separately, certain income statement accounts and to maintain, separately, certain
13 balance sheet accounts for its electric and natural gas operations.

14 **12. Q. How does the Company allocate “common plant” between its two divisions?**

15 A. “Common plant” (i.e., facilities, such as PECO’s headquarters office building in
16 Philadelphia, that are used to provide both electric and gas service) is allocated on the
17 basis of a three-part formula, with equal weight given to relative plant investment,
18 total revenue and number of customers. The allocation factors utilized for purposes
19 of this rate filing are set forth in the applicable schedules of PECO Exhibits MJT-1,
20 MJT-2 and MJT-3.

1 **13. Q. Are operating expenses handled in the same fashion?**

2 A. No, a different method is used to allocate operating expenses. The Company
3 develops factors to allocate between gas and electric operations those operating
4 expenses that are not directly assigned. PECO reviews these factors annually and
5 updates them as necessary to reflect the forces driving the costs to which they apply.

6 **14. Q. Please explain the method used to allocate non-assignable Administrative and**
7 **General (“A&G”) expense.**

8 A. Expenses in this category consist of the labor and other resources of the Company’s
9 A&G departments, such as Finance, Marketing, and Accounting, which provide
10 service to both the gas and electric divisions. Non-assignable expenses in these areas
11 are allocated to gas operations based upon a percentage calculated by dividing: (1) the
12 previous year’s non-fuel Operating & Maintenance (“O&M”) expenses that were
13 directly assigned to gas operations, by (2) the total of all the previous year’s non-fuel
14 O&M expenses that were directly assigned to gas and electric operations.

15 **15. Q. Please explain the method used to allocate non-assignable bad debt expense.**

16 A. Bad debt expense associated with customer accounts receivable is allocated to gas
17 operations based on the ratio of accounts receivable charged off. The ratio is updated
18 annually based on the prior year's actual accounts receivable charge-off experience.
19 Although bad debt expense is allocated for accounting purposes, uncollectible
20 accounts expense included in revenue requirement for ratemaking purposes is
21 calculated based on the net uncollectible accounts charged off expressed as a

1 percentage of total tariff revenue, as explained by Mr. Michael J. Trzaska (PECO
2 Statement No. 3).

3 **IV. PECO GAS DIVISION DEPRECIATION CLAIMS**

4 **16. Q. Has a service-life study of PECO's gas utility plant in service been performed?**

5 A. Yes. With the assistance of Gannett Fleming, Inc., a service-life study was performed
6 based on PECO's plant balances at December 31, 2018, which is provided as PECO
7 Exhibit CF-4. The study was filed with the PUC in April 2020 at Docket No. M-
8 2020-3020569. Prior to the Company's 2018 service life study, a service life study
9 was performed in 2014 based on PECO's plant balances at December 31, 2013.

10 **17. Q. Have you prepared exhibits presenting the results of PECO's depreciation
11 studies?**

12 A. Yes. PECO Exhibits CF-1, CF-2 and CF-3 reflect PECO's gas and common plant in
13 service as of June 30, 2020, 2021 and 2022 respectively. Exhibits CF-1, CF-2 and
14 CF-3 rely upon the service lives and depreciation rates developed in the Company's
15 2018 service life study.

16 **18. Q. What is the purpose of the depreciation study?**

17 A. PECO is relying principally on data for a FPFTY ending June 30, 2022 to support its
18 proposed increase in revenue requirement in this case. Accordingly, the purpose of
19 the depreciation study is to provide the basis to calculate the estimated 2022 annual
20 depreciation accruals related to plant in service for ratemaking purposes and, using
21 procedures approved by the PUC, to estimate PECO's book reserve at June 30, 2022.

1 PECO uses the remaining life method of depreciation, which calculates depreciation
2 accruals designed to recover the original cost less accrued depreciation of utility plant
3 over the estimated remaining life of that plant, by depreciable group.

4 **19. Q. Please describe PECO Exhibits CF-1, CF-2 and CF-3.**

5 A. PECO Exhibit CF-1 is titled “Annual Depreciation Accruals Related to Utility Plant
6 in Service for 2020.” This exhibit includes the results of the depreciation study
7 related to the original cost of PECO’s plant in service at December 31, 2019. The
8 exhibit also includes the detailed depreciation calculations used to determine 2021
9 depreciation rates, which are used in calculating the estimated 2021 Annual
10 Depreciation Accruals shown in PECO Exhibit CF-2.

11 PECO Exhibit CF-2 is titled “Estimated Annual Depreciation Accruals Related to
12 Utility Plant in Service for 2021.” This exhibit includes the results of the
13 depreciation study related to the estimated original cost of PECO’s plant in service at
14 June 30, 2021. PECO Exhibit CF-2 includes PECO’s FTY plant additions for gas and
15 allocated common plant claimed in rate base in this case and reflects the depreciation
16 accruals related to those additions in the column titled “2021 Estimated Annual
17 Depreciation Accrual.”

18 PECO Exhibit CF-3 is titled “Estimated Annual Depreciation Accruals Related to
19 Utility Plant in Service for 2022.” This exhibit includes the results of the
20 depreciation study related to the estimated original cost of PECO's plant in service at
21 June 30, 2022. PECO Exhibit CF-3 includes PECO's FPFTY plant additions for gas
22 and allocated common plant claimed in rate base in this case and reflects the

1 depreciation accruals related to those additions in the column titled “2022 Estimated
2 Depreciation Accrual.”

3 **20. Q. Has the Commission previously approved PECO’s use of the remaining-life
4 method of depreciation?**

5 A. Yes. In 1988, in PECO’s Gas Division rate proceeding at Docket No. R-870629, the
6 Commission approved PECO’s use of the remaining life method and also approved
7 PECO’s adjusted book reserve as the measure of accrued depreciation for ratemaking.
8 PECO has employed the remaining-life method in each of the Annual Depreciation
9 Reports filed with the Commission since it adopted the remaining life method.

10 **21. Q. How was the accumulated depreciation recorded in the Company’s book reserve
11 (“accumulated depreciation”) used in the calculation of annual depreciation?**

12 A. The accumulated depreciation, by account, at June 30, 2020, is one of the factors used
13 in calculating the annual depreciation accruals. The methodology used to calculate
14 the annual depreciation accrual is consistent with the methodology described in the
15 2018 Depreciation Study (PECO Exhibit CF-4).

16 **22. Q. How was the estimated accumulated depreciation at June 30, 2021 determined?**

17 A. As shown in Exhibit CF-2, the June 30, 2021 estimated accumulated depreciation was
18 developed by: (1) adding the 2021 estimated annual depreciation accruals to the
19 actual accumulated depreciation by account as of July 1, 2020; (2) subtracting the
20 estimated 2021 plant retirements by account; and (3) adding 2021 estimated salvage
21 and subtracting estimated removal costs that are closed to the book reserve, by

1 account. The 2021 annual depreciation accruals are estimated by adding the
2 following three items: (1) the estimated net book value of depreciable plant by
3 account as of June 30, 2020, multiplied by the depreciation rates shown in PECO
4 Exhibit CF-2; (2) the 2021 estimated plant additions multiplied by the depreciation
5 rate (using a half-year convention) for the appropriate accounts; and (3) the 2021
6 estimated salvage or cost of removal multiplied by the depreciation rate (using a half-
7 year convention) for the appropriate account.

8 **23. Q. How was the estimated accumulated depreciation at June 30, 2022 determined?**

9 A. As shown in PECO Exhibit CF-3, the June 30, 2022 estimated accumulated
10 depreciation was developed by: (1) adding the 2022 estimated annual depreciation
11 accruals to the estimated accumulated depreciation by account as of July 1, 2021; (2)
12 subtracting the 2022 estimated plant retirements by account; and (3) adding 2022
13 estimated salvage and subtracting estimated removal costs that are closed to the book
14 reserve, by account. The 2022 annual depreciation accruals are estimated by adding
15 the following three items: (1) the estimated net book value balance of depreciable
16 plant by account as of June 30, 2021, multiplied by the depreciation rates shown in
17 PECO Exhibit CF-3; (2) the 2022 estimated plant additions multiplied by the
18 depreciation rate (using a half-year convention) for the appropriate account; and (3)
19 the 2022 estimated salvage or cost of removal multiplied by the depreciation rate
20 (using a half-year convention) for the appropriate account.

1 **24. Q. Have you prepared schedules that summarize the development of the original**
2 **cost of gross plant, estimated accumulated depreciation, estimated net book**
3 **value of depreciable plant, and estimated annual depreciation accruals, by**
4 **property account, for utility plant in service at June 30, 2022?**

5 A. Yes. PECO Exhibit CF-3 provides this information. The original cost of gross plant
6 in service at June 30, 2022 was calculated by adding the estimated plant additions by
7 account for 2022 to, and subtracting the estimated plant retirements for 2022 from,
8 the estimated original cost of gross plant as of June 30, 2021. The estimated net book
9 value of depreciable plant at June 30, 2022 was calculated by subtracting the
10 estimated accumulated depreciation at June 30, 2022 from the estimated original cost
11 of gross plant at June 30, 2022. The 2022 annual depreciation accruals were
12 estimated by adding the following three items: (1) the estimated net book value
13 balance of depreciable plant by account as of June 30, 2021, multiplied by the
14 depreciation rates shown in PECO Exhibit CF-3; (2) the 2022 estimated plant
15 additions multiplied by the depreciation rate (using a half-year convention) for the
16 appropriate accounts; and (3) the 2022 estimated salvage or cost of removal
17 multiplied by the depreciation rate (using a half- year convention) for the appropriate
18 accounts.

19 **V. CONCLUSION**

20 **25. Q. Does this complete your direct testimony at this time?**

21 A. Yes, it does.

**Annual Depreciation Accruals Related to
Utility Plant in Service for 2020**

Summary –

This exhibit is based on the results of the 2018 Depreciation Study and updated to reflect the original cost of PECO's gas and common plant in service at December 31, 2019. The report also includes the detailed depreciation calculations used to determine 2021 depreciation rates, which are used in calculating the estimated 2021 Annual Depreciation Accruals shown in PECO Exhibit CF-2.

Note:

The system generated reports show the date for each utility account as of January 1, 2020. Refer to CF-2 for the balances at July 1, 2020.

Generation Arrangement Report

PECO Gas 375 Composite 2020

Account: PECO Gas 375 Composite

Dispersion: 50.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$35,571.83	50.00	49.50	0.9900	1.0000	\$35,216.47	\$711.44
2018	1.50	\$743,586.92	50.00	48.50	0.9700	1.0000	\$721,301.29	\$14,871.74
2017	2.50	\$133,516.74	50.00	47.50	0.9501	1.0000	\$126,848.69	\$2,670.33
2016	3.50	\$168,305.12	50.00	46.50	0.9301	1.0000	\$156,538.33	\$3,366.10
2015	4.50	\$290,805.73	50.00	45.51	0.9101	1.0000	\$264,671.77	\$5,816.11
2014	5.50	\$85,767.42	50.00	44.51	0.8902	1.0000	\$76,349.01	\$1,715.35
2013	6.50	\$464,798.22	50.00	43.51	0.8703	1.0000	\$404,498.01	\$9,295.96
2012	7.50	\$364,549.18	50.00	42.52	0.8504	1.0000	\$309,995.08	\$7,290.98
2007	12.50	\$49,885.92	50.00	37.56	0.7512	1.0000	\$37,475.89	\$997.72
2004	15.50	\$129,057.30	50.00	34.62	0.6923	1.0000	\$89,350.81	\$2,581.15
2003	16.50	\$925,633.96	50.00	33.64	0.6728	1.0000	\$622,804.72	\$18,512.68
2002	17.50	\$50,149.65	50.00	32.67	0.6534	1.0000	\$32,769.82	\$1,002.99
2001	18.50	\$194,581.67	50.00	31.71	0.6341	1.0000	\$123,391.93	\$3,891.63
1999	20.50	\$8,943.15	50.00	29.79	0.5959	1.0000	\$5,329.13	\$178.86
1998	21.50	\$1,574,602.31	50.00	28.85	0.5770	1.0000	\$908,485.20	\$31,492.05
1997	22.50	\$1,388,434.92	50.00	27.91	0.5582	1.0000	\$775,011.01	\$27,768.70
1996	23.50	\$580,187.29	50.00	26.98	0.5396	1.0000	\$313,061.72	\$11,603.75
1995	24.50	\$411,605.08	50.00	26.06	0.5212	1.0000	\$214,512.94	\$8,232.10
1994	25.50	\$3,302,580.25	50.00	25.15	0.5029	1.0000	\$1,660,975.49	\$66,051.61
1992	27.50	\$27,196.22	50.00	23.36	0.4671	1.0000	\$12,703.97	\$543.92
1991	28.50	\$23,320.58	50.00	22.48	0.4496	1.0000	\$10,484.16	\$466.41
1990	29.50	\$50,101.91	50.00	21.61	0.4323	1.0000	\$21,657.13	\$1,002.04
1989	30.50	\$607,780.96	50.00	20.76	0.4152	1.0000	\$252,361.83	\$12,155.62
1988	31.50	\$313,781.34	50.00	19.92	0.3984	1.0000	\$125,025.34	\$6,275.63
1987	32.50	\$1,129.98	50.00	19.10	0.3820	1.0000	\$431.61	\$22.60
1986	33.50	\$8,008.81	50.00	18.29	0.3658	1.0000	\$2,929.37	\$160.18
1985	34.50	\$261,461.84	50.00	17.49	0.3499	1.0000	\$91,477.06	\$5,229.24
1984	35.50	\$233,206.14	50.00	16.71	0.3343	1.0000	\$77,953.90	\$4,664.12
1983	36.50	\$57,390.13	50.00	15.95	0.3190	1.0000	\$18,306.26	\$1,147.80
1982	37.50	\$210,672.48	50.00	15.20	0.3040	1.0000	\$64,042.21	\$4,213.45
1981	38.50	\$6,330.35	50.00	14.46	0.2893	1.0000	\$1,831.35	\$126.61
1980	39.50	\$377,828.96	50.00	13.75	0.2749	1.0000	\$103,865.85	\$7,556.58

Generation Arrangement Report

PECO Gas 375 Composite 2020

Account: PECO Gas 375 Composite

Dispersion: 50.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1979	40.50	\$13,095.44	50.00	13.04	0.2608	1.0000	\$3,415.14	\$261.91
1978	41.50	\$732.74	50.00	12.35	0.2469	1.0000	\$180.95	\$14.65
1975	44.50	\$1,994.22	50.00	10.36	0.2072	1.0000	\$413.29	\$39.88
1973	46.50	\$4,245.03	50.00	9.15	0.1830	1.0000	\$776.72	\$84.90
1972	47.50	\$1,571.01	50.00	8.59	0.1717	1.0000	\$269.78	\$31.42
1971	48.50	\$223,034.69	50.00	8.06	0.1611	1.0000	\$35,935.75	\$4,460.69
1966	53.50	\$33,520.90	50.00	5.88	0.1175	1.0000	\$3,939.43	\$670.42
1965	54.50	\$192,553.59	50.00	5.52	0.1104	1.0000	\$21,258.42	\$3,851.07
1964	55.50	\$40,780.17	50.00	5.18	0.1037	1.0000	\$4,228.44	\$815.60
1963	56.50	\$8,670.53	50.00	4.87	0.0973	1.0000	\$843.83	\$173.41
1962	57.50	\$142,557.58	50.00	4.56	0.0912	1.0000	\$13,006.66	\$2,851.15
1955	64.50	\$343.25	50.00	2.66	0.0532	1.0000	\$18.25	\$6.86
1954	65.50	\$4,600.69	50.00	2.41	0.0481	1.0000	\$221.36	\$92.01
1943	76.50	\$447.14	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1932	87.50	\$37.51	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	88.50	\$821.26	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1915	104.50	\$1,143.09	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1910	109.50	\$1,046.66	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$13,751,967.86	50.00	28.17	0.5633	1.0000	\$7,746,165.33	\$274,969.44

Remaining Life Depreciation Accrual

Account: PECO Gas 375 Composite
 Scenario: PECO Gas 375 Composite 2020
 Dispersion: 50.00 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$13,751,967.86	28.17	\$299,612.48	2.178688%	3.549749%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$122,378.26)	0.50	(\$1,223.78)	0.999998%	
Total:	\$13,751,967.86 *		\$298,388.70	2.169789%	3.535250%
Average:	\$13,690,778.73		\$298,388.70	2.179487%	3.561066%
Grand Total:	\$13,751,967.86 *		\$298,388.70	2.169789%	3.535250%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3761 PA

Dispersion: 70.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$39,112,454.96	70.00	69.51	0.9930	1.0000	\$38,837,033.65	\$558,749.36
2018	1.50	\$25,425,413.14	70.00	68.52	0.9789	1.0000	\$24,889,313.58	\$363,220.19
2017	2.50	\$12,136,837.72	70.00	67.54	0.9649	1.0000	\$11,710,598.33	\$173,383.40
2016	3.50	\$12,537,165.56	70.00	66.56	0.9509	1.0000	\$11,921,541.76	\$179,102.37
2015	4.50	\$13,935,810.38	70.00	65.59	0.9369	1.0000	\$13,056,864.28	\$199,083.01
2014	5.50	\$12,406,557.25	70.00	64.61	0.9230	1.0000	\$11,451,233.40	\$177,236.53
2013	6.50	\$4,544,595.08	70.00	63.64	0.9091	1.0000	\$4,131,495.19	\$64,922.79
2012	7.50	\$5,375,073.28	70.00	62.67	0.8952	1.0000	\$4,811,897.90	\$76,786.76
2011	8.50	\$8,525,396.92	70.00	61.70	0.8814	1.0000	\$7,514,389.58	\$121,791.38
2010	9.50	\$7,319,897.89	70.00	60.73	0.8676	1.0000	\$6,350,883.87	\$104,569.97
2009	10.50	\$7,476,197.35	70.00	59.77	0.8539	1.0000	\$6,383,842.69	\$106,802.82
2008	11.50	\$10,255,240.52	70.00	58.81	0.8402	1.0000	\$8,616,467.38	\$146,503.44
2007	12.50	\$6,654,835.22	70.00	57.86	0.8266	1.0000	\$5,500,586.20	\$95,069.07
2006	13.50	\$10,090,803.43	70.00	56.91	0.8130	1.0000	\$8,203,534.60	\$144,154.33
2005	14.50	\$8,207,220.89	70.00	55.96	0.7994	1.0000	\$6,561,053.58	\$117,246.01
2004	15.50	\$6,994,693.28	70.00	55.02	0.7860	1.0000	\$5,497,506.14	\$99,924.19
2003	16.50	\$3,721,887.09	70.00	54.08	0.7725	1.0000	\$2,875,218.31	\$53,169.82
2002	17.50	\$4,863,472.95	70.00	53.14	0.7592	1.0000	\$3,692,203.11	\$69,478.19
2001	18.50	\$10,354,476.48	70.00	52.21	0.7459	1.0000	\$7,723,224.55	\$147,921.09
2000	19.50	\$86,810.80	70.00	51.29	0.7326	1.0000	\$63,601.90	\$1,240.15
1999	20.50	\$15,948,910.39	70.00	50.37	0.7195	1.0000	\$11,475,246.96	\$227,841.58
1998	21.50	\$20,780,847.81	70.00	49.45	0.7064	1.0000	\$14,679,691.24	\$296,869.25
1997	22.50	\$33,695,076.90	70.00	48.54	0.6934	1.0000	\$23,364,148.12	\$481,358.24
1996	23.50	\$27,818,278.01	70.00	47.63	0.6805	1.0000	\$18,928,997.11	\$397,403.97
1995	24.50	\$28,275,959.28	70.00	46.73	0.6676	1.0000	\$18,877,385.91	\$403,942.28
1994	25.50	\$8,020,837.84	70.00	45.84	0.6548	1.0000	\$5,252,388.47	\$114,583.40
1993	26.50	\$11,649,530.00	70.00	44.95	0.6421	1.0000	\$7,480,692.90	\$166,421.86
1992	27.50	\$15,441,121.40	70.00	44.07	0.6296	1.0000	\$9,720,959.29	\$220,587.45
1991	28.50	\$12,964,457.22	70.00	43.19	0.6170	1.0000	\$7,999,288.21	\$185,206.53
1990	29.50	\$12,918,439.66	70.00	42.32	0.6046	1.0000	\$7,810,498.38	\$184,549.14
1989	30.50	\$13,196,251.87	70.00	41.46	0.5922	1.0000	\$7,815,330.15	\$188,517.88
1988	31.50	\$10,708,879.71	70.00	40.60	0.5800	1.0000	\$6,211,369.23	\$152,984.00

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3761 PA

Dispersion: 70.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$8,124,841.72	70.00	39.75	0.5679	1.0000	\$4,613,940.84	\$116,069.17
1986	33.50	\$6,587,719.67	70.00	38.91	0.5558	1.0000	\$3,661,547.95	\$94,110.28
1985	34.50	\$6,795,723.57	70.00	38.07	0.5439	1.0000	\$3,696,011.17	\$97,081.77
1984	35.50	\$3,972,124.81	70.00	37.24	0.5320	1.0000	\$2,113,178.08	\$56,744.64
1983	36.50	\$4,300,562.24	70.00	36.42	0.5203	1.0000	\$2,237,416.94	\$61,436.60
1982	37.50	\$4,264,606.62	70.00	35.60	0.5086	1.0000	\$2,168,908.94	\$60,922.95
1981	38.50	\$10,744,319.07	70.00	34.79	0.4971	1.0000	\$5,340,582.64	\$153,490.27
1980	39.50	\$9,378,061.17	70.00	33.99	0.4856	1.0000	\$4,554,278.11	\$133,972.30
1979	40.50	\$3,011,865.09	70.00	33.20	0.4743	1.0000	\$1,428,484.87	\$43,026.64
1978	41.50	\$1,364,459.41	70.00	32.42	0.4631	1.0000	\$631,851.08	\$19,492.28
1977	42.50	\$1,047,268.02	70.00	31.64	0.4519	1.0000	\$473,310.01	\$14,960.97
1976	43.50	\$1,447,953.81	70.00	30.87	0.4410	1.0000	\$638,505.09	\$20,685.05
1975	44.50	\$2,099,737.48	70.00	30.10	0.4301	1.0000	\$903,005.16	\$29,996.25
1974	45.50	\$3,125,271.83	70.00	29.35	0.4193	1.0000	\$1,310,483.89	\$44,646.74
1973	46.50	\$4,231,512.15	70.00	28.61	0.4087	1.0000	\$1,729,364.49	\$60,450.17
1972	47.50	\$4,499,331.40	70.00	27.87	0.3981	1.0000	\$1,791,400.48	\$64,276.16
1971	48.50	\$4,865,543.38	70.00	27.14	0.3878	1.0000	\$1,886,738.61	\$69,507.76
1970	49.50	\$5,272,675.77	70.00	26.42	0.3775	1.0000	\$1,990,348.40	\$75,323.94
1969	50.50	\$6,230,846.04	70.00	25.72	0.3674	1.0000	\$2,289,066.96	\$89,012.09
1968	51.50	\$4,771,283.17	70.00	25.01	0.3573	1.0000	\$1,704,975.09	\$68,161.19
1967	52.50	\$4,796,260.00	70.00	24.33	0.3475	1.0000	\$1,666,784.92	\$68,518.00
1966	53.50	\$4,976,520.61	70.00	23.65	0.3378	1.0000	\$1,681,160.71	\$71,093.15
1965	54.50	\$3,582,502.00	70.00	22.98	0.3282	1.0000	\$1,175,893.42	\$51,178.60
1964	55.50	\$4,498,302.16	70.00	22.32	0.3188	1.0000	\$1,434,245.99	\$64,261.46
1963	56.50	\$3,234,657.71	70.00	21.67	0.3096	1.0000	\$1,001,294.10	\$46,209.40
1962	57.50	\$4,294,174.87	70.00	21.03	0.3005	1.0000	\$1,290,325.85	\$61,345.36
1961	58.50	\$2,030,508.76	70.00	20.41	0.2915	1.0000	\$591,903.21	\$29,007.27
1960	59.50	\$2,634,298.44	70.00	19.79	0.2828	1.0000	\$744,920.59	\$37,632.83
1959	60.50	\$2,084,131.92	70.00	19.19	0.2742	1.0000	\$571,468.25	\$29,773.31
1958	61.50	\$1,961,888.11	70.00	18.60	0.2658	1.0000	\$521,392.52	\$28,026.97
1957	62.50	\$4,330,092.10	70.00	18.03	0.2575	1.0000	\$1,115,194.11	\$61,858.46
1956	63.50	\$1,627,828.95	70.00	17.46	0.2495	1.0000	\$406,076.68	\$23,254.70

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3761 PA

Dispersion: 70.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1955	64.50	\$1,594,257.26	70.00	16.91	0.2416	1.0000	\$385,207.69	\$22,775.10
1954	65.50	\$1,839,730.56	70.00	16.37	0.2339	1.0000	\$430,323.77	\$26,281.87
1953	66.50	\$1,392,515.41	70.00	15.85	0.2264	1.0000	\$315,331.72	\$19,893.08
1952	67.50	\$1,097,135.04	70.00	15.34	0.2192	1.0000	\$240,457.66	\$15,673.36
1951	68.50	\$1,201,666.47	70.00	14.84	0.2121	1.0000	\$254,814.47	\$17,166.66
1950	69.50	\$428,869.20	70.00	14.36	0.2052	1.0000	\$87,987.19	\$6,126.70
1949	70.50	\$403,814.17	70.00	13.89	0.1984	1.0000	\$80,128.95	\$5,768.77
1948	71.50	\$216,148.72	70.00	13.44	0.1919	1.0000	\$41,485.89	\$3,087.84
1947	72.50	\$497,890.58	70.00	12.99	0.1856	1.0000	\$92,404.87	\$7,112.72
1946	73.50	\$475,398.08	70.00	12.56	0.1795	1.0000	\$85,321.94	\$6,791.40
1945	74.50	\$96,820.20	70.00	12.15	0.1735	1.0000	\$16,801.92	\$1,383.15
1944	75.50	\$106,247.93	70.00	11.74	0.1678	1.0000	\$17,826.07	\$1,517.83
1943	76.50	\$17,036.63	70.00	11.35	0.1622	1.0000	\$2,763.42	\$243.38
1942	77.50	\$32,283.58	70.00	10.98	0.1568	1.0000	\$5,062.41	\$461.19
1941	78.50	\$16,586.58	70.00	10.61	0.1516	1.0000	\$2,514.20	\$236.95
1940	79.50	\$13,414.10	70.00	10.26	0.1465	1.0000	\$1,965.68	\$191.63
1939	80.50	\$20,086.93	70.00	9.91	0.1416	1.0000	\$2,844.79	\$286.96
1938	81.50	\$27,647.09	70.00	9.58	0.1369	1.0000	\$3,783.78	\$394.96
1937	82.50	\$10,003.46	70.00	9.26	0.1323	1.0000	\$1,323.19	\$142.91
1936	83.50	\$1,783.24	70.00	8.94	0.1278	1.0000	\$227.86	\$25.47
1935	84.50	\$6,581.59	70.00	8.64	0.1235	1.0000	\$812.70	\$94.02
1934	85.50	\$10,120.33	70.00	8.34	0.1192	1.0000	\$1,206.36	\$144.58
1933	86.50	\$10,334.27	70.00	8.06	0.1152	1.0000	\$1,190.11	\$147.63
1932	87.50	\$10,478.27	70.00	7.77	0.1111	1.0000	\$1,163.70	\$149.69
1931	88.50	\$84,962.45	70.00	7.49	0.1071	1.0000	\$9,096.57	\$1,213.75
1930	89.50	\$299,235.48	70.00	7.23	0.1032	1.0000	\$30,893.19	\$4,274.79
1929	90.50	\$88,825.71	70.00	6.95	0.0994	1.0000	\$8,825.23	\$1,268.94
1928	91.50	\$88,675.32	70.00	6.70	0.0957	1.0000	\$8,484.17	\$1,266.79
1927	92.50	\$70,563.78	70.00	6.43	0.0918	1.0000	\$6,481.26	\$1,008.05
1926	93.50	\$69,433.77	70.00	6.18	0.0883	1.0000	\$6,130.16	\$991.91
1925	94.50	\$22,934.86	70.00	5.91	0.0845	1.0000	\$1,937.61	\$327.64
1924	95.50	\$19,167.69	70.00	5.65	0.0807	1.0000	\$1,547.63	\$273.82

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3761 PA

Dispersion: 70.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1923	96.50	\$21,716.23	70.00	5.40	0.0772	1.0000	\$1,675.53	\$310.23
1922	97.50	\$3,629.15	70.00	5.14	0.0734	1.0000	\$266.35	\$51.85
1921	98.50	\$9,763.06	70.00	4.89	0.0699	1.0000	\$682.07	\$139.47
1920	99.50	\$9,910.98	70.00	4.62	0.0661	1.0000	\$654.76	\$141.59
1919	100.50	\$1,258.98	70.00	4.38	0.0626	1.0000	\$78.83	\$17.99
1918	101.50	\$388.06	70.00	4.12	0.0588	1.0000	\$22.81	\$5.54
1917	102.50	\$2,139.73	70.00	3.85	0.0550	1.0000	\$117.77	\$30.57
1916	103.50	\$3,949.11	70.00	3.61	0.0515	1.0000	\$203.47	\$56.42
1915	104.50	\$1,159.32	70.00	3.34	0.0478	1.0000	\$55.36	\$16.56
1914	105.50	\$142.28	70.00	3.11	0.0444	1.0000	\$6.31	\$2.03
1913	106.50	\$214.81	70.00	2.84	0.0406	1.0000	\$8.72	\$3.07
1912	107.50	\$298.39	70.00	2.62	0.0375	1.0000	\$11.18	\$4.26
1911	108.50	\$937.78	70.00	2.36	0.0337	1.0000	\$31.63	\$13.40
1910	109.50	\$55.97	70.00	2.11	0.0301	1.0000	\$1.68	\$0.80
1909	110.50	\$39.58	70.00	1.89	0.0269	1.0000	\$1.07	\$0.57
1908	111.50	\$21.73	70.00	1.63	0.0233	1.0000	\$0.51	\$0.31
1907	112.50	\$6.28	70.00	1.43	0.0205	1.0000	\$0.13	\$0.09
1906	113.50	\$10.39	70.00	1.17	0.0168	1.0000	\$0.17	\$0.15
1905	114.50	\$0.82	70.00	1.03	0.0148	1.0000	\$0.01	\$0.01
1904	115.50	\$0.98	70.00	0.81	0.0116	1.0000	\$0.01	\$0.01
1903	116.50	\$0.96	70.00	0.55	0.0079	1.0000	\$0.01	\$0.01
1902	117.50	\$0.83	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1901	118.50	\$0.97	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1900	119.50	\$0.98	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1899	120.50	\$0.97	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1891	128.50	\$0.71	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1890	129.50	\$0.92	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1880	139.50	\$0.99	70.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$567,956,602.04	70.00	47.93	0.6848	1.0000	\$388,922,709.64	\$8,113,665.65

Remaining Life Depreciation Accrual

Account: PECO Gas 3761 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 70.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$567,956,602.04	47.93	\$7,897,123.39	1.390445%	2.086190%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$2,456,181.76)	0.50	(\$17,544.16)	0.714286%	
Total:	\$567,956,602.04 *		\$7,879,579.23	1.387356%	2.081555%
Average:	\$566,728,511.16		\$7,879,579.23	1.390362%	2.088330%
Grand Total:	\$567,956,602.04 *		\$7,879,579.23	1.387356%	2.081555%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3763 PA

Dispersion: 65.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$72,189,231.44	65.00	64.51	0.9924	1.0000	\$71,641,896.48	\$1,110,603.56
2018	1.50	\$71,646,887.43	65.00	63.52	0.9773	1.0000	\$70,020,298.04	\$1,102,259.81
2017	2.50	\$76,675,472.73	65.00	62.54	0.9622	1.0000	\$73,776,499.95	\$1,179,622.66
2016	3.50	\$62,550,460.67	65.00	61.56	0.9471	1.0000	\$59,243,674.49	\$962,314.78
2015	4.50	\$55,905,961.47	65.00	60.59	0.9321	1.0000	\$52,109,810.35	\$860,091.71
2014	5.50	\$30,150,875.48	65.00	59.61	0.9171	1.0000	\$27,651,854.96	\$463,859.62
2013	6.50	\$37,531,748.75	65.00	58.64	0.9022	1.0000	\$33,859,850.93	\$577,411.52
2012	7.50	\$37,966,774.28	65.00	57.67	0.8872	1.0000	\$33,685,920.86	\$584,104.22
2011	8.50	\$30,039,596.95	65.00	56.71	0.8724	1.0000	\$26,206,374.34	\$462,147.65
2010	9.50	\$23,774,313.18	65.00	55.74	0.8576	1.0000	\$20,388,298.00	\$365,758.66
2009	10.50	\$21,124,409.09	65.00	54.78	0.8428	1.0000	\$17,804,243.98	\$324,990.91
2008	11.50	\$21,765,859.12	65.00	53.83	0.8281	1.0000	\$18,024,795.44	\$334,859.37
2007	12.50	\$14,320,902.50	65.00	52.88	0.8135	1.0000	\$11,649,955.35	\$220,321.58
2006	13.50	\$16,047,858.30	65.00	51.93	0.7989	1.0000	\$12,820,740.57	\$246,890.13
2005	14.50	\$17,030,323.73	65.00	50.99	0.7844	1.0000	\$13,358,647.53	\$262,004.98
2004	15.50	\$23,462,159.72	65.00	50.05	0.7700	1.0000	\$18,064,718.88	\$360,956.30
2003	16.50	\$14,070,682.71	65.00	49.11	0.7556	1.0000	\$10,631,659.66	\$216,472.04
2002	17.50	\$19,021,304.52	65.00	48.18	0.7413	1.0000	\$14,100,352.82	\$292,635.45
2001	18.50	\$36,716,594.48	65.00	47.26	0.7271	1.0000	\$26,696,081.01	\$564,870.68
2000	19.50	\$3,867,323.90	65.00	46.34	0.7129	1.0000	\$2,757,170.38	\$59,497.29
1999	20.50	\$5,427,773.96	65.00	45.43	0.6989	1.0000	\$3,793,328.81	\$83,504.21
1998	21.50	\$7,996,438.17	65.00	44.52	0.6849	1.0000	\$5,477,045.86	\$123,022.13
1997	22.50	\$12,901,970.24	65.00	43.62	0.6711	1.0000	\$8,657,913.64	\$198,491.85
1996	23.50	\$9,173,824.80	65.00	42.72	0.6573	1.0000	\$6,029,855.86	\$141,135.77
1995	24.50	\$10,992,587.34	65.00	41.83	0.6436	1.0000	\$7,074,818.32	\$169,116.73
1994	25.50	\$13,844,721.85	65.00	40.95	0.6300	1.0000	\$8,722,626.38	\$212,995.72
1993	26.50	\$9,286,354.61	65.00	40.08	0.6165	1.0000	\$5,725,406.56	\$142,866.99
1992	27.50	\$16,165,821.29	65.00	39.21	0.6032	1.0000	\$9,750,829.75	\$248,704.94
1991	28.50	\$12,124,463.52	65.00	38.34	0.5899	1.0000	\$7,152,129.04	\$186,530.21
1990	29.50	\$10,418,809.41	65.00	37.49	0.5767	1.0000	\$6,009,037.39	\$160,289.38
1989	30.50	\$8,159,284.42	65.00	36.64	0.5637	1.0000	\$4,599,292.97	\$125,527.45
1988	31.50	\$6,347,228.25	65.00	35.80	0.5508	1.0000	\$3,495,802.53	\$97,649.67

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3763 PA

Dispersion: 65.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$7,567,464.62	65.00	34.97	0.5379	1.0000	\$4,070,723.65	\$116,422.53
1986	33.50	\$5,532,119.79	65.00	34.14	0.5252	1.0000	\$2,905,426.93	\$85,109.54
1985	34.50	\$4,260,500.91	65.00	33.32	0.5126	1.0000	\$2,184,069.81	\$65,546.17
1984	35.50	\$3,007,331.41	65.00	32.51	0.5001	1.0000	\$1,504,086.69	\$46,266.64
1983	36.50	\$3,741,551.12	65.00	31.71	0.4878	1.0000	\$1,825,197.88	\$57,562.32
1982	37.50	\$3,573,477.44	65.00	30.91	0.4756	1.0000	\$1,699,470.06	\$54,976.58
1981	38.50	\$8,644,634.34	65.00	30.13	0.4635	1.0000	\$4,006,847.55	\$132,994.37
1980	39.50	\$5,633,687.92	65.00	29.35	0.4515	1.0000	\$2,543,758.50	\$86,672.12
1979	40.50	\$2,101,036.81	65.00	28.58	0.4397	1.0000	\$923,854.37	\$32,323.64
1978	41.50	\$1,898,962.39	65.00	27.82	0.4280	1.0000	\$812,750.83	\$29,214.81
1977	42.50	\$707,011.29	65.00	27.07	0.4165	1.0000	\$294,437.45	\$10,877.10
1976	43.50	\$300,434.64	65.00	26.33	0.4050	1.0000	\$121,681.47	\$4,622.07
1975	44.50	(\$275,921.78)	65.00	25.59	0.3938	1.0000	(\$108,646.62)	(\$4,244.95)
1974	45.50	\$900,197.29	65.00	24.87	0.3826	1.0000	\$344,432.59	\$13,849.19
1973	46.50	\$616,561.54	65.00	24.15	0.3716	1.0000	\$229,120.65	\$9,485.56
1972	47.50	\$2,325,700.09	65.00	23.45	0.3608	1.0000	\$839,165.43	\$35,780.00
1971	48.50	\$778,367.76	65.00	22.76	0.3501	1.0000	\$272,531.67	\$11,974.89
1970	49.50	\$646,982.24	65.00	22.08	0.3397	1.0000	\$219,760.54	\$9,953.57
1969	50.50	\$296,959.67	65.00	21.41	0.3293	1.0000	\$97,793.78	\$4,568.61
1967	52.50	\$10,209.37	65.00	20.10	0.3092	1.0000	\$3,156.79	\$157.07
1951	68.50	\$38.84	65.00	11.56	0.1779	1.0000	\$6.91	\$0.60
		\$860,965,326.01	65.00	54.04	0.8314	1.0000	\$715,770,558.05	\$13,245,620.40

Remaining Life Depreciation Accrual

Account: PECO Gas 3763 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 65.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$860,965,326.01	54.04	\$13,249,535.02	1.538916%	1.850540%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$1,235,129.55)	0.50	(\$9,501.00)	0.769231%	
Total:	\$860,965,326.01 *		\$13,240,034.02	1.537813%	1.849213%
Average:	\$860,347,761.24		\$13,240,034.02	1.538917%	1.850809%
Grand Total:	\$860,965,326.01 *		\$13,240,034.02	1.537813%	1.849213%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3780 PA

Dispersion: 50.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$995,991.33	50.00	49.55	0.9909	1.0000	\$986,973.77	\$19,919.83
2018	1.50	\$3,764,287.05	50.00	48.65	0.9729	1.0000	\$3,662,289.88	\$75,285.74
2017	2.50	\$449,284.32	50.00	47.75	0.9550	1.0000	\$429,055.35	\$8,985.69
2016	3.50	\$524,638.30	50.00	46.86	0.9371	1.0000	\$491,662.50	\$10,492.77
2015	4.50	\$585,452.04	50.00	45.97	0.9194	1.0000	\$538,276.83	\$11,709.04
2014	5.50	\$136,937.99	50.00	45.09	0.9018	1.0000	\$123,491.47	\$2,738.76
2013	6.50	\$523,567.58	50.00	44.22	0.8843	1.0000	\$462,993.44	\$10,471.35
2012	7.50	\$379,591.68	50.00	43.35	0.8669	1.0000	\$329,076.69	\$7,591.83
2011	8.50	\$1,072,843.68	50.00	42.48	0.8497	1.0000	\$911,555.70	\$21,456.87
2010	9.50	\$148,506.77	50.00	41.63	0.8325	1.0000	\$123,634.99	\$2,970.14
2009	10.50	\$151,674.73	50.00	40.77	0.8155	1.0000	\$123,690.70	\$3,033.49
2008	11.50	\$365,298.81	50.00	39.93	0.7986	1.0000	\$291,731.72	\$7,305.98
2007	12.50	\$555,437.30	50.00	39.09	0.7818	1.0000	\$434,268.60	\$11,108.75
2006	13.50	\$157,314.90	50.00	38.26	0.7652	1.0000	\$120,381.54	\$3,146.30
2005	14.50	\$239,151.45	50.00	37.44	0.7487	1.0000	\$179,061.19	\$4,783.03
2004	15.50	\$276,917.58	50.00	36.62	0.7324	1.0000	\$202,810.79	\$5,538.35
2003	16.50	\$223,777.16	50.00	35.81	0.7162	1.0000	\$160,263.52	\$4,475.54
2002	17.50	\$144,509.61	50.00	35.01	0.7001	1.0000	\$101,172.36	\$2,890.19
2001	18.50	\$821,068.32	50.00	34.21	0.6842	1.0000	\$561,772.02	\$16,421.37
2000	19.50	\$250,019.11	50.00	33.42	0.6684	1.0000	\$167,119.24	\$5,000.38
1999	20.50	\$81,585.24	50.00	32.64	0.6528	1.0000	\$53,259.83	\$1,631.70
1994	25.50	\$51,159.85	50.00	28.86	0.5771	1.0000	\$29,526.84	\$1,023.20
1993	26.50	\$434,252.36	50.00	28.13	0.5625	1.0000	\$244,274.52	\$8,685.05
1992	27.50	\$961,494.83	50.00	27.40	0.5481	1.0000	\$526,957.24	\$19,229.90
1991	28.50	\$260,371.96	50.00	26.69	0.5338	1.0000	\$138,982.51	\$5,207.44
1990	29.50	\$419,853.69	50.00	25.98	0.5197	1.0000	\$218,193.83	\$8,397.07
1989	30.50	\$319,710.44	50.00	25.29	0.5058	1.0000	\$161,704.52	\$6,394.21
1988	31.50	\$501,894.05	50.00	24.60	0.4921	1.0000	\$246,965.89	\$10,037.88
1987	32.50	\$561,480.67	50.00	23.93	0.4785	1.0000	\$268,691.92	\$11,229.61
1986	33.50	\$526,013.47	50.00	23.26	0.4652	1.0000	\$244,708.52	\$10,520.27
1985	34.50	\$419,508.56	50.00	22.60	0.4521	1.0000	\$189,653.40	\$8,390.17
1984	35.50	\$297,371.52	50.00	21.96	0.4392	1.0000	\$130,593.05	\$5,947.43

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3780 PA

Dispersion: 50.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1983	36.50	\$465,953.45	50.00	21.32	0.4264	1.0000	\$198,701.90	\$9,319.07
1982	37.50	\$628,323.42	50.00	20.70	0.4139	1.0000	\$260,087.63	\$12,566.47
1981	38.50	\$518,229.79	50.00	20.08	0.4016	1.0000	\$208,146.72	\$10,364.60
1980	39.50	\$318,965.83	50.00	19.48	0.3896	1.0000	\$124,260.26	\$6,379.32
1979	40.50	\$59,307.70	50.00	18.89	0.3777	1.0000	\$22,401.98	\$1,186.15
1978	41.50	\$210,954.82	50.00	18.30	0.3661	1.0000	\$77,230.09	\$4,219.10
1977	42.50	\$153,047.30	50.00	17.74	0.3547	1.0000	\$54,285.92	\$3,060.95
1976	43.50	\$199,365.75	50.00	17.18	0.3435	1.0000	\$68,488.46	\$3,987.32
1975	44.50	\$287,833.36	50.00	16.63	0.3326	1.0000	\$95,732.95	\$5,756.67
1974	45.50	\$47,993.50	50.00	16.09	0.3219	1.0000	\$15,449.03	\$959.87
1973	46.50	\$121,898.69	50.00	15.57	0.3114	1.0000	\$37,962.99	\$2,437.97
1972	47.50	\$232,222.93	50.00	15.06	0.3012	1.0000	\$69,947.30	\$4,644.46
1971	48.50	\$85,241.72	50.00	14.56	0.2912	1.0000	\$24,823.87	\$1,704.83
1970	49.50	\$100,050.88	50.00	14.07	0.2815	1.0000	\$28,161.46	\$2,001.02
1969	50.50	\$44,733.22	50.00	13.60	0.2720	1.0000	\$12,165.76	\$894.66
1968	51.50	\$73,956.30	50.00	13.13	0.2627	1.0000	\$19,427.67	\$1,479.13
1967	52.50	\$52,592.69	50.00	12.68	0.2537	1.0000	\$13,340.39	\$1,051.85
1966	53.50	\$46,474.32	50.00	12.24	0.2449	1.0000	\$11,379.40	\$929.49
1965	54.50	\$19,248.20	50.00	11.81	0.2363	1.0000	\$4,548.04	\$384.96
1964	55.50	\$65,129.18	50.00	11.40	0.2279	1.0000	\$14,845.85	\$1,302.58
1963	56.50	\$73,358.16	50.00	10.99	0.2198	1.0000	\$16,126.04	\$1,467.16
1962	57.50	\$61,176.51	50.00	10.60	0.2119	1.0000	\$12,965.17	\$1,223.53
1961	58.50	\$67,894.91	50.00	10.21	0.2042	1.0000	\$13,867.16	\$1,357.90
1960	59.50	\$58,001.77	50.00	9.84	0.1968	1.0000	\$11,412.46	\$1,160.04
1959	60.50	\$28,467.46	50.00	9.47	0.1895	1.0000	\$5,393.93	\$569.35
1958	61.50	\$98,753.10	50.00	9.12	0.1824	1.0000	\$18,010.65	\$1,975.06
1957	62.50	\$72,435.30	50.00	8.77	0.1755	1.0000	\$12,709.60	\$1,448.71
1956	63.50	\$41,015.28	50.00	8.44	0.1687	1.0000	\$6,919.60	\$820.31
1955	64.50	\$65,446.81	50.00	8.11	0.1621	1.0000	\$10,609.68	\$1,308.94
1954	65.50	\$38,919.96	50.00	7.78	0.1557	1.0000	\$6,058.03	\$778.40
1953	66.50	\$35,692.57	50.00	7.47	0.1493	1.0000	\$5,329.73	\$713.85
1952	67.50	\$17,188.74	50.00	7.16	0.1431	1.0000	\$2,459.79	\$343.77

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3780 PA

Dispersion: 50.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1951	68.50	\$32,559.05	50.00	6.85	0.1370	1.0000	\$4,460.02	\$651.18
1950	69.50	\$19,819.62	50.00	6.55	0.1310	1.0000	\$2,595.42	\$396.39
1949	70.50	\$21,101.60	50.00	6.25	0.1250	1.0000	\$2,637.34	\$422.03
1948	71.50	\$21,649.44	50.00	5.95	0.1191	1.0000	\$2,577.84	\$432.99
1947	72.50	\$15,237.12	50.00	5.66	0.1132	1.0000	\$1,724.84	\$304.74
1946	73.50	\$7,408.02	50.00	5.37	0.1074	1.0000	\$795.31	\$148.16
1945	74.50	\$11,024.77	50.00	5.08	0.1015	1.0000	\$1,119.45	\$220.50
1944	75.50	\$2,279.19	50.00	4.79	0.0957	1.0000	\$218.20	\$45.58
1943	76.50	\$2,393.26	50.00	4.50	0.0899	1.0000	\$215.26	\$47.87
1942	77.50	\$4,190.95	50.00	4.21	0.0842	1.0000	\$352.74	\$83.82
1941	78.50	\$6,958.28	50.00	3.92	0.0784	1.0000	\$545.56	\$139.17
1940	79.50	\$2,878.74	50.00	3.63	0.0727	1.0000	\$209.18	\$57.57
1939	80.50	\$2,197.21	50.00	3.35	0.0670	1.0000	\$147.10	\$43.94
1936	83.50	\$120.11	50.00	2.51	0.0501	1.0000	\$6.02	\$2.40
1935	84.50	\$36.93	50.00	2.23	0.0446	1.0000	\$1.65	\$0.74
1934	85.50	\$91.35	50.00	1.96	0.0392	1.0000	\$3.58	\$1.83
1933	86.50	\$1,349.62	50.00	1.70	0.0340	1.0000	\$45.84	\$26.99
1932	87.50	\$1,968.21	50.00	1.44	0.0288	1.0000	\$56.75	\$39.36
1931	88.50	\$71.66	50.00	1.19	0.0239	1.0000	\$1.71	\$1.43
1930	89.50	\$2,766.16	50.00	0.96	0.0193	1.0000	\$53.34	\$55.32
1929	90.50	\$285.23	50.00	0.76	0.0153	1.0000	\$4.36	\$5.70
1928	91.50	\$987.42	50.00	0.64	0.0129	1.0000	\$12.69	\$19.75
1927	92.50	\$602.31	50.00	0.25	0.0050	1.0000	\$3.01	\$12.05
1926	93.50	\$377.04	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	94.50	\$80.07	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1919	100.50	\$387.14	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1917	102.50	\$74.88	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1916	103.50	\$160.29	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1913	106.50	\$54.39	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1910	109.50	\$76.13	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$21,150,026.16	50.00	33.94	0.6788	1.0000	\$14,355,831.10	\$422,976.32

Remaining Life Depreciation Accrual

Account: PECO Gas 3780 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 50.00 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$21,150,026.16	33.94	\$392,798.64	1.857202%	2.946373%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$262,010.88)	0.50	(\$2,620.11)	1.000000%	
Total:	\$21,150,026.16 *		\$390,178.53	1.844813%	2.926720%
Average:	\$21,019,020.72		\$390,178.53	1.856312%	2.955765%
Grand Total:	\$21,150,026.16 *		\$390,178.53	1.844813%	2.926720%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3790 PA

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2018	1.50	\$12,113,248.27	50.00	48.53	0.9705	1.0000	\$11,755,935.38	\$242,264.97
2016	3.50	\$73,310.04	50.00	46.57	0.9313	1.0000	\$68,277.21	\$1,466.20
2015	4.50	\$519,445.76	50.00	45.59	0.9119	1.0000	\$473,669.57	\$10,388.92
2014	5.50	\$297,609.24	50.00	44.62	0.8925	1.0000	\$265,605.15	\$5,952.18
2013	6.50	\$529,994.86	50.00	43.66	0.8731	1.0000	\$462,757.41	\$10,599.90
2012	7.50	\$295,658.45	50.00	42.69	0.8539	1.0000	\$252,459.73	\$5,913.17
2011	8.50	\$264,156.87	50.00	41.74	0.8347	1.0000	\$220,501.81	\$5,283.14
2010	9.50	\$602,746.66	50.00	40.78	0.8157	1.0000	\$491,651.03	\$12,054.93
2009	10.50	\$1,421,084.78	50.00	39.84	0.7967	1.0000	\$1,132,223.36	\$28,421.70
2008	11.50	\$990,091.64	50.00	38.89	0.7779	1.0000	\$770,183.35	\$19,801.83
2007	12.50	\$1,287,214.15	50.00	37.96	0.7592	1.0000	\$977,216.70	\$25,744.28
2006	13.50	\$1,757,865.79	50.00	37.03	0.7406	1.0000	\$1,301,845.74	\$35,157.32
2005	14.50	\$998,204.80	50.00	36.11	0.7221	1.0000	\$720,829.10	\$19,964.10
2004	15.50	\$4,638,715.16	50.00	35.19	0.7038	1.0000	\$3,264,756.70	\$92,774.30
2003	16.50	\$1,182,863.99	50.00	34.28	0.6856	1.0000	\$811,009.53	\$23,657.28
2002	17.50	\$2,196,354.45	50.00	33.38	0.6676	1.0000	\$1,466,320.94	\$43,927.09
2001	18.50	\$6,767,163.93	50.00	32.49	0.6498	1.0000	\$4,397,001.10	\$135,343.28
2000	19.50	(\$106,637.73)	50.00	31.60	0.6321	1.0000	(\$67,401.63)	(\$2,132.75)
1999	20.50	\$53,766.59	50.00	30.73	0.6145	1.0000	\$33,041.64	\$1,075.33
1998	21.50	\$336,491.70	50.00	29.86	0.5972	1.0000	\$200,948.92	\$6,729.83
1997	22.50	\$519,242.44	50.00	29.00	0.5800	1.0000	\$301,174.03	\$10,384.85
1996	23.50	\$1,754,578.01	50.00	28.15	0.5630	1.0000	\$987,908.44	\$35,091.56
1995	24.50	\$7,446.48	50.00	27.31	0.5463	1.0000	\$4,067.69	\$148.93
1994	25.50	\$6,516,394.01	50.00	26.48	0.5297	1.0000	\$3,451,485.65	\$130,327.88
1992	27.50	\$903,491.71	50.00	24.85	0.4971	1.0000	\$449,098.21	\$18,069.83
1991	28.50	\$1,379,105.05	50.00	24.05	0.4811	1.0000	\$663,467.64	\$27,582.10
1989	30.50	\$405,890.17	50.00	22.49	0.4498	1.0000	\$182,555.00	\$8,117.80
1988	31.50	\$324,440.05	50.00	21.72	0.4344	1.0000	\$140,947.37	\$6,488.80
1987	32.50	\$1,379.40	50.00	20.97	0.4193	1.0000	\$578.43	\$27.59
1986	33.50	\$16,591.68	50.00	20.22	0.4045	1.0000	\$6,710.77	\$331.83
1985	34.50	\$1,605,763.37	50.00	19.49	0.3898	1.0000	\$626,004.99	\$32,115.27
1983	36.50	\$9,218.07	50.00	18.07	0.3614	1.0000	\$3,331.15	\$184.36

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3790 PA

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1982	37.50	\$318,662.52	50.00	17.38	0.3475	1.0000	\$110,746.99	\$6,373.25
1981	38.50	\$793.85	50.00	16.70	0.3340	1.0000	\$265.13	\$15.88
1980	39.50	\$539,840.82	50.00	16.04	0.3207	1.0000	\$173,139.35	\$10,796.82
1979	40.50	\$25,437.98	50.00	15.39	0.3078	1.0000	\$7,828.90	\$508.76
1978	41.50	\$80,993.97	50.00	14.76	0.2951	1.0000	\$23,903.04	\$1,619.88
1977	42.50	\$1,535.98	50.00	14.14	0.2828	1.0000	\$434.39	\$30.72
1974	45.50	\$3,053.02	50.00	12.40	0.2479	1.0000	\$756.93	\$61.06
1972	47.50	\$12,081.53	50.00	11.32	0.2265	1.0000	\$2,736.37	\$241.63
1971	48.50	\$373,915.78	50.00	10.82	0.2163	1.0000	\$80,893.44	\$7,478.32
1969	50.50	\$51,911.78	50.00	9.86	0.1972	1.0000	\$10,235.99	\$1,038.24
1968	51.50	\$1,005.81	50.00	9.41	0.1882	1.0000	\$189.27	\$20.12
1967	52.50	\$4,811.95	50.00	8.98	0.1795	1.0000	\$863.94	\$96.24
1966	53.50	\$117,090.00	50.00	8.56	0.1713	1.0000	\$20,055.11	\$2,341.80
1965	54.50	\$144,983.09	50.00	8.17	0.1634	1.0000	\$23,687.63	\$2,899.66
1964	55.50	\$68,071.56	50.00	7.79	0.1558	1.0000	\$10,607.60	\$1,361.43
1963	56.50	\$50,579.24	50.00	7.43	0.1486	1.0000	\$7,516.86	\$1,011.58
1962	57.50	\$137,405.52	50.00	7.09	0.1417	1.0000	\$19,472.80	\$2,748.11
1961	58.50	\$28,161.47	50.00	6.76	0.1351	1.0000	\$3,805.09	\$563.23
1960	59.50	\$5,610.02	50.00	6.44	0.1288	1.0000	\$722.49	\$112.20
1959	60.50	\$13,299.44	50.00	6.14	0.1227	1.0000	\$1,631.98	\$265.99
1958	61.50	\$7,161.94	50.00	5.84	0.1169	1.0000	\$836.87	\$143.24
1957	62.50	\$161,462.11	50.00	5.56	0.1112	1.0000	\$17,952.24	\$3,229.24
1954	65.50	\$57,430.89	50.00	4.75	0.0950	1.0000	\$5,457.25	\$1,148.62
1953	66.50	\$21,595.85	50.00	4.49	0.0898	1.0000	\$1,939.59	\$431.92
1952	67.50	\$41,909.50	50.00	4.23	0.0846	1.0000	\$3,547.64	\$838.19
1951	68.50	\$327,667.29	50.00	3.98	0.0795	1.0000	\$26,053.08	\$6,553.35
1950	69.50	\$10,899.33	50.00	3.72	0.0744	1.0000	\$810.73	\$217.99
1949	70.50	\$8,472.09	50.00	3.46	0.0693	1.0000	\$586.75	\$169.44
1948	71.50	\$108.78	50.00	3.21	0.0641	1.0000	\$6.98	\$2.18
1947	72.50	\$1,478.40	50.00	2.95	0.0590	1.0000	\$87.26	\$29.57
1942	77.50	\$70.66	50.00	1.71	0.0341	1.0000	\$2.41	\$1.41
1941	78.50	\$145.80	50.00	1.47	0.0294	1.0000	\$4.28	\$2.92

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3790 PA

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1940	79.50	\$16.14	50.00	1.24	0.0248	1.0000	\$0.40	\$0.32
1928	91.50	\$2,865.67	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	96.50	\$222.34	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$52,283,641.96	50.00	34.79	0.6957	1.0000	\$36,372,940.88	\$1,045,611.08

Remaining Life Depreciation Accrual

Account: PECO Gas 3790 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 50.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$52,283,641.96	34.79	\$874,829.11	1.673237%	2.874695%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$367,988.23)	0.50	(\$3,679.88)	0.999999%	
Total:	\$52,283,641.96 *		\$871,149.23	1.666198%	2.862603%
Average:	\$52,099,647.85		\$871,149.23	1.672083%	2.880016%
Grand Total:	\$52,283,641.96 *		\$871,149.23	1.666198%	2.862603%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3801 PA

Dispersion: 37.00 - S0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$937,320.20	37.00	36.51	0.9869	1.0000	\$925,012.91	\$25,332.98
2018	1.50	\$209,466.68	37.00	35.59	0.9618	1.0000	\$201,475.04	\$5,661.26
2017	2.50	\$390,996.85	37.00	34.71	0.9381	1.0000	\$366,796.13	\$10,567.48
2016	3.50	\$1,133,294.69	37.00	33.87	0.9155	1.0000	\$1,037,500.87	\$30,629.59
2015	4.50	\$1,275,521.38	37.00	33.07	0.8937	1.0000	\$1,139,915.12	\$34,473.55
2014	5.50	\$2,990,377.59	37.00	32.29	0.8727	1.0000	\$2,609,635.73	\$80,821.02
2013	6.50	\$3,356,030.52	37.00	31.54	0.8524	1.0000	\$2,860,514.44	\$90,703.53
2012	7.50	\$3,403,901.87	37.00	30.81	0.8327	1.0000	\$2,834,476.89	\$91,997.35
2011	8.50	\$3,208,808.05	37.00	30.10	0.8136	1.0000	\$2,610,685.44	\$86,724.54
2010	9.50	\$3,277,394.32	37.00	29.42	0.7950	1.0000	\$2,605,551.46	\$88,578.22
2009	10.50	\$2,888,498.14	37.00	28.75	0.7769	1.0000	\$2,244,145.66	\$78,067.52
2008	11.50	\$4,610,661.22	37.00	28.09	0.7593	1.0000	\$3,500,684.76	\$124,612.47
2007	12.50	\$3,769,854.20	37.00	27.45	0.7420	1.0000	\$2,797,192.63	\$101,887.95
2006	13.50	\$4,181,287.15	37.00	26.83	0.7251	1.0000	\$3,032,010.88	\$113,007.76
2005	14.50	\$4,489,072.23	37.00	26.22	0.7086	1.0000	\$3,181,050.55	\$121,326.28
2004	15.50	\$2,691,505.76	37.00	25.62	0.6924	1.0000	\$1,863,662.58	\$72,743.40
2003	16.50	\$5,977,272.95	37.00	25.03	0.6765	1.0000	\$4,043,861.65	\$161,547.92
2002	17.50	\$5,243,357.94	37.00	24.46	0.6610	1.0000	\$3,465,724.51	\$141,712.38
2001	18.50	\$7,400,189.85	37.00	23.89	0.6457	1.0000	\$4,778,027.97	\$200,005.13
2000	19.50	\$2,372,606.81	37.00	23.33	0.6306	1.0000	\$1,496,176.90	\$64,124.51
1999	20.50	\$1,471,087.93	37.00	22.79	0.6158	1.0000	\$905,913.40	\$39,759.13
1998	21.50	\$2,241,310.75	37.00	22.25	0.6012	1.0000	\$1,347,547.07	\$60,575.97
1997	22.50	\$1,480,257.00	37.00	21.71	0.5869	1.0000	\$868,723.26	\$40,006.95
1996	23.50	\$803,876.45	37.00	21.19	0.5727	1.0000	\$460,386.30	\$21,726.39
1995	24.50	\$749,745.26	37.00	20.67	0.5588	1.0000	\$418,936.23	\$20,263.39
1994	25.50	\$290,641.29	37.00	20.16	0.5450	1.0000	\$158,399.35	\$7,855.17
1993	26.50	\$731,610.68	37.00	19.66	0.5314	1.0000	\$388,789.43	\$19,773.26
1992	27.50	\$702,722.22	37.00	19.17	0.5180	1.0000	\$364,008.85	\$18,992.49
1991	28.50	\$920,818.09	37.00	18.68	0.5047	1.0000	\$464,773.16	\$24,886.98
1990	29.50	\$755,235.30	37.00	18.19	0.4916	1.0000	\$371,298.72	\$20,411.76
1989	30.50	\$718,576.78	37.00	17.71	0.4787	1.0000	\$343,972.80	\$19,420.99
1988	31.50	\$759,410.37	37.00	17.24	0.4659	1.0000	\$353,788.72	\$20,524.60

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3801 PA

Dispersion: 37.00 - S0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$678,588.05	37.00	16.77	0.4532	1.0000	\$307,531.44	\$18,340.22
1986	33.50	\$582,830.79	37.00	16.30	0.4406	1.0000	\$256,819.07	\$15,752.18
1985	34.50	\$625,491.11	37.00	15.84	0.4282	1.0000	\$267,846.82	\$16,905.17
1984	35.50	\$520,614.03	37.00	15.39	0.4159	1.0000	\$216,525.57	\$14,070.65
1983	36.50	\$490,887.07	37.00	14.94	0.4037	1.0000	\$198,178.58	\$13,267.22
1982	37.50	\$90,795.05	37.00	14.49	0.3916	1.0000	\$35,557.85	\$2,453.92
1972	47.50	\$183,555.19	37.00	10.21	0.2760	1.0000	\$50,657.13	\$4,960.95
1971	48.50	\$136,745.46	37.00	9.80	0.2649	1.0000	\$36,219.80	\$3,695.82
1970	49.50	\$79,477.44	37.00	9.39	0.2538	1.0000	\$20,173.82	\$2,148.04
1969	50.50	\$340,269.49	37.00	8.99	0.2428	1.0000	\$82,632.61	\$9,196.47
1968	51.50	\$559,704.46	37.00	8.58	0.2319	1.0000	\$129,813.93	\$15,127.15
1967	52.50	\$589,316.80	37.00	8.18	0.2211	1.0000	\$130,295.21	\$15,927.48
1966	53.50	\$623,464.35	37.00	7.78	0.2103	1.0000	\$131,126.38	\$16,850.39
1965	54.50	\$593,783.94	37.00	7.38	0.1996	1.0000	\$118,508.98	\$16,048.21
1964	55.50	\$413,816.78	37.00	6.99	0.1889	1.0000	\$78,179.86	\$11,184.24
1963	56.50	\$342,233.11	37.00	6.60	0.1783	1.0000	\$61,032.12	\$9,249.54
1962	57.50	\$272,492.43	37.00	6.21	0.1678	1.0000	\$45,714.27	\$7,364.66
1961	58.50	\$232,405.96	37.00	5.82	0.1573	1.0000	\$36,551.13	\$6,281.24
1960	59.50	\$117,218.23	37.00	5.43	0.1468	1.0000	\$17,211.74	\$3,168.06
1959	60.50	\$110,508.90	37.00	5.05	0.1365	1.0000	\$15,082.99	\$2,986.73
1958	61.50	\$61,414.38	37.00	4.67	0.1261	1.0000	\$7,744.32	\$1,659.85
1957	62.50	\$99,531.24	37.00	4.29	0.1158	1.0000	\$11,527.97	\$2,690.03
1956	63.50	\$43,347.71	37.00	3.91	0.1056	1.0000	\$4,578.29	\$1,171.56
1955	64.50	\$44,199.35	37.00	3.53	0.0954	1.0000	\$4,215.54	\$1,194.58
1954	65.50	\$21,309.95	37.00	3.15	0.0852	1.0000	\$1,816.53	\$575.94
1953	66.50	\$25,798.95	37.00	2.78	0.0752	1.0000	\$1,939.83	\$697.27
1952	67.50	\$9,372.87	37.00	2.41	0.0651	1.0000	\$610.01	\$253.32
1951	68.50	\$5,451.62	37.00	2.04	0.0551	1.0000	\$300.33	\$147.34
1950	69.50	\$4,964.67	37.00	1.67	0.0452	1.0000	\$224.42	\$134.18
1949	70.50	\$1,582.58	37.00	1.31	0.0355	1.0000	\$56.23	\$42.77
1948	71.50	\$1,415.51	37.00	0.95	0.0256	1.0000	\$36.21	\$38.26
1947	72.50	\$745.99	37.00	0.59	0.0159	1.0000	\$11.87	\$20.16

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3801 PA

Dispersion: 37.00 - S0

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1946	73.50	\$24.07	37.00	0.25	0.0068	1.0000	\$0.16	\$0.65
1945	74.50	\$3.27	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1944	75.50	\$1.54	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1943	76.50	\$1.78	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1942	77.50	\$1.65	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1941	78.50	\$1.96	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1940	79.50	\$1.37	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1939	80.50	\$1.22	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1938	81.50	\$1.46	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1937	82.50	\$1.80	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1936	83.50	\$1.71	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1935	84.50	\$1.49	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1934	85.50	\$1.56	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1933	86.50	\$0.58	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1932	87.50	\$0.97	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	88.50	\$0.85	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1930	89.50	(\$215.92)	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1929	90.50	\$1.80	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	91.50	\$1.54	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1927	92.50	\$0.94	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1926	93.50	\$0.98	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	94.50	\$0.99	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	95.50	(\$736.87)	37.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$83,335,144.72	37.00	25.00	0.6757	1.0000	\$56,309,360.44	\$2,252,326.16

Remaining Life Depreciation Accrual

Account: PECO Gas 3801 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 37.00 - S0
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$83,335,144.72	25.00	\$3,422,303.08	4.106674%	3.999914%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$1,677,703.81)	0.50	(\$22,671.67)	1.351351%	
Total:	\$83,335,144.72 *		\$3,399,631.41	4.079469%	3.973416%
Average:	\$82,496,292.82		\$3,399,631.41	4.120951%	4.012758%
Grand Total:	\$83,335,144.72 *		\$3,399,631.41	4.079469%	3.973416%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3802 PA

Dispersion: 56.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$89,289,705.76	56.00	55.51	0.9912	1.0000	\$88,504,192.86	\$1,594,459.03
2018	1.50	\$65,367,207.27	56.00	54.52	0.9737	1.0000	\$63,645,249.67	\$1,167,271.56
2017	2.50	\$50,436,456.19	56.00	53.54	0.9561	1.0000	\$48,224,366.02	\$900,651.00
2016	3.50	\$43,912,098.75	56.00	52.57	0.9387	1.0000	\$41,219,104.71	\$784,144.62
2015	4.50	\$35,699,120.39	56.00	51.59	0.9213	1.0000	\$32,888,206.31	\$637,484.29
2014	5.50	\$20,192,109.35	56.00	50.62	0.9039	1.0000	\$18,251,612.07	\$360,573.38
2013	6.50	\$24,925,316.35	56.00	49.65	0.8866	1.0000	\$22,098,405.08	\$445,094.93
2012	7.50	\$23,684,444.30	56.00	48.68	0.8694	1.0000	\$20,590,104.15	\$422,936.51
2011	8.50	\$19,776,527.55	56.00	47.72	0.8522	1.0000	\$16,853,112.53	\$353,152.28
2010	9.50	\$18,145,621.55	56.00	46.76	0.8351	1.0000	\$15,153,023.38	\$324,028.96
2009	10.50	\$14,987,287.97	56.00	45.81	0.8181	1.0000	\$12,260,453.15	\$267,630.14
2008	11.50	\$12,878,486.49	56.00	44.86	0.8011	1.0000	\$10,317,069.24	\$229,972.97
2007	12.50	\$12,370,302.13	56.00	43.92	0.7843	1.0000	\$9,701,719.61	\$220,898.25
2006	13.50	\$11,358,992.21	56.00	42.98	0.7675	1.0000	\$8,718,190.25	\$202,839.15
2005	14.50	\$13,321,670.51	56.00	42.05	0.7509	1.0000	\$10,002,596.57	\$237,886.97
2004	15.50	\$11,012,556.91	56.00	41.12	0.7343	1.0000	\$8,086,459.12	\$196,652.80
2003	16.50	\$10,870,523.49	56.00	40.20	0.7179	1.0000	\$7,803,533.68	\$194,116.49
2002	17.50	\$13,744,595.80	56.00	39.29	0.7015	1.0000	\$9,642,229.12	\$245,439.21
2001	18.50	\$22,534,266.80	56.00	38.38	0.6853	1.0000	\$15,442,934.29	\$402,397.62
2000	19.50	\$6,252,849.78	56.00	37.48	0.6692	1.0000	\$4,184,484.00	\$111,658.03
1999	20.50	\$9,630,009.77	56.00	36.58	0.6532	1.0000	\$6,290,642.23	\$171,964.46
1998	21.50	\$9,242,809.43	56.00	35.70	0.6374	1.0000	\$5,891,562.52	\$165,050.17
1997	22.50	\$10,695,459.61	56.00	34.82	0.6217	1.0000	\$6,649,552.92	\$190,990.35
1996	23.50	\$5,339,155.28	56.00	33.94	0.6061	1.0000	\$3,236,312.71	\$95,342.06
1995	24.50	\$5,120,002.47	56.00	33.08	0.5907	1.0000	\$3,024,468.08	\$91,428.62
1994	25.50	\$11,232,197.93	56.00	32.22	0.5754	1.0000	\$6,463,385.59	\$200,574.96
1993	26.50	\$16,693,193.91	56.00	31.38	0.5603	1.0000	\$9,353,840.40	\$298,092.75
1992	27.50	\$23,192,805.63	56.00	30.54	0.5454	1.0000	\$12,648,470.57	\$414,157.24
1991	28.50	\$23,910,015.47	56.00	29.71	0.5305	1.0000	\$12,685,187.91	\$426,964.56
1990	29.50	\$17,533,980.75	56.00	28.89	0.5159	1.0000	\$9,045,166.93	\$313,106.80
1989	30.50	\$15,483,774.95	56.00	28.08	0.5014	1.0000	\$7,763,435.36	\$276,495.98
1988	31.50	\$14,437,447.70	56.00	27.28	0.4871	1.0000	\$7,031,862.68	\$257,811.57

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3802 PA

Dispersion: 56.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$15,893,433.72	56.00	26.48	0.4729	1.0000	\$7,515,842.30	\$283,811.32
1986	33.50	\$11,888,929.82	56.00	25.70	0.4589	1.0000	\$5,455,661.21	\$212,302.32
1985	34.50	\$12,185,437.95	56.00	24.92	0.4451	1.0000	\$5,423,227.39	\$217,597.11
1984	35.50	\$8,492,682.77	56.00	24.16	0.4315	1.0000	\$3,664,188.33	\$151,655.05
1983	36.50	\$9,436,747.34	56.00	23.41	0.4180	1.0000	\$3,944,510.83	\$168,513.35
1982	37.50	\$10,194,523.43	56.00	22.66	0.4047	1.0000	\$4,125,942.64	\$182,045.06
1981	38.50	\$12,723,755.75	56.00	21.93	0.3916	1.0000	\$4,983,145.35	\$227,209.92
1980	39.50	\$12,349,026.35	56.00	21.21	0.3788	1.0000	\$4,677,200.16	\$220,518.33
1979	40.50	\$9,647,019.06	56.00	20.50	0.3661	1.0000	\$3,532,071.95	\$172,268.20
1978	41.50	\$4,016,206.95	56.00	19.81	0.3537	1.0000	\$1,420,428.10	\$71,717.98
1977	42.50	\$2,620,233.45	56.00	19.12	0.3414	1.0000	\$894,632.28	\$46,789.88
1976	43.50	\$2,757,694.56	56.00	18.45	0.3294	1.0000	\$908,424.13	\$49,244.55
1975	44.50	\$1,549,064.09	56.00	17.79	0.3177	1.0000	\$492,118.49	\$27,661.86
1974	45.50	\$1,201,002.51	56.00	17.15	0.3062	1.0000	\$367,704.07	\$21,446.47
1973	46.50	\$1,212,998.88	56.00	16.51	0.2949	1.0000	\$357,697.97	\$21,660.69
1972	47.50	\$5,517,713.59	56.00	15.90	0.2839	1.0000	\$1,566,296.66	\$98,530.60
1971	48.50	\$3,845,667.36	56.00	15.29	0.2731	1.0000	\$1,050,279.32	\$68,672.63
1970	49.50	\$2,846,715.56	56.00	14.71	0.2627	1.0000	\$747,798.47	\$50,834.21
1969	50.50	\$1,574,075.58	56.00	14.14	0.2525	1.0000	\$397,462.21	\$28,108.49
1968	51.50	\$562,672.31	56.00	13.59	0.2426	1.0000	\$136,507.42	\$10,047.72
1967	52.50	\$374,530.79	56.00	13.05	0.2330	1.0000	\$87,264.03	\$6,688.05
1966	53.50	\$144,424.58	56.00	12.53	0.2237	1.0000	\$32,305.00	\$2,579.01
1951	68.50	\$609.46	56.00	6.65	0.1187	1.0000	\$72.36	\$10.88
		\$814,306,158.31	56.00	41.64	0.7435	1.0000	\$605,451,714.38	\$14,541,181.40

Remaining Life Depreciation Accrual

Account: PECO Gas 3802 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 56.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$814,306,158.31	41.64	\$13,662,643.09	1.677826%	2.401708%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$3,152,376.99)	0.50	(\$28,146.22)	0.892857%	
Total:	\$814,306,158.31 *		\$13,634,496.87	1.674370%	2.396760%
Average:	\$812,729,969.82		\$13,634,496.87	1.677617%	2.403419%
Grand Total:	\$814,306,158.31 *		\$13,634,496.87	1.674370%	2.396760%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3810 PA

Dispersion: 40.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$2,391,874.15	40.00	39.51	0.9877	1.0000	\$2,362,433.36	\$59,796.85
2018	1.50	\$1,308,604.86	40.00	38.53	0.9631	1.0000	\$1,260,360.38	\$32,715.12
2017	2.50	\$2,010,927.89	40.00	37.55	0.9387	1.0000	\$1,887,603.77	\$50,273.20
2016	3.50	\$3,264,414.57	40.00	36.57	0.9143	1.0000	\$2,984,659.78	\$81,610.36
2015	4.50	\$3,988,512.60	40.00	35.60	0.8900	1.0000	\$3,549,957.48	\$99,712.82
2014	5.50	\$1,999,939.69	40.00	34.64	0.8659	1.0000	\$1,731,756.22	\$49,998.49
2013	6.50	\$2,087,535.99	40.00	33.68	0.8419	1.0000	\$1,757,516.85	\$52,188.40
2012	7.50	\$1,329,995.98	40.00	32.72	0.8181	1.0000	\$1,088,012.94	\$33,249.90
2011	8.50	\$1,291,205.98	40.00	31.77	0.7944	1.0000	\$1,025,701.34	\$32,280.15
2010	9.50	\$1,305,931.56	40.00	30.83	0.7709	1.0000	\$1,006,678.85	\$32,648.29
2009	10.50	\$1,195,297.53	40.00	29.90	0.7475	1.0000	\$893,534.62	\$29,882.44
2008	11.50	\$2,086,385.17	40.00	28.98	0.7244	1.0000	\$1,511,421.34	\$52,159.63
2007	12.50	\$940,465.42	40.00	28.06	0.7015	1.0000	\$659,765.80	\$23,511.64
2006	13.50	\$731,666.19	40.00	27.15	0.6789	1.0000	\$496,693.74	\$18,291.65
2005	14.50	\$1,591,370.89	40.00	26.26	0.6564	1.0000	\$1,044,636.79	\$39,784.27
2004	15.50	\$507,682.75	40.00	25.37	0.6343	1.0000	\$322,001.62	\$12,692.07
2003	16.50	\$1,119,265.69	40.00	24.49	0.6124	1.0000	\$685,402.56	\$27,981.64
2002	17.50	\$2,285,356.17	40.00	23.63	0.5907	1.0000	\$1,350,008.62	\$57,133.90
2001	18.50	\$19,916,428.86	40.00	22.78	0.5694	1.0000	\$11,340,434.37	\$497,910.72
2000	19.50	\$4,391.95	40.00	21.93	0.5483	1.0000	\$2,408.28	\$109.80
1999	20.50	\$1,361,115.56	40.00	21.10	0.5276	1.0000	\$718,140.38	\$34,027.89
1998	21.50	\$990,400.16	40.00	20.29	0.5072	1.0000	\$502,290.23	\$24,760.00
1997	22.50	\$2,113,164.47	40.00	19.48	0.4871	1.0000	\$1,029,252.88	\$52,829.11
1996	23.50	\$1,494,746.83	40.00	18.69	0.4673	1.0000	\$698,447.20	\$37,368.67
1995	24.50	\$1,015,243.96	40.00	17.91	0.4479	1.0000	\$454,677.93	\$25,381.10
1994	25.50	\$1,318,429.29	40.00	17.15	0.4287	1.0000	\$565,259.76	\$32,960.73
1993	26.50	\$1,447,043.33	40.00	16.40	0.4100	1.0000	\$593,331.84	\$36,176.08
1992	27.50	\$1,323,579.50	40.00	15.67	0.3917	1.0000	\$518,390.92	\$33,089.49
1991	28.50	\$1,344,756.17	40.00	14.95	0.3737	1.0000	\$502,566.77	\$33,618.90
1990	29.50	\$1,214,671.13	40.00	14.25	0.3561	1.0000	\$432,602.14	\$30,366.78
1989	30.50	\$1,016,133.12	40.00	13.56	0.3391	1.0000	\$344,525.13	\$25,403.33
1988	31.50	\$980,933.03	40.00	12.89	0.3224	1.0000	\$316,216.80	\$24,523.33

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3810 PA

Dispersion: 40.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$980,342.92	40.00	12.25	0.3062	1.0000	\$300,175.78	\$24,508.57
1986	33.50	\$796,866.30	40.00	11.62	0.2905	1.0000	\$231,461.48	\$19,921.66
1985	34.50	\$1,008,534.27	40.00	11.01	0.2753	1.0000	\$277,662.91	\$25,213.36
1984	35.50	\$428,521.15	40.00	10.43	0.2606	1.0000	\$111,689.62	\$10,713.03
1983	36.50	\$398,212.68	40.00	9.86	0.2466	1.0000	\$98,192.60	\$9,955.32
1982	37.50	\$500,099.77	40.00	9.32	0.2330	1.0000	\$116,546.85	\$12,502.49
1981	38.50	\$1,013,963.38	40.00	8.81	0.2201	1.0000	\$223,221.85	\$25,349.08
1980	39.50	\$1,573,905.99	40.00	8.31	0.2078	1.0000	\$327,048.04	\$39,347.65
1979	40.50	\$1,408,834.02	40.00	7.84	0.1961	1.0000	\$276,247.91	\$35,220.85
1978	41.50	\$144,393.28	40.00	7.40	0.1849	1.0000	\$26,703.07	\$3,609.83
1977	42.50	\$136,030.39	40.00	6.98	0.1744	1.0000	\$23,722.43	\$3,400.76
1976	43.50	\$205,476.56	40.00	6.58	0.1644	1.0000	\$33,782.15	\$5,136.91
1975	44.50	\$131,515.56	40.00	6.20	0.1550	1.0000	\$20,381.21	\$3,287.89
1974	45.50	\$167,827.31	40.00	5.84	0.1461	1.0000	\$24,514.36	\$4,195.68
1973	46.50	\$325,583.72	40.00	5.50	0.1376	1.0000	\$44,807.69	\$8,139.59
1972	47.50	\$717,695.40	40.00	5.19	0.1297	1.0000	\$93,060.76	\$17,942.38
1971	48.50	\$456,888.61	40.00	4.88	0.1220	1.0000	\$55,757.89	\$11,422.22
1970	49.50	\$530,747.63	40.00	4.59	0.1148	1.0000	\$60,951.58	\$13,268.69
1969	50.50	\$630,249.49	40.00	4.31	0.1078	1.0000	\$67,943.17	\$15,756.24
1968	51.50	\$394,450.69	40.00	4.05	0.1011	1.0000	\$39,890.22	\$9,861.27
1967	52.50	\$100,974.47	40.00	3.78	0.0945	1.0000	\$9,537.71	\$2,524.36
1966	53.50	\$421,530.40	40.00	3.52	0.0881	1.0000	\$37,123.25	\$10,538.26
1965	54.50	\$305,930.34	40.00	3.26	0.0815	1.0000	\$24,944.95	\$7,648.26
1964	55.50	\$184,620.58	40.00	3.01	0.0753	1.0000	\$13,893.42	\$4,615.51
1963	56.50	\$145,401.88	40.00	2.75	0.0687	1.0000	\$9,994.65	\$3,635.05
1962	57.50	\$50,097.56	40.00	2.50	0.0625	1.0000	\$3,130.79	\$1,252.44
1961	58.50	\$27,104.43	40.00	2.24	0.0560	1.0000	\$1,517.48	\$677.61
1960	59.50	\$79,617.99	40.00	1.99	0.0499	1.0000	\$3,969.41	\$1,990.45
1959	60.50	\$84,966.09	40.00	1.74	0.0434	1.0000	\$3,691.53	\$2,124.15
1958	61.50	\$64,569.04	40.00	1.50	0.0376	1.0000	\$2,427.39	\$1,614.23
1957	62.50	\$99,428.79	40.00	1.26	0.0314	1.0000	\$3,123.04	\$2,485.72
1956	63.50	\$97,132.92	40.00	1.04	0.0261	1.0000	\$2,532.28	\$2,428.32

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3810 PA

Dispersion: 40.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1955	64.50	\$70,627.62	40.00	0.81	0.0202	1.0000	\$1,429.28	\$1,765.69
1954	65.50	\$79,072.92	40.00	0.63	0.0157	1.0000	\$1,244.76	\$1,976.82
1953	66.50	\$88,957.57	40.00	0.35	0.0087	1.0000	\$778.28	\$2,223.94
1952	67.50	\$74,521.95	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1951	68.50	\$60,163.17	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1950	69.50	\$36,025.25	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1949	70.50	\$16,588.29	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1948	71.50	\$14,294.28	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1947	72.50	\$6,843.16	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1946	73.50	\$4,558.98	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1945	74.50	\$2,179.24	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1944	75.50	\$1,353.39	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1943	76.50	\$2,519.89	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1942	77.50	\$6,686.44	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1941	78.50	\$3,563.36	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1940	79.50	\$3,391.12	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1939	80.50	\$2,323.98	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1938	81.50	\$1,585.61	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1937	82.50	\$1,520.68	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1936	83.50	\$463.69	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1935	84.50	\$637.37	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1934	85.50	\$148.84	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1933	86.50	\$566.80	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1932	87.50	\$226.70	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	88.50	\$533.98	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1930	89.50	\$1,140.79	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1929	90.50	\$1,513.09	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	91.50	\$1,331.28	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1927	92.50	\$1,521.01	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1926	93.50	\$1,101.94	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	94.50	\$864.76	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	95.50	\$21.84	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3810 PA

Dispersion: 40.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1922	97.50	\$3.85	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1921	98.50	\$4.09	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1920	99.50	\$2.12	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1917	102.50	\$1.68	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1916	103.50	\$1.53	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1915	104.50	\$2.99	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1914	105.50	\$1.35	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1912	107.50	\$2.37	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1910	109.50	\$2.88	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1908	111.50	\$1.58	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1906	113.50	\$1.48	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1901	118.50	\$1.38	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1900	119.50	\$2.37	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$81,075,862.71	40.00	22.87	0.5700	1.0000	\$46,209,790.46	\$2,020,691.05

Remaining Life Depreciation Accrual

Account: PECO Gas 3810 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 40.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$81,075,862.71	22.87	\$1,703,234.84	2.100792%	4.372863%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$2,059,671.50)	0.50	(\$25,745.89)	1.250000%	
Total:	\$81,075,862.71 *		\$1,677,488.95	2.069036%	4.306764%
Average:	\$80,046,026.96		\$1,677,488.95	2.095655%	4.423726%
Grand Total:	\$81,075,862.71 *		\$1,677,488.95	2.069036%	4.306764%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3811 PA

Dispersion: 20.00 - S2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$598,431.94	20.00	19.50	0.9750	1.0000	\$583,471.14	\$29,921.60
2018	1.50	\$697,964.64	20.00	18.50	0.9250	1.0000	\$645,627.24	\$34,898.23
2017	2.50	\$3,559,826.33	20.00	17.50	0.8751	1.0000	\$3,115,299.31	\$177,991.32
2016	3.50	\$6,551,872.83	20.00	16.51	0.8256	1.0000	\$5,409,107.57	\$327,593.64
2015	4.50	\$23,792,671.15	20.00	15.53	0.7767	1.0000	\$18,479,409.71	\$1,189,633.56
2014	5.50	\$32,663,594.09	20.00	14.58	0.7288	1.0000	\$23,805,719.97	\$1,633,179.70
2013	6.50	\$2,270,274.80	20.00	13.65	0.6823	1.0000	\$1,549,068.38	\$113,513.74
		\$70,134,635.78	20.00	15.28	0.7641	1.0000	\$53,587,703.32	\$3,506,731.79

Remaining Life Depreciation Accrual

Account: PECO Gas 3811 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 20.00 - S2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$70,134,635.78	15.28	\$3,466,205.64	4.942217%	6.543911%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$258,349.25)	0.50	(\$6,458.73)	2.500000%	
Total:	\$70,134,635.78 *		\$3,459,746.91	4.933008%	6.531718%
Average:	\$70,005,461.16		\$3,459,746.91	4.942110%	6.547686%
Grand Total:	\$70,134,635.78 *		\$3,459,746.91	4.933008%	6.531718%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3820 PA

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$12,655,295.05	50.00	49.51	0.9901	1.0000	\$12,530,631.19	\$253,105.90
2018	1.50	\$10,289,919.42	50.00	48.53	0.9705	1.0000	\$9,986,390.53	\$205,798.39
2017	2.50	\$7,505,928.53	50.00	47.54	0.9509	1.0000	\$7,137,360.98	\$150,118.57
2016	3.50	\$7,277,861.55	50.00	46.57	0.9313	1.0000	\$6,778,227.17	\$145,557.23
2015	4.50	\$6,464,445.64	50.00	45.59	0.9119	1.0000	\$5,894,766.00	\$129,288.91
2014	5.50	\$4,286,860.66	50.00	44.62	0.8925	1.0000	\$3,825,863.25	\$85,737.21
2013	6.50	\$5,193,378.75	50.00	43.66	0.8731	1.0000	\$4,534,524.12	\$103,867.58
2012	7.50	\$4,345,134.27	50.00	42.69	0.8539	1.0000	\$3,710,265.75	\$86,902.69
2011	8.50	\$6,814,940.48	50.00	41.74	0.8347	1.0000	\$5,688,690.64	\$136,298.81
2010	9.50	\$3,429,406.22	50.00	40.78	0.8157	1.0000	\$2,797,313.06	\$68,588.12
2009	10.50	\$3,470,481.23	50.00	39.84	0.7967	1.0000	\$2,765,042.58	\$69,409.62
2008	11.50	\$2,724,246.41	50.00	38.89	0.7779	1.0000	\$2,119,166.69	\$54,484.93
2007	12.50	\$2,933,934.02	50.00	37.96	0.7592	1.0000	\$2,227,360.01	\$58,678.68
2006	13.50	\$2,936,910.75	50.00	37.03	0.7406	1.0000	\$2,175,026.54	\$58,738.22
2005	14.50	\$3,591,505.53	50.00	36.11	0.7221	1.0000	\$2,593,517.57	\$71,830.11
2004	15.50	\$2,094,220.38	50.00	35.19	0.7038	1.0000	\$1,473,925.38	\$41,884.41
2003	16.50	\$2,224,510.10	50.00	34.28	0.6856	1.0000	\$1,525,195.55	\$44,490.20
2002	17.50	\$3,606,582.26	50.00	33.38	0.6676	1.0000	\$2,407,811.32	\$72,131.65
2001	18.50	\$5,368,451.38	50.00	32.49	0.6498	1.0000	\$3,488,180.11	\$107,369.03
2000	19.50	\$769,707.63	50.00	31.60	0.6321	1.0000	\$486,502.78	\$15,394.15
1999	20.50	\$3,291,701.75	50.00	30.73	0.6145	1.0000	\$2,022,877.49	\$65,834.03
1998	21.50	\$13,373,569.35	50.00	29.86	0.5972	1.0000	\$7,986,539.71	\$267,471.39
1997	22.50	\$9,405,897.68	50.00	29.00	0.5800	1.0000	\$5,455,663.61	\$188,117.95
1996	23.50	\$4,056,530.75	50.00	28.15	0.5630	1.0000	\$2,284,014.12	\$81,130.62
1995	24.50	\$5,283,788.36	50.00	27.31	0.5463	1.0000	\$2,886,302.14	\$105,675.77
1994	25.50	\$4,106,267.64	50.00	26.48	0.5297	1.0000	\$2,174,933.53	\$82,125.35
1993	26.50	\$3,913,964.72	50.00	25.66	0.5133	1.0000	\$2,008,893.06	\$78,279.29
1992	27.50	\$3,603,904.42	50.00	24.85	0.4971	1.0000	\$1,791,391.14	\$72,078.09
1991	28.50	\$5,146,334.31	50.00	24.05	0.4811	1.0000	\$2,475,827.55	\$102,926.69
1990	29.50	\$3,238,106.16	50.00	23.27	0.4653	1.0000	\$1,506,738.18	\$64,762.12
1989	30.50	\$2,532,626.70	50.00	22.49	0.4498	1.0000	\$1,139,085.63	\$50,652.53
1988	31.50	\$2,534,245.43	50.00	21.72	0.4344	1.0000	\$1,100,959.11	\$50,684.91

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3820 PA

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$3,050,341.30	50.00	20.97	0.4193	1.0000	\$1,279,103.03	\$61,006.83
1986	33.50	\$2,752,663.61	50.00	20.22	0.4045	1.0000	\$1,113,359.45	\$55,053.27
1985	34.50	\$3,028,374.97	50.00	19.49	0.3898	1.0000	\$1,180,608.48	\$60,567.50
1984	35.50	\$1,815,077.87	50.00	18.77	0.3755	1.0000	\$681,526.19	\$36,301.56
1983	36.50	\$1,976,377.27	50.00	18.07	0.3614	1.0000	\$714,206.31	\$39,527.55
1982	37.50	\$1,801,003.43	50.00	17.38	0.3475	1.0000	\$625,915.16	\$36,020.07
1981	38.50	\$2,522,252.25	50.00	16.70	0.3340	1.0000	\$842,390.64	\$50,445.05
1980	39.50	\$3,036,185.02	50.00	16.04	0.3207	1.0000	\$973,774.29	\$60,723.70
1979	40.50	\$1,131,057.44	50.00	15.39	0.3078	1.0000	\$348,098.85	\$22,621.15
1978	41.50	\$538,019.64	50.00	14.76	0.2951	1.0000	\$158,781.03	\$10,760.39
1977	42.50	\$355,898.39	50.00	14.14	0.2828	1.0000	\$100,650.61	\$7,117.97
1976	43.50	\$303,702.65	50.00	13.54	0.2708	1.0000	\$82,251.61	\$6,074.05
1975	44.50	\$358,171.92	50.00	12.96	0.2592	1.0000	\$92,837.89	\$7,163.44
1974	45.50	\$418,317.12	50.00	12.40	0.2479	1.0000	\$103,712.66	\$8,366.34
1973	46.50	\$665,810.04	50.00	11.85	0.2370	1.0000	\$157,814.26	\$13,316.20
1972	47.50	\$630,356.31	50.00	11.32	0.2265	1.0000	\$142,770.83	\$12,607.13
1971	48.50	\$651,991.73	50.00	10.82	0.2163	1.0000	\$141,052.76	\$13,039.83
1970	49.50	\$444,886.16	50.00	10.33	0.2066	1.0000	\$91,899.50	\$8,897.72
1969	50.50	\$454,878.51	50.00	9.86	0.1972	1.0000	\$89,693.14	\$9,097.57
1968	51.50	\$371,314.22	50.00	9.41	0.1882	1.0000	\$69,871.19	\$7,426.28
1967	52.50	\$298,227.14	50.00	8.98	0.1795	1.0000	\$53,543.92	\$5,964.54
1966	53.50	\$214,080.99	50.00	8.56	0.1713	1.0000	\$36,667.67	\$4,281.62
1965	54.50	\$251,959.73	50.00	8.17	0.1634	1.0000	\$41,165.69	\$5,039.19
1964	55.50	\$173,302.35	50.00	7.79	0.1558	1.0000	\$27,005.73	\$3,466.05
1963	56.50	\$125,485.46	50.00	7.43	0.1486	1.0000	\$18,649.09	\$2,509.71
1962	57.50	\$125,022.12	50.00	7.09	0.1417	1.0000	\$17,717.85	\$2,500.44
1961	58.50	\$45,004.18	50.00	6.76	0.1351	1.0000	\$6,080.82	\$900.08
1960	59.50	\$90,101.48	50.00	6.44	0.1288	1.0000	\$11,603.76	\$1,802.03
1959	60.50	\$47,514.19	50.00	6.14	0.1227	1.0000	\$5,830.50	\$950.28
1958	61.50	\$52,454.47	50.00	5.84	0.1169	1.0000	\$6,129.32	\$1,049.09
1957	62.50	\$49,098.82	50.00	5.56	0.1112	1.0000	\$5,459.08	\$981.98
1956	63.50	\$42,627.06	50.00	5.28	0.1057	1.0000	\$4,504.72	\$852.54

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3820 PA

Dispersion: 50.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1955	64.50	\$52,043.61	50.00	5.01	0.1003	1.0000	\$5,219.96	\$1,040.87
1954	65.50	\$57,781.36	50.00	4.75	0.0950	1.0000	\$5,490.55	\$1,155.63
1953	66.50	\$36,524.25	50.00	4.49	0.0898	1.0000	\$3,280.35	\$730.49
1952	67.50	\$37,674.49	50.00	4.23	0.0846	1.0000	\$3,189.14	\$753.49
1951	68.50	\$19,431.46	50.00	3.98	0.0795	1.0000	\$1,545.01	\$388.63
1950	69.50	\$31,813.69	50.00	3.72	0.0744	1.0000	\$2,366.40	\$636.27
1949	70.50	\$25,667.53	50.00	3.46	0.0693	1.0000	\$1,777.66	\$513.35
1948	71.50	\$7,789.35	50.00	3.21	0.0641	1.0000	\$499.57	\$155.79
1947	72.50	\$9,459.09	50.00	2.95	0.0590	1.0000	\$558.29	\$189.18
1945	74.50	\$39.34	50.00	2.44	0.0489	1.0000	\$1.92	\$0.79
1944	75.50	\$2,798.56	50.00	2.19	0.0439	1.0000	\$122.77	\$55.97
1943	76.50	\$6,528.72	50.00	1.95	0.0389	1.0000	\$254.22	\$130.57
1942	77.50	\$2,260.55	50.00	1.71	0.0341	1.0000	\$77.09	\$45.21
1941	78.50	\$1,230.06	50.00	1.47	0.0294	1.0000	\$36.14	\$24.60
1940	79.50	\$2,804.86	50.00	1.24	0.0248	1.0000	\$69.50	\$56.10
1939	80.50	\$3,451.41	50.00	1.02	0.0203	1.0000	\$70.21	\$69.03
1938	81.50	\$4,465.56	50.00	0.81	0.0161	1.0000	\$71.98	\$89.31
1937	82.50	\$758.14	50.00	0.60	0.0120	1.0000	\$9.13	\$15.16
1936	83.50	\$392.66	50.00	0.25	0.0050	1.0000	\$1.96	\$7.85
1935	84.50	\$166.71	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1934	85.50	\$38.25	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1933	86.50	\$43.60	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1932	87.50	\$12.60	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	88.50	\$19.50	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1930	89.50	\$10.54	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1929	90.50	\$15.14	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	91.50	\$14.21	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1927	92.50	\$3.80	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1926	93.50	\$1.66	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$186,595,456.07	50.00	33.82	0.6765	1.0000	\$126,228,304.41	\$3,731,902.60

Remaining Life Depreciation Accrual

Account: PECO Gas 3820 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 50.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$186,595,456.07	33.82	\$3,516,624.20	1.884625%	2.956471%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$1,289,185.77)	0.50	(\$12,891.86)	1.000000%	
Total:	\$186,595,456.07 *		\$3,503,732.34	1.877716%	2.945632%
Average:	\$185,950,863.19		\$3,503,732.34	1.884225%	2.961682%
Grand Total:	\$186,595,456.07 *		\$3,503,732.34	1.877716%	2.945632%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3870 PA

Dispersion: 22.00 - S1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2016	3.50	\$19,055.77	22.00	18.56	0.8436	1.0000	\$16,075.57	\$866.17
2014	5.50	\$199,116.02	22.00	16.70	0.7592	1.0000	\$151,162.46	\$9,050.73
2009	10.50	\$74,455.23	22.00	12.61	0.5731	1.0000	\$42,670.55	\$3,384.33
2008	11.50	\$354,999.25	22.00	11.90	0.5408	1.0000	\$191,968.62	\$16,136.33
2007	12.50	\$37,413.81	22.00	11.22	0.5100	1.0000	\$19,080.69	\$1,700.63
2006	13.50	\$32,245.56	22.00	10.58	0.4809	1.0000	\$15,505.30	\$1,465.71
2005	14.50	\$2,280.86	22.00	9.97	0.4532	1.0000	\$1,033.70	\$103.68
2004	15.50	\$7,999.43	22.00	9.40	0.4271	1.0000	\$3,416.24	\$363.61
2003	16.50	\$386.07	22.00	8.85	0.4023	1.0000	\$155.31	\$17.55
2002	17.50	\$448.74	22.00	8.33	0.3788	1.0000	\$170.00	\$20.40
1998	21.50	\$0.43	22.00	6.53	0.2967	1.0000	\$0.13	\$0.02
1991	28.50	\$1,085,691.19	22.00	4.10	0.1864	1.0000	\$202,366.54	\$49,349.60
1990	29.50	\$87,966.45	22.00	3.81	0.1730	1.0000	\$15,219.87	\$3,998.48
1988	31.50	\$78,479.19	22.00	3.25	0.1476	1.0000	\$11,585.14	\$3,567.24
1987	32.50	\$2,782.50	22.00	2.98	0.1355	1.0000	\$377.07	\$126.48
1985	34.50	\$87,074.72	22.00	2.46	0.1120	1.0000	\$9,749.85	\$3,957.94
1982	37.50	\$8,416.09	22.00	1.71	0.0778	1.0000	\$654.49	\$382.55
1969	50.50	\$3,890.94	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1968	51.50	\$4,402.06	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1966	53.50	\$7,136.95	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1965	54.50	\$12,579.66	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1964	55.50	\$752.97	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1962	57.50	\$9,811.52	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1954	65.50	\$937.85	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$2,118,323.26	22.00	7.21	0.3216	1.0000	\$681,191.51	\$94,491.42

Remaining Life Depreciation Accrual

Account: PECO Gas 3870 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 22.00 - S1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$2,118,323.26	7.21	\$141,954.41	6.701263%	13.871492%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$253,902.56)	0.50	(\$5,770.51)	2.272726%	
Total:	\$2,118,323.26 *		\$136,183.90	6.428853%	13.307609%
Average:	\$1,991,371.98		\$136,183.90	6.838697%	15.192274%
Grand Total:	\$2,118,323.26 *		\$136,183.90	6.428853%	13.307609%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas 390 Composite 2020

Account: PECO Gas 390 Composite

Dispersion: 45.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2018	1.50	\$1,893,813.01	45.00	43.65	0.9699	1.0000	\$1,836,831.73	\$42,084.73
2017	2.50	\$492,410.38	45.00	42.75	0.9500	1.0000	\$467,789.16	\$10,942.45
2016	3.50	\$18,202.55	45.00	41.86	0.9302	1.0000	\$16,932.53	\$404.50
2015	4.50	\$694,511.94	45.00	40.98	0.9106	1.0000	\$632,419.12	\$15,433.60
2014	5.50	\$38,316.39	45.00	40.10	0.8911	1.0000	\$34,143.80	\$851.48
2006	13.50	\$883,357.10	45.00	33.32	0.7405	1.0000	\$654,166.47	\$19,630.16
2005	14.50	\$919,501.62	45.00	32.51	0.7225	1.0000	\$664,312.06	\$20,433.37
2004	15.50	\$10,125.00	45.00	31.71	0.7046	1.0000	\$7,133.73	\$225.00
2003	16.50	\$30,649.72	45.00	30.91	0.6868	1.0000	\$21,051.06	\$681.10
1995	24.50	\$216,345.73	45.00	24.84	0.5521	1.0000	\$119,437.50	\$4,807.68
1994	25.50	\$17,548.67	45.00	24.13	0.5361	1.0000	\$9,408.49	\$389.97
1992	27.50	\$1,774,500.25	45.00	22.73	0.5050	1.0000	\$896,162.60	\$39,433.34
1991	28.50	\$2,699.55	45.00	22.04	0.4898	1.0000	\$1,322.27	\$59.99
1989	30.50	\$115,814.54	45.00	20.70	0.4601	1.0000	\$53,283.01	\$2,573.66
1987	32.50	\$30,078.97	45.00	19.41	0.4314	1.0000	\$12,975.15	\$668.42
1986	33.50	\$120,002.64	45.00	18.78	0.4174	1.0000	\$50,089.60	\$2,666.73
1985	34.50	\$3,688.27	45.00	18.17	0.4037	1.0000	\$1,488.85	\$81.96
1984	35.50	\$4,312.39	45.00	17.56	0.3902	1.0000	\$1,682.85	\$95.83
1983	36.50	\$5,111.74	45.00	16.97	0.3771	1.0000	\$1,927.53	\$113.59
1982	37.50	\$22,815.31	45.00	16.39	0.3642	1.0000	\$8,309.22	\$507.01
1981	38.50	\$3,490.23	45.00	15.82	0.3516	1.0000	\$1,227.01	\$77.56
1979	40.50	\$26,600.10	45.00	14.72	0.3272	1.0000	\$8,704.12	\$591.11
1978	41.50	\$1,448.28	45.00	14.20	0.3155	1.0000	\$456.91	\$32.18
1977	42.50	\$16,455.30	45.00	13.68	0.3040	1.0000	\$5,003.02	\$365.67
1976	43.50	\$26,857.40	45.00	13.18	0.2929	1.0000	\$7,865.42	\$596.83
1975	44.50	\$90,069.62	45.00	12.69	0.2820	1.0000	\$25,400.48	\$2,001.55
1974	45.50	\$1,032.19	45.00	12.22	0.2714	1.0000	\$280.19	\$22.94
1973	46.50	\$4,866.88	45.00	11.75	0.2612	1.0000	\$1,271.14	\$108.15
1972	47.50	\$42,168.48	45.00	11.30	0.2512	1.0000	\$10,592.08	\$937.08
1971	48.50	\$3,414.51	45.00	10.87	0.2415	1.0000	\$824.62	\$75.88
1970	49.50	\$105.53	45.00	10.44	0.2321	1.0000	\$24.49	\$2.35
1969	50.50	\$1,482.53	45.00	10.03	0.2230	1.0000	\$330.56	\$32.95

Generation Arrangement Report

PECO Gas 390 Composite 2020

Account: PECO Gas 390 Composite

Dispersion: 45.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1968	51.50	\$868.44	45.00	9.64	0.2141	1.0000	\$185.94	\$19.30
1966	53.50	\$451.55	45.00	8.87	0.1972	1.0000	\$89.04	\$10.03
1965	54.50	\$4,980.19	45.00	8.51	0.1891	1.0000	\$941.70	\$110.67
1964	55.50	\$221.12	45.00	8.15	0.1812	1.0000	\$40.07	\$4.91
1963	56.50	\$4,977.86	45.00	7.81	0.1736	1.0000	\$864.21	\$110.62
1962	57.50	\$30,452.14	45.00	7.48	0.1662	1.0000	\$5,059.73	\$676.71
1961	58.50	\$527.79	45.00	7.15	0.1589	1.0000	\$83.86	\$11.73
1960	59.50	\$10,573.24	45.00	6.83	0.1518	1.0000	\$1,604.78	\$234.96
1958	61.50	\$36.82	45.00	6.21	0.1381	1.0000	\$5.08	\$0.82
1957	62.50	\$4,681.57	45.00	5.91	0.1313	1.0000	\$614.78	\$104.03
1956	63.50	\$628.92	45.00	5.61	0.1247	1.0000	\$78.40	\$13.98
1955	64.50	\$531.02	45.00	5.31	0.1181	1.0000	\$62.70	\$11.80
1953	66.50	\$1,746.80	45.00	4.73	0.1052	1.0000	\$183.70	\$38.82
1952	67.50	\$148,181.49	45.00	4.44	0.0987	1.0000	\$14,621.93	\$3,292.92
1951	68.50	\$131,398.32	45.00	4.15	0.0922	1.0000	\$12,115.73	\$2,919.96
1950	69.50	\$8,174.22	45.00	3.86	0.0858	1.0000	\$701.00	\$181.65
1949	70.50	\$63,061.68	45.00	3.58	0.0795	1.0000	\$5,011.98	\$1,401.37
1948	71.50	\$141,323.54	45.00	3.29	0.0731	1.0000	\$10,324.34	\$3,140.52
1947	72.50	\$167,797.08	45.00	3.00	0.0667	1.0000	\$11,185.31	\$3,728.82
1945	74.50	\$555.06	45.00	2.45	0.0543	1.0000	\$30.16	\$12.33
1944	75.50	\$2,504.83	45.00	2.17	0.0482	1.0000	\$120.63	\$55.66
1943	76.50	\$34.03	45.00	1.89	0.0421	1.0000	\$1.43	\$0.76
1942	77.50	\$330.51	45.00	1.62	0.0361	1.0000	\$11.92	\$7.34
1941	78.50	\$101.53	45.00	1.36	0.0302	1.0000	\$3.07	\$2.26
1940	79.50	\$547.84	45.00	1.13	0.0252	1.0000	\$13.78	\$12.17
1939	80.50	\$82.12	45.00	0.90	0.0201	1.0000	\$1.65	\$1.82
1937	82.50	\$145.04	45.00	0.60	0.0133	1.0000	\$1.93	\$3.22
1934	85.50	\$592.01	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1933	86.50	\$379.04	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1932	87.50	\$887.18	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	88.50	\$12,389.42	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1930	89.50	\$63,129.70	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00

Generation Arrangement Report

PECO Gas 390 Composite 2020

Account: PECO Gas 390 Composite

Dispersion: 45.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1929	90.50	\$20,441.26	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	91.50	\$17,692.59	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1927	92.50	\$2,625.90	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1926	93.50	\$175.73	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	94.50	\$69.47	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	95.50	\$33.74	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	96.50	\$80.20	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1920	99.50	\$885.33	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1919	100.50	\$492.98	45.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$8,356,586.12	45.00	30.69	0.6721	1.0000	\$5,616,805.64	\$183,038.03

Remaining Life Depreciation Accrual

Account: PECO Gas 390 Composite
 Scenario: PECO Gas 390 Composite 2020
 Dispersion: 45.00 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$8,356,586.12	30.69	\$179,278.03	2.145350%	3.258757%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$191,919.35)	0.50	(\$2,132.44)	1.111113%	
Total:	\$8,356,586.12 *		\$177,145.59	2.119832%	3.219995%
Average:	\$8,260,626.45		\$177,145.59	2.144457%	3.277158%
Grand Total:	\$8,356,586.12 *		\$177,145.59	2.119832%	3.219995%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3912 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2017	2.50	\$228,283.50	15.00	12.50	0.8333	1.0000	\$190,236.25	\$15,218.90
2013	6.50	\$62,557.53	15.00	8.50	0.5667	1.0000	\$35,449.27	\$4,170.50
2012	7.50	\$1,193.88	15.00	7.50	0.5000	1.0000	\$596.94	\$79.59
		\$292,034.91	15.00	11.62	0.7748	1.0000	\$226,282.46	\$19,468.99

Remaining Life Depreciation Accrual

Account: PECO Gas 3912 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$292,034.91	11.62	\$20,445.52	7.001054%	8.603846%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$0.00)	0.50	(\$0.00)	0.000000%	
Total:	\$292,034.91 *		\$20,445.52	7.001054%	8.603846%
Average:	\$292,034.91		\$20,445.52	7.001054%	8.603846%
Grand Total:	\$292,034.91 *		\$20,445.52	7.001054%	8.603846%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas 391.3 Composite 2020

Account: PECO Gas 3913 PA

Dispersion: 5.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$28,982.37	5.00	4.50	0.9000	1.0000	\$26,084.13	\$5,796.47
2018	1.50	\$2,240,827.36	5.00	3.50	0.7000	1.0000	\$1,568,579.15	\$448,165.47
2017	2.50	\$905,770.17	5.00	2.50	0.5000	1.0000	\$452,885.09	\$181,154.03
2015	4.50	\$34,807.57	5.00	0.50	0.1000	1.0000	\$3,480.76	\$6,961.51
		\$3,210,387.47	5.00	3.19	0.6389	1.0000	\$2,051,029.13	\$642,077.49

Remaining Life Depreciation Accrual

Account: PECO Gas 3913 PA
 Scenario: PECO Gas 391.3 Composite 2020
 Dispersion: 5.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$3,210,387.47	3.19	\$549,975.22	17.131116%	31.305136%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$34,807.57)	0.50	(\$3,480.76)	10.000009%	
Total:	\$3,210,387.47 *		\$546,494.46	17.022695%	31.107008%
Average:	\$3,192,983.69		\$546,494.46	17.115479%	31.418250%
Grand Total:	\$3,210,387.47 *		\$546,494.46	17.022695%	31.107008%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3940 PA

Dispersion: 20.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$1,204,453.92	20.00	19.50	0.9750	1.0000	\$1,174,342.57	\$60,222.70
2018	1.50	\$1,408,789.74	20.00	18.50	0.9250	1.0000	\$1,303,130.51	\$70,439.49
2017	2.50	\$1,330,543.22	20.00	17.50	0.8750	1.0000	\$1,164,225.32	\$66,527.16
2016	3.50	\$789,570.93	20.00	16.50	0.8250	1.0000	\$651,396.02	\$39,478.55
2015	4.50	\$626,101.96	20.00	15.50	0.7750	1.0000	\$485,229.02	\$31,305.10
2014	5.50	\$429,896.26	20.00	14.50	0.7250	1.0000	\$311,674.79	\$21,494.81
2013	6.50	\$492,497.32	20.00	13.50	0.6750	1.0000	\$332,435.69	\$24,624.87
2012	7.50	\$352,323.30	20.00	12.50	0.6250	1.0000	\$220,202.06	\$17,616.17
2011	8.50	\$476,038.52	20.00	11.50	0.5750	1.0000	\$273,722.15	\$23,801.93
2010	9.50	\$896,247.89	20.00	10.50	0.5250	1.0000	\$470,530.14	\$44,812.39
2009	10.50	\$907,863.63	20.00	9.50	0.4750	1.0000	\$431,235.22	\$45,393.18
2008	11.50	\$738,136.57	20.00	8.50	0.4250	1.0000	\$313,708.04	\$36,906.83
2007	12.50	\$460,766.21	20.00	7.50	0.3750	1.0000	\$172,787.33	\$23,038.31
2006	13.50	\$520,392.52	20.00	6.50	0.3250	1.0000	\$169,127.57	\$26,019.63
2005	14.50	\$324,274.22	20.00	5.50	0.2750	1.0000	\$89,175.41	\$16,213.71
2004	15.50	\$100,164.19	20.00	4.50	0.2250	1.0000	\$22,536.94	\$5,008.21
2003	16.50	\$196,795.42	20.00	3.50	0.1750	1.0000	\$34,439.20	\$9,839.77
2002	17.50	\$259,886.34	20.00	2.50	0.1250	1.0000	\$32,485.79	\$12,994.32
2001	18.50	\$377,404.46	20.00	1.50	0.0750	1.0000	\$28,305.33	\$18,870.22
2000	19.50	\$8,426.29	20.00	0.50	0.0250	1.0000	\$210.66	\$421.31
		\$11,900,572.91	20.00	12.91	0.6454	1.0000	\$7,680,899.77	\$595,028.65

Remaining Life Depreciation Accrual

Account: PECO Gas 3940 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 20.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$11,900,572.91	12.91	\$602,039.61	5.058913%	7.746861%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$8,426.29)	0.50	(\$210.66)	2.500033%	
Total:	\$11,900,572.91 *		\$601,828.95	5.057143%	7.744150%
Average:	\$11,896,359.77		\$601,828.95	5.058934%	7.748351%
Grand Total:	\$11,900,572.91 *		\$601,828.95	5.057143%	7.744150%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3970 PA

Dispersion: 5.00 - R3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2017	2.50	\$1,833,327.06	5.00	2.69	0.5389	1.0000	\$987,920.91	\$366,665.41
2016	3.50	\$271,314.51	5.00	1.92	0.3849	1.0000	\$104,437.94	\$54,262.90
2015	4.50	\$13,204.24	5.00	1.30	0.2591	1.0000	\$3,420.63	\$2,640.85
2014	5.50	\$50,131.40	5.00	0.86	0.1723	1.0000	\$8,639.76	\$10,026.28
2013	6.50	\$88,065.36	5.00	0.61	0.1216	1.0000	\$10,712.53	\$17,613.07
2012	7.50	\$2,365,733.80	5.00	0.45	0.0901	1.0000	\$213,044.69	\$473,146.76
		\$4,621,776.37	5.00	1.44	0.2874	1.0000	\$1,328,176.46	\$924,355.27

Remaining Life Depreciation Accrual

Account: PECO Gas 3970 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 5.00 - R3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$4,621,776.37	1.44	\$516,256.02	11.170078%	69.595815%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$2,713,232.93)	0.50	(\$271,323.29)	10.000000%	
Total:	\$4,621,776.37 *		\$244,932.73	5.299537%	33.019069%
Average:	\$3,265,159.91		\$244,932.73	7.501401%	-39.837814%
Grand Total:	\$4,621,776.37 *		\$244,932.73	5.299537%	33.019069%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Gas Groups 2020

Account: PECO Gas 3980 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2017	2.50	\$97,067.44	15.00	12.50	0.8333	1.0000	\$80,889.53	\$6,471.16
2015	4.50	\$30,200.00	15.00	10.50	0.7000	1.0000	\$21,140.00	\$2,013.33
2005	14.50	\$4,370.13	15.00	0.50	0.0333	1.0000	\$145.67	\$291.34
		\$131,637.57	15.00	11.64	0.7762	1.0000	\$102,175.20	\$8,775.84

Remaining Life Depreciation Accrual

Account: PECO Gas 3980 PA
 Scenario: PECO Gas Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$131,637.57	11.64	\$8,436.06	6.408551%	8.589010%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$4,370.13)	0.50	(\$145.67)	3.333310%	
Total:	\$131,637.57 *		\$8,290.39	6.297891%	8.440698%
Average:	\$129,452.51		\$8,290.39	6.404195%	8.632750%
Grand Total:	\$131,637.57 *		\$8,290.39	6.297891%	8.440698%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common 390 Composite 2020

Account: PECO Common 390 Composite

Dispersion: 55.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$16,374,286.28	55.00	54.63	0.9932	1.0000	\$16,263,689.95	\$297,714.30
2018	1.50	\$7,898,874.71	55.00	53.89	0.9798	1.0000	\$7,739,289.63	\$143,615.90
2017	2.50	\$12,934,930.98	55.00	53.15	0.9664	1.0000	\$12,500,680.39	\$235,180.56
2016	3.50	\$3,575,230.85	55.00	52.42	0.9531	1.0000	\$3,407,723.55	\$65,004.20
2015	4.50	\$3,629,817.27	55.00	51.70	0.9399	1.0000	\$3,411,781.82	\$65,996.68
2014	5.50	\$4,711,309.86	55.00	50.97	0.9268	1.0000	\$4,366,361.77	\$85,660.18
2013	6.50	\$6,922,683.16	55.00	50.25	0.9137	1.0000	\$6,325,236.64	\$125,866.97
2012	7.50	\$4,751,143.70	55.00	49.54	0.9007	1.0000	\$4,279,282.59	\$86,384.43
2011	8.50	\$2,943,249.59	55.00	48.83	0.8878	1.0000	\$2,612,884.64	\$53,513.63
2010	9.50	\$24,660,003.51	55.00	48.12	0.8749	1.0000	\$21,574,430.20	\$448,363.70
2009	10.50	\$14,640,579.01	55.00	47.41	0.8621	1.0000	\$12,621,051.19	\$266,192.35
2008	11.50	\$6,663,420.06	55.00	46.71	0.8493	1.0000	\$5,659,206.41	\$121,153.09
2007	12.50	\$4,705,608.60	55.00	46.01	0.8366	1.0000	\$3,936,687.29	\$85,556.52
2006	13.50	\$513,882.40	55.00	45.32	0.8240	1.0000	\$423,415.75	\$9,343.32
2005	14.50	\$1,401,279.17	55.00	44.63	0.8114	1.0000	\$1,136,962.01	\$25,477.80
2004	15.50	\$2,702,538.22	55.00	43.94	0.7988	1.0000	\$2,158,902.03	\$49,137.06
2003	16.50	\$22,906,697.35	55.00	43.25	0.7863	1.0000	\$18,012,627.68	\$416,485.41
2002	17.50	\$2,857,217.59	55.00	42.57	0.7739	1.0000	\$2,211,230.08	\$51,949.41
2001	18.50	\$815,059.23	55.00	41.88	0.7615	1.0000	\$620,687.97	\$14,819.26
2000	19.50	\$417,130.00	55.00	41.21	0.7492	1.0000	\$312,511.76	\$7,584.18
1999	20.50	\$1,981,853.83	55.00	40.53	0.7369	1.0000	\$1,460,455.67	\$36,033.71
1998	21.50	\$44,091,978.26	55.00	39.86	0.7247	1.0000	\$31,952,509.72	\$801,672.33
1997	22.50	\$5,502,353.29	55.00	39.19	0.7125	1.0000	\$3,920,475.29	\$100,042.79
1996	23.50	\$3,165,132.68	55.00	38.52	0.7004	1.0000	\$2,216,869.98	\$57,547.87
1995	24.50	\$23,437,087.41	55.00	37.86	0.6884	1.0000	\$16,133,006.64	\$426,128.86
1994	25.50	\$3,097,158.00	55.00	37.20	0.6764	1.0000	\$2,094,914.29	\$56,311.96
1993	26.50	\$7,516,764.16	55.00	36.55	0.6645	1.0000	\$4,994,898.25	\$136,668.44
1992	27.50	\$4,059,877.43	55.00	35.90	0.6527	1.0000	\$2,649,772.18	\$73,815.95
1991	28.50	\$2,550,438.91	55.00	35.25	0.6409	1.0000	\$1,634,646.70	\$46,371.62
1990	29.50	\$1,726,091.16	55.00	34.61	0.6293	1.0000	\$1,086,164.56	\$31,383.48
1989	30.50	\$426,333.42	55.00	33.97	0.6177	1.0000	\$263,350.50	\$7,751.52
1988	31.50	\$1,666,528.41	55.00	33.34	0.6062	1.0000	\$1,010,298.63	\$30,300.52

Generation Arrangement Report

PECO Common 390 Composite 2020

Account: PECO Common 390 Composite

Dispersion: 55.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1987	32.50	\$1,844,023.23	55.00	32.72	0.5948	1.0000	\$1,096,895.81	\$33,527.70
1986	33.50	\$1,149,739.30	55.00	32.10	0.5835	1.0000	\$670,926.50	\$20,904.35
1985	34.50	\$584,246.80	55.00	31.48	0.5724	1.0000	\$334,394.60	\$10,622.67
1984	35.50	\$1,758,437.52	55.00	30.87	0.5612	1.0000	\$986,922.10	\$31,971.59
1983	36.50	\$1,222,569.45	55.00	30.27	0.5503	1.0000	\$672,760.56	\$22,228.54
1982	37.50	\$293,436.25	55.00	29.67	0.5394	1.0000	\$158,281.25	\$5,335.20
1981	38.50	\$1,010,941.86	55.00	29.07	0.5286	1.0000	\$534,415.79	\$18,380.76
1980	39.50	\$385,038.06	55.00	28.49	0.5180	1.0000	\$199,433.84	\$7,000.69
1979	40.50	\$80,905.97	55.00	27.91	0.5074	1.0000	\$41,051.90	\$1,471.02
1978	41.50	\$390,755.99	55.00	27.33	0.4970	1.0000	\$194,198.21	\$7,104.65
1977	42.50	\$183,981.58	55.00	26.77	0.4867	1.0000	\$89,535.23	\$3,345.12
1976	43.50	\$104,333.63	55.00	26.20	0.4764	1.0000	\$49,708.25	\$1,896.98
1975	44.50	\$74,766.72	55.00	25.65	0.4663	1.0000	\$34,866.61	\$1,359.39
1974	45.50	\$81,268.56	55.00	25.10	0.4563	1.0000	\$37,086.50	\$1,477.61
1973	46.50	\$9,578.53	55.00	24.56	0.4465	1.0000	\$4,276.56	\$174.16
1972	47.50	\$25,917,549.82	55.00	24.02	0.4367	1.0000	\$11,319,299.38	\$471,228.18
1971	48.50	\$13,302.70	55.00	23.49	0.4271	1.0000	\$5,681.70	\$241.87
1970	49.50	\$4,400,615.40	55.00	22.97	0.4176	1.0000	\$1,837,641.54	\$80,011.19
1969	50.50	\$23,966.84	55.00	22.45	0.4082	1.0000	\$9,782.65	\$435.76
1968	51.50	\$3,141,882.22	55.00	21.94	0.3989	1.0000	\$1,253,248.38	\$57,125.13
1967	52.50	\$588,794.05	55.00	21.43	0.3897	1.0000	\$229,465.47	\$10,705.35
1966	53.50	\$9,078.19	55.00	20.94	0.3807	1.0000	\$3,455.68	\$165.06
1965	54.50	\$230,964.86	55.00	20.44	0.3717	1.0000	\$85,852.13	\$4,199.36
1964	55.50	\$448.18	55.00	19.96	0.3629	1.0000	\$162.63	\$8.15
1963	56.50	\$102,934.00	55.00	19.48	0.3541	1.0000	\$36,453.33	\$1,871.53
1962	57.50	\$13,782.07	55.00	19.00	0.3455	1.0000	\$4,762.06	\$250.58
1961	58.50	\$798,747.44	55.00	18.54	0.3370	1.0000	\$269,203.05	\$14,522.68
1960	59.50	\$42,053.63	55.00	18.07	0.3286	1.0000	\$13,820.33	\$764.61
1959	60.50	\$506,068.46	55.00	17.62	0.3203	1.0000	\$162,115.29	\$9,201.24
1958	61.50	\$114,683.49	55.00	17.17	0.3122	1.0000	\$35,799.91	\$2,085.15
1957	62.50	\$46,520.58	55.00	16.72	0.3041	1.0000	\$14,145.83	\$845.83
1956	63.50	\$1,380,415.82	55.00	16.29	0.2961	1.0000	\$408,755.41	\$25,098.47

Generation Arrangement Report

PECO Common 390 Composite 2020

Account: PECO Common 390 Composite

Dispersion: 55.00 - R1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1955	64.50	\$35,565.89	55.00	15.85	0.2882	1.0000	\$10,251.37	\$646.65
1954	65.50	\$1,992.49	55.00	15.43	0.2805	1.0000	\$558.83	\$36.23
1953	66.50	\$79,248.67	55.00	15.00	0.2728	1.0000	\$21,618.72	\$1,440.88
1952	67.50	\$63,925.13	55.00	14.59	0.2652	1.0000	\$16,954.20	\$1,162.28
1951	68.50	\$16,504.21	55.00	14.18	0.2578	1.0000	\$4,253.99	\$300.08
1950	69.50	\$3,326.06	55.00	13.77	0.2504	1.0000	\$832.72	\$60.47
1949	70.50	\$60,980.97	55.00	13.37	0.2431	1.0000	\$14,823.37	\$1,108.74
1948	71.50	\$238.29	55.00	12.97	0.2359	1.0000	\$56.21	\$4.33
1947	72.50	\$293.41	55.00	12.58	0.2288	1.0000	\$67.13	\$5.33
1946	73.50	\$1,117.60	55.00	12.20	0.2218	1.0000	\$247.87	\$20.32
1944	75.50	\$448,912.54	55.00	11.44	0.2080	1.0000	\$93,386.90	\$8,162.05
1942	77.50	\$3,975.39	55.00	10.70	0.1946	1.0000	\$773.74	\$72.28
1941	78.50	\$1,241.54	55.00	10.34	0.1881	1.0000	\$233.49	\$22.57
1938	81.50	\$8,310.34	55.00	9.29	0.1688	1.0000	\$1,403.02	\$151.10
1937	82.50	\$121.50	55.00	8.94	0.1626	1.0000	\$19.76	\$2.21
1933	86.50	\$25.47	55.00	7.61	0.1384	1.0000	\$3.52	\$0.46
1931	88.50	\$403.82	55.00	6.97	0.1268	1.0000	\$51.20	\$7.34
1930	89.50	\$122.02	55.00	6.66	0.1211	1.0000	\$14.78	\$2.22
1927	92.50	\$13,978.16	55.00	5.74	0.1043	1.0000	\$1,458.33	\$254.15
1925	94.50	\$5,647.17	55.00	5.14	0.0935	1.0000	\$528.10	\$102.68
1924	95.50	\$5,907.45	55.00	4.85	0.0882	1.0000	\$521.08	\$107.41
1922	97.50	\$232.91	55.00	4.26	0.0774	1.0000	\$18.03	\$4.23
1914	105.50	\$1,588.23	55.00	1.75	0.0318	1.0000	\$50.51	\$28.88
1892	127.50	\$520.35	55.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$292,506,549.31	55.00	41.36	0.7520	1.0000	\$219,954,531.12	\$5,318,291.44

Remaining Life Depreciation Accrual

Account: PECO Common 390 Composite
 Scenario: PECO Common 390 Composite 2020
 Dispersion: 55.00 - R1
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$292,506,549.31	41.36	\$5,145,060.28	1.758956%	2.417905%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$2,712,096.99)	0.50	(\$24,655.43)	0.909091%	
Total:	\$292,506,549.31 *		\$5,120,404.85	1.750527%	2.406318%
Average:	\$291,150,500.82		\$5,120,404.85	1.758680%	2.421751%
Grand Total:	\$292,506,549.31 *		\$5,120,404.85	1.750527%	2.406318%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3911 PA

Dispersion: 10.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$100,572.80	10.00	9.50	0.9500	1.0000	\$95,544.16	\$10,057.28
2013	6.50	\$4,856.00	10.00	3.50	0.3500	1.0000	\$1,699.60	\$485.60
2012	7.50	\$23,764.11	10.00	2.50	0.2500	1.0000	\$5,941.03	\$2,376.41
		\$129,192.91	10.00	7.99	0.7987	1.0000	\$103,184.79	\$12,919.29

Remaining Life Depreciation Accrual

Account: PECO Common 3911 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 10.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$129,192.91	7.99	\$13,620.69	10.542906%	12.520538%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$0.00)	0.50	(\$0.00)	0.000000%	
Total:	\$129,192.91 *		\$13,620.69	10.542906%	12.520538%
Average:	\$129,192.91		\$13,620.69	10.542906%	12.520538%
Grand Total:	\$129,192.91 *		\$13,620.69	10.542906%	12.520538%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3912 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$5,221,794.76	15.00	14.50	0.9667	1.0000	\$5,047,734.93	\$348,119.65
2018	1.50	\$1,869,943.97	15.00	13.50	0.9000	1.0000	\$1,682,949.57	\$124,662.93
2017	2.50	\$6,307,755.93	15.00	12.50	0.8333	1.0000	\$5,256,463.28	\$420,517.06
2016	3.50	\$2,471,822.59	15.00	11.50	0.7667	1.0000	\$1,894,910.65	\$164,774.84
2015	4.50	\$765,681.81	15.00	10.50	0.7000	1.0000	\$535,977.27	\$51,045.45
2014	5.50	\$269,581.12	15.00	9.50	0.6333	1.0000	\$170,734.71	\$17,972.07
2013	6.50	\$551,666.18	15.00	8.50	0.5667	1.0000	\$312,610.84	\$36,777.75
2012	7.50	\$264,226.94	15.00	7.50	0.5000	1.0000	\$132,113.47	\$17,615.13
2011	8.50	\$486,527.93	15.00	6.50	0.4333	1.0000	\$210,828.77	\$32,435.20
2010	9.50	\$953,124.79	15.00	5.50	0.3667	1.0000	\$349,479.09	\$63,541.65
2009	10.50	\$68,987.13	15.00	4.50	0.3000	1.0000	\$20,696.14	\$4,599.14
2008	11.50	\$863,609.06	15.00	3.50	0.2333	1.0000	\$201,508.78	\$57,573.94
2007	12.50	\$25,407.89	15.00	2.50	0.1667	1.0000	\$4,234.65	\$1,693.86
2006	13.50	\$573,068.01	15.00	1.50	0.1000	1.0000	\$57,306.80	\$38,204.53
2005	14.50	\$665,143.95	15.00	0.50	0.0333	1.0000	\$22,171.46	\$44,342.93
		\$21,358,142.06	15.00	11.17	0.7444	1.0000	\$15,899,720.41	\$1,423,876.14

Remaining Life Depreciation Accrual

Account: PECO Common 3912 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$21,358,142.06	11.17	\$1,558,804.34	7.298408%	8.955354%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$665,143.95)	0.50	(\$22,171.47)	3.333334%	
Total:	\$21,358,142.06 *		\$1,536,632.87	7.194600%	8.827978%
Average:	\$21,025,570.08		\$1,536,632.87	7.308400%	8.999934%
Grand Total:	\$21,358,142.06 *		\$1,536,632.87	7.194600%	8.827978%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common 391.3 Composite 2020

Account: PECO Common 3913 Composite

Dispersion: 5.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$7,091,642.27	5.00	4.50	0.9000	1.0000	\$6,382,478.04	\$1,418,328.45
2018	1.50	\$8,353,521.79	5.00	3.50	0.7000	1.0000	\$5,847,465.25	\$1,670,704.36
2017	2.50	\$7,707,061.32	5.00	2.50	0.5000	1.0000	\$3,853,530.66	\$1,541,412.26
2016	3.50	\$9,396,115.90	5.00	1.50	0.3000	1.0000	\$2,818,834.77	\$1,879,223.18
2015	4.50	\$5,077,190.59	5.00	0.50	0.1000	1.0000	\$507,719.06	\$1,015,438.12
2012	7.50	(\$2,682.00)	5.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$37,622,849.87	5.00	2.58	0.5159	1.0000	\$19,410,027.79	\$7,525,106.37

Remaining Life Depreciation Accrual

Account: PECO Common 3913 Composite
 Scenario: PECO Common 391.3 Composite 2020
 Dispersion: 5.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$37,622,849.87	2.58	\$7,878,763.21	20.941431%	38.769172%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$5,077,190.59)	0.50	(\$507,719.06)	10.000000%	
Total:	\$37,622,849.87 *		\$7,371,044.15	19.591935%	36.270830%
Average:	\$35,084,254.57		\$7,371,044.15	21.009550%	41.448450%
Grand Total:	\$37,622,849.87 *		\$7,371,044.15	19.591935%	36.270830%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3921 PA

Dispersion: 6.00 - L3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2017	2.50	\$2,306.80	6.00	3.59	0.5978	1.0000	\$1,379.01	\$384.47
2015	4.50	\$752.09	6.00	2.22	0.3694	1.0000	\$277.84	\$125.35
2002	17.50	\$90,582.44	6.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$93,641.33	6.00	3.25	0.0177	1.0000	\$1,656.86	\$509.82

Remaining Life Depreciation Accrual

Account: PECO Common 3921 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 6.00 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$93,641.33	3.25	\$188.36	0.201149%	30.769979%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$355.49)	0.50	(\$29.62)	8.332161%	
Total:	\$93,641.33 *		\$158.74	0.169517%	25.931295%
Average:	\$93,463.59		\$158.74	0.169840%	36.541574%
Grand Total:	\$93,641.33 *		\$158.74	0.169517%	25.931295%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3922 PA

Dispersion: 12.00 - S4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$4,568,194.78	12.00	11.50	0.9583	1.0000	\$4,377,853.32	\$380,682.90
2018	1.50	\$2,383,578.77	12.00	10.50	0.8750	1.0000	\$2,085,631.42	\$198,631.56
2017	2.50	\$3,397,928.07	12.00	9.50	0.7917	1.0000	\$2,690,026.38	\$283,160.67
2016	3.50	\$5,548,764.84	12.00	8.50	0.7083	1.0000	\$3,930,375.08	\$462,397.07
2015	4.50	\$4,278,140.61	12.00	7.50	0.6250	1.0000	\$2,673,909.17	\$356,511.72
2014	5.50	\$4,332,776.39	12.00	6.50	0.5419	1.0000	\$2,347,839.77	\$361,064.70
2013	6.50	\$3,185,295.62	12.00	5.52	0.4598	1.0000	\$1,464,645.72	\$265,441.30
2012	7.50	\$793,430.84	12.00	4.57	0.3811	1.0000	\$302,377.08	\$66,119.24
2011	8.50	\$1,269,982.95	12.00	3.71	0.3095	1.0000	\$392,998.96	\$105,831.91
2010	9.50	\$4,035,945.62	12.00	2.98	0.2480	1.0000	\$1,000,895.81	\$336,328.80
2009	10.50	\$268,807.43	12.00	2.37	0.1979	1.0000	\$53,186.23	\$22,400.62
2008	11.50	\$157,824.29	12.00	1.90	0.1586	1.0000	\$25,023.83	\$13,152.02
2007	12.50	\$12,551.56	12.00	1.54	0.1281	1.0000	\$1,607.98	\$1,045.96
2006	13.50	\$17,794.82	12.00	1.26	0.1047	1.0000	\$1,863.96	\$1,482.90
2005	14.50	\$5,237.68	12.00	1.04	0.0865	1.0000	\$453.07	\$436.47
2004	15.50	\$39,689.27	12.00	0.87	0.0721	1.0000	\$2,861.00	\$3,307.44
2003	16.50	\$51,311.47	12.00	0.74	0.0613	1.0000	\$3,146.50	\$4,275.96
2002	17.50	\$293,087.50	12.00	0.63	0.0527	1.0000	\$15,443.26	\$24,423.96
		\$34,640,342.51	12.00	7.40	0.6169	1.0000	\$21,370,138.57	\$2,886,695.21

Remaining Life Depreciation Accrual

Account: PECO Common 3922 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 12.00 - S4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$34,640,342.51	7.40	\$2,521,091.42	7.277906%	13.508079%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$1,179,106.92)	0.50	(\$49,129.45)	4.166666%	
Total:	\$34,640,342.51 *		\$2,471,961.97	7.136078%	13.244842%
Average:	\$34,050,789.05		\$2,471,961.97	7.259632%	13.676873%
Grand Total:	\$34,640,342.51 *		\$2,471,961.97	7.136078%	13.244842%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3923 PA

Dispersion: 14.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$13,483,377.98	14.00	13.50	0.9643	1.0000	\$13,002,245.24	\$963,098.43
2018	1.50	\$4,552,920.78	14.00	12.50	0.8930	1.0000	\$4,065,912.96	\$325,208.63
2017	2.50	\$7,617,326.79	14.00	11.51	0.8219	1.0000	\$6,261,041.26	\$544,094.77
2016	3.50	\$9,193,523.00	14.00	10.52	0.7512	1.0000	\$6,906,519.55	\$656,680.21
2015	4.50	\$3,476,528.53	14.00	9.54	0.6812	1.0000	\$2,368,206.99	\$248,323.47
2014	5.50	\$10,424,413.99	14.00	8.57	0.6123	1.0000	\$6,382,359.67	\$744,601.00
2013	6.50	\$7,492,009.97	14.00	7.63	0.5449	1.0000	\$4,082,722.87	\$535,143.57
2012	7.50	\$4,508,398.95	14.00	6.72	0.4799	1.0000	\$2,163,456.43	\$322,028.50
2011	8.50	\$4,044,377.53	14.00	5.85	0.4178	1.0000	\$1,689,569.48	\$288,884.11
2010	9.50	\$7,893,545.70	14.00	5.03	0.3591	1.0000	\$2,834,753.62	\$563,824.69
2009	10.50	\$3,157,176.58	14.00	4.26	0.3043	1.0000	\$960,768.91	\$225,512.61
2008	11.50	\$8,202,013.53	14.00	3.55	0.2533	1.0000	\$2,077,770.87	\$585,858.11
2007	12.50	\$3,373,001.20	14.00	2.89	0.2062	1.0000	\$695,357.35	\$240,928.66
2006	13.50	\$341,160.92	14.00	2.31	0.1652	1.0000	\$56,374.30	\$24,368.64
2005	14.50	\$14,707.63	14.00	1.86	0.1326	1.0000	\$1,950.08	\$1,050.54
2004	15.50	(\$171,069.52)	14.00	1.50	0.1072	1.0000	(\$18,333.24)	(\$12,219.25)
2002	17.50	\$6,881.87	14.00	0.95	0.0681	1.0000	\$468.63	\$491.56
2001	18.50	\$2,173.23	14.00	0.73	0.0518	1.0000	\$112.55	\$155.23
1997	22.50	\$202,652.05	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1996	23.50	\$203,960.32	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1994	25.50	\$141,407.95	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1992	27.50	(\$345,713.56)	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$87,814,775.42	14.00	8.55	0.6096	1.0000	\$53,531,257.53	\$6,258,033.48

Remaining Life Depreciation Accrual

Account: PECO Common 3923 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 14.00 - R4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$87,814,775.42	8.55	\$5,921,596.28	6.743280%	11.690429%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$2,394,426.98)	0.50	(\$85,515.25)	3.571429%	
Total:	\$87,814,775.42 *		\$5,836,081.03	6.645899%	11.521605%
Average:	\$86,617,561.93		\$5,836,081.03	6.737757%	11.800515%
Grand Total:	\$87,814,775.42 *		\$5,836,081.03	6.645899%	11.521605%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3924 PA

Dispersion: 11.00 - L2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2009	10.50	\$57,897.77	11.00	4.42	0.4014	1.0000	\$23,239.72	\$5,263.43
2002	17.50	\$44,306.19	11.00	2.71	0.2459	1.0000	\$10,895.95	\$4,027.84
1995	24.50	\$177,146.57	11.00	1.28	0.1160	1.0000	\$20,553.05	\$16,104.23
		\$279,350.53	11.00	2.15	0.1958	1.0000	\$54,688.72	\$25,395.50

Remaining Life Depreciation Accrual

Account: PECO Common 3924 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 11.00 - L2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$279,350.53	2.15	(\$661.48)	-0.236791%	46.436466%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$112,176.99)	0.50	(\$5,098.95)	4.545451%	
Total:	\$279,350.53 *		(\$5,760.43)	-2.062079%	404.388139%
Average:	\$223,262.04		(\$5,760.43)	-2.580120%	10.015876%
Grand Total:	\$279,350.53 *		(\$5,760.43)	-2.062079%	404.388139%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3925 PA

Dispersion: 14.00 - L1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$32,331.84	14.00	13.52	0.9655	1.0000	\$31,215.42	\$2,309.42
2018	1.50	\$373,028.56	14.00	12.58	0.8984	1.0000	\$335,146.22	\$26,644.90
2017	2.50	\$666,229.90	14.00	11.69	0.8351	1.0000	\$556,362.48	\$47,587.85
2016	3.50	\$850,547.86	14.00	10.87	0.7761	1.0000	\$660,132.23	\$60,753.42
2015	4.50	\$445,680.25	14.00	10.10	0.7217	1.0000	\$321,666.07	\$31,834.30
2014	5.50	\$303,236.60	14.00	9.41	0.6720	1.0000	\$203,774.57	\$21,659.76
2013	6.50	\$70,130.41	14.00	8.79	0.6278	1.0000	\$44,024.95	\$5,009.31
2012	7.50	\$98,806.05	14.00	8.25	0.5894	1.0000	\$58,239.12	\$7,057.58
2011	8.50	\$45,336.50	14.00	7.79	0.5566	1.0000	\$25,232.79	\$3,238.32
2010	9.50	\$308,073.67	14.00	7.39	0.5280	1.0000	\$162,660.74	\$22,005.26
2009	10.50	\$7,165.37	14.00	7.04	0.5028	1.0000	\$3,602.98	\$511.81
2008	11.50	(\$265,209.35)	14.00	6.72	0.4802	1.0000	(\$127,360.61)	(\$18,943.52)
2007	12.50	\$628,518.67	14.00	6.43	0.4594	1.0000	\$288,727.95	\$44,894.19
2006	13.50	\$50,554.48	14.00	6.15	0.4396	1.0000	\$22,224.69	\$3,611.03
2005	14.50	\$23,623.28	14.00	5.89	0.4205	1.0000	\$9,933.74	\$1,687.38
2004	15.50	\$9,379.42	14.00	5.62	0.4017	1.0000	\$3,767.27	\$669.96
2003	16.50	\$23,049.70	14.00	5.36	0.3830	1.0000	\$8,827.28	\$1,646.41
2002	17.50	\$174,201.67	14.00	5.10	0.3644	1.0000	\$63,486.57	\$12,442.98
2001	18.50	\$16,382.93	14.00	4.85	0.3461	1.0000	\$5,670.91	\$1,170.21
2000	19.50	\$67,159.32	14.00	4.59	0.3282	1.0000	\$22,041.08	\$4,797.09
1997	22.50	\$232,446.39	14.00	3.88	0.2773	1.0000	\$64,453.58	\$16,603.31
1996	23.50	\$209,721.43	14.00	3.66	0.2614	1.0000	\$54,824.44	\$14,980.10
1995	24.50	\$71,710.56	14.00	3.45	0.2461	1.0000	\$17,650.85	\$5,122.18
1994	25.50	(\$36,535.68)	14.00	3.24	0.2314	1.0000	(\$8,455.30)	(\$2,609.69)
1988	31.50	\$9,324.38	14.00	2.16	0.1544	1.0000	\$1,439.88	\$666.03
1978	41.50	\$14,407.27	14.00	0.25	0.0178	1.0000	\$256.62	\$1,029.09
1976	43.50	\$1,544.50	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1975	44.50	\$25,351.71	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1974	45.50	\$814.23	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1973	46.50	\$67,709.54	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1972	47.50	\$4,524.32	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1971	48.50	\$6,644.50	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3925 PA

Dispersion: 14.00 - L1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1970	49.50	\$27,731.60	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1969	50.50	\$11,345.85	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1968	51.50	\$54,611.08	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1967	52.50	\$23,398.38	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1966	53.50	\$3,152.61	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1963	56.50	\$1,026.82	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1962	57.50	\$972.68	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1961	58.50	\$3,539.00	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1960	59.50	\$5,673.50	14.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$4,667,341.80	14.00	8.94	0.6062	1.0000	\$2,829,546.53	\$316,378.68

Remaining Life Depreciation Accrual

Account: PECO Common 3925 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 14.00 - L1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$4,667,341.80	8.94	\$252,766.01	5.415631%	11.181250%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$300,724.93)	0.50	(\$10,740.18)	3.571430%	
Total:	\$4,667,341.80 *		\$242,025.83	5.185518%	10.706152%
Average:	\$4,516,979.34		\$242,025.83	5.358135%	11.468997%
Grand Total:	\$4,667,341.80 *		\$242,025.83	5.185518%	10.706152%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3926 PA

Dispersion: 15.00 - L2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$17,848.96	15.00	14.50	0.9667	1.0000	\$17,254.76	\$1,189.93
2018	1.50	\$118,132.30	15.00	13.52	0.9010	1.0000	\$106,440.74	\$7,875.49
2016	3.50	\$125,532.09	15.00	11.65	0.7769	1.0000	\$97,520.54	\$8,368.81
2015	4.50	\$200,945.00	15.00	10.79	0.7191	1.0000	\$144,505.13	\$13,396.33
2014	5.50	\$322,483.80	15.00	9.97	0.6644	1.0000	\$214,246.54	\$21,498.92
2012	7.50	\$248,450.64	15.00	8.54	0.5696	1.0000	\$141,518.60	\$16,563.38
2011	8.50	\$5,537.55	15.00	7.98	0.5318	1.0000	\$2,944.76	\$369.17
2010	9.50	\$280,071.99	15.00	7.50	0.5002	1.0000	\$140,081.34	\$18,671.47
2009	10.50	\$231,325.16	15.00	7.11	0.4737	1.0000	\$109,573.48	\$15,421.68
2008	11.50	\$149,463.48	15.00	6.77	0.4513	1.0000	\$67,446.71	\$9,964.23
2007	12.50	\$365,024.87	15.00	6.48	0.4318	1.0000	\$157,618.65	\$24,334.99
2006	13.50	\$906,063.59	15.00	6.21	0.4143	1.0000	\$375,372.51	\$60,404.24
2005	14.50	\$310,885.69	15.00	5.97	0.3979	1.0000	\$123,699.45	\$20,725.71
2003	16.50	\$302,059.24	15.00	5.49	0.3659	1.0000	\$110,526.97	\$20,137.28
2002	17.50	\$1,179,478.95	15.00	5.25	0.3497	1.0000	\$412,510.91	\$78,631.93
2000	19.50	\$5,141.00	15.00	4.75	0.3165	1.0000	\$1,627.22	\$342.73
1996	23.50	\$28,685.34	15.00	3.76	0.2507	1.0000	\$7,191.12	\$1,912.36
1995	24.50	\$70,184.76	15.00	3.53	0.2350	1.0000	\$16,495.40	\$4,678.98
1994	25.50	\$74,146.19	15.00	3.30	0.2199	1.0000	\$16,303.38	\$4,943.08
1993	26.50	\$27,544.80	15.00	3.08	0.2052	1.0000	\$5,652.62	\$1,836.32
1992	27.50	\$6,119.39	15.00	2.86	0.1909	1.0000	\$1,167.93	\$407.96
1983	36.50	\$2,890.72	15.00	1.16	0.0774	1.0000	\$223.75	\$192.71
1974	45.50	\$3,888.93	15.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1973	46.50	\$3,536.26	15.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1972	47.50	\$17,323.55	15.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1965	54.50	\$84,406.50	15.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1962	57.50	\$57.56	15.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1946	73.50	\$920.22	15.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$5,088,148.53	15.00	6.84	0.4461	1.0000	\$2,269,922.51	\$331,867.70

Remaining Life Depreciation Accrual

Account: PECO Common 3926 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 15.00 - L2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$5,088,148.53	6.84	\$156,253.29	3.070926%	14.620221%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$516,029.75)	0.50	(\$17,200.99)	3.333333%	
Total:	\$5,088,148.53 *		\$139,052.30	2.732866%	13.010768%
Average:	\$4,830,133.66		\$139,052.30	2.878850%	17.151431%
Grand Total:	\$5,088,148.53 *		\$139,052.30	2.732866%	13.010768%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3927 PA

Dispersion: 8.00 - L4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$10,732,773.91	8.00	7.50	0.9375	1.0000	\$10,061,975.41	\$1,341,596.74
2018	1.50	\$4,451,531.94	8.00	6.50	0.8125	1.0000	\$3,616,869.65	\$556,441.49
2017	2.50	\$1,995,253.94	8.00	5.50	0.6876	1.0000	\$1,371,890.46	\$249,406.74
		\$17,179,559.79	8.00	7.01	0.8761	1.0000	\$15,050,735.51	\$2,147,444.97

Remaining Life Depreciation Accrual

Account: PECO Common 3927 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 8.00 - L4
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$17,179,559.79	7.01	\$2,105,573.35	12.256271%	14.268040%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$8,188.68)	0.50	(\$511.79)	6.249969%	
Total:	\$17,179,559.79 *		\$2,105,061.56	12.253292%	14.264572%
Average:	\$17,175,465.45		\$2,105,061.56	12.256213%	14.268531%
Grand Total:	\$17,179,559.79 *		\$2,105,061.56	12.253292%	14.264572%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3930 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$196,774.10	15.00	14.50	0.9667	1.0000	\$190,214.96	\$13,118.27
2018	1.50	\$463,423.36	15.00	13.50	0.9000	1.0000	\$417,081.02	\$30,894.89
2017	2.50	\$785.81	15.00	12.50	0.8333	1.0000	\$654.84	\$52.39
2016	3.50	\$115,923.80	15.00	11.50	0.7667	1.0000	\$88,874.91	\$7,728.25
2015	4.50	\$770.40	15.00	10.50	0.7000	1.0000	\$539.28	\$51.36
2014	5.50	\$770.40	15.00	9.50	0.6333	1.0000	\$487.92	\$51.36
2013	6.50	\$46,416.68	15.00	8.50	0.5667	1.0000	\$26,302.79	\$3,094.45
2011	8.50	\$5,183.04	15.00	6.50	0.4333	1.0000	\$2,245.98	\$345.54
2010	9.50	\$60,242.00	15.00	5.50	0.3667	1.0000	\$22,088.73	\$4,016.13
2009	10.50	\$54,743.00	15.00	4.50	0.3000	1.0000	\$16,422.90	\$3,649.53
2008	11.50	\$83,816.00	15.00	3.50	0.2333	1.0000	\$19,557.07	\$5,587.73
2007	12.50	\$270,798.56	15.00	2.50	0.1667	1.0000	\$45,133.09	\$18,053.24
2006	13.50	\$134,383.00	15.00	1.50	0.1000	1.0000	\$13,438.30	\$8,958.87
		\$1,434,030.15	15.00	8.82	0.5879	1.0000	\$843,041.81	\$95,602.01

Remaining Life Depreciation Accrual

Account: PECO Common 3930 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$1,434,030.15	8.82	\$116,612.23	8.131783%	11.340126%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$0.00)	0.50	(\$0.00)	0.000000%	
Total:	\$1,434,030.15 *		\$116,612.23	8.131783%	11.340126%
Average:	\$1,434,030.15		\$116,612.23	8.131783%	11.340126%
Grand Total:	\$1,434,030.15 *		\$116,612.23	8.131783%	11.340126%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3941 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2007	12.50	\$11,617.00	15.00	2.50	0.1667	1.0000	\$1,936.17	\$774.47
		\$11,617.00	15.00	2.50	0.1667	1.0000	\$1,936.17	\$774.47

Remaining Life Depreciation Accrual

Account: PECO Common 3941 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$11,617.00	2.50	\$13,032.46	112.184351%	40.000000%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$0.00)	0.50	(\$0.00)	0.000000%	
Total:	\$11,617.00 *		\$13,032.46	112.184351%	40.000000%
Average:	\$11,617.00		\$13,032.46	112.184351%	40.000000%
Grand Total:	\$11,617.00 *		\$13,032.46	112.184351%	40.000000%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3942 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2018	1.50	\$952,765.21	15.00	13.50	0.9000	1.0000	\$857,488.69	\$63,517.68
2016	3.50	\$2,088.50	15.00	11.50	0.7667	1.0000	\$1,601.18	\$139.23
2014	5.50	\$55,267.65	15.00	9.50	0.6333	1.0000	\$35,002.85	\$3,684.51
2006	13.50	\$10,804.91	15.00	1.50	0.1000	1.0000	\$1,080.49	\$720.33
2005	14.50	\$10,526.02	15.00	0.50	0.0333	1.0000	\$350.87	\$701.73
		\$1,031,452.29	15.00	13.02	0.8682	1.0000	\$895,524.08	\$68,763.49

Remaining Life Depreciation Accrual

Account: PECO Common 3942 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$1,031,452.29	13.02	\$69,873.72	6.774305%	7.678575%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$10,526.02)	0.50	(\$350.87)	3.333359%	
Total:	\$1,031,452.29 *		\$69,522.85	6.740288%	7.640017%
Average:	\$1,026,189.28		\$69,522.85	6.774857%	7.684461%
Grand Total:	\$1,031,452.29 *		\$69,522.85	6.740288%	7.640017%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3943 PA

Dispersion: 20.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	(\$59,115.66)	20.00	19.50	0.9750	1.0000	(\$57,637.77)	(\$2,955.78)
2018	1.50	\$102,889.01	20.00	18.50	0.9250	1.0000	\$95,172.33	\$5,144.45
2017	2.50	\$171,250.58	20.00	17.50	0.8750	1.0000	\$149,844.26	\$8,562.53
2016	3.50	\$424,469.01	20.00	16.50	0.8250	1.0000	\$350,186.93	\$21,223.45
2015	4.50	\$83,948.79	20.00	15.50	0.7750	1.0000	\$65,060.31	\$4,197.44
2014	5.50	\$126,931.56	20.00	14.50	0.7250	1.0000	\$92,025.38	\$6,346.58
2013	6.50	\$60,134.71	20.00	13.50	0.6750	1.0000	\$40,590.93	\$3,006.74
2012	7.50	\$22,052.17	20.00	12.50	0.6250	1.0000	\$13,782.61	\$1,102.61
2011	8.50	\$50,175.40	20.00	11.50	0.5750	1.0000	\$28,850.86	\$2,508.77
2010	9.50	\$73,469.80	20.00	10.50	0.5250	1.0000	\$38,571.65	\$3,673.49
2008	11.50	\$12,963.09	20.00	8.50	0.4250	1.0000	\$5,509.31	\$648.15
2007	12.50	\$21,453.01	20.00	7.50	0.3750	1.0000	\$8,044.88	\$1,072.65
2006	13.50	\$3,478.87	20.00	6.50	0.3250	1.0000	\$1,130.63	\$173.94
2004	15.50	\$54,167.87	20.00	4.50	0.2250	1.0000	\$12,187.77	\$2,708.39
2003	16.50	\$286,764.74	20.00	3.50	0.1750	1.0000	\$50,183.83	\$14,338.24
2002	17.50	\$223,879.62	20.00	2.50	0.1250	1.0000	\$27,984.95	\$11,193.98
2001	18.50	\$94,843.94	20.00	1.50	0.0750	1.0000	\$7,113.30	\$4,742.20
2000	19.50	\$23,910.82	20.00	0.50	0.0250	1.0000	\$597.77	\$1,195.54
		\$1,777,667.33	20.00	10.45	0.5227	1.0000	\$929,199.93	\$88,883.37

Remaining Life Depreciation Accrual

Account: PECO Common 3943 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 20.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$1,777,667.33	10.45	\$90,165.34	5.072116%	9.565580%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$23,910.82)	0.50	(\$597.77)	2.499998%	
Total:	\$1,777,667.33 *		\$89,567.57	5.038489%	9.502163%
Average:	\$1,765,711.92		\$89,567.57	5.072604%	9.624231%
Grand Total:	\$1,777,667.33 *		\$89,567.57	5.038489%	9.502163%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3961 PA

Dispersion: 12.00 - R1.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2002	17.50	\$93,979.86	12.00	1.88	0.1563	1.0000	\$14,689.69	\$7,831.66
1998	21.50	\$35,800.78	12.00	0.90	0.0753	1.0000	\$2,694.85	\$2,983.40
1986	33.50	\$5,472.23	12.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1981	38.50	\$6,017.00	12.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1980	39.50	\$3,955.00	12.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1977	42.50	\$11,826.57	12.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1973	46.50	\$28,014.86	12.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$185,066.30	12.00	1.61	0.0939	1.0000	\$17,384.54	\$10,815.05

Remaining Life Depreciation Accrual

Account: PECO Common 3961 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 12.00 - R1.5
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$185,066.30	1.61	\$1,561.02	0.843494%	62.210759%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$55,255.82)	0.50	(\$2,302.33)	4.166674%	
Total:	\$185,066.30 *		(\$741.31)	-0.400563%	-29.542952%
Average:	\$157,438.39		(\$741.31)	-0.470855%	2.951218%
Grand Total:	\$185,066.30 *		(\$741.31)	-0.400563%	-29.542952%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3970 PA

Dispersion: 20.00 - L3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2019	0.50	\$4,686,072.90	20.00	19.50	0.9750	1.0000	\$4,568,921.08	\$234,303.65
2018	1.50	\$18,280,188.44	20.00	18.50	0.9250	1.0000	\$16,909,174.31	\$914,009.42
2017	2.50	\$221,177.09	20.00	17.50	0.8750	1.0000	\$193,535.93	\$11,058.85
2016	3.50	\$466,259.31	20.00	16.51	0.8253	1.0000	\$384,807.36	\$23,312.97
2015	4.50	\$1,894,311.68	20.00	15.52	0.7762	1.0000	\$1,470,321.54	\$94,715.58
2014	5.50	\$1,089,078.66	20.00	14.56	0.7279	1.0000	\$792,748.66	\$54,453.93
2013	6.50	\$34,962.40	20.00	13.61	0.6807	1.0000	\$23,799.23	\$1,748.12
2012	7.50	\$745,044.85	20.00	12.69	0.6347	1.0000	\$472,890.99	\$37,252.24
2009	10.50	\$69,265.89	20.00	10.12	0.5060	1.0000	\$35,046.30	\$3,463.29
2008	11.50	\$1,390,893.17	20.00	9.36	0.4679	1.0000	\$650,801.44	\$69,544.66
2007	12.50	\$6,682,064.26	20.00	8.67	0.4333	1.0000	\$2,895,115.69	\$334,103.21
2006	13.50	\$7,909,519.60	20.00	8.06	0.4029	1.0000	\$3,187,134.53	\$395,475.98
2005	14.50	\$50,000.00	20.00	7.54	0.3772	1.0000	\$18,858.64	\$2,500.00
2003	16.50	\$644,013.54	20.00	6.78	0.3388	1.0000	\$218,167.08	\$32,200.68
2002	17.50	\$50,892.16	20.00	6.50	0.3251	1.0000	\$16,546.39	\$2,544.61
2001	18.50	\$122,375.76	20.00	6.28	0.3142	1.0000	\$38,449.48	\$6,118.79
1999	20.50	\$1,031,170.51	20.00	5.93	0.2966	1.0000	\$305,798.94	\$51,558.53
1998	21.50	\$7,398,704.24	20.00	5.77	0.2883	1.0000	\$2,132,732.27	\$369,935.21
1997	22.50	\$2,320,209.43	20.00	5.58	0.2792	1.0000	\$647,875.10	\$116,010.47
1996	23.50	\$14,418.94	20.00	5.38	0.2692	1.0000	\$3,881.64	\$720.95
		\$55,100,622.83	20.00	12.69	0.6346	1.0000	\$34,966,606.56	\$2,755,031.14

Remaining Life Depreciation Accrual

Account: PECO Common 3970 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 20.00 - L3
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$55,100,622.83	12.69	\$2,732,991.73	4.960002%	7.879035%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$2,391,115.94)	0.50	(\$59,777.90)	2.500000%	
Total:	\$55,100,622.83 *		\$2,673,213.83	4.851513%	7.706699%
Average:	\$53,905,064.86		\$2,673,213.83	4.959114%	7.981809%
Grand Total:	\$55,100,622.83 *		\$2,673,213.83	4.851513%	7.706699%

* Excluding 2020 Retirements

Generation Arrangement Report

PECO Common Groups 2020

Account: PECO Common 3980 PA

Dispersion: 15.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2020

Vintage	Age	Surviving Plant	Ava Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2017	2.50	\$14,709.56	15.00	12.50	0.8333	1.0000	\$12,257.97	\$980.64
2015	4.50	\$16,773.27	15.00	10.50	0.7000	1.0000	\$11,741.29	\$1,118.22
2014	5.50	\$497,037.52	15.00	9.50	0.6333	1.0000	\$314,790.43	\$33,135.83
2012	7.50	\$67,989.42	15.00	7.50	0.5000	1.0000	\$33,994.71	\$4,532.63
2011	8.50	\$22,622.02	15.00	6.50	0.4333	1.0000	\$9,802.88	\$1,508.13
2010	9.50	\$511,435.53	15.00	5.50	0.3667	1.0000	\$187,526.36	\$34,095.70
2009	10.50	\$18,269.07	15.00	4.50	0.3000	1.0000	\$5,480.72	\$1,217.94
2008	11.50	\$29,625.38	15.00	3.50	0.2333	1.0000	\$6,912.59	\$1,975.03
2007	12.50	\$20,663.73	15.00	2.50	0.1667	1.0000	\$3,443.96	\$1,377.58
		\$1,199,125.50	15.00	7.33	0.4886	1.0000	\$585,950.90	\$79,941.70

Remaining Life Depreciation Accrual

Account: PECO Common 3980 PA
 Scenario: PECO Common Groups 2020
 Dispersion: 15.00 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2020

	Plant Amt	Remaining Life	Accrual (Dollars)	Accrual Rate (Gross Plant)	Accrual Rate (Net Plant)
Pre- 2020 Additions	\$1,199,125.50	7.33	\$86,919.85	7.248603%	13.643071%
2020 Additions	\$0.00	0.00	\$0.00	0.000000%	
2020 Retirements	(\$0.00)	0.50	(\$0.00)	0.000000%	
Total:	\$1,199,125.50 *		\$86,919.85	7.248603%	13.643071%
Average:	\$1,199,125.50		\$86,919.85	7.248603%	13.643071%
Grand Total:	\$1,199,125.50 *		\$86,919.85	7.248603%	13.643071%

* Excluding 2020 Retirements

**Estimated Annual Depreciation Accruals Related to
Utility Plant in Service for 2021**

Summary –

This exhibit is based on the results of the 2018 Depreciation Study and updated to reflect the estimated original cost of PECO's gas and common plant in service at June 30, 2021.

Estimated Annual Depreciation Accruals Related to Utility Plant In Service for 2021

Utility Account	2018 Service Life Study - Average Service Life	2018 Service Life Study - Dispersion Curve	2021 Depreciation Rate	Original Cost of Gross Plant - July 1, 2020	2021 Estimated Plant Additions	2021 Estimated Plant Retirements	Estimated Original Cost of Gross Plant - June 30, 2021	Accumulated Book Reserve - July 1, 2020	2021 Estimated Annual Depreciation Accrual	2021 Estimated Plant Retirements	2021 - Estimated Cost of (Removal) / Salvage	Estimated Accumulated Book Reserve - June 30, 2021	Estimated Depreciable Plant Net Book Value - June 30, 2021
PECO Gas 303 Intangible Plant (Note A)	-	-	-	18,009,687	784,396	(307,425)	18,486,658	13,843,602	1,797,947	(307,425)	-	15,334,124	3,152,534
PECO Gas 305 Structures & Improvements (Note B)	2035	-	-	1,225,273	-	(9,860)	1,215,413	770,626	28,194	(9,860)	(3,161)	785,799	429,614
PECO Gas 311 Liquefied Pet. Gas Equipment (Note B)	2035	-	-	14,333,838	-	-	14,333,838	12,234,781	93,988	-	-	12,328,769	2,005,069
PECO Gas 361 Structures & Improvements (Note B)	2042	-	-	14,854,045	59,413	(30,445)	14,883,013	6,623,052	374,947	(30,445)	(10,752)	6,956,802	7,926,211
PECO Gas 362 Gas Holders (Note B)	2042	-	-	7,083,540	-	-	7,083,540	6,863,006	18,378	-	-	6,881,384	202,156
PECO Gas 363 Purification Equipment (Note B)	2042	-	-	1,329,879	-	-	1,329,879	782,996	24,884	-	-	807,880	521,999
PECO Gas 3631 Liquefaction Equipment (Note B)	2042	-	-	9,958,190	-	-	9,958,190	6,525,634	156,025	-	-	6,681,659	3,276,531
PECO Gas 3632 Vaporizing Equipment (Note B)	2042	-	-	13,555,354	5,179,973	(688,369)	18,046,958	2,273,103	571,882	(688,369)	(88,620)	2,067,996	15,978,962
PECO Gas 3633 Compressor Equipment (Note B)	2042	-	-	4,880,269	821,900	(374,969)	5,327,200	782,881	193,484	(374,969)	(103,268)	498,128	4,829,072
PECO Gas 3634 Measuring & Regulating Equipment (Note B)	2042	-	-	1,655,481	148,914	(16,214)	1,788,181	1,002,872	31,521	(16,214)	(2,054)	1,016,125	772,056
PECO Gas 3635 Other Equipment (Note B)	2042	-	-	7,914,921	160,630	(6,683)	8,068,868	5,960,787	89,775	(6,683)	1,379	6,045,258	2,023,610
PECO Gas 375 Structures & Improvements	50	R4	3.55%	14,337,318	686,730	(18,409)	15,005,639	5,423,169	318,740	(18,409)	(8,981)	5,714,519	9,291,120
PECO Gas 3761 Steel Mains	70	R3	2.09%	578,898,095	83,726,801	(3,331,476)	659,293,420	187,090,627	8,659,996	(3,331,476)	(2,404,695)	190,014,452	469,278,968
PECO Gas 3762 Cast Iron Mains (Note B)	2035	-	-	13,550,211	-	(964,897)	12,585,314	(440,416)	904,661	(964,897)	(2,447,594)	(2,948,246)	15,533,560
PECO Gas 3763 Plastic Mains	65	R3	1.85%	879,951,315	64,406,169	(1,921,642)	942,435,842	149,700,500	14,786,179	(1,921,642)	(1,154,510)	161,410,527	781,025,315
PECO Gas 378 Measure & Regulate Station Equipment	50	R2	2.95%	20,226,050	2,171,038	(73,071)	22,324,017	7,715,837	404,732	(73,071)	(83,012)	7,964,486	14,359,531
PECO Gas 379 City Gate Check Stations	50	R3	2.87%	58,043,338	9,108,504	(16,322)	67,135,520	22,380,043	1,140,659	(16,322)	(7,428)	23,496,952	43,638,568
PECO Gas 3801 Steel Services	37	S0	4.00%	78,212,195	844,195	(6,499,942)	72,556,448	(7,765,116)	3,455,249	(6,499,942)	(3,182,573)	(13,992,382)	86,548,830
PECO Gas 3802 Plastic Services	56	R3	2.40%	838,249,922	98,593,789	(917,035)	935,926,676	251,699,342	15,237,633	(917,035)	(501,456)	265,518,484	670,408,192
PECO Gas 381 Meters	40	R3	4.37%	82,936,760	3,222,440	(310,844)	85,848,356	42,923,856	1,770,914	-	-	44,383,926	41,464,430
PECO Gas 3811 Meter Modules	20	S2	6.54%	70,370,664	2,202,122	-	72,572,786	18,879,803	3,376,851	-	(32)	22,256,622	50,316,164
PECO Gas 382 Meter Installations	50	R3	2.96%	190,469,129	15,250,607	(723,335)	204,996,401	69,305,146	3,758,282	(723,335)	-	72,340,093	132,656,308
PECO Gas 387 Other Equipment	22	S1.5	13.87%	2,118,323	-	-	2,118,323	1,163,927	130,945	-	-	1,294,872	823,451
PECO Gas 390 Structures & Improvements	45	R2	3.26%	8,356,017	970,999	(5,725)	9,321,291	2,952,956	191,188	(5,725)	(4,721)	3,133,698	6,187,593
PECO Gas 3912 Furniture & Fixtures	15	SQ	8.60%	292,036	29,612	(5,155)	316,493	64,357	19,954	(5,155)	(4,958)	74,198	242,295
PECO Gas 3913 Computers	5	SQ	31.31%	3,210,389	1,587,027	(16,525)	4,780,891	1,711,231	478,161	(16,525)	-	2,172,867	2,608,024
PECO Gas 394 Tools & Equipment	20	SQ	7.75%	12,359,436	1,964,749	(168,384)	14,155,801	4,433,356	631,544	(168,384)	(19,906)	4,876,610	9,279,191
PECO Gas 397 Communication Equipment	5	R3	69.60%	4,621,776	138,600	(20,487)	4,739,889	4,103,457	347,696	(20,487)	(2,533)	4,428,133	311,756
PECO Gas 398 Miscellaneous Equipment	15	SQ	8.59%	131,638	-	(12,388)	119,250	37,562	8,024	(12,388)	-	33,198	86,052
PECO Gas 399.1 Asset Retirement Costs	-	-	-	130,293	-	(6,658)	123,635	23,768	3,760	(6,658)	-	20,870	102,765
PECO Gas 388 ARO Costs Distribution Pit	-	-	-	1,457,542	-	(1,935)	1,455,607	400,893	78,789	(1,935)	-	477,747	977,860
Gas Subtotal				2,952,722,924	292,058,608	(16,448,195)	3,228,333,337	819,467,638	59,084,982	(16,448,195)	(10,028,875)	852,075,550	2,376,257,787
Common Plant Allocated to Gas (Note C)				210,959,713	25,598,219	(4,005,762)	232,552,170	94,994,740	15,311,570	(4,005,762)	(446,158)	105,854,390	126,697,780
Depreciable Total				3,163,682,637	317,656,827	(20,453,957)	3,460,885,507	914,462,378	74,396,552	(20,453,957)	(10,475,033)	957,929,940	2,502,955,567

Fleet Depreciation (Note D)	(2,686,163)
ARC Amortization (Note E)	(98,935)
Reg Asset Amortization (Note F)	(68,856)
Adjusted 2021 estimated annual depreciation accrual	71,542,598
Note G	

- Notes:**
- Note A:** Intangible Plant is amortized based on the service lives estimated at the time the plant is placed into service. The amortization rates for Intangible Plant are weighted based on the relative amount of underlying plant booked to the Intangible Plant accounts.
 - Note B:** The Liquefied Natural Gas Plant, Liquefied Petroleum Gas Plant and Cast Iron Mains are depreciated using a terminal date and as a result do not have an average service life or dispersion curve.
 - Note C:** Common Plant allocated to Gas relates to various Common Plant utility accounts identified in the 2018 Electric Distribution, General and Common Depreciation Study. The Common Plant amounts are allocated to Gas plant based on the Common Allocation Factor determined each year.
 - Note D:** Included in the 2021 Estimated Annual Depreciation Accrual column for the Common Plant allocated to Gas row is \$2.7 million relating to PECO Fleet. Depreciation associated with Fleet is excluded from depreciation expense and directly assigned to the functional O&M and capital accounts based on use.
 - Note E:** Asset Retirement Costs (ARC) are depreciable plant, but the ARC depreciation expense is not included in the revenue requirements calculation and not included in the claim for the current proceeding.
 - Note F:** Included in the 2021 Estimated Annual Depreciation Accrual is \$0.07 million relating to PECO Regulatory Asset amortization. Regulatory Asset amortization expense is charged to a Regulatory Asset.
 - Note G:** Agrees to Gas depreciation expense included in the revenue requirements calculation in Exhibit D-17.

**Estimated Annual Depreciation Accruals Related to
Utility Plant in Service for 2022**

Summary –

This exhibit is based on the results of the 2018 Depreciation Study and updated to reflect the estimated original cost of PECO's gas and common plant in service at June 30, 2022.

Estimated Annual Depreciation Accruals Related to Utility Plant In Service for 2022

Utility Account	2018 Service Life Study - Average Service Life	2018 Service Life Study - Dispersion Curve	2022 Depreciation Rate	Original Cost of Gross Plant - July 1, 2021	2022 Estimated Plant Additions	2022 Estimated Plant Retirements	Estimated Original Cost of Gross Plant - June 30, 2022	Accumulated Book Reserve - July 1, 2021	2022 Estimated Annual Depreciation Accrual	2022 Estimated Plant Retirements	2022 - Estimated Cost of (Removal) / Salvage	Estimated Accumulated Book Reserve - June 30, 2021	Estimated Depreciable Plant Net Book Value - June 30, 2021
PECO Gas 303 Intangible Plant (Note A)	-	-	-	18,486,658	-	(307,425)	18,179,233	15,334,124	1,709,986	(307,425)	-	16,736,685	1,442,548
PECO Gas 305 Structures & Improvements (Note B)	2035	-	-	1,215,413	-	(9,860)	1,205,553	785,799	25,031	(9,860)	(3,161)	797,809	407,744
PECO Gas 311 Liquefied Pet. Gas Equipment (Note B)	2035	-	-	14,333,838	-	-	14,333,838	12,328,769	93,988	-	-	12,422,757	1,911,081
PECO Gas 361 Structures & Improvements (Note B)	2042	-	-	14,883,013	66,587	(30,445)	14,919,155	6,956,802	376,770	(30,445)	(10,752)	7,292,375	7,626,780
PECO Gas 362 Gas Holders (Note B)	2042	-	-	7,083,540	-	-	7,083,540	6,881,384	-	-	-	6,899,762	183,778
PECO Gas 363 Purification Equipment (Note B)	2042	-	-	1,329,879	-	-	1,329,879	807,880	-	-	-	832,408	497,471
PECO Gas 3631 Liquefaction Equipment (Note B)	2042	-	-	9,958,190	-	-	9,958,190	6,681,659	156,025	-	-	6,837,684	3,120,506
PECO Gas 3632 Vaporizing Equipment (Note B)	2042	-	-	18,046,958	5,718,678	(688,369)	23,077,267	2,067,996	714,502	(688,369)	(88,620)	2,005,509	21,071,758
PECO Gas 3633 Compressor Equipment (Note B)	2042	-	-	5,327,200	916,497	(374,969)	5,868,728	498,128	218,192	(374,969)	(103,268)	238,083	5,630,645
PECO Gas 3634 Measuring & Regulating Equipment (Note B)	2042	-	-	1,788,181	164,350	(16,214)	1,936,317	1,016,125	35,552	(16,214)	(2,054)	1,033,409	902,908
PECO Gas 3635 Other Equipment (Note B)	2042	-	-	8,068,868	176,913	(6,683)	8,239,098	6,045,258	93,355	(6,683)	1,379	6,133,309	2,105,789
PECO Gas 375 Structures & Improvements	50	R4	3.55%	15,005,639	757,865	(18,409)	15,745,095	5,714,519	334,805	(18,409)	(8,981)	6,021,934	9,723,161
PECO Gas 3761 Steel Mains	70	R3	2.09%	659,293,420	56,903,823	(3,331,476)	712,865,767	190,014,452	9,867,291	(3,331,476)	(2,404,695)	194,145,572	518,720,195
PECO Gas 3762 Cast Iron Mains (Note B)	2035	-	-	12,585,314	-	(964,897)	11,620,417	(2,948,246)	899,796	(964,897)	(2,447,594)	(5,460,941)	17,081,358
PECO Gas 3763 Plastic Mains	65	R3	1.85%	942,435,842	106,989,869	(1,921,642)	1,047,503,869	161,410,527	17,680,736	(1,921,642)	(1,154,510)	176,015,111	871,488,758
PECO Gas 378 Measure & Regulate Station Equipment	50	R2	2.95%	22,324,017	2,401,510	(73,071)	24,652,456	7,964,486	476,640	(73,071)	(83,012)	8,285,043	16,367,413
PECO Gas 379 City Gate Check Stations	50	R3	2.87%	67,135,520	10,040,592	(16,322)	77,159,790	23,496,952	1,393,576	(16,322)	(7,428)	24,886,778	52,293,012
PECO Gas 3801 Steel Services	37	S0	4.00%	72,556,448	1,255,925	(6,499,942)	67,312,431	(13,992,382)	3,571,212	(6,499,942)	(3,182,573)	(20,103,665)	87,416,116
PECO Gas 3802 Plastic Services	56	R3	2.40%	935,926,676	108,726,105	(917,035)	1,043,735,746	265,518,484	17,889,097	(917,035)	(501,456)	281,989,090	761,746,656
PECO Gas 381 Meters	40	R3	4.37%	85,848,356	3,551,929	(310,844)	89,089,441	44,383,926	1,854,412	(310,844)	-	45,927,494	43,161,947
PECO Gas 3811 Meter Modules	20	S2	6.54%	72,572,786	2,427,289	-	75,000,075	22,256,622	3,461,521	-	(32)	25,718,111	49,281,964
PECO Gas 382 Meter Installations	50	R3	2.96%	204,996,401	16,809,955	(723,335)	221,083,021	72,340,093	4,176,117	(723,335)	-	75,792,875	145,290,146
PECO Gas 387 Other Equipment	22	S1.5	13.87%	2,118,323	-	-	2,118,323	1,294,872	133,269	-	-	1,428,141	690,182
PECO Gas 390 Structures & Improvements	45	R2	3.26%	9,321,291	1,071,088	(5,725)	10,386,654	3,133,698	223,305	(5,725)	(4,721)	3,346,557	7,040,097
PECO Gas 3912 Furniture & Fixtures	15	SQ	8.60%	316,493	33,147	(5,155)	344,485	74,198	21,011	(5,155)	-	85,096	259,389
PECO Gas 3913 Computers	5	SQ	31.31%	4,780,891	1,749,297	(16,525)	6,513,663	2,172,867	539,440	(16,525)	-	2,695,782	3,817,881
PECO Gas 394 Tools & Equipment	20	SQ	7.75%	14,155,801	2,167,677	(168,384)	16,155,094	4,876,610	685,064	(168,384)	(19,906)	5,373,384	10,781,710
PECO Gas 397 Communication Equipment	5	R3	69.60%	4,739,889	153,030	(20,487)	4,872,432	4,428,133	177,864	(20,487)	(2,533)	4,582,977	289,455
PECO Gas 398 Miscellaneous Equipment	15	SQ	8.59%	119,250	-	(12,388)	106,862	33,198	8,112	(12,388)	-	28,922	77,940
PECO Gas 399.1 Asset Retirement Costs	-	-	-	123,635	-	(6,658)	116,977	20,870	3,760	(6,658)	-	17,972	99,005
PECO Gas 388 ARO Costs Distribution PIt	-	-	-	1,455,607	-	(1,935)	1,453,672	477,747	78,789	(1,935)	-	554,601	899,071
Gas Subtotal				3,228,333,337	322,081,926	(16,448,195)	3,533,967,068	852,075,550	66,942,124	(16,448,195)	(10,028,875)	892,540,604	2,641,426,464
Common Plant Allocated to Gas (Note C)				232,552,170	24,749,513	(4,005,762)	253,295,921	105,854,390	16,904,668	(4,005,762)	(446,158)	118,307,138	134,988,783
Depreciable Total				3,460,885,507	346,831,439	(20,453,957)	3,787,262,989	957,929,940	83,846,792	(20,453,957)	(10,475,033)	1,010,847,742	2,776,415,247

Fleet Depreciation (Note D)	(3,051,295)
ARC Amortization (Note E)	(98,935)
Reg Asset Amortization (Note F)	(5,776)
Adjusted 2021 estimated annual depreciation accrual	80,690,786
Note G	

Notes:
Note A: Intangible Plant is amortized based on the service lives estimated at the time the plant is placed into service. The amortization rates for Intangible Plant are weighted based on the relative amount of underlying plant booked to the Intangible Plant accounts.
Note B: The Liquefied Natural Gas Plant, Liquefied Petroleum Gas Plant and Cast Iron Mains are depreciated using a terminal date and as a result do not have an average service life or dispersion curve.
Note C: Common Plant allocated to Gas relates to various Common Plant utility accounts identified in the 2018 Electric Distribution, General and Common Depreciation Study. The Common Plant amounts are allocated to Gas plant based on the Common Allocation Factor determined each year.
Note D: Included in the 2022 Estimated Annual Depreciation Accrual column for the Common Plant allocated to Gas row is \$3.1 million relating to PECO Fleet. Depreciation associated with Fleet is excluded from depreciation expense and directly assigned to the functional O&M and capital accounts based on use.
Note E: Asset Retirement Costs (ARC) are depreciable plant, but the ARC depreciation expense is not included in the revenue requirements calculation and not included in the claim for the current proceeding.
Note F: Included in the 2022 Estimated Annual Depreciation Accrual is \$0.01 million relating to PECO Regulatory Asset amortization. Regulatory Asset amortization expense is charged to a Regulatory Asset.
Note G: Agrees to Gas depreciation expense included in the revenue requirements calculation in Exhibit D-17.

PECO ENERGY COMPANY

PHILADELPHIA, PENNSYLVANIA

2018 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF DECEMBER 31, 2018

Prepared by:



Gannett Fleming

*Excellence Delivered **As Promised***

PECO ENERGY COMPANY
Philadelphia, Pennsylvania

2018 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF DECEMBER 31, 2018

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Valley Forge, Pennsylvania



*Excellence Delivered **As Promised***

March 31, 2020

PECO Energy Company
2301 Market Street
Philadelphia, PA 19101

Attention Mr. Scott Bailey
Vice President and Controller

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the gas plant of PECO Energy Company (PECO) as of December 31, 2018. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual depreciation accrual rates, the statistical support for the service life estimates and the detailed tabulations of annual depreciation.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads "John F. Wiedmayer". The signature is written in a cursive, flowing style.

JOHN F. WIEDMAYER
Project Manager, Depreciation Studies

JFW:mle

065223

Gannett Fleming Valuation and Rate Consultants, LLC

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TABLE OF CONTENTS

Executive Summary	iii
PART I. INTRODUCTION	I-1
Scope	I-2
Plan of Report	I-2
Basis of the Study	I-3
Depreciation	I-3
Service Life Estimates	I-4
PART II. ESTIMATION OF SURVIVOR CURVES	II-1
Survivor Curves	II-2
Iowa Type Curves	II-3
Retirement Rate Method of Analysis	II-9
Schedules of Annual Transactions in Plant Records	II-10
Schedule of Plant Exposed to Retirement	II-13
Original Life Table	II-15
Smoothing the Original Survivor Curve	II-17
PART III. SERVICE LIFE CONSIDERATIONS	III-1
Field Trips	III-2
Life Analysis	III-3
Life Estimation	III-4
Life Span Estimates	III-7
PART IV. NET SALVAGE CONSIDERATIONS	IV-1
Net Salvage Considerations	IV-2
PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION	V-1
Group Depreciation Procedures	V-2
Single Unit of Property	V-2
Remaining Life Annual Accruals	V-3
Average Service Life Procedure	V-3
Calculation of Annual and Accrued Amortization	V-4
PART VI. RESULTS OF STUDY	VI-1
Qualification of Results	VI-2
Description of Summary Tabulations	VI-2
Description of Detailed Tabulations	VI-2

TABLE OF CONTENTS, cont

Table 1. Estimated Survivor Curves, Original Cost, Book Reserve and Calculated Annual Depreciation Accruals Related to Gas Plant at December 31, 2018	VI-4
PART VII. SERVICE LIFE STATISTICS	VII-1
PART VIII. DETAILED DEPRECIATION CALCULATIONS	VIII-1

PECO ENERGY COMPANY

DEPRECIATION STUDY

EXECUTIVE SUMMARY

Pursuant to PECO Energy Company's ("PECO" or "Company") request, Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming") conducted a depreciation study related to PECO's gas plant as of December 31, 2018. The purpose of this study was to determine the annual depreciation accrual rates and amounts for book and ratemaking purposes.

The depreciation rates are based on the straight line method using the average service life ("ASL") procedure and were applied on a remaining life basis. The calculations were based on attained ages and estimated average service life for each depreciable group of assets.

The most significant change since the previous depreciation study as of December 31, 2013 is related to increased life span at the West Conshohocken Liquefied Natural Gas (LNG) Plant from 60 years to 70 years which resulted in a decrease in depreciation expense.

Several other Gas Plant accounts experienced relatively small increases in estimated service lives. The two largest Gas Distribution plant accounts with increased service lives were Accounts 379, Measuring and Regulating Station Equipment – City Gate Stations and 380.2, Services – Plastic. The service life estimate was lengthened from 48 to 50 years for M&R Station Equipment at City Gate Stations and 55 to 56 years for Plastic Services. There were no Gas Plant accounts where the proposed service life estimates decreased in this report.

PECO's current depreciation rates are based on service life estimates approved in the most recent service life study filed in March 2015.

Gannett Fleming recommends the calculated annual depreciation accrual rates set forth herein apply specifically to gas plant in service as of December 31, 2018 as summarized on Table 1 in Part VI of the study. Supporting analysis and calculations are provided within the study.

The study results set forth an annual depreciation expense for gas plant of \$49.006 million when applied to depreciable plant balances as of December 31, 2018.

The results are summarized at the functional level as follows:

SUMMARY OF ORIGINAL COST, PROPOSED ACCRUAL RATES AND AMOUNTS

<u>FUNCTION</u> (1)	<u>ORIGINAL COST</u> <u>AS OF</u> <u>DECEMBER 31, 2018</u> (2)	<u>ACCRUAL</u> <u>RATE</u> (3)=(4)/(2)	<u>ACCRUAL</u> <u>AMOUNT</u> (4)
<u>GAS PLANT</u>			
Production Plant	15,655,999	1.37	214,046
Storage Plant	62,939,167	2.36	1,484,601
Distribution Plant	2,565,579,017	1.78	45,669,498
General Plant	<u>27,882,995</u>	5.87	<u>1,637,825</u>
Total Gas Plant	<u>2,672,057,178</u>	1.83	<u>49,005,970</u>

PART I. INTRODUCTION

PECO ENERGY COMPANY

DEPRECIATION STUDY

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the gas plant depreciation study for PECO Energy Company (“PECO”). The purpose of the study is to determine the appropriate survivor curve estimate for each plant account and to calculate the annual depreciation accrual rates and amounts for book purposes applicable to the original cost of gas plant as of December 31, 2018. The rates and amounts are based on the straight line remaining life method of depreciation. This report also describes the concepts, methods and judgments which underlie the recommended annual depreciation accrual rates related to gas plant in service as of December 31, 2018.

The service life estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through 2018, a review of Company practice and outlook as they relate to plant operation and retirement, and consideration of current practice in the gas industry, including knowledge of service life estimates used for other gas companies.

PLAN OF REPORT

Part I, Introduction, contains statements with respect to the plan of the report, and the basis of the study. Part II, Estimation of Survivor Curves, presents descriptions of the considerations and the methods used in the service life studies. Part III, Service Life Considerations, presents the factors and judgment utilized in the average service life analysis. Part IV, Net Salvage Considerations, presents a discussion of the method used by PECO for the recovery of net salvage. Part V, Calculation of Annual and Accrued Depreciation, describes the procedures used in the calculation of group

depreciation. Part VI, Results of Study, presents summaries by depreciable group of annual depreciation accrual rates and amounts, as well as composite remaining lives. Part VII, Service Life Statistics presents the statistical analysis of service life estimates, and Part VIII, Detailed Depreciation Calculations presents the detailed tabulations of annual and accrued depreciation.

BASIS OF THE STUDY

Depreciation

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

For most accounts, the annual depreciation was calculated by the straight line method using the average service life procedure and the remaining life basis. For certain General Plant accounts, the annual depreciation is based on amortization

accounting. Both types of calculations were based on original cost, attained ages, and estimates of service lives.

The straight line method, average service life procedure is a commonly used depreciation calculation procedure that has been widely accepted in jurisdictions throughout North America. Gannett Fleming recommends its continued use in this study. Amortization accounting is used for certain General Plant accounts because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented beginning on page V-4 of the report.

Service Life Estimates

The service life estimates used in the depreciation and amortization calculations were based on informed judgment which incorporated a review of management's plans, policies and outlook, a general knowledge of the gas utility industry, and comparisons of the service life estimates from our studies of other gas utilities. The use of survivor curves to reflect the expected dispersion of retirement provides a consistent method of estimating depreciation for utility plant. Iowa type survivor curves were used to depict the estimated survivor curves for the plant accounts not subject to amortization accounting.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data analyses and the probable future. The combination of the historical experience and estimates of future experience yielded estimated survivor curves from which the average service lives were derived.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through discussions with operating and management personnel and was incorporated in the interpretation and extrapolation of the statistical life analyses.

PART II. ESTIMATION OF SURVIVOR CURVES

PART II. ESTIMATION OF SURVIVOR CURVES

The calculation of annual depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. The estimation of survivor curves is discussed below.

SURVIVOR CURVES

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

This study has incorporated the use of Iowa curves developed from a retirement rate analysis of historical retirement history. A discussion of the concepts of survivor curves and of the development of survivor curves using the retirement rate method is presented below.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements (or the portion of the frequency curve with the highest level of retirements) in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family. A higher number designates a higher mode curve.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves,

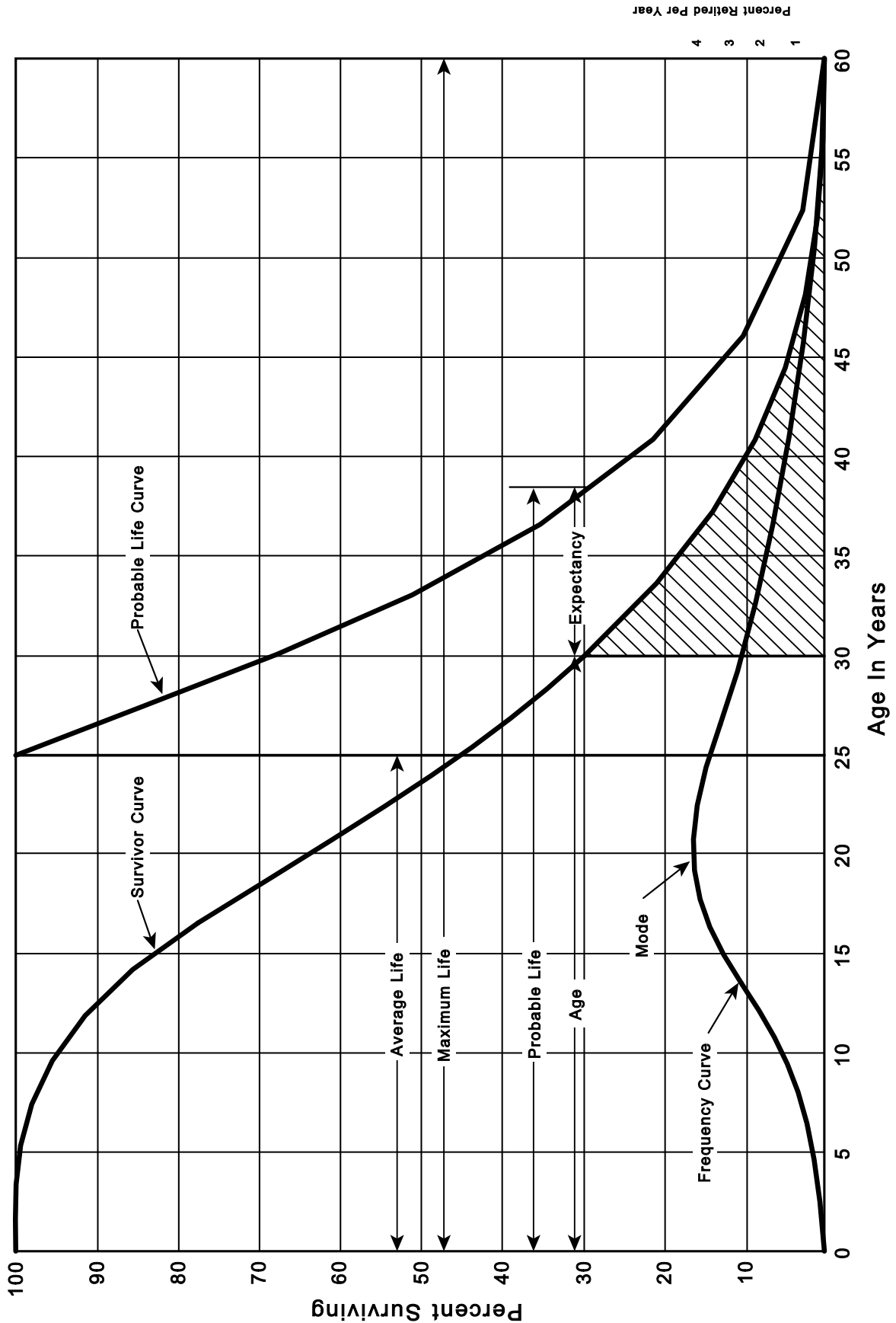


Figure 1. A Typical Survivor Curve and Derived Curves

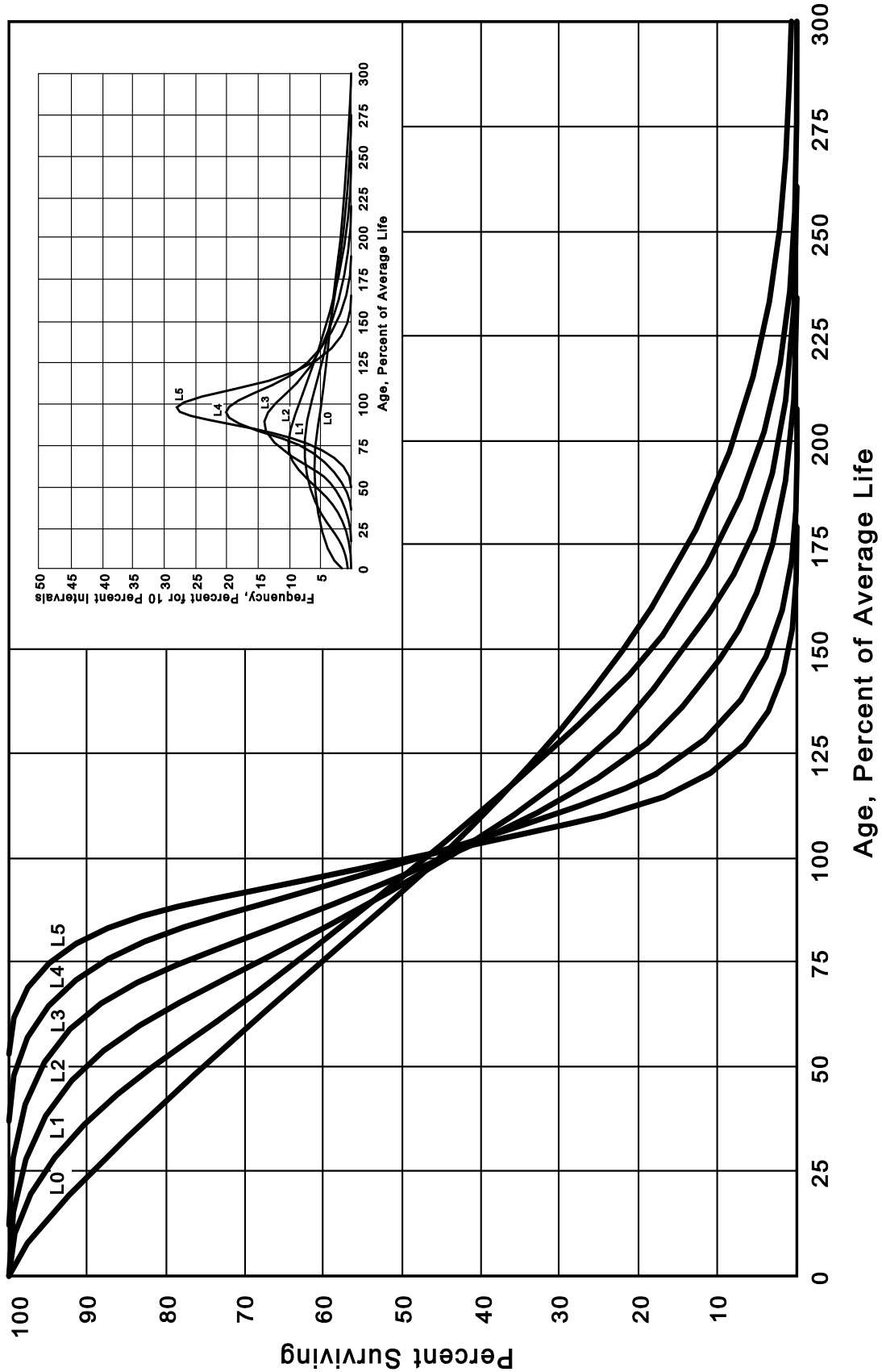


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

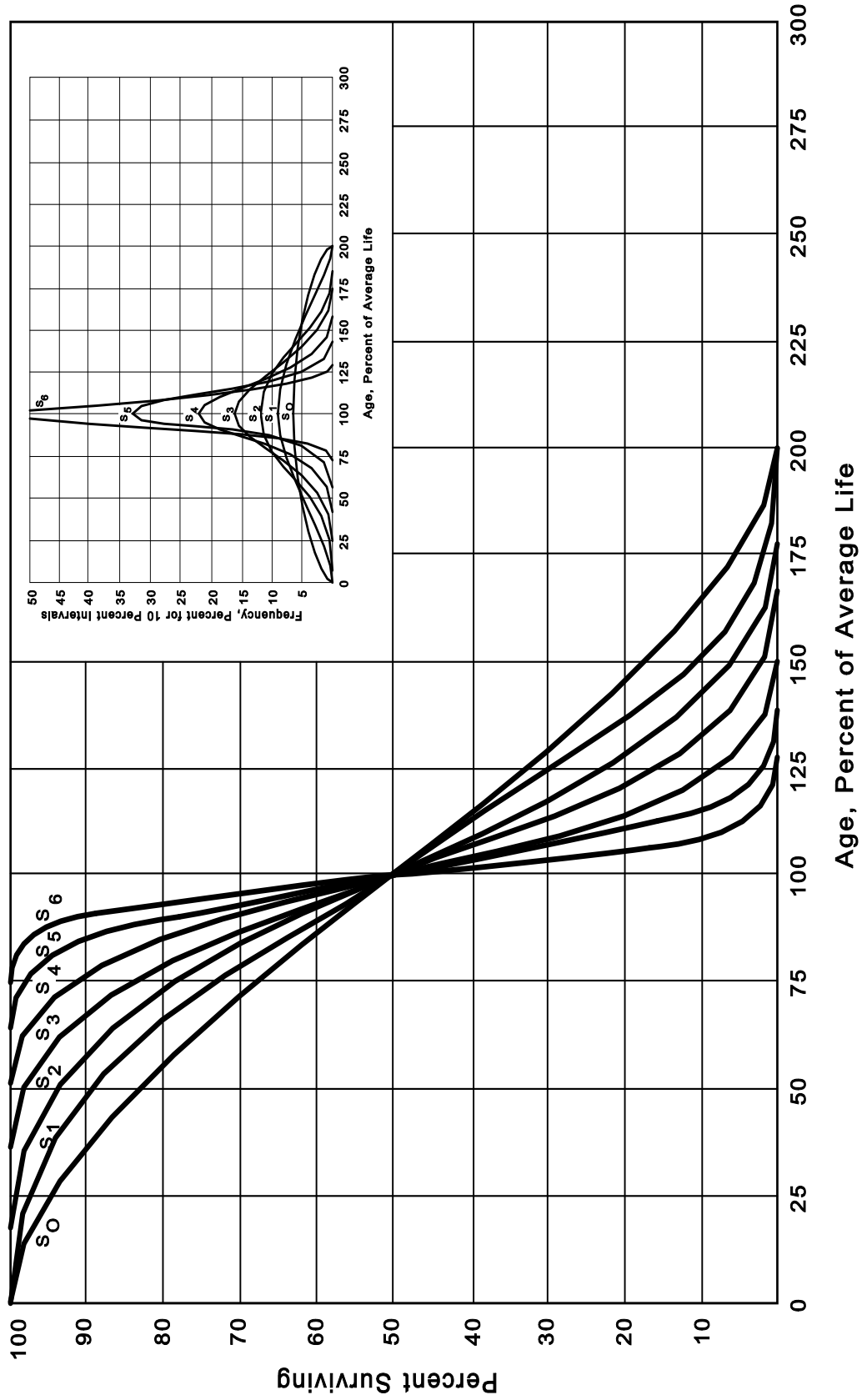


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

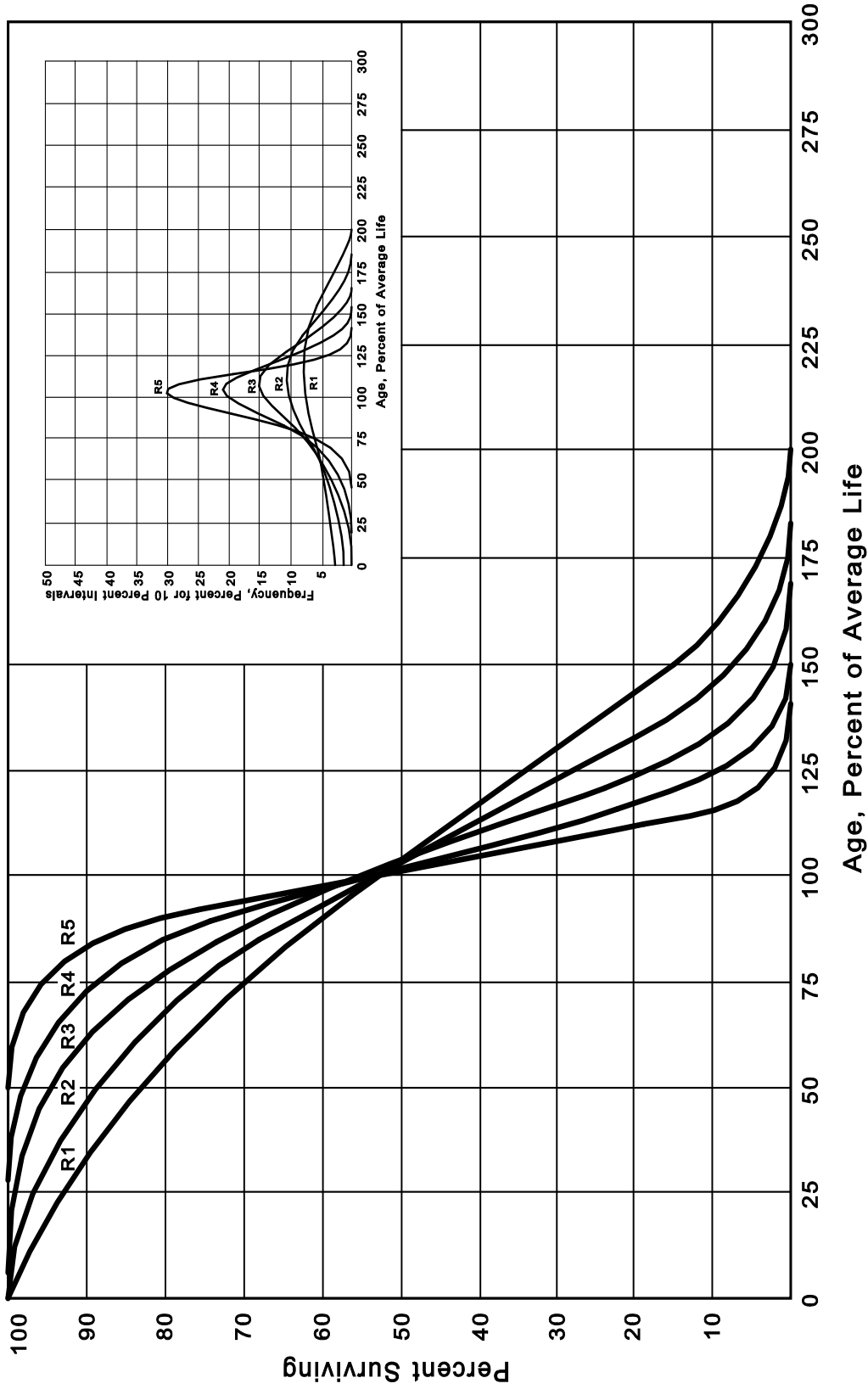


Figure 4. Right Modal or "R" IOWA Type Survivor Curves

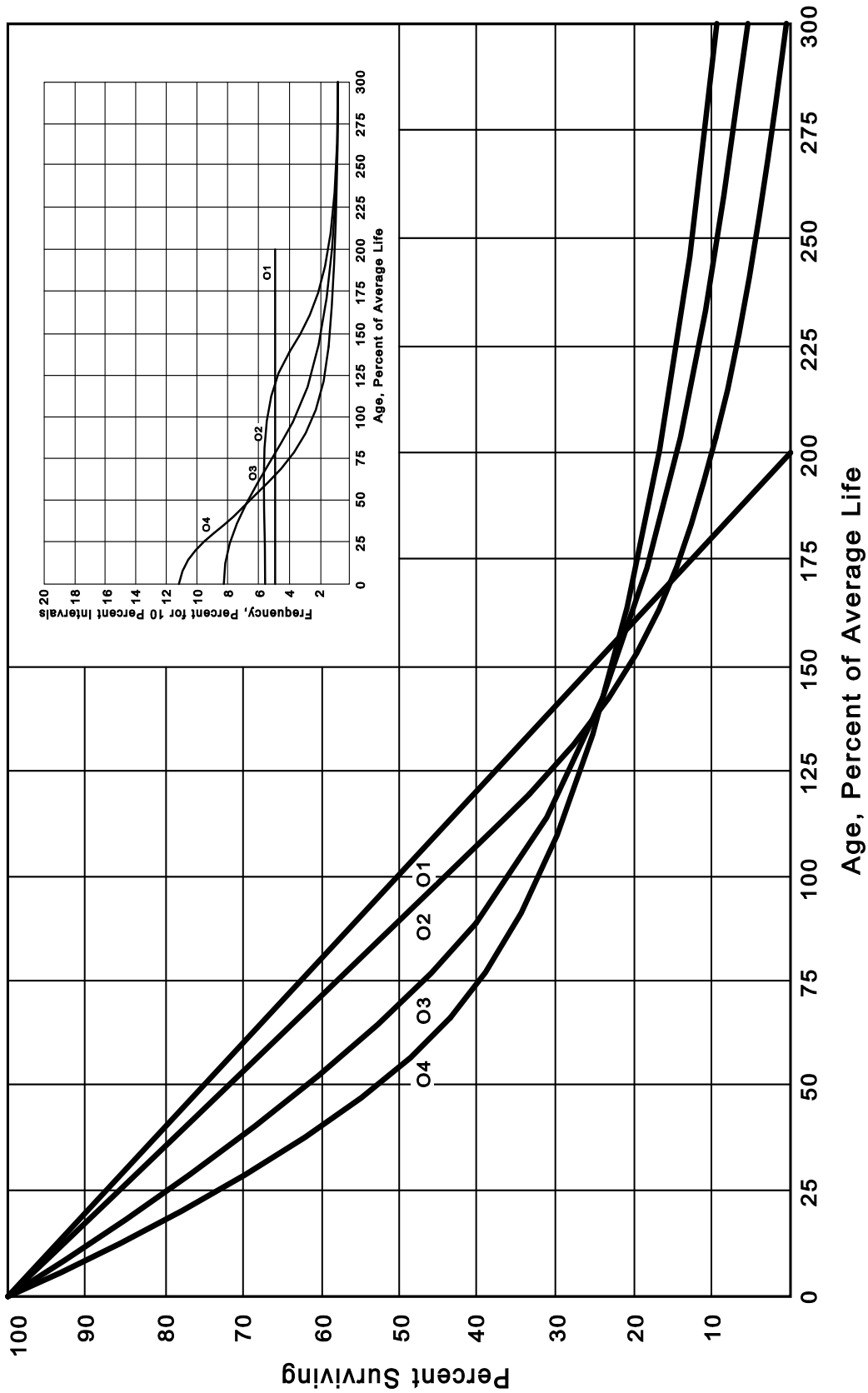


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125. These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."¹ In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student submitted a thesis presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"² "Engineering Valuation and Depreciation,"³ and "Depreciation Systems."⁴

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes

¹Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

²Winfrey, Robley, Supra Note 1.

³Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁴Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records

A hypothetical property group is used to illustrate the retirement rate method. This property group is observed for the experience band 2009-2018 during which there were placements during the years 2004-2018. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on pages II-11 and II-12. In Schedule 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 2004 were retired in 2009. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the stair step line drawn on the table beginning with the 2009 retirements of 2004 installations and ending with the 2018 retirements of the 2013 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2009-2018
SUMMARIZED BY AGE INTERVAL

Experience Band 2009-2018

Placement Band 2004-2018

Year Placed (1)	Retirements, Thousands of Dollars										Total During		Age Interval (13)
	2009 (2)	2010 (3)	2011 (4)	2012 (5)	2013 (6)	2014 (7)	2015 (8)	2016 (9)	2017 (10)	2018 (11)	Age Interval (12)		
2004	10	11	12	13	14	16	23	24	25	26	26	13½-14½	
2005	11	12	13	15	16	18	20	21	22	19	44	12½-13½	
2006	11	12	13	14	16	17	19	21	22	18	64	11½-12½	
2007	8	9	10	11	11	13	14	15	16	17	83	10½-11½	
2008	9	10	11	12	13	14	16	17	19	20	93	9½-10½	
2009	4	9	10	11	12	13	14	15	16	20	105	8½-9½	
2010		5	11	12	13	14	15	16	18	20	113	7½-8½	
2011			6	12	13	15	16	17	19	19	124	6½-7½	
2012				6	13	15	16	17	19	19	131	5½-6½	
2013					7	14	16	17	19	20	143	4½-5½	
2014						8	18	20	22	23	146	3½-4½	
2015							9	20	22	25	150	2½-3½	
2016								11	23	25	151	1½-2½	
2017									11	24	153	½-1½	
2018										13	80	0-½	
Total	53	68	86	106	128	157	196	231	273	308	1,606		

SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2009-2018
SUMMARIZED BY AGE INTERVAL

Experience Band 2009-2018 Placement Band 2004-2018

Year Placed (1)	During Year										Total During Age Interval (12)	Age Interval (13)	
	2009 (2)	2010 (3)	2011 (4)	2012 (5)	2013 (6)	2014 (7)	2015 (8)	2016 (9)	2017 (10)	2018 (11)			
2004	-	-	-	-	-	-	60 ^a	-	-	-	-	-	13½-14½
2005	-	-	-	-	-	-	-	-	-	-	-	-	12½-13½
2006	-	-	-	-	-	-	-	-	-	-	-	-	11½-12½
2007	-	-	-	-	-	-	-	(5) ^b	-	-	60	-	10½-11½
2008	-	-	-	-	-	-	-	6 ^a	-	-	-	-	9½-10½
2009	-	-	-	-	-	-	-	-	-	-	(5)	-	8½-9½
2010	-	-	-	-	-	-	-	-	-	-	6	-	7½-8½
2011	-	-	-	-	-	-	-	-	-	-	-	-	6½-7½
2012	-	-	-	-	-	-	-	(12) ^b	-	-	-	-	5½-6½
2013	-	-	-	-	-	-	-	-	22 ^a	-	-	-	4½-5½
2014	-	-	-	-	-	-	-	(19) ^b	-	-	10	-	3½-4½
2015	-	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2016	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	-	1½-2½
2017	-	-	-	-	-	-	-	-	-	-	-	-	½-1½
2018	-	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	-	

^a Transfer Affecting Exposures at Beginning of Year

^b Transfer Affecting Exposures at End of Year

^c Sale with Continued Use

Parentheses Denote Credit Amount.

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on page II-14. The surviving plant at the beginning of each year from 2009 through 2018 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2014 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

SCHEDULE 3. PLANT EXPOSED TO RETIREMENT
 JANUARY 1 OF EACH YEAR 2009-2018
 SUMMARIZED BY AGE INTERVAL

Year Placed	Exposures, Thousands of Dollars										Total at		Age Interval
	Annual Survivors at the Beginning of the Year										Beginning of	Age	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Age Interval	Interval	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
2004	255	245	234	222	209	195	239	216	192	167	167	13½-14½	
2005	279	268	256	243	228	212	194	174	153	131	323	12½-13½	
2006	307	296	284	271	257	241	224	205	184	162	531	11½-12½	
2007	338	330	321	311	300	289	276	262	242	226	823	10½-11½	
2008	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½	
2009	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½	
2010		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½	
2011			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½	
2012				580 ^a	574	561	546	530	501	482	3,057	5½-6½	
2013					660 ^a	653	639	623	628	609	3,789	4½-5½	
2014						750 ^a	742	724	685	663	4,332	3½-4½	
2015							850 ^a	841	821	799	4,955	2½-3½	
2016								960 ^a	949	926	5,719	1½-2½	
2017									1,080 ^a	1,069	6,579	½-1½	
2018										1,220 ^a	7,490	0-½	
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780		

^aAdditions during the year

For the entire experience band 2009-2018, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Schedule 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table

The original life table, illustrated in Schedule 4 on page II-16, is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	$143,000 \div 3,789,000$	= 0.0377
Survivor Ratio	=	$1.000 - 0.0377$	= 0.9623
Percent surviving at age 5½	=	$(88.15) \times (0.9623)$	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

SCHEDULE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2009-2018

Placement Band 2004-2018

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval	Exposures at Beginning of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Age Interval
(1)	(2)	(3)	(4)	(5)	(6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
Total	<u>44,780</u>	<u>1,606</u>			35.66

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.

Column 3 from Schedule 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 Divided by Column 2.

Column 5 = 1.0000 Minus Column 4.

Column 6 = Column 5 Multiplied by Column 6 as of the Preceding Age Interval.

The original survivor curve is plotted from the original life table (column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve

The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Schedule 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES

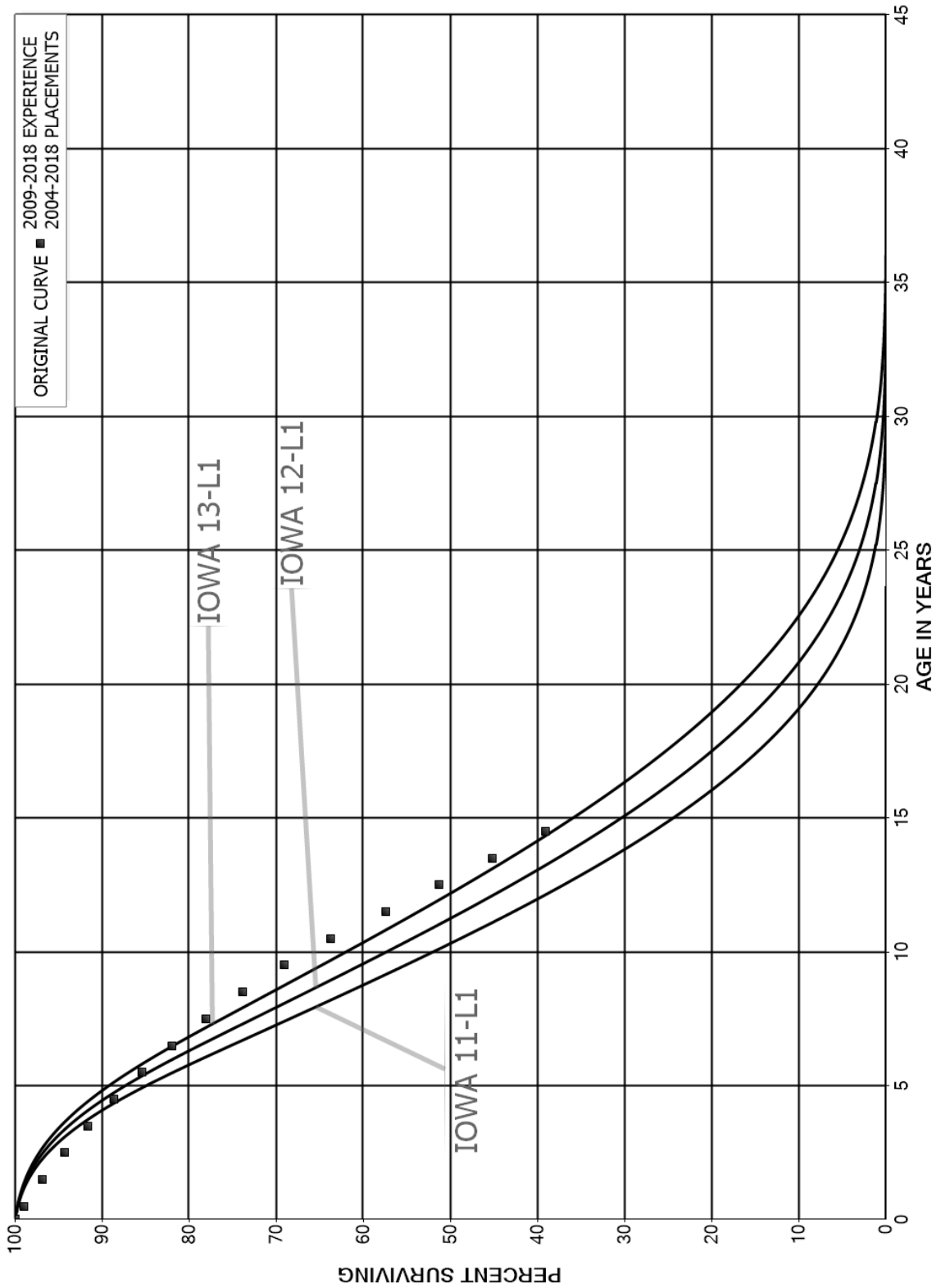


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES

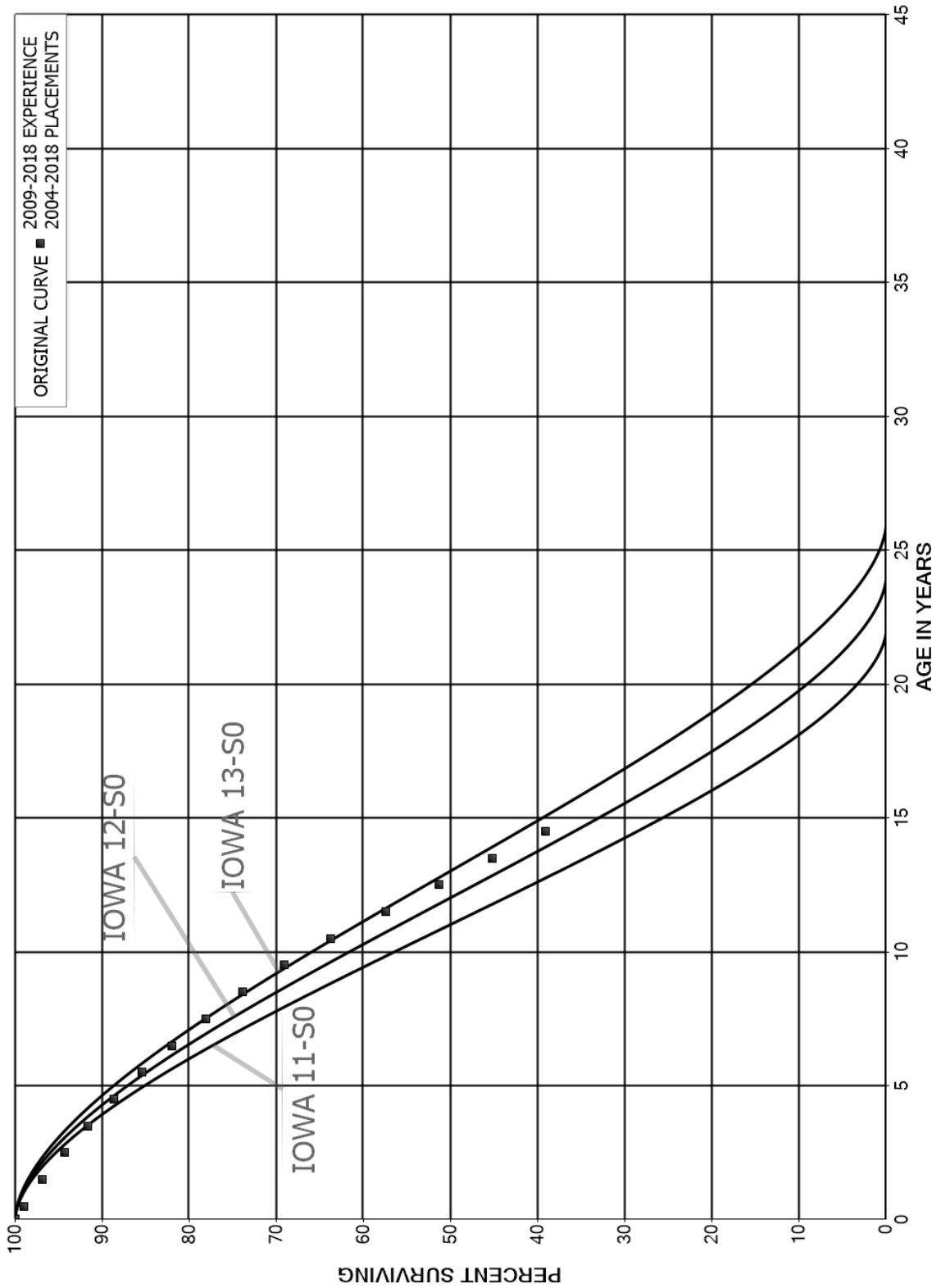


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES

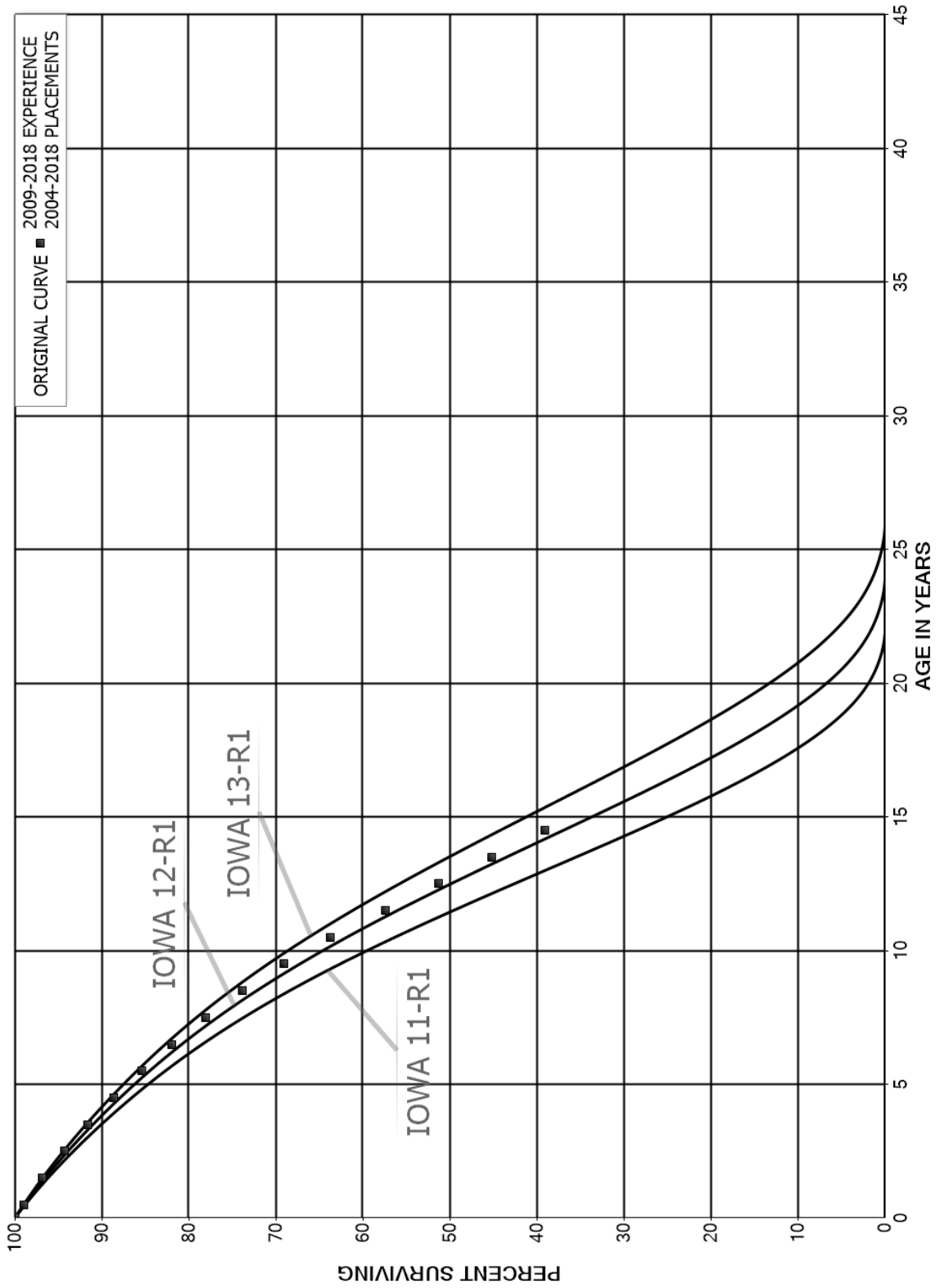
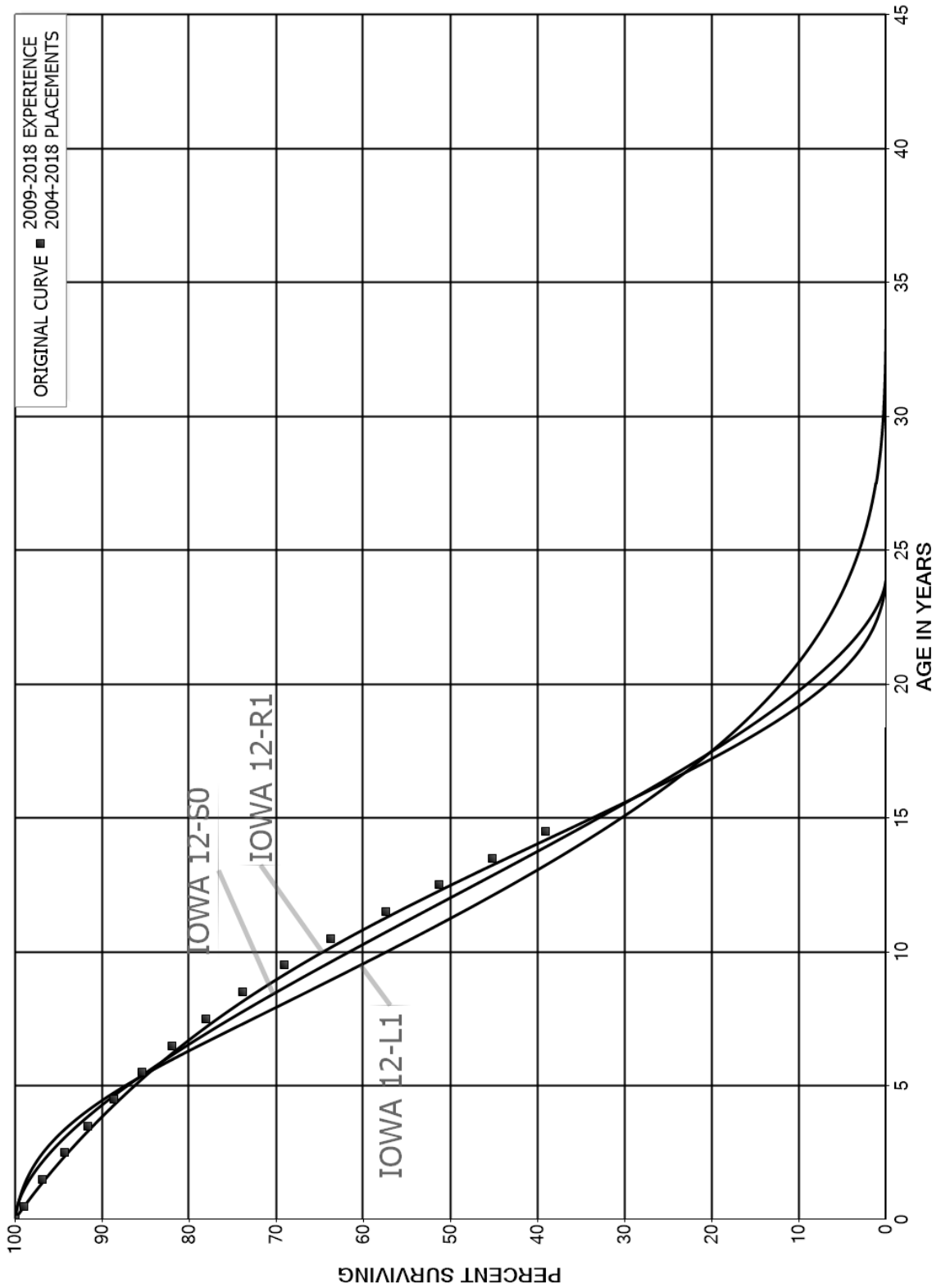


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1, S0 AND R1 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES



PART III. SERVICE LIFE CONSIDERATIONS

PART III. SERVICE LIFE CONSIDERATIONS

FIELD TRIPS

In order to be familiar with the operation of the Company and observe representative portions of the plant, a field trip was conducted for the study. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

The following is a list of the locations visited during the most recent field trips.

July 24, 2019

West Conshohocken Liquefied Natural Gas Plant
 West Conshohocken Gas Operations Center
 West Conshohocken District Regulator Station (Front St and Moorhead Ave)
 Oreland City Gate Station
 Center Point City Gate Station
 Skippack City Gate Station
 Tilghman Street LPG Plant

September 10, 2014

West Conshohocken Liquefied Natural Gas Plant
 West Conshohocken Gas Operations Center
 King of Prussia Gas Operations Center (Backup)
 Planebrook City Gate Station
 Tilghman Street LPG Plant

September 24, 2014

Plymouth Service Center

September 26, 2014

PECO Energy Headquarters Building – 2301 Market Street

LIFE ANALYSIS

The retirement rate method of life analysis is an actuarial method of developing survivor curves using the average rates at which property is retired from each depreciable group. The method involves the analysis of historical retirements of property of various ages, in relation to the property units exposed to retirement at those same ages. Application of this method requires an extensive compilation of historical aged retirement data as well as related plant accounting data including additions, acquisitions, sales and transfers. Plant accounting data for the years 1975 through 2018 were available to study. The life analyses were performed using Gannett Fleming's depreciation software programs. The actuarial data may or may not produce a complete life cycle of experience. A complete life cycle is indicated by the life table reaching zero percent surviving for the last age interval shown on the life table. The curve-fitting portion of Gannett Fleming's depreciation software program matches the stub survivor curves (i.e., from the original life tables) with each member of the lowa curve family. The curve-fitting results are based on a least squares solution of the differences between the stub curve and the lowa curve. Survivor data developed by the actuarial analysis and set forth on the original life table are graphed and compared visually and statistically with the lowa curves. There are two distinct steps in the estimation of service lives and retirement dispersions which must be recognized in the interpretation of the service life analysis results. The first step, *life analysis*, refers to the application of statistical procedures to determine life and dispersion indications based solely on past experience. The second step, *life estimation*, refers to the exercise of informed judgment in making sound estimates of service lives and retirement dispersions. Life estimation incorporates known historical experience, estimated historical trends and estimated future trends or events in order to define complete patterns of estimated service life characteristics. The results of the life analyses,

performed as the first step, are only one of the relevant factors to be considered during the decision making process of life estimation.

LIFE ESTIMATION

The service life estimates were based on informed judgment which considered a number of factors. The primary factors were the statistical analyses of PECO's property accounting data; current Company policies and outlook as determined during conversations with engineering management and other technical subject matters experts from the company's operations, facilities and IT departments; and the survivor curve estimates from previous studies of this company and other gas companies.

For several of the plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses using the retirement rate method resulted in reasonable indications of the survivor patterns experienced. These accounts represent 61 percent of depreciable gas plant studied. Generally, the information external to the statistics led to no significant departure from the indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in the section beginning on page VII-2.

<u>Account No.</u>	<u>Account Description</u>
<u>GAS PLANT</u>	
OTHER STORAGE PLANT	
363	Purification Equipment
363.3	Compressor Equipment
DISTRIBUTION PLANT	
375	Structures and Improvements
376.1	Mains – Steel
376.2	Mains – Cast Iron
379	Measuring and Regulating Station Equipment – City Gate
380.1	Services – Steel
380.2	Services – Plastic
382	Meter Installations

Account 376.1, Mains - Steel, is the third largest plant account and is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Aged retirement and other plant accounting data were compiled for the years 1975 through 2018. These data were coded in the course of the Companies' normal recordkeeping according to plant account or property group, type of transaction, year in which the transaction took place, and year in which the gas plant was placed in service. The data were analyzed by the retirement rate method of life analysis. The survivor curve chart for the account is presented on page VII-23 and the life tables for the experience band plotted on the chart follows it. Multiple experience band and placement band combinations were analyzed and reviewed for each account.

The estimated Iowa 70-R3 is a good fit of the more significant portion of the observed data, i.e., through approximately age 65. The range of service life estimates for mains in other gas companies is 50 to 70 years. The estimate resulting from the previous service life study was the 70-R3. The 70-R3 estimate is based on the statistical analysis for the period 1975-2018. More recent experience also was considered including the period 2009-2018. The Company has accelerated the rate of replacement for its bare steel mains. In 2011, PECO announced plans to accelerate the replacement of its bare steel mains. In 2013, the company filed its initial Long Term Infrastructure Improvement Plan (LTIIP) with the Pennsylvania Public Utility Commission (PaPUC) that expressly stated plans to replace all existing bare steel mains within 34 years by 2047. In 2015, the company filed a modified LTIIP with the PaPUC which further accelerated the replacement rate of bare steel, so that all bare steel mains will be replaced over a 20 year period ending in 2035. Bare steel mains were placed into

service predominantly from the 1920's through 1960 with some additional bare steel mains added in the 1960's. Starting in 1971, regulations prohibited the installation of bare steel mains. Steel mains installed subsequent to 1970 are coated, and cathodically-protected. There are 283 miles of bare steel mains remaining in service as of December 31, 2018 and 2,889 miles of coated steel mains. While the miles of bare steel mains in service is a small percent of the total miles of Account 376.1, Mains - Steel, the remaining investment in bare steel mains represents an even smaller percent of the total investment in steel mains. The plans to accelerate replacement of bare steel mains should result in higher retirement ratios for older assets than had occurred in the past, which is consistent with recent trends, shown by the 2009-2018 experience band and the estimated 70-R3 survivor curve. Discussions with company management indicated no reason to deviate further from the statistical indications. Based on all of these considerations, the 70-R3 estimate is most representative of future experience for this account.

Similar studies were performed for the remaining plant accounts. Each of the judgments represented a consideration of statistical analyses of aged plant activity, management's outlook for the future, and the typical range of lives used by other gas companies.

The selected amortization periods for certain other General Plant accounts are described in the section "Calculated Annual and Accrued Amortization." The General Plant accounts subject to amortization accounting comprise approximately 1 percent of the depreciable and amortizable plant included in this report.

Generally, the survivor curve estimates for the remainder of the accounts were based on judgments which considered the nature of the plant and equipment, a review of available historical retirement data, discussions with engineering management and other technical subject matter experts and a general knowledge of the service lives for similar equipment in other gas companies.

A couple other gas plant accounts affected by the company's plans to accelerate the replacement of older infrastructure assets include Accounts 376.2 – Mains – Cast Iron and 380.1, Services – Steel. In the company's most recent LTIIP filing submitted in 2015, all cast iron mains, in addition to the bare steel mains, will be replaced by 2035 and all bare steel services will be replaced by 2022. As a result of company plans to accelerate the replacement of these assets, forecasted retirements were determined based on company plans set forth in the LTIIP and incorporated with experienced retirements. A life analyses was performed for Account 376.2 using forecasted retirements through 2035 for cast iron mains. The life indications show increasing rates of retirements for older vintages of cast iron mains and steel services. The proposed survivor curve estimates for these two accounts reflect these expectations.

Life Span Estimates

The life span method is appropriate for certain gas facilities in which all assets at the facility are expected to be retired concurrently upon the final retirement of the facility. The life span estimates for these facilities were based on current Company policies and outlook as determined during field review, discussions with management and the range of estimates from other gas utility companies.

The range of life spans for other similar gas facilities varies widely from company to company and is dependent on numerous economic factors other than just the physical condition of the facility. The operation of these types of facilities is largely due to the continued economic attractiveness compared with alternative supply and storage options. The life span estimate for PECO's Tilghman Street LPG plant is 51 years and the estimate for its West Conshohocken LNG plant is 70 years. These estimates are at the upper end of the industry range and are based on the attained age of the facilities, the Company's current and continuing maintenance practices and planned investments.

A table with shows the life span estimates by generating unit is presented below.

<u>GAS FACILITY</u>	<u>IN-SERVICE YEAR</u>	<u>PROBABLE RETIREMENT YEAR</u>	<u>LIFE SPAN</u>
Tilghman Street LPG Plant	1984	2035	51
West Conshohocken LNG Plant	1972	2042	70

PART IV. NET SALVAGE CONSIDERATIONS

PART IV. NET SALVAGE CONSIDERATIONS

Net Salvage Considerations

Inasmuch as this report relates primarily to Pennsylvania rate regulation practices, under which experienced costs of negative net salvage (i.e., primarily removal costs) are amortized after their occurrence, no adjustments for expected salvage were made to either the annual depreciation accrual or the calculated accrued depreciation for individual accounts. The annual provision for recovering negative net salvage in Pennsylvania typically is based on the amortization of experienced net salvage over a five year period. However, PECO had requested in their 1989 rate case (Docket R-891364) to amortize experienced negative net salvage over the account's remaining life. The Pennsylvania Public Utility Commission (PA PUC) granted PECO's request and the company has been utilizing this method since 1989.

**PART V. CALCULATION OF ANNUAL AND
ACCRUED DEPRECIATION**

PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

GROUP DEPRECIATION PROCEDURES

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group. In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10} \right) = \$400.$$

Remaining Life Annual Accruals

For the purpose of calculating remaining life accruals as of December 31, 2018, the depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation follow. The detailed calculations as of December 31, 2018, are set forth in the Results of Study section of the report.

Average Service Life Procedure

In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighted average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account based upon the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$\text{Ratio} = 1 - \frac{\text{Average Remaining Life}}{\text{Average Service Life}}$$

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable utility plant in service. The accounts and their amortization periods are as follows:

<u>ACCT</u>	<u>TITLE</u>	<u>AMORTIZATION PERIOD, YEARS</u>
<u>Gas</u>		
391,	Office Furniture and Equipment	
391.2	Furniture and Fixtures	15
391.3	Computers	5
394,	Tools, Shop and Garage Equipment	20
398,	Miscellaneous Equipment	15

For the purpose of calculating annual amortization amounts as of December 31, 2018, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book

reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

PART VI. RESULTS OF STUDY

PART VI. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual accrual rates and amounts resulting from an updated service life study are the principal results of this report. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation, using the average service life procedure based on estimates which reflect considerations of current historical evidence and expected future conditions. The annual depreciation accrual rates are applicable specifically to the gas plant in service as of December 31, 2018.

DESCRIPTION OF SUMMARY TABULATIONS

Table 1 presents summary results of the study as applied to the original cost of gas plant at December 31, 2018. The summary table sets forth for each account the estimated survivor curve, the plant and reserve balance, the future accruals, the composite remaining life and the annual depreciation accrual rates for gross and net plant and the annual depreciation accrual amount. The summary schedule is presented on page VI-4 of this report.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other gas utilities. The results of the statistical analysis of service life are presented in the section beginning on page VII-2, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience. For accounts in which the historical service life indications were indeterminate or not indicative of the expected survivor characteristics, only the estimated smooth survivor curve is shown and not the original stub curve.

The tables of the calculated annual depreciation applicable to depreciable assets as of December 31, 2018 are presented in account sequence starting on page VIII-2 of the supporting documents. The tables indicate the estimated survivor curve for the account and set forth, for each installation year, the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life, and the calculated annual accrual amount.

PECO ENERGY COMPANY
GAS PLANT

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2018

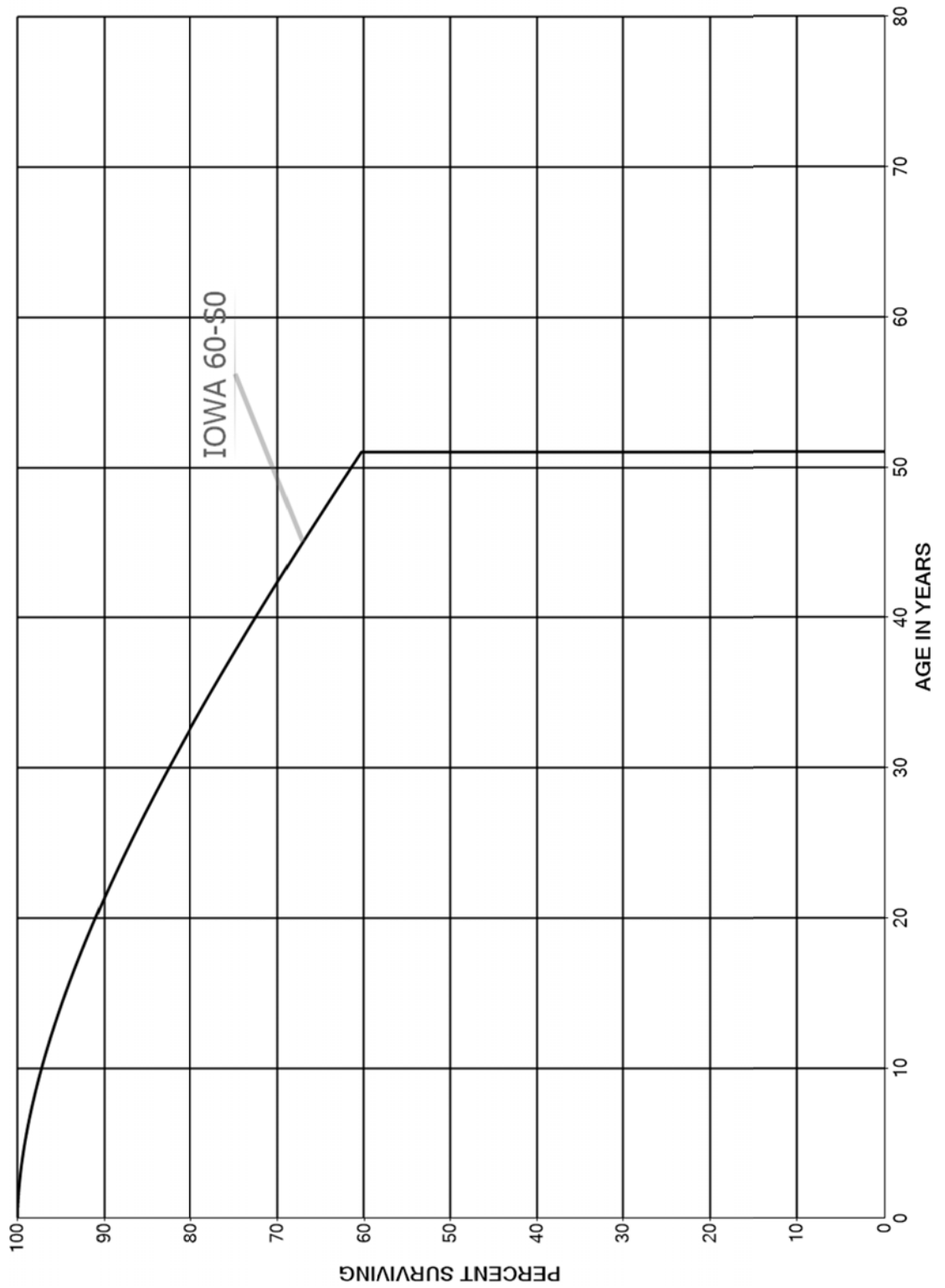
DEPRECIABLE PLANT	ACCOUNT (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	ORIGINAL COST AT 12/31/2018 (4)	BOOK RESERVE AT 12/31/2018 (5)	FUTURE ACCRUALS (NET PLANT) (6)=(4)-(5)	COMPOSITE REMAINING LIFE (7)	CALCULATED ANNUAL ACCRUAL		
								AMOUNT (8)	RATE (%) (9)=(8)/(4)	NET PLANT (10)=(8)/(6)
PRODUCTION PLANT										
305	STRUCTURES AND IMPROVEMENTS	6-2035	60 - S0 *	1,322,161	755,217	566,944	15.6	36,447	2.76	6.43
311	LIQUEFIED PETROLEUM GAS EQUIPMENT	6-2035	40 - S3 *	14,333,838	11,956,964	2,376,874	13.4	177,599	1.24	7.47
	TOTAL PRODUCTION PLANT			15,655,999	12,712,181	2,943,818		214,046	1.37	7.27
STORAGE AND PROCESSING PLANT										
361	STRUCTURES AND IMPROVEMENTS	6-2042	110 - R1 *	13,822,226	5,743,237	8,078,989	22.7	355,357	2.57	4.40
362	GAS HOLDERS	6-2042	SQUARE	7,083,540	6,835,440	248,100	23.5	10,558	0.15	4.26
363	PURIFICATION EQUIPMENT	6-2042	50 - L3 *	1,329,879	712,683	617,196	22.5	27,449	2.06	4.45
363.1	LIQUEFACTION EQUIPMENT	6-2042	40 - L3 *	9,958,189	6,057,558	3,900,631	20.1	194,188	1.95	4.48
363.2	VAPORIZING EQUIPMENT	6-2042	45 - L2.5 *	15,670,588	3,079,846	12,590,742	22.7	554,362	3.54	4.40
363.3	COMPRESSOR EQUIPMENT	6-2042	30 - R2.5 *	5,824,142	1,334,512	4,489,630	20.3	220,841	3.79	4.92
363.4	MEASURING AND REGULATING EQUIPMENT	6-2042	45 - L2.5 *	1,547,673	976,097	571,576	21.0	27,261	1.76	4.77
363.5	OTHER EQUIPMENT	6-2042	45 - L2.5 *	7,702,930	5,689,957	2,012,973	21.3	94,585	1.23	4.70
	TOTAL STORAGE AND PROCESSING PLANT			62,939,167	30,429,330	32,509,837		1,484,601	2.36	4.57
DISTRIBUTION PLANT										
375	STRUCTURES AND IMPROVEMENTS		50 - R4	13,652,505	5,097,563	8,554,942	27.8	308,229	2.26	3.60
376.1	MAINS - STEEL		70 - R3	532,104,163	187,362,763	344,741,400	47.9	7,201,094	1.35	2.09
376.2	MAINS - CAST IRON		60 - R2 *	15,228,174	4,485,659	10,742,516	9.6	1,123,368	7.38	10.46
376.3	MAINS - PLASTIC	12-2035	65 - R3	784,932,347	134,702,696	650,229,651	53.9	12,058,283	1.54	1.85
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL		50 - R2	18,155,129	7,519,627	10,635,502	34.2	310,951	1.71	2.92
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE		50 - R3	52,858,184	21,016,873	31,841,311	38.6	824,257	1.56	2.59
380.1	SERVICES - STEEL		37 - S0	98,308,943	5,802,220	92,506,723	23.1	3,996,994	4.07	4.32
380.2	SERVICES - PLASTIC		56 - R3	725,985,131	232,525,725	493,459,406	42.2	11,701,593	1.61	2.37
381	METER MODULES		40 - R3	79,054,279	40,753,346	38,300,932	26.7	1,435,880	1.82	3.75
381.1	METER MODULES		20 - S2	67,155,256	13,578,611	53,576,645	16.1	3,320,787	4.94	6.20
382	METER INSTALLATIONS		50 - R3	176,026,583	64,850,693	111,175,890	34.7	3,199,728	1.82	2.88
387	OTHER EQUIPMENT		22 - S1.5	2,118,323	951,673	1,166,650	6.2	188,334	8.89	16.14
	TOTAL DISTRIBUTION PLANT			2,565,579,017	718,647,450	1,846,931,568		45,669,498	1.78	2.47
GENERAL PLANT										
390	STRUCTURES AND IMPROVEMENTS		45 - R2	8,177,511	2,659,265	5,518,246	31.9	173,257	2.12	3.14
391.2	OFFICE FURNITURE AND EQUIPMENT - FURNITURE AND FIXTURES		15 - SQ	328,620	53,922	274,698	12.7	21,616	6.58	7.87
391.3	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS		5 - SQ	3,179,992	960,211	2,219,781	4.3	515,822	16.22	23.24
394	TOOLS, SHOP AND GARAGE EQUIPMENT		20 - SQ	11,413,903	4,101,283	7,312,620	12.8	572,301	5.01	7.83
397	COMMUNICATION EQUIPMENT - SCADA HW & SW		5 - R3	4,614,171	3,417,378	1,196,793	3.5	346,495	7.51	28.95
398	MISCELLANEOUS EQUIPMENT		15 - SQ	168,798	60,173	108,625	13.0	8,334	4.94	7.67
	TOTAL GENERAL PLANT			27,882,995	11,252,232	16,630,762		1,637,825	5.87	9.85
	TOTAL DEPRECIABLE PLANT			2,672,057,178	775,041,193	1,899,015,986		49,005,970	1.83	2.58
NONDEPRECIABLE AND ACCOUNTS NOT STUDIED										
302	FRANCHISES AND CONSENTS			50,033	0	0				
303	MISCELLANEOUS INTANGIBLE PLANT**			16,664,207	11,564,885	0				
360	LAND AND LAND RIGHTS			15,923	0	0				
374	LAND AND LAND RIGHTS			3,651,337	286,237	0				
388	DISTRIBUTION ARO COSTS			1,401,921	20,051	0				
399.1	GENERAL ARO COSTS			145,154	20,051	0				
	TOTAL NONDEPRECIABLE AND ACCOUNTS NOT STUDIED			21,928,575	11,871,173	0				
	TOTAL GAS PLANT			2,693,985,754	784,912,366	1,899,015,986				

* Interim Survivor Curve

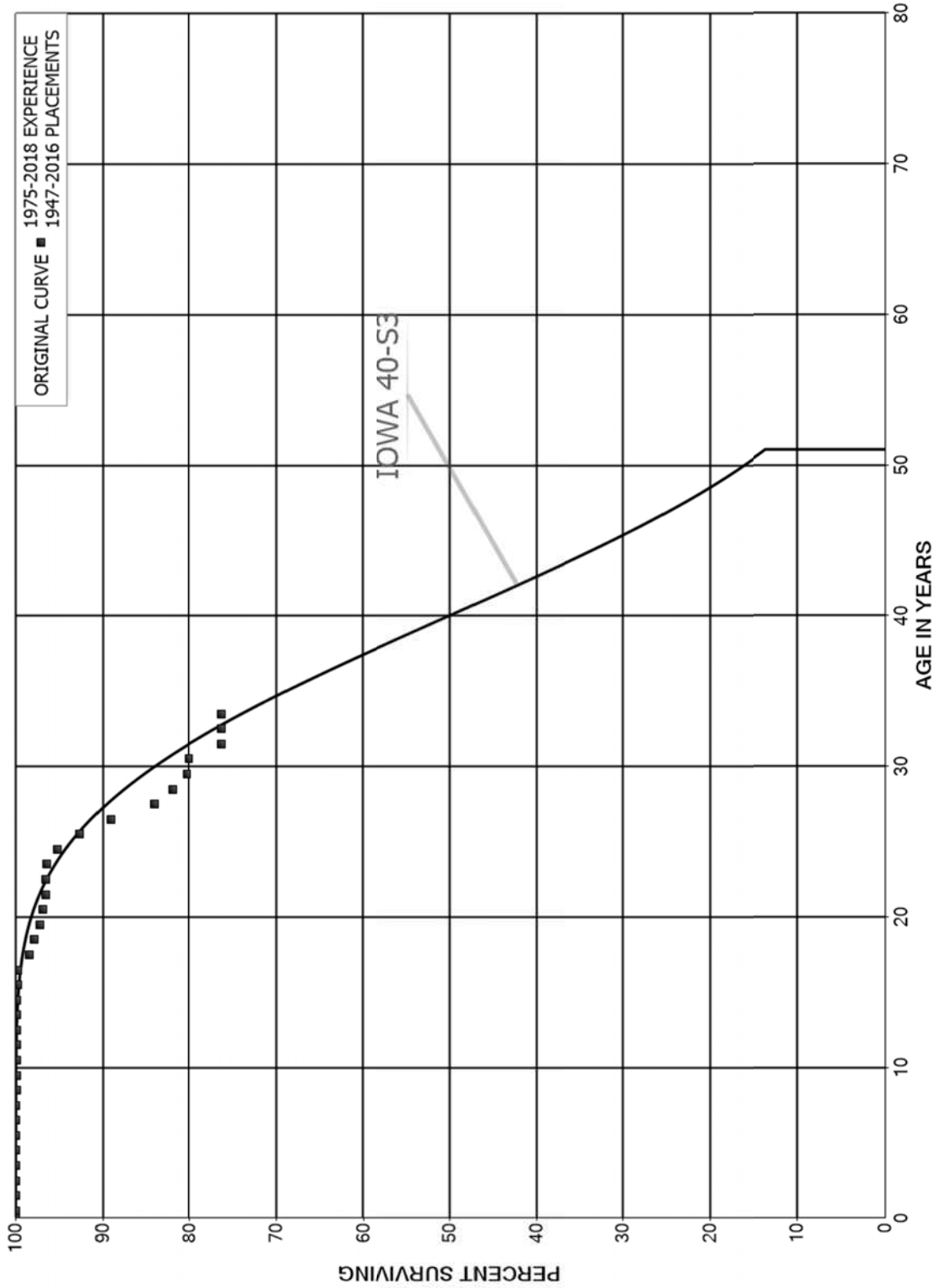
** Miscellaneous Intangible Plant is individually depreciated over 5 years.

PART VII. SERVICE LIFE STATISTICS

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 305 STRUCTURES AND IMPROVEMENTS
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 311 LIQUEFIED PETROLEUM GAS EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 311 LIQUEFIED PETROLEUM GAS EQUIPMENT

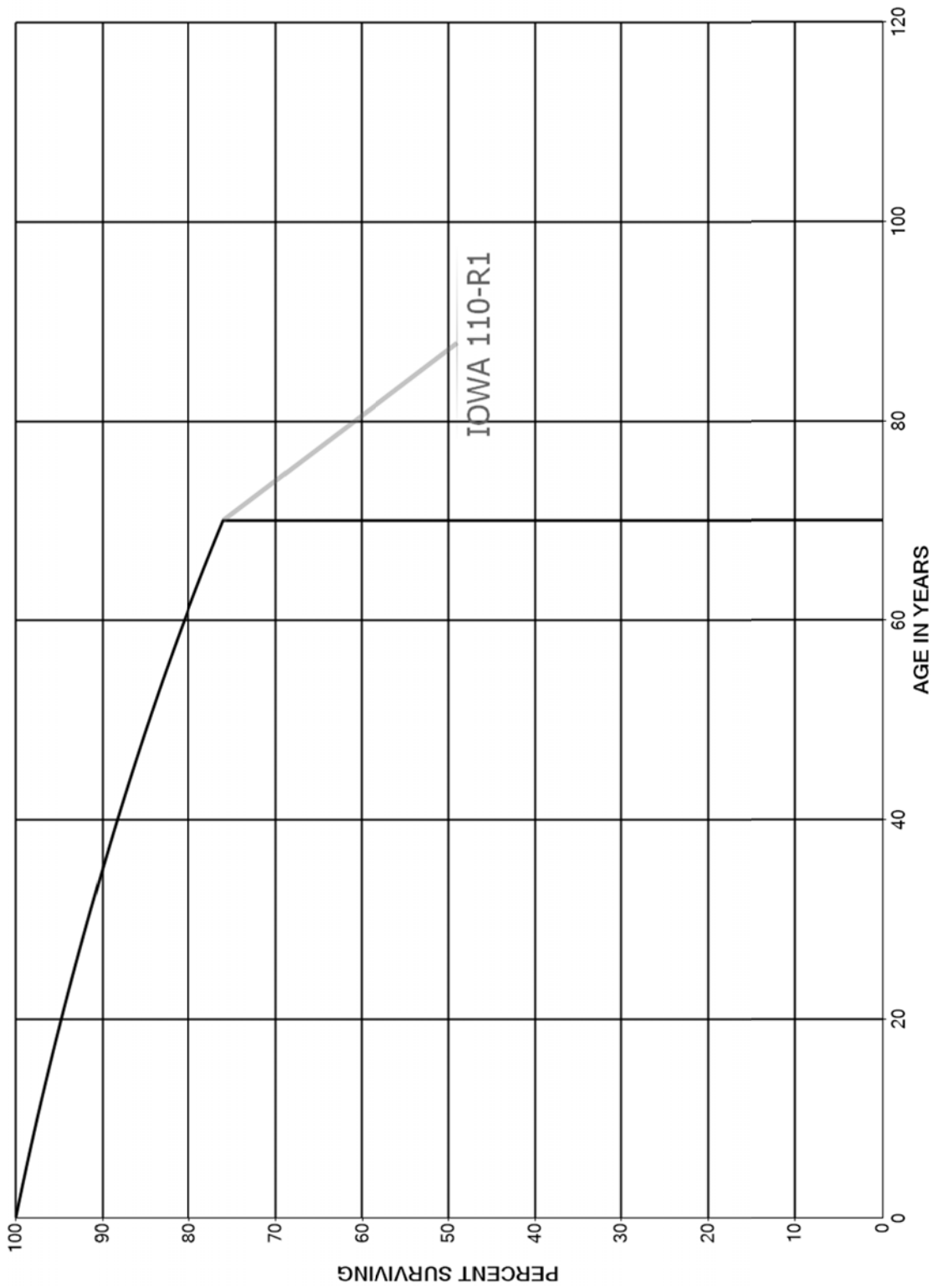
ORIGINAL LIFE TABLE

PLACEMENT BAND 1947-2016

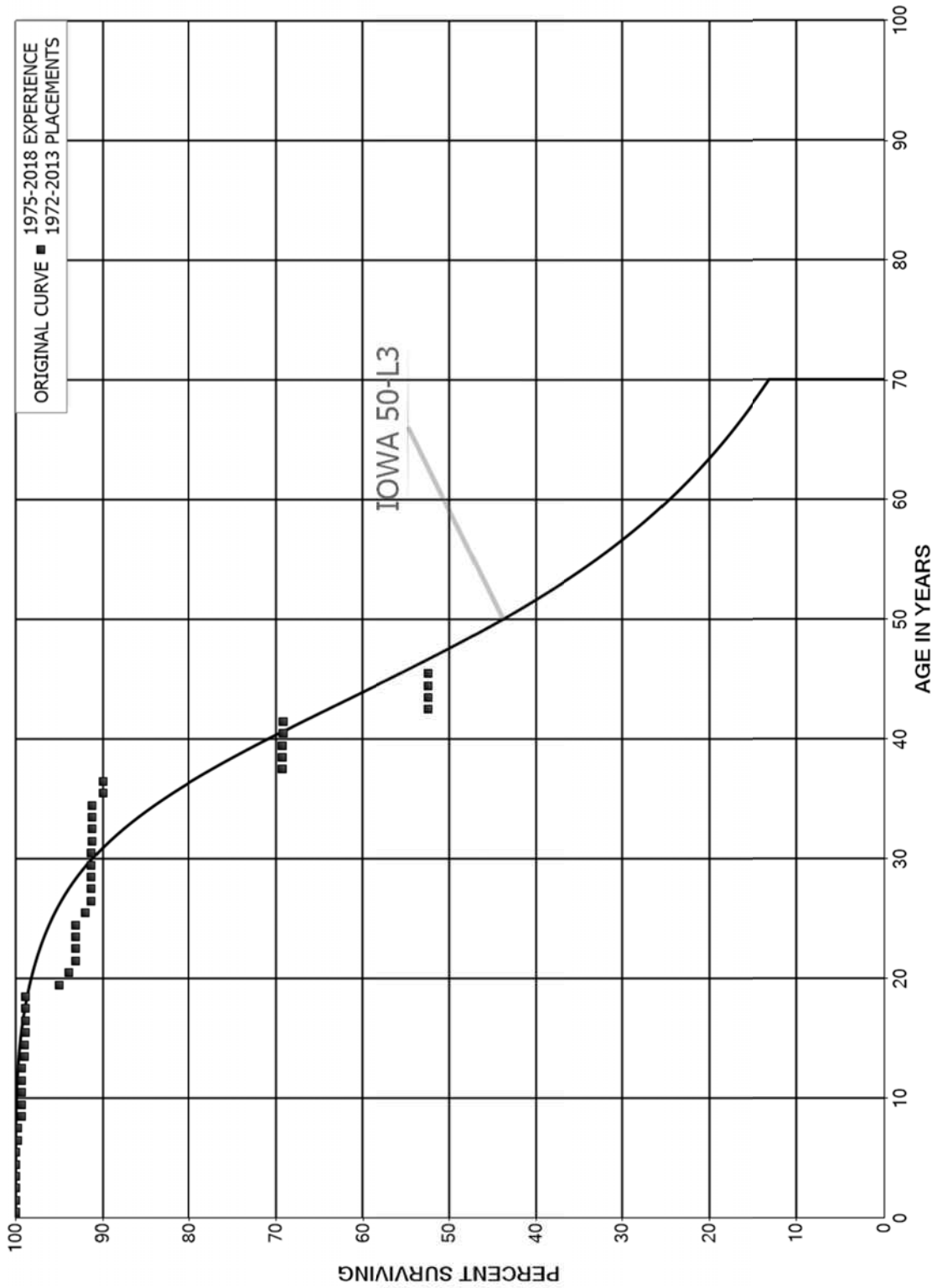
EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,908,341		0.0000	1.0000	100.00
0.5	14,908,341	101	0.0000	1.0000	100.00
1.5	14,908,240	1,809	0.0001	0.9999	100.00
2.5	14,874,441	527	0.0000	1.0000	99.99
3.5	14,873,914		0.0000	1.0000	99.98
4.5	14,873,914	5,237	0.0004	0.9996	99.98
5.5	14,868,677		0.0000	1.0000	99.95
6.5	14,614,484		0.0000	1.0000	99.95
7.5	14,008,234	9,234	0.0007	0.9993	99.95
8.5	13,444,975	15	0.0000	1.0000	99.88
9.5	13,444,960	6	0.0000	1.0000	99.88
10.5	13,444,954		0.0000	1.0000	99.88
11.5	13,462,205		0.0000	1.0000	99.88
12.5	13,626,465		0.0000	1.0000	99.88
13.5	13,626,465		0.0000	1.0000	99.88
14.5	13,626,465	16,223	0.0012	0.9988	99.88
15.5	13,607,065	4,494	0.0003	0.9997	99.76
16.5	13,647,723	178,217	0.0131	0.9869	99.73
17.5	13,469,506	87,157	0.0065	0.9935	98.43
18.5	13,677,286	81,455	0.0060	0.9940	97.79
19.5	13,981,466	54,209	0.0039	0.9961	97.21
20.5	14,272,442	45,206	0.0032	0.9968	96.83
21.5	14,227,236	179	0.0000	1.0000	96.53
22.5	14,202,275	26,870	0.0019	0.9981	96.52
23.5	14,333,395	165,841	0.0116	0.9884	96.34
24.5	12,949,128	361,379	0.0279	0.9721	95.23
25.5	6,370,475	244,416	0.0384	0.9616	92.57
26.5	6,450,371	361,620	0.0561	0.9439	89.02
27.5	6,094,125	152,738	0.0251	0.9749	84.03
28.5	5,941,388	121,903	0.0205	0.9795	81.92
29.5	5,810,163	12,485	0.0021	0.9979	80.24
30.5	5,797,678	270,029	0.0466	0.9534	80.07
31.5	5,510,532	1,272	0.0002	0.9998	76.34
32.5	5,509,260		0.0000	1.0000	76.32
33.5	5,509,260	197,823	0.0359	0.9641	76.32
34.5	7,856	7,856	1.0000		73.58
35.5					

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 361 STRUCTURES AND IMPROVEMENTS
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 363 PURIFICATION EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363 PURIFICATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2013

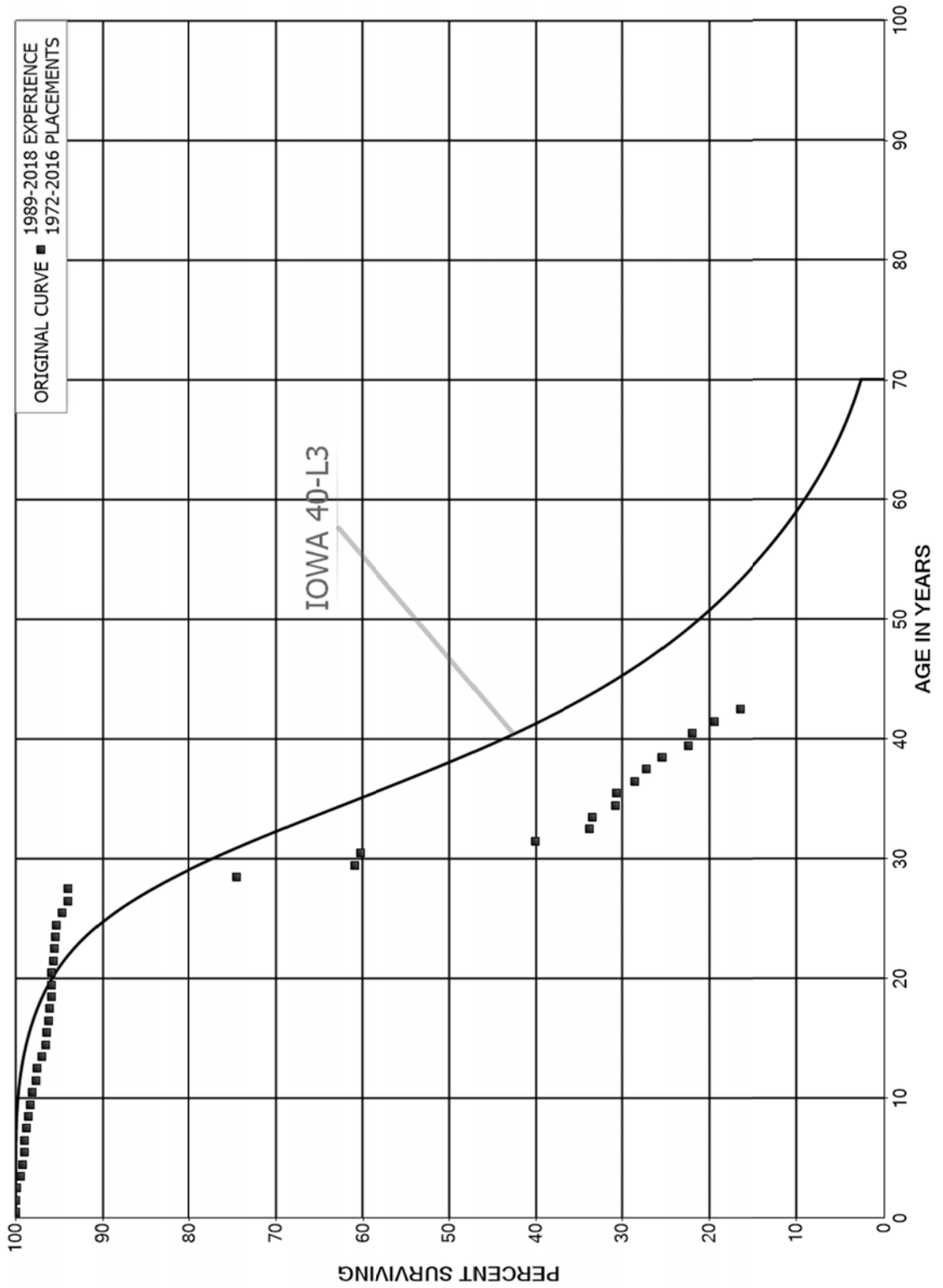
EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,188,124		0.0000	1.0000	100.00
0.5	1,190,668		0.0000	1.0000	100.00
1.5	1,190,668		0.0000	1.0000	100.00
2.5	1,498,886	1,476	0.0010	0.9990	100.00
3.5	1,497,410		0.0000	1.0000	99.90
4.5	1,497,410		0.0000	1.0000	99.90
5.5	1,106,646	1,363	0.0012	0.9988	99.90
6.5	1,105,282		0.0000	1.0000	99.78
7.5	1,105,282	4,988	0.0045	0.9955	99.78
8.5	1,100,294		0.0000	1.0000	99.33
9.5	1,100,294	421	0.0004	0.9996	99.33
10.5	727,970		0.0000	1.0000	99.29
11.5	727,970		0.0000	1.0000	99.29
12.5	585,407	2,349	0.0040	0.9960	99.29
13.5	583,058		0.0000	1.0000	98.89
14.5	583,058	265	0.0005	0.9995	98.89
15.5	582,793		0.0000	1.0000	98.85
16.5	582,793		0.0000	1.0000	98.85
17.5	431,694	187	0.0004	0.9996	98.85
18.5	431,507	16,866	0.0391	0.9609	98.80
19.5	401,854	4,908	0.0122	0.9878	94.94
20.5	396,946	2,925	0.0074	0.9926	93.78
21.5	394,021		0.0000	1.0000	93.09
22.5	394,021		0.0000	1.0000	93.09
23.5	394,021		0.0000	1.0000	93.09
24.5	394,021	4,850	0.0123	0.9877	93.09
25.5	389,171	2,938	0.0076	0.9924	91.95
26.5	386,232		0.0000	1.0000	91.25
27.5	386,232		0.0000	1.0000	91.25
28.5	386,232	7	0.0000	1.0000	91.25
29.5	326,788		0.0000	1.0000	91.25
30.5	294,870	200	0.0007	0.9993	91.25
31.5	294,670		0.0000	1.0000	91.19
32.5	294,670	29	0.0001	0.9999	91.19
33.5	294,641		0.0000	1.0000	91.18
34.5	294,641	3,884	0.0132	0.9868	91.18
35.5	290,757	128	0.0004	0.9996	89.98
36.5	290,629	66,694	0.2295	0.7705	89.94
37.5	223,935		0.0000	1.0000	69.30
38.5	223,935		0.0000	1.0000	69.30

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 363 PURIFICATION EQUIPMENT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1972-2013			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	223,935	446	0.0020	0.9980	69.30	
40.5	222,954		0.0000	1.0000	69.16	
41.5	222,954	54,082	0.2426	0.7574	69.16	
42.5	168,872		0.0000	1.0000	52.38	
43.5	168,872		0.0000	1.0000	52.38	
44.5	167,385		0.0000	1.0000	52.38	
45.5	167,385		0.0000	1.0000	52.38	
46.5					52.38	

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 363.1 LIQUEFACTION EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.1 LIQUEFACTION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2016

EXPERIENCE BAND 1989-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,941,504		0.0000	1.0000	100.00
0.5	9,941,504	3,329	0.0003	0.9997	100.00
1.5	9,938,175	9,092	0.0009	0.9991	99.97
2.5	9,417,046	50,384	0.0054	0.9946	99.88
3.5	8,939,591	10,733	0.0012	0.9988	99.34
4.5	8,928,858	22,640	0.0025	0.9975	99.22
5.5	8,480,592	3,700	0.0004	0.9996	98.97
6.5	8,154,413	16,814	0.0021	0.9979	98.93
7.5	8,138,581	18,075	0.0022	0.9978	98.72
8.5	7,612,599	13,931	0.0018	0.9982	98.50
9.5	7,598,668	19,707	0.0026	0.9974	98.32
10.5	7,655,541	31,872	0.0042	0.9958	98.07
11.5	7,623,669	15,061	0.0020	0.9980	97.66
12.5	7,608,608	36,341	0.0048	0.9952	97.47
13.5	7,853,954	40,276	0.0051	0.9949	97.00
14.5	7,816,247	11,370	0.0015	0.9985	96.50
15.5	4,325,511	9,038	0.0021	0.9979	96.36
16.5	4,896,552	5,548	0.0011	0.9989	96.16
17.5	4,330,725	7,717	0.0018	0.9982	96.05
18.5	4,323,008	633	0.0001	0.9999	95.88
19.5	4,028,749	3,121	0.0008	0.9992	95.87
20.5	2,266,202	5,014	0.0022	0.9978	95.79
21.5	2,261,189	1,055	0.0005	0.9995	95.58
22.5	2,171,240	3,422	0.0016	0.9984	95.54
23.5	2,149,376	1,933	0.0009	0.9991	95.39
24.5	2,147,443	16,372	0.0076	0.9924	95.30
25.5	2,131,071	14,546	0.0068	0.9932	94.57
26.5	2,116,526	632	0.0003	0.9997	93.93
27.5	2,106,208	435,722	0.2069	0.7931	93.90
28.5	1,670,486	302,378	0.1810	0.8190	74.48
29.5	1,368,108	16,403	0.0120	0.9880	60.99
30.5	1,351,704	453,928	0.3358	0.6642	60.26
31.5	897,777	141,231	0.1573	0.8427	40.03
32.5	756,545	7,657	0.0101	0.9899	33.73
33.5	748,888	60,083	0.0802	0.9198	33.39
34.5	688,805	2,559	0.0037	0.9963	30.71
35.5	683,187	47,128	0.0690	0.9310	30.59
36.5	636,059	28,183	0.0443	0.9557	28.48
37.5	607,508	41,583	0.0684	0.9316	27.22
38.5	561,220	66,509	0.1185	0.8815	25.36

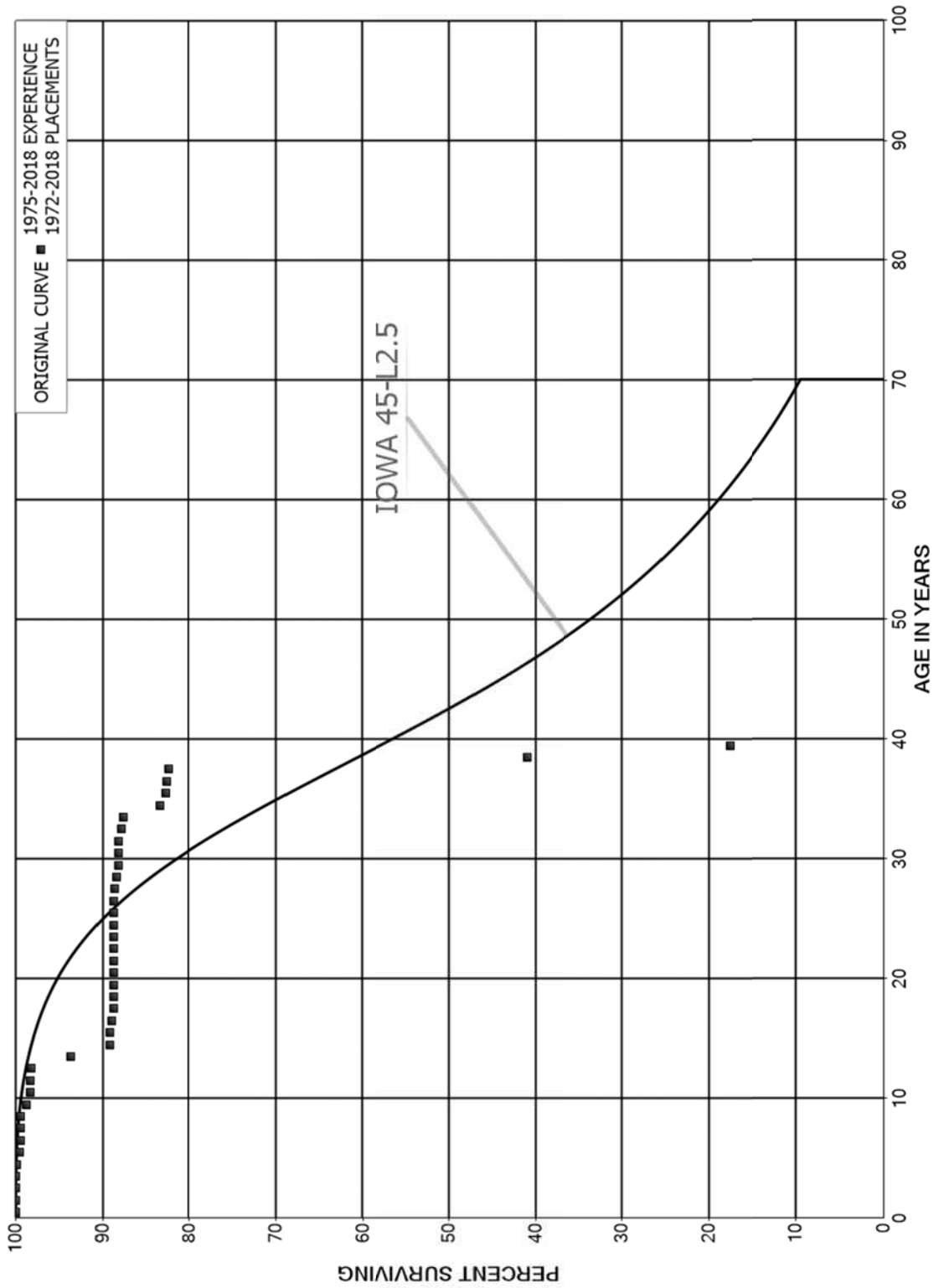
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.1 LIQUEFACTION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1972-2016			EXPERIENCE BAND 1989-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	494,711	8,212	0.0166	0.9834	22.35
40.5	465,508	54,765	0.1176	0.8824	21.98
41.5	410,744	63,922	0.1556	0.8444	19.40
42.5	346,822	78	0.0002	0.9998	16.38
43.5	89,461	11,835	0.1323	0.8677	16.37
44.5	77,233	13,392	0.1734	0.8266	14.21
45.5	63,841		0.0000	1.0000	11.74
46.5					11.74

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 363.2 VAPORIZING EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.2 VAPORIZING EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	15,804,830	1,090	0.0001	0.9999	100.00
0.5	6,368,118	2,954	0.0005	0.9995	99.99
1.5	4,670,220	124	0.0000	1.0000	99.95
2.5	5,311,561		0.0000	1.0000	99.94
3.5	5,311,561	7,965	0.0015	0.9985	99.94
4.5	5,303,595	15,781	0.0030	0.9970	99.79
5.5	5,287,814	6,992	0.0013	0.9987	99.50
6.5	5,280,822		0.0000	1.0000	99.37
7.5	5,280,822		0.0000	1.0000	99.37
8.5	3,430,387	22,381	0.0065	0.9935	99.37
9.5	3,331,561	16,417	0.0049	0.9951	98.72
10.5	2,153,134		0.0000	1.0000	98.23
11.5	2,153,134	253	0.0001	0.9999	98.23
12.5	1,949,331	90,712	0.0465	0.9535	98.22
13.5	1,718,346	82,346	0.0479	0.9521	93.65
14.5	1,636,001		0.0000	1.0000	89.16
15.5	1,636,001	3,968	0.0024	0.9976	89.16
16.5	1,632,033	3,520	0.0022	0.9978	88.94
17.5	1,426,285		0.0000	1.0000	88.75
18.5	1,426,285		0.0000	1.0000	88.75
19.5	1,426,285		0.0000	1.0000	88.75
20.5	1,426,285		0.0000	1.0000	88.75
21.5	680,568		0.0000	1.0000	88.75
22.5	680,568	30	0.0000	1.0000	88.75
23.5	680,538	108	0.0002	0.9998	88.75
24.5	656,136	16	0.0000	1.0000	88.73
25.5	656,120		0.0000	1.0000	88.73
26.5	656,120	483	0.0007	0.9993	88.73
27.5	655,637	2,215	0.0034	0.9966	88.67
28.5	653,422	1,194	0.0018	0.9982	88.37
29.5	652,229		0.0000	1.0000	88.21
30.5	652,229		0.0000	1.0000	88.21
31.5	652,229	2,520	0.0039	0.9961	88.21
32.5	649,709	1,461	0.0022	0.9978	87.87
33.5	648,248	31,829	0.0491	0.9509	87.67
34.5	616,419	4,716	0.0077	0.9923	83.36
35.5	611,070	1,043	0.0017	0.9983	82.73
36.5	608,286	1,253	0.0021	0.9979	82.58
37.5	607,033	305,037	0.5025	0.4975	82.41
38.5	301,996	172,887	0.5725	0.4275	41.00

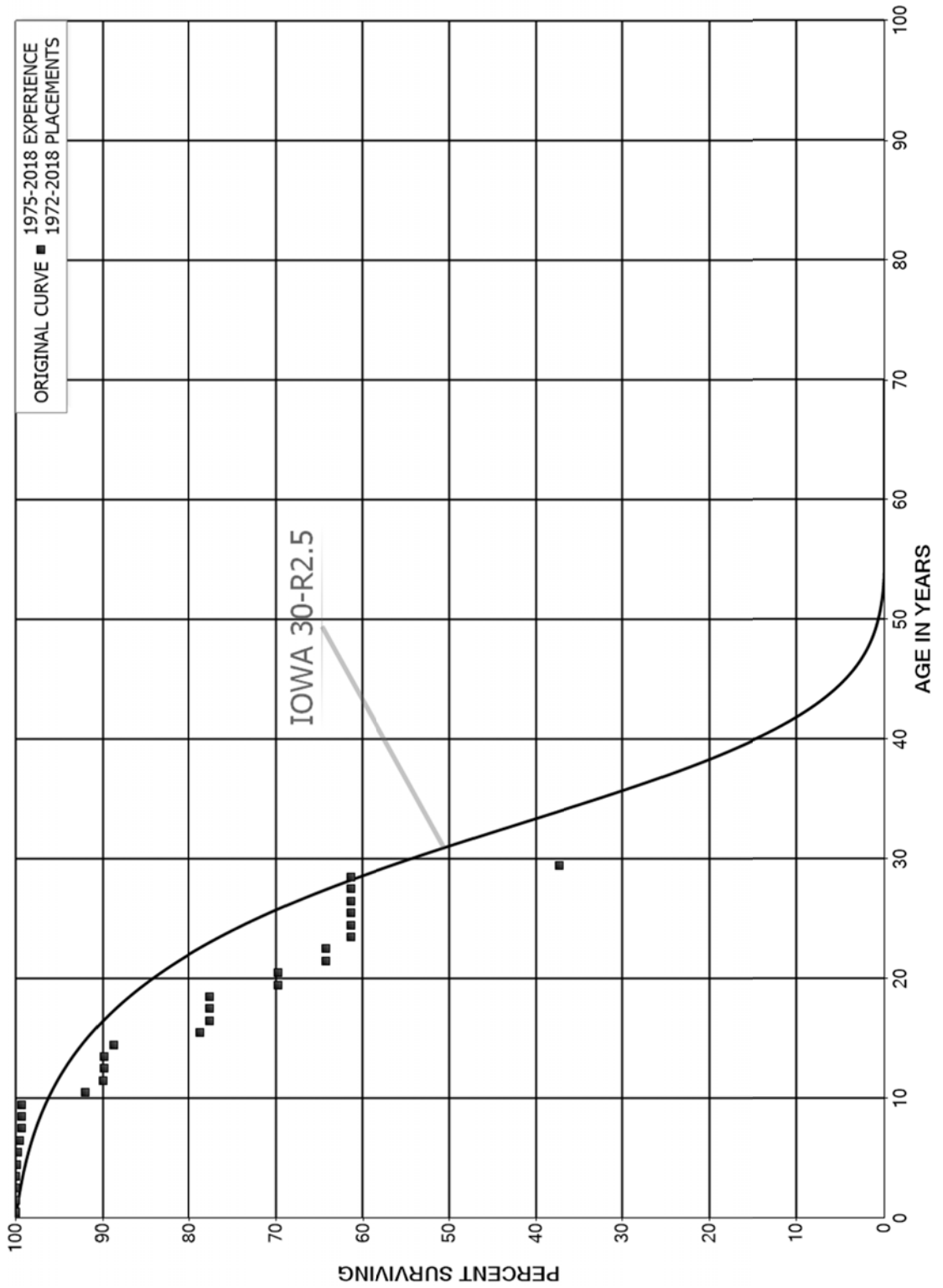
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.2 VAPORIZING EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1972-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	129,109		0.0000	1.0000	17.53
40.5	128,094		0.0000	1.0000	17.53
41.5	128,094		0.0000	1.0000	17.53
42.5	128,094		0.0000	1.0000	17.53
43.5	128,094		0.0000	1.0000	17.53
44.5	127,657		0.0000	1.0000	17.53
45.5	127,380		0.0000	1.0000	17.53
46.5					17.53

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 363.3 COMPRESSOR EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



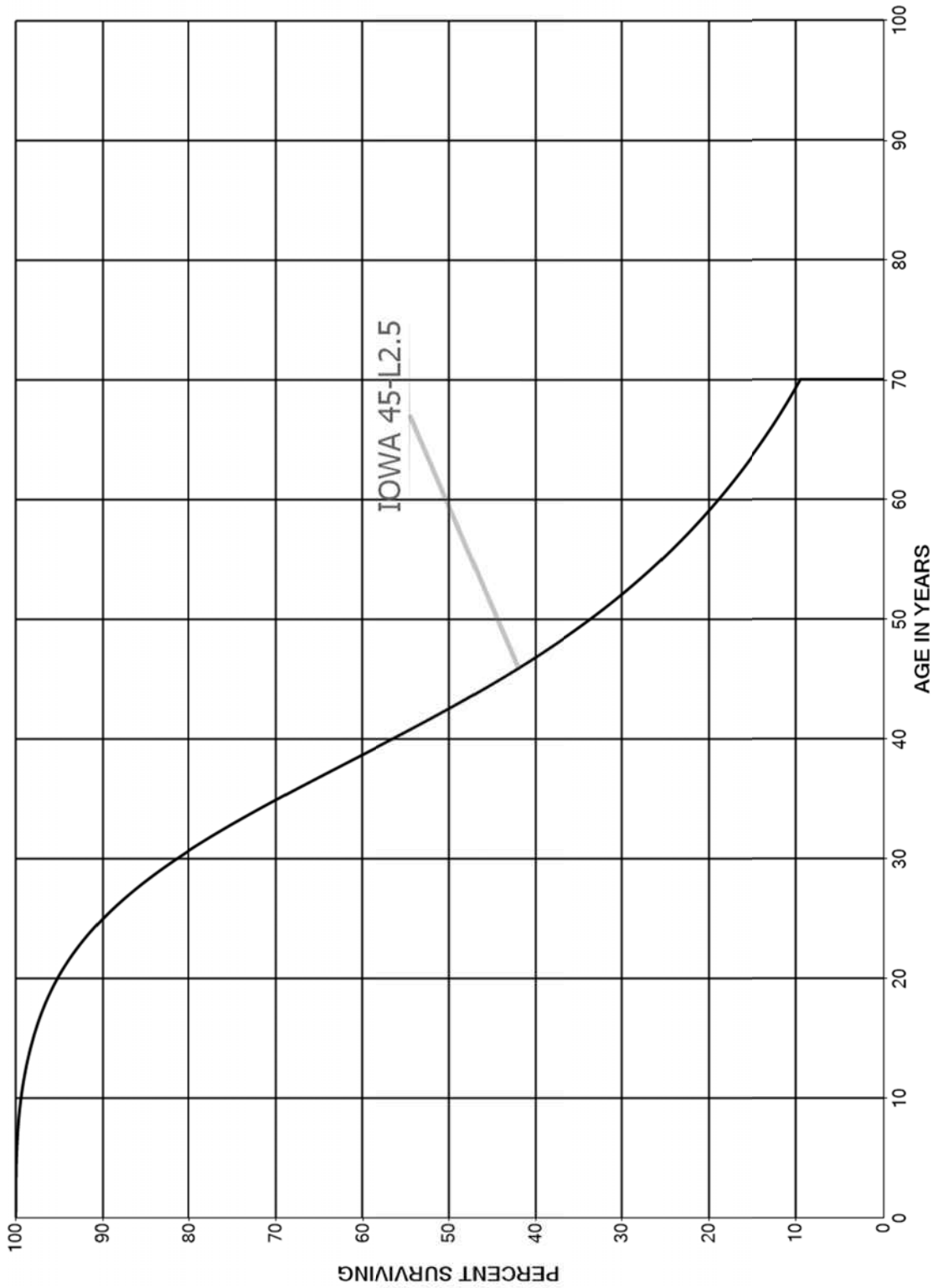
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.3 COMPRESSOR EQUIPMENT

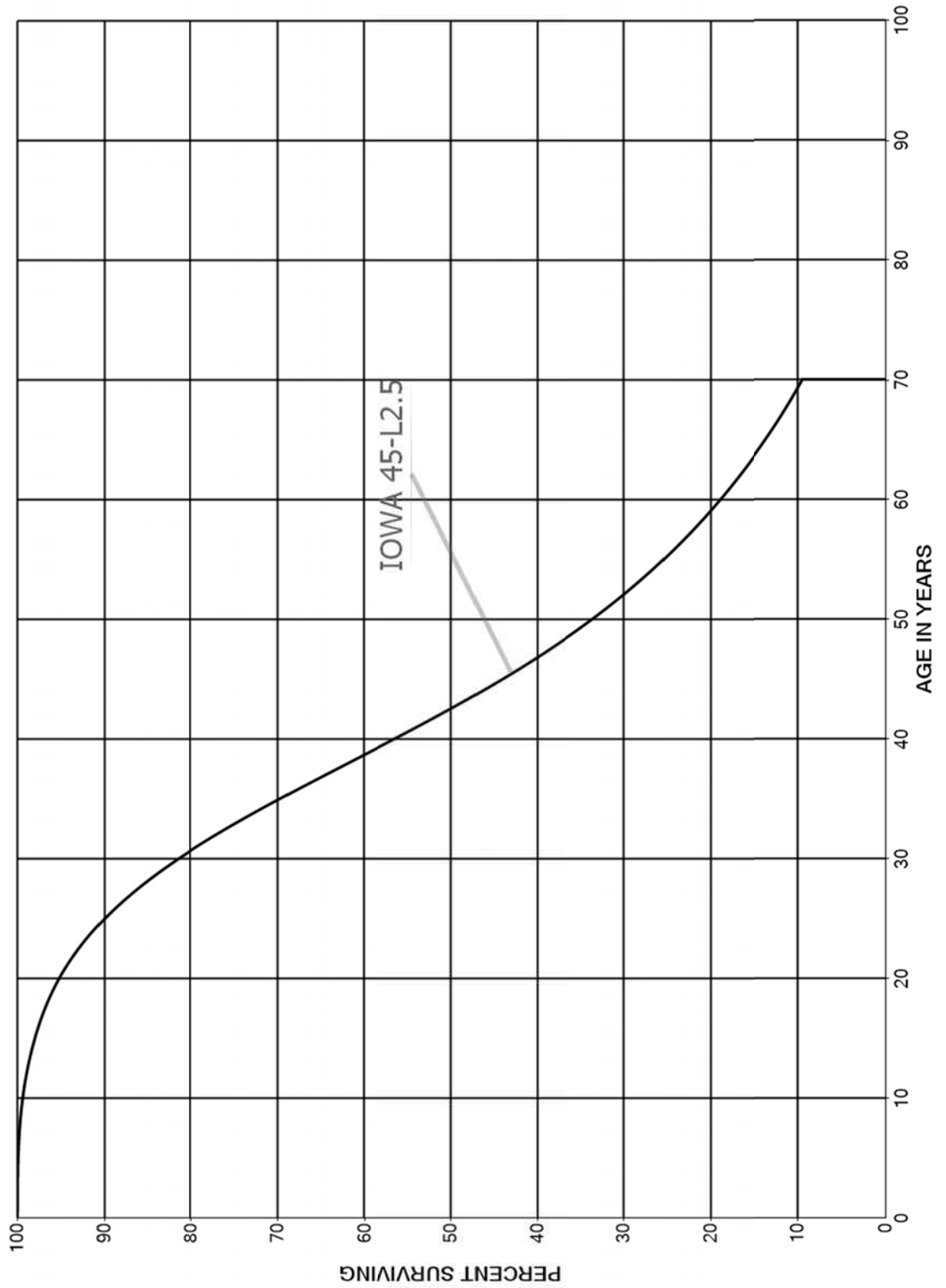
ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,316,148		0.0000	1.0000	100.00
0.5	4,474,888		0.0000	1.0000	100.00
1.5	3,979,145	93	0.0000	1.0000	100.00
2.5	2,410,296	98	0.0000	1.0000	100.00
3.5	2,410,198	4,705	0.0020	0.9980	99.99
4.5	2,405,494	1,196	0.0005	0.9995	99.80
5.5	2,404,298	7,007	0.0029	0.9971	99.75
6.5	2,357,174	3,238	0.0014	0.9986	99.46
7.5	2,133,140	632	0.0003	0.9997	99.32
8.5	2,036,436		0.0000	1.0000	99.29
9.5	2,036,436	149,913	0.0736	0.9264	99.29
10.5	1,886,523	41,076	0.0218	0.9782	91.98
11.5	1,845,447	2,091	0.0011	0.9989	89.98
12.5	1,783,277	111	0.0001	0.9999	89.88
13.5	1,783,166	22,073	0.0124	0.9876	89.87
14.5	1,761,093	198,995	0.1130	0.8870	88.76
15.5	1,562,098	21,962	0.0141	0.9859	78.73
16.5	339,214		0.0000	1.0000	77.62
17.5	225,305	120	0.0005	0.9995	77.62
18.5	225,185	22,930	0.1018	0.8982	77.58
19.5	201,815		0.0000	1.0000	69.68
20.5	132,455	10,296	0.0777	0.9223	69.68
21.5	122,160		0.0000	1.0000	64.27
22.5	122,160	5,472	0.0448	0.9552	64.27
23.5	116,688		0.0000	1.0000	61.39
24.5	116,688		0.0000	1.0000	61.39
25.5	116,688		0.0000	1.0000	61.39
26.5	116,688		0.0000	1.0000	61.39
27.5	116,688		0.0000	1.0000	61.39
28.5	116,688	45,738	0.3920	0.6080	61.39
29.5	70,950	70,950	1.0000		37.33
30.5					

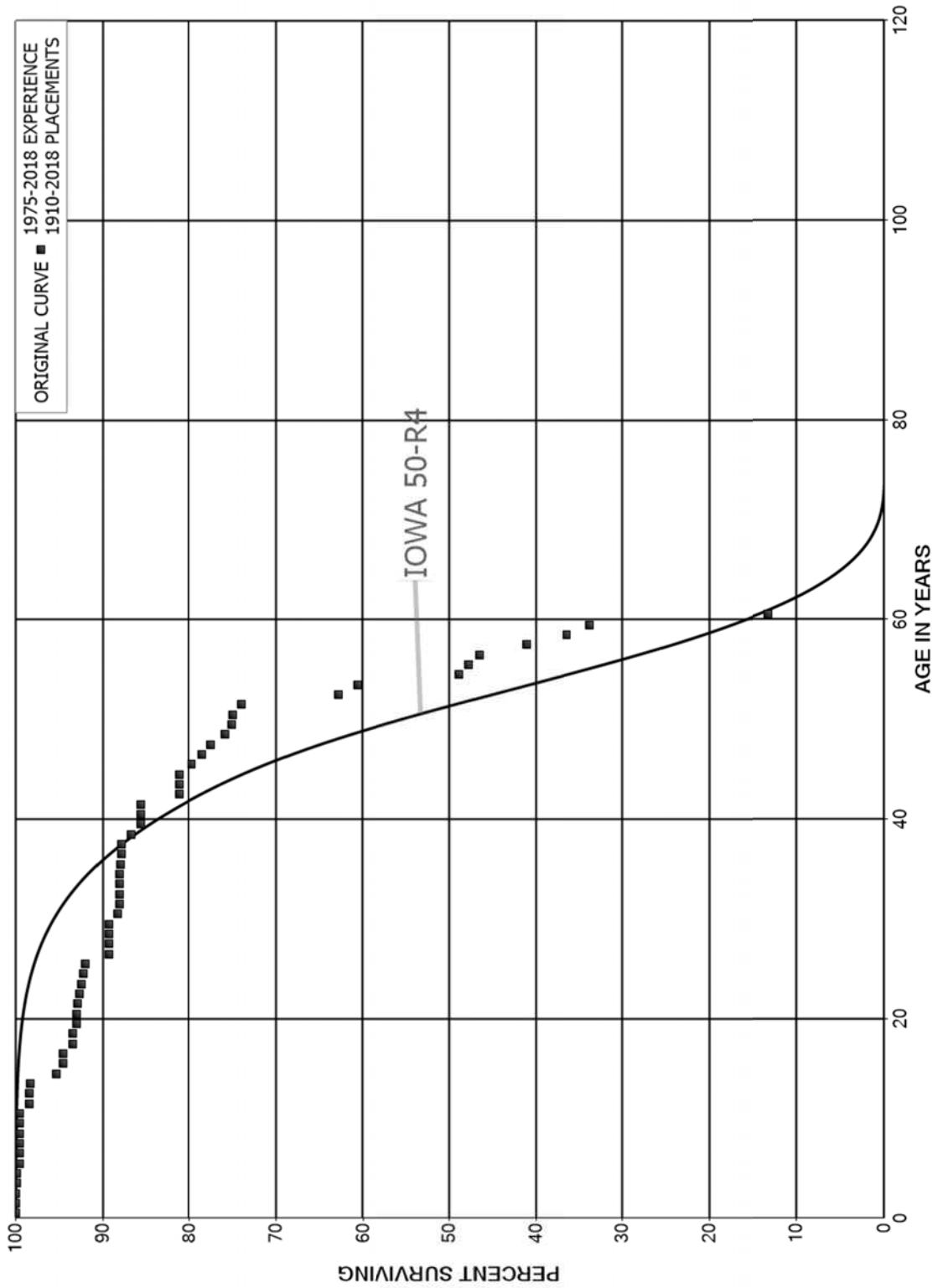
PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 363.4 MEASURING AND REGULATING EQUIPMENT
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 363.5 OTHER EQUIPMENT
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 375 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	16,215,828		0.0000	1.0000	100.00
0.5	15,458,681		0.0000	1.0000	100.00
1.5	15,426,899		0.0000	1.0000	100.00
2.5	15,261,019	23,282	0.0015	0.9985	100.00
3.5	15,184,652	1,616	0.0001	0.9999	99.85
4.5	15,097,269	49,887	0.0033	0.9967	99.84
5.5	13,649,225	2,263	0.0002	0.9998	99.51
6.5	13,282,413		0.0000	1.0000	99.49
7.5	13,282,413		0.0000	1.0000	99.49
8.5	13,384,914		0.0000	1.0000	99.49
9.5	13,604,803		0.0000	1.0000	99.49
10.5	13,649,979	156,513	0.0115	0.9885	99.49
11.5	13,472,256		0.0000	1.0000	98.35
12.5	13,340,852	11,428	0.0009	0.9991	98.35
13.5	12,520,494	377,161	0.0301	0.9699	98.27
14.5	11,968,658	102,884	0.0086	0.9914	95.31
15.5	10,949,283	377	0.0000	1.0000	94.49
16.5	10,898,756	130,830	0.0120	0.9880	94.48
17.5	10,577,394		0.0000	1.0000	93.35
18.5	10,723,859	49,563	0.0046	0.9954	93.35
19.5	10,693,753		0.0000	1.0000	92.92
20.5	9,235,454	5,228	0.0006	0.9994	92.92
21.5	7,851,977	18,253	0.0023	0.9977	92.86
22.5	7,263,918	24,028	0.0033	0.9967	92.65
23.5	6,857,525	16,212	0.0024	0.9976	92.34
24.5	3,564,393	4,612	0.0013	0.9987	92.12
25.5	3,573,862	104,471	0.0292	0.9708	92.00
26.5	3,556,072		0.0000	1.0000	89.32
27.5	3,540,333	524	0.0001	0.9999	89.32
28.5	3,513,585	1,775	0.0005	0.9995	89.30
29.5	2,888,120	32,834	0.0114	0.9886	89.26
30.5	2,541,768	3,605	0.0014	0.9986	88.24
31.5	2,537,963		0.0000	1.0000	88.12
32.5	2,530,696		0.0000	1.0000	88.12
33.5	2,269,785		0.0000	1.0000	88.12
34.5	2,036,725	3,665	0.0018	0.9982	88.12
35.5	1,976,348	2,517	0.0013	0.9987	87.96
36.5	1,763,159	543	0.0003	0.9997	87.85
37.5	1,756,519	22,154	0.0126	0.9874	87.82
38.5	1,356,537	17,309	0.0128	0.9872	86.71

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,326,133		0.0000	1.0000	85.61
40.5	1,325,400		0.0000	1.0000	85.61
41.5	1,325,624	67,994	0.0513	0.9487	85.61
42.5	1,269,032	1,145	0.0009	0.9991	81.21
43.5	1,266,714		0.0000	1.0000	81.14
44.5	1,269,406	21,670	0.0171	0.9829	81.14
45.5	1,244,771	19,264	0.0155	0.9845	79.76
46.5	1,223,936	15,538	0.0127	0.9873	78.52
47.5	987,065	21,383	0.0217	0.9783	77.52
48.5	966,586	10,487	0.0108	0.9892	75.85
49.5	956,099	676	0.0007	0.9993	75.02
50.5	960,395	13,122	0.0137	0.9863	74.97
51.5	947,346	142,123	0.1500	0.8500	73.95
52.5	796,325	28,057	0.0352	0.9648	62.85
53.5	575,715	111,702	0.1940	0.8060	60.64
54.5	423,232	10,186	0.0241	0.9759	48.87
55.5	404,376	10,382	0.0257	0.9743	47.70
56.5	251,436	29,240	0.1163	0.8837	46.47
57.5	223,124	25,661	0.1150	0.8850	41.07
58.5	197,464	14,081	0.0713	0.9287	36.34
59.5	184,526	112,214	0.6081	0.3919	33.75
60.5	94,082	7,582	0.0806	0.9194	13.23
61.5	122,210	1,724	0.0141	0.9859	12.16
62.5	120,486	3,753	0.0312	0.9688	11.99
63.5	116,390	263	0.0023	0.9977	11.62
64.5	112,572	483	0.0043	0.9957	11.59
65.5	112,090	742	0.0066	0.9934	11.54
66.5	111,348	551	0.0050	0.9950	11.46
67.5	110,797	146	0.0013	0.9987	11.41
68.5	110,651	679	0.0061	0.9939	11.39
69.5	109,972		0.0000	1.0000	11.32
70.5	109,972	234	0.0021	0.9979	11.32
71.5	109,738		0.0000	1.0000	11.30
72.5	109,738		0.0000	1.0000	11.30
73.5	109,738	3,220	0.0293	0.9707	11.30
74.5	106,518	225	0.0021	0.9979	10.97
75.5	105,846	8,144	0.0769	0.9231	10.94
76.5	97,702		0.0000	1.0000	10.10
77.5	97,702	2,692	0.0276	0.9724	10.10
78.5	95,010	1,280	0.0135	0.9865	9.82

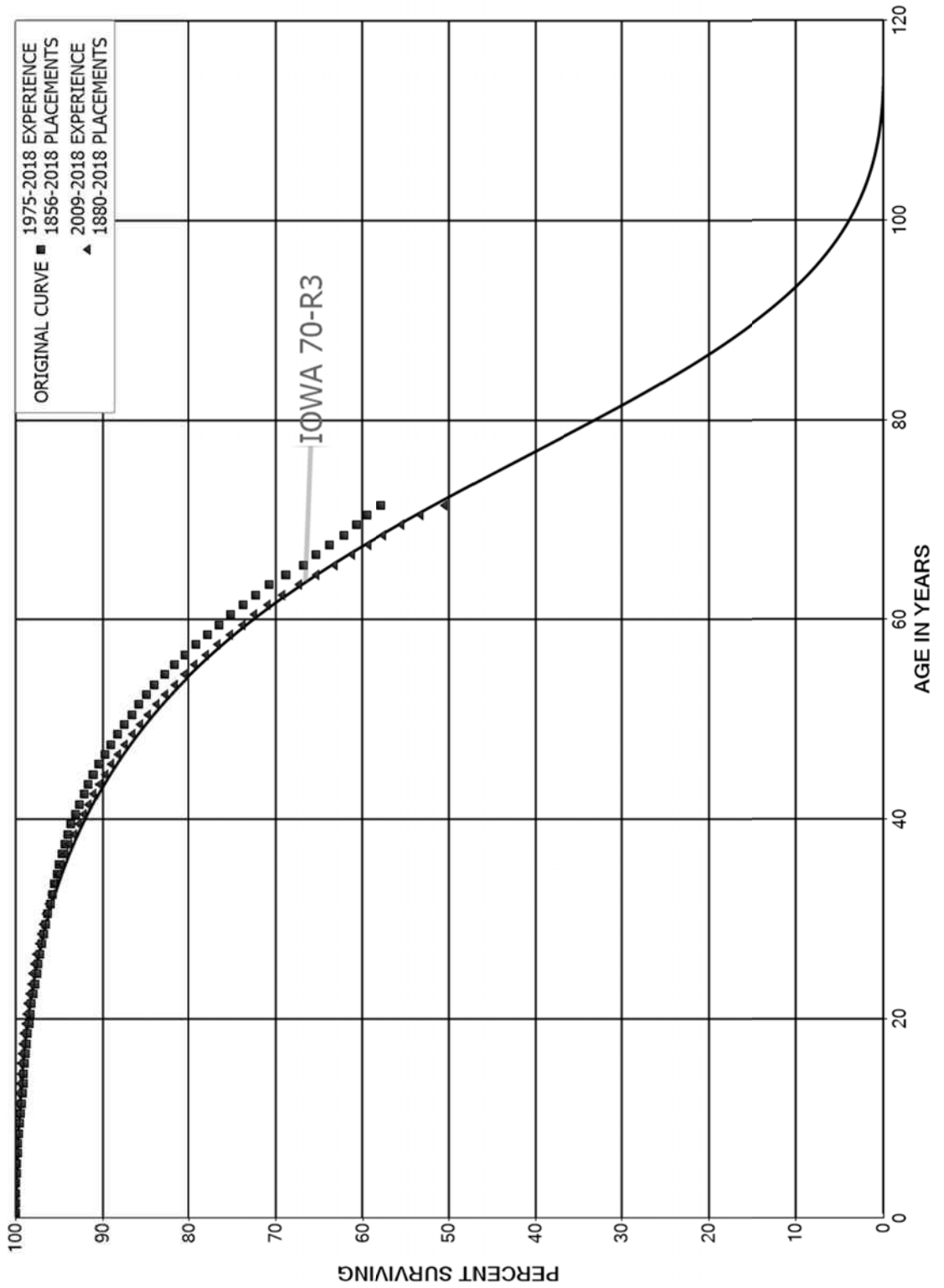
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	93,731		0.0000	1.0000	9.69
80.5	93,731	1,701	0.0181	0.9819	9.69
81.5	92,030	904	0.0098	0.9902	9.51
82.5	91,126		0.0000	1.0000	9.42
83.5	91,126	4,972	0.0546	0.9454	9.42
84.5	86,154	73	0.0008	0.9992	8.91
85.5	86,080	24,624	0.2861	0.7139	8.90
86.5	61,419		0.0000	1.0000	6.35
87.5	60,598		0.0000	1.0000	6.35
88.5	60,598		0.0000	1.0000	6.35
89.5	60,598		0.0000	1.0000	6.35
90.5	60,598	928	0.0153	0.9847	6.35
91.5	59,670		0.0000	1.0000	6.26
92.5	59,670		0.0000	1.0000	6.26
93.5	59,670	21,770	0.3648	0.6352	6.26
94.5	37,899	35,710	0.9422	0.0578	3.97
95.5	2,190		0.0000	1.0000	0.23
96.5	2,190		0.0000	1.0000	0.23
97.5	2,190		0.0000	1.0000	0.23
98.5	2,190		0.0000	1.0000	0.23
99.5	2,190		0.0000	1.0000	0.23
100.5	2,190		0.0000	1.0000	0.23
101.5	2,190		0.0000	1.0000	0.23
102.5	2,190		0.0000	1.0000	0.23
103.5	1,047		0.0000	1.0000	0.23
104.5	1,047		0.0000	1.0000	0.23
105.5	1,047		0.0000	1.0000	0.23
106.5	1,047		0.0000	1.0000	0.23
107.5	1,047		0.0000	1.0000	0.23
108.5					0.23

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 376.1 MAINS - STEEL
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1856-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	452,517,067	33,063	0.0001	0.9999	100.00
0.5	432,851,651	139,008	0.0003	0.9997	99.99
1.5	424,112,179	146,460	0.0003	0.9997	99.96
2.5	416,549,481	136,573	0.0003	0.9997	99.93
3.5	408,044,563	240,998	0.0006	0.9994	99.89
4.5	401,602,115	120,732	0.0003	0.9997	99.83
5.5	404,262,554	204,010	0.0005	0.9995	99.80
6.5	404,735,081	340,117	0.0008	0.9992	99.75
7.5	401,893,071	251,384	0.0006	0.9994	99.67
8.5	400,310,666	280,240	0.0007	0.9993	99.61
9.5	296,288,778	330,152	0.0011	0.9989	99.54
10.5	308,131,070	294,885	0.0010	0.9990	99.43
11.5	334,218,932	431,419	0.0013	0.9987	99.33
12.5	355,555,203	323,651	0.0009	0.9991	99.20
13.5	377,704,178	354,446	0.0009	0.9991	99.11
14.5	373,723,415	404,917	0.0011	0.9989	99.02
15.5	372,396,222	369,045	0.0010	0.9990	98.91
16.5	369,855,879	463,045	0.0013	0.9987	98.82
17.5	364,815,231	426,885	0.0012	0.9988	98.69
18.5	366,800,424	603,457	0.0016	0.9984	98.58
19.5	352,862,707	474,686	0.0013	0.9987	98.41
20.5	334,330,701	514,741	0.0015	0.9985	98.28
21.5	302,405,342	510,878	0.0017	0.9983	98.13
22.5	275,846,126	548,441	0.0020	0.9980	97.96
23.5	248,841,790	544,835	0.0022	0.9978	97.77
24.5	241,031,190	463,543	0.0019	0.9981	97.56
25.5	229,623,050	443,587	0.0019	0.9981	97.37
26.5	214,101,629	465,952	0.0022	0.9978	97.18
27.5	201,727,138	448,482	0.0022	0.9978	96.97
28.5	189,141,401	491,582	0.0026	0.9974	96.75
29.5	175,593,707	395,995	0.0023	0.9977	96.50
30.5	164,673,582	517,971	0.0031	0.9969	96.28
31.5	156,040,861	428,977	0.0027	0.9973	95.98
32.5	149,087,996	401,784	0.0027	0.9973	95.72
33.5	141,920,618	382,762	0.0027	0.9973	95.46
34.5	137,620,606	400,035	0.0029	0.9971	95.20
35.5	132,958,445	389,554	0.0029	0.9971	94.92
36.5	128,358,555	535,129	0.0042	0.9958	94.65
37.5	117,047,613	436,265	0.0037	0.9963	94.25
38.5	107,183,870	351,071	0.0033	0.9967	93.90

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	103,865,239	552,591	0.0053	0.9947	93.59
40.5	101,979,874	581,558	0.0057	0.9943	93.10
41.5	100,394,015	501,999	0.0050	0.9950	92.56
42.5	98,492,753	530,906	0.0054	0.9946	92.10
43.5	96,202,698	517,552	0.0054	0.9946	91.60
44.5	93,970,817	733,694	0.0078	0.9922	91.11
45.5	89,405,500	683,619	0.0076	0.9924	90.40
46.5	84,662,036	606,439	0.0072	0.9928	89.71
47.5	79,581,930	699,200	0.0088	0.9912	89.07
48.5	74,101,284	678,091	0.0092	0.9908	88.28
49.5	67,360,475	689,885	0.0102	0.9898	87.48
50.5	61,968,805	542,436	0.0088	0.9912	86.58
51.5	56,760,241	565,335	0.0100	0.9900	85.82
52.5	51,227,763	560,447	0.0109	0.9891	84.97
53.5	47,080,295	695,365	0.0148	0.9852	84.04
54.5	41,866,209	548,153	0.0131	0.9869	82.80
55.5	38,020,244	580,152	0.0153	0.9847	81.71
56.5	33,044,248	527,438	0.0160	0.9840	80.47
57.5	30,466,124	505,512	0.0166	0.9834	79.18
58.5	27,343,640	464,433	0.0170	0.9830	77.87
59.5	24,766,651	452,304	0.0183	0.9817	76.55
60.5	22,293,945	413,818	0.0186	0.9814	75.15
61.5	17,421,412	349,625	0.0201	0.9799	73.75
62.5	15,407,169	341,386	0.0222	0.9778	72.27
63.5	13,476,993	344,859	0.0256	0.9744	70.67
64.5	11,245,727	335,977	0.0299	0.9701	68.86
65.5	9,457,710	201,772	0.0213	0.9787	66.81
66.5	8,114,622	191,676	0.0236	0.9764	65.38
67.5	6,671,021	174,456	0.0262	0.9738	63.84
68.5	6,061,518	143,473	0.0237	0.9763	62.17
69.5	5,509,354	107,188	0.0195	0.9805	60.70
70.5	5,181,803	147,696	0.0285	0.9715	59.51
71.5	4,505,956	78,416	0.0174	0.9826	57.82
72.5	3,954,137	65,618	0.0166	0.9834	56.81
73.5	3,786,199	180,284	0.0476	0.9524	55.87
74.5	3,544,525	63,469	0.0179	0.9821	53.21
75.5	3,504,561	72,432	0.0207	0.9793	52.26
76.5	3,396,898	78,422	0.0231	0.9769	51.18
77.5	3,300,028	89,355	0.0271	0.9729	49.99
78.5	3,195,665	109,998	0.0344	0.9656	48.64

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,064,667	136,155	0.0444	0.9556	46.97
80.5	2,897,865	139,635	0.0482	0.9518	44.88
81.5	2,746,778	158,231	0.0576	0.9424	42.72
82.5	2,586,493	146,621	0.0567	0.9433	40.26
83.5	2,447,778	146,889	0.0600	0.9400	37.97
84.5	2,296,716	162,090	0.0706	0.9294	35.70
85.5	2,122,351	171,216	0.0807	0.9193	33.18
86.5	1,938,655	172,038	0.0887	0.9113	30.50
87.5	1,665,260	155,896	0.0936	0.9064	27.79
88.5	1,146,233	106,881	0.0932	0.9068	25.19
89.5	931,670	93,018	0.0998	0.9002	22.84
90.5	729,650	68,319	0.0936	0.9064	20.56
91.5	574,706	50,078	0.0871	0.9129	18.64
92.5	438,438	36,484	0.0832	0.9168	17.01
93.5	372,981	28,765	0.0771	0.9229	15.60
94.5	335,343	29,815	0.0889	0.9111	14.39
95.5	278,210	27,902	0.1003	0.8997	13.11
96.5	245,549	19,482	0.0793	0.9207	11.80
97.5	213,151	18,220	0.0855	0.9145	10.86
98.5	181,895	13,190	0.0725	0.9275	9.93
99.5	168,431	17,553	0.1042	0.8958	9.21
100.5	150,354	11,376	0.0757	0.9243	8.25
101.5	135,834	10,277	0.0757	0.9243	7.63
102.5	119,482	8,728	0.0731	0.9269	7.05
103.5	108,686	13,807	0.1270	0.8730	6.54
104.5	106,051	16,181	0.1526	0.8474	5.71
105.5	89,466	16,123	0.1802	0.8198	4.84
106.5	72,753	17,438	0.2397	0.7603	3.96
107.5	53,321	7,493	0.1405	0.8595	3.01
108.5	45,708	7,004	0.1532	0.8468	2.59
109.5	38,609	5,232	0.1355	0.8645	2.19
110.5	33,318	2,813	0.0844	0.9156	1.90
111.5	30,487	1,870	0.0613	0.9387	1.74
112.5	28,575	1,553	0.0543	0.9457	1.63
113.5	27,020	1,592	0.0589	0.9411	1.54
114.5	25,426	3,151	0.1239	0.8761	1.45
115.5	22,273	3,148	0.1413	0.8587	1.27
116.5	19,120	2,291	0.1198	0.8802	1.09
117.5	16,828	1,365	0.0811	0.9189	0.96
118.5	29,423	2,060	0.0700	0.9300	0.88

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-2018			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
119.5	27,362	5,912	0.2161	0.7839	0.82	
120.5	21,450	2,152	0.1003	0.8997	0.64	
121.5	19,298	101	0.0053	0.9947	0.58	
122.5	19,197	40	0.0021	0.9979	0.58	
123.5	19,156	848	0.0443	0.9557	0.57	
124.5	18,308	315	0.0172	0.9828	0.55	
125.5	17,993	1,392	0.0774	0.9226	0.54	
126.5	16,601	768	0.0463	0.9537	0.50	
127.5	15,832	547	0.0346	0.9654	0.47	
128.5	15,284	1,805	0.1181	0.8819	0.46	
129.5	13,479	2,800	0.2077	0.7923	0.40	
130.5	10,679	160	0.0150	0.9850	0.32	
131.5	10,519	109	0.0104	0.9896	0.32	
132.5	10,410	20	0.0019	0.9981	0.31	
133.5	10,390	4	0.0004	0.9996	0.31	
134.5	10,385	1	0.0001	0.9999	0.31	
135.5	10,384		0.0000	1.0000	0.31	
136.5	10,384		0.0000	1.0000	0.31	
137.5	10,384		0.0000	1.0000	0.31	
138.5	10,383		0.0000	1.0000	0.31	
139.5	10,383		0.0000	1.0000	0.31	
140.5	10,383		0.0000	1.0000	0.31	
141.5	10,383		0.0000	1.0000	0.31	
142.5	10,383		0.0000	1.0000	0.31	
143.5	10,383	9,723	0.9364	0.0636	0.31	
144.5	660		0.0000	1.0000	0.02	
145.5	660	1	0.0009	0.9991	0.02	
146.5	659	57	0.0870	0.9130	0.02	
147.5	602	602	1.0000		0.02	
148.5						

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1880-2018

EXPERIENCE BAND 2009-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	109,361,484	2,992	0.0000	1.0000	100.00
0.5	95,740,366	11,816	0.0001	0.9999	100.00
1.5	88,991,479	20,516	0.0002	0.9998	99.98
2.5	86,413,714	23,785	0.0003	0.9997	99.96
3.5	80,385,365	25,967	0.0003	0.9997	99.93
4.5	74,951,724	26,913	0.0004	0.9996	99.90
5.5	74,277,701	30,216	0.0004	0.9996	99.87
6.5	74,235,751	33,094	0.0004	0.9996	99.83
7.5	76,207,478	35,396	0.0005	0.9995	99.78
8.5	68,992,506	37,105	0.0005	0.9995	99.73
9.5	77,606,445	44,950	0.0006	0.9994	99.68
10.5	88,383,495	57,254	0.0006	0.9994	99.62
11.5	115,823,567	76,596	0.0007	0.9993	99.56
12.5	133,880,232	101,029	0.0008	0.9992	99.49
13.5	154,299,927	131,760	0.0009	0.9991	99.42
14.5	155,318,227	150,086	0.0010	0.9990	99.33
15.5	163,311,618	172,991	0.0011	0.9989	99.24
16.5	173,938,543	198,293	0.0011	0.9989	99.13
17.5	176,608,388	215,757	0.0012	0.9988	99.02
18.5	189,303,357	254,108	0.0013	0.9987	98.90
19.5	186,672,641	279,916	0.0015	0.9985	98.77
20.5	176,598,476	292,411	0.0017	0.9983	98.62
21.5	151,127,965	265,505	0.0018	0.9982	98.45
22.5	129,745,415	243,007	0.0019	0.9981	98.28
23.5	108,178,068	211,172	0.0020	0.9980	98.10
24.5	104,041,037	223,378	0.0021	0.9979	97.91
25.5	96,636,161	223,159	0.0023	0.9977	97.70
26.5	85,363,328	212,530	0.0025	0.9975	97.47
27.5	83,365,164	221,449	0.0027	0.9973	97.23
28.5	80,008,523	227,199	0.0028	0.9972	96.97
29.5	69,703,533	213,714	0.0031	0.9969	96.69
30.5	60,172,280	201,782	0.0034	0.9966	96.40
31.5	52,905,956	192,235	0.0036	0.9964	96.07
32.5	47,632,770	174,315	0.0037	0.9963	95.72
33.5	42,867,930	166,595	0.0039	0.9961	95.37
34.5	42,069,316	178,090	0.0042	0.9958	95.00
35.5	42,133,006	198,498	0.0047	0.9953	94.60
36.5	42,509,034	218,727	0.0051	0.9949	94.16
37.5	36,767,759	196,817	0.0054	0.9946	93.67
38.5	32,894,349	184,210	0.0056	0.9944	93.17

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1880-2018			EXPERIENCE BAND 2009-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	36,536,485	216,325	0.0059	0.9941	92.65
40.5	40,226,773	251,260	0.0062	0.9938	92.10
41.5	44,256,963	292,446	0.0066	0.9934	91.52
42.5	48,094,924	340,318	0.0071	0.9929	90.92
43.5	49,678,041	364,103	0.0073	0.9927	90.28
44.5	51,269,991	404,200	0.0079	0.9921	89.61
45.5	50,298,704	429,247	0.0085	0.9915	88.91
46.5	50,272,257	448,371	0.0089	0.9911	88.15
47.5	47,264,578	464,662	0.0098	0.9902	87.36
48.5	44,556,660	456,077	0.0102	0.9898	86.50
49.5	40,267,843	444,533	0.0110	0.9890	85.62
50.5	37,330,133	416,536	0.0112	0.9888	84.67
51.5	37,364,007	452,080	0.0121	0.9879	83.73
52.5	33,867,562	434,872	0.0128	0.9872	82.72
53.5	31,782,451	438,665	0.0138	0.9862	81.65
54.5	29,081,906	447,756	0.0154	0.9846	80.53
55.5	27,118,550	450,609	0.0166	0.9834	79.29
56.5	23,725,428	414,083	0.0175	0.9825	77.97
57.5	22,865,519	414,300	0.0181	0.9819	76.61
58.5	20,337,804	392,557	0.0193	0.9807	75.22
59.5	18,378,529	353,572	0.0192	0.9808	73.77
60.5	16,310,159	347,361	0.0213	0.9787	72.35
61.5	12,224,398	281,810	0.0231	0.9769	70.81
62.5	10,977,084	292,500	0.0266	0.9734	69.18
63.5	9,178,960	285,639	0.0311	0.9689	67.33
64.5	7,150,449	228,522	0.0320	0.9680	65.24
65.5	5,491,887	168,458	0.0307	0.9693	63.15
66.5	4,230,494	134,520	0.0318	0.9682	61.22
67.5	2,865,289	87,051	0.0304	0.9696	59.27
68.5	2,351,409	83,514	0.0355	0.9645	57.47
69.5	1,881,009	77,981	0.0415	0.9585	55.43
70.5	1,629,452	82,315	0.0505	0.9495	53.13
71.5	1,035,118	59,060	0.0571	0.9429	50.45
72.5	466,462	22,648	0.0486	0.9514	47.57
73.5	353,240	18,192	0.0515	0.9485	45.26
74.5	244,841	12,855	0.0525	0.9475	42.93
75.5	241,811	13,375	0.0553	0.9447	40.67
76.5	221,915	12,473	0.0562	0.9438	38.42
77.5	432,800	25,576	0.0591	0.9409	36.26
78.5	1,255,816	66,849	0.0532	0.9468	34.12

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1880-2018			EXPERIENCE BAND 2009-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,436,461	94,027	0.0655	0.9345	32.30
80.5	1,594,548	101,661	0.0638	0.9362	30.19
81.5	1,723,330	124,292	0.0721	0.9279	28.27
82.5	1,836,485	122,118	0.0665	0.9335	26.23
83.5	1,788,797	127,441	0.0712	0.9288	24.48
84.5	1,720,983	141,775	0.0824	0.9176	22.74
85.5	1,657,030	152,099	0.0918	0.9082	20.87
86.5	1,508,210	154,472	0.1024	0.8976	18.95
87.5	1,296,472	146,732	0.1132	0.8868	17.01
88.5	831,618	94,542	0.1137	0.8863	15.08
89.5	635,427	73,229	0.1152	0.8848	13.37
90.5	455,523	54,624	0.1199	0.8801	11.83
91.5	329,167	42,692	0.1297	0.8703	10.41
92.5	239,228	30,129	0.1259	0.8741	9.06
93.5	195,832	21,904	0.1119	0.8881	7.92
94.5	152,243	20,038	0.1316	0.8684	7.03
95.5	108,897	15,306	0.1406	0.8594	6.11
96.5	96,773	14,971	0.1547	0.8453	5.25
97.5	99,173	14,463	0.1458	0.8542	4.44
98.5	73,923	11,209	0.1516	0.8484	3.79
99.5	63,269	11,702	0.1850	0.8150	3.22
100.5	52,904	9,840	0.1860	0.8140	2.62
101.5	40,686	8,749	0.2150	0.7850	2.13
102.5	28,745	6,343	0.2207	0.7793	1.67
103.5	20,507	5,542	0.2702	0.7298	1.30
104.5	14,738	4,966	0.3369	0.6631	0.95
105.5	9,852	2,851	0.2894	0.7106	0.63
106.5	11,254	3,649	0.3243	0.6757	0.45
107.5	6,011	1,608	0.2675	0.7325	0.30
108.5	10,415	3,757	0.3607	0.6393	0.22
109.5	11,868	4,567	0.3848	0.6152	0.14
110.5	7,242	2,813	0.3883	0.6117	0.09
111.5	4,412	1,849	0.4191	0.5809	0.05
112.5	2,520	1,226	0.4863	0.5137	0.03
113.5	1,292	714	0.5522	0.4478	0.02
114.5	578	357	0.6182	0.3818	0.01
115.5	219	173	0.7893	0.2107	0.00
116.5	40	34	0.8508	0.1492	0.00
117.5	1,673	927	0.5539	0.4461	0.00
118.5	1,634	794	0.4856	0.5144	0.00

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

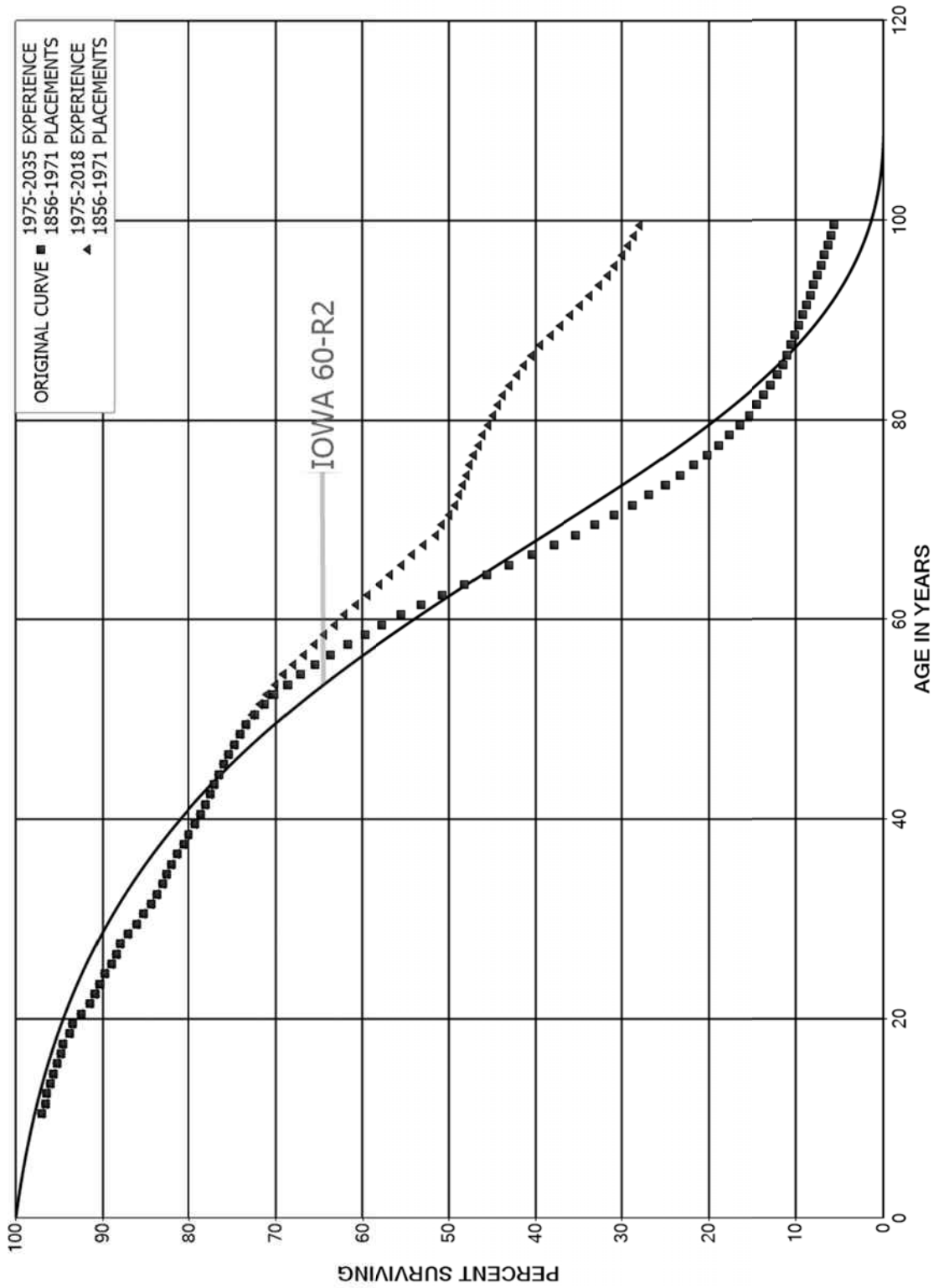
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1880-2018

EXPERIENCE BAND 2009-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	840	433	0.5152	0.4848	0.00
120.5	407	271	0.6664	0.3336	0.00
121.5	136	101	0.7468	0.2532	0.00
122.5	34	26	0.7456	0.2544	0.00
123.5	9	6	0.6914	0.3086	0.00
124.5	3	1	0.3963	0.6037	0.00
125.5	2		0.0000	1.0000	0.00
126.5	2		0.0000	1.0000	0.00
127.5	1		0.0000	1.0000	0.00
128.5	985	545	0.5536	0.4464	0.00
129.5	440	178	0.4049	0.5951	0.00
130.5	262	160	0.6134	0.3866	0.00
131.5	101	75	0.7388	0.2612	0.00
132.5	26	20	0.7612	0.2388	0.00
133.5	6	4	0.6894	0.3106	0.00
134.5	2	1	0.4949	0.5051	0.00
135.5	1		0.0000	1.0000	0.00
136.5	1		0.0000	1.0000	0.00
137.5	1		0.0000	1.0000	0.00
138.5					0.00

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 376.2 MAINS - CAST IRON
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE

PLACEMENT BAND 1856-1971

EXPERIENCE BAND 1975-2035

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0					
0.5					
1.5					
2.5					
3.5	87,209		0.0000		
4.5	367,620	1,012	0.0028		
5.5	1,025,668		0.0000		
6.5	2,146,570	7,675	0.0036		
7.5	2,973,369	4,745	0.0016		
8.5	4,026,414	26,337	0.0065		
9.5	4,562,420	7,286	0.0016		
10.5	5,230,234	23,822	0.0046	0.9954	97.00
11.5	5,826,518	8,587	0.0015	0.9985	96.56
12.5	7,040,525	30,531	0.0043	0.9957	96.42
13.5	8,202,748	37,376	0.0046	0.9954	96.00
14.5	9,059,036	38,622	0.0043	0.9957	95.56
15.5	10,014,186	40,806	0.0041	0.9959	95.15
16.5	10,792,340	26,153	0.0024	0.9976	94.77
17.5	11,857,146	95,436	0.0080	0.9920	94.54
18.5	12,742,595	53,887	0.0042	0.9958	93.77
19.5	13,946,073	150,287	0.0108	0.9892	93.38
20.5	14,653,082	161,456	0.0110	0.9890	92.37
21.5	15,506,016	82,810	0.0053	0.9947	91.35
22.5	16,041,542	109,430	0.0068	0.9932	90.87
23.5	16,901,255	97,495	0.0058	0.9942	90.25
24.5	17,921,227	161,481	0.0090	0.9910	89.73
25.5	18,426,409	106,756	0.0058	0.9942	88.92
26.5	18,528,685	107,130	0.0058	0.9942	88.40
27.5	18,745,798	174,680	0.0093	0.9907	87.89
28.5	18,669,240	206,238	0.0110	0.9890	87.07
29.5	18,584,500	176,612	0.0095	0.9905	86.11
30.5	18,472,292	200,506	0.0109	0.9891	85.29
31.5	18,421,030	135,097	0.0073	0.9927	84.37
32.5	18,366,312	154,407	0.0084	0.9916	83.75
33.5	18,334,963	92,681	0.0051	0.9949	83.04
34.5	18,366,093	129,827	0.0071	0.9929	82.62
35.5	18,358,425	131,950	0.0072	0.9928	82.04
36.5	18,354,264	188,862	0.0103	0.9897	81.45
37.5	18,214,904	116,001	0.0064	0.9936	80.61
38.5	18,158,092	179,560	0.0099	0.9901	80.10

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2035		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	18,024,910	152,462	0.0085	0.9915	79.31
40.5	17,916,021	139,751	0.0078	0.9922	78.64
41.5	17,800,951	108,071	0.0061	0.9939	78.02
42.5	17,771,489	121,564	0.0068	0.9932	77.55
43.5	17,781,168	113,638	0.0064	0.9936	77.02
44.5	17,851,479	137,521	0.0077	0.9923	76.53
45.5	18,060,859	134,417	0.0074	0.9926	75.94
46.5	18,344,658	158,256	0.0086	0.9914	75.37
47.5	18,464,961	156,097	0.0085	0.9915	74.72
48.5	18,700,146	185,453	0.0099	0.9901	74.09
49.5	18,914,568	245,555	0.0130	0.9870	73.35
50.5	18,968,660	286,665	0.0151	0.9849	72.40
51.5	18,849,611	307,315	0.0163	0.9837	71.31
52.5	18,717,334	398,805	0.0213	0.9787	70.15
53.5	18,361,159	383,415	0.0209	0.9791	68.65
54.5	18,001,453	459,014	0.0255	0.9745	67.22
55.5	17,563,828	476,640	0.0271	0.9729	65.50
56.5	17,140,507	525,891	0.0307	0.9693	63.73
57.5	16,676,257	547,479	0.0328	0.9672	61.77
58.5	16,191,810	560,683	0.0346	0.9654	59.74
59.5	15,717,336	592,916	0.0377	0.9623	57.67
60.5	15,232,631	638,599	0.0419	0.9581	55.50
61.5	14,647,573	671,522	0.0458	0.9542	53.17
62.5	14,092,200	703,834	0.0499	0.9501	50.73
63.5	13,504,600	711,487	0.0527	0.9473	48.20
64.5	12,868,577	743,858	0.0578	0.9422	45.66
65.5	12,144,875	726,806	0.0598	0.9402	43.02
66.5	11,425,731	739,057	0.0647	0.9353	40.45
67.5	10,701,228	715,688	0.0669	0.9331	37.83
68.5	10,046,207	635,510	0.0633	0.9367	35.30
69.5	9,458,789	634,545	0.0671	0.9329	33.07
70.5	8,834,132	593,097	0.0671	0.9329	30.85
71.5	8,292,490	565,881	0.0682	0.9318	28.78
72.5	7,793,510	541,402	0.0695	0.9305	26.81
73.5	7,332,138	503,002	0.0686	0.9314	24.95
74.5	6,870,557	457,261	0.0666	0.9334	23.24
75.5	6,463,304	436,136	0.0675	0.9325	21.69
76.5	6,075,248	407,429	0.0671	0.9329	20.23
77.5	5,685,028	383,686	0.0675	0.9325	18.87
78.5	5,320,662	361,293	0.0679	0.9321	17.60

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2035		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	4,972,900	323,227	0.0650	0.9350	16.40
80.5	4,649,673	283,874	0.0611	0.9389	15.34
81.5	4,368,356	254,758	0.0583	0.9417	14.40
82.5	4,124,608	232,856	0.0565	0.9435	13.56
83.5	3,901,283	232,065	0.0595	0.9405	12.80
84.5	3,687,496	179,508	0.0487	0.9513	12.03
85.5	3,507,989	149,770	0.0427	0.9573	11.45
86.5	3,361,318	139,726	0.0416	0.9584	10.96
87.5	3,221,592	139,523	0.0433	0.9567	10.50
88.5	3,082,069	130,265	0.0423	0.9577	10.05
89.5	2,955,995	135,334	0.0458	0.9542	9.62
90.5	2,820,661	130,147	0.0461	0.9539	9.18
91.5	2,690,514	133,754	0.0497	0.9503	8.76
92.5	2,556,760	130,992	0.0512	0.9488	8.32
93.5	2,434,437	129,133	0.0530	0.9470	7.90
94.5	2,311,172	122,068	0.0528	0.9472	7.48
95.5	2,189,104	121,866	0.0557	0.9443	7.08
96.5	2,067,238	116,495	0.0564	0.9436	6.69
97.5	1,950,743	112,780	0.0578	0.9422	6.31
98.5	1,837,963	111,486	0.0607	0.9393	5.95
99.5	1,731,791	113,508	0.0655	0.9345	5.59
100.5	1,618,283	114,848	0.0710	0.9290	5.22
101.5	1,503,435	115,943	0.0771	0.9229	4.85
102.5	1,387,493	115,398	0.0832	0.9168	4.48
103.5	1,275,086	114,056	0.0894	0.9106	4.10
104.5	1,170,169	111,412	0.0952	0.9048	3.74
105.5	1,058,757	107,564	0.1016	0.8984	3.38
106.5	963,719	99,132	0.1029	0.8971	3.04
107.5	864,587	86,263	0.0998	0.9002	2.73
108.5	778,324	79,237	0.1018	0.8982	2.45
109.5	701,762	69,251	0.0987	0.9013	2.20
110.5	632,511	58,046	0.0918	0.9082	1.99
111.5	574,465	49,955	0.0870	0.9130	1.80
112.5	524,511	44,952	0.0857	0.9143	1.65
113.5	479,558	41,695	0.0869	0.9131	1.51
114.5	445,440	40,165	0.0902	0.9098	1.37
115.5	405,276	39,392	0.0972	0.9028	1.25
116.5	365,883	38,419	0.1050	0.8950	1.13
117.5	327,464	35,433	0.1082	0.8918	1.01
118.5	307,266	32,235	0.1049	0.8951	0.90

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2035		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	275,030	29,910	0.1088	0.8912	0.81
120.5	245,120	25,125	0.1025	0.8975	0.72
121.5	227,216	26,131	0.1150	0.8850	0.65
122.5	201,086	21,396	0.1064	0.8936	0.57
123.5	177,579	17,582	0.0990	0.9010	0.51
124.5	159,997	15,538	0.0971	0.9029	0.46
125.5	144,459	13,957	0.0966	0.9034	0.42
126.5	128,018	12,996	0.1015	0.8985	0.38
127.5	115,022	13,323	0.1158	0.8842	0.34
128.5	101,699	12,928	0.1271	0.8729	0.30
129.5	88,771	11,748	0.1323	0.8677	0.26
130.5	74,397	8,318	0.1118	0.8882	0.23
131.5	66,574	8,821	0.1325	0.8675	0.20
132.5	57,753	6,570	0.1138	0.8862	0.17
133.5	51,183	5,143	0.1005	0.8995	0.15
134.5	46,039	4,113	0.0893	0.9107	0.14
135.5	41,926	4,136	0.0986	0.9014	0.13
136.5	37,479	2,123	0.0567	0.9433	0.11
137.5	35,356	3,411	0.0965	0.9035	0.11
138.5	31,945	3,187	0.0998	0.9002	0.10
139.5	28,758	4,088	0.1422	0.8578	0.09
140.5	24,486	3,465	0.1415	0.8585	0.07
141.5	21,021	1,719	0.0818	0.9182	0.06
142.5	19,302	1,040	0.0539	0.9461	0.06
143.5	19,000	1,926	0.1014	0.8986	0.06
144.5	17,074	1,296	0.0759	0.9241	0.05
145.5	15,779	681	0.0431	0.9569	0.05
146.5	14,885	196	0.0132	0.9868	0.04
147.5	14,688	1,253	0.0853	0.9147	0.04
148.5	13,435	1,627	0.1211	0.8789	0.04
149.5	11,809	2,512	0.2127	0.7873	0.04
150.5	9,296	594	0.0639	0.9361	0.03
151.5	8,178	2,079	0.2542	0.7458	0.03
152.5	6,099	3,440	0.5640	0.4360	0.02
153.5	2,659	1,333	0.5013	0.4987	0.01
154.5	1,326	375	0.2832	0.7168	0.00
155.5	951	698	0.7348	0.2652	0.00
156.5	252	232	0.9220	0.0780	0.00
157.5	20	19	0.9436	0.0564	0.00
158.5	1	0	0.1171	0.8829	0.00

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2035			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
159.5	1	0	0.1327	0.8673	0.00	
160.5	1	0	0.1529	0.8471	0.00	
161.5	1	0	0.1806	0.8194	0.00	
162.5	1	0	0.2203	0.7797	0.00	
163.5	0	0	0.2826	0.7174	0.00	
164.5	0	0	0.3939	0.6061	0.00	
165.5	0	0	0.5000	0.5000	0.00	
166.5	0	0	1.0000		0.00	
167.5						

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE

PLACEMENT BAND 1856-1971

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0					
0.5					
1.5					
2.5					
3.5	87,209		0.0000		
4.5	367,620	1,012	0.0028		
5.5	1,025,668		0.0000		
6.5	2,146,570	7,675	0.0036		
7.5	2,973,369	4,745	0.0016		
8.5	4,026,414	26,337	0.0065		
9.5	4,562,420	7,286	0.0016		
10.5	5,230,234	23,822	0.0046	0.9954	97.00
11.5	5,826,518	8,587	0.0015	0.9985	96.56
12.5	7,040,525	30,531	0.0043	0.9957	96.42
13.5	8,202,748	37,376	0.0046	0.9954	96.00
14.5	9,059,036	38,622	0.0043	0.9957	95.56
15.5	10,014,186	40,806	0.0041	0.9959	95.15
16.5	10,792,340	26,153	0.0024	0.9976	94.77
17.5	11,857,146	95,436	0.0080	0.9920	94.54
18.5	12,742,595	53,887	0.0042	0.9958	93.77
19.5	13,946,073	150,287	0.0108	0.9892	93.38
20.5	14,653,082	161,456	0.0110	0.9890	92.37
21.5	15,506,016	82,810	0.0053	0.9947	91.35
22.5	16,041,542	109,430	0.0068	0.9932	90.87
23.5	16,901,255	97,495	0.0058	0.9942	90.25
24.5	17,921,227	161,481	0.0090	0.9910	89.73
25.5	18,426,409	106,756	0.0058	0.9942	88.92
26.5	18,528,685	107,130	0.0058	0.9942	88.40
27.5	18,745,798	174,680	0.0093	0.9907	87.89
28.5	18,669,240	206,238	0.0110	0.9890	87.07
29.5	18,584,500	176,612	0.0095	0.9905	86.11
30.5	18,472,292	200,506	0.0109	0.9891	85.29
31.5	18,421,030	135,097	0.0073	0.9927	84.37
32.5	18,366,312	154,407	0.0084	0.9916	83.75
33.5	18,334,963	92,681	0.0051	0.9949	83.04
34.5	18,366,093	129,827	0.0071	0.9929	82.62
35.5	18,358,425	131,950	0.0072	0.9928	82.04
36.5	18,354,264	188,862	0.0103	0.9897	81.45
37.5	18,214,904	116,001	0.0064	0.9936	80.61
38.5	18,158,092	179,560	0.0099	0.9901	80.10

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	18,024,910	152,462	0.0085	0.9915	79.31
40.5	17,916,021	139,751	0.0078	0.9922	78.64
41.5	17,800,951	108,071	0.0061	0.9939	78.02
42.5	17,771,489	121,564	0.0068	0.9932	77.55
43.5	17,781,168	113,638	0.0064	0.9936	77.02
44.5	17,851,479	137,521	0.0077	0.9923	76.53
45.5	18,060,859	134,417	0.0074	0.9926	75.94
46.5	18,344,658	158,256	0.0086	0.9914	75.37
47.5	18,434,047	154,279	0.0084	0.9916	74.72
48.5	18,515,147	174,464	0.0094	0.9906	74.10
49.5	18,274,261	207,136	0.0113	0.9887	73.40
50.5	17,556,311	200,573	0.0114	0.9886	72.57
51.5	16,909,290	185,101	0.0109	0.9891	71.74
52.5	16,175,189	234,000	0.0145	0.9855	70.95
53.5	15,624,203	197,457	0.0126	0.9874	69.92
54.5	15,031,974	248,439	0.0165	0.9835	69.04
55.5	14,414,800	243,116	0.0169	0.9831	67.90
56.5	13,453,363	246,977	0.0184	0.9816	66.75
57.5	12,527,047	224,978	0.0180	0.9820	65.53
58.5	11,851,344	207,961	0.0175	0.9825	64.35
59.5	11,133,048	205,103	0.0184	0.9816	63.22
60.5	10,561,954	222,892	0.0211	0.9789	62.06
61.5	9,759,113	218,550	0.0224	0.9776	60.75
62.5	9,029,686	213,979	0.0237	0.9763	59.39
63.5	8,209,158	179,115	0.0218	0.9782	57.98
64.5	7,621,309	184,822	0.0243	0.9757	56.72
65.5	6,904,307	144,451	0.0209	0.9791	55.34
66.5	6,432,638	164,433	0.0256	0.9744	54.18
67.5	5,603,042	148,754	0.0265	0.9735	52.80
68.5	4,821,276	63,893	0.0133	0.9867	51.40
69.5	4,370,290	79,919	0.0183	0.9817	50.71
70.5	4,180,561	52,584	0.0126	0.9874	49.79
71.5	3,962,738	37,238	0.0094	0.9906	49.16
72.5	3,952,972	33,388	0.0084	0.9916	48.70
73.5	3,926,738	36,092	0.0092	0.9908	48.29
74.5	3,890,220	31,477	0.0081	0.9919	47.84
75.5	3,810,909	34,817	0.0091	0.9909	47.46
76.5	3,773,076	38,195	0.0101	0.9899	47.02
77.5	3,694,491	38,958	0.0105	0.9895	46.55
78.5	3,611,882	50,125	0.0139	0.9861	46.06

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,506,614	44,903	0.0128	0.9872	45.42
80.5	3,397,120	44,268	0.0130	0.9870	44.84
81.5	3,329,392	42,103	0.0126	0.9874	44.25
82.5	3,277,571	51,472	0.0157	0.9843	43.69
83.5	3,216,989	69,283	0.0215	0.9785	43.01
84.5	3,157,995	56,240	0.0178	0.9822	42.08
85.5	3,089,390	66,579	0.0216	0.9784	41.33
86.5	2,988,098	79,910	0.0267	0.9733	40.44
87.5	2,848,548	83,240	0.0292	0.9708	39.36
88.5	2,686,286	82,080	0.0306	0.9694	38.21
89.5	2,422,358	78,525	0.0324	0.9676	37.04
90.5	2,154,784	66,505	0.0309	0.9691	35.84
91.5	1,942,344	63,989	0.0329	0.9671	34.73
92.5	1,671,636	54,822	0.0328	0.9672	33.59
93.5	1,411,262	43,367	0.0307	0.9693	32.49
94.5	1,227,953	31,113	0.0253	0.9747	31.49
95.5	1,113,961	29,740	0.0267	0.9733	30.69
96.5	1,004,132	23,699	0.0236	0.9764	29.87
97.5	966,342	22,954	0.0238	0.9762	29.17
98.5	934,061	22,641	0.0242	0.9758	28.47
99.5	908,073	25,373	0.0279	0.9721	27.78
100.5	852,236	26,018	0.0305	0.9695	27.01
101.5	799,445	26,008	0.0325	0.9675	26.18
102.5	748,492	24,723	0.0330	0.9670	25.33
103.5	702,962	24,206	0.0344	0.9656	24.49
104.5	629,329	21,624	0.0344	0.9656	23.65
105.5	591,215	21,455	0.0363	0.9637	22.84
106.5	536,348	21,264	0.0396	0.9604	22.01
107.5	465,146	16,578	0.0356	0.9644	21.14
108.5	430,679	17,084	0.0397	0.9603	20.38
109.5	405,893	18,648	0.0459	0.9541	19.58
110.5	384,154	19,862	0.0517	0.9483	18.68
111.5	357,141	19,927	0.0558	0.9442	17.71
112.5	309,497	18,170	0.0587	0.9413	16.72
113.5	272,110	18,493	0.0680	0.9320	15.74
114.5	259,930	17,717	0.0682	0.9318	14.67
115.5	222,645	16,343	0.0734	0.9266	13.67
116.5	179,202	14,284	0.0797	0.9203	12.67
117.5	140,186	11,636	0.0830	0.9170	11.66
118.5	139,009	9,732	0.0700	0.9300	10.69

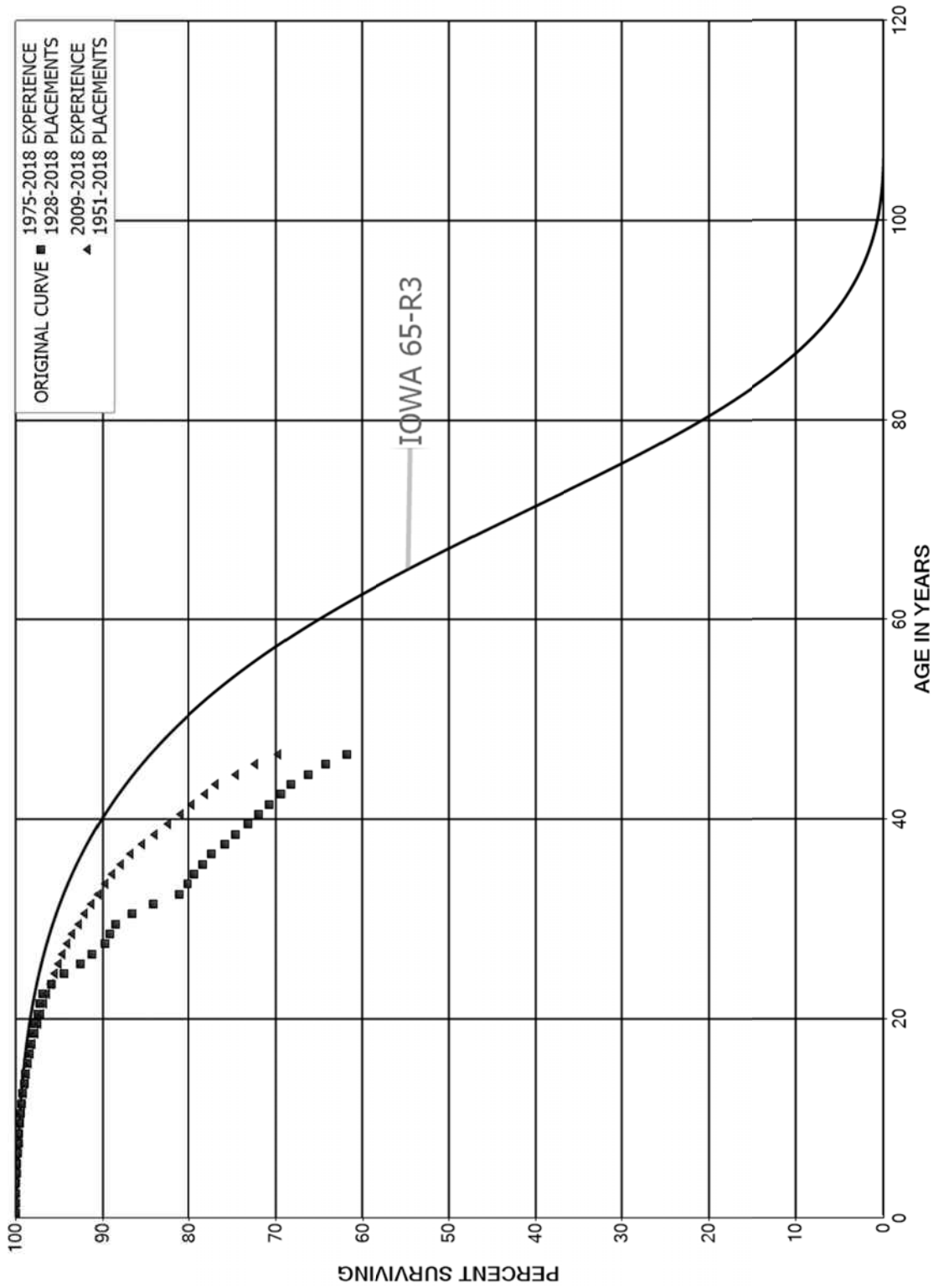
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1856-1971			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
119.5	113,816	7,965	0.0700	0.9300	9.94	
120.5	96,906	4,053	0.0418	0.9582	9.25	
121.5	94,052	8,150	0.0867	0.9133	8.86	
122.5	80,508	4,068	0.0505	0.9495	8.09	
123.5	72,023	2,821	0.0392	0.9608	7.68	
124.5	69,203	3,714	0.0537	0.9463	7.38	
125.5	64,798	3,144	0.0485	0.9515	6.99	
126.5	58,498	2,754	0.0471	0.9529	6.65	
127.5	54,691	3,201	0.0585	0.9415	6.33	
128.5	50,250	3,154	0.0628	0.9372	5.96	
129.5	47,096	3,605	0.0765	0.9235	5.59	
130.5	40,865	1,305	0.0319	0.9681	5.16	
131.5	40,055	1,882	0.0470	0.9530	5.00	
132.5	38,173	782	0.0205	0.9795	4.76	
133.5	37,391	950	0.0254	0.9746	4.66	
134.5	36,441	1,374	0.0377	0.9623	4.55	
135.5	35,067	1,678	0.0479	0.9521	4.37	
136.5	33,078	575	0.0174	0.9826	4.16	
137.5	32,503	2,389	0.0735	0.9265	4.09	
138.5	30,089	2,518	0.0837	0.9163	3.79	
139.5	27,571	3,736	0.1355	0.8645	3.47	
140.5	23,651	3,248	0.1373	0.8627	3.00	
141.5	20,403	1,503	0.0737	0.9263	2.59	
142.5	18,900	864	0.0457	0.9543	2.40	
143.5	18,774	1,789	0.0953	0.9047	2.29	
144.5	16,985	1,221	0.0719	0.9281	2.07	
145.5	15,764	679	0.0431	0.9569	1.92	
146.5	14,871	195	0.0131	0.9869	1.84	
147.5	14,676	1,251	0.0853	0.9147	1.82	
148.5	13,424	1,625	0.1211	0.8789	1.66	
149.5	11,799	2,511	0.2128	0.7872	1.46	
150.5	9,287	592	0.0638	0.9362	1.15	
151.5	8,170	2,078	0.2543	0.7457	1.08	
152.5	6,092	3,438	0.5644	0.4356	0.80	
153.5	2,654	1,331	0.5016	0.4984	0.35	
154.5	1,323	374	0.2826	0.7174	0.17	
155.5	949	698	0.7358	0.2642	0.13	
156.5	251	232	0.9265	0.0735	0.03	
157.5	18	18	1.0000		0.00	
158.5						

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 376.3 MAINS - PLASTIC
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.3 MAINS - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1928-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	794,627,763	45,075	0.0001	0.9999	100.00
0.5	729,501,564	179,531	0.0002	0.9998	99.99
1.5	656,305,397	195,164	0.0003	0.9997	99.97
2.5	597,950,102	243,712	0.0004	0.9996	99.94
3.5	545,104,696	280,016	0.0005	0.9995	99.90
4.5	516,660,621	246,617	0.0005	0.9995	99.85
5.5	480,843,639	314,246	0.0007	0.9993	99.80
6.5	443,959,152	317,799	0.0007	0.9993	99.74
7.5	414,393,777	375,741	0.0009	0.9991	99.66
8.5	390,542,970	383,017	0.0010	0.9990	99.57
9.5	334,331,003	323,890	0.0010	0.9990	99.48
10.5	318,231,904	355,487	0.0011	0.9989	99.38
11.5	313,530,927	347,132	0.0011	0.9989	99.27
12.5	306,293,705	519,576	0.0017	0.9983	99.16
13.5	298,396,463	559,583	0.0019	0.9981	98.99
14.5	274,334,572	486,500	0.0018	0.9982	98.80
15.5	259,750,557	563,117	0.0022	0.9978	98.63
16.5	240,125,965	577,614	0.0024	0.9976	98.42
17.5	202,756,955	486,901	0.0024	0.9976	98.18
18.5	198,392,841	512,618	0.0026	0.9974	97.94
19.5	192,545,665	528,693	0.0027	0.9973	97.69
20.5	184,012,444	532,624	0.0029	0.9971	97.42
21.5	170,698,917	622,027	0.0036	0.9964	97.14
22.5	160,877,650	1,557,813	0.0097	0.9903	96.79
23.5	148,283,118	2,181,719	0.0147	0.9853	95.85
24.5	132,194,358	2,719,764	0.0206	0.9794	94.44
25.5	120,165,776	1,696,638	0.0141	0.9859	92.50
26.5	102,217,352	1,607,841	0.0157	0.9843	91.19
27.5	88,415,364	524,627	0.0059	0.9941	89.75
28.5	77,405,984	600,671	0.0078	0.9922	89.22
29.5	68,589,696	1,465,482	0.0214	0.9786	88.53
30.5	60,728,006	1,739,451	0.0286	0.9714	86.64
31.5	51,356,535	1,797,720	0.0350	0.9650	84.16
32.5	43,975,288	545,501	0.0124	0.9876	81.21
33.5	39,126,502	406,540	0.0104	0.9896	80.20
34.5	35,685,881	435,088	0.0122	0.9878	79.37
35.5	31,472,074	409,703	0.0130	0.9870	78.40
36.5	27,442,860	562,856	0.0205	0.9795	77.38
37.5	18,110,774	290,875	0.0161	0.9839	75.79
38.5	12,094,840	223,549	0.0185	0.9815	74.58

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.3 MAINS - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1928-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	9,734,459	163,618	0.0168	0.9832	73.20
40.5	7,632,146	131,942	0.0173	0.9827	71.97
41.5	6,776,926	123,323	0.0182	0.9818	70.72
42.5	6,333,493	106,886	0.0169	0.9831	69.44
43.5	6,226,607	182,179	0.0293	0.9707	68.27
44.5	5,367,824	163,337	0.0304	0.9696	66.27
45.5	4,564,217	168,871	0.0370	0.9630	64.25
46.5	1,969,318	84,569	0.0429	0.9571	61.87
47.5	1,066,958	40,260	0.0377	0.9623	59.22
48.5	342,065	12,499	0.0365	0.9635	56.98
49.5	13,267	409	0.0308	0.9692	54.90
50.5	12,858	641	0.0499	0.9501	53.21
51.5	1,286		0.0000	1.0000	50.56
52.5	1,286		0.0000	1.0000	50.56
53.5	1,286	1	0.0005	0.9995	50.56
54.5	1,285	3	0.0023	0.9977	50.53
55.5	1,282	2	0.0019	0.9981	50.42
56.5	1,280	3	0.0020	0.9980	50.32
57.5	1,277	8	0.0060	0.9940	50.22
58.5	1,270	7	0.0055	0.9945	49.92
59.5	1,263	5	0.0037	0.9963	49.64
60.5	1,258	8	0.0066	0.9934	49.46
61.5	1,250	6	0.0044	0.9956	49.13
62.5	1,244	3	0.0027	0.9973	48.91
63.5	1,241	5	0.0038	0.9962	48.78
64.5	1,236	21	0.0172	0.9828	48.60
65.5	1,215	10	0.0083	0.9917	47.76
66.5	1,205	7	0.0056	0.9944	47.36
67.5	1,149		0.0000	1.0000	47.10
68.5	1,149		0.0000	1.0000	47.10
69.5	1,149	770	0.6700	0.3300	47.10
70.5	379		0.0000	1.0000	15.54
71.5	379		0.0000	1.0000	15.54
72.5	379		0.0000	1.0000	15.54
73.5	379		0.0000	1.0000	15.54
74.5	379	44	0.1148	0.8852	15.54
75.5	336	336	1.0000		13.76
76.5					

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.3 MAINS - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1951-2018

EXPERIENCE BAND 2009-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	441,173,894	33,281	0.0001	0.9999	100.00
0.5	394,529,250	105,886	0.0003	0.9997	99.99
1.5	333,649,453	137,957	0.0004	0.9996	99.97
2.5	287,853,743	136,659	0.0005	0.9995	99.92
3.5	249,606,621	138,213	0.0006	0.9994	99.88
4.5	242,840,685	159,507	0.0007	0.9993	99.82
5.5	219,471,050	165,123	0.0008	0.9992	99.76
6.5	201,238,378	171,653	0.0009	0.9991	99.68
7.5	208,694,668	211,114	0.0010	0.9990	99.60
8.5	188,888,049	225,242	0.0012	0.9988	99.50
9.5	173,072,558	214,009	0.0012	0.9988	99.38
10.5	159,434,235	198,326	0.0012	0.9988	99.25
11.5	158,163,105	224,010	0.0014	0.9986	99.13
12.5	151,327,678	255,633	0.0017	0.9983	98.99
13.5	145,383,649	255,062	0.0018	0.9982	98.82
14.5	135,983,215	315,278	0.0023	0.9977	98.65
15.5	131,231,489	321,865	0.0025	0.9975	98.42
16.5	128,612,353	353,896	0.0028	0.9972	98.18
17.5	104,153,951	309,122	0.0030	0.9970	97.91
18.5	110,767,634	366,739	0.0033	0.9967	97.62
19.5	113,687,041	397,974	0.0035	0.9965	97.30
20.5	112,035,895	391,719	0.0035	0.9965	96.95
21.5	106,961,662	404,127	0.0038	0.9962	96.62
22.5	103,287,960	413,572	0.0040	0.9960	96.25
23.5	96,444,395	436,068	0.0045	0.9955	95.87
24.5	85,373,451	403,345	0.0047	0.9953	95.43
25.5	79,763,156	390,843	0.0049	0.9951	94.98
26.5	67,069,359	373,221	0.0056	0.9944	94.52
27.5	64,147,992	422,931	0.0066	0.9934	93.99
28.5	59,591,002	451,770	0.0076	0.9924	93.37
29.5	53,323,895	438,994	0.0082	0.9918	92.66
30.5	48,691,962	402,840	0.0083	0.9917	91.90
31.5	41,486,588	330,843	0.0080	0.9920	91.14
32.5	36,022,047	316,455	0.0088	0.9912	90.41
33.5	31,402,307	264,037	0.0084	0.9916	89.62
34.5	29,133,450	323,400	0.0111	0.9889	88.86
35.5	25,825,210	330,685	0.0128	0.9872	87.88
36.5	24,905,543	401,050	0.0161	0.9839	86.75
37.5	16,769,850	279,950	0.0167	0.9833	85.36
38.5	11,654,415	220,799	0.0189	0.9811	83.93

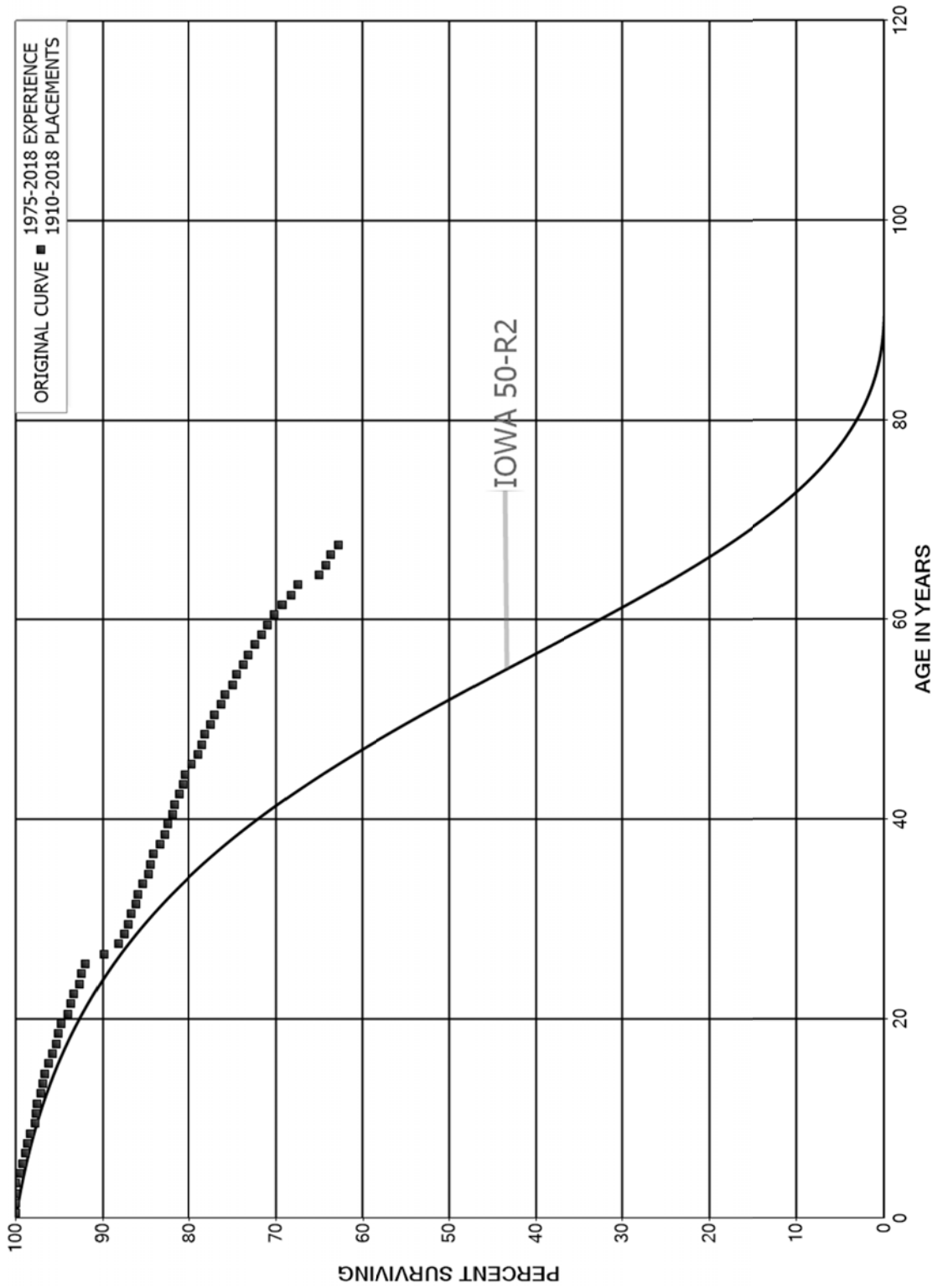
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.3 MAINS - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1951-2018			EXPERIENCE BAND 2009-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	9,717,703	163,068	0.0168	0.9832	82.34
40.5	7,615,940	131,460	0.0173	0.9827	80.96
41.5	6,776,790	123,323	0.0182	0.9818	79.56
42.5	6,333,356	106,886	0.0169	0.9831	78.11
43.5	6,226,471	182,179	0.0293	0.9707	76.80
44.5	5,367,688	163,337	0.0304	0.9696	74.55
45.5	4,564,081	168,871	0.0370	0.9630	72.28
46.5	1,968,032	84,569	0.0430	0.9570	69.61
47.5	1,065,672	40,260	0.0378	0.9622	66.61
48.5	340,779	12,499	0.0367	0.9633	64.10
49.5	11,981	409	0.0341	0.9659	61.75
50.5	11,572	641	0.0554	0.9446	59.64
51.5					56.34
52.5					
53.5					
54.5					
55.5					
56.5					
57.5	128	8	0.0599		
58.5	120	7	0.0575		
59.5	113	5	0.0413		
60.5	109	8	0.0767		
61.5	100	6	0.0551		
62.5	95	3	0.0353		
63.5	91	5	0.0519		
64.5	87	21	0.2455		
65.5	65	10	0.1538		
66.5	55	7	0.1210		
67.5					

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,239,362	1	0.0000	1.0000	100.00
0.5	15,463,361	436	0.0000	1.0000	100.00
1.5	15,387,330	792	0.0001	0.9999	100.00
2.5	15,153,201	6,781	0.0004	0.9996	99.99
3.5	14,678,860	61,965	0.0042	0.9958	99.95
4.5	14,610,173	49,290	0.0034	0.9966	99.53
5.5	14,101,588	49,201	0.0035	0.9965	99.19
6.5	13,780,154	36,486	0.0026	0.9974	98.84
7.5	12,775,646	45,024	0.0035	0.9965	98.58
8.5	12,643,767	58,934	0.0047	0.9953	98.23
9.5	12,465,518	19,383	0.0016	0.9984	97.78
10.5	12,186,628	15,642	0.0013	0.9987	97.62
11.5	11,724,690	49,872	0.0043	0.9957	97.50
12.5	11,629,422	31,082	0.0027	0.9973	97.08
13.5	11,466,556	28,259	0.0025	0.9975	96.82
14.5	11,236,307	43,495	0.0039	0.9961	96.59
15.5	11,009,115	58,663	0.0053	0.9947	96.21
16.5	10,948,461	46,541	0.0043	0.9957	95.70
17.5	10,208,821	27,330	0.0027	0.9973	95.29
18.5	10,017,617	30,004	0.0030	0.9970	95.04
19.5	10,046,376	90,272	0.0090	0.9910	94.75
20.5	10,023,795	35,777	0.0036	0.9964	93.90
21.5	10,042,970	33,745	0.0034	0.9966	93.57
22.5	10,055,644	63,309	0.0063	0.9937	93.25
23.5	10,059,309	35,181	0.0035	0.9965	92.67
24.5	10,027,837	38,920	0.0039	0.9961	92.34
25.5	9,600,020	221,911	0.0231	0.9769	91.98
26.5	8,456,560	162,294	0.0192	0.9808	89.86
27.5	8,070,177	54,538	0.0068	0.9932	88.13
28.5	7,608,240	40,158	0.0053	0.9947	87.54
29.5	7,270,802	25,338	0.0035	0.9965	87.07
30.5	6,754,123	47,407	0.0070	0.9930	86.77
31.5	6,153,958	17,938	0.0029	0.9971	86.16
32.5	5,619,772	31,324	0.0056	0.9944	85.91
33.5	5,188,500	41,460	0.0080	0.9920	85.43
34.5	4,861,252	13,818	0.0028	0.9972	84.75
35.5	4,387,415	19,920	0.0045	0.9955	84.51
36.5	3,738,201	34,829	0.0093	0.9907	84.12
37.5	3,184,315	20,131	0.0063	0.9937	83.34
38.5	2,855,560	10,415	0.0036	0.9964	82.81

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,787,698	17,462	0.0063	0.9937	82.51
40.5	2,561,226	9,553	0.0037	0.9963	82.00
41.5	2,404,457	15,940	0.0066	0.9934	81.69
42.5	2,198,484	10,869	0.0049	0.9951	81.15
43.5	1,902,746	6,937	0.0036	0.9964	80.75
44.5	1,870,272	17,437	0.0093	0.9907	80.45
45.5	1,736,364	15,556	0.0090	0.9910	79.70
46.5	1,495,190	9,719	0.0065	0.9935	78.99
47.5	1,404,063	6,243	0.0044	0.9956	78.47
48.5	1,303,606	10,578	0.0081	0.9919	78.13
49.5	1,252,651	6,271	0.0050	0.9950	77.49
50.5	1,172,142	12,182	0.0104	0.9896	77.10
51.5	1,106,906	6,948	0.0063	0.9937	76.30
52.5	1,052,978	11,328	0.0108	0.9892	75.82
53.5	1,022,184	6,986	0.0068	0.9932	75.01
54.5	949,209	9,147	0.0096	0.9904	74.50
55.5	866,769	7,221	0.0083	0.9917	73.78
56.5	797,484	8,725	0.0109	0.9891	73.16
57.5	720,385	7,222	0.0100	0.9900	72.36
58.5	654,841	6,668	0.0102	0.9898	71.64
59.5	619,453	6,444	0.0104	0.9896	70.91
60.5	512,760	6,451	0.0126	0.9874	70.17
61.5	433,242	6,221	0.0144	0.9856	69.29
62.5	385,307	4,489	0.0117	0.9883	68.29
63.5	314,403	11,425	0.0363	0.9637	67.50
64.5	264,326	3,203	0.0121	0.9879	65.04
65.5	224,691	1,744	0.0078	0.9922	64.26
66.5	205,469	2,866	0.0139	0.9861	63.76
67.5	169,332	1,904	0.0112	0.9888	62.87
68.5	146,924	1,353	0.0092	0.9908	62.16
69.5	124,283	1,696	0.0136	0.9864	61.59
70.5	99,917	1,353	0.0135	0.9865	60.75
71.5	83,184	839	0.0101	0.9899	59.92
72.5	74,734	897	0.0120	0.9880	59.32
73.5	62,688	915	0.0146	0.9854	58.61
74.5	59,465	1,725	0.0290	0.9710	57.75
75.5	55,250	1,307	0.0237	0.9763	56.08
76.5	49,411	1,367	0.0277	0.9723	54.75
77.5	40,330	1,602	0.0397	0.9603	53.24
78.5	34,588	1,449	0.0419	0.9581	51.12

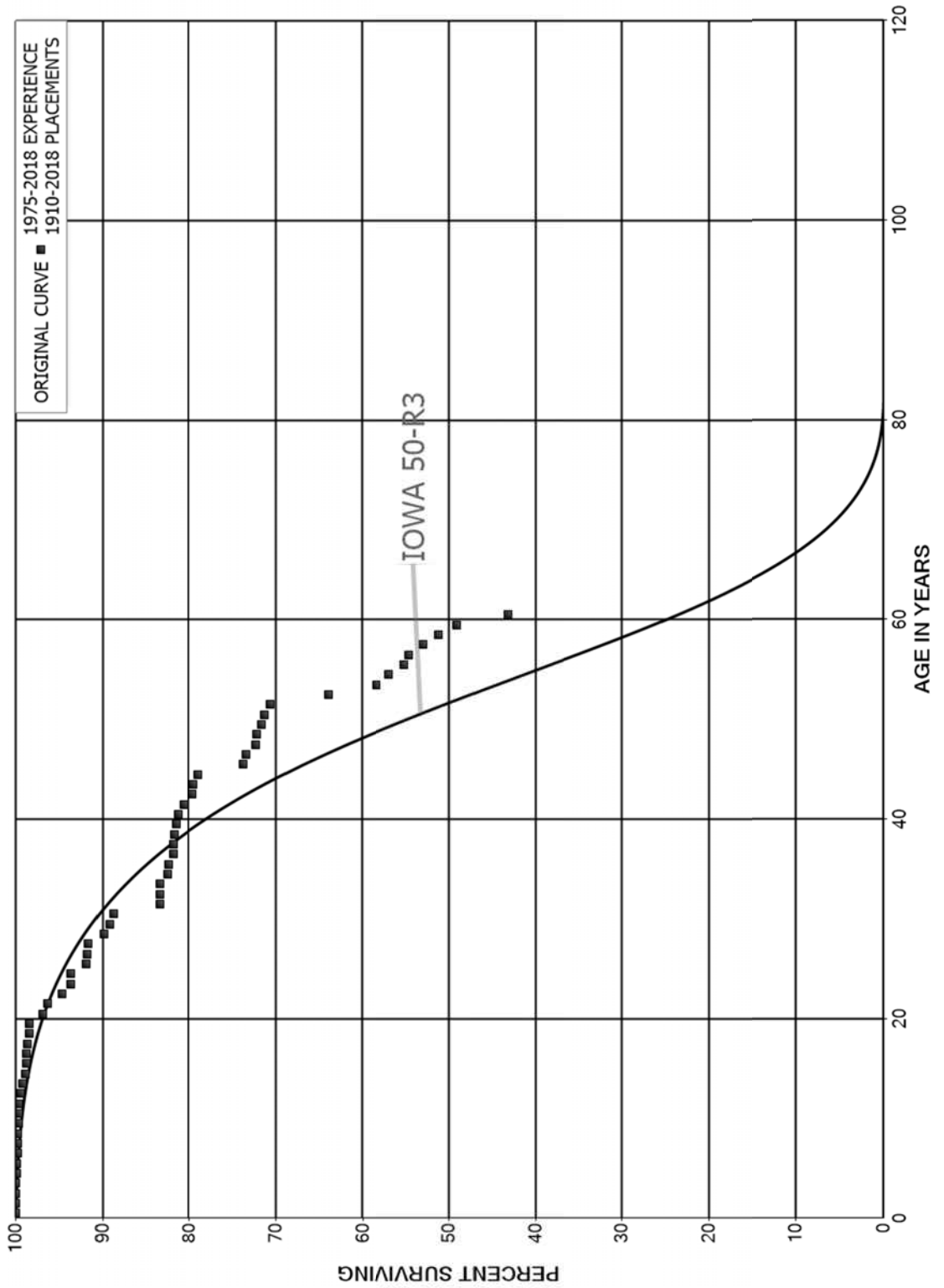
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2018			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	30,264	688	0.0227	0.9773	48.98	
80.5	29,575	639	0.0216	0.9784	47.87	
81.5	28,936	2,591	0.0895	0.9105	46.83	
82.5	25,913	1,816	0.0701	0.9299	42.64	
83.5	23,905	2,071	0.0866	0.9134	39.65	
84.5	21,673	1,362	0.0628	0.9372	36.22	
85.5	18,839	2,344	0.1244	0.8756	33.94	
86.5	14,525	1,302	0.0896	0.9104	29.72	
87.5	12,910	1,422	0.1101	0.8899	27.05	
88.5	8,301	1,003	0.1208	0.8792	24.07	
89.5	6,643	915	0.1377	0.8623	21.17	
90.5	4,694	429	0.0914	0.9086	18.25	
91.5	3,633	177	0.0487	0.9513	16.58	
92.5	3,061	823	0.2689	0.7311	15.78	
93.5	1,888	79	0.0420	0.9580	11.53	
94.5	1,809	98	0.0544	0.9456	11.05	
95.5	1,710	151	0.0884	0.9116	10.45	
96.5	1,559	198	0.1269	0.8731	9.52	
97.5	1,361	82	0.0604	0.9396	8.32	
98.5	1,279	116	0.0906	0.9094	7.81	
99.5	758	155	0.2045	0.7955	7.11	
100.5	603	18	0.0306	0.9694	5.65	
101.5	506	65	0.1280	0.8720	5.48	
102.5	273	48	0.1776	0.8224	4.78	
103.5	224	5	0.0212	0.9788	3.93	
104.5	220	0	0.0020	0.9980	3.85	
105.5	162	77	0.4730	0.5270	3.84	
106.5	85	6	0.0650	0.9350	2.02	
107.5	80	0	0.0011	0.9989	1.89	
108.5					1.89	

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	52,477,689	102	0.0000	1.0000	100.00
0.5	39,842,340	2,180	0.0001	0.9999	100.00
1.5	39,834,159	19,960	0.0005	0.9995	99.99
2.5	39,805,306	8,213	0.0002	0.9998	99.94
3.5	39,770,261	28,583	0.0007	0.9993	99.92
4.5	39,448,739	6,306	0.0002	0.9998	99.85
5.5	38,969,423	43,101	0.0011	0.9989	99.84
6.5	38,631,851	11,902	0.0003	0.9997	99.73
7.5	38,371,398	8,981	0.0002	0.9998	99.69
8.5	38,096,610	6,941	0.0002	0.9998	99.67
9.5	36,893,413	3,574	0.0001	0.9999	99.65
10.5	36,018,551	8,996	0.0002	0.9998	99.64
11.5	35,193,940	86,818	0.0025	0.9975	99.62
12.5	33,543,478	58,505	0.0017	0.9983	99.37
13.5	32,522,267	110,761	0.0034	0.9966	99.20
14.5	27,779,843	29,522	0.0011	0.9989	98.86
15.5	26,584,414	21,965	0.0008	0.9992	98.76
16.5	24,375,408	17,984	0.0007	0.9993	98.68
17.5	17,825,213	28,799	0.0016	0.9984	98.60
18.5	18,014,957	462	0.0000	1.0000	98.44
19.5	18,184,283	293,784	0.0162	0.9838	98.44
20.5	17,749,630	102,527	0.0058	0.9942	96.85
21.5	17,156,559	295,731	0.0172	0.9828	96.29
22.5	15,168,599	164,098	0.0108	0.9892	94.63
23.5	15,464,200	3,361	0.0002	0.9998	93.61
24.5	8,974,273	166,228	0.0185	0.9815	93.59
25.5	8,842,220	14,305	0.0016	0.9984	91.85
26.5	7,983,531	6,063	0.0008	0.9992	91.70
27.5	6,608,531	132,603	0.0201	0.9799	91.64
28.5	6,477,660	46,537	0.0072	0.9928	89.80
29.5	6,028,199	25,444	0.0042	0.9958	89.15
30.5	5,678,315	341,505	0.0601	0.9399	88.77
31.5	5,335,639	3,843	0.0007	0.9993	83.44
32.5	5,315,413	848	0.0002	0.9998	83.38
33.5	3,688,054	39,310	0.0107	0.9893	83.36
34.5	3,653,833	2,871	0.0008	0.9992	82.47
35.5	3,641,764	23,922	0.0066	0.9934	82.41
36.5	3,299,220	1,557	0.0005	0.9995	81.87
37.5	3,296,868	6,048	0.0018	0.9982	81.83
38.5	2,750,979	6,866	0.0025	0.9975	81.68

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2018			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	2,718,576	7,613	0.0028	0.9972	81.48	
40.5	2,629,969	21,366	0.0081	0.9919	81.25	
41.5	2,607,129	30,228	0.0116	0.9884	80.59	
42.5	2,577,212	3,400	0.0013	0.9987	79.65	
43.5	2,593,032	21,101	0.0081	0.9919	79.55	
44.5	2,568,926	169,767	0.0661	0.9339	78.90	
45.5	2,399,159	8,279	0.0035	0.9965	73.69	
46.5	2,390,737	38,605	0.0161	0.9839	73.43	
47.5	1,980,747	2,652	0.0013	0.9987	72.25	
48.5	1,978,797	15,290	0.0077	0.9923	72.15	
49.5	1,912,444	8,074	0.0042	0.9958	71.59	
50.5	1,903,365	18,660	0.0098	0.9902	71.29	
51.5	1,884,492	175,876	0.0933	0.9067	70.59	
52.5	1,591,616	140,007	0.0880	0.9120	64.00	
53.5	1,282,324	29,943	0.0234	0.9766	58.37	
54.5	1,184,215	37,534	0.0317	0.9683	57.01	
55.5	1,096,101	12,561	0.0115	0.9885	55.20	
56.5	946,135	27,304	0.0289	0.9711	54.57	
57.5	890,669	29,946	0.0336	0.9664	53.00	
58.5	855,199	35,877	0.0420	0.9580	51.21	
59.5	806,068	96,332	0.1195	0.8805	49.06	
60.5	702,573	17,940	0.0255	0.9745	43.20	
61.5	523,171	3,053	0.0058	0.9942	42.10	
62.5	520,118	794	0.0015	0.9985	41.85	
63.5	519,324	8	0.0000	1.0000	41.79	
64.5	463,521	226	0.0005	0.9995	41.79	
65.5	441,699	106	0.0002	0.9998	41.77	
66.5	399,684	1,821	0.0046	0.9954	41.76	
67.5	70,195	5,077	0.0723	0.9277	41.57	
68.5	54,219	43	0.0008	0.9992	38.56	
69.5	45,704	74	0.0016	0.9984	38.53	
70.5	45,521	14	0.0003	0.9997	38.47	
71.5	44,029	1	0.0000	1.0000	38.46	
72.5	44,028		0.0000	1.0000	38.46	
73.5	44,028		0.0000	1.0000	38.46	
74.5	44,028	61	0.0014	0.9986	38.46	
75.5	43,966	595	0.0135	0.9865	38.40	
76.5	43,301	19,220	0.4439	0.5561	37.88	
77.5	23,935	854	0.0357	0.9643	21.07	
78.5	23,064	218	0.0095	0.9905	20.32	

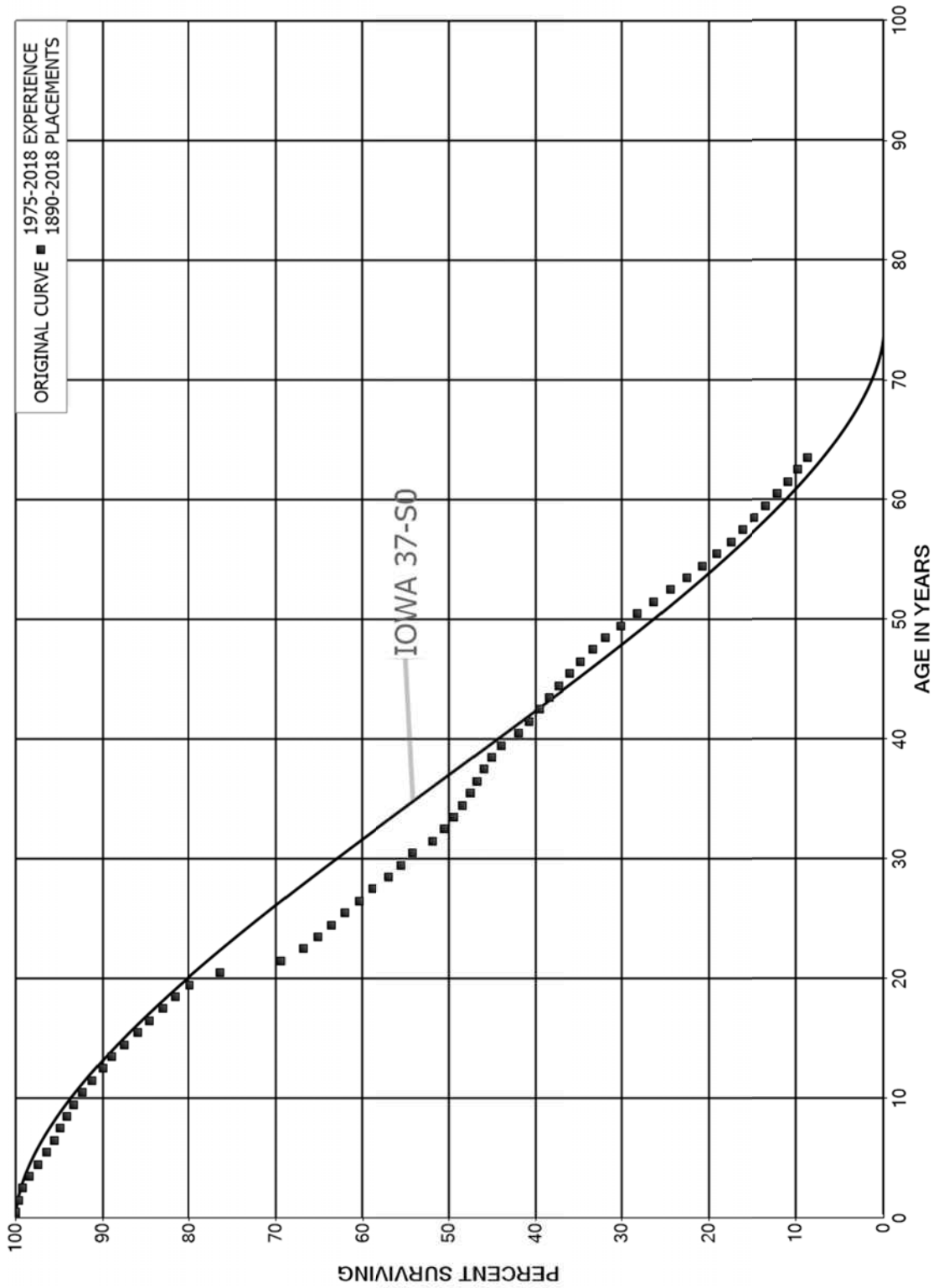
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	22,846		0.0000	1.0000	20.12
80.5	22,846	3,731	0.1633	0.8367	20.12
81.5	19,115	1,686	0.0882	0.9118	16.84
82.5	17,429	5,135	0.2946	0.7054	15.35
83.5	12,294	1,316	0.1070	0.8930	10.83
84.5	10,978	4,338	0.3952	0.6048	9.67
85.5	6,640	1,767	0.2661	0.7339	5.85
86.5	4,873	18	0.0037	0.9963	4.29
87.5	4,855		0.0000	1.0000	4.28
88.5	4,855		0.0000	1.0000	4.28
89.5	4,855		0.0000	1.0000	4.28
90.5	1,989		0.0000	1.0000	4.28
91.5	1,989	86	0.0431	0.9569	4.28
92.5	1,904	46	0.0240	0.9760	4.09
93.5	1,858		0.0000	1.0000	3.99
94.5	1,858		0.0000	1.0000	3.99
95.5	1,636		0.0000	1.0000	3.99
96.5	1,636		0.0000	1.0000	3.99
97.5	1,636	1,636	1.0000		3.99
98.5					

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 380.1 SERVICES - STEEL
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.1 SERVICES - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1890-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	113,741,377	52,970	0.0005	0.9995	100.00
0.5	110,653,408	351,734	0.0032	0.9968	99.95
1.5	107,230,257	465,255	0.0043	0.9957	99.64
2.5	104,100,115	872,372	0.0084	0.9916	99.20
3.5	101,591,578	1,046,703	0.0103	0.9897	98.37
4.5	98,250,598	923,768	0.0094	0.9906	97.36
5.5	94,818,155	874,238	0.0092	0.9908	96.44
6.5	92,067,530	743,529	0.0081	0.9919	95.55
7.5	89,806,132	669,598	0.0075	0.9925	94.78
8.5	87,966,017	718,698	0.0082	0.9918	94.08
9.5	81,494,673	899,896	0.0110	0.9890	93.31
10.5	79,202,191	925,789	0.0117	0.9883	92.28
11.5	77,551,218	1,014,838	0.0131	0.9869	91.20
12.5	74,763,129	918,385	0.0123	0.9877	90.00
13.5	71,620,120	1,164,089	0.0163	0.9837	88.90
14.5	68,853,448	1,156,705	0.0168	0.9832	87.45
15.5	62,187,756	961,530	0.0155	0.9845	85.98
16.5	56,483,637	1,067,625	0.0189	0.9811	84.66
17.5	48,489,217	829,507	0.0171	0.9829	83.06
18.5	45,810,652	948,118	0.0207	0.9793	81.63
19.5	44,060,535	1,945,028	0.0441	0.9559	79.94
20.5	40,145,811	3,698,212	0.0921	0.9079	76.42
21.5	35,310,455	1,300,067	0.0368	0.9632	69.38
22.5	33,601,658	831,453	0.0247	0.9753	66.82
23.5	32,306,831	781,295	0.0242	0.9758	65.17
24.5	31,513,136	761,410	0.0242	0.9758	63.59
25.5	30,184,107	783,747	0.0260	0.9740	62.06
26.5	28,823,098	770,486	0.0267	0.9733	60.44
27.5	27,259,946	851,193	0.0312	0.9688	58.83
28.5	25,658,739	659,538	0.0257	0.9743	56.99
29.5	24,249,973	581,044	0.0240	0.9760	55.53
30.5	22,914,281	1,009,935	0.0441	0.9559	54.20
31.5	21,236,458	535,643	0.0252	0.9748	51.81
32.5	20,123,336	455,316	0.0226	0.9774	50.50
33.5	19,021,935	360,169	0.0189	0.9811	49.36
34.5	18,137,103	327,271	0.0180	0.9820	48.42
35.5	17,314,756	305,570	0.0176	0.9824	47.55
36.5	16,956,670	291,475	0.0172	0.9828	46.71
37.5	16,702,634	324,505	0.0194	0.9806	45.91
38.5	16,406,894	409,727	0.0250	0.9750	45.02

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.1 SERVICES - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1890-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	16,023,394	704,900	0.0440	0.9560	43.89
40.5	15,342,291	435,937	0.0284	0.9716	41.96
41.5	14,921,757	445,511	0.0299	0.9701	40.77
42.5	14,497,819	408,561	0.0282	0.9718	39.55
43.5	14,120,018	430,123	0.0305	0.9695	38.44
44.5	13,757,673	474,933	0.0345	0.9655	37.27
45.5	13,350,113	470,231	0.0352	0.9648	35.98
46.5	12,758,614	514,777	0.0403	0.9597	34.71
47.5	12,158,330	555,781	0.0457	0.9543	33.31
48.5	11,597,568	635,448	0.0548	0.9452	31.79
49.5	10,632,293	659,284	0.0620	0.9380	30.05
50.5	9,336,758	627,674	0.0672	0.9328	28.18
51.5	8,045,410	576,038	0.0716	0.9284	26.29
52.5	6,737,833	538,322	0.0799	0.9201	24.41
53.5	5,456,906	422,198	0.0774	0.9226	22.46
54.5	4,546,690	368,497	0.0810	0.9190	20.72
55.5	3,776,138	326,150	0.0864	0.9136	19.04
56.5	3,114,853	247,790	0.0796	0.9204	17.40
57.5	2,579,245	203,303	0.0788	0.9212	16.01
58.5	2,264,948	206,471	0.0912	0.9088	14.75
59.5	1,916,811	190,791	0.0995	0.9005	13.41
60.5	1,637,337	162,781	0.0994	0.9006	12.07
61.5	1,345,862	140,923	0.1047	0.8953	10.87
62.5	1,148,922	132,352	0.1152	0.8848	9.73
63.5	953,310	111,660	0.1171	0.8829	8.61
64.5	826,132	103,218	0.1249	0.8751	7.60
65.5	686,774	86,878	0.1265	0.8735	6.65
66.5	587,238	79,946	0.1361	0.8639	5.81
67.5	497,684	71,593	0.1439	0.8561	5.02
68.5	416,740	53,307	0.1279	0.8721	4.30
69.5	359,284	50,276	0.1399	0.8601	3.75
70.5	306,142	25,996	0.0849	0.9151	3.22
71.5	281,611	21,897	0.0778	0.9222	2.95
72.5	262,898	20,760	0.0790	0.9210	2.72
73.5	243,516	20,990	0.0862	0.9138	2.51
74.5	224,626	25,418	0.1132	0.8868	2.29
75.5	210,306	22,276	0.1059	0.8941	2.03
76.5	189,808	32,398	0.1707	0.8293	1.82
77.5	157,436	20,362	0.1293	0.8707	1.51
78.5	137,179	21,549	0.1571	0.8429	1.31

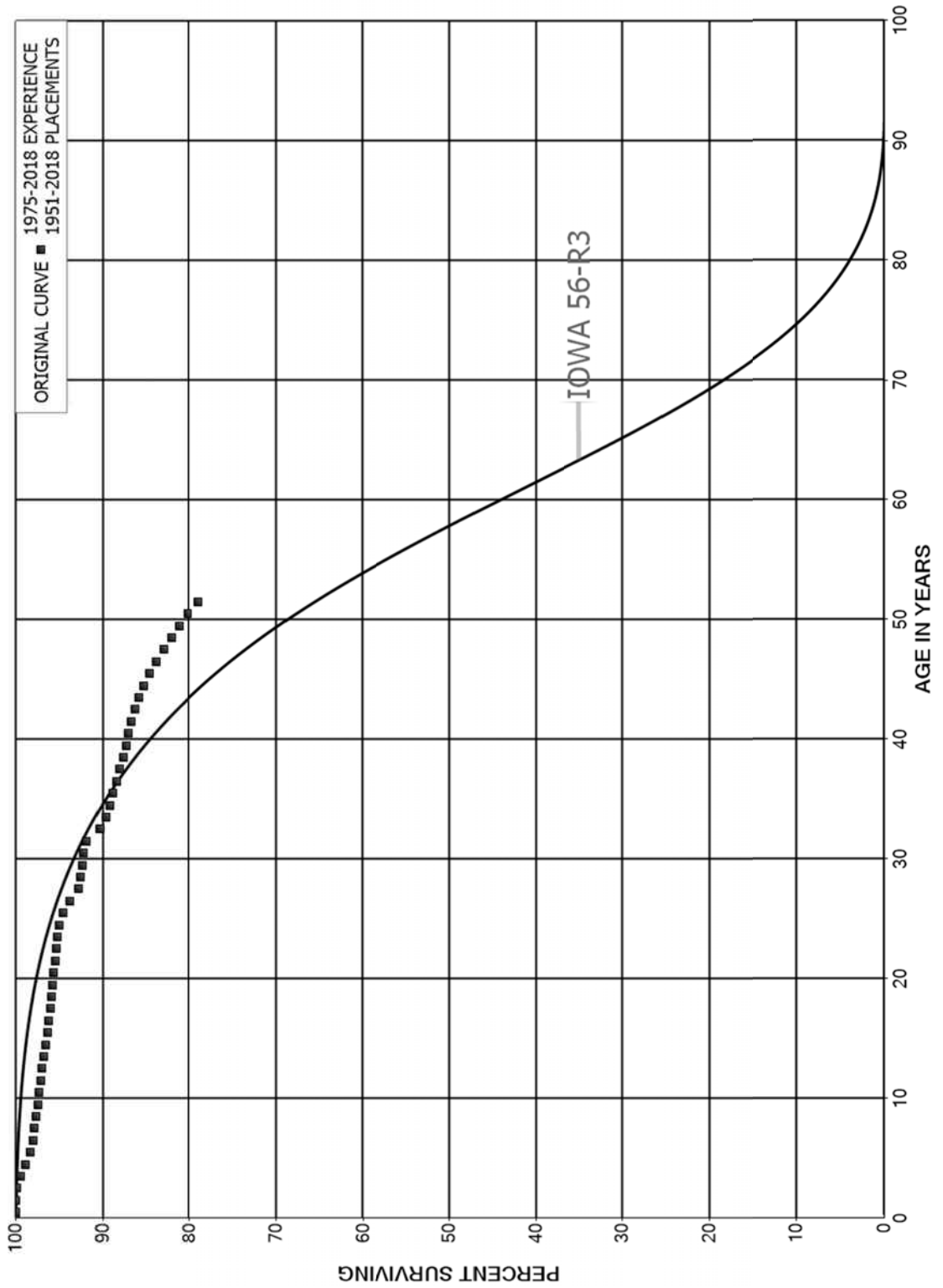
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.1 SERVICES - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1890-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	115,802	24,462	0.2112	0.7888	1.11
80.5	91,349	17,521	0.1918	0.8082	0.87
81.5	73,843	16,126	0.2184	0.7816	0.70
82.5	57,780	9,791	0.1695	0.8305	0.55
83.5	47,989	9,122	0.1901	0.8099	0.46
84.5	41,150	6,448	0.1567	0.8433	0.37
85.5	34,702	4,923	0.1419	0.8581	0.31
86.5	29,779	2,823	0.0948	0.9052	0.27
87.5	26,956	2,689	0.0997	0.9003	0.24
88.5	24,267	3,277	0.1350	0.8650	0.22
89.5	20,990	6,268	0.2986	0.7014	0.19
90.5	14,723	3,655	0.2482	0.7518	0.13
91.5	11,068	3,569	0.3224	0.6776	0.10
92.5	7,499	1,276	0.1702	0.8298	0.07
93.5	6,223	941	0.1512	0.8488	0.06
94.5	5,282	805	0.1523	0.8477	0.05
95.5	4,478	292	0.0651	0.9349	0.04
96.5	4,186	738	0.1763	0.8237	0.04
97.5	3,448	521	0.1510	0.8490	0.03
98.5	2,927	448	0.1531	0.8469	0.03
99.5	2,479	429	0.1730	0.8270	0.02
100.5	2,050	24	0.0116	0.9884	0.02
101.5	2,026	15	0.0074	0.9926	0.02
102.5	2,011	54	0.0271	0.9729	0.02
103.5	1,957	682	0.3487	0.6513	0.02
104.5	1,274	617	0.4842	0.5158	0.01
105.5	657	126	0.1919	0.8081	0.01
106.5	531	12	0.0221	0.9779	0.00
107.5	519	27	0.0515	0.9485	0.00
108.5	493	2	0.0033	0.9967	0.00
109.5	491	1	0.0022	0.9978	0.00
110.5	490		0.0000	1.0000	0.00
111.5	490		0.0000	1.0000	0.00
112.5	490	490	1.0000		0.00
113.5					

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 380.2 SERVICES - PLASTIC
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.2 SERVICES - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1951-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	732,713,875	71,911	0.0001	0.9999	100.00
0.5	663,910,221	402,037	0.0006	0.9994	99.99
1.5	619,697,144	729,371	0.0012	0.9988	99.93
2.5	583,558,222	2,446,047	0.0042	0.9958	99.81
3.5	550,913,067	2,882,404	0.0052	0.9948	99.39
4.5	531,377,337	3,293,771	0.0062	0.9938	98.87
5.5	506,347,700	1,310,522	0.0026	0.9974	98.26
6.5	483,275,374	1,071,229	0.0022	0.9978	98.01
7.5	463,698,591	909,233	0.0020	0.9980	97.79
8.5	445,226,645	844,968	0.0019	0.9981	97.60
9.5	402,724,908	703,959	0.0017	0.9983	97.41
10.5	397,394,520	722,801	0.0018	0.9982	97.24
11.5	392,211,308	683,601	0.0017	0.9983	97.07
12.5	385,557,629	696,237	0.0018	0.9982	96.90
13.5	376,647,823	760,753	0.0020	0.9980	96.72
14.5	364,871,849	754,860	0.0021	0.9979	96.53
15.5	353,243,692	618,052	0.0017	0.9983	96.33
16.5	338,877,392	530,951	0.0016	0.9984	96.16
17.5	315,805,340	502,935	0.0016	0.9984	96.01
18.5	309,047,154	465,011	0.0015	0.9985	95.85
19.5	298,949,138	447,186	0.0015	0.9985	95.71
20.5	289,256,069	425,202	0.0015	0.9985	95.57
21.5	278,131,410	425,189	0.0015	0.9985	95.43
22.5	272,365,069	399,197	0.0015	0.9985	95.28
23.5	266,844,829	446,926	0.0017	0.9983	95.14
24.5	255,160,841	1,170,193	0.0046	0.9954	94.98
25.5	237,289,370	2,103,858	0.0089	0.9911	94.55
26.5	211,979,946	2,260,004	0.0107	0.9893	93.71
27.5	185,796,463	344,457	0.0019	0.9981	92.71
28.5	167,907,514	358,270	0.0021	0.9979	92.54
29.5	152,056,037	320,207	0.0021	0.9979	92.34
30.5	137,288,994	462,051	0.0034	0.9966	92.14
31.5	120,922,556	1,972,564	0.0163	0.9837	91.83
32.5	107,052,342	863,324	0.0081	0.9919	90.34
33.5	93,993,723	508,051	0.0054	0.9946	89.61
34.5	84,985,896	318,811	0.0038	0.9962	89.12
35.5	75,221,610	333,553	0.0044	0.9956	88.79
36.5	64,683,277	279,826	0.0043	0.9957	88.40
37.5	51,666,699	211,164	0.0041	0.9959	88.01
38.5	39,092,135	142,585	0.0036	0.9964	87.65

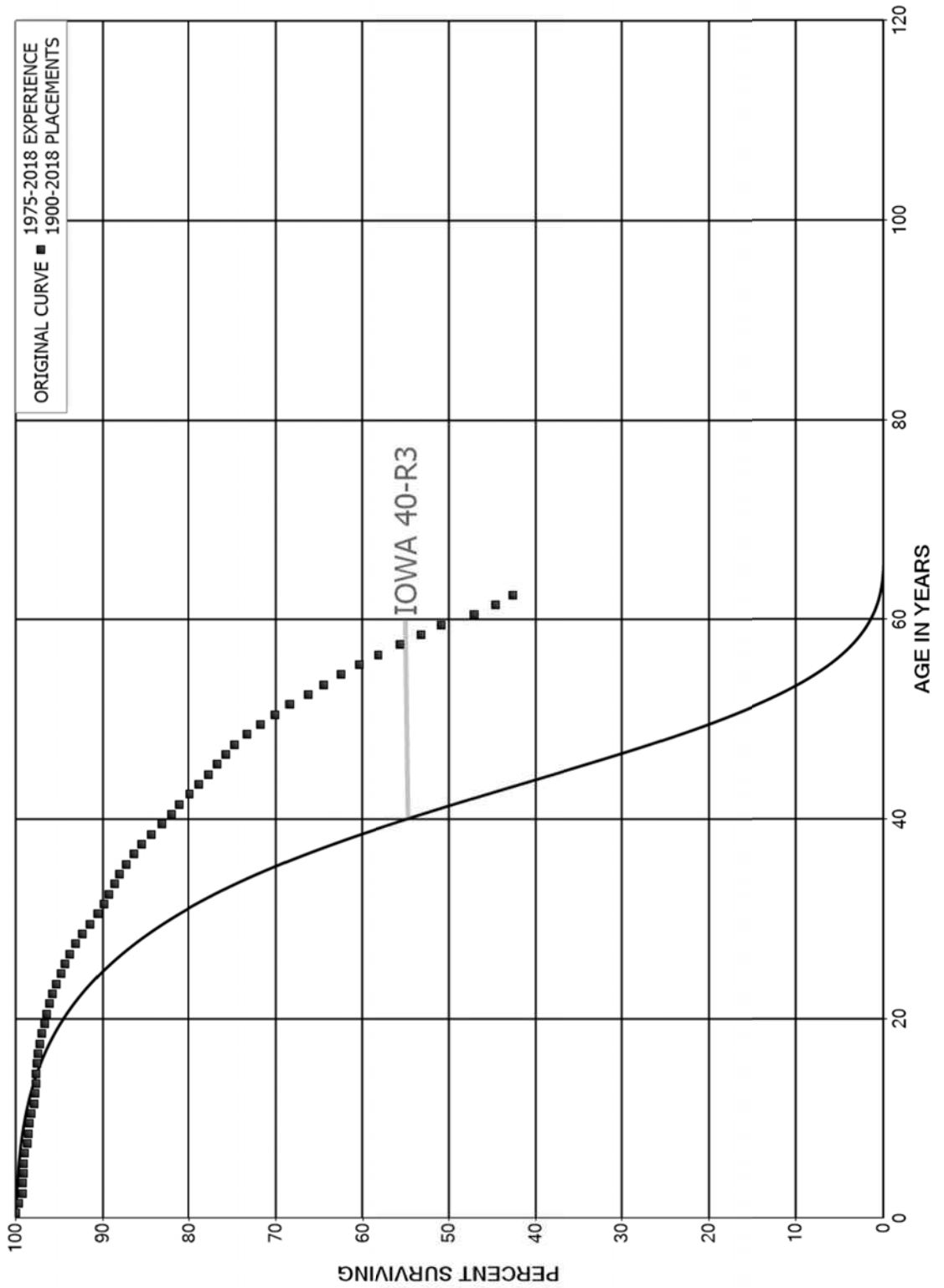
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.2 SERVICES - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1951-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	29,290,905	105,390	0.0036	0.9964	87.33
40.5	25,164,129	99,092	0.0039	0.9961	87.02
41.5	22,441,202	96,486	0.0043	0.9957	86.68
42.5	19,582,940	101,958	0.0052	0.9948	86.30
43.5	17,929,689	121,293	0.0068	0.9932	85.85
44.5	16,605,707	138,419	0.0083	0.9917	85.27
45.5	15,252,420	139,618	0.0092	0.9908	84.56
46.5	9,584,214	101,794	0.0106	0.9894	83.79
47.5	5,628,296	59,669	0.0106	0.9894	82.90
48.5	2,715,198	27,167	0.0100	0.9900	82.02
49.5	1,109,654	14,405	0.0130	0.9870	81.20
50.5	530,863	7,531	0.0142	0.9858	80.15
51.5	147,798	1,965	0.0133	0.9867	79.01
52.5	992		0.0000	1.0000	77.96
53.5	992	132	0.1332	0.8668	77.96
54.5	860	25	0.0296	0.9704	67.57
55.5	835	29	0.0348	0.9652	65.57
56.5	805	8	0.0099	0.9901	63.29
57.5	797	4	0.0045	0.9955	62.66
58.5	794	5	0.0059	0.9941	62.38
59.5	789	4	0.0045	0.9955	62.01
60.5	786	18	0.0226	0.9774	61.73
61.5	768	17	0.0216	0.9784	60.33
62.5	751	26	0.0341	0.9659	59.03
63.5	726	36	0.0493	0.9507	57.02
64.5	690	33	0.0482	0.9518	54.21
65.5	657	22	0.0338	0.9662	51.59
66.5	634	20	0.0313	0.9687	49.85
67.5					48.29

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 381 METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	76,163,805	58,625	0.0008	0.9992	100.00
0.5	74,728,315	205,465	0.0027	0.9973	99.92
1.5	72,890,809	327,560	0.0045	0.9955	99.65
2.5	70,136,562	46,139	0.0007	0.9993	99.20
3.5	66,643,149	41,538	0.0006	0.9994	99.14
4.5	65,280,094	40,379	0.0006	0.9994	99.07
5.5	64,020,766	72,427	0.0011	0.9989	99.01
6.5	63,154,739	177,157	0.0028	0.9972	98.90
7.5	61,848,030	82,508	0.0013	0.9987	98.62
8.5	61,055,140	62,951	0.0010	0.9990	98.49
9.5	60,252,826	108,623	0.0018	0.9982	98.39
10.5	58,347,521	228,372	0.0039	0.9961	98.21
11.5	57,491,329	59,777	0.0010	0.9990	97.83
12.5	56,856,578	36,658	0.0006	0.9994	97.73
13.5	55,397,665	44,477	0.0008	0.9992	97.66
14.5	55,065,173	56,053	0.0010	0.9990	97.58
15.5	54,094,172	80,502	0.0015	0.9985	97.49
16.5	51,901,658	99,053	0.0019	0.9981	97.34
17.5	32,120,916	85,427	0.0027	0.9973	97.15
18.5	32,266,096	76,251	0.0024	0.9976	96.90
19.5	31,014,193	81,759	0.0026	0.9974	96.67
20.5	30,167,306	96,228	0.0032	0.9968	96.41
21.5	28,235,603	127,077	0.0045	0.9955	96.10
22.5	26,895,264	122,122	0.0045	0.9955	95.67
23.5	26,022,085	126,997	0.0049	0.9951	95.24
24.5	24,760,932	129,165	0.0052	0.9948	94.77
25.5	23,308,414	145,276	0.0062	0.9938	94.28
26.5	22,021,051	145,307	0.0066	0.9934	93.69
27.5	20,613,365	173,300	0.0084	0.9916	93.07
28.5	19,276,585	195,471	0.0101	0.9899	92.29
29.5	18,091,569	176,492	0.0098	0.9902	91.35
30.5	16,948,096	112,613	0.0066	0.9934	90.46
31.5	15,881,126	103,904	0.0065	0.9935	89.86
32.5	15,054,269	102,677	0.0068	0.9932	89.27
33.5	13,990,388	103,063	0.0074	0.9926	88.67
34.5	13,505,448	105,318	0.0078	0.9922	88.01
35.5	13,028,564	135,368	0.0104	0.9896	87.33
36.5	12,411,036	131,978	0.0106	0.9894	86.42
37.5	11,279,561	144,706	0.0128	0.9872	85.50
38.5	9,560,604	142,497	0.0149	0.9851	84.40

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,014,379	103,541	0.0129	0.9871	83.14
40.5	7,768,030	82,640	0.0106	0.9894	82.07
41.5	7,559,586	114,520	0.0151	0.9849	81.20
42.5	7,241,836	105,136	0.0145	0.9855	79.97
43.5	7,019,829	93,689	0.0133	0.9867	78.81
44.5	6,786,647	86,961	0.0128	0.9872	77.75
45.5	6,404,477	87,012	0.0136	0.9864	76.76
46.5	5,619,420	76,059	0.0135	0.9865	75.72
47.5	5,114,195	95,845	0.0187	0.9813	74.69
48.5	4,501,263	93,798	0.0208	0.9792	73.29
49.5	3,783,071	86,963	0.0230	0.9770	71.76
50.5	3,291,457	82,784	0.0252	0.9748	70.11
51.5	3,105,098	91,938	0.0296	0.9704	68.35
52.5	2,580,377	72,983	0.0283	0.9717	66.33
53.5	2,193,320	65,014	0.0296	0.9704	64.45
54.5	1,938,976	67,264	0.0347	0.9653	62.54
55.5	1,722,450	63,585	0.0369	0.9631	60.37
56.5	1,607,476	69,352	0.0431	0.9569	58.14
57.5	1,510,301	65,697	0.0435	0.9565	55.63
58.5	1,362,858	61,564	0.0452	0.9548	53.21
59.5	1,214,097	88,740	0.0731	0.9269	50.81
60.5	1,059,075	55,231	0.0522	0.9478	47.10
61.5	901,767	41,824	0.0464	0.9536	44.64
62.5	760,265	29,615	0.0390	0.9610	42.57
63.5	658,228	23,048	0.0350	0.9650	40.91
64.5	554,029	26,667	0.0481	0.9519	39.48
65.5	436,018	41,969	0.0963	0.9037	37.58
66.5	317,549	25,320	0.0797	0.9203	33.96
67.5	230,452	21,550	0.0935	0.9065	31.25
68.5	171,917	14,618	0.0850	0.9150	28.33
69.5	140,265	10,120	0.0721	0.9279	25.92
70.5	115,467	8,730	0.0756	0.9244	24.05
71.5	99,711	3,379	0.0339	0.9661	22.23
72.5	91,651	3,831	0.0418	0.9582	21.48
73.5	85,589	2,052	0.0240	0.9760	20.58
74.5	82,161	3,737	0.0455	0.9545	20.09
75.5	75,836	2,189	0.0289	0.9711	19.18
76.5	66,781	3,243	0.0486	0.9514	18.62
77.5	59,879	5,844	0.0976	0.9024	17.72
78.5	50,553	7,583	0.1500	0.8500	15.99

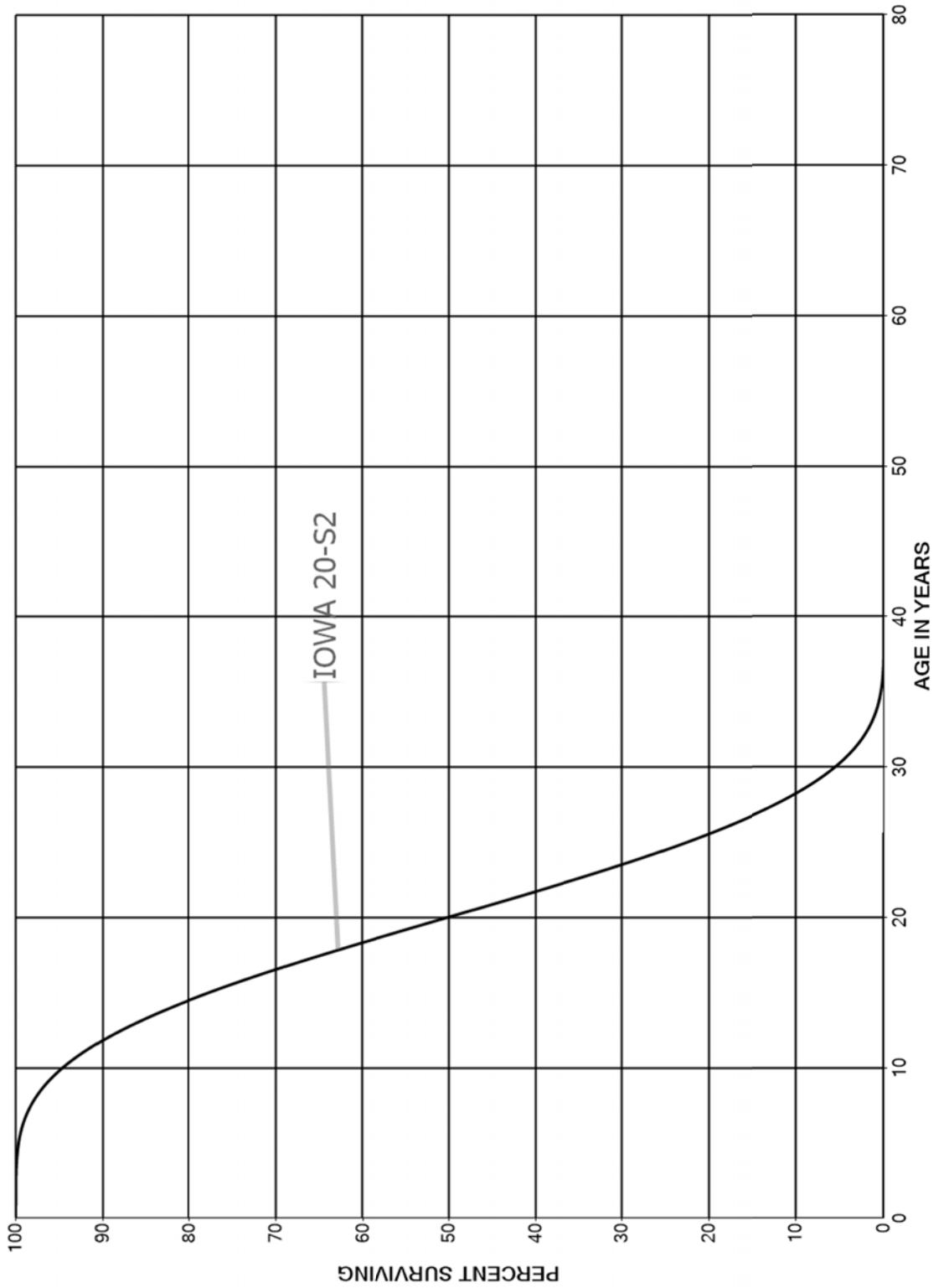
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381 METERS

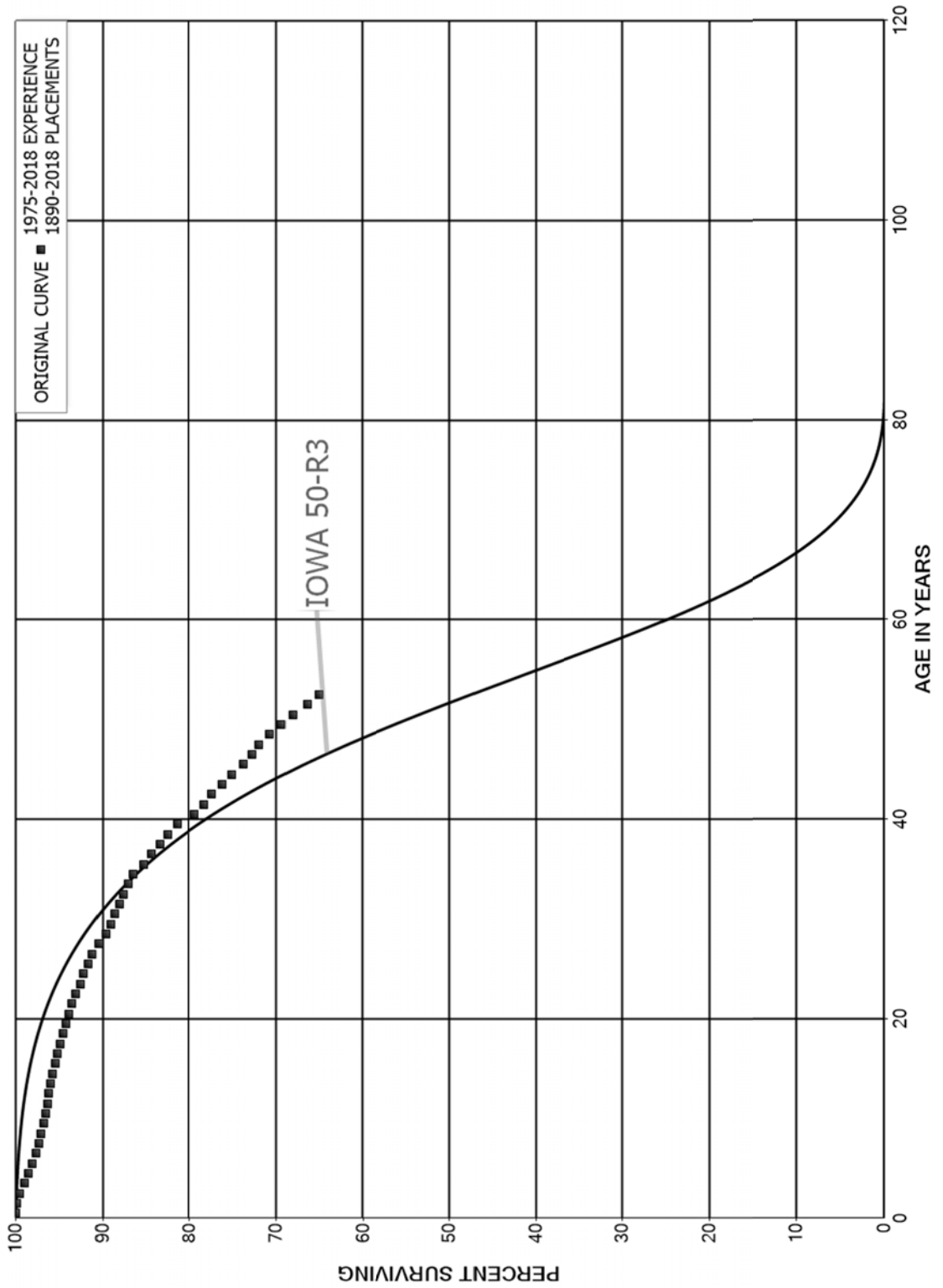
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2018			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	40,584	6,672	0.1644	0.8356	13.59	
80.5	32,284	7,521	0.2330	0.7670	11.36	
81.5	23,201	5,538	0.2387	0.7613	8.71	
82.5	17,187	4,451	0.2590	0.7410	6.63	
83.5	12,082	488	0.0404	0.9596	4.91	
84.5	11,441	280	0.0245	0.9755	4.72	
85.5	10,579	279	0.0264	0.9736	4.60	
86.5	10,067	346	0.0344	0.9656	4.48	
87.5	9,173	329	0.0358	0.9642	4.32	
88.5	7,673	346	0.0451	0.9549	4.17	
89.5	5,773	284	0.0492	0.9508	3.98	
90.5	4,121	248	0.0602	0.9398	3.79	
91.5	2,311	115	0.0496	0.9504	3.56	
92.5	1,065	64	0.0596	0.9404	3.38	
93.5	114	7	0.0594	0.9406	3.18	
94.5	85	1	0.0081	0.9919	2.99	
95.5	84	10	0.1227	0.8773	2.97	
96.5	70	1	0.0120	0.9880	2.60	
97.5	65	13	0.1988	0.8012	2.57	
98.5	50	1	0.0159	0.9841	2.06	
99.5	49	5	0.1017	0.8983	2.03	
100.5	44	1	0.0137	0.9863	1.82	
101.5	42	5	0.1252	0.8748	1.80	
102.5	35	0	0.0092	0.9908	1.57	
103.5	31	0	0.0156	0.9844	1.56	
104.5	30	0	0.0064	0.9936	1.53	
105.5	29	1	0.0221	0.9779	1.52	
106.5	26	5	0.1751	0.8249	1.49	
107.5	22	10	0.4669	0.5331	1.23	
108.5	9	0	0.0485	0.9515	0.65	
109.5	8	0	0.0376	0.9624	0.62	
110.5	6	0	0.0173	0.9827	0.60	
111.5	6	0	0.0176	0.9824	0.59	
112.5	5		0.0000	1.0000	0.58	
113.5	5		0.0000	1.0000	0.58	
114.5	5	0	0.0304	0.9696	0.58	
115.5	4	0	0.0761	0.9239	0.56	
116.5	4	0	0.0484	0.9516	0.52	
117.5	2	0	0.0327	0.9673	0.49	
118.5					0.48	

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 381.1 METER MODULES
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 382 METER INSTALLATIONS
ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 382 METER INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1890-2018

EXPERIENCE BAND 1975-2018

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	179,475,912	13,792	0.0001	0.9999	100.00
0.5	168,332,118	294,987	0.0018	0.9982	99.99
1.5	161,439,753	502,561	0.0031	0.9969	99.82
2.5	154,531,692	791,332	0.0051	0.9949	99.51
3.5	148,181,745	706,640	0.0048	0.9952	99.00
4.5	143,842,322	626,643	0.0044	0.9956	98.52
5.5	138,749,012	606,748	0.0044	0.9956	98.10
6.5	134,410,186	497,976	0.0037	0.9963	97.67
7.5	127,535,185	244,466	0.0019	0.9981	97.30
8.5	124,338,080	442,576	0.0036	0.9964	97.12
9.5	88,369,448	214,925	0.0024	0.9976	96.77
10.5	99,322,281	217,369	0.0022	0.9978	96.54
11.5	106,030,308	216,657	0.0020	0.9980	96.33
12.5	107,327,270	197,450	0.0018	0.9982	96.13
13.5	108,947,822	312,667	0.0029	0.9971	95.95
14.5	106,802,341	323,231	0.0030	0.9970	95.68
15.5	104,464,575	291,108	0.0028	0.9972	95.39
16.5	100,729,736	341,303	0.0034	0.9966	95.12
17.5	95,175,562	296,150	0.0031	0.9969	94.80
18.5	94,302,169	301,600	0.0032	0.9968	94.50
19.5	90,933,761	327,898	0.0036	0.9964	94.20
20.5	77,372,388	338,464	0.0044	0.9956	93.86
21.5	67,757,107	299,448	0.0044	0.9956	93.45
22.5	63,513,533	334,502	0.0053	0.9947	93.04
23.5	57,996,928	268,077	0.0046	0.9954	92.55
24.5	53,723,131	276,517	0.0051	0.9949	92.12
25.5	49,599,123	266,945	0.0054	0.9946	91.65
26.5	45,751,266	355,052	0.0078	0.9922	91.15
27.5	40,267,557	361,556	0.0090	0.9910	90.45
28.5	36,658,177	224,937	0.0061	0.9939	89.63
29.5	33,892,289	178,836	0.0053	0.9947	89.08
30.5	31,179,895	183,348	0.0059	0.9941	88.61
31.5	27,948,550	159,577	0.0057	0.9943	88.09
32.5	25,037,457	155,137	0.0062	0.9938	87.59
33.5	21,847,006	147,466	0.0067	0.9933	87.05
34.5	19,889,111	269,771	0.0136	0.9864	86.46
35.5	17,649,719	188,867	0.0107	0.9893	85.29
36.5	15,673,955	174,070	0.0111	0.9889	84.37
37.5	12,963,575	145,407	0.0112	0.9888	83.44
38.5	9,761,295	137,076	0.0140	0.9860	82.50

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 382 METER INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1890-2018			EXPERIENCE BAND 1975-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,487,780	203,131	0.0239	0.9761	81.34
40.5	7,745,418	104,260	0.0135	0.9865	79.40
41.5	7,283,526	88,032	0.0121	0.9879	78.33
42.5	6,891,829	104,153	0.0151	0.9849	77.38
43.5	6,431,579	98,649	0.0153	0.9847	76.21
44.5	5,919,554	103,258	0.0174	0.9826	75.04
45.5	5,152,592	68,070	0.0132	0.9868	73.73
46.5	4,459,397	52,148	0.0117	0.9883	72.76
47.5	3,758,998	64,353	0.0171	0.9829	71.91
48.5	3,255,407	57,256	0.0176	0.9824	70.68
49.5	2,750,175	52,383	0.0190	0.9810	69.43
50.5	2,329,459	57,390	0.0246	0.9754	68.11
51.5	1,973,943	41,948	0.0213	0.9787	66.43
52.5	1,718,898	45,730	0.0266	0.9734	65.02
53.5	1,419,052	45,535	0.0321	0.9679	63.29
54.5	1,199,077	39,794	0.0332	0.9668	61.26
55.5	1,033,724	26,255	0.0254	0.9746	59.23
56.5	883,770	17,159	0.0194	0.9806	57.72
57.5	822,462	28,837	0.0351	0.9649	56.60
58.5	703,377	16,223	0.0231	0.9769	54.62
59.5	639,861	15,270	0.0239	0.9761	53.36
60.5	572,065	16,564	0.0290	0.9710	52.09
61.5	507,158	11,672	0.0230	0.9770	50.58
62.5	453,522	10,620	0.0234	0.9766	49.41
63.5	391,324	11,531	0.0295	0.9705	48.26
64.5	324,800	11,761	0.0362	0.9638	46.83
65.5	276,020	10,816	0.0392	0.9608	45.14
66.5	227,571	7,592	0.0334	0.9666	43.37
67.5	200,633	7,465	0.0372	0.9628	41.92
68.5	161,279	9,585	0.0594	0.9406	40.36
69.5	125,415	9,705	0.0774	0.9226	37.96
70.5	108,314	6,271	0.0579	0.9421	35.03
71.5	92,832	6,279	0.0676	0.9324	33.00
72.5	87,234	7,230	0.0829	0.9171	30.77
73.5	80,499	5,943	0.0738	0.9262	28.22
74.5	72,853	5,246	0.0720	0.9280	26.13
75.5	62,541	3,724	0.0595	0.9405	24.25
76.5	56,879	4,000	0.0703	0.9297	22.81
77.5	51,737	4,711	0.0911	0.9089	21.20
78.5	44,071	3,355	0.0761	0.9239	19.27

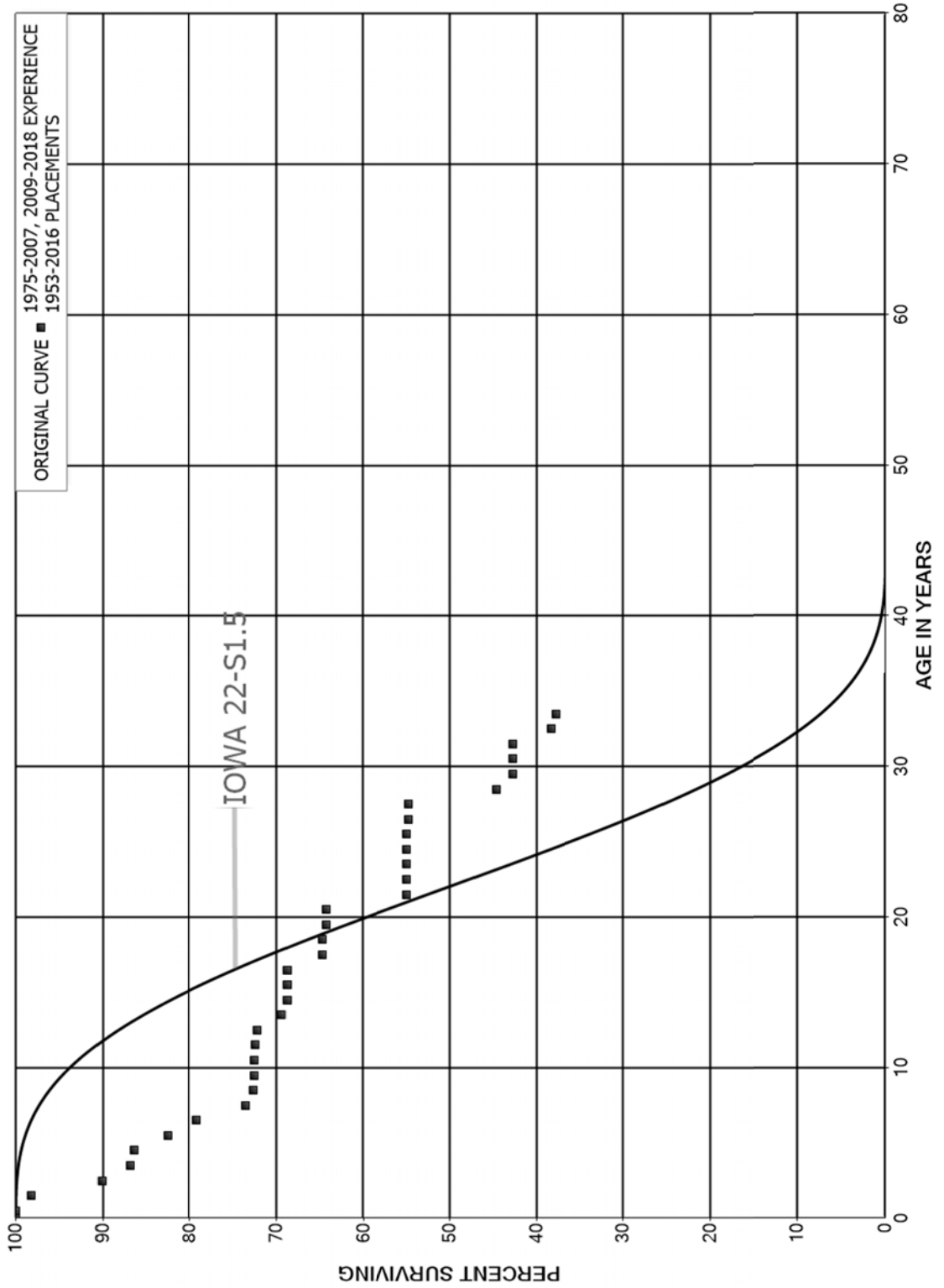
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 382 METER INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1890-2018			EXPERIENCE BAND 1975-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	37,049	3,650	0.0985	0.9015	17.81	
80.5	28,597	4,389	0.1535	0.8465	16.05	
81.5	23,387	5,725	0.2448	0.7552	13.59	
82.5	17,326	2,398	0.1384	0.8616	10.26	
83.5	14,743	2,102	0.1426	0.8574	8.84	
84.5	13,157	526	0.0400	0.9600	7.58	
85.5	12,581	825	0.0656	0.9344	7.28	
86.5	11,741	1,716	0.1462	0.8538	6.80	
87.5	10,001	690	0.0690	0.9310	5.81	
88.5	9,297	790	0.0850	0.9150	5.41	
89.5	8,487	1,734	0.2044	0.7956	4.95	
90.5	6,734	687	0.1020	0.8980	3.94	
91.5	6,042	464	0.0768	0.9232	3.53	
92.5	5,577	510	0.0914	0.9086	3.26	
93.5	5,067	650	0.1282	0.8718	2.96	
94.5	4,417	211	0.0477	0.9523	2.58	
95.5	4,207	740	0.1759	0.8241	2.46	
96.5	3,467	487	0.1404	0.8596	2.03	
97.5	2,980	478	0.1603	0.8397	1.74	
98.5	2,502	318	0.1272	0.8728	1.46	
99.5	2,184	247	0.1132	0.8868	1.28	
100.5	1,937	23	0.0118	0.9882	1.13	
101.5	1,914	93	0.0485	0.9515	1.12	
102.5	1,821	58	0.0318	0.9682	1.07	
103.5	1,763	58	0.0328	0.9672	1.03	
104.5	1,705	192	0.1127	0.8873	1.00	
105.5	1,513	100	0.0663	0.9337	0.89	
106.5	1,413	974	0.6892	0.3108	0.83	
107.5	439	184	0.4200	0.5800	0.26	
108.5	255	56	0.2207	0.7793	0.15	
109.5	198	21	0.1035	0.8965	0.12	
110.5	178		0.0000	1.0000	0.10	
111.5	178		0.0000	1.0000	0.10	
112.5	178		0.0000	1.0000	0.10	
113.5	178	93	0.5225	0.4775	0.10	
114.5	85		0.0000	1.0000	0.05	
115.5	85	85	1.0000		0.05	
116.5						

PECO ENERGY COMPANY
 GAS PLANT
 ACCOUNT 387 OTHER EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1953-2016			EXPERIENCE BAND 1975-2007, 2009-2018			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	4,383,524	120	0.0000	1.0000	100.00	
0.5	5,433,951	99,879	0.0184	0.9816	100.00	
1.5	4,517,804	373,271	0.0826	0.9174	98.16	
2.5	4,194,711	147,526	0.0352	0.9648	90.05	
3.5	3,946,531	24,079	0.0061	0.9939	86.88	
4.5	3,730,948	164,855	0.0442	0.9558	86.35	
5.5	2,343,690	94,326	0.0402	0.9598	82.54	
6.5	2,380,236	172,739	0.0726	0.9274	79.21	
7.5	2,213,908	25,672	0.0116	0.9884	73.47	
8.5	2,343,758	3,849	0.0016	0.9984	72.61	
9.5	2,306,935		0.0000	1.0000	72.49	
10.5	1,952,695	1,919	0.0010	0.9990	72.49	
11.5	1,913,362	7,732	0.0040	0.9960	72.42	
12.5	1,902,590	71,151	0.0374	0.9626	72.13	
13.5	1,841,517	18,787	0.0102	0.9898	69.43	
14.5	1,814,730		0.0000	1.0000	68.73	
15.5	1,814,344		0.0000	1.0000	68.73	
16.5	729,124	42,475	0.0583	0.9417	68.73	
17.5	1,684,804		0.0000	1.0000	64.72	
18.5	1,773,864	10,487	0.0059	0.9941	64.72	
19.5	1,684,897		0.0000	1.0000	64.34	
20.5	1,761,603	255,431	0.1450	0.8550	64.34	
21.5	1,509,268	536	0.0004	0.9996	55.01	
22.5	1,421,657		0.0000	1.0000	54.99	
23.5	1,508,731		0.0000	1.0000	54.99	
24.5	1,508,731		0.0000	1.0000	54.99	
25.5	1,500,315	6,661	0.0044	0.9956	54.99	
26.5	1,502,070		0.0000	1.0000	54.75	
27.5	416,379	77,234	0.1855	0.8145	54.75	
28.5	251,178	10,770	0.0429	0.9571	44.59	
29.5	240,408		0.0000	1.0000	42.68	
30.5	161,929		0.0000	1.0000	42.68	
31.5	159,147	16,574	0.1041	0.8959	42.68	
32.5	142,573	1,872	0.0131	0.9869	38.23	
33.5	53,626		0.0000	1.0000	37.73	
34.5	53,626		0.0000	1.0000	37.73	
35.5	53,626	20	0.0004	0.9996	37.73	
36.5	45,190	24	0.0005	0.9995	37.72	
37.5	45,166		0.0000	1.0000	37.70	
38.5	41,275		0.0000	1.0000	37.70	

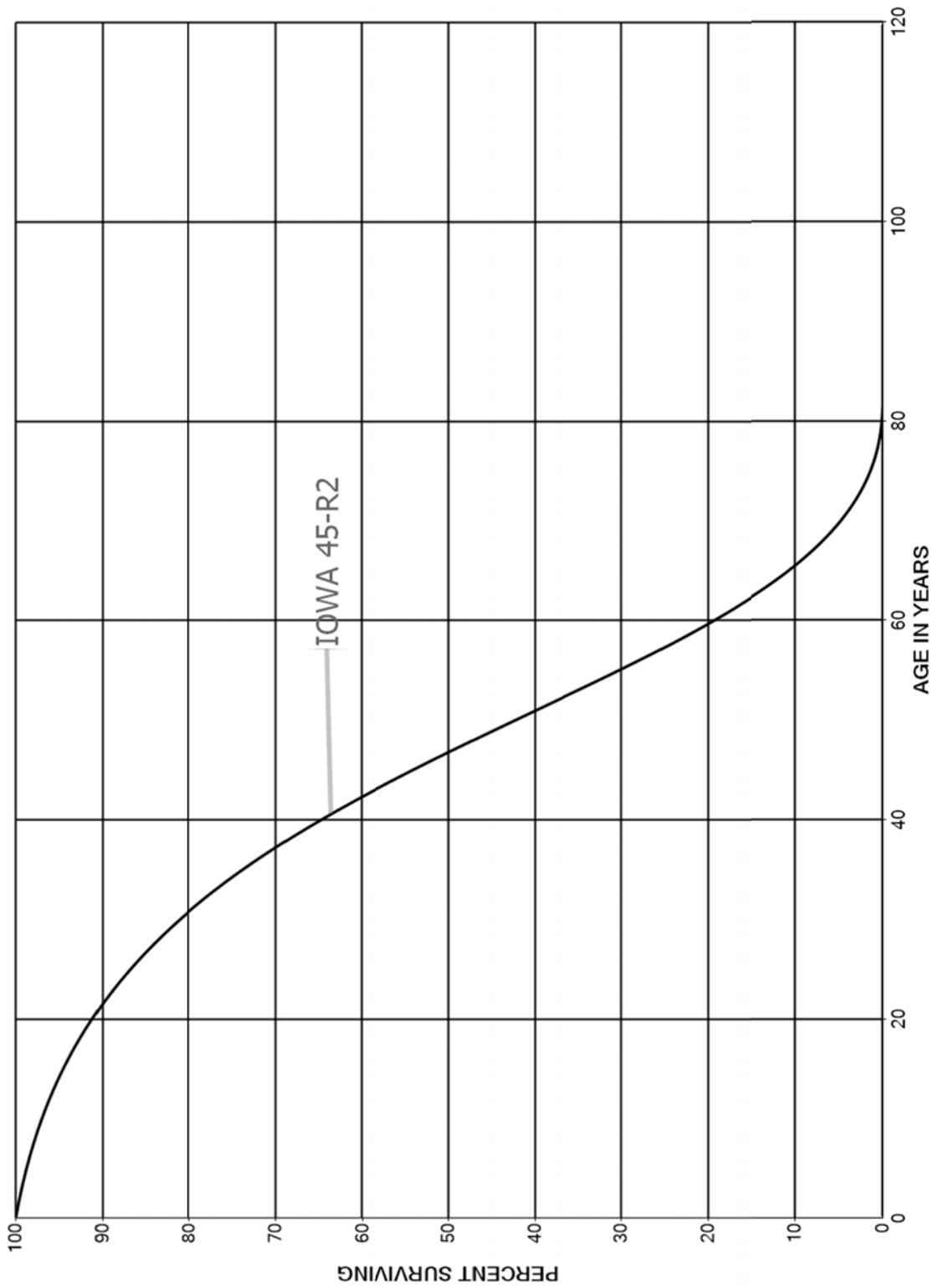
PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

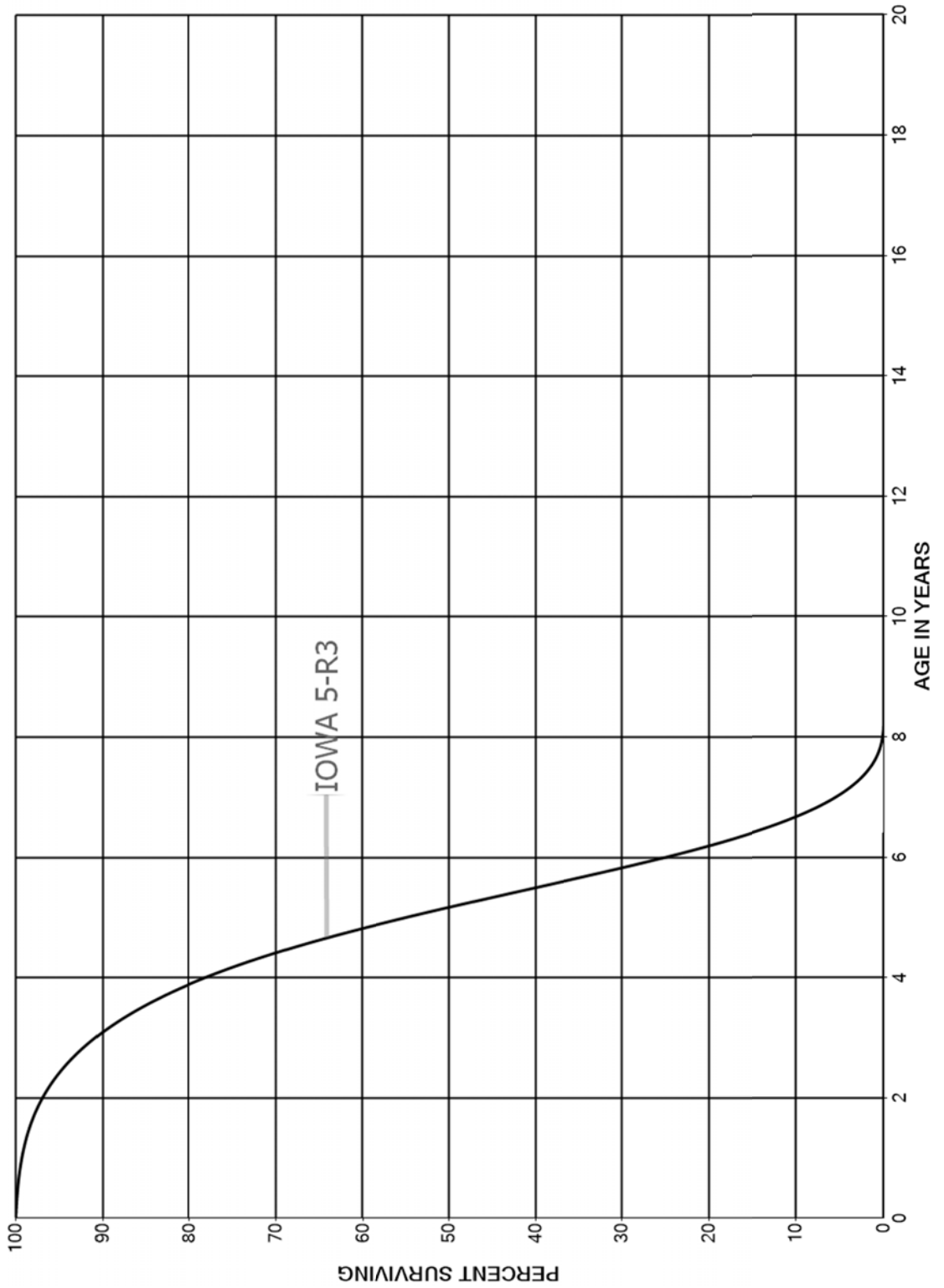
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1953-2016			EXPERIENCE BAND 1975-2007, 2009-2018		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	40,764		0.0000	1.0000	37.70
40.5	45,166	2,732	0.0605	0.9395	37.70
41.5	35,296		0.0000	1.0000	35.42
42.5	29,854	94	0.0031	0.9969	35.42
43.5	41,587		0.0000	1.0000	35.31
44.5	42,340	919	0.0217	0.9783	35.31
45.5	31,609	430	0.0136	0.9864	34.54
46.5	40,990	1,093	0.0267	0.9733	34.07
47.5	39,897		0.0000	1.0000	33.16
48.5	39,897	44	0.0011	0.9989	33.16
49.5	35,962	313	0.0087	0.9913	33.12
50.5	31,247	28	0.0009	0.9991	32.84
51.5	31,219		0.0000	1.0000	32.81
52.5	24,082		0.0000	1.0000	32.81
53.5	10,564		0.0000	1.0000	32.81
54.5	10,749		0.0000	1.0000	32.81
55.5	10,749		0.0000	1.0000	32.81
56.5	938		0.0000	1.0000	32.81
57.5	938		0.0000	1.0000	32.81
58.5	938		0.0000	1.0000	32.81
59.5	938		0.0000	1.0000	32.81
60.5	938		0.0000	1.0000	32.81
61.5	938		0.0000	1.0000	32.81
62.5	938		0.0000	1.0000	32.81
63.5	938		0.0000	1.0000	32.81
64.5					32.81

PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 390 STRUCTURES AND IMPROVEMENTS
SMOOTH SURVIVOR CURVE



PECO ENERGY COMPANY
GAS PLANT
ACCOUNT 397 COMMUNICATION EQUIPMENT - SCADA HW & SW
SMOOTH SURVIVOR CURVE



**PART VIII. DETAILED DEPRECIATION
CALCULATIONS**

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 305 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 6-2035						
NET SALVAGE PERCENT.. 0						
1984	747,606.59	493,316	600,590	147,017	14.66	10,028
1993	124,790.01	74,465	90,658	34,132	15.01	2,274
2016	294,361.21	39,312	47,860	246,501	15.96	15,445
2017	155,403.19	13,231	16,109	139,295	16.01	8,700
	1,322,161.00	620,324	755,217	566,944		36,447
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					15.6	2.76

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 311 LIQUEFIED PETROLEUM GAS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 40-S3						
PROBABLE RETIREMENT YEAR.. 6-2035						
NET SALVAGE PERCENT.. 0						
1984	5,303,580.67	4,033,585	5,096,409	207,172	9.43	21,969
1987	17,117.63	12,491	15,782	1,336	10.50	127
1989	9,322.14	6,596	8,334	988	11.22	88
1991	3,754.14	2,566	3,242	512	11.94	43
1993	6,217,273.94	4,091,588	5,169,695	1,047,579	12.64	82,878
1994	1,283,548.26	827,478	1,045,514	238,034	12.98	18,339
1995	9,642.15	6,082	7,685	1,957	13.31	147
1996	37,266.63	22,970	29,022	8,245	13.63	605
2003	3,176.74	1,589	2,008	1,169	15.42	76
2010	556,722.42	191,123	241,482	315,240	16.26	19,387
2011	606,249.70	190,884	241,181	365,069	16.32	22,369
2012	254,192.92	72,247	91,283	162,910	16.37	9,952
2016	31,990.70	4,216	5,327	26,663	16.47	1,619
	14,333,838.04	9,463,415	11,956,964	2,376,874		177,599
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.4 1.24

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 110-R1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1919	19,425.84	15,243	19,426			
1920	25,268.38	19,789	25,268			
1923	8,953.00	6,969	8,953			
1924	511.93	398	512			
1925	2,797.56	2,168	2,798			
1926	16,084.93	12,439	16,085			
1927	39,836.86	30,742	39,837			
1928	47,397.64	36,496	47,398			
1929	59,402.98	45,631	59,403			
1930	46,086.20	35,320	46,086			
1931	38,848.01	29,702	38,848			
1932	9,613.68	7,333	9,614			
1933	3,181.34	2,420	3,181			
1934	8,981.21	6,816	8,981			
1935	171.36	130	171			
1937	2,440.38	1,837	2,440			
1938	760.27	571	760			
1939	485.64	364	486			
1940	2,237.19	1,670	2,237			
1941	1,677.90	1,249	1,678			
1942	469.01	348	469			
1943	516.27	382	516			
1944	43.01	32	43			
1945	10,007.72	7,357	10,008			
1947	18,774.72	13,708	18,775			
1948	84,644.89	61,587	84,645			
1949	8,616.29	6,247	8,616			
1950	58,712.43	42,413	58,712			
1951	315,186.25	226,830	315,186			
1952	101,367.63	72,671	101,368			
1953	25,708.75	18,358	25,709			
1954	2,517.60	1,791	2,518			
1955	9,240.28	6,545	9,240			
1956	9,541.18	6,729	9,541			
1957	261,437.20	183,560	261,437			
1958	558.57	390	559			
1959	375.46	261	375			
1960	160,404.14	111,073	160,404			
1961	8,006.93	5,517	8,007			
1962	319.64	219	320			

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 110-R1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1963	2,302.93	1,571	2,294	9	22.01	
1966	775.64	520	759	17	22.08	1
1967	347.22	231	337	10	22.10	
1968	8,394.36	5,563	8,122	272	22.12	12
1969	22,491.19	14,810	21,623	868	22.14	39
1970	1,600.99	1,047	1,529	72	22.16	3
1971	5,071.51	3,295	4,811	261	22.18	12
1972	535,033.52	345,204	504,019	31,015	22.20	1,397
1973	2,907.79	1,862	2,719	189	22.22	9
1975	48,120.14	30,347	44,308	3,812	22.26	171
1977	470.76	292	426	45	22.29	2
1984	50,450.84	29,172	42,593	7,858	22.40	351
1985	108,675.03	62,109	90,683	17,992	22.41	803
1986	45,654.93	25,763	37,616	8,039	22.43	358
1987	3,634.89	2,024	2,955	680	22.44	30
1990	33,395.47	17,804	25,995	7,400	22.48	329
1991	39,877.30	20,920	30,544	9,333	22.49	415
1992	50,105.43	25,834	37,719	12,386	22.51	550
1993	910,009.58	460,792	672,784	237,226	22.52	10,534
1994	17,113.12	8,501	12,412	4,701	22.53	209
1995	19,444.33	9,463	13,817	5,627	22.54	250
1996	135,571.21	64,558	94,259	41,312	22.55	1,832
1997	849,356.12	395,188	576,998	272,358	22.56	12,073
2002	1,137,954.48	457,344	667,749	470,205	22.62	20,787
2003	385,362.28	149,220	217,870	167,492	22.63	7,401
2008	52,602.87	15,849	23,140	29,463	22.68	1,299
2010	367,717.44	95,169	138,953	228,764	22.71	10,073
2011	36,991.09	8,722	12,735	24,256	22.72	1,068
2012	22,054.71	4,660	6,804	15,251	22.73	671
2013	10,288.08	1,903	2,778	7,510	22.74	330
2014	84,393.24	13,231	19,318	65,075	22.75	2,860
2016	7,423,447.24	694,463	1,013,958	6,409,490	22.77	281,488
	13,822,226.00	3,990,736	5,743,237	8,078,989		355,357
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.7 2.57

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 362 GAS HOLDERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1972	6,231,437.89	4,139,482	6,231,438			
1973	729.80	481	730			
1993	22,862.34	11,898	19,557	3,305	23.50	141
1996	75,191.57	36,778	60,453	14,739	23.50	627
1997	384,842.22	183,870	302,232	82,610	23.50	3,515
2001	78,986.68	33,714	55,416	23,571	23.50	1,003
2005	13,492.23	4,923	8,092	5,400	23.50	230
2006	275,997.26	95,832	157,522	118,476	23.50	5,042
	7,083,539.99	4,506,978	6,835,440	248,100		10,558
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						23.5 0.15

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363 PURIFICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 50-L3						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1972	167,384.73	122,646	167,385			
1974	1,487.29	1,082	1,487			
1978	534.98	380	535			
1988	31,917.34	20,119	29,117	2,800	16.63	168
1989	59,437.92	36,797	53,254	6,184	17.00	364
1999	12,787.13	6,154	8,906	3,881	20.60	188
2001	151,099.45	67,838	98,178	52,921	21.16	2,501
2006	142,562.51	51,153	74,031	68,532	22.23	3,083
2008	371,903.24	118,072	170,880	201,023	22.53	8,922
2013	390,764.08	75,253	108,910	281,854	23.06	12,223
	1,329,878.67	499,494	712,683	617,196		27,449
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.5 2.06

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.1 LIQUEFACTION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 40-L3						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1972	63,840.83	47,264	63,841			
1974	392.86	288	393			
1975	257,281.94	187,849	257,282			
1978	20,990.19	15,152	20,990			
1980	4,705.18	3,369	4,705			
1981	367.99	262	368			
1983	3,058.68	2,158	3,059			
1991	9,685.24	6,238	9,219	466	13.55	34
1995	18,441.73	10,866	16,058	2,384	15.26	156
1996	88,893.53	50,955	75,303	13,591	15.74	863
1998	1,759,425.62	948,137	1,401,186	358,240	16.72	21,426
1999	293,626.33	152,862	225,904	67,722	17.22	3,933
2001	560,278.80	270,262	399,402	160,877	18.20	8,839
2003	3,479,366.23	1,537,706	2,272,469	1,206,897	19.13	63,089
2005	1,181,948.17	472,354	698,059	483,889	19.98	24,219
2010	521,714.43	146,638	216,706	305,008	21.69	14,062
2012	322,478.91	72,974	107,843	214,636	22.19	9,673
2013	432,585.86	85,276	126,024	306,562	22.40	13,686
2015	427,070.36	56,963	84,182	342,888	22.74	15,079
2016	512,036.12	50,456	74,565	437,471	22.87	19,129
	9,958,189.00	4,118,029	6,057,558	3,900,631		194,188
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.1 1.95

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.2 VAPORIZING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 45-L2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1972	127,380.15	90,048	127,380			
1973	276.59	195	277			
1974	437.64	307	438			
1978	1,014.80	701	1,015			
1982	1,740.45	1,173	1,740			
1983	633.00	423	633			
1994	24,293.42	13,788	21,984	2,309	17.03	136
1997	745,717.46	392,404	625,661	120,056	18.08	6,640
2001	202,227.31	93,546	149,153	53,074	19.46	2,727
2005	140,272.55	54,509	86,911	53,362	20.69	2,579
2006	203,549.71	74,965	119,527	84,023	20.96	4,009
2008	1,162,010.60	377,956	602,625	559,386	21.45	26,079
2009	76,444.49	23,093	36,820	39,624	21.67	1,829
2010	1,850,435.49	513,773	819,176	1,031,259	21.88	47,132
2017	1,696,334.30	104,291	166,285	1,530,049	22.90	66,814
2018	9,437,820.14	200,837	320,221	9,117,599	23.00	396,417
	15,670,588.10	1,942,009	3,079,846	12,590,742		554,362
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.7 3.54

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.3 COMPRESSOR EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 30-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1998	69,359.93	40,225	51,327	18,033	12.53	1,439
1999	439.65	245	313	127	13.16	10
2001	113,909.55	58,399	74,517	39,393	14.41	2,734
2002	1,200,922.10	587,815	750,056	450,866	15.03	29,998
2006	60,078.74	23,640	30,165	29,914	17.34	1,725
2010	96,072.32	27,854	35,542	60,530	19.25	3,144
2011	220,795.87	57,729	73,662	147,134	19.66	7,484
2012	40,117.36	9,330	11,905	28,212	20.03	1,408
2016	1,685,442.53	169,825	216,698	1,468,745	21.24	69,150
2017	495,743.22	30,944	39,485	456,258	21.48	21,241
2018	1,841,260.73	39,845	50,842	1,790,419	21.70	82,508
	5,824,142.00	1,045,851	1,334,512	4,489,630		220,841
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.3 3.79

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.4 MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 45-L2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1997	1,092,188.58	574,721	902,425	189,764	18.08	10,496
2001	27,595.47	12,765	20,044	7,551	19.46	388
2013	14,594.17	2,869	4,505	10,089	22.40	450
2016	290,082.29	28,663	45,006	245,076	22.80	10,749
2018	123,212.65	2,622	4,117	119,096	23.00	5,178
	1,547,673.16	621,640	976,097	571,576		27,261
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 21.0						1.76

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.5 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 45-L2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1926	343.55	297	344			
1928	6,191.16	5,319	6,191			
1929	693.40	594	693			
1930	80.95	69	81			
1931	7,328.18	6,227	7,328			
1935	248.78	208	249			
1938	47.14	39	47			
1939	75.65	62	76			
1940	1,035.40	849	1,035			
1941	1,512.24	1,234	1,512			
1942	20.05	16	20			
1943	593.49	480	593			
1945	560.69	449	561			
1946	445.00	355	445			
1947	1,693.25	1,343	1,693			
1948	13,743.16	10,851	13,743			
1949	48,765.99	38,308	48,766			
1950	5,085.96	3,975	5,086			
1951	58,244.55	45,281	58,245			
1952	31,657.11	24,490	31,657			
1953	27,520.78	21,178	27,521			
1954	8,359.78	6,399	8,360			
1955	15,182.54	11,563	15,183			
1956	2,455.17	1,860	2,455			
1957	39,990.70	30,136	39,991			
1958	9,711.72	7,283	9,712			
1959	12,016.31	8,963	12,016			
1960	1,519.13	1,127	1,519			
1961	3,287.88	2,429	3,288			
1962	2,734.73	2,010	2,735			
1963	1,662.14	1,216	1,662			
1964	300.83	219	301			
1965	27,798.54	20,161	27,799			
1966	13,783.17	9,955	13,783			
1967	116.69	84	117			
1968	971.44	696	971			
1972	3,047,781.89	2,154,538	3,047,782			
1973	6,506.48	4,583	6,506			
1974	11,357.50	7,975	11,358			
1975	91,573.10	64,057	91,573			

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 363.5 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 45-L2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1976	7,015.46	4,889	7,015			
1977	679.12	471	677	2	13.31	
1978	3,966.69	2,740	3,940	27	13.40	2
1979	4,155.61	2,856	4,106	50	13.50	4
1980	8,383.73	5,729	8,237	147	13.62	11
1981	60,226.95	40,901	58,808	1,419	13.75	103
1982	4,845.28	3,267	4,697	148	13.90	11
1983	59,874.83	40,053	57,589	2,286	14.06	163
1984	20,822.38	13,806	19,850	972	14.24	68
1985	38,560.75	25,307	36,387	2,174	14.45	150
1986	1,989.80	1,292	1,858	132	14.67	9
1987	86,724.30	55,632	79,988	6,736	14.90	452
1988	10,558.65	6,683	9,609	950	15.16	63
1989	7,980.31	4,977	7,156	824	15.44	53
1990	9,408.27	5,775	8,303	1,105	15.73	70
1991	83,421.76	50,318	72,348	11,074	16.04	690
1992	70,677.67	41,843	60,162	10,516	16.36	643
1993	273,145.94	158,460	227,836	45,310	16.69	2,715
1994	54,181.68	30,751	44,214	9,968	17.03	585
1996	70,658.89	38,195	54,917	15,742	17.73	888
1999	2,656.56	1,317	1,894	763	18.78	41
2002	29,732.02	13,232	19,025	10,707	19.79	541
2004	1,311,198.22	534,825	768,978	542,220	20.41	26,566
2005	373,515.91	145,145	208,691	164,825	20.69	7,966
2006	214,574.26	79,026	113,625	100,949	20.96	4,816
2010	8,363.84	2,322	3,339	5,025	21.88	230
2012	247,054.87	55,610	79,957	167,098	22.24	7,513
2014	594,884.52	98,781	142,028	452,857	22.55	20,082
2015	173,534.73	23,143	33,275	140,260	22.68	6,184
2016	298,071.28	29,452	42,346	255,725	22.80	11,216
2017	69,069.50	4,246	6,105	62,964	22.90	2,750
	7,702,930.00	4,017,922	5,689,957	2,012,973		94,585

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 21.3 1.23

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
NET SALVAGE PERCENT.. 0						
1910	1,046.66	1,047	1,047			
1915	1,143.09	1,143	1,143			
1931	821.26	821	821			
1932	37.51	38	38			
1943	447.14	445	393	54	0.27	54
1954	4,600.69	4,358	3,851	750	2.64	284
1955	343.25	323	285	58	2.90	20
1962	142,557.58	128,701	113,739	28,819	4.86	5,930
1963	8,670.53	7,772	6,868	1,803	5.18	348
1964	40,780.17	36,286	32,068	8,712	5.51	1,581
1965	192,553.59	169,948	150,191	42,363	5.87	7,217
1966	33,520.90	29,331	25,921	7,600	6.25	1,216
1971	223,034.69	184,762	163,283	59,752	8.58	6,964
1972	1,571.01	1,284	1,135	436	9.14	48
1973	4,245.03	3,418	3,021	1,224	9.74	126
1975	1,994.22	1,555	1,374	620	11.00	56
1978	732.74	542	479	254	13.04	19
1979	13,095.44	9,497	8,393	4,702	13.74	342
1980	377,828.96	268,561	237,340	140,489	14.46	9,716
1981	6,330.35	4,406	3,894	2,436	15.20	160
1982	210,672.48	143,468	126,789	83,883	15.95	5,259
1983	57,390.13	38,210	33,768	23,622	16.71	1,414
1984	233,206.14	151,631	134,003	99,203	17.49	5,672
1985	261,461.84	165,819	146,542	114,920	18.29	6,283
1986	8,008.81	4,949	4,374	3,635	19.10	190
1987	1,129.98	680	601	529	19.92	27
1988	313,781.34	183,499	162,166	151,615	20.76	7,303
1989	627,443.11	356,262	314,845	312,598	21.61	14,465
1990	50,101.91	27,576	24,370	25,732	22.48	1,145
1991	23,320.58	12,425	10,981	12,340	23.36	528
1992	27,196.22	14,006	12,378	14,818	24.25	611
1994	3,302,580.25	1,581,275	1,397,445	1,905,135	26.06	73,106
1995	411,605.08	189,503	167,472	244,133	26.98	9,049
1996	580,187.29	256,327	226,528	353,659	27.91	12,671
1997	1,388,434.92	587,308	519,031	869,404	28.85	30,135
1998	1,574,602.31	636,454	562,464	1,012,138	29.79	33,976
1999	8,943.15	3,443	3,043	5,900	30.75	192
2001	194,581.67	67,442	59,602	134,980	32.67	4,132
2002	50,149.65	16,409	14,501	35,649	33.64	1,060
2003	925,633.96	284,725	251,624	674,010	34.62	19,469
2004	129,057.30	37,169	32,848	96,209	35.60	2,702

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
NET SALVAGE PERCENT.. 0						
2007	49,885.92	11,424	10,096	39,790	38.55	1,032
2012	364,549.18	47,318	41,817	322,732	43.51	7,417
2013	464,798.22	51,035	45,102	419,696	44.51	9,429
2014	85,767.42	7,702	6,807	78,960	45.51	1,735
2015	290,805.73	20,356	17,989	272,817	46.50	5,867
2016	168,305.12	8,415	7,437	160,868	47.50	3,387
2017	36,404.01	1,092	965	35,439	48.50	731
2018	757,146.89	7,571	6,691	750,456	49.50	15,161
	13,652,505.42	5,767,731	5,097,563	8,554,942		308,229
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						27.8 2.26

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
1880	0.99	1	1			
1890	0.92	1	1			
1891	0.71	1	1			
1899	0.97	1	1			
1900	0.98	1	1			
1901	0.97	1	1			
1902	5.74	6	6			
1903	1.80	2	2			
1904	0.98	1	1			
1905	2.23	2	2			
1906	42.34	42	42			
1907	18.19	18	18			
1908	58.75	57	59			
1909	94.31	91	94			
1910	120.25	116	120			
1911	1,994.51	1,921	1,995			
1912	623.78	599	624			
1913	403.82	386	404			
1914	261.60	249	262			
1915	2,068.01	1,962	2,068			
1916	6,074.19	5,740	6,074			
1917	3,144.42	2,960	3,144			
1918	523.96	491	524			
1919	1,654.01	1,545	1,654			
1920	13,036.41	12,129	13,036			
1921	12,915.14	11,969	12,876	39	5.13	8
1922	4,758.70	4,392	4,725	34	5.39	6
1923	27,318.62	25,114	27,016	303	5.65	54
1924	24,130.71	22,093	23,766	365	5.91	62
1925	28,973.21	26,424	28,425	548	6.16	89
1926	86,189.76	78,272	84,200	1,990	6.43	309
1927	86,624.89	78,346	84,280	2,345	6.69	351
1928	109,001.45	98,179	105,615	3,386	6.95	487
1929	108,288.07	97,119	104,475	3,813	7.22	528
1930	363,130.70	324,276	348,837	14,294	7.49	1,908
1931	101,356.59	90,106	96,931	4,426	7.77	570
1932	12,768.45	11,300	12,156	612	8.05	76
1933	12,275.58	10,813	11,632	644	8.34	77
1934	11,849.08	10,387	11,174	675	8.64	78
1935	7,748.49	6,759	7,271	477	8.94	53
1936	2,054.07	1,782	1,917	137	9.26	15

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
1937	11,451.56	9,884	10,633	819	9.58	85
1938	31,341.37	26,904	28,942	2,399	9.91	242
1939	22,712.85	19,387	20,855	1,858	10.25	181
1940	15,007.93	12,733	13,697	1,311	10.61	124
1941	18,447.89	15,557	16,735	1,713	10.97	156
1942	35,650.54	29,870	32,132	3,519	11.35	310
1943	18,619.22	15,497	16,671	1,948	11.74	166
1944	115,274.13	95,266	102,481	12,793	12.15	1,053
1945	105,627.86	86,675	93,240	12,388	12.56	986
1946	513,615.66	418,304	449,987	63,629	12.99	4,898
1947	533,180.25	430,884	463,519	69,661	13.43	5,187
1948	229,690.81	184,113	198,058	31,633	13.89	2,277
1949	425,957.75	338,577	364,221	61,737	14.36	4,299
1950	452,045.70	356,212	383,192	68,854	14.84	4,640
1951	1,260,641.56	984,385	1,058,943	201,699	15.34	13,149
1952	1,149,258.53	889,032	956,368	192,891	15.85	12,170
1953	1,459,250.69	1,117,990	1,202,667	256,584	16.37	15,674
1954	1,920,829.79	1,456,815	1,567,155	353,675	16.91	20,915
1955	1,657,670.79	1,244,198	1,338,434	319,237	17.46	18,284
1956	1,686,575.15	1,252,164	1,347,003	339,572	18.03	18,834
1957	4,472,841.90	3,284,363	3,533,122	939,720	18.60	50,523
1958	2,026,745.65	1,471,134	1,582,558	444,188	19.19	23,147
1959	2,145,312.20	1,538,811	1,655,361	489,951	19.79	24,758
1960	2,708,760.42	1,918,967	2,064,310	644,450	20.41	31,575
1961	2,084,224.13	1,458,061	1,568,495	515,729	21.03	24,523
1962	4,402,392.81	3,039,544	3,269,760	1,132,633	21.67	52,267
1963	3,309,302.30	2,254,098	2,424,824	884,478	22.32	39,627
1964	4,597,200.39	3,087,985	3,321,870	1,275,330	22.98	55,497
1965	3,655,836.35	2,420,675	2,604,018	1,051,818	23.65	44,474
1966	5,070,389.05	3,308,074	3,558,629	1,511,760	24.33	62,136
1967	4,883,217.42	3,137,809	3,375,468	1,507,749	25.02	60,262
1968	4,852,049.21	3,069,261	3,301,728	1,550,321	25.72	60,277
1969	6,329,694.41	3,939,792	4,238,194	2,091,500	26.43	79,134
1970	5,350,713.56	3,276,188	3,524,328	1,826,386	27.14	67,295
1971	4,932,908.35	2,968,920	3,193,787	1,739,121	27.87	62,401
1972	4,558,181.31	2,695,207	2,899,343	1,658,838	28.61	57,981
1973	4,282,344.87	2,486,800	2,675,151	1,607,194	29.35	54,760
1974	3,159,437.68	1,800,437	1,936,803	1,222,635	30.11	40,606
1975	2,121,489.62	1,185,913	1,275,735	845,755	30.87	27,397
1976	1,461,918.15	801,131	861,809	600,109	31.64	18,967
1977	1,057,207.11	567,572	610,560	446,647	32.42	13,777

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
1978	1,376,433.43	723,605	778,411	598,022	33.20	18,013
1979	3,035,431.41	1,561,517	1,679,787	1,355,644	33.99	39,884
1980	9,449,779.34	4,753,239	5,113,251	4,336,528	34.79	124,649
1981	10,821,655.49	5,318,086	5,720,880	5,100,775	35.60	143,280
1982	4,293,457.17	2,059,614	2,215,610	2,077,847	36.42	57,052
1983	4,327,969.15	2,025,490	2,178,901	2,149,068	37.24	57,709
1984	3,995,671.77	1,822,586	1,960,629	2,035,043	38.07	53,455
1985	6,833,746.73	3,035,140	3,265,023	3,568,724	38.91	91,717
1986	6,622,478.56	2,861,838	3,078,595	3,543,884	39.75	89,154
1987	8,164,512.05	3,429,095	3,688,816	4,475,696	40.60	110,239
1988	10,757,006.33	4,385,739	4,717,917	6,039,089	41.46	145,661
1989	13,252,748.08	5,240,534	5,637,454	7,615,294	42.32	179,946
1990	12,969,210.27	4,967,208	5,343,427	7,625,783	43.19	176,564
1991	13,012,031.86	4,820,047	5,185,119	7,826,913	44.07	177,602
1992	15,493,809.06	5,544,615	5,964,567	9,529,242	44.95	211,996
1993	11,686,483.13	4,033,473	4,338,970	7,347,513	45.84	160,286
1994	8,043,587.40	2,673,930	2,876,455	5,167,132	46.73	110,574
1995	28,352,224.34	9,060,520	9,746,768	18,605,456	47.63	390,625
1996	27,888,792.87	8,549,867	9,197,437	18,691,356	48.54	385,071
1997	33,773,068.62	9,914,760	10,665,708	23,107,361	49.45	467,287
1998	20,825,011.67	5,842,874	6,285,416	14,539,596	50.36	288,713
1999	15,980,520.65	4,271,433	4,594,953	11,385,568	51.29	221,984
2000	86,981.78	22,106	23,780	63,202	52.21	1,211
2001	10,372,226.89	2,498,255	2,687,474	7,684,753	53.14	144,613
2002	4,870,691.26	1,107,741	1,191,642	3,679,049	54.08	68,030
2003	3,727,203.04	797,621	858,033	2,869,170	55.02	52,148
2004	7,003,598.25	1,404,712	1,511,106	5,492,492	55.96	98,150
2005	8,216,736.66	1,536,530	1,652,907	6,563,830	56.91	115,337
2006	10,101,748.10	1,751,946	1,884,639	8,217,109	57.86	142,017
2007	6,661,378.08	1,064,888	1,145,543	5,515,835	58.81	93,791
2008	10,264,304.50	1,500,025	1,613,638	8,650,666	59.77	144,733
2009	7,481,892.43	990,827	1,065,873	6,416,019	60.73	105,648
2010	7,325,104.72	868,538	934,321	6,390,784	61.70	103,578
2011	8,531,040.57	893,285	960,943	7,570,098	62.67	120,793
2012	5,378,227.50	488,666	525,678	4,852,550	63.64	76,250
2013	4,547,044.12	350,122	376,640	4,170,404	64.61	64,547
2014	12,409,951.66	781,827	841,043	11,568,909	65.59	176,382
2015	14,136,975.16	694,691	747,307	13,389,668	66.56	201,167

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.1 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
2016	12,724,833.21	447,151	481,018	12,243,815	67.54	181,282
2017	13,877,414.29	293,369	315,589	13,561,825	68.52	197,925
2018	23,276,646.57	162,937	175,278	23,101,368	69.51	332,346
	532,104,163.44	174,171,290	187,362,763	344,741,400		7,201,094
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						47.9 1.35

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 60-R2						
PROBABLE RETIREMENT YEAR.. 12-2035						
NET SALVAGE PERCENT.. 0						
1868	1.68	2	2			
1870	0.51	1	1			
1880	25.69	26	26			
1890	1,239.80	1,240	1,240			
1891	1,052.73	1,053	1,053			
1892	671.42	671	671			
1893	691.59	692	692			
1895	2,306.43	2,306	2,306			
1896	5,394.78	5,395	5,395			
1897	6,020.84	6,021	6,021			
1898	8,945.36	8,945	8,945			
1899	15,461.55	15,462	15,462			
1900	4,775.66	4,776	4,776			
1901	24,732.25	24,732	24,732			
1902	27,100.18	27,100	27,100			
1903	19,568.04	19,568	19,568			
1904	1,263.18	1,263	1,263			
1905	19,217.64	19,218	19,218			
1906	27,717.16	27,717	27,717			
1907	7,150.54	7,145	2,561	4,590	0.05	4,590
1908	3,090.90	3,076	1,102	1,989	0.29	1,989
1909	10,378.07	10,293	3,689	6,689	0.49	6,689
1910	17,888.78	17,662	6,330	11,559	0.76	11,559
1911	49,937.46	49,097	17,595	32,342	1.01	32,022
1912	45,938.56	44,966	16,115	29,824	1.27	23,483
1913	16,489.60	16,069	5,759	10,731	1.53	7,014
1914	58,566.14	56,809	20,359	38,207	1.80	21,226
1915	23,797.98	22,981	8,236	15,562	2.06	7,554
1916	24,946.31	23,973	8,591	16,355	2.34	6,989
1917	26,773.18	25,609	9,178	17,595	2.61	6,741
1918	30,463.50	28,996	10,391	20,072	2.89	6,945
1919	8,660.11	8,203	2,940	5,720	3.17	1,804
1920	9,327.46	8,791	3,150	6,177	3.45	1,790
1921	14,091.73	13,213	4,735	9,357	3.74	2,502
1922	80,088.04	74,722	26,778	53,310	4.02	13,261
1923	82,878.82	76,926	27,568	55,311	4.31	12,833
1924	145,809.51	134,630	48,247	97,563	4.60	21,209
1925	214,220.90	196,762	70,514	143,707	4.89	29,388
1926	206,719.18	188,873	67,687	139,032	5.18	26,840
1927	145,935.62	132,655	47,540	98,396	5.46	18,021

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 60-R2						
PROBABLE RETIREMENT YEAR.. 12-2035						
NET SALVAGE PERCENT.. 0						
1928	189,048.69	170,932	61,257	127,792	5.75	22,225
1929	186,039.62	167,343	59,971	126,069	6.03	20,907
1930	79,021.81	70,725	25,346	53,676	6.30	8,520
1931	59,638.82	53,107	19,032	40,607	6.57	6,181
1932	37,812.82	33,508	12,008	25,805	6.83	3,778
1933	12,365.27	10,906	3,908	8,457	7.08	1,194
1934	7,989.02	7,013	2,513	5,476	7.33	747
1935	18,640.67	16,287	5,837	12,804	7.57	1,691
1936	20,727.75	18,031	6,462	14,266	7.80	1,829
1937	26,016.79	22,531	8,074	17,943	8.03	2,234
1938	64,591.61	55,697	19,960	44,632	8.25	5,410
1939	68,673.55	58,961	21,130	47,544	8.47	5,613
1940	62,971.06	53,838	19,294	43,677	8.68	5,032
1941	57,598.92	49,029	17,571	40,028	8.90	4,498
1942	51,096.81	43,317	15,524	35,573	9.10	3,909
1943	97,843.06	82,590	29,598	68,245	9.31	7,330
1944	41,846.95	35,177	12,606	29,241	9.51	3,075
1945	72,874.66	61,002	21,861	51,014	9.71	5,254
1946	39,430.21	32,866	11,778	27,652	9.91	2,790
1947	216,693.44	179,843	64,450	152,243	10.11	15,059
1948	119,698.46	98,925	35,452	84,246	10.30	8,179
1949	435,185.12	358,062	128,319	306,866	10.50	29,225
1950	693,678.20	568,289	203,658	490,020	10.69	45,839
1951	679,717.85	554,391	198,678	481,040	10.88	44,213
1952	334,880.26	271,919	97,448	237,432	11.07	21,448
1953	552,334.74	446,535	160,025	392,310	11.25	34,872
1954	484,198.80	389,606	139,623	344,576	11.44	30,120
1955	722,782.70	578,920	207,468	515,315	11.62	44,347
1956	627,025.13	499,877	179,141	447,884	11.80	37,956
1957	633,490.15	502,598	180,116	453,374	11.98	37,844
1958	474,202.33	374,454	134,193	340,009	12.15	27,984
1959	596,543.96	468,770	167,994	428,550	12.32	34,785
1960	513,757.00	401,712	143,962	369,795	12.49	29,607
1961	740,979.62	576,504	206,602	534,378	12.65	42,243
1962	771,639.71	597,303	214,056	557,584	12.81	43,527
1963	390,123.80	300,411	107,659	282,465	12.97	21,778
1964	418,482.38	320,562	114,880	303,602	13.12	23,140
1965	359,614.88	273,987	98,189	261,426	13.27	19,701
1966	724,038.53	548,553	196,585	527,454	13.42	39,304
1967	614,064.64	462,642	165,797	448,268	13.56	33,058

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.2 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 60-R2						
PROBABLE RETIREMENT YEAR.. 12-2035						
NET SALVAGE PERCENT.. 0						
1968	810,460.96	607,214	217,608	592,853	13.69	43,306
1969	466,295.85	347,246	124,443	341,853	13.83	24,718
1970	155,904.27	115,435	41,368	114,536	13.95	8,210
1971	30,913.91	22,746	8,152	22,762	14.08	1,617
2009	112.58	40	14	99	16.49	6
2011	0.03					
2018	77,788.07	2,220	796	76,992	16.68	4,616
	15,228,174.34	12,219,263	4,485,659	10,742,516		1,123,368
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						9.6 7.38

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.3 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
1951	48.66	40	40	9	11.99	1
1967	10,931.20	7,442	7,484	3,447	20.75	166
1969	316,299.93	208,856	210,028	106,272	22.08	4,813
1970	684,632.32	444,908	447,406	237,226	22.76	10,423
1971	817,792.08	522,757	525,692	292,100	23.45	12,456
1972	2,427,177.13	1,525,020	1,533,581	893,596	24.16	36,987
1973	640,270.41	395,290	397,509	242,761	24.87	9,761
1974	676,603.74	410,232	412,535	264,069	25.59	10,319
1976	320,110.11	186,797	187,846	132,264	27.07	4,886
1977	723,277.02	413,714	416,037	307,240	27.82	11,044
1978	1,938,694.43	1,086,270	1,092,368	846,326	28.58	29,613
1979	2,140,274.58	1,173,855	1,180,445	959,830	29.35	32,703
1980	5,725,059.73	3,071,266	3,088,508	2,636,552	30.13	87,506
1981	8,769,229.45	4,599,110	4,624,929	4,144,300	30.91	134,076
1982	3,619,511.61	1,853,733	1,864,140	1,755,372	31.71	55,357
1983	3,785,620.18	1,892,242	1,902,865	1,882,755	32.51	57,913
1984	3,039,962.62	1,481,617	1,489,935	1,550,028	33.32	46,519
1985	4,303,285.47	2,043,071	2,054,540	2,248,745	34.14	65,868
1986	5,583,526.48	2,580,427	2,594,913	2,988,613	34.96	85,487
1987	7,632,142.43	3,428,587	3,447,834	4,184,308	35.80	116,880
1988	6,396,207.53	2,790,729	2,806,396	3,589,812	36.64	97,975
1989	8,215,616.87	3,477,096	3,496,616	4,719,001	37.49	125,874
1990	10,484,753.38	4,300,322	4,324,463	6,160,290	38.34	160,675
1991	12,194,349.22	4,838,352	4,865,514	7,328,835	39.21	186,912
1992	16,251,786.33	6,230,610	6,265,587	9,986,199	40.08	249,157
1993	9,331,469.87	3,452,644	3,472,026	5,859,444	40.95	143,088
1994	13,907,041.32	4,957,304	4,985,133	8,921,908	41.83	213,290
1995	11,037,637.43	3,783,371	3,804,610	7,233,027	42.72	169,312
1996	9,208,193.44	3,028,759	3,045,762	6,162,431	43.62	141,275
1997	12,945,990.27	4,079,023	4,101,922	8,844,068	44.52	198,654
1998	8,021,353.31	2,415,069	2,428,627	5,592,726	45.43	123,106
1999	5,443,147.16	1,562,619	1,571,391	3,871,756	46.34	83,551
2000	3,877,213.23	1,058,169	1,064,109	2,813,104	47.26	59,524
2001	36,801,483.27	9,523,120	9,576,581	27,224,902	48.18	565,066
2002	19,061,475.47	4,659,768	4,685,927	14,375,548	49.11	292,721
2003	14,097,514.75	3,242,428	3,260,630	10,836,885	50.05	216,521
2004	23,502,308.40	5,065,688	5,094,126	18,408,182	50.99	361,016
2005	17,055,644.84	3,429,549	3,448,802	13,606,843	51.93	262,023
2006	16,069,167.51	2,996,257	3,013,077	13,056,091	52.88	246,900
2007	14,337,470.12	2,463,894	2,477,726	11,859,744	53.83	220,318
2008	21,788,626.85	3,425,826	3,445,058	18,343,569	54.78	334,859

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 376.3 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
2009	21,143,531.85	3,012,108	3,029,018	18,114,514	55.74	324,982
2010	23,794,255.72	3,034,719	3,051,755	20,742,501	56.71	365,764
2011	30,061,629.48	3,390,050	3,409,081	26,652,548	57.67	462,156
2012	37,990,463.27	3,717,367	3,738,236	34,252,227	58.64	584,110
2013	37,552,916.23	3,113,888	3,131,369	34,421,547	59.61	577,446
2014	30,116,509.31	2,043,405	2,054,876	28,061,633	60.59	463,140
2015	55,662,116.50	2,945,639	2,962,175	52,699,942	61.56	856,074
2016	62,235,333.01	2,355,607	2,368,831	59,866,502	62.54	957,251
2017	75,668,612.75	1,722,974	1,732,647	73,935,966	63.52	1,163,979
2018	67,524,078.69	509,132	511,990	67,012,088	64.51	1,038,786
	784,932,346.96	133,950,720	134,702,696	650,229,651		12,058,283
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						53.9 1.54

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. 0						
1910	79.83	80	80			
1913	57.08	57	57			
1916	168.14	168	168			
1917	78.47	78	78			
1919	405.63	406	406			
1925	350.06	350	350			
1926	395.12	393	395			
1927	631.15	626	631			
1928	1,034.55	1,022	1,035			
1929	655.31	644	655			
1930	3,186.76	3,115	3,187			
1931	312.99	304	313			
1932	1,970.66	1,905	1,971			
1933	1,472.06	1,415	1,472			
1934	161.73	155	162			
1935	192.04	183	192			
1936	432.85	409	433			
1939	2,875.24	2,667	2,875			
1940	4,140.73	3,817	4,141			
1941	7,713.66	7,067	7,714			
1942	4,530.72	4,125	4,531			
1943	2,490.76	2,253	2,491			
1944	2,307.79	2,074	2,308			
1945	11,149.29	9,954	11,149			
1946	7,610.62	6,751	7,611			
1947	15,379.39	13,552	15,379			
1948	22,669.76	19,841	22,670			
1949	21,288.41	18,504	21,288			
1950	20,502.91	17,698	20,503			
1951	33,270.98	28,513	33,062	209	7.15	29
1952	17,478.24	14,870	17,242	236	7.46	32
1953	36,431.54	30,763	35,671	761	7.78	98
1954	39,244.19	32,887	38,134	1,110	8.10	137
1955	66,415.06	55,217	64,026	2,389	8.43	283
1956	41,714.48	34,398	39,886	1,828	8.77	208
1957	73,301.86	59,946	69,510	3,792	9.11	416
1958	100,248.87	81,262	94,226	6,023	9.47	636
1959	28,720.21	23,074	26,755	1,965	9.83	200
1960	58,984.50	46,940	54,429	4,556	10.21	446
1961	68,645.61	54,106	62,738	5,908	10.59	558
1962	62,063.82	48,422	56,147	5,917	10.99	538

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. 0						
1963	74,491.54	57,522	66,699	7,793	11.39	684
1964	65,988.87	50,402	58,443	7,546	11.81	639
1965	19,466.67	14,701	17,046	2,421	12.24	198
1966	46,979.53	35,066	40,660	6,320	12.68	498
1967	53,053.66	39,122	45,364	7,690	13.13	586
1968	74,237.93	54,045	62,667	11,571	13.60	851
1969	45,321.53	32,568	37,764	7,558	14.07	537
1970	100,789.93	71,440	82,838	17,952	14.56	1,233
1971	85,653.47	59,855	69,404	16,249	15.06	1,079
1972	233,140.61	160,541	186,154	46,987	15.57	3,018
1973	122,793.61	83,279	96,565	26,229	16.09	1,630
1974	48,246.73	32,200	37,337	10,910	16.63	656
1975	288,917.34	189,703	219,968	68,949	17.17	4,016
1976	199,902.22	129,017	149,600	50,302	17.73	2,837
1977	153,429.69	97,274	112,793	40,637	18.30	2,221
1978	211,404.05	131,578	152,570	58,834	18.88	3,116
1979	59,387.30	36,250	42,033	17,354	19.48	891
1980	319,476.95	191,175	221,675	97,802	20.08	4,871
1981	519,057.01	304,167	352,694	166,363	20.70	8,037
1982	629,293.59	360,963	418,551	210,743	21.32	9,885
1983	466,547.24	261,640	303,382	163,165	21.96	7,430
1984	297,699.67	163,139	189,166	108,534	22.60	4,802
1985	419,949.68	224,589	260,420	159,530	23.26	6,859
1986	526,593.85	274,566	318,370	208,224	23.93	8,701
1987	562,037.23	285,515	331,066	230,971	24.60	9,389
1988	502,317.07	248,245	287,850	214,467	25.29	8,480
1989	319,984.12	153,720	178,244	141,740	25.98	5,456
1990	420,201.19	195,898	227,152	193,049	26.69	7,233
1991	260,550.91	117,769	136,558	123,993	27.40	4,525
1992	962,075.70	420,812	487,948	474,128	28.13	16,855
1993	434,525.95	183,718	213,028	221,498	28.86	7,675
1994	51,185.92	20,884	24,216	26,970	29.60	911
1999	81,615.48	27,064	31,382	50,233	33.42	1,503
2000	250,107.82	78,984	91,585	158,523	34.21	4,634
2001	821,338.24	246,237	285,522	535,816	35.01	15,305
2002	144,553.91	41,024	47,569	96,985	35.81	2,708
2003	223,840.93	59,900	69,456	154,385	36.62	4,216
2004	276,991.38	69,580	80,681	196,310	37.44	5,243
2005	239,186.47	56,161	65,121	174,065	38.26	4,550
2006	157,350.44	34,334	39,812	117,538	39.09	3,007
2007	555,509.42	111,880	129,729	425,780	39.93	10,663

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. 0						
2008	365,362.09	67,446	78,206	287,156	40.77	7,043
2009	151,698.10	25,394	29,445	122,253	41.63	2,937
2010	148,531.41	22,339	25,903	122,628	42.48	2,887
2011	1,072,934.31	142,700	165,466	907,468	43.35	20,934
2012	379,635.42	43,886	50,888	328,747	44.22	7,434
2013	523,629.23	51,420	59,624	464,005	45.09	10,291
2014	136,939.79	11,037	12,798	124,142	45.97	2,701
2015	585,509.36	36,770	42,636	542,873	46.86	11,585
2016	524,696.27	23,611	27,378	497,318	47.75	10,415
2017	449,315.05	12,132	14,067	435,248	48.65	8,947
2018	1,730,920.05	15,578	18,063	1,712,857	49.55	34,568
	18,155,129.00	6,488,851	7,519,627	10,635,502		310,951
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						34.2 1.71

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
1923	222.34	222	222			
1928	2,865.67	2,866	2,866			
1940	16.14	16	16			
1941	145.80	141	146			
1942	70.66	68	71			
1947	1,478.40	1,384	1,478			
1948	108.78	101	109			
1949	8,472.09	7,843	8,472			
1950	10,899.33	10,036	10,899			
1951	327,667.29	300,012	327,667			
1952	41,909.50	38,154	41,910			
1953	21,595.85	19,549	21,596			
1954	57,430.89	51,688	57,431			
1957	161,462.11	142,636	161,462			
1958	7,161.94	6,284	7,162			
1959	13,299.44	11,589	13,299			
1960	5,610.02	4,853	5,610			
1961	28,161.47	24,174	28,161			
1962	137,405.52	117,015	137,406			
1963	50,579.24	42,699	50,579			
1964	68,166.20	57,041	68,166			
1965	169,285.38	140,304	169,285			
1966	118,767.24	97,460	118,767			
1967	4,811.95	3,907	4,812			
1968	1,005.81	808	1,006			
1969	51,911.78	41,197	51,912			
1971	373,915.78	289,261	373,916			
1972	12,081.53	9,218	12,082			
1974	3,053.02	2,262	3,053			
1977	1,535.98	1,083	1,536			
1978	80,993.97	56,064	79,712	1,282	15.39	83
1979	25,537.05	17,350	24,668	869	16.03	54
1980	539,840.82	359,534	511,185	28,656	16.70	1,716
1981	793.85	518	736	58	17.38	3
1982	318,662.52	203,498	289,333	29,330	18.07	1,623
1983	9,218.07	5,758	8,187	1,031	18.77	55
1985	1,628,554.82	969,967	1,379,099	249,456	20.22	12,337
1986	16,591.68	9,633	13,696	2,896	20.97	138
1987	1,379.40	780	1,109	270	21.72	12
1988	324,440.05	178,507	253,801	70,639	22.49	3,141
1989	405,890.17	217,070	308,630	97,260	23.26	4,181

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
1991	1,379,105.05	693,690	986,288	392,817	24.85	15,808
1992	903,491.71	439,820	625,336	278,156	25.66	10,840
1994	6,516,394.01	2,957,140	4,204,461	2,311,933	27.31	84,655
1995	7,446.48	3,254	4,627	2,819	28.15	100
1996	1,754,578.01	736,923	1,047,757	706,821	29.00	24,373
1997	519,242.44	209,151	297,371	221,871	29.86	7,430
1998	229,853.97	88,586	125,952	103,902	30.73	3,381
1999	53,766.59	19,786	28,132	25,635	31.60	811
2001	6,767,163.93	2,249,405	3,198,203	3,568,961	33.38	106,919
2002	2,196,354.45	690,534	981,801	1,214,553	34.28	35,430
2003	1,182,863.99	350,364	498,147	684,717	35.19	19,458
2004	4,638,715.16	1,288,635	1,832,180	2,806,535	36.11	77,722
2005	998,204.80	258,934	368,152	630,053	37.03	17,015
2006	1,757,865.79	423,294	601,839	1,156,027	37.96	30,454
2007	1,287,214.15	286,019	406,662	880,552	38.89	22,642
2008	990,091.64	201,187	286,048	704,044	39.84	17,672
2009	1,421,084.78	262,048	372,579	1,048,506	40.78	25,711
2010	602,746.66	99,574	141,574	461,173	41.74	11,049
2011	264,156.87	38,620	54,910	209,247	42.69	4,902
2012	295,658.45	37,489	53,302	242,356	43.66	5,551
2013	529,994.86	57,027	81,081	448,914	44.62	10,061
2014	297,609.24	26,249	37,321	260,288	45.59	5,709
2015	519,445.76	35,634	50,664	468,782	46.57	10,066
2016	73,310.04	3,607	5,128	68,182	47.54	1,434
2018	12,638,825.62	123,860	176,105	12,462,721	49.51	251,721
	52,858,184.00	15,023,380	21,016,873	31,841,311		824,257
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						38.6 1.56

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.1 SERVICES - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-S0						
NET SALVAGE PERCENT.. 0						
1944	2.29	2	2			
1947	1,347.58	1,314	265	1,083	0.92	1,083
1948	3,840.01	3,707	747	3,093	1.28	2,416
1949	5,161.96	4,932	993	4,169	1.65	2,527
1950	11,539.03	10,909	2,197	9,342	2.02	4,625
1951	13,496.37	12,625	2,543	10,953	2.39	4,583
1952	17,775.68	16,445	3,312	14,464	2.77	5,222
1953	38,929.41	35,626	7,175	31,754	3.14	10,113
1954	34,294.65	31,032	6,249	28,046	3.52	7,968
1955	72,075.43	64,478	12,985	59,090	3.90	15,151
1956	66,042.67	58,403	11,762	54,281	4.28	12,682
1957	139,641.80	122,054	24,580	115,062	4.66	24,691
1958	95,794.64	82,745	16,664	79,131	5.04	15,701
1959	146,789.70	125,247	25,223	121,567	5.43	22,388
1960	127,351.31	107,353	21,620	105,731	5.81	18,198
1961	299,692.42	249,473	50,241	249,451	6.20	40,234
1962	355,785.16	292,416	58,889	296,896	6.59	45,053
1963	417,285.50	338,565	68,183	349,102	6.98	50,015
1964	501,801.03	401,712	80,900	420,901	7.38	57,033
1965	760,621.32	600,685	120,970	639,651	7.78	82,217
1966	761,866.13	593,433	119,510	642,356	8.18	78,528
1967	707,513.17	543,448	109,444	598,069	8.58	69,705
1968	692,138.55	524,157	105,559	586,580	8.98	65,321
1969	407,615.76	304,171	61,256	346,360	9.39	36,886
1970	82,848.81	60,905	12,265	70,584	9.80	7,202
1971	142,054.39	102,854	20,713	121,341	10.21	11,885
1972	190,173.14	135,588	27,306	162,867	10.62	15,336
1982	124,380.46	74,192	14,941	109,439	14.93	7,330
1983	556,785.52	325,191	65,489	491,297	15.39	31,923
1984	584,803.39	334,443	67,353	517,450	15.84	32,667
1985	703,684.64	393,683	79,283	624,402	16.30	38,307
1986	637,639.57	348,636	70,211	567,429	16.77	33,836
1987	751,283.49	401,223	80,801	670,482	17.24	38,891
1988	833,007.36	434,288	87,460	745,547	17.71	42,098
1989	787,267.86	400,231	80,601	706,667	18.19	38,849
1990	819,048.67	405,765	81,716	737,333	18.67	39,493
1991	1,013,387.33	488,615	98,401	914,986	19.16	47,755
1992	778,149.47	364,680	73,442	704,707	19.66	35,845
1993	777,797.30	354,007	71,293	706,504	20.16	35,045
1994	334,021.16	147,420	29,689	304,332	20.67	14,723
1995	844,394.66	360,810	72,663	771,732	21.19	36,420

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.1 SERVICES - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-S0						
NET SALVAGE PERCENT.. 0						
1996	901,878.50	372,692	75,055	826,824	21.71	38,085
1997	1,673,277.34	667,504	134,427	1,538,850	22.24	69,193
1998	2,561,393.31	984,395	198,245	2,363,148	22.78	103,738
1999	1,633,591.27	603,547	121,547	1,512,044	23.33	64,811
2000	2,572,421.72	911,460	183,556	2,388,866	23.89	99,994
2001	7,967,564.14	2,702,518	544,253	7,423,311	24.45	303,612
2002	5,577,068.51	1,804,237	363,350	5,213,719	25.03	208,299
2003	6,515,473.88	2,003,964	403,573	6,111,901	25.62	238,560
2004	2,919,012.22	850,454	171,271	2,747,741	26.22	104,796
2005	4,771,834.03	1,311,586	264,137	4,507,697	26.83	168,010
2006	4,500,186.09	1,161,543	233,920	4,266,266	27.45	155,420
2007	4,072,734.39	980,755	197,512	3,875,222	28.09	137,957
2008	4,921,328.03	1,097,309	220,984	4,700,344	28.75	163,490
2009	3,017,732.15	618,213	124,500	2,893,232	29.42	98,342
2010	3,396,225.20	633,362	127,551	3,268,674	30.10	108,594
2011	3,364,100.91	562,814	113,343	3,250,758	30.81	105,510
2012	3,637,651.31	536,808	108,106	3,529,545	31.54	111,907
2013	3,583,915.81	456,232	91,879	3,492,037	32.29	108,146
2014	3,169,105.49	336,622	67,792	3,101,313	33.07	93,780
2015	2,265,949.97	191,677	38,601	2,227,349	33.87	65,762
2016	3,196,587.37	197,837	39,842	3,156,745	34.71	90,946
2017	3,330,308.32	126,918	25,560	3,304,748	35.59	92,856
2018	3,120,474.18	41,315	8,320	3,112,154	36.51	85,241
	98,308,942.93	28,811,225	5,802,220	92,506,723		3,996,994
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						23.1 4.07

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.2 SERVICES - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 56-R3						
NET SALVAGE PERCENT.. 0						
1951	614.53	538	615			
1966	144,840.08	111,087	131,459	13,381	13.05	1,025
1967	375,533.81	284,467	336,636	38,898	13.58	2,864
1968	564,385.89	421,878	499,247	65,139	14.14	4,607
1969	1,578,376.78	1,163,769	1,377,195	201,182	14.71	13,677
1970	2,853,428.67	2,074,329	2,454,744	398,685	15.29	26,075
1971	3,854,123.89	2,759,822	3,265,951	588,173	15.90	36,992
1972	5,528,588.51	3,898,650	4,613,631	914,958	16.51	55,418
1973	1,214,868.03	843,033	997,639	217,229	17.14	12,674
1974	1,202,689.74	820,619	971,114	231,576	17.79	13,017
1975	1,551,292.13	1,040,203	1,230,968	320,324	18.45	17,362
1976	2,761,776.28	1,818,823	2,152,381	609,395	19.12	31,872
1977	2,623,834.71	1,696,125	2,007,181	616,654	19.80	31,144
1978	4,021,386.18	2,549,277	3,016,794	1,004,592	20.50	49,004
1979	9,658,644.23	6,000,433	7,100,865	2,557,779	21.21	120,593
1980	12,363,399.60	7,521,769	8,901,202	3,462,198	21.93	157,875
1981	12,736,752.06	7,582,953	8,973,606	3,763,146	22.66	166,070
1982	10,204,781.03	5,938,774	7,027,898	3,176,883	23.41	135,706
1983	9,445,475.23	5,370,414	6,355,305	3,090,170	24.16	127,904
1984	8,499,775.57	4,717,375	5,582,504	2,917,272	24.92	117,065
1985	12,195,295.36	6,598,508	7,808,622	4,386,673	25.70	170,688
1986	11,897,650.25	6,271,727	7,421,912	4,475,738	26.48	169,023
1987	15,904,386.76	8,159,587	9,655,990	6,248,397	27.27	229,131
1988	14,446,835.55	7,202,759	8,523,688	5,923,148	28.08	210,938
1989	15,493,207.12	7,500,416	8,875,933	6,617,274	28.89	229,051
1990	17,544,491.54	8,236,437	9,746,934	7,797,558	29.71	262,456
1991	23,923,478.61	10,876,570	12,871,246	11,052,233	30.54	361,894
1992	23,205,566.52	10,202,095	12,073,078	11,132,489	31.38	354,764
1993	16,701,277.94	7,089,024	8,389,095	8,312,183	32.23	257,902
1994	11,237,062.29	4,599,217	5,442,677	5,794,385	33.08	175,163
1995	5,122,034.99	2,017,723	2,387,757	2,734,278	33.94	80,562
1996	5,341,152.93	2,020,077	2,390,543	2,950,610	34.82	84,739
1997	10,699,457.18	3,878,553	4,589,849	6,109,608	35.70	171,137
1998	9,245,883.32	3,206,380	3,794,405	5,451,478	36.58	149,029
1999	9,633,005.14	3,185,731	3,769,969	5,863,036	37.48	156,431
2000	6,255,251.35	1,968,152	2,329,095	3,926,156	38.38	102,297
2001	22,541,100.44	6,726,039	7,959,541	14,581,559	39.29	371,126
2002	13,748,247.38	3,878,931	4,590,296	9,157,951	40.20	227,810
2003	10,873,296.74	2,889,144	3,418,990	7,454,307	41.12	181,282
2004	11,015,221.55	2,744,002	3,247,230	7,767,992	42.05	184,732
2005	13,324,887.96	3,098,036	3,666,191	9,658,697	42.98	224,725

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 380.2 SERVICES - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 56-R3						
NET SALVAGE PERCENT.. 0						
2006	11,361,519.28	2,450,793	2,900,249	8,461,270	43.92	192,652
2007	12,372,951.67	2,461,351	2,912,743	9,460,209	44.86	210,883
2008	12,880,936.68	2,343,815	2,773,652	10,107,285	45.81	220,635
2009	14,989,863.05	2,473,327	2,926,915	12,062,948	46.76	257,976
2010	18,148,478.72	2,683,434	3,175,554	14,972,925	47.72	313,766
2011	19,779,580.33	2,585,389	3,059,529	16,720,051	48.68	343,469
2012	23,688,233.09	2,686,009	3,178,602	20,509,631	49.65	413,084
2013	24,928,996.03	2,394,929	2,834,140	22,094,856	50.62	436,485
2014	20,188,401.90	1,589,837	1,881,400	18,307,002	51.59	354,856
2015	34,840,371.56	2,133,973	2,525,327	32,315,045	52.57	614,705
2016	41,971,684.36	1,843,816	2,181,957	39,789,727	53.54	743,178
2017	47,335,007.60	1,251,064	1,480,499	45,854,509	54.52	841,058
2018	71,965,748.85	629,700	745,182	71,220,567	55.51	1,283,022
	725,985,130.99	196,490,883	232,525,725	493,459,406		11,701,593
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						42.2 1.61

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
1900	2.37	2	2			
1901	1.48	1	1			
1906	1.52	2	2			
1908	1.58	2	2			
1910	2.92	3	3			
1912	2.43	2	2			
1914	1.35	1	1			
1915	3.11	3	3			
1916	1.53	2	2			
1917	1.68	2	2			
1920	2.19	2	2			
1921	4.22	4	4			
1922	3.97	4	4			
1924	22.36	22	22			
1925	888.01	888	888			
1926	1,131.38	1,131	1,131			
1927	1,561.85	1,562	1,562			
1928	1,367.02	1,367	1,367			
1929	1,553.66	1,554	1,554			
1930	1,171.32	1,171	1,171			
1931	548.29	548	548			
1932	232.79	233	233			
1933	581.97	582	582			
1934	152.80	153	153			
1935	654.43	654	654			
1936	476.12	476	476			
1937	1,561.49	1,561	1,561			
1938	1,628.10	1,628	1,628			
1939	2,386.38	2,386	2,386			
1940	3,482.03	3,482	3,482			
1941	3,658.91	3,659	3,659			
1942	6,865.83	6,866	6,866			
1943	2,587.45	2,587	2,587			
1944	1,389.65	1,390	1,390			
1945	2,237.63	2,238	2,238			
1946	4,681.34	4,681	4,681			
1947	7,026.72	7,027	7,027			
1948	14,677.69	14,678	14,678			
1949	17,033.36	17,033	17,033			
1950	36,991.68	36,992	36,992			
1951	61,777.09	61,700	61,777			

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
1952	76,520.82	75,947	76,521			
1953	91,344.16	90,180	91,344			
1954	81,194.06	79,692	81,194			
1955	72,522.28	70,764	72,522			
1956	99,738.47	96,721	99,738			
1957	102,096.25	98,370	102,096			
1958	66,301.14	63,467	66,301			
1959	87,245.44	82,970	87,245			
1960	81,753.88	77,217	81,754			
1961	27,831.47	26,113	27,831			
1962	51,441.27	47,930	51,441			
1963	149,302.45	138,142	149,302			
1964	189,573.24	174,170	189,573			
1965	314,137.31	286,650	314,137			
1966	432,838.50	392,152	432,838			
1967	103,683.25	93,237	103,683			
1968	405,032.24	361,491	405,032			
1969	647,156.50	573,057	647,156			
1970	542,914.64	476,815	542,915			
1971	465,409.17	405,139	465,409			
1972	728,733.40	628,533	728,733			
1973	329,830.71	281,758	329,831			
1974	169,698.38	143,438	169,698			
1975	132,793.28	110,982	132,793			
1976	207,255.73	171,141	207,256			
1977	137,086.44	111,760	137,086			
1978	145,409.15	116,909	144,593	816	7.84	104
1979	1,417,918.13	1,123,346	1,389,357	28,561	8.31	3,437
1980	1,583,179.42	1,234,880	1,527,302	55,877	8.80	6,350
1981	1,019,422.23	781,897	967,052	52,370	9.32	5,619
1982	502,560.22	378,679	468,351	34,209	9.86	3,469
1983	399,989.21	295,792	365,836	34,153	10.42	3,278
1984	430,246.60	311,821	385,661	44,586	11.01	4,050
1985	1,012,180.80	718,142	888,199	123,982	11.62	10,670
1986	799,435.80	554,609	685,942	113,494	12.25	9,265
1987	983,147.82	666,328	824,116	159,032	12.89	12,338
1988	983,408.27	650,033	803,962	179,446	13.56	13,233
1989	1,018,385.68	655,586	810,830	207,556	14.25	14,565
1990	1,217,029.97	762,165	942,647	274,383	14.95	18,353
1991	1,347,030.15	819,331	1,013,350	333,680	15.67	21,294
1992	1,325,529.43	782,062	967,256	358,273	16.40	21,846

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
1993	1,448,898.79	827,683	1,023,680	425,219	17.15	24,794
1994	1,319,896.76	728,913	901,521	418,376	17.91	23,360
1995	1,016,227.08	541,395	669,598	346,629	18.69	18,546
1996	1,496,008.01	767,452	949,186	546,822	19.48	28,071
1997	2,114,713.82	1,042,025	1,288,779	825,935	20.29	40,707
1998	991,033.97	468,264	579,150	411,884	21.10	19,521
1999	1,361,876.43	615,228	760,915	600,961	21.93	27,404
2000	4,394.00	1,892	2,340	2,054	22.78	90
2001	19,924,881.40	8,154,258	10,085,203	9,839,678	23.63	416,406
2002	2,286,526.23	886,601	1,096,550	1,189,976	24.49	48,590
2003	1,119,636.41	409,507	506,479	613,157	25.37	24,169
2004	507,825.76	174,438	215,745	292,081	26.26	11,123
2005	1,591,773.77	511,357	632,447	959,327	27.15	35,334
2006	733,709.82	219,012	270,875	462,835	28.06	16,494
2007	946,030.68	260,631	322,349	623,682	28.98	21,521
2008	2,107,316.08	532,097	658,099	1,449,217	29.90	48,469
2009	1,206,438.85	276,576	342,070	864,369	30.83	28,037
2010	1,316,894.06	270,951	335,113	981,781	31.77	30,903
2011	1,299,141.93	236,444	292,434	1,006,708	32.72	30,767
2012	1,336,227.28	211,124	261,119	1,075,108	33.68	31,921
2013	2,095,023.70	280,733	347,211	1,747,813	34.64	50,456
2014	2,004,901.45	220,539	272,763	1,732,138	35.60	48,656
2015	3,991,551.59	342,276	423,327	3,568,225	36.57	97,572
2016	3,267,417.64	200,129	247,520	3,019,898	37.55	80,423
2017	2,012,498.95	73,959	91,473	1,921,026	38.53	49,858
2018	1,396,769.07	17,110	21,161	1,375,608	39.51	34,817
	79,054,278.59	33,458,289	40,753,346	38,300,932		1,435,880
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						26.7 1.82

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 381.1 METER MODULES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S2						
NET SALVAGE PERCENT.. 0						
2013	2,270,274.80	615,244	643,120	1,627,155	14.58	111,602
2014	32,663,594.09	7,300,313	7,631,083	25,032,511	15.53	1,611,881
2015	23,792,671.15	4,151,821	4,339,936	19,452,735	16.51	1,178,240
2016	6,551,872.83	818,984	856,091	5,695,782	17.50	325,473
2017	1,135,241.91	85,143	89,001	1,046,241	18.50	56,554
2018	741,601.20	18,540	19,380	722,221	19.50	37,037
	67,155,255.98	12,990,045	13,578,611	53,576,645		3,320,787
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						16.1 4.94

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
1926	2.00	2	2			
1927	4.84	5	5			
1928	18.74	19	19			
1929	19.94	20	20			
1930	13.74	14	14			
1931	24.07	24	24			
1932	14.83	15	15			
1933	50.07	50	50			
1934	43.12	43	43			
1935	184.63	183	185			
1936	429.66	425	430			
1937	821.28	809	821			
1938	4,801.19	4,709	4,801			
1939	3,685.20	3,597	3,685			
1940	2,977.65	2,892	2,978			
1941	1,299.43	1,256	1,299			
1942	2,378.12	2,287	2,378			
1943	6,844.65	6,548	6,845			
1944	2,924.41	2,783	2,924			
1945	40.92	39	41			
1947	9,809.05	9,183	9,809			
1948	8,061.19	7,505	8,061			
1949	26,512.89	24,546	26,513			
1950	32,804.92	30,207	32,805			
1951	20,005.24	18,317	20,005			
1952	38,731.10	35,261	38,731			
1953	37,488.15	33,934	37,488			
1954	59,238.09	53,314	59,238			
1955	53,287.95	47,671	53,288			
1956	43,597.97	38,759	43,598			
1957	50,168.57	44,319	49,933	236	5.83	40
1958	53,547.98	46,983	52,934	614	6.13	100
1959	48,461.08	42,229	47,578	883	6.43	137
1960	91,827.30	79,431	89,493	2,334	6.75	346
1961	45,841.68	39,350	44,335	1,507	7.08	213
1962	127,228.81	108,348	122,073	5,156	7.42	695
1963	127,605.29	107,724	121,370	6,235	7.79	800
1964	176,107.85	147,367	166,034	10,074	8.16	1,235
1965	255,884.95	212,077	238,941	16,944	8.56	1,979
1966	217,282.82	178,302	200,888	16,395	8.97	1,828
1967	302,520.78	245,647	276,763	25,758	9.40	2,740

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
1968	376,439.42	302,281	340,571	35,868	9.85	3,641
1969	460,905.49	365,775	412,108	48,797	10.32	4,728
1970	450,568.37	353,155	397,890	52,678	10.81	4,873
1971	660,003.94	510,579	575,255	84,749	11.32	7,487
1972	637,811.59	486,650	548,295	89,517	11.85	7,554
1973	673,357.15	506,499	570,658	102,699	12.39	8,289
1974	422,891.59	313,278	352,961	69,931	12.96	5,396
1975	361,928.36	263,918	297,349	64,579	13.54	4,769
1976	306,764.03	220,011	247,880	58,884	14.14	4,164
1977	359,338.33	253,334	285,424	73,914	14.75	5,011
1978	543,005.91	375,869	423,481	119,525	15.39	7,766
1979	1,141,144.19	775,293	873,500	267,644	16.03	16,696
1980	3,062,092.10	2,039,353	2,297,680	764,412	16.70	45,773
1981	2,542,892.36	1,658,983	1,869,128	673,764	17.38	38,767
1982	1,815,131.91	1,159,143	1,305,973	509,159	18.07	28,177
1983	1,991,219.38	1,243,716	1,401,259	589,960	18.77	31,431
1984	1,828,077.64	1,115,493	1,256,794	571,284	19.49	29,312
1985	3,049,156.84	1,816,078	2,046,123	1,003,034	20.22	49,606
1986	2,770,703.87	1,608,671	1,812,443	958,261	20.97	45,697
1987	3,069,353.65	1,736,026	1,955,931	1,113,423	21.72	51,263
1988	2,549,323.62	1,402,638	1,580,312	969,012	22.49	43,086
1989	2,546,943.62	1,362,105	1,534,645	1,012,299	23.26	43,521
1990	3,255,500.49	1,689,605	1,903,629	1,351,871	24.05	56,211
1991	5,172,527.18	2,601,781	2,931,352	2,241,175	24.85	90,188
1992	3,621,283.72	1,762,841	1,986,142	1,635,142	25.66	63,723
1993	3,931,801.49	1,849,519	2,083,800	1,848,001	26.48	69,789
1994	4,123,914.43	1,871,432	2,108,489	2,015,425	27.31	73,798
1995	5,305,131.44	2,318,342	2,612,009	2,693,122	28.15	95,670
1996	4,071,906.77	1,710,201	1,926,834	2,145,073	29.00	73,968
1997	9,439,177.08	3,802,101	4,283,718	5,155,459	29.86	172,654
1998	13,417,674.37	5,171,172	5,826,211	7,591,463	30.73	247,038
1999	3,301,792.84	1,215,060	1,368,973	1,932,820	31.60	61,165
2000	771,885.41	270,314	304,555	467,330	32.49	14,384
2001	5,382,437.37	1,789,122	2,015,752	3,366,685	33.38	100,859
2002	3,615,183.90	1,136,614	1,280,590	2,334,594	34.28	68,104
2003	2,229,334.64	660,329	743,974	1,485,361	35.19	42,210
2004	2,098,326.75	582,915	656,754	1,441,573	36.11	39,922
2005	3,598,123.75	933,353	1,051,582	2,546,542	37.03	68,770
2006	2,941,561.18	708,328	798,053	2,143,508	37.96	56,468
2007	2,937,969.44	652,817	735,510	2,202,459	38.89	56,633
2008	2,727,511.86	554,230	624,435	2,103,077	39.84	52,788

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. 0						
2009	3,484,593.95	642,559	723,953	2,760,641	40.78	67,696
2010	3,433,610.85	567,233	639,085	2,794,526	41.74	66,951
2011	6,868,659.58	1,004,198	1,131,401	5,737,259	42.69	134,394
2012	4,352,895.30	551,947	621,863	3,731,032	43.66	85,457
2013	5,200,282.83	559,550	630,429	4,569,854	44.62	102,417
2014	4,290,673.83	378,437	426,374	3,864,300	45.59	84,762
2015	6,458,206.92	443,033	499,152	5,959,055	46.57	127,959
2016	7,293,891.72	358,859	404,316	6,889,576	47.54	144,922
2017	7,500,633.14	222,019	250,143	7,250,490	48.52	149,433
2018	11,728,445.58	114,939	129,498	11,598,948	49.51	234,275
	176,026,583.32	57,567,892	64,850,693	111,175,890		3,199,728
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						34.7 1.82

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 22-S1.5						
NET SALVAGE PERCENT.. 0						
1954	937.85	938	938			
1962	9,811.52	9,812	9,812			
1964	752.97	753	753			
1965	12,579.66	12,580	12,580			
1966	7,136.95	7,137	7,137			
1968	4,402.06	4,402	4,402			
1969	3,890.94	3,891	3,891			
1982	8,416.09	7,678	5,170	3,246	1.93	1,682
1985	87,074.72	76,388	51,436	35,639	2.70	13,200
1987	2,782.50	2,374	1,599	1,184	3.23	367
1988	78,479.19	65,958	44,413	34,066	3.51	9,705
1990	87,966.45	71,613	48,221	39,745	4.09	9,718
1991	1,085,691.19	869,042	585,176	500,515	4.39	114,013
1998	0.43					
2002	448.74	268	180	269	8.85	30
2003	386.07	221	149	237	9.39	25
2004	7,999.43	4,374	2,945	5,054	9.97	507
2005	2,280.86	1,184	797	1,484	10.58	140
2006	32,245.56	15,800	10,639	21,607	11.22	1,926
2007	37,413.81	17,194	11,578	25,836	11.89	2,173
2008	354,999.25	151,521	102,028	252,971	12.61	20,061
2009	74,455.23	29,241	19,690	54,765	13.36	4,099
2014	199,116.02	39,642	26,693	172,423	17.62	9,786
2016	19,055.77	2,148	1,446	17,609	19.52	902
	2,118,323.26	1,394,159	951,673	1,166,650		188,334
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.2						8.89

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2						
NET SALVAGE PERCENT.. 0						
1919	492.98	493	493			
1920	885.33	885	885			
1923	80.20	80	80			
1924	33.74	34	34			
1925	69.47	69	69			
1926	175.73	176	176			
1927	2,625.90	2,626	2,626			
1928	17,692.59	17,693	17,693			
1929	20,441.26	20,441	20,441			
1930	63,129.70	63,130	63,130			
1931	12,389.42	12,389	12,389			
1932	887.18	887	887			
1933	379.04	379	379			
1934	592.01	592	592			
1937	145.04	143	145			
1939	82.12	80	82			
1940	547.84	532	545	3	1.31	2
1941	101.53	98	100	2	1.58	1
1942	330.51	317	325	6	1.86	3
1943	34.03	32	33	1	2.13	
1944	2,504.83	2,371	2,428	77	2.41	32
1945	555.06	522	535	20	2.69	7
1947	167,797.08	155,603	159,349	8,448	3.27	2,583
1948	141,323.54	130,143	133,276	8,048	3.56	2,261
1949	63,061.68	57,666	59,054	4,008	3.85	1,041
1950	8,174.22	7,422	7,601	573	4.14	138
1951	131,398.32	118,463	121,315	10,083	4.43	2,276
1952	148,181.49	132,639	135,832	12,349	4.72	2,616
1953	1,746.80	1,552	1,589	158	5.01	32
1955	531.02	465	476	55	5.60	10
1956	628.92	546	559	70	5.90	12
1957	4,681.57	4,037	4,134	548	6.20	88
1958	36.82	31	32	5	6.51	1
1960	10,573.24	8,896	9,110	1,463	7.14	205
1961	527.79	440	451	77	7.47	10
1962	30,452.14	25,167	25,773	4,679	7.81	599
1963	4,977.86	4,076	4,174	804	8.15	99
1964	221.12	179	183	38	8.50	4
1965	4,980.19	3,999	4,095	885	8.87	100
1966	451.55	359	368	84	9.24	9
1968	868.44	675	691	177	10.03	18

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2						
NET SALVAGE PERCENT.. 0						
1969	1,482.53	1,139	1,166	317	10.44	30
1970	105.53	80	82	24	10.86	2
1971	3,414.51	2,557	2,619	796	11.30	70
1972	42,168.48	31,158	31,908	10,260	11.75	873
1973	4,866.88	3,546	3,631	1,236	12.21	101
1974	1,032.19	741	759	273	12.69	22
1975	90,069.62	63,689	65,222	24,848	13.18	1,885
1976	26,857.40	18,693	19,143	7,714	13.68	564
1977	16,455.30	11,266	11,537	4,918	14.19	347
1978	1,448.28	975	998	450	14.72	31
1979	26,600.10	17,580	18,003	8,597	15.26	563
1981	3,490.23	2,219	2,272	1,218	16.39	74
1982	22,815.31	14,211	14,553	8,262	16.97	487
1983	5,111.74	3,117	3,192	1,920	17.56	109
1984	4,312.39	2,572	2,634	1,678	18.16	92
1985	3,688.27	2,149	2,201	1,487	18.78	79
1986	120,002.64	68,242	69,885	50,118	19.41	2,582
1987	30,078.97	16,677	17,078	13,001	20.05	648
1989	115,814.54	60,815	62,279	53,536	21.37	2,505
1991	2,699.55	1,336	1,368	1,332	22.73	59
1992	1,774,500.25	850,979	871,465	903,035	23.42	38,558
1994	17,548.67	7,862	8,051	9,498	24.84	382
1995	216,345.73	93,414	95,663	120,683	25.57	4,720
2003	30,649.72	9,052	9,270	21,380	31.71	674
2004	10,125.00	2,810	2,878	7,247	32.51	223
2005	919,501.62	238,666	244,411	675,091	33.32	20,261
2006	883,357.10	212,986	218,113	665,244	34.15	19,480
2014	38,316.39	3,423	3,505	34,811	40.98	849
2015	694,511.94	48,463	49,630	644,882	41.86	15,406
2016	18,202.55	910	932	17,271	42.75	404
2017	492,410.38	14,772	15,128	477,282	43.65	10,934
2018	1,714,737.57	17,147	17,560	1,697,178	44.55	38,096
	8,177,510.68	2,599,573	2,659,265	5,518,246		173,257
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						31.9 2.12

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	3,002.17	2,902	2,978	24	0.50	24
2012	1,193.88	517	531	663	8.50	78
2013	62,557.53	22,938	23,540	39,018	9.50	4,107
2017	261,866.30	26,187	26,873	234,993	13.50	17,407
	328,619.88	52,544	53,922	274,698		21,616
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						12.7 6.58

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2015	34,807.57	24,365	34,808			
2017	837,194.90	251,158	482,247	354,948	3.50	101,414
2018	2,307,989.53	230,799	443,156	1,864,834	4.50	414,408
	3,179,992.00	506,322	960,211	2,219,781		515,822
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						4.3 16.22

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1999	505,151.19	492,522	485,648	19,503	0.50	19,503
2000	8,426.29	7,794	7,685	741	1.50	494
2001	377,404.46	330,229	325,620	51,784	2.50	20,714
2002	259,886.34	214,406	211,414	48,472	3.50	13,849
2003	196,795.42	152,516	150,387	46,408	4.50	10,313
2004	100,164.19	72,619	71,605	28,559	5.50	5,193
2005	324,274.22	218,885	215,830	108,444	6.50	16,684
2006	520,392.52	325,245	320,706	199,687	7.50	26,625
2007	460,766.21	264,941	261,243	199,523	8.50	23,473
2008	738,136.57	387,522	382,114	356,023	9.50	37,476
2009	907,863.63	431,235	425,216	482,648	10.50	45,966
2010	896,247.89	380,905	375,589	520,659	11.50	45,275
2011	476,038.52	178,514	176,023	300,016	12.50	24,001
2012	352,323.30	114,505	112,907	239,416	13.50	17,735
2013	492,497.32	135,437	133,547	358,950	14.50	24,755
2014	429,896.26	96,727	95,377	334,519	15.50	21,582
2015	626,101.96	109,568	108,039	518,063	16.50	31,398
2016	789,570.93	98,696	97,318	692,253	17.50	39,557
2017	1,465,375.69	109,903	108,369	1,357,007	18.50	73,352
2018	1,486,590.09	37,165	36,646	1,449,944	19.50	74,356
	11,413,903.00	4,159,334	4,101,283	7,312,620		572,301
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						12.8 5.01

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 5-R3						
NET SALVAGE PERCENT.. 0						
2012	2,427,195.92	2,189,331	2,427,196			
2013	88,065.36	73,975	88,065			
2014	50,131.40	37,398	49,686	445	1.27	350
2015	13,204.24	8,160	10,841	2,363	1.91	1,237
2016	271,314.51	125,347	166,533	104,782	2.69	38,952
2017	1,764,259.57	508,107	675,057	1,089,203	3.56	305,956
	4,614,171.00	2,942,318	3,417,378	1,196,793		346,495
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.5 7.51

PECO ENERGY COMPANY
GAS PLANT

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2018

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	37,164.00	35,925	37,164			
2005	4,370.13	3,933	4,370			
2015	30,200.00	7,047	7,840	22,360	11.50	1,944
2017	97,063.87	9,706	10,799	86,264	13.50	6,390
	168,798.00	56,611	60,173	108,625		8,334
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.0 4.94

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY - GAS DIVISION**

DOCKET NO. R-2020-3018929

VOLUME III OF IX

- PECO Statement No. 5: Direct Testimony of Paul R. Moul
(and related exhibit)**
- PECO Statement No. 6: Direct Testimony of Jiang Ding
(and related exhibits)**
- PECO Statement No. 7: Direct Testimony of Joseph A. Bisti (and
related exhibits)**
- PECO Statement No. 8: Direct Testimony of Richard A. Schlesinger
(and related exhibits)**
- PECO Statement No. 9: Doreen L. Masalta
(and related exhibits)**

September 30, 2020

**PECO ENERGY COMPANY
STATEMENT NO. 5**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: PAUL R. MOUL

SUBJECT: OVERALL RATE OF RETURN,
INCLUDING CAPITAL STRUCTURE
RATIOS, EMBEDDED COST OF DEBT
AND THE COST OF EQUITY, FOR
PECO ENERGY COMPANY’S GAS
DIVISION

DATED: SEPTEMBER 30, 2020

Table of Contents

Page No.

I.	INTRODUCTION AND SUMMARY OF RECOMMENDATIONS	1
II.	NATURAL GAS RISK FACTORS	8
III.	FUNDAMENTAL RISK ANALYSIS	11
IV.	CAPITAL STRUCTURE RATIOS.....	18
V.	COSTS OF SENIOR CAPITAL.....	21
VI.	COST OF EQUITY – GENERAL APPROACH	22
VII.	DISCOUNTED CASH FLOW ANALYSIS	23
VIII.	RISK PREMIUM ANALYSIS	38
IX.	CAPITAL ASSET PRICING MODEL	42
X.	COMPARABLE EARNINGS APPROACH.....	48
XI.	CONCLUSION ON COST OF EQUITY.....	52
	Appendix A - Educational Background, Business Experience and Qualifications	

GLOSSARY OF ACRONYMS AND DEFINED TERMS	
ACRONYM	DEFINED TERM
AFUDC	Allowance for Funds Used During Construction
β	Beta
b	represents the retention rate that consists of the fraction of earnings that are not paid out as dividends
$b \times r$	Represents internal growth
CAPM	Capital Asset Pricing Model
CCR	Corporate Credit Rating
CE	Comparable Earnings Approach
Commission	Pennsylvania Public Utility Commission
Company	PECO Energy Company
CWIP	Construction Work in Progress
DCF	Discounted Cash Flow
FOMC	Federal Open Market Committee
g	Growth rate
IGF	Internally Generated Funds
LDC	Local Distribution Company
Lev	Leverage modification
LT	Long Term
M&M	Modigliani & Miller
OCI	Other Comprehensive Income
PECO Energy	PECO Energy Company
PUHCA	Public Utility Holding Company Act
r	Represents the expected rate of return on common equity
Rf	Risk-free rate of return
Rm	Market risk premium
RP	Risk Premium
s	Represents the new common shares expected to be issued by a firm
$s \times v$	Represents external growth

GLOSSARY OF ACRONYMS AND DEFINED TERMS	
ACRONYM	DEFINED TERM
S&P	Standard & Poor's
TCJA	Tax Cut and Jobs Act of 2017
v	Represents the value that accrues to existing shareholders from selling stock at a price different from book value
ytm	Yield to maturity

1
2
3

**DIRECT TESTIMONY
OF
PAUL R. MOUL**

4

I. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

5 **1. Q. Please state your name, occupation and business address.**

6 A. My name is Paul Ronald Moul. My business address is 251 Hopkins Road,
7 Haddonfield, New Jersey 08033-3062. I am Managing Consultant at the firm P.
8 Moul & Associates, an independent financial and regulatory consulting firm. My
9 educational background, business experience and qualifications are provided in
10 Appendix A, which follows my direct testimony.

11 **2. Q. What is the purpose of your direct testimony?**

12 A. My testimony presents evidence, analysis, and a recommendation concerning the
13 appropriate cost of common equity and overall rate of return that the Pennsylvania
14 Public Utility Commission (“Commission”) should recognize in determining the
15 revenues that PECO Energy Company’s (“PECO Energy” or the “Company”) Gas
16 Division will be authorized to realize at the conclusion of this proceeding. My
17 analysis and recommendation are supported by the detailed financial data
18 contained in PECO Energy Exhibit PRM-1, which is a multi-page document
19 divided into fourteen (14) schedules. My testimony is based upon my first-hand
20 knowledge of PECO Energy, consisting of information obtained from meetings
21 with the Company's management and Company-specific data that is widely
22 disseminated within the financial community.

1 **3. Q. Based upon your analysis, what is your conclusion concerning the**
2 **appropriate rate of return for the Company in this case?**

3 A. My conclusion is that the Company should be afforded an opportunity to earn a
4 rate of return on common equity of 10.95%. The 10.95% rate of return on
5 common equity is composed of a 10.70% cost of equity determined from the
6 results of my proxy group analysis and 0.25% in recognition of the exemplary
7 performance of the Company's management. My analysis of the Company and
8 its superior performance is based upon the direct testimony of Mr. Ronald A.
9 Bradley, the Company's Vice President of Gas, and the direct testimony of other
10 Company witnesses. As shown on Schedule 1, I have calculated a 7.70% overall
11 cost of capital for the Company estimated at June 30, 2022. This return, which is
12 the product of weighting the individual capital costs by the proportion of each
13 respective type of capital, should establish a compensatory level of return for the
14 use of capital and provide the Company with the ability to attract capital on
15 reasonable terms.

16 **4. Q. Are there unusual factors that you included in your analysis of the cost of**
17 **equity for PECO that make this case unique?**

18 A. Yes. My cost of equity analysis reflects the impact of the coronavirus pandemic
19 and the collapse of crude oil prices that occurred in the first quarter of 2020.
20 These events have had a significant impact on the capital markets -- both debt and
21 equity. Extraordinary events around the COVID-19 pandemic have produced
22 significant turmoil that has rocked the stock and bond markets beginning in the

1 February-March 2020 time frame. During this period, we saw abrupt reaction to
2 the coronavirus pandemic and declines in the price of crude oil. These events led
3 to the end of the record-setting 128-month economic expansion. As we entered a
4 recession in February 2020, extraordinary actions were taken by the Federal Open
5 Market Committee (“FOMC”) to address these disruptions, such as asset purchase
6 and credit programs that increased its balance sheet by trillions of dollars. How
7 these events are fully resolved is yet to be determined.

8 I have considered these events as they impact the inputs that I used in the
9 various models of the cost of equity. I have analyzed the cost of equity models
10 using input data that follows the beginning of the economic recession. I have
11 taken steps to avoid mixing expansion data with recession market data in my
12 analysis, such as by using a 3-month average period in the DCF and Risk
13 Premium models. In the post expansion period, using a 3-month average period
14 in those models is far more representative of what the prospective cost of capital
15 will be than the data prior to the coronavirus outbreak. I have taken this approach
16 specifically for the case and I am not departing from my long-standing approach
17 of using six-month data. By looking at the recent three-month period, I have
18 concluded that the current financial and economic data has materially increased
19 the cost of common equity, as I will demonstrate in my testimony.

20 **5. Q. What background information have you considered in reaching a conclusion**
21 **concerning the Company’s cost of capital?**

22 A. The Company is a wholly owned subsidiary of Exelon Corporation (“Exelon”).
23 The common stock of Exelon is traded on the Nasdaq Global Select Market.

1 Exelon is a component of the S&P 500 Composite Index. The Company provides
2 natural gas distribution service to approximately 534,000 retail customers and to
3 730 transportation customers located in the suburban counties surrounding the
4 City of Philadelphia. PECO Energy also provides electric delivery service to
5 more than 1,600,000 electric customers in both the City of Philadelphia and the
6 surrounding counties. Throughput to the Company's gas customers in 2019 was
7 comprised of approximately 45% to residential customers, approximately 29% to
8 small commercial and industrial customers, and 26% to large commercial and
9 industrial customers. With about 360 large commercial and industrial customers,
10 the energy needs of a few customers can have a significant impact on the
11 Company's operations. PECO Energy obtains its gas supplies from producers and
12 marketers with transportation arrangements through interconnections with three
13 interstate pipelines. The Company has storage arrangements with pipeline service
14 providers and owns liquefied natural gas and propane facilities to supplement
15 flowing gas. Since the restructuring of the gas utility industry in Pennsylvania,
16 PECO Energy has been the supplier of last resort ("SOLR") for customers that do
17 not obtain their own supply.

18 **6. Q. How have you determined the cost of common equity in this case?**

19 A. The cost of common equity is established using capital-market and financial data
20 that investors rely upon to assess the relative risk, and hence the cost of equity
21 for a natural gas utility. In this regard, I employed four well-recognized
22 measures of the cost of equity: (1) the Discounted Cash Flow ("DCF") model; (2)

1 the Risk Premium (“RP”) analysis; (3) the Capital Asset Pricing Model
2 (“CAPM”); and (4) the Comparable Earnings (“CE”) approach.

3 **7. Q. In your opinion, what factors should the Commission consider when**
4 **determining the Company’s cost of capital in this proceeding?**

5 A. The Commission’s rate of return allowance must be set to cover the Company’s
6 interest and dividend payments, provide a reasonable level of earnings retention,
7 produce an adequate level of internally generated funds to meet capital
8 requirements, be commensurate with the risk to which the Company’s capital is
9 exposed, assure confidence in the financial integrity of the Company, support
10 reasonable credit quality, and allow the Company to raise capital on reasonable
11 terms. The return that I propose fulfills these established standards of a fair rate
12 of return set forth by the landmark Bluefield and Hope cases.¹ That is to say, my
13 proposed rate of return is commensurate with returns available on investments
14 having corresponding risks.

15 **8. Q. How have you measured the cost of equity in this case?**

16 A. To run the models that I used to measure the Company’s cost of common equity, I
17 employed market and financial data obtained from a group of nine gas companies
18 listed on Schedule 3, page 2, which I refer to throughout my testimony as the
19 “Gas Group.” I began with the ten gas utilities in The Value Line Investment
20 Survey. Value Line is an investment advisory service that is a widely used source

¹ Bluefield Water Works & Improvement Co. v. P.S.C. of West Virginia, 262 U.S. 679 (1923) and F.P.C. v. Hope Natural Gas Co., 320 U.S. 591 (1944).

1 of data in public utility rate cases. I eliminated UGI Corporation from the Value
2 Line group because it is more diversified outside of the gas distribution business
3 than the other companies in the Gas Group. Specifically, UGI Corporation
4 reports its financial results for six separate segments consisting of propane sales,
5 two international liquefied petroleum gas businesses, energy services and electric
6 generation, in addition to its natural gas utility business. The nine companies in
7 my Gas Group are the same as those the Commission's Bureau of Technical
8 Utility Services ("TUS") used in the cost of equity models it employed in the
9 Quarterly Earnings Report (Docket No. M-2020-3020940) approved by the
10 Commission on August 6, 2020.

11 **9. Q. How have you performed your cost of equity analysis with the market data**
12 **for the Gas Group?**

13 A. I have applied the models/methods for estimating the cost of equity using the
14 average data for the Gas Group. I have not measured separately the cost of equity
15 for the individual companies within the Gas Group because the determination of
16 the cost of equity for an individual company has become increasingly
17 problematic. By employing group average data, I have helped to minimize the
18 effect of extraneous influences on the market data for an individual company.

19 **10. Q. Please summarize your cost of equity analysis.**

20 A. My cost of equity determination was derived from the results of the
21 methods/models identified above. In general, the use of more than one method
22 provides a superior foundation to arrive at the cost of equity. At any point in

1 time, any single method can provide an incomplete measure of the cost of equity
2 depending upon extraneous factors that may influence market sentiment. The
3 specific application of these methods/models will be described later in my
4 testimony. The following table provides a summary of the indicated costs of
5 equity using each of these approaches.

	<u>Gas Group</u>
DCF	12.74%
Risk Premium	10.25%
CAPM	12.33%
Comparable Earnings	12.90%

6 Based on the foregoing and a 25 basis point addition for superior management
7 performance, as discussed in the testimony of other PECO Energy witnesses, I
8 recommend that the Commission allow the Company the opportunity to earn a
9 rate of return on common equity of 10.95%.

10 **11. Q. With most of the results of the models of the cost of equity being above 12%**
11 **as shown above, how have you reached the conclusion that the cost of equity**
12 **for PECO is 10.95%, which includes a 0.25% increment for exemplary**
13 **management performance?**

14 A. I reached the conclusion that the cost of equity in this case should be near the
15 lower end of the range of results shown by the market based models (i.e., DCF,
16 Risk Premium and CAPM) due to the uncertainty associated with the COVID-19
17 pandemic. The range of the market-based model results is 10.25% to 12.74%. A
18 10.70% cost of equity, prior to management performance recognition, rests

1 between the lower end of the range (i.e., 10.25%) and midpoint of the range (i.e.,
2 11.50%) of these models. The reason that I focused on this point in the range is
3 my opinion that the unusual circumstances currently affecting the capital markets
4 due to the economic dislocations associated with the COVID-19 pandemic will
5 eventually be resolved. Ratesetting should be based on normalized conditions
6 that exclude extraordinary and non-recurring events that while present today may
7 not exist for the rate effect period of the proposed rates. My recommendation that
8 focuses on the lower end of the range is intended to normalize the effects of these
9 events. There is always the potential that the Company may not actually achieve
10 its allowed rate of return due in the current environment. All the while,
11 unanticipated increases in operating and maintenance expenses, the impact of the
12 business cycle on commercial and industrial sales especially during this recession,
13 and the effect of warmer-than-normal temperatures on weather-sensitive load
14 continues to weigh on the uncertainty of achieving an appropriate return. My
15 recommendation should be viewed as the minimum necessary to satisfy investors'
16 expectations. It is important that the Company have a reasonable opportunity to
17 earn its cost of capital and, in that way, sustain its ability to attract and retain
18 capital at the level needed to support the increased demand for capital investment
19 that I discuss in more detail in Section II, below.

20 II. NATURAL GAS RISK FACTORS

21 **12. Q. What factors currently affect the business risk of natural gas utilities?**

22 A. Gas utilities face risks arising from competition from other energy sources, the

1 purveyors of those sources and natural gas, economic regulation, the business
2 cycle, and customer usage patterns. Natural gas utilities have focused increased
3 attention on safety and reliability issues and on conservation. In order to address
4 these issues natural gas companies are now allocating more of their resources to
5 addressing aging infrastructure issues.

6 **13. Q. Are there other features of the Company's business that should be**
7 **considered when assessing the Company's risk?**

8 A. Yes. Most of the Company's residential customers use natural gas for space
9 heating purposes. Indeed, 92% of residential throughput is to customers with
10 natural gas space heating. This indicates that the energy requirements of a large
11 proportion of the Company's residential customers are significantly influenced by
12 temperature conditions over which the Company has absolutely no control. It is
13 noteworthy that all of the companies that comprise the Gas Group have some
14 form of weather normalization feature in their tariffs. As PECO Energy has no
15 such provision in its gas tariff, the Company is exposed to more risk than the Gas
16 Group. With more risk, its return on equity should be higher than that indicated
17 for the Gas Group because investors' expectations for the components of the
18 group include the attributes of weather normalization.

19 In addition, PECO Energy's ten largest volume customers, which
20 account for 9.9 million cubic feet of throughput, are engaged in the
21 manufacturing, pharmaceuticals, food processing, and electric generation
22 (including cogeneration) businesses. Changes in the business environment can
23 negatively affect these companies, and, in that way, cause material reductions in

1 throughput on PECO Energy's distribution system. This risk is especially
2 apparent in this time of economic recession. Additionally, large volume users,
3 which predominantly use transportation service, may be located close enough to
4 interstate pipelines to take gas directly from those sources and bypass the local
5 distribution company ("LDC") entirely. The Company has identified customers
6 with combined annual throughput of approximately 7.1 million cubic feet
7 ("MCF") of gas that have the potential to bypass the Company's distribution
8 system. Because a large part of PECO Energy's distribution revenue recovers
9 fixed costs, which the Company continues to bear even if a customer leaves the
10 system, the loss of 7.1 million MCF of throughput would impose a significant
11 amount of uncompensated fixed costs that PECO Energy would not have the
12 opportunity to recover until it could complete another base rate case.

13 **14. Q. Can the Company's construction program affect its risk profile?**

14 A. Yes. The Company must undertake substantial investments to maintain and
15 upgrade existing facilities in its service territory to ensure safe and reliable service
16 to its customers. In particular, the rehabilitation of the Company's infrastructure
17 requires it to invest capital without adding any new customers and without
18 increasing sales to existing customers. In short, infrastructure rehabilitation
19 increases fixed costs without an attendant increase in revenues. Moreover, the
20 Company is confronting significant levels of infrastructure investment. For
21 example, at year-end 2019, 915 miles (or approximately 13%) of the Company's
22 distribution system consisted of cast iron and ductile iron pipe and steel pipe that
23 is not cathodically protected and, therefore, susceptible to corrosion. These are all

1 considered vulnerable materials that will need to be replaced. Also, 19,050 (or
2 approximately 4%) of the Company's services were constructed of unprotected
3 steel. The Company projects its Gas Division's construction expenditures will
4 approximate \$1,482 million during the period of July 1, 2019 to June 30, 2024,
5 which represents approximately 66% ($\$1,482 \text{ million} \div \$2,257 \text{ million}$) of its net
6 gas utility plant at June 30, 2020.

7 **15. Q. How should the Commission respond to the issues facing natural gas utilities**
8 **in general and PECO Energy in particular?**

9 A. The Commission should recognize and take into account the high-risk profile of
10 PECO Energy's Gas Division and its future capital requirements in determining
11 the cost of equity for the Company. A fair rate of return is key to PECO Energy
12 maintaining a financial profile that will provide it with the ability to raise the
13 capital necessary to meet its capital needs on reasonable terms.

14 **III. FUNDAMENTAL RISK ANALYSIS**

15 **16. Q. Is it necessary to conduct a fundamental risk analysis to provide a**
16 **framework for a determination of a utility's cost of equity?**

17 A. Yes. It is necessary to establish a company's relative risk position within its
18 industry through a fundamental analysis of various quantitative and qualitative
19 factors that bear upon investors' assessment of overall risk. The qualitative
20 factors that bear upon the Company's risk have already been discussed. The
21 quantitative risk analysis follows. For this purpose, I compared PECO Energy to
22 the S&P Public Utilities Index and to the Gas Group.

1 **17. Q. What are the components of the S&P Public Utilities Index?**

2 A. The S&P Public Utilities Index is widely recognized by investors as a proxy for
3 the regulated utility industry (excluding telecommunications). The index
4 comprises electric power companies, natural gas companies and the largest
5 investor-owned water utility in the United States. These companies are identified
6 on Schedule 4, page 3.

7 **18. Q. Is knowledge of a utility's bond rating an important factor in assessing its**
8 **risk and cost of capital?**

9 A. Yes. Knowledge of a company's credit quality is important because the cost of
10 each type of capital is a function of investors' perception of the risks associated
11 with an investment in the firm. A company's credit quality is measured by the
12 ratings assigned to its bonds and the yield investors demand if they are to
13 purchase those bonds. However, credit ratings and bond yields are also important
14 inputs in assessing the overall risk of a company because a firm's cost of equity
15 consists of its cost to borrow money (i.e., the cost of debt, as measured by bond
16 yields) plus the additional compensation investors demand to recognize the higher
17 risk to which an investment in equity is exposed as compared to an investment in
18 debt.²

² Investors in debt obtain a preference in the payment of interest and principal and in the return of their capital in the event of a bankruptcy. Equity investors are the last in line for the payment of dividends and for the return of their capital in the event of bankruptcy. Additionally, debt holders are entitled to the specific level of interest set forth in the debt instruments they purchase. On the other hand, a company can decide to reduce or eliminate dividends to common stockholders based on its actual or projected financial performance, which places an added level of uncertainty (an associated risk) on the returns available to investors in common equity.

1 **19. Q. How do the bond ratings compare for PECO Energy, the Gas Group, and the**
2 **S&P Public Utilities?**

3 A. Presently, the corporate credit rating (“CCR”) for PECO Energy is BBB+ (A- on
4 First Mortgage Bonds) from Standard and Poor’s Corporation (“S&P”) and the
5 Long Term (“LT”) issuer rating is A2 (Aa3 on First Mortgage Bonds) from
6 Moody’s Investors Services (“Moody’s”). The CCR designation by S&P and LT
7 issuer rating by Moody’s focus upon the credit quality of the issuer of the debt,
8 rather than upon the debt obligation itself. The average credit quality of the Gas
9 Group is an A- from S&P and A2 from Moody’s. For the S&P Public Utilities,
10 the average composite rating is A- by S&P and A3 by Moody’s. Most of the
11 financial indicators that I will subsequently discuss are considered by rating
12 agencies in reaching their decisions about the ratings they will assign to issuers.

13 **20. Q. How do the financial data compare for the Company, the Gas Group, and**
14 **the S&P Public Utilities?**

15 A. The broad categories of financial data that I will discuss are shown on Schedules
16 2, 3, and 4. The data cover the five-year period 2015-2019. I obtained financial
17 data for PECO Energy from the S&P Utility Compustat data base, which, in turn,
18 was based on the financial statements in PECO Energy’s SEC Forms 10-K.
19 Those data include the results of operations of the Company’s natural gas
20 distribution, electric distribution and transmission businesses. While it is possible
21 to analyze the operations of the Gas Division for items “above the line” (i.e., net
22 operating income), most of the financial data that I considered involved ratios that

1 include interest expense, investor-provided capitalization, and cash-flow
2 components that are not separately reported for the Gas Division. Hence, my
3 fundamental analysis is based on PECO Energy's combined operations. The
4 important categories of relative risk may be summarized as follows:

5 Size. In terms of capitalization, the Company is somewhat larger than
6 the average size of the Gas Group, but smaller than the average size of the S&P
7 Public Utilities. All other things being equal, a smaller company is riskier than a
8 larger company because a given change in revenue and expense has a
9 proportionately greater impact on a small firm. As I will demonstrate later, the
10 size of a firm can impact its cost of equity.

11 Market Ratios. Market-based financial ratios, such as earnings/price
12 ratios and dividend yields, provide a partial measure of the investor-required cost
13 of equity. If all other factors are equal, investors will require a higher rate of
14 return for companies that exhibit greater risk, in order to compensate for that risk.
15 That is to say, a firm that investors perceive to have higher risks will experience a
16 lower price per share in relation to expected earnings.³

17 There are no market ratios available for the Company because its stock
18 is owned by Exelon. The five-year average price-earnings multiple was
19 somewhat higher for the Gas Group as compared to the S&P Public Utilities. The
20 five-year average dividend yield was lower for the Gas Group as compared to the

³ For example, two otherwise similarly situated firms each reporting \$1.00 in earnings per share would have different market prices at varying levels of risk (i.e., the firm with a higher level of risk will have a lower share value, while the firm with a lower risk profile will have a higher share value).

1 S&P Public Utilities. The five-year average market-to-book ratio was slightly
2 higher for the Gas Group as compared to the S&P Public Utilities.

3 Common Equity Ratio. The level of financial risk is measured by the
4 proportion of long-term debt and other senior capital that is contained in a
5 company's capitalization. Financial risk is also analyzed by comparing common
6 equity ratios (the complement of the ratio of debt and other senior capital). That
7 is to say, a firm with a high common equity ratio has lower financial risk, while a
8 firm with a low common equity ratio has higher financial risk. The five-year
9 average common equity ratios, based on permanent capital, were 54.1% for PECO
10 Energy, 52.6% for the Gas Group, and 42.2% for the S&P Public Utilities. The
11 Company's common equity ratio was fairly similar to the Gas Group, thereby
12 indicating similar financial risk.

13 Return on Book Equity. Greater variability (i.e., uncertainty) of a firm's
14 earned returns signifies relatively greater levels of risk, as shown by the
15 coefficient of variation (standard deviation ÷ mean) of the rate of return on book
16 common equity. The higher the coefficients of variation, the greater degree of
17 variability. For the five-year period, the coefficients of variation were 0.048
18 (0.6% ÷ 12.6%) for the Company, 0.089 (0.8% ÷ 9.0%) for the Gas Group, and
19 0.049 (0.5% ÷ 10.2%) for the S&P Public Utilities. The variability of the
20 Company's rates of return was lower than the Gas Group and close to that of the
21 S&P Public Utilities.

22 Operating Ratios. I have also compared operating ratios (the percentage
23 of revenues consumed by operating expense, depreciation, and taxes other than

1 income).⁴ The five-year average operating ratios were 78.0% for the Company,
2 84.1% for the Gas Group, and 78.8% for the S&P Public Utilities. The
3 Company's operating ratios were somewhat lower than the Gas Group and close
4 to the S&P Public Utilities, thereby making the Company's operating risk similar
5 to the S&P Public Utilities and lower than the Gas Group.

6 Coverage. The level of fixed charge coverage (i.e., the multiple by
7 which available earnings cover fixed charges, such as interest expense) provides
8 an indication of the earnings protection for creditors. Higher levels of coverage,
9 and hence earnings protection for fixed charges, are usually associated with
10 superior grades of creditworthiness. Excluding Allowance for Funds Used
11 During Construction ("AFUDC"), the five-year average pre-tax interest coverage
12 was 5.14 times for the Company, 4.23 times for the Gas Group, and 3.22 times for
13 the S&P Public Utilities. The interest coverages for the Company were higher
14 than for the Gas Group and S&P Public Utilities, thereby indicating lower credit
15 risk for lenders.

16 Quality of Earnings. Measures of earnings quality usually are revealed
17 by the percentage of AFUDC related to income available for common equity, the
18 effective income tax rate, and other cost deferrals. These measures of earnings
19 quality usually influence a firm's internally generated funds because poor quality
20 of earnings would not generate high levels of cash flow. Quality of earnings has
21 not been a significant concern for the Company, the Gas Group and the S&P

⁴ The complement of the operating ratio is the operating margin which provides a measure of profitability. The higher the operating ratio, the lower the operating margin.

1 Public Utilities. In 2019 and 2018, the effective income tax rate declined after
2 implementation of the TCJA.

3 Internally Generated Funds. Internally generated funds (“IGF”) provide
4 an important source of new investment capital for a utility and represent a key
5 measure of credit strength. Historically, the five-year average percentage of IGF
6 to capital expenditures was 71.5% for the Company, 59.5% for the Gas Group and
7 74.1% for the S&P Public Utilities. The Company’s average IGF to construction
8 percentage has been slightly stronger than that of the Gas Group, although it
9 declined in 2017, 2018 and 2019 from stronger levels in earlier years. The IGF to
10 construction generally declined with the implementation of the new lower federal
11 income tax rate. The Company’s IGF to construction expenditures will be under
12 pressure in future years as its construction expenditures will increase.

13 Betas. The financial data that I have been discussing relate primarily to
14 company-specific risks. Market risk for firms with publicly-traded stock is
15 measured by beta coefficients. Beta coefficients attempt to identify systematic
16 risk, i.e., the risk associated with changes in the overall market for common
17 equities.⁵ Value Line publishes such a statistical measure of a stock’s relative
18 historical volatility to the rest of the market. A comparison of market risk is
19 shown by the Value Line beta of 0.84 as the average for the Gas Group (see

⁵ Beta is a measure of the historical sensitivity of the stock’s price relative to overall fluctuations in the New York Stock Exchange Composite Index. The “Beta coefficient” is derived from a regression analysis of the relationship between weekly percentage changes in the price of a stock and weekly percentage changes in the NYSE Index over a period of five years. The betas are adjusted for their long-term tendency to converge toward 1.00. A common stock that has a beta less than 1.0 is considered to have less systematic risk than the market as a whole and would be expected to rise and fall more slowly than the rest of the market. A stock with a beta above 1.0 would have more systematic risk.

1 Schedule 3, page 2) and 0.60 as the average for the S&P Public Utilities (see
2 Schedule 4, page 3).

3 **21. Q. Based on your analysis, does the Gas Group provide a reasonable basis to**
4 **measure the Company's cost of equity for this case?**

5 A. Yes. Some risk indicators are higher for the Company, some are lower, and
6 others are about the same. On balance, the risk factors average out, indicating
7 that the cost of equity for the Gas Group provides a reasonable basis for
8 measuring the Company's cost of equity.

9 **IV. CAPITAL STRUCTURE RATIOS**

10 **22. Q. Please explain the selection of capital structure ratios for PECO Energy.**

11 A. The capital structure ratios of PECO Energy should be employed for rate of return
12 purposes. If the operating public utility raises its own debt directly in the capital
13 markets, as PECO Energy does, the operating public utility's own capital
14 structure ratios should be used to determine its overall rate of return.
15 Additionally, if the Company's actual capital structure ratios are used, as they
16 should be, then consistency requires that the embedded cost rates associated with
17 the senior securities reflected in those capital structure ratios should also be
18 employed.

1 **23. Q. Does Schedule 5 provide the Company’s capitalization and capital structure**
2 **ratios?**

3 A. Yes. The capitalization and capital structure ratios at June 30, 2020, 2021 and
4 2022 correspond with the end of the historic (“HTY”), future (“FTY”) and fully
5 projected future test years (“FPFTY”) in this case. The capitalization and capital
6 structure ratios for the FTY and FPFTY reflect the Company’s plan to issue \$300
7 million of new long-term debt in March of 2021, \$375 million in September of
8 2021, and \$350 million in March of 2022. A \$300 million debt maturity will also
9 occur in September of 2021. Future equity financings include \$303.988 million in
10 the FTY and \$321.666 million in the FPFTY. The build-up of retained earnings is
11 also reflected. In presenting the Company's capital structure on Schedule 5, I
12 have removed the call premiums on the early redemption of high-cost long-term
13 debt and preferred stock.

14 **24. Q. Please describe the adjustment for the call premiums paid to redeem high-**
15 **cost debt and preferred stock.**

16 A. I have adjusted the principal amounts of long-term debt to exclude the amounts
17 used to finance premiums paid for the early redemption of long-term debt and
18 preferred stock previously redeemed. To do otherwise would deny PECO Energy
19 the opportunity to recover the costs (i.e., a return on and of the money used to
20 fund the call premiums) it incurred solely to redeem high-cost capital. The
21 additional debt PECO issued to finance the call premiums does not increase the
22 Company's rate base. That is to say, no additional rate base was created as a

1 consequence of issuing additional debt and preferred stock to finance the
2 redemptions. Therefore, an adjustment to the capitalization is required to provide
3 the return necessary to service the additional capital PECO Energy issued to fund
4 the call premiums. Thus, while rate base does not change, the return component
5 of the overall cost of capital reflects an adjustment that, when applied to the rate
6 base, furnishes the return necessary to pay the cost of the incremental
7 capitalization that supported the call premiums paid by PECO Energy.

8 The adjustment for call premiums is appropriate because customers
9 receive all of the cost savings, in the form of a lower overall rate of return,
10 produced by refinancing higher-cost debt and preferred stock, while PECO
11 Energy is simply made whole by recovering the actual costs it incurred to provide
12 these benefits to its customers. In order to produce the savings that resulted from
13 redeeming higher-cost debt and preferred stock, the Company paid to the holders
14 of that debt and preferred stock a premium to surrender their securities prior to
15 maturity. Those premiums represented an investment made by PECO Energy to
16 reduce its overall cost of capital. Because the reduced interest costs and preferred
17 stock dividends are reflected in the lower cost of capital to customers, it is proper
18 that the Company recover the costs incurred to produce these savings, which
19 consist of a return of and a return on the unamortized premiums. Adjusting the
20 principal amounts in the capital structure provides for the appropriate cost
21 recovery by providing a return on the funds used to pay the premiums, which is
22 reflected as an increment included in the embedded cost rates of PECO's total
23 capital.

1 **25. Q. Should short-term debt be included in the capital structure for rate of return**
2 **purposes?**

3 A. There is no need to consider short-term debt in the capital structure because
4 PECO Energy did not have any short-term debt at the end of the HTY and does
5 not project having any short-term debt at the end of the FTY or the FPFTY.
6 Moreover, short-term debt is typically assumed to finance construction work in
7 progress (“CWIP”), and the cost of short-term debt is reflected in the AFUDC
8 rate.

9 **26. Q. What capital structure ratios do you recommend for determining PECO**
10 **Energy’s overall cost of capital in this proceeding?**

11 A. Because rate-setting is prospective, the rate of return should, at a minimum,
12 reflect known or reasonably foreseeable changes which will occur during the
13 course of the test year. As a result, I will adopt the Company's FPFTY capital
14 structure ratios of 46.62% long-term debt and 53.38% common equity.

15 **V. COSTS OF SENIOR CAPITAL**

16 **27. Q. What cost rate have you assigned to the debt portion of PECO Energy’s**
17 **capital structure?**

18 A. The determination of the long-term debt cost rate is essentially an arithmetic
19 exercise. This is because the Company has contracted for the use of this capital
20 for a specific period of time at a specified cost rate. As shown on Schedule 6,
21 pages 1, 2 and 3, I have computed the weighted average embedded cost rates of

1 long-term debt as of the end of the HTY, FTY and FPFTY, respectively. For the
2 planned new issues of debt, the Company has budgeted 3.35% as the coupon rate
3 for the two debt issues in March and September 2021 and 3.40% for the one debt
4 issue in March 2022. The development of the individual effective cost rates for
5 each series of long-term debt, using the cost rate to maturity technique, is shown
6 on Schedule 6, page 4. The cost rate, or yield to maturity (“ytm”), is the rate of
7 discount that equates the present value of all future interest and principal
8 payments with the net proceeds of the bond. In my calculation of the embedded
9 cost of long-term debt, I have recognized the costs associated with the Company's
10 early redemption of high cost debt. As previously explained, it is necessary to
11 compensate PECO Energy for the costs incurred to lower the embedded debt cost
12 rate, which reduces the cost of capital charged to customers.

13 **28. Q. What cost rate have you determined for the Company’s long-term debt?**

14 A. I will adopt the 3.97% embedded cost of long-term debt at June 30, 2022, as
15 shown on Schedule 6, page 3. This rate is related to the amount of long-term debt
16 shown in the last three columns of Schedule 5, which provides the basis for the
17 46.62% long-term debt ratio.

18 VI. COST OF EQUITY – GENERAL APPROACH

19 **29. Q. Please describe how you determined the cost of equity for the Company.**

20 A. Although my fundamental financial analysis provides the required framework to
21 establish the risk relationships among PECO Energy, the Gas Group, and the S&P
22 Public Utilities, the cost of equity must be measured by standard financial models

1 that I identified above. Differences in factors that bear on risk, such as size,
2 business diversification, geographical diversity, regulatory policy, financial
3 leverage, and bond ratings, must be considered when analyzing the cost of equity.

4 It is also important to reiterate that no one method of analysis or model
5 of the cost of equity can be applied in an isolated manner. Rather, informed
6 judgment must be used to take into consideration the relative risk traits of the
7 firm. For this reason, I used more than one method to measure the Company's
8 cost of equity. As I describe below, each of the methods used to measure the cost
9 of equity contains certain incomplete and/or overly restrictive assumptions and
10 constraints that are not optimal. Therefore, I favor considering the results from a
11 variety of methods. In this regard, I populated each of the methods with data
12 taken from the Gas Group and arrived at a cost of equity of 10.95% for PECO
13 Energy, which includes recognition of strong management performance.

14 VII. DISCOUNTED CASH FLOW ANALYSIS

15 30. Q. Please describe the Discounted Cash Flow model.

16 A. The DCF model seeks to explain the value of an asset as the present value of
17 future expected cash flows discounted at the appropriate risk-adjusted rate of
18 return. In its simplest form, the DCF-determined return on common stock
19 consists of a current cash (dividend) yield and future price appreciation (growth)
20 of the investment. The dividend discount equation is the familiar DCF valuation
21 model, which assumes that future dividends are systematically related to one
22 another by a constant growth rate. The DCF formula is derived from the standard

1 valuation model: $P = D/(k-g)$, where P = price, D = dividend, k = the cost of
2 equity, and g = growth in cash flows. By rearranging the terms, we obtain the
3 familiar DCF equation: $k = D/P + g$. All of the terms in the DCF equation
4 represent investors' assessment of expected future cash flows that they will
5 receive in relation to the value that they set for a share of stock (P). The DCF
6 equation is sometimes referred to as the "Gordon" model.⁶ My DCF results are
7 provided on Schedule 1, page 2, for the Gas Group. The DCF return is 12.74%
8 for the Gas Group.

9 Among other limitations of the model, there is a certain element of
10 circularity in the DCF method when applied in rate cases. This is because
11 investors' expectations for the future depend upon regulatory decisions. In turn,
12 when regulators depend upon the DCF model to set the cost of equity, they rely
13 upon investor expectations that include an assessment of how regulators will
14 decide rate cases. Due to this circularity, the DCF model may not fully reflect the
15 true risk of a utility.

16 **31. Q. What is the dividend yield component of a DCF analysis?**

17 A. The dividend yield reveals the portion of investors' cash flow that is generated by
18 the return provided by the dividends an investor receives. It is measured by the
19 dividends per share relative to the price per share. The DCF methodology requires
20 the use of an expected dividend yield to establish the investor-required cost of
21 equity. For the twelve months ended June 2020, the monthly dividend yields are

⁶ Although the popular application of the DCF model is often attributed to the work of Myron J. Gordon in the mid-1950's, J. B. Williams expounded the DCF model in its present form nearly two decades earlier.

1 shown on Schedule 7. The month-end prices were adjusted to reflect the buildup
2 of the dividend in the price that has occurred since the last ex-dividend date (i.e.,
3 the date by which a shareholder must own the shares to be entitled to the dividend
4 payment – usually about two to three weeks prior to the actual payment).

5 For the twelve months ended June 2020 the average dividend yield was
6 2.82% for the Gas Group based upon a calculation using annualized dividend
7 payments and adjusted month-end stock prices. The dividend yields for the more
8 recent six-month and three-month periods were 3.06% and 3.16%, respectively,
9 for each group. For applying the DCF model, I have used the three-month
10 average dividend yield of 3.16% for the Gas Group for reasons previously
11 explained. The use of this dividend yield will reflect current capital costs, while
12 avoiding spot yields. For the purpose of a DCF calculation, the average dividend
13 yield must be adjusted to reflect the prospective nature of the dividend payments,
14 i.e., the higher expected dividends for the future. Recall that the DCF is an
15 expectational model that must reflect investors' anticipated cash flows. I have
16 adjusted the six-month average dividend yield in three different, but generally
17 accepted, manners and used the average of the three adjusted values as calculated
18 in the lower panel of data presented on Schedule 7. This adjustment adds twelve
19 basis points to the three-month average historical yield, thus producing the 3.28%
20 adjusted dividend yield for the Gas Group.

21 **32. Q. What factors influence investors' growth expectations?**

22 A. As noted previously, investors are interested principally in the dividend yield and
23 future growth of their investment (i.e., the price per share of the stock). Future

1 growth in earnings per share is the DCF model's primary focus because, under the
2 model's assumption that the price-earnings multiple remains constant, the price
3 per share of stock will grow at the same rate as earnings per share. A growth rate
4 analysis considers a variety of variables to reach a consensus of prospective
5 growth, including historical data and widely available analysts' forecasts of
6 earnings, dividends, book value, and cash flow (all stated on a per-share basis). A
7 fundamental growth rate analysis is frequently based upon internal growth (" $b \times$
8 r "), where " r " is the expected rate of return on common equity and " b " is the
9 retention rate (a fraction representing the proportion of earnings not paid out as
10 dividends). To be complete, the internal growth rate should be modified to
11 account for sales of new common stock (external growth), which is represented
12 by the formula $s \times v$, where " s " is the number of new common shares the firm
13 expects to issue and " v " is the value that accrues to existing shareholders from
14 selling stock at a price above book value. Fundamental growth, which combines
15 internal and external growth, encompasses the factors that cause book value per
16 share to grow over time.

17 Growth also can be expressed in multiple stages. This expression of
18 growth consists of an initial "growth" stage where a firm enjoys rapidly
19 expanding markets, high profit margins, and abnormally high growth in earnings
20 per share. Thereafter, a firm enters a "transition" stage where fewer technological
21 advances and increased product saturation begin to reduce the growth rate and
22 profit margins come under pressure. During the "transition" phase, investment
23 opportunities begin to mature, capital requirements decline, and a firm begins to
24 pay out a larger percentage of earnings to shareholders. Finally, the mature or

1 “steady-state” stage is reached when a firm’s earnings growth, payout ratio, and
2 return on equity stabilize at levels where they remain for the life of a firm. The
3 three stages of growth assume a step-down of high initial growth to lower
4 sustainable growth. Even if these three stages of growth can be envisioned for a
5 firm, the third “steady-state” growth stage, which is assumed to remain fixed in
6 perpetuity, represents an unrealistic expectation because the three stages of
7 growth can be repeated. That is to say, the stages can be repeated where growth
8 for a firm ramps-up and ramps-down in cycles over time. For these reasons, there
9 is no need to analyze growth rates individually for each cycle, but rather to rely
10 upon analysts’ growth forecasts, which are those used by investors when pricing
11 common stocks.

12 **33. Q. How did you determine an appropriate growth rate?**

13 A. The growth rate used in a DCF calculation should measure investor expectations.
14 Investors consider both company-specific variables and overall market sentiment
15 (i.e., level of inflation rates, interest rates, economic conditions, etc.) when
16 balancing their capital gains expectations with their dividend yield requirements.
17 Investors are not influenced solely by a single set of company-specific variables
18 weighted in a formulaic manner. Therefore, all relevant growth rate indicators
19 should be evaluated using a variety of techniques when formulating a judgment of
20 investor-expected growth.

1 **34. Q. What data for the Gas Group have you considered in your growth rate**
2 **analysis?**

3 A. I considered the growth in the financial variables shown on Schedules 8 and 9,
4 which reflect historical (Schedule 8) and projected (Schedule 9) rates of growth in
5 earnings per share, dividends per share, book value per share, and cash flow per
6 share for the Gas Group. While analysts will review all measures of growth, as I
7 have done, earnings per share growth directly influences the expectations of
8 investors for the future performance of utility stocks. Forecasts of earnings
9 growth are required because the DCF model is forward-looking, and, with the
10 constant price-earnings multiple and constant payout ratio that the DCF model
11 assumes, all other measures of growth will mirror earnings growth. The
12 historical growth rates were obtained from the Value Line publication that
13 provides those data. While historical data cannot be ignored, it is much less
14 significant in applying the DCF model than projections of future growth.
15 Investors cannot purchase the past earnings of a utility. To the contrary, they are
16 only entitled to future earnings, which are the focus of growth projections.
17 Furthermore, if significant weight is assigned to historical performance, the
18 historical data are double counted because they are already factored into analysts'
19 forecasts of earnings growth.

20 **35. Q. Is a five-year investment horizon associated with the analysts' forecasts**
21 **consistent with the traditional DCF model?**

22 A. Yes, it is. Although the constant form of the DCF model assumes an infinite
23 stream of cash flows, investors do not expect to hold an investment indefinitely.

1 Rather than viewing the DCF in the context of an endless stream of growing
2 dividends (e.g., a century of cash flows), the growth in the share value (i.e.,
3 capital appreciation, or capital gains yield) is most relevant to investors' total
4 return expectations. Hence, the sale price of a stock can be viewed as a
5 liquidating dividend that can be discounted along with the annual dividend
6 receipts during the investment-holding period to arrive at the investors' expected
7 return. The growth in the price per share will equal the growth in earnings per
8 share if, as the DCF model assumes, there is no change in the price-earnings ("P-
9 E") multiple. As such, my company-specific growth analysis, which focuses
10 principally upon five-year forecasts of earnings per share growth, conforms with
11 the type of analysis that influences investors' expectations of their actual total
12 return. Moreover, academic research focuses also on five-year growth rates
13 specifically because market outcomes occurring over that investment horizon are
14 what influence stock prices. Indeed, if investors required forecasts beyond five
15 years in order to properly value common stocks, then it would be reasonable to
16 expect that some investment advisory service would begin publishing that
17 information for individual stocks in order to meet the demands of the
18 marketplace. The absence of such a publication suggests that there is no market
19 for this information because investors do not require forecasts for an infinite
20 series of future data points in order to make informed decisions to purchase and
21 sell stocks.

1 **36. Q. What are the analysts' forecasts of future growth that you considered?**

2 A. Schedule 9 provides projected earnings per share growth rates taken from
3 analysts' five-year forecasts compiled by IBES/First Call, Zacks, and Value Line.
4 These are all reliable authorities of projected growth that investors use to make
5 buy, sell and hold decisions. The IBES/First Call, and Zacks estimates are
6 obtained from the Internet and are widely available to investors. The growth rates
7 reported by IBES/First Call and Zacks are consensus forecasts taken from a
8 survey of analysts that make growth projections for these companies. Notably,
9 First Call's earnings forecasts are frequently quoted in the financial press. The
10 Value Line forecasts also are widely available to investors and can be obtained by
11 subscription or free-of-charge at most public and collegiate libraries. The
12 IBES/First Call, and Zacks forecasts are limited to earnings per share growth,
13 while Value Line makes projections of other financial variables. The Value Line
14 forecasts of dividends per share, book value per share, and cash flow per share for
15 the Gas Group are also included on Schedule 9.

16 **37. Q. What are the projected growth rates published by the sources you discussed?**

17 A. Schedule 9 shows the prospective five-year earnings per share growth rates
18 projected for the Gas Group by IBES/First Call (5.99%), Zacks (6.00%), and
19 Value Line (10.06%).

1 **38. Q. Are certain growth rate forecasts entitled to greater weight in developing a**
2 **growth rate for use in the DCF model?**

3 A. Yes. While a variety of factors should be examined to reach a reasonable
4 conclusion on the DCF growth rate, growth in earnings per share should receive
5 the greatest emphasis. Growth in earnings per share is the primary determinant of
6 investors' expectations of the total returns they will obtain from stocks because
7 the capital gains yield (i.e., price appreciation) will track earnings growth if the P-
8 E multiple remains constant, as the DCF model assumes. Moreover, earnings per
9 share (derived from net income) are the source of dividend payments and are the
10 primary driver of retention growth and its surrogate, i.e., book value per share
11 growth. As such, under these circumstances, greater emphasis must be placed
12 upon projected earnings per share growth. In fact, Professor Myron Gordon, the
13 foremost proponent of the use of the DCF model in setting utility rates, concluded
14 that the best measure of growth for use in the DCF model is a forecast of earnings
15 per-share growth.⁷ Consistent with Professor Gordon's findings, projections of
16 earnings per share growth, such as those published by IBES/First Call, Zacks,
17 Morningstar, and Value Line, provide the best indication of investor expectations.

18 **39. Q. What growth rate do you use in your DCF model?**

19 A. The forecasts shown on Schedule 9 for the Gas Group exhibit a range of average
20 earnings per share growth rates from 5.99% to 10.06%. DCF growth rates should

⁷ Gordon, Gordon & Gould, "Choice Among Methods of Estimating Share Yield," The Journal of Portfolio Management (Spring 1989).

1 not be established by mathematical formulation, and I have not done so. In my
2 opinion, a growth rate of 7.50% is a reasonable estimate of investor-expected
3 growth for the Gas Group. This value is within the array of analysts' forecasts of
4 five-year earnings per share growth rates and is below the midpoint of that data
5 set. The reasonableness of this growth rate is also supported by the expected
6 continuation of gas utility infrastructure spending.

7 **40. Q. Are the dividend yield and growth components of the DCF adequate to**
8 **accurately depict the rate of return on common equity when it is used to**
9 **calculate a utility's weighted average overall cost of capital?**

10 A. The components of the DCF model are adequate for that purpose only if the
11 capital structure ratios are measured by the market value of debt and equity. In
12 the case of the Gas Group, average capital structure ratios are 33.04% long-term
13 debt, 0.00% preferred stock, and 66.96% common equity, as shown on Schedule
14 10. If book values are used to compute the capital structure ratios, then a leverage
15 adjustment is required.

16 **41. Q. What is a leverage adjustment?**

17 A. If a firm's capitalization, as measured by its stock price, diverges from its
18 capitalization, measured at book value, the potential exists for a financial risk
19 difference. Such a risk difference arises because a market-valued capitalization
20 contains more equity and less debt than a book-value capitalization and, therefore,
21 has less risk than the book-value capitalization. A leverage adjustment properly

1 accounts for the risk differential between market-value and book-value capital
2 structures.

3 **42. Q. Why is a leverage adjustment necessary?**

4 A. In order to make the DCF results relevant to the capitalization measured at book
5 value (as is done for rate setting purposes), the market-derived cost rate must be
6 adjusted to account for this difference in financial risk. The only perspective that
7 is important to investors is the return that they can realize on the market value of
8 their investment. As I have measured the DCF, the simple yield (D/P) plus
9 growth (g) provides a return applicable strictly to the price (P) that an investor is
10 willing to pay for a share of stock. The need for the leverage adjustment arises
11 when the results of the DCF model (k) are to be applied to a capital structure that
12 is different from the capital structure indicated by the market price (P). From the
13 market perspective, the financial risk of the Gas Group is accurately measured by
14 the capital structure ratios calculated from the market-valued capitalization of a
15 firm. If the rate setting process utilized the market capitalization ratios, then no
16 additional analysis or adjustment would be required, and the simple yield (D/P)
17 plus growth (g) components of the DCF would satisfy the financial risk associated
18 with the market value of the equity capitalization. Because the rate-setting
19 process uses ratios calculated from a firm's book value capitalization, further
20 analysis is required to synchronize the financial risk of the book capitalization
21 with the required return on the book value of the firm's equity. This adjustment is
22 developed through precise mathematical calculations, using well recognized
23 analytical procedures that are widely accepted in the financial literature. To

1 arrive at that return, the rate of return on common equity is the unleveraged cost
2 of capital (or equity return at 100% equity) plus one or more terms reflecting the
3 increase in financial risk resulting from the use of leverage in the capital structure.
4 The calculations presented in the lower panel of data shown on Schedule 10,
5 under the heading “M&M,” provides a return of 8.63% when applicable to a
6 capital structure with 100% common equity.

7 **43. Q. Are there specific factors that influence market-to-book ratios that**
8 **determine whether the leverage adjustment should be made?**

9 A. No. The leverage adjustment is not intended, nor was it designed, to address the
10 reasons that stock prices vary from book value. Hence, any observations
11 concerning market prices relative to book are not on point. The leverage
12 adjustment deals with the issue of financial risk and does not transform the DCF
13 result to a book value return through a market-to-book adjustment. Again, the
14 leverage adjustment that I propose is based on the fundamental financial precept
15 that the cost of equity is equal to the rate of return for an unleveraged firm (i.e.,
16 where the overall rate of return equates to the cost of equity with a capital
17 structure that contains 100% equity) plus the additional return required for
18 introducing debt and/or preferred stock leverage into the capital structure.

19 Further, as noted previously, the relatively high market prices of utility
20 stocks cannot be attributed solely to the notion that these companies are expected
21 to earn a return on the book value of equity that differs from their cost of equity
22 determined from stock market prices. Stock prices above book value are common

1 for utility stocks, and indeed the stock prices of non-regulated companies exceed
2 book values by even greater margins. It is difficult to accept that the vast majority
3 of all firms operating in our economy are generating returns far in excess of their
4 cost of capital. Certainly, in our free-market economy, competition should
5 contain such “excesses” if they actually existed.

6 Finally, the leverage adjustment adds stability to the final DCF cost rate.
7 That is to say, as the market capitalization increases relative to its book value, the
8 leverage adjustment increases while the simple yield (D/P) plus growth (g) result
9 declines. The reverse is also true: when the market capitalization declines, the
10 leverage adjustment also declines as the simple yield (D/P) plus growth (g) result
11 increases.

12 **44. Q. Is the leverage adjustment that you propose designed to transform the**
13 **market return into one that is designed to produce a particular market-to-**
14 **book ratio?**

15 A. No, it is not. What I label a “leverage adjustment” is merely a convenient way of
16 showing the amount that must be added to (or subtracted from) the result of the
17 simple DCF model (i.e., $D/P + g$) when the DCF return applies to a capital
18 structure used for ratemaking that is computed with book-value weighting rather
19 than market-value weighting. Although I specify a separate factor, which I call
20 the leverage adjustment, there is no need to do so other than to identify this factor.
21 If I expressed my return solely in the context of the book value weighting that we
22 use to calculate the weighted average cost of capital and ignore the familiar $D/P +$
23 g expression entirely, then a separate element in the DCF cost of equity

1 determination would not be needed to reflect the differential in financial leverage
2 between a market-value and book-value capitalization. As shown in the bottom
3 panel of data on Schedule 10, the equity return applicable to the book value
4 common equity ratio is equal to 8.63%, which is the return for the Gas Group
5 appropriate for a capital structure with no debt (i.e., a 100% equity ratio) plus
6 4.11% to compensate investors for the risk of a 48.57% debt ratio. (There is no
7 adjustment for preferred stock because none of the Gas Group has preferred stock
8 in its capital structure.). Under this approach, the parts sum to 12.74% (8.63% +
9 4.11% + 0.00%), and there is no need to even address the cost of equity in terms
10 of $D/P + g$. To express this same return in the context of the familiar DCF model,
11 I summed the 3.28% dividend yield, the 7.50% growth rate, and 1.96% for the
12 leverage adjustment in order to arrive at the same 12.74% (3.28% + 7.50% +
13 1.96%) return. I know of no means to mathematically solve for the 1.96%
14 leverage adjustment by expressing it in terms of any particular relationship of
15 market price to book value. The 1.96% adjustment is merely a convenient way to
16 compare the 12.74% return computed using the Modigliani & Miller formulas to
17 the 10.78% return generated by the DCF model (i.e., $D_1/P_0 + g$, or the traditional
18 form of the DCF shown on Schedule 7, page 1) based on a market-value capital
19 structure. A 10.78% return assigned to anything other than the market value of
20 equity cannot equate to a reasonable return on book value that has higher financial
21 risk. My point is that when we use a market-determined cost of equity developed
22 from the DCF model, it reflects a level of financial risk that is different (in this
23 case, lower) from the capital structure stated at book value. This process has
24 nothing to do with targeting any particular market-to-book ratio.

1 **45. Q. Please provide the DCF return based upon your preceding discussion of**
2 **dividend yield, growth, and leverage.**

3 A. As explained previously, I have utilized a three-month average dividend yield
4 ("D₁/P₀") adjusted in a forward-looking manner for my DCF calculation. This
5 dividend yield is used in conjunction with the growth rate ("g") previously
6 developed. The DCF also includes the leverage modification ("lev.") required
7 when the book value equity ratio is used in determining the weighted average cost
8 of capital in the rate-setting process rather than the market value equity ratio
9 related to the price of stock. The resulting DCF cost rate is 12.74%, computed as
10 follows:

$$D_1/P_0 + g + lev. = k$$

11 Gas Group 3.28% + 7.50% + 1.96% = 12.74%

12 The DCF result shown above represents the simplified (i.e., Gordon) form of the
13 model that contains a constant-growth assumption. I should reiterate, however,
14 that the DCF-indicated cost rate provides an explanation of the rate of return on
15 common stock market prices without regard to the prospect of a change in the
16 price-earnings multiple. An assumption that there will be no change in the price-
17 earnings multiple is not supported by the realities of the equity market because
18 price-earnings multiples do not remain constant. This is one of the constraints of
19 this model that makes it important to consider the results of other models when
20 determining a company's cost of equity.

1 **VIII. RISK PREMIUM ANALYSIS**

2 **46. Q. Please describe your use of the risk premium approach to determine the cost**
3 **of equity.**

4 A. With the Risk Premium approach, the cost of equity capital is determined by
5 corporate bond yields plus a premium to account for the fact that common equity
6 is exposed to greater investment risk than debt capital. The result of my Risk
7 Premium study is shown on Schedule 1, page 2. That result is 10.25%.

8 **47. Q. What long-term public utility debt cost rate did you use in your risk**
9 **premium analysis?**

10 A. In my opinion, and as I will explain in more detail further in my testimony, a
11 3.50% yield represents a reasonable estimate of the prospective yield on long-
12 term A-rated public utility bonds.

13 **48. Q. What historical data are shown by the Moody's data?**

14 A. I have analyzed the historical yields on the Moody's index of long-term public
15 utility debt as shown on Schedule 11, page 1. For the twelve months ended June
16 2020, the average monthly yield on Moody's index of A-rated public utility bonds
17 was 3.32%. For the six and three-month periods ended June 2020, the yields were
18 3.22% and 3.13%, respectively. During the twelve-months ended June 2020, the
19 range of the yields on A-rated public utility bonds was 3.07% to 3.69%. Page 2
20 of Schedule 11 shows the long-run spread in yields between A-rated public utility
21 bonds and long-term Treasury bonds. As shown on page 3 of Schedule 11, the

1 yields on A-rated public utility bonds have exceeded those on Treasury bonds by
2 1.37% on a twelve-month average basis, 1.59% on a six-month average basis, and
3 1.75% on a three-month average basis. Giving greater emphasis to the more
4 recent spreads averages, 1.75% represents a reasonable spread for the yield on A-
5 rated public utility bonds over Treasury bonds.

6 **49. Q. What forecasts of interest rates have you considered in your analysis?**

7 A. I have determined the prospective yield on A-rated public utility debt by using the
8 Blue Chip Financial Forecasts (“Blue Chip”) along with the spread in the yields
9 that I describe below. Blue Chip is a reliable authority and contains consensus
10 forecasts of a variety of interest rates compiled from a panel of banking,
11 brokerage, and investment advisory services. In early 1999, Blue Chip stopped
12 publishing forecasts of yields on A-rated public utility bonds because the Federal
13 Reserve deleted these yields from its Statistical Release H.15. To independently
14 project a forecast of the yields on A-rated public utility bonds, I have combined
15 the forecast yields on long-term Treasury bonds published on July 1, 2020, and a
16 yield spread of 1.75%, derived from historical data.

17 **50. Q. How have you used these data to project the yield on A-rated public utility**
18 **bonds for the purpose of your Risk Premium analyses?**

19 A. Shown below is my calculation of the prospective yield on A-rated public utility
20 bonds using the building blocks discussed above, i.e., the Blue Chip forecast of
21 Treasury bond yields and the public utility bond yield spread. For comparative

1 purposes, I also have shown the Blue Chip forecasts of Aaa-rated and Baa-rated
 2 corporate bonds. These forecasts are:

		Blue Chip Financial Forecasts			A-rated Public Utility	
Year	Quarter	Corporate		30-Year	Spread	Yield
		Aaa-rated	Baa-rated	Treasury		
2020	Third	2.6%	3.9%	1.5%	1.75%	3.25%
2020	Fourth	2.6%	4.0%	1.6%	1.75%	3.35%
2021	First	2.7%	4.0%	1.7%	1.75%	3.45%
2021	Second	2.8%	4.0%	1.8%	1.75%	3.55%
2021	Third	2.8%	4.1%	1.8%	1.75%	3.55%
2021	Fourth	2.9%	4.1%	1.9%	1.75%	3.65%

3 **51. Q. Are there additional forecasts of interest rates that extend beyond those**
 4 **shown above?**

5 A. Yes. Twice yearly, Blue Chip provides long-term forecasts of interest rates. In
 6 its June 1, 2020 publication, Blue Chip published longer-term forecasts of interest
 7 rates, which were reported to be:

		Blue Chip Financial Forecasts		
		Corporate		30-Year
Averages		Aaa-rated	Baa-rated	Treasury
2022-2026		3.9%	5.0%	3.0%
2027-2031		4.6%	5.7%	3.8%

8 The longer-term forecasts by Blue Chip suggest that interest rates will move up
 9 from the levels revealed by the near-term forecasts. A 3.50% yield on A-rated
 10 public utility bonds represents a reasonable benchmark for measuring the cost of
 11 equity in this case. All the data I used to formulate my conclusion as to a
 12 prospective yield on A-rated public utility debt are available to investors, who
 13 regularly rely upon those data to make investment decisions.

1 **52. Q. What equity risk premium have you determined for public utilities?**

2 A. To develop an appropriate equity risk premium, I analyzed the results from 2020
3 SBBI Yearbook, Stocks, Bonds, Bills and Inflation. My investigation reveals that
4 the equity risk premium varies according to the level of interest rates. That is to
5 say, the equity risk premium increases as interest rates decline, and it declines as
6 interest rates increase. This inverse relationship is revealed by the summary data
7 presented below and shown on Schedule 12, page 1.

<u>Common Equity Risk Premiums</u>	
Low Interest Rates	6.70%
Average Across All Interest Rates	5.69%
High Interest Rates	4.69%

8 Based on my analysis of the historical data, the equity risk premium was 6.70%
9 when the marginal cost of long-term government bonds was low (i.e., 2.88%,
10 which was the average yield during periods of low rates). Conversely, when the
11 yield on long-term government bonds was high (i.e., 7.09% on average during
12 periods of high interest rates), the spread narrowed to 4.69%. Over the entire
13 spectrum of interest rates, the equity risk premium was 5.69% when the average
14 government bond yield was 4.99%. I have utilized a 6.75% equity risk premium.
15 The equity risk premium of 6.75% that I employed is near the risk premiums
16 associated with low interest rates.

1 **53. Q. What common equity cost rate did you determine based on your risk**
2 **premium analysis?**

3 A. The cost of equity (i.e., “k”) is represented by the sum of the prospective yield for
4 long-term public utility debt (i.e., “i”), and the equity risk premium (i.e., “RP”).
5 The Risk Premium approach provides a cost of equity of 10.25%, computed as
6 follows:

$$i + RP = k$$

Gas Group 3.50% + 6.75% = 10.25%

7 **IX. CAPITAL ASSET PRICING MODEL**

8 **54. Q. How is the CAPM used to measure the cost of equity?**

9 A. The CAPM uses the yield on a risk-free interest-bearing obligation plus a rate of
10 return premium that is proportional to the systematic risk of an investment. As
11 shown on page 2 of Schedule 1, the result of the CAPM is 12.33% for the Gas
12 Group. To compute the cost of equity with the CAPM, three components are
13 necessary: a risk-free rate of return (“Rf”), the beta measure of systematic risk
14 (“β”), and the market risk premium (“Rm-Rf”) derived from the total return on the
15 market of equities reduced by the risk-free rate of return. The CAPM specifically
16 accounts for differences in systematic risk (i.e., market risk as measured by the
17 beta) between an individual firm or group of firms and the entire market of
18 equities.

1 **55. Q. What betas have you considered in the CAPM?**

2 A. For my CAPM analysis, I initially considered the Value Line betas. As shown on
3 page 2 of Schedule 3, the average beta is 0.84 for the Gas Group.

4 **56. Q. Did you use the Value Line betas in the CAPM determined cost of equity?**

5 A. I used the Value Line betas as a foundation for the leverage adjusted betas that I
6 used in the CAPM. The betas must be reflective of the financial risk associated
7 with the rate-setting capital structure that is measured at book value. Therefore,
8 Value Line betas cannot be used directly in the CAPM, unless the cost rate
9 developed using those betas is applied to a capital structure measured with market
10 values. To develop a CAPM cost rate applicable to a book-value capital structure,
11 the Value Line (market value) betas have been unleveraged and re-leveraged for
12 the book value common equity ratios using the Hamada formula,⁸ as follows:

13
$$\beta l = \beta u [1 + (1 - t) D/E + P/E]$$

14 where βl = the leveraged beta, βu = the unleveraged beta, t = income tax rate, D =
15 debt ratio, P = preferred stock ratio, and E = common equity ratio. The betas
16 published by Value Line have been calculated with the market price of stock and
17 are related to the market value capitalization. By using the formula shown above
18 and the capital structure ratios measured at market value, the beta would become
19 0.60 for the Gas Group if it employed no leverage and was 100% equity financed.

⁸ Robert S. Hamada, "The Effects of the Firm's Capital Structure on the Systematic Risk of Common Stocks" *The Journal of Finance* Vol. 27, No. 2, Papers and Proceedings of the Thirtieth Annual Meeting of the American Finance Association, New Orleans, Louisiana, December 27-29, 1971. (May 1972), pp. 435-452.

1 Those calculations are shown on Schedule 10 under the section labeled
2 “Hamada,” who is credited with developing those formulas. With the
3 unleveraged beta as a base, I calculated the leveraged beta of 1.05 for the book
4 value capital structure of the Gas Group.

5 **57. Q. What risk-free rate have you used in the CAPM?**

6 A. As shown on page 1 of Schedule 13, I provided the historical yields on Treasury
7 notes and bonds. For the twelve months ended June 2020, the average yield on
8 30-year Treasury bonds was 1.95%. For the six- and three-months ended June
9 2020, the yields on 30-year Treasury bonds were 1.63% and 1.38%, respectively.
10 During the twelve-months ended June 2020, the range of the yields on 30-year
11 Treasury bonds was 1.27% to 2.57%. The low yields that existed during recent
12 periods can be traced to the financial crisis and its aftermath commonly referred
13 to as the Great Recession. The resulting decline in the yields on Treasury
14 obligations was attributed to a number of factors, including the sovereign debt
15 crisis in the euro zone, concern over a possible double dip recession, the potential
16 for deflation, the Federal Reserve’s large expansion of its balance sheet through
17 the purchase of Treasury obligations and mortgage-backed securities (also known
18 as QEI, QEII, and QEIII), the reinvestment of the proceeds from maturing
19 obligations, and lengthening of the maturity of the Fed’s bond portfolio by selling
20 short-term Treasuries and purchasing long-term Treasury obligations (also known
21 as “operation twist”).

22 As noted previously, low interest rates were the product of the policy of
23 the Federal Open Market Committee (“FOMC”) in its attempt to deal with

1 stagnant job growth, which is part of its dual mandate. The FOMC ended its bond
2 purchasing program at its policy meeting on October 29, 2014. At its December
3 16, 2015 meeting, the FOMC increased the federal funds rate range by 0.25
4 percentage points. On December 14, 2016, the FOMC acted again by raising the
5 federal funds rate by one-quarter percentage point. The FOMC also used this
6 occasion to signal a more aggressive approach to future increases in interest rates.
7 In addition, the Fed has indicated that it will reduce the size of its balance sheet.
8 FOMC increased the federal funds rate on three occasions in 2017 (i.e., March 15,
9 2017, June 14, 2017 and December 13, 2017) by one-quarter percentage point
10 each. At its policy meetings on March 21, 2018, June 13, 2018, September 26,
11 2018, and December 19, 2018, the FOMC acted again to increase the federal
12 funds rate by one-quarter percentage point in each instance. There have been nine
13 (9) one-quarter percentage point increases in the Fed Funds rate since the FOMC
14 began to normalize interest rates following the financial crisis and the Great
15 Recession.

16 Recently, the FOMC has reversed course based on its perception of
17 lower measures of inflation and began to reduce the Fed Funds rate (i.e., one-
18 quarter percentage point reductions occurred on July 31, 2019, September 18,
19 2019, and October 30, 2019). These reductions were attributed to a perceived
20 weakening of the global economy due in part to the trade war with China. The
21 FOMC has specifically noted weakness in business fixed investment and exports.
22 These increases have been offset by the decline in the risk-free rate of return.
23 That decline was a response to the FOMC that began to reduce the federal funds
24 rate (i.e., the FOMC had indicated 0.25 percentage point reductions to the federal

1 funds rate on July 31, 2019, September 18, 2019, and October 30, 2019), in
2 response to a perceived weakening of the global economy due in part to the U.S.'s
3 trade war with China. The FOMC specifically noted weakness in business fixed
4 investment and exports. Further action was taken by the FOMC to support the
5 money and capital markets during the coronavirus pandemic. This brought the
6 Fed Funds rate to near zero.

7 As shown on page 2 of Schedule 13, forecasts published by Blue Chip
8 on July 1, 2020 indicate that the yields on long-term Treasury bonds are expected
9 to be in the range of 1.5% to 1.9% during the next six quarters. The longer-term
10 forecasts described previously show that the yields on 30-year Treasury bonds
11 will average 3.0% from 2022 through 2026 and 3.8% from 2027 to 2031. For the
12 reasons explained previously, forecasts of interest rates should be emphasized at
13 this time in selecting the risk-free rate of return in CAPM. Hence, I have used a
14 1.75% risk-free rate of return for CAPM purposes, which considers the Blue Chip
15 forecasts.

16 **58. Q. What market premium have you used in the CAPM?**

17 A. As shown in the lower panel of data presented on Schedule 13, page 2 the market
18 premium is derived from historical data and the forecast returns. For the
19 historically based market premium, I have used the arithmetic mean obtained
20 from the data presented on Schedule 12, page 1. On that schedule, the market
21 return was 11.92% on large stocks during periods of low interest rates. During
22 those periods, the yield on long-term government bonds was 2.88% when interest
23 rates were low. As such, I carried over to Schedule 13, page 2, the average large

1 common stock returns of 11.92% and the average yield on long-term government
2 bonds of 2.88%. These financial returns rest between those experienced during
3 periods of low interest rates and those experienced across all levels of interest
4 rates. The resulting market premium is 9.04% ($11.92\% - 2.88\%$) based on
5 historical data, as shown on Schedule 13, page 2. As also shown on Schedule 13,
6 page 2, I calculated the forecast returns, which show a 15.74% total market return
7 from the Value Line data and a DCF return of 6.07% for the S&P 500. With the
8 average forecast return of 10.91% ($15.74\% + 6.07\% = 21.81\% \div 2$), I calculated a
9 market premium of 9.16% ($10.91\% - 1.75\%$) using forecast data. The market
10 premium applicable to the CAPM derived from these sources equals 9.10%
11 ($9.16\% + 9.04\% = 18.20\% \div 2$).

12 **59. Q. Are there adjustments to the CAPM that are necessary to fully reflect the**
13 **rate of return on common equity?**

14 A. Yes. The technical literature supports an adjustment relating to the size of the
15 company or portfolio for which the calculation is performed. As the size of a firm
16 decreases, its risk and required return increases. Moreover, in his discussion of
17 the cost of capital, Professor Brigham has indicated that smaller firms have higher
18 capital costs than otherwise similar larger firms. Also, the Fama/French study
19 (see "The Cross-Section of Expected Stock Returns"; The Journal of Finance,
20 June 1992) established that the size of a firm helps explain stock returns. In an
21 October 15, 1995 article in Public Utility Fortnightly, entitled "Equity and the
22 Small-Stock Effect," it was demonstrated that the CAPM could understate the
23 cost of equity significantly according to a company's size. Indeed, it was

1 demonstrated in the SBBI Yearbook that the returns for stocks in lower deciles
2 (i.e., smaller stocks) had returns in excess of those shown by the simple CAPM.
3 In this regard, the Gas Group has a market-based average equity capitalization of
4 \$5,348 million. For my CAPM analysis, I have adopted a mid-cap adjustment of
5 1.02%, as shown on Schedule 13, page 3.

6 **60. Q. What does your CAPM analysis show?**

7 A. Using the 1.75% risk-free rate of return, the leverage adjusted beta of 1.05 for the
8 Gas Group, the 9.10% market premium, and the 1.02% size adjustment, the
9 following result is indicated.

$$R_f + \beta \times (R_m - R_f) + size = k$$

Gas Group 1.75% + 1.05 x (9.10%) + 1.02% = 12.33%

10 **X. COMPARABLE EARNINGS APPROACH**

11 **61. Q. What is the Comparable Earnings approach?**

12 A. The Comparable Earnings approach estimates a fair return on equity by
13 comparing returns realized by non-regulated companies to returns that a public
14 utility with similar risks characteristics would need to realize in order to compete
15 for capital. Because regulation is a substitute for competitively determined prices,
16 the returns realized by non-regulated firms with comparable risks to a public
17 utility provide useful insight into investor expectations for public utility returns.
18 The firms selected for the Comparable Earnings approach should be companies

1 whose prices are not subject to cost-based price ceilings (i.e., non-regulated firms)
2 so that circularity is avoided.

3 There are two avenues available to implement the Comparable Earnings
4 approach. One method involves the selection of another industry (or industries)
5 with comparable risks to the public utility in question, and the results for all
6 companies within that industry serve as a benchmark. The second approach
7 requires the selection of parameters that represent similar risk traits for the public
8 utility and the comparable risk companies. Using this approach, the business lines
9 of the comparable companies become unimportant. The latter approach is
10 preferable with the further qualification that the comparable risk companies
11 exclude regulated firms in order to avoid the circular reasoning implicit in the use
12 of the achieved earnings/book ratios of other regulated firms. The United States
13 Supreme Court has held that:

14 A public utility is entitled to such rates as will permit it
15 to earn a return on the value of the property which it
16 employs for the convenience of the public equal to that
17 generally being made at the same time and in the same
18 general part of the country on investments in other
19 business undertakings which are attended by
20 corresponding risks and uncertainties. The return should
21 be reasonably sufficient to assure confidence in the
22 financial soundness of the utility and should be adequate,
23 under efficient and economical management, to maintain
24 and support its credit and enable it to raise the money
25 necessary for the proper discharge of its public duties.
26 Bluefield Water Works vs. Public Service Commission,
27 262 U.S. 668 (1923).
28

29 It is important to identify the returns earned by firms that compete for capital with
30 a public utility. This can be accomplished by analyzing the returns of non-
31 regulated firms that are subject to the competitive forces of the marketplace.

1 **62. Q. Did you compare the results of your DCF and CAPM analyses to the results**
2 **indicated by a Comparable Earnings approach?**

3 A. Yes. I selected companies from The Value Line Investment Survey for Windows
4 that have six categories of comparability designed to reflect the risk of the Gas
5 Group. These screening criteria were based upon the range as defined by the
6 rankings of the companies in the Gas Group. The items considered were:
7 Timeliness Rank, Safety Rank, Financial Strength, Price Stability, Value Line
8 betas, and Technical Rank. The definition for these parameters is provided on
9 Schedule 14, page 3. The identities of the companies comprising the Comparable
10 Earnings group and their associated rankings within the ranges are identified on
11 Schedule 14, page 1.

12 I relied upon Value Line data because they provide a comprehensive
13 basis for evaluating the risks of the comparable firms. As to the returns calculated
14 by Value Line for these companies, there is some downward bias in the figures
15 shown on Schedule 14, page 2, because Value Line computes the returns on year-
16 end rather than average book value. If average book values had been employed,
17 the rates of return would have been slightly higher. Nevertheless, these are the
18 returns considered by investors when taking positions in these stocks. Because
19 many of the comparability factors, as well as the published returns, are used by
20 investors in selecting stocks, and the fact that investors rely on the Value Line
21 service to gauge returns, it is an appropriate database for measuring comparable
22 return opportunities.

1 **63. Q. What data did you consider in your Comparable Earnings analysis?**

2 A. I used both historical realized returns and forecasted returns for non-utility
3 companies. As noted previously, I have not used returns for utility companies in
4 order to avoid the circularity that arises from using regulatory-influenced returns
5 to determine a regulated return. It is appropriate to consider a relatively long
6 measurement period in the Comparable Earnings approach in order to cover
7 conditions over an entire business cycle. A ten-year period (five historical years
8 and five projected years) is sufficient to cover an average business cycle. Unlike
9 the DCF and CAPM, the results of the Comparable Earnings method can be
10 applied directly to the book value capitalization. In other words, the Comparable
11 Earnings approach does not contain the potential misspecification contained in
12 market models when the market capitalization and book value capitalization
13 diverge significantly. A point of demarcation was chosen to eliminate the results
14 of highly profitable enterprises, which the Bluefield case stated were not the type
15 of returns that a utility was entitled to earn. For this purpose, I used 20% as the
16 point where those returns could be viewed as highly profitable and should be
17 excluded from the Comparable Earnings approach. The average historical rate of
18 return on book common equity was 12.9% using only the returns that were less
19 than 20%, as shown on Schedule 14, page 2. The average forecasted rate of
20 return as published by Value Line is 12.9% also using values less than 20%, as
21 provided on Schedule 14, page 2. Using the average of these data my
22 Comparable Earnings result is 12.90%, as shown on Schedule 1, page 2.

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XI. CONCLUSION ON COST OF EQUITY

64. Q. What is your conclusion regarding the Company’s cost of common equity?

A. Based upon the application of a variety of methods and models described previously, it is my opinion that a reasonable rate of return on common equity is 10.95% for PECO Energy, which includes 25 basis points or 0.25% for recognition of the Company’s strong management performance. My cost of equity recommendation is within the range of results and should be considered in the context of the Company’s risk characteristics relative to the barometer group companies. It is essential that the Commission employ a variety of techniques to measure the Company’s cost of equity because of the limitations/infirmities that are inherent in each method. In summary, the Company should be provided an opportunity to realize a 10.95% rate of return on common equity so that it can compete in the capital markets, attain reasonable credit quality, sustain its cash flow in the context of the its high levels of capital expenditures, and receive recognition of the significant accomplishments that management has achieved.

65. Q. Does this complete your direct testimony?

A. Yes. However, I reserve the right to supplement my testimony, if necessary, and to respond to witnesses presented by other parties.

1 **Educational Background, Business Experience**
2 **and Qualifications**

3 I was awarded a degree of Bachelor of Science in Business Administration by Drexel
4 University in 1971. While at Drexel, I participated in the Cooperative Education Program
5 which included employment, for one year, with American Water Works Service Company,
6 Inc., as an internal auditor, where I was involved in the audits of several operating water
7 companies of the American Water Works System and participated in the preparation of annual
8 reports to regulatory agencies and assisted in other general accounting matters.

9 Upon graduation from Drexel University, I was employed by American Water Works
10 Service Company, Inc., in the Eastern Regional Treasury Department where my duties
11 included preparation of rate case exhibits for submission to regulatory agencies, as well as
12 responsibility for various treasury functions of the thirteen New England operating
13 subsidiaries.

14 In 1973, I joined the Municipal Financial Services Department of Betz Environmental
15 Engineers, a consulting engineering firm, where I specialized in financial studies for
16 municipal water and wastewater systems.

17 In 1974, I joined Associated Utility Services, Inc., now known as AUS Consultants. I
18 held various positions with the Utility Services Group of AUS Consultants, concluding my
19 employment there as a Senior Vice President.

20 In 1994, I formed P. Moul & Associates, an independent financial and regulatory
21 consulting firm. In my capacity as Managing Consultant and for the past twenty-nine years,
22 I have continuously studied the rate of return requirements for cost of service-regulated firms.
23 In this regard, I have supervised the preparation of rate of return studies, which were
24 employed, in connection with my testimony and in the past for other individuals. I have

1 presented direct testimony on the subject of fair rate of return, evaluated rate of return
2 testimony of other witnesses, and presented rebuttal testimony.

3 My studies and prepared direct testimony have been presented before thirty-seven (37)
4 federal, state and municipal regulatory commissions, consisting of: the Federal Energy
5 Regulatory Commission; state public utility commissions in Alabama, Alaska, California,
6 Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa,
7 Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New
8 Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode
9 Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and the
10 Philadelphia Gas Commission, and the Texas Commission on Environmental Quality. My
11 testimony has been offered in over 200 rate cases involving electric power, natural gas
12 distribution and transmission, resource recovery, solid waste collection and disposal,
13 telephone, wastewater, and water service utility companies. While my testimony has involved
14 principally fair rate of return and financial matters, I have also testified on capital allocations,
15 capital recovery, cash working capital, income taxes, factoring of accounts receivable, and
16 take-or-pay expense recovery. My testimony has been offered on behalf of municipal and
17 investor-owned public utilities and for the staff of a regulatory commission. I have also
18 testified at an Executive Session of the State of New Jersey Commission of Investigation
19 concerning the BPU regulation of solid waste collection and disposal.

20 I was a co-author of a verified statement submitted to the Interstate Commerce
21 Commission concerning the 1983 Railroad Cost of Capital (Ex Parte No. 452). I was also co-
22 author of comments submitted to the Federal Energy Regulatory Commission regarding the
23 Generic Determination of Rate of Return on Common Equity for Public Utilities in 1985,

1 1986 and 1987 (Docket Nos. RM85-19-000, RM86-12-000, RM87-35-000 and RM88-25-
2 000). Further, I have been the consultant to the New York Chapter of the National Association
3 of Water Companies, which represented the water utility group in the Proceeding on Motion
4 of the Commission to Consider Financial Regulatory Policies for New York Utilities (Case
5 91-M-0509). I have also submitted comments to the Federal Energy Regulatory Commission
6 in its Notice of Proposed Rulemaking (Docket No. RM99-2-000) concerning Regional
7 Transmission Organizations and on behalf of the Edison Electric Institute in its intervention
8 in the case of Southern California Edison Company (Docket No. ER97-2355-000). Also, I
9 was a member of the panel of participants at the Technical Conference in Docket No. PL07-
10 2 on the Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on
11 Equity.

12 In late 1978, I arranged for the private placement of bonds on behalf of an investor-
13 owned public utility. I have assisted in the preparation of a report to the Delaware Public
14 Service Commission relative to the operations of the Lincoln and Ellendale Electric Company.
15 I was also engaged by the Delaware P.S.C. to review and report on the proposed financing
16 and disposition of certain assets of Sussex Shores Water Company (P.S.C. Docket Nos. 24-
17 79 and 47-79). I was a co-author of a Report on Proposed Mandatory Solid Waste Collection
18 Ordinance prepared for the Board of County Commissioners of Collier County, Florida.
19 I have been a consultant to the Bucks County Water and Sewer Authority concerning rates
20 and charges for wholesale contract service with the City of Philadelphia. My municipal
21 consulting experience also included an assignment for Baltimore County, Maryland, regarding
22 the City/County Water Agreement for Metropolitan District customers (Circuit Court for
23 Baltimore County in Case 34/153/87-CSP-2636).

PECO ENERGY COMPANY

Schedules to Accompany

the Direct Testimony

of

Paul R. Moul, Managing Consultant
P. Moul & Associates

Concerning

Cost of Capital

and

Fair Rate of Return

PECO ENERGY COMPANY
Index of Schedules

	<u>Schedule</u>
Summary Cost of Capital	1
PECO Energy Company Historical Capitalization and Financial Statistics	2
Gas Group Historical Capitalization and Financial Statistics	3
Standard & Poor's Public Utilities Historical Capitalization and Financial Statistics	4
PECO Energy Company Capitalization and Capital Structure Ratios	5
PECO Energy Company Embedded Cost of Debt	6
PECO Energy Company Embedded Cost of Preferred Stock	7
Dividend Yields	8
Historical Growth Rates	9
Projected Growth Rates	10
Interest Rates for Investment Grade Public Utility Bonds	11
Long-Term, Year-by-Year Total Returns for the S&P Composite Index, S&P Public Utility Index, and Long-Term Corporate Bonds and Public Utility Bonds	12
Component Inputs for the Capital Market Pricing Model	13
Comparable Earnings Approach	14

PECO Energy Company
Proposed Rate of Return
Estimated at June 30, 2022

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	46.62%	3.97%	1.85%
Common Equity	<u>53.38%</u>	10.95%	<u>5.85%</u>
Total	<u>100.00%</u>		<u>7.70%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its proposed rate of return:

Pre-tax coverage of interest expense based upon a 28.8921% composite federal and state income tax rate (10.08% ÷ 1.85%)	5.45 x
Post-tax coverage of interest expense (7.70% ÷ 1.85%)	4.16 x

PECO Energy Company - Gas Division

Cost of Equity
as of June 30, 2020

Discounted Cash Flow (DCF)	D_1/P_0	+	g	+	$lev.$	=	k		
Gas Group	3.28%	+	7.50%	+	1.96%	=	12.74%		
Risk Premium (RP)			I	+	RP	=	k		
Gas Group			3.50%	+	6.75%	=	10.25%		
Capital Asset Pricing Model (CAPM)	Rf	+	β	x	$(Rm-Rf)$	+	$size$	=	k
Gas Group	1.75%	+	1.05	x	(9.10%)	+	1.02%	=	12.33%
Comparable Earnings (CE)					Historical	Forecast	Average		
Comparable Earnings Group					12.9%	12.9%	12.90%		

References: (1) Schedule 07

(2) Schedule 09

(3) Schedule 10

(4) Schedule 11

(5) A-rated public utility bond yield comprised of a 1.75% risk-free rate of return (Schedule 14 page 2) and a yield spread of 1.75% (Schedule 12 page 3)

(6) Schedule 13 page 1

(7) Schedule 14 page 2

(8) Schedule 10

(9) Schedule 14 page 2

(10) Schedule 14 page 3

(11) Schedule 15 page 2

PECO ENERGY CO
Capitalization and Financial Statistics
2015-2019, Inclusive

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 7,767.0	\$ 7,088.0	\$ 6,664.0	\$ 6,179.0	\$ 6,000.0	
Short-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Capital	<u>\$ 7,767.0</u>	<u>\$ 7,088.0</u>	<u>\$ 6,664.0</u>	<u>\$ 6,179.0</u>	<u>\$ 6,000.0</u>	
Capital Structure Ratios						<u>Average</u>
Based on Permanent Capital:						
Long-Term Debt	46.2%	46.1%	46.3%	44.7%	46.1%	45.9%
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity ⁽¹⁾	53.8%	53.9%	53.7%	55.3%	53.9%	54.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	46.2%	46.1%	46.3%	44.7%	46.1%	45.9%
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity ⁽¹⁾	53.8%	53.9%	53.7%	55.3%	53.9%	54.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽¹⁾	13.2%	12.4%	12.4%	13.2%	11.9%	12.6%
Operating Ratio ⁽²⁾	77.0%	80.6%	77.0%	76.4%	79.2%	78.0%
Coverage incl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	5.36 x	4.48 x	5.17 x	5.66 x	5.49 x	5.23 x
Post-tax: All Interest Charges	4.88 x	4.43 x	4.36 x	4.48 x	4.26 x	4.48 x
Overall Coverage: All Int. & Pfd. Div.	4.88 x	4.43 x	4.36 x	4.48 x	4.26 x	4.48 x
Coverage excl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	5.24 x	4.39 x	5.08 x	5.57 x	5.43 x	5.14 x
Post-tax: All Interest Charges	4.76 x	4.34 x	4.27 x	4.39 x	4.20 x	4.39 x
Overall Coverage: All Int. & Pfd. Div.	4.76 x	4.34 x	4.27 x	4.39 x	4.20 x	4.39 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	3.2%	2.6%	2.8%	2.5%	1.9%	2.6%
Effective Income Tax Rate	11.0%	1.3%	19.3%	25.4%	27.4%	16.9%
Internal Cash Generation/Construction ⁽⁴⁾	59.6%	59.0%	69.0%	83.7%	86.4%	71.5%
Gross Cash Flow/ Avg. Total Debt ⁽⁵⁾	26.8%	25.4%	27.1%	30.8%	30.7%	28.2%
Gross Cash Flow Interest Coverage ⁽⁶⁾	7.70 x	6.96 x	6.95 x	7.58 x	7.69 x	7.38 x
Common Dividend Coverage ⁽⁷⁾	2.56 x	2.64 x	2.75 x	3.07 x	2.86 x	2.78 x

See Page 2 for Notes.

PECO Energy Company
Capitalization and Financial Statistics
2015-2019, Inclusive

Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is a percentage calculated as gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by total debt.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Utility COMPUSTAT

Gas Group
Capitalization and Financial Statistics ⁽¹⁾
2015-2019, Inclusive

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 5,169.4	\$ 4,698.4	\$ 4,133.8	\$ 3,746.8	\$ 3,522.8	
Short-Term Debt	\$ 553.3	\$ 499.2	\$ 402.2	\$ 393.6	\$ 259.5	
Total Capital	<u>\$ 5,722.7</u>	<u>\$ 5,197.6</u>	<u>\$ 4,536.0</u>	<u>\$ 4,140.4</u>	<u>\$ 3,782.3</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	26 x	20 x	22 x	22 x	19 x	22 x
Market/Book Ratio	222.4%	217.6%	224.2%	201.9%	187.7%	210.8%
Dividend Yield	2.7%	2.8%	2.6%	2.8%	3.0%	2.8%
Dividend Payout Ratio	72.5%	52.4%	71.1%	60.7%	67.7%	64.9%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	48.3%	47.9%	47.1%	45.0%	45.9%	46.8%
Preferred Stock	1.5%	1.0%	0.0%	0.1%	0.0%	0.5%
Common Equity ⁽²⁾	50.3%	51.1%	52.9%	54.9%	54.0%	52.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	53.4%	53.4%	53.0%	50.5%	51.3%	52.3%
Preferred Stock	1.3%	0.9%	0.0%	0.1%	0.0%	0.5%
Common Equity ⁽²⁾	45.3%	45.7%	47.0%	49.5%	48.7%	47.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	8.6%	10.0%	8.0%	9.2%	9.4%	9.0%
Operating Ratio ⁽³⁾	83.6%	84.6%	84.1%	83.0%	85.0%	84.1%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.79 x	3.65 x	4.22 x	4.88 x	4.85 x	4.28 x
Post-tax: All Interest Charges	3.37 x	3.47 x	3.31 x	3.58 x	3.62 x	3.47 x
Overall Coverage: All Int. & Pfd. Div.	3.33 x	3.47 x	3.31 x	3.58 x	3.62 x	3.46 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.73 x	3.60 x	4.19 x	4.82 x	4.79 x	4.23 x
Post-tax: All Interest Charges	3.30 x	3.42 x	3.27 x	3.52 x	3.57 x	3.42 x
Overall Coverage: All Int. & Pfd. Div.	3.26 x	3.42 x	3.27 x	3.52 x	3.57 x	3.41 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	3.0%	3.2%	-5.2%	2.3%	2.4%	1.1%
Effective Income Tax Rate	15.0%	15.6%	39.7%	33.6%	32.6%	27.3%
Internal Cash Generation/Construction ⁽⁵⁾	48.7%	46.7%	59.5%	71.6%	71.0%	59.5%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	18.3%	18.4%	21.4%	23.7%	22.8%	20.9%
Gross Cash Flow Interest Coverage ⁽⁷⁾	6.24 x	6.05 x	6.69 x	7.35 x	6.96 x	6.66 x
Common Dividend Coverage ⁽⁸⁾	3.86 x	3.63 x	4.21 x	4.60 x	4.48 x	4.16 x

See Page 2 for Notes.

Gas Group
Capitalization and Financial Statistics
2015-2019, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Gas Group includes companies that are contained in The Value Line Investment Survey within the industry group "Natural Gas Utility," they are not currently the target of a publicly-announced merger or acquisition, and after eliminating UGI Corp. due to its highly diversified businesses.

Ticker	Company	Corporate Credit Ratings		Stock Traded	Value Line Beta
		Moody's	S&P		
ATO	Atmos Energy Corp.	A1	A	NYSE	0.80
CPK	Chesapeake Utilities Corp.		NAIC "1"	NYSE	0.75
NJR	New Jersey Resources Corp.	A1	BBB+	NYSE	0.90
NI	NiSource Inc.	Baa2	BBB+	NYSE	0.85
NWN	Northwest Natural Holding Comp:	Baa1	A+	NYSE	0.80
OGS	ONE Gas, Inc.	A2	A	NYSE	0.80
SJI	South Jersey Industries, Inc.	A3	BBB	NYSE	0.95
SWX	Southwest Gas Holdings, Inc.	A3	A-	NYSE	0.90
SR	Spire, Inc.	A1	A-	NYSE	0.80
	Average	<u>A2</u>	<u>A-</u>		<u>0.84</u>

Note: Ratings are those of utility subsidiaries

Source of Information: Utility COMPUSTAT
Moody's Investors Service
Standard & Poor's Corporation

Standard & Poor's Public Utilities
Capitalization and Financial Statistics ⁽¹⁾
2015-2019, Inclusive

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 36,567.1	\$ 32,871.6	\$ 30,827.6	\$ 29,173.1	\$ 26,655.9	
Short-Term Debt	<u>\$ 1,221.9</u>	<u>\$ 1,420.3</u>	<u>\$ 1,076.1</u>	<u>\$ 1,032.2</u>	<u>\$ 875.5</u>	
Total Capital	<u>\$ 37,789.0</u>	<u>\$ 34,291.9</u>	<u>\$ 31,903.7</u>	<u>\$ 30,205.3</u>	<u>\$ 27,531.4</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	20 x	21 x	21 x	21 x	18 x	<u>20 x</u>
Market/Book Ratio	220.8%	204.7%	214.4%	196.0%	181.1%	203.4%
Dividend Yield	3.2%	3.5%	3.3%	3.5%	3.6%	3.4%
Dividend Payout Ratio	62.7%	71.7%	74.4%	74.6%	68.8%	70.4%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	56.7%	55.0%	56.8%	56.6%	54.7%	55.9%
Preferred Stock	2.2%	2.5%	1.4%	1.9%	1.6%	1.9%
Common Equity ⁽²⁾	41.1%	42.5%	41.8%	41.6%	43.8%	42.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	58.2%	57.0%	58.4%	58.2%	56.1%	57.6%
Preferred Stock	2.1%	2.4%	1.4%	1.8%	1.5%	1.8%
Common Equity ⁽²⁾	39.7%	40.7%	40.3%	40.1%	42.4%	40.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	10.3%	10.3%	10.8%	9.7%	9.7%	10.2%
Operating Ratio ⁽³⁾	79.3%	79.8%	77.0%	78.2%	79.7%	78.8%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.05 x	2.94 x	3.42 x	3.38 x	3.80 x	3.32 x
Post-tax: All Interest Charges	3.10 x	2.59 x	2.86 x	2.55 x	2.79 x	2.78 x
Overall Coverage: All Int. & Pfd. Div.	3.04 x	2.55 x	2.84 x	2.52 x	2.75 x	2.74 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	2.95 x	2.84 x	3.31 x	3.28 x	3.70 x	3.22 x
Post-tax: All Interest Charges	3.00 x	2.48 x	2.75 x	2.44 x	2.69 x	2.67 x
Overall Coverage: All Int. & Pfd. Div.	2.94 x	2.44 x	2.73 x	2.41 x	2.65 x	2.63 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	5.8%	7.3%	7.3%	6.5%	5.5%	6.5%
Effective Income Tax Rate	12.2%	19.0%	28.2%	29.0%	32.5%	24.2%
Internal Cash Generation/Construction ⁽⁵⁾	66.0%	75.7%	78.7%	78.0%	71.9%	74.1%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	17.5%	17.4%	19.9%	20.5%	20.0%	19.1%
Gross Cash Flow Interest Coverage ⁽⁷⁾	4.97 x	4.98 x	5.57 x	5.54 x	5.41 x	5.29 x
Common Dividend Coverage ⁽⁸⁾	5.56 x	4.80 x	4.33 x	4.31 x	4.24 x	4.65 x

See Page 2 for Notes.

Standard & Poor's Public Utilities
Capitalization and Financial Statistics
2015-2019, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (7) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Annual Reports to Shareholders
Utility COMPUSTAT

Standard & Poor's Public Utilities
Company Identities

	Ticker	Credit Rating ⁽¹⁾		Common Stock Traded	Value Line Beta
		Moody's	S&P		
Alliant Energy Corporation	LNT	Baa1	A-	NYSE	0.60
Ameren Corporation	AEE	Baa1	BBB+	NYSE	0.55
American Electric Power	AEP	Baa1	A-	NYSE	0.55
American Water Works	AWK	Baa1	A	NYSE	0.55
CenterPoint Energy	CNP	Baa1	BBB+	NYSE	0.80
CMS Energy	CMS	A3	A-	NYSE	0.50
Consolidated Edison	ED	Baa1	A-	NYSE	0.45
Dominion Energy	D	A2	BBB+	NYSE	0.55
DTE Energy Co.	DTE	A2	A-	NYSE	0.55
Duke Energy	DUK	A1	A-	NYSE	0.50
Edison Int'l	EIX	Baa2	BBB	NYSE	0.55
Entergy Corp.	ETR	Baa1	A-	NYSE	0.60
Evergy, Inc.	EVERG	Baa1	A	NYSE	NMF
Eversource	ES	A3	A	NYSE	0.55
Exelon Corp.	EXC	A3	BBB+	NYSE	0.65
FirstEnergy Corp.	FE	Baa2	BBB	NYSE	0.65
NextEra Energy Inc.	NEE	A1	A	NYSE	0.55
NiSource Inc.	NI	Baa2	BBB+	NYSE	0.55
NRG Energy Inc.	NRG	Ba1	BB	NYSE	1.25
Pinnacle West Capital	PNW	A2	A-	NYSE	0.50
PPL Corp.	PPL	A3	A-	NYSE	0.70
Public Serv. Enterprise Inc.	PEG	A2	A-	NYSE	0.65
Sempra Energy	SRE	Baa1	BBB+	NYSE	0.70
Southern Co.	SO	Baa1	A-	NYSE	0.50
WEC Energy Corp.	WEC	A2	A-	NYSE	0.50
Xcel Energy Inc	XEL	A2	A-	NYSE	0.50
Average for S&P Utilities		<u>A3</u>	<u>A-</u>		<u>0.60</u>

Note: ⁽¹⁾ Ratings are those of utility subsidiaries

Source of Information: SNL Financial LLC
Standard & Poor's Stock Guide
Value Line Investment Survey for Windows

PECO Energy Company
Capitalization and Related Capital Structure Ratios
Actual at June 30, 2020 and Estimated at June 30, 2021 and June 30, 2022

	Actual at June 30, 2020			Estimated at June 30, 2021			Estimated at June 30, 2022		
	Amount Outstanding (\$000)	Capital Structure Ratios		Amount Outstanding (\$000)	Capital Structure Ratios		Amount Outstanding (\$000)	Capital Structure Ratios	
		Incl. S-T Debt	Excl. S-T Debt		Incl. S-T Debt	Excl. S-T Debt		Incl. S-T Debt	Excl. S-T Debt
Long-Term Debt ⁽¹⁾	\$ 3,977,685	47.38%	47.38%	\$ 4,280,166 ⁽²⁾	46.61%	46.61%	\$ 4,707,205 ⁽²⁾	46.62%	46.62%
Common Equity									
Common Stock	1,423,004			1,423,004			1,423,004		
Other Paid-In Capital	1,574,364			1,878,352 ⁽⁴⁾			2,200,018 ⁽⁵⁾		
Retained Earnings ⁽³⁾	1,420,792			1,600,464 ⁽⁵⁾			1,766,463 ⁽⁴⁾		
Total Common Equity	<u>4,418,160</u>	<u>52.62%</u>	<u>52.62%</u>	<u>4,901,820</u>	<u>53.39%</u>	<u>53.39%</u>	<u>5,389,485</u>	<u>53.38%</u>	<u>53.38%</u>
Total Permanent Capital	8,395,845	100.00%	<u>100.00%</u>	9,181,986	100.00%	<u>100.00%</u>	10,096,690	100.00%	<u>100.00%</u>
Short-Term Debt	-	0.00%		-	0.00%		-	0.00%	
Total Capital Employed	<u>\$ 8,395,845</u>	<u>100.00%</u>		<u>\$ 9,181,986</u>	<u>100.00%</u>		<u>\$ 10,096,690</u>	<u>100.00%</u>	

Notes:

⁽¹⁾ Includes current portion of long-term debt.

⁽²⁾ Reflects change in long-term debt consisting of:

New issue	\$ 300,000	\$ 375,000
New issue		\$ 350,000
Maturity		\$ (300,000)
Change in Adjustment for Tenders and Calls	\$ 2,481	\$ 2,039

⁽³⁾ Excludes Accumulated Other Comprehensive Income

⁽⁴⁾ Equity Infusions

	\$ 303,988	321,666
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⁽⁵⁾ Reflects change in retained earnings consisting of:

Net income, excluding impact of proposed rate increase	\$ 510,172	\$ 524,499
Common Dividends	\$ (330,500)	\$ (358,500)

Source of Information: Company provided data

PECO Energy Company
Calculation of the Embedded Cost of Long-Term Debt
Actual at June 30, 2020

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽¹⁾
<u>First and Refunding Mortgage Bonds</u>					
1.70%	09/15/21	\$ 300,000,000	7.53%	1.86%	0.14%
2.375%	09/15/22	350,000,000	8.78%	2.47%	0.22%
3.150%	10/15/25	350,000,000	8.78%	3.29%	0.29%
5.90%	05/01/34	75,000,000	1.88%	6.00%	0.11%
5.95%	10/01/36	300,000,000	7.53%	6.04%	0.45%
5.70%	03/15/37	175,000,000	4.39%	5.81%	0.26%
4.80%	10/15/43	250,000,000	6.27%	4.89%	0.31%
4.15%	10/01/44	300,000,000	7.53%	4.23%	0.32%
3.70%	09/15/47	325,000,000	8.16%	3.77%	0.31%
3.90%	03/01/48	650,000,000	16.31%	4.08%	0.67%
3.00%	09/15/49	325,000,000	8.16%	3.10%	0.25%
2.80%	06/15/50	350,000,000	8.78%	2.86%	0.25%
<u>PIDC Loan</u>					
2.00%	06/20/23	50,000,000	1.26%	2.27%	0.03%
<u>Trust Preferred Capital Securities</u>					
7.38%	04/06/28	80,520,619	2.02%	7.46%	0.15%
6.75%	04/06/28	805,206	0.02%	6.75%	0.00%
5.75%	06/15/33	103,092,784	2.59%	5.88%	0.15%
		3,984,418,609	<u>100.00%</u>		<u>3.91%</u>
Adjustment for Tenders and Calls		<u>(6,734,000)</u>			
Long-Term Debt		<u>\$ 3,977,684,609</u>			
Annualized Cost		\$ 155,790,768			
Adjustment for Tenders and Calls on Reacquired Debt		<u>2,521,000</u>			
Total Cost		<u>\$ 158,311,768</u>			<u>3.98%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

PECO Energy Company
Calculation of the Embedded Cost of Long-Term Debt
Estimated at June 30, 2021

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u> ⁽¹⁾	<u>Weighted Cost Rate</u>
<u>First and Refunding Mortgage Bonds</u>					
1.70%	09/15/21	\$ 300,000,000	7.00%	1.86%	0.13%
2.375%	09/15/22	350,000,000	8.17%	2.47%	0.20%
3.150%	10/15/25	350,000,000	8.17%	3.29%	0.27%
5.90%	05/01/34	75,000,000	1.75%	6.00%	0.11%
5.95%	10/01/36	300,000,000	7.00%	6.04%	0.42%
5.70%	03/15/37	175,000,000	4.09%	5.81%	0.24%
4.80%	10/15/43	250,000,000	5.84%	4.89%	0.29%
4.15%	10/01/44	300,000,000	7.00%	4.23%	0.30%
3.70%	09/15/47	325,000,000	7.59%	3.77%	0.29%
3.90%	03/01/48	650,000,000	15.17%	4.08%	0.62%
3.00%	09/15/49	325,000,000	7.59%	3.10%	0.24%
2.80%	06/15/50	350,000,000	8.17%	2.86%	0.23%
3.35%	03/01/51	300,000,000	7.00%	3.46%	0.24%
<u>PIDC Loan</u>					
2.00%	06/20/23	50,000,000	1.17%	2.27%	0.03%
<u>Trust Preferred Capital Securities</u>					
7.38%	04/06/28	80,520,619	1.88%	7.46%	0.14%
6.75%	04/06/28	805,206	0.02%	6.75%	0.00%
5.75%	06/15/33	103,092,784	2.41%	5.88%	0.14%
		4,284,418,609	<u>100.00%</u>		<u>3.89%</u>
Adjustment for Tenders and Calls		<u>(4,253,000)</u>			
Long-Term Debt		<u>\$ 4,280,165,609</u>			
Annualized Cost		\$ 166,663,884			
Adjustment for Tenders and Calls on Reacquired Debt		<u>2,442,000</u>			
Total Cost		<u>\$ 169,105,884</u>			<u>3.95%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

PECO Energy Company
Calculation of the Embedded Cost of Long-Term Debt
Estimated at June 30, 2022

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽¹⁾
<u>First and Refunding Mortgage Bonds</u>					
2.375%	09/15/22	\$ 350,000,000	7.43%	2.47%	0.18%
3.150%	10/15/25	350,000,000	7.43%	3.29%	0.24%
5.90%	05/01/34	75,000,000	1.59%	6.00%	0.10%
5.95%	10/01/36	300,000,000	6.37%	6.04%	0.38%
5.70%	03/15/37	175,000,000	3.72%	5.81%	0.22%
4.80%	10/15/43	250,000,000	5.31%	4.89%	0.26%
4.15%	10/01/44	300,000,000	6.37%	4.23%	0.27%
3.70%	09/15/47	325,000,000	6.90%	3.77%	0.26%
3.90%	03/01/48	650,000,000	13.80%	4.08%	0.56%
3.00%	09/15/49	325,000,000	6.90%	3.10%	0.21%
2.80%	06/15/50	350,000,000	7.43%	2.86%	0.21%
3.35%	03/01/51	300,000,000	6.37%	3.46%	0.22%
3.35%	09/01/51	375,000,000	7.96%	3.46%	0.28%
3.40%	03/01/52	350,000,000	7.43%	3.51%	0.26%
<u>PIDC Loan</u>					
2.00%	06/20/23	50,000,000	1.06%	2.27%	0.02%
<u>Trust Preferred Capital Securities</u>					
7.38%	04/06/28	80,520,619	1.71%	7.46%	0.13%
6.75%	04/06/28	805,206	0.02%	6.75%	0.00%
5.75%	06/15/33	103,092,784	2.19%	5.88%	0.13%
		4,709,418,609	<u>100.00%</u>		<u>3.93%</u>
Adjustment for Tenders and Calls		<u>(2,214,000)</u>			
Long-Term Debt		<u>\$ 4,707,204,609</u>			
Annualized Cost		\$ 185,080,151			
Adjustment for Tenders and Calls on Reacquired Debt		<u>1,584,000</u>			
Total Cost		<u>\$ 186,664,151</u>			<u>3.97%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

PECO Energy Company
Calculation of the Effective Cost of Long-Term Debt by Series

<u>Series</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Average Term in Years</u> ⁽¹⁾	<u>Principal Amount Issued</u>	<u>Premium/Discount & Expense</u>	<u>Net Proceeds</u>	<u>Net Proceeds Ratio</u>	<u>Effective Cost Rate</u> ⁽²⁾
First and Refunding Mortgage Bonds								
1.70%	09/21/16	09/15/21	5	\$ 300,000,000	\$ 2,348,606	\$ 297,651,394	99.22%	1.86%
2.375%	09/17/12	09/15/22	10	350,000,000	3,054,240	346,945,760	99.13%	2.47%
3.15%	10/05/15	10/15/25	10	350,000,000	4,156,454	345,843,546	98.81%	3.29%
5.90%	04/23/04	05/01/34	30	75,000,000	1,024,692	73,975,308	98.63%	6.00%
5.95%	09/25/06	10/01/36	30	300,000,000	3,862,236	296,137,764	98.71%	6.04%
5.70%	03/19/07	03/15/37	30	175,000,000	2,672,126	172,327,874	98.47%	5.81%
4.80%	09/23/13	10/15/43	30	250,000,000	3,475,050	246,524,950	98.61%	4.89%
4.15%	09/15/14	10/01/44	30	300,000,000	4,211,731	295,788,269	98.60%	4.23%
3.70%	09/18/17	09/15/47	30	325,000,000	4,197,845	320,802,155	98.71%	3.77%
3.90%	02/23/18	03/01/48	30	650,000,000	20,205,761	629,794,239	96.89%	4.08%
3.00%	09/10/19	09/15/49	30	325,000,000	6,226,403	318,773,597	98.08%	3.10%
2.80%	06/01/20	06/15/50	30	350,000,000	4,016,000	345,984,000	98.85%	2.86%
3.35% ⁽³⁾	03/01/21	03/01/51	30	300,000,000	6,000,000	294,000,000	98.00%	3.46%
3.35% ⁽³⁾	09/01/21	09/01/51	30	375,000,000	7,500,000	367,500,000	98.00%	3.46%
3.40% ⁽³⁾	03/01/22	03/01/52	30	350,000,000	7,000,000	343,000,000	98.00%	3.51%
PIDC Loan								
2.00%	06/20/18	06/20/23	5	50,000,000	637,415	49,362,585	98.73%	2.27%
Trust Preferred Capital Securities								
7.38%	04/06/98	04/06/28	30	80,520,619	760,181	79,760,438	99.06%	7.46%
6.75% ⁽⁴⁾	04/06/98	04/06/28	30	805,206	-	805,206	100.00%	6.75%
5.75%	06/24/03	06/15/33	30	103,092,784	1,934,015	101,158,769	98.12%	5.88%

Notes: ⁽¹⁾ Determined by taking into account the effect of the annual sinking fund requirements which are met by the retirement of bonds which reduce the term of each issue.

⁽²⁾ The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.

⁰ Estimated.

⁽⁴⁾ Variable rate at Prime Rate of 4.750% plus two-percentage points.

Source of Information: Company provided data

**Monthly Dividend Yields for
Natural Gas Group
for the Twelve Months Ending June 2020**

<u>Company</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	12-Month Average	6-Month Average	3-Month Average
Atmos Energy Corp (ATO)	1.93%	1.91%	1.85%	2.05%	2.15%	2.06%	1.97%	2.23%	2.32%	2.27%	2.24%	2.32%			
Chesapeake Utilities Corp (CPK)	1.74%	1.72%	1.70%	1.71%	1.78%	1.69%	1.69%	1.90%	1.89%	2.01%	1.96%	2.10%			
New Jersey Resources Corporation (NJR)	2.51%	2.75%	2.77%	2.88%	2.96%	2.81%	3.04%	3.57%	3.69%	3.72%	3.59%	3.83%			
NiSource Inc (NI)	2.69%	2.71%	2.69%	2.85%	3.03%	2.89%	2.89%	3.11%	3.38%	3.35%	3.54%	3.72%			
Northwest Natural Holding Company (NWN)	2.66%	2.67%	2.68%	2.75%	2.78%	2.60%	2.91%	3.11%	3.11%	2.93%	2.99%	3.44%			
ONE Gas Inc (OGS)	2.20%	2.19%	2.09%	2.16%	2.25%	2.14%	2.30%	2.63%	2.59%	2.72%	2.58%	2.81%			
South Jersey Industries Inc (SJI)	3.39%	3.59%	3.50%	3.69%	3.81%	3.59%	3.85%	4.41%	4.73%	4.15%	4.20%	4.73%			
Southwest Gas Holdings Inc (SWX)	2.49%	2.41%	2.42%	2.51%	2.88%	2.88%	2.91%	3.38%	3.15%	3.03%	3.01%	3.32%			
Spire Inc. (SR)	2.89%	2.81%	2.72%	2.97%	3.24%	2.99%	2.97%	3.34%	3.35%	3.43%	3.44%	3.80%			
Average	2.50%	2.53%	2.49%	2.62%	2.76%	2.63%	2.69%	3.05%	3.13%	3.07%	3.06%	3.34%	2.82%	3.06%	3.16%

Note: Monthly dividend yields are calculated by dividing the annualized quarterly dividend by the month-end closing stock price adjusted by the fraction of the ex-dividend.

Source of Information: <http://performance.morningstar.com/stock/performance-return>
<http://www.snl.com/interactivex/dividends>

Forward-looking Dividend Yield	1/2 Growth	D_0/P_0	(.5g)	D_1/P_0	$K = \frac{D_0(1+g)^0 + D_0(1+g)^1 + D_0(1+g)^2 + D_0(1+g)^3}{P_0} + g$
		3.16%	1.037500	3.28%	
	Discrete	D_0/P_0	Adj.	D_1/P_0	$K = \frac{D_0(1+g)^{25} + D_0(1+g)^{50} + D_0(1+g)^{75} + D_0(1+g)^{100}}{P_0} + g$
		3.16%	1.046451	3.30%	
	Quarterly	D_0/P_0	Adj.	D_1/P_0	$K = \left[\left(1 + \frac{D_0(1+g)^{25}}{P_0} \right)^4 - 1 \right] + g$
	Average	0.7892%	1.018245	<u>3.25%</u>	
				3.28%	
	Growth rate			<u>7.50%</u>	
	K			<u>10.78%</u>	

Historical Growth Rates

Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	Earnings per Share		Dividends per Share		Book Value per Share		Cash Flow per Share	
	Value Line		Value Line		Value Line		Value Line	
	5 Year	10 Year	5 Year	10 Year	5 Year	10 Year	5 Year	10 Year
Atmos Energy Corp (ATO)	9.50%	7.50%	6.50%	4.00%	8.50%	6.50%	7.00%	5.50%
Chesapeake Utilities Corp (CPK)	8.00%	9.00%	6.50%	5.50%	10.50%	9.50%	7.00%	10.00%
New Jersey Resources Corporation (NJR)	6.00%	7.00%	6.50%	7.00%	8.50%	7.00%	7.50%	7.50%
NiSource Inc (NI)	-8.00%	-1.00%	-5.00%	-2.00%	-7.00%	-3.00%	-5.00%	-2.00%
Northwest Natural Holding Company (NWN)	-17.00%	-11.00%	0.50%	2.00%	-0.50%	1.50%	-5.50%	-3.00%
ONE Gas Inc (OGS)	9.50%	-	17.00%	-	2.50%	-	7.00%	-
South Jersey Industries Inc (SJI)	-2.50%	1.50%	6.00%	8.00%	6.00%	6.50%	3.50%	5.00%
Southwest Gas Holdings Inc (SWX)	4.50%	8.00%	9.50%	8.50%	6.50%	6.00%	1.50%	4.00%
Spire Inc. (SR)	9.50%	3.50%	5.50%	4.00%	7.00%	7.00%	13.00%	5.50%
Average	<u>2.17%</u>	<u>3.06%</u>	<u>5.89%</u>	<u>4.63%</u>	<u>4.67%</u>	<u>5.13%</u>	<u>4.00%</u>	<u>4.06%</u>

Source of Information: Value Line Investment Survey, May 29, 2020

Analysts' Five-Year Projected Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

<u>Gas Group</u>	<u>I/B/E/S First Call</u>	<u>Zacks</u>	<u>Value Line</u>				
			<u>Earnings Per Share</u>	<u>Dividends Per Share</u>	<u>Book Value Per Share</u>	<u>Cash Flow Per Share</u>	<u>Percent Retained to Common Equity</u>
Atmos Energy Corp (ATO)	7.15%	7.20%	7.00%	7.50%	7.50%	5.50%	4.50%
Chesapeake Utilities Corp (CPK)	4.74%	NA	9.00%	8.50%	10.00%	8.50%	5.50%
New Jersey Resources Corporation	6.00%	6.00%	2.00%	6.00%	8.50%	2.00%	3.00%
NiSource Inc (NI)	4.89%	5.30%	13.50%	7.50%	5.00%	8.00%	4.50%
Northwest Natural Holding Compan	3.10%	3.10%	26.50%	0.50%	2.00%	9.00%	5.00%
ONE Gas Inc (OGS)	5.00%	5.50%	6.50%	7.50%	4.00%	6.50%	4.00%
South Jersey Industries Inc (SJI)	10.20%	10.20%	12.50%	3.50%	5.50%	6.00%	5.50%
Southwest Gas Holdings Inc (SWX)	8.20%	6.00%	8.00%	4.00%	6.00%	7.00%	5.50%
Spire Inc. (SR)	4.67%	4.70%	5.50%	5.00%	8.50%	5.50%	3.00%
Average	<u>5.99%</u>	<u>6.00%</u>	<u>10.06%</u>	<u>5.56%</u>	<u>6.33%</u>	<u>6.44%</u>	<u>4.50%</u>

Source of Information :
Yahoo Finance, June 30, 2020
Zacks, June 30, 2020
Value Line Investment Survey, May 29, 2020

Gas Group
Financial Risk Adjustment

	ATMOS Energy (NYSE:ATO)	Chesapeake Utilities (NYSE:CPK)	New Jersey Resources (NYSE:NJR)	NiSource, Inc (NYSE:NI)	Northwest Natural Gas (NYSE:NWN)	ONE Gas Inc (NYSE:OGS)	South Jersey Industries (NYSE:SJI)	Southwest Gas (SWX)	Spire Inc. (NYSE:SR)	Average	
Fiscal Year	09/30/19	12/31/19	09/30/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	09/30/19		
Capitalization at Fair Values											
Debt(D)	4,216,249	505,000	1,568,864	8,764,400	957,268	1,500,000	2,730,000	2,672,077	2,373,400	2,809,695	
Preferred(P)	0	0	0	0	0	0	0	0	0	0	
Equity(E)	13,349,252	1,571,974	3,913,860	10,638,657	2,246,701	4,937,853	3,047,159	4,178,915	4,246,604	5,347,886	
Total	17,565,501	2,076,974	5,482,724	19,403,057	3,203,969	6,437,853	5,777,159	6,850,992	6,620,004	8,157,581	
Capital Structure Ratios											
Debt(D)	24.00%	24.31%	28.61%	45.17%	29.88%	23.30%	47.26%	39.00%	35.85%	33.04%	
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Equity(E)	76.00%	75.69%	71.39%	54.83%	70.12%	76.70%	52.74%	61.00%	64.15%	66.96%	
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Common Stock											
Issued	119,338,925	16,403,776	89,998,788	382,135,680	30,472,000	52,771,749	92,394,155	55,007,433	50,973,515		
Treasury	0.000	0.000	2,185,013	0.000	0.000	0.000	0.000	0.000	0.000		
Outstanding	119,338,925	16,403,776	87,813,775	382,135,680	30,472,000	52,771,749	92,394,155	55,007,433	50,973,515		
Market Price	\$111.86	\$95.83	\$44.57	\$27.84	\$73.73	\$93.57	\$32.98	\$75.97	\$83.31		
Capitalization at Carrying Amounts											
Debt(D)	3,560,000	486,600	1,442,845	7,869,600	881,064	1,300,000	2,540,000	2,463,994	2,122,600	2,518,523	
Preferred(P)	0	0	0	0	0	0	0	0	0	0	
Equity(E)	5,750,223	561,577	1,551,717	5,986,700	865,999	2,129,390	1,423,785	2,505,914	2,543,000	2,590,923	
Total	9,310,223	1,048,177	2,994,562	13,856,300	1,747,063	3,429,390	3,963,785	4,969,908	4,665,600	5,109,445	
Capital Structure Ratios											
Debt(D)	38.24%	46.42%	48.18%	56.79%	50.43%	37.91%	64.08%	49.58%	45.49%	48.57%	
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Equity(E)	61.76%	53.58%	51.82%	43.21%	49.57%	62.09%	35.92%	50.42%	54.51%	51.43%	
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Betas	Value Line	0.80	0.75	0.90	0.85	0.80	0.80	0.95	0.90	0.80	0.84
Hamada	BI =	Bu	[1+	(1 - t)	D/E	+	P/E]			
	0.84 =	Bu	[1+	(1-0.21)	0.4934	+	0.0000]			
	0.84 =	Bu	[1+	0.79	0.4934	+	0.0000]			
	0.84 =	Bu	1.3898								
	0.60 =	Bu									
Hamada	BI =	0.60	[1+	(1 - t)	D/E	+	P/E]			
	BI =	0.60	[1+	0.79	0.9443	+	0.0000]			
	BI =	0.60	1.7460								
	BI =	1.05									
M&M	ku =	ke	-	((ku	-	i)	1-t)	D / E - (ku - d) P / E
	8.63% =	10.78%	-	((8.63%	-	3.13%)	0.79)	33.04% / 66.96% - 8.63% - 5.68%) 0.00% / 66.96%
	8.63% =	10.78%	-	((5.50%	-)	0.79)	0.4934 - 2.95%) 0.0000
	8.63% =	10.78%	-	((4.35%	-))	0.4934 - 2.95%) 0
	8.63% =	10.78%	-		2.15%						- 0.00%
M&M	ke =	ku	+	((ku	-	i)	1-t)	D / E + (ku - d) P / E
	12.74% =	8.63%	+	((8.63%	-	3.13%)	0.79)	48.57% / 51.43% + 8.63% - 5.68%) 0.00% / 51.43%
	12.74% =	8.63%	+	((5.50%	-)	0.79)	0.9443 + 2.95%) 0.0000
	12.74% =	8.63%	+	((4.35%	-))	0.9443 + 2.95%) 0
	12.74% =	8.63%	+		4.11%						+ 0.00%

**Interest Rates for Investment Grade Public Utility Bonds
Yearly for 2015-2019
and the Twelve Months Ended June 2020**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2015	4.00%	4.12%	5.03%	4.38%
2016	3.73%	3.93%	4.68%	4.11%
2017	3.82%	4.00%	4.38%	4.07%
2018	4.09%	4.25%	4.67%	4.34%
2019	3.61%	3.77%	4.19%	3.86%
Five-Year Average	<u><u>3.85%</u></u>	<u><u>4.01%</u></u>	<u><u>4.59%</u></u>	<u><u>4.15%</u></u>
<u>Months</u>				
Jul-20	3.53%	3.69%	4.13%	3.79%
Aug-20	3.17%	3.29%	3.63%	3.36%
Sep-20	3.24%	3.37%	3.71%	3.44%
Oct-20	3.24%	3.39%	3.72%	3.45%
Nov-20	3.25%	3.43%	3.76%	3.48%
Dec-20	3.22%	3.40%	3.73%	3.45%
Jan-20	3.12%	3.29%	3.60%	3.34%
Feb-20	2.96%	3.11%	3.42%	3.16%
Mar-20	3.30%	3.50%	3.96%	3.59%
Apr-20	2.93%	3.19%	3.82%	3.31%
May-20	2.89%	3.14%	3.63%	3.22%
Jun-20	2.80%	3.07%	3.44%	3.10%
Twelve-Month Average	<u><u>3.14%</u></u>	<u><u>3.32%</u></u>	<u><u>3.71%</u></u>	<u><u>3.39%</u></u>
Six-Month Average	<u><u>3.00%</u></u>	<u><u>3.22%</u></u>	<u><u>3.65%</u></u>	<u><u>3.29%</u></u>
Three-Month Average	<u><u>2.87%</u></u>	<u><u>3.13%</u></u>	<u><u>3.63%</u></u>	<u><u>3.21%</u></u>

Yields on A-rated Public Utility Bonds and Spreads over 30-Year Treasuries



— A-rated Public Utility	8.31%	7.89%	7.75%	7.60%	7.04%	7.62%	8.24%	7.76%	7.37%	6.58%	6.16%	5.65%	6.07%	6.07%	6.53%	6.04%	5.46%	5.04%	4.13%	4.48%	4.28%	4.12%	3.93%	4.00%	4.25%	3.77%
— Spread vs. 30-year	0.94%	1.01%	1.04%	0.99%	1.46%	1.75%	2.30%	2.27%					1.16%	1.23%	2.25%	1.96%	1.21%	1.13%	1.21%	1.03%	0.94%	1.28%	1.34%	1.10%	1.14%	1.19%

Common Equity Risk Premiums
Years 1926-2019

	<u>Large Common Stocks</u>	<u>Long- Term Corp. Bonds</u>	<u>Equity Risk Premium</u>	<u>Long- Term Govt. Bonds Yields</u>
Low Interest Rates	11.92%	5.22%	6.70%	2.88%
Average Across All Interest Rates	12.09%	6.40%	5.69%	4.99%
High Interest Rates	12.26%	7.57%	4.69%	7.09%

Source of Information: 2020 SBBI Yearbook Stocks, Bonds, Bills, and Inflation

Basic Series
Annual Total Returns (except yields)

Year	Large Common Stocks	Long- Term Corp. Bonds	Long- Term Govt. Bonds Yields
1940	-9.78%	3.39%	1.94%
1945	36.44%	4.08%	1.99%
1941	-11.59%	2.73%	2.04%
1949	18.79%	3.31%	2.09%
1946	-8.07%	1.72%	2.12%
1950	31.71%	2.12%	2.24%
2019	31.49%	19.95%	2.25%
1939	-0.41%	3.97%	2.26%
1948	5.50%	4.14%	2.37%
1947	5.71%	-2.34%	2.43%
1942	20.34%	2.60%	2.46%
1944	19.75%	4.73%	2.46%
2012	16.00%	10.68%	2.46%
2014	13.69%	17.28%	2.46%
1943	25.90%	2.83%	2.48%
1938	31.12%	6.13%	2.52%
2017	21.83%	12.25%	2.54%
1936	33.92%	6.74%	2.55%
2011	2.11%	17.95%	2.55%
2015	1.38%	-1.02%	2.68%
1951	24.02%	-2.69%	2.69%
1954	52.62%	5.39%	2.72%
2016	11.96%	6.70%	2.72%
1937	-35.03%	2.75%	2.73%
1953	-0.99%	3.41%	2.74%
1935	47.67%	9.61%	2.76%
1952	18.37%	3.52%	2.79%
2018	-4.38%	-4.73%	2.84%
1934	-1.44%	13.84%	2.93%
1955	31.56%	0.48%	2.95%
2008	-37.00%	8.78%	3.03%
1932	-8.19%	10.82%	3.15%
1927	37.49%	7.44%	3.17%
1957	-10.78%	8.71%	3.23%
1930	-24.90%	7.98%	3.30%
1933	53.99%	10.38%	3.36%
1928	43.61%	2.84%	3.40%
1929	-8.42%	3.27%	3.40%
1956	6.56%	-6.81%	3.45%
1926	11.62%	7.37%	3.54%
2013	32.39%	-7.07%	3.78%
1960	0.47%	9.07%	3.80%
1958	43.36%	-2.22%	3.82%
1962	-8.73%	7.95%	3.95%
1931	-43.34%	-1.85%	4.07%
2010	15.06%	12.44%	4.14%
1961	26.89%	4.82%	4.15%
1963	22.80%	2.19%	4.17%
1964	16.48%	4.77%	4.23%
1959	11.96%	-0.97%	4.47%
1965	12.45%	-0.46%	4.50%
2007	5.49%	2.60%	4.50%
1966	-10.06%	0.20%	4.55%
2009	26.46%	3.02%	4.58%
2005	4.91%	5.87%	4.61%
2002	-22.10%	16.33%	4.84%
2004	10.88%	8.72%	4.84%
2006	15.79%	3.24%	4.91%
2003	28.68%	5.27%	5.11%
1998	28.58%	10.76%	5.42%
1967	23.98%	-4.95%	5.56%
2000	-9.10%	12.87%	5.58%
2001	-11.89%	10.65%	5.75%
1971	14.30%	11.01%	5.97%
1968	11.06%	2.57%	5.98%
1972	18.99%	7.26%	5.99%
1997	33.36%	12.95%	6.02%
1995	37.58%	27.20%	6.03%
1970	3.86%	18.37%	6.48%
1993	10.08%	13.19%	6.54%
1996	22.96%	1.40%	6.73%
1999	21.04%	-7.45%	6.82%
1969	-8.50%	-8.09%	6.87%
1976	23.93%	18.65%	7.21%
1973	-14.69%	1.14%	7.26%
1992	7.62%	9.39%	7.26%
1991	30.47%	19.89%	7.30%
1974	-26.47%	-3.06%	7.60%
1986	18.67%	19.85%	7.89%
1994	1.32%	-5.76%	7.99%
1977	-7.16%	1.71%	8.03%
1975	37.23%	14.64%	8.05%
1989	31.69%	16.23%	8.16%
1990	-3.10%	6.78%	8.44%
1978	6.57%	-0.07%	8.98%
1988	16.61%	10.70%	9.19%
1987	5.25%	-0.27%	9.20%
1985	31.73%	30.09%	9.56%
1979	18.61%	-4.18%	10.12%
1982	21.55%	42.56%	10.95%
1984	6.27%	16.86%	11.70%
1983	22.56%	6.26%	11.97%
1980	32.50%	-2.76%	11.99%
1981	-4.92%	-1.24%	13.34%

**Yields for Treasury Constant Maturities
Yearly for 2015-2019
and the Twelve Months Ended June 2020**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>	<u>30-Year</u>
2015	0.32%	0.69%	1.03%	1.53%	1.89%	2.14%	2.55%	2.84%
2016	0.61%	0.84%	1.01%	1.34%	1.64%	1.84%	2.23%	2.60%
2017	1.20%	1.40%	1.58%	1.91%	2.16%	2.33%	2.65%	2.90%
2018	2.33%	2.53%	2.63%	2.75%	2.85%	2.91%	3.02%	3.11%
2019	2.05%	1.97%	1.94%	1.96%	2.05%	2.14%	2.40%	2.58%
Five-Year Average	<u>1.30%</u>	<u>1.49%</u>	<u>1.64%</u>	<u>1.90%</u>	<u>2.12%</u>	<u>2.27%</u>	<u>2.57%</u>	<u>2.81%</u>
<u>Months</u>								
Jul-19	1.96%	1.84%	1.80%	1.83%	1.93%	2.06%	2.36%	2.57%
Aug-19	1.77%	1.57%	1.51%	1.49%	1.55%	1.63%	1.91%	2.12%
Sep-19	1.80%	1.65%	1.59%	1.57%	1.64%	1.70%	1.97%	2.16%
Oct-19	1.61%	1.55%	1.53%	1.53%	1.62%	1.71%	2.00%	2.19%
Nov-19	1.57%	1.61%	1.61%	1.64%	1.74%	1.81%	2.13%	2.28%
Dec-19	1.55%	1.61%	1.63%	1.68%	1.79%	1.86%	2.16%	2.30%
Jan-20	1.53%	1.52%	1.52%	1.56%	1.67%	1.76%	2.07%	2.22%
Feb-20	1.41%	1.33%	1.31%	1.32%	1.42%	1.50%	1.81%	1.97%
Mar-20	0.33%	0.45%	0.50%	0.59%	0.78%	0.87%	1.26%	1.46%
Apr-20	0.18%	0.22%	0.28%	0.39%	0.55%	0.66%	1.06%	1.27%
May-20	0.16%	0.17%	0.22%	0.34%	0.53%	0.67%	1.12%	1.38%
Jun-20	0.18%	0.19%	0.22%	0.34%	0.55%	0.73%	1.27%	1.49%
Twelve-Month Average	<u>1.17%</u>	<u>1.14%</u>	<u>1.14%</u>	<u>1.19%</u>	<u>1.31%</u>	<u>1.41%</u>	<u>1.76%</u>	<u>1.95%</u>
Six-Month Average	<u>0.63%</u>	<u>0.65%</u>	<u>0.68%</u>	<u>0.76%</u>	<u>0.92%</u>	<u>1.03%</u>	<u>1.43%</u>	<u>1.63%</u>
Three-Month Average	<u>0.17%</u>	<u>0.19%</u>	<u>0.24%</u>	<u>0.36%</u>	<u>0.54%</u>	<u>0.69%</u>	<u>1.15%</u>	<u>1.38%</u>

Measures of the Risk-Free Rate & Corporate Bond Yields

The forecast of Treasury and Corporate yields
per the consensus of nearly 50 economists
reported in the Blue Chip Financial Forecasts dated June 1, 2020 and July 1, 2020

Year	Quarter	Treasury					Corporate	
		1-Year Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Bond	Aaa Bond	Baa Bond
2020	Third	0.2%	0.3%	0.4%	0.8%	1.5%	2.6%	3.9%
2020	Fourth	0.2%	0.3%	0.5%	0.9%	1.6%	2.6%	4.0%
2021	First	0.3%	0.3%	0.6%	1.0%	1.7%	2.7%	4.0%
2021	Second	0.3%	0.4%	0.6%	1.0%	1.8%	2.8%	4.0%
2021	Third	0.3%	0.4%	0.7%	1.1%	1.8%	2.8%	4.1%
2021	Fourth	0.4%	0.5%	0.8%	1.2%	1.9%	2.9%	4.1%
Long-range CONSENSUS								
2021		0.4%	0.5%	0.7%	1.2%	1.8%	2.8%	4.1%
2022		0.7%	0.9%	1.1%	1.5%	2.2%	3.2%	4.5%
2023		1.3%	1.5%	1.7%	2.1%	2.7%	3.6%	4.9%
2024		1.8%	2.0%	2.2%	2.5%	3.1%	4.0%	5.2%
2025		2.1%	2.3%	2.5%	2.7%	3.3%	4.2%	5.3%
2026		2.3%	2.5%	2.7%	2.9%	3.5%	4.3%	5.4%
Averages:								
	2022-2026	1.7%	1.8%	2.0%	2.3%	3.0%	3.9%	5.0%
	2027-2031	2.6%	2.7%	2.9%	3.1%	3.8%	4.6%	5.7%

Measures of the Market Premium

Value Line Return			
As of:	Dividend Yield	Median Appreciation Potential	Median Total Return
26-Jun-20	2.4%	+ 13.34%	= 15.74%

DCF Result for the S&P 500 Composite			
D/P	(1+.5g)	+	g = k
2.03%	(1.0200)	+	4.00% = 6.07%

Summary		
Value Line		15.74%
S&P 500		6.07%
Average		10.91%
Risk-free Rate of Return (Rf)		1.75%
Forecast Market Premium		9.16%
Historical Market Premium		
Low Interest Rates	(Rm)	(Rf)
1926-2019 Arith. mean	11.92%	2.88%
Average - Forecast/Historical		9.10%

Exhibit 7.8: Size-Decile Portfolios of the NYSE/NYSE MKT/NASDAQ Long-Term Returns in Excess of CAPM
1926–2016

<u>Size Grouping</u>	<u>OLS Beta</u>	<u>Arithmetic Mean</u>	<u>Return in Excess of Risk-free Rate (actual)</u>	<u>Return in Excess of Risk-free Rate (as predicted by CAPM)</u>	<u>Size Premium</u>
Mid-Cap (3–5)	1.12	13.82%	8.80%	7.79%	1.02%
Low-Cap (6–8)	1.22	15.26%	10.24%	8.49%	1.75%
Micro-Cap (9–10)	1.35	18.04%	13.02%	9.35%	3.67%
<u>Breakdown of Deciles 1–10</u>					
1-Largest	0.92	11.05%	6.04%	6.38%	-0.35%
2	1.04	12.82%	7.81%	7.19%	0.61%
3	1.11	13.57%	8.55%	7.66%	0.89%
4	1.13	13.80%	8.78%	7.80%	0.98%
5	1.17	14.62%	9.60%	8.09%	1.51%
6	1.17	14.81%	9.79%	8.14%	1.66%
7	1.25	15.41%	10.39%	8.67%	1.72%
8	1.30	16.14%	11.12%	9.04%	2.08%
9	1.34	16.97%	11.96%	9.28%	2.68%
10-Smallest	1.39	20.27%	15.25%	9.66%	5.59%

Betas are estimated from monthly returns in excess of the 30-day U.S. Treasury bill total return, January 1926–December 2016. Historical riskless rate measured by the 91-year arithmetic mean income return component of 20-year government bonds (5.02%). Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (11.95%) minus the arithmetic mean income return component of 20-year government bonds (5.02%) from 1926–2016. Source: Morningstar *Direct* and CRSP. Calculated based on data from CRSP US Stock Database and CRSP US Indices Database ©2017 Center for Research. Used with permission. All calculations performed by Duff & Phelps, LLC.

Comparable Earnings Approach

Using Non-Utility Companies with
Timeliness of 3 & 4; Safety Rank of 1, 2 & 3; Financial Strength of B+, B++, A & A+;
Price Stability of 70 to 95; Betas of .75 to .95; and Technical Rank of 2 & 3

Company	Industry	Timeliness Rank	Safety Rank	Financial Strength	Price Stability	Beta	Technical Rank
AMERCO	Trucking	3	3	B++	90	0.90	3
Analog Devices Inc	Semiconductor	3	2	A+	85	0.95	3
ANSYS Inc	Computer Software	3	2	A	90	0.90	2
AO Smith Corp	Machinery	3	3	B++	85	0.95	3
Caseys General Stores Inc	Retail/Wholesale Food	3	3	B+	80	0.80	2
CME Group Inc	Brokers & Exchanges	3	2	A	90	0.90	3
Commerce Bancshares Inc	Bank (Midwest)	3	1	A	90	0.90	2
Cooper Companies Inc	Med Supp Non-Invasive	3	2	A	85	0.95	2
Dollar Tree Inc	Retail Store	3	3	A	70	0.75	3
Dorman Products Inc	Auto Parts	3	3	B++	70	0.75	3
EchoStar Corporation	Cable TV	3	3	B+	75	0.90	3
Ennis Inc.	Office Equip/Supplies	3	3	B++	85	0.75	3
ESCO Technologies Inc	Diversified Co.	3	3	B+	90	0.95	2
Expeditors International of Washington	Industrial Services	3	1	A+	95	0.95	3
Exponent Inc.	Information Services	3	3	B+	90	0.85	3
F5 Networks	Telecom. Equipment	3	3	A	75	0.90	3
FirstCash Inc.	Financial Svcs. (Div.)	3	3	B++	80	0.80	2
FLIR Systems Inc	Electrical Equipment	3	3	B++	75	0.95	2
Franklin Electric Co Inc	Electrical Equipment	3	3	A	70	0.95	2
GATX Corp	Railroad	3	3	B+	75	0.95	3
Gentex Corp	Auto Parts	3	3	B++	85	0.95	3
Globus Medical Inc	Med Supp Invasive	3	3	B++	70	0.80	2
Haemonetics Corp	Med Supp Non-Invasive	3	3	B++	70	0.85	2
Healthcare Services Group Inc	Industrial Services	3	3	B+	70	0.85	3
Heartland Express Inc	Trucking	3	3	A	90	0.75	2
Innospec Inc	Chemical (Specialty)	3	3	B++	75	0.95	3
Integra LifeSciences Holdings Corporati	Med Supp Invasive	3	3	B+	70	0.95	3
J and J Snack Foods Corp	Food Processing	4	1	A+	90	0.85	3
J B Hunt Transport Services Inc	Trucking	3	2	A+	85	0.95	3
McCormick and Co	Food Processing	3	1	A+	90	0.85	2
Motorola Solutions Inc	Telecom. Equipment	3	2	B++	95	0.85	3
MSC Industrial Direct Co Inc	Machinery	3	2	A	80	0.90	3
Old National Bancorp	Bank (Midwest)	3	3	B+	85	0.90	3
Omnicom Group Inc	Advertising	3	2	B++	95	0.95	3
Park National Corp	Bank (Midwest)	3	3	B+	90	0.80	3
PerkinElmer Inc	Precision Instrument	3	2	B++	90	0.95	2
Pool Corporation	Recreation	3	2	B++	95	0.90	3
Premier Inc.	Healthcare Information	3	3	B++	70	0.75	3
Salesforce Com Inc	E-Commerce	3	3	B++	80	0.90	2
Scholastic Corporation	Publishing	3	3	B++	80	0.95	3
Selective Insurance Group Inc	Insurance (Prop/Cas.)	3	3	B+	95	0.85	3
Tetra Tech	Environmental	3	3	B++	90	0.90	2
Vail Resorts	Hotel/Gaming	3	3	B+	85	0.90	3
Walgreens Boots	Pharmacy Services	3	2	A+	85	0.75	3
Watsco Inc	Retail Building Supply	3	2	A	95	0.90	2
Werner Enterprises Inc	Trucking	3	3	B++	75	0.85	2
Xilinx Inc	Semiconductor	3	3	A	70	0.90	3
Average		3	3	B++	83	0.88	3
Gas Group	Average	3	2	A	88	0.84	3

Source of Information: Value Line Investment Survey for Windows, June 2020

Comparable Earnings Approach
Five -Year Average Historical Earned Returns
for Years 2015-2019 and
Projected 3-5 Year Returns

Company	2015	2016	2017	2018	2019	Average	Projected 2022-24
AMERCO	21.7%	15.2%	9.0%	10.0%	8.0%	12.8%	8.5%
Analog Devices Inc	19.7%	18.6%	16.6%	20.4%	16.3%	18.3%	18.5%
ANSYS Inc	14.3%	14.6%	15.5%	19.4%	16.4%	16.0%	15.0%
AO Smith Corp	19.6%	21.5%	22.9%	26.2%	22.2%	22.5%	20.5%
Caseys General Stores Inc	20.9%	14.9%	11.2%	14.5%	14.0%	15.1%	12.5%
CME Group Inc	6.1%	7.5%	18.1%	7.6%	8.1%	9.5%	9.0%
Commerce Bancshares Inc	11.2%	11.0%	11.8%	14.8%	13.4%	12.4%	8.0%
Cooper Companies Inc	7.6%	10.1%	11.7%	10.3%	12.9%	10.5%	13.0%
Dollar Tree Inc	6.4%	16.6%	16.1%	23.1%	18.1%	16.1%	17.5%
Dorman Products Inc	18.2%	17.6%	17.9%	19.2%	11.3%	16.8%	13.5%
EchoStar Corporation	4.0%	4.6%	2.2%	0.9%	NMF	2.9%	3.5%
Ennis Inc.	12.0%	10.5%	12.5%	12.9%	13.0%	12.2%	12.5%
ESCO Technologies Inc	7.1%	8.3%	8.6%	9.0%	9.9%	8.6%	10.5%
Expeditors International of Washington Inc	27.0%	23.4%	22.7%	31.1%	26.9%	26.2%	28.5%
Exponent Inc.	16.6%	17.4%	14.3%	23.0%	23.5%	19.0%	30.0%
F5 Networks	27.7%	30.9%	34.2%	35.3%	24.3%	30.5%	19.0%
FirstCash Inc.	14.1%	4.1%	7.9%	11.6%	12.2%	10.0%	12.5%
FLIR Systems Inc	13.4%	12.5%	13.7%	16.6%	16.2%	14.5%	15.5%
Franklin Electric Co Inc	13.2%	12.8%	12.5%	14.6%	12.3%	13.1%	13.5%
GATX Corp	18.1%	17.6%	10.4%	11.2%	10.9%	13.6%	8.0%
Gentex Corp	18.5%	18.2%	18.0%	23.5%	21.9%	20.0%	23.0%
Globus Medical Inc	15.8%	12.5%	12.2%	13.2%	11.1%	13.0%	11.0%
Haemonetics Corp	11.6%	10.7%	13.4%	19.0%	29.2%	16.8%	25.5%
Healthcare Services Group Inc	22.9%	22.8%	22.1%	18.9%	14.0%	20.1%	25.0%
Heartland Express Inc	15.5%	11.1%	7.4%	11.8%	10.7%	11.3%	10.5%
Innospec Inc	19.8%	12.4%	7.8%	10.3%	12.2%	12.5%	13.0%
Integra LifeSciences Holdings Corporation	13.6%	16.1%	15.9%	14.8%	16.8%	15.4%	19.5%
J and J Snack Foods Corp	11.7%	11.9%	11.6%	11.1%	11.4%	11.5%	11.5%
J B Hunt Transport Services Inc	32.9%	30.6%	22.6%	29.7%	24.9%	28.1%	18.5%
McCormick and Co	26.9%	29.7%	21.4%	20.9%	20.8%	23.9%	17.0%
Motorola Solutions Inc	-	-	-	23.2%	NMF	23.2%	NMF
MSC Industrial Direct Co Inc	17.5%	21.1%	18.7%	20.8%	20.0%	19.6%	22.0%
Old National Bancorp	7.8%	7.4%	6.0%	7.1%	8.4%	7.3%	9.0%
Omnicom Group Inc	44.6%	53.1%	46.0%	52.1%	46.9%	48.5%	34.5%
Park National Corp	11.4%	11.6%	11.3%	13.3%	10.6%	11.6%	10.5%
PerkinElmer Inc	13.7%	13.3%	12.9%	15.6%	16.3%	14.4%	17.5%
Pool Corporation	50.2%	72.6%	74.9%	NMF	63.8%	65.4%	53.5%
Premier Inc.	21.6%	19.7%	18.1%	21.2%	20.9%	20.3%	20.0%
Salesforce Com Inc	NMF	2.4%	1.4%	7.1%	0.4%	2.8%	7.0%
Scholastic Corporation	3.6%	4.7%	5.0%	3.9%	2.6%	4.0%	6.5%
Selective Insurance Group Inc	11.2%	10.6%	10.8%	12.2%	12.0%	11.4%	11.5%
Tetra Tech	11.9%	12.8%	13.3%	15.4%	17.8%	14.2%	17.0%
Vail Resorts	13.0%	17.1%	13.4%	23.9%	20.1%	17.5%	23.0%
Walgreens Boots	13.2%	16.8%	20.0%	23.0%	23.5%	19.3%	17.5%
Watsco Inc	18.1%	18.2%	15.3%	18.0%	17.1%	17.3%	19.5%
Werner Enterprises Inc	13.2%	8.0%	7.8%	13.6%	15.0%	11.5%	11.5%
Xilinx Inc	21.2%	24.8%	29.7%	31.1%	37.1%	28.8%	38.0%
Average						17.2%	17.0%
Median						15.1%	15.3%
Average (excluding companies with values >20%)						12.9%	12.9%

Comparable Earnings Approach
Screening Parameters

Timeliness Rank

The rank for a stock's probable relative market performance in the year ahead. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the year-ahead market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next 12 months. Stocks ranked 3 (Average) will probably advance or decline with the market in the year ahead. Investors should try to limit purchases to stocks ranked 1 (Highest) or 2 (Above Average) for Timeliness.

Safety Rank

A measure of potential risk associated with individual common stocks rather than large diversified portfolios (for which Beta is good risk measure). Safety is based on the stability of price, which includes sensitivity to the market (see Beta) as well as the stock's inherent volatility, adjusted for trend and other factors including company size, the penetration of its markets, product market volatility, the degree of financial leverage, the earnings quality, and the overall condition of the balance sheet. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit purchases to equities ranked 1 (Highest) or 2 (Above Average) for Safety.

Financial Strength

The financial strength of each of the more than 1,600 companies in the VS II data base is rated relative to all the others. The ratings range from A++ to C in nine steps. (For screening purposes, think of an A rating as "greater than" a B). Companies that have the best relative financial strength are given an A++ rating, indicating ability to weather hard times better than the vast majority of other companies. Those who don't quite merit the top rating are given an A+ grade, and so on. A rating as low as C++ is considered satisfactory. A rating of C+ is well below average, and C is reserved for companies with very serious financial problems. The ratings are based upon a computer analysis of a number of key variables that determine (a) financial leverage, (b) business risk, and (c) company size, plus the judgment of Value Line's analysts and senior editors regarding factors that cannot be quantified across-the-board for companies. The primary variables that are indexed and studied include equity coverage of debt, equity coverage of intangibles, "quick ratio", accounting methods, variability of return, fixed charge coverage, stock price stability, and company size.

Price Stability Index

An index based upon a ranking of the weekly percent changes in the price of the stock over the last five years. The lower the standard deviation of the changes, the more stable the stock. Stocks ranking in the top 5% (lowest standard deviations) carry a Price Stability Index of 100; the next 5%, 95; and so on down to 5. One standard deviation is the range around the average weekly percent change in the price that encompasses about two thirds of all the weekly percent change figures over the last five years. When the range is wide, the standard deviation is high and the stock's Price Stability Index is low.

Beta

A measure of the sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Average. A Beta of 1.50 indicates that a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Average. Use Beta to measure the stock market risk inherent in any diversified portfolio of, say, 15 or more companies. Otherwise, use the Safety Rank, which measures total risk inherent in an equity, including that portion attributable to market fluctuations. Beta is derived from a least squares regression analysis between weekly percent changes in the price of a stock and weekly percent changes in the NYSE Average over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are periodically adjusted for their long-term tendency to regress toward 1.00.

Technical Rank

A prediction of relative price movement, primarily over the next three to six months. It is a function of price action relative to all stocks followed by Value Line. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next six months. Stocks ranked 3 (Average) will probably advance or decline with the market. Investors should use the Technical and Timeliness Ranks as complements to one another.

**PECO ENERGY COMPANY
STATEMENT NO. 6**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: JIANG DING

SUBJECT: CLASS COST-OF-SERVICE STUDY

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. BACKGROUND INFORMATION AND SUMMARY OF COST-OF-SERVICE STUDY RESULTS	3
III. PECO'S CLASS COST-OF-SERVICE STUDY	5
IV. DEVELOPMENT OF RATE CLASS REVENUE REQUIREMENT	24
V. RESULTS OF THE COST-OF-SERVICE STUDY	26
VI. CONCLUSION	30

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**DIRECT TESTIMONY
OF
JIANG DING**

4

I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your full name and business address.**

6 A. My name is Jiang Ding. My business address is PECO Energy Company, 2301
7 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company (“PECO” or the “Company”) as
10 Principal Regulatory & Rates Specialist.

11 **3. Q. Please describe your educational background.**

12 A. I received a Bachelor’s Degree in Law from China University of Political Science
13 and Law, and I received a Master of Science Degree in Finance from Texas A&M
14 University.

15 **4. Q. Please describe your work experience with the energy industry.**

16 A. Upon graduation from Texas A&M University, I worked as an Accountant for
17 Enron and as a Financial Analyst for Halliburton Energy Services. I was hired by
18 Exelon Power as an Operational Area Analyst in 2002. I then worked for Exelon
19 Generation and Exelon Corporation as a Senior Project Evaluation Analyst. I was
20 appointed Principal Regulatory & Rates Specialist in PECO’s Regulatory Strategy
21 and Revenue Policy Division in 2013. My main responsibilities include revenue

1 requirement modeling and analyses for regulatory initiatives, cost-of-service
2 studies, and base rate case filings.

3 **5. Q. Please describe the purpose of your testimony?**

4 A. I will explain the cost-of-service principles underlying PECO's unbundled, fully
5 allocated class cost-of-service study ("COSS") that I performed, the methods and
6 procedures employed to perform such study, and the results produced by the
7 COSS.

8 **6. Q. Have you prepared any exhibits to accompany your testimony?**

9 A. Yes. PECO Exhibits JD-1 through JD-6 were prepared and are described in detail
10 in my testimony.

11 **7. Q. How is your testimony organized?**

12 A. My testimony is divided into five parts. This Section I serves as the introduction
13 to my testimony and explains its purpose. In Section II, I provide some
14 background information, identify the exhibits that I am sponsoring, and
15 summarize the results of the COSS. In Section III, I introduce and discuss the
16 COSS methodology. In Section IV, I explain the development of the revenue
17 requirement for each rate class. Lastly, in Section V, I present the results of the
18 COSS in detail and discuss the contents of the exhibits.

1 **8. Q. Please identify the exhibits that are included with your testimony.**

2 A. The following exhibits are included with my testimony. They are discussed in
3 detail in Section V of my testimony.

PECO Exhibit JD-1	Summary of Results
PECO Exhibit JD-2	Allocation by Rate Class
PECO Exhibit JD-3	Allocation by Functional Classification
PECO Exhibit JD-4	Unitized Functionally Classified Revenue Requirement
PECO Exhibit JD-5	Customer-Related Costs
PECO Exhibit JD-6	External Allocation Factors

4 **II. BACKGROUND INFORMATION AND SUMMARY**
5 **OF COST-OF-SERVICE STUDY RESULTS**

6 **9. Q. Please identify the distribution revenue requirement used for the fully**
7 **projected future test year.**

8 A. I used the total distribution revenue requirement for the fully projected future test
9 year (“FPFTY”) developed in PECO Exhibit MJT-1, which is sponsored by
10 PECO witness Mr. Michael J. Trzaska and discussed in Mr. Trzaska’s direct
11 testimony (PECO St. No. 3). The total distribution revenue requirement for the
12 FPFTY is \$430 million (PECO Exhibit JD-1, line 81) excluding costs recovered
13 under PECO’s Purchased Gas Cost (“PGC”) and \$657 million (PECO Exhibit JD-
14 1, line 133, including costs recovered under the PGC. The total distribution
15 revenues and distribution revenues by customer class for the FPFTY under
16 existing rates that are used in the COSS were also obtained from PECO Exhibit
17 MJT-1.

1 **10. Q. What is a class cost-of-service study?**

2 A. A class cost-of-service study is a widely employed analytical tool used in
3 supporting a utility's recommendation for a rate design. Class cost-of-service
4 studies are utilized to determine the costs that different classes of customers
5 impose on the utility system and to quantify the revenue requirements for the
6 services provided by the utility to each customer class. The purpose and the
7 guiding principles in performing a cost-of-service study are described further in
8 Section III.

9 **11. Q. Please summarize the results of your work as they apply to the COSS.**

10 A. The results of the COSS and my conclusions based on those results are as follows:

11 (1) The current tariff rates produce the net income by rate class shown
12 on line 17 of PECO Exhibit JD-1, which yields the rates of return on
13 rate base shown on line 26 of that exhibit.

14 (2) PECO's total distribution revenue requirement for the FPFTY has
15 been allocated or assigned among the rate classes based on the
16 results of the COSS. The results of the COSS are summarized on
17 pages 1-3 of PECO Exhibit JD-1, which show the total distribution
18 revenue requirement separately for Distribution and PGC.

19 (3) The increases in revenue by rate class needed to produce rates of
20 return by class equal to the Company's proposed overall rate of

1 return are shown on line 134 of page 3 of PECO Exhibit JD-1. The
2 increase in revenue shown on line 134 is shown separately in PECO
3 Exhibit JD-1 for: (i) distribution base rates (line 83), (ii) forfeited
4 discounts revenues (line 63); and (iii) the non-fuel gas procurement
5 costs recovered outside distribution base rates through the Gas
6 Procurement Charge (“GPC”) (line 126), a component of the PGC.
7 While the rate increases are necessary to move each rate class to the
8 system average rate of return, the Company is not proposing rates
9 that will take all classes to their indicated cost-of-service at this time,
10 as explained by the direct testimony of Mr. Joseph A. Bisti in PECO
11 Statement No. 7.

12 III. PECO’S CLASS COST-OF-SERVICE STUDY

13 **12. Q. Please describe the purpose of performing a cost-of-service study.**

14 A. The purpose of a cost-of-service study is to determine the cost to serve, expressed
15 as revenue requirement, for each rate class served by a utility. The revenue
16 requirement for a rate class is that portion of a utility’s total cost-of-service
17 attributed to that rate class in accordance with principles of cost causation. In a
18 cost-of-service study, all of the utility’s costs of providing service must be
19 analyzed and assigned or allocated among the rate classes. The cost-of-service
20 study is used, along with other factors discussed by Mr. Bisti, to design rates that
21 fully recover the utility’s costs.

1 **13. Q. Please describe the guiding principles in performing a cost-of-service study.**

2 A. The central element in performing a cost-of-service study is the determination of
3 allocation factors based on causal relationships between, on the one hand,
4 customer demands, load profiles, and usage characteristics, and, on the other
5 hand, the costs incurred by the Company to meet customers' service requirements
6 imposed by those demands, load profiles, and usage characteristics. The primary
7 goals in selecting allocation factors are: (1) the appropriate recognition of cost
8 causality; (2) the stability of study methods and their consistent application over
9 time, so that trends in the direction of class revenues relative to cost-of-service
10 can be discerned properly from case to case; and (3) completeness, such that the
11 cost-of-service study captures all of the costs that each class imposes on the
12 distribution system.

13 **14. Q. Please summarize the approach that you followed in performing the COSS.**

14 A. As I previously explained, the most critical task in performing any cost-of-service
15 study is establishing relationships between customer demands, load profiles and
16 usage characteristics, and the costs incurred to meet those requirements. This
17 requires an understanding of the utility system design and the relationship of that
18 design to the characteristics of the customers that the system is designed to serve.
19 PECO, like most gas utilities, designs its gas distribution system to meet three
20 primary objectives:

- 1 (1) To extend distribution service to all customers;
- 2 (2) To meet the aggregate design peak day capacity requirements of all
3 customers entitled to receive service on the design peak day; and
- 4 (3) To deliver volumes of natural gas to those customers either on a sales
5 or transportation service basis.

6 The allocation methods used in a cost-of-service study must take into account the
7 objectives that the distribution system is designed to achieve so that the allocation
8 of plant investment and operating expenses properly aligns with cost-causation
9 factors, such as the need to connect all customers to the distribution system.

10 Other factors, such as incentives to influence customer behavior (e.g.,
11 conservation or demand reduction) or to temper the impact on customers of rate
12 changes, are more appropriately considered in the revenue allocation and rate
13 design phase.

14 The COSS I prepared was performed using the proprietary Gas Cost-of-Service
15 Model (“Model”) developed by Management Applications Consulting, Inc.,
16 which employs a Microsoft Excel platform. The Model facilitates the preparation
17 of the COSS, accelerates computations, and develops appropriate documentation.
18 The Model uses a three-step process to allocate or assign costs to rate classes, in
19 accordance with general cost-of-service principles. These three steps consist of:
20 (1) functionalizing rate base, purchased gas supply costs, and expenses to
21 determine the particular rate schedules that should share responsibility for each of
22 those assets and costs; (2) classifying functionalized costs into demand-related,
23 commodity-related, and customer-related cost categories to facilitate allocating
24 such costs to rate schedules in accordance with identifiable characteristics; and (3)

1 allocating the functionalized, classified costs among rate classes. The Model
2 provides functionalized, classified cost information by rate class, develops
3 unbundled revenue requirements by functional classification and in total for each
4 rate class, and calculates unit costs.

5 **15. Q. Please identify the rate classes that were included in the COSS.**

6 A. The following nine rate classes were included: (1) GR - General Service -
7 Residential; (2) GC - General Service - Commercial and Industrial; (3) L - Large
8 High Load Factor Service; (4) MV-F - Motor Vehicle Service-Firm; (5) MV-I -
9 Motor Vehicle Service-Interruptible; (6) IS - Interruptible Service; (7) TCS -
10 Temperature Controlled Service; (8) TS-F - Gas Transportation Service-Firm; and
11 (9) TS-I - Gas Transportation Service-Interruptible. In the COSS, the rate class in
12 PECO's current tariff titled OL - Outdoor Lighting is combined into rate class GC
13 because the usage of rate class OL is very small. In addition, customers
14 participating in PECO's Customer Assistance Program ("CAP") are combined
15 with rate class GR because their usage characteristics are the same as other rate
16 class GR customers and because CAP rates were designed to reference rate class
17 GR rates.

18 **16. Q. Please describe the functionalization step of the COSS.**

19 A. In the functionalization step, costs are separated by the utility's basic service
20 characteristics, as stated below.

- 1 • **Production** function includes operation and management costs related to gas
2 production, including production of liquid propane gas (“LPG”).
- 3 • **Storage** function reflects costs incurred to ensure that firm customers’ demand
4 can be met on the design day. It includes the costs of operation and
5 management of liquefied natural gas (“LNG”) facilities.
- 6 • **Commodity** function includes PGC, balancing service cost, and gas storage
7 inventory.
- 8 • **Service** function includes the investment in, and operating and maintenance
9 expenses related to, the service lines from the Company’s main to customer
10 locations.
- 11 • **Meter** function includes the investment in meters and devices, including the
12 installation of meters.
- 13 • **Customer Installation** function includes the expenses incurred in working on
14 customers’ premises.
- 15 • **Customer Service** function includes customer assistance and demonstrating
16 and selling expenses.
- 17 • **Customer Accounts** function includes the costs of customer billing and
18 records, call center, collection of customer accounts, and uncollectable
19 accounts.

- 1 • *Distribution* function includes all other investments and costs, including
2 investments in distribution plant, operating and maintenance expenses, and
3 costs that are part of PECO’s regulated utility function.

4 **17. Q. Please describe the classification step of the COSS.**

5 A. In the classification step, the previously functionalized costs are separated
6 according to the system design or operating characteristics that cause those costs
7 to be incurred in the first instance. In this step, each cost is determined to be
8 incurred to serve customers, to supply the natural gas commodity, or to meet
9 various capacity demands related to the customers’ peak usage.

10 **18. Q. Please describe the class allocation step of the COSS.**

11 A. In the class allocation step, costs that have been functionalized and classified are
12 allocated among the rate classes based on appropriate causal relationships. The
13 allocation phase takes into account the design of the utility system and how it is
14 operated; cost data derived from the utility’s accounting records; and usage and
15 load data both for the system overall and for specific customer classes. Based on
16 analysis of the relationship between costs and the factors driving the need to incur
17 such costs, each component of the revenue requirement is either directly assigned
18 to a rate class or an allocator is selected to apportion that component among rate
19 classes.

1 **19. Q. What does “direct assignment” mean?**

2 A. The term “direct assignment” means identifying specific plant investments or
3 specific expenses incurred exclusively to serve a specific customer or group of
4 customers. Direct assignments reflect a direct causal connection between costs to
5 serve and the customers being served. Therefore, if data are available to make a
6 direct assignment, it is generally the preferred approach.

7 **20. Q. Are most plant and expenses directly assigned in a cost-of-service study?**

8 No, most costs must be allocated. Utility service is generally provided to
9 customers by facilities that are used, and expenses that are incurred, in common
10 by all, or many, classes of customers. In addition, even in instances where it
11 might be possible to associate specific physical facilities with particular
12 customers, the detailed cost information needed to make a direct assignment may
13 not be reasonably available.

14 **21. Q. What is the role of allocation factors under the class allocation step of**
15 **PECO’s COSS?**

16 A. External and internal allocation factors are typically used to perform a cost-of-
17 service study and, consequently, were employed in the Model.

18 An external allocation factor is a factor that is developed from an external source,
19 outside the cost-of-service model. Examples of external allocators are number of
20 customers (CUST) and estimated design day send-out (DPKDAY). Exhibit JD-
21 6 shows the development of the external allocators.

1 An internal allocation factor is one that is developed within the cost-of-service
2 model using other allocated line items. Internal allocators are based on some
3 combination of external allocators, directly assigned costs and other internal
4 allocators. For example, the allocator for property insurance costs is based on
5 plant investment amounts assigned to components of the rate base; it is necessary
6 to compute the rate base before property insurance costs can be assigned.

7 Other examples of internal allocation factors include total operation and
8 maintenance salaries and wages expense (SALWGES) and total gross gas
9 distribution plant (DISTPLT). PECO Exhibit JD-2, pages 18 through 21, shows
10 internationally developed allocation factors.

11 **22. Q. What is the rate base and how does it affect the COSS?**

12 A. The rate base is the cost, net of accumulated depreciation, of PECO's investment
13 in plant and other assets used to serve customers.

14 **23. Q. What is PECO's total rate base and what are its major components?**

15 A. The total rate base amount employed in the COSS is \$2.46 billion (PECO Exhibit
16 JD-1, line 46) and is derived from PECO Exhibit MJT-1, page 1.

17 For purposes of discussing how I functionalized, classified, and allocated the rate
18 base in the COSS and treated major rate base categories, I will refer to the
19 following groupings of rate base items: production plant, storage plant,
20 distribution plant, general plant, depreciation reserve, other rate base items and
21 cash working capital.

- 1 • **Production plant** represents the investment in LPG production assets which
2 are used to meet design peak day and short-term needs of firm sales
3 customers. These assets have been functionalized to Production, classified to
4 demand, and allocated among rate classes based on design peak day send-out.
- 5 • **Storage plant** represents the investment in LNG facilities which are used to
6 meet design peak day and short-term needs of firm sales customers. These
7 assets have been functionalized to Storage, classified to demand, and allocated
8 among rate classes based on design peak day send-out.
- 9 • **Distribution plant** comprises mains, services, meters and meter installation,
10 and other distribution plant. A description of each of those components is as
11 follows:
- 12 ○ **Mains** were functionalized to Distribution and classified as capacity. A
13 portion of mains costs was directly assigned. The balance of mains costs
14 (approximately 99% of the total) was classified and allocated using the
15 “Average and Excess Demand” method. In that method, the portion of
16 mains costs equal to the system average load factor are allocated among
17 the rate classes based on their average daily deliveries (annual deliveries
18 divided by 365 days). The balance of mains costs is allocated based on
19 excess demand, which is the excess of design peak demand over average
20 demand. The excess demand is allocated among rate classes in
21 proportion to each class’ peak demand over its average demand (Exhibit
22 JD-6, page 5). This is the same method used by PECO in its March 2010

1 gas base rate case (Docket R-2010-2161592) and has been recognized as
2 an acceptable method by the American Gas Association's *Gas Rate*
3 *Fundamentals*, 1987 Edition.

- 4 ○ **Services** connect individual customers to the system. These assets have
5 been functionalized to their own category, classified as customer-related
6 costs, and allocated among rate classes based on the estimated total
7 replacement cost for each rate class. Total replacement cost-of-service
8 for a rate class was estimated by multiplying the estimated replacement
9 cost of a service line for the rate class by the number of customers in the
10 rate class. Replacement costs were developed based on PECO's actual
11 costs from July 2015 to June 2020 (Exhibit JD-6, page 8).
- 12 ○ **Meters and Meter installation** includes assets that have been
13 functionalized to their own category, classified as customer-related costs.
14 A portion of meter and meter installation was directly assigned. The
15 balance of meter and meter installation costs (approximately 99.8% of the
16 total) was allocated among rate classes based on the average cost of
17 meters of each type for each rate class, as determined from the
18 Company's records (Exhibit JD-6, page 6 and page 9).
- 19 ○ **Other distribution plant** comprises primarily a) measuring and regulating
20 station equipment (M&R), a portion of which was directly assigned, and
21 the balance of which was functionalized to Distribution, classified as
22 demand-related, and allocated among the rate classes based on mains

1 allocation and b) land and land rights and structures and improvements,
2 which were functionalized to Distribution, classified as demand-related,
3 and allocated among rate classes using averages for distribution plant in
4 main and measuring and regulating station equipment.

- 5 • **General plant** includes primarily structures and improvements, tools and shop
6 and garage equipment. These assets were functionalized, classified, and
7 allocated among rate classes based on direct labor content of operating
8 expenses, reflecting the nature of the assets and common cost-of-service
9 practice.
- 10 • **Depreciation reserve** was based on each asset account. Each component of
11 the depreciation reserve items was functionalized, classified, and allocated
12 among rate classes in the same ratio as the related assets.
- 13 • **Other rate base items** include primarily gas storage inventory, accumulated
14 deferred income taxes (“ADIT”), common plant, customer deposits, customer
15 advances, cash working capital and pension, which are discussed below.
 - 16 ○ **Gas storage inventories** are used to support the planned winter heating
17 requirements of the Company’s sales customers and the daily balancing
18 requirements of all its customers. Gas storage inventories were
19 functionalized and classified to commodity. The Company has identified
20 that 2.2%¹ of its storage activity relates to the daily balancing of its

¹ The Company updated the percentage of storage costs applicable to its Transportation Customers as part of the settlement of its 2020 annual Purchased Gas Cost (“PGC 37”) case, Docket No. R-2020-3019661. See Joint

1 transportation service customers (Exhibit JD-6, page 6). Therefore, 2.2%
2 of PECO's gas storage inventory costs were allocated among its
3 transportation rate classes based on their annual volumes. The remainder
4 of the Company's storage activity was allocated among the firm sales rate
5 classes based on the average excess of their winter (November-March)
6 gas volumes over their average annual volumes.

- 7 ○ *ADIT* refers to tax liabilities that are deferred as a result of accelerated
8 depreciation and includes "excess" ADIT that has been removed from the
9 ADIT account and recorded as a regulatory liability. Those ADIT
10 liabilities were functionalized, classified, and allocated among rate classes
11 in proportion to plant in service.
- 12 ○ *Common plant* contains assets similar to those customarily found in
13 general plant, and therefore, was functionalized, classified, and allocated
14 among rate classes based on direct labor content of operating expenses.
- 15 ○ *Customer deposits and customer advances* were directly assigned to rate
16 classes based on information from the Company's records (Exhibit JD-6,
17 page 14).

Petition for Complete Settlement at ¶ 18 (Aug. 17, 2020). On September 17, 2020, the Administrative Law Judge recommended "that the Joint Petition for Complete Settlement be approved without modification," and further noted that "the fact that the settlement agreement is unopposed is further evidence of its reasonableness." See Recommended Decision at p. 24 (Sept. 17, 2020). As of the filing of the Company's present request for an increase in base rates, the Commission had not yet issued an order in the PGC 37 proceeding. In the event that the Commission does not approve the PGC 37 settlement, the Company will update the gas storage inventory costs that were allocated among its transportation rate classes.

- 1 ○ *Cash working capital* represents PECO’s need for cash to keep the
2 business running until revenues are collected to pay the costs of providing
3 services. Cash working capital was calculated based on the results of the
4 lead-lag study prepared by Mr. Trzaska and described in PECO Statement
5 No. 3. Payroll and pension-related cash working capital were allocated
6 based on labor; commodity related cash working capital was directly
7 assigned to commodity.
- 8 ○ *Pension assets*, discussed by Mr. Trzaska in PECO Statement No.3, are
9 directly related to employees and, therefore, were functionalized,
10 classified, and allocated among rate classes based on the direct labor
11 component of operating expenses.

12 **24. Q. What are the major categories of PECO’s costs?**

13 A. The major categories in PECO’s cost-of-service are:

- 14 • Production costs;
- 15 • Storage costs;
- 16 • Distribution costs;
- 17 • Customer accounts and customer service expenses;
- 18 • Administrative and general expenses;
- 19 • Depreciation and amortization expense;
- 20 • Taxes other than income taxes; and
- 21 • Income taxes.

1 **25. Q. In determining how you would treat these expenses in PECO’s COSS, was**
2 **there any other important category of costs that you considered?**

3 A. Yes, labor costs affect some cost categories. Consequently, certain cost
4 categories are allocated based on the direct labor costs. For example,
5 Administrative & General Salaries, Account 920, is allocated among rate classes
6 based on the direct labor costs. In order to develop such labor cost allocators, the
7 direct labor costs included in each expense account were obtained from data
8 assembled by Mr. Trzaska.

9 **26. Q. What costs are included in PECO’s production costs and how were these**
10 **costs functionalized, classified, and allocated among the rate classes?**

11 A. Production costs include costs related to operating and maintaining of LPG
12 production assets and natural gas operating costs. Costs related to LPG have been
13 functionalized to Production, classified to demand, and allocated among rate
14 classes based on design peak day send-out.

15 **27. Q. What costs are included in PECO’s storage costs and how were these costs**
16 **functionalized, classified, and allocated among the rate classes?**

17 A. Storage costs are the costs of operating PECO’s LNG facilities, which PECO
18 maintains to meet the design peak day and short-term needs. Therefore, these
19 costs were functionalized to Storage, classified as demand, and allocated among
20 rate classes based on design peak day send-out.

1 **28. Q. What costs are included in PECO’s distribution costs and how were these**
2 **costs functionalized, classified, and allocated among the rate classes?**

3 A. Most of PECO’s distribution costs are the costs of operating and maintaining
4 PECO’s mains, services, and meters, i.e., the gas delivery system. Some of these
5 costs are functionalized to distribution and some to their own categories. To the
6 extent possible, costs were directly assigned. The balance of the costs of
7 operating and maintaining PECO’s gas delivery system were analyzed to
8 determine which assets they were incurred to operate or maintain, and were
9 functionalized, classified, and allocated among rate classes in the same manner as
10 the assets they were incurred to operate or maintain. In addition to the costs of
11 operating and maintaining PECO’s gas delivery system, distribution costs include:

12 • *Customer installation expenses* include field investigations for odors, high
13 bill complaints, and potential and actual energy theft, and were allocated
14 based on number of customers; and

15 • *Other Operating and Maintenance expenses* were allocated in proportion to
16 total distribution plant.

17 **29. Q. What costs were included in PECO’s customer accounts and customer**
18 **service costs and how were these costs functionalized, classified, and**
19 **allocated among the rate classes?**

20 A. PECO’s customer accounts and customer service costs include meter reading
21 expenses, customer records and collection expenses, uncollectible accounts

1 expense, miscellaneous customer accounts expense, customer assistance expense,
2 and demonstrating and selling expense.

3 • ***Meter reading expenses*** were functionalized to Customer Accounts, classified
4 to the customer category, and allocated among rate classes based on the
5 number of customers.

6 • ***Customer records and collection expenses*** include activities for billing, call
7 center, payments processing, recoveries, and support for CAP customers.
8 These costs were functionalized to Customer Accounts and classified to the
9 customer category. The account was analyzed in detail to identify the
10 activities included and each activity was allocated among the rate classes
11 using an appropriate basis. For example, the costs of bill activities were
12 allocated based on customer counts, and call center costs were allocated based
13 on a study of calls over a twelve-month period (Exhibit JD-6, page 10). A
14 single customer allocation could not be used because some costs are specific
15 to residential customers while others are specific to commercial and industrial
16 customers. Therefore, a weighted allocator, based upon the analysis discussed
17 above, was used for this account.

18 • ***Uncollectible accounts expense***, or bad debt expense, was classified to the
19 customer category. A portion of this amount was determined to be related to
20 Pre-Program Arrearages and was directly assigned to residential customers.
21 The balance of the expense was allocated among rate classes based on the
22

1 Company's write-off experience over a historic five-year period (July 1, 2015-
2 June 30, 2020) (Exhibit JD-6, page 13).

3 • *Miscellaneous customer accounts expenses* were functionalized to Customer
4 Accounts and classified to the customer category. These expenses include
5 primarily IT support costs and communication and marketing costs. Those
6 costs were allocated among rate classes based on number of customers.

7 • *Customer assistance expense* comprises expenses incurred for the Low
8 Income Usage Reduction Program. The associated costs were directly
9 assigned to residential customers (Exhibit JD-6, page 11).

10 • *Demonstrating and selling expense* includes expense incurred in
11 demonstrating activities. The expense was functionalized to Customer
12 Accounts, classified to the customer category, and directly assigned to
13 different customer classes based on the Company's records (Exhibit JD-6,
14 page 11).

15 **30. Q. How were administrative and general expenses functionalized, classified, and**
16 **allocated among rate classes?**

17 A. Administrative and general ("A&G") costs include administrative and general
18 salaries, office supplies and expenses, outside services, injuries and damages,
19 employee benefits, property insurance costs, regulatory commission expenses,
20 miscellaneous general expenses, and maintenance of general plant.

1 Except for items discussed immediately below, A&G costs are related to labor
2 costs and therefore were functionalized, classified, and allocated among rate
3 classes in the same ratio as direct labor content.

4 • *Property insurance costs* were functionalized, classified, and allocated among
5 rate classes in the same ratio as plant in service.

6 • *Regulatory commission expenses* were functionalized, classified, and
7 allocated among rate classes in proportion to claimed revenue.

8 • *Maintenance of general plant expenses* were functionalized, classified, and
9 allocated among rate classes in the same ratio as general plant in service.

10 **31. Q. How was depreciation expense functionalized, classified, and allocated**
11 **among the rate classes?**

12 A. Depreciation and amortization expenses were derived from PECO Exhibit CF-3,
13 which is sponsored by Ms. Caroline Fulginiti, and PECO Exhibit No. MJT-1,
14 which shows depreciation expense by plant account. Each component of
15 depreciation/amortization expense item was functionalized, classified, and
16 allocated among rate classes in the same ratio as the related assets.

17 **32. Q. How was Manufactured Gas Plant remediation expense functionalized,**
18 **classified, and allocated among the rate classes?**

19 A. Manufactured Gas Plant (“MGP”) expense is the normalized level of expense for
20

1 remediating former MGP sites in the Company's service territory. This cost was
2 allocated among rate classes based on annual gas throughput volumes.

3 **33. Q. How were taxes other than income taxes functionalized, classified, and**
4 **allocated among the rate classes?**

5 A. Taxes other than income tax include payroll-related taxes, Public Utility Realty
6 Tax ("PURTA"), local use taxes, and real estate taxes. Payroll-related taxes were
7 functionalized, classified, and allocated among rate classes based on direct labor
8 expenses. PURTA taxes and real estate taxes were allocated based on total plant
9 in service, and local use taxes based on claimed revenue.

10 **34. Q. How was income tax expense functionalized, classified, and allocated among**
11 **rate classes?**

12 A. Income tax expense was calculated on the basis of revenue at present rates using
13 the same methodology employed by Mr. Trzaska in PECO Exhibit MJT-1,
14 Schedule D-18. Income tax expense includes income taxes for plant and for
15 pension. Plant related components were functionalized, classified, and allocated
16 among rate classes based on total plant; pension related components were
17 allocated based on labor.

18 **35. Q. How were PECO's revenues at present rates computed and assigned among**
19 **rate classes?**

20 A. The revenues were computed and assigned as follows:

- 1 • ***Distribution revenue*** at present rates is shown in PECO Exhibit MJT-1,
2 Schedule D-5, and in the proof of revenues set forth in PECO Exhibit JAB-4.
3 The total was assigned to the rate classes based on the same revenue
4 requirement exhibit and the proof of revenues. Distribution revenue at present
5 rates for each rate class is shown on line 5 of PECO Exhibit JD-1.
- 6 • ***Purchased gas revenue*** consists of revenues collected under the PGC tariffs
7 for commodity and balancing service. Commodity revenue and balancing
8 service revenue are determined and assigned based upon PECO's budget. For
9 each rate class, and in total, purchased gas revenue equals the sum of the
10 commodity cost, the balancing service cost, and the revenue requirement for
11 cash working capital.
- 12 • ***Forfeited discount revenue*** is determined from PECO's budget, and was
13 allocated among the rate classes based on an analysis of forfeited discount
14 over a historic three-year period (July 1, 2017-June 30, 2020) (Exhibit JD-6,
15 page 14).
- 16 • ***Other gas revenue*** consists of interdepartmental rents, and was allocated
17 among the rate classes based on distribution plant.

18 **IV. DEVELOPMENT OF RATE CLASS**
19 **REVENUE REQUIREMENT**

20 **36. Q. Please explain how you developed the revenue requirement for each class.**

21 A. The revenue requirements for each rate class were calculated using the same
22 method employed by Company witness Mr. Trzaska to compute the overall

1 revenue requirement for the FPFTY. Thus, the revenue requirement for each rate
2 class is the sum of that class' allocated operating expenses, depreciation expense,
3 general taxes, return on rate base, and income tax expense. Return on rate base
4 for each rate class was computed by multiplying the rate class' rate base by the
5 proposed system average rate of return. Income taxes included in the revenue
6 requirement for each rate class were computed directly by grossing up the
7 required non-debt return on rate base for the class at the applicable statutory
8 income tax rates. PECO Exhibit JD-1, line 133, shows the total revenue
9 requirement by rate class reflecting the fully allocated distribution cost-of-service
10 at the proposed system average rate of return. PECO Exhibit JD-1, line 81, shows
11 the portion of the total revenue requirement PECO proposes to collect in
12 distribution rates.

13 **37. Q. Please explain how you determined the increase or decrease in revenue**
14 **needed for each class to produce the system average rate of return.**

15 A. The increase or decrease needed for each rate class was calculated by comparing
16 the revenue requirements for each rate class to the forecasted revenue at present
17 rates for that class for the FPFTY. This is the same method used by Mr. Trzaska
18 in PECO Exhibit MJT-1, Schedule A-1, with respect to the overall revenue
19 requirement and revenue deficiency. The increases or (decreases) in rate class
20 revenue needed to produce a rate of return equal to the Company's proposed
21 overall rate of return are shown in PECO Exhibit JD-1 at line 134, which total
22 \$68.72 million. The increases in class distribution revenue are shown on line 83,
23 which total \$68.71 million. The increase in purchased gas revenue of \$0.1 million

1 under the PGC is shown on line 126. In addition, forfeited discounts (i.e., late
2 payment charges) are expected to increase by \$0.1 million as a result of the
3 increase in distribution revenue.

4 **V. RESULTS OF THE COST-OF-SERVICE STUDY**

5 **38. Q. Please describe the information in Exhibit JD-1.**

6 A. PECO Exhibit JD-1, which sets forth the substance of the COSS, compares the
7 revenue at current rates by rate class to the revenue requirement allocated on a
8 cost-of-service basis to each rate class. Net income at present rates, shown on line
9 17, is computed by subtracting operating expenses, depreciation and amortization,
10 taxes other than income taxes, and income taxes (lines 10 to 14) from revenue at
11 present rates (line 7). The return on rate base at present rates for each rate class is
12 shown on line 26, and the relative rates of return are shown on line 27.

13 Line 133 shows each rate class' revenue requirement (including revenue from
14 distribution charges and purchased gas) at the proposed overall rate of return.

15 Line 68 shows operating expenses, line 69 shows depreciation and amortization
16 expense. Lines 79 and 122 show operating income assuming each rate class pays
17 its full cost-of-service. Line 134 shows the increase in revenue needed for each
18 rate class to produce revenues equal to its revenue requirement at full cost-of-
19 service and produce the system average rate of return. Line 83 shows the increase
20 (decrease) in distribution revenue for each rate class to produce revenue from

1 distribution charges equal to its distribution revenue requirement at full cost-of-
2 service.

3 **39. Q. Please describe the information in Exhibit JD-2.**

4 A. PECO Exhibit JD-2 is the rate class cost-of-service and shows the allocation of
5 each element of measures of value also known as rate base (RB schedules),
6 operating expenses (E schedules), depreciation expense (D schedules), and taxes
7 (TO and TI schedules) among the rate classes. This information is contained on
8 the first fourteen pages of the exhibit.

9 Also included in this exhibit are the external and internal allocators used for the
10 rate case allocations, which are shown on pages 14-30 of the exhibit.

11 **40. Q. Please describe the information in Exhibit JD-3.**

12 A. PECO Exhibit JD-3 contains the COSS by functional category and classification.
13 The summary appears on pages 1 to 6 and the account-by-account allocation to
14 functional category and classification is provided on pages 7 to 33. Pages 33 to
15 66 of this exhibit provide the external and internal allocators used for the exhibit.

16 **41. Q. Please describe the information in Exhibit JD-4.**

17 A. PECO Exhibit JD-4 presents unitized revenue requirement for each rate class.
18 The unitized revenue requirements are the functionalized and classified revenue
19 requirements allocated to each class of service divided by the appropriate units.
20 For example, capacity and commodity related cost are divided by Mcf and

1 customer-related cost is divided by number of customers. The unit cost is
2 provided by classification and functional area.

3 **42. Q. Please describe the costs considered in developing the proposed customer**
4 **charges.**

5 A. The proposed customer charges are based on the specific customer-classified
6 costs in the COSS that are approved by the Commission for recovery in customer
7 charges. Customer-related costs include all costs incurred to attach a customer to
8 the distribution system, for meter usage, and to maintain the customer's account.
9 They include: (1) capital costs associated with services and the meters, and
10 general plant supporting the functions identified above; (2) operating and
11 maintenance expenses related to those assets described in (1); and (3) associated
12 administrative and general expense, metering and billing expenses, customer
13 service and account expenses, appropriate pensions and benefits, payroll taxes
14 that are part of the applicable labor expenses, and working capital. Total
15 customer costs by rate class for the FPFTY are shown in PECO Exhibit JD-4, in
16 the unit cost analysis. PECO Exhibit JD-5 provides a summary and each element
17 of measures of value of customer charges.

18 **43. Q. Please describe the information in Exhibit JD-6.**

19 A. Exhibit JD-6 presents the development of the main external allocators that are
20 described below and used in the COSS. Except where noted, all data are for the
21 FPFTY.

1 Index (page 1) – Table of External Allocators.

2 Summary of External Allocator Values by Rate Class (page 2)

3 Gas Deliveries (page 3) – Annual and monthly gas deliveries in Mcf, for each rate

4 class.

5 Customer Numbers (page 4) – Monthly and average annual number of customers

6 for each rate class.

7 Demand (page 5) – Average and Excess Demand allocator, which is used to

8 allocate a portion of main, measuring and regulating station equipment costs.

9 Storage (page 6) – Storage allocator based on usage of storage assets for

10 balancing needs of firm sales customers and transportation customers.

11 Mains, M&R and Meter Direct (page 7) – Data for customers with directly

12 assigned mains, measuring and regulating station equipment, meter and meter

13 installation. Data include cost, accumulated depreciation, depreciation expense,

14 and annual usage as of June 30, 2020.

15 Service Costs (page 8) – Computes investment in services for each rate class at

16 average replacement cost for the period July 2015 to June 2020. PECO does not

17 account for services separately and, therefore, has used estimated replacement

18 cost to allocate the account to the classes of service.

19 Meter Costs (page 9) – Computes investment in meters for each rate class at

20 current costs for each meter type as of June 2020.

21 Account 903 Allocator (page 10) – Allocates costs associated with each activity

22 recorded in Account 903 (July 2019 to June 2020, Customer Records and

23 Collection), by using an appropriate external allocator. Each activity, the cost of

24 the activity, and the allocator assigned to each is shown in a separate row. Row

25 19 summarizes the costs by rate class. The weighted allocators are shown on row

26 20. The separate allocations are necessary because some costs are only applicable

27 to specific rate classes.

28 Account 908-916 Allocator (page 11) – Allocates the costs of each activity

29 recorded in Account 908-916 (July 2019 to June 2020, including Customer

30 Assistance and Sales Expenses), by using an appropriate external allocator. Rows

31 1-6 list each activity, the cost of the activity and the allocator assigned to it. Row

32 13 summarizes the costs by rate class. The weighted allocators are on row 14.

33 Accounts Receivable Over 60-Day (page 12) – Computes the A/R Over 60-Day

34 allocators. The column “Over 60-Day Allocator” shows the percentage of

35 PECO’s total gas accounts receivable outstanding for more than two months for

36 each rate class at each month-end from July 2019 to June 2020.

37 Write-Offs (page 13) – Computes the write-off allocators by using net charge-offs

38 for July 2015 to June 2020.

39 Directs (page 14) – Direct assignments for deposits, interest deposits (July 2017

40 to June 2020), advances (as of June 2020), and forfeited discounts (July 2017 to

41 June 2020).

1 Purchased Gas Cost (page 15) – Annual costs for each rate class.
2 Balancing Service Cost (page 16) – Annual costs for each rate class.
3 Purchase of Receivables (page 17) – Annual costs for each rate class.

4 **44. Q. Please describe how the purchased gas supply section of the COSS is used.**

5 A. In the COSS summary, there is a section for purchased gas. This section is used
6 to derive the non-fuel gas procurement costs to be recovered in the GPC. The
7 revenue requirement associated with those costs is used to develop a rate for the
8 GPC.

9 **VI. CONCLUSION**

10 **45. Q. Please summarize your conclusion with respect to the COSS.**

11 A. The COSS was prepared using an appropriate and well-accepted cost-of-service
12 method. The results of the COSS provide a reasonable allocation of PECO's cost-
13 of-service among its rate classes and are an appropriate guide for use in designing
14 PECO's proposed rates.

15 **46. Q. Does this complete your direct testimony at this time?**

16 A. Yes, it does.

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
S	1	SUMMARY AT PRESENT RATES											
S	2												
S	3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS											
S	4	OPERATING REVENUE											
S	5	Sales of Gas Revenue - Base	SCH RBC, LN 54	361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
S	6	Other Operating Revenue	SCH RBC, LN 64	1,528	1,105	331	1	1	0	0	1	58	30
S	7	TOTAL OPERATING REVENUE		363,069	234,594	100,910	76	476	5	0	691	16,777	9,539
S	8												
S	9	OPERATING EXPENSES											
S	10	Operation and Maintenance Expense Excl Pur Gas	SCH E, LN 99	144,391	105,970	30,389	104	110	1	9	61	5,274	2,473
S	11	Depreciation and Amortization Expense	SCH D, LN 42	88,958	61,121	21,396	69	83	0	7	47	3,981	2,255
S	12	Taxes Other Than Income Taxes-General	SCH TO, LN 10	7,545	5,285	1,761	6	6	0	1	3	329	154
S	13	Taxes Other Than Income Taxes-Distribution GRT	SCH TO, LN 18	0	0	0	0	0	0	0	0	0	0
S	14	Income Taxes	SCH TI, LN 61	18,770	17,311	922	59	(21)	(1)	7	(101)	590	4
S	15	TOTAL OPERATING EXPENSES		222,125	155,065	52,623	119	221	2	10	213	8,994	4,878
S	16												
S	17	OPERATING INCOME (RETURN)		140,945	79,529	48,287	(43)	255	3	(10)	479	7,784	4,661
S	18												
S	19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS											
S	20	Gas Plant in Service	SCH RBP, LN 65	3,537,670	2,414,898	870,101	3,012	2,978	16	251	1,656	165,938	78,820
S	21	Less: Accumulated Depreciation	SCH RBD, LN 37	893,447	615,410	220,270	709	754	5	57	456	34,989	20,797
S	22	Plus: Rate Base Additions Excl Purchased Gas	SCH RBO, LN 13	167,673	118,987	39,680	117	115	1	10	58	5,790	2,915
S	23	Less: Rate Base Deductions	SCH RBO, LN 26	353,635	233,740	93,976	303	303	2	25	174	17,008	8,105
S	24	TOTAL RATE BASE EXCL PURCHASED GAS	SCH RBO, LN 29	2,458,261	1,684,736	595,534	2,118	2,037	10	178	1,083	119,731	52,833
S	25												
S	26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		5.73%	4.72%	8.11%	-2.04%	12.52%	32.06%	-5.58%	44.19%	6.50%	8.82%
S	27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		1.00	0.82	1.41	-0.36	2.18	5.59	-0.97	7.71	1.13	1.54
S	28												
S	29												
S	30	DEVELOPMENT OF PURCHASED GAS RETURN											
S	31	Purchased Gas Revenues (PGC)	SCH RBC, LN 55	201,635	150,889	49,024	70	892	9	0	750	0	0
S	32	Other Sales of Gas Revenue (BSC)	SCH RBC, LN 56	25,075	16,192	8,643	6	164	2	0	69	0	0
S	33	Purchased Gas O&M Expense	SCH E, LN 98	226,710	167,079	57,668	77	1,056	11	0	819	0	0
S	34	Purchased Gas Income Taxes (Fed & State PP)		14	10	4	0	0	0	0	0	0	0
S	35	PURCHASED GAS OPERATING INCOME (RETURN)		14	12	2	0	0	0	0	0	0	0
S	36	RATE BASE - PURCHASED GAS CASH WORKING CAPITAL		3,679	2,753	894	1	16	0	0	14	0	0
S	37	PURCHASED GAS RATE OF RETURN (PRESENT)		0.39%	0.43%	0.25%	0.48%	0.24%	0.24%	0.00%	0.47%	0.00%	0.00%
S	38												
S	39												
S	40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)											
S	41	Total Distribution Sales Revenue at Current Rates		588,251	400,569	158,245	152	1,531	16	0	1,509	16,719	9,509
S	42	Total Distribution Operating Revenues		589,779	401,675	158,577	153	1,532	16	0	1,510	16,777	9,539
S	43	Total Distribution Operating Expenses Excl Federal & State Taxes		467,605	339,455	111,214	256	1,256	12	17	930	9,583	4,882
S	44	Plus: Total Federal & State Taxes		18,784	17,321	926	59	(21)	(1)	7	(101)	590	4
S	45	Total Operating Income (Return)		140,959	79,541	48,289	(43)	255	3	(10)	479	7,784	4,661
S	46	Total Rate Base		2,461,939	1,687,489	596,429	2,119	2,053	11	178	1,097	119,731	52,833
S	47												
S	48	COMPOSITE RATE OF RETURN (PRESENT)		5.73%	4.71%	8.10%	-2.04%	12.43%	31.53%	-5.58%	43.64%	6.50%	8.82%
S	49	COMPOSITE INDEX RATE OF RETURN (PRESENT)		1.00	0.82	1.41	-0.36	2.17	5.51	-0.98	7.62	1.14	1.54
S	50												

PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%											
S	52												
S	53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED RATE)											
S	54												
S	55	Rate Base Excluding Purchased Gas	SCH S, LN 24	2,458,261	1,684,736	595,534	2,118	2,037	10	178	1,083	119,731	52,833
S	56	Change in Operating Income (Rate Base * 1.97%)	1.97%	48,538	33,265	11,759	42	40	0	4	21	2,364	1,043
S	57												
S	58	OPERATING REVENUES											
S	59	Change in Revenue (Change in Return * 1.414)		68,621	47,028	16,624	59	57	0	5	30	3,342	1,475
S	60	Distribution Base Rate Revenue (Present Rates)	SCH S, LN 5	361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
S	61	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	430,162	280,517	117,203	135	531	5	5	720	20,061	10,984
S	62												
S	63	Forfeited Discounts Revenues	REV_487	88	67	17	0	0	0	0	0	3	1
S	64	Other Operating Revenue (Present Rates)	SCH S, LN 6	1,528	1,105	331	1	1	0	0	1	58	30
S	65	TOTAL OPERATING REVENUES		431,779	281,690	117,551	135	533	5	5	722	20,122	11,016
S	66												
S	67	OPERATING EXPENSES											
S	68	Operation and Maintenance Expense Excl Pur Gas	SCH S, LN 10	144,391	105,970	30,389	104	110	1	9	61	5,274	2,473
S	69	Depreciation and Amortization Expense	SCH S, LN 11	88,958	61,121	21,396	69	83	0	7	47	3,981	2,255
S	70	Additional Bad Debt Expense	CALCULATED	238	163	58	0	0	0	0	0	12	5
S	71	Additional PUC / OTS & SBA Fee Expense	CALCULATED	211	145	51	0	0	0	0	0	10	5
S	72	Taxes Other Than Income Taxes-General	SCH S, LN 12	7,545	5,285	1,761	6	6	0	1	3	329	154
S	73	Taxes Other Than Income Taxes-Distribution GRT	SCH S, LN 13	0	0	0	0	0	0	0	0	0	0
S	74	TOTAL OPERATING EXPENSES BEFORE TAXES		241,344	172,684	53,654	179	200	1	17	112	9,605	4,892
S	75	State and Federal Income Taxes @ Effective Tax Rate	SCH S, LN 14	18,770	17,311	922	59	(21)	(1)	7	(101)	590	4
S	76	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(19,722)	(13,518)	(4,777)	(17)	(16)	(0)	(1)	(9)	(960)	(424)
S	77	TOTAL OPERATING EXPENSES		240,393	176,477	49,800	222	163	0	22	2	9,235	4,471
S	78												
S	79	NET OPERATING INCOME EXCL PURCHASED GAS		191,386	105,212	67,751	(86)	369	5	(17)	720	10,887	6,544
S	80												
S	81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.70%		430,162	280,517	117,203	135	531	5	5	720	20,061	10,984
S	82												
S	83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE		68,709	47,095	16,641	59	57	0	5	30	3,345	1,476
S	84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)		19.00%	20.17%	16.55%	78.32%	12.00%	5.76%	0.00%	4.40%	20.01%	15.52%
S	85												
S	86												
S	87												
S	88												
S	89												
S	90												
S	91												
S	92												
S	93												
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S	98												
S	99												
S	100												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
S	101	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%											
S	102												
S	103	DEVELOPMENT OF PURCHASED GAS RETURN (EQUALIZED RATE)											
S	104												
S	105	Rate Base for Purchased Gas	SCH S, LN 36	3,679	2,753	894	1	16	0	0	14	0	0
S	106	Change in Operating Income (Rate Base * 1.97%)		73	54	18	0	0	0	0	0	0	0
S	107												
S	108	OPERATING REVENUES											
S	109	Change in Revenue (Change in Return * 1.414)		103	77	25	0	0	0	0	0	0	0
S	110	Distribution Base Rate Revenue (Present Rates)	CALCULATED	226,710	167,080	57,667	77	1,056	11	0	819	0	0
S	111	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	226,813	167,157	57,692	77	1,056	11	0	819	0	0
S	112												
S	113	OPERATING EXPENSES											
S	114	Purchased Gas O&M Expense	SCH S, LN 33	226,710	167,079	57,668	77	1,056	11	0	819	0	0
S	115	Additional Bad Debt Expense	CALCULATED	0	0	0	0	0	0	0	0	0	0
S	116	Additional PUC / OTS & SBA Fee Expense	CALCULATED	0	0	0	0	0	0	0	0	0	0
S	117	TOTAL OPERATING EXPENSES BEFORE TAXES		226,710	167,079	57,668	77	1,056	11	0	819	0	0
S	118	State and Federal Inc Taxes @ Effective Tax Rate	SCH S, LN 34	14	10	4	0	0	0	0	0	0	0
S	119	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(46)	(35)	(10)	(0)	(0)	(0)	0	(0)	(1)	(0)
S	120	TOTAL OPERATING EXPENSES		226,678	167,055	57,662	77	1,056	11	0	819	(1)	(0)
S	121												
S	122	NET OPERATING INCOME FOR PURCHASED GAS		134	103	30	0	0	0	0	0	1	0
S	123												
S	124	EQUALS TOTAL PURCHASED GAS COST OF SERVICE @ ROR		226,813	167,157	57,692	77	1,056	11	0	819	0	0
S	125												
S	126	TOTAL SALES PURCH GAS INCREASE/DECREASE		103	77	25	0	0	0	0	0	0	0
S	127	SALES REVENUE INCREASE TO OURCHASED GAS REVENUES (%)		0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.00%	0.05%	0.00%	0.00%
S	128												
S	129												
S	130												
S	131												
S	132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)											
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT		656,974	447,674	174,894	211	1,588	16	5	1,539	20,061	10,984
S	134	TOTAL INCREASE (DECREASE) BASE SALES REQUIRED		68,723	47,105	16,649	59	57	0	5	31	3,342	1,475
S	135												
S	136												
S	137												
S	138												
S	139												
S	140												
S	141												
S	142												
S	143												
S	144												
S	145												
S	146												
S	147												
S	148												
S	149												
S	150												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBP	1	DEVELOPMENT OF RATE BASE											
RBP	2												
RBP	3	GAS PLANT IN SERVICE											
RBP	4	INTANGIBLE PLANT											
RBP	5	301-Organization	TOTPLT	18,229	12,444	4,484	16	15	0	1	9	855	406
RBP	6	303-Miscellaneous Intangible Plant	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBP	7	TOTAL INTANGIBLE PLANT		18,229	12,444	4,484	16	15	0	1	9	855	406
RBP	8												
RBP	9	PRODUCTION PLANT (LPG)											
RBP	10	305-Land and Land Rights	DPKDAYP	1,206	783	418	2	2	0	0	0	0	0
RBP	11	311- Liquefied Petroleum Gas Equipment	DPKDAYP	14,334	9,314	4,976	24	20	0	0	0	0	0
RBP	12	320-Other Equipment (SNG Plant)	DPKDAYP	0	0	0	0	0	0	0	0	0	0
RBP	13	TOTAL PRODUCTION PLANT		15,539	10,097	5,394	26	22	0	0	0	0	0
RBP	14												
RBP	15	STORAGE PLANT (LNG)											
RBP	16	360-Land and Land Rights	DPKDAYP	16	10	6	0	0	0	0	0	0	0
RBP	17	361-Structures and Improvements	DPKDAYP	14,919	9,694	5,179	25	21	0	0	0	0	0
RBP	18	362-Gas Holders.	DPKDAYP	7,084	4,603	2,459	12	10	0	0	0	0	0
RBP	19	363-Purification Equipment	DPKDAYP	0	0	0	0	0	0	0	0	0	0
RBP	20	363-1 Liquefaction Equipment	DPKDAYP	50,409	32,756	17,499	84	70	0	0	0	0	0
RBP	21	TOTAL STORAGE PLANT		72,428	47,064	25,143	121	100	0	0	0	0	0
RBP	22												
RBP	23	TRANSMISSION PLANT											
RBP	24	371- Transmission Related Plant	DTRAN	0	0	0	0	0	0	0	0	0	0
RBP	25	TOTAL TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0
RBP	26												
RBP	27	DISTRIBUTION PLANT											
RBP	28	374-Land & Land Rights	DDISTPLT	3,637	2,088	1,116	5	5	0	0	2	289	132
RBP	29	375-Structures & Improvements	DDISTPLT	15,745	9,041	4,830	23	20	0	2	8	1,250	571
RBP	30	376-Mains											
RBP	31	General - Excess	DEXCESS	1,313,540	802,784	428,970	2,529	0	0	0	0	79,256	0
RBP	32	General - Average	DAVGDD	443,161	220,895	117,906	87	2,255	3	211	940	48,128	52,737
RBP	33	Direct Assignment	DAMAINS	15,289	0	0	0	0	0	0	0	8,219	7,070
RBP	34	Total Account 376		1,771,990	1,023,679	546,876	2,617	2,255	3	211	940	135,603	59,807
RBP	35	378-Measuring & Regulating Station Equip-General	PLT_376	24,652	14,242	7,608	36	31	0	3	13	1,887	832
RBP	36	379-Measuring & Regulating Station Equip-City Gate											
RBP	37	City Gate	PLT_376	65,778	38,000	20,301	97	84	0	8	35	5,034	2,220
RBP	38	Direct Assignment	DAMR	11,382	0	0	0	0	0	0	0	6,292	5,090
RBP	39	Total Account 379		77,160	38,000	20,301	97	84	0	8	35	11,326	7,310
RBP	40	380-Services	CSERVICE	1,111,048	959,749	146,489	26	49	7	13	102	3,031	1,581
RBP	41	381-Meters	CMETERS	163,858	114,453	42,012	4	155	2	4	226	3,856	3,145
RBP	42	Direct Assignment	CMETERSDA	232	0	0	0	0	0	0	0	232	0
RBP	43	Total Account 381		164,090	114,453	42,012	4	155	2	4	226	4,088	3,145
RBP	44	382-Meter Installations	CMETERS	220,402	153,948	56,510	6	208	3	6	304	5,187	4,230
RBP	45	Direct Assignment	CMETINSTDA	681	0	0	0	0	0	0	0	681	0
RBP	46	Total Account 382		221,083	153,948	56,510	6	208	3	6	304	5,868	4,230
RBP	47	387-Other Equipment	DISTPLT	2,118	1,447	516	2	2	0	0	1	102	49
RBP	48	388-Asset Retirement Costs for Distribution Plant	DISTPLTXAR	1,454	995	356	1	1	0	0	1	67	33

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBP	49	TOTAL DISTRIBUTION PLANT		3,392,978	2,317,641	826,614	2,818	2,810	16	247	1,632	163,511	77,689
RBP	50												
RBP	51	GAS PLANT IN SERVICE CONTINUED											
RBP	52												
RBP	53	GENERAL PLANT											
RBP	54	389-Land and Land Rights	SALWAGES	0	0	0	0	0	0	0	0	0	0
RBP	55	390-Structures and Improvements	SALWAGES	10,387	7,461	2,284	9	8	0	1	4	424	195
RBP	56	391-Office Furniture & Equipment	SALWAGES	6,858	4,926	1,508	6	5	0	0	3	280	129
RBP	57	393-Store Equipment	SALWAGES	0	0	0	0	0	0	0	0	0	0
RBP	58	394-Tools, Shop & Garage Equip.	SALWAGES	16,155	11,605	3,553	13	13	0	1	6	660	304
RBP	59	395-Laboratory Equipment	SALWAGES	0	0	0	0	0	0	0	0	0	0
RBP	60	397-Communication Equipment	SALWAGES	4,872	3,500	1,072	4	4	0	0	2	199	92
RBP	61	398-Miscellaneous Equipment	SALWAGES	223	160	49	0	0	0	0	0	9	4
RBP	62	TOTAL GENERAL PLANT		38,495	27,652	8,466	32	31	0	3	15	1,572	724
RBP	63												
RBP	64												
RBP	65	TOTAL GAS PLANT IN SERVICE		3,537,670	2,414,898	870,101	3,012	2,978	16	251	1,656	165,938	78,820
RBP	66												
RBP	67												
RBP	68												
RBP	69												
RBP	70												
RBP	71												
RBP	72												
RBP	73												
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RBP	95												
RBP	96												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBP	97												
RBP	98												
RBP	99												
RBP	100												
RBD	1	LESS: ACCUMULATED DEPRECIATION											
RBD	2												
RBD	3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION	INTPLT	16,737	11,425	4,116	14	14	0	1	8	785	373
RBD	4												
RBD	5	PRODUCTION PLANT ACCUMULATED DEPRECIATION	PRODPLT	13,221	8,591	4,589	22	18	0	0	0	0	0
RBD	6												
RBD	7	STORAGE PLANT ACCUMULATED DEPRECIATION	STORPLT	31,273	20,321	10,856	52	43	0	0	0	0	0
RBD	8												
RBD	9	TRANSMISSION PLANT ACCUMULATED DEPRECIATION	TRANPLT	0	0	0	0	0	0	0	0	0	0
RBD	10												
RBD	11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION											
RBD	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0	0	0
RBD	13	375-Structures & Improvements	PLT_375	5,864	3,367	1,799	9	7	0	1	3	466	213
RBD	14	376-Mains											
RBD	15	General - Excess	PLT_376GE	271,683	166,042	88,725	523	0	0	0	0	16,393	0
RBD	16	General - Average	PLT_376GA	91,660	45,688	24,387	18	466	1	44	194	9,955	10,908
RBD	17	Direct Assignment	DAMAINSAD	2,147	0	0	0	0	0	0	0	54	2,094
RBD	18	Total Account 376		365,491	211,731	113,112	541	466	1	44	194	26,401	13,001
RBD	19	378-Measuring & Regulating Station Equip-General	PLT_378	8,285	4,786	2,557	12	11	0	1	4	634	280
RBD	20	379-Measuring & Regulating Station Equip-City Gate											
RBD	21	City Gate	PLT_379CG	22,178	12,812	6,845	33	28	0	3	12	1,697	749
RBD	22	Direct Assignment	DAMRAD	2,689	0	0	0	0	0	0	0	58	2,631
RBD	23	Total Account 379		24,867	12,812	6,845	33	28	0	3	12	1,755	3,380
RBD	24	380-Services	PLT_380	262,159	226,459	34,565	6	12	2	3	24	715	373
RBD	25	381-Meters	CMETERS	71,643	50,042	18,369	2	68	1	2	99	1,686	1,375
RBD	26	Direct Assignment	CMETERSDA	3	0	0	0	0	0	0	0	3	0
RBP	27	Total Account 381		71,646	50,042	18,369	2	68	1	2	99	1,689	1,375
RBD	28	382-Meter Installations	CMETERS	75,785	52,935	19,431	2	72	1	2	105	1,784	1,454
RBD	29	Direct Assignment	CMETERSDA	8	0	0	0	0	0	0	0	8	0
RBP	30	Total Account 382		75,793	52,935	19,431	2	72	1	2	105	1,791	1,454
RBD	31	387-Other Equipment	PLT_387	1,428	976	348	1	1	0	0	1	69	33
RBD	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	555	380	136	0	0	0	0	0	25	12
RBD	33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION		816,087	563,486	197,161	606	665	4	55	442	33,545	20,121
RBD	34												
RBD	35	GENERAL PLANT ACCUMULATED DEPRECIATION	GENLPLT	16,131	11,587	3,548	13	13	0	1	6	659	303
RBD	36												
RBD	37	TOTAL ACCUMULATED DEPRECIATION		893,447	615,410	220,270	709	754	5	57	456	34,989	20,797
RBD	38												
RBD	39												
RBD	40												
RBD	41	NET GAS PLANT IN SERVICE		2,644,222	1,799,488	649,830	2,304	2,224	11	194	1,199	130,949	58,022
RBD	42												
RBD	43												
RBD	44												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBD	45												
RBD	46												
RBD	47												
RBD	48												
RBD	49												
RBD	50												
RBO	1	ADDITIONS AND DEDUCTIONS TO RATE BASE											
RBO	2												
RBO	3	PLUS: ADDITIONS TO RATE BASE											
RBO	4												
RBO	5	COMMON PLANT	SALWAGES	136,770	98,246	30,079	114	110	0	10	52	5,586	2,573
RBO	6												
RBO	7	WORKING CAPITAL											
RBO	8	Cash Working Capital - Purchased Gas	SCH RBC, LN 37	3,679	2,753	894	1	16	0	0	14	0	0
RBO	9	Cash Working Capital	SCH RBC, LN 22	(456)	(231)	(64)	(3)	4	0	(0)	6	(118)	(48)
RBO	10	Gas Storage Inventory	ESTORAGE	30,870	20,639	9,545	6	2	0	0	0	299	380
RBO	11	Materials and Supplies	TOTPLT	489	334	120	0	0	0	0	0	23	11
RBO	12	TOTAL WORKING CAPITAL		34,582	23,494	10,495	4	22	0	(0)	19	204	342
RBO	13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS		167,673	118,987	39,680	117	115	1	10	58	5,790	2,915
RBO	14	TOTAL ADDITIONS TO RATE BASE		171,352	121,740	40,574	118	132	1	10	72	5,790	2,915
RBO	15												
RBO	16	LESS: DEDUCTIONS TO RATE BASE											
RBO	17	Customer Deposits	CUSTDEP	13,418	4,654	8,461	0	3	0	0	6	194	101
RBO	18	Customer Advances for Construction	CUSTADV	1,334	1,106	228	0	0	0	0	0	0	0
RBO	19	Deferred Income Taxes and Credits											
RBO	20	Plant	TOTPLT	383,270	261,629	94,266	326	323	2	27	179	17,978	8,539
RBO	21	Common Plant	SALWAGES	6,582	4,728	1,447	5	5	0	0	3	269	124
RBO	22	Pension Assets / (Liability)	SALWAGES	(35,059)	(25,184)	(7,710)	(29)	(28)	(0)	(3)	(13)	(1,432)	(660)
RBO	23	ML Non-Conforming	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBO	24	Contributions in Aid of Construction (CIAC)	CUSTADV	(15,909)	(13,193)	(2,716)	0	0	0	0	0	0	0
RBO	25	Total Deferred Income Taxes and Credits		338,883	227,980	85,287	303	300	2	25	168	16,815	8,003
RBO	26	TOTAL DEDUCTIONS TO RATE BASE		353,635	233,740	93,976	303	303	2	25	174	17,008	8,105
RBO	27												
RBO	28	TOTAL PURCHASED GAS RATE BASE		3,679	2,753	894	1	16	0	0	14	0	0
RBO	29	TOTAL RATE BASE EXCLUDING PURCHASED GAS		2,458,261	1,684,736	595,534	2,118	2,037	10	178	1,083	119,731	52,833
RBO	30												
RBO	31	TOTAL RATE BASE		2,461,939	1,687,489	596,429	2,119	2,053	11	178	1,097	119,731	52,833
RBO	32												
RBO	33												
RBO	34												
RBO	35												
RBO	36												
RBO	37												
RBO	38												
RBO	39												
RBO	40												
RBO	41												
RBO	42												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBO	43												
RBO	44												
RBO	45												
RBO	46												
RBO	47												
RBO	48												
RBO	49												
RBO	50												
RBC	1	CASH WORKING CAPITAL (LEAD LAG)											
RBC	2												
RBC	3	TOTAL EXCLUDING PURCHASED GAS											
RBC	4	O&M EXPENSE RELATED CASH WORKING CAPITAL											
RBC	5	Payroll (Distribution Only)		42,209	30,320	9,283	35	34	0	3	16	1,724	794
RBC	6	Pension	SALWAGES	2,513	1,806	553	2	2	0	0	1	103	47
RBC	7	Other Expenses											
RBC	8	Other Expenses	OMXPPPP	97,082	71,796	20,088	66	68	0	6	37	3,410	1,611
RBC	9	BSC	EBSC	25,090	16,201	8,648	6	164	2	0	69	0	0
RBC	10	Purchase of Recievables (POR)	POR	63,454	45,995	17,258	0	81	1	0	118	0	0
RBC	11	TOTAL EXPENSES		230,350	166,118	55,829	110	349	3	9	242	5,237	2,452
RBC	12												
RBC	13	TOTAL EXPENSES PER DAY		631	455	153	0	1	0	0	1	14	7
RBC	14												
RBC	15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,303	2,382	800	2	5	0	0	3	75	35
RBC	16												
RBC	17	AVERAGE PREPAYMENTS		2,047	1,439	490	1	3	0	0	3	74	38
RBC	18	DISTRIBUTION ACCRUED TAXES		189	40	120	(1)	1	0	(0)	2	15	12
RBC	19	INTEREST PAYMENTS	TOTPLT	(5,995)	(4,092)	(1,475)	(5)	(5)	(0)	(0)	(3)	(281)	(134)
RBC	20												
RBC	21												
RBC	22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT		(456)	(231)	(64)	(3)	4	0	(0)	6	(118)	(48)
RBC	23												
RBC	24												
RBC	25	PURCHASED GAS											
RBC	26	O&M EXPENSE RELATED CASH WORKING CAPITAL											
RBC	27	Commodity Purchased - Contract Purchases	EGAS	201,620	150,877	49,021	70	892	9	0	750	0	0
RBC	28	Commodity Purchased - Spot Market Purchases	ETHRUPUTF	0	0	0	0	0	0	0	0	0	0
RBC	29	TOTAL EXPENSES		201,620	150,877	49,021	70	892	9	0	750	0	0
RBC	30												
RBC	31	TOTAL EXPENSES PER DAY		552	413	134	0	2	0	0	2	0	0
RBC	32												
RBC	33	PP CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,679	2,753	894	1	16	0	0	14	0	0
RBC	34												
RBC	35	PURCHASED GAS ACCRUED TAXES	ETHRUPUTF	0	0	0	0	0	0	0	0	0	0
RBC	36												
RBC	37	NET PURCHASED GAS CASH WORKING CAPITAL REQUIREMENT		3,679	2,753	894	1	16	0	0	14	0	0
RBC	38												
RBC	39												
RBC	40	TOTAL NET CASH WORKING CAPITAL		3,223	2,521	830	(2)	20	0	(0)	19	(118)	(48)

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBC	41												
RBC	42												
RBC	43												
RBC	44												
RBC	45												
RBC	46												
RBC	47												
RBC	48												
RBC	49												
RBC	50												
RBC	1	CASH WORKING CAPITAL (LEAD LAG) CONTINUED											
RBC	2												
RBC	3	<u>LAG/LEAD DAYS</u>		<u>NET DAYS</u>									
RBC	4	REVENUE LAG DAYS	43.17										
RBC	5	EXPENSE LEAD DAYS	37.94	5.23									
RBC	6												
RBC	7	PURCHASED GAS EXP LEAD DAYS	36.51	6.66									
RBC	8												
RBC	9												
RBC	10												
RBC	11												
RBC	12												
RBC	13												
RBC	14												
RBC	15												
RBC	16	DISTRIBUTION ACCRUED TAXES											
RBC	17	Federal Income Tax	EBT	15,181	6,142	7,197	(28)	47	1	(4)	111	986	729
RBC	18	State Income Tax	EBT	101,908	41,228	48,314	(189)	316	5	(27)	744	6,622	4,894
RBC	19	PURTA Taxes	TOTPLT	(159,522)	(108,893)	(39,235)	(136)	(134)	(1)	(11)	(75)	(7,483)	(3,554)
RBC	20	PA Capital Stock Tax	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBC	21	PA & Local Use Taxes	TOTPLT	0	0	0	0	0	0	0	0	0	0
RBC	22	PA Property tax	TOTPLT	111,596	76,178	27,447	95	94	1	8	52	5,235	2,486
RBC	23	TOTAL ACCRUED TAXES		69,163	14,654	43,723	(258)	323	6	(34)	833	5,360	4,555
RBC	24	TOTAL ACCRUED TAXES PER DAY		189	40	120	(1)	1	0	(0)	2	15	12
RBC	25												
RBC	26	DISTRIBUTION AVERAGE PREPAYMENTS											
RBC	27	AGA Membership Dues	SALESREV	187	121	52	0	0	0	0	0	9	5
RBC	28	EAPA & NGA Membership Dues	SALESREV	49	32	14	0	0	0	0	0	2	1
RBC	29	PUC Assess - Gas	CLAIMREV	759	517	202	0	2	0	0	2	23	13
RBC	30	Cellent Gas Meter Reading	PLT_381	0	0	0	0	0	0	0	0	0	0
RBC	31	Gas Software Maintenance	DISTPLT	13	9	3	0	0	0	0	0	1	0
RBC	32	Customer and Research	CUSTBILLS	38	35	3	0	0	0	0	0	0	0
RBC	33	VEBA Adjustment	SALWAGES	55	40	12	0	0	0	0	0	2	1
RBC	34	Facility Contracts	DISTPLT	18	12	4	0	0	0	0	0	1	0
RBC	35	IT License & Maintenance	TOTPLT	630	430	155	1	1	0	0	0	30	14
RBC	36	Fleet Activities	GENLPLT	76	54	17	0	0	0	0	0	3	1
RBC	37	Prepared Rent	DISTPLT	60	41	15	0	0	0	0	0	3	1
RBC	38	Postage	CUSTBILLS	162	149	13	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBC	39	TOTAL AVERAGE PREPAYMENTS		2,047	1,439	490	1	3	0	0	3	74	38
RBC	40												
RBC	41												
RBC	42												
RBC	43												
RBC	44												
RBC	45												
RBC	46												
RBC	47												
RBC	48												
RBC	49												
RBC	50												
RBC	51	OPERATING REVENUES											
RBC	52												
RBC	53	SALES REVENUES											
RBC	54	Sales of Gas Revenues - Base		361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
RBC	55	Sales Revenues - Purchased Gas-PGC	EGAS	201,635	150,889	49,024	70	892	9	0	750	0	0
RBC	56	Sales Revenues - Balancing Service Charge-BSC	EBSC	25,075	16,192	8,643	6	164	2	0	69	0	0
RBC	57	TOTAL SALES OF GAS		588,251	400,569	158,245	152	1,531	16	0	1,509	16,719	9,509
RBC	58												
RBC	59	OTHER OPERATING REVENUES											
RBC	60	487-Forfeited Discounts	REV_487	838	634	163	0	1	0	0	1	25	14
RBC	61	488-Miscellaneous Service Revenues	OX_904	0	0	0	0	0	0	0	0	0	0
RBC	62	489-Transport of Gas of Others Revenue	PLT_376	0	0	0	0	0	0	0	0	0	0
RBC	63	494-Interdepartmental Rents	DISTPLT	691	472	168	1	1	0	0	0	33	16
RBC	64	TOTAL OTHER OPERATING REV		1,528	1,105	331	1	1	0	0	1	58	30
RBC	65												
RBC	66	TOTAL OPERATING REVENUES		589,779	401,675	158,577	153	1,532	16	0	1,510	16,777	9,539
RBC	67												
RBC	68												
RBC	69												
RBC	70												
RBC	71												
RBC	72												
RBC	73												
RBC	74												
RBC	75												
RBC	76												
RBC	77												
RBC	78												
RBC	79												
RBC	80												
RBC	81												
RBC	82												
RBC	83												
RBC	84												
RBC	85												
RBC	86												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RBC	87												
RBC	88												
RBC	89												
RBC	90												
RBC	91												
RBC	92												
RBC	93												
RBC	94												
RBC	95												
RBC	96												
RBC	97												
RBC	98												
RBC	99												
RBC	100												
E	1	OPERATION & MAINTENANCE EXPENSE											
E	2												
E	3	PRODUCTION EXPENSE											
E	4	Manufactured Gas Production Expense											
E	5	Operation											
E	6	710-Operations Labor	DPKDAYP	0	0	0	0	0	0	0	0	0	0
E	7	717-Liquefied Petroleum Gas Expenses	DPKDAYP	80	52	28	0	0	0	0	0	0	0
E	8	Total Operation		80	52	28	0	0	0	0	0	0	0
E	9	Maintenance											
E	10	741-Maintenance of Structures and Improvements.	DPKDAYP	53	35	18	0	0	0	0	0	0	0
E	11	742-Maintenance of Production Equipment	DPKDAYP	133	86	46	0	0	0	0	0	0	0
E	12	Total Maintenance		186	121	65	0	0	0	0	0	0	0
E	13	Total Manufactured Gas Production Expense		266	173	92	0	0	0	0	0	0	0
E	14	Other Gas Supply Expense											
E	15	Operation											
E	16	804-Natural Gas Purchases-PGC	EGAS	201,620	150,877	49,021	70	892	9	0	750	0	0
E	17	804-Natural Gas Purchases-BSC	EBSC	25,090	16,201	8,648	6	164	2	0	69	0	0
E	18	805-Other Natural Gas Purchases	ETHRUPUT	0	0	0	0	0	0	0	0	0	0
E	19	807-Purchased Gas Expenses	ESTORAGE	0	0	0	0	0	0	0	0	0	0
E	20	808.1 Gas withdrawn from storage—Debt.	ETHRUPUT	0	0	0	0	0	0	0	0	0	0
E	21	808.1 Gas withdrawn from storage—Direct	ETHRUPUTT	0	0	0	0	0	0	0	0	0	0
E	22	Total Other Gas Supply Expense		226,710	167,079	57,668	77	1,056	11	0	819	0	0
E	23	TOTAL PRODUCTION EXPENSE		226,976	167,251	57,761	77	1,056	11	0	819	0	0
E	24												
E	25	NATURAL GAS STORAGE EXPENSE											
E	26	Operation											
E	27	840-Operation Supervision and Engineering	DPKDAYP	252	164	88	0	0	0	0	0	0	0
E	28	841-Operation Labor & Expenses - Training	DPKDAYP	812	528	282	1	1	0	0	0	0	0
E	29	Total Operation		1,065	692	370	2	1	0	0	0	0	0
E	30	Maintenance											
E	31	843-Maintenance Expense	DPKDAYP	4,414	2,868	1,532	7	6	0	0	0	0	0
E	32	Total Maintenance		4,414	2,868	1,532	7	6	0	0	0	0	0
E	33	Total Natural Gas Storage Expense		5,479	3,560	1,902	9	8	0	0	0	0	0
E	34												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
E	35	TRANSMISSION EXPENSES											
E	36	Operation Expense	TRANPLT	0	0	0	0	0	0	0	0	0	0
E	37	Maintenance Expense	TRANPLT	0	0	0	0	0	0	0	0	0	0
E	38	TOTAL TRANSMISSION EXPENSE		0	0	0	0	0	0	0	0	0	0
E	39												
E	40	DISTRIBUTION EXPENSES											
E	41	Operation											
E	42	870-Operation Supervision and Engineering	SALWAGDO	1,094	811	224	1	1	0	0	0	39	18
E	43	874-Mains and Services Expenses	PLT_376380	16,959	11,667	4,079	16	14	0	1	6	815	361
E	44	875-Measuring & Reg. Station Exp.-General	PLT_378	1,036	598	320	2	1	0	0	1	79	35
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	PLT_379	1	0	0	0	0	0	0	0	0	0
E	46	878-Meter & House Regulator Expenses	PLT_3815	5,979	4,166	1,529	0	6	0	0	8	155	114
E	47	879-Customer Installations Expenses	CUSTINSTALL	5,158	4,726	425	0	0	0	0	0	4	2
E	48	880-Other Expenses	DISTPLT	13,512	9,230	3,292	11	11	0	1	7	651	309
E	49	Total Distribution Operation		43,737	31,198	9,868	29	33	0	3	22	1,744	840
E	50												
E	51	OPERATION & MAINTENANCE EXPENSE CONTINUED											
E	52	DISTRIBUTION EXPENSES CONTINUED											
E	53	Maintenance											
E	54	887-Maintenance of Mains	PLT_376	17,505	10,112	5,402	26	22	0	2	9	1,340	591
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	PLT_378	1,014	586	313	1	1	0	0	1	78	34
E	56	892-Maintenance of Services	PLT_380	1,445	1,248	191	0	0	0	0	0	4	2
E	57	893-Maint. of Meters & House Regulators	PLT_3815	418	291	107	0	0	0	0	1	11	8
E	58	894-Maintenance of Other Equipment	DISTPLT	879	600	214	1	1	0	0	0	42	20
E	59	Total Distribution Maintenance		21,261	12,838	6,227	28	25	0	2	11	1,474	655
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES		64,998	44,037	16,095	57	57	0	5	33	3,218	1,496
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)		297,453	214,848	75,758	144	1,121	11	5	852	3,218	1,496
E	62												
E	63	CUSTOMER ACCOUNTS EXPENSES											
E	64	902-Meter Reading	CMETRDG	199	182	16	0	0	0	0	0	0	0
E	65	903-Customer Records and Collection Expense	CUSTREC	14,723	12,963	1,294	2	5	0	1	4	297	157
E	66	904-Uncollectible Accounts	EXP_904	2,263	2,046	205	0	1	0	0	1	6	4
E	67	904-Uncollectible Accounts - PPA	EXP_904PPA	322	322	0	0	0	0	0	0	0	0
E	68	905-Miscellaneous CA	CUSTCAM	2,152	1,971	177	0	0	0	0	0	2	1
E	69	TOTAL CUSTOMER ACCTS EXPENSE		19,658	17,484	1,692	2	6	0	1	6	305	161
E	70												
E	71	CUSTOMER SERVICE & SALES EXPENSES											
E	72	908-Customer Assistance	CUSTASST	7,742	7,482	217	0	0	0	0	0	28	14
E	73	908-Customer Assistance	CUSTASSTDA	500	0	499	0	0	0	0	0	0	0
E	74	909-Advertisement	CUSTADVT	309	0	309	0	0	0	0	0	0	0
E	75	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	CUSTSALES	2,810	2,716	79	0	0	0	0	0	10	5
E	77	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP		11,361	10,198	1,104	0	0	0	0	1	38	20
E	79												
E	80	TOTAL OPER & MAINT EXCL A&G		328,472	242,530	78,554	146	1,128	12	6	858	3,560	1,677
E	81												
E	82	ADMINISTRATIVE & GENERAL EXPENSE											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
E	83	920-Administrative Salaries	SALWAGES	9,261	6,652	2,037	8	7	0	1	4	378	174
E	84	921-Office Supplies & Expense	SALWAGES	1,454	1,045	320	1	1	0	0	1	59	27
E	85	923-Outside Service Employed	SALWAGES	16,942	12,170	3,726	14	14	0	1	6	692	319
E	86	924-Property Insurance	PSTDGPLT	75	51	19	0	0	0	0	0	4	2
E	87	925-Injuries and Damages	SALWAGES	273	196	60	0	0	0	0	0	11	5
E	88	926-Employee Pensions & Benefits	SALWAGES	10,139	7,283	2,230	8	8	0	1	4	414	191
E	89	928-Regulatory Commission	CLAIMREV	2,717	1,852	723	1	7	0	0	6	83	45
E	90	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0	0	0
E	91	930.1-General Advertising	CLAIMREV	0	0	0	0	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	SALWAGES	545	391	120	0	0	0	0	0	22	10
E	93	932-Maintenance of General Plant	GENPLT	1,222	878	269	1	1	0	0	0	50	23
E	94	TOTAL A&G EXPENSE		42,629	30,519	9,503	34	39	0	3	22	1,713	797
E	95												
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES		371,101	273,049	88,057	181	1,166	12	9	880	5,274	2,473
E	97												
E	98	TOTAL PURCHASED GAS O&M EXPENSES		226,710	167,079	57,668	77	1,056	11	0	819	0	0
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS		144,391	105,970	30,389	104	110	1	9	61	5,274	2,473
E	100												
D	1	DEPRECIATION / AMORTIZATION EXPENSE											
D	2												
D	3	INTANGIBLE PLANT EXPENSE	INTPLT	10,333	7,054	2,541	9	9	0	1	5	485	230
D	4												
D	5	PRODUCTION PLANT EXPENSE	PRODPLT	117	76	41	0	0	0	0	0	0	0
D	6												
D	7	LOCAL STORAGE PLANT EXPENSE	STORPLT	1,729	1,124	600	3	2	0	0	0	0	0
D	8												
D	9	TRANSMISSION PLANT EXPENSE	TRANPLT	0	0	0	0	0	0	0	0	0	0
D	10												
D	11	DISTRIBUTION PLANT EXPENSE											
D	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0	0	0
D	13	375-Structures & Improvements	PLT_375	345	198	106	1	0	0	0	0	27	12
D	14	376-Mains											
D	15	General - Excess	PLT_376GE	22,772	13,917	7,437	44	0	0	0	0	1,374	0
D	16	General - Average	PLT_376GA	7,683	3,829	2,044	2	39	0	4	16	834	914
D	17	Direct Assignment	DAMAINSDE	155	0	0	0	0	0	0	0	54	101
D	18	Total Account 376		30,609	17,747	9,481	45	39	0	4	16	2,262	1,015
D	19	378-Measuring & Regulating Station Equip-General	PLT_378	508	294	157	1	1	0	0	0	39	17
D	20	379-Measuring & Regulating Station Equip-City Gate											
D	21	City Gate	PLT_379CG	1,361	786	420	2	2	0	0	1	104	46
D	22	Direct Assignment	DAMRDE	160	0	0	0	0	0	0	0	58	102
D	23	Total Account 379		1,521	786	420	2	2	0	0	1	162	148
D	24	380-Services	PLT_380	22,906	19,787	3,020	1	1	0	0	2	62	33
D	25	381-Meters	CMETERS	5,389	3,764	1,382	0	5	0	0	7	127	103
D	26	Direct Assignment	CMETERSDA	3	0	0	0	0	0	0	0	3	0
D	27	Total Account 381		5,392	3,764	1,382	0	5	0	0	7	129	103
D	28	382-Meter Installations	CMETERS	4,382	3,061	1,124	0	4	0	0	6	103	84
D	29	Direct Assignment	CMETERSDA	8	0	0	0	0	0	0	0	8	0
D	30	Total Account 382		4,390	3,061	1,124	0	4	0	0	6	111	84

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
D	31	387-Other Equipment	PLT_378387	133	69	36	0	0	0	0	0	17	11
D	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	0	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE		65,804	45,705	15,725	50	52	0	4	33	2,810	1,424
D	34												
D	35	GENERAL PLANT EXPENSE	GENLPLT	1,723	1,237	379	1	1	0	0	1	70	32
D	36												
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	SALWAGES	6,439	4,626	1,416	5	5	0	0	2	263	121
D	38												
D	39	NET MANUFACTURED GAS PLANT EXP	ETHRUPUT	2,812	1,299	693	1	13	0	1	6	353	447
D	40												
D	41												
D	42	TOTAL DEPRECIATION / AMORTIZATION EXPENSE		88,958	61,121	21,396	69	83	0	7	47	3,981	2,255
D	43												
D	44												
D	45												
D	46												
D	47												
D	48												
D	49												
D	50												
TO	1	OTHER OPERATING EXPENSES											
TO	2												
TO	3	TAXES OTHER THAN INCOME TAXES											
TO	4	General Taxes											
TO	5	PURTA Taxes	TOTPLT	2,050	1,399	504	2	2	0	0	1	96	46
TO	6	Capital Stock	TOTPLT	0	0	0	0	0	0	0	0	0	0
TO	7	Payroll Related	SALWAGES	3,776	2,712	830	3	3	0	0	1	154	71
TO	8	Real Estate Tax	TOTPLT	1,568	1,070	386	1	1	0	0	1	74	35
TO	9	PA and Local Use Tax	CLAIMREV	152	104	40	0	0	0	0	0	5	3
TO	10	Total General Taxes		7,545	5,285	1,761	6	6	0	1	3	329	154
TO	11												
TO	12												
TO	13	Franchise and Revenue Taxes											
TO	14	Retail Revenue		0									
TO	15	Forfeited Discounts		0									
TO	16	Less: Bad Debt		0									
TO	17	Total Revenue	CALCULATED	0	0	0	0	0	0	0	0	0	0
TO	18	Total Distribution @ GRT Rate 0.00%	CALCULATED	0	0	0	0	0	0	0	0	0	0
TO	19	Total Franchise and Revenue Taxes		0	0	0	0	0	0	0	0	0	0
TO	20												
TO	21	TOTAL TAXES OTHER THAN INCOME		7,545	5,285	1,761	6	6	0	1	3	329	154
TO	22												
TO	23												
TO	24												
TO	25												
TO	26												
TO	27												
TO	28												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
TO	29												
TO	30												
TO	31												
TO	32												
TO	33												
TO	34												
TO	35												
TO	36												
TO	37												
TO	38												
TO	39												
TO	40												
TO	41												
TO	42												
TO	43												
TO	44												
TO	45												
TO	46												
TO	47												
TO	48												
TO	49												
TO	50												
TI	1	DEVELOPMENT OF INCOME TAXES											
TI	2												
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS		363,069	234,594	100,910	76	476	5	0	691	16,777	9,539
TI	4	LESS:											
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	SCH E, LN 99	144,391	105,970	30,389	104	110	1	9	61	5,274	2,473
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	SCH D, LN 42	88,958	61,121	21,396	69	83	0	7	47	3,981	2,255
TI	7	TAXES OTHER THAN INCOME TAXES	SCH TO, LN 21	7,545	5,285	1,761	6	6	0	1	3	329	154
TI	8	NET OPERATING INCOME BEFORE TAXES		122,175	62,218	47,365	(103)	276	4	(17)	580	7,194	4,658
TI	9	LESS:											
TI	10	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)		45,478	31,168	11,017	39	38	0	3	20	2,215	977
TI	11												
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS		76,697	31,051	36,347	(142)	238	4	(20)	560	4,979	3,680
TI	13												
TI	14	FEDERAL & STATE TAX ADJUSTMENTS											
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	SALWAGES	3,054	2,194	672	3	2	0	0	1	125	57
TI	16	Other Property Basis Adjustment (CIAC/ICM)	DISTPLT	12,276	8,385	2,991	10	10	0	1	6	592	281
TI	17	Removal Costs/Software	TOTPLT	9,120	6,225	2,243	8	8	0	1	4	428	203
TI	18	AFUDC Equity	TOTPLT	5,482	3,742	1,348	5	5	0	0	3	257	122
TI	19	Permanent Adjustments	TOTPLT	(775)	(529)	(191)	(1)	(1)	(0)	(0)	(0)	(36)	(17)
TI	20	Repair Allowance Deduction	TOTPLT	132,540	90,475	32,599	113	112	1	9	62	6,217	2,953
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS		161,697	110,493	39,662	137	136	1	12	76	7,582	3,600
TI	22												
TI	23	CALCULATION OF PA STATE INCOME TAXES											
TI	24	BASE TAXABLE INCOME	SCH TI, LN 12	76,697	31,051	36,347	(142)	238	4	(20)	560	4,979	3,680
TI	25	LESS:											
TI	26	State Tax Depreciation (Over) Under Book	TOTPLT	(25,538)	(17,433)	(6,281)	(22)	(21)	(0)	(2)	(12)	(1,198)	(569)

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
TI	27	Total Tax Adjustments	SCH TI, LN 21	161,697	110,493	39,662	137	136	1	12	76	7,582	3,600
TI	28	PA STATE TAXALBE DISTRIBUTION INCOME		(59,462)	(62,009)	2,967	(258)	124	3	(30)	496	(1,405)	649
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%		(5,940)	(6,195)	296	(26)	12	0	(3)	50	(140)	65
TI	30	PLUS: DEFERRED STATE INCOME TAXES											
TI	31	Net Operating Loss Utilization	CALCULATED	5,940	6,195	(296)	26	(12)	(0)	3	(50)	140	(65)
TI	32	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	TOTPLT	(1,531)	(1,045)	(377)	(1)	(1)	(0)	(0)	(1)	(72)	(34)
TI	34	Deferred Taxes on State NOL	TOTPLT	5,947	4,060	1,463	5	5	0	0	3	279	133
TI	35	TOTAL STATE INCOME TAX EXPENSE		4,416	3,014	1,086	4	4	0	0	2	207	98
TI	36												
TI	37	CALCULATION OF FEDERAL INCOME TAXES											
TI	38	BASE TAXABLE INCOME	SCH TI, LN 12	76,697	31,051	36,347	(142)	238	4	(20)	560	4,979	3,680
TI	39	LESS:											
TI	40	PA State Income Taxes	SCH TI, LN 32	0	0	0	0	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	TOTPLT	(33,615)	(22,947)	(8,268)	(29)	(28)	(0)	(2)	(16)	(1,577)	(749)
TI	42	Total Tax Adjustments	SCH TI, LN 21	161,697	110,493	39,662	137	136	1	12	76	7,582	3,600
TI	43	FEDERAL TAXALBE DISTRIBUTION INCOME		(51,384)	(56,495)	4,953	(251)	131	3	(29)	500	(1,026)	829
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%		10,791	11,864	(1,040)	53	(27)	(1)	6	(105)	215	(174)
TI	45												
TI	46												
TI	47												
TI	48												
TI	49												
TI	50												
TI	51	DEVELOPMENT OF INCOME TAXES CONTINUED											
TI	52												
TI	53	FEDERAL INCOME TAXES @ Tax Rate 21.00%	SCH TI, LN 44	10,791	11,864	(1,040)	53	(27)	(1)	6	(105)	215	(174)
TI	54	PLUS: DEFERRED FEDERAL INCOME TAXES											
TI	55	Deferred Taxes on Timing Differences - Federal	TOTPLT	998	681	245	1	1	0	0	0	47	22
TI	56	Excess Deferred Amortization	TOTPLT	3,455	2,358	850	3	3	0	0	2	162	77
TI	57	FIT Expense on Flow Through Adjustments	TOTPLT	(953)	(650)	(234)	(1)	(1)	(0)	(0)	(0)	(45)	(21)
TI	58	LESS: OTHER FEDERAL TAX ADJUSTMENTS											
TI	59	Amortization of ITC - Gas Plant	TOTPLT	(64)	(44)	(16)	(0)	(0)	(0)	(0)	(0)	(3)	(1)
TI	60	TOTAL FEDERAL INCOME TAX EXPENSE		14,354	14,297	(164)	56	(24)	(1)	6	(103)	383	(95)
TI	61	TOTAL INCOME TAX EXPENSE EXCLUDING PURCHASED GAS		18,770	17,311	922	59	(21)	(1)	7	(101)	590	4
TI	62												
TI	63	DEVELOPMENT OF PURCHASED GAS TAXES											
TI	64	PURCHASED GAS OPERATING REVENUES		226,710	167,080	57,667	77	1,056	11	0	819	0	0
TI	65	LESS:											
TI	66	OPERATION & MAINTAINENCE EXPENSE		226,710	167,079	57,668	77	1,056	11	0	819	0	0
TI	67	NET OPERATING INCOME BEFORE TAXES		(0)	2	(2)	0	(0)	(0)	0	0	0	0
TI	68	LESS:											
TI	69	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)		68	51	17	0	0	0	0	0	0	0
TI	70	BASE TAXABLE PURCHASED GAS INCOME		(68)	(49)	(18)	(0)	(0)	(0)	0	(0)	0	0
TI	71	LESS:											
TI	72	PA STATE PURCHASED GAS INCOME TAXES @ Tax Rate 9.99%		(7)	(5)	(2)	(0)	(0)	(0)	0	(0)	0	0
TI	73	Net Operating Loss Utilization	CALCULATED	7	5	2	0	0	0	0	0	0	0
TI	74	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
TI	75	EQUALS:											
TI	76	FEDERAL PURCHASED GAS INCOME TAXES @ Tax Rate 21.00%		14	10	4	0	0	0	0	0	0	0
TI	77												
TI	78	TOTAL PA INCOME TAX EXPENSE		4,416	3,014	1,086	4	4	0	0	2	207	98
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE		14,369	14,307	(160)	56	(24)	(1)	6	(103)	383	(95)
TI	80	TOTAL INCOME TAX EXPENSE		18,784	17,321	926	59	(21)	(1)	7	(101)	590	4
TI	81												
TI	82	TOTAL OTHER TAX EXPENSE		7,545	5,285	1,761	6	6	0	1	3	329	154
TI	83												
TI	84	TOTAL TAX EXPENSE		26,330	22,607	2,687	66	(14)	(1)	7	(98)	918	158
TI	85												
TI	86												
TI	87												
TI	88												
TI	89												
TI	90	TAX RATES & FACTORS											
TI	91	GROSS RECEIPTS TAX RATE	0.00%										
TI	92	STATE TAX RATE	9.99%										
TI	93	FEDERAL TAX RATE - CURRENT	21.00%										
TI	94	1 - EFFECTIVE TAX RATE											
TI	95	EFFECTIVE TAX RATE											
TI	96	GROSS REVENUE CONVERSION FACTOR	1.41376										
TI	97	UNCOLLECTIBLES EXPENSE FACTOR	0.003472										
TI	98	PUC / OTS & SBA FEE AS % OF REV FACTOR	0.003080										
TI	99	WEIGHTED COST OF DEBT	1.85%										
TI	100												
SW	1	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR											
SW	2												
SW	3	PRODUCTION SALARIES & WAGES EXPENSE											
SW	4	Manufactured Gas Production Expense											
SW	5	Operation - Acct 717	OX_PRODM	48	31	17	0	0	0	0	0	0	0
SW	6	Maintenance - Accts 741-742	MX_PRODM	112	73	39	0	0	0	0	0	0	0
SW	7	Total Manufactured Gas Production Expense		160	104	55	0	0	0	0	0	0	0
SW	8												
SW	9	Other Gas Supply Expense											
SW	10	Operation - Accounts 804-808	OX_PRODO	0	0	0	0	0	0	0	0	0	0
SW	11	Total Other Gas Supply		0	0	0	0	0	0	0	0	0	0
SW	12	TOTAL PRODUCTION S&W EXP		160	104	55	0	0	0	0	0	0	0
SW	13												
SW	14	STORAGE SALARIES & WAGES EXPENSE											
SW	15	Operation - Accts 840-841	OX_STOR	541	351	188	1	1	0	0	0	0	0
SW	16	Maintenance - Acct 843	MX_STOR	1,672	1,087	580	3	2	0	0	0	0	0
SW	17	TOTAL STORAGE S&W EXP		2,213	1,438	768	4	3	0	0	0	0	0
SW	18												
SW	19	TRANSMISSION SALARIES & WAGES EXPENSE											
SW	20	Operation	OX_TRAN	0	0	0	0	0	0	0	0	0	0
SW	21	Maintenance	MX_TRAN	0	0	0	0	0	0	0	0	0	0
SW	22	TOTAL TRANSMISSION S&W EXP		0	0	0	0	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
SW	23												
SW	24	DISTRIBUTION SALARIES & WAGES EXPENSE											
SW	25	Operation											
SW	26	874-Mains and Services Expenses	OX_874	5,809	3,996	1,397	5	5	0	0	2	279	124
SW	27	875-Measuring & Reg. Station Exp.-General	OX_875	714	412	220	1	1	0	0	0	55	24
SW	28	878-Meter & House Regulator Expenses	OX_878	1,217	848	311	0	1	0	0	2	31	23
SW	29	879-Customer Installations Expenses	OX_879	3,662	3,355	302	0	0	0	0	0	3	2
SW	30	880-Other Expenses	OX_880	2,695	1,841	657	2	2	0	0	1	130	62
SW	31	Total Operation		14,096	10,452	2,887	9	9	0	1	6	498	234
SW	32	Maintenance											
SW	33	887-Maintenance of Mains	MX_887	9,628	5,562	2,971	14	12	0	1	5	737	325
SW	34	889-Maint. of Measuring & Reg. Station Equip.-Gen	MX_889	494	285	152	1	1	0	0	0	38	17
SW	35	892-Maintenance of Services	MX_892	710	614	94	0	0	0	0	0	2	1
SW	36	893-Maint. of Meters & House Regulators	MX_893	285	199	73	0	0	0	0	0	7	5
SW	37	894-Maintenance of Other Equipment	MX_894	116	79	28	0	0	0	0	0	6	3
SW	38	Total Distribution Maintenance		11,234	6,739	3,319	15	13	0	1	6	789	351
SW	39	TOTAL DISTRIBUTION S&W EXP		25,330	17,192	6,205	24	22	0	2	12	1,288	585
SW	40	TOTAL OPER & MAINT S&W EXP (PROD, STOR, TRAN,& DIST)		27,702	18,733	7,029	28	26	0	2	12	1,288	585
SW	41												
SW	42												
SW	43												
SW	44												
SW	45												
SW	46												
SW	47												
SW	48												
SW	49												
SW	50												
SW	51	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR CONTINUED											
SW	52												
SW	53	CUSTOMER ACCOUNTS EXPENSES											
SW	54	902-Meter Reading	CMETRDG	0	0	0	0	0	0	0	0	0	0
SW	55	903-Customer Records and Collection Expense	CUSTREC	5,897	5,192	518	1	2	0	0	2	119	63
SW	56	904-Uncollectible Accounts	EXP_904	0	0	0	0	0	0	0	0	0	0
SW	57	904-Uncollectible Accounts - PPA	EXP_904	0	0	0	0	0	0	0	0	0	0
SW	58	905-Miscellaneous CA	CUSTCAM	291	266	24	0	0	0	0	0	0	0
SW	59	TOTAL CUSTOMER ACCTS S&W EXPENSE		6,188	5,459	542	1	2	0	0	2	119	63
SW	60												
SW	61	CUSTOMER SERVICE & SALES EXPENSES											
SW	62	908-Customer Assistance	CUSTASST	226	219	6	0	0	0	0	0	1	0
SW	63	909-Advertisement	CUSTADVT	0	0	0	0	0	0	0	0	0	0
SW	64	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0	0	0
SW	65	912-Demonstrating and Selling Expenses	CUSTSALES	388	375	11	0	0	0	0	0	1	1
SW	66	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0	0	0
SW	67	TOTAL CUST SERVICE & SALES S&W EXP		615	594	17	0	0	0	0	0	2	1
SW	68												
SW	69	TOTAL OPER & MAINT S&W EXP EXCL A&G		34,505	24,786	7,588	29	28	0	2	13	1,409	649
SW	70												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
SW	71	ADMINISTRATIVE & GENERAL EXPENSE											
SW	72	920-Administrative Salaries	SALWAGXAG	7,398	5,314	1,627	6	6	0	1	3	302	139
SW	73	921-Office Supplies & Expense	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	74	923-Outside Service Employed	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	75	924-Property Insurance	PSTDGPLT	0	0	0	0	0	0	0	0	0	0
SW	76	925-Injuries and Damages	SALWAGXAG	129	93	28	0	0	0	0	0	5	2
SW	77	926-Employee Pensions & Benefits	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	78	928-Regulatory Commission	CLAIMREV	0	0	0	0	0	0	0	0	0	0
SW	79	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0	0	0
SW	80	930.1-General Advertising	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	81	930.2-Miscellaneous General	SALWAGXAG	0	0	0	0	0	0	0	0	0	0
SW	82	932-Maintenance of General Plant	GENLPLT	177	127	39	0	0	0	0	0	7	3
SW	83	TOTAL A&G S&W EXPENSE		7,704	5,534	1,694	6	6	0	1	3	315	145
SW	84												
SW	85	TOTAL OPER & MAINTENANCE SALARIES & WAGES EXP		42,209	30,320	9,283	35	34	0	3	16	1,724	794
SW	86												
SW	87												
SW	88												
SW	89												
SW	90												
SW	91												
SW	92												
SW	93												
SW	94												
SW	95												
SW	96												
SW	97												
SW	98												
SW	99												
SW	100												
AF	1	ALLOCATION FACTOR TABLE											
AF	2	EXTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	3												
AF	4	CAPACITY											
AF	5	CAPACITY - PRODUCTION RELATED (LPG)											
AF	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	7												
AF	8												
AF	9	CAPACITY - STORAGE RELATED (LNG)											
AF	10	Capacity Storage - Design Peak Day Sendout	DPKDAYP	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	11												
AF	12												
AF	13												
AF	14	CAPACITY - TRANSMISSION RELATED											
AF	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	16												
AF	17												
AF	18												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	19												
AF	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>											
AF	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	683,737	417,874	223,292	1,317	0	0	0	0	41,255	0
AF	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	15,289	0	0	0	0	0	0	0	8,219	7,070
AF	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	2,147	0	0	0	0	0	0	0	54	2,094
AF	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	155	0	0	0	0	0	0	0	54	101
AF	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
AF	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	11,382	0	0	0	0	0	0	0	6,292	5,090
AF	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	2,689	0	0	0	0	0	0	0	58	2,631
AF	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	159	0	0	0	0	0	0	0	58	102
AF	29												
AF	30	Capacity Avg Daily Del excl Direct	DAVGDD	230,679	114,982	61,374	45	1,174	2	110	489	25,052	27,451
AF	31												
AF	32												
AF	33												
AF	34												
AF	35												
AF	36												
AF	37												
AF	38												
AF	39												
AF	40												
AF	41												
AF	42												
AF	43												
AF	44												
AF	45												
AF	46												
AF	47												
AF	48												
AF	49												
AF	50												
AF	51	ALLOCATION FACTOR TABLE CONTINUED											
AF	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AF	53												
AF	54	<u>COMMODITY</u>											
AF	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	90,879,246	41,968,538	22,401,370	16,559	428,356	649	40,050	178,588	11,394,081	14,451,056
AF	56	Annual Gas Deliveries - Firm	ETHRUPUTF	76,208,903	41,968,538	22,401,370	16,559	428,356	0	0	0	11,394,081	0
AF	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	25,845,137	0	0	0	0	0	0	0	11,394,081	14,451,056
AF	58												
AF	59												
AF	60	Commodity Gas Storage	ESTORAGE	1.0000	0.6686	0.3092	0.0002	0.0001	0.0000	0.0000	0.0000	0.0097	0.0123
AF	61												
AF	62												
AF	63												
AF	64												
AF	65	Annual Gas Cost (PGC)	EGAS	201,635	150,889	49,024	70	892	9	0	750	0	0
AF	66	Commodity - Balancing Service Charge (BSC)	EBSC	25,075	16,191	8,642	6	164	2	0	69	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	67												
AF	68	CUSTOMER											
AF	69	380-Services	CSERVICE	3,347,375	2,891,540	441,344	80	149	20	40	308	9,131	4,765
AF	70	381-Meters (Avg Cost per meter)	CMETERS	215,514	150,533	55,257	6	204	3	6	297	5,072	4,136
AF	71	381-Meters Direct Assignment	CMETERSDA	1	0	0	0	0	0	0	0	1	0
AF	72	382-Meters Installations Direct Assignment	CMETINSTDA	1	0	0	0	0	0	0	0	1	0
AF	73												
AF	74	Customer Deposits	CUSTDEP	12,465	4,323	7,860	0	3	0	0	5	180	94
AF	75	Customer Deposits Interest	CUSTDEPINT	351	216	130	0	0	0	0	0	3	2
AF	76												
AF	77	879-Customer Installation Expense	CUSTINSTALL	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	78	902-Meter Reading Expense	CMETRDRG	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	79	903-Customer Records and Collections	CUSTREC	1.0000	0.8805	0.0879	0.0002	0.0003	0.0000	0.0001	0.0003	0.0202	0.0106
AF	80	905-Miscellaneous Customer Accounts	CUSTCAM	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	81	908-Customer Assistance	CUSTASST	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	44,498	0	44,450	0	15	2	0	31	0	0
AF	83	909-Informational and Instructional Advertising	CUSTADVT	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	84	910-Miscellaneous Customer Service	CUSTCSM	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	85	916-Miscellaneous Sales Expense	CUSTSALES	1.0000	0.9664	0.0280	0.0000	0.0000	0.0000	0.0000	0.0000	0.0036	0.0019
AF	86												
AF	87	Number of Bills	CUSTBILLS	6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
AF	88	Number of Customers (Average Annual)	CUST	539,593	494,391	44,450	4	15	2	2	31	459	239
AF	89												
AF	90												
AF	91												
AF	92												
AF	93												
AF	94												
AF	95												
AF	96												
AF	97												
AF	98												
AF	99												
AF	100												
AF	101	ALLOCATION FACTOR TABLE CONTINUED											
AF	102	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	103	Plant Related											
AF	104	Intangible Plant	INTPLT	18,229	12,444	4,484	16	15	0	1	9	855	406
AF	105	Production Plant	PRODPLT	15,539	10,097	5,394	26	22	0	0	0	0	0
AF	106	Storage Plant	STORPLT	72,428	47,064	25,143	121	100	0	0	0	0	0
AF	107	Transmission Plant in Service	TRANPLT	0	0	0	0	0	0	0	0	0	0
AF	108	Distribution Plant in Service	DISTPLT	3,392,978	2,317,641	826,614	2,818	2,810	16	247	1,632	163,511	77,689
AF	109	General Plant in Service	GENLPLT	38,495	27,652	8,466	32	31	0	3	15	1,572	724
AF	110	Total Gas Plant In Service	TOTPLT	3,537,670	2,414,898	870,101	3,012	2,978	16	251	1,656	165,938	78,820
AF	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	3,776,697	2,585,046	924,780	2,827	3,172	21	257	2,162	173,401	85,031
AF	112	Total Transmission and Distribution Plant	TDPLT	3,392,978	2,317,641	826,614	2,818	2,810	16	247	1,632	163,511	77,689
AF	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	3,519,441	2,402,454	865,617	2,997	2,962	16	250	1,647	165,083	78,413
AF	114	Total Distribution and General Plant	DGPLT	3,431,473	2,345,293	835,080	2,850	2,841	16	250	1,647	165,083	78,413

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	115	Rate Base	RATEBASE	2,461,939	1,687,489	596,429	2,119	2,053	11	178	1,097	119,731	52,833
AF	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1,873,803	1,075,921	574,785	2,750	2,370	4	222	988	148,815	67,949
AF	117												
AF	118	Account 374	PLT_374	3,637	2,088	1,116	5	5	0	0	2	289	132
AF	119	Account 375	PLT_375	15,745	9,041	4,830	23	20	0	2	8	1,250	571
AF	120	Account 376-General Excess	PLT_376GE	1,313,540	802,784	428,970	2,529	0	0	0	0	79,256	0
AF	121	Account 376-General Average	PLT_376GA	443,161	220,895	117,906	87	2,255	3	211	940	48,128	52,737
AF	122	Account 376-DA	PLT_376DA	15,289	0	0	0	0	0	0	0	8,219	7,070
AF	123	Account 376	PLT_376	1,771,990	1,023,679	546,876	2,617	2,255	3	211	940	135,603	59,807
AF	124	Account 378	PLT_378	24,652	14,242	7,608	36	31	0	3	13	1,887	832
AF	125	Account 379-City Gate	PLT_379CG	65,778	38,000	20,301	97	84	0	8	35	5,034	2,220
AF	126	Account 379-Joint	PLT_379DA	11,382	0	0	0	0	0	0	0	6,292	5,090
AF	127	Account 379	PLT_379	77,160	38,000	20,301	97	84	0	8	35	11,326	7,310
AF	128	Account 380	PLT_380	1,111,048	959,749	146,489	26	49	7	13	102	3,031	1,581
AF	129	Account 381	PLT_381	164,090	114,453	42,012	4	155	2	4	226	4,088	3,145
AF	130	Account 382	PLT_382	221,083	153,948	56,510	6	208	3	6	304	5,868	4,230
AF	131	Account 387	PLT_387	2,118	1,447	516	2	2	0	0	1	102	49
AF	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1,454	995	356	1	1	0	0	1	67	33
AF	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1,873,803	1,075,921	574,785	2,750	2,370	4	222	988	148,815	67,949
AF	134	Accounts 376 & 380 - Mains & Services	PLT_376380	2,883,038	1,983,428	693,365	2,643	2,304	10	224	1,042	138,634	61,388
AF	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1,275,138	1,074,202	188,502	31	204	9	18	328	7,119	4,726
AF	136	Accounts 374 & 375 - Land & Structures	PLT_374375	19,382	11,129	5,945	28	25	0	2	10	1,539	703
AF	137	Accounts 381 through 385	PLT_3815	385,173	268,400	98,523	10	363	6	10	530	9,957	7,375
AF	138	Accounts 378, 379, & 387	PLT_378387	103,931	53,689	28,425	135	117	0	11	49	13,314	8,191
AF	139												
AF	140	Residential	DPLTRES	1,164,443	1,164,443	0	0	0	0	0	0	0	0
AF	141	Small Commercial and Industrial	DPLTCI	236,711	0	236,711	0	0	0	0	0	0	0
AF	142	Large High Load Factor	DPLTLHLF	261	0	0	261	0	0	0	0	0	0
AF	143	Motor Vehicle - Firm	DPLTMVF	403	0	0	0	403	0	0	0	0	0
AF	144	Motor Vehicle - Interruptible	DPLTMVI	9	0	0	0	0	9	0	0	0	0
AF	145	Interruptible Service	DPLTIS	36	0	0	0	0	0	36	0	0	0
AF	146	Temperature Control	DPLTTC	411	0	0	0	0	0	0	411	0	0
AF	147	Transportation Service - Firm	DPLTTSF	31,657	0	0	0	0	0	0	0	31,657	0
AF	148	Transportation Service - Interruptible	DPLTTSI	20,179	0	0	0	0	0	0	0	0	20,179
AF	149												
AF	150												
AF	151	ALLOCATION FACTOR TABLE CONTINUED											
AF	152	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	153												
AF	154	Production Expense Related											
AF	155	Account 717	OX_717	80	52	28	0	0	0	0	0	0	0
AF	156	Account 741	MX_741	53	35	18	0	0	0	0	0	0	0
AF	157	Account 743	MX_743	133	86	46	0	0	0	0	0	0	0
AF	158	Manufactured Gas Production Operation Expense	OX_PROD	80	52	28	0	0	0	0	0	0	0
AF	159	Manufactured Gas Production Maintenance Expense	MX_PROD	186	121	65	0	0	0	0	0	0	0
AF	160	Other Production Operation Expense	OX_PRODO	226,710	167,079	57,668	77	1,056	11	0	819	0	0
AF	161												
AF	162												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	163	Storage Expense Related											
AF	164	Storage Operation Expense	OX_STOR	1,065	692	370	2	1	0	0	0	0	0
AF	165	Storage Maintenance Expense	MX_STOR	4,414	2,868	1,532	7	6	0	0	0	0	0
AF	166												
AF	167												
AF	168	Transmission Expense Related											
AF	169	Transmission Operation Expense	OX_TRAN	0	0	0	0	0	0	0	0	0	0
AF	170	Transmission Maintenance Expense	MX_TRAN	0	0	0	0	0	0	0	0	0	0
AF	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0	0	0	0	0	0	0	0	0	0
AF	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0	0	0	0	0	0	0	0	0	0
AF	173												
AF	174												
AF	175	Distribution Expense Related											
AF	176	Account 874	OX_874	16,959	11,667	4,079	16	14	0	1	6	815	361
AF	177	Account 875	OX_875	1,036	598	320	2	1	0	0	1	79	35
AF	178	Account 878	OX_878	5,979	4,166	1,529	0	6	0	0	8	155	114
AF	179	Account 879	OX_879	5,158	4,726	425	0	0	0	0	0	4	2
AF	180	Account 880	OX_880	13,512	9,230	3,292	11	11	0	1	7	651	309
AF	181	Account 887	MX_887	17,505	10,112	5,402	26	22	0	2	9	1,340	591
AF	182	Account 889	MX_889	1,014	586	313	1	1	0	0	1	78	34
AF	183	Account 892	MX_892	1,445	1,248	191	0	0	0	0	0	4	2
AF	184	Account 893	MX_893	418	291	107	0	0	0	0	1	11	8
AF	185	Account 894	MX_894	879	600	214	1	1	0	0	0	42	20
AF	186	O&M Accounts 874-880	OX_DIST	42,643	30,387	9,644	28	32	0	3	22	1,705	822
AF	187	O&M Accounts 887-894	MX_DIST	3,756	2,726	825	2	2	0	0	2	135	64
AF	188												
AF	189												
AF	190												
AF	191												
AF	192												
AF	193												
AF	194												
AF	195												
AF	196												
AF	197												
AF	198												
AF	199												
AF	200												
AF	201	ALLOCATION FACTOR TABLE CONTINUED											
AF	202	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AF	203												
AF	204	Customer Distribution Expense Related											
AF	205	Account 902	OX_902	199	182	16	0	0	0	0	0	0	0
AF	206	Account 903	OX_903	14,723	12,963	1,294	2	5	0	1	4	297	157
AF	207	Account 904	OX_904	2,263	2,046	205	0	1	0	0	1	6	4
AF	208	O&M Accounts 902-905	OX_CA	19,658	17,484	1,692	2	6	0	1	6	305	161
AF	209												
AF	210	Account908	OX_908	7,742	7,482	217	0	0	0	0	0	28	14

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	211	Account909	OX_909	309	0	309	0	0	0	0	0	0	0
AF	212	Account910	OX_910	0	0	0	0	0	0	0	0	0	0
AF	213	O&M Accounts 908-910	OX_CS	8,550	7,482	1,025	0	0	0	0	1	28	14
AF	214	Accounts 901-910	X_CACS	31,019	27,682	2,796	3	6	0	1	6	343	181
AF	215												
AF	216	Total O&M less Purchased Gas	OMXPP	144,391	105,970	30,389	104	110	1	9	61	5,274	2,473
AF	217												
AF	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	86,740	64,147	17,948	59	61	0	5	33	3,047	1,439
AF	219												
AF	220	Base Taxable Income	EBT	76,629	31,001	36,329	(142)	238	4	(20)	560	4,979	3,680
AF	221												
AF	222												
AF	223	Salaries and Wages Expense Related											
AF	224	Salaries & Wages Accounts 870-880	SALWAGDO	14,096	10,452	2,887	9	9	0	1	6	498	234
AF	225	Salaries & Wages Accounts 887-894	SALWAGDM	11,234	6,739	3,319	15	13	0	1	6	789	351
AF	226	Salaries & Wages Accounts 902-905	SALWAGCA	6,188	5,459	542	1	2	0	0	2	119	63
AF	227	Salaries & Wages Accounts 908-910	SALWAGCS	226	219	6	0	0	0	0	0	1	0
AF	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	34,505	24,786	7,588	29	28	0	2	13	1,409	649
AF	229	Total Salaries and Wages Expense	SALWAGES	42,209	30,320	9,283	35	34	0	3	16	1,724	794
AF	230												
AF	231												
AF	232												
AF	233												
AF	234												
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AF	243												
AF	244												
AF	245												
AF	246												
AF	247												
AF	248												
AF	249												
AF	250												
AF	251	REVENUES AND BILLING DETERMINANTS											
AF	252												
AF	253	Base Rate Sales Revenue	SALESREV	361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
AF	254												
AF	255	Residential	SREVRES	233,489	233,489	0	0	0	0	0	0	0	0
AF	256	Small Commercial and Industrial	SREVC	100,579	0	100,579	0	0	0	0	0	0	0
AF	257	Large High Load Factor	SREVLHLF	75	0	0	75	0	0	0	0	0	0
AF	258	Motor Vehicle - Firm	SREVMVF	475	0	0	0	475	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AF	259	Motor Vehicle - Interruptible	SREVMVI	5	0	0	0	0	5	0	0	0	0
AF	260	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0	0	0
AF	261	Temperature Control	SREVTC	690	0	0	0	0	0	0	690	0	0
AF	262	Transportation Service - Firm	SREVTSF	16,719	0	0	0	0	0	0	0	16,719	0
AF	263	Transportation Service - Interruptible	SREVTSI	9,509	0	0	0	0	0	0	0	0	9,509
AF	264												
AF	265												
AF	266	Claimed Rate Sales Revenue	CLAIMREV	656,974	447,674	174,894	211	1,588	16	5	1,539	20,061	10,984
AF	267												
AF	268												
AF	269												
AF	270												
AF	271												
AF	272	<u>PRESENT REVENUES FROM SALES INPUT</u>											
AF	273												
AF	274	Total Sales of Gas Revenues		588,251	400,569	158,246	152	1,531	16	0	1,509	16,719	9,509
AF	275	Sales of Gas Revenues - Distribution		361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
AF	276	Sales of Gas Revenues - PGC		201,635	150,889	49,024	70	892	9	0	750	0	0
AF	277	Sales of Gas Revenues - BSC		25,075	16,191	8,642	6	164	2	0	69	0	0
AF	278												
AF	279												
AF	280	Sales of Gas Revenues - Transmission		0	0	0	0	0	0	0	0	0	0
AF	281												
AF	282												
AF	283	<u>BILLING DETERMINATE INPUTS</u>											
AF	284	Number of Customer Bills	SCH AF, LN 87	6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
AF	285	Annual Booked Throughput Sales (Mcf)	SCH AF, LN 55	90,879,246	41,968,538	22,401,370	16,559	428,356	649	40,050	178,588	11,394,081	14,451,056
AF	286												
AF	287												
AF	288												
AF	289	<u>RATE OF RETURN</u>											
AF	290	Rate of Return (Equalized)	SCH AF, LN 290	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
AF	291												
AF	292												
AF	293												
AF	294												
AF	295												
AF	296												
AF	297												
AF	298												
AF	299												
AF	300												
AP	1	<u>ALLOCATION PROPORTIONS TABLE</u>											
AP	2	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AP	3												
AP	4	<u>CAPACITY</u>											
AP	5	<u>CAPACITY - PRODUCTION RELATED (LPG)</u>											
AP	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	7												
AP	8												
AP	9	CAPACITY - STORAGE RELATED (LNG)											
AP	10	Capacity Storage - Design Peak Day Sendout	DPKDAY	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	11												
AP	12												
AP	13												
AP	14	<u>CAPACITY - TRANSMISSION RELATED</u>											
AP	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	16												
AP	17												
AP	18												
AP	19												
AP	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Pe</u>											
AP	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	1.00000	0.61116	0.32658	0.00193	0.00000	0.00000	0.00000	0.00000	0.06034	0.00000
AP	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.53756	0.46244
AP	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02506	0.97494
AP	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.34760	0.65240
AP	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.55280	0.44720
AP	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02145	0.97855
AP	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.36166	0.63834
AP	29												
AP	30	Capacity Avg Daily Del excl Direct	DAVGDD	1.00000	0.49845	0.26606	0.00020	0.00509	0.00001	0.00048	0.00212	0.10860	0.11900
AP	31												
AP	32												
AP	33												
AP	34												
AP	35												
AP	36												
AP	37												
AP	38												
AP	39												
AP	40												
AP	41												
AP	42												
AP	43												
AP	44												
AP	45												
AP	46												
AP	47												
AP	48												
AP	49												
AP	50												
AP	51	<u>ALLOCATION PROPORTIONS TABLE CONTINUED</u>											
AP	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AP	53												
AP	54	<u>COMMODITY</u>											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	1.00000	0.46181	0.24650	0.00018	0.00471	0.00001	0.00044	0.00197	0.12538	0.15901
AP	56	Annual Gas Deliveries - Firm	ETHRUPUTF	1.00000	0.55070	0.29395	0.00022	0.00562	0.00000	0.00000	0.00000	0.14951	0.00000
AP	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.44086	0.55914
AP	58												
AP	59												
AP	60	Commodity Gas Storage	ESTORAGE	1.00000	0.66856	0.30919	0.00019	0.00005	0.00000	0.00000	0.00000	0.00970	0.01230
AP	61												
AP	62												
AP	63												
AP	64												
AP	65	Annual Gas Cost (PGC)	EGAS	1.00000	0.74833	0.24313	0.00035	0.00443	0.00005	0.00000	0.00372	0.00000	0.00000
AP	66	Commodity - Balancing Service Charge (BSC)	EBSC	1.00000	0.64573	0.34467	0.00025	0.00653	0.00007	0.00000	0.00275	0.00000	0.00000
AP	67												
AP	68	CUSTOMER											
AP	69	380-Services	CSERVICE	1.00000	0.86382	0.13185	0.00002	0.00004	0.00001	0.00001	0.00009	0.00273	0.00142
AP	70	381-Meters (Avg Cost per meter)	CMETERS	1.00000	0.69849	0.25640	0.00003	0.00094	0.00001	0.00003	0.00138	0.02354	0.01919
AP	71	381-Meters Direct Assignment	CMETERSDA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	72	382-Meters Installations Direct Assignment	CMETINSTDA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	73												
AP	74	Customer Deposits	CUSTDEP	1.00000	0.34681	0.63056	0.00000	0.00021	0.00000	0.00000	0.00044	0.01444	0.00754
AP	75	Customer Deposits Interest	CUSTDEPINT	1.00000	0.61527	0.37140	0.00000	0.00013	0.00000	0.00000	0.00026	0.00851	0.00444
AP	76												
AP	77	879-Customer Installation Expense	CUSTINSTALL	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	78	902-Meter Reading Expense	CMETRDG	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	79	903-Customer Records and Collections	CUSTREC	1.00000	0.88047	0.08787	0.00016	0.00035	0.00000	0.00008	0.00028	0.02015	0.01064
AP	80	905-Miscellaneous Customer Accounts	CUSTCAM	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	81	908-Customer Assistance	CUSTASST	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	1.00000	0.00000	0.99892	0.00000	0.00034	0.00004	0.00000	0.00070	0.00000	0.00000
AP	84	910-Miscellaneous Customer Service	CUSTCSM	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	85	916-Miscellaneous Sales Expense	CUSTSALES	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	86												
AP	87	Number of Bills	CUSTBILLS	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	88	Number of Customers (Average Annual)	CUST	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	89												
AP	90												
AP	91												
AP	92												
AP	93												
AP	94												
AP	95												
AP	96												
AP	97												
AP	98												
AP	99												
AP	100												
AP	101	ALLOCATION PROPORTIONS TABLE CONTINUED											
AP	102	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>											
AP	103	<u>Plant Related</u>											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	104	Intangible Plant	INTPLT	1.00000	0.68262	0.24595	0.00085	0.00084	0.00000	0.00007	0.00047	0.04691	0.02228
AP	105	Production Plant	PRODPLT	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	106	Storage Plant	STORPLT	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	107	Transmission Plant in Service	TRANPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	108	Distribution Plant in Service	DISTPLT	1.00000	0.68307	0.24362	0.00083	0.00083	0.00000	0.00007	0.00048	0.04819	0.02290
AP	109	General Plant in Service	GENLPLT	1.00000	0.71833	0.21992	0.00083	0.00080	0.00000	0.00007	0.00038	0.04084	0.01881
AP	110	Total Gas Plant In Service	TOTPLT	1.00000	0.68262	0.24595	0.00085	0.00084	0.00000	0.00007	0.00047	0.04691	0.02228
AP	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	1.00000	0.68447	0.24486	0.00075	0.00084	0.00001	0.00007	0.00057	0.04591	0.02251
AP	112	Total Transmission and Distribution Plant	TDPLT	1.00000	0.68307	0.24362	0.00083	0.00083	0.00000	0.00007	0.00048	0.04819	0.02290
AP	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	1.00000	0.68262	0.24595	0.00085	0.00084	0.00000	0.00007	0.00047	0.04691	0.02228
AP	114	Total Distribution and General Plant	DGPLT	1.00000	0.68347	0.24336	0.00083	0.00083	0.00000	0.00007	0.00048	0.04811	0.02285
AP	115	Rate Base	RATEBASE	1.00000	0.68543	0.24226	0.00086	0.00083	0.00000	0.00007	0.00045	0.04863	0.02146
AP	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1.00000	0.57419	0.30675	0.00147	0.00126	0.00000	0.00012	0.00053	0.07942	0.03626
AP	117												
AP	118	Account 374	PLT_374	1.00000	0.57419	0.30675	0.00147	0.00126	0.00000	0.00012	0.00053	0.07942	0.03626
AP	119	Account 375	PLT_375	1.00000	0.57419	0.30675	0.00147	0.00126	0.00000	0.00012	0.00053	0.07942	0.03626
AP	120	Account 376-General Excess	PLT_376GE	1.00000	0.61116	0.32658	0.00193	0.00000	0.00000	0.00000	0.00000	0.06034	0.00000
AP	121	Account 376-General Average	PLT_376GA	1.00000	0.49845	0.26606	0.00020	0.00509	0.00001	0.00048	0.00212	0.10860	0.11900
AP	122	Account 376-DA	PLT_376DA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.53756	0.46244
AP	123	Account 376	PLT_376	1.00000	0.57770	0.30862	0.00148	0.00127	0.00000	0.00012	0.00053	0.07653	0.03375
AP	124	Account 378	PLT_378	1.00000	0.57770	0.30862	0.00148	0.00127	0.00000	0.00012	0.00053	0.07653	0.03375
AP	125	Account 379-City Gate	PLT_379CG	1.00000	0.57770	0.30862	0.00148	0.00127	0.00000	0.00012	0.00053	0.07653	0.03375
AP	126	Account 379-Joint	PLT_379DA	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.55280	0.44720
AP	127	Account 379	PLT_379	1.00000	0.49248	0.26310	0.00126	0.00108	0.00000	0.00010	0.00045	0.14678	0.09474
AP	128	Account 380	PLT_380	1.00000	0.86382	0.13185	0.00002	0.00004	0.00001	0.00001	0.00009	0.00273	0.00142
AP	129	Account 381	PLT_381	1.00000	0.69750	0.25603	0.00003	0.00094	0.00001	0.00003	0.00138	0.02492	0.01916
AP	130	Account 382	PLT_382	1.00000	0.69633	0.25561	0.00003	0.00094	0.00001	0.00003	0.00138	0.02654	0.01913
AP	131	Account 387	PLT_387	1.00000	0.68307	0.24362	0.00083	0.00083	0.00000	0.00007	0.00048	0.04819	0.02290
AP	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1.00000	0.68447	0.24486	0.00075	0.00084	0.00001	0.00007	0.00057	0.04591	0.02251
AP	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1.00000	0.57419	0.30675	0.00147	0.00126	0.00000	0.00012	0.00053	0.07942	0.03626
AP	134	Accounts 376 & 380 - Mains & Services	PLT_376380	1.00000	0.68796	0.24050	0.00092	0.00080	0.00000	0.00008	0.00036	0.04809	0.02129
AP	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1.00000	0.84242	0.14783	0.00002	0.00016	0.00001	0.00001	0.00026	0.00558	0.00371
AP	136	Accounts 374 & 375 - Land & Structures	PLT_374375	1.00000	0.57419	0.30675	0.00147	0.00126	0.00000	0.00012	0.00053	0.07942	0.03626
AP	137	Accounts 381 through 385	PLT_3815	1.00000	0.69683	0.25579	0.00003	0.00094	0.00001	0.00003	0.00138	0.02585	0.01915
AP	138	Accounts 378, 379, & 387	PLT_378387	1.00000	0.51658	0.27350	0.00130	0.00112	0.00000	0.00010	0.00047	0.12811	0.07881
AP	139												
AP	140	Residential	DPLTRES	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	141	Small Commercial and Industrial	DPLTCI	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	142	Large High Load Factor	DPLTLHLF	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	143	Motor Vehicle - Firm	DPLTMVF	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	144	Motor Vehicle - Interruptible	DPLTMVI	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	145	Interruptible Service	DPLTIS	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	146	Temperature Control	DPLTTC	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	147	Transportation Service - Firm	DPLTTSF	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	148	Transportation Service - Interruptible	DPLTTSI	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	149												
AP	150												
AP	151	ALLOCATION PROPORTIONS TABLE CONTINUED											

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	152	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AP	153												
AP	154	Production Expense Related											
AP	155	Account 717	OX_717	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	156	Account 741	MX_741	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	157	Account 743	MX_743	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	158	Manufactured Gas Production Operation Expense	OX_PRODM	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	159	Manufactured Gas Production Maintenance Expense	MX_PRODM	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	160	Other Production Operation Expense	OX_PRODO	1.00000	0.73697	0.25437	0.00034	0.00466	0.00005	0.00000	0.00361	0.00000	0.00000
AP	161												
AP	162												
AP	163	Storage Expense Related											
AP	164	Storage Operation Expense	OX_STOR	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	165	Storage Maintenance Expense	MX_STOR	1.00000	0.64980	0.34714	0.00167	0.00139	0.00000	0.00000	0.00000	0.00000	0.00000
AP	166												
AP	167												
AP	168	Transmission Expense Related											
AP	169	Transmission Operation Expense	OX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	170	Transmission Maintenance Expense	MX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	173												
AP	174												
AP	175	Distribution Expense Related											
AP	176	Account 874	OX_874	1.00000	0.68796	0.24050	0.00092	0.00080	0.00000	0.00008	0.00036	0.04809	0.02129
AP	177	Account 875	OX_875	1.00000	0.57770	0.30862	0.00148	0.00127	0.00000	0.00012	0.00053	0.07653	0.03375
AP	178	Account 878	OX_878	1.00000	0.69683	0.25579	0.00003	0.00094	0.00001	0.00003	0.00138	0.02585	0.01915
AP	179	Account 879	OX_879	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	180	Account 880	OX_880	1.00000	0.68307	0.24362	0.00083	0.00083	0.00000	0.00007	0.00048	0.04819	0.02290
AP	181	Account 887	MX_887	1.00000	0.57770	0.30862	0.00148	0.00127	0.00000	0.00012	0.00053	0.07653	0.03375
AP	182	Account 889	MX_889	1.00000	0.57770	0.30862	0.00148	0.00127	0.00000	0.00012	0.00053	0.07653	0.03375
AP	183	Account 892	MX_892	1.00000	0.86382	0.13185	0.00002	0.00004	0.00001	0.00001	0.00009	0.00273	0.00142
AP	184	Account 893	MX_893	1.00000	0.69683	0.25579	0.00003	0.00094	0.00001	0.00003	0.00138	0.02585	0.01915
AP	185	Account 894	MX_894	1.00000	0.68307	0.24362	0.00083	0.00083	0.00000	0.00007	0.00048	0.04819	0.02290
AP	186	O&M Accounts 874-880	OX_DIST	1.00000	0.71259	0.22616	0.00067	0.00075	0.00001	0.00006	0.00051	0.03998	0.01928
AP	187	O&M Accounts 887-894	MX_DIST	1.00000	0.72569	0.21953	0.00061	0.00066	0.00001	0.00006	0.00044	0.03586	0.01715
AP	188												
AP	189												
AP	190												
AP	191												
AP	192												
AP	193												
AP	194												
AP	195												
AP	196												
AP	197												
AP	198												
AP	199												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	200												
AP	201	ALLOCATION PROPORTIONS TABLE CONTINUED											
AP	202	INTERNALLY DEVELOPED ALLOCATION FACTORS											
AP	203												
AP	204	Customer Distribution Expense Related											
AP	205	Account 902	OX_902	1.00000	0.91623	0.08238	0.00001	0.00003	0.00000	0.00000	0.00006	0.00085	0.00044
AP	206	Account 903	OX_903	1.00000	0.88047	0.08787	0.00016	0.00035	0.00000	0.00008	0.00028	0.02015	0.01064
AP	207	Account 904	OX_904	1.00000	0.90399	0.09065	0.00000	0.00043	0.00000	0.00000	0.00062	0.00274	0.00156
AP	208	O&M Accounts 902-905	OX_CA	1.00000	0.88941	0.08609	0.00012	0.00031	0.00000	0.00006	0.00029	0.01551	0.00820
AP	209												
AP	210	Account908	OX_908	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	211	Account909	OX_909	1.00000	0.00000	0.99892	0.00000	0.00034	0.00004	0.00000	0.00070	0.00000	0.00000
AP	212	Account910	OX_910	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	213	O&M Accounts 908-910	OX_CS	1.00000	0.87501	0.11990	0.00003	0.00004	0.00001	0.00001	0.00008	0.00323	0.00169
AP	214	Accounts 901-910	X_CACS	1.00000	0.89242	0.09015	0.00009	0.00021	0.00000	0.00004	0.00021	0.01104	0.00583
AP	215												
AP	216	Total O&M less Purchased Gas	OMXPP	1.00000	0.73391	0.21046	0.00072	0.00076	0.00000	0.00006	0.00042	0.03652	0.01713
AP	217												
AP	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	1.00000	0.73953	0.20691	0.00068	0.00070	0.00000	0.00006	0.00038	0.03513	0.01659
AP	219												
AP	220	Base Taxable Income	EBT	1.00000	0.40456	0.47409	-0.00185	0.00310	0.00005	-0.00026	0.00730	0.06498	0.04802
AP	221												
AP	222												
AP	223	Salaries and Wages Expense Related											
AP	224	Salaries & Wages Accounts 870-880	SALWAGDO	1.00000	0.74151	0.20479	0.00062	0.00064	0.00000	0.00006	0.00040	0.03536	0.01663
AP	225	Salaries & Wages Accounts 887-894	SALWAGDM	1.00000	0.59991	0.29543	0.00134	0.00118	0.00000	0.00011	0.00052	0.07028	0.03122
AP	226	Salaries & Wages Accounts 902-905	SALWAGCA	1.00000	0.88215	0.08761	0.00016	0.00033	0.00000	0.00007	0.00027	0.01925	0.01016
AP	227	Salaries & Wages Accounts 908-910	SALWAGCS	1.00000	0.96644	0.02805	0.00003	0.00001	0.00000	0.00002	0.00002	0.00357	0.00186
AP	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	1.00000	0.71833	0.21992	0.00083	0.00080	0.00000	0.00007	0.00038	0.04084	0.01881
AP	229	Total Salaries and Wages Expense	SALWAGES	1.00000	0.71833	0.21992	0.00083	0.00080	0.00000	0.00007	0.00038	0.04084	0.01881
AP	230												
AP	231												
AP	232												
AP	233												
AP	234												
AP	235												
AP	236												
AP	237												
AP	238												
AP	239												
AP	240												
AP	241												
AP	242												
AP	243												
AP	244												
AP	245												
AP	246												
AP	247												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	248												
AP	249												
AP	250												
AP	251	REVENUES AND BILLING DETERMINANTS											
AP	252												
AP	253	Base Rate Sales Revenue	SALESREV	1.00000	0.64582	0.27819	0.00021	0.00131	0.00001	0.00000	0.00191	0.04624	0.02630
AP	254												
AP	255	Residential	SREVRES	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	256	Small Commercial and Industrial	SREVC	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	257	Large High Load Factor	SREVLHLF	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	258	Motor Vehicle - Firm	SREVMVF	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	259	Motor Vehicle - Interruptible	SREVMVI	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	260	Interruptible Service	SREVIS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	261	Temperature Control	SREVTC	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	262	Transportation Service - Firm	SREVTSF	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	263	Transportation Service - Interruptible	SREVTSI	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	264												
AP	265												
AP	266	Claimed Rate Sales Revenue	CLAIMREV	1.00000	0.68142	0.26621	0.00032	0.00242	0.00003	0.00001	0.00234	0.03054	0.01672
AP	267												
AP	268												
AP	269												
AP	270												
AP	271												
AP	272	PRESENT REVENUES FROM SALES INPUT											
AP	273												
AP	274	Total Sales of Gas Revenues		1.00000	0.68095	0.26901	0.00026	0.00260	0.00003	0.00000	0.00256	0.02842	0.01617
AP	275	Sales of Gas Revenues - Distribution		1.00000	0.64582	0.27819	0.00021	0.00131	0.00001	0.00000	0.00191	0.04624	0.02630
AP	276	Sales of Gas Revenues - PGC		1.00000	0.74833	0.24313	0.00035	0.00443	0.00005	0.00000	0.00372	0.00000	0.00000
AP	277	Sales of Gas Revenues - BSC		1.00000	0.64573	0.34467	0.00025	0.00653	0.00007	0.00000	0.00275	0.00000	0.00000
AP	278												
AP	279												
AP	280	Sales of Gas Revenues - Transmission		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	281												
AP	282												
AP	283												
AP	284												
AP	285												
AP	286												
AP	287												
AP	288												
AP	289												
AP	290												
AP	291												
AP	292												
AP	293												
AP	294												
AP	295												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
AP	296												
AP	297												
AP	298												
AP	299												
AP	300												
ADA	1	ALLOCATED DIRECT ASSIGNMENTS											
ADA	2	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS											
ADA	3												
ADA	4	Net Write-Offs											
ADA	5	Residential	SREVRES	0.90	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	6	Small Commercial and Industrial	SREVC I	0.09	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	7	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	8	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	9	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	10	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	11	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	12	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	13	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	14												
ADA	15	Total Write-Offs	EXP_904	1.00	0.90	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	16												
ADA	17	Total Write-Offs	EXP_904	1.00000	0.90399	0.09065	0.00000	0.00043	0.00000	0.00000	0.00062	0.00274	0.00156
ADA	18												
ADA	19												
ADA	20	Net Write-Offs - Pre-Programmed Arrearages (PPA)											
ADA	21	Residential	SREVRES	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	22	Small Commercial and Industrial	SREVC I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	23	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	24	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	25	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	26	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	27	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	28	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	29	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	30												
ADA	31	Total Write-Offs	EXP_904PPA	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	32												
ADA	33	Total Write-Offs	EXP_904PPA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
ADA	34												
ADA	35												
ADA	36	Forfeited Discounts - Account 487											
ADA	37	Residential	SREVRES	824	824	0	0	0	0	0	0	0	0
ADA	38	Small Commercial and Industrial	SREVC I	212	0	212	0	0	0	0	0	0	0
ADA	39	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0	0	0
ADA	40	Motor Vehicle - Firm	SREVMVF	1	0	0	0	1	0	0	0	0	0
ADA	41	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0	0	0	0	0
ADA	42	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0	0	0
ADA	43	Temperature Control	SREVTC	1	0	0	0	0	0	0	1	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

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		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
ADA	44	Transportation Service - Firm	SREVTSF	32	0	0	0	0	0	0	0	32	0
ADA	45	Transportation Service - Interruptible	SREVTSI	18	0	0	0	0	0	0	0	0	18
ADA	46												
ADA	47	Total Forfeited Discounts	REV_487	1,090	824	212	0	1	0	0	1	32	18
ADA	48												
ADA	49	Total Forfeited Discounts	REV_487	1.00000	0.75652	0.19455	0.00001	0.00092	0.00001	0.00000	0.00133	0.02975	0.01691
ADA	50												
ADA	51	ALLOCATED DIRECT ASSIGNMENTS											
ADA	52	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS											
ADA	53												
ADA	54	Purchase of Receivables (POR)											
ADA	55	Residential	SREVRES	45,995	45,995	0	0	0	0	0	0	0	0
ADA	56	Small Commercial and Industrial	SREVCI	17,258	0	17,258	0	0	0	0	0	0	0
ADA	57	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0	0	0
ADA	58	Motor Vehicle - Firm	SREVMVF	81	0	0	0	81	0	0	0	0	0
ADA	59	Motor Vehicle - Interruptible	SREVMVI	1	0	0	0	0	1	0	0	0	0
ADA	60	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0	0	0
ADA	61	Temperature Control	SREVTC	118	0	0	0	0	0	0	118	0	0
ADA	62	Transportation Service - Firm	SREVTSF	0	0	0	0	0	0	0	0	0	0
ADA	63	Transportation Service - Interruptible	SREVTSI	0	0	0	0	0	0	0	0	0	0
ADA	64												
ADA	65	Purchase of Receivables	REV_POR	63,454	45,995	17,258	0	81	1	0	118	0	0
ADA	66												
ADA	67	Purchase of Receivables	REV_POR	1.00000	0.72486	0.27198	0.00000	0.00128	0.00001	0.00000	0.00187	0.00000	0.00000
ADA	68												
ADA	69												
ADA	70	DIRECT ASSIGN TO CLASSES W/SALES DIST PLT FUNCTIONS											
ADA	71												
ADA	72	Customer Advances for Construction											
ADA	73	Residential	DPLTRES	832	832	0	0	0	0	0	0	0	0
ADA	74	Small Commercial and Industrial	DPLTCI	171	0	171	0	0	0	0	0	0	0
ADA	75	Large High Load Factor	DPLTLHLF	0	0	0	0	0	0	0	0	0	0
ADA	76	Motor Vehicle - Firm	DPLTMVF	0	0	0	0	0	0	0	0	0	0
ADA	77	Motor Vehicle - Interruptible	DPLTMVI	0	0	0	0	0	0	0	0	0	0
ADA	78	Interruptible Service	DPLTIS	0	0	0	0	0	0	0	0	0	0
ADA	79	Temperature Control	DPLTTC	0	0	0	0	0	0	0	0	0	0
ADA	80	Transportation Service - Firm	DPLTTSF	0	0	0	0	0	0	0	0	0	0
ADA	81	Transportation Service - Interruptible	DPLTTSI	0	0	0	0	0	0	0	0	0	0
ADA	82												
ADA	83	Customer Advances for Construction	CUSTADV	1,004	832	171	0	0	0	0	0	0	0
ADA	84												
ADA	85	Customer Advances for Construction	CUSTADV	1.00000	0.82927	0.17073	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
ADA	86												
ADA	87												
ADA	88												
ADA	89												
ADA	90												
ADA	91												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
ADA	92												
ADA	93												
ADA	94												
ADA	95												
ADA	96												
ADA	97												
ADA	98												
ADA	99												
ADA	100												
RRW	1	DISTRIBUTION REVENUE REQUIREMENTS											
RRW	2												
RRW	3	PRESENT RATES - Excludes Purchased Gas											
RRW	4	-----											
RRW	5	RATE BASE		2,458,261	1,684,736	595,534	2,118	2,037	10	178	1,083	119,731	52,833
RRW	6	NET OPER INC (PRESENT RATES)		140,945	79,529	48,287	(43)	255	3	(10)	479	7,784	4,661
RRW	7	RATE OF RETURN (PRES RATES)		5.73%	4.72%	8.11%	-2.04%	12.52%	32.06%	-5.58%	44.19%	6.50%	8.82%
RRW	8	RELATIVE RATE OF RETURN		1.00	0.82	1.41	-0.36	2.18	5.59	-0.97	7.71	1.13	1.54
RRW	9	SALES REVENUE (PRE RATES)		361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
RRW	10	REVENUE PRES RATES \$/Mcf		\$3,9783	\$5.5634	\$4.4898	\$4.5589	\$1.1077	\$7.7328	\$0.0000	\$3.8627	\$1.4674	\$0.6580
RRW	11	REVENUE REQUIRED - \$/MO/CUST		\$55.84	\$39.36	\$188.56	\$1,572.72	\$2,636.15	\$209.24	\$0.00	\$1,854.39	\$3,036.99	\$3,310.15
RRW	12												
RRW	13												
RRW	14	CLAIMED RATE OF RETURN											
RRW	15	-----											
RRW	16	CLAIMED RATE OF RETURN		7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
RRW	17	RETURN REQ FOR CLAIMED ROR - Excludes Purchased Gas		191,386	105,212	67,751	(86)	369	5	(17)	720	10,887	6,544
RRW	18	SALES REVENUE REQ CLAIMED ROR - Excludes Purchased Gas		430,162	280,517	117,203	135	531	5	5	720	20,061	10,984
RRW	19	REVENUE DEFICIENCY SALES REV		68,723	47,105	16,649	59	57	0	5	31	3,342	1,475
RRW	20	PERCENT INCREASE REQUIRED		19.01%	20.17%	16.55%	78.37%	12.08%	5.84%	0.00%	4.44%	19.99%	15.51%
RRW	21	ANNUAL BOOKED THROUGHPUT SALES (Mcf)		90,879,246	41,968,538	22,401,370	16,559	428,356	649	40,050	178,588	11,394,081	14,451,056
RRW	22	SALES REV REQUIRED \$/Mcf		\$4.7333	\$6.6840	\$5.2319	\$8.1295	\$1.2405	\$8.1770	\$0.1243	\$4.0320	\$1.7607	\$0.7601
RRW	23	REVENUE DEFICIENCY \$/Mcf		\$0.7562	\$1.1224	\$0.7432	\$3.5728	\$0.1338	\$0.4515	\$0.1243	\$0.1715	\$0.2933	\$0.1021
RRW	24	SALES REVENUE REQ CLAIMED ROR - Purchased Gas		226,813	167,157	57,692	77	1,056	11	0	819	0	0
RRW	25												
RRW	26	SALES REVENUE REQ CLAIMED ROR - COMPOSITE		656,974	447,674	174,894	211	1,588	16	5	1,539	20,061	10,984
RRW	27												
RRW	28												
RRW	29												
RRW	30												
RRW	31												
RRW	32												
RRW	33												
RRW	34												
RRW	35												
RRW	36												
RRW	37												
RRW	38												
RRW	39												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER
		(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
RRW	40												
RRW	41												
RRW	42												
RRW	43												
RRW	44												
RRW	45												
RRW	46												
RRW	47												
RRW	48												
RRW	49												
RRW	50												

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	1	SUMMARY AT PRESENT RATES									
S	2										
S	3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS									
S	4	OPERATING REVENUE									
S	5	Sales of Gas Revenue - Base	SCH RBC, LN 54	361,541	192,505	6,278	162,758	611	13,191	178,704	1,295
S	6	Other Operating Revenue	SCH RBC, LN 64	1,528	802	14	712	1	30	770	3
S	7	TOTAL OPERATING REVENUE		363,069	193,308	6,292	163,470	612	13,221	179,474	1,298
S	8										
S	9	OPERATING EXPENSES									
S	10	Operation and Maintenance Expense Excl Pur Gas	SCH E, LN 99	144,391	67,547	1,006	75,837	458	8,188	58,902	954
S	11	Depreciation and Amortization Expense	SCH D, LN 42	88,958	45,184	2,812	40,962	201	2,473	42,510	0
S	12	Taxes Other Than Income Taxes-General	SCH TO, LN 10	7,545	4,121	54	3,370	34	322	3,765	53
S	13	Taxes Other Than Income Taxes-Distribution GRT	SCH TO, LN 18	0	0	0	0	0	0	0	0
S	14	Income Taxes	SCH TI, LN 61	18,770	9,249	(386)	9,907	167	420	8,661	(59)
S	15	TOTAL OPERATING EXPENSES		222,125	107,604	4,258	110,263	526	10,563	96,515	1,065
S	16										
S	17	OPERATING INCOME (RETURN)		140,945	85,704	2,033	53,207	87	2,658	82,959	233
S	18										
S	19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS									
S	20	Gas Plant in Service	SCH RBP, LN 65	3,537,670	2,013,912	0	1,523,758	15,799	75,285	1,922,828	0
S	21	Less: Accumulated Depreciation	SCH RBD, LN 37	893,447	468,182	0	425,266	13,370	32,663	422,148	0
S	22	Plus: Rate Base Additions Excl Purchased Gas	SCH RBO, LN 13	167,673	72,001	31,526	64,146	620	8,856	62,525	628
S	23	Less: Rate Base Deductions	SCH RBO, LN 26	353,635	201,600	0	152,036	1,580	6,330	193,690	0
S	24	TOTAL RATE BASE EXCL PURCHASED GAS	SCH RBO, LN 29	2,458,261	1,416,132	31,526	1,010,602	1,469	45,148	1,369,515	628
S	25										
S	26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		5.73%	6.05%	6.45%	5.26%	5.89%	5.89%	6.06%	37.09%
S	27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
S	28										
S	29										
S	30	DEVELOPMENT OF PURCHASED GAS RETURN									
S	31	Purchased Gas Revenues (PGC)	SCH RBC, LN 55	201,635	0	201,635	0	0	0	0	201,635
S	32	Other Sales of Gas Revenue (BSC)	SCH RBC, LN 56	25,075	0	25,075	0	0	0	0	25,075
S	33	Purchased Gas O&M Expense	SCH E, LN 98	226,710	0	226,710	0	0	0	0	226,710
S	34	Purchased Gas Income Taxes (Fed & State PP)		14	0	14	0	0	0	0	14
S	35	PURCHASED GAS OPERATING INCOME (RETURN)		14	0	14	0	0	0	0	14
S	36	RATE BASE - PURCHASED GAS CASH WORKING CAPITAL		3,679	0	3,679	0	0	0	0	3,679
S	37	PURCHASED GAS RATE OF RETURN (PRESENT)		0.39%	0.00%	0.39%	0.00%	0.00%	0.00%	0.00%	0.39%
S	38										
S	39										
S	40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)									
S	41	Total Distribution Sales Revenue at Current Rates		588,251	192,505	232,988	162,758	611	13,191	178,704	228,005
S	42	Total Distribution Operating Revenues		589,779	193,308	233,002	163,470	612	13,221	179,474	228,008
S	43	Total Distribution Operating Expenses Excl Federal & State Taxes		467,605	116,853	230,583	120,170	693	10,984	105,176	227,716
S	44	Plus: Total Federal & State Taxes		18,784	9,249	(371)	9,907	167	420	8,661	(45)
S	45	Total Operating Income (Return)		140,959	85,704	2,048	53,207	87	2,658	82,959	247
S	46	Total Rate Base		2,461,939	1,416,132	35,205	1,010,602	1,469	45,148	1,369,515	4,307
S	47										
S	48	COMPOSITE RATE OF RETURN (PRESENT)		5.73%	6.05%	5.82%	5.26%	5.89%	5.89%	6.06%	5.74%
S	49	COMPOSITE INDEX RATE OF RETURN (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	1	SUMMARY AT PRESENT RATES							
S	2								
S	3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS							
S	4	OPERATING REVENUE							
S	5	Sales of Gas Revenue - Base	SCH RBC, LN 54	4,983	78,964	31,727	12,105	12,614	27,347
S	6	Other Operating Revenue	SCH RBC, LN 64	11	425	152	32	33	71
S	7	TOTAL OPERATING REVENUE		4,993	79,389	31,879	12,137	12,647	27,418
S	8								
S	9	OPERATING EXPENSES							
S	10	Operation and Maintenance Expense Excl Pur Gas	SCH E, LN 99	53	18,529	10,644	9,836	12,241	24,588
S	11	Depreciation and Amortization Expense	SCH D, LN 42	2,812	27,101	11,352	878	147	1,484
S	12	Taxes Other Than Income Taxes-General	SCH TO, LN 10	1	1,594	607	408	71	691
S	13	Taxes Other Than Income Taxes-Distribution GRT	SCH TO, LN 18	0	0	0	0	0	0
S	14	Income Taxes	SCH TI, LN 61	(327)	7,158	2,672	(32)	(7)	117
S	15	TOTAL OPERATING EXPENSES		3,193	40,066	19,930	11,154	12,467	26,646
S	16								
S	17	OPERATING INCOME (RETURN)		1,800	39,323	11,949	983	180	773
S	18								
S	19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS							
S	20	Gas Plant in Service	SCH RBP, LN 65	0	1,122,271	389,751	4,106	689	6,939
S	21	Less: Accumulated Depreciation	SCH RBD, LN 37	0	269,909	150,410	1,731	291	2,926
S	22	Plus: Rate Base Additions Excl Purchased Gas	SCH RBO, LN 13	30,898	14,515	7,010	14,715	2,887	25,020
S	23	Less: Rate Base Deductions	SCH RBO, LN 26	0	106,890	39,092	(2,577)	(433)	9,063
S	24	TOTAL RATE BASE EXCL PURCHASED GAS	SCH RBO, LN 29	30,898	759,987	207,259	19,667	3,718	19,970
S	25								
S	26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		5.83%	5.17%	5.77%	5.00%	4.85%	3.87%
S	27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00
S	28								
S	29								
S	30	DEVELOPMENT OF PURCHASED GAS RETURN							
S	31	Purchased Gas Revenues (PGC)	SCH RBC, LN 55	0	0	0	0	0	0
S	32	Other Sales of Gas Revenue (BSC)	SCH RBC, LN 56	0	0	0	0	0	0
S	33	Purchased Gas O&M Expense	SCH E, LN 98	0	0	0	0	0	0
S	34	Purchased Gas Income Taxes (Fed & State PP)		0	0	0	0	0	0
S	35	PURCHASED GAS OPERATING INCOME (RETURN)		0	0	0	0	0	0
S	36	RATE BASE - PURCHASED GAS CASH WORKING CAPITAL		0	0	0	0	0	0
S	37	PURCHASED GAS RATE OF RETURN (PRESENT)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
S	38								
S	39								
S	40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)							
S	41	Total Distribution Sales Revenue at Current Rates		4,983	78,964	31,727	12,105	12,614	27,347
S	42	Total Distribution Operating Revenues		4,993	79,389	31,879	12,137	12,647	27,418
S	43	Total Distribution Operating Expenses Excl Federal & State Taxes		2,866	47,224	22,602	11,122	12,459	26,763
S	44	Plus: Total Federal & State Taxes		(327)	7,158	2,672	(32)	(7)	117
S	45	Total Operating Income (Return)		1,800	39,323	11,949	983	180	773
S	46	Total Rate Base		30,898	759,987	207,259	19,667	3,718	19,970
S	47								
S	48	COMPOSITE RATE OF RETURN (PRESENT)		5.83%	5.17%	5.77%	5.00%	4.85%	3.87%
S	49	COMPOSITE INDEX RATE OF RETURN (PRESENT)		1.00	1.00	1.00	1.00	1.00	1.00

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	50										
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%									
S	52										
S	53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED RATE)									
S	54										
S	55	Rate Base Excluding Purchased Gas	SCH S, LN 24	2,458,261	1,416,132	31,526	1,010,602	1,469	45,148	1,369,515	628
S	56	Change in Operating Income (Rate Base * 1.97%)	1.97%	48,538	27,961	622	19,954	29	891	27,041	12
S	57										
S	58	OPERATING REVENUES									
S	59	Change in Revenue (Change in Return * 1.414)		68,621	39,530	880	28,210	41	1,260	38,229	18
S	60	Distribution Base Rate Revenue (Present Rates)	SCH S, LN 5	361,541	192,505	6,278	162,758	611	13,191	178,704	1,295
S	61	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	430,162	232,036	7,158	190,968	652	14,451	216,933	1,313
S	62										
S	63	Forfeited Discounts Revenues	REV_487	88	44	1	43	0	3	41	0
S	64	Other Operating Revenue (Present Rates)	SCH S, LN 6	1,528	802	14	712	1	30	770	3
S	65	TOTAL OPERATING REVENUES		431,779	232,882	7,173	191,723	653	14,485	217,744	1,316
S	66										
S	67	OPERATING EXPENSES									
S	68	Operation and Maintenance Expense Excl Pur Gas	SCH S, LN 10	144,391	67,547	1,006	75,837	458	8,188	58,902	954
S	69	Depreciation and Amortization Expense	SCH S, LN 11	88,958	45,184	2,812	40,962	201	2,473	42,510	0
S	70	Additional Bad Debt Expense	CALCULATED	238	137	3	98	0	4	133	0
S	71	Additional PUC / OTS & SBA Fee Expense	CALCULATED	211	122	3	87	0	4	118	0
S	72	Taxes Other Than Income Taxes-General	SCH S, LN 12	7,545	4,121	54	3,370	34	322	3,765	53
S	73	Taxes Other Than Income Taxes-Distribution GRT	SCH S, LN 13	0	0	0	0	0	0	0	0
S	74	TOTAL OPERATING EXPENSES BEFORE TAXES		241,344	117,112	3,878	120,354	693	10,992	105,427	1,006
S	75	State and Federal Income Taxes @ Effective Tax Ra	SCH S, LN 14	18,770	9,249	(386)	9,907	167	420	8,661	(59)
S	76	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(19,722)	(11,359)	(253)	(8,110)	(12)	(363)	(10,985)	(5)
S	77	TOTAL OPERATING EXPENSES		240,393	115,001	3,240	122,152	848	11,049	103,104	942
S	78										
S	79	NET OPERATING INCOME EXCL PURCHASED GAS		191,386	117,881	3,933	69,572	(195)	3,435	114,640	374
S	80										
S	81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.70%		430,162	232,036	7,158	190,968	652	14,451	216,933	1,313
S	82										
S	83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE		68,709	39,574	881	28,253	41	1,263	38,270	18
S	84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)		19.00%	20.56%	14.04%	17.36%	6.74%	9.58%	21.42%	1.38%
S	85										
S	86										
S	87										
S	88										
S	89										
S	90										
S	91										
S	92										
S	93										
S	94										
S	95										
S	96										
S	97										
S	98										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	50								
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%							
S	52								
S	53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED F							
S	54								
S	55	Rate Base Excluding Purchased Gas	SCH S, LN 24	30,898	759,987	207,259	19,667	3,718	19,970
S	56	Change in Operating Income (Rate Base * 1.97%)	1.97%	610	15,006	4,092	388	73	394
S	57								
S	58	OPERATING REVENUES							
S	59	Change in Revenue (Change in Return * 1.414)		862	21,215	5,786	549	104	557
S	60	Distribution Base Rate Revenue (Present Rates)	SCH S, LN 5	4,983	78,964	31,727	12,105	12,614	27,347
S	61	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	5,845	100,179	37,513	12,654	12,718	27,905
S	62								
S	63	Forfeited Discounts Revenues	REV_487	1	21	8	3	3	8
S	64	Other Operating Revenue (Present Rates)	SCH S, LN 6	11	425	152	32	33	71
S	65	TOTAL OPERATING REVENUES		5,857	100,625	37,672	12,689	12,754	27,983
S	66								
S	67	OPERATING EXPENSES							
S	68	Operation and Maintenance Expense Excl Pur Gas	SCH S, LN 10	53	18,529	10,644	9,836	12,241	24,588
S	69	Depreciation and Amortization Expense	SCH S, LN 11	2,812	27,101	11,352	878	147	1,484
S	70	Additional Bad Debt Expense	CALCULATED	3	74	20	2	0	2
S	71	Additional PUC / OTS & SBA Fee Expense	CALCULATED	3	65	18	2	0	2
S	72	Taxes Other Than Income Taxes-General	SCH S, LN 12	1	1,594	607	408	71	691
S	73	Taxes Other Than Income Taxes-Distribution GRT	SCH S, LN 13	0	0	0	0	0	0
S	74	TOTAL OPERATING EXPENSES BEFORE TAXES		2,872	47,363	22,640	11,126	12,460	26,766
S	75	State and Federal Income Taxes @ Effective Tax Ra	SCH S, LN 14	(327)	7,158	2,672	(32)	(7)	117
S	76	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(248)	(6,095)	(1,663)	(159)	(31)	(162)
S	77	TOTAL OPERATING EXPENSES		2,297	48,425	23,649	10,935	12,422	26,721
S	78								
S	79	NET OPERATING INCOME EXCL PURCHASED GAS		3,559	52,199	14,024	1,754	332	1,262
S	80								
S	81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.70%		5,845	100,179	37,513	12,654	12,718	27,905
S	82								
S	83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE		864	21,235	5,793	552	107	565
S	84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)		17.33%	26.89%	18.26%	4.56%	0.85%	2.07%
S	85								
S	86								
S	87								
S	88								
S	89								
S	90								
S	91								
S	92								
S	93								
S	94								
S	95								
S	96								
S	97								
S	98								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	99										
S	100										
S	101	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%									
S	102										
S	103	DEVELOPMENT OF PURCHASED GAS RETURN (EQUALIZED RATE)									
S	104										
S	105	Rate Base for Purchased Gas	SCH S, LN 36	3,679	0	3,679	0	0	0	0	3,679
S	106	Change in Operating Income (Rate Base * 1.97%)		73	0	73	0	0	0	0	73
S	107										
S	108	OPERATING REVENUES									
S	109	Change in Revenue (Change in Return * 1.414)		103	0	103	0	0	0	0	103
S	110	Distribution Base Rate Revenue (Present Rates)	CALCULATED	226,710	0	226,710	0	0	0	0	226,710
S	111	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	226,813	0	226,813	0	0	0	0	226,813
S	112										
S	113	OPERATING EXPENSES									
S	114	Purchased Gas O&M Expense	SCH S, LN 33	226,710	0	226,710	0	0	0	0	226,710
S	115	Additional Bad Debt Expense	CALCULATED	0	0	0	0	0	0	0	0
S	116	Additional PUC / OTS & SBA Fee Expense	CALCULATED	0	0	0	0	0	0	0	0
S	117	TOTAL OPERATING EXPENSES BEFORE TAXES		226,710	0	226,710	0	0	0	0	226,710
S	118	State and Federal Inc Taxes @ Effective Tax Rate	SCH S, LN 34	14	0	14	0	0	0	0	14
S	119	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(46)	(13)	(21)	(12)	(0)	(1)	(12)	(21)
S	120	TOTAL OPERATING EXPENSES		226,678	(13)	226,704	(12)	(0)	(1)	(12)	226,704
S	121										
S	122	NET OPERATING INCOME FOR PURCHASED GAS		134	13	109	12	0	1	12	109
S	123										
S	124	EQUALS TOTAL PURCHASED GAS COST OF SERVICE @ ROR		226,813	0	226,813	0	0	0	0	226,813
S	125										
S	126	TOTAL SALES PURCH GAS INCREASE/DECREASE		103	0	103	0	0	0	0	103
S	127	SALES REVENUE INCREASE TO OURCHASED GAS REVENUES (%)		0.05%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.05%
S	128										
S	129										
S	130										
S	131										
S	132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)									
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT		656,974	232,036	233,971	190,968	652	14,451	216,933	228,125
S	134	TOTAL INCREASE (DECREASE) BASE SALES REQUIRED		68,723	39,530	983	28,210	41	1,260	38,229	120
S	135										
S	136										
S	137										
S	138										
S	139										
S	140										
S	141										
S	142										
S	143										
S	144										
S	145										
S	146										
S	147										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	99								
S	100								
S	101	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%							
S	102								
S	103	DEVELOPMENT OF PURCHASED GAS RETURN (EQUALIZED RATE)							
S	104								
S	105	Rate Base for Purchased Gas	SCH S, LN 36	0	0	0	0	0	0
S	106	Change in Operating Income (Rate Base * 1.97%)		0	0	0	0	0	0
S	107								
S	108	OPERATING REVENUES							
S	109	Change in Revenue (Change in Return * 1.414)		0	0	0	0	0	0
S	110	Distribution Base Rate Revenue (Present Rates)	CALCULATED	0	0	0	0	0	0
S	111	Total Dist Base Rate Revenue (Proposed Rate)	CALCULATED	0	0	0	0	0	0
S	112								
S	113	OPERATING EXPENSES							
S	114	Purchased Gas O&M Expense	SCH S, LN 33	0	0	0	0	0	0
S	115	Additional Bad Debt Expense	CALCULATED	0	0	0	0	0	0
S	116	Additional PUC / OTS & SBA Fee Expense	CALCULATED	0	0	0	0	0	0
S	117	TOTAL OPERATING EXPENSES BEFORE TAXES		0	0	0	0	0	0
S	118	State and Federal Inc Taxes @ Effective Tax Rate	SCH S, LN 34	0	0	0	0	0	0
S	119	State and Federal Income Taxes @ Statutory Rates	CALCULATED	(0)	(6)	(2)	(1)	(1)	(2)
S	120	TOTAL OPERATING EXPENSES		(0)	(6)	(2)	(1)	(1)	(2)
S	121								
S	122	NET OPERATING INCOME FOR PURCHASED GAS		0	6	2	1	1	2
S	123								
S	124	EQUALS TOTAL PURCHASED GAS COST OF SERVICE @ ROR		0	0	0	0	0	0
S	125								
S	126	TOTAL SALES PURCH GAS INCREASE/DECREASE		0	0	0	0	0	0
S	127	SALES REVENUE INCREASE TO OURCHASED GAS REVENUES (%)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
S	128								
S	129								
S	130								
S	131								
S	132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)							
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT		5,845	100,179	37,513	12,654	12,718	27,905
S	134	TOTAL INCREASE (DECREASE) BASE SALES REQUIRED		862	21,215	5,786	549	104	557
S	135								
S	136								
S	137								
S	138								
S	139								
S	140								
S	141								
S	142								
S	143								
S	144								
S	145								
S	146								
S	147								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
S	148										
S	149										
S	150										
RBP	1	DEVELOPMENT OF RATE BASE									
RBP	2										
RBP	3	GAS PLANT IN SERVICE									
RBP	4	INTANGIBLE PLANT									
RBP	5	301-Organization	TOTPLT	18,229	10,377	0	7,852	81	388	9,908	0
RBP	6	303-Miscellaneous Intangible Plant	TOTPLT	0	0	0	0	0	0	0	0
RBP	7	TOTAL INTANGIBLE PLANT		18,229	10,377	0	7,852	81	388	9,908	0
RBP	8										
RBP	9	PRODUCTION PLANT (LPG)									
RBP	10	305-Land and Land Rights	DPKDAYP	1,206	1,206	0	0	1,206	0	0	0
RBP	11	311- Liquefied Petroleum Gas Equipment	DPKDAYP	14,334	14,334	0	0	14,334	0	0	0
RBP	12	320-Other Equipment (SNG Plant)	DPKDAYP	0	0	0	0	0	0	0	0
RBP	13	TOTAL PRODUCTION PLANT		15,539	15,539	0	0	15,539	0	0	0
RBP	14										
RBP	15	STORAGE PLANT (LNG)									
RBP	16	360-Land and Land Rights	DPKDAYP	16	16	0	0	0	16	0	0
RBP	17	361-Structures and Improvements	DPKDAYP	14,919	14,919	0	0	0	14,919	0	0
RBP	18	362-Gas Holders.	DPKDAYP	7,084	7,084	0	0	0	7,084	0	0
RBP	19	363-Purification Equipment	DPKDAYP	0	0	0	0	0	0	0	0
RBP	20	363-1 Liquefaction Equipment	DPKDAYP	50,409	50,409	0	0	0	50,409	0	0
RBP	21	TOTAL STORAGE PLANT		72,428	72,428	0	0	0	72,428	0	0
RBP	22										
RBP	23	TRANSMISSION PLANT									
RBP	24	371- Transmission Related Plant	DTRAN	0	0	0	0	0	0	0	0
RBP	25	TOTAL TRANSMISSION PLANT		0	0	0	0	0	0	0	0
RBP	26										
RBP	27	DISTRIBUTION PLANT									
RBP	28	374-Land & Land Rights	DDISTPLT	3,637	3,637	0	0	0	0	3,637	0
RBP	29	375-Structures & Improvements	DDISTPLT	15,745	15,745	0	0	0	0	15,745	0
RBP	30	376-Mains									
RBP	31	General - Excess	DEXCESS	1,313,540	1,313,540	0	0	0	0	1,313,540	0
RBP	32	General - Average	DAVGDD	443,161	443,161	0	0	0	0	443,161	0
RBP	33	Direct Assignment	DAMAINS	15,289	15,289	0	0	0	0	15,289	0
RBP	34	Total Account 376		1,771,990	1,771,990	0	0	0	0	1,771,990	0
RBP	35	378-Measuring & Regulating Station Equip-General	PLT_376	24,652	24,652	0	0	0	0	24,652	0
RBP	36	379-Measuring & Regulating Station Equip-City Gate									
RBP	37	City Gate	PLT_376	65,778	65,778	0	0	0	0	65,778	0
RBP	38	Direct Assignment	DAMR	11,382	11,382	0	0	0	0	11,382	0
RBP	39	Total Account 379		77,160	77,160	0	0	0	0	77,160	0
RBP	40	380-Services	CSERVICE	1,111,048	0	0	1,111,048	0	0	0	0
RBP	41	381-Meters	CMETERS	163,858	0	0	163,858	0	0	0	0
RBP	42	Direct Assignment	CMETERSDA	232	0	0	232	0	0	0	0
RBP	43	Total Account 381		164,090	0	0	164,090	0	0	0	0
RBP	44	382-Meter Installations	CMETERS	220,402	0	0	220,402	0	0	0	0
RBP	45	Direct Assignment	CMETINSTDA	681	0	0	681	0	0	0	0
RBP	46	Total Account 382		221,083	0	0	221,083	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
S	148								
S	149								
S	150								
RBP	1	DEVELOPMENT OF RATE BASE							
RBP	2								
RBP	3	GAS PLANT IN SERVICE							
RBP	4	INTANGIBLE PLANT							
RBP	5	301-Organization	TOTPLT	0	5,783	2,008	21	4	36
RBP	6	303-Miscellaneous Intangible Plant	TOTPLT	0	0	0	0	0	0
RBP	7	TOTAL INTANGIBLE PLANT		0	5,783	2,008	21	4	36
RBP	8								
RBP	9	PRODUCTION PLANT (LPG)							
RBP	10	305-Land and Land Rights	DPKDAYP	0	0	0	0	0	0
RBP	11	311- Liquefied Petroleum Gas Equipment	DPKDAYP	0	0	0	0	0	0
RBP	12	320-Other Equipment (SNG Plant)	DPKDAYP	0	0	0	0	0	0
RBP	13	TOTAL PRODUCTION PLANT		0	0	0	0	0	0
RBP	14								
RBP	15	STORAGE PLANT (LNG)							
RBP	16	360-Land and Land Rights	DPKDAYP	0	0	0	0	0	0
RBP	17	361-Structures and Improvements	DPKDAYP	0	0	0	0	0	0
RBP	18	362-Gas Holders.	DPKDAYP	0	0	0	0	0	0
RBP	19	363-Purification Equipment	DPKDAYP	0	0	0	0	0	0
RBP	20	363-1 Liquefaction Equipment	DPKDAYP	0	0	0	0	0	0
RBP	21	TOTAL STORAGE PLANT		0	0	0	0	0	0
RBP	22								
RBP	23	TRANSMISSION PLANT							
RBP	24	371- Transmission Related Plant	DTRAN	0	0	0	0	0	0
RBP	25	TOTAL TRANSMISSION PLANT		0	0	0	0	0	0
RBP	26								
RBP	27	DISTRIBUTION PLANT							
RBP	28	374-Land & Land Rights	DDISTPLT	0	0	0	0	0	0
RBP	29	375-Structures & Improvements	DDISTPLT	0	0	0	0	0	0
RBP	30	376-Mains							
RBP	31	General - Excess	DEXCESS	0	0	0	0	0	0
RBP	32	General - Average	DAVGDD	0	0	0	0	0	0
RBP	33	Direct Assignment	DAMAINS	0	0	0	0	0	0
RBP	34	Total Account 376		0	0	0	0	0	0
RBP	35	378-Measuring & Regulating Station Equip-General	PLT_376	0	0	0	0	0	0
RBP	36	379-Measuring & Regulating Station Equip-City Gate							
RBP	37	City Gate	PLT_376	0	0	0	0	0	0
RBP	38	Direct Assignment	DAMR	0	0	0	0	0	0
RBP	39	Total Account 379		0	0	0	0	0	0
RBP	40	380-Services	CSERVICE	0	1,111,048	0	0	0	0
RBP	41	381-Meters	CMETERS	0	0	163,858	0	0	0
RBP	42	Direct Assignment	CMETERSDA	0	0	232	0	0	0
RBP	43	Total Account 381		0	0	164,090	0	0	0
RBP	44	382-Meter Installations	CMETERS	0	0	220,402	0	0	0
RBP	45	Direct Assignment	CMETINSTDA	0	0	681	0	0	0
RBP	46	Total Account 382		0	0	221,083	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBP	47	387-Other Equipment	DISTPLT	2,118	1,183	0	935	0	0	1,183	0
RBP	48	388-Asset Retirement Costs for Distribution Plant	DISTPLTXAR	1,454	729	0	725	0	0	729	0
RBP	49	TOTAL DISTRIBUTION PLANT		3,392,978	1,895,097	0	1,497,881	0	0	1,895,097	0
RBP	50										
RBP	51	GAS PLANT IN SERVICE CONTINUED									
RBP	52										
RBP	53	GENERAL PLANT									
RBP	54	389-Land and Land Rights	SALWAGES	0	0	0	0	0	0	0	0
RBP	55	390-Structures and Improvements	SALWAGES	10,387	5,523	0	4,863	48	666	4,809	0
RBP	56	391-Office Furniture & Equipment	SALWAGES	6,858	3,647	0	3,211	32	440	3,175	0
RBP	57	393-Store Equipment	SALWAGES	0	0	0	0	0	0	0	0
RBP	58	394-Tools, Shop & Garage Equip.	SALWAGES	16,155	8,591	0	7,564	75	1,036	7,480	0
RBP	59	395-Laboratory Equipment	SALWAGES	0	0	0	0	0	0	0	0
RBP	60	397-Communication Equipment	SALWAGES	4,872	2,591	0	2,281	23	312	2,256	0
RBP	61	398-Miscellaneous Equipment	SALWAGES	223	119	0	104	1	14	103	0
RBP	62	TOTAL GENERAL PLANT		38,495	20,470	0	18,025	178	2,469	17,823	0
RBP	63										
RBP	64										
RBP	65	TOTAL GAS PLANT IN SERVICE		3,537,670	2,013,912	0	1,523,758	15,799	75,285	1,922,828	0
RBP	66										
RBP	67										
RBP	68										
RBP	69										
RBP	70										
RBP	71										
RBP	72										
RBP	73										
RBP	74										
RBP	75										
RBP	76										
RBP	77										
RBP	78										
RBP	79										
RBP	80										
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RBP	86										
RBP	87										
RBP	88										
RBP	89										
RBP	90										
RBP	91										
RBP	92										
RBP	93										
RBP	94										
RBP	95										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBP	47	387-Other Equipment	DISTPLT	0	694	241	0	0	0
RBP	48	388-Asset Retirement Costs for Distribution Plant	DISTPLTXAR	0	428	297	0	0	0
RBP	49	TOTAL DISTRIBUTION PLANT		0	1,112,170	385,710	0	0	0
RBP	50								
RBP	51	GAS PLANT IN SERVICE CONTINUED							
RBP	52								
RBP	53	GENERAL PLANT							
RBP	54	389-Land and Land Rights	SALWAGES	0	0	0	0	0	0
RBP	55	390-Structures and Improvements	SALWAGES	0	1,165	548	1,102	185	1,863
RBP	56	391-Office Furniture & Equipment	SALWAGES	0	769	362	728	122	1,230
RBP	57	393-Store Equipment	SALWAGES	0	0	0	0	0	0
RBP	58	394-Tools, Shop & Garage Equip.	SALWAGES	0	1,812	853	1,714	288	2,897
RBP	59	395-Laboratory Equipment	SALWAGES	0	0	0	0	0	0
RBP	60	397-Communication Equipment	SALWAGES	0	547	257	517	87	874
RBP	61	398-Miscellaneous Equipment	SALWAGES	0	25	12	24	4	40
RBP	62	TOTAL GENERAL PLANT		0	4,318	2,033	4,085	686	6,904
RBP	63								
RBP	64								
RBP	65	TOTAL GAS PLANT IN SERVICE		0	1,122,271	389,751	4,106	689	6,939
RBP	66								
RBP	67								
RBP	68								
RBP	69								
RBP	70								
RBP	71								
RBP	72								
RBP	73								
RBP	74								
RBP	75								
RBP	76								
RBP	77								
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RBP	86								
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RBP	90								
RBP	91								
RBP	92								
RBP	93								
RBP	94								
RBP	95								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBP	96										
RBP	97										
RBP	98										
RBP	99										
RBP	100										
RBD	1	LESS: ACCUMULATED DEPRECIATION									
RBD	2										
RBD	3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION INTPLT		16,737	9,528	0	7,209	75	356	9,097	0
RBD	4										
RBD	5	PRODUCTION PLANT ACCUMULATED DEPRECIATION PRODPLT		13,221	13,221	0	0	13,221	0	0	0
RBD	6										
RBD	7	STORAGE PLANT ACCUMULATED DEPRECIATION STORPLT		31,273	31,273	0	0	0	31,273	0	0
RBD	8										
RBD	9	TRANSMISSION PLANT ACCUMULATED DEPRECIATION TRANPLT		0	0	0	0	0	0	0	0
RBD	10										
RBD	11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION									
RBD	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0
RBD	13	375-Structures & Improvements	PLT_375	5,864	5,864	0	0	0	0	5,864	0
RBD	14	376-Mains									
RBD	15	General - Excess	PLT_376GE	271,683	271,683	0	0	0	0	271,683	0
RBD	16	General - Average	PLT_376GA	91,660	91,660	0	0	0	0	91,660	0
RBD	17	Direct Assignment	DAMAINSAD	2,147	2,147	0	0	0	0	2,147	0
RBD	18	Total Account 376		365,491	365,491	0	0	0	0	365,491	0
RBD	19	378-Measuring & Regulating Station Equip-General	PLT_378	8,285	8,285	0	0	0	0	8,285	0
RBD	20	379-Measuring & Regulating Station Equip-City Gate									
RBD	21	City Gate	PLT_379CG	22,178	22,178	0	0	0	0	22,178	0
RBD	22	Direct Assignment	DAMRAD	2,689	2,689	0	0	0	0	2,689	0
RBD	23	Total Account 379		24,867	24,867	0	0	0	0	24,867	0
RBD	24	380-Services	PLT_380	262,159	0	0	262,159	0	0	0	0
RBD	25	381-Meters	CMETERS	71,643	0	0	71,643	0	0	0	0
RBD	26	Direct Assignment	CMETERSDA	3	0	0	3	0	0	0	0
RBP	27	Total Account 381		71,646	0	0	71,646	0	0	0	0
RBD	28	382-Meter Installations	CMETERS	75,785	0	0	75,785	0	0	0	0
RBD	29	Direct Assignment	CMETERSDA	8	0	0	8	0	0	0	0
RBP	30	Total Account 382		75,793	0	0	75,793	0	0	0	0
RBD	31	387-Other Equipment	PLT_387	1,428	798	0	630	0	0	798	0
RBD	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	555	278	0	276	0	0	278	0
RBD	33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION		816,087	405,583	0	410,504	0	0	405,583	0
RBD	34										
RBD	35	GENERAL PLANT ACCUMULATED DEPRECIATION GENLPLT		16,131	8,578	0	7,553	75	1,035	7,468	0
RBD	36										
RBD	37	TOTAL ACCUMULATED DEPRECIATION		893,447	468,182	0	425,266	13,370	32,663	422,148	0
RBD	38										
RBD	39										
RBD	40										
RBD	41	NET GAS PLANT IN SERVICE		2,644,222	1,545,730	(0)	1,098,492	2,429	42,622	1,500,680	(0)
RBD	42										
RBD	43										
RBD	44										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBP	96								
RBP	97								
RBP	98								
RBP	99								
RBP	100								
RBD	1	LESS: ACCUMULATED DEPRECIATION							
RBD	2								
RBD	3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION INTPLT		0	5,309	1,844	19	3	33
RBD	4								
RBD	5	PRODUCTION PLANT ACCUMULATED DEPRECIATION PRODPLT		0	0	0	0	0	0
RBD	6								
RBD	7	STORAGE PLANT ACCUMULATED DEPRECIATION STORPLT		0	0	0	0	0	0
RBD	8								
RBD	9	TRANSMISSION PLANT ACCUMULATED DEPRECIATION TRANPLT		0	0	0	0	0	0
RBD	10								
RBD	11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION							
RBD	12	374-Land Rights	PLT_374	0	0	0	0	0	0
RBD	13	375-Structures & Improvements	PLT_375	0	0	0	0	0	0
RBD	14	376-Mains							
RBD	15	General - Excess	PLT_376GE	0	0	0	0	0	0
RBD	16	General - Average	PLT_376GA	0	0	0	0	0	0
RBD	17	Direct Assignment	DAMAINSAD	0	0	0	0	0	0
RBD	18	Total Account 376		0	0	0	0	0	0
RBD	19	378-Measuring & Regulating Station Equip-General	PLT_378	0	0	0	0	0	0
RBD	20	379-Measuring & Regulating Station Equip-City Gate							
RBD	21	City Gate	PLT_379CG	0	0	0	0	0	0
RBD	22	Direct Assignment	DAMRAD	0	0	0	0	0	0
RBD	23	Total Account 379		0	0	0	0	0	0
RBD	24	380-Services	PLT_380	0	262,159	0	0	0	0
RBD	25	381-Meters	CMETERS	0	0	71,643	0	0	0
RBD	26	Direct Assignment	CMETERSDA	0	0	3	0	0	0
RBP	27	Total Account 381		0	0	71,646	0	0	0
RBD	28	382-Meter Installations	CMETERS	0	0	75,785	0	0	0
RBD	29	Direct Assignment	CMETERSDA	0	0	8	0	0	0
RBP	30	Total Account 382		0	0	75,793	0	0	0
RBD	31	387-Other Equipment	PLT_387	0	468	162	0	0	0
RBD	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	163	113	0	0	0
RBD	33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION		0	262,790	147,714	0	0	0
RBD	34								
RBD	35	GENERAL PLANT ACCUMULATED DEPRECIATION GENLPLT		0	1,809	852	1,712	287	2,893
RBD	36								
RBD	37	TOTAL ACCUMULATED DEPRECIATION		0	269,909	150,410	1,731	291	2,926
RBD	38								
RBD	39								
RBD	40								
RBD	41	NET GAS PLANT IN SERVICE		(0)	852,363	239,342	2,375	399	4,014
RBD	42								
RBD	43								
RBD	44								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBD	45										
RBD	46										
RBD	47										
RBD	48										
RBD	49										
RBD	50										
RBO	1	ADDITIONS AND DEDUCTIONS TO RATE BASE									
RBO	2										
RBO	3	PLUS: ADDITIONS TO RATE BASE									
RBO	4										
RBO	5	COMMON PLANT	SALWAGES	136,770	72,729	0	64,041	633	8,771	63,324	0
RBO	6										
RBO	7	WORKING CAPITAL									
RBO	8	Cash Working Capital - Purchased Gas	SCH RBC, LN 37	3,679	0	3,679	0	0	0	0	3,679
RBO	9	Cash Working Capital	SCH RBC, LN 22	(456)	(1,006)	656	(106)	(15)	74	(1,065)	628
RBO	10	Gas Storage Inventory	ESTORAGE	30,870	0	30,870	0	0	0	0	0
RBO	11	Materials and Supplies	TOTPLT	489	279	0	211	2	10	266	0
RBO	12	TOTAL WORKING CAPITAL		34,582	(728)	35,205	105	(13)	85	(799)	4,307
RBO	13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS		167,673	72,001	31,526	64,146	620	8,856	62,525	628
RBO	14	TOTAL ADDITIONS TO RATE BASE		171,352	72,001	35,205	64,146	620	8,856	62,525	4,307
RBO	15										
RBO	16	LESS: DEDUCTIONS TO RATE BASE									
RBO	17	Customer Deposits	CUSTDEP	13,418	0	0	13,418	0	0	0	0
RBO	18	Customer Advances for Construction	CUSTADV	1,334	132	0	1,202	0	0	132	0
RBO	19	Deferred Income Taxes and Credits									
RBO	20	Plant	TOTPLT	383,270	218,186	0	165,083	1,712	8,156	208,318	0
RBO	21	Common Plant	SALWAGES	6,582	3,500	0	3,082	30	422	3,047	0
RBO	22	Pension Assets / (Liability)	SALWAGES	(35,059)	(18,643)	(0)	(16,416)	(162)	(2,248)	(16,232)	(0)
RBO	23	ML Non-Conforming	TOTPLT	0	0	0	0	0	0	0	0
RBO	24	Contributions in Aid of Construction (CIAC)	CUSTADV	(15,909)	(1,576)	0	(14,333)	0	0	(1,576)	0
RBO	25	Total Deferred Income Taxes and Credits		338,883	201,467	0	137,415	1,580	6,330	193,558	0
RBO	26	TOTAL DEDUCTIONS TO RATE BASE		353,635	201,600	0	152,036	1,580	6,330	193,690	0
RBO	27										
RBO	28	TOTAL PURCHASED GAS RATE BASE		3,679	0	3,679	0	0	0	0	3,679
RBO	29	TOTAL RATE BASE EXCLUDING PURCHASED GAS		2,458,261	1,416,132	31,526	1,010,602	1,469	45,148	1,369,515	628
RBO	30										
RBO	31	TOTAL RATE BASE		2,461,939	1,416,132	35,205	1,010,602	1,469	45,148	1,369,515	4,307
RBO	32										
RBO	33										
RBO	34										
RBO	35										
RBO	36										
RBO	37										
RBO	38										
RBO	39										
RBO	40										
RBO	41										
RBO	42										
RBO	43										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBD	45								
RBD	46								
RBD	47								
RBD	48								
RBD	49								
RBD	50								
RBO	1	ADDITIONS AND DEDUCTIONS TO RATE BASE							
RBO	2								
RBO	3	PLUS: ADDITIONS TO RATE BASE							
RBO	4								
RBO	5	COMMON PLANT	SALWAGES	0	15,341	7,222	14,514	2,437	24,528
RBO	6								
RBO	7	WORKING CAPITAL							
RBO	8	Cash Working Capital - Purchased Gas	SCH RBC, LN 37	0	0	0	0	0	0
RBO	9	Cash Working Capital	SCH RBC, LN 22	28	(982)	(266)	201	450	491
RBO	10	Gas Storage Inventory	ESTORAGE	30,870	0	0	0	0	0
RBO	11	Materials and Supplies	TOTPLT	0	155	54	1	0	1
RBO	12	TOTAL WORKING CAPITAL		30,898	(827)	(212)	201	450	492
RBO	13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS		30,898	14,515	7,010	14,715	2,887	25,020
RBO	14	TOTAL ADDITIONS TO RATE BASE		30,898	14,515	7,010	14,715	2,887	25,020
RBO	15								
RBO	16	LESS: DEDUCTIONS TO RATE BASE							
RBO	17	Customer Deposits	CUSTDEP	0	0	0	0	0	13,418
RBO	18	Customer Advances for Construction	CUSTADV	0	1,053	149	0	0	0
RBO	19	Deferred Income Taxes and Credits							
RBO	20	Plant	TOTPLT	0	121,586	42,225	445	75	752
RBO	21	Common Plant	SALWAGES	0	738	348	698	117	1,180
RBO	22	Pension Assets / (Liability)	SALWAGES	(0)	(3,933)	(1,851)	(3,721)	(625)	(6,287)
RBO	23	ML Non-Conforming	TOTPLT	0	0	0	0	0	0
RBO	24	Contributions in Aid of Construction (CIAC)	CUSTADV	0	(12,555)	(1,779)	0	0	0
RBO	25	Total Deferred Income Taxes and Credits		0	105,837	38,943	(2,577)	(433)	(4,355)
RBO	26	TOTAL DEDUCTIONS TO RATE BASE		0	106,890	39,092	(2,577)	(433)	9,063
RBO	27								
RBO	28	TOTAL PURCHASED GAS RATE BASE		0	0	0	0	0	0
RBO	29	TOTAL RATE BASE EXCLUDING PURCHASED GAS		30,898	759,987	207,259	19,667	3,718	19,970
RBO	30								
RBO	31	TOTAL RATE BASE		30,898	759,987	207,259	19,667	3,718	19,970
RBO	32								
RBO	33								
RBO	34								
RBO	35								
RBO	36								
RBO	37								
RBO	38								
RBO	39								
RBO	40								
RBO	41								
RBO	42								
RBO	43								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBO	44										
RBO	45										
RBO	46										
RBO	47										
RBO	48										
RBO	49										
RBO	50										
RBC	1	CASH WORKING CAPITAL (LEAD LAG)									
RBC	2										
RBC	3	TOTAL EXCLUDING PURCHASED GAS									
RBC	4	O&M EXPENSE RELATED CASH WORKING CAPITAL									
RBC	5	Payroll (Distribution Only)	SALWAGES	42,209	22,445	0	19,764	195	2,707	19,543	0
RBC	6	Pension	SALWAGES	2,513	1,337	0	1,177	12	161	1,164	0
RBC	7	Other Expenses									
RBC	8	Other Expenses	OMXPPPP	97,082	42,083	(0)	54,999	233	5,236	36,614	(0)
RBC	9	BSC	EBSC	25,090	0	25,090	0	0	0	0	25,090
RBC	10	Purchase of Recievables (POR)	POR	63,454	31,662	1,014	30,778	114	2,468	29,080	245
RBC	11	TOTAL EXPENSES		230,350	97,527	26,104	106,719	554	10,572	86,400	25,336
RBC	12										
RBC	13	TOTAL EXPENSES PER DAY		631	267	72	292	2	29	237	69
RBC	14										
RBC	15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,303	1,398	374	1,530	8	152	1,239	363
RBC	16										
RBC	17	AVERAGE PREPAYMENTS		2,047	873	274	900	5	47	821	264
RBC	18	DISTRIBUTION ACCRUED TAXES		189	136	7	46	(1)	3	134	1
RBC	19	INTEREST PAYMENTS	TOTPLT	(5,995)	(3,413)	(0)	(2,582)	(27)	(128)	(3,259)	(0)
RBC	20										
RBC	21										
RBC	22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT		(456)	(1,006)	656	(106)	(15)	74	(1,065)	628
RBC	23										
RBC	24										
RBC	25	PURCHASED GAS									
RBC	26	O&M EXPENSE RELATED CASH WORKING CAPITAL									
RBC	27	Commodity Purchased - Contract Purchases	EGAS	201,620	0	201,620	0	0	0	0	201,620
RBC	28	Commodity Purchased - Spot Market Purchases	ETHRUPUTF	0	0	0	0	0	0	0	0
RBC	29	TOTAL EXPENSES		201,620	0	201,620	0	0	0	0	201,620
RBC	30										
RBC	31	TOTAL EXPENSES PER DAY		552	0	552	0	0	0	0	552
RBC	32										
RBC	33	PP CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		3,679	0	3,679	0	0	0	0	3,679
RBC	34										
RBC	35	PURCHASED GAS ACCRUED TAXES	ETHRUPUTF	0	0	0	0	0	0	0	0
RBC	36										
RBC	37	NET PURCHASED GAS CASH WORKING CAPITAL REQUIREMENT		3,679	0	3,679	0	0	0	0	3,679
RBC	38										
RBC	39										
RBC	40	TOTAL NET CASH WORKING CAPITAL		3,223	(1,006)	4,335	(106)	(15)	74	(1,065)	4,307
RBC	41										
RBC	42										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBO	44								
RBO	45								
RBO	46								
RBO	47								
RBO	48								
RBO	49								
RBO	50								
RBC	1	CASH WORKING CAPITAL (LEAD LAG)							
RBC	2								
RBC	3	TOTAL EXCLUDING PURCHASED GAS							
RBC	4	O&M EXPENSE RELATED CASH WORKING CAPITAL							
RBC	5	Payroll (Distribution Only)	SALWAGES	0	4,735	2,229	4,479	752	7,570
RBC	6	Pension	SALWAGES	0	282	133	267	45	451
RBC	7	Other Expenses							
RBC	8	Other Expenses	OMXPPPP	(0)	12,939	8,393	4,605	12,466	16,597
RBC	9	BSC	EBSC	0	0	0	0	0	0
RBC	10	Purchase of Recievables (POR)	POR	769	15,116	5,678	2,355	2,443	5,186
RBC	11	TOTAL EXPENSES		769	33,072	16,432	11,706	15,705	29,804
RBC	12								
RBC	13	TOTAL EXPENSES PER DAY		2	91	45	32	43	82
RBC	14								
RBC	15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		11	474	236	168	225	427
RBC	16								
RBC	17	AVERAGE PREPAYMENTS		10	412	151	37	226	75
RBC	18	DISTRIBUTION ACCRUED TAXES		7	34	8	3	0	1
RBC	19	INTEREST PAYMENTS	TOTPLT	(0)	(1,902)	(660)	(7)	(1)	(12)
RBC	20								
RBC	21								
RBC	22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT		28	(982)	(266)	201	450	491
RBC	23								
RBC	24								
RBC	25	PURCHASED GAS							
RBC	26	O&M EXPENSE RELATED CASH WORKING CAPITAL							
RBC	27	Commodity Purchased - Contract Purchases	EGAS	0	0	0	0	0	0
RBC	28	Commodity Purchased - Spot Market Purchases	ETHRUPUTF	0	0	0	0	0	0
RBC	29	TOTAL EXPENSES		0	0	0	0	0	0
RBC	30								
RBC	31	TOTAL EXPENSES PER DAY		0	0	0	0	0	0
RBC	32								
RBC	33	PP CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)		0	0	0	0	0	0
RBC	34								
RBC	35	PURCHASED GAS ACCRUED TAXES	ETHRUPUTF	0	0	0	0	0	0
RBC	36								
RBC	37	NET PURCHASED GAS CASH WORKING CAPITAL REQUIREMENT		0	0	0	0	0	0
RBC	38								
RBC	39								
RBC	40	TOTAL NET CASH WORKING CAPITAL		28	(982)	(266)	201	450	491
RBC	41								
RBC	42								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBC	43										
RBC	44										
RBC	45										
RBC	46										
RBC	47										
RBC	48										
RBC	49										
RBC	50										
RBC	1	CASH WORKING CAPITAL (LEAD LAG) CONTINUED									
RBC	2										
RBC	3	<u>LAG/LEAD DAYS</u>		<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>
RBC	4	REVENUE LAG DAYS	43.17								
RBC	5	EXPENSE LEAD DAYS	37.94	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23
RBC	6										
RBC	7	PURCHASED GAS EXP LEAD DAYS	36.51	6.66	6.66	6.66	6.66	6.66	6.66	6.66	6.66
RBC	8										
RBC	9										
RBC	10										
RBC	11										
RBC	12										
RBC	13										
RBC	14										
RBC	15										
RBC	16	DISTRIBUTION ACCRUED TAXES									
RBC	17	Federal Income Tax	EBT	15,181	9,957	350	4,874	(21)	278	9,700	42
RBC	18	State Income Tax	EBT	101,908	66,836	2,351	32,721	(143)	1,865	65,113	282
RBC	19	PURTA Taxes	TOTPLT	(159,522)	(90,812)	(0)	(68,710)	(712)	(3,395)	(86,705)	(0)
RBC	20	PA Capital Stock Tax	TOTPLT	0	0	0	0	0	0	0	0
RBC	21	PA & Local Use Taxes	TOTPLT	0	0	0	0	0	0	0	0
RBC	22	PA Property tax	TOTPLT	111,596	63,529	0	48,067	498	2,375	60,656	0
RBC	23	TOTAL ACCRUED TAXES		69,163	49,509	2,701	16,953	(378)	1,123	48,764	324
RBC	24	TOTAL ACCRUED TAXES PER DAY		189	136	7	46	(1)	3	134	1
RBC	25										
RBC	26	DISTRIBUTION AVERAGE PREPAYMENTS									
RBC	27	AGA Membership Dues	SALESREV	187	100	3	84	0	7	93	1
RBC	28	EAPA & NGA Membership Dues	SALESREV	49	26	1	22	0	2	24	0
RBC	29	PUC Assess - Gas	CLAIMREV	759	268	270	221	1	17	251	263
RBC	30	Cellent Gas Meter Reading	PLT_381	0	0	0	0	0	0	0	0
RBC	31	Gas Software Maintenance	DISTPLT	13	7	0	6	0	0	7	0
RBC	32	Customer and Research	CUSTBILLS	38	0	0	38	0	0	0	0
RBC	33	VEBA Adjustment	SALWAGES	55	29	0	26	0	4	25	0
RBC	34	Facility Contracts	DISTPLT	18	10	0	8	0	0	10	0
RBC	35	IT License & Maintenance	TOTPLT	630	359	0	271	3	13	342	0
RBC	36	Fleet Activities	GENLPLT	76	40	0	35	0	5	35	0
RBC	37	Prepared Rent	DISTPLT	60	33	0	26	0	0	33	0
RBC	38	Postage	CUSTBILLS	162	0	0	162	0	0	0	0
RBC	39	TOTAL AVERAGE PREPAYMENTS		2,047	873	274	900	5	47	821	264
RBC	40										
RBC	41										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBC	43								
RBC	44								
RBC	45								
RBC	46								
RBC	47								
RBC	48								
RBC	49								
RBC	50								
RBC	1	CASH WORKING CAPITAL (LEAD LAG) CONTINUED							
RBC	2								
RBC	3	<u>LAG/LEAD DAYS</u>		<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>	<u>NET DAYS</u>
RBC	4	REVENUE LAG DAYS	43.17						
RBC	5	EXPENSE LEAD DAYS	37.94	5.23	5.23	5.23	5.23	5.23	5.23
RBC	6								
RBC	7	PURCHASED GAS EXP LEAD DAYS	36.51	6.66	6.66	6.66	6.66	6.66	6.66
RBC	8								
RBC	9								
RBC	10								
RBC	11								
RBC	12								
RBC	13								
RBC	14								
RBC	15								
RBC	16	DISTRIBUTION ACCRUED TAXES							
RBC	17	Federal Income Tax	EBT	308	3,587	1,078	129	24	57
RBC	18	State Income Tax	EBT	2,069	24,078	7,238	866	158	381
RBC	19	PURTA Taxes	TOTPLT	(0)	(50,606)	(17,575)	(185)	(31)	(313)
RBC	20	PA Capital Stock Tax	TOTPLT	0	0	0	0	0	0
RBC	21	PA & Local Use Taxes	TOTPLT	0	0	0	0	0	0
RBC	22	PA Property tax	TOTPLT	0	35,402	12,295	130	22	219
RBC	23	TOTAL ACCRUED TAXES		2,377	12,461	3,036	939	172	344
RBC	24	TOTAL ACCRUED TAXES PER DAY		7	34	8	3	0	1
RBC	25								
RBC	26	DISTRIBUTION AVERAGE PREPAYMENTS							
RBC	27	AGA Membership Dues	SALESREV	3	41	16	6	7	14
RBC	28	EAPA & NGA Membership Dues	SALESREV	1	11	4	2	2	4
RBC	29	PUC Assess - Gas	CLAIMREV	7	116	43	15	15	32
RBC	30	Cellent Gas Meter Reading	PLT_381	0	0	0	0	0	0
RBC	31	Gas Software Maintenance	DISTPLT	0	4	2	0	0	0
RBC	32	Customer and Research	CUSTBILLS	0	0	0	0	38	0
RBC	33	VEBA Adjustment	SALWAGES	0	6	3	6	1	10
RBC	34	Facility Contracts	DISTPLT	0	6	2	0	0	0
RBC	35	IT License & Maintenance	TOTPLT	0	200	69	1	0	1
RBC	36	Fleet Activities	GENLPLT	0	8	4	8	1	14
RBC	37	Prepared Rent	DISTPLT	0	20	7	0	0	0
RBC	38	Postage	CUSTBILLS	0	0	0	0	162	0
RBC	39	TOTAL AVERAGE PREPAYMENTS		10	412	151	37	226	75
RBC	40								
RBC	41								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBC	42										
RBC	43										
RBC	44										
RBC	45										
RBC	46										
RBC	47										
RBC	48										
RBC	49										
RBC	50										
RBC	51	OPERATING REVENUES									
RBC	52										
RBC	53	SALES REVENUES									
RBC	54	Sales of Gas Revenues - Base		361,541	192,505	6,278	162,758	611	13,191	178,704	1,295
RBC	55	Sales Revenues - Purchased Gas-PGC	EGAS	201,635	0	201,635	0	0	0	0	201,635
RBC	56	Sales Revenues - Balancing Service Charge-BSC	EBSC	25,075	0	25,075	0	0	0	0	25,075
RBC	57	TOTAL SALES OF GAS		588,251	192,505	232,988	162,758	611	13,191	178,704	228,005
RBC	58										
RBC	59	OTHER OPERATING REVENUES									
RBC	60	487-Forfeited Discounts	REV_487	838	416	14	408	1	30	385	3
RBC	61	488-Miscellaneous Service Revenues	OX_904	0	0	0	0	0	0	0	0
RBC	62	489-Transport of Gas of Others Revenue	PLT_376	0	0	0	0	0	0	0	0
RBC	63	494-Interdepartmental Rents	DISTPLT	691	386	0	305	0	0	386	0
RBC	64	TOTAL OTHER OPERATING REV		1,528	802	14	712	1	30	770	3
RBC	65										
RBC	66	TOTAL OPERATING REVENUES		589,779	193,308	233,002	163,470	612	13,221	179,474	228,008
RBC	67										
RBC	68										
RBC	69										
RBC	70										
RBC	71										
RBC	72										
RBC	73										
RBC	74										
RBC	75										
RBC	76										
RBC	77										
RBC	78										
RBC	79										
RBC	80										
RBC	81										
RBC	82										
RBC	83										
RBC	84										
RBC	85										
RBC	86										
RBC	87										
RBC	88										
RBC	89										
RBC	90										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBC	42								
RBC	43								
RBC	44								
RBC	45								
RBC	46								
RBC	47								
RBC	48								
RBC	49								
RBC	50								
RBC	51	OPERATING REVENUES							
RBC	52								
RBC	53	SALES REVENUES							
RBC	54	Sales of Gas Revenues - Base		4,983	78,964	31,727	12,105	12,614	27,347
RBC	55	Sales Revenues - Purchased Gas-PGC	EGAS	0	0	0	0	0	0
RBC	56	Sales Revenues - Balancing Service Charge-BSC	EBSC	0	0	0	0	0	0
RBC	57	TOTAL SALES OF GAS		4,983	78,964	31,727	12,105	12,614	27,347
RBC	58								
RBC	59	OTHER OPERATING REVENUES							
RBC	60	487-Forfeited Discounts	REV_487	11	198	73	32	33	71
RBC	61	488-Miscellaneous Service Revenues	OX_904	0	0	0	0	0	0
RBC	62	489-Transport of Gas of Others Revenue	PLT_376	0	0	0	0	0	0
RBC	63	494-Interdepartmental Rents	DISTPLT	0	226	79	0	0	0
RBC	64	TOTAL OTHER OPERATING REV		11	425	152	32	33	71
RBC	65								
RBC	66	TOTAL OPERATING REVENUES		4,993	79,389	31,879	12,137	12,647	27,418
RBC	67								
RBC	68								
RBC	69								
RBC	70								
RBC	71								
RBC	72								
RBC	73								
RBC	74								
RBC	75								
RBC	76								
RBC	77								
RBC	78								
RBC	79								
RBC	80								
RBC	81								
RBC	82								
RBC	83								
RBC	84								
RBC	85								
RBC	86								
RBC	87								
RBC	88								
RBC	89								
RBC	90								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RBC	91										
RBC	92										
RBC	93										
RBC	94										
RBC	95										
RBC	96										
RBC	97										
RBC	98										
RBC	99										
RBC	100										
E	1	OPERATION & MAINTENANCE EXPENSE									
E	2										
E	3	PRODUCTION EXPENSE									
E	4	Manufactured Gas Production Expense									
E	5	Operation									
E	6	710-Operations Labor	DPKDAYP	0	0	0	0	0	0	0	0
E	7	717-Liquefied Petroleum Gas Expenses	DPKDAYP	80	80	0	0	80	0	0	0
E	8	Total Operation		80	80	0	0	80	0	0	0
E	9	Maintenance									
E	10	741-Maintenance of Structures and Improvements	DPKDAYP	53	53	0	0	53	0	0	0
E	11	742-Maintenance of Production Equipment	DPKDAYP	133	133	0	0	133	0	0	0
E	12	Total Maintenance		186	186	0	0	186	0	0	0
E	13	Total Manufactured Gas Production Expense		266	266	0	0	266	0	0	0
E	14	Other Gas Supply Expense									
E	15	Operation									
E	16	804-Natural Gas Purchases-PGC	EGAS	201,620	0	201,620	0	0	0	0	201,620
E	17	804-Natural Gas Purchases-BSC	EBSC	25,090	0	25,090	0	0	0	0	25,090
E	18	805-Other Natural Gas Purchases	ETHRUPUT	0	0	0	0	0	0	0	0
E	19	807-Purchased Gas Expenses	ESTORAGE	0	0	0	0	0	0	0	0
E	20	808.1 Gas withdrawn from storage—Debt.	ETHRUPUT	0	0	0	0	0	0	0	0
E	21	808.1 Gas withdrawn from storage—Direct	ETHRUPUT	0	0	0	0	0	0	0	0
E	22	Total Other Gas Supply Expense		226,710	0	226,710	0	0	0	0	226,710
E	23	TOTAL PRODUCTION EXPENSE		226,976	266	226,710	0	266	0	0	226,710
E	24										
E	25	NATURAL GAS STORAGE EXPENSE									
E	26	Operation									
E	27	840-Operation Supervision and Engineering	DPKDAYP	252	252	0	0	0	252	0	0
E	28	841-Operation Labor & Expenses - Training	DPKDAYP	812	812	0	0	0	812	0	0
E	29	Total Operation		1,065	1,065	0	0	0	1,065	0	0
E	30	Maintenance									
E	31	843-Maintenance Expense	DPKDAYP	4,414	4,414	0	0	0	4,414	0	0
E	32	Total Maintenance		4,414	4,414	0	0	0	4,414	0	0
E	33	Total Natural Gas Storage Expense		5,479	5,479	0	0	0	5,479	0	0
E	34										
E	35	TRANSMISSION EXPENSES									
E	36	Operation Expense	TRANPLT	0	0	0	0	0	0	0	0
E	37	Maintenance Expense	TRANPLT	0	0	0	0	0	0	0	0
E	38	TOTAL TRANSMISSION EXPENSE		0	0	0	0	0	0	0	0
E	39										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RBC	91								
RBC	92								
RBC	93								
RBC	94								
RBC	95								
RBC	96								
RBC	97								
RBC	98								
RBC	99								
RBC	100								
E	1	OPERATION & MAINTENANCE EXPENSE							
E	2								
E	3	PRODUCTION EXPENSE							
E	4	Manufactured Gas Production Expense							
E	5	Operation							
E	6	710-Operations Labor	DPKDAYP	0	0	0	0	0	0
E	7	717-Liquefied Petroleum Gas Expenses	DPKDAYP	0	0	0	0	0	0
E	8	Total Operation		0	0	0	0	0	0
E	9	Maintenance							
E	10	741-Maintenance of Structures and Improvements	DPKDAYP	0	0	0	0	0	0
E	11	742-Maintenance of Production Equipment	DPKDAYP	0	0	0	0	0	0
E	12	Total Maintenance		0	0	0	0	0	0
E	13	Total Manufactured Gas Production Expense		0	0	0	0	0	0
E	14	Other Gas Supply Expense							
E	15	Operation							
E	16	804-Natural Gas Purchases-PGC	EGAS	0	0	0	0	0	0
E	17	804-Natural Gas Purchases-BSC	EBSC	0	0	0	0	0	0
E	18	805-Other Natural Gas Purchases	ETHRUPUT	0	0	0	0	0	0
E	19	807-Purchased Gas Expenses	ESTORAGE	0	0	0	0	0	0
E	20	808.1 Gas withdrawn from storage—Debt.	ETHRUPUT	0	0	0	0	0	0
E	21	808.1 Gas withdrawn from storage—Direct	ETHRUPUT	0	0	0	0	0	0
E	22	Total Other Gas Supply Expense		0	0	0	0	0	0
E	23	TOTAL PRODUCTION EXPENSE		0	0	0	0	0	0
E	24								
E	25	NATURAL GAS STORAGE EXPENSE							
E	26	Operation							
E	27	840-Operation Supervision and Engineering	DPKDAYP	0	0	0	0	0	0
E	28	841-Operation Labor & Expenses - Training	DPKDAYP	0	0	0	0	0	0
E	29	Total Operation		0	0	0	0	0	0
E	30	Maintenance							
E	31	843-Maintenance Expense	DPKDAYP	0	0	0	0	0	0
E	32	Total Maintenance		0	0	0	0	0	0
E	33	Total Natural Gas Storage Expense		0	0	0	0	0	0
E	34								
E	35	TRANSMISSION EXPENSES							
E	36	Operation Expense	TRANPLT	0	0	0	0	0	0
E	37	Maintenance Expense	TRANPLT	0	0	0	0	0	0
E	38	TOTAL TRANSMISSION EXPENSE		0	0	0	0	0	0
E	39								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
E	40	DISTRIBUTION EXPENSES									
E	41	Operation									
E	42	870-Operation Supervision and Engineering	SALWAGDO	1,094	449	0	645	0	0	449	0
E	43	874-Mains and Services Expenses	PLT_376380	16,959	10,423	0	6,535	0	0	10,423	0
E	44	875-Measuring & Reg. Station Exp.-General	PLT_378	1,036	1,036	0	0	0	0	1,036	0
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	PLT_379	1	1	0	0	0	0	1	0
E	46	878-Meter & House Regulator Expenses	PLT_3815	5,979	0	0	5,979	0	0	0	0
E	47	879-Customer Installations Expenses	CUSTINSTALL	5,158	0	0	5,158	0	0	0	0
E	48	880-Other Expenses	DISTPLT	13,512	7,547	0	5,965	0	0	7,547	0
E	49	Total Distribution Operation		43,737	19,456	0	24,282	0	0	19,456	0
E	50										
E	51	OPERATION & MAINTENANCE EXPENSE CONTINUED									
E	52	DISTRIBUTION EXPENSES CONTINUED									
E	53	Maintenance									
E	54	887-Maintenance of Mains	PLT_376	17,505	17,505	0	0	0	0	17,505	0
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	PLT_378	1,014	1,014	0	0	0	0	1,014	0
E	56	892-Maintenance of Services	PLT_380	1,445	0	0	1,445	0	0	0	0
E	57	893-Maint. of Meters & House Regulators	PLT_3815	418	0	0	418	0	0	0	0
E	58	894-Maintenance of Other Equipment	DISTPLT	879	491	0	388	0	0	491	0
E	59	Total Distribution Maintenance		21,261	19,010	0	2,251	0	0	19,010	0
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES		64,998	38,466	0	26,533	0	0	38,466	0
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)		297,453	44,210	226,710	26,533	266	5,479	38,466	226,710
E	62										
E	63	CUSTOMER ACCOUNTS EXPENSES									
E	64	902-Meter Reading	CMETRDG	199	0	0	199	0	0	0	0
E	65	903-Customer Records and Collection Expense	CUSTREC	14,723	0	0	14,723	0	0	0	0
E	66	904-Uncollectible Accounts	EXP_904	2,263	1,015	34	1,213	4	82	930	9
E	67	904-Uncollectible Accounts - PPA	EXP_904PPA	322	136	5	182	1	11	124	1
E	68	905-Miscellaneous CA	CUSTCAM	2,152	0	0	2,152	0	0	0	0
E	69	TOTAL CUSTOMER ACCTS EXPENSE		19,658	1,151	39	18,469	4	93	1,054	10
E	70										
E	71	CUSTOMER SERVICE & SALES EXPENSES									
E	72	908-Customer Assistance	CUSTASST	7,742	0	0	7,742	0	0	0	0
E	73	908-Customer Assistance	CUSTASSTDA	500	0	0	500	0	0	0	0
E	74	909-Advertisement	CUSTADVT	309	0	0	309	0	0	0	0
E	75	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	CUSTSALES	2,810	0	0	2,810	0	0	0	0
E	77	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP		11,361	0	0	11,361	0	0	0	0
E	79										
E	80	TOTAL OPER & MAINT EXCL A&G		328,472	45,362	226,749	56,362	270	5,572	39,519	226,720
E	81										
E	82	ADMINISTRATIVE & GENERAL EXPENSE									
E	83	920-Administrative Salaries	SALWAGES	9,261	4,925	0	4,336	43	594	4,288	0
E	84	921-Office Supplies & Expense	SALWAGES	1,454	773	0	681	7	93	673	0
E	85	923-Outside Service Employed	SALWAGES	16,942	9,009	0	7,933	78	1,087	7,844	0
E	86	924-Property Insurance	PSTDGPLT	75	43	0	32	0	2	41	0
E	87	925-Injuries and Damages	SALWAGES	273	145	0	128	1	18	126	0
E	88	926-Employee Pensions & Benefits	SALWAGES	10,139	5,392	0	4,748	47	650	4,694	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
E	40	DISTRIBUTION EXPENSES							
E	41	Operation							
E	42	870-Operation Supervision and Engineering	SALWAGDO	0	242	118	284	0	0
E	43	874-Mains and Services Expenses	PLT_376380	0	6,535	0	0	0	0
E	44	875-Measuring & Reg. Station Exp.-General	PLT_378	0	0	0	0	0	0
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	PLT_379	0	0	0	0	0	0
E	46	878-Meter & House Regulator Expenses	PLT_3815	0	0	5,979	0	0	0
E	47	879-Customer Installations Expenses	CUSTINSTALL	0	0	0	5,158	0	0
E	48	880-Other Expenses	DISTPLT	0	4,429	1,536	0	0	0
E	49	Total Distribution Operation		0	11,207	7,633	5,442	0	0
E	50								
E	51	OPERATION & MAINTENANCE EXPENSE CONTINUED							
E	52	DISTRIBUTION EXPENSES CONTINUED							
E	53	Maintenance							
E	54	887-Maintenance of Mains	PLT_376	0	0	0	0	0	0
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	PLT_378	0	0	0	0	0	0
E	56	892-Maintenance of Services	PLT_380	0	1,445	0	0	0	0
E	57	893-Maint. of Meters & House Regulators	PLT_3815	0	0	418	0	0	0
E	58	894-Maintenance of Other Equipment	DISTPLT	0	288	100	0	0	0
E	59	Total Distribution Maintenance		0	1,733	518	0	0	0
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES		0	12,940	8,151	5,442	0	0
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)		0	12,940	8,151	5,442	0	0
E	62								
E	63	CUSTOMER ACCOUNTS EXPENSES							
E	64	902-Meter Reading	CMETRDG	0	0	0	0	0	199
E	65	903-Customer Records and Collection Expense	CUSTREC	0	0	0	0	0	14,723
E	66	904-Uncollectible Accounts	EXP_904	25	593	198	99	102	221
E	67	904-Uncollectible Accounts - PPA	EXP_904PPA	3	89	28	15	16	34
E	68	905-Miscellaneous CA	CUSTCAM	0	0	0	0	0	2,152
E	69	TOTAL CUSTOMER ACCTS EXPENSE		29	682	226	114	118	17,328
E	70								
E	71	CUSTOMER SERVICE & SALES EXPENSES							
E	72	908-Customer Assistance	CUSTASST	0	0	0	0	7,742	0
E	73	908-Customer Assistance	CUSTASSTDA	0	0	0	0	500	0
E	74	909-Advertisement	CUSTADVT	0	0	0	0	309	0
E	75	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	CUSTSALES	0	0	0	0	2,810	0
E	77	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP		0	0	0	0	11,361	0
E	79								
E	80	TOTAL OPER & MAINT EXCL A&G		29	13,622	8,377	5,556	11,479	17,328
E	81								
E	82	ADMINISTRATIVE & GENERAL EXPENSE							
E	83	920-Administrative Salaries	SALWAGES	0	1,039	489	983	165	1,661
E	84	921-Office Supplies & Expense	SALWAGES	0	163	77	154	26	261
E	85	923-Outside Service Employed	SALWAGES	0	1,900	895	1,798	302	3,038
E	86	924-Property Insurance	PSTDGPLT	0	24	8	0	0	0
E	87	925-Injuries and Damages	SALWAGES	0	31	14	29	5	49
E	88	926-Employee Pensions & Benefits	SALWAGES	0	1,137	535	1,076	181	1,818

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
E	89	928-Regulatory Commission	CLAIMREV	2,717	960	968	790	3	60	897	943
E	90	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0
E	91	930.1-General Advertising	CLAIMREV	0	0	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	SALWAGES	545	290	0	255	3	35	252	0
E	93	932-Maintenance of General Plant	GENLPLT	1,222	650	0	572	6	78	566	0
E	94	TOTAL A&G EXPENSE		42,629	22,186	968	19,475	187	2,616	19,382	943
E	95										
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES		371,101	67,547	227,716	75,837	458	8,188	58,902	227,664
E	97										
E	98	TOTAL PURCHASED GAS O&M EXPENSES		226,710	0	226,710	0	0	0	0	226,710
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS		144,391	67,547	1,006	75,837	458	8,188	58,902	954
E	100										
D	1	DEPRECIATION / AMORTIZATION EXPENSE									
D	2										
D	3	INTANGIBLE PLANT EXPENSE	INTPLT	10,333	5,882	0	4,451	46	220	5,616	0
D	4										
D	5	PRODUCTION PLANT EXPENSE	PRODPLT	117	117	0	0	117	0	0	0
D	6										
D	7	LOCAL STORAGE PLANT EXPENSE	STORPLT	1,729	1,729	0	0	0	1,729	0	0
D	8										
D	9	TRANSMISSION PLANT EXPENSE	TRANPLT	0	0	0	0	0	0	0	0
D	10										
D	11	DISTRIBUTION PLANT EXPENSE									
D	12	374-Land Rights	PLT_374	0	0	0	0	0	0	0	0
D	13	375-Structures & Improvements	PLT_375	345	345	0	0	0	0	345	0
D	14	376-Mains									
D	15	General - Excess	PLT_376GE	22,772	22,772	0	0	0	0	22,772	0
D	16	General - Average	PLT_376GA	7,683	7,683	0	0	0	0	7,683	0
D	17	Direct Assignment	DAMAINSDE	155	155	0	0	0	0	155	0
D	18	Total Account 376		30,609	30,609	0	0	0	0	30,609	0
D	19	378-Measuring & Regulating Station Equip-General	PLT_378	508	508	0	0	0	0	508	0
D	20	379-Measuring & Regulating Station Equip-City Gate									
D	21	City Gate	PLT_379CG	1,361	1,361	0	0	0	0	1,361	0
D	22	Direct Assignment	DAMRDE	160	160	0	0	0	0	160	0
D	23	Total Account 379		1,521	1,521	0	0	0	0	1,521	0
D	24	380-Services	PLT_380	22,906	0	0	22,906	0	0	0	0
D	25	381-Meters	CMETERS	5,389	0	0	5,389	0	0	0	0
D	26	Direct Assignment	CMETERSDA	3	0	0	3	0	0	0	0
D	27	Total Account 381		5,392	0	0	5,392	0	0	0	0
D	28	382-Meter Installations	CMETERS	4,382	0	0	4,382	0	0	0	0
D	29	Direct Assignment	CMETERSDA	8	0	0	8	0	0	0	0
D	30	Total Account 382		4,390	0	0	4,390	0	0	0	0
D	31	387-Other Equipment	PLT_378387	133	132	0	1	0	0	132	0
D	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE		65,804	33,115	0	32,689	0	0	33,115	0
D	34										
D	35	GENERAL PLANT EXPENSE	GENLPLT	1,723	916	0	807	8	110	798	0
D	36										
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	SALWAGES	6,439	3,424	0	3,015	30	413	2,981	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
E	89	928-Regulatory Commission	CLAIMREV	24	414	155	52	53	115
E	90	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0
E	91	930.1-General Advertising	CLAIMREV	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	SALWAGES	0	61	29	58	10	98
E	93	932-Maintenance of General Plant	GENLPLT	0	137	65	130	22	219
E	94	TOTAL A&G EXPENSE		24	4,907	2,267	4,280	762	7,260
E	95								
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES		53	18,529	10,644	9,836	12,241	24,588
E	97								
E	98	TOTAL PURCHASED GAS O&M EXPENSES		0	0	0	0	0	0
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS		53	18,529	10,644	9,836	12,241	24,588
E	100								
D	1	DEPRECIATION / AMORTIZATION EXPENSE							
D	2								
D	3	INTANGIBLE PLANT EXPENSE	INTPLT	0	3,278	1,138	12	2	20
D	4								
D	5	PRODUCTION PLANT EXPENSE	PRODPLT	0	0	0	0	0	0
D	6								
D	7	LOCAL STORAGE PLANT EXPENSE	STORPLT	0	0	0	0	0	0
D	8								
D	9	TRANSMISSION PLANT EXPENSE	TRANPLT	0	0	0	0	0	0
D	10								
D	11	DISTRIBUTION PLANT EXPENSE							
D	12	374-Land Rights	PLT_374	0	0	0	0	0	0
D	13	375-Structures & Improvements	PLT_375	0	0	0	0	0	0
D	14	376-Mains							
D	15	General - Excess	PLT_376GE	0	0	0	0	0	0
D	16	General - Average	PLT_376GA	0	0	0	0	0	0
D	17	Direct Assignment	DAMAINSDE	0	0	0	0	0	0
D	18	Total Account 376		0	0	0	0	0	0
D	19	378-Measuring & Regulating Station Equip-General	PLT_378	0	0	0	0	0	0
D	20	379-Measuring & Regulating Station Equip-City Gate							
D	21	City Gate	PLT_379CG	0	0	0	0	0	0
D	22	Direct Assignment	DAMRDE	0	0	0	0	0	0
D	23	Total Account 379		0	0	0	0	0	0
D	24	380-Services	PLT_380	0	22,906	0	0	0	0
D	25	381-Meters	CMETERS	0	0	5,389	0	0	0
D	26	Direct Assignment	CMETERSDA	0	0	3	0	0	0
D	27	Total Account 381		0	0	5,392	0	0	0
D	28	382-Meter Installations	CMETERS	0	0	4,382	0	0	0
D	29	Direct Assignment	CMETERSDA	0	0	8	0	0	0
D	30	Total Account 382		0	0	4,390	0	0	0
D	31	387-Other Equipment	PLT_378387	0	1	0	0	0	0
D	32	388-Asset Retirement Costs for Distribution Plant	PLT_388	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE		0	22,907	9,782	0	0	0
D	34								
D	35	GENERAL PLANT EXPENSE	GENLPLT	0	193	91	183	31	309
D	36								
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	SALWAGES	0	722	340	683	115	1,155

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
D	38										
D	39	NET MANUFACTURED GAS PLANT EXP	ETHRPUT	2,812	0	2,812	0	0	0	0	0
D	40										
D	41										
D	42	TOTAL DEPRECIATION / AMORTIZATION EXPENSE		88,958	45,184	2,812	40,962	201	2,473	42,510	0
D	43										
D	44										
D	45										
D	46										
D	47										
D	48										
D	49										
D	50										
TO	1	OTHER OPERATING EXPENSES									
TO	2										
TO	3	TAXES OTHER THAN INCOME TAXES									
TO	4	General Taxes									
TO	5	PURTA Taxes	TOTPLT	2,050	1,167	0	883	9	44	1,114	0
TO	6	Capital Stock	TOTPLT	0	0	0	0	0	0	0	0
TO	7	Payroll Related	SALWAGES	3,776	2,008	0	1,768	17	242	1,748	0
TO	8	Real Estate Tax	TOTPLT	1,568	893	0	675	7	33	852	0
TO	9	PA and Local Use Tax	CLAIMREV	152	54	54	44	0	3	50	53
TO	10	Total General Taxes		7,545	4,121	54	3,370	34	322	3,765	53
TO	11										
TO	12										
TO	13	Franchise and Revenue Taxes									
TO	14	Retail Revenue		0	0	0	0	0	0	0	0
TO	15	Forfeited Discounts		0	0	0	0	0	0	0	0
TO	16	Less: Bad Debt		0	0	0	0	0	0	0	0
TO	17	Total Revenue	CALCULATED	0	0	0	0	0	0	0	0
TO	18	Total Distribution @ GRT Rate 0.00%	CALCULATED	0	0	0	0	0	0	0	0
TO	19	Total Franchise and Revenue Taxes		0	0	0	0	0	0	0	0
TO	20										
TO	21	TOTAL TAXES OTHER THAN INCOME		7,545	4,121	54	3,370	34	322	3,765	53
TO	22										
TO	23										
TO	24										
TO	25										
TO	26										
TO	27										
TO	28										
TO	29										
TO	30										
TO	31										
TO	32										
TO	33										
TO	34										
TO	35										
TO	36										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
D	38								
D	39	NET MANUFACTURED GAS PLANT EXP	ETHRUPUT	2,812	0	0	0	0	0
D	40								
D	41								
D	42	TOTAL DEPRECIATION / AMORTIZATION EXPENSE		2,812	27,101	11,352	878	147	1,484
D	43								
D	44								
D	45								
D	46								
D	47								
D	48								
D	49								
D	50								
TO	1	OTHER OPERATING EXPENSES							
TO	2								
TO	3	TAXES OTHER THAN INCOME TAXES							
TO	4	General Taxes							
TO	5	PURTA Taxes	TOTPLT	0	650	226	2	0	4
TO	6	Capital Stock	TOTPLT	0	0	0	0	0	0
TO	7	Payroll Related	SALWAGES	0	424	199	401	67	677
TO	8	Real Estate Tax	TOTPLT	0	497	173	2	0	3
TO	9	PA and Local Use Tax	CLAIMREV	1	23	9	3	3	6
TO	10	Total General Taxes		1	1,594	607	408	71	691
TO	11								
TO	12								
TO	13	Franchise and Revenue Taxes							
TO	14	Retail Revenue		0	0	0	0	0	0
TO	15	Forfeited Discounts		0	0	0	0	0	0
TO	16	Less: Bad Debt		0	0	0	0	0	0
TO	17	Total Revenue	CALCULATED	0	0	0	0	0	0
TO	18	Total Distribution @ GRT Rate 0.00%	CALCULATED	0	0	0	0	0	0
TO	19	Total Franchise and Revenue Taxes		0	0	0	0	0	0
TO	20								
TO	21	TOTAL TAXES OTHER THAN INCOME		1	1,594	607	408	71	691
TO	22								
TO	23								
TO	24								
TO	25								
TO	26								
TO	27								
TO	28								
TO	29								
TO	30								
TO	31								
TO	32								
TO	33								
TO	34								
TO	35								
TO	36								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
TO	37										
TO	38										
TO	39										
TO	40										
TO	41										
TO	42										
TO	43										
TO	44										
TO	45										
TO	46										
TO	47										
TO	48										
TO	49										
TO	50										
TI	1	DEVELOPMENT OF INCOME TAXES									
TI	2										
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS		363,069	193,308	6,292	163,470	612	13,221	179,474	1,298
TI	4	LESS:									
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	SCH E, LN 99	144,391	67,547	1,006	75,837	458	8,188	58,902	954
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	SCH D, LN 42	88,958	45,184	2,812	40,962	201	2,473	42,510	0
TI	7	TAXES OTHER THAN INCOME TAXES	SCH TO, LN 21	7,545	4,121	54	3,370	34	322	3,765	53
TI	8	NET OPERATING INCOME BEFORE TAXES		122,175	76,455	2,419	43,301	(80)	2,238	74,298	292
TI	9	LESS:									
TI	10	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)		45,478	26,198	583	18,696	27	835	25,336	12
TI	11										
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS		76,697	50,257	1,836	24,604	(108)	1,403	48,962	280
TI	13										
TI	14	FEDERAL & STATE TAX ADJUSTMENTS									
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	SALWAGES	3,054	1,624	0	1,430	14	196	1,414	0
TI	16	Other Property Basis Adjustment (CIAC/ICM)	DISTPLT	12,276	6,857	0	5,419	0	0	6,857	0
TI	17	Removal Costs/Software	TOTPLT	9,120	5,192	0	3,928	41	194	4,957	0
TI	18	AFUDC Equity	TOTPLT	5,482	3,121	0	2,361	24	117	2,980	0
TI	19	Permanent Adjustments	TOTPLT	(775)	(441)	(0)	(334)	(3)	(16)	(421)	(0)
TI	20	Repair Allowance Deduction	TOTPLT	132,540	75,452	0	57,088	592	2,821	72,039	0
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS		161,697	91,804	0	69,893	668	3,311	87,825	0
TI	22										
TI	23	CALCULATION OF PA STATE INCOME TAXES									
TI	24	BASE TAXABLE INCOME	SCH TI, LN 12	76,697	50,257	1,836	24,604	(108)	1,403	48,962	280
TI	25	LESS:									
TI	26	State Tax Depreciation (Over) Under Book	TOTPLT	(25,538)	(14,538)	(0)	(11,000)	(114)	(543)	(13,881)	(0)
TI	27	Total Tax Adjustments	SCH TI, LN 21	161,697	91,804	0	69,893	668	3,311	87,825	0
TI	28	PA STATE TAXABLE DISTRIBUTION INCOME		(59,462)	(27,009)	1,836	(34,289)	(661)	(1,365)	(24,983)	280
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%		(5,940)	(2,698)	183	(3,425)	(66)	(136)	(2,496)	28
TI	30	PLUS: DEFERRED STATE INCOME TAXES									
TI	31	Net Operating Loss Utilization	CALCULATED	5,940	2,698	(183)	3,425	66	136	2,496	(28)
TI	32	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	TOTPLT	(1,531)	(872)	(0)	(660)	(7)	(33)	(832)	(0)
TI	34	Deferred Taxes on State NOL	TOTPLT	5,947	3,386	0	2,562	27	127	3,232	0
TI	35	TOTAL STATE INCOME TAX EXPENSE		4,416	2,514	0	1,902	20	94	2,400	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
TO	37								
TO	38								
TO	39								
TO	40								
TO	41								
TO	42								
TO	43								
TO	44								
TO	45								
TO	46								
TO	47								
TO	48								
TO	49								
TO	50								
TI	1	DEVELOPMENT OF INCOME TAXES							
TI	2								
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS		4,993	79,389	31,879	12,137	12,647	27,418
TI	4	LESS:							
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	SCH E, LN 99	53	18,529	10,644	9,836	12,241	24,588
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	SCH D, LN 42	2,812	27,101	11,352	878	147	1,484
TI	7	TAXES OTHER THAN INCOME TAXES	SCH TO, LN 21	1	1,594	607	408	71	691
TI	8	NET OPERATING INCOME BEFORE TAXES		2,127	32,165	9,277	1,015	188	656
TI	9	LESS:							
TI	10	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)		572	14,060	3,834	364	69	369
TI	11								
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS		1,555	18,105	5,443	651	119	286
TI	13								
TI	14	FEDERAL & STATE TAX ADJUSTMENTS							
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	SALWAGES	0	343	161	324	54	548
TI	16	Other Property Basis Adjustment (CIAC/ICM)	DISTPLT	0	4,024	1,396	0	0	0
TI	17	Removal Costs/Software	TOTPLT	0	2,893	1,005	11	2	18
TI	18	AFUDC Equity	TOTPLT	0	1,739	604	6	1	11
TI	19	Permanent Adjustments	TOTPLT	(0)	(246)	(85)	(1)	(0)	(2)
TI	20	Repair Allowance Deduction	TOTPLT	0	42,046	14,602	154	26	260
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS		0	50,799	17,682	494	83	835
TI	22								
TI	23	CALCULATION OF PA STATE INCOME TAXES							
TI	24	BASE TAXABLE INCOME	SCH TI, LN 12	1,555	18,105	5,443	651	119	286
TI	25	LESS:							
TI	26	State Tax Depreciation (Over) Under Book	TOTPLT	(0)	(8,101)	(2,814)	(30)	(5)	(50)
TI	27	Total Tax Adjustments	SCH TI, LN 21	0	50,799	17,682	494	83	835
TI	28	PA STATE TAXABLE DISTRIBUTION INCOME		1,555	(24,592)	(9,426)	187	41	(498)
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%		155	(2,457)	(942)	19	4	(50)
TI	30	PLUS: DEFERRED STATE INCOME TAXES							
TI	31	Net Operating Loss Utilization	CALCULATED	(155)	2,457	942	(19)	(4)	50
TI	32	TOTAL STATE INCOME TAX		0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	TOTPLT	(0)	(486)	(169)	(2)	(0)	(3)
TI	34	Deferred Taxes on State NOL	TOTPLT	0	1,887	655	7	1	12
TI	35	TOTAL STATE INCOME TAX EXPENSE		0	1,401	486	5	1	9

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
TI	36										
TI	37	CALCULATION OF FEDERAL INCOME TAXES									
TI	38	BASE TAXABLE INCOME	SCH TI, LN 12	76,697	50,257	1,836	24,604	(108)	1,403	48,962	280
TI	39	LESS:									
TI	40	PA State Income Taxes	SCH TI, LN 32	0	0	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	TOTPLT	(33,615)	(19,136)	(0)	(14,479)	(150)	(715)	(18,271)	(0)
TI	42	Total Tax Adjustments	SCH TI, LN 21	161,697	91,804	0	69,893	668	3,311	87,825	0
TI	43	FEDERAL TAXABLE DISTRIBUTION INCOME		(51,384)	(22,411)	1,836	(30,810)	(625)	(1,193)	(20,593)	280
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%		10,791	4,706	(386)	6,470	131	250	4,324	(59)
TI	45										
TI	46										
TI	47										
TI	48										
TI	49										
TI	50										
TI	51	DEVELOPMENT OF INCOME TAXES CONTINUED									
TI	52										
TI	53	FEDERAL INCOME TAXES @ Tax Rate 21.00%	SCH TI, LN 44	10,791	4,706	(386)	6,470	131	250	4,324	(59)
TI	54	PLUS: DEFERRED FEDERAL INCOME TAXES									
TI	55	Deferred Taxes on Timing Differences - Federal	TOTPLT	998	568	0	430	4	21	542	0
TI	56	Excess Deferred Amortization	TOTPLT	3,455	1,967	0	1,488	15	74	1,878	0
TI	57	FIT Expense on Flow Through Adjustments	TOTPLT	(953)	(542)	(0)	(410)	(4)	(20)	(518)	(0)
TI	58	LESS: OTHER FEDERAL TAX ADJUSTMENTS									
TI	59	Amortization of ITC - Gas Plant	TOTPLT	(64)	(36)	(0)	(28)	(0)	(1)	(35)	(0)
TI	60	TOTAL FEDERAL INCOME TAX EXPENSE		14,354	6,735	(386)	8,005	147	326	6,261	(59)
TI	61	TOTAL INCOME TAX EXPENSE EXCLUDING PURCHASED GAS		18,770	9,249	(386)	9,907	167	420	8,661	(59)
TI	62										
TI	63	DEVELOPMENT OF PURCHASED GAS TAXES									
TI	64	PURCHASED GAS OPERATING REVENUES		226,710	0	226,710	0	0	0	0	226,710
TI	65	LESS:									
TI	66	OPERATION & MAINTAINENCE EXPENSE		226,710	0	226,710	0	0	0	0	226,710
TI	67	NET OPERATING INCOME BEFORE TAXES		(0)	0	(0)	0	0	0	0	(0)
TI	68	LESS:									
TI	69	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)		68	0	68	0	0	0	0	68
TI	70	BASE TAXABLE PURCHASED GAS INCOME		(68)	0	(68)	0	0	0	0	(68)
TI	71	LESS:									
TI	72	PA STATE PURCHASED GAS INCOME TAXES @ Tax Rate 9.99%		(7)	0	(7)	0	0	0	0	(7)
TI	73	Net Operating Loss Utilization	CALCULATED	7	0	7	0	0	0	0	7
TI	74	TOTAL STATE INCOME TAX		0	0	0	0	0	0	0	0
TI	75	EQUALS:									
TI	76	FEDERAL PURCHASED GAS INCOME TAXES @ Tax Rate 21.00%		14	0	14	0	0	0	0	14
TI	77										
TI	78	TOTAL PA INCOME TAX EXPENSE		4,416	2,514	0	1,902	20	94	2,400	0
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE		14,369	6,735	(371)	8,005	147	326	6,261	(45)
TI	80	TOTAL INCOME TAX EXPENSE		18,784	9,249	(371)	9,907	167	420	8,661	(45)
TI	81										
TI	82	TOTAL OTHER TAX EXPENSE		7,545	4,121	54	3,370	34	322	3,765	53
TI	83										
TI	84	TOTAL TAX EXPENSE		26,330	13,370	(317)	13,277	201	743	12,426	8

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
TI	36								
TI	37	CALCULATION OF FEDERAL INCOME TAXES							
TI	38	BASE TAXABLE INCOME	SCH TI, LN 12	1,555	18,105	5,443	651	119	286
TI	39	LESS:							
TI	40	PA State Income Taxes	SCH TI, LN 32	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	TOTPLT	(0)	(10,664)	(3,703)	(39)	(7)	(66)
TI	42	Total Tax Adjustments	SCH TI, LN 21	0	50,799	17,682	494	83	835
TI	43	FEDERAL TAXABLE DISTRIBUTION INCOME		1,555	(22,030)	(8,536)	196	42	(482)
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%		(327)	4,626	1,793	(41)	(9)	101
TI	45								
TI	46								
TI	47								
TI	48								
TI	49								
TI	50								
TI	51	DEVELOPMENT OF INCOME TAXES CONTINUED							
TI	52								
TI	53	FEDERAL INCOME TAXES @ Tax Rate 21.00%	SCH TI, LN 44	(327)	4,626	1,793	(41)	(9)	101
TI	54	PLUS: DEFERRED FEDERAL INCOME TAXES							
TI	55	Deferred Taxes on Timing Differences - Federal	TOTPLT	0	316	110	1	0	2
TI	56	Excess Deferred Amortization	TOTPLT	0	1,096	381	4	1	7
TI	57	FIT Expense on Flow Through Adjustments	TOTPLT	(0)	(302)	(105)	(1)	(0)	(2)
TI	58	LESS: OTHER FEDERAL TAX ADJUSTMENTS							
TI	59	Amortization of ITC - Gas Plant	TOTPLT	(0)	(20)	(7)	(0)	(0)	(0)
TI	60	TOTAL FEDERAL INCOME TAX EXPENSE		(327)	5,757	2,185	(37)	(8)	108
TI	61	TOTAL INCOME TAX EXPENSE EXCLUDING PURCHASED GAS		(327)	7,158	2,672	(32)	(7)	117
TI	62								
TI	63	DEVELOPMENT OF PURCHASED GAS TAXES							
TI	64	PURCHASED GAS OPERATING REVENUES		0	0	0	0	0	0
TI	65	LESS:							
TI	66	OPERATION & MAINTAINENCE EXPENSE		0	0	0	0	0	0
TI	67	NET OPERATING INCOME BEFORE TAXES		0	0	0	0	0	0
TI	68	LESS:							
TI	69	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)		0	0	0	0	0	0
TI	70	BASE TAXABLE PURCHASED GAS INCOME		0	0	0	0	0	0
TI	71	LESS:							
TI	72	PA STATE PURCHASED GAS INCOME TAXES @ Tax Rate 9.99%		0	0	0	0	0	0
TI	73	Net Operating Loss Utilization	CALCULATED	0	0	0	0	0	0
TI	74	TOTAL STATE INCOME TAX		0	0	0	0	0	0
TI	75	EQUALS:							
TI	76	FEDERAL PURCHASED GAS INCOME TAXES @ Tax Rate 21.00%		0	0	0	0	0	0
TI	77								
TI	78	TOTAL PA INCOME TAX EXPENSE		0	1,401	486	5	1	9
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE		(327)	5,757	2,185	(37)	(8)	108
TI	80	TOTAL INCOME TAX EXPENSE		(327)	7,158	2,672	(32)	(7)	117
TI	81								
TI	82	TOTAL OTHER TAX EXPENSE		1	1,594	607	408	71	691
TI	83								
TI	84	TOTAL TAX EXPENSE		(325)	8,752	3,278	376	64	808

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
TI	85										
TI	86										
TI	87										
TI	88										
TI	89										
TI	90	TAX RATES & FACTORS									
TI	91	GROSS RECEIPTS TAX RATE	0.00%								
TI	92	STATE TAX RATE	9.99%								
TI	93	FEDERAL TAX RATE - CURRENT	21.00%								
TI	94	1 - EFFECTIVE TAX RATE									
TI	95	EFFECTIVE TAX RATE									
TI	96	GROSS REVENUE CONVERSION FACTOR	1.41376								
TI	97	UNCOLLECTIBLES EXPENSE FACTOR	0.003472								
TI	98	PUC / OTS & SBA FEE AS % OF REV FACTOR	0.003080								
TI	99	WEIGHTED COST OF DEBT	1.85%								
TI	100										
SW	1	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR									
SW	2										
SW	3	PRODUCTION SALARIES & WAGES EXPENSE									
SW	4	Manufactured Gas Production Expense									
SW	5	Operation - Acct 717	OX_PRODM	48	48	0	0	48	0	0	0
SW	6	Maintenance - Accts 741-742	MX_PRODM	112	112	0	0	112	0	0	0
SW	7	Total Manufactured Gas Production Expense		160	160	0	0	160	0	0	0
SW	8										
SW	9	Other Gas Supply Expense									
SW	10	Operation - Accounts 804-808	OX_PRODO	0	0	0	0	0	0	0	0
SW	11	Total Other Gas Supply		0	0	0	0	0	0	0	0
SW	12	TOTAL PRODUCTION S&W EXP		160	160	0	0	160	0	0	0
SW	13										
SW	14	STORAGE SALARIES & WAGES EXPENSE									
SW	15	Operation - Accts 840-841	OX_STOR	541	541	0	0	0	541	0	0
SW	16	Maintenance - Acct 843	MX_STOR	1,672	1,672	0	0	0	1,672	0	0
SW	17	TOTAL STORAGE S&W EXP		2,213	2,213	0	0	0	2,213	0	0
SW	18										
SW	19	TRANSMISSION SALARIES & WAGES EXPENSE									
SW	20	Operation	OX_TRAN	0	0	0	0	0	0	0	0
SW	21	Maintenance	MX_TRAN	0	0	0	0	0	0	0	0
SW	22	TOTAL TRANSMISSION S&W EXP		0	0	0	0	0	0	0	0
SW	23										
SW	24	DISTRIBUTION SALARIES & WAGES EXPENSE									
SW	25	Operation									
SW	26	874-Mains and Services Expenses	OX_874	5,809	3,570	0	2,239	0	0	3,570	0
SW	27	875-Measuring & Reg. Station Exp.-General	OX_875	714	714	0	0	0	0	714	0
SW	28	878-Meter & House Regulator Expenses	OX_878	1,217	0	0	1,217	0	0	0	0
SW	29	879-Customer Installations Expenses	OX_879	3,662	0	0	3,662	0	0	0	0
SW	30	880-Other Expenses	OX_880	2,695	1,505	0	1,190	0	0	1,505	0
SW	31	Total Operation		14,096	5,789	0	8,307	0	0	5,789	0
SW	32	Maintenance									
SW	33	887-Maintenance of Mains	MX_887	9,628	9,628	0	0	0	0	9,628	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
TI	85								
TI	86								
TI	87								
TI	88								
TI	89								
TI	90	TAX RATES & FACTORS							
TI	91	GROSS RECEIPTS TAX RATE	0.00%						
TI	92	STATE TAX RATE	9.99%						
TI	93	FEDERAL TAX RATE - CURRENT	21.00%						
TI	94	1 - EFFECTIVE TAX RATE							
TI	95	EFFECTIVE TAX RATE							
TI	96	GROSS REVENUE CONVERSION FACTOR	1.41376						
TI	97	UNCOLLECTIBLES EXPENSE FACTOR	0.003472						
TI	98	PUC / OTS & SBA FEE AS % OF REV FACTOR	0.003080						
TI	99	WEIGHTED COST OF DEBT	1.85%						
TI	100								
SW	1	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR							
SW	2								
SW	3	PRODUCTION SALARIES & WAGES EXPENSE							
SW	4	Manufactured Gas Production Expense							
SW	5	Operation - Acct 717	OX_PRODM	0	0	0	0	0	0
SW	6	Maintenance - Accts 741-742	MX_PRODM	0	0	0	0	0	0
SW	7	Total Manufactured Gas Production Expense		0	0	0	0	0	0
SW	8								
SW	9	Other Gas Supply Expense							
SW	10	Operation - Accounts 804-808	OX_PRODO	0	0	0	0	0	0
SW	11	Total Other Gas Supply		0	0	0	0	0	0
SW	12	TOTAL PRODUCTION S&W EXP		0	0	0	0	0	0
SW	13								
SW	14	STORAGE SALARIES & WAGES EXPENSE							
SW	15	Operation - Accts 840-841	OX_STOR	0	0	0	0	0	0
SW	16	Maintenance - Acct 843	MX_STOR	0	0	0	0	0	0
SW	17	TOTALSTORAGE S&W EXP		0	0	0	0	0	0
SW	18								
SW	19	TRANSMISSION SALARIES & WAGES EXPENSE							
SW	20	Operation	OX_TRAN	0	0	0	0	0	0
SW	21	Maintenance	MX_TRAN	0	0	0	0	0	0
SW	22	TOTAL TRANSMISSION S&W EXP		0	0	0	0	0	0
SW	23								
SW	24	DISTRIBUTION SALARIES & WAGES EXPENSE							
SW	25	Operation							
SW	26	874-Mains and Services Expenses	OX_874	0	2,239	0	0	0	0
SW	27	875-Measuring & Reg. Station Exp.-General	OX_875	0	0	0	0	0	0
SW	28	878-Meter & House Regulator Expenses	OX_878	0	0	1,217	0	0	0
SW	29	879-Customer Installations Expenses	OX_879	0	0	0	3,662	0	0
SW	30	880-Other Expenses	OX_880	0	883	306	0	0	0
SW	31	Total Operation		0	3,122	1,523	3,662	0	0
SW	32	Maintenance							
SW	33	887-Maintenance of Mains	MX_887	0	0	0	0	0	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
SW	34	889-Maint. of Measuring & Reg. Station Equip.-Gen	MX_889	494	494	0	0	0	0	494	0
SW	35	892-Maintenance of Services	MX_892	710	0	0	710	0	0	0	0
SW	36	893-Maint. of Meters & House Regulators	MX_893	285	0	0	285	0	0	0	0
SW	37	894-Maintenance of Other Equipment	MX_894	116	65	0	51	0	0	65	0
SW	38	Total Distribution Maintenance		11,234	10,186	0	1,047	0	0	10,186	0
SW	39	TOTAL DISTRIBUTION S&W EXP		25,330	15,976	0	9,354	0	0	15,976	0
SW	40	TOTAL OPER & MAINT S&W EXP (PROD, STOR, TRAN,& DIST)		27,702	18,348	0	9,354	160	2,213	15,976	0
SW	41										
SW	42										
SW	43										
SW	44										
SW	45										
SW	46										
SW	47										
SW	48										
SW	49										
SW	50										
SW	51	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR CONTINUED									
SW	52										
SW	53	CUSTOMER ACCOUNTS EXPENSES									
SW	54	902-Meter Reading	CMETRDG	0	0	0	0	0	0	0	0
SW	55	903-Customer Records and Collection Expense	CUSTREC	5,897	0	0	5,897	0	0	0	0
SW	56	904-Uncollectible Accounts	EXP_904	0	0	0	0	0	0	0	0
SW	57	904-Uncollectible Accounts - PPA	EXP_904	0	0	0	0	0	0	0	0
SW	58	905-Miscellaneous CA	CUSTCAM	291	0	0	291	0	0	0	0
SW	59	TOTAL CUSTOMER ACCTS S&W EXPENSE		6,188	0	0	6,188	0	0	0	0
SW	60										
SW	61	CUSTOMER SERVICE & SALES EXPENSES									
SW	62	908-Customer Assistance	CUSTASST	226	0	0	226	0	0	0	0
SW	63	909-Advertisement	CUSTADVT	0	0	0	0	0	0	0	0
SW	64	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0	0	0
SW	65	912-Demonstrating and Selling Expenses	CUSTSALES	388	0	0	388	0	0	0	0
SW	66	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0	0	0
SW	67	TOTAL CUST SERVICE & SALES S&W EXP		615	0	0	615	0	0	0	0
SW	68										
SW	69	TOTAL OPER & MAINT S&W EXP EXCL A&G		34,505	18,348	0	16,157	160	2,213	15,976	0
SW	70										
SW	71	ADMINISTRATIVE & GENERAL EXPENSE									
SW	72	920-Administrative Salaries	SALWAGXAG	7,398	3,934	0	3,464	34	474	3,425	0
SW	73	921-Office Supplies & Expense	SALWAGXAG	0	0	0	0	0	0	0	0
SW	74	923-Outside Service Employed	SALWAGXAG	0	0	0	0	0	0	0	0
SW	75	924-Property Insurance	PSTDGPLT	0	0	0	0	0	0	0	0
SW	76	925-Injuries and Damages	SALWAGXAG	129	69	0	60	1	8	60	0
SW	77	926-Employee Pensions & Benefits	SALWAGXAG	0	0	0	0	0	0	0	0
SW	78	928-Regulatory Commission	CLAIMREV	0	0	0	0	0	0	0	0
SW	79	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0	0	0
SW	80	930.1-General Advertising	SALWAGXAG	0	0	0	0	0	0	0	0
SW	81	930.2-Miscellaneous General	SALWAGXAG	0	0	0	0	0	0	0	0
SW	82	932-Maintenance of General Plant	GENLPLT	177	94	0	83	1	11	82	0

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
SW	34	889-Maint. of Measuring & Reg. Station Equip.-Gen	MX_889	0	0	0	0	0	0
SW	35	892-Maintenance of Services	MX_892	0	710	0	0	0	0
SW	36	893-Maint. of Meters & House Regulators	MX_893	0	0	285	0	0	0
SW	37	894-Maintenance of Other Equipment	MX_894	0	38	13	0	0	0
SW	38	Total Distribution Maintenance		0	748	299	0	0	0
SW	39	TOTAL DISTRIBUTION S&W EXP		0	3,870	1,822	3,662	0	0
SW	40	TOTAL OPER & MAINT S&W EXP (PROD, STOR, TRAN,& DIST)		0	3,870	1,822	3,662	0	0
SW	41								
SW	42								
SW	43								
SW	44								
SW	45								
SW	46								
SW	47								
SW	48								
SW	49								
SW	50								
SW	51	DEVELOPMENT OF SALARIES & WAGES ALLOCATION FACTOR COI							
SW	52								
SW	53	CUSTOMER ACCOUNTS EXPENSES							
SW	54	902-Meter Reading	CMETRDG	0	0	0	0	0	0
SW	55	903-Customer Records and Collection Expense	CUSTREC	0	0	0	0	0	5,897
SW	56	904-Uncollectible Accounts	EXP_904	0	0	0	0	0	0
SW	57	904-Uncollectible Accounts - PPA	EXP_904	0	0	0	0	0	0
SW	58	905-Miscellaneous CA	CUSTCAM	0	0	0	0	0	291
SW	59	TOTAL CUSTOMER ACCTS S&W EXPENSE		0	0	0	0	0	6,188
SW	60								
SW	61	CUSTOMER SERVICE & SALES EXPENSES							
SW	62	908-Customer Assistance	CUSTASST	0	0	0	0	226	0
SW	63	909-Advertisement	CUSTADVT	0	0	0	0	0	0
SW	64	910-Miscellaneous CS	CUSTCSM	0	0	0	0	0	0
SW	65	912-Demonstrating and Selling Expenses	CUSTSALES	0	0	0	0	388	0
SW	66	916 Miscellaneous Sales Expenses	CUSTSALES	0	0	0	0	0	0
SW	67	TOTAL CUST SERVICE & SALES S&W EXP		0	0	0	0	615	0
SW	68								
SW	69	TOTAL OPER & MAINT S&W EXP EXCL A&G		0	3,870	1,822	3,662	615	6,188
SW	70								
SW	71	ADMINISTRATIVE & GENERAL EXPENSE							
SW	72	920-Administrative Salaries	SALWAGXAG	0	830	391	785	132	1,327
SW	73	921-Office Supplies & Expense	SALWAGXAG	0	0	0	0	0	0
SW	74	923-Outside Service Employed	SALWAGXAG	0	0	0	0	0	0
SW	75	924-Property Insurance	PSTDGPLT	0	0	0	0	0	0
SW	76	925-Injuries and Damages	SALWAGXAG	0	14	7	14	2	23
SW	77	926-Employee Pensions & Benefits	SALWAGXAG	0	0	0	0	0	0
SW	78	928-Regulatory Commission	CLAIMREV	0	0	0	0	0	0
SW	79	929-Duplicate Charges-Credit	CLAIMREV	0	0	0	0	0	0
SW	80	930.1-General Advertising	SALWAGXAG	0	0	0	0	0	0
SW	81	930.2-Miscellaneous General	SALWAGXAG	0	0	0	0	0	0
SW	82	932-Maintenance of General Plant	GENLPLT	0	20	9	19	3	32

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
SW	83	TOTAL A&G S&W EXPENSE		7,704	4,097	0	3,607	36	494	3,567	0
SW	84										
SW	85	TOTAL OPER & MAINTENANCE SALARIES & WAGES EXP		42,209	22,445	0	19,764	195	2,707	19,543	0
SW	86										
SW	87										
SW	88										
SW	89										
SW	90										
SW	91										
SW	92										
SW	93										
SW	94										
SW	95										
SW	96										
SW	97										
SW	98										
SW	99										
SW	100										
AF	1	ALLOCATION FACTOR TABLE									
AF	2	EXTERNALLY DEVELOPED ALLOCATION FACTORS									
AF	3										
AF	4	CAPACITY									
AF	5	<u>CAPACITY - PRODUCTION RELATED (LPG)</u>									
AF	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	846,416							
AF	7										
AF	8										
AF	9	<u>CAPACITY - STORAGE RELATED (LNG)</u>									
AF	10	Capacity Storage - Design Peak Day Sendout	DPKDAY	846,416							
AF	11										
AF	12										
AF	13										
AF	14	<u>CAPACITY - TRANSMISSION RELATED</u>									
AF	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	846,416							
AF	16										
AF	17										
AF	18										
AF	19										
AF	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>									
AF	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	683,737							
AF	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	15,289							
AF	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	2,147							
AF	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	155							
AF	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	846,416							
AF	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	11,382							
AF	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	2,689							
AF	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	159							
AF	29										
AF	30	Capacity Avg Daily Del excl Direct	DAVGDD	230,679							
AF	31										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
SW	83	TOTAL A&G S&W EXPENSE		0	864	407	818	137	1,382
SW	84								
SW	85	TOTAL OPER & MAINTENANCE SALARIES & WAGES EXP		0	4,735	2,229	4,479	752	7,570
SW	86								
SW	87								
SW	88								
SW	89								
SW	90								
SW	91								
SW	92								
SW	93								
SW	94								
SW	95								
SW	96								
SW	97								
SW	98								
SW	99								
SW	100								
AF	1	ALLOCATION FACTOR TABLE							
AF	2	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	3								
AF	4	<u>CAPACITY</u>							
AF	5	<u>CAPACITY - PRODUCTION RELATED (LPG)</u>							
AF	6	Capacity Production - Design Peak Day Sendout	DPKDAYP						
AF	7								
AF	8								
AF	9	<u>CAPACITY - STORAGE RELATED (LNG)</u>							
AF	10	Capacity Storage - Design Peak Day Sendout	DPKDAY						
AF	11								
AF	12								
AF	13								
AF	14	<u>CAPACITY - TRANSMISSION RELATED</u>							
AF	15	Capacity Transmission - Design Peak Day Sendout	DTRAN						
AF	16								
AF	17								
AF	18								
AF	19								
AF	20	<u>CAPACITY - DISTRIBUTION RELATED (Non-Coincident Peak Capacity)</u>							
AF	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS						
AF	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS						
AF	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD						
AF	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE						
AF	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY						
AF	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR						
AF	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD						
AF	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE						
AF	29								
AF	30	Capacity Avg Daily Del excl Direct	DAVGDD						
AF	31								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	32										
AF	33										
AF	34										
AF	35										
AF	36										
AF	37										
AF	38										
AF	39										
AF	40										
AF	41										
AF	42										
AF	43										
AF	44										
AF	45										
AF	46										
AF	47										
AF	48										
AF	49										
AF	50										
AF	51	ALLOCATION FACTOR TABLE CONTINUED									
AF	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>									
AF	53										
AF	54	<u>COMMODITY</u>									
AF	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	90,879,246							
AF	56	Annual Gas Deliveries - Firm	ETHRUPUTF	76,208,903							
AF	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	25,845,137							
AF	58										
AF	59										
AF	60	Commodity Gas Storage	ESTORAGE	1.0000							
AF	61										
AF	62										
AF	63										
AF	64										
AF	65	Annual Gas Cost (PGC)	EGAS	201,635							
AF	66	Commodity - Balancing Service Charge (BSC)	EBSC	25,075							
AF	67										
AF	68	<u>CUSTOMER</u>									
AF	69	380-Services	CSERVICE	3,347,375							
AF	70	381-Meters (Avg Cost per meter)	CMETERS	215,514							
AF	71	381-Meters Direct Assignment	CMETERSDA	1							
AF	72	382-Meters Installations Direct Assignment	CMETINSTDA	1							
AF	73										
AF	74	Customer Deposits	CUSTDEP	12,465							
AF	75	Customer Deposits Interest	CUSTDEPINT	351							
AF	76										
AF	77	879-Customer Installation Expense	CUSTINSTALL	539,593							
AF	78	902-Meter Reading Expense	CMETRDG	539,593							
AF	79	903-Customer Records and Collections	CUSTREC	1.0000							
AF	80	905-Miscellaneous Customer Accounts	CUSTCAM	539,593							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	32								
AF	33								
AF	34								
AF	35								
AF	36								
AF	37								
AF	38								
AF	39								
AF	40								
AF	41								
AF	42								
AF	43								
AF	44								
AF	45								
AF	46								
AF	47								
AF	48								
AF	49								
AF	50								
AF	51	ALLOCATION FACTOR TABLE CONTINUED							
AF	52	<u>EXTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	53								
AF	54	<u>COMMODITY</u>							
AF	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT						
AF	56	Annual Gas Deliveries - Firm	ETHRUPUTF						
AF	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT						
AF	58								
AF	59								
AF	60	Commodity Gas Storage	ESTORAGE						
AF	61								
AF	62								
AF	63								
AF	64								
AF	65	Annual Gas Cost (PGC)	EGAS						
AF	66	Commodity - Balancing Service Charge (BSC)	EBSC						
AF	67								
AF	68	<u>CUSTOMER</u>							
AF	69	380-Services	CSERVICE						
AF	70	381-Meters (Avg Cost per meter)	CMETERS						
AF	71	381-Meters Direct Assignment	CMETERSDA						
AF	72	382-Meters Installations Direct Assignment	CMETINSTDA						
AF	73								
AF	74	Customer Deposits	CUSTDEP						
AF	75	Customer Deposits Interest	CUSTDEPINT						
AF	76								
AF	77	879-Customer Installation Expense	CUSTINSTALL						
AF	78	902-Meter Reading Expense	CMETRDG						
AF	79	903-Customer Records and Collections	CUSTREC						
AF	80	905-Miscellaneous Customer Accounts	CUSTCAM						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	81	908-Customer Assistance	CUSTASST	1.0000							
AF	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	44,498							
AF	83	909-Informational and Instructional Advertising	CUSTADVT	1.0000							
AF	84	910-Miscellaneous Customer Service	CUSTCSM	1.0000							
AF	85	916-Miscellaneous Sales Expense	CUSTSALES	1.0000							
AF	86										
AF	87	Number of Bills	CUSTBILLS	6,475,119							
AF	88	Number of Customers (Average Annual)	CUST	539,593							
AF	89										
AF	90										
AF	91										
AF	92										
AF	93										
AF	94										
AF	95										
AF	96										
AF	97										
AF	98										
AF	99										
AF	100										
AF	101	ALLOCATION FACTOR TABLE CONTINUED									
AF	102	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AF	103	Plant Related									
AF	104	Intangible Plant	INTPLT	18,229							
AF	105	Production Plant	PRODPLT	15,539							
AF	106	Storage Plant	STORPLT	72,428							
AF	107	Transmission Plant in Service	TRANPLT	0							
AF	108	Distribution Plant in Service	DISTPLT	3,392,978							
AF	109	General Plant in Service	GENLPLT	38,495							
AF	110	Total Gas Plant In Service	TOTPLT	3,537,670							
AF	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	3,776,697							
AF	112	Total Transmission and Distribution Plant	TDPLT	3,392,978							
AF	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	3,519,441							
AF	114	Total Distribution and General Plant	DGPLT	3,431,473							
AF	115	Rate Base	RATEBASE	2,461,939							
AF	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1,873,803							
AF	117										
AF	118	Account 374	PLT_374	3,637							
AF	119	Account 375	PLT_375	15,745							
AF	120	Account 376-General Excess	PLT_376GE	1,313,540							
AF	121	Account 376-General Average	PLT_376GA	443,161							
AF	122	Account 376-DA	PLT_376DA	15,289							
AF	123	Account 376	PLT_376	1,771,990							
AF	124	Account 378	PLT_378	24,652							
AF	125	Account 379-City Gate	PLT_379CG	65,778							
AF	126	Account 379-Joint	PLT_379DA	11,382							
AF	127	Account 379	PLT_379	77,160							
AF	128	Account 380	PLT_380	1,111,048							
AF	129	Account 381	PLT_381	164,090							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	81	908-Customer Assistance	CUSTASST						
AF	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA						
AF	83	909-Informational and Instructional Advertising	CUSTADVT						
AF	84	910-Miscellaneous Customer Service	CUSTCSM						
AF	85	916-Miscellaneous Sales Expense	CUSTSALES						
AF	86								
AF	87	Number of Bills	CUSTBILLS						
AF	88	Number of Customers (Average Annual)	CUST						
AF	89								
AF	90								
AF	91								
AF	92								
AF	93								
AF	94								
AF	95								
AF	96								
AF	97								
AF	98								
AF	99								
AF	100								
AF	101	ALLOCATION FACTOR TABLE CONTINUED							
AF	102	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	103	<u>Plant Related</u>							
AF	104	Intangible Plant	INTPLT						
AF	105	Production Plant	PRODPLT						
AF	106	Storage Plant	STORPLT						
AF	107	Transmission Plant in Service	TRANPLT						
AF	108	Distribution Plant in Service	DISTPLT						
AF	109	General Plant in Service	GENLPLT						
AF	110	Total Gas Plant In Service	TOTPLT						
AF	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR						
AF	112	Total Transmission and Distribution Plant	TDPLT						
AF	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT						
AF	114	Total Distribution and General Plant	DGPLT						
AF	115	Rate Base	RATEBASE						
AF	116	Distribution Plant in Service - Capacity Related	DDISTPLT						
AF	117								
AF	118	Account 374	PLT_374						
AF	119	Account 375	PLT_375						
AF	120	Account 376-General Excess	PLT_376GE						
AF	121	Account 376-General Average	PLT_376GA						
AF	122	Account 376-DA	PLT_376DA						
AF	123	Account 376	PLT_376						
AF	124	Account 378	PLT_378						
AF	125	Account 379-City Gate	PLT_379CG						
AF	126	Account 379-Joint	PLT_379DA						
AF	127	Account 379	PLT_379						
AF	128	Account 380	PLT_380						
AF	129	Account 381	PLT_381						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	130	Account 382	PLT_382	221,083							
AF	131	Account 387	PLT_387	2,118							
AF	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1,454							
AF	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1,873,803							
AF	134	Accounts 376 & 380 - Mains & Services	PLT_376380	2,883,038							
AF	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1,275,138							
AF	136	Accounts 374 & 375 - Land & Structures	PLT_374375	19,382							
AF	137	Accounts 381 through 385	PLT_3815	385,173							
AF	138	Accounts 378, 379, & 387	PLT_378387	103,931							
AF	139										
AF	140	Residential	DPLTRES	1,164,443							
AF	141	Small Commercial and Industrial	DPLTCI	236,711							
AF	142	Large High Load Factor	DPLTLHLF	261							
AF	143	Motor Vehicle - Firm	DPLTMVF	403							
AF	144	Motor Vehicle - Interruptible	DPLTMVI	9							
AF	145	Interruptible Service	DPLTIS	36							
AF	146	Temperature Control	DPLTTC	411							
AF	147	Transportation Service - Firm	DPLTTSF	31,657							
AF	148	Transportation Service - Interruptible	DPLTTSI	20,179							
AF	149										
AF	150										
AF	151	ALLOCATION FACTOR TABLE CONTINUED									
AF	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>									
AF	153										
AF	154	<u>Production Expense Related</u>									
AF	155	Account 717	OX_717	80							
AF	156	Account 741	MX_741	53							
AF	157	Account 743	MX_743	133							
AF	158	Manufactured Gas Production Operation Expense	OX_PRODM	80							
AF	159	Manufactured Gas Production Maintenance Expense	MX_PRODM	186							
AF	160	Other Production Operation Expense	OX_PRODO	226,710							
AF	161										
AF	162										
AF	163	<u>Storage Expense Related</u>									
AF	164	Storage Operation Expense	OX_STOR	1,065							
AF	165	Storage Maintenance Expense	MX_STOR	4,414							
AF	166										
AF	167										
AF	168	<u>Transmission Expense Related</u>									
AF	169	Transmission Operation Expense	OX_TRAN	0							
AF	170	Transmission Maintenance Expense	MX_TRAN	0							
AF	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0							
AF	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0							
AF	173										
AF	174										
AF	175	<u>Distribution Expense Related</u>									
AF	176	Account 874	OX_874	16,959							
AF	177	Account 875	OX_875	1,036							
AF	178	Account 878	OX_878	5,979							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	130	Account 382	PLT_382						
AF	131	Account 387	PLT_387						
AF	132	Account 388-Asset Retirement Costs for Distribution	PLT_388						
AF	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379						
AF	134	Accounts 376 & 380 - Mains & Services	PLT_376380						
AF	135	Accounts 380 & 381 - Services & Meters	PLT_380381						
AF	136	Accounts 374 & 375 - Land & Structures	PLT_374375						
AF	137	Accounts 381 through 385	PLT_3815						
AF	138	Accounts 378, 379, & 387	PLT_378387						
AF	139								
AF	140	Residential	DPLTRES						
AF	141	Small Commercial and Industrial	DPLTCI						
AF	142	Large High Load Factor	DPLTLHLF						
AF	143	Motor Vehicle - Firm	DPLTMVF						
AF	144	Motor Vehicle - Interruptible	DPLTMVI						
AF	145	Interruptible Service	DPLTIS						
AF	146	Temperature Control	DPLTTC						
AF	147	Transportation Service - Firm	DPLTTSF						
AF	148	Transportation Service - Interruptible	DPLTTSI						
AF	149								
AF	150								
AF	151	ALLOCATION FACTOR TABLE CONTINUED							
AF	152	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	153								
AF	154	<u>Production Expense Related</u>							
AF	155	Account 717	OX_717						
AF	156	Account 741	MX_741						
AF	157	Account 743	MX_743						
AF	158	Manufactured Gas Production Operation Expense	OX_PROD						
AF	159	Manufactured Gas Production Maintenance Expense	MX_PROD						
AF	160	Other Production Operation Expense	OX_PRODO						
AF	161								
AF	162								
AF	163	<u>Storage Expense Related</u>							
AF	164	Storage Operation Expense	OX_STOR						
AF	165	Storage Maintenance Expense	MX_STOR						
AF	166								
AF	167								
AF	168	<u>Transmission Expense Related</u>							
AF	169	Transmission Operation Expense	OX_TRAN						
AF	170	Transmission Maintenance Expense	MX_TRAN						
AF	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO						
AF	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM						
AF	173								
AF	174								
AF	175	<u>Distribution Expense Related</u>							
AF	176	Account 874	OX_874						
AF	177	Account 875	OX_875						
AF	178	Account 878	OX_878						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	179	Account 879	OX_879	5,158							
AF	180	Account 880	OX_880	13,512							
AF	181	Account 887	MX_887	17,505							
AF	182	Account 889	MX_889	1,014							
AF	183	Account 892	MX_892	1,445							
AF	184	Account 893	MX_893	418							
AF	185	Account 894	MX_894	879							
AF	186	O&M Accounts 874-880	OX_DIST	42,643							
AF	187	O&M Accounts 887-894	MX_DIST	3,756							
AF	188										
AF	189										
AF	190										
AF	191										
AF	192										
AF	193										
AF	194										
AF	195										
AF	196										
AF	197										
AF	198										
AF	199										
AF	200										
AF	201	ALLOCATION FACTOR TABLE CONTINUED									
AF	202	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AF	203										
AF	204	<u>Customer Distribution Expense Related</u>									
AF	205	Account 902	OX_902	199							
AF	206	Account 903	OX_903	14,723							
AF	207	Account 904	OX_904	2,263							
AF	208	O&M Accounts 902-905	OX_CA	19,658							
AF	209										
AF	210	Account908	OX_908	7,742							
AF	211	Account909	OX_909	309							
AF	212	Account910	OX_910	0							
AF	213	O&M Accounts 908-910	OX_CS	8,550							
AF	214	Accounts 901-910	X_CACS	31,019							
AF	215										
AF	216	Total O&M less Purchased Gas	OMXPP	144,391							
AF	217										
AF	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	86,740							
AF	219										
AF	220	Base Taxable Income	EBT	76,629							
AF	221										
AF	222										
AF	223	<u>Salaries and Wages Expense Related</u>									
AF	224	Salaries & Wages Accounts 870-880	SALWAGDO	14,096							
AF	225	Salaries & Wages Accounts 887-894	SALWAGDM	11,234							
AF	226	Salaries & Wages Accounts 902-905	SALWAGCA	6,188							
AF	227	Salaries & Wages Accounts 908-910	SALWAGCS	226							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	179	Account 879	OX_879						
AF	180	Account 880	OX_880						
AF	181	Account 887	MX_887						
AF	182	Account 889	MX_889						
AF	183	Account 892	MX_892						
AF	184	Account 893	MX_893						
AF	185	Account 894	MX_894						
AF	186	O&M Accounts 874-880	OX_DIST						
AF	187	O&M Accounts 887-894	MX_DIST						
AF	188								
AF	189								
AF	190								
AF	191								
AF	192								
AF	193								
AF	194								
AF	195								
AF	196								
AF	197								
AF	198								
AF	199								
AF	200								
AF	201	ALLOCATION FACTOR TABLE CONTINUED							
AF	202	<u>INTERNALLY DEVELOPED ALLOCATION FACTORS</u>							
AF	203								
AF	204	<u>Customer Distribution Expense Related</u>							
AF	205	Account 902	OX_902						
AF	206	Account 903	OX_903						
AF	207	Account 904	OX_904						
AF	208	O&M Accounts 902-905	OX_CA						
AF	209								
AF	210	Account908	OX_908						
AF	211	Account909	OX_909						
AF	212	Account910	OX_910						
AF	213	O&M Accounts 908-910	OX_CS						
AF	214	Accounts 901-910	X_CACS						
AF	215								
AF	216	Total O&M less Purchased Gas	OMXPP						
AF	217								
AF	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP						
AF	219								
AF	220	Base Taxable Income	EBT						
AF	221								
AF	222								
AF	223	<u>Salaries and Wages Expense Related</u>							
AF	224	Salaries & Wages Accounts 870-880	SALWAGDO						
AF	225	Salaries & Wages Accounts 887-894	SALWAGDM						
AF	226	Salaries & Wages Accounts 902-905	SALWAGCA						
AF	227	Salaries & Wages Accounts 908-910	SALWAGCS						

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	34,505							
AF	229	Total Salaries and Wages Expense	SALWAGES	42,209							
AF	230										
AF	231										
AF	232										
AF	233										
AF	234										
AF	235										
AF	236										
AF	237										
AF	238										
AF	239										
AF	240										
AF	241										
AF	242										
AF	243										
AF	244										
AF	245										
AF	246										
AF	247										
AF	248										
AF	249										
AF	250										
AF	251	REVENUES AND BILLING DETERMINANTS									
AF	252										
AF	253	Base Rate Sales Revenue	SALESREV	361,541							
AF	254										
AF	255	Residential	SREVRES	233,489							
AF	256	Small Commercial and Industrial	SREVC	100,579							
AF	257	Large High Load Factor	SREVLHLF	75							
AF	258	Motor Vehicle - Firm	SREVMVF	475							
AF	259	Motor Vehicle - Interruptible	SREVMVI	5							
AF	260	Interruptible Service	SREVIS	0							
AF	261	Temperature Control	SREVTC	690							
AF	262	Transportation Service - Firm	SREVTSF	16,719							
AF	263	Transportation Service - Interruptible	SREVTSI	9,509							
AF	264										
AF	265										
AF	266	Claimed Rate Sales Revenue	CLAIMREV	656,974							
AF	267										
AF	268										
AF	269										
AF	270										
AF	271										
AF	272	PRESENT REVENUES FROM SALES INPUT									
AF	273										
AF	274	Total Sales of Gas Revenues		588,251							
AF	275	Sales of Gas Revenues - Distribution		361,541							
AF	276	Sales of Gas Revenues - PGC		201,635							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG						
AF	229	Total Salaries and Wages Expense	SALWAGES						
AF	230								
AF	231								
AF	232								
AF	233								
AF	234								
AF	235								
AF	236								
AF	237								
AF	238								
AF	239								
AF	240								
AF	241								
AF	242								
AF	243								
AF	244								
AF	245								
AF	246								
AF	247								
AF	248								
AF	249								
AF	250								
AF	251	REVENUES AND BILLING DETERMINANTS							
AF	252								
AF	253	Base Rate Sales Revenue	SALESREV						
AF	254								
AF	255	Residential	SREVRES						
AF	256	Small Commercial and Industrial	SREVC						
AF	257	Large High Load Factor	SREVLHLF						
AF	258	Motor Vehicle - Firm	SREVMVF						
AF	259	Motor Vehicle - Interruptible	SREVMVI						
AF	260	Interruptible Service	SREVIS						
AF	261	Temperature Control	SREVTC						
AF	262	Transportation Service - Firm	SREVTSF						
AF	263	Transportation Service - Interruptible	SREVTSI						
AF	264								
AF	265								
AF	266	Claimed Rate Sales Revenue	CLAIMREV						
AF	267								
AF	268								
AF	269								
AF	270								
AF	271								
AF	272	PRESENT REVENUES FROM SALES INPUT							
AF	273								
AF	274	Total Sales of Gas Revenues							
AF	275	Sales of Gas Revenues - Distribution							
AF	276	Sales of Gas Revenues - PGC							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AF	277	Sales of Gas Revenues - BSC		25,075							
AF	278										
AF	279										
AF	280	Sales of Gas Revenues - Transmission		0							
AF	281										
AF	282										
AF	283	BILLING DETERMINATE INPUTS									
AF	284	Number of Customer Bills	SCH AF, LN 87	6,475,119							
AF	285	Annual Booked Throughput Sales (Mcf)	SCH AF, LN 55	90,879,246							
AF	286										
AF	287										
AF	288										
AF	289	RATE OF RETURN									
AF	290	Rate of Return (Equalized)	SCH AF, LN 290	7.70%							
AF	291										
AF	292										
AF	293										
AF	294										
AF	295										
AF	296										
AF	297										
AF	298										
AF	299										
AF	300										
AP	1	ALLOCATION PROPORTIONS TABLE									
AP	2	EXTERNALLY DEVELOPED ALLOCATION FACTOR									
AP	3										
AP	4	CAPACITY									
AP	5	CAPACITY - PRODUCTION RELATED (LPG)									
AP	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	7										
AP	8										
AP	9	CAPACITY - STORAGE RELATED (LNG)									
AP	10	Capacity Storage - Design Peak Day Sendout	DPKDAYD	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	11										
AP	12										
AP	13										
AP	14	CAPACITY - TRANSMISSION RELATED									
AP	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	16										
AP	17										
AP	18										
AP	19										
AP	20	CAPACITY - DISTRIBUTION RELATED (Non-Coincid)									
AP	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AF	277	Sales of Gas Revenues - BSC							
AF	278								
AF	279								
AF	280	Sales of Gas Revenues - Transmission							
AF	281								
AF	282								
AF	283	BILLING DETERMINATE INPUTS							
AF	284	Number of Customer Bills	SCH AF, LN 87						
AF	285	Annual Booked Throughput Sales (Mcf)	SCH AF, LN 55						
AF	286								
AF	287								
AF	288								
AF	289	RATE OF RETURN							
AF	290	Rate of Return (Equalized)	SCH AF, LN 290						
AF	291								
AF	292								
AF	293								
AF	294								
AF	295								
AF	296								
AF	297								
AF	298								
AF	299								
AF	300								
AP	1	ALLOCATION PROPORTIONS TABLE							
AP	2	EXTERNALLY DEVELOPED ALLOCATION FACTOR							
AP	3								
AP	4	CAPACITY							
AP	5	CAPACITY - PRODUCTION RELATED (LPG)							
AP	6	Capacity Production - Design Peak Day Sendout	DPKDAYP	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	7								
AP	8								
AP	9	CAPACITY - STORAGE RELATED (LNG)							
AP	10	Capacity Storage - Design Peak Day Sendout	DPKDAY	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	11								
AP	12								
AP	13								
AP	14	CAPACITY - TRANSMISSION RELATED							
AP	15	Capacity Transmission - Design Peak Day Sendout	DTRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	16								
AP	17								
AP	18								
AP	19								
AP	20	CAPACITY - DISTRIBUTION RELATED (Non-Coincid)							
AP	21	Capacity Distribution Mains (A&E) Excess Demand	DEXCESS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	22	Capacity Distribution Mains (Direct Assign Plant)	DAMAINS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	23	Capacity Distribution Mains (Direct Assign Acc Dep)	DAMAINSAD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	24	Capacity Distribution Mains (Direct Assign Dep Exp)	DAMAINSDE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	25	Capacity Distribution (Des Peak Day Sendout)	DESDAY	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	29										
AP	30	Capacity Avg Daily Del excl Direct	DAVGDD	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	31										
AP	32										
AP	33										
AP	34										
AP	35										
AP	36										
AP	37										
AP	38										
AP	39										
AP	40										
AP	41										
AP	42										
AP	43										
AP	44										
AP	45										
AP	46										
AP	47										
AP	48										
AP	49										
AP	50										
AP	51	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	52	EXTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	53										
AP	54	COMMODITY									
AP	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	56	Annual Gas Deliveries - Firm	ETHRUPUTF	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	58										
AP	59										
AP	60	Commodity Gas Storage	ESTORAGE	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	61										
AP	62										
AP	63										
AP	64										
AP	65	Annual Gas Cost (PGC)	EGAS	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	66	Commodity - Balancing Service Charge (BSC)	EBSC	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	67										
AP	68	CUSTOMER									
AP	69	380-Services	CSERVICE	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	70	381-Meters (Avg Cost per meter)	CMETERS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	71	381-Meters Direct Assignment	CMETERSDA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	72	382-Meters Installations Direct Assignment	CMETINSTDA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	73										
AP	74	Customer Deposits	CUSTDEP	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	26	Capacity Distribution M&R (Direct Assign Plant)	DAMR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	27	Capacity Distribution M&R (Direct Assign Acc Dep)	DAMRAD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	28	Capacity Distribution M&R (Direct Assign Dep Exp)	DAMRDE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	29								
AP	30	Capacity Avg Daily Del excl Direct	DAVGDD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	31								
AP	32								
AP	33								
AP	34								
AP	35								
AP	36								
AP	37								
AP	38								
AP	39								
AP	40								
AP	41								
AP	42								
AP	43								
AP	44								
AP	45								
AP	46								
AP	47								
AP	48								
AP	49								
AP	50								
AP	51	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	52	EXTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	53								
AP	54	COMMODITY							
AP	55	Annual Gas Deliveries - Thruput (Mcf)	ETHRUPUT	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	56	Annual Gas Deliveries - Firm	ETHRUPUTF	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	57	Annual Gas Deliveries - Transportation Only	ETHRUPUTT	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	58								
AP	59								
AP	60	Commodity Gas Storage	ESTORAGE	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	61								
AP	62								
AP	63								
AP	64								
AP	65	Annual Gas Cost (PGC)	EGAS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	66	Commodity - Balancing Service Charge (BSC)	EBSC	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	67								
AP	68	CUSTOMER							
AP	69	380-Services	CSERVICE	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	70	381-Meters (Avg Cost per meter)	CMETERS	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	71	381-Meters Direct Assignment	CMETERSDA	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	72	382-Meters Installations Direct Assignment	CMETINSTDA	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	73								
AP	74	Customer Deposits	CUSTDEP	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	75	Customer Deposits Interest	CUSTDEPINT	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	76										
AP	77	879-Customer Installation Expense	CUSTINSTALL	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	78	902-Meter Reading Expense	CMETRDG	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	79	903-Customer Records and Collections	CUSTREC	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	80	905-Miscellaneous Customer Accounts	CUSTCAM	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	81	908-Customer Assistance	CUSTASST	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	84	910-Miscellaneous Customer Service	CUSTCSM	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	85	916-Miscellaneous Sales Expense	CUSTSALES	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	86										
AP	87	Number of Bills	CUSTBILLS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	88	Number of Customers (Average Annual)	CUST	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	89										
AP	90										
AP	91										
AP	92										
AP	93										
AP	94										
AP	95										
AP	96										
AP	97										
AP	98										
AP	99										
AP	100										
AP	101	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	102	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	103	Plant Related									
AP	104	Intangible Plant	INTPLT	1.00000	0.56928	0.00000	0.43072	0.00447	0.02128	0.54353	0.00000
AP	105	Production Plant	PRODPLT	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	106	Storage Plant	STORPLT	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	107	Transmission Plant in Service	TRANPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	108	Distribution Plant in Service	DISTPLT	1.00000	0.55854	0.00000	0.44146	0.00000	0.00000	0.55854	0.00000
AP	109	General Plant in Service	GENLPLT	1.00000	0.53176	0.00000	0.46824	0.00463	0.06413	0.46300	0.00000
AP	110	Total Gas Plant In Service	TOTPLT	1.00000	0.56928	0.00000	0.43072	0.00447	0.02128	0.54353	0.00000
AP	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	1.00000	0.50159	0.00000	0.49841	0.00000	0.00000	0.50159	0.00000
AP	112	Total Transmission and Distribution Plant	TDPLT	1.00000	0.55854	0.00000	0.44146	0.00000	0.00000	0.55854	0.00000
AP	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	1.00000	0.56928	0.00000	0.43072	0.00447	0.02128	0.54353	0.00000
AP	114	Total Distribution and General Plant	DGPLT	1.00000	0.55823	0.00000	0.44177	0.00005	0.00072	0.55746	0.00000
AP	115	Rate Base	RATEBASE	1.00000	0.57521	0.01430	0.41049	0.00060	0.01834	0.55627	0.00175
AP	116	Distribution Plant in Service - Capacity Related	DDISTPLT	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	117										
AP	118	Account 374	PLT_374	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	119	Account 375	PLT_375	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	120	Account 376-General Excess	PLT_376GE	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	121	Account 376-General Average	PLT_376GA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	122	Account 376-DA	PLT_376DA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	123	Account 376	PLT_376	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	124	Account 378	PLT_378	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	75	Customer Deposits Interest	CUSTDEPINT	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	76								
AP	77	879-Customer Installation Expense	CUSTINSTALL	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	78	902-Meter Reading Expense	CMETRDG	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	79	903-Customer Records and Collections	CUSTREC	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	80	905-Miscellaneous Customer Accounts	CUSTCAM	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	81	908-Customer Assistance	CUSTASST	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	82	908-Customer Assistance - Direct Assignment	CUSTASSTDA	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	84	910-Miscellaneous Customer Service	CUSTCSM	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	85	916-Miscellaneous Sales Expense	CUSTSALES	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	86								
AP	87	Number of Bills	CUSTBILLS	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	88	Number of Customers (Average Annual)	CUST	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	89								
AP	90								
AP	91								
AP	92								
AP	93								
AP	94								
AP	95								
AP	96								
AP	97								
AP	98								
AP	99								
AP	100								
AP	101	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	102	INTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	103	Plant Related							
AP	104	Intangible Plant	INTPLT	0.00000	0.31723	0.11017	0.00116	0.00019	0.00196
AP	105	Production Plant	PRODPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	106	Storage Plant	STORPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	107	Transmission Plant in Service	TRANPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	108	Distribution Plant in Service	DISTPLT	0.00000	0.32779	0.11368	0.00000	0.00000	0.00000
AP	109	General Plant in Service	GENLPLT	0.00000	0.11217	0.05280	0.10612	0.01782	0.17933
AP	110	Total Gas Plant In Service	TOTPLT	0.00000	0.31723	0.11017	0.00116	0.00019	0.00196
AP	111	Distribution Plant Excl Asset Retirement	DISTPLTXAR	0.00000	0.29437	0.20404	0.00000	0.00000	0.00000
AP	112	Total Transmission and Distribution Plant	TDPLT	0.00000	0.32779	0.11368	0.00000	0.00000	0.00000
AP	113	Total Prod, Stor, Trans, Dist & Gen Plant	PSTDGPLT	0.00000	0.31723	0.11017	0.00116	0.00019	0.00196
AP	114	Total Distribution and General Plant	DGPLT	0.00000	0.32537	0.11300	0.00119	0.00020	0.00201
AP	115	Rate Base	RATEBASE	0.01255	0.30869	0.08419	0.00799	0.00151	0.00811
AP	116	Distribution Plant in Service - Capacity Related	DDISTPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	117								
AP	118	Account 374	PLT_374	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	119	Account 375	PLT_375	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	120	Account 376-General Excess	PLT_376GE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	121	Account 376-General Average	PLT_376GA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	122	Account 376-DA	PLT_376DA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	123	Account 376	PLT_376	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	124	Account 378	PLT_378	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	125	Account 379-City Gate	PLT_379CG	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	126	Account 379-Joint	PLT_379DA	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	127	Account 379	PLT_379	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	128	Account 380	PLT_380	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	129	Account 381	PLT_381	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	130	Account 382	PLT_382	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	131	Account 387	PLT_387	1.00000	0.55854	0.00000	0.44146	0.00000	0.00000	0.55854	0.00000
AP	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	1.00000	0.50159	0.00000	0.49841	0.00000	0.00000	0.50159	0.00000
AP	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	134	Accounts 376 & 380 - Mains & Services	PLT_376380	1.00000	0.61463	0.00000	0.38537	0.00000	0.00000	0.61463	0.00000
AP	135	Accounts 380 & 381 - Services & Meters	PLT_380381	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	136	Accounts 374 & 375 - Land & Structures	PLT_374375	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	137	Accounts 381 through 385	PLT_3815	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	138	Accounts 378, 379, & 387	PLT_378387	1.00000	0.99100	0.00000	0.00900	0.00000	0.00000	0.99100	0.00000
AP	139										
AP	140	Residential	DPLTRES	1.00000	0.07750	0.00000	0.92250	0.00000	0.00000	0.07750	0.00000
AP	141	Small Commercial and Industrial	DPLTCI	1.00000	0.20366	0.00000	0.79634	0.00000	0.00000	0.20366	0.00000
AP	142	Large High Load Factor	DPLTLHLF	1.00000	0.88261	0.00000	0.11739	0.00000	0.00000	0.88261	0.00000
AP	143	Motor Vehicle - Firm	DPLTMVF	1.00000	0.49315	0.00000	0.50685	0.00000	0.00000	0.49315	0.00000
AP	144	Motor Vehicle - Interruptible	DPLTMVI	1.00000	0.03246	0.00000	0.96754	0.00000	0.00000	0.03246	0.00000
AP	145	Interruptible Service	DPLTIS	1.00000	0.51491	0.00000	0.48509	0.00000	0.00000	0.51491	0.00000
AP	146	Temperature Control	DPLTTC	1.00000	0.20155	0.00000	0.79845	0.00000	0.00000	0.20155	0.00000
AP	147	Transportation Service - Firm	DPLTTSF	1.00000	0.77512	0.00000	0.22488	0.00000	0.00000	0.77512	0.00000
AP	148	Transportation Service - Interruptible	DPLTTSI	1.00000	0.76578	0.00000	0.23422	0.00000	0.00000	0.76578	0.00000
AP	149										
AP	150										
AP	151	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	152	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	153										
AP	154	Production Expense Related									
AP	155	Account 717	OX_717	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	156	Account 741	MX_741	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	157	Account 743	MX_743	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	158	Manufactured Gas Production Operation Expense	OX_PROD	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	159	Manufactured Gas Production Maintenance Expense	MX_PROD	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	160	Other Production Operation Expense	OX_PRODO	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	161										
AP	162										
AP	163	Storage Expense Related									
AP	164	Storage Operation Expense	OX_STOR	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	165	Storage Maintenance Expense	MX_STOR	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	166										
AP	167										
AP	168	Transmission Expense Related									
AP	169	Transmission Operation Expense	OX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	170	Transmission Maintenance Expense	MX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	173										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	125	Account 379-City Gate	PLT_379CG	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	126	Account 379-Joint	PLT_379DA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	127	Account 379	PLT_379	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	128	Account 380	PLT_380	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	129	Account 381	PLT_381	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	130	Account 382	PLT_382	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	131	Account 387	PLT_387	0.00000	0.32779	0.11368	0.00000	0.00000	0.00000
AP	132	Account 388-Asset Retirement Costs for Distribution	PLT_388	0.00000	0.29437	0.20404	0.00000	0.00000	0.00000
AP	133	Accounts 376, 378 & 379 - Mains & M&R	PLT_376379	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	134	Accounts 376 & 380 - Mains & Services	PLT_376380	0.00000	0.38537	0.00000	0.00000	0.00000	0.00000
AP	135	Accounts 380 & 381 - Services & Meters	PLT_380381	0.00000	0.87132	0.12868	0.00000	0.00000	0.00000
AP	136	Accounts 374 & 375 - Land & Structures	PLT_374375	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	137	Accounts 381 through 385	PLT_3815	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	138	Accounts 378, 379, & 387	PLT_378387	0.00000	0.00668	0.00232	0.00000	0.00000	0.00000
AP	139								
AP	140	Residential	DPLTRES	0.00000	0.82421	0.09829	0.00000	0.00000	0.00000
AP	141	Small Commercial and Industrial	DPLTCI	0.00000	0.61885	0.17748	0.00000	0.00000	0.00000
AP	142	Large High Load Factor	DPLTLHLF	0.00000	0.10111	0.01628	0.00000	0.00000	0.00000
AP	143	Motor Vehicle - Firm	DPLTMVF	0.00000	0.12266	0.38420	0.00000	0.00000	0.00000
AP	144	Motor Vehicle - Interruptible	DPLTMVI	0.00000	0.71003	0.25751	0.00000	0.00000	0.00000
AP	145	Interruptible Service	DPLTIS	0.00000	0.36610	0.11899	0.00000	0.00000	0.00000
AP	146	Temperature Control	DPLTTC	0.00000	0.24850	0.54995	0.00000	0.00000	0.00000
AP	147	Transportation Service - Firm	DPLTTSF	0.00000	0.09573	0.12915	0.00000	0.00000	0.00000
AP	148	Transportation Service - Interruptible	DPLTTSI	0.00000	0.07838	0.15585	0.00000	0.00000	0.00000
AP	149								
AP	150								
AP	151	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	152	INTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	153								
AP	154	Production Expense Related							
AP	155	Account 717	OX_717	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	156	Account 741	MX_741	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	157	Account 743	MX_743	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	158	Manufactured Gas Production Operation Expense	OX_PROD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	159	Manufactured Gas Production Maintenance Expense	MX_PROD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	160	Other Production Operation Expense	OX_PRODO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	161								
AP	162								
AP	163	Storage Expense Related							
AP	164	Storage Operation Expense	OX_STOR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	165	Storage Maintenance Expense	MX_STOR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	166								
AP	167								
AP	168	Transmission Expense Related							
AP	169	Transmission Operation Expense	OX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	170	Transmission Maintenance Expense	MX_TRAN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	171	Transmission Salaries & Wages Accounts 511-567	SALWAGTO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	172	Transmission Salaries & Wages Accounts 569-574	SALWAGTM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	173								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	174										
AP	175	Distribution Expense Related									
AP	176	Account 874	OX_874	1.00000	0.61463	0.00000	0.38537	0.00000	0.00000	0.61463	0.00000
AP	177	Account 875	OX_875	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	178	Account 878	OX_878	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	179	Account 879	OX_879	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	180	Account 880	OX_880	1.00000	0.55854	0.00000	0.44146	0.00000	0.00000	0.55854	0.00000
AP	181	Account 887	MX_887	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	182	Account 889	MX_889	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	183	Account 892	MX_892	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	184	Account 893	MX_893	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	185	Account 894	MX_894	1.00000	0.55854	0.00000	0.44146	0.00000	0.00000	0.55854	0.00000
AP	186	O&M Accounts 874-880	OX_DIST	1.00000	0.44571	0.00000	0.55429	0.00000	0.00000	0.44571	0.00000
AP	187	O&M Accounts 887-894	MX_DIST	1.00000	0.40068	0.00000	0.59932	0.00000	0.00000	0.40068	0.00000
AP	188										
AP	189										
AP	190										
AP	191										
AP	192										
AP	193										
AP	194										
AP	195										
AP	196										
AP	197										
AP	198										
AP	199										
AP	200										
AP	201	ALLOCATION PROPORTIONS TABLE CONTINUED									
AP	202	INTERNALLY DEVELOPED ALLOCATION FACTORS									
AP	203										
AP	204	Customer Distribution Expense Related									
AP	205	Account 902	OX_902	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	206	Account 903	OX_903	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	207	Account 904	OX_904	1.00000	0.44872	0.01504	0.53624	0.00169	0.03610	0.41093	0.00388
AP	208	O&M Accounts 902-905	OX_CA	1.00000	0.05856	0.00197	0.93948	0.00022	0.00473	0.05361	0.00051
AP	209										
AP	210	Account908	OX_908	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	211	Account909	OX_909	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	212	Account910	OX_910	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	213	O&M Accounts 908-910	OX_CS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	214	Accounts 901-910	X_CACS	1.00000	0.03711	0.00125	0.96164	0.00014	0.00300	0.03397	0.00032
AP	215										
AP	216	Total O&M less Purchased Gas	OMXPP	1.00000	0.46781	0.00697	0.52522	0.00317	0.05671	0.40793	0.00660
AP	217										
AP	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	1.00000	0.43348	(0.00000)	0.56652	0.00240	0.05394	0.37714	(0.00000)
AP	219										
AP	220	Base Taxable Income	EBT	1.00000	0.65584	0.02307	0.32109	(0.00140)	0.01830	0.63895	0.00277
AP	221										
AP	222										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	174								
AP	175	Distribution Expense Related							
AP	176	Account 874	OX_874	0.00000	0.38537	0.00000	0.00000	0.00000	0.00000
AP	177	Account 875	OX_875	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	178	Account 878	OX_878	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	179	Account 879	OX_879	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
AP	180	Account 880	OX_880	0.00000	0.32779	0.11368	0.00000	0.00000	0.00000
AP	181	Account 887	MX_887	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	182	Account 889	MX_889	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	183	Account 892	MX_892	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	184	Account 893	MX_893	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
AP	185	Account 894	MX_894	0.00000	0.32779	0.11368	0.00000	0.00000	0.00000
AP	186	O&M Accounts 874-880	OX_DIST	0.00000	0.25712	0.17622	0.12095	0.00000	0.00000
AP	187	O&M Accounts 887-894	MX_DIST	0.00000	0.46140	0.13792	0.00000	0.00000	0.00000
AP	188								
AP	189								
AP	190								
AP	191								
AP	192								
AP	193								
AP	194								
AP	195								
AP	196								
AP	197								
AP	198								
AP	199								
AP	200								
AP	201	ALLOCATION PROPORTIONS TABLE CONTINUED							
AP	202	INTERNALLY DEVELOPED ALLOCATION FACTORS							
AP	203								
AP	204	Customer Distribution Expense Related							
AP	205	Account 902	OX_902	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	206	Account 903	OX_903	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	207	Account 904	OX_904	0.01116	0.26224	0.08745	0.04367	0.04518	0.09769
AP	208	O&M Accounts 902-905	OX_CA	0.00146	0.03471	0.01149	0.00580	0.00600	0.88147
AP	209								
AP	210	Account908	OX_908	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	211	Account909	OX_909	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	212	Account910	OX_910	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	213	O&M Accounts 908-910	OX_CS	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	214	Accounts 901-910	X_CACS	0.00092	0.02200	0.00728	0.00368	0.37005	0.55863
AP	215								
AP	216	Total O&M less Purchased Gas	OMXPP	0.00037	0.12833	0.07371	0.06812	0.08478	0.17029
AP	217								
AP	218	Total O&M less Purchased Gas, Payroll, & Pension	OMXPPPP	(0.00000)	0.13328	0.08645	0.04743	0.12840	0.17096
AP	219								
AP	220	Base Taxable Income	EBT	0.02030	0.23628	0.07103	0.00850	0.00155	0.00374
AP	221								
AP	222								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	223	Salaries and Wages Expense Related									
AP	224	Salaries & Wages Accounts 870-880	SALWAGDO	1.00000	0.41069	0.00000	0.58931	0.00000	0.00000	0.41069	0.00000
AP	225	Salaries & Wages Accounts 887-894	SALWAGDM	1.00000	0.90679	0.00000	0.09321	0.00000	0.00000	0.90679	0.00000
AP	226	Salaries & Wages Accounts 902-905	SALWAGCA	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	227	Salaries & Wages Accounts 908-910	SALWAGCS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
AP	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	1.00000	0.53176	0.00000	0.46824	0.00463	0.06413	0.46300	0.00000
AP	229	Total Salaries and Wages Expense	SALWAGES	1.00000	0.53176	0.00000	0.46824	0.00463	0.06413	0.46300	0.00000
AP	230										
AP	231										
AP	232										
AP	233										
AP	234										
AP	235										
AP	236										
AP	237										
AP	238										
AP	239										
AP	240										
AP	241										
AP	242										
AP	243										
AP	244										
AP	245										
AP	246										
AP	247										
AP	248										
AP	249										
AP	250										
AP	251	REVENUES AND BILLING DETERMINANTS									
AP	252										
AP	253	Base Rate Sales Revenue	SALESREV	1.00000	0.53246	0.01736	0.45018	0.00169	0.03649	0.49428	0.00358
AP	254										
AP	255	Residential	SREVRES	1.00000	0.42078	0.01445	0.56477	0.00164	0.03492	0.38421	0.00391
AP	256	Small Commercial and Industrial	SREVC	1.00000	0.70491	0.01984	0.27524	0.00224	0.04971	0.65296	0.00359
AP	257	Large High Load Factor	SREVLHLF	1.00000	0.92996	0.00826	0.06178	0.01019	0.19008	0.72969	0.00384
AP	258	Motor Vehicle - Firm	SREVMVF	1.00000	0.82268	0.04489	0.13242	0.00213	0.04936	0.77118	0.01625
AP	259	Motor Vehicle - Interruptible	SREVMVI	1.00000	0.23755	0.02851	0.72980	0.00000	0.00000	0.23755	0.02449
AP	260	Interruptible Service	SREVIS	0.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	261	Temperature Control	SREVTC	1.00000	0.63847	0.02579	0.33574	0.00000	0.00000	0.63847	0.01770
AP	262	Transportation Service - Firm	SREVTSF	1.00000	0.87673	0.02255	0.10072	0.00000	0.00000	0.87673	0.00000
AP	263	Transportation Service - Interruptible	SREVTSI	1.00000	0.82043	0.05147	0.12810	0.00000	0.00000	0.82043	0.00000
AP	264										
AP	265										
AP	266	Claimed Rate Sales Revenue	CLAIMREV	1.00000	0.35319	0.35613	0.29068	0.00099	0.02200	0.33020	0.34724
AP	267										
AP	268										
AP	269										
AP	270										
AP	271										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	223	Salaries and Wages Expense Related							
AP	224	Salaries & Wages Accounts 870-880	SALWAGDO	0.00000	0.22147	0.10807	0.25977	0.00000	0.00000
AP	225	Salaries & Wages Accounts 887-894	SALWAGDM	0.00000	0.06663	0.02659	0.00000	0.00000	0.00000
AP	226	Salaries & Wages Accounts 902-905	SALWAGCA	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
AP	227	Salaries & Wages Accounts 908-910	SALWAGCS	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
AP	228	Salaries & Wages Excluding Admin & Gen	SALWAGXAG	0.00000	0.11217	0.05280	0.10612	0.01782	0.17933
AP	229	Total Salaries and Wages Expense	SALWAGES	0.00000	0.11217	0.05280	0.10612	0.01782	0.17933
AP	230								
AP	231								
AP	232								
AP	233								
AP	234								
AP	235								
AP	236								
AP	237								
AP	238								
AP	239								
AP	240								
AP	241								
AP	242								
AP	243								
AP	244								
AP	245								
AP	246								
AP	247								
AP	248								
AP	249								
AP	250								
AP	251	REVENUES AND BILLING DETERMINANTS							
AP	252								
AP	253	Base Rate Sales Revenue	SALESREV	0.01378	0.21841	0.08776	0.03348	0.03489	0.07564
AP	254								
AP	255	Residential	SREVRES	0.01054	0.27594	0.08660	0.04725	0.04883	0.10616
AP	256	Small Commercial and Industrial	SREVC	0.01625	0.14000	0.09594	0.01049	0.01141	0.01740
AP	257	Large High Load Factor	SREVLHLF	0.00442	0.00288	0.00380	0.00101	0.00470	0.04939
AP	258	Motor Vehicle - Firm	SREVMVF	0.02864	0.01378	0.09711	0.00081	0.00082	0.01992
AP	259	Motor Vehicle - Interruptible	SREVMVI	0.00402	0.38886	0.28639	0.01374	0.01056	0.03025
AP	260	Interruptible Service	SREVIS	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	261	Temperature Control	SREVTC	0.00806	0.05940	0.26108	0.00180	0.00121	0.01225
AP	262	Transportation Service - Firm	SREVTSF	0.02255	0.01473	0.05235	0.00063	0.00251	0.03050
AP	263	Transportation Service - Interruptible	SREVTSI	0.05147	0.01682	0.07929	0.00060	0.00232	0.02905
AP	264								
AP	265								
AP	266	Claimed Rate Sales Revenue	CLAIMREV	0.00890	0.15249	0.05710	0.01926	0.01936	0.04247
AP	267								
AP	268								
AP	269								
AP	270								
AP	271								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
AP	272	PRESENT REVENUES FROM SALES INPUT									
AP	273										
AP	274	Total Sales of Gas Revenues		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	275	Sales of Gas Revenues - Distribution		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	276	Sales of Gas Revenues - PGC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	277	Sales of Gas Revenues - BSC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	278										
AP	279										
AP	280	Sales of Gas Revenues - Transmission		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	281										
AP	282										
AP	283										
AP	284										
AP	285										
AP	286										
AP	287										
AP	288										
AP	289										
AP	290										
AP	291										
AP	292										
AP	293										
AP	294										
AP	295										
AP	296										
AP	297										
AP	298										
AP	299										
AP	300										
ADA	1	ALLOCATED DIRECT ASSIGNMENTS									
ADA	2	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS									
ADA	3										
ADA	4	Net Write-Offs									
ADA	5	Residential	SREVRES	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
ADA	6	Small Commercial and Industrial	SREVC	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
ADA	7	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	8	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	9	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	10	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	11	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	12	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	13	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	14										
ADA	15	Total Write-Offs	EXP_904	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ADA	16										
ADA	17	Total Write-Offs	EXP_904	1.00000	0.44872	0.01504	0.53624	0.00169	0.03610	0.41093	0.00388
ADA	18										
ADA	19										
ADA	20	Net Write-Offs - Pre-Programmed Arrearages (PPA)									

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
AP	272	PRESENT REVENUES FROM SALES INPUT							
AP	273								
AP	274	Total Sales of Gas Revenues		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	275	Sales of Gas Revenues - Distribution		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	276	Sales of Gas Revenues - PGC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	277	Sales of Gas Revenues - BSC		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
AP	278								
AP	279								
AP	280	Sales of Gas Revenues - Transmission		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
AP	281								
AP	282								
AP	283								
AP	284								
AP	285								
AP	286								
AP	287								
AP	288								
AP	289								
AP	290								
AP	291								
AP	292								
AP	293								
AP	294								
AP	295								
AP	296								
AP	297								
AP	298								
AP	299								
AP	300								
ADA	1	ALLOCATED DIRECT ASSIGNMENTS							
ADA	2	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS							
ADA	3								
ADA	4	Net Write-Offs							
ADA	5	Residential	SREVRES	0.90	0.90	0.90	0.90	0.90	0.90
ADA	6	Small Commercial and Industrial	SREVC	0.09	0.09	0.09	0.09	0.09	0.09
ADA	7	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	8	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	9	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	10	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00
ADA	11	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00
ADA	12	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	13	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	14								
ADA	15	Total Write-Offs	EXP_904	1.00	1.00	1.00	1.00	1.00	1.00
ADA	16								
ADA	17	Total Write-Offs	EXP_904	0.01116	0.26224	0.08745	0.04367	0.04518	0.09769
ADA	18								
ADA	19								
ADA	20	Net Write-Offs - Pre-Programmed Arrearages (PPA)							

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMP GAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
ADA	21	Residential	SREVRES	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ADA	22	Small Commercial and Industrial	SREVC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	23	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	24	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	25	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	26	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	27	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	28	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	29	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADA	30										
ADA	31	Total Write-Offs	EXP_904PPA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ADA	32										
ADA	33	Total Write-Offs	EXP_904PPA	1.00000	0.42078	0.01445	0.56477	0.00164	0.03492	0.38421	0.00391
ADA	34										
ADA	35										
ADA	36	Forfeited Discounts - Account 487									
ADA	37	Residential	SREVRES	824	824	824	824	824	824	824	824
ADA	38	Small Commercial and Industrial	SREVC	212	212	212	212	212	212	212	212
ADA	39	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0
ADA	40	Motor Vehicle - Firm	SREVMVF	1	1	1	1	1	1	1	1
ADA	41	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0	0	0
ADA	42	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0
ADA	43	Temperature Control	SREVTC	1	1	1	1	1	1	1	1
ADA	44	Transportation Service - Firm	SREVTSF	32	32	32	32	32	32	32	32
ADA	45	Transportation Service - Interruptible	SREVTSI	18	18	18	18	18	18	18	18
ADA	46										
ADA	47	Total Forfeited Discounts	REV_487	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
ADA	48										
ADA	49	Total Forfeited Discounts	REV_487	1.00000	0.49704	0.01641	0.48655	0.00168	0.03614	0.45922	0.00370
ADA	50										
ADA	51	ALLOCATED DIRECT ASSIGNMENTS									
ADA	52	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS									
ADA	53										
ADA	54	Purchase of Receivables (POR)									
ADA	55	Residential	SREVRES	45,995	45,995	45,995	45,995	45,995	45,995	45,995	45,995
ADA	56	Small Commercial and Industrial	SREVC	17,258	17,258	17,258	17,258	17,258	17,258	17,258	17,258
ADA	57	Large High Load Factor	SREVLHLF	0	0	0	0	0	0	0	0
ADA	58	Motor Vehicle - Firm	SREVMVF	81	81	81	81	81	81	81	81
ADA	59	Motor Vehicle - Interruptible	SREVMVI	1	1	1	1	1	1	1	1
ADA	60	Interruptible Service	SREVIS	0	0	0	0	0	0	0	0
ADA	61	Temperature Control	SREVTC	118	118	118	118	118	118	118	118
ADA	62	Transportation Service - Firm	SREVTSF	0	0	0	0	0	0	0	0
ADA	63	Transportation Service - Interruptible	SREVTSI	0	0	0	0	0	0	0	0
ADA	64										
ADA	65	Purchase of Receivables	REV_POR	63,454	63,454	63,454	63,454	63,454	63,454	63,454	63,454
ADA	66										
ADA	67	Purchase of Receivables	REV_POR	1.00000	0.49898	0.01598	0.48504	0.00180	0.03890	0.45828	0.00387
ADA	68										
ADA	69										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
ADA	21	Residential	SREVRES	1.00	1.00	1.00	1.00	1.00	1.00
ADA	22	Small Commercial and Industrial	SREVC	0.00	0.00	0.00	0.00	0.00	0.00
ADA	23	Large High Load Factor	SREVLHLF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	24	Motor Vehicle - Firm	SREVMVF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	25	Motor Vehicle - Interruptible	SREVMVI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	26	Interruptible Service	SREVIS	0.00	0.00	0.00	0.00	0.00	0.00
ADA	27	Temperature Control	SREVTC	0.00	0.00	0.00	0.00	0.00	0.00
ADA	28	Transportation Service - Firm	SREVTSF	0.00	0.00	0.00	0.00	0.00	0.00
ADA	29	Transportation Service - Interruptible	SREVTSI	0.00	0.00	0.00	0.00	0.00	0.00
ADA	30								
ADA	31	Total Write-Offs	EXP_904PPA	1.00	1.00	1.00	1.00	1.00	1.00
ADA	32								
ADA	33	Total Write-Offs	EXP_904PPA	0.01054	0.27594	0.08660	0.04725	0.04883	0.10616
ADA	34								
ADA	35								
ADA	36	Forfeited Discounts - Account 487							
ADA	37	Residential	SREVRES	824	824	824	824	824	824
ADA	38	Small Commercial and Industrial	SREVC	212	212	212	212	212	212
ADA	39	Large High Load Factor	SREVLHLF	0	0	0	0	0	0
ADA	40	Motor Vehicle - Firm	SREVMVF	1	1	1	1	1	1
ADA	41	Motor Vehicle - Interruptible	SREVMVI	0	0	0	0	0	0
ADA	42	Interruptible Service	SREVIS	0	0	0	0	0	0
ADA	43	Temperature Control	SREVTC	1	1	1	1	1	1
ADA	44	Transportation Service - Firm	SREVTSF	32	32	32	32	32	32
ADA	45	Transportation Service - Interruptible	SREVTSI	18	18	18	18	18	18
ADA	46								
ADA	47	Total Forfeited Discounts	REV_487	1,090	1,090	1,090	1,090	1,090	1,090
ADA	48								
ADA	49	Total Forfeited Discounts	REV_487	0.01271	0.23681	0.08752	0.03782	0.03927	0.08513
ADA	50								
ADA	51	ALLOCATED DIRECT ASSIGNMENTS							
ADA	52	DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS							
ADA	53								
ADA	54	Purchase of Receivables (POR)							
ADA	55	Residential	SREVRES	45,995	45,995	45,995	45,995	45,995	45,995
ADA	56	Small Commercial and Industrial	SREVC	17,258	17,258	17,258	17,258	17,258	17,258
ADA	57	Large High Load Factor	SREVLHLF	0	0	0	0	0	0
ADA	58	Motor Vehicle - Firm	SREVMVF	81	81	81	81	81	81
ADA	59	Motor Vehicle - Interruptible	SREVMVI	1	1	1	1	1	1
ADA	60	Interruptible Service	SREVIS	0	0	0	0	0	0
ADA	61	Temperature Control	SREVTC	118	118	118	118	118	118
ADA	62	Transportation Service - Firm	SREVTSF	0	0	0	0	0	0
ADA	63	Transportation Service - Interruptible	SREVTSI	0	0	0	0	0	0
ADA	64								
ADA	65	Purchase of Receivables	REV_POR	63,454	63,454	63,454	63,454	63,454	63,454
ADA	66								
ADA	67	Purchase of Receivables	REV_POR	0.01211	0.23822	0.08948	0.03711	0.03850	0.08173
ADA	68								
ADA	69								

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
ADA	70	DIRECT ASSIGN TO CLASSES W/SALES DIST PLT FUNCTIONS									
ADA	71										
ADA	72	Customer Advances for Construction									
ADA	73	Residential	DPLTRES	832	832	832	832	832	832	832	832
ADA	74	Small Commercial and Industrial	DPLTCI	171	171	171	171	171	171	171	171
ADA	75	Large High Load Factor	DPLTLHLF	0	0	0	0	0	0	0	0
ADA	76	Motor Vehicle - Firm	DPLTMVF	0	0	0	0	0	0	0	0
ADA	77	Motor Vehicle - Interruptible	DPLTMVI	0	0	0	0	0	0	0	0
ADA	78	Interruptible Service	DPLTIS	0	0	0	0	0	0	0	0
ADA	79	Temperature Control	DPLTTC	0	0	0	0	0	0	0	0
ADA	80	Transportation Service - Firm	DPLTTSF	0	0	0	0	0	0	0	0
ADA	81	Transportation Service - Interruptible	DPLTTSI	0	0	0	0	0	0	0	0
ADA	82										
ADA	83	Customer Advances for Construction	CUSTADV	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004
ADA	84										
ADA	85	Customer Advances for Construction	CUSTADV	1.00000	0.09904	0.00000	0.90096	0.00000	0.00000	0.09904	0.00000
ADA	86										
ADA	87										
ADA	88										
ADA	89										
ADA	90										
ADA	91										
ADA	92										
ADA	93										
ADA	94										
ADA	95										
ADA	96										
ADA	97										
ADA	98										
ADA	99										
ADA	100										
RRW	1	DISTRIBUTION REVENUE REQUIREMENTS									
RRW	2										
RRW	3	PRESENT RATES - Excludes Purchased Gas									
RRW	4	-----									
RRW	5	RATE BASE		2,458,261	1,416,132	31,526	1,010,602	1,469	45,148	1,369,515	628
RRW	6	NET OPER INC (PRESENT RATES)		140,945	85,704	2,033	53,207	87	2,658	82,959	233
RRW	7	RATE OF RETURN (PRES RATES)		5.73%	6.05%	6.45%	5.26%	5.89%	5.89%	6.06%	37.09%
RRW	8	RELATIVE RATE OF RETURN		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RRW	9	SALES REVENUE (PRE RATES)		361,541	192,505	6,278	162,758	611	13,191	178,704	1,295
RRW	10	REVENUE PRES RATES \$/Mcf		\$3.9783	\$2.1183	\$0.0691	\$1.7909	\$0.0067	\$0.1451	\$1.9664	\$0.0143
RRW	11	REVENUE REQUIRED - \$/MO/CUST		\$55.84	\$29.73	\$0.97	\$25.14	\$0.09	\$2.04	\$27.60	\$0.20
RRW	12										
RRW	13										
RRW	14	CLAIMED RATE OF RETURN									
RRW	15	-----									
RRW	16	CLAIMED RATE OF RETURN		7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
RRW	17	RETURN REQ FOR CLAIMED ROR - Excludes Purchased Gas		191,386	117,881	3,933	69,572	(195)	3,435	114,640	374
RRW	18	SALES REVENUE REQ CLAIMED ROR - Excludes Purchased Gas		430,162	232,036	7,158	190,968	652	14,451	216,933	1,313

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
ADA	70	DIRECT ASSIGN TO CLASSES W/SALES DIST PLT FUNCTIONS							
ADA	71								
ADA	72	Customer Advances for Construction							
ADA	73	Residential	DPLTRES	832	832	832	832	832	832
ADA	74	Small Commercial and Industrial	DPLTCI	171	171	171	171	171	171
ADA	75	Large High Load Factor	DPLTLHLF	0	0	0	0	0	0
ADA	76	Motor Vehicle - Firm	DPLTMVF	0	0	0	0	0	0
ADA	77	Motor Vehicle - Interruptible	DPLTMVI	0	0	0	0	0	0
ADA	78	Interruptible Service	DPLTIS	0	0	0	0	0	0
ADA	79	Temperature Control	DPLTTC	0	0	0	0	0	0
ADA	80	Transportation Service - Firm	DPLTTSF	0	0	0	0	0	0
ADA	81	Transportation Service - Interruptible	DPLTTSI	0	0	0	0	0	0
ADA	82								
ADA	83	Customer Advances for Construction	CUSTADV	1,004	1,004	1,004	1,004	1,004	1,004
ADA	84								
ADA	85	Customer Advances for Construction	CUSTADV	0.00000	0.78915	0.11181	0.00000	0.00000	0.00000
ADA	86								
ADA	87								
ADA	88								
ADA	89								
ADA	90								
ADA	91								
ADA	92								
ADA	93								
ADA	94								
ADA	95								
ADA	96								
ADA	97								
ADA	98								
ADA	99								
ADA	100								
RRW	1	DISTRIBUTION REVENUE REQUIREMENTS							
RRW	2								
RRW	3	PRESENT RATES - Excludes Purchased Gas							
RRW	4	-----							
RRW	5	RATE BASE		30,898	759,987	207,259	19,667	3,718	19,970
RRW	6	NET OPER INC (PRESENT RATES)		1,800	39,323	11,949	983	180	773
RRW	7	RATE OF RETURN (PRES RATES)		5.83%	5.17%	5.77%	5.00%	4.85%	3.87%
RRW	8	RELATIVE RATE OF RETURN		1.00	1.00	1.00	1.00	1.00	1.00
RRW	9	SALES REVENUE (PRE RATES)		4,983	78,964	31,727	12,105	12,614	27,347
RRW	10	REVENUE PRES RATES \$/Mcf		\$0.0548	\$0.8689	\$0.3491	\$0.1332	\$0.1388	\$0.3009
RRW	11	REVENUE REQUIRED - \$/MO/CUST		\$0.77	\$12.20	\$4.90	\$1.87	\$1.95	\$4.22
RRW	12								
RRW	13								
RRW	14	CLAIMED RATE OF RETURN							
RRW	15	-----							
RRW	16	CLAIMED RATE OF RETURN		7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
RRW	17	RETURN REQ FOR CLAIMED ROR - Excludes Purchased Gas		3,559	52,199	14,024	1,754	332	1,262
RRW	18	SALES REVENUE REQ CLAIMED ROR - Excludes Purchased Gas		5,845	100,179	37,513	12,654	12,718	27,905

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL GAS DIVISION	CLASSIFICATION			PRODUCTION	STORAGE	DISTRIBUTION	COMPGAS
					CAPACITY	COMMODITY	CUSTOMER				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
RRW	19	REVENUE DEFICIENCY SALES REV		68,723	39,530	983	28,210	41	1,260	38,229	120
RRW	20	PERCENT INCREASE REQUIRED		19.01%	20.53%	15.65%	17.33%	6.72%	9.55%	21.39%	9.28%
RRW	21	ANNUAL BOOKED THROUGHPUT SALES (Mcf)		90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246
RRW	22	SALES REV REQUIRED \$/Mcf		\$4.7333	\$2.5532	\$0.0788	\$2.1013	\$0.0072	\$0.1590	\$2.3870	\$0.0144
RRW	23	REVENUE DEFICIENCY \$/Mcf		\$0.7562	\$0.4350	\$0.0108	\$0.3104	\$0.0005	\$0.0139	\$0.4207	\$0.0013
RRW	24	SALES REVENUE REQ CLAIMED ROR - Purchased Gas		226,813	0	226,813	0	0	0	0	226,813
RRW	25										
RRW	26	SALES REVENUE REQ CLAIMED ROR - COMPOSITE		656,974	232,036	233,971	190,968	652	14,451	216,933	228,125
RRW	27										
RRW	28										
RRW	29										
RRW	30										

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	ALLOCATION BASIS	COMOTH	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT
		(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)
RRW	19	REVENUE DEFICIENCY SALES REV		862	21,215	5,786	549	104	557
RRW	20	PERCENT INCREASE REQUIRED		17.31%	26.87%	18.24%	4.54%	0.82%	2.04%
RRW	21	ANNUAL BOOKED THROUGHPUT SALES (Mcf)		90,879,246	90,879,246	90,879,246	90,879,246	90,879,246	90,879,246
RRW	22	SALES REV REQUIRED \$/Mcf		\$0.0643	\$1.1023	\$0.4128	\$0.1392	\$0.1399	\$0.3071
RRW	23	REVENUE DEFICIENCY \$/Mcf		\$0.0095	\$0.2334	\$0.0637	\$0.0060	\$0.0011	\$0.0061
RRW	24	SALES REVENUE REQ CLAIMED ROR - Purchased Gas		0	0	0	0	0	0
RRW	25								
RRW	26	SALES REVENUE REQ CLAIMED ROR - COMPOSITE		5,845	100,179	37,513	12,654	12,718	27,905
RRW	27								
RRW	28								
RRW	29								
RRW	30								

PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	PRESENT RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS											
2												
3	RATE OF RETURN		5.73%	4.72%	8.11%	-2.04%	12.52%	32.06%	-5.58%	44.19%	6.50%	8.82%
4												
5	REVENUES REQUIRED											
6	CAPACITY COMPONENT	192,505	192,505	98,247	70,899	70	390	1	(3)	440	14,658	7,802
7	CAPACITY PRODUCTION COMPONENT		611	384	225	1	1	0	0	0	0	0
8	CAPACITY STORAGE COMPONENT		13,191	8,154	5,000	14	23	0	0	0	0	0
9	CAPACITY TRANSMISSION COMPONENT		0	0	0	0	0	0	0	0	0	0
10	CAPACITY DISTRIBUTION COMPONENT		178,704	89,710	65,674	55	366	1	(3)	440	14,658	7,802
11	COMMODITY COMPONENT	6,278	6,277.89	3,374.52	1,995.74	0.62	21.30	0.14	1.24	17.79	377.06	489.46
12	COMMODITY PURCHASED GAS		1,295.16	913.56	361.27	0.29	7.71	0.12	0.00	12.21	0.00	0.00
13	COMMODITY OTHER COMMODITY		4,982.70	2,460.97	1,634.47	0.33	13.59	0.02	1.24	5.56	377.06	489.46
14	CUSTOMER COMPONENT	162,758	162,757.734	131,867.569	27,683.697	4.664	62.836	3.665	1.587	231.604	1,683.972	1,218.141
15	CUSTOMER SERVICES INVESTMENT		78,964.489	64,427.858	14,081.003	0.217	6.541	1.953	(0.291)	40.974	246.290	159.945
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		31,727.076	20,219.887	9,649.987	0.287	46.078	1.438	0.049	180.103	875.202	754.045
17	CUSTOMER INSTALLATION EXPENSE		12,105.211	11,032.464	1,054.663	0.076	0.385	0.069	0.035	1.243	10.526	5.750
18	CUSTOMER SERVICE & SALES EXPENSE		12,613.858	11,400.334	1,147.622	0.355	0.389	0.053	0.175	0.834	41.992	22.105
19	CUSTOMER ACCOUNTS EXPENSE		27,347.110	24,787.026	1,750.427	3.728	9.451	0.152	1.624	8.450	509.961	276.291
20												
21												
22	TOTAL COMPANY	361,541	361,541	233,489	100,579	75	475	5	0	690	16,719	9,509
23												
24												
25												
26												
27	Annual Booked Throughput Sales (Mcf)		90,879,246	41,968,538	22,401,370	16,559	428,356	649	40,050	178,588	11,394,081	14,451,056
28												
29	Number of Customer Bills		6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
30												
31	Use per Month per Customer (Mcf)		14	7	42	345	2,380	27	1,669	480	2,070	5,030
32												
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PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	PRESENT RATE OF RETURN SUMMARY SCHEDULE - UNIT COST											
2												
3	RATE OF RETURN		5.73%	4.72%	8.11%	-2.04%	12.52%	32.06%	-5.58%	44.19%	6.50%	8.82%
4												
5	\$/Mcf											
6	CAPACITY COMPONENT	\$2.1183	\$2.1183	\$2.3410	\$3.1650	\$4.2396	\$0.9113	\$1.8369	(\$0.0707)	\$2.4662	\$1.2865	\$0.5399
7	CAPACITY PRODUCTION COMPONENT		\$0.0067	\$0.0091	\$0.0101	\$0.0465	\$0.0024	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8	CAPACITY STORAGE COMPONENT		\$0.1451	\$0.1943	\$0.2232	\$0.8665	\$0.0547	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9	CAPACITY TRANSMISSION COMPONENT		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	CAPACITY DISTRIBUTION COMPONENT		\$1.9664	\$2.1375	\$2.9317	\$3.3266	\$0.8543	\$1.8369	(\$0.0707)	\$2.4662	\$1.2865	\$0.5399
11	COMMODITY COMPONENT	\$0.0691	\$0.0691	\$0.0804	\$0.0891	\$0.0377	\$0.0497	\$0.2205	\$0.0311	\$0.0996	\$0.0331	\$0.0339
12	COMMODITY PURCHASED GAS		\$0.0143	\$0.0218	\$0.0161	\$0.0175	\$0.0180	\$0.1894	\$0.0000	\$0.0684	\$0.0000	\$0.0000
13	COMMODITY OTHER COMMODITY		\$0.0548	\$0.0586	\$0.0730	\$0.0202	\$0.0317	\$0.0311	\$0.0311	\$0.0311	\$0.0331	\$0.0339
14	CUSTOMER COMPONENT	\$1.7909	\$1.7909	\$3.1421	\$1.2358	\$0.2816	\$0.1467	\$5.6434	\$0.0396	\$1.2969	\$0.1478	\$0.0843
15	CUSTOMER SERVICES INVESTMENT		\$0.8689	\$1.5351	\$0.6286	\$0.0131	\$0.0153	\$3.0070	(\$0.0073)	\$0.2294	\$0.0216	\$0.0111
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$0.3491	\$0.4818	\$0.4308	\$0.0173	\$0.1076	\$2.2146	\$0.0012	\$1.0085	\$0.0768	\$0.0522
17	CUSTOMER INSTALLATION EXPENSE		\$0.1332	\$0.2629	\$0.0471	\$0.0046	\$0.0009	\$0.1062	\$0.0009	\$0.0070	\$0.0009	\$0.0004
18	CUSTOMER SERVICE & SALES EXPENSE		\$0.1388	\$0.2716	\$0.0512	\$0.0214	\$0.0009	\$0.0817	\$0.0044	\$0.0047	\$0.0037	\$0.0015
19	CUSTOMER ACCOUNTS EXPENSE		\$0.3009	\$0.5906	\$0.0781	\$0.2252	\$0.0221	\$0.2339	\$0.0406	\$0.0473	\$0.0448	\$0.0191
20												
21												
22	TOTAL COMPANY	\$3.9783	\$3.9783	\$5.5634	\$4.4898	\$4.5589	\$1.1077	\$7.7328	\$0.0000	\$3.8627	\$1.4674	\$0.6580
23												
24	\$/MONTH/CUSTOMER											
25	CUSTOMER COMPONENTS	\$25.14	\$25.14	\$22.23	\$51.90	\$97.16	\$349.09	\$152.70	\$66.14	\$622.59	\$305.89	\$424.03
26	CUSTOMER SERVICES INVESTMENT		\$12.20	\$10.86	\$26.40	\$4.52	\$36.34	\$81.36	(\$12.14)	\$110.15	\$44.74	\$55.68
27	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$4.90	\$3.41	\$18.09	\$5.98	\$255.99	\$59.92	\$2.03	\$484.15	\$158.98	\$262.48
28	CUSTOMER INSTALLATION EXPENSE		\$1.87	\$1.86	\$1.98	\$1.59	\$2.14	\$2.87	\$1.45	\$3.34	\$1.91	\$2.00
29	CUSTOMER SERVICE & SALES EXPENSE		\$1.95	\$1.92	\$2.15	\$7.40	\$2.16	\$2.21	\$7.29	\$2.24	\$7.63	\$7.69
30	CUSTOMER ACCOUNTS EXPENSE		\$4.22	\$4.18	\$3.28	\$77.68	\$52.51	\$6.33	\$67.67	\$22.72	\$92.63	\$96.17
31												
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PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS											
2												
3	RATE OF RETURN		7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
4												
5	REVENUES REQUIRED											
6	CAPACITY COMPONENT	232,036	232,036	121,040	83,080	128	440	1	2	461	17,764	9,120
7	CAPACITY PRODUCTION COMPONENT		652	410	240	1	1	0	0	0	0	0
8	CAPACITY STORAGE COMPONENT		14,451	8,972	5,437	16	25	0	0	0	0	0
9	CAPACITY TRANSMISSION COMPONENT		0	0	0	0	0	0	0	0	0	0
10	CAPACITY DISTRIBUTION COMPONENT		216,933	111,657	77,403	111	414	1	2	461	17,764	9,120
11	COMMODITY COMPONENT	233,971	233,971	171,120	59,960	78	1,078	11	1	837	385	500
12	COMMODITY PURCHASED GAS		228,125	168,083	58,058	77	1,064	11	0	832	0	0
13	COMMODITY OTHER COMMODITY		5,845	3,038	1,901	1	14	0	1	6	385	500
14	CUSTOMER COMPONENT	190,968	190,968	155,514	31,855	5	69	4	2	242	1,912	1,365
15	CUSTOMER SERVICES INVESTMENT		100,179	82,753	16,880	1	7	2	0	43	303	190
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		37,513	24,246	11,128	0	51	2	0	188	1,033	864
17	CUSTOMER INSTALLATION EXPENSE		12,654	11,535	1,100	0	0	0	0	1	11	6
18	CUSTOMER SERVICE & SALES EXPENSE		12,718	11,500	1,151	0	0	0	0	1	42	22
19	CUSTOMER ACCOUNTS EXPENSE		27,905	25,480	1,596	4	10	0	2	9	522	283
20												
21												
22	TOTAL COMPANY	656,974	656,974	280,517	117,203	135	531	5	5	720	20,061	10,984
23												
24												
25												
26												
27	Annual Booked Throughput Sales (Mcf)		90,879,246	41,968,538	22,401,370	16,559	428,356	649	40,050	178,588	11,394,081	14,451,056
28												
29	Number of Customer Bills		6,475,119	5,932,690	533,403	48	180	24	24	372	5,505	2,873
30												
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PECO Energy Company
 Gas Class Cost of Service Study
 For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE NO.	DESCRIPTION	TOTAL GAS DIVISION	RESID	GC	LARGE	MOTOR VEHICLE FIRM	MOTOR VEHICLE INTER	INTER SERV	TEMP CONTROL	TRANSP SERV FIRM	TRANSP SERV INTER	
	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - UNIT COSTS											
2												
3	RATE OF RETURN		7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
4												
5	<u>\$/Mcf</u>											
6	CAPACITY COMPONENT	\$2.5532	\$2.5532	\$2.8841	\$3.7087	\$7.7518	\$1.0283	\$1.9498	\$0.0419	\$2.5794	\$1.5591	\$0.6311
7	CAPACITY PRODUCTION COMPONENT		\$0.0072	\$0.0098	\$0.0107	\$0.0506	\$0.0025	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8	CAPACITY STORAGE COMPONENT		\$0.1590	\$0.2138	\$0.2427	\$0.9937	\$0.0588	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9	CAPACITY TRANSMISSION COMPONENT		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	CAPACITY DISTRIBUTION COMPONENT		\$2.3870	\$2.6605	\$3.4553	\$6.7075	\$0.9671	\$1.9498	\$0.0419	\$2.5794	\$1.5591	\$0.6311
11	COMMODITY COMPONENT	\$0.0788	\$0.0788	\$0.0944	\$0.1012	\$0.0479	\$0.0501	\$0.2210	\$0.0311	\$0.1000	\$0.0338	\$0.0346
12	COMMODITY PURCHASED GAS		\$0.0144	\$0.0221	\$0.0164	\$0.0178	\$0.0182	\$0.1899	\$0.0000	\$0.0687	\$0.0000	\$0.0000
13	COMMODITY OTHER COMMODITY		\$0.0643	\$0.0724	\$0.0849	\$0.0301	\$0.0318	\$0.0311	\$0.0311	\$0.0311	\$0.0338	\$0.0346
14	CUSTOMER COMPONENT	\$2.1013	\$2.1013	\$3.7055	\$1.4220	\$0.3298	\$0.1621	\$5.9719	\$0.0514	\$1.3527	\$0.1678	\$0.0944
15	CUSTOMER SERVICES INVESTMENT		\$1.1023	\$1.9718	\$0.7535	\$0.0431	\$0.0174	\$3.1981	(\$0.0011)	\$0.2402	\$0.0266	\$0.0131
16	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$0.4128	\$0.5777	\$0.4968	\$0.0263	\$0.1202	\$2.3431	\$0.0050	\$1.0528	\$0.0906	\$0.0598
17	CUSTOMER INSTALLATION EXPENSE		\$0.1392	\$0.2749	\$0.0491	\$0.0048	\$0.0009	\$0.1094	\$0.0009	\$0.0071	\$0.0010	\$0.0004
18	CUSTOMER SERVICE & SALES EXPENSE		\$0.1399	\$0.2740	\$0.0514	\$0.0216	\$0.0009	\$0.0819	\$0.0044	\$0.0047	\$0.0037	\$0.0015
19	CUSTOMER ACCOUNTS EXPENSE		\$0.3071	\$0.6071	\$0.0712	\$0.2340	\$0.0226	\$0.2394	\$0.0422	\$0.0478	\$0.0459	\$0.0196
20	AVAILABLE COMPONENT											
21	AVAILABLE COMPONENT											
22	TOTAL COMPANY	\$4.7333	\$4.7333	\$6.6840	\$5.2319	\$8.1295	\$1.2405	\$8.1770	\$0.1243	\$4.0320	\$1.7607	\$0.7601
23												
24	<u>\$/MONTH/CUSTOMER</u>											
25	CUSTOMER COMPONENTS	\$29.49	\$29.49	\$26.21	\$59.72	\$113.75	\$385.67	\$161.67	\$87.50	\$650.54	\$347.27	\$475.01
26	CUSTOMER SERVICES INVESTMENT		\$15.47	\$13.95	\$31.64	\$14.79	\$41.50	\$86.67	\$0.00	\$115.59	\$55.09	\$66.03
27	CUSTOMER METERS, REGUL & INSTALL INVESTMENT		\$5.79	\$4.09	\$20.86	\$9.17	\$286.00	\$63.33	\$8.33	\$505.38	\$187.60	\$300.65
28	CUSTOMER INSTALLATION EXPENSE		\$1.95	\$1.94	\$2.06	\$1.67	\$2.22	\$2.92	\$0.00	\$2.69	\$2.00	\$2.09
29	CUSTOMER SERVICE & SALES EXPENSE		\$1.96	\$1.94	\$2.16	\$7.50	\$2.17	\$2.08	\$8.33	\$2.69	\$7.68	\$7.76
30	CUSTOMER ACCOUNTS EXPENSE		\$4.31	\$4.29	\$2.99	\$80.63	\$53.78	\$6.67	\$70.83	\$24.19	\$94.89	\$98.48
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Customer-Related Revenue Requirement and Customer Charge

Line	Description	Residential	GC	Transportation Firm	Transportation Interruptible	All Other
1	Customer Services Investment(\$000)	\$ 82,753	\$ 16,880	\$ 303	\$ 190	\$ 53
2	Customer Meter Investment(\$000)	\$ 24,246	\$ 11,128	\$ 1,033	\$ 864	\$ 242
3	Customer Installation Expense(\$000)	\$ 11,535	\$ 1,100	\$ 11	\$ 6	\$ 2
4	Customer Service Expense(\$000)	\$ 11,500	\$ 1,151	\$ 42	\$ 22	\$ 2
5	Customer Record & Collection Expense and Uncollectible Accounts(\$000)	\$ 25,480	\$ 1,596	\$ 522	\$ 283	\$ 24
6	Total Revenue Requirement(\$000)	\$ 155,514	\$ 31,855	\$ 1,912	\$ 1,365	\$ 323
7	Number of Customer Bills	5,932,690	533,403	5,505	2,873	\$ 648
8	\$/Month/Customer (Line 6/Line 7*1000)	\$ 26.21	\$ 59.72	\$ 347.27	\$ 475.01	\$ 498.24

Notes:

- 1.) Above costs included allocated payroll, administrative, pension and benefits and working capital supporting general plant.
- 2.) Line 1 through line 5 from PECO Exhibit JD-4, page 3, lines 15 to 19.
- 3.) Lines with no measures of value have been hidden from pages 2 through 19.
- 4.) Pages 2 through 10 included Residential and GC customer-related costs; pages 11 through 19 included TSF and TSI customer-related costs.

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS						GC CUSTOMER RELATED COSTS					
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
S 1	SUMMARY AT PRESENT RATES												
S 2													
S 3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS												
S 4	OPERATING REVENUE												
S 5	Sales of Gas Revenue - Base	64,428	20,220	11,032	11,400	24,787	131,868	14,081	9,650	1,055	1,148	1,750	27,684
S 6	Other Operating Revenue	370	110	30	31	67	608	53	36	2	2	3	95
S 7	TOTAL OPERATING REVENUE	64,798	20,329	11,062	11,431	24,854	132,476	14,134	9,686	1,056	1,149	1,753	27,778
S 8													
S 9	OPERATING EXPENSES												
S 10	Operation and Maintenance Expense Excl Pur Gas	16,054	7,457	9,019	11,047	21,775	65,352	2,397	2,691	803	1,131	2,123	9,145
S 11	Depreciation and Amortization Expense	23,410	7,919	805	142	1,309	33,585	3,573	2,907	72	4	130	6,687
S 12	Taxes Other Than Income Taxes-General	1,376	422	374	68	609	2,850	211	156	34	2	60	463
S 13	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 14	Income Taxes	6,987	2,267	(16)	(6)	9	9,241	164	356	(16)	(2)	112	614
S 15	TOTAL OPERATING EXPENSES	33,854	13,531	10,213	11,263	23,685	92,546	6,017	5,397	925	1,139	2,202	15,680
S 16													
S 17	OPERATING INCOME (RETURN)	30,944	6,798	849	168	1,169	39,929	8,117	4,288	131	11	(449)	12,098
S 18													
S 19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS												
S 20	Gas Plant in Service	969,444	271,591	3,762	666	6,121	1,251,584	147,969	99,694	338	19	608	248,628
S 21	Less: Accumulated Depreciation	233,153	105,047	1,586	281	2,581	342,648	35,587	38,560	143	8	256	74,554
S 22	Plus: Rate Base Additions Excl Purchased Gas	12,510	4,874	13,482	2,764	22,080	55,710	1,942	1,805	1,212	108	2,186	7,254
S 23	Less: Rate Base Deductions	92,308	27,188	(2,361)	(418)	812	117,528	14,070	9,974	(212)	(12)	8,079	31,899
S 24	TOTAL RATE BASE EXCL PURCHASED GAS	656,493	144,229	18,020	3,568	24,809	847,118	100,254	52,965	1,620	131	(5,542)	149,429
S 25													
S 26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	4.72%	4.72%	4.72%	4.72%	4.72%	4.71%	8.11%	8.11%	8.11%	8.11%	8.11%	8.10%
S 27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	0.91	0.82	0.94	0.97	1.22		1.57	1.41	1.62	1.67	2.10	
S 28													
S 40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 41	Total Distribution Sales Revenue at Current Rates	64,428	20,220	11,032	11,400	24,787	131,868	14,081	9,650	1,055	1,148	1,750	27,684
S 42	Total Distribution Operating Revenues	64,798	20,329	11,062	11,431	24,854	132,476	14,134	9,686	1,056	1,149	1,753	27,778
S 43	Total Distribution Operating Expenses Excl Federal & State Taxes	40,841	15,798	10,197	11,257	23,694	101,787	6,181	5,753	909	1,137	2,314	16,294
S 44	Plus: Total Federal & State Taxes	6,987	2,267	(16)	(6)	9	9,241	164	356	(16)	(2)	112	614
S 45	Total Operating Income (Return)	30,944	6,798	849	168	1,169	39,929	8,117	4,288	131	11	(449)	12,098
S 46	Total Rate Base	656,493	144,229	18,020	3,568	24,809	847,118	100,254	52,965	1,620	131	(5,542)	149,429
S 47													
S 48	COMPOSITE RATE OF RETURN (PRESENT)	4.71%	4.71%	4.71%	4.71%	4.71%	4.71%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%
S 49	COMPOSITE INDEX RATE OF RETURN (PRESENT)	0.91	0.82	0.94	0.97	1.22		1.56	1.40	1.62	1.67	2.09	
S 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS						GC CUSTOMER RELATED COSTS					
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
S 51	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%												
S 52													
S 53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED R.												
S 54													
S 55	Rate Base Excluding Purchased Gas	656,493	144,229	18,020	3,568	24,809	847,118	100,254	52,965	1,620	131	(5,542)	149,429
S 56	Change in Operating Income (Rate Base * 1.97%)	12,962	2,848	356	70	490	16,726	1,979	1,046	32	3	(109)	2,950
S 57													
S 58	OPERATING REVENUES												
S 59	Change in Revenue (Change in Return * 1.414)	18,326	4,026	503	100	693	23,647	2,799	1,478	45	4	(155)	4,171
S 60	Distribution Base Rate Revenue (Present Rates)	64,428	20,220	11,032	11,400	24,787	131,868	14,081	9,650	1,055	1,148	1,750	27,684
S 61	Total Dist Base Rate Revenue (Proposed Rate)	82,753	24,246	11,535	11,500	25,480	155,514	16,880	11,128	1,100	1,151	1,596	31,855
S 62													
S 63	Forfeited Discounts Revenues	18	6	3	3	7	38	2	2	0	0	0	5
S 64	Other Operating Revenue (Present Rates)	370	110	30	31	67	608	53	36	2	2	3	95
S 65	TOTAL OPERATING REVENUES	83,142	24,361	11,569	11,534	25,554	156,160	16,935	11,166	1,102	1,153	1,599	31,954
S 66													
S 67	OPERATING EXPENSES												
S 68	Operation and Maintenance Expense Excl Pur Gas	16,054	7,457	9,019	11,047	21,775	65,352	2,397	2,691	803	1,131	2,123	9,145
S 69	Depreciation and Amortization Expense	23,410	7,919	805	142	1,309	33,585	3,573	2,907	72	4	130	6,687
S 70	Additional Bad Debt Expense	64	14	2	0	2	82	10	5	0	0	(1)	14
S 71	Additional PUC / OTS & SBA Fee Expense	56	12	2	0	2	73	9	5	0	0	(0)	13
S 72	Taxes Other Than Income Taxes-General	1,376	422	374	68	609	2,850	211	156	34	2	60	463
S 73	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 74	TOTAL OPERATING EXPENSES BEFORE TAXES	40,961	15,824	10,201	11,258	23,698	101,942	6,199	5,763	910	1,137	2,313	16,322
S 75	State and Federal Income Taxes @ Effective Tax Rate	6,987	2,267	(16)	(6)	9	9,241	164	356	(16)	(2)	112	614
S 76	State and Federal Income Taxes @ Statutory Rates	(5,265)	(1,157)	(145)	(30)	(201)	(6,798)	(804)	(425)	(13)	(1)	44	(1,199)
S 77	TOTAL OPERATING EXPENSES	42,682	16,934	10,040	11,223	23,506	104,385	5,560	5,694	880	1,135	2,469	15,737
S 78													
S 79	NET OPERATING INCOME EXCL PURCHASED GAS	40,460	7,427	1,529	311	2,047	51,775	11,375	5,472	221	19	(870)	16,217
S 80													
S 81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.70%	82,753	24,246	11,535	11,500	25,480	155,514	16,880	11,128	1,100	1,151	1,596	31,855
S 82													
S 83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE	18,344	4,032	506	103	700	23,685	2,801	1,480	45	4	(154)	4,176
S 84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)	28.47%	19.94%	4.59%	0.90%	2.82%	17.96%	19.89%	15.34%	4.31%	0.34%	-8.82%	15.08%
S 85													
S 86													
S 132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	82,753	24,246	11,535	11,500	25,480	155,514	16,880	11,128	1,100	1,151	1,596	31,855
S 134													
S 135													
S 136													
S 146	NUMBER OF CUSTOMER BILLS	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	533,403	533,403	533,403	533,403	533,403	533,403
S 147													
S 148	\$/MONTH/CUSTOMER	\$13.95	\$4.09	\$1.94	\$1.94	\$4.29	\$26.21	\$31.64	\$20.86	\$2.06	\$2.16	\$2.99	\$59.72
S 149													
S 150													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBP 1	DEVELOPMENT OF RATE BASE												
RBP 2													
RBP 3	GAS PLANT IN SERVICE												
RBP 4	INTANGIBLE PLANT												
RBP 5	301-Organization	4,995	1,399	19	3	32	6,449	762	514	2	0	3	1,281
RBP 6	303-Miscellaneous Intangible Plant	0	0	0	0	0	0	0	0	0	0	0	0
RBP 7	TOTAL INTANGIBLE PLANT	4,995	1,399	19	3	32	6,449	762	514	2	0	3	1,281
RBP 8													
RBP 9	PRODUCTION PLANT (LPG)												
RBP 27	DISTRIBUTION PLANT												
RBP 40	380-Services	959,749	0	0	0	0	959,749	146,489	0	0	0	0	146,489
RBP 41	381-Meters	0	114,453	0	0	0	114,453	0	42,012	0	0	0	42,012
RBP 42	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 43	Total Account 381	0	114,453	0	0	0	114,453	0	42,012	0	0	0	42,012
RBP 44	382-Meter Installations	0	153,948	0	0	0	153,948	0	56,510	0	0	0	56,510
RBP 45	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 46	Total Account 382	0	153,948	0	0	0	153,948	0	56,510	0	0	0	56,510
RBP 47	387-Other Equipment	600	168	0	0	0	768	92	62	0	0	0	153
RBP 53	GENERAL PLANT												
RBP 54	389-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
RBP 55	390-Structures and Improvements	1,006	382	1,010	179	1,643	4,220	154	140	91	5	163	553
RBP 56	391-Office Furniture & Equipment	665	252	667	118	1,085	2,787	101	93	60	3	108	365
RBP 57	393-Store Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 58	394-Tools, Shop & Garage Equip.	1,565	594	1,571	278	2,556	6,564	239	218	141	8	254	860
RBP 59	395-Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 60	397-Communication Equipment	472	179	474	84	771	1,980	72	66	43	2	77	259
RBP 61	398-Miscellaneous Equipment	22	8	22	4	35	91	3	3	2	0	4	12
RBP 62	TOTAL GENERAL PLANT	3,730	1,416	3,743	663	6,090	15,642	569	520	337	19	605	2,050
RBP 63													
RBP 64													
RBP 65	TOTAL GAS PLANT IN SERVICE	969,444	271,591	3,762	666	6,121	1,251,584	147,969	99,694	338	19	608	248,628
RBP 99													
RBP 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS						GC CUSTOMER RELATED COSTS					
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBD 1	LESS: ACCUMULATED DEPRECIATION												
RBD 2													
RBD 3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION	4,586	1,285	18	3	29	5,921	700	472	2	0	3	1,176
RBD 10													
RBD 11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION												
RBD 24	380-Services	226,459	0	0	0	0	226,459	34,565	0	0	0	0	34,565
RBD 25	381-Meters	0	50,042	0	0	0	50,042	0	18,369	0	0	0	18,369
RBD 26	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 27	Total Account 381	0	50,042	0	0	0	50,042	0	18,369	0	0	0	18,369
RBD 28	382-Meter Installations	0	52,935	0	0	0	52,935	0	19,431	0	0	0	19,431
RBD 29	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 30	Total Account 382	0	52,935	0	0	0	52,935	0	19,431	0	0	0	19,431
RBD 31	387-Other Equipment	404	113	0	0	0	518	62	42	0	0	0	103
RBD 32	388-Asset Retirement Costs for Distribution Plant	141	79	0	0	0	220	22	29	0	0	0	50
RBD 33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION	227,004	103,168	0	0	0	330,172	34,648	37,870	0	0	0	72,519
RBD 34													
RBD 35	GENERAL PLANT ACCUMULATED DEPRECIATION	1,563	594	1,568	278	2,552	6,554	239	218	141	8	253	859
RBD 37	TOTAL ACCUMULATED DEPRECIATION	233,153	105,047	1,586	281	2,581	342,648	35,587	38,560	143	8	256	74,554
RBD 38													
RBD 39													
RBD 50													
RBO 1	ADDITIONS AND DEDUCTIONS TO RATE BASE												
RBO 2													
RBO 3	PLUS: ADDITIONS TO RATE BASE												
RBO 4													
RBO 5	COMMON PLANT	13,252	5,032	13,298	2,355	21,637	55,575	2,023	1,847	1,196	68	2,149	7,283
RBO 6													
RBO 7	WORKING CAPITAL												
RBO 8	Cash Working Capital - Purchased Gas	0	0	0	0	0	0	0	0	0	0	0	0
RBO 9	Cash Working Capital	(876)	(196)	184	409	442	(38)	(101)	(56)	17	39	37	(64)
RBO 10	Gas Storage Inventory	0	0	0	0	0	0	0	0	0	0	0	0
RBO 11	Materials and Supplies	134	38	1	0	1	173	20	14	0	0	0	34
RBO 12	TOTAL WORKING CAPITAL	(742)	(159)	184	409	443	135	(81)	(42)	17	39	37	(29)
RBO 13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS	12,510	4,874	13,482	2,764	22,080	55,710	1,942	1,805	1,212	108	2,186	7,254
RBO 14	TOTAL ADDITIONS TO RATE BASE	12,510	4,874	13,482	2,764	22,080	55,710	1,942	1,805	1,212	108	2,186	7,254
RBO 15													
RBO 16	LESS: DEDUCTIONS TO RATE BASE												
RBO 17	Customer Deposits	0	0	0	0	4,654	4,654	0	0	0	0	8,461	8,461
RBO 18	Customer Advances for Construction	912	109	0	0	0	1,021	141	40	0	0	0	181
RBO 19	Deferred Income Taxes and Credits												
RBO 20	Plant	105,029	29,424	408	72	663	135,596	16,031	10,801	37	2	66	26,936
RBO 21	Common Plant	638	242	640	113	1,041	2,674	97	89	58	3	103	350
RBO 22	Pension Assets / (Liability)	(3,397)	(1,290)	(3,409)	(604)	(5,546)	(14,246)	(518)	(474)	(306)	(18)	(551)	(1,867)
RBO 23	ML Non-Conforming	0	0	0	0	0	0	0	0	0	0	0	0
RBO 24	Contributions in Aid of Construction (CIAC)	(10,874)	(1,297)	0	0	0	(12,170)	(1,681)	(482)	0	0	0	(2,163)
RBO 25	Total Deferred Income Taxes and Credits	91,396	27,079	(2,361)	(418)	(3,842)	111,854	13,929	9,934	(212)	(12)	(382)	23,257
RBO 26	TOTAL DEDUCTIONS TO RATE BASE	92,308	27,188	(2,361)	(418)	812	117,528	14,070	9,974	(212)	(12)	8,079	31,899
RBO 27													
RBO 28	TOTAL PURCHASED GAS RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0
RBO 29	TOTAL RATE BASE EXCLUDING PURCHASED GAS	656,493	144,229	18,020	3,568	24,809	847,118	100,254	52,965	1,620	131	(5,542)	149,429
RBO 30													
RBO 31	TOTAL RATE BASE	656,493	144,229	18,020	3,568	24,809	847,118	100,254	52,965	1,620	131	(5,542)	149,429
RBO 32													
RBO 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBC 1	CASH WORKING CAPITAL (LEAD LAG)												
RBC 2													
RBC 3	TOTAL EXCLUDING PURCHASED GAS												
RBC 4	O&M EXPENSE RELATED CASH WORKING CAPITAL												
RBC 5	Payroll (Distribution Only)	4,090	1,553	4,104	727	6,677	17,151	624	570	369	21	663	2,248
RBC 6	Pension	244	92	244	43	398	1,021	37	34	22	1	39	134
RBC 7	Other Expenses												
RBC 8	Other Expenses	11,177	5,848	4,219	11,172	14,703	47,120	1,706	2,147	379	1,229	1,445	6,905
RBC 9	BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 10	Purchase of Receivables (POR)	12,692	3,983	2,173	2,246	4,883	25,977	2,416	1,656	181	197	300	4,750
RBC 11	TOTAL EXPENSES	28,202	11,477	10,741	14,188	26,661	91,269	4,784	4,407	951	1,448	2,448	14,037
RBC 12													
RBC 13	TOTAL EXPENSES PER DAY	77	31	29	39	73	250	13	12	3	4	7	38
RBC 14													
RBC 15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)	404	165	154	203	382	1,308	69	63	14	21	35	201
RBC 16													
RBC 17	AVERAGE PREPAYMENTS	349	102	34	206	67	758	61	41	3	19	5	129
RBC 18	DISTRIBUTION ACCRUED TAXES	13	(2)	2	0	3	16	20	9	0	0	(2)	27
RBC 19	INTEREST PAYMENTS	(1,643)	(460)	(6)	(1)	(10)	(2,121)	(251)	(169)	(1)	(0)	(1)	(421)
RBC 20													
RBC 21													
RBC 22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT	(876)	(196)	184	409	442	(38)	(101)	(56)	17	39	37	(64)
RBC 23													
RBC 24													
RBC 15	DISTRIBUTION ACCRUED TAXES												
RBC 17	Federal Income Tax	2,340	369	105	21	139	2,975	1,208	585	23	2	(91)	1,727
RBC 18	State Income Tax	15,709	2,478	707	143	933	19,970	8,109	3,927	156	13	(609)	11,596
RBC 19	PURTA Taxes	(43,714)	(12,247)	(170)	(30)	(276)	(56,437)	(6,672)	(4,495)	(15)	(1)	(27)	(11,211)
RBC 20	PA Capital Stock Tax	0	0	0	0	0	0	0	0	0	0	0	0
RBC 21	PA & Local Use Taxes	0	0	0	0	0	0	0	0	0	0	0	0
RBC 22	PA Property tax	30,581	8,567	119	21	193	39,481	4,668	3,145	11	1	19	7,843
RBC 23	TOTAL ACCRUED TAXES	4,916	(832)	761	156	989	5,990	7,313	3,161	174	15	(708)	9,955
RBC 24	TOTAL ACCRUED TAXES PER DAY	13	(2)	2	0	3	16	20	9	0	0	(2)	27
RBC 25													
RBC 26	DISTRIBUTION AVERAGE PREPAYMENTS												
RBC 27	AGA Membership Dues	33	10	6	6	13	68	7	5	1	1	1	14
RBC 28	EAPA & NGA Membership Dues	9	3	1	2	3	18	2	1	0	0	0	4
RBC 29	PUC Assess - Gas	96	28	13	13	29	180	19	13	1	1	2	37
RBC 30	Cellent Gas Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0
RBC 31	Gas Software Maintenance	4	1	0	0	5	1	0	0	0	0	0	1
RBC 32	Customer and Research	0	0	0	35	0	35	0	0	0	3	0	3
RBC 33	VEBA Adjustment	5	2	5	1	9	22	1	1	0	0	1	3
RBC 34	Facility Contracts	5	1	0	0	7	1	1	1	0	0	0	1
RBC 35	IT License & Maintenance	173	48	1	0	1	223	26	18	0	0	0	44
RBC 36	Fleet Activities	7	3	7	1	12	31	1	1	1	0	1	4
RBC 37	Prepared Rent	17	5	0	0	0	22	3	2	0	0	0	4
RBC 38	Postage	0	0	0	149	0	149	0	0	0	13	0	13
RBC 39	TOTAL AVERAGE PREPAYMENTS	349	102	34	206	67	758	61	41	3	19	5	129
RBC 49													
RBC 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
RBC 51	OPERATING REVENUES												
RBC 52													
RBC 53	SALES REVENUES												
RBC 54	Sales of Gas Revenues - Base	64,428	20,220	11,032	11,400	24,787	131,868	14,081	9,650	1,055	1,148	1,750	27,684
RBC 55	Sales Revenues - Purchased Gas-PGC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 56	Sales Revenues - Balancing Service Charge-BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 57	TOTAL SALES OF GAS	64,428	20,220	11,032	11,400	24,787	131,868	14,081	9,650	1,055	1,148	1,750	27,684
RBC 58													
RBC 59	OTHER OPERATING REVENUES												
RBC 60	487-Forfeited Discounts	175	55	30	31	67	358	23	16	2	2	3	45
RBC 61	488-Miscellaneous Service Revenues	0	0	0	0	0	0	0	0	0	0	0	0
RBC 62	489-Transport of Gas of Others Revenue	0	0	0	0	0	0	0	0	0	0	0	0
RBC 63	494-Interdepartmental Rents	196	55	0	0	0	250	30	20	0	0	0	50
RBC 64	TOTAL OTHER OPERATING REV	370	110	30	31	67	608	53	36	2	2	3	95
RBC 65													
RBC 66	TOTAL OPERATING REVENUES	64,798	20,329	11,062	11,431	24,854	132,476	14,134	9,686	1,056	1,149	1,753	27,778
RBC 67													
RBC 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
		SERVICES (b)	METERS (c)	CUSTINSTALL (d)	CUSTSERV (e)	CUSTACCT (f)	TOTAL (g)	SERVICES (h)	METERS (i)	CUSTINSTALL (j)	CUSTSERV (k)	CUSTACCT (l)	TOTAL (m)
E 1	OPERATION & MAINTENANCE EXPENSE												
E 2													
E 40	DISTRIBUTION EXPENSES												
E 41	Operation												
E 42	870-Operation Supervision and Engineering	209	82	260	0	0	552	32	30	23	0	0	86
E 43	874-Mains and Services Expenses	5,645	0	0	0	0	5,645	862	0	0	0	0	862
E 44	875-Measuring & Reg. Station Exp.-General	0	0	0	0	0	0	0	0	0	0	0	0
E 45	877-Measuring & Reg. Station Exp.-City Gate Sta.	0	0	0	0	0	0	0	0	0	0	0	0
E 46	878-Meter & House Regulator Expenses	0	4,166	0	0	0	4,166	0	1,529	0	0	0	1,529
E 47	879-Customer Installations Expenses	0	0	4,726	0	0	4,726	0	0	425	0	0	425
E 48	880-Other Expenses	3,826	1,070	0	0	0	4,896	584	393	0	0	0	977
E 49	Total Distribution Operation	9,681	5,319	4,986	0	0	19,986	1,478	1,952	448	0	0	3,878
E 50													
E 53	Maintenance												
E 54	887-Maintenance of Mains	0	0	0	0	0	0	0	0	0	0	0	0
E 55	889-Maint. of Measuring & Reg. Station Equip.-Gen	0	0	0	0	0	0	0	0	0	0	0	0
E 56	892-Maintenance of Services	1,248	0	0	0	0	1,248	191	0	0	0	0	191
E 57	893-Maint. of Meters & House Regulators	0	291	0	0	0	291	0	107	0	0	0	107
E 58	894-Maintenance of Other Equipment	249	70	0	0	0	318	38	26	0	0	0	64
E 59	Total Distribution Maintenance	1,497	361	0	0	0	1,858	229	133	0	0	0	361
E 60	TOTAL DISTRIBUTION PLANT O&M EXPENSES	11,178	5,680	4,986	0	0	21,844	1,706	2,085	448	0	0	4,239
E 61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)	11,178	5,680	4,986	0	0	21,844	1,706	2,085	448	0	0	4,239
E 62													
E 63	CUSTOMER ACCOUNTS EXPENSES												
E 64	902-Meter Reading	0	0	0	0	182	182	0	0	0	0	16	16
E 65	903-Customer Records and Collection Expense	0	0	0	0	12,963	12,963	0	0	0	0	1,294	1,294
E 66	904-Uncollectible Accounts	564	177	97	100	217	1,155	29	20	2	2	4	56
E 67	904-Uncollectible Accounts - PPA	89	28	15	16	34	182	0	0	0	0	0	0
E 68	905-Miscellaneous CA	0	0	0	0	1,971	1,971	0	0	0	0	177	177
E 69	TOTAL CUSTOMER ACCTS EXPENSE	653	205	112	116	15,368	16,454	29	20	2	2	1,491	1,544
E 70													
E 71	CUSTOMER SERVICE & SALES EXPENSES												
E 72	908-Customer Assistance	0	0	0	7,482	0	7,482	0	0	0	217	0	217
E 73	908-Customer Assistance	0	0	0	0	0	0	0	0	0	499	0	499
E 74	909-Advertisement	0	0	0	0	0	0	0	0	0	309	0	309
E 75	910-Miscellaneous CS	0	0	0	0	0	0	0	0	0	0	0	0
E 76	912-Demonstrating and Selling Expenses	0	0	0	2,716	0	2,716	0	0	0	79	0	79
E 77	916 Miscellaneous Sales Expenses	0	0	0	0	0	0	0	0	0	0	0	0
E 78	TOTAL CUSTOMER SERVICE & SALES EXP	0	0	0	10,198	0	10,198	0	0	0	1,104	0	1,104
E 79													
E 80	TOTAL OPER & MAINT EXCL A&G	11,831	5,885	5,098	10,313	15,368	48,495	1,735	2,105	450	1,106	1,491	6,887
E 81													
E 82	ADMINISTRATIVE & GENERAL EXPENSE												
E 83	920-Administrative Salaries	897	341	900	159	1,465	3,763	137	125	81	5	145	493
E 84	921-Office Supplies & Expense	141	54	141	25	230	591	22	20	13	1	23	77
E 85	923-Outside Service Employed	1,642	623	1,647	292	2,680	6,884	251	229	148	8	266	902
E 86	924-Property Insurance	21	6	0	0	0	27	3	2	0	0	0	5
E 87	925-Injuries and Damages	26	10	27	5	43	111	4	4	2	0	4	15
E 88	926-Employee Pensions & Benefits	982	373	986	175	1,604	4,120	150	137	89	5	159	540
E 89	928-Regulatory Commission	342	100	48	48	105	643	70	46	5	5	7	132
E 90	929-Duplicate Charges-Credit	0	0	0	0	0	0	0	0	0	0	0	0
E 91	930.1-General Advertising	0	0	0	0	0	0	0	0	0	0	0	0
E 92	930.2-Miscellaneous General	53	20	53	9	86	221	8	7	5	0	9	29
E 93	932-Maintenance of General Plant	118	45	119	21	193	497	18	17	11	1	19	65
E 94	TOTAL A&G EXPENSE	4,223	1,572	3,921	733	6,408	16,857	662	586	353	25	632	2,258
E 95													
E 96	TOTAL OPERATION & MAINTENANCE EXPENSES	16,054	7,457	9,019	11,047	21,775	65,352	2,397	2,691	803	1,131	2,123	9,145
E 97													
E 98	TOTAL PURCHASED GAS O&M EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0
E 99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS	16,054	7,457	9,019	11,047	21,775	65,352	2,397	2,691	803	1,131	2,123	9,145
E 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
D	1	DEPRECIATION / AMORTIZATION EXPENSE												
D	2													
D	3	INTANGIBLE PLANT EXPENSE	2,832	793	11	2	18	3,656	432	291	1	0	2	726
D	4													
D	11	DISTRIBUTION PLANT EXPENSE												
D	24	380-Services	19,787	0	0	0	0	19,787	3,020	0	0	0	0	3,020
D	25	381-Meters	0	3,764	0	0	0	3,764	0	1,382	0	0	0	1,382
D	26	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
D	27	Total Account 381	0	3,764	0	0	0	3,764	0	1,382	0	0	0	1,382
D	28	382-Meter Installations	0	3,061	0	0	0	3,061	0	1,124	0	0	0	1,124
D	29	Direct Assignment	0	0	0	0	0	0	0	0	0	0	0	0
D	30	Total Account 382	0	3,061	0	0	0	3,061	0	1,124	0	0	0	1,124
D	31	387-Other Equipment	1	0	0	0	0	1	0	0	0	0	0	0
D	32	388-Asset Retirement Costs for Distribution Plant	0	0	0	0	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE	19,788	6,825	0	0	0	26,613	3,020	2,505	0	0	0	5,526
D	34													
D	35	GENERAL PLANT EXPENSE	167	63	168	30	273	700	25	23	15	1	27	92
D	36													
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	624	237	626	111	1,019	2,616	95	87	56	3	101	343
D	38													
D	39	NET MANUFACTURED GAS PLANT EXP	0	0	0	0	0	0	0	0	0	0	0	0
D	40													
D	50													
TO	1	OTHER OPERATING EXPENSES												
TO	2													
TO	3	TAXES OTHER THAN INCOME TAXES												
TO	4	General Taxes												
TO	5	PURTA Taxes	562	157	2	0	4	725	86	58	0	0	0	144
TO	6	Capital Stock	0	0	0	0	0	0	0	0	0	0	0	0
TO	7	Payroll Related	366	139	367	65	597	1,534	56	51	33	2	59	201
TO	8	Real Estate Tax	430	120	2	0	3	555	66	44	0	0	0	110
TO	9	PA and Local Use Tax	19	6	3	3	6	36	4	3	0	0	0	7
TO	10	Total General Taxes	1,376	422	374	68	609	2,850	211	156	34	2	60	463
TO	11													
TO	12													
TO	20													
TO	21	TOTAL TAXES OTHER THAN INCOME	1,376	422	374	68	609	2,850	211	156	34	2	60	463
TO	22													
TO	50													
TI	1	DEVELOPMENT OF INCOME TAXES												
TI	2													
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS	64,798	20,329	11,062	11,431	24,854	132,476	14,134	9,686	1,056	1,149	1,753	27,778
TI	4	LESS:												
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	16,054	7,457	9,019	11,047	21,775	65,352	2,397	2,691	803	1,131	2,123	9,145
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	23,410	7,919	805	142	1,309	33,585	3,573	2,907	72	4	130	6,687
TI	7	TAXES OTHER THAN INCOME TAXES	1,376	422	374	68	609	2,850	211	156	34	2	60	463
TI	8	NET OPERATING INCOME BEFORE TAXES	23,958	4,531	865	174	1,160	30,688	7,953	3,933	147	12	(560)	11,484
TI	9	LESS:												
TI	10	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)	12,145	2,668	333	66	459	15,672	1,855	980	30	2	(103)	2,764
TI	11													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	RESIDENTIAL CUSTOMER RELATED COSTS					GC CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
TI	12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS	11,813	1,863	532	108	701	15,017	6,098	2,953	117	10	(458)	8,720
TI	13													
TI	14	FEDERAL & STATE TAX ADJUSTMENTS												
TI	15	Regulatory Asset Prog M-1 (Pension & Post Ret)	296	112	297	53	483	1,241	45	41	27	2	48	163
TI	16	Other Property Basis Adjustment (CIAC/ICM)	3,476	972	0	0	0	4,448	531	357	0	0	0	887
TI	17	Removal Costs/Software	2,499	700	10	2	16	3,226	381	257	1	0	2	641
TI	18	AFUDC Equity	1,502	421	6	1	9	1,939	229	154	1	0	1	385
TI	19	Permanent Adjustments	(212)	(59)	(1)	(0)	(1)	(274)	(32)	(22)	(0)	(0)	(0)	(54)
TI	20	Repair Allowance Deduction	36,320	10,175	141	25	229	46,891	5,544	3,735	13	1	23	9,315
TI	21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS	43,881	12,322	453	80	736	57,472	6,698	4,523	41	2	73	11,337
TI	22													
TI	23	CALCULATION OF PA STATE INCOME TAXES												
TI	24	BASE TAXABLE INCOME	11,813	1,863	532	108	701	15,017	6,098	2,953	117	10	(458)	8,720
TI	25	LESS:												
TI	26	State Tax Depreciation (Over) Under Book	(6,998)	(1,961)	(27)	(5)	(44)	(9,035)	(1,068)	(720)	(2)	(0)	(4)	(1,795)
TI	27	Total Tax Adjustments	43,881	12,322	453	80	736	57,472	6,698	4,523	41	2	73	11,337
TI	28	PA STATE TAXABLE DISTRIBUTION INCOME	(25,071)	(8,498)	106	32	9	(33,420)	468	(851)	79	8	(527)	(822)
TI	29	PA STATE INCOME TAXES @ Tax Rate 9.99%	(2,505)	(849)	11	3	1	(3,339)	47	(85)	8	1	(53)	(82)
TI	30	PLUS: DEFERRED STATE INCOME TAXES												
TI	31	Net Operating Loss Utilization	2,505	849	(11)	(3)	(1)	3,339	(47)	85	(8)	(1)	53	82
TI	32	TOTAL STATE INCOME TAX	0	0	0	0	0	0	0	0	0	0	0	0
TI	33	Deferred Taxes on Timing Differences - State	(420)	(118)	(2)	(0)	(3)	(542)	(64)	(43)	(0)	(0)	(0)	(108)
TI	34	Deferred Taxes on State NOL	1,630	457	6	1	10	2,104	249	168	1	0	1	418
TI	35	TOTAL STATE INCOME TAX EXPENSE	1,210	339	5	1	8	1,562	185	124	0	0	1	310
TI	36													
TI	37	CALCULATION OF FEDERAL INCOME TAXES												
TI	38	BASE TAXABLE INCOME	11,813	1,863	532	108	701	15,017	6,098	2,953	117	10	(458)	8,720
TI	39	LESS:												
TI	40	PA State Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
TI	41	Federal Tax Depreciation (Over) Under Book	(9,212)	(2,581)	(36)	(6)	(58)	(11,893)	(1,406)	(947)	(3)	(0)	(6)	(2,362)
TI	42	Total Tax Adjustments	43,881	12,322	453	80	736	57,472	6,698	4,523	41	2	73	11,337
TI	43	FEDERAL TAXABLE DISTRIBUTION INCOME	(22,857)	(7,878)	115	34	23	(30,563)	806	(623)	80	8	(525)	(255)
TI	44	FEDERAL INCOME TAXES @ Tax Rate 21.00%	4,800	1,654	(24)	(7)	(5)	6,418	(169)	131	(17)	(2)	110	53
TI	45													
TI	78	TOTAL PA INCOME TAX EXPENSE	1,210	339	5	1	8	1,562	185	124	0	0	1	310
TI	79	TOTAL FEDERAL INCOME TAX EXPENSE	5,777	1,928	(20)	(6)	1	7,679	(20)	231	(16)	(2)	111	304
TI	80	TOTAL INCOME TAX EXPENSE	6,987	2,267	(16)	(6)	9	9,241	164	356	(16)	(2)	112	614
TI	81													
TI	82	TOTAL OTHER TAX EXPENSE	1,376	422	374	68	609	2,850	211	156	34	2	60	463
TI	83													
TI	84	TOTAL TAX EXPENSE	8,363	2,689	358	63	618	12,091	376	511	18	1	172	1,077
TI	85													
S	133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	82,753	24,246	11,535	11,500	25,480	155,514	16,880	11,128	1,100	1,151	1,596	31,855
S	146	NUMBER OF CUSTOMER BILLS	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	5,932,690	533,403	533,403	533,403	533,403	533,403	533,403
S	148	\$/MONTH/CUSTOMER	\$ 13.95	\$ 4.09	\$ 1.94	\$ 1.94	\$ 4.29	\$ 26.21	\$ 31.64	\$ 20.86	\$ 2.06	\$ 2.16	\$ 2.99	\$ 59.72

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
S 1	SUMMARY AT PRESENT RATES												
S 2													
S 3	DEVELOPMENT OF RETURN EXCLUDING PURCHASED GAS												
S 4	OPERATING REVENUE												
S 5	Sales of Gas Revenue - Base	246	875	11	42	510	1,684	160	754	6	22	276	1,218
S 6	Other Operating Revenue	1	3	0	0	1	5	1	3	0	0	0	4
S 7	TOTAL OPERATING REVENUE	247	879	11	42	511	1,689	161	757	6	22	277	1,222
S 8													
S 9	OPERATING EXPENSES												
S 10	Operation and Maintenance Expense Excl Pur Gas	49	270	8	40	439	806	26	200	4	21	232	483
S 11	Depreciation and Amortization Expense	74	281	1	1	29	385	39	218	0	0	15	272
S 12	Taxes Other Than Income Taxes-General	4	16	0	0	13	34	2	12	0	0	7	21
S 13	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 14	Income Taxes	13	55	(0)	(0)	(1)	66	0	20	(0)	(0)	(2)	17
S 15	TOTAL OPERATING EXPENSES	115	512	9	41	482	1,158	67	410	5	22	256	759
S 16													
S 17	OPERATING INCOME (RETURN)	133	367	1	1	29	531	94	347	1	1	21	463
S 18													
S 19	DEVELOPMENT OF RATE BASE EXCL PURCHASED GAS												
S 20	Gas Plant in Service	3,061	10,075	3	2	134	13,276	1,597	7,462	2	1	71	9,133
S 21	Less: Accumulated Depreciation	736	3,557	1	1	56	4,352	384	2,886	1	1	30	3,302
S 22	Plus: Rate Base Additions Excl Purchased Gas	39	179	12	10	480	720	21	134	7	5	253	419
S 23	Less: Rate Base Deductions	323	1,053	(2)	(2)	110	1,482	169	780	(1)	(1)	57	1,003
S 24	TOTAL RATE BASE EXCL PURCHASED GAS	2,041	5,645	17	13	447	8,162	1,065	3,930	9	7	237	5,248
S 25													
S 26	RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%
S 27	INDEX RATE OF RETURN EXCL PURCHASED GAS (PRESENT)	1.26	1.13	1.30	1.34	1.68		1.71	1.53	1.77	1.82	2.28	
S 28													
S 40	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 41	Total Distribution Sales Revenue at Current Rates	246	875	11	42	510	1,684	160	754	6	22	276	1,218
S 42	Total Distribution Operating Revenues	247	879	11	42	511	1,689	161	757	6	22	277	1,222
S 43	Total Distribution Operating Expenses Excl Federal & State Taxes	127	567	9	41	480	1,225	67	430	5	21	254	776
S 44	Plus: Total Federal & State Taxes	13	55	(0)	(0)	(1)	66	0	20	(0)	(0)	(2)	17
S 45	Total Operating Income (Return)	133	367	1	1	29	531	94	347	1	1	21	463
S 46	Total Rate Base	2,041	5,645	17	13	447	8,162	1,065	3,930	9	7	237	5,248
S 47													
S 48	COMPOSITE RATE OF RETURN (PRESENT)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%
S 49	COMPOSITE INDEX RATE OF RETURN (PRESENT)	1.26	1.13	1.30	1.34	1.68		1.71	1.53	1.77	1.82	2.28	
S 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
S 51	EQUALIZED RETURN AT PROPOSED ROR OF 7.70%												
S 52													
S 53	DEVELOPMENT OF RETURN EXCL PURCHASED GAS (EQUALIZED R.												
S 54													
S 55	Rate Base Excluding Purchased Gas	2,041	5,645	17	13	447	8,162	1,065	3,930	9	7	237	5,248
S 56	Change in Operating Income (Rate Base * 1.97%)	40	111	0	0	9	161	21	78	0	0	5	104
S 57													
S 58	OPERATING REVENUES												
S 59	Change in Revenue (Change in Return * 1.414)	57	158	0	0	12	228	30	110	0	0	7	146
S 60	Distribution Base Rate Revenue (Present Rates)	246	875	11	42	510	1,684	160	754	6	22	276	1,218
S 61	Total Dist Base Rate Revenue (Proposed Rate)	303	1,033	11	42	522	1,912	190	864	6	22	283	1,365
S 62													
S 63	Forfeited Discounts Revenues	0	0	0	0	0	0	0	0	0	0	0	0
S 64	Other Operating Revenue (Present Rates)	1	3	0	0	1	5	1	3	0	0	0	4
S 65	TOTAL OPERATING REVENUES	304	1,036	11	42	523	1,917	190	866	6	22	283	1,368
S 66													
S 67	OPERATING EXPENSES												
S 68	Operation and Maintenance Expense Excl Pur Gas	49	270	8	40	439	806	26	200	4	21	232	483
S 69	Depreciation and Amortization Expense	74	281	1	1	29	385	39	218	0	0	15	272
S 70	Additional Bad Debt Expense	0	1	0	0	0	1	0	0	0	0	0	1
S 71	Additional PUC / OTS & SBA Fee Expense	0	0	0	0	0	1	0	0	0	0	0	0
S 72	Taxes Other Than Income Taxes-General	4	16	0	0	13	34	2	12	0	0	7	21
S 73	Taxes Other Than Income Taxes-Distribution GRT	0	0	0	0	0	0	0	0	0	0	0	0
S 74	TOTAL OPERATING EXPENSES BEFORE TAXES	128	568	9	41	481	1,226	67	430	5	21	254	777
S 75	State and Federal Income Taxes @ Effective Tax Rate	13	55	(0)	(0)	(1)	66	0	20	(0)	(0)	(2)	17
S 76	State and Federal Income Taxes @ Statutory Rates	(16)	(45)	(0)	(0)	(4)	(65)	(9)	(32)	(0)	(0)	(2)	(42)
S 77	TOTAL OPERATING EXPENSES	124	577	9	41	476	1,227	58	418	5	21	250	752
S 78													
S 79	NET OPERATING INCOME EXCL PURCHASED GAS	181	459	2	1	48	690	132	448	1	1	34	616
S 80													
S 81	BASE RATE SALES EXCL PUR GAS @ EQUALIZED ROR 7.70%	303	1,033	11	42	522	1,912	190	864	6	22	283	1,365
S 82													
S 83	TOTAL REVENUE EXCL PUR GAS INCREASE/DECREASE	57	158	0	0	13	228	30	110	0	0	7	147
S 84	REVENUE INCREASE TO RETAIL EXCL PUR GAS REVENUES (%)	23.15%	18.02%	4.44%	0.85%	2.46%	13.55%	18.61%	14.56%	4.24%	0.84%	2.41%	12.04%
S 85													
S 86													
S 132	TOTAL RATE CASE (DISTRIBUTION PLUS PURCHASED GAS)												
S 133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	303	1,033	11	42	522	1,912	190	864	6	22	283	1,365
S 134													
S 135													
S 136													
S 146	NUMBER OF CUSTOMER BILLS	5,505	5,505	5,505	5,505	5,505	5,505	2,873	2,873	2,873	2,873	2,873	2,873
S 147													
S 148	\$/MONTH/CUSTOMER	\$55.09	\$187.60	\$2.00	\$7.69	\$94.90	\$347.27	\$66.03	\$300.66	\$2.09	\$7.76	\$98.48	\$475.01
S 149													
S 150													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
	(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
RBP 1	DEVELOPMENT OF RATE BASE												
RBP 2													
RBP 3	GAS PLANT IN SERVICE												
RBP 4	INTANGIBLE PLANT												
RBP 5	301-Organization	16	52	0	0	1	68	8	38	0	0	0	47
RBP 6	303-Miscellaneous Intangible Plant	0	0	0	0	0	0	0	0	0	0	0	0
RBP 7	TOTAL INTANGIBLE PLANT	16	52	0	0	1	68	8	38	0	0	0	47
RBP 8													
RBP 9	PRODUCTION PLANT (LPG)												
RBP 27	DISTRIBUTION PLANT												
RBP 40	380-Services	3,031	0	0	0	0	3,031	1,581	0	0	0	0	1,581
RBP 41	381-Meters	0	3,856	0	0	0	3,856	0	3,145	0	0	0	3,145
RBP 42	Direct Assignment	0	232	0	0	0	232	0	0	0	0	0	0
RBP 43	Total Account 381	0	4,088	0	0	0	4,088	0	3,145	0	0	0	3,145
RBP 44	382-Meter Installations	0	5,187	0	0	0	5,187	0	4,230	0	0	0	4,230
RBP 45	Direct Assignment	0	681	0	0	0	681	0	0	0	0	0	0
RBP 46	Total Account 382	0	5,868	0	0	0	5,868	0	4,230	0	0	0	4,230
RBP 47	387-Other Equipment	2	6	0	0	0	8	1	5	0	0	0	6
RBP 53	GENERAL PLANT												
RBP 54	389-Land and Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
RBP 55	390-Structures and Improvements	3	14	1	1	36	55	2	11	0	0	19	32
RBP 56	391-Office Furniture & Equipment	2	9	1	0	24	36	1	7	0	0	12	21
RBP 57	393-Store Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 58	394-Tools, Shop & Garage Equip.	5	22	1	1	56	85	3	16	1	1	29	50
RBP 59	395-Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0
RBP 60	397-Communication Equipment	1	7	0	0	17	26	1	5	0	0	9	15
RBP 61	398-Miscellaneous Equipment	0	0	0	0	1	1	0	0	0	0	0	1
RBP 62	TOTAL GENERAL PLANT	12	53	3	2	133	203	6	39	2	1	70	118
RBP 63													
RBP 64													
RBP 65	TOTAL GAS PLANT IN SERVICE	3,061	10,075	3	2	134	13,276	1,597	7,462	2	1	71	9,133
RBP 99													
RBP 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
	(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
RBD 1	LESS: ACCUMULATED DEPRECIATION												
RBD 2													
RBD 3	INTANGIBLE PLANT ACCUMULATED DEPRECIATION	14	48	0	0	1	63	8	35	0	0	0	43
RBD 10													
RBD 11	DISTRIBUTION PLANT ACCUMULATED DEPRECIATION												
RBD 24	380-Services	715	0	0	0	0	715	373	0	0	0	0	373
RBD 25	381-Meters	0	1,686	0	0	0	1,686	0	1,375	0	0	0	1,375
RBD 26	Direct Assignment	0	3	0	0	0	3	0	0	0	0	0	0
RBP 27	Total Account 381	0	1,689	0	0	0	1,689	0	1,375	0	0	0	1,375
RBD 28	382-Meter Installations	0	1,784	0	0	0	1,784	0	1,454	0	0	0	1,454
RBD 29	Direct Assignment	0	8	0	0	0	8	0	0	0	0	0	0
RBP 30	Total Account 382	0	1,791	0	0	0	1,791	0	1,454	0	0	0	1,454
RBD 31	387-Other Equipment	1	4	0	0	0	5	1	3	0	0	0	4
RBD 32	388-Asset Retirement Costs for Distribution Plant	0	3	0	0	0	3	0	2	0	0	0	2
RBD 33	TOTAL DISTRIBUTION PLANT ACCUMULATED DEPRECIATION	717	3,487	0	0	0	4,204	374	2,835	0	0	0	3,209
RBD 34													
RBD 35	GENERAL PLANT ACCUMULATED DEPRECIATION	5	22	1	1	56	85	3	16	1	1	29	50
RBD 37	TOTAL ACCUMULATED DEPRECIATION	736	3,557	1	1	56	4,352	384	2,886	1	1	30	3,302
RBD 38													
RBD 39													
RBD 50													
RBO 1	ADDITIONS AND DEDUCTIONS TO RATE BASE												
RBO 2													
RBO 3	PLUS: ADDITIONS TO RATE BASE												
RBO 4													
RBO 5	COMMON PLANT	42	187	12	9	472	722	22	138	6	5	249	420
RBO 6													
RBO 7	WORKING CAPITAL												
RBO 8	Cash Working Capital - Purchased Gas	0	0	0	0	0	0	0	0	0	0	0	0
RBO 9	Cash Working Capital	(3)	(9)	0	1	8	(3)	(1)	(6)	0	0	4	(3)
RBO 10	Gas Storage Inventory	0	0	0	0	0	0	0	0	0	0	0	0
RBO 11	Materials and Supplies	0	1	0	0	2	0	1	0	0	0	0	1
RBO 12	TOTAL WORKING CAPITAL	(3)	(7)	0	1	8	(1)	(1)	(5)	0	0	4	(1)
RBO 13	TOTAL ADDITIONS TO RATE BASE EXCL PURCHASED GAS	39	179	12	10	480	720	21	134	7	5	253	419
RBO 14	TOTAL ADDITIONS TO RATE BASE	39	179	12	10	480	720	21	134	7	5	253	419
RBO 15													
RBO 16	LESS: DEDUCTIONS TO RATE BASE												
RBO 17	Customer Deposits	0	0	0	0	194	194	0	0	0	0	101	101
RBO 18	Customer Advances for Construction	0	0	0	0	0	0	0	0	0	0	0	0
RBO 19	Deferred Income Taxes and Credits												
RBO 20	Plant	332	1,092	0	0	14	1,438	173	808	0	0	8	990
RBO 21	Common Plant	2	9	1	0	23	35	1	7	0	0	12	20
RBO 22	Pension Assets / (Liability)	(11)	(48)	(3)	(2)	(121)	(185)	(6)	(35)	(2)	(1)	(64)	(108)
RBO 23	ML Non-Conforming	0	0	0	0	0	0	0	0	0	0	0	0
RBO 24	Contributions in Aid of Construction (CIAC)	0	0	0	0	0	0	0	0	0	0	0	0
RBO 25	Total Deferred Income Taxes and Credits	323	1,053	(2)	(2)	(84)	1,288	169	780	(1)	(1)	(44)	902
RBO 26	TOTAL DEDUCTIONS TO RATE BASE	323	1,053	(2)	(2)	110	1,482	169	780	(1)	(1)	57	1,003
RBO 27													
RBO 28	TOTAL PURCHASED GAS RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0
RBO 29	TOTAL RATE BASE EXCLUDING PURCHASED GAS	2,041	5,645	17	13	447	8,162	1,065	3,930	9	7	237	5,248
RBO 30													
RBO 31	TOTAL RATE BASE	2,041	5,645	17	13	447	8,162	1,065	3,930	9	7	237	5,248
RBO 32													
RBO 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
	(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
RBC 1	CASH WORKING CAPITAL (LEAD LAG)												
RBC 2													
RBC 3	TOTAL EXCLUDING PURCHASED GAS												
RBC 4	O&M EXPENSE RELATED CASH WORKING CAPITAL												
RBC 5	Payroll (Distribution Only)	13	58	4	3	146	223	7	43	2	1	77	130
RBC 6	Pension	1	3	0	0	9	13	0	3	0	0	5	8
RBC 7	Other Expenses												
RBC 8	Other Expenses	35	217	4	41	286	583	18	161	2	22	151	354
RBC 9	BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 10	Purchase of Receivables (POR)	0	0	0	0	0	0	0	0	0	0	0	0
RBC 11	TOTAL EXPENSES	49	278	8	44	440	819	26	206	4	23	232	491
RBC 12													
RBC 13	TOTAL EXPENSES PER DAY	0	1	0	0	1	2	0	1	0	0	1	1
RBC 14													
RBC 15	CWC REQUIREMENT (TOTAL EXPENSES x EXPENSE LAG)	1	4	0	1	6	12	0	3	0	0	3	7
RBC 16													
RBC 17	AVERAGE PREPAYMENTS	1	4	0	0	1	7	1	3	0	0	1	5
RBC 18	DISTRIBUTION ACCRUED TAXES	0	0	0	0	0	1	0	1	0	0	0	1
RBC 19	INTEREST PAYMENTS	(5)	(17)	(0)	(0)	(0)	(22)	(3)	(13)	(0)	(0)	(0)	(15)
RBC 20													
RBC 21													
RBC 22	NET CASH WORKING CAPITAL EXCL PUR GAS REQUIREMENT	(3)	(9)	0	1	8	(3)	(1)	(6)	0	0	4	(3)
RBC 23													
RBC 24													
RBC 15													
RBC 16	DISTRIBUTION ACCRUED TAXES												
RBC 17	Federal Income Tax	16	41	0	0	4	62	15	50	0	0	4	69
RBC 18	State Income Tax	109	276	1	1	29	417	99	338	1	1	25	464
RBC 19	PURTA Taxes	(138)	(454)	(0)	(0)	(6)	(599)	(72)	(336)	(0)	(0)	(3)	(412)
RBC 20	PA Capital Stock Tax	0	0	0	0	0	0	0	0	0	0	0	0
RBC 21	PA & Local Use Taxes	0	0	0	0	0	0	0	0	0	0	0	0
RBC 22	PA Property tax	97	318	0	0	4	419	50	235	0	0	2	288
RBC 23	TOTAL ACCRUED TAXES	84	181	1	1	32	299	92	288	1	1	28	409
RBC 24	TOTAL ACCRUED TAXES PER DAY	0	0	0	0	0	1	0	1	0	0	0	1
RBC 25													
RBC 26	DISTRIBUTION AVERAGE PREPAYMENTS												
RBC 27	AGA Membership Dues	0	0	0	0	0	1	0	0	0	0	0	1
RBC 28	EAPA & NGA Membership Dues	0	0	0	0	0	0	0	0	0	0	0	0
RBC 29	PUC Assess - Gas	0	1	0	0	1	2	0	1	0	0	0	2
RBC 30	Cellent Gas Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0
RBC 31	Gas Software Maintenance	0	0	0	0	0	0	0	0	0	0	0	0
RBC 32	Customer and Research	0	0	0	0	0	0	0	0	0	0	0	0
RBC 33	VEBA Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
RBC 34	Facility Contracts	0	0	0	0	0	0	0	0	0	0	0	0
RBC 35	IT License & Maintenance	1	2	0	0	0	2	0	1	0	0	0	2
RBC 36	Fleet Activities	0	0	0	0	0	0	0	0	0	0	0	0
RBC 37	Prepared Rent	0	0	0	0	0	0	0	0	0	0	0	0
RBC 38	Postage	0	0	0	0	0	0	0	0	0	0	0	0
RBC 39	TOTAL AVERAGE PREPAYMENTS	1	4	0	0	1	7	1	3	0	0	1	5
RBC 49													
RBC 50													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
RBC 51	OPERATING REVENUES												
RBC 52													
RBC 53	SALES REVENUES												
RBC 54	Sales of Gas Revenues - Base	246	875	11	42	510	1,684	160	754	6	22	276	1,218
RBC 55	Sales Revenues - Purchased Gas-PGC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 56	Sales Revenues - Balancing Service Charge-BSC	0	0	0	0	0	0	0	0	0	0	0	0
RBC 57	TOTAL SALES OF GAS	246	875	11	42	510	1,684	160	754	6	22	276	1,218
RBC 58													
RBC 59	OTHER OPERATING REVENUES												
RBC 60	487-Forfeited Discounts	0	1	0	0	1	3	0	1	0	0	0	2
RBC 61	488-Miscellaneous Service Revenues	0	0	0	0	0	0	0	0	0	0	0	0
RBC 62	489-Transport of Gas of Others Revenue	0	0	0	0	0	0	0	0	0	0	0	0
RBC 63	494-Interdepartmental Rents	1	2	0	0	0	3	0	2	0	0	0	2
RBC 64	TOTAL OTHER OPERATING REV	1	3	0	0	1	5	1	3	0	0	0	4
RBC 65													
RBC 66	TOTAL OPERATING REVENUES	247	879	11	42	511	1,689	161	757	6	22	277	1,222
RBC 67													
RBC 100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
E	1	OPERATION & MAINTENANCE EXPENSE												
E	2													
E	40	DISTRIBUTION EXPENSES												
E	41	Operation												
E	42	870-Operation Supervision and Engineering	1	3	0	0	0	4	0	2	0	0	0	3
E	43	874-Mains and Services Expenses	18	0	0	0	0	18	9	0	0	0	0	9
E	44	875-Measuring & Reg. Station Exp.-General	0	0	0	0	0	0	0	0	0	0	0	0
E	45	877-Measuring & Reg. Station Exp.-City Gate Sta.	0	0	0	0	0	0	0	0	0	0	0	0
E	46	878-Meter & House Regulator Expenses	0	155	0	0	0	155	0	114	0	0	0	114
E	47	879-Customer Installations Expenses	0	0	4	0	0	4	0	0	2	0	0	2
E	48	880-Other Expenses	12	40	0	0	0	52	6	29	0	0	0	36
E	49	Total Distribution Operation	31	197	5	0	0	233	16	146	2	0	0	165
E	50													
E	53	Maintenance												
E	54	887-Maintenance of Mains	0	0	0	0	0	0	0	0	0	0	0	0
E	55	889-Maint. of Measuring & Reg. Station Equip.-Gen	0	0	0	0	0	0	0	0	0	0	0	0
E	56	892-Maintenance of Services	4	0	0	0	0	4	2	0	0	0	0	2
E	57	893-Maint. of Meters & House Regulators	0	11	0	0	0	11	0	8	0	0	0	8
E	58	894-Maintenance of Other Equipment	1	3	0	0	0	3	0	2	0	0	0	2
E	59	Total Distribution Maintenance	5	13	0	0	0	18	2	10	0	0	0	12
E	60	TOTAL DISTRIBUTION PLANT O&M EXPENSES	35	211	5	0	0	251	18	156	2	0	0	177
E	61	TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST)	35	211	5	0	0	251	18	156	2	0	0	177
E	62													
E	63	CUSTOMER ACCOUNTS EXPENSES												
E	64	902-Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0
E	65	903-Customer Records and Collection Expense	0	0	0	0	297	297	0	0	0	0	157	157
E	66	904-Uncollectible Accounts	0	0	0	0	1	1	0	0	0	0	0	0
E	67	904-Uncollectible Accounts - PPA	0	0	0	0	0	0	0	0	0	0	0	0
E	68	905-Miscellaneous CA	0	0	0	0	2	2	0	0	0	0	1	1
E	69	TOTAL CUSTOMER ACCTS EXPENSE	0	0	0	0	299	299	0	0	0	0	158	158
E	70													
E	71	CUSTOMER SERVICE & SALES EXPENSES												
E	72	908-Customer Assistance	0	0	0	28	0	28	0	0	0	14	0	14
E	73	908-Customer Assistance	0	0	0	0	0	0	0	0	0	0	0	0
E	74	909-Advertisement	0	0	0	0	0	0	0	0	0	0	0	0
E	75	910-Miscellaneous CS	0	0	0	0	0	0	0	0	0	0	0	0
E	76	912-Demonstrating and Selling Expenses	0	0	0	10	0	10	0	0	0	5	0	5
E	77	916 Miscellaneous Sales Expenses	0	0	0	0	0	0	0	0	0	0	0	0
E	78	TOTAL CUSTOMER SERVICE & SALES EXP	0	0	0	38	0	38	0	0	0	20	0	20
E	79													
E	80	TOTAL OPER & MAINT EXCL A&G	35	211	5	38	299	588	18	156	2	20	158	355
E	81													
E	82	ADMINISTRATIVE & GENERAL EXPENSE												
E	83	920-Administrative Salaries	3	13	1	1	32	49	1	9	0	0	17	28
E	84	921-Office Supplies & Expense	0	2	0	0	5	8	0	1	0	0	3	4
E	85	923-Outside Service Employed	5	23	2	1	58	89	3	17	1	1	31	52
E	86	924-Property Insurance	0	0	0	0	0	0	0	0	0	0	0	0
E	87	925-Injuries and Damages	0	0	0	0	1	1	0	0	0	0	0	1
E	88	926-Employee Pensions & Benefits	3	14	1	1	35	54	2	10	0	0	18	31
E	89	928-Regulatory Commission	1	4	0	0	2	8	1	4	0	0	1	6
E	90	929-Duplicate Charges-Credit	0	0	0	0	0	0	0	0	0	0	0	0
E	91	930.1-General Advertising	0	0	0	0	0	0	0	0	0	0	0	0
E	92	930.2-Miscellaneous General	0	1	0	0	2	3	0	1	0	0	1	2
E	93	932-Maintenance of General Plant	0	2	0	0	4	6	0	1	0	0	2	4
E	94	TOTAL A&G EXPENSE	14	59	4	3	140	218	7	44	2	1	74	128
E	95													
E	96	TOTAL OPERATION & MAINTENANCE EXPENSES	49	270	8	40	439	806	26	200	4	21	232	483
E	97													
E	98	TOTAL PURCHASED GAS O&M EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0
E	99	TOTAL O&M EXPENSES EXCLUDING PURCHASED GAS	49	270	8	40	439	806	26	200	4	21	232	483
E	100													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

SCH	LINE NO.	DESCRIPTION	TSF CUSTOMER RELATED COSTS					TSI CUSTOMER RELATED COSTS						
			SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL	SERVICES	METERS	CUSTINSTALL	CUSTSERV	CUSTACCT	TOTAL
		(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
D	1	DEPRECIATION / AMORTIZATION EXPENSE												
D	2													
D	3	INTANGIBLE PLANT EXPENSE	9	29	0	0	0	39	5	22	0	0	0	27
D	4													
D	11	DISTRIBUTION PLANT EXPENSE												
D	24	380-Services	62	0	0	0	0	62	33	0	0	0	0	33
D	25	381-Meters	0	127	0	0	0	127	0	103	0	0	0	103
D	26	Direct Assignment	0	3	0	0	0	3	0	0	0	0	0	0
D	27	Total Account 381	0	129	0	0	0	129	0	103	0	0	0	103
D	28	382-Meter Installations	0	103	0	0	0	103	0	84	0	0	0	84
D	29	Direct Assignment	0	8	0	0	0	8	0	0	0	0	0	0
D	30	Total Account 382	0	111	0	0	0	111	0	84	0	0	0	84
D	31	387-Other Equipment	0	0	0	0	0	0	0	0	0	0	0	0
D	32	388-Asset Retirement Costs for Distribution Plant	0	0	0	0	0	0	0	0	0	0	0	0
D	33	TOTAL DISTRIBUTION PLANT EXPENSE	62	240	0	0	0	303	33	188	0	0	0	220
D	34													
D	35	GENERAL PLANT EXPENSE	1	2	0	0	6	9	0	2	0	0	3	5
D	36													
D	37	COMMON PLANT DEPRECIATION/AMORTIZATION	2	9	1	0	22	34	1	7	0	0	12	20
D	38													
D	39	NET MANUFACTURED GAS PLANT EXP	0	0	0	0	0	0	0	0	0	0	0	0
D	40													
D	50													
TO	1	OTHER OPERATING EXPENSES												
TO	2													
TO	3	TAXES OTHER THAN INCOME TAXES												
TO	4	General Taxes												
TO	5	PURTA Taxes	2	6	0	0	0	8	1	4	0	0	0	5
TO	6	Capital Stock	0	0	0	0	0	0	0	0	0	0	0	0
TO	7	Payroll Related	1	5	0	0	13	20	1	4	0	0	7	12
TO	8	Real Estate Tax	1	4	0	0	0	6	1	3	0	0	0	4
TO	9	PA and Local Use Tax	0	0	0	0	0	0	0	0	0	0	0	0
TO	10	Total General Taxes	4	16	0	0	13	34	2	12	0	0	7	21
TO	11													
TO	12													
TO	20													
TO	21	TOTAL TAXES OTHER THAN INCOME	4	16	0	0	13	34	2	12	0	0	7	21
TO	22													
TO	50													
TI	1	DEVELOPMENT OF INCOME TAXES												
TI	2													
TI	3	TOTAL OPERATING REVENUES EXCL PURCHASED GAS	247	879	11	42	511	1,689	161	757	6	22	277	1,222
TI	4	LESS:												
TI	5	OPER. & MAINT. EXP. EXCL PURCHASED GAS	49	270	8	40	439	806	26	200	4	21	232	483
TI	6	DEPRECIATION AND AMORTIZATION EXPENSE	74	281	1	1	29	385	39	218	0	0	15	272
TI	7	TAXES OTHER THAN INCOME TAXES	4	16	0	0	13	34	2	12	0	0	7	21
TI	8	NET OPERATING INCOME BEFORE TAXES	120	312	1	1	30	464	94	327	1	1	23	446
TI	9	LESS:												
TI	10	INTEREST EXPENSE (Rate Base * 1.85% Weighted Cost of Debt)	38	104	0	0	8	151	20	73	0	0	4	97
TI	11													

PECO Energy Company
Gas Class Cost of Service Study
For Fully Projected Future Test Year Ended June 30, 2022 (\$000'S)

LINE SCH NO.	DESCRIPTION (a)	TSF CUSTOMER RELATED COSTS						TSI CUSTOMER RELATED COSTS					
		SERVICES (n)	METERS (o)	CUSTINSTALL (p)	CUSTSERV (q)	CUSTACCT (r)	TOTAL (s)	SERVICES (t)	METERS (u)	CUSTINSTALL (v)	CUSTSERV (w)	CUSTACCT (x)	TOTAL (y)
TI 12	BASE TAXABLE DISTRIBUTION INCOME EXCL PURCHASED GAS	82	208	1	1	22	313	74	254	1	1	19	349
TI 13													
TI 14	FEDERAL & STATE TAX ADJUSTMENTS												
TI 15	Regulatory Asset Prog M-1 (Pension & Post Ret)	1	4	0	0	11	16	0	3	0	0	6	9
TI 16	Other Property Basis Adjustment (CIAC/ICM)	11	36	0	0	0	47	6	27	0	0	0	32
TI 17	Removal Costs/Software	8	26	0	0	0	34	4	19	0	0	0	24
TI 18	AFUDC Equity	5	16	0	0	0	21	2	12	0	0	0	14
TI 19	Permanent Adjustments	(1)	(2)	(0)	(0)	(0)	(3)	(0)	(2)	(0)	(0)	(0)	(2)
TI 20	Repair Allowance Deduction	115	377	0	0	5	497	60	280	0	0	3	342
TI 21	TOTAL FEDERAL & STATE TAX ADJUSTMENTS	139	457	0	0	16	612	72	339	0	0	8	420
TI 22													
TI 23	CALCULATION OF PA STATE INCOME TAXES												
TI 24	BASE TAXABLE INCOME	82	208	1	1	22	313	74	254	1	1	19	349
TI 25	LESS:												
TI 26	State Tax Depreciation (Over) Under Book	(22)	(73)	(0)	(0)	(1)	(96)	(12)	(54)	(0)	(0)	(1)	(66)
TI 27	Total Tax Adjustments	139	457	0	0	16	612	72	339	0	0	8	420
TI 28	PA STATE TAXABLE DISTRIBUTION INCOME	(34)	(177)	0	0	7	(203)	14	(30)	1	0	11	(5)
TI 29	PA STATE INCOME TAXES @ Tax Rate 9.99%	(3)	(18)	0	0	1	(20)	1	(3)	0	0	1	(1)
TI 30	PLUS: DEFERRED STATE INCOME TAXES												
TI 31	Net Operating Loss Utilization	3	18	(0)	(0)	(1)	20	(1)	3	(0)	(0)	(1)	1
TI 32	TOTAL STATE INCOME TAX	0	0	0	0	0	0	0	0	0	0	0	0
TI 33	Deferred Taxes on Timing Differences - State	(1)	(4)	(0)	(0)	(0)	(6)	(1)	(3)	(0)	(0)	(0)	(4)
TI 34	Deferred Taxes on State NOL	5	17	0	0	0	22	3	13	0	0	0	15
TI 35	TOTAL STATE INCOME TAX EXPENSE	4	13	0	0	0	17	2	9	0	0	0	11
TI 36													
TI 37	CALCULATION OF FEDERAL INCOME TAXES												
TI 38	BASE TAXABLE INCOME	82	208	1	1	22	313	74	254	1	1	19	349
TI 39	LESS:												
TI 40	PA State Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
TI 41	Federal Tax Depreciation (Over) Under Book	(29)	(96)	(0)	(0)	(1)	(126)	(15)	(71)	(0)	(0)	(1)	(87)
TI 42	Total Tax Adjustments	139	457	0	0	16	612	72	339	0	0	8	420
TI 43	FEDERAL TAXABLE DISTRIBUTION INCOME	(27)	(154)	0	0	7	(173)	17	(13)	1	0	11	16
TI 44	FEDERAL INCOME TAXES @ Tax Rate 21.00%	6	32	(0)	(0)	(2)	36	(4)	3	(0)	(0)	(2)	(3)
TI 45													
TI 78	TOTAL PA INCOME TAX EXPENSE	4	13	0	0	0	17	2	9	0	0	0	11
TI 79	TOTAL FEDERAL INCOME TAX EXPENSE	9	42	(0)	(0)	(1)	50	(2)	10	(0)	(0)	(2)	6
TI 80	TOTAL INCOME TAX EXPENSE	13	55	(0)	(0)	(1)	66	0	20	(0)	(0)	(2)	17
TI 81													
TI 82	TOTAL OTHER TAX EXPENSE	4	16	0	0	13	34	2	12	0	0	7	21
TI 83													
TI 84	TOTAL TAX EXPENSE	17	71	0	0	12	100	2	31	0	0	5	39
TI 85													
S 133	TOTAL COMPOSITE BASE RATE SALES REVENUE REQUIREMENT	303	1,033	11	42	522	1,912	190	864	6	22	283	1,365
S 146	NUMBER OF CUSTOMER BILLS	5,505	5,505	5,505	5,505	5,505	5,505	2,873	2,873	2,873	2,873	2,873	2,873
S 148	\$/MONTH/CUSTOMER	\$ 55.09	\$ 187.60	\$ 2.00	\$ 7.69	\$ 94.90	\$ 347.27	\$ 66.03	\$ 300.66	\$ 2.09	\$ 7.76	\$ 98.48	\$ 475.01

PECO Energy Company (Gas)
Fully Projected Future Test Year July 2021 to June 2022
Cost of Service Study

Table of External Allocators

Schedule	Allocators	Page
	Table of External Allocators	1
1	Summary of External Allocator Values by Class	2
2	Gas Deliveries Allocator	3
3	Customers Allocator	4
4	Demand Allocators	5
5	Storage Allocator	6
6	Mains, M&R and Meter Direct Assignments	7
7	Service Investment Allocator	8
8	Meter Investment Allocator	9
9	Customer Records and Collection Expenses (Account 903) Allocator	10
10	Accounts 908-916 Allocator	11
11	Accounts Receivable Over 60-Day Allocator	12
12	Write-Offs	13
13	Deposits, Interest, Advances and Forfeited Discounts	14
14	Purchased Gas Cost (PGC)	15
15	Balancing Service Cost (BSC)	16
16	Purchase of Receivables (POR)	17

PECO Energy Company (Gas)
Cost of Service Study
Summary of External Allocator Values by Class

<u>Line</u>	<u>Unit</u>	<u>Allocator Name</u>	<u>Total</u>	<u>Residential</u>	<u>GC</u>	<u>Large</u>	<u>Motor Vehicle Firm</u>	<u>Motor Vehicle Interruptible</u>	<u>Interruptible Services</u>	<u>Temperature Control</u>	<u>Transportation Firm</u>	<u>Transportation Interruptible</u>
1	#	Cust_Avg	539,593	494,391	44,450	4	15	2	2	31	459	239
2	#	Cust_Excl. Ind	538,889	494,391	44,450		15	2		31		
3	#	Cust_Res	494,391	494,391								
4	#	Cust_Comm	44,498		44,450		15	2		31		
5	#	Cust_Ind	704			4			2		459	239
6	Mcf	Gas_Deliveries	90,879,246	41,968,538	22,401,370	16,559	428,356	649	40,050	178,588	11,394,081	14,451,056
7	Mcf	Gas_Deliveries_Firm	76,208,903	41,968,538	22,401,370	16,559	428,356				11,394,081	
8	Mcf	Gas_Sales_Firm	64,814,822	41,968,538	22,401,370	16,559	428,356					
9	Mcf	Daily_Del_Excl. Dir	230,679	114,982	61,374	45	1,174	2	110	489	25,052	27,451
10	Mcf	Excess_Demand	683,737	417,874	223,292	1,317	0	0	0	0	41,255	0
11	Mcf	Peak_Sendout	846,416	550,000	293,826	1,416	1,174	0	0	0	0	0
12	Mcf	Peak_Mains	914,416	550,000	293,826	1,416	1,174	0	0	0	68,000	0
13	Mcf	Peaks_NCP	942,468	550,000	293,826	1,416	1,174	2	110	489	68,000	27,451
14	Mcf	Winter_FirmSales	9,776,460	6,488,288	3,250,000	2,231	35,941	0	0	0	0	0
15	%	Storage	100.0%	66.9%	30.9%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.2%
16	%	AR Over60-Day	100.0%	77.2%	19.0%	0.0%	0.1%	0.0%	0.0%	0.1%	2.3%	1.3%
17	%	WriteOff	100.0%	90.4%	9.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.2%
18	%	Account903	100.0%	88.0%	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	1.1%
19	%	Account908-916	100.0%	96.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%
20	\$000	Meter_Invest	215,514	150,533	55,257	6	204	3	6	297	5,072	4,136
21	\$000	Service_Invest	3,347,375	2,891,540	441,344	80	149	20	40	308	9,131	4,765
22	Minutes	Call Center	1,892,626	1,720,100	169,965	0	2	0	0	1	0	0
23	\$000	Deposits	12,465	4,323	7,860	0	3	0	0	5	180	94
24	\$000	Deposit_Interest	351	216	130	0	0	0	0	0	3	2
25	\$000	Advances	1,004	832	171	0	0	0	0	0	0	0
26	\$000	Forfeited Discounts	1,090	824	212	0	1	0	0	1	32	18
27	\$000	Purchased Gas Cost	201,635	150,889	49,024	70	892	9	0	750	0	0
28	\$000	Balancing Service Cost	25,075	16,191	8,642	6	164	2	0	69	0	0
29	\$000	Purchase of Receivables	63,454	45,995	17,258	0	81	1	0	118	0	0

PECO Energy Company (Gas)
Cost of Service Study
Gas Deliveries Allocator
Deliveries for All Customer Classes (Mcf)

<u>Class</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>TOTAL</u>
1 Residential	693,549	697,881	825,050	2,066,119	4,379,857	7,056,096	8,451,576	6,992,637	5,561,272	2,850,109	1,584,194	810,197	41,968,538
2 GC	552,462	551,500	605,715	1,246,626	2,165,282	3,499,391	4,168,796	3,550,914	2,865,617	1,552,565	1,027,262	615,241	22,401,370
3 Large	549	713	753	719	3,353	1,044	2,310	2,340	2,108	1,751	578	340	16,559
4 Motor Vehicles- Firm	31,257	34,823	37,144	40,052	39,491	39,264	34,650	32,832	33,468	32,964	35,221	37,189	428,356
5 Motor Vehicles- Interr	47	53	56	61	60	60	53	50	51	50	53	56	649
6 Interruptible	1,003	745	543	606	8,203	8,639	5,859	5,878	4,042	2,312	909	1,309	40,050
7 Temperature	296	11,205	2,213	1,058	7,559	20,601	25,429	29,540	28,477	24,957	14,845	12,410	178,588
8 Transport- Firm	802,093	736,727	739,596	899,192	1,015,493	1,197,550	1,185,597	1,149,067	1,144,051	937,657	809,956	777,101	11,394,081
9 Transport- Interr	1,017,290	934,388	938,026	1,140,441	1,287,944	1,518,847	1,503,687	1,457,356	1,450,994	1,189,225	1,027,264	985,594	14,451,056
10 TOTAL	<u>3,098,547</u>	<u>2,968,034</u>	<u>3,149,096</u>	<u>5,394,874</u>	<u>8,907,242</u>	<u>13,341,492</u>	<u>15,377,956</u>	<u>13,220,615</u>	<u>11,090,080</u>	<u>6,591,591</u>	<u>4,500,283</u>	<u>3,239,437</u>	<u>90,879,246</u>

PECO Energy Company (Gas)
Cost of Service Study
Customers Allocator
Number of Customers in Each Rate Class

<u>Class</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Average</u>
1 Residential	491,379	491,546	491,827	492,535	493,518	494,430	495,251	495,955	496,463	496,641	496,515	496,630	494,391
2 GC	44,127	44,085	44,095	44,254	44,438	44,574	44,643	44,701	44,742	44,673	44,573	44,498	44,450
3 Large	4	4	4	4	4	4	4	4	4	4	4	4	4
4 Motor Vehicles- Firm	15	15	15	15	15	15	15	15	15	15	15	15	15
5 Motor Vehicles- Interr	2	2	2	2	2	2	2	2	2	2	2	2	2
6 Interruptible	2	2	2	2	2	2	2	2	2	2	2	2	2
7 Temperature	31	31	31	31	31	31	31	31	31	31	31	31	31
8 Transport- Firm	462	461	462	461	461	458	456	457	457	457	457	457	459
9 Transport- Interr	241	241	241	241	241	239	238	238	238	238	238	238	239
10 TOTAL	<u>536,263</u>	<u>536,387</u>	<u>536,679</u>	<u>537,545</u>	<u>538,712</u>	<u>539,755</u>	<u>540,642</u>	<u>541,405</u>	<u>541,954</u>	<u>542,063</u>	<u>541,837</u>	<u>541,877</u>	<u>539,593</u>

PECO Energy Company (Gas)
 Cost of Service Study
 Demand Allocators

Class	Peak_Sendout (A)	Peak_Mains (B)	Daily_Del-Excl. Dir (C)	Peaks_NCP (D) Max of (B) or (C)	Excess Demand	Ratio of Excess	Excess Demand	Excess Demand	Average & Excess	Ratio of Average
					Allocation Basis NCP vs. Daily_Del- Excl. Dir (E) (D) - (C)	Demand Allocation Basis NCP vs. Daily_Del- Excl. Dir (F) (F) * (G)				
1 Residential	550,000	550,000	114,982	550,000	435,018	61.1%	417,874	532,856	58.3%	
2 GC	293,826	293,826	61,374	293,826	232,453	32.7%	223,292	284,665	31.1%	
3 Large	1,416	1,416	45	1,416	1,371	0.2%	1,317	1,362	0.1%	
4 Motor Vehicles- Firm	1,174	1,174	1,174	1,174	0	0.0%	0	1,174	0.1%	
5 Motor Vehicles- Interr			2	2	0	0.0%	0	2	0.0%	
6 Interruptible			110	110	0	0.0%	0	110	0.0%	
7 Temperature			489	489	0	0.0%	0	489	0.1%	
8 Transport- Firm		68,000	25,052	68,000	42,948	6.0%	41,255	66,307	7.3%	
9 Transport- Interr			27,451	27,451	0	0.0%	0	27,451	3.0%	
10 TOTAL	846,416	914,416	230,679	942,468	711,789	100%	683,737	683,737	914,416	100%

11 System Load Factor

25.23%

12 (A) & (B) Peak_Sendout and Peak_Mains: Design Day peak sendout requirements from April 30, 2020 1307 (f) filing

13 (C) Daily_Del_Excl. Dir (Average daily deliveries excluding Direct) = Daily amounts from Exhibit Page 3, with TSF & TSI totals reduced by volumes of customers with Directly Assigned Mains. Used for main deliveries portion allocation

14 (D) Peaks_NCP (estimated non-coincident peaks) = Greater of Peak_Mains (B) and Daily_Del_Excl. Dir (C)

15 (E) Excess Damand Allocation Basis = Peak_NCP (D) minus Daily_Del-Excl. Dir (C)

16 (F) Ratio of Excess Damand Allocation Basis

17 (G) Excess Demand = Peak_Mains (B) minus Daily_Del-Excl. Dir (C)

18 (H) Excess Demand by Rate Class = Ratio (F) multiple Excess Demand (G). Used for main capacity excess portion allocation

19 (I) Average and Excess Demand by Rate Class = Daily_Del-Excl. Dir (C) plus Excess Demand (H). Used for measuring and regulating station equipment allocation

20 (J) Ratio of Average & Excess Demand

21 System Load Factor = Total from (C) 230,679 / Total from (B) 914,416

PECO Energy Company (Gas)
Cost of Service Study
Storage Allocator

<u>Class</u>	<u>Winter_FirmSales (b)</u>	<u>Average Monthly Sales</u>	<u>Excess Winter_FirmSales</u>	<u>% of Winter_FirmSales</u>	<u>Average Monthly Deliveries</u>	<u>% of Average Monthly Deliveries</u>	<u>Storage Allocator</u>
1 Residential	6,488,288	3,497,378	2,990,910	68.4%		0.0%	66.86%
2 GC	3,250,000	1,866,781	1,383,219	31.6%		0.0%	30.92%
3 Large	2,231	1,380	851	0.0%		0.0%	0.02%
4 Motor Vehicles- Firm	35,941	35,696	245	0.0%		0.0%	0.01%
5 Motor Vehicles- Interr				0.0%		0.0%	0.00%
6 Interruptible				0.0%		0.0%	0.00%
7 Temperature				0.0%		0.0%	0.00%
8 Transport- Firm				0.0%	949,507	44.1%	0.97%
9 Transport- Interr				0.0%	1,204,255	55.9%	1.23%
10 TOTAL	<u>9,776,460</u>	<u>5,401,235</u>	<u>4,375,225</u>	<u>100.0%</u>	<u>2,153,761</u>	<u>100.0%</u>	<u>100.0%</u>
11 Storage Fraction (a)				97.80%		2.2%	
12 (a) Usage of Storage as split between Winter sales and Transportation							
13 (b) Average Sales (Mcf) from January-March and November and December							

PECO Energy Company (Gas)
 Cost of Service Study
 Mains, M&R and Meter Direct Assignments

Customer	Installed	Length (ft)	Capacity (mcf)	Cost	Depreciation Expense 7/1/19-	Accumulated Depreciation	Annual Usage (Mcf) (b)
Mains (Account 376)							
1 Customer 1							
2 Customer 2							
3 Customer 3							
4 Total Customers 1-3							
5 Customer 4							
Measuring & Regulating (Account 378 & 379)							
6 Customer 1							
7 Customer 2							
8 Customer 3							
9 Total Customers 1-3							
10 Customer 4							
Meters (Account 381)							
11 Customer 4							
Meter Installations (Account 382)							
12 Customer 4							
13							
14							
15							

PECO Energy Company (Gas)
Cost of Service Study
Service Investment Allocator

<u>Class</u>	<u>Service</u>	<u>Average Service Cost (\$)</u>	<u>Average Customer Numbers</u>	<u>Investments (\$000s)</u>	<u>Ratio</u>
1 Residential	Residential	5,849	494,391	2,891,540	86.4%
2 GC	SC&I	9,929	44,450	441,344	13.2%
3 Large	LC&I	19,903	4	80	0.0%
4 Motor Vehicles- Firm	SC&I	9,929	15	149	0.0%
5 Motor Vehicles- Interr	SC&I	9,929	2	20	0.0%
6 Interruptible	LC&I	19,903	2	40	0.0%
7 Temperature	SC&I	9,929	31	308	0.0%
8 Transport- Firm	LC&I	19,903	459	9,131	0.3%
9 Transport- Interr	LC&I	19,903	239	4,765	0.1%
10 Total			539,593	3,347,375	100%

11 Services Costs	Twelve Month Ended June 30	Residential			SC&I			LC&I		
		Dollars	Services	Average	Dollars	Services	Average	Dollars	Services	Average
12	2016	\$25,375,543	3,843	\$6,603	\$142,139	25	\$5,686	\$176,409	1	\$176,409
13	2017	\$26,799,674	5,147	\$5,207	\$645,812	72	\$8,970	\$21,922	6	\$3,654
14	2018	\$23,251,316	5,387	\$4,316	\$246,963	32	\$7,718	\$180,109	4	\$45,027
15	2019	\$37,675,128	6,480	\$5,814	\$398,230	22	\$18,101	\$23,934	6	\$3,989
16	2020	\$40,116,517	5,340	\$7,512	\$244,846	18	\$13,603	\$15,587	4	\$3,897
17		\$153,218,178	26,197	\$5,849	\$1,677,991	169	\$9,929	\$417,961	21	\$19,903

PECO Energy Company (Gas)
Cost of Service Study
Meter Investment Allocator
Costs of Meters for 2020

<u>Class</u>	<u>Average Cost (\$) (a)</u>	<u>Average Customers</u> <u>Excl. Dir (b)</u>	<u>Cost (\$000s)</u>	<u>Ratio</u>
1 Residential	304	494,391	150,533	69.8%
2 GC	1,243	44,450	55,257	25.6%
3 Large	1,399	4	6	0.0%
4 Motor Vehicles- Firm	13,577	15	204	0.1%
5 Motor Vehicles- Interr	1,572	2	3	0.0%
6 Interruptible	2,824	2	6	0.0%
7 Temperature	9,593	31	297	0.1%
8 Transport- Firm	11,080	458	5,072	2.4%
9 Transport- Interr	17,277	239	4,136	1.9%
10 Total		539,592	215,514	100.0%

11 (a) Cost includes Materials and Labor

12 (b) Average customer numbers excluding Direct in Transport-Firm

PECO Energy Company (Gas)
 Cost of Service Study
 Customer Records and Collection Expenses (Account 903) Allocator

Listed below is a listing of the activities in Account 903, and the allocation base used for each activity.

		July 2019 to June 2020										
<u>Customer Records & Collection- Account 903</u>		<u>Percentage (%)</u>	<u>Dollars (\$000s)</u>	<u>Sub-Allocator</u>								<u>Description</u>
1	Mailing Bills	11.3%	1,318	Cust_Avg								Customer Count - Average
2	Financial Call Center	6.1%	716	AR Over60-Day								Delinquencies
3	CAP Rates	7.8%	907	Cust_Res								Residential Customers
4	Customer Billing	9.5%	1,109	Cust_Avg								Customer Count - Average
5	Manage and Support Recoveries	5.2%	610	AR Over60-Day								Delinquencies
6	Call Center	24.4%	2,840	Call Center								Call Center Calls
7	Customer Payments	1.4%	161	Cust_Avg								Customer Count - Average
8	Meter Records	8.1%	944	Cust_Avg								Customer Count - Average
9	Customer Care Center	4.7%	545	Cust_Excl. Ind								Customer Count - Non Large
10	ESO Activities	2.6%	306	Cust_Ind								Customer Count - LC&I
11	Balance-C&MS & Field Vendor Activities	18.8%	2,185	Cust_Avg								Customer Count - Average
12	Account Balance	100.0%	11,642									
		<u>Amount</u>	<u>Residential</u>	<u>GC</u>	<u>Large</u>	<u>MV Firm</u>	<u>MV Interr</u>	<u>Interr</u>	<u>Temperature</u>	<u>Trans Firm</u>	<u>Trans Interr</u>	
13	Cust_Avg	5,718	5,239	471	0	0	0	0	0	5	3	
14	Call Center	2,840	2,581	255	0	3	0	0	1	0	0	
15	AR Over60-Day	1,326	1,023	252	0	1	0	0	2	30	17	
16	Cust_Res	907	907	0	0	0	0	0	0	0	0	
17	Cust_Excl. Ind	545	500	45	0	0	0	0	0	0	0	
18	Cust_Ind	306	0	0	2	0	0	1	0	199	104	
19		11,642	10,251	1,023	2	4	0	1	3	235	124	
20	Acct903 Allocator	100.0%	88.0%	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	1.1%	

PECO Energy Company (Gas)
Cost of Service Study
Accounts 908-916 Allocator

Listed below is a listing of the activities in Accounts 908-916, and the allocation base used for each activity.

		July 2019 to June 2020									
<u>Customer Service & Informational Expenses</u>		<u>Percentage (%)</u>	<u>Dollars (\$000s)</u>	<u>Sub-Allocator</u>	<u>Description</u>						
1	Residential Marketing	24.6%	865	Cust_Res	Residential Customers						
2	LIURP	42.0%	1,474	Cust_Res	Residential Customers						
3	SC&I Marketing	0.1%	4	Cust_Comm	SC&I Customers						
4	Marketing- Residential & Small C&I	4.0%	141	Cust_Excl. Ind	Non-Large Customers						
5	LC&I Marketing	0.5%	18	Cust_Ind	LC&I Customers						
6	Balance-Marketing	28.7%	1,009	Cust_Avg	Customer Count - Average						
7	Account Balance	100.0%	3,510								
		<u>Amount</u>	<u>Residential</u>	<u>GC</u>	<u>Large</u>	<u>MV Firm</u>	<u>MV Interr</u>	<u>Interr</u>	<u>Temperature</u>	<u>Trans Firm</u>	<u>Trans Interr</u>
8	Cust_Res	2,338	2,338.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Cust_Comm	4	0.0	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Cust_Excl. Ind	141	129.5	11.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Cust_Ind	18	0.0	0.0	0.1	0.0	0.0	0.1	0.0	11.7	6.1
12	Cust_Avg	1,009	924.4	83.1	0.0	0.0	0.0	0.0	0.1	0.9	0.4
13		3,510	3,392	98	0	0	0	0	0	13	7
14	Acct908-916 Allocator	100.0%	96.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%

PECO Energy Company (Gas)
 Cost of Service Study
 Accounts Receivable Over 60-Day Allocator
 Accounts Receivable Agings for July 2019 to June 2020

<u>Class</u>	<u>Average Over 2 Months (\$000)</u>	<u>Over60-Day Allocator</u>	<u>Large C&I Revenue</u>	<u>% Large C&I Revenue</u>	<u>SC&I Revenue</u>	<u>% SC&I Revenue</u>
1 Residential	2,624	77.2%				
2 GC	646	19.0%			100,579	98.85%
3 Large	0	0.0%	75	0.29%		
4 Motor Vehicles- Firm	3	0.1%			475	0.47%
5 Motor Vehicles- Interr	0	0.0%			5	0.00%
6 Interruptible	0	0.0%				
7 Temperature	4	0.1%			690	0.68%
8 Transport- Firm	78	2.3%	16,719	63.56%		
9 Transport- Interr	44	1.3%	9,509	36.15%		
10 Total	<u>3,400</u>	<u>100.0%</u>	<u>26,304</u>	<u>100.00%</u>	<u>101,748</u>	<u>100.00%</u>
11			Over 2 months	123		653

PECO Energy Company (Gas)
 Cost of Service Study
 Deposits, Interest, Advances and Forfeited Discounts

<u>Class</u>	Deposits (\$000s)	Interest on Deposits (\$000s)	Advances (\$000s)	Forfeited Discounts (\$000s)
1 Residential	4,323	216	832	824
2 GC	7,860	130	171	212
3 Large	0	0		0
4 Motor Vehicles- Firm	3	0		1
5 Motor Vehicles- Interr	0	0		0
6 Interruptible	0	0		0
7 Temperature	5	0		1
8 Transport- Firm	180	3		32
9 Transport- Interr	94	2		18
10 Totals	12,465	351	1,004	1,090

PECO Energy Company (Gas)
Cost of Service Study
Purchased Gas Cost (PGC)

<u>Class</u>	<u>PGC (\$000s)</u>
1 Residential	150,889
2 GC	49,024
3 Large	70
4 Motor Vehicles- Firm	892
5 Motor Vehicles- Interr	9
6 Interruptible	0
7 Temperature	750
8 Transport- Firm	0
9 Transport- Interr	0
10 Totals	201,635

PECO Energy Company (Gas)
Cost of Service Study
Balancing Service Cost (BSC)

<u>Class</u>	<u>BSC (\$000s)</u>
1 Residential	16,191
2 GC	8,642
3 Large	6
4 Motor Vehicles- Firm	164
5 Motor Vehicles- Interr	2
6 Interruptible	0
7 Temperature	69
8 Transport- Firm	0
9 Transport- Interr	0
10 Totals	<u><u>25,075</u></u>

PECO Energy Company (Gas)
Cost of Service Study
Purchase of Receivables (POR)

	<u>Class</u>	<u>POR (\$000)</u>
1	Residential	45,995
2	GC	17,258
3	Large	0
4	Motor Vehicles- Firm	81
5	Motor Vehicles- Interr	1
6	Interruptible	0
7	Temperature	118
8	Transport- Firm	0
9	Transport- Interr	0
10	Total	<u><u>63,454</u></u>

**PECO ENERGY COMPANY
STATEMENT NO. 7**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: JOSEPH A. BISTI

SUBJECT: REVENUE ALLOCATION; RATE DESIGN;
DEVELOPMENT OF PROPOSED NEW
RATES

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. REVENUE ALLOCATION	3
III. RATE DESIGN	11
IV. REVENUE EFFECT BY RATE SCHEDULE, PROOF OF REVENUES, AND SCALE-BACK.....	16
V. CONCLUSION.....	19

1 nine years prior to my role as a Senior Rate Administrator, I was a Senior Analyst
2 in PECO's Energy Acquisition department.

3 **4. Q. Have you previously submitted testimony in proceedings before the**
4 **Commission?**

5 A. Yes. I submitted testimony on behalf of the Company in the following
6 proceedings before the Commission:

7 Docket No. P-2020-3019290 – *Petition of PECO Energy Company for Approval*
8 *of its Default Service Program For the Period From June 1, 2020 Through May*
9 *31, 2025*

10 Docket Nos. C-2008-2058320 and C-2009-2089694 – *Rama Construction Inc.*
11 *T/A Ramada Inn Int'l Airport v. PECO Energy Company*

12 Docket Nos. M-2018-3005860 et al. – *Office of Consumer Advocate v. PECO*
13 *Energy Company*

14 **5. Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to describe: (1) how PECO proposes to allocate
16 its claimed revenue increase among rate classes and explain the principles that
17 guided PECO in developing its proposed revenue allocation; and (2) the changes
18 PECO is proposing in the rate design for certain rate classes, why PECO is
19 proposing these changes, and how the proposed new rates were developed.

20 **6. Q. Please identify the exhibits you are sponsoring.**

21 A. I am sponsoring the following exhibits:

22 Exhibit JAB-1 Proposed Revenue Allocation, Proposed Increases by Class
23 and Class Rates of Return and Relative Rates of Return
24 under Proposed Rates
25

1	Exhibit JAB-2	Relevant Gas Service Tariff Pages (Blacklined to Show
2		Changes)
3		
4	Exhibit JAB-3	Comparison of Residential Customer Charges for
5		Pennsylvania Natural Gas Distribution Utilities
6		
7	Exhibit JAB-4	Proof of Revenue at Present and Proposed Rates
8		
9		

10 **II. REVENUE ALLOCATION**

11 **7. Q. Please state the principles that guided PECO in developing its proposed**
 12 **revenue allocation.**

13 A. The proposed revenue allocation reflects a reasonable balance of accepted
 14 principles for designing utility rates. Specifically, PECO considered the
 15 following four principles in developing its proposed revenue allocation:

- 16 1. The results of the class cost-of-service study (“COSS”) prepared by Ms.
 17 Jiang Ding and discussed in PECO Statement No. 6 should be used as a
 18 guide in allocating the proposed revenue increase among rate classes;
- 19 2. The proposed revenue allocation should move all rate classes closer to the
 20 cost of service indicated by the COSS and, in this case, eliminate the
 21 remaining difference between the class rates of return for Rates GC –
 22 General Service - Commercial and Industrial and L – Large High Load
 23 Factor Service and the system average rate of return, as required by the
 24 terms of the Joint Petition for Settlement of PECO’s 2008 gas base rate case;
- 25 3. The proposed revenue allocation should adjust certain class distribution
 26 revenues based on proposed changes to both PECO’s Gas Procurement
 27 Charge (“GPC”) rate and Merchant Function Charge (“MFC”) uncollectible
 28 write-off factors; and
- 29 4. Customer impacts should be considered, and PECO should attempt to avoid
 30 increases in revenue for major rate classes that, on a percentage basis, are
 31 disproportionate relative to the system average increase.
 32
 33
 34

1 **8. Q. Has an exhibit been prepared showing the cost of service by rate class?**

2 A. Yes, a summary of class cost-of-service data is provided in PECO Exhibit JD-1,
3 sponsored by Ms. Ding, and accompanies her direct testimony (PECO Statement
4 No. 6). PECO Exhibit JD-1 shows, at page 1, line 26, the overall and class rates
5 of return produced by the Company’s current gas distribution base rates based on
6 its supporting data for the twelve months ending June 30, 2022, which is the Fully
7 Projected Future Test Year (“FPFTY”) in this case. PECO Exhibit JD-1 also
8 shows, at page 2, lines 83-84, the increase or decrease (in dollars and as a
9 percentage of class gas distribution revenues under current rates, respectively)
10 that each rate class would have to receive in order for its revenues to equal its
11 indicated class cost of service. As indicated by the guiding principles I
12 summarized above, while the results of the Company’s COSS are an important
13 guide in evaluating its proposed revenue allocation, they are not the only factor
14 that must be considered.

15 **9. Q. Please discuss the principle of gradualism and how it influenced PECO’s**
16 **proposed revenue allocation.**

17 A. The ratemaking principle of gradualism, as traditionally applied in Pennsylvania,
18 guides utilities to avoid abruptly increasing rates in favor of slower adjustments
19 that incrementally move rates toward the actual cost of service over time.
20 PECO’s proposed revenue allocation aims to balance application of this and other
21 ratemaking principles with the terms of the Joint Settlement Petition in PECO’s
22 2008 gas base rate case requiring PECO to eliminate the difference between the

1 system average rate of return and the class rates of return for Rates GC – General
2 Service - Commercial and Industrial and L – Large High Load Factor Service.

3 The proposed revenue allocation in this case attempts to achieve this balance by
4 more closely aligning the class rates of return for these two rate classes with the
5 proposed system average rate of return while limiting the degree to which rates
6 for other classes diverge from their indicated cost of service.

7 **10. Q. What is the revenue allocation that PECO determined to be appropriate in**
8 **this case?**

9 A. PECO’s proposed revenue allocation is presented in PECO Exhibit JAB-1.
10 PECO’s current gas distribution base rates are properly structured to separate
11 costs between the Company’s distribution function and its Supplier of Last Resort
12 (“SOLR”) function.

13 **11. Q. Will there be any adjustment to proposed base rates resulting from the**
14 **Commission-approved Gas Procurement Charge?**

15 A. Yes. To ensure a comparison between present and proposed distribution revenues
16 on an “apples-to-apples” basis, PECO must adjust proposed distribution revenues
17 to properly separate and account for proposed changes to both its GPC and its
18 MFC uncollectible write-off factors. To this end, PECO Exhibit JAB-1 shows the
19 aforementioned adjustments as reductions to distribution revenues at proposed
20 rates for each rate class, as well as the proposed net revenue increase for each rate

1 class. PECO Exhibit JAB-1 also shows class rates of return and relative rates of
2 return¹ at present and proposed rates.

3 In 2013, PECO reached a settlement in Docket No. P-2012-2328614 to unbundle
4 certain annual procurement costs from base rates and include those costs in its
5 Price to Compare. In compliance with that settlement and the regulations set forth
6 at 52 Pa. Code Sections 62.221-62.225, PECO unbundled certain procurement
7 costs from its base rates for non-shopping participants in its Low Volume
8 Transportation (“LVT”) program, which consists primarily of residential and
9 small business customers who are eligible for PECO’s SOLR service. The
10 settlement specified that PECO would utilize an annual default service sales
11 volume of 47,121,013 Mcf to calculate the GPC and an annual distribution sales
12 volume of 59,083,864 Mcf to calculate the associated base rate reduction. The
13 parties to the settlement also agreed that the annual costs and sales components of
14 the GPC would remain constant until PECO’s next distribution rate case filing.
15 This resulted in a base rate reduction of \$0.0320 per Mcf. PECO allocated these
16 costs as corresponding reductions to distribution revenues for non-shopping LVT
17 customers served under rate schedules GR – General Service - Residential, GC –
18 General Service - Commercial and Industrial, OL – Outdoor Lighting Service, L –
19 Large High Load Factor Service and MV-F – Motor Vehicle Service-Firm.²

¹ A relative rate of return is the ratio of the rate of return for a rate class to the system average rate of return. See Question 15, below.

² No costs were allocated to the Excess Off-Peak Rider because PECO is proposing to eliminate that Rider in this case as explained in the direct testimony of Mr. Richard A. Schlesinger.

1 As I explained previously, PECO's proposed distribution rates must be adjusted
2 accordingly to reflect GPC-related reductions based on procurement-related costs.
3 The product of PECO's procurement-related costs and sales yields the updated
4 distribution base rate reduction of \$0.0165/Mcf, as identified by Mr. Richard A.
5 Schlesinger in his direct testimony (PECO Statement No. 8) and PECO Exhibit
6 RAS-2. PECO has applied this rate reduction to proposed distribution revenues
7 for rate schedules GR (including CAP), GC, OL, L and MV-F as shown in PECO
8 Exhibit JAB-1.

9 **12. Q. Will there be any adjustment to base rates resulting from the Commission-**
10 **approved MFC?**

11 A. Yes. Consistent with the settlement of PECO's 2010 gas rate case, PECO was
12 authorized in Docket No. P-2012-2328614 to implement a MFC to recover
13 uncollectible accounts expenses related to gas supply from LVT customers who
14 procure their gas supply from PECO. The MFC is currently based on write-off
15 factors of 1.07% for Rate GR (including CAP) and 0.30% for Rate GC and the
16 Excess Off-Peak Use Rider, as further described in the direct testimony of Mr.
17 Schlesinger.

18 PECO proposes to utilize the updated write-off factors described in detail in Mr.
19 Schlesinger's testimony and shown in PECO Exhibit RAS-3 as reductions to
20 annual proposed distribution revenues for Rates GR (including CAP), GC, L, OL,
21 and MV-F, as shown in PECO Exhibit JAB-1.

1 PECO has applied the distribution revenue reductions resulting from these
2 updated factors to its proposed distribution revenues for each impacted class as
3 shown in PECO Exhibit JAB-1. PECO calculates these adjustments by applying
4 the updated MFC write-off factors to total projected commodity write-offs by rate
5 class for non-shopping customers under the impacted rate schedules. The
6 proposed tariff changes associated with the MFC are identified in Mr.
7 Schlesinger's direct testimony.

8 **13. Q. Is PECO proposing any change to its discount rate for Gas Purchases of**
9 **Receivables ("POR") from Natural Gas Suppliers ("NGSs")?**

10 A. Yes. As described by Mr. Schlesinger in his direct testimony, PECO is proposing
11 to revise its POR discounts to reflect the updated MFC write-off factors that I
12 discussed in response to the previous question. Under PECO's Commission-
13 approved POR program, the Company purchases each shopping LVT customer's
14 accounts receivable from NGSs and recovers the associated unbundled
15 uncollectible commodity write-offs from NGSs through PECO's corresponding
16 POR discount rate.

17 The current POR discounts were last revised by PECO pursuant to Docket No. M-
18 2017-2631325. Since PECO currently expects no additional costs beyond the
19 aforementioned write-offs to require recovery under the POR discount, PECO
20 proposes to maintain POR discount rates by class that are identical to the MFC
21 write-off factors for non-shopping customers and, as such, to update POR

1 discount rates to the same levels as the proposed MFC write-off factors described
2 above.

3 The proposed supplier tariff changes associated with the POR discounts are
4 identified in PECO Exhibit RAS-1 sponsored by Mr. Schlesinger.

5 **14. Q. Why is the proposed revenue allocation reasonable?**

6 A. The proposed revenue allocation in PECO Exhibit JAB-1 is reasonable because it
7 appropriately reflects the four principles discussed previously:

- 8 1. The COSS prepared by Ms. Ding guided its development;
- 9 2. It reasonably balances the objectives of: (a) eliminating the difference
10 between the system average rate of return and the class rates of return for
11 Rates GC – General Service - Commercial and Industrial and L – Large
12 High Load Factor Service; and (b) making limited but meaningful
13 movement of other rate classes closer to their indicated cost of service;
- 14 3. It adjusts certain class distribution revenues based on proposed changes to
15 both PECO’s GPC rate and MFC uncollectible write-off factors; and
- 16 4. It moderates the impact on each major rate class while still making
17 meaningful movement toward each class’ cost of service.

18 **15. Q. Please explain the significance of the relative rates of return shown in PECO**
19 **Exhibit JAB-1 to which you previously referred.**

20 A. The relative rate of return is the ratio of the rate of return for a rate class to the
21 system average rate of return. Relative rates of return are commonly used to test
22 whether a proposed revenue allocation moves each rate class closer to, or at least
23 no further from, the system average rate of return. A relative rate of return of
24 1.00 would mean the class rate of return equals the system average rate of return
25 and, therefore, class revenues equal the class cost of service. Conversely, relative

1 rates of return that depart from 1.00 indicate that the class rates of return are
2 higher or lower than the system average rate of return and, therefore, the classes
3 are providing revenues higher or lower than their indicated cost of service.

4 **16. Q. Please explain why revenue produced by Rate IS – Interruptible Service**
5 **remains the same under proposed rates as under existing rates.**

6 A. Rate IS – Interruptible Service is an interruptible gas sales rate keyed to a
7 customer’s cost of alternative fuel. Each month, the customer is charged a
8 customer charge (i.e., a fixed distribution charge) plus a rate per Mcf that is: (1)
9 no less than PECO’s commodity cost of gas for the month plus three cents; and
10 (2) no more than the price, on an equivalent BTU basis, of the alternative fuel the
11 customer is capable of consuming. From the price determined in the manner
12 described above, PECO subtracts its weighted average cost of flowing gas. The
13 remainder, which is PECO’s gross margin, is divided between PGC customers
14 and shareholders: 75% is credited to purchased gas costs and returned to PGC
15 customers and 25% is retained by the Company. Because the revenue produced
16 by Rate IS – Interruptible Service will not change based on rate changes made in
17 this case, the Rate IS – Interruptible Service revenue is the same under existing
18 and proposed rates.

19 **17. Q. Please explain why the Company is not proposing to completely eliminate the**
20 **differences between the Rate GC and L class rates of return and the system**
21 **average rate of return.**

22 A. As I explained previously, PECO’s proposed revenue allocation attempts to

1 balance various objectives and ratemaking principles, including the commitment
2 made in its 2008 gas base rate case settlement to propose to completely eliminate
3 these differences as part of this rate case. In considering the potential impacts of
4 eliminating the differences between the Rate GC and L class rates of return and
5 the system average rate of return on customers in other rate classes, as well as the
6 more abrupt increase in proposed rates that would result for Rate L customers,
7 the Company believes that moving further towards eliminating these differences
8 as part of this gas base rate case, and completely eliminating any remaining
9 differences in the Company's next gas base rate case is the most reasonable
10 approach.

11 III. RATE DESIGN

12 **18. Q. Explain in general how PECO proposes to change the charges within each**
13 **rate schedule to recover the revenue allocated to each rate class.**

14 A. PECO proposes to increase or decrease each of the charges within each rate
15 schedule in proportion to the revenue increase or decrease allocated to that rate
16 class, subject to certain rate design changes, discussed below. PECO Exhibit
17 JAB-2 is a copy of the Company's Tariff Gas-Pa. P.U.C. No. 4 ("Tariff No. 4")
18 that shows, by strike-out and blacklining, the proposed rate changes I discuss
19 below, as well as the proposed changes in rules, regulations, rate schedules and
20 riders discussed by Mr. Schlesinger in PECO Statement No. 8. Tariff No. 4 is

1 being filed with the Secretary of the Pennsylvania Public Utility Commission
2 (“PUC” or the “Commission”) as part of PECO’s base rate filing.

3 Currently, service is provided under the Company’s Tariff Gas-Pa. P.U.C. No. 3
4 (“Tariff No. 3”) and associated supplements. It is anticipated that Tariff No. 4,
5 which was filed as part of this case on 60 days’ notice, will be suspended by
6 operation of Section 1308(d) of the Public Utility Code pending an investigation
7 by the Commission. Because it is possible and, in fact, likely, that changes will
8 be made, via subsequently filed supplements, to Tariff No. 3 during the period
9 Tariff No. 4 is suspended, any provisions of the current tariff that will continue
10 beyond the end of the suspension period and have not already been incorporated
11 in Tariff No. 4 will be merged into the tariff that will be filed as part of PECO’s
12 compliance filing at the conclusion of this proceeding.

13 **19. Q. Why is PECO proposing to increase customer charges for the residential**
14 **class by a greater percentage than the proposed overall revenue increase for**
15 **the class?**

16 A. PECO is proposing to increase the customer charges in this manner to reduce the
17 disparity between its current customer charge and the customer-related costs that
18 should properly be recovered by that charge as reflected by Ms. Ding in PECO
19 Exhibit JD-4. The change is intended to more closely align this charge with the
20 Company’s customer-classified costs. As noted in PECO Exhibit JAB-3, the
21 Company’s current customer charge is lower than those of all other major gas

1 distribution utilities in Pennsylvania. PECO's proposed customer charge is well
2 within the range of these customer charges.

3 **20. Q. Why is it important to increase customer charges so those charges are closer**
4 **to customer-classified costs?**

5 A. Customer-classified costs are, by definition, costs that vary based on the number
6 of customers, not gas usage. Such costs include, principally, but not exclusively,
7 the cost of meters, customer service lines, billing and meter reading. As a
8 consequence, customer-classified costs are, on average, the same amount for each
9 customer within a rate class. Accordingly, customer-classified costs are
10 appropriately recovered in the customer charge, which is the same for each
11 customer served under a given rate schedule. A utility should, to the extent
12 practicable, avoid including customer-classified costs in variable distribution
13 charges because to do so would make the recovery of customer-related costs a
14 function of customers' gas usage, which they are not.

15 Misplacing customer costs in variable distribution charges has adverse
16 consequences. First, it can create inappropriate intra-class subsidies, because
17 some customers will pay more than their share of customer-classified costs and
18 others less, based on their relative levels of usage each month. Second, because
19 customer costs, which are a fixed amount per customer, would be recovered in a
20 charge that applies to usage, which varies, the Company could recover either too
21 little or too much of its customer-related costs as a consequence of variations in
22 customer usage.

1 In summary, putting customer costs in the wrong element of a rate can be unfair
2 to both customers and the utility. For these reasons, among others, customer-
3 related costs in a utility's cost of service should be charged to customers in a
4 manner that appropriately reflects the nature of the costs incurred subject to
5 consideration of the principle of gradualism.

6 **21. Q. What residential rate change is PECO proposing?**

7 A. PECO is proposing a residential customer charge of \$16.00 per month. As I
8 previously explained, this customer charge will be closer to, but still less than, the
9 customer-related costs identified by Ms. Ding in PECO Exhibit JD-5. Moreover,
10 PECO's current residential customer charge of \$11.75 per month is lower than the
11 residential customer charges of all other major gas distribution companies in
12 Pennsylvania, as shown on PECO Exhibit JAB-3.

13 The revenue to be recovered from this customer charge was deducted from the
14 total revenue target for the residential class to determine the revenue to be
15 recovered in the variable distribution service charge. The variable distribution
16 service charge was changed to recover the balance of the residential class revenue
17 not recovered by the customer charge.

18 **22. Q. What change is PECO proposing to Rate GC – General Service -**
19 **Commercial and Industrial?**

20 A. PECO is proposing a Rate GC – General Service - Commercial and Industrial
21 customer charge of \$40.00 per month. This customer charge will be closer to, but

1 still less than, the customer-related costs identified by Ms. Ding in PECO Exhibit
2 JD-5. The revenue to be recovered from this charge was deducted from the total
3 revenue target for the Rate GC – General Service - Commercial and Industrial
4 class to determine the revenue to be recovered in the variable distribution service
5 charge. As discussed previously, the proposed relative rate of return for
6 customers served under Rate GC – General Service - Commercial and Industrial
7 more closely aligns with the proposed system average rate of return, balancing the
8 Company’s 2008 gas base rate case commitment to eliminate this difference with
9 the other guiding principles discussed earlier in my testimony.

10 **23. Q. Is PECO proposing changes to customer charges for other rate classes?**

11 A. Yes, PECO is also proposing increases to customer charges for rate schedules
12 MV-F – Motor Vehicle Service-Firm, MV-I – Motor Vehicle Service-
13 Interruptible, TCS – Temperature Control Service, TS-I – Gas Transportation
14 Service-Interruptible, and TS-F – Gas Transportation Service-Firm as shown in
15 PECO Exhibit JAB-4. As discussed above, customer charges are designed to
16 recover the customer-related fixed costs of providing service and therefore should
17 be established to align with actual customer-related costs of providing those
18 services as evidenced by Ms. Ding in PECO Exhibit JD-4.

1 **IV. REVENUE EFFECT BY RATE SCHEDULE,**
2 **PROOF OF REVENUES, AND SCALE-BACK**

3 **24. Q. Have you prepared a summary of distribution revenues at present and**
4 **proposed rates for each rate class?**

5 A. Yes. PECO Exhibit JAB-1 shows revenue at both present rates and proposed
6 rates as well as the percentage increases each class will receive on an overall
7 basis.

8 **25. Q. Have you prepared proofs of revenue with respect to PECO's present and**
9 **proposed rates?**

10 A. Yes. PECO Exhibit JAB-4 is a proof of revenue with respect to PECO's present
11 and proposed rates, based on pro forma billing determinants for the FPFTY. This
12 exhibit is tied to the portion of PECO Exhibit JAB-1 that addresses the increased
13 revenue that would be required.

14 **26. Q. What adjustments have been made to the proof of revenues to properly**
15 **reflect revenues at present rates currently being billed by the Company?**

16 A. The proof of revenue provided as PECO Exhibit JAB-4 includes adjustments to
17 set forth PECO's gas revenues at present rates reflecting the effects of the
18 Company's Federal Tax Adjustment Credit ("FTAC") and Distribution System
19 Improvement Charge ("DSIC").

1 **27. Q. Please explain the adjustment made to the proof of revenues at present rates**
2 **for the FTAC.**

3 A. The FTAC became effective on July 1, 2018, under PECO’s Commission-
4 approved Tax Cuts and Jobs Act Voluntary Surcharge mechanism (“TCJA
5 Surcharge”) to reflect the impact on PECO’s gas distribution revenue requirement
6 of changes in the Internal Revenue Code made by the Tax Cuts and Jobs Act
7 (“TCJA”) in 2017. The most significant change made by the TCJA was a
8 reduction in the Federal corporate income tax rate from 35% to 21%. Because
9 PECO’s base rates were established prior to the enactment of the TCJA, those
10 rates were based on a revenue requirement that reflected the pre-2018 Federal
11 corporate tax rate of 35%, as explained by Mr. Michael J. Trzaska in PECO
12 Statement No. 3. The FTAC accounts for the impact on PECO’s base-rate
13 revenue requirement of the reduction in its Federal income tax liability
14 attributable to the net effect of the changes in the tax law made by the TCJA.
15 Accordingly, the Company’s proof of revenues includes an adjustment to reflect
16 the effect of the FTAC for each rate class under present rates. No similar
17 adjustment is required to the proof of revenue under proposed rates because the
18 Company’s revenue requirement forming the basis for its proposed rates fully
19 reflects all of the changes in the Federal tax law made by the TCJA, as Mr.
20 Trzaska also explains.

1 **28. Q. Please explain the adjustment made to the proof of revenues at present rates**
2 **for the Company’s DSIC.**

3 A. The DSIC is a rate adjustment mechanism that permits PECO to recover the fixed
4 costs of DSIC-eligible property between base rate cases through a separate,
5 reconcilable charge established pursuant to Section 1353 of the Public Utility
6 Code. The Commission approved PECO’s establishment of a DSIC by its final
7 order entered October 22, 2015 at Docket No. P-2015-2471423. PECO began to
8 charge a DSIC effective with bills rendered on or after July 1 of 2018, and the
9 Company is currently charging a DSIC of 5.0%. As required by the terms of the
10 DSIC, the DSIC charge will be reduced to zero on the effective date of new rates
11 established in this proceeding. The fixed costs of DSIC-eligible property that
12 PECO will continue to recover through the effective date of its new base rates
13 have been included in the Company’s claimed rate base and reflected in the
14 revenue requirement used to establish its proposed rates. Consequently, in order
15 to properly compare PECO’s revenues at present rates to revenues at its proposed
16 base rates, PECO’s present-rate revenue must include the revenues PECO bills
17 under its DSIC. Accordingly, PECO’s proof of revenue at present rates has been
18 adjusted by customer class to properly reflect the revenues billed under PECO’s
19 DSIC. No adjustment to the proof of revenue at proposed rates is required
20 because, as I previously explained, the Company’s revenue requirement on which
21 proposed rates are based includes the fixed costs of all of its DSIC-eligible

1 property that is or will be in service through the effective date of new rates
2 established in this proceeding.

3 **29. Q. How does PECO propose to scale-back the proposed rates if it is granted less**
4 **than the revenue increase it requested?**

5 A. In the event PECO is granted less than its requested increase, PECO proposes that:

6 (1) the revenue increases proposed for all rate classes will be reduced in
7 proportion to the proposed increase for each class; and

8 (2) the customer charges for all rate classes remain as proposed, and all other
9 rates and charges for all rate schedules be reduced proportionately to
10 produce the revenue target for each rate class.

11 V. CONCLUSION

12 **30. Q. Please summarize your conclusions.**

13 A. PECO's proposed rates reflect a reasonable allocation of the Company's proposed
14 revenue increase and a reasonable rate design for each rate schedule. The
15 proposed rate design changes are consistent with relevant terms of the settlements
16 of PECO's 2008 and 2010 gas rate cases, the results of the COSS identified by
17 Ms. Ding, and applicable principles of rate structure and rate design, including
18 gradualism. In addition, the proposed customer charge for the residential class is
19 in line with those of other major Pennsylvania gas distribution utilities.

20 **31. Q. Does this conclude your direct testimony?**

21 A. Yes, it does.

PECO Energy Company
Proposed Revenue Allocation and Rates of Return by Rate Class

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Current Distribution	Proposed	(2) - (1)	GPC	MFC	(3) + (4) + (5)	(1) + (6)	(6) / (1)
Rate	Revenue (a)	Distribution Revenue	Increase In Distribution Revenue	Reduction (b)	Reduction (c)	Net Revenue Ask	Adjusted Proposed Distribution Revenue	% Increase
Residential (GR)	\$ 233,528,109	\$ 276,741,439	\$ 43,213,329	\$ (693,000)	\$ (800,000)	\$ 41,720,329	\$ 275,248,439	17.9%
General Service (GC)	\$ 100,578,711	\$ 118,144,649	\$ 17,565,938	\$ (370,000)	\$ (66,000)	\$ 17,129,938	\$ 117,708,649	17.0%
Outdoor Lighting (OL)	\$ 423	\$ 497	\$ 74	\$ -	\$ -	\$ 72	\$ 495	17.0%
Large High Load Factor (L)	\$ 75,475	\$ 110,172	\$ 34,697	\$ -	\$ -	\$ 34,697	\$ 110,172	46.0%
Motor Vehicle Service - Firm (MV-F)	\$ 474,506	\$ 578,865	\$ 104,358	\$ (7,000)	\$ -	\$ 97,358	\$ 571,865	20.5%
Motor Vehicle Service - Interruptible (MV-I)	\$ 5,022	\$ 5,554	\$ 532	\$ -	\$ -	\$ 532	\$ 5,554	10.6%
Interruptible Service (IS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Temperature-Controlled Service (TCS)	\$ 689,833	\$ 745,479	\$ 55,646	\$ -	\$ -	\$ 55,646	\$ 745,479	8.1%
Gas Transportation - Interruptible (TS-I)	\$ 9,508,783	\$ 11,886,570	\$ 2,377,787	\$ -	\$ -	\$ 2,377,787	\$ 11,886,570	25.0%
Gas Transportation - Firm (TS-F)	\$ 16,719,224	\$ 22,089,652	\$ 5,370,429	\$ -	\$ -	\$ 5,370,429	\$ 22,089,652	32.1%
Total	\$ 361,580,088	\$ 430,302,877	\$ 68,722,789	\$ (1,070,000)	\$ (866,000)	\$ 66,786,789	\$ 428,366,877	18.5%

	(9)	(10)	(11)	(12)
	Present	(9) / Average of (9)	Proposed	(11) / Average of (11)
Rate	Rate of Return	Present Relative Rate of Return	Proposed Rate of Return	Proposed Relative Rate of Return
Residential (GR)	4.72%	0.82	7.47%	0.97
General Service (GC)	8.11%	1.41	7.85%	1.02
Outdoor Lighting (OL)	8.11%	1.41	7.85%	1.02
Large High Load Factor (L)	-2.04%	-0.36	6.55%	0.85
Motor Vehicle Service - Firm (MV-F)	12.52%	2.18	10.01%	1.30
Motor Vehicle Service - Interruptible (MV-I)	32.06%	5.59	10.01%	1.30
Interruptible Service (IS)	-5.58%	-0.97	7.70%	1.00
Temperature-Controlled Service (TCS)	44.19%	7.71	10.01%	1.30
Gas Transportation - Interruptible (TS-I)	8.82%	1.54	9.39%	1.22
Gas Transportation - Firm (TS-F)	6.50%	1.13	9.39%	1.22
Total	5.73%		7.71%	

(a) Includes O&M components recovered by PECO's Gas Procurement Charge (GPC) and Merchant Function Charge (MFC)

(b) Refer to PECO Exhibit RAS-2, Page 7

(c) Refer to PECO Exhibit RAS-3, Page 3

Gas-Pa. P.U.C. No. 4
SUPERCEDES GAS PA P.U.C. NO. 3 AND ALL SUPPLEMENTS THERETO

PECO ENERGY COMPANY

GAS SERVICE TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 3.

Issued ~~September 30, 2020~~

Effective ~~November 29, 2020~~

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

NOTICE.

Style Definition: Testimony1_L2: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 1" + Indent at: 1"

Style Definition: Testimony1_L3: Indent: Left: 0", Hanging: 0.5", No bullets or numbering, Tab stops: Not at 1.56"

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 1

LIST OF CHANGES MADE BY THIS SUPPLEMENT

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS - Original Page No. 6

Master Meter definition added.

COMPANY EQUIPMENT - Customer's Responsibility Rule 10.2 and 10.7 Original Page No. 16

Language added to align with electric tariff and also reflect current business practice.

SERVICE CONTINUITY – Rule 12.3 – Original Page No. 21

Language added to be consistent with the strict product liability language contained in the Company's electric tariff.

MEASUREMENT – Rule 14.6 – Original Page No. 22 and Original Page No. 23

This new provision is being added for clarity and consistency, as this telemetry requirement is already reflected in the Company's gas transportation services contract. Page 23 has been repaginated.

TESTING SERVICE – Rule 15.6 – Original Page No. 24

Revised the rule by deleting the term "in advance" and adding "at the Company's discretion" to allow greater flexibility for charging for special tests.

TERMINATION BY THE COMPANY – Rule 17.6, 17.7 and 18.3 – Original Page No. 27

Sentence is no longer applicable with Gas POR in place. Reconnection and Theft/Fraud Investigation Charge fees have been updated.

TCJA VOLUNTARY SURCHARGE – Original Page No. 37

Removed language which applied during the initial application of the FTAC mechanism starting in 2018 but is now obsolete. Added wording concerning final reconciliation of the TCJA.

PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)- Original Page No. 38

Revised to reflect the new energy efficiency spending target. Removed language that applied prior to 2011.

SALES SERVICE COSTS (SSC) - Original Page No. 39 and Original Page No. 40

Removed sentence that had reference to CGS and reference to Off Peak Use Rider. Removed reference of the "GANLC" – Gas Account Number Lookup Charge and removed throughout tariff. All associated costs were eliminated. Commodity Charges are changed to reflect updates to the Gas Procurement Charge and the Merchant Function Charge.

GAS PROCUREMENT CHARGE - Original Page No. 42

The Gas Procurement Charge is updated.

MERCHANT FUNCTION CHARGE - Original Page No. 43

Added Rate L/OL/MV to the Provisions for Recovery of Merchant Function Charges Section, Computation of Merchant Function Charge and the Write off Factor. Removed reference to the Excess Off-Peak Rider. The Merchant Function Charges and the write-off factors have been updated.

PRICE TO COMPARE – Original Page No. 43 and Original Page No. 44

The Prices to Compare have been updated to reflect changes to the Gas Procurement Charge and the Merchant Function Charges.

Distribution System Improvement Charge (DSIC) - Original Page No. 49

Reset rate to 0% due to rate case.

RATE GR - GENERAL SERVICE -RESIDENTIAL - Original Page No. 55

Distribution prices updated.

RATE GC - GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL - Original Page No. 56

Distribution prices updated.

RATE OL - OUTDOOR LIGHTING SERVICE - Original Page No. 57

Distribution prices updated.

RATE L - LARGE HIGH LOAD FACTOR SERVICE – Original Page No. 58

Updated VDC to align with current business practice. Distribution prices updated.

RATE MV-F MOTOR VEHICLE SERVICE-FIRM Original Page No. 60

Distribution prices updated.

RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE - Original Page No. 61

Added language in the QUALITY OF SERVICE section for clarity and consistency. Distribution prices updated.

RATE IS - INTERRUPTIBLE SERVICE - Original Page No. 63

Added language in the QUALITY OF SERVICE section for clarity and consistency.

RATE TCS TEMPERATURE CONTROLLED SERVICE – Original Page No. 65

Added language in the QUALITY OF SERVICE section for clarity and consistency.

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STATE TAX ADJUSTMENT CLAUSE – 3rd Revised Page No. 35¶

Effective January 1, 2020, the State Tax Adjustment Clause will reflect a credit value of 0.36%. ¶

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PECO Energy Company

**Gas-Pa. P.U.C. No. 4
Original Page No. 1A**

LIST OF CHANGES MADE BY THIS SUPPLEMENT - continued

GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS – Original Page No. 69

Rule 2.7 removed.

RATE TS-I GAS TRANSPORTATION SERVICE-INTERRUPTIBLE – Original Page No. 72

Added language in the QUALITY OF SERVICE section for clarity and consistency. Distribution prices updated.

RATE TS-F GAS TRANSPORTATION SERVICE-FIRM - Original Page No. 73

Distribution prices updated.

NEIGHBORHOOD GAS PILOT RIDER - Original Page No. 78

Rider is revised to reflect extension of the pilot program period by an additional five years from 7/1/2021 through 6/30/2026 with an increase in the budget to \$37.5M. Also reflects program related changes to several sections of the rider.

RATE CGS – Removed rate and references throughout tariff.

EXCESS OFF-PEAK USE RIDER - Removed rider and references throughout tariff.

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Issued September 30, 2020

Effective November 29, 2020

PECO Energy Company

**Gas-Pa. P.U.C. No. 4
Original Page No. 2**

TABLE OF CONTENTS

Index of Communities Served.....3
 How to Use Loose-Leaf Tariff.....4
 Definition of Terms and Explanation of Abbreviations.....5, 6, 7

RULES AND REGULATIONS:

1. The Gas Service Tariff.....8
 2. Service Specifications.....9
 3. Customer's Installation.....10
 4. Application for Service.....11
 5. Credit.....12
 6. Service-Supply Facilities.....13
 7. Extensions.....13
 8. Rights-of-Way.....15
 9. Introduction of Service.....15
 10. Company Equipment.....16
 11. Tariff Options on Applications for Service.....17
 12. Service Continuity.....18
 13. Customer's Use of Service.....22
 14. Measurement.....22
 15. Tests.....24
 16. Payment Terms.....25
 17. Termination by the Company.....27
 18. Unfulfilled Contracts.....27
 19. Cancellation by Customer.....28
 20. General.....28
 21. Gas Choice Program Enrollment and/or Switching.....29
 22. Usage Data.....29
 23. Affiliated Marketer Standards of Conduct.....30
 24. Requests for Energy Efficiency Information.....33
 25. Creditworthiness of Natural Gas Supplier (NGS) Serving High Volume Transportation Customers.....33

STATE TAX ADJUSTMENT CLAUSE.....36
 TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE.....37
 UNIVERSAL SERVICE COST RECOVERY MECHANISM.....38
 SALES SERVICE COSTS - ("SSC") Section 1307(f).....39, 40, 41
 GAS PROCUREMENT CHARGE.....42
 MERCHANT FUNCTION CHARGE.....43, 44
 BALANCING SERVICE COSTS ("BSC").....45, 46
 CONSUMER EDUCATION CHARGE (CEC).....47
 PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC).....48
 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC).....49

RATES:

Rate GR General Service - Residential.....55
 Rate GC General Service - Commercial and Industrial.....56
 Rate OL Outdoor Lighting.....57
 Rate L Large High Load Factor Service.....58
 Rate MV-F Motor Vehicle Service-Firm.....60
 Rate MV-I Motor Vehicle Service-Interruptible.....61
 Rate IS Interruptible Service.....63
 Rate TCS Temperature Controlled Service.....65
 Gas Transportation Service - General Terms and Conditions.....67, 68, 69, 70, 71
 Rate TS-I Gas Transportation Service - Interruptible.....72
 Rate TS-F Gas Transportation Service-Firm.....73
 Rate NGS - Negotiated Gas Service.....74

RIDERS:

Applicability Index of Riders.....76
 Casualty Rider.....77
 Construction Rider.....77
 Neighborhood Gas Pilot Rider.....78
 Receivership Rider.....80
 Temporary Service Rider.....80
 Customer Assistance Program (CAP) Rider.....81

Deleted: Gas-Pa. P.U.C. No. 3	Original Page 1A
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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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LIST OF COMMUNITIES SERVED

BUCKS COUNTY:

BOROUGHS: Bristol, Chalfont, Doylestown, Dublin, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Pennel, Telford, Tullytown, Yardley.

FIRST-CLASS TOWNSHIP: Bristol.

SECOND-CLASS TOWNSHIPS: Bedminster, Bensalem, Bridgeton, Buckingham, Doylestown, Falls, Hilltown, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Tincum, Upper Makefield, Upper Southampton, Warminster, Warrington, Warwick, West Rockhill, Wrightstown.

CHESTER COUNTY:

CITY: Coatesville.

BOROUGHS: Atglen, Avondale, Downingtown, Elverson, Honey Brook, Kennett Square, Malvern, Modena, Oxford, Parkesburg, Phoenixville, South Coatesville, Spring City, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Caln.

SECOND-CLASS TOWNSHIPS: Birmingham, Charlestown, East Bradford, East Brandywine, East Caln, East Coventry, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Nottingham, East Pikeland, Easttown, East Vincent, East Whiteland, Elk, Franklin, Highland, Honey Brook, Kennett, London Britain, Londonderry, London Grove, Lower Oxford, New Garden, Newlin, New London, North Coventry, Penn, Pennsbury, Pocopson, Sadsbury, Schuylkill, South Coventry, Thornbury, Tredyffrin, Upper Oxford, Upper Uwchlan, Uwchlan, Valley, Wallace, Warwick, West Bradford, West Brandywine, West Caln, West Fallowfield, West Goshen, West Marlborough, West Nantmeal, West Nottingham, West Pikeland, West Sadsbury, Westtown, West Vincent, West Whiteland, Willistown.

DELAWARE COUNTY:

CITY: Chester.

BOROUGHS: Aldan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Haverford, Lansdowne, Marcus Hook, Media, Millbourne, Morton, Norwood, Parkside, Prospect Park, Radnor, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Lower Chichester, Marple, Nether Providence, Ridley, Springfield, Tincum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Chadds Ford, Chester, Concord, Edgmont, Haverford, Middletown, Newtown, Radnor, Thornbury, Upper Providence,

LANCASTER COUNTY:

BOROUGH: Christiana

SECOND-CLASS TOWNSHIPS: Sadsbury, Salisbury.

MONTGOMERY COUNTY:

BOROUGHS: Ambler, Bridgeport, Bryn Athyn, Collegeville, Conshohocken, East Greenville, Green Lane, Hatboro, Hatfield, Jenkintown, Lansdale, Narbeth, Norristown, North Wales, Pennsburg, Pottstown, Red Hill, Rockledge, Royersford, Schwenksville, Souderton, Telford, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Merion, Lower Moreland, Lower Pottsgrove, Plymouth, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland, Upper Pottsgrove, West Norriton, West Pottsgrove.

SECOND-CLASS TOWNSHIPS: East Norriton, Franconia, Horsham, Limerick, Lower Frederick, Lower Gwynedd, Lower Providence, Lower Salford, Marlborough, Montgomery, Perkiomen, Salford, Skippack, Towamencin, Upper Frederick, Upper Hanover, Upper Merion, Upper Providence, Upper Salford, Whitemarsh, Whitpain, Worcester.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 4

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HOW TO USE LOOSE LEAF-TARIFF

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page", consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2", "Original Page No. 3," etc.
2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.
3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No....," the second time as "Second Revised Page No. ..." etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.
4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example: If changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B." Subsequent reprints will be consecutively designated as "First Revised...," "Second Revised...," etc.
5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it is to supersede, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

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Original Page No. 5**

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DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Aggregation Services Fee - A charge of 1¢/mcf applicable to all Low Volume Sales and Transportation Customers to be added to such Customers' Variable Distribution Service Charge effective January 1, 2001.

Available rate - A rate which may be obtained by a Customer if the use of service conforms to the character of service contemplated in the rate, and the Customer's location is such that this service can be supplied from existing facilities of the Company.

Bad credit (for deposit purposes) - A customer shall be deemed by the Company to have bad credit if the customer has been delinquent on payment of two consecutive bills or three or more bills in the last twelve billing cycles or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles. Industrial and commercial customers also shall be deemed by the Company to have bad credit if the customer is insolvent, (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has a class of publicly-traded debt outstanding that is rated to be below investment grade, or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles.

Balancing Service Cost or ("BSC") – Charge to all Low Volume Customers, both Sales and Transportation, included in Variable Distribution Charges, for fixed and variable storage costs for each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff, or the successors thereto.

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British thermal unit (Btu) - The quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury at or near its point of maximum density. One Btu equals 252 calories, (gram), 778 foot-pounds, 1,055 joules or 0.293 watt hours

Ccf – 100 cubic feet. This is a measure of gas usage.

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Chapter 56 – The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

Commodity Charge ("CC") – The "C" factor component of the Sales Service Cost representing the charge to Low Volume Sales Customers for purchased gas costs for each McF of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff, or the successors thereto.

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Commission or PAPUC– The Pennsylvania Public Utility Commission.

Company – PECO Energy Company

Competition Act - the Natural Gas Choice and Competition Act, 66 Pa.C.S. §2201, et seq.

Competitive Natural Gas Supply - firm natural gas provided by an NGS to Low Volume Transportation Customers under the Company's Gas Choice program.

Consolidated NGDC Billing – Billing provided by the Company that contains both the Company's charges for its services and the NGS's separate charges for gas supply services.

Creditworthy - A creditworthy customer pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the PaPUC. To determine whether a customer is creditworthy with respect to a particular account, the Company will evaluate the customer's record of paying Company charges for all of the customer's other Company accounts, and may also take into consideration the customer's general credit.

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cu. ft. - Cubic foot.

Customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. In addition, unless explicitly prohibited by the Public Utility Code or the Commission's Rules or Regulations, an NGS may act as an agent for a Customer upon written authorization to PECO Energy, which authorization may be included in the notice of NGS selection.

Daily quantity - The quantity of gas used in a 24-hour period beginning at 10:00 a.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use.

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PECO Energy Company

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Delivery point - That point at which the Customer's facilities are connected to the Company's facilities which is the first fitting after the outlet side of the meter connection.

Firm Service - Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

Fixed Distribution Service Charge - A charge to recover costs caused by the presence of the Low Volume Customer on the system, other than the costs associated with the Customer's usage.

Gas Choice - Program under which Suppliers provide Competitive Natural Gas Supply to Low Volume Transportation Customers.

Gas Cost Adjustment ("GCA") Charge - The "E" factor component of the Sales Service Cost representing the net overcollection or undercollection of purchased gas costs, charged to Low Volume Sales Customers for each Mcf of Sales Service gas supplied under Rate Schedules GR, GC, CAP, OL, L, and MV-F, or the successors thereto.

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High Volume Transportation (HVT) - PECO Energy's Gas program as administered by this tariff for Suppliers providing Competitive Natural Gas Supply to High Volume Transportation Customers.

High Volume Transportation Customers - Customers who purchase natural gas from an alternative Supplier under Rates Schedules TS-F, TS-I and/or the successors thereto, and not under the Company's Gas Choice program.

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Holidays - Company holidays include: New Year's Day, Martin Luther King, Jr.'s Birthday, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving, Christmas, and Sundays

Initial Contract Term - The Customer's initial contract term, or in the case of transportation service, any renegotiation of an existing contract, for a service location shall be the Customer's first term of contract for service as specified under a given tariff rate or contract agreement to a location and shall also be the first term of contract after the Customer changes service at a location to a different rate, or in case of transportation service, any renegotiation of an existing contract.

Low Volume Customers - Customers served under Rate Schedules GR, GC, CAP, OL, L, and MV-F, or successors thereto.

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Low Volume Sales Customer - Low Volume Customers served under Rate Schedules GR, GC, CAP, OL, L, and MV-F, who purchase their gas from the Company.

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Low Volume Transportation Customers ("LVT Customers") - Low Volume Customers who purchase Competitive Natural Gas Supply from a Supplier pursuant to the Company's Gas Choice program, under Rates Schedules GR, GC, OL, MV-F, or the successors thereto, and not under Rate Schedules CAP, L, TCS, IS, MV-I, TS-F, TS-I, and/or the successors thereto.

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Master Meter System - a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter (i.e. Master Meter) or by other means, such as by rents.

Mcf - 1,000 cubic feet. This is a measure of gas usage.

Month - A month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular consecutive meter readings dates of the Company's meter or meters installed on the Customer's premises.

Natural Gas Distribution Company ("NGDC") - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

Natural Gas Supplier ("Supplier" or "NGS") - A natural gas supplier as defined in 66 Pa.C.S. § 2202, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply to Low Volume Transportation Customers on the Company's system under the Company's Gas Choice program, to sell natural gas to Customers under Rates TCS, IS and/or MV-I or to sell natural gas to High Volume Transportation Customers under Rate Schedules TS-F, TS-I, and/or any other entity that takes title to gas as defined in 52 Pa. Code § 62.101

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Gas-Pa. P.U.C. No. 4

PECO Energy Company

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Natural Gas Supplier Coordination Tariff – The Tariff, setting forth the basic requirements for interactions and coordination between the Company, as the natural gas distribution company, and Suppliers necessary for maintaining the delivery of Competitive Natural Gas Supply from Suppliers to their Low Volume Transportation Customers under the Company's Gas Choice program.

Principal Office - The Company's Main Office Building located at 2301 Market Street, Philadelphia, Pa. 19103.

Property line - The division line between land held in, or for, private use, and land in which the public or the Company has a right of use; or, the division line between separately owned or occupied land.

Sales Service Cost ("SSC") - Cost of commodity and non-storage interstate pipeline firm transportation capacity to delivery such commodity to the city gate for Low Volume Sales Customers.

Rate - The rates are CAP, GR, GC, OL, L, MV-F, MV-I, IS, TCS, TS-I, TS-F, and NGS or the successors thereto.

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Separate NGS Billing ("Dual Billing") – Separate Billing by an NGS of its charges for gas supply service.

Service - The distribution of gas for use by the Customer, including all things done by the Company in connection with such distribution.

Service-Supply Pipe - The pipe extending from the Company's supply main to a metered delivery point or, in the case of installations comprised exclusively of outdoor gas lights, to the first such light.

Summary Billing Accounts - An aggregate bill prepared at the option of the Company for Customers with multiple accounts that are related within the same partnership, association, corporation or governmental agency.

Supplier of Last Resort Service ("SLR Service" or "Sales Service") - Natural gas supply service provided by the Company as supplier-of-last-resort to residential, small commercial, small industrial and essential human needs Customers who: (1) do not choose a Supplier or chose to be served by their supplier of last resort; (2) who are refused service by a Supplier; (3) whose Supplier has defaulted or exited the system; or (4) who return to SLR service after having obtained Competitive Natural Gas Supply.

System Maintenance Order ("SMO") – operational directive issued by the Company in its sole discretion to protect the operational integrity of its systems in terms of line pressure and adequacy of supply, which orders directly affect the quantity of gas to be delivered on the same gas day or other near-term gas days and may require a Customer or class of Customers, or a Customer's natural gas supplier or agent, to maintain, decrease or increase the quantity of natural gas delivered to the Company's system.

Tariff – This Gas Service Tariff comprising the rates, rules and regulations that apply to the distribution of natural gas, including all things done by the Company in connection with such distribution and/or the supply of natural gas under Supplier of Last Resort (Sales) Service.

Transportation Service – Natural gas supply service provided to HVT Customers, by an alternative Natural Gas Supplier as further detailed in Rule 1.1 of the Gas Transportation Service General Terms and Conditions Section of this Tariff.

Variable Distribution Service Charge – The variable charges on a Mcf basis for the provision of unbundled distribution service, including all things done by the Company in connection with such distribution service.

Volume Adjustment - the current adjustable factor applied to all rate classes to account for: a) reduction for system losses of 1.8% and b) thermal correction, the latter being determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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RULES AND REGULATIONS

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1. THE GAS SERVICE TARIFF

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1.1 FILING AND POSTING. A copy of this Tariff, which comprises the Rates, Rules and Regulations under which service and SLR (Sales) Service will be supplied to its Customers by PECO Energy Company, is on file with the Pennsylvania Public Utility Commission and is posted and open to inspection at the Principal Office of the Company. A copy of this Tariff also is available on the Company's website at: peco.com

1.2 REVISIONS. This Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the Pennsylvania "Public Utility Law", and such changes, when effective, shall have the same force as the present Tariff.

1.3 APPLICATION. The Tariff provisions apply to everyone lawfully receiving service from the Company, under the rates therein, and receipt of service shall constitute the receiver a Customer of the Company as the term is used herein, whether service is based upon contract, agreement, accepted signed application, or otherwise. A Customer will receive service under this Tariff effective with their first scheduled billing cycle beginning after July 1, 2000.

1.4 BASIS OF CHARGE. Time elapsed is a factor in the supply of service and the rates and minimum charges named in this Tariff, while predicated on periods of supply of not less than one year, are stated in values for direct application only to monthly periods of service provision and will be adjusted for application to service provided during other time intervals.

1.5 RULES AND REGULATIONS. The Rules and Regulations, filed as a part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate or rider provision. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service.

1.6 USE OF RIDERS. The terms governing the provision of service under a particular rate may be modified or amended only by the application of standard riders, filed as part of this Tariff.

1.7 STATEMENT BY AGENTS. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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RULES AND REGULATIONS - Continued

2. SERVICE SPECIFICATIONS

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2.1 CHARACTER. This Tariff applies only to the distribution and/or supply of natural gas, or its equivalent. Supply pressures will be limited in accordance with Company specifications.

2.2 SINGLE-POINT DELIVERY. The rates named in this Tariff are based upon the Company's distribution and/or supply through a single delivery point. Separate distribution and/or supply for the same Customer at other points of delivery shall be billed separately unless otherwise specifically provided for under a rate or rider statement.

2.3 SINGLE-POINT AVAILABILITY. Service delivered at a single point is available to one or more buildings or units devoted essentially to a single purpose, provided and so long as:

- a. Such buildings or units are:
 - (1) held, possessed, and either utilized or operated as a single establishment by a single responsible entity, and
 - (2) unified on the basis of family, business, industry, enterprise, or governmental agency or through conveniences and services, such as heat, elevator, janitor, care of halls, walks and lawns, etc., furnished by such entity, and
 - (3) situated on a single or on contiguous land parcels except where such buildings or units constitute interdependent parts of a single industrial enterprise. In determining "contiguity" hereunder of parcels abutting opposite sides of public or private ways, the boundaries of such parcels shall be considered as extending to the center of such ways.
- b. There is granted and maintained to the Company easement or other rights, adequate in the Company's reasonable judgment to supply service direct to any such buildings or units if, as and when a cessation of any one or more of the conditions stated in paragraph lettered "a" above should occur, or there should arise in any manner a Company duty of such direct supply.
- c. The distribution and other facilities on the Customer's side of the delivery point are:
 - (1) furnished, installed and maintained at the expense of the Customer, and
 - (2) owned or leased by the Customer, and
 - (3) operated and controlled by or at the expense of the Customer.
- d. The Company is under no legal obligation of direct supply to any portion of said buildings or units or their appurtenances.
- e. A guarantee by deposit or otherwise is given and maintained to the Company sufficient in its reasonable judgment to insure it against loss in distribution and other investment in the event of change in the nature of holding and possession of such buildings or units, or in the occupancy thereof, or in the type of service delivered thereto.
- f. All utilization equipment on the Customer's side of the Company delivery point is furnished, installed, operated and maintained by the operator of the buildings or units supplied or by the tenants of such operator whose use of gas is dependent upon the single point delivery and metering of service.
- g. Any use of public highways by such operator for the latter's distribution facilities does not conflict or interfere with the franchise rights of the Company.

2.4 COMPLIANCE WITH AVAILABILITY. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate or rider under which service is supplied.

2.5 COMPLIANCE WITH BUILDING ENERGY CONSERVATION ACT STANDARDS. Prior to furnishing permanent residential service for heating or cooling purposes to new residential buildings, a copy of the Compliance Certification from the Pennsylvania Department of Community Affairs indicating proof of compliance with, or exemption from, the insulation standards set forth in the Building Energy Conservation Act and the regulations promulgated thereunder, will be required for residential buildings located in municipalities that have not elected to administer the Act.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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RULES AND REGULATIONS - Continued

3. CUSTOMER'S INSTALLATION

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3.1 INFORMATION FROM APPLICANT FOR SERVICE. The Company should be advised by the applicant for service in writing, preferably on a form supplied by the Company, of premises to be equipped for gas, giving exact location, and details of all gas appliances to be installed.

The applicant for service shall supply the Company information regarding potential or actual contamination, waste or other materials or other adverse environmental conditions on the Customer's premises on or near where the Company facilities are to be located. The Customer has a continuing obligation to provide the Company with copies of any environmental assessment relating to the premises. The Company also has a continuing right to inspect the Customer's premises for the purposes of performing an environmental assessment.

3.2 DELIVERY POINT. The Company will designate in writing, upon request, a satisfactory point at which the Customer shall terminate the Customer's piping for connection to the facilities of the Company. The failure to request and obtain such information may result in refusal of service pending rearrangement of Customer's facilities, but the designation of a termination point does not constitute an agreement or obligation on the part of the Company to furnish service.

In establishing a point of delivery, the Company has the right to avoid areas known or suspected to contain contamination waste or other materials or other adverse environmental conditions.

The Company may waive this right upon agreement from the Customer or applicant to indemnify, defend and hold harmless the Company (its successors, assigns, trustees, officers, employees and agents) from and against all actions, causes of action, claims and demands whatsoever, and from all costs, damages, expenses, losses, charges, debts and liabilities whatsoever (including attorney's fees), whether known or unknown, present or future, that arise from such conditions. This indemnification provision shall survive the termination or expiration of this Agreement and the termination of the business relationship of the parties hereto.

3.3 METER LOCATION. There shall be provided, free of expense to the Company, at a location outdoors, unless otherwise designated by the Company, which the Company will designate in writing upon request, a suitable place for the regulator or regulators, meter or meters, and any other supply, protective or control equipment of the Company which may be required in the delivery of gas service. Meters and regulators must be located outside and above ground in accordance with 52 Pa. Code § 59.18. However, meters and service regulators cannot be installed in locations specified in 52 Pa. Code § 59.18(a)(8)(i-vi). Inside meter and service regulator locations shall be considered by the Company, but only in accordance with the exceptions contained in 52 Pa. Code §59.18(d). The Company may also consider other meter or regulator locations (such as a specially constructed cabinet recessed in the building wall, sealed from inside the building and vented to and accessible from outside the building) per 52 PA Code §59.18(e). The customer shall provide access and space, in an amount deemed necessary by the Company, to install and maintain its meter(s) and equipment. This location shall be convenient, unimpeded and easily accessible to the Company's employees, contactors and agents. The Customer shall also minimize any risk for damage and/or harm to the Company's employees, contractors, agents and equipment at the meter location. There also must not be any impediment or obstruction of the Company's ability to receive, an adequate communication signal from its meter(s) for remote reading purposes. The meter(s) location also shall be situated so that the meter(s) are not concealed, but shall be situated in a manner acceptable to the Company.

3.4 NONSTANDARD SERVICE. The Customer shall pay the cost of any special installation necessary to meet any peculiar requirements for service.

The Customer shall pay all costs to the Company of performing environmental assessments, including consultant costs and the costs of removal and disposal of hazardous materials associated with either the initial installation of service, modifications to the service or repair and maintenance of service.

3.5 REVERSE FLOW. The Customer may be required to install check-valves, or other devices, to prevent compressed air or other gases from entering the Company's mains.

3.6 EXCESS FLOW VALVES ("EFVs") At the request of a customer who qualifies for installation of an Excess Flow Valve (EFV) pursuant to 49 C.F.R. § 192.383, the Company will install an EFV at the customer's expense. Eligible customers who request installation of an EFV on existing service lines must pay the installation costs before any work begins.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 11

RULES AND REGULATIONS - Continued

4. APPLICATION FOR SERVICE

4.1 PLACE OF APPLICATION. Applications for service may be made at any commercial office of the Company or, in some cases, over the telephone.

4.2 SERVICE CONTRACT. Every applicant for service may be required to sign a contract, agreement, or other form, then in use by the Company, covering the special circumstances of the use of gas, and shall abide by these Rules and Regulations and the standard requirements of the Company.

4.3 CONTRACT DATA. The application shall contain a statement of the premises to be served, the rate under which service is desired, and such conditions or riders as are applicable to the special circumstances of the case.

4.4 RIGHT TO REJECT. The Company may place limitations on the amount and character of service it will supply or may reject applications for service not available under a standard rate, or which might affect the supply of service to other Customers, or to be delivered at a location which involves excessive cost; for bad credit; for the applicant's failure to provide identifying documentation; when an applicant's self-identification cannot be verified, or for other good and sufficient reasons. Customer can be denied SLR (Sales) Service or new service for failure to pay an NGS's charges.

The Company has the right to restrict service to only those locations which will not expose the Company to liability for known or suspected contaminated waste or materials or other adverse environmental conditions.

4.5 ACCEPTANCE. When an application is accepted, or when service is supplied according thereto either without modification or with supplemental agreement, it constitutes the contract between the Customer and the Company, subject to the Rules and Regulations.

4.6 SPECIAL CONTRACTS. Standard contracts shall be for terms as specified in the statement of the rate, but where large or special investment is necessary for the supply of service, or where service is to be used for an emergency or temporary replacement of another method of operation, contracts of longer term than specified in the rate, or with special guarantees of revenue, or both, may be required.

4.7 UNAUTHORIZED USE. Unauthorized connection to the Company's service-supply facilities, and/or unauthorized use of utility service, may be terminated by the Company without notice. Unauthorized use of utility service means unreasonable interference or diversion of service, including meter tampering any-act which affects the proper registration of service through a meter, by-passing (unmetered service that flows through a device connected between a service line and Customer-owned facilities), and unauthorized service restoral. In cases of tampering or by-passing, the use of service without notifying the Company and enabling it to read its meter will render the user liable for any amount due for service supplied to the premises from the time of the last reading of the meter, immediately preceding the Customer's occupancy, as shown by the Company's books.

4.8 WITHDRAWAL OF APPLICATION BY NON-RESIDENTIAL CUSTOMERS. In the event the Customer or potential Customer withdraws, in whole or in part, an application for either new or modified service, the Customer will reimburse the Company for all reasonable costs incurred by the Company in anticipation of supplying the new or modified service where such costs were described by the Company to the Customer at or before the time application was made. This provision does not apply to individual residential service applicants.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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RULES AND REGULATIONS - Continued

5. CREDIT

5.1 PAYMENT OBLIGATION. The provision of service for any purpose, at any location, is contingent upon payment of all charges provided for in this Tariff as applicable to the location and the character of service.

5.2 PRIOR DEBTS. Service will not be furnished to applicants or former customers until any indebtedness to the Company for previous service of the same or similar classification has been satisfied or a payment arrangement has been made on the debt. The Company may, at its discretion, determine liability for prior debts or past due balances

by: (1) the use of company records that contain information provided to the Company; (2) information contained on a valid mortgage, lease, deed or renter's license; (3) the use of commercially available public records databases; (4) Government and property ownership records. This rule does not apply to the disputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed; and (4) the customer nevertheless continues to dispute the same matter in bad faith.

5.3 GUARANTEE OF PAYMENTS. The Company may charge a security deposit before it will render service to an applicant or before the Company will continue to render service to a customer for whom the Company provides Consolidated EDC Billing or Separate EDC Billing. The Company may charge deposits to applicants and customers if they have bad credit, lack creditworthiness or as otherwise permitted by Commission statutes, rules, regulations, and as required by Federal Bankruptcy Law. The applicant or customer may be required to provide a cash deposit, letter of credit, surety bond, or other guarantee, satisfactory to the Company. The Company will hold the deposit as security for the payment of final bills and in compliance with the Company's Rules and Regulations. In addition, the Company may require industrial and commercial customers to post a deposit at any time if the Company determines that the customer is no longer creditworthy or has bad credit or as otherwise permitted by Commission statutes, rules, regulations and as required by Federal Bankruptcy Law. The Company retains the right to charge customers additional deposits based upon continued bad credit or lack of creditworthiness and increased usage.

5.4 AMOUNT OF DEPOSIT. For residential customers the deposit will be equal to one-sixth of the applicant's or customers estimated annual bill for Company charges, based on applicable rates. A deposit from a residential customer shall conform to the requirements of 66 Pa. C.S. 1404(c) and applicable Pennsylvania Public Utility Commission regulations. For industrial and commercial accounts, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

5.5 RETURN OF DEPOSIT Deposits secured from a residential Customer shall be returned with accrued interest, in accordance with 66 Pa. C.S. §1404(C) and applicable Pennsylvania Public Utility Commission regulations. In cases of discontinuance of service, deposits will be returned with accrued interest upon payment of all service charges and guarantees or with deduction of unpaid accounts. Effective July 1, 2011, PECO will return the deposit on a non-residential account if the account was assessed fewer than two late payments in the previous 24 months. The first annual review of the customer's payment status will occur 24 months after the initial deposit date. Any residential or commercial customer having secured the return of a deposit may be required to make another deposit, in accordance with Commission statutes, regulations, or Federal Bankruptcy Law, if the Customer demonstrates bad credit or lacks creditworthiness subsequent to the return of the initial deposit.

5.6 INTEREST ON DEPOSIT. The Company will allow simple interest on cash deposits calculated as follows:

- (1) with respect to residential accounts:
 - (a) interest accrued prior to December 14, 2004, at an annual rate determined by the average of the 1-Year Treasury Bills for September, October and November of the previous year ("Interest Index");
 - (b) interest accrued on or after December 14, 2004, at an annual rate determined by the legal rate of interest pursuant to 66 Pa. C.S.A. § 1404(C)(6);
- (2) with respect to commercial and industrial accounts, at the lower of the Interest Index or six percent; provided that interest accrued prior to April 14, 1995 shall be calculated at six percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

5.7 CREDIT INFORMATION.

CUSTOMERS: In addition to information required otherwise hereunder, customers for whom the Company provides Consolidated NGDC Billing or Separate NGDC Billing shall be required to provide to the Company with such credit information, as the Company requires. The Company may report to a national credit bureau on credit history associated with past due amounts.

APPLICANTS: The Company's credit and application procedures for applicants are as follows: (1) positive identification of applicant obtained from previous customer record or through one of the major credit reporting bureaus or through in-person identification; (2) determination of liability for a past due balance; (3) determination if a deposit is required based upon applicant's previous account history if available or through third party credit scoring of applicant.

The Company's credit scoring methodology and standards are as follows: The Company uses a commercially recognized credit scoring methodology that is within the range of generally accepted industry practice. The applicant's or customer's utility payment history determines the credit score. The Company uses this customer-specific credit score to either request or waive a security deposit.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 13

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RULES AND REGULATIONS - Continued

6. SERVICE-SUPPLY FACILITIES

6.1 COMPANY'S SERVICE-SUPPLY PIPE. The Company will install, own and maintain the required service-supply pipe with Company participation in the cost of installation determined by the Company in accordance with Section 7 Extensions.

6.2 SERVICE-SUPPLY ALTERATIONS. Changes in location of service-supply pipe, or meter and connections, for the accommodation of the Customer, shall be at the expense of the Customer. A customer or building owner requesting that a meter or regulator be moved shall pay the costs associated with relocation when the meter and regulator are currently situated in a suitable location under State and Federal regulations per PA 52 Code § 59.18(a)(11).

6.3 STUB-SERVICE PIPE. When supply mains are in place, service-supply pipe to a point beyond the curb line may be installed, at the option of the Company, ahead of paving, providing the owners of the abutting property shall request and pay for such stub-service pipe. The cost of any such stub-service pipe may be refunded to the Customer over a term of years, upon such basis or condition as may be determined by the Company and specified in the contract for service.

6.4 METERS AND REGULATORS. The Company will provide, own and maintain any meter or meters, regulator or regulators, required in the supply of service.

7. EXTENSIONS

7.1 SUPPLY MAIN CONSTRUCTION. The Company will install, own and maintain gas supply mains located on the highway or on rights-of-way acquired by the Company and used or usable as part of the Company's general supply system.

7.2 OBLIGATION TO EXTEND. Subject to the terms set forth herein, the Company will extend its facilities to a new point of delivery without charge to a potential customer making a valid request for natural gas service. For additional details see Section 7.3, Service Pipe and Main Extension Policy.

7.3 SERVICE PIPE AND MAIN EXTENSION POLICY. When gas is available for sale to new customers under one of the Company's firm sales or transportation rate schedules, main and service facilities will be extended to an applicant in accordance with the following provisions:

A. General Economic Test. For firm service customers the Company will make a capital investment in the total cost of new main and service facilities to serve the customer (including, but not limited to, allocated overheads and related system modifications) when the net present value (NPV) from a proposed project is greater than or equal to zero. Net present value shall be calculated based on the capital investment, exclusive of the costs of meter and meter installation, required to serve the applicant(s) and the estimated base annual revenues (EBAR) generated from the applicant(s). The "EBAR" shall be calculated by multiplying the applicable Variable Distribution Charge rate (excluding any applicable gross receipts tax or certain fixed TCS costs) times the estimated annual consumption, plus the portion of annualized Fixed Distribution Charge attributable to service line capital costs. In calculating the NPV, the following assumptions will be made: 1) a 40 year evaluation period, 2) the discount rate shall be the Company's after-tax cost of capital, 3) revenue shall be assumed to be collected throughout the year, and 4) capital is assumed to be invested at the beginning of the year. If the proposed project has a negative NPV, the Customer shall make a payment to bring the net present value to a zero value. This will enable the proposed project to support a reasonable rate of return to the Company.

B. Developments. Payments shall be required in advance for all lot developments. If a payment is required, the amount of payment shall be based on the General Economic Test set forth in Section 7.3A, and shall incorporate known gas applications in buildings under construction or buildings not yet under construction but which are expected to be fully constructed within a five year period from the date of the original contract signing. This requirement may alternatively be satisfied by payment of at least 35 percent of the required contribution upon execution of the service agreement with the remainder subject to payment bond and interest (at prime rate) and is due no later than 6 months after PECO certifies, in writing, that service is available to the development. At the time of execution of the service agreement, the developer shall also post a letter of credit, surety bond, or other security, satisfactory to the Company equal to 50% of the value of the revenue stream as calculated by the Company under Section 7.3A. If the developer does not fully develop the lots within five years, including, but not limited to, installing all required appliances and flowing natural gas to them, the Company reserves the right to use the security as payment for the contract amount. Lot developments are defined as tracts subdivided for sale as individual lots or groups of lots to more than one builder or buyer.

C. Interruptible Service Installations. The Company will make a capital investment in the total cost of new main, service facilities and dual fuel installations, (including, but not limited to allocated overheads and related system modifications) to serve Customers with interruptible service installations, up to an amount equal to three times the additional Estimated Base Annual Revenue (EBAR) attributable to the Customer. The Customer shall pay the cost, if any, in excess of the above limit exclusive of the costs of the meter and, meter installation.

D. After-tax cost of capital (discount rate) shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

7.4 EXTENSION REFUNDS. Upon receipt of a written request by a Customer or developer made no earlier than the end of the third year following the date of an agreement for new gas service, PECO will: (a) review its records to determine if a refund is due the customer or the developer for additional customers beyond those used to calculate the projected revenue stream as determined in the General Economic Test above that attached to the facilities paid for by the customer or the developer within three (3) years after the execution date of the agreement for new gas service, and (b) within sixty (60) days of receipt of such request, (i) make payment to the customer or developer of any refund due and (ii) provide the customer or developer with documentation substantiating the refund calculations and identifying the attached loads for which the developer was credited. Customer or developer contributions may be refunded if, within three years of the date of the service agreement, new loads are added to facilities paid for by the contributing Customer or developer. Revenue and cost computations shall simulate that the original and new loads were installed at the same time. Refunds will be paid only to the contributing Customer or developer, and the original contribution shall be the maximum refund.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 14

7.5 TAX ACCOUNTING OF CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES. All contributions in aid of construction (CIAC), customer advances or other like payments received by the Company shall constitute taxable income as defined by the Internal Revenue Service. The income taxes on such CIAC or customer advances will be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with CIAC or customer advances will not be charged to the specific contributor of the capital.

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PECO Energy Company

**Gas-Pa. P.U.C. No. 4
Original Page No. 15**

RULES AND REGULATIONS - Continued

8. RIGHTS-OF-WAY

8.1 TERM AND RENTALS. When the premises of a Customer is so located that the Customer can be served only by facilities extending over the property of another, the Customer shall accept service for such term as is provided in the permit or agreement covering the location and the maintenance of service equipment, and the Customer shall reimburse Company for any and all special or rental charges that may be made for such rights by said permit or agreement.

8.2 PROCUREMENT BY CUSTOMER. Customers applying for the construction of an extension may be required to secure to, and for, the Company, all necessary and convenient rights-of-way and to pay the costs incident thereto.

8.3 DELAYS. Applications for service from an extension to be constructed where a right-of-way is not owned by the Company will only be accepted subject to delays incident to obtaining a satisfactory right-of-way.

9. INTRODUCTION OF SERVICE

9.1 COMPANY'S RIGHT TO INSPECT. The Company shall have the right, but shall not be obliged, to inspect any installation before service is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects in the installation, piping, or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the Customer.

9.2 DEFECTIVE INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's installation is defective, or does not comply with such reasonable requirements as may be necessary for safety, or is in violation of the Company's standard requirements.

9.3 UNSATISFACTORY INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's equipment, or use thereof, might injuriously affect the equipment of the Company, or the Company's service to other Customers.

9.4 INITIAL SERVICE. In all cases gas shall be introduced to the Customer's installation by, or under the supervision of, a representative of the Company.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 16

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RULES AND REGULATIONS - Continued

10. COMPANY EQUIPMENT

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10.1 COMPANY MAINTENANCE. The Company shall keep in repair and maintain its own property installed on the premises of the Customer.

10.2 CUSTOMER'S RESPONSIBILITY. The Customer shall be responsible for safekeeping of the Company's property while on the Customer's premises. In event of injury or destruction of any such property the Customer shall pay the costs of repairs and replacement. Any changes made to the Customer's premises after the Company completes its service and meter installation that, in the opinion of the Company, creates an unsafe condition, shall be the Customer's responsibility to pay any costs associated with remedying the unsafe condition including but not limited to any required protective measures and/or relocations of Company property. Customers with privately owned or operated underground utility facilities on their premises may have obligations as facility owners under the Underground Utility Line Protection Act, 73 P.S. Section 176 et. seq. These include becoming a member of Pennsylvania One Call, maintaining said facilities, and providing approximate locations of said facilities with temporary markings within the required time period in response to Pennsylvania One Call notifications. Customers should create and retain as-built drawings reflecting the locations of said facilities on the premises and revise these drawings as necessary to reflect any changes made following installation. If said facilities are insufficiently marked prior to the lawful start date of any Company excavation or construction work, the Company has the right to require the associated customer to bear all incremental costs necessary to ensure safe digging by the Company, including but not limited to subsurface utility excavation and engineering, materials, supplies, transportation, labor, and overhead. If 1) said facilities are insufficiently marked prior to the lawful start date of any Company excavation or construction work or 2) the Company is unable to notify a facility owner of its intent for excavation or similar work covered under the Act because the facility owner is not a member of the Pennsylvania One Call system, the Company shall not be liable to customers or any other third parties for any damages, including property damage, economic damages, costs, associated consequential damages or personal injuries.

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10.3 PROTECTION BY CUSTOMER. The Customer shall protect the equipment of the Company on the Customer's premises, and shall not permit any person, except a Company employee having a standard badge of the Company or other Company identification, to break any seals upon, or do any work on, any meter, service-supply pipe or other equipment of the Company located on the Customer's premises.

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10.4 TAMPERING. In the event of the Company's meters or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations.

10.5 RIGHT OF ACCESS. The Company's identified employees shall have access to the premises of the Customer at all reasonable times for the purpose of reading meters and disconnecting service, and for installing, testing, inspecting, repairing, removing or changing any or all equipment belonging to the Company.

10.6 OWNERSHIP AND REMOVAL. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the Customer at any time after the termination of service from whatever cause.

10.7 RELOCATION OF COMPANY FACILITIES REQUESTED BY NON-RESIDENTIAL PROPERTY OWNERS. Except as otherwise provided by law (e.g., 66 Pa. C.S. Section 2704 et seq.), a non-residential property owner, such as a builder, developer or contractor (Owner), shall compensate the Company for the costs of relocation of Company facilities or equipment, made for the accommodation of the Owner or in fulfillment of the Owner's obligation to any public authority.

If the facility relocation is made to accommodate the Owner's project or in fulfillment of the Owner's obligation to any public authority, then the Owner shall be responsible to pay PECO for the relocation costs even if the relocation request is made by an entity other than the Owner. A request for relocation of Company facilities shall be in writing. The relocation cost shall include labor (including overhead), materials, storeroom expense and transportation, less the depreciated value of any equipment replaced.

Where the relocation is done in conjunction with construction of a supply line to a development, the Company shall include in the relocation cost those costs caused by the Owner's request. Such relocation costs are not part of the capital investment toward supplying service and are, therefore, not included in the revenue test with which the line extension contribution is calculated.

The Company will notify the Owner in writing of the relocation cost. Advance payment of relocation costs will be required before the Company will commence the work, except, at the sole discretion of the Company, under special circumstances.

10.8 RECOVERY FOR PROPERTY DAMAGE. If Company equipment is damaged through the negligence or intentional act(s) of any individual(s) or entity(s), the one(s) responsible for causing the damage shall reimburse the Company for all aspects of the resulting damages. The reimbursement shall include costs related to: labor, material, transportation and tools. "Labor" shall include benefit and administrative overheads based on the Company's current standard schedule, including third party contract repairs or modifications. Additionally, "Labor" may be calculated using a "blended" or average pay rate consistent with the above referenced standards. "Materials" may include an added stores expense calculated using the above referenced standards.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 17

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RULES AND REGULATIONS - Continued

11. TARIFF OPTIONS ON APPLICATIONS FOR SERVICE

11.1 CHOICE OF RATE. Where the classes of service-supply or conditions of use are such that two or more rates are available, an applicant shall select the rate or rates to be applied to the applicant's service.

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11.2 COMPANY ASSISTANCE. The Company upon request will, to a reasonable extent, assist an applicant in selecting the most advantageous rate or rate application.

11.3 RATE CHANGES. A Customer may not change rates during the "initial contract term" as defined in the "Definition of Terms and Explanation of Abbreviations" section above. At any other time, a Customer may change to a rate for which the Customer qualifies upon 30 days notice to the Company. The new rate will be effective the next meter reading date after Company approval.

The Company will not make any rate change retroactive, unless the Company failed to adequately respond to a Customer's request for assistance or modification at the time of such request.

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Gas-Pa. P.U.C. No. 4
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RULES AND REGULATIONS – Continued

12. SERVICE CONTINUITY

12.1 REGULARITY OF SUPPLY. The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service.

12.2 CURTAILMENT OF SERVICE.

a. Authority to Curtail. In the event of a natural gas emergency, the Company may curtail the availability of natural gas service to its Customers in accordance with this Rule 12.2.

b. Priority of Service. Following are the service priority categories listed in descending order of priority (highest to lowest):

Priority 1

- (1) Residential and firm critical commercial essential human needs.

Priority 2

- (2) Firm small commercial requirements, excluding critical essential human needs requirements in Category 1, and firm large commercial and industrial requirements for plant protection.
- (3) Firm small industrial requirements.
- (4) Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in Category 1.
- (5) Firm large non-critical commercial and industrial requirements other than requirements for boiler fuel use.
- (6) Firm large non-critical commercial and industrial requirements for boiler fuel use.

Priority 3

- (7) Contractually interruptible use.

c. Definitions Applicable. The definition for terms used in the Curtailment of Service Rule are as follows:

- (1) Alternate Fuel Capability. The installed and operable ability to use any fuel other than natural gas on a time sensitive basis. For purposes of this definition, alternate fuel means any fuel other than natural gas or its equivalent.
- (2) Commercial Use. Gas usage by Customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies and shall include Customers in Standard Industrial Classification Codes 01 through 09, 15 through 19, and 49 through 99. Commercial use shall not include use of gas for manufacturing or electric power generation.
- (3) Critical Use. Gas usage where natural gas, or its equivalent, is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.
- (4) Essential Human Needs Use. Gas usage in any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals, and nursing homes, where the Customer does not have alternate fuel capability.
- (5) Firm Service. Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.
- (6) Industrial Use. Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power and shall include Customers in Standard Industrial Classification Codes 10 through 14 and 20 through 39.
- (7) Interruptible Service. Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

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RULES AND REGULATIONS – Continued

12. SERVICE CONTINUITY – Continued

- (8) Large Customer. A customer with annual usage of at least 18,000 Mcf during the prior calendar year.
- (9) Natural Gas Emergency. Whenever the aggregate demand of firm service customers on the Company's system or portion of the Company's system, for any reason, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity or the ability of the Company to satisfy the demand requirements of its Priority 1 Customers (including when continued delivery of gas to Customers would prevent the Company to arrange for the injection of gas into underground storage pools necessary for the protection of winter season supply requirements).
- (10) Non-Critical Use. Gas usage where natural gas is not the only feasible form of energy; i.e., where the Customer has alternate fuel capability.
- (11) Small Customer. A customer with annual usage of less than 18,000 Mcf during the prior calendar year.
- (12) System Maintenance Order ("SMO") – as defined in the definitions section of the tariff.
- (13) Plant Protection Use. Minimum usage of natural gas required to prevent physical harm to an industrial or commercial customer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternative fuel. Plant protection requirements includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
- (14) Residential Use. Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.

d. Curtailment Process.

- (1) Reservation of Company Right to Curtail. The Company reserves the right to reduce or eliminate the availability of firm natural gas service to Customers during a natural gas emergency, on a system-wide or localized basis ("curtailment"), when, in the Company's sole judgment, curtailment of natural gas service is necessary to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets. When necessary, the Company may curtail service to Priority 1 customers.
- (2) Pre-Curtailment Procedures. To avoid curtailment of service, the Company will use reasonable business and operational efforts to interrupt all Priority 3 services; issue appropriate system maintenance orders (SMO) to HVT and LVT Customers, their Natural Gas Suppliers or other agents; and/or request customers to institute voluntary usage reductions.
- (3) Curtailment Directive. In the event that Pre-Curtailment Procedures are not practicable or fail to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, the Company may issue a curtailment directive. The curtailment directive should be reasonably well-tailored by the Company to require Customers of lower priority services to reduce usage by an amount calculated by the Company, as necessary to minimize the potential threat to public health and safety and to minimize the effect of a natural gas emergency on the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, but may be issued without regard to priorities of service. During the period specified by the curtailment directive, Customers directed to curtail usage must comply with the directive or face physical shut-off by the Company and/or the assessment of penalties elsewhere set forth in this Rule 12.

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RULES AND REGULATIONS – Continued

12. SERVICE CONTINUITY – Continued

- (4) Curtailment Sequence. Curtailment of a customer class of a higher priority shall not be initiated until all Customers falling into the lower classifications have been completely curtailed. Where only partial curtailment of any one classification is required, customer usage should be reduced pro rata to the extent reasonably possible. As applied to High Volume Transportation Customers served under Rate TS-F, pro rata reductions will be based on a percentage of the Customer's Transportation Contract Quantity unless the Customer has alternative fuel capability. If the Customer has alternative fuel capability, a pro rata reduction shall be based on a percentage of the Customer's Transportation Contract Quantity less the daily alternative fuel capability. The Company shall restore service as soon as practicable to any gas-fired generation facility that is deemed critical to electric system reliability by the applicable electrical system's control area operator.
- (5) Customer Notification. The Company shall provide maximum notice possible of a curtailment directive or of a change in curtailment amount or priority level set forth in a curtailment directive. In the curtailment directive, the Company shall specify the authorized consumption for a specified period or until further notice. The Company reserves the right to provide notice by any reasonable means, including by telephone, pager, e-mail, facsimile or personal contact. If such notice is by telephone, then it will be followed by a written notice to the Customer, specifying the Customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement, as the case may be. An emergency curtailment may be made after oral notice to the Customer, effective when so given, but such oral notice will be confirmed in writing within 48 hours.
- (6) Commission Notification. The Company shall notify the Commission as soon as practicable after the issuance of a curtailment directive.
- (7) Curtailment Directive Exceeding 5 Days. The Company must obtain Commission authorization before it may extend a curtailment directive beyond a maximum duration of 5 business days. Business days shall be all days except Saturdays, Sundays, and federal holidays.
- (8) Natural Gas Emergency Plan. This Rule 12 is supplemented by Company procedures referenced in the Company's Natural Gas Emergency Plan filed by the Company in compliance with Commission Regulations, 52 Pa. Code § 59.63 and 59.71 et seq., and such procedures may be modified from time to time.

e. Unauthorized Use.

- (1) Penalties. A Customer determined to have used natural gas in violation of a SMO issued pursuant to Rule 12.2.d(3) or a curtailment directive issued by the Company ("unauthorized use") shall pay the Company a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Also, included will be the actual, additional cost incurred by the Company as a result of such unauthorized gas usage, as reasonably determined by the Company.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-Non NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

- (2) Disposition of Penalties. As of December 31 of each year, the Company shall subtract the total of all penalties paid that year to the Company's suppliers from penalties collected that year from Customers. The Company will then distribute all remaining penalties collected by the Company to its curtailed Customers who did not incur penalties under e(i) above.
- (3) To determine the amount of reimbursement due a Customer, the total amount to be redistributed shall be divided by the total volume of sales during the twelve-month period to all Customers eligible for reimbursement. This quotient shall represent the factor, which when multiplied by an eligible Customer's total purchase volume during the twelve-month period will equal the amount to be credited to that Customer. However, no reimbursement shall be made to Customers who have terminated service during the year.
- (4) The Company will make periodic reports to the Commission containing itemized statements, status of penalty accounts and the extent and nature of disbursements from such accounts made during that period.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 21

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RULES AND REGULATIONS – Continued

12. SERVICE CONTINUITY - Continued

12.3 LIMITATION OF LIABILITY. Should the supply of service be curtailed or interrupted by the Company because of gas shortage, or for the purpose of making repairs, changes or improvements, in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted, curtailed or fail, by reason of accident, **weather**, strike, legal process, state or municipal interference, or any cause whatsoever the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure unless such interruption or failure resulted from the Company's wanton or willful misconduct. If the supply of service to a firm service Customer is interrupted for more than seven consecutive days as a result of the Company's wanton or willful misconduct, the Customer's bill will be prorated for the month during which this interruption occurs.

In all other circumstances, including but not limited to failure to furnish a sufficient supply of gas or failure to transport the customer's gas to the customer, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to equipment and appliances, loss of business, or loss of production caused by any interruption or variation in supply or pressure, or any other failure in the supply of natural gas shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of \$1000 or two times the charge to the customer for the service affected during the period in which such interruption or variation in supply or pressure, or any other failure in the supply of natural gas occurs.

The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

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12.4 ADDITIONAL LIMITATIONS OF LIABILITY IN CONNECTION WITH CUSTOMER CHOICE. Other than its duty to deliver natural gas, the Company shall have no other duty or liability to a Customer receiving Competitive Natural Gas Supply arising out of or relating to a contract or other relationship between such Customer and an NGS. The Company shall implement Low Volume Customer selection of an NGS consistent with applicable rules of the Commission and shall have no liability to a Low Volume Customer receiving Competitive Natural Gas Supply arising out of or relating to switching NGSs unless the Company is negligent in switching or failing to switch a Customer. The Company shall have no duty or liability with respect to natural gas before it is delivered by an NGS to a point of delivery on the Company's distribution system. After its receipt of natural gas at the point of delivery the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Natural Gas Supply as to those purchasing natural gas from the Company.

12.5 NOTICE OF TROUBLE. The Customer must immediately notify the Company if there is any defect, leak, trouble or accident affecting the supply of gas.

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Original Page No. 22

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RULES AND REGULATIONS - Continued

13. CUSTOMER'S USE OF SERVICE

13.1 RESALE OF SERVICE. As of January 5, 1980, the resale of gas and/or service provided by the Company is prohibited for Customers who receive gas service from the Company through a master meter and resell it to individual dwelling units by the use of submeters. Customers receiving service prior to January 5, 1980, may resell gas purchased from the Company through a single master meter in accordance with 66 Pa.C.S. § 1313 if the purchased gas is: (1) for the total requirements of the premises served and (2) the use of the resold gas conforms to the availability requirements of this tariff for the Customer's own account.

13.2 FLUCTUATIONS. Gas and/or service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and, in the case of violation of this rule, the Company may discontinue service, or require the Customer to modify the installation and/or equip it with approved controlling devices.

13.3 ADDITIONAL LOAD. Any additional loads, either connected to existing equipment or new equipment, will not be allowed except by consent of the Company.

13.4 FAILURE TO GIVE NOTICE. Failure to give notice of additions or changes in load or location shall render the Customer liable for any damage to the regulator, meters, or other equipment of the Company, caused by the additional or changed installation.

14. MEASUREMENT

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14.1 SUPPLY OF METERS. The measurement of gas usage shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment, and may, from time to time, change or alter the equipment, its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes.

14.2 SPECIAL MEASUREMENTS. The Company shall have the right, at its option and its own expense, to place demand meters, pressure gauges, special meters, or other instruments, on the premises of any Customer for the purpose of determining the adequacy of the Company's service or for making tests of all or any part of the Customer's load.

14.3 METER READING INTERVALS. The Company will read its meters at scheduled regular intervals of one or more months and will render standard bills for the recorded gas usage based upon the time interval between meter readings. Only those bills which cover a period of service of less than 27 days or more than 34 days will be prorated.

14.4 ESTIMATED USAGE. The Company may estimate the amount of gas usage at the premises where access to the meter is not available, or to installations at remote locations, for such number of months as the type of installation, normal regularity of usage, or other circumstances may warrant, and will render bills in standard form based on such estimate and so marked, for the Customer's acceptance. Meter readings will be secured from time to time and billing will be revised when they disclose that the estimate failed to approximate the actual usage. For residential Customers, an actual meter reading will be obtained at least every six months, in accordance with Commission regulations.

14.5 CORRECTION TO STANDARD CONDITIONS. The quantities of gas used may be corrected to standard conditions, namely 60 degrees Fahrenheit temperature and 30 inches of mercury barometric pressure. All methods employed in correcting measurements of gas volume to said standard conditions shall be in accordance with established industry standards.

14.6 TELEMETRY AND TELEPHONE EQUIPMENT

(a) Customer shall permit PECO to install and operate telemetering equipment to remotely read PECO's meter.

(b) Customer shall provide and pay for telephone service required for the operation of PECO's equipment and/or the transmittal of data from PECO's meter, as directed by PECO. Customer must maintain either a dedicated non-digital telephone line or telephone equipment that converts the digital signal to analog. Customer shall provide telephone service for this purpose at least fifteen (15) working days prior to the commencement of service under this agreement.

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(c) Service will not be provided prior to the date on which Customer installs the required telephone service. Customer is responsible to maintain the telephone service in working order at all times.

(d) PECO will read the meter on the last day of the month if a reading is not transmitted. If PECO determines that the phone line is not functioning, Customer will be notified that the phone line must be repaired within thirty (30) days.

(e) If more than thirty (30) days elapse and the telephone service is not restored to working order to PECO's satisfaction, then the following steps will be taken:

PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 24

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RULES AND REGULATIONS - Continued

15. TESTS

15.1 METER TESTS. The Company, at its expense, will make periodic tests and inspections of its meters in order to maintain them at a high standard of accuracy.

15.2 REQUEST TESTS. The Company will make additional tests or inspections of its meters at the request of a Customer, or an NGS providing Competitive Natural Gas Supply to a Customer, but reserves the right to charge the Customer or NGS, as applicable, any Commission-approved charge as provided in the Commission's Gas Regulations.

15.3 ADJUSTMENT FOR ERROR. Should any meter become defective or fail to register correctly, the quantity of gas consumed shall be determined by a test of the meter, or by the registration of a meter set in its place during the period next following, or by averaging the amount of gas used for the nearest meter reading period preceding and the meter reading period immediately following the date when the meter was found not be to registering, taking into consideration the character of use by the Customer.

15.4 RESIDENTIAL METER ERRORS. Meter errors in residential service may be determined on the basis of the registration of the corresponding period during the preceding year, if records are available and conditions of use remain the same.

15.5 ADMINISTRATION TESTS. The Company, at its own expense, will make only such tests as it deems necessary for the proper administration of its rates, or as are required by law.

15.6 TESTING SERVICE. The Company will, upon request by the Customer, make tests to supply special information regarding the Customer's use of service, provided that the estimated cost of such special tests shall be paid by the Customer to the Company at the Company's discretion.

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PECO Energy

Gas-Pa. P.U.C. No. 4
Original Page No. 25

RULES AND REGULATIONS - Continued

16. PAYMENT TERMS

16.1 BILLING PERIOD. Billing for service will be based upon the amount of use and the time interval of its supply. Rate values stated for direct application to monthly periods will be adjusted when the time elapsed between readings is substantially greater or less than a month.

16.2 BILLING OPTIONS. A Low Volume Customer may select one of the following two billing options as communicated to PECO by the customers' supplier: (1) Consolidated NGDC Billing; or (2) Separate NGS Billing.

16.3 PAYMENT PERIOD. Bills are payable upon presentation, and payment may be made at any commercial office of the Company or at any authorized payment agency. Payment for service received must be made on or before the due date shown on the bill, which shall be not less than 20 days from the date of transmittal of the bill for Rate GR, GC and OL (excluding Summary Billing Accounts); not less than 15 days from the date of transmittal of the bill for all other rates, including Summary Billing Accounts, with the exception of accounts (including Summary Billing Accounts) with the United States of America or the Commonwealth of Pennsylvania or any of their departments or institutions for which 30 days will be allowed. If a normal due date should fall on a Saturday, Sunday, bank holiday, or any other day when the offices of the Company which regularly receive payments are not open to the general public, the due date shall be extended to the next business day. The payment period will not be extended because of the Customer's failure to receive a bill unless said failure is due to the fault of the Company.

16.4 FINANCE CHARGE. If payment may be made at a Company office or authorized payment agency after the due date shown on the bill, a finance charge will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the finance charge will be added if the payment is received by the Company more than 5 days after the due date shown on the bill. For Rates GR, GC and OL, this finance charge will be 1-1/2% per month; for all other rates the finance charge will be 2% per month.

16.5 BUDGET BILLING

(a) At the option of a Customer receiving service under Rates GR, GC, and OL, an estimated total bill for all service to be received by the Customer over a twelve-month period may be budgeted over the period and an average bill rendered monthly for payment each month. Any difference between the budgeted amounts so paid and the actual charges for a twelve-month budget period will at the customer's option, either be amortized over the next twelve months or incorporated into the twelfth month bill. Absent an indication of preference from the customer, the debit or credit will be amortized. Budget billing may be discontinued upon the customer's request at which time any difference between budget billing amounts and actual charges becomes due and payable. If a monthly budget bill is not paid, a late fee will be added to the unpaid balance of actual charges on the next billing date in accordance with Rule 16.4. Any such late fee will be calculated based on the lesser of budget billing arrears and arrears from actual charges.

(b) When the Company provides Consolidated NGDC Billing, the NGSs charges will be included in the Customer's Budget Billing Plan.

16.6 CALCULATION OF FINANCE CHARGE. Where a finance charge is applicable, the amount of the finance charge to be added to the unpaid balance shall be calculated by multiplying the unpaid past due balance, exclusive of any previous unpaid finance charges, by the appropriate finance charge rate. Finance charges shall be applied to all charges when the Company is providing Supplier of Last Resort service and to the Fixed Distribution Service Charges, Variable Distribution Service Charges and any applicable service charges when the Customer has selected an NGS. The Company will apply finance charges to NGS charges at the NGS's electronic request when the Company is performing billing services for the NGS.

16.7 APPLICATION OF PAYMENT. When the Company provides Consolidated NGDC Billing or SLR (Sales) Service and a Low Volume Customer remits a partial payment to the Company, the payment will be applied as follows:

1. Any past due balances including those for prior PECO basic service charges, for prior NGS receivables purchased by the Company, for prior installment amounts on payment agreements, and also for any reconnection charges.
2. Any current charges including those for PECO basic service charges, for current NGS receivables purchased by the Company, and for current installment amounts on payment agreements.
3. Non-basic service charges.

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16.8 RETURNED CHECK CHARGE. If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment on the second attempt, a \$20.00 charge for the returned check will be added to the Customer's account.

16.9 BILLING ERRORS. When the Company provides Consolidated NGDC Billing, the Company shall not be responsible for billing errors resulting from incorrect information received from an NGS.

16.10 PAYMENT TERMS. The Company will negotiate payment arrangements with Sales Service Customers. The Company will also negotiate payment arrangements for customers served under Consolidated NDGC Billing which includes NGS charges. If the NGS is providing Separate NGS Billing ("dual billing"), the Company will not negotiate agreements on behalf of those NGS charges.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 27

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RULES AND REGULATIONS - Continued

17. TERMINATION BY THE COMPANY

17.1 NON-PAYMENT SHUT-OFF. On reasonable notice, the Customer is subject to collection action, including termination of service (in accordance with the Pennsylvania Public Utility Code or the Commission's regulations,) on the portion of the past due amount attributable to the Company's charges for service and/or gas commodity. Upon termination of service, the Company may also remove its equipment. Notice that complies with applicable Commission regulations shall conclusively be considered "reasonable hereunder". Consistent with 52 PA Code §56.100, the Company will accept the following most current and valid documents as proof of household income: (1) income tax returns; (2) pay stubs; (3) benefit letters and governmental agency verification; (4) other forms to be accepted at the Company's discretion. The customer must provide this information within 10 days of the Company's request. This information may also be used by the company to determine deposit requirements, payment arrangements, and any other income specific program.

17.2 SHUT-OFF FOR CAUSE. The Company may terminate on reasonable notice if entry to its meter or meters is refused or if access thereto is obstructed or hazardous; or if utility service is taken without the knowledge or approval of the Company; or for other violation of these Rules and/or applicable Commission rules in accordance with the Pennsylvania Public Utility Code or the Commission's regulations.

17.3 SAFETY SHUT-OFF. The Company may terminate without notice if the Customer's installation has become hazardous or defective.

17.4 DEFECTIVE EQUIPMENT SHUT-OFF. The Company may terminate without notice if the Customer's equipment or use thereof might injuriously affect the equipment of the Company, or the Company's service to other Customers.

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17.5 SHUT-OFF FOR FRAUD. The Company may terminate without notice for abuse, fraud, material misrepresentation of the customer's identity or tampering with the connections, meters, or other equipment of the Company.

17.6 RECONNECTION CHARGE. If service is terminated or discontinued by reason or act of the Customer, the same Customer, whether an applicant or a customer as defined at 66 Pa. C.S. § 1403, shall pay a reconnection charge, prior to restoration of service at the same address within twelve months after discontinuance or termination. The reconnection charges, listed below, are based on the Company's current standard schedule of reconnection fees, which include direct labor costs, contractor costs, and material/transportation costs.

	Reconnect Fees
Gas Reconnect at Meter	\$80.00
Gas Reconnect at Curb	\$70.00

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Reconnect Fees For Non-Payment

17.7 THEFT/FRAUD INVESTIGATION CHARGE. If the Company's meters or other Company equipment on the customer's premises have been tampered or interfered with by any means whatsoever, the customer being supplied through such equipment whether an applicant or a customer as defined at pa C.S. § 1403 shall pay a theft/fraud investigation charge in addition to any amount that the Company estimates is due for service used, but not registered on the Company's meter. These theft/fraud investigation charges listed below include allocated overheads, all investigative costs and administrative cost deemed necessary by the Company to correct any and all unauthorized conditions at the premise. The Company reserves the right to assess theft/fraud investigation charges as a precedent to reconnection of service as well as the right to assess a separate reconnection charge as described in Rule 17.6.

	Theft/Fraud Investigation Fees
Gas Theft/Fraud at Meter	\$460.00

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18. UNFULFILLED CONTRACTS

18.1 NOTICE OF DISCONTINUANCE BY CUSTOMER. Notice to discontinue service prior to the expiration of a contract term will not relieve a Customer from any minimum, or guaranteed, payment under any contract or rate.

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18.2 COMPLETION OF TERM. If, by reason of any act, neglect or default of a Customer, the Company's service is suspended, or the Company is prevented from supplying service in accordance with the terms of any contract it may have entered into with the Customer, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract. These liquidated damages may, at the option of the Company, be offset by any estimated revenues from a succeeding Customer at the same location if such exists.

18.3 TEMPORARY SUSPENSION OF SERVICE. A residential or commercial Customer may elect to have service temporarily disconnected at the start of a period of suspension and then reconnected at the end of the period by paying a charge of \$115.00. During the period of suspension, the Customer will be relieved of the payment of minimum bills.

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Issued September 30, 2020

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 28

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RULES AND REGULATIONS - Continued

19. CANCELLATION BY CUSTOMER

19.1 **TERMINATION NOTICE.** Customers who have fulfilled their initial contract term and wish to discontinue service must give at least 7 days' notice to that effect, unless otherwise provided for in a rate schedule or service agreement.

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19.2 **FINAL BILL.** The Customer is liable for service taken after notice to terminate the contract until the meter is read and gas shut off. The final bill for service is then due and payable within 20 days from the date of transmittal of the bill for residential customers and 15 days for non-residential customers.

19.3 **EXIT FEES.** A Customer, other than a Low Volume Customer, taking firm sales service that transfers to an interruptible service or to firm Transportation Service without firm standby sales service will be required to continue payment of the firm gas supply demand costs allocable to Customer's firm sales service until the Company is able to reduce its contract demand level or otherwise utilize the contract demand allocable to Customer's firm sales service.

20. GENERAL

20.1 **OFFICE OF THE COMPANY.** Wherever, in this Tariff, it is provided that notice be given or sent to the Company, or the office of the Company, such notice, delivered or mailed, postage prepaid, to any commercial office, shall be deemed sufficient, unless the Main Office of the Company at 2301 Market Street, Philadelphia, is expressly mentioned.

20.2 **NO PREJUDICE OF RIGHTS.** The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to do so.

20.3 **GRATUITIES TO EMPLOYEES.** The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on the Company's time.

20.4 **BILLING CHANGES.** Where billing changes are made as the result of an investigation made at Customer's request or by routine inspection, the change of billing may be applied to the bill for the regular meter reading period preceding such investigation, and will in any event apply to the bill for the period during which the check is made.

20.5 **EXCEPTIONAL CASES.** Sales and/or Transportation service shall be subject to the provisions of this Tariff; but where special conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its terms to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard tariff provisions.

20.6 **ASSIGNMENT.** Subject to the Rules and Regulations, all contracts made by the Company shall be binding upon, and oblige and ensure to the benefit of, the successors and assigns, heirs, executors, and administrators of the parties thereto.

20.7 **OTHER CHARGES.** Except as where otherwise provided in this tariff the Company may where feasible, provide and charge for services requested by the Customer or his agent. The Company is not obligated to provide such services. The Company will, if possible, give the Customer an advance written estimate of the costs to provide the service.

Issued September 30, 2020

Effective November 29, 2020

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 29

21. GAS CHOICE PROGRAM ENROLLMENT AND SWITCHING

In accordance with all applicable final Commission Orders:

21.1 All LVT Customers will be eligible to obtain Competitive Natural Gas Supply starting with their first regularly scheduled meter reading after July 1, 2000.

21.2 The Company will send Gas Choice Release of Information packets to all new LVT Customers, which information will provide Customers the opportunity to authorize the release of their confidential account information. PECO annually notifies customers that they can change this authorization. Every three years, in accordance with PUC Docket No. M-2012-2324075, PECO will re-solicit its entire customer base for the purpose of opting out of disclosing information.

21.3 Customers may select a Supplier, as often as monthly, in accordance with Commission Orders and the procedures contained in this Tariff and in the Supplier Coordination Tariff.

21.4 If a Customer, or agent authorized to act on the Customer's behalf, contacts the Company via telephone to select a Supplier, the Company will advise the Customer or agent to contact the selected Supplier to submit the required electronic enrollment file.

21.5 For a Customer's enrollment to become effective on the Customer's next regularly scheduled meter read date, the Supplier must submit the required electronic file at least eleven (11) days prior to said meter read date.

21.6 If, in any month, a Customer selects more than one Supplier, the Supplier that submitted to the Company, before the end of the applicable Supplier selection period, the Supplier enrollment file with the latest valid Supplier contract will become the Customer's Supplier of record.

21.7 The Company will send a confirmation notice to all Customers who have made a Supplier selection by the next business day after receiving the Customer's enrollment file from the Supplier. This confirmation shall include notification of a five (5) day waiting period in which the Customer may cancel its selection of a Supplier. The waiting period shall begin on the date the Company confirmation is mailed to the Customer. If the five (5)-day waiting period expires, and the Customer has not contacted the Company to cancel the Supplier selection, the Supplier will become the Customer's Supplier of record.

21.8 If the Customer elects to cancel its Supplier selection, the Company will notify the rejected Supplier electronically via an approved EDI transaction. In the event the Customer cancels its Supplier selection after the five (5) day waiting period, the Customer will be required to remain with the selected Supplier for a minimum of one billing cycle.

21.9 If at least eleven (11) days prior to the Customer's next regularly scheduled meter read date, a Customer contacts the Company to request a switch from a Supplier to the Company's (SLR) Sales Service, the request will be effective as of that meter read date and the Company as the supplier of-last resort will become the Supplier of record for delivery.

21.10 In the event the Customer requests a switch less than eleven (11) days before the Customer's next regularly scheduled meter read date, the switch will be effective as of the next following meter read date.

21.11 If, other than at the end of a billing cycle, and because of an NGS's default, an NGS terminates sales to a Customer prior to the end of the Customer's contract with the NGS, for gas supply provided through the end of the relevant billing cycle, said Customer will pay the NGS's contract rate in accordance with information filed by the NGS with the Commission.

22. USAGE DATA

At the request of the Customer, or at the request the Customer's designated Supplier or authorized agent, the Company will supply twelve (12) individual months of historical usage data for no charge. Any additional historical information requested will be provided, if available, for a fee of ninety two dollars (\$92.00) per provision.

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Issued September 30, 2020

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 30

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23. AFFILIATED MARKETER STANDARDS OF CONDUCT

PECO Energy and its affiliated natural gas supplier shall comply with the following requirements:

- (1) A natural gas distribution company shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.
- (2) A natural gas distribution company shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliated natural gas supplier.
- (3) Mandatory tariff provisions shall not be waived by a natural gas distribution company for any natural gas suppliers absent prior approval of the Commission.
- (4) If a tariff provision is not mandatory or provides for waivers, a natural gas distribution company shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.
- (5) A natural gas distribution company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.
- (6) A natural gas distribution company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. A natural gas distribution company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.
- (7) If a natural gas distribution company provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, the natural gas distribution company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either the natural gas distribution company or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.
- (8) Subject to customer privacy or confidentiality constraints, a natural gas distribution company shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that a natural gas distribution company does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.
- (9) A natural gas distribution company shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.
- (10) Natural gas distribution companies shall not condition or tie the provision of any product, service or price agreement by the natural gas distribution company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.
- (11) A natural gas distribution company shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.

Issued September 30, 2020

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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- (12) A natural gas distribution company and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between the natural gas distribution company and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the natural gas distribution company function and the affiliated natural gas supplier function. The natural gas distribution company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.
- (13) Natural gas distribution company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such natural gas distribution company employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.
- (14) Neither the natural gas distribution company nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of the natural gas distribution company's affiliates or subsidiary, such as:
- That the Commission regulated services provided by the natural gas distribution company are of a superior quality when services is purchased from its affiliated natural gas supplier; or
 - That the merchant services (for natural gas) are being provided by the natural gas distribution company when they are in fact being provided by an affiliated natural gas supplier;
 - That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
 - That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.
- (15) When affiliated natural gas supplier market or communicate to the public using the natural gas distribution company name or logo, it shall include a legible disclaimer that states:
- That the affiliated natural gas supplier is not the same company as the natural gas distribution company;
 - That the prices of the affiliated natural gas supplier are not regulated by the Pa PUC; and
 - That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from the natural gas distribution company.
- When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using the natural gas distribution company name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.
- (16) Except in competitive bid situations a natural gas distribution company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its natural gas distribution company bills promoting an affiliated natural gas supplier's services or a link from the natural gas distribution company's web-site, unless the natural gas distribution company offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.
- (17) A natural gas distribution company shall not offer or sell natural gas commodity or capacity to its affiliated natural gas supplier without simultaneously posting the offering electronically on a source generally available to the market or otherwise

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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making a sufficient offer to the market. The natural gas distribution company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

- (18) Natural gas distribution companies shall establish and file with the Commission a complaint procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (9), which are exclusively under the purview of the Commission. These procedures shall be developed in consultation with interested parties during consideration of any tariff guided by this section and §69.191 (relating to general). The Commission may grant an exception to these requirements if warranted by the facts or circumstances.
- (19) A natural gas distribution company shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.
- (20) Dispute Resolution Procedures: In addition to the procedure set forth in paragraph 18:
- Any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide the natural gas distribution company and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
 - Within five (5) days of a natural gas distribution company's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
 - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
 - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
 - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
 - Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.
- (21) A natural gas distribution company shall file a compliance filing within sixty (60) days of the entry of an order approving or modifying a restructuring plan, which sets forth a detailed plan for compliance with this Standard of Conduct as well as the Commission separation and cost allocation requirements already ordered.
- (22) Every natural gas distribution company and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

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RULES AND REGULATIONS – Continued

24 REQUESTS FOR ENERGY EFFICIENCY INFORMATION

Upon request of a Customer for energy efficiency information, the Company will provide a copy of its then current residential or commercial energy efficiency guide, as applicable.

25. CREDITWORTHINESS OF A NATURAL GAS SUPPLIER (NGS) SERVING HIGH VOLUME TRANSPORTATION CUSTOMERS

(a) Unless a mutual agreement is reached between the Company and a NGS, or other applicable entity as specified in 52 Pa. Code § 62.101 the amount and form of security shall be based on the criteria established in 52 Pa. Code §62.111. In accordance with §62.111, a NGS seeking to deliver natural gas supplies to the Company for the account of one or more of the Company's non-exempt HVT Customers must satisfy at least one of the following financial criteria:

- (1) The NGS has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, or a rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps; or
- (2) The NGS has furnished the Company with an irrevocable and binding form of security (e.g., surety bond, letter of credit, security interest in collateral acceptable to the Company, a corporate guaranty, or a written affirmation of financial support by a parent or affiliated company) issued by an obligor that has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, a minimum bond rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps, or, for an insurance company, an A.M. Best credit rating of no less than A-and in which the obligor designates the Company as the sole beneficiary and which otherwise is in a form and amount acceptable to the Company; or
- (3) The NGS provides the Company with a cash deposit and/or a cash escrow arrangement in an amount and form acceptable to the Company, and agrees, in a writing furnished to the Company, to be responsible, as between the Company and the Supplier, for the payment of all deficient and excess delivery charges assessed in accordance with the Company's Gas Transportation Service – General Terms and Conditions that are caused by the NGS' excess or deficient deliveries. Such responsibility on the part of the NGS would not relieve the HVT Customer of its responsibility for the payment of the same charges in accordance with the Gas Transportation General Terms and Conditions. If the NGS is determined to have been responsible for the excess/deficient delivery and if the NGS pays the related charges to the Company, then the HVT customer would be relieved of such responsibility.

For the purposes of this subsection (a), the "amount acceptable to the Company" shall be a dollar amount (\$US) equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

- (4) The NGS has furnished the Company with an acceptable amount of Security in the form of an escrow account or nets any gas supply sales that the NGS has made to the Company and for which the Company owes payment to the NGS against the amount of Security required. The amount of Security contained in either situation must be in an amount equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 34

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RULES AND REGULATIONS – Continued

- (b) The Company shall have the right to assess each NGS' creditworthiness on an annual basis. As such, the Supplier is required to furnish annual audited financial statements to the Company. In the event the Company does not receive any annual audited financial statements, unaudited financial statements may be acceptable. The Company also may perform more than one financial analysis for any Supplier during the course of the year when the Company reviews financial information of a Supplier and determines, in the Company's judgment that the Supplier's creditworthiness has materially changed.
- (c) Unless a mutual agreement is reached, the amount of Security required may be modified based on one or more of the following criteria:
1. The NGS's past operating history on all other NGDC systems, including the duration that the NGS operated on each system, the number of customers served on each system and any supply reliability problems that occurred on each system.
 2. An NGS's credit reports.
 3. The number and class of customers being served.
 4. Information that materially affects a NGS's creditworthiness such as:
 - a) a change in the NGS's recent operating history on the Company's system or on other NGDC systems that has materially affected NGDC system operation or reliability. Such a change may occur when a Supplier fails to deliver natural gas supply to meet its customers' needs or fails to comply with NGDC operational flow orders as defined at 52 Pa. Code § 69.11;
 - b) a change in the NGS's credit reports that materially affects its creditworthiness. Creditworthiness could be materially affected when 2 of the following credit rating companies change the Supplier's credit rating:
 1. Dun & Bradstreet
 2. Standard & Poor's Rating Services Inc.
 3. Transunion LLC
 4. Equifax Inc.
 5. Experian Information Solutions, Inc.;
 - c) a significant change, defined as a 25% change over a 30-day period, in the number and class of customers served, the volume of gas delivered or the average unit price of natural gas;
 - d) a change in operational or financial circumstances that materially affects a NGS's creditworthiness. This can occur when 2 of the following investment rating companies change the NGS's rating of its issued securities from an investment grade or good rating to a speculative or moderate credit risk rating and vice versa:
 1. Standard & Poor's Rating Services Inc.
 2. Moody's Investment Service, Inc.
 3. Fitch, Inc.
 4. A.M. Best Company, Inc.
 5. DBRS, Inc.;
 - e) a change in the NGS's demonstrated capability to provide the necessary volume of natural gas to meet its customers' needs that materially affects the Company's system operation or reliability. Such a change may occur when the NGS fails to deliver natural gas supply sufficient to meet its customers' needs on 5 separate occasions within a 30-day period or fails to comply with the Company's operational flow orders.

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RULES AND REGULATIONS – Continued

5. The NGS's demonstrated capability to provide the volume of natural gas necessary to meet its customers' needs.

(d) After it is reasonably determined by the Company that an adjustment to the amount of Security provided by the Supplier is required, the Company will adjust the Security amount in accordance with subsection (a)(3).

(e) ~~The NGS shall have the affirmative obligation to inform the Company in writing of any material change in its financial condition in a timely manner.~~

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(f) Notwithstanding anything to the contrary stated in this Rule 25, an NGS shall not be creditworthy if, for any reason, it owes a past due amount to the Company that is not subject to a good faith billing dispute and the payment has not been received by the Company within two business days after the Company has provided a past due notice, or if so determined by order of the Pennsylvania Public Utility Commission.

(g) When the Company determines that a Security adjustment is required, it will provide written notice to the NGS. The NGS shall comply with the Company's determination within 5 business days after the NGS is served with such notice. If the NGS disagrees with the Company's determination, it shall file a dispute in accordance with subsection (h). However, the NGS is still required to post the full amount of adjusted Security requested by the Company within 5 business days after the NGS is served with the Company's notice. An NGS also may request, in writing, that the Company adjust its Security amount according to the criteria set forth in subsection (c). The Company will provide a written response to the NGS within 5 business days after receipt of the written request from the NGS. In the event that the Company agrees with the NGS's request, the NGS shall post the Security adjustment within 5 business days after the NGS is served with the Company's determination. In the event that the NGS disagrees with the Company's determination, it may file a dispute in accordance with subsection (h). However, if the Company requires an adjustment of Security, the NGS is still required to post the full amount of adjusted Security within 5 business days after the NGS is served with the Company's notice.

(h) An applicant, licensee or NGS shall notify the Company in writing of any dispute(s) it may have regarding the form and amount of Security or the adjustment of Security requested by the Company. If a resolution cannot be reached within 30 days after the Company receives the written notice, the applicant, licensee or NGS may do any of the following:

1. Request that the Secretary of the PUC initiate an informal mediation and resolution process. If the NGS is dissatisfied with the PUC's decision at the informal level, it may petition to appeal the decision or file a Formal Complaint.
2. File a Formal Complaint at the Commission.
3. File a Petition challenging the criteria used by the Company to determine the form and amount of Security requested or the Security adjustment amount.

If a NGS initiates a dispute or files a complaint related to an adjustment in Security by the Company, the following requirements exist during the pendency of the dispute:

1. The NGS is required to provide and maintain the full adjusted Security amount to the Company until the dispute is resolved.
2. The NGS must continue to operate in accordance with the Company's system operations and business rules and practices.
3. The NGS must continue to deliver natural gas volumes necessary to fulfill customer needs and provide customer support services.
4. The Company shall allow the NGS to continue to operate on the Company's system.

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Original Page No. 36

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a surcharge credit value of 0.36% will apply to all service on and after January 1, 2020.

Whenever any of the tax rates used in the calculation of the surcharge are changed, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the tax rates 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, the Company will thereafter file each year on December 21 annual updates 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 as the effect of the change in tax rates has been included in base rate.

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**Gas-Pa. P.U.C. No. 4
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TCJA VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing PECO to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code, 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order at [Docket R-2018-3000512](#) superseding the March 15, 2018 Temporary Rates Order directing PECO to establish a surcharge effective July 1, 2018 to provide the benefits of the TCJA to customers.

A surcharge of 0% will apply to intrastate service to all customer bills rendered on and after January 1, 2021. This surcharge will be distributed equally among the utility's various customer classes and will be provided through a separate mechanism showing a line item on customer bills (e.g., Federal Tax Adjustment Credit – "FTAC").

PECO will file revised surcharges (or FTAC) as required at least thirty (30) days prior to the effective date of January 1st of each year reflecting an estimate of the savings for the TCJA from January 1 through December 31 exclusive of STAS and non-distribution automatic adjustment clause revenues.

This surcharge or FTAC will be reconciled at the end of each calendar year and will remain in place until PECO files and the Commission approves new base rates for PECO pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. Interest on the over or under collection shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.). The reconciliation shall be submitted by April 30th of each calendar year and shall be subject for review and audit by the Commission's Bureau of Audits.

The Company may file an interim rate adjustment in order to eliminate any over or under recovery of the surcharge outside of the annual filing period. Such adjustment would be filed on at least 10 days' notice.

A final reconciliation statement will be filed within 30 days after completion of the final over/under collection refund/recovery. The FTAC revenues and reconciliation will be subject to audit by the Commission's Bureau of Audits.

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~~Gas-Pa. P.U.C. No. 4
Original Page No. 38~~

PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)

Variable Distribution Service Charge rates for gas service in Residential Rate Schedule GR of this Tariff shall include a credit of (\$0.1511) per Mcf (1,000 cubic feet) for recovery of Universal Service Fund Cost (USFC), calculated in the manner set forth below. The USFC rate for gas service shall be increased or decreased annually, to reflect changes in the level of Universal Service Fund costs, net of base rate recoveries, in the manner described below:

COMPUTATION OF USFC.

The USFC per Mcf (\$x.xxxx), shall be computed in accordance with the formula set forth below:

$$USFC = \frac{(C-E-I)}{(S)}$$

The USFC, so computed, shall be included in distribution rates charged to Customers for service pursuant to the rate schedule identified above. The amount of USFC, per Mcf, will vary, if appropriate, based upon annual filings by the Company.

In computing the USFC, per Mcf, pursuant to the formula above, the following definitions shall apply:

"Reconcilable Customer Assistance Program (CAP) Costs" – The difference between discounts provided to CAP customers (CAP revenue shortfalls) recovered through base rates and total CAP discounts, net of a 27% offset factor.

"USFC" – Universal Service Fund Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the rate for each Mcf of Variable Distribution Service Charge calculated under Rate Schedule GR, to recover or refund Reconcilable CAP Costs and other items as addressed in the "E" factor.

"C" - Cost in dollars of the Reconcilable CAP Costs for the projected period.

"E" - the net (overcollection) or undercollection of Universal Service Fund Charges. The net overcollection or undercollection shall be determined for the most recent period, beginning with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. ~~Also included in the "E" Factor will be any rate credit due customers to the extent PECO expends less than \$4,500,000 annually in its Energy Efficiency Plan effective January 1, 2021.~~

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous USFC.

I – Interest shall be computed monthly at a 6% annual simple interest rate from the month that the overcollection or undercollection occurs to the mid-point of the period such overcollection is refunded or undercollection is recouped. The interest calculation will not apply to the LIURP amounts.

"S" - projected Mcf of gas service to be billed under Rate GR (exclusive of CAP Rider) during the projected period when rates will be in effect. Mcf's shall be consistent with the projected residential throughput used in the applicable Purchased Gas Cost filing.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION: AUDIT: RECONCILIATION.

The Company's annual USFC filing and its annual reconciliation statement shall be submitted to the Commission 120 days prior to new rates being effective December 1 of each year, or at such time as the Commission may prescribe. The USFC mechanism is subject to annual audit review by the Bureau of Audits.

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Gas-Pa. P.U.C. No. 4
Original Page No. 39

SALES SERVICE COSTS (SSC) - Section 1307(f)

PROVISIONS FOR RECOVERY OF GAS COSTS RELATED TO SALES SERVICE

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff shall include the Commodity Charge (CC) at \$3,2679 per Mcf (1,000 cubic feet) for Rate Schedules GR and CAP, \$3,2569 per Mcf for Rate Schedules GC and \$3,2553 per Mcf for Rate Schedules OL, L and MV-F for recovery of gas costs related to Sales Service, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code as well as procurement costs as reflected in the Gas Procurement Charge ("GPC") uncollectable charge-offs as reflected in the Merchant Function Charge ("MFC"). In addition, the Gas Cost Adjustment Charge (GCA) in the amount of \$0,7464 per Mcf will be applicable to customers served under the above mentioned Rate Schedules. Such rates for Sales Service gas shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of recovery of gas costs related to Sales Service.

COMPUTATION OF CC AND GCA PER MCF.
The CC and GCA, per Mcf, shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formulas set forth below:

$$CC = \frac{(C)}{(S)} \times \frac{1}{(1 - T)} + GPC + MFC ; \text{ and}$$

$$GCA = \frac{(E)}{(S)} \times \frac{1}{(1 - T)}$$

For March 1, June 1 and September 1 quarterly updates, CC is revised to:

$$CC = (CC1 + \frac{O + C1}{S1 S2} \times \frac{1}{(1-T)} + GPC + MFC$$

The CC and GCA so computed, shall be applicable to Customers receiving Sales Service pursuant to the rate schedules identified above. The CC and GCA, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto.

In computing the Charges, per Mcf, pursuant to the formulas above, the following definitions shall apply:

"CC" - Purchased Gas Costs determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff.

"C" - Cost in dollars: (a) for all types of purchased gas, project the commodity and all non-storage interstate pipeline costs for each purchase (adjusted for net current gas stored) for the projected period when rates will be in effect; plus (b) the cost of gas provided from storage and LNG facilities, less (c) the new monthly cash-out result determined pursuant to Rule 10.11.3, or the successor thereto, of the Gas Choice Supplier Coordination Tariff.

"C1" - defined as the difference between the current projection of "C" and the projection of "C" used to establish the rates effective December 1 for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"CC1" - defined as the Commodity Charge rate effective December 1 of the current PGC period.

"O" - defined as the difference between the current net over/under collections and the associated projected net over/under collections from the applicable PGC rate calculation, as defined by Commodity Charge revenues less associated gas costs, from December 1 of the current PGC year through the end of the month before the applicable quarterly rate change.

GCA - the "E" factor component of the CC, representing the net overcollection or undercollection of Purchased Gas Costs. Applicable to Sales Service and determined to the nearest one-hundredth cent (0.01¢) for service provided under Rate Schedules GR, GC, CAP, OL, L, and MV-F of this Tariff.

"E" - the net (overcollection) or undercollection of Purchased Gas Costs applicable to the CC.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the Commission for the Company's Section 1307(f) tariff filing.

Supplier refunds received after July 1, 2001 associated with Commodity Charges will be included in the calculation of "E" with interest added at the annual rate of six percent (6%) beginning with the month such refund is received by the Company.

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PECO Energy Company

**Gas-Pa. P.U.C. No. 4
Original Page No. 40**

"GPC" – Gas Procurement Charge determined to the nearest one-hundredth cent (0.01¢) to be charged for each Mcf of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff.

"MFC" – Merchant Function Charge determined to the nearest one hundredth cent (0.01¢) to be charged for each Mcf of Sales Services gas supplied under Rate Schedules GR, CAP, and GC of this Tariff.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous 1307(f) GCA.

Interest shall be computed monthly at the prime rate for commercial borrowing in effect sixty days prior to the tariff filing in accordance with Section 1307(f) of the Public Utility Code as modified by PA Act 47. The interest rate will be based on that reported in the Wall Street Journal. Interest will be computed from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. The interest rate basis will become effective with the December 2016 billing cycle

"S" projected Mcf of gas to be billed to Customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L & and MV-F during the projected period when rates will be in effect.

"S1" - defined as the applicable twelve month mcf sales billed to customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L, and MV-F.

"S2" – defined as mcf sales billed to customers receiving Sales Service under Rate Schedules GR, GC, CAP, OL, L, and MV-F and for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"T" the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

"Purchased Gas Costs" - Include the direct costs paid by the Company for the purchase and delivery of natural gas (which also includes liquefied natural gas, synthetic natural gas, and natural gas substitutes, excluding propane, the cost of which is included in the Balancing Service Costs) to its system to supply its Customers (plus such portion of the Company's used and unaccounted for gas as the Commission permits), including costs paid under agreements to purchase natural gas from sellers; costs paid for transporting natural gas to its system; all charges, fees, taxes and rates paid in connection with such purchases, pipeline gathering, and transportation; and costs paid for employing futures, options and other risk management tools.

QUARTERLY UPDATES

The Company's rates for recovery of gas costs related to Sales Service are also subject to quarterly adjustments under procedures set forth in Section 1307 (f) of the Public Utility Code and in the Commission's regulations. Such updates shall reflect, adjustments for under or overcollections and, adjustments to the projected cost of gas related to Sales Service based upon more current versions of the same sources of data and using the same methods to project the gas costs related to Sales Service approved by the Commission in the Company's most recent annual proceeding for recovery of gas costs related to Sales Service under section 1307 (f).

OFF-SYSTEM SALES SHARING MECHANISM

The rate for Sales Service gas as determined above shall be adjusted to reflect the operation of the off-system sales sharing mechanism set forth herein. Revenues received by PECO Energy from third party storage management services and revenues from exchanges or swaps of gas, excluding the Customer's share of such revenue attributable to use or management of storage or related storage transportation capacity by customers not connected to the Company's system (which revenue shall be included in the Balancing Service Costs E factor, shall be included as off-system sales revenues). Effective April 1, 2001 through March 30, 2008, PECO Energy will be permitted to retain 25% of off system sales margin revenues up to the first \$3.5 million in margin revenues, and PECO Energy will be permitted to retain 30% of off system sales margin revenues for margin revenues over \$3.5 million. Subsequently, effective March 31, 2008 through November 30, 2022 and thereafter, until terminated or otherwise revised by Final Order of the Commission, PECO Energy will be permitted to retain 25% of off-system sales margin revenues. PECO Energy's share shall be computed on a pre-income tax basis, "below the line" for ratemaking purposes. The remaining off-system sales margin will be credited to the recovery of purchased gas costs. Margin revenues derived from sales of gas which is taken from system supply are defined as the unit revenue less the monthly weighted average commodity cost of gas, less any applicable taxes other than income taxes. Margin revenues derived from specific purchase sales (sales where a specific gas supply has been purchased to make a sale) shall be defined as the unit revenue less the specific purchase commodity cost of gas, less any applicable taxes other than income taxes. Specific purchase sales will have no impact on the cost of system supply. Off-system sales for operational purposes such as for meeting mandatory storage withdrawals are excluded from the mechanism. The calculations under this mechanism shall be subject to audit and to review in annual 1307(f) proceedings.

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"GANLC" – Gas Account Number Lookup Charge determined to the nearest one-hundredth cent (0.01¢) to be charged for ¶ each Mcf of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, MV-F and under the Excess Off Peak Use¶ Rider of this Tariff.

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SALES SERVICE COSTS (SSC) - Section 1307 (f) - Continued

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECTIFICATION.

The Company's annual Section 1307(f) filing or its annual reconciliation statement shall be submitted to the Commission by June 1 of each year, or such other time as the Commission may prescribe by order or by regulation.

The Company shall notify the Commission of any change in the price of purchased gas from any supplier, which change would cause an increase or decrease of more than one per cent (1%) in the "C" factor, defined above. Such notification will be given within thirty (30) days after the effective date of such change in price, or as soon as reasonably practical thereafter.

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Gas-Pa. P.U.C. No. 4
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GAS PROCUREMENT CHARGE

PROVISIONS FOR RECOVERY OF GAS PROCUREMENT CHARGES

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff shall include the Gas Procurement Charge ("GPC") at **\$0.0232** per Mcf (1,000 cubic feet) for recovery of gas procurement costs related to Sales Service, calculated in the manner set forth below and pursuant to the Final Order at Docket No. P-2012-2328614. The GPC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC").

COMPUTATION OF GAS PROCUREMENT CHARGE

The GPC shall include gas procurement costs incurred by the Company on behalf of its Sales Service customers. The GPC shall include the following costs:

1. Natural gas supply service, acquisition and management costs, including natural gas supply bidding, contracting, hedging, credit, risk management costs and working capital.
2. Administrative, legal, regulatory and general expenses related to those natural gas procurement activities, excluding those related to the administration of firm storage and transportation capacity.

The GPC shall be computed as follows:

$$GPC = GPCC/S \times 1/(1-T)$$

"GPCC" – applicable gas procurement costs as defined in Items 1 and 2 above.

"S" – defined as twelve month Mcf sales billed to customers receiving Sales Service under Rate Schedules GR, CAP, GC, OL, L, and MV-F.

"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

The costs for the GPC shall remain in effect until reviewed and updated in each base rate case filed by the Company. The calculation of the GPC shall be updated in conjunction with updates in costs for the GPC. The GPC shall not be subject to reconciliation for any prior period over or under collections.

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PROVISIONS FOR RECOVERY OF GAS ACCOUNT NUMBER LOOKUP CHARGE ¶
Rates for all Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L, MV-F and the Excess Off-Peak Use Rider shall include the Gas Account Number Lookup Charge ("GANLC") at **\$0.0000** per M (1,000 cubic feet) for recovery of fifty percent of implementation and maintenance costs associated with the Gas Account Number Lookup Mechanism pursuant to the Final Order at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Supplier. The GANLC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC"). ¶
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COMPUTATION OF GAS ACCOUNT NUMBER LOOKUP CHARGE ¶
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The GANLC shall include fifty percent of implementation and maintenance costs associated with the Gas Account Number Lookup Mechanism incurred by the Company on behalf of its Sales Service customers and calculated for Rate Schedules GR, CAP, GC, OL, L, MV-F and the Excess Off-Peak Use Rider. The GANLC shall be computed as follows: ¶
¶
$$GANLC = Cost / S \times 1 / (1 - T)$$
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"Cost" – reflects fifty percent of implementation and maintenance associated with the Gas Account Number Lookup Mechanism per the Final Order at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers. ¶
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"S" – defined as twelve month Mcf sales billed to customers receiving Sales Service under Rate Schedules GR, CAP, GC, OL, L, MV-F and Excess Off-Peak Use Rider. ¶
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"T" – the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as decimal. The tax rate, if any, shall be the one in effect when the computation is made. ¶

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Gas-Pa. P.U.C. No. 4
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MERCHANT FUNCTION CHARGE

PROVISIONS FOR RECOVERY OF MERCHANT FUNCTION CHARGES

Rates for all Sales Service gas supplied under Rate Schedules GR, CAP GC, OL, L and MV-F shall include the Merchant Function Charge ("MFC") at ~~\$0.0146~~ per Mcf (1,000 cubic feet) for Rate Schedules GR and CAP, at ~~\$0.0036~~ per Mcf for Rate Schedule GC and at ~~\$0.0020~~ per Mcf for Rate Schedules OL, L and MV-F for recovery of gas uncollectible charge-offs related to Sales Service, calculated in the manner set forth below and pursuant to the Final Order at Docket No. P-2012-2328614. The MFC will be included in the Company's Commodity Charge ("CC") and the Price to Compare ("PTC") and shall be updated quarterly in conjunction with the calculation of the CC.

COMPUTATION OF MERCHANT FUNCTION CHARGE

The MFC shall include uncollectible charge-offs incurred by the Company on behalf of its Sales Service customers and calculated for Rate Schedules GR, CAP, GC, OL, L and MV-F. The MFC shall be computed as follows:

$$MFC = \text{Write-Off Factor} \times \text{CCEMFC} \times 1 / (1 - T)$$

"Write-Off Factor" - the write-off factors for Rate Schedules GR and CAP (0.45%), Rate Schedule GC (0.11%) and Rate Schedules OL, L and MV-F (0.06%) as determined at Docket No R-2020-3018929, the Company's 2020 gas base rate case. The write-off factors shall be updated as part of future base rate cases.

"CCEMFC" - the applicable quarterly CC including the GPC and excluding the MFC.

"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

The calculation of the MFC shall be updated in conjunction with changes in the CC including the GPC and excluding the MFC and updates in the write-off factors. The MFC shall not be subject to reconciliation for any prior period over or under collections.

PRICE TO COMPARE

The Price to Compare ("PTC") is comprised of the Commodity Charge ("CC"), the Gas Cost Adjustment ("GCA"), the Gas Procurement Charge ("GPC") and the Merchant Function Charge ("MFC"). The Commodity Charge includes the Gas Procurement Charge and the Merchant Function Charge. The PTC will change whenever any components of the PTC change. The current PTC's are detailed below:

COMPONENT	RATES GR and CAP
Commodity Charge excluding GPC and MFC	\$3,2301 per Mcf
Gas Cost Adjustment	\$0,7464 per Mcf
Gas Procurement Charge	\$0,0232 per Mcf
Merchant Function Charge	\$0,0146 per Mcf
Price to Compare	\$4,0143 per Mcf

COMPONENT	RATES GC
Commodity Charge excluding GPC and MFC	\$3,2301 per Mcf
Gas Cost Adjustment	\$0,7464 per Mcf
Gas Procurement Charge	\$0,0232 per Mcf
Merchant Function Charge	\$0,0036 per Mcf
Price to Compare	\$4,0033 per Mcf

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 44

<u>COMPONENT</u>	<u>RATES OL, L and MV-F</u>
Commodity Charge excluding GPC and MFC	\$3,2301 per Mcf
Gas Cost Adjustment	\$0,7464 per Mcf
Gas Procurement Charge	\$0,0232 per Mcf
Merchant Function Charge	\$0,0020 per Mcf
Price to Compare	\$4,0017 per Mcf

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**Gas-Pa. P.U.C. No. 4
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BALANCING SERVICE COSTS (BSC)- Section 1307(f)

PROVISIONS FOR RECOVERY OF BALANCING SERVICE COSTS.

Rates for Balancing Service for all gas delivered under Rate Schedules GR, CAP, GC, OL, L and MV-F Use Rider of this Tariff shall be charged at **\$0.3858** per Mcf (1,000 cubic feet) for recovery of those costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. Such rates for Balancing Service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of recovery of Balancing Service Costs.

COMPUTATION OF BALANCING SERVICE COSTS PER MCF

Balancing Service Costs, per Mcf, shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$BSC = \frac{(C - E)}{(S)} \times \frac{1}{(1 - T)}$$

For March 1, June 1 and September 1 quarterly updates, the BSC is revised to:

$$BSC = \frac{(CC1 + \frac{Q}{S1} + \frac{C1 - E}{S2}) \times \frac{1}{S1}}{(1 - T)}$$

Projected Balancing Service Costs, so computed, shall be charged to Customers for all gas delivered pursuant to the rate schedules identified above. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto.

In computing the Balancing Service Costs, per Mcf, pursuant to the formula above, the following definitions shall apply:
"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (0.01¢) to be charged to each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff.

"C" - Cost in dollars: for all types of storage and related services, project the cost for the projected period when rates will be in effect.
"C1" - defined as the difference between the current projection of "C" and the projection of "C" used to establish the rates effective December 1 for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"CC1" - defined as the rate associated with "C" effective December 1 of the current PGC period.
"O" - defined as the difference between the current net over/under collections and the associated projected net over/under collections from the applicable PGC rate calculation, as defined by storage and related services revenues less associated storage and related services costs from December 1 of the current PGC year through the end of the month before the applicable quarterly rate change.
"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the Commission for the Company's Section 1307(f) tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate.

Interest shall be computed monthly at the prime rate for commercial borrowing in effect sixty days prior to the tariff filing in accordance with Section 1307(f) of the Public Utility Code as modified by PA Act 47. The interest rate will be based on that reported in the Wall Street Journal. Interest will be computed from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. The interest rate basis will become effective with the December 2016 billing cycle.

As otherwise described in the Sales Service Costs section "Off-System Sales Sharing Mechanisms", the portion of margin revenue attributable to certain balancing assets shall be included in the calculation of "E".

Supplier refunds received prior to July 1, 2001 will be included in the calculation of "E" with interest added at the annual rate of six per cent (6%) beginning with the month such refund is received by the Company.

"S" - projected Mcf of gas to be delivered to Customers during the projected period when rates will be in effect.
"S1" - defined as the applicable twelve month mcf of gas to be delivered to customers.
"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

"S2" - defined as mcf sales delivered to customers for the period starting with the month of the effective date of the quarterly rate change through the end of the PGC period.

"T" - the portion of any applicable state gross receipts tax rate recovered through base rates, expressed as a decimal. The tax rate, if any, shall be the one in effect when the computation is made.

Balancing Service Costs - fixed and variable storage costs and the cost of propane to be charged to all customers served under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff.

QUARTERLY UPDATES

The Company's rates for recovery of Balancing Service Costs are also subject to quarterly adjustments under procedures set forth in the Commission's regulations at 52.Pa. Code 53.64 (1) (5). Such updates shall reflect adjustments for under or over collections and adjustments to the projected cost of Balancing Services based upon more current versions of the same sources of data and using the same methods to project the Balancing Service Costs approved by the Commission in the Company's most annual proceeding for recovery of Balancing Service Costs under section 1307 (f) of the Public Utility Code.

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PECO Energy Company

Gas-Pa. P.U.C. No. **4**
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FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION: AUDIT: RECTIFICATION.

The Company's annual Section 1307(f) filing or its annual reconciliation statement shall be submitted to the Commission by June 1 of each year, or such other time as the Commission may prescribe by order or by regulation.

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PECO Energy Company

**Gas-Pa. P.U.C. No. 4
Original Page No. 47**

Consumer Education Charge (CEC)

PROVISIONS FOR RECOVERY OF CONSUMER EDUCATION COSTS

Variable Distribution rates for Low Volume Customers of this Tariff shall include \$0.0000 per MCF for recovery of Consumer Education Costs associated with Gas Choice. The CEC for Gas service will be recomputed annually as needed, to reflect changes in the level of Consumer Education Costs associated with Gas Choice, in the manner described below.

COMPUTATION OF CEC

The CEC per MCF shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set below:
CEC = EC/S

In computing the CEC, pursuant to the formula above, the following definitions shall apply:

Consumer Education Cost: Costs attributable to the Company's payment of the Commission's Statewide Education Assessment and all incremental external and incremental internal costs of the Company's own local customer choice education program. Such program costs may include outreach programs, paid media, direct mail, company call center, grass roots outreach and other costs as approved by the Commission.

"CEC" - Consumer Education Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the Variable Distribution Charge calculated for Low Volume Customers to recover Gas Consumer Education Costs.

"EC" - The net over collection or under collection of Consumer Education Costs. The net over collection or under collection shall be determined using actual data for the most recent period through the end of January. The EC application period begins March 1 and runs through the end of February.

"S" - projected MCF of gas, as included in the Balancing Service Costs (BSC) provided in the Company's most recent Commission approved annual 1307(f) Purchase Gas Cost (PGC) filing.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual CEC filing and its annual reconciliation statement shall be submitted to the Commission one day prior to new rates being effective March 1 of each year, or at such time as the Commission may prescribe. The CEC mechanism is subject to annual audit review by the Bureau of Audits.

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The Transition Surcharge has been eliminated

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PECO Energy Company

**Gas PA. P.U.C. No. 4
Original Page No. 48**

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)

Purpose: The purpose of this credit is to provide customers a bill credit for the tax benefits gained as a result of a change in the method of tax accounting for certain expenditures. The Tax Accounting Repair Credit is as proposed in the Settlement at Docket No. R-2010-2161592 in Section II F(2).

Applicability: The credit shall be calculated to the nearest one-hundredth of a cent for billing purposes for all customers. The TARC shall be credited to each rate schedule as follows:

Rate GR, CAP	\$0.0000/Mcf
Rate GC	\$0.0000/Mcf
Rate OL	\$0.0000/Mcf
Rate L	\$0.0000/Mcf
Rate MV-F	\$0.0000/Mcf
Rate MV-I	\$0.0000/Mcf
Rate IS	\$0.0000/Mcf
Rate TCS	\$0.0000/Mcf
Rate TS-I	\$0.0000/Mcf
Rate TS-F	\$0.0000/Mcf

The Variable Distribution Service charges, for the above rate schedules shall include the above listed TARC credits.

Calculation of TARC Credit:

Billing Provisions: The credit shall be calculated by rate schedule using the following formula:

$$\text{TARC} = \frac{R}{\text{BU}}$$

where:

R – The amount accrued as a result of a change in the tax accounting method for gas system repairs for rate class n divided by 7.

BU – The total annual Billing Units for the rate class.

Filings and Reconciliations: One year prior to the scheduled expiration of the credit the Company will evaluate whether a change in the credit is required in order to avoid a significant over or under recovery at the end of the rate credit period. If a base rate case has not been filed prior to the expiration of the credit, a final reconciliation filing will be made on or before January 31, 2020, at which time any under or over recoveries will be reflected in rates in effect from April 1, 2020 to June 30, 2020. If it is apparent that such methodology would result in a significant over or under recovery at December 31, 2019 for an individual rate class the Company will propose a revised rate credit to become effective April 1, 2019. Interest will not be applied to any over or undercollections. If the amount to be credited to customers is modified based upon IRS safe harbor rules or the results of an IRS audit of the accounting change, the Company shall modify the credit accordingly through a filing with the Commission. Such filing shall be made 60 days prior to the effective date. Additionally, if the value of the credit has been reduced due to a State Net Operating Loss (NOL), a filing shall be made to increase the credit when the NOL has been used by the Company.

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¶ For Rate CGS the TARC shall be included in the Acquisition Service Charge.¶

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PECO Energy Company

Gas-Pa. P.U.C. No. **4**
Original Page No. **49**

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC)

In addition to the net charges provided for in this Tariff, a charge of **0.00%** will apply consistent with the Commission Order dated September 3, 2015 at Docket No. P-2013-2347340, approving the DSIC.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

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1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not included for recovery in the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective October 1, 2015.

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**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)**

2. Computation of the DSIC

A. Calculation: The initial DSIC, effective October 1, 2015, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2015 and August 31, 2015. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Billing for the DSIC will be on a bills rendered basis. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC Eligible Plant Additions Reflected
January 1	September - November
April 1	December - February
July 1	March - May
October 1	June - August

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 52

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)**

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C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$DSIC = \frac{(DSI * PTRR) + Dep + e}{PQR}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Revenue shall be based on one fourth of the projected annual revenue.

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Gas-Pa. P.U.C. No. ~~4~~
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**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)**

3. Quarterly Updates. Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

4. Customer Safeguards

A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. The Company is not permitted to accrue interest on under collections

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

E. All customer classes: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives who are paying flexed or discounted rates and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC) (CONTINUED)

F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs

G. Residual E-Factor Recovery Upon Reset To Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero.

The Company can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Company shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the Company determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

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RATE GR - GENERAL SERVICE -RESIDENTIAL

AVAILABILITY.

Service in the entire service territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units whether occupied or not), for domestic requirements of its members when such service is supplied through one meter. Resale of gas and/or service provided by the Company under this rate is only allowed for those locations being served through a single meter prior to January 6, 1980.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: ~~\$16.00~~ per month
VARIABLE DISTRIBUTION CHARGE: ~~\$4.3849~~ per Mcf

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MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge. The Universal Service Fund Charge is incorporated in the Variable Distribution Charge.

CONTROLLED LOW PRESSURE SERVICE AND 2 PSIG DELIVERY.

For those Customers served from medium or high pressure mains, low pressure delivery of gas at 12.2 inches of water column or 2 PSIG will be provided upon request in lieu of the normal low pressure delivery. For these Customers multipliers of 1.03 will be applied to all meter readings for 12.2 inches of water column delivery and 1.14 for 2 psig delivery to recognize the additional volume of gas delivered.

BUDGET BILLING.

At the option of the Customer, budget billing is available in accordance with the provisions of Rule 16.5.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial term for any contract shall be at least one year.

PAYMENT TERMS.

Standard.

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Gas-Pa. P.U.C. No. 4
Original Page No. 5b

RATE GC - GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL

AVAILABILITY.

Service for use in commercial and/or industrial applications, with the right reserved to restrict its use as boiler fuel and for other non-critical use.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$40.00 per month

VARIABLE DISTRIBUTION CHARGE: \$4.5625 per Mcf for all or any part of the first 200 Mcf
\$3.1694 per Mcf for the additional use

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), MERCHANT FUNCTION CHARGE ("MFC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

CONTROLLED LOW PRESSURE SERVICE AND 2 PSIG DELIVERY.

For those Customers served from medium or high pressure mains, low pressure delivery of gas at 12.2 inches of water column or 2 PSIG will be provided upon request in lieu of the normal low pressure delivery. For these Customers multipliers of 1.03 will be applied to all meter readings for 12.2 inches of water column delivery and 1.14 for 2 psig delivery to recognize the additional volume of gas delivered.

BUDGET BILLING.

At the option of a Customer, budget billing is available in accordance with the provisions of Rule 16.5

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

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Gas-Pa. P.U.C. No. ~~4~~
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RATE OL - OUTDOOR LIGHTING SERVICE

AVAILABILITY.

Service for outdoor lighting by Company-approved lighting devices of the sizes hereinafter specified, where the consumption is not registered on a meter.

MONTHLY RATE TABLE.

Distribution Charges

Manufacturer's Rated Input to Lighting Devices	Nominal Mcf Rating Per Month	When Not in Conjunction	When in Conjunction
		With Service Under Other Gas Rates	With Service Under Other Gas Rates
1,999 Btu/Hr. or less	1.5 Mcf	\$8.8517	\$4.4052
2,000 Btu/Hr. to 2,499 Btu/Hr.	1.7 Mcf	\$10.2975	\$5.8844
2,500 Btu/Hr. to 2,999 Btu/Hr.	2.1 Mcf	\$11.5590	\$7.1292
3,000 Btu/Hr. to 3,499 Btu/Hr.	2.4 Mcf	\$12.9045	\$8.4909

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Distribution Charge.

INSTALLATIONS.

The Customer shall install, own and maintain the lighting devices and all tubing from the Company's service-supply pipe to the lighting devices.

FINAL CONNECTION.

The final connection of any lighting devices or tubing to the supply system shall be made by or under the supervision of a representative of the Company and the costs of such connections shall be borne by the Customer.

BUDGET BILLING.

At the option of the Customer, budget billing is available in accordance with the provisions of Rule 16.5

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

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**Gas-Pa. P.U.C. No. 4
Original Page No. 58**

RATE L - LARGE HIGH LOAD FACTOR SERVICE

AVAILABILITY.

Large volume high load factor service for use in commercial and/or industrial applications, with the right reserved to restrict its use as a boiler fuel and for other non-critical use. This service shall be under a contract specifying in Mcf, the maximum daily quantity (MDQ) of natural gas to be supplied on a seasonal basis. The winter period MDQ may not exceed the summer period MDQ. Deliveries shall be as nearly as practicable at uniform hourly rates of flow.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$260.00 per month
VARIABLE DISTRIBUTION CHARGE: ~~\$9.0400 per Mcf for the first 50% of all usage,~~
~~\$2.7458 per Mcf for the additional use.~~

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA), VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Charge.

MEASUREMENT.

The quantities of gas used shall be determined from the Company's meters, corrected to standard conditions, namely 60° Fahrenheit temperature and 30 inches of mercury barometric pressure.

UNAUTHORIZED OVERRUN.

Any quantity of gas taken for this service on any day of the month in excess of the MDQ specified in the contract for this service shall constitute unauthorized overrun volume for such day, except when such excess results from fluctuations in day-to-day deliveries hereunder determined by the Company to be normal and in accordance with good operating practices. The sum of all such unauthorized volume in a month shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily Weighted prices for a particular calendar month are summed and the result is equal to the MWP.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

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The summer period is defined as the calendar months of April through November, inclusive. The winter period is defined as the calendar months of December, January, February and March. ¶

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DETERMINATION OF BILLING DEMAND. ¶
The billing demand shall be computed each month to the nearest Mcf and shall be the highest measured quantity of gas, corrected to standard conditions, taken in a 24-hour interval. The summer period billing demand for all Customers will never be less than 80% of the summer period MDQ nor less than 100 Mcf per day. ¶

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Gas-Pa. P.U.C. No. 4
Original Page No. 59

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MDQ DETERMINATION.

Each Customer shall review the contract annually and shall supply the Company written notification by August 1 of the Customer's requested MDQ(s) for the coming contract year. The MDQ requested shall be subject to reduction by the Company for either or both of the seasonal periods in light of available gas supplies, winter deliverability constraints, or for other good reason before the contract becomes effective. Any reduction made by the Company below the prior year's MDQ(s) shall be limited to the Customer's boiler fuel and other non-critical use.

The Company may, with the consent of the Customer, increase the existing winter MDQ up to the level of the contracted summer MDQ at such time during the winter period when, in the judgment of the Company, sufficient quantities of gas are available for the balance of the contract year.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

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Gas-Pa. P.U.C. No. **4**
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RATE MV-F MOTOR VEHICLE SERVICE-FIRM

AVAILABILITY.

Firm motor vehicle service is available to Customers using natural gas exclusively as fuel for motor vehicles.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: ~~\$40.00~~ per month.

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ADDITIONAL FIXED DISTRIBUTION CHARGE: If the Customer contracts with the Company for the installation and maintenance of compressor equipment to deliver gas at the necessary pressure for vehicle use, there will be an additional Customer Charge as specified in the Customer's contract.

VARIABLE DISTRIBUTION CHARGE: ~~\$1.2764~~ per Mcf

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ADDITIONAL VARIABLE DISTRIBUTION CHARGE: If the Customer contracts with the Company for the purchase of compressed gas at a Company-owned refueling location, there will be a compression and refueling charge of \$2.66 per Mcf added for each Mcf of gas supplied.

MINIMUM CHARGE: The minimum charge per month shall be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, COMMODITY CHARGE ("CC") (if customer receives Sales Service), GAS COST ADJUSTMENT CHARGE ("GCA"), GAS PROCUREMENT CHARGE ("GPC"), BALANCING SERVICE COST ("BSC"), PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) and any applicable fuel taxes apply to this rate. The Consumer Education Charge is incorporated in the Variable Distribution Charge.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

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**Gas-Pa. P.U.C. No. 4
Original Page No. 61**

RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE

AVAILABILITY.

Interruptible motor vehicle service is available to Customers using natural gas for the sole purpose of a fuel for motor vehicles which have installed dual-fuel capability.

QUALITY OF SERVICE.

Upon notification by the Company, the Customer is required to transfer load to an alternate fuel. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. **The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day.** However, the notice period in emergency situations may be less than four hours and the Company may interrupt service at times other than the start of the gas day. The Customer shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Sales under this rate schedule are subordinate to all firm sales or firm transportation service provided by the Company.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION CHARGE: \$40.00 per month

ADDITIONAL FIXED DISTRIBUTION CHARGE: If the Customer contracts with the Company for the installation and maintenance of compressor equipment to deliver gas at the necessary pressure for vehicle use, there will be an additional Customer Charge as specified in the Customer's contract.

VARIABLE DISTRIBUTION CHARGE AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels that this Customer class has the economic capability of consuming.

The total of the Variable Distribution Charge and the Commodity Charge shall be no less than the allocated monthly cost of gas plus three cents, plus the applicable gross receipts tax factor.

The total of the Variable Distribution Charge and the Commodity Charge shall not exceed the sum of the end block of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and the Gas Cost Adjustment Charge ("GCA") of Rate GC.

The Company will provide the Pennsylvania Public Utility Commission with written notification of the Rate MV-I prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. Once established, the price will remain in effect from month to month unless changed by the above notification procedure.

ADDITIONAL COMMODITY CHARGE: If the Customer contracts with the Company for the purchase of compressed gas at a Company-owned refueling location, there will be a compression and refueling charge of \$2.65 per Mcf added for each Mcf of gas supplied.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), and any applicable fuel taxes apply to this rate.

OTHER CONDITIONS.

1. The Company reserves the right to enter the Customer's premises to inspect the equipment and apparatus at any time to determine whether the Customer's equipment and the Company's equipment is properly functioning, and whether the Customer is in compliance with all the provisions of this rate. It is the Customer's responsibility to inform the Company immediately if the Customer-owned or Company-owned control equipment does not operate properly.

2. Service under this rate may be separately supplied to a Customer who is also supplied under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

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Gas-Pa. P.U.C. No. 4
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RATE MV-I - MOTOR VEHICLE SERVICE-INTERRUPTIBLE - Continued

3. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the allocated monthly cost of gas and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent unleaded gasoline dealer tank wagon price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The revenue received for Customer emergency service which is in excess of the normal Rate MV-I revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

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4. Any unauthorized gas consumed in violation of the provisions of this rate shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate. Such payment by the Customer for unauthorized use shall not be deemed as giving the Customer any rights to use such gas.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission). All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

5. Should the Customer cause the control device to be ineffective, or in any way change the operation thereof, all gas registered on the meter since the last meter reading, in addition to all other rates and charges, will be subject to the penalty charge shown above.

6. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

PAYMENT TERMS.

Standard.

Issued ~~September 30, 2020~~

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PECO Energy Company

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RATE IS - INTERRUPTIBLE SERVICE

AVAILABILITY.

Interruptible sales service is available to individual Customers who have dual-fuel capability or are willing to accept interruption of gas service. The Customer must have an estimated gas consumption of at least 3,000 Mcf per month during each summer month. The summer period includes the months of April through November. For a Customer that also receives service under Rates L, TS-I, or TS-F, the 3,000 Mcf per month use requirement does not apply.

Rate GC or other firm sales services may not be used as a backup supply during periods of interruption under this rate schedule. Rate GC service may be provided through separate metering where firm service is required. Piping connections between the firm and interruptible fuel line systems are prohibited.

The Customer will be required to execute a contract specifying the maximum daily quantity (MDQ) of gas that the Company's service and metering facilities are designed to supply. The maximum hourly capacity that the Company's facilities are designed to supply shall not be more than 6.5% of the MDQ.

QUALITY OF SERVICE.

Service under this rate is made available to Customers for purposes of balancing the Company's gas demands and optimizing its daily use of pipeline supplies and is strictly within the discretion of the Company. When the available quantity of gas is inadequate to serve the needs of all Customers under this rate, the Company will impose limitations, as necessary, endeavoring to provide each Customer with the opportunity to take gas from time to time. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. **The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day.** However, the notice period in emergency situations may be less than four hours **and the Company may interrupt service at times other than the start of the gas day.** Those Customers who have dual fuel capability shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Interruptible sales are subordinate to all firm sales or firm transportation service provided by the Company.

BILLING.

FIXED DISTRIBUTION CHARGE: \$217.89 per month.

VARIABLE DISTRIBUTION AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels the Customer has the economic capability of consuming. The total of the Variable Distribution Charge and the Commodity Charge shall be no less than the applicable commodity cost of gas for the current month plus three cents, increased by the applicable gross receipts tax factor and shall be no higher than the applicable delivered price, on an equivalent BTU basis of alternate fuel.

The Company will provide the Pennsylvania Public Utility Commission with written notification of each of the prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. Once established, prices will remain in effect from month to month unless changed in accordance with the above notification procedure. If there is a major change in competitive fuel prices during the month, the Company may change the Commodity Charge prices within the same upper and lower limits on notice of five working days to the Commission.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

METERING SEQUENCE.

Service under this rate may be supplied in combination with Rates L, TS-F or TS-I at a single point and through a single metering installation, in which case the MDQ for each rate schedule shall be specified in the contract. The Company will assume for billing purposes that metered volumes first reflect deliveries of the Contract Maximum Daily Quantity of Rate L gas, next the Firm Transportation Contract Quantity of Rate TS-F, next the Contract Quantity of Interruptible Transportation under Rate TS-I, and finally the Interruptible Gas under this rate schedule. Determination of Rate IS deliveries will be made at the end of the billing period. The number of Mcf billed under Rate L shall never be less than the number of Mcf resulting from 15 days' use of the Rate L billing demand.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate.

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Gas-Pa. P.U.C. No. 4

PECO Energy Company

Original Page No. 64

RATE IS - INTERRUPTIBLE SERVICE - Continued

OTHER CONDITIONS.

1. Any quantity of gas taken for this service on any day of the month in excess of the MDQ specified in the contract shall constitute unauthorized overrun volume for such day, except when such excess results from fluctuations in day-to-day deliveries hereunder determined by the Company to be normal and in accordance with good operating practices. The sum of all such unauthorized volume in a month shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission). All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

2. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the applicable commodity cost used to establish the current Rate IS Commodity Charge for the Customer and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent No. 2 oil consumer tank car price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate schedule.

The revenue received for Customer emergency service which is in excess of the normal Rate IS revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

EXTENSION OF MAIN - INSTALLATION OF SERVICE.

Each Customer shall prepay the total cost of any main extension, service installation, meter installation, or enlargement or rearrangement of existing facilities required for service under this rate schedule.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least 1 year.

PAYMENT TERMS.

Standard.

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**Gas-Pa. P.U.C. No. 4
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RATE TCS - TEMPERATURE CONTROLLED SERVICE

AVAILABILITY

Temperature controlled service is available to individual Customers that have dual-fuel equipment with a rated input of more than 2,100,000 Btu per hour and an estimated fuel use which totals 5,000 Mcf or more during the billing months of December, January, February and March and are willing to accept interruption of service at the cut-off temperature specified by the Company.

QUALITY OF SERVICE.

Upon notification by the Company, the Customer is required to transfer load to an alternate fuel whenever the outdoor temperature is below the cut-off limit specified by the Company. Under normal operating conditions, a minimum of four hours notice will be given before interruptions of service. ~~The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day.~~ However, the notice period in emergency situations may be less than four hours ~~and the Company may interrupt service at times other than the start of the gas day.~~ During August of each year the Company will notify each Customer of the cut-off temperature limit to be effective during the twelve-month period beginning September 1. Those Customers who have dual fuel capability shall be responsible for maintaining alternate fuel equipment in good operating condition, and arranging for adequate supplies of alternate fuel. Sales under this rate are subordinate to all firm sales or firm transportation service provided by the Company.

BILLING.

FIXED DISTRIBUTION CHARGE: \$175.00 per month.

VARIABLE DISTRIBUTION AND COMMODITY CHARGES:

Prices shall be established by the Company based on the alternate fuels that this Customer class has the economic capability of consuming.

Monthly prices shall not exceed the sum of the end block of the Variable Distribution Charge of Rate GC, the monthly projected weighted average commodity cost of gas (WACCOG) and the Fixed Cost Credit determined in the most recent annual 1307(f) proceeding. Monthly prices shall be no less than monthly projected WACCOG and the 1307(f) Fixed Cost Credit, plus three cents. The Company will provide the Pennsylvania Public Utility Commission with written notification of the prices on an unbundled basis at least eight (8) business days before the beginning of the month in which any price revision is to occur. If there is a significant change in WACCOG during a month, the Company may change the commodity charge prices within the same upper and lower limits on notice of five working days to the Commission.

"Fixed Cost Credit" means the result derived by dividing the Company's annual projected interstate pipeline transportation and storage demand charges by its projected annual firm sales throughput as determined by reference to the Company's Section 1307(f) filing made immediately prior to the period in which the Fixed Cost Credit shall apply.

"Commodity cost of gas" shall include all purchased gas costs charged by the Company's natural gas and interstate pipeline suppliers on a volumetric or commodity basis (including but not limited to interstate pipeline fuel and the Company's company use and unaccounted for gas) and shall exclude all costs used in determining the Fixed Cost Credit.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Charge.

STATE TAX ADJUSTMENT CLAUSE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE and PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) apply to this rate.

OTHER CONDITIONS.

1. The Company reserves the right to enter the Customer's premises to inspect the equipment and apparatus at any time to determine whether the Customer's equipment and the Company's equipment is properly functioning, and whether the Customer is in compliance with all the provisions of this rate.

It is the Customer's responsibility to inform the Company immediately if the Customer-owned or Company-owned control equipment does not operate properly.

2. Service under this rate may be separately supplied to a Customer who is also supplied under one or more other gas rates at the same premises, provided that each supply shall be separate and distinct with respect to delivery, metering and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

The Company may, in its sole discretion, permit minimal volumes of gas which would otherwise be supplied under Rate GC to flow through the Rate TCS metering where, in the Company's judgment, the cost of installing separate metering is uneconomical.

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Gas-Pa. P.U.C. No. 4
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RATE TCS - TEMPERATURE CONTROLLED SERVICE – Continued

3. Upon notification by the Customer to the Company that an emergency condition exists, the Company may, in its sole discretion, authorize the Customer to continue the use of gas during a period of interruption until such emergency condition has been corrected. The price of each Mcf of gas consumed during such emergency authorization will be increased by the difference between the allocated monthly cost of gas and the greater of:

- a. The highest incremental supply cost incurred by the Company during the period such emergency service is provided;
- b. The equivalent No. 2 oil consumer tank car price as posted in the Journal of Commerce and as determined from the average of the three highest prices at Philadelphia for the month.

The Company may require affidavits or other documentation in order to verify the cause and duration of the emergency condition sustained by the Customer. The revenue received for Customer emergency service which is in excess of the normal Rate TCS revenue will be returned to Customers by including the revenues in the GCA of the Sales Service Costs provision.

4. Upon notification to the Customer by the Company that an emergency condition exists, the Company may change the threshold outdoor ambient temperature at which service is provided, for the duration of the emergency.

5. Any unauthorized gas consumed in violation of the provisions of this rate shall be billed at the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. The resulting amount shall be paid in addition to the charges specified in this rate. Such payment by the Customer for unauthorized use shall not be deemed as giving the Customer any rights to use such gas.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

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6. Should the Customer cause the control device to be ineffective, or in any way change the operation thereof, all gas registered on the meter since the last meter reading, in addition to all other rates and charges, will be subject to the penalty charge shown above.

7. The Company may, after furnishing reasonable notice, permanently discontinue service to such Customer upon a finding by the Company that the Customer has not complied with the conditions and provisions of this rate.

RULES AND REGULATIONS.

The Company's rules and regulations in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

TERM OF CONTRACT.

The initial contract term shall be at least 1 year.

PAYMENT TERMS.

Standard.

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GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and Rate TS-F Gas Transportation Service-Firm.)

1. TRANSPORTATION SERVICE

1.1 GENERAL. Transportation service shall consist of: the receipt of gas on behalf of a Customer; the transportation of gas through the Company's distribution facilities; and the delivery of equivalent quantities of gas to the Customer, adjusted for thermal correction and system losses where applicable.

Transportation service may also include Standby Sales Service to permit purchases of gas under one of the Company's retail sales rate schedules.

1.2 TERMS DEFINED. The following definitions shall apply throughout the transportation portion of this tariff:

RECEIVED/RECEIPT shall refer to gas tendered to the Company for the Customer's account at one or more of the interconnections between the Company and its interstate pipeline suppliers, or other specified location. The normal unit of measurement is the ~~dekatherm~~ or mmBtu.

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DELIVERED/DELIVERY shall refer to gas tendered to the Customer by the Company at the Customer's specified location. The normal unit of measurement is the Mcf.

USE/USAGE shall refer to gas actually consumed by the Customer at the specified location as measured by the Company's meter in Mcf.

DEFICIENT DELIVERIES shall refer to occurrences in which the Customer uses more gas than the quantity of transportation gas tendered by the Company for delivery.

EXCESS DELIVERIES shall refer to occurrences in which the Customer uses less than the quantity of gas tendered by the Company for delivery.

1.3 VOLUME ADJUSTMENT. The quantity of transportation gas received into the Company's distribution system for the Customer's account shall be: (a) reduced by 1.8% for system losses; and (b) adjusted for thermal correction determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot. Where the transported gas can be delivered directly to the Customer without commingling with other system supplies, no reduction for system losses shall be made, and the thermal correction shall be based on the daily average Btu content of the pipeline to which the Customer is directly connected.

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1.4 SUPPLY COST ADJUSTMENT. If the Company incurs any added gas supply cost in order to provide transportation service by displacement, or for other reasons, such additional cost will be charged to the Customer. Displacement occurs when a Customer, who is directly connected to one of the Company's pipeline suppliers, arranges for receipt of transportation gas on another pipeline to which the Customer is not directly connected. Revenues received by the Company in payment for added gas supply cost will be credited to firm sales Customers through the annual Sales Service Costs reconciliation (Section 1307[f]).

1.5 SERVICE AGREEMENT. The Customer will be required to execute a Transportation Service Agreement which will specify an initial Transportation Contract Quantity (TCQ) to be the maximum daily volume of gas, expressed in Mcf net of system losses where applicable, to be transported and delivered to the Customer. The agreement will also specify delivery locations, the election of Standby Sales Service, the commodity charge to be in effect for the term of the agreement, and any special provisions for service. The standard term for a Transportation Service Agreement shall be twelve months, unless the Company and the Customer agree to a shorter or longer term.

The TCQ shall not exceed the lower of (a) the capacity of the Company's metering and regulating equipment at the Customer's location; or (b) 110% of the maximum daily usage of the Customer during the twelve-month period prior to the execution of the Transportation Service Agreement, unless full documentation of new or additional gas usage capability is provided by the Customer. If a Customer chooses to designate an Agent to act on the Customer's behalf for scheduling, dispatching, billing and other administrative aspects of transportation service, such designation shall be made in the Transportation Service Agreement. The designation of an Agent shall not relieve the Customer of ultimate responsibility for payment for service or other obligations incurred under this tariff.

Every November 1 following execution of the Transportation Service Agreement, the Customer's TCQ shall be automatically adjusted by the Company to be 110% of the maximum daily usage of the Customer during the prior twelve-month period if such adjustment would raise or lower the customer TCQ by the higher of either 10 mcf or 10%. The TCQ may also be adjusted by mutual agreement of the Customer and the Company.

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GAS TRANSPORTATION SERVICE GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS F Gas Transportation Service Interruptible and Rate TS F Gas Transportation Service Firm.)

1.6 BUYER GROUP/LEAD CUSTOMER. A Buyer Group generally consists of up to ten individual Customers who voluntarily join together to obtain either firm or interruptible transportation service. The Company, at its discretion, may require all members of the Buyer Group to execute the same Transportation Service Agreement and make the same elections as to Standby Sales Service. One member of the Buyer Group may be designated by the Company as the Lead Customer who shall be responsible for the timely payment of all bills rendered to the Buyer Group, as well as all day to day dispatch scheduling coordination and administrative communication between the Company and all members of the Buyer Group. A member of one Buyer Group may not be a member of another Buyer Group. Eleven or more individual Customers may form a Buyer Group only upon specific agreement by the Company. Unless otherwise described, the term "Customer" as used throughout these general terms and conditions shall refer to an individual Customer or to a Buyer Group. The Company, at its discretion, may set the maximum Commodity Charge for a Buyer Group at the maximum which any member would be individually required to pay.

1.7 MINIMUM SIZE. The minimum total gas consumption capability required to be eligible for transportation service shall be less than or equal to 5,000 Mcf per year. This minimum shall apply to an individual Customer or to a Buyer Group which, in the aggregate, uses less than or equal to 5,000 Mcf of gas annually.

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2. BALANCING PROVISIONS

2.1 GENERAL. Transportation balancing is provided to adjust for the unavoidable minor variations between Customer usage and scheduled deliveries, and is not intended to function as a storage service or a standby sales service. Each Customer shall use best efforts to balance deliveries and usage at all times.

2.2 INTERRUPTED RECEIPTS. On days when no transportation gas is received for the Customer's account, all gas used by the Customer shall be billed as a purchase from the Company. For Customers which have elected Standby Sales Service, the usage shall be billed at the applicable rate. For Customers which have not elected Standby Sales Service, the usage shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and, the Gas Cost Adjustment Charge ("GCA") of Rate GC and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Excess deliveries already being held for the Customer at the time of interruption will be tendered for delivery when transportation receipts resume. If the interruption of receipts continues for more than thirty days, the Company will tender excess deliveries as soon as practicable subject to operating and gas procurement considerations.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6, non-NY

North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

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2.3 BALANCING CHARGE. A **\$0.0076** per Mcf balancing charge shall be imposed on all transportation deliveries in a billing month. The Balancing Charge shall be reviewed and adjusted annually, as necessary, effective December 1 subject to approval of the new charge in the Company's annual purchased gas cost filing under 66 Pa. C.S. § 1307(f)

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2.4 ALLOWABLE DAILY VARIATION. In order to minimize the effect of transportation imbalances on the operation of the Company's system, the allowable daily variation between delivered quantities and Customer usage is ten percent of the TCQ.

If a Customer exceeds these limits, the Company shall: (a) in the case of excess deliveries, impose a \$0.25 per Mcf penalty charge on that portion of daily excess deliveries greater than the allowable daily variation and have the right to limit the receipt of Gas Transportation if a customer has excess deliveries greater than the allowable daily variation (b) in the case of deficient deliveries, have the right to bill such deficiency as a purchase from the Company. For Customers which have elected Standby Sales Service, the deficiency shall be billed at the applicable rate. For Customers which have not elected Standby Sales Service, the deficiency shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and, the Gas Cost Adjustment Charge ("GCA") of Rate GC, and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6, Non-NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

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GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and
Rate TS-F Gas Transportation Service-Firm.)

2.5 MONTHLY BALANCING FOR DEFICIENT DELIVERIES. If in any billing month a Customer has deficient deliveries, the volumes shall be billed at the applicable rate for those customers that have elected Standby Sales Service. For Customers which have not elected Standby Sales Service, the volumes shall be billed at the sum of the Variable Distribution Charge, Commodity Charge, Balancing Service Cost ("BSC") and Gas Cost Adjustment Charge ("GCA") of Rate GC, and a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 Non-NY North Daily rate for such unauthorized usage day; or b) the Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

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2.6 MONTHLY BANKING SERVICE FOR EXCESS DELIVERIES. The Customer is permitted to carry over or bank a positive imbalance each month at the following monthly charges:

- (a) where the monthly excess does not exceed the TCQ - \$0.00 per Mcf;
- (b) for the monthly excess greater than the TCQ and less than twice the TCQ - \$1.00 per Mcf;
- (c) for the monthly excess greater than twice the TCQ and less than three times the TCQ - \$5.00 per Mcf;
- (d) for the monthly excess greater than three times the TCQ - \$10.00 per Mcf.

3. STANDBY SALES SERVICE

3.1 GENERAL. Standby Sales Service permits the Customer to purchase gas under one of the Company's retail sales rate schedules when:

- (a) no transportation gas is received for the Customer;
- (b) transportation deliveries are deficient with respect to the Customer's usage;
- (c) a Customer elects to purchase gas from the Company in lieu of transportation service.

Transportation service under Rate TS-I automatically provides Standby Sales Service as described in Section 3.2 below. A Customer purchasing transportation service under Rate TS-F shall indicate in the Transportation Service Agreement if the Customer elects to have Standby Sales Service. If the Customer elects Standby Sales Service the Customer shall specify the election in the Transportation Service Agreement as well as the Standby Sales Quantity (SSQ) which is the maximum daily quantity of gas expressed in Mcf that the Customer may purchase. A penalty charge based on the following will be imposed on volumes taken in excess of the SSQ: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf.

Deleted: 2.7 OPERATIONAL POOLING AND BALANCING SERVICE. Pooling is an optional service provided by PECO whereby marketers, producers of natural gas or brokers may aggregate natural gas supplies needed to serve more than one transportation customer. Individual customers assign their balancing rights and responsibilities under PECO's then current tariff to one marketer, producer or broker, which operates the pool (the Pool Operator). Each Pool Operator shall execute an Operational Pooling and Balancing Agreement. The allowable daily variation for a pool is 15 percent between delivered quantities and pool usage. The Pool Operator manages the day-to-day balancing for each pool member and will be responsible for any applicable penalty charges and cash-out transactions, though the transportation customer remains jointly liable with the pool operator for all charges. ¶

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-NY North Daily rate for such unauthorized usage day; or b) the Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

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The Company maintains no current or future duty to provide retail sales service to a Customer who declines to elect Standby Sales Service. Availability of Standby Sales Service for new gas loads not previously served under a retail firm sales rate schedule is contingent upon the Company's ability to arrange the required supply contracts.

3.2 INTERRUPTIBLE SERVICE. Interruptible Standby Sales Service under Rate IS is automatically provided to the Customer in conjunction with Rate TS-I. The billing and all other conditions of service shall be as stated under the Rate IS tariff, except that the Customer Charge shall be waived.

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GAS TRANSPORTATION SERVICE - GENERAL TERMS AND CONDITIONS - Continued

(Applicable to: Rate TS-I Gas Transportation Service-Interruptible and
Rate TS-F Gas Transportation Service-Firm.)

3.3 FIRM SERVICE. All Rate TS-F Customers may elect Standby Sales Service under:

(a) Rate L, for Customers with an SSQ of at least 100 Mcf per day and gas consumption capability of at least 18,000 Mcf per year;

(b) Rate GC, for Customers with an SSQ of less than 100 Mcf per day or gas consumption capability of less than 18,000 Mcf per year except that the Standby Sales Service rate schedule applicable to a Buyer Group may, at the Company's discretion, be set at the highest priced rate schedule under which any member would be individually required to pay. The billing and all other conditions of service shall be as stated in the applicable rate schedule and prorated for actual days of use, except that the Customer Charge shall be waived. In addition, the Customer shall pay a monthly demand charge per Mcf of SSQ which is based on 110% of the average monthly demand charges paid for the Company's firm supply. The monthly demand charge, prorated on an Mcf-per-day basis, will be credited to all volumes purchased. Following the end of the Company's supply contract year (October 31), the Customer shall also be assessed those minimum bill, take-or-pay, supply inventory, or other similar charges actually paid by the Company, which are attributable to the annual volume reserved but not taken under this provision. Customers that request to terminate Standby Sales Service after one or more years will be required to continue payment of the monthly demand charge until the Company is able to reduce its purchase obligations or otherwise utilize the released supplies.

4. OTHER PROVISIONS

4.1 METERING SEQUENCE. Where gas is used by the Customer under more than one of the Company's rate schedules through the same meter location, the Company will assume for billing purposes that metered volumes reflect deliveries in the following sequence where applicable:

- (a) Rate L, up to maximum daily quantity.
- (b) Rate TS-F, up to transportation contract quantity.
- (c) Rate TS-I, up to transportation contract quantity, or actual delivered quantity, whichever is lower.
- (d) Rate IS.

4.2 GAS SUPPLY SHORTAGE. The Company shall have the right to appropriate natural gas supplies to be delivered by or on behalf of a Customer in the event of a natural gas emergency (as defined in Rule 12 of the Rules and Regulations). In the event of a natural gas emergency, the Customer or its Natural Gas Supplier (NGS) shall continue to deliver all available natural gas supplies to the Company for which the Customer is contracted to purchase from the NGS. As compensation, the Company shall pay a price not in excess of the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the customer for delivered substitute energy, as documented by the Customer. The Company may also provide compensation in kind at the discretion of the affected customer or NGS. Upon request, the Customer shall demonstrate its cost of natural gas by making a copy and invoice of the contract with the natural gas supplier available to the Company upon request.

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4.3 LIABILITY.

- (a) The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the Customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendering of service hereunder, and regardless of any defect in such law, regulation, or order.
- (b) Gas shall be and remain the property of the Customer while transported and delivered by the Company. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
- (c) The Company shall not be liable for any loss to the Customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause. The Company reserves the right to commingle gas of the Customer with other supplies.
- (d) The Company shall not be liable, under any circumstances or in any respect, to a Customer, to a gas producer or natural gas supplier, or to any other person or entity for damages arising either directly or indirectly from interruption, curtailment, or termination of transportation service.

TERM OF CONTRACT.

The initial contract term shall be at least one year.

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**Gas-Pa. P.U.C. No. 4
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RATE TS-1 GAS TRANSPORTATION SERVICE-INTERRUPTIBLE
(Gas Transportation Service - General Terms and Conditions Apply To This Rate.)

AVAILABILITY.

Interruptible transportation service (Rate TS-1) is available to an individual Customer, or a Buyer Group, who may have dual fuel capability or is willing to accept interruption of gas service.

Service is available under this rate only to customers served by a licensed natural gas supplier who is deemed creditworthy by the Company pursuant to Rule 25 of the Rules and Regulations of the Gas Service Tariff.

High Volume Transportation (HVT) Customers receiving service under this Rate, as of March 1, 2002, shall be exempt from the above supplier eligibility criteria; provided, however, such an HVT Customer may waive such exemption, in a writing submitted to the Company, by indicating its desire to be served by a natural gas supplier deemed creditworthy by the Company pursuant to the above referenced Rule 25.

UPGRADING AND OR INSTALLATION OF FACILITIES.

Upgrading and/or installation of mains and services required to provide adequate delivery capacity for interruptible transportation service for the Customer will be in accordance with the Rules and Regulations governing Extensions. The Customer shall prepay the total cost of any new receipt point for Customer-owned gas into the Company system, or improvements to an existing receipt point, which then shall be constructed, subject to specific contract terms and conditions, owned, and maintained by the Company.

QUALITY OF SERVICE.

Interruptible transportation service will be provided on a best efforts basis by the Company and may be restricted or interrupted from time to time due to operating and capacity limitations. Under normal operating conditions a minimum of four hours notice will be given before interruptions of service. **The standard interruption of service will begin and end at 10:00 AM to coincide with the gas day.** However, the notice period in emergency situations may be less than four hours and the Company may interrupt service at times other than the start of the gas day.

BILLING.

A. For each meter location having a gas consumption capability of at least 18,000 Mcf per year.

1. FIXED DISTRIBUTION CHARGE.

~~\$29.00~~ per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than ~~\$125.00~~.

2. VARIABLE DISTRIBUTION CHARGE.

The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be ~~\$1.0647~~ per Mcf.

B. For each meter location having a gas consumption capability of less than 18,000 Mcf per year.

1. FIXED DISTRIBUTION CHARGE.

~~\$25.00~~ per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than ~~\$125.00~~.

2. VARIABLE DISTRIBUTION CHARGE.

The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual customer. The maximum Variable Distribution Charge shall be ~~\$1.9994~~ per Mcf.

C. The State Tax Adjustment Clause does not apply to this rate.

D. The PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), TAX CUTS AND JOBS ACT (TCJA), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), and VOLUNTARY SURCHARGE applies to this rate.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge.

SEPARATION OF SERVICE.

Service under this rate may be separately supplied to a Customer who is also supplied under Rate GC at the same premises provided that each supply shall be separate and distinct with respect to delivery, metering, and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

PAYMENT TERMS.

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RATE TS-F GAS TRANSPORTATION SERVICE-FIRM

(Gas Transportation Service - General Terms and Conditions Apply To This Rate.)

AVAILABILITY.

Firm transportation service (Rate TS-F) is available to an individual Customer or a Buyer Group, who desires uninterrupted transportation service. Firm transportation service is not available with Rate GC through the same meter, except as provided under Standby Sales Service of the General Terms and Conditions.

Service is available under this rate only to customers served by a licensed natural gas supplier who is deemed creditworthy by the Company pursuant to Rule 25 of the Rules and Regulations of the Gas Service Tariff.

High Volume Transportation (HVT) Customers receiving service under this Rate as of March 1, 2002, shall be exempt from the above supplier eligibility criteria; provided, however, such an HVT Customer may waive such exemption, in a writing submitted to the Company, by indicating its desire to be served by a natural gas supplier deemed creditworthy by the Company pursuant to the above referenced Rule 25.

UPGRADING AND OR INSTALLATION OF FACILITIES.

Upgrading and/or installation of mains and services required to provide adequate delivery capacity for firm transportation service for the Customer will be in accordance with the Rules and Regulations governing Extensions. The Customer shall prepay the total cost of any new receipt point for Customer-owned gas into the Company system, or improvements to an existing receipt point, which then shall be constructed, subject to specific contract terms and conditions, owned, and maintained by the Company.

QUALITY OF SERVICE.

Transportation service under this rate schedule is firm and shall be interrupted only in cases of operating emergencies experienced by the Company or in the case of a natural gas shortage when the supply of gas is insufficient to meet the requirements of Priority 1 Customers.

BILLING.

- A. For each meter location having a gas consumption capability of at least 18,000 Mcf per year.
 - 1. FIXED DISTRIBUTION CHARGE
\$249.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$125.00.
 - 2. VARIABLE DISTRIBUTION CHARGE.
The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$ 1.1859 per Mcf.
- B. For each meter location having a gas consumption capability of less than 18,000 Mcf per year.
 - 1. FIXED DISTRIBUTION CHARGE.
\$208.00 per month less any Fixed Distribution Charges billed on other rate schedules for gas service through the same meter location; but in no event shall the Fixed Distribution Charge be less than \$125.00.
 - 2. VARIABLE DISTRIBUTION CHARGE.
The applicable Variable Distribution Charge shall be specified in the Transportation Service Agreement for each individual Customer. The maximum Variable Distribution Charge shall be \$2.4847 per Mcf.
- C. The State Tax Adjustment Clause does not apply to this rate.
- D. The PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC), TAX CUTS AND JOBS ACT (TCJA), DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) and VOLUNTARY SURCHARGE applies to this rate.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge plus 15 days' use of the TCQ at the Customer's applicable commodity charge.

SEPARATION OF SERVICE.

Service under this rate may be separately supplied to a Customer who is also supplied under Rate GC at the same premises provided that each supply shall be separate and distinct with respect to delivery, metering, and billing, and that no piping connections shall be made between the fuel line systems on the load side of the separate metering installation.

PAYMENT TERMS.

Standard.

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RATE CGS - CITY GATE SALES SERVICE¶

AVAILABILITY¶

City Gate Sales Service is available in conjunction with the Company's gas transportation services (Rates TS-F and/or TS-I) upon execution of a City Gate Sales Service Agreement. Supplies from the Company's total gas acquisition pool are made available for purchase at the interstate pipeline delivery points (city gates), for redelivery to the Customer under the terms and conditions of the applicable transportation service(s).¶

¶

QUALITY OF SERVICE¶

¶

Firm: Customers electing firm service under this rate are not subject to interruption or proration except pursuant to Section 12 of the Rules and Regulations of this Tariff.¶

¶

Interruptible: Customers electing interruptible service under this rate are subject to interruption from time to time as necessary to meet the demands of firm Customers. Under normal operating conditions, the Customer will be notified by 10:00 AM of the previous gas dispatch day of any interruption of service. Under emergency conditions, the Company may shorten this notice period and interrupt service at times other than the start of the gas dispatch day (10:00 AM). ¶

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BILLING¶

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PECO ENERGY COMPANY

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RATE NGS - Negotiated Gas Service

AVAILABILITY. Service under this rate is available only to customers that satisfy the following criteria:

1. The customer either must have a history of at least 18,000 Mcf of annual natural gas usage billed by the Company. Alternatively, if a new customer, the customer must establish that the facilities to be served are likely to consume at least 18,000 Mcf of annual natural gas usage.
2. The customer must document a viable, currently available competitive alternative to service under the Rates GC, L, TS-F, or TS-I including any applicable riders. Documentation must include a written description of the competitive alternative and any further information necessary to establish the cost and demonstrate the viability of the customer's competitive alternative with reasonable certainty. The Company shall have sole discretion over whether the customer is eligible for a rate negotiated pursuant to this rate based on the information provided by the customer. If the customer already has in place a competitive alternative, the Company may require such written proof of the existence, nature, and working condition of such alternative, as the Company deems appropriate and necessary.
3. The customer executes an NGS agreement that comports with all other provisions of this rate.

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QUALITY OF SERVICE. Service quality shall be negotiated and specified in each service agreement. Service quality may be firm, interruptible or a hybrid thereof. Priority 1 customers, however, shall be required to take firm standby service as a component of service provided under this rate schedule unless the customer demonstrates to the Company's reasonable satisfaction that it has an installed, operable backup system. Unless expressly stated in the service agreement, an interruptible customer shall bear the entire risk for any and all damages associated with an interruption.

NATURE OF SERVICE. The nature of service shall be negotiated and specified in each service agreement. Service may involve any one or more of the following services: supply; transportation; storage; upgrade or installation of mains, services, and appurtenant facilities; and such other natural gas management services the customer may require from time to time. The service agreement shall include all essential terms and conditions of the negotiated service. Where a term is not defined expressly in the service agreement, it shall have the meaning specified in the Tariff or, if the Tariff does not provide a definition, the meaning generally understood within the natural gas industry.

TERM LENGTH/NOTICE OF TERMINATION. The primary term length of a service agreement shall be no less than one year in length. Either the customer or the Company may terminate the agreement at the end of the primary term by giving written notice of termination at least one hundred-eighty (180) days before primary term ending date unless otherwise stated in the service agreement. If neither party gives such notice, then the agreement shall continue for consecutive one year terms until terminated by either party giving written notice of termination at least one hundred-eighty (180) days before the end of the continued term. Terms and conditions applicable to any continued term shall be stated in the service agreement.

RATES, CHARGES, BILLING.

1. Rates for service shall be negotiated and specified in the applicable service agreement. Rates negotiated for this service shall be presumed to have been designed to recover a fair rate of return on the incremental investment in facilities needed to provide service to the customer.
2. Rates will be, in the Company's sole judgment, competitive but the Company shall not be obligated to agree to charges that match the customer's costs under the customer's viable, currently available competitive alternative.
3. Unless otherwise stated in the service agreement, no charge of otherwise general applicability (e.g., State Tax Adjustment Clause) shall apply to service under this rate.
4. Unless otherwise stated in the service agreement, no charge applicable to other sales or transportation services offered under the Company's tariff (e.g., Rates GC, L, TS-I, TS-F) shall apply to service under this rate.

PAYMENT TERMS. Payment terms may be negotiated and specified in the service agreement. Unless the service agreement provides specific terms governing the billing of charges, Section 16. Standard Payment Terms of the Rules and Regulations of the Tariff shall apply.

RULES AND REGULATIONS. The Company's Rules and Regulations in effect from time to time, where not inconsistent with any provision hereof or the terms and conditions of the applicable service agreement, shall apply to a service agreement negotiated under this rate.

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Gas-Pa. P.U.C. No. 4
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RATE NGS - Negotiated Gas Service - Continued

CREDITWORTHINESS

1. Prior to commencement of performance, or at any time during the term of service under this rate, Customer must provide financial information reasonably requested by the Company to ascertain Customer's ability to discharge its payment or other obligations under this rate. The Company shall be permitted to conduct financial evaluations during the term of the service agreement when information received by the Company indicates that the effective Credit Assurance has become unsatisfactory. The Company may charge \$100.00 for each evaluation up to two evaluations per calendar year.
2. Based on the Company's initial or subsequent credit evaluation, the Company may refuse, suspend or terminate service under this rate if the Customer fails to deliver the requested credit information or assurance of its ability to pay within ten (10) business days of such request. Credit Assurance may include (i) the required posting of an irrevocable letter of credit acceptable to the Company, (ii) a cash prepayment in an amount acceptable to the Company, (iii) a corporate guaranty or (iv) other security acceptable to the Company.
3. Upon five days prior written notice ("Notice Period") to an NGS customer, the Company may suspend or terminate service to the customer upon the occurrence of a Default Event. A Default Event shall mean (i) the failure by the customer to make, when due, any payment or perform any obligation required under the service agreement, (ii) any representation or warranty made by the customer shall prove to have been false or misleading in any material respect when made, (iii) the customer is subject to a Bankruptcy Proceeding, or (iv) the customer fails to post satisfactory Credit Assurance. If the customer cures the Default Event within the Notice Period, service will be continued by the Company pursuant to the terms of the service agreement.

CONFIDENTIALITY/PENALTY FOR DISCLOSURE

1. The terms and conditions of a service agreement executed pursuant to this rate shall be considered "Highly Confidential and Privileged" by the parties and by the Commission.
2. "Highly Confidential and Privileged" shall mean that disclosure to any third party, non-governmental entity is likely to cause the non-disclosing party pecuniary and competitive damage not easily susceptible to quantification.
3. Unless disclosure is otherwise permitted, each party to a service agreement under this rate must agree not to oppose a legal action by a party that is designed to enjoin or otherwise prevent the other party from disclosing the terms and conditions of such service agreement to a third party.
4. Service agreements may be disclosed to a third party only: a) upon prior written authorization by the parties to the agreement; b) as necessary for the parties to administer and enforce the agreement; c) to an agent, attorney or consultant of either party which has executed an agreement in which it acknowledges the "Highly Confidential and Privileged" nature of the service agreement and agrees to be subject to these Confidentiality/Penalty for Disclosure provisions set forth herein; or d) pursuant to the order of a court of agency having appropriate jurisdiction. Disclosure under b) or d) shall be permitted only after the parties to the service agreement have been provided adequate prior notice and opportunity to prevent such disclosure or to seek an appropriate protective order.
5. Any disclosure by the customer in violation of this provision shall result in a penalty equal to 10% of the otherwise applicable rate for the remaining term of the agreement, or as otherwise set forth in the service agreement.

EXCLUSION OF RATE NGS PURCHASED GAS COSTS FROM SECTION 1307(f) CLAIM

Purchased gas commodity and interstate pipeline demand costs, and associated quantities of natural gas purchased to provide service to customers served under Rate NGS, shall be excluded from the Company's annual purchased gas cost filing under 66 Pa. C.S. § 1307(f), in accordance with Exhibit RAF-1 submitted by the Company at Docket No. R-00016366.

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APPLICABILITY INDEX OF RIDERS INTRODUCTORY STATEMENT

Customers under the different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the rate under which they are supplied. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the Customer and the Company as the case may require.

RIDERS	PAGE NUMBERS	RATES TO WHICH RIDERS APPLY							
		GR	GC	OL	L	IS	TSI	TSF	
Casualty	77	X	X	X	X	X	X	X	Deleted: CGS
Construction	77	-	X	-	X	X	X	X	Deleted: 8
Neighborhood Gas	78	X	-	-	-	-	-	-	Deleted: X
Receivership	80	X	X	X	X	X	X	X	Deleted: 8
Temporary Service	80	X	X	-	X	-	-	-	Deleted: X
Customer Assistance Program	81	X	-	-	-	-	-	-	Deleted: Excess Off-Peak Use 79 - X - - - - - ¶

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CASUALTY RIDER

APPLICABILITY. To service delivered during a period when a Customer is prevented for a length of time in excess of 48 hours from using all or a substantial part of the amount contracted for by reason of strike, riot, fire, storm, flood, drought, interference by civil or military authorities, or any other cause beyond the Customer's control.

NOTICE REQUIRED. Written request shall be made to the Company for the application of this rider with advice as to the extent of the interruption, its date, cause and probable duration.

GUARANTEES WAIVED. Guarantees of revenue under the Customer's contract shall be suspended during the period of the interruption, but shall be restored when the cause of interruption shall cease, be removed or remedied.

BILLS PRORATED. Bills for service supplied shall be prorated, based upon the actual level of operation during the period of suspension of guarantees.

RETURN TO NORMAL USE. The Customer shall use reasonable diligence in resuming the use of service provided in the Customer's contract.

TERM. The contract term shall be extended for a period equal to the period of suspension so that the Company shall secure a working term at full connected load equal to the term of the contract.

CONSTRUCTION RIDER

APPLICABILITY. To service supplied during a preliminary operating or construction period while the load is being built up to normal level or during a receding load period after the expiration of a standard contract term while a business is in process of dissolution.

GUARANTEE WAIVED. The guarantee minimum of a contract will be waived during the expanding load period preceding the operation within the load limits provided in the contract or the receding load period subsequent to the fulfillment of a contract term.

RIDER TERM. The total term of application of this rider during the preliminary or construction period shall be 6 months subject to the option of the Company to grant not more than two successive renewals of the rider term on major construction projects. Its application subsequent to the completion of a contract term shall be for not more than one year.

CONTRACT TERM. The termination date of a contract for service to permanent installations to which this rider is applied shall be extended for a period corresponding to the total time of the rider application during start up, construction or extension of the Customer's plant so that the Company will be assured the business represented by service to the total connected load for the term provided in the contract.

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Gas-Pa. P.U.C. No. 4
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NEIGHBORHOOD GAS PILOT RIDER (NGPR)

AVAILABILITY

The Neighborhood Gas Pilot Rider (NGPR) is available to any existing residential neighborhood that: (1) applies for natural gas service within the Company's service territory under Rate Schedules GR or CAP; (2) would be required to pay the portion of the main extension and service line project costs that exceed the Company's capital investment under Rule No. 7 – Extensions of the Company's gas service tariff ("Rule No. 7") for an extension of the Company's distribution facilities needed to furnish natural gas service to a neighborhood; and (3) meets the Program Criteria set forth below.

The NGPR will close for new main extension projects on June 30, 2026 unless the Company decides to extend this program and the extension is approved by the Commission. The Company reserves the right to suspend the pilot program if, in its sole judgment, critical safety or reliability related issues require that the resources that would be used to implement the NGPR are needed to maintain safe and reliable natural gas service to its existing customers. The Company shall be the sole judge in establishing what constitutes a neighborhood when determining the availability under this pilot program.

NATURE OF THE NGPR

The NGPR provides customers in a neighborhood an alternative method of making the payment required by Rule No. 7 when the extension of distribution facilities needed to serve eligible new customers is not economically justified based on the anticipated revenues from natural gas distribution service that would be provided to customers served by such extension. The NGPR provides for a fixed charge (NGPR Charge) to be added to the customer's bill or an option to pay via a lump sum payment. The NGPR Charge shall be calculated separately for each main extension project and shall be based on the cost of that particular project in the manner described below for each customer served from such main extension project.

PROGRAM CRITERIA

For a main extension project to qualify for the NGPR, the neighborhood must consist of 2 or more existing residences, and the cost for such project must equal or exceed \$15,000 and must meet the following additional criteria:

- (1) A minimum of twenty percent (20%) of the existing residences located along the new main extension must commit to receive natural gas service by signing an agreement prior to the start of construction;
- (2) The Company must have adequate system capacity to serve the customers that are eligible to receive natural gas service from the main extension; and
- (3) The Company's total investment under this pilot program is limited to no more than \$37,500,000 over five (5) years. The five-year period that this pilot program is in effect shall commence on July 1, 2021 and, as set forth above, shall close on June 30, 2026.

CALCULATION OF THE NGPR CHARGE

A Net Present Value (NPV) economic test (based on 40 years of revenue for each customer) shall be used to determine the payment required by Rule No. 7.

Pursuant to Rule No. 7, if the NPV of the capital investment (excluding 40 feet gas main allotment per existing residences) and the associated estimated revenues is less than zero, a customer is required to make a payment to the Company in an amount that would produce an NPV of zero, exclusive of any tax on the NGPR. For purposes of this NGPR, however, in calculating the NPV, the anticipated revenues from natural gas service shall consist of: (1) the revenues from 20% (or greater) of eligible customers signing a contract prior to the start of construction to take natural gas service in the first year, which is one of the Program Criteria that must be satisfied for a project to be eligible for the NGPR; and (2) additional revenues will be applied in the first year based on the assumption a minimum of 66% of the eligible customers within the project area will sign a contract for natural gas service within 20 years of the completion of the project.

Capital investment shall include the total cost of new main(s) (excluding 40 feet gas main allotment per existing residence) and service facilities installed under the NGPR, excluding the costs of meters and meter installations, to serve eligible customers.

Estimated revenues shall be based on the applicable variable distribution charge rate set forth in the Company's gas service tariff, the estimated annual consumption and the portion of the fixed distribution charge that is attributable to the capital costs of a service line.

Issued September 30, 2020

Effective November 29, 2020

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Fourth Revised Page no. 79
PECO Energy Company Supersedes Third Revised Page No. 79

EXCESS OFF-PEAK USE RIDER

(This rider is in process of elimination and its application is restricted to those installations and those customers who were served under its provisions as of June 2, 1975.)

APPLICABILITY. To contracts for service under Rate GC, provided that:

- 1. All gas used under the contract to which this rider is applied is delivered to and metered at a single point.
- 2. The premises are used for purposes other than those of a private residence.

ON-PEAK MONTHS are the 5 months beginning November 16 and ending April 15.

OFF-PEAK MONTHS are the 7 months beginning April 16 and ending November 15.

ON-PEAK USE is the greatest monthly consumption of gas during any billing month within the preceding on-peak period.

EXCESS GAS is the gas used in any off-peak month in excess of on-peak use. In each off-peak month the Customer shall pay for gas used up to the on-peak use at the rate specified in the contract to which this rider is applied, and for all excess gas used at the applicable Commodity Charge ("CC") (if custom...

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
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NEIGHBORHOOD GAS PILOT RIDER (NGPR) - Continued

Because the NGPR permits payment over time, rather than a lump-sum payment prior to the start of construction of main extension projects, as Rule No. 7 requires, the NGPR Charge will recover a reasonable return on the Company's capital investment in new facilities installed pursuant to the NGPR. For purposes of the NGPR calculation, the discount rate shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

The NGPR shall be calculated to enable the project to have an NPV of zero based upon the above cost of capital. The resulting charge shall be increased by 1% by dividing the calculated rate by 0.99 to reflect an adjustment for uncollectible accounts expense.

BILLING

The NGPR Charge shall appear as a fixed monthly charge on the customer's bill.

The NGPR Charge calculated for a specific main extension will apply to all customers taking service from that main extension including any future customers that connect after the first year of the project.

For CAP customers, the NGPR charge will not be subject to the CAP discount.

If a customer fails to pay the full amount of any bill, a late payment charge of one and one-half percent (1.5%) per month will accrue on the portion of the bill that is unpaid on the due date.

PAYMENT TERMS

NGPR Charges shall be calculated based on input data specific to each project undertaken pursuant to the NGPR and shall be in effect for 20 years for each customer taking gas service from the main installed under this pilot within 20 years after the project has been completed.

The customer shall retain the right to pay the present value of the remaining monthly payments at any point in time during the 20 year period. Payments shall be present valued using PECO's after-tax cost of capital which shall be based on the sources as described above.

Service shall not be terminated for non-payment of this charge during the pilot program.

~~The STATE TAX ADJUSTMENT CLAUSE applies to this rider.~~

Deleted: Fifth Year Evaluation – At the fifth anniversary of the start date of the Pilot Program the Company shall review the actual penetration rate achieved on the main to the projected rate. To the extent the revised projection results in a reduction of the NGPR, the Company shall modify the rate going forward. If an increase in the NGPR is the result of the analysis, the rate shall not change.¶

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PECO Energy Company

Gas-Pa. P.U.C. No. 4
Original Page No. 80

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RECEIVERSHIP RIDER

APPLICABILITY. To service supplied a Receiver-Trustee for the continued operation of a property formerly under contract for its gas service requirements.

AUTHORITY FOR OPERATION. The Receiver-Trustee shall possess the authority under appointment by Court, through an order duly entered, to operate premises recited in a contract for gas service under which the Company has been supplying gas.

ACCEPTANCE. The Receiver-Trustee shall accept and adopt for the continuation of the supply of gas service the contract therefore in effect, including all of its provisions, and agree to pay the Company for all service furnished hereunder during the receivership-trusteeship at the rate specified therein.

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BILLING. The Company reserves the right to render bills on a biweekly basis. To provide for biweekly billing under this rider, the provisions of the applicable rate and rider, if any, will be modified as follows:

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- (a) Where applicable, all references to monthly or month will be changed to biweekly or biweek.
- (b) Where applicable, the commodity charge will be determined on a monthly basis and multiplied by 14/30ths (0.4667).
- (c) The monthly rate per lighting device for Rate OL will be multiplied by 0.4667.
- (d) The minimum charge will be determined on a monthly basis and such sum will then be multiplied by 0.4667 to determine the minimum charge for the billing period.
- (e) A discount of 0.4% will be applied to the total bill.
- (f) A bill will be rendered biweekly covering the charges for the preceding billing period and such bill shall be paid within fifteen (15) days after receipt thereof.

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CONTRACT TERM. The completion of the term of the contract taken over, or as terminated by the discharge of the Receiver-Trustee, or as arranged with the Receiver-Trustee for the continuation of supply under the standard terms of this Tariff.

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TEMPORARY SERVICE RIDER

APPLICABILITY. To the supply of service for a temporary period.

AVAILABILITY. Temporary service will be supplied only when the Company has available unsold capacity from which to furnish it and its supply will not in any way interfere with service to other Customers.

INVESTMENT IN SUPPLY FACILITIES. The cost of the connection and disconnection of the service supply and of any equipment and extension of facilities required to furnish the temporary service under the applicable rate shall be paid by the Customer, but such payment shall not confer upon, nor entitle the Customer to any title to, or right of property in, said facilities and equipment.

MINIMUM TERM. Application of this rider shall not, for billing purposes, be considered to be for a period of less than one month.

CONTRACT TERM. Short term arrangements as agreed upon.

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PECO Energy Company

Gas Pa. P.U.C. No. 4
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Customer Assistance Program (CAP) Rider

AVAILABILITY:

To payment-troubled customers who are currently served under or otherwise qualify for Rate GR (excluding multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for the rates contained in this rider and must demonstrate annual household gross income at or below 150% of the Federal Poverty guidelines. Customers must be on budget billing, will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. Based on the applicable level of income number of household members, and their historical usage CAP customers

will receive a Fixed Credit Option ("FCO") based upon that individual household's need. The details of the FCO calculation can be found in the PECO Universal Service and Energy Conservation Plan at Docket No. M-2015-2507139.

DISCOUNT LEVELS: The Company will modify the level of discounts every quarter to adjust for changes in the Customer's usage as well as any Rates changes which may have occurred.

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CERTIFICATION/VERIFICATION Prior to enrollment in the CAP Rider, and then again every two years, customers must verify, to PECO's satisfaction, that their household income level meets the "Availability" standards set forth in this Rider. Customers being considered for the CAP Rider will be required to:

- Provide information sufficient to demonstrate to PECO their household income level.
- Waive certain privacy rights to enable PECO to effectively conduct the above certification process.
- Participate in energy reduction and conservation programs offered by PECO if identified as high-usage.

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CAP customers are also encouraged to apply for a Low Income Home Energy Assistance Program ("LIHEAP") grant each LIHEAP season.

PECO may, at its sole discretion, supplement this verification process by using data from Commonwealth or federal government programs which demonstrate the income eligibility of its customers. Such data may come from a customer's participation in, or receipt of benefits from, the Low Income Home Energy Assistance Program, Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income, and Medicaid. Information available from the Pa. Department of Revenue may also be used where appropriate to expedite the process.

MINIMUM CHARGE. The minimum charge per month will be \$25, or if the customer can demonstrate exclusive non-house heating use the minimum charge will be \$10.

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ARREARAGE.

Customers who qualify and are enrolled in CAP will have their pre-program arrearage ("PPA") forgiven if the customer pays his / her new, discounted CAP bill on time and in full each month. With every full and on-time monthly payment, one-twelfth of the PPA will be forgiven. PECO allows for customers who may have missed a PPA "forgiveness" due to late or missed payments to "catch-up" on missed forgivenesses whenever a customer brings their bill current during the initial 12-month period of PPA set-up, PECO will forgive any missed forgivenesses the customer did not receive during that time. If the customer brings their bill current after the 12-month period or beyond, PECO will forgive all missed forgivenesses

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Issued September 30, 2020

Effective November 29, 2020

Comparison of Residential Customer Charges for Pennsylvania Natural Gas Distribution Utilities

<u>Company</u>	<u>Current Residential Customer Charge</u>
Columbia Gas of Pennsylvania	\$ 16.75
National Fuel	\$ 12.00
Peoples Gas (<i>Formerly Peoples TWP</i>)	\$ 15.75
Peoples Natural Gas	\$ 14.50
Philadelphia Gas Works	\$ 13.75
UGI	\$ 14.60
PECO Current	\$ 11.75
PECO Proposed	\$ 16.00

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Residential (GR)

Line		PRESENT RATES		PROPOSED RATES			
		Bills	Rate	Revenue	Rate	Revenue	
1	Customer Charge						
2	Base Rate	5,932,690	\$ 11.75	\$ 69,709,108	\$ 16.00	\$ 94,923,040	
3							
4	Total Customer Charge Revenue			<u>\$ 69,709,108</u>		<u>\$ 94,923,040</u>	
5							
6	Variable Distribution Charges						
7	Base Rate	41,968,538	\$ 3.7869	\$ 158,930,655	\$ 4.5360	\$ 190,369,948	
8	CAP Discount - Distribution - Shortfall			\$ (5,149,590)		\$ (6,425,575)	
9	CAP Discount - Distribution - USFC Deferral			\$ (4,083,412)		\$ (5,095,215)	
10	Distribution System Improvement Charge (DSIC)			\$ 10,043,896		\$ -	
11	Tax Reform (TCJA) - Base Rate Impact			\$ 2,824,971		\$ -	
12							
13	Total Variable Distribution Revenue			<u>\$ 162,566,520</u>		<u>\$ 178,849,158</u>	
14							
15	Revenue Annualization			\$ 1,292,610		\$ 1,523,538	
16	CAP Annualization			\$ (40,128)		\$ (47,297)	
17							
18	Adjusted Total Distribution Revenue			<u>\$ 233,528,109</u>		<u>\$ 275,248,439</u>	

**PECO Energy Company (Gas)
Rate Year Ended June 30, 2022**

Proof of Revenue at Present and Proposed Rates - General Service Commercial & Industrial (GC)

Line		PRESENT RATES			PROPOSED RATES	
		<u>Bills</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
1	Customer Charge					
2	Base Rate	533,403	\$ 28.55	\$ 15,228,656	\$ 40.00	\$ 21,336,120
3						
4	Total Customer Charge Revenue			\$ 15,228,656		\$ 21,336,120
5						
6	Variable Distribution Charges	<u>mcf</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
7	Base Rate - First 200 mcf	17,966,034	\$ 3.7319	\$ 67,047,444	\$ 4.5625	\$ 81,970,921
8	Base Rate - Over 200 mcf	4,419,724	\$ 2.5924	\$ 11,457,692	\$ 3.1694	\$ 14,007,955
9						
10	Negotiated Gas Sales	15,258	Negotiated	\$ 128,927	Negotiated	\$ 128,927
11						
12	Distribution System Improvement Charge (DSIC)			\$ 5,260,407		\$ -
13	Tax Reform (TCJA) - Base Rate Impact			\$ 1,229,386		\$ -
14				\$ -		
15	Total Variable Distribution Charge Revenue			\$ 85,123,855		\$ 96,107,803
16						
17	Annualization			\$ 226,200		\$ 264,726
18						
19	Adjusted Total Distribution Revenue			\$ 100,578,711		\$ 117,708,649

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Outdoor Lighting (OL)

Line		Units	PRESENT RATES		PROPOSED RATES	
			Rate	Revenue	Rate	Revenue
1	Manufacturer-Rated Input to Lighting Devices (lamp-based)					
2	When <u>NOT</u> in Conjunction With Service Under Other Gas Rates					
3	Up to 1,999 Btu/Hr	24	\$ 5.4703	\$ 131	\$ 8.8517	\$ 212
4	2,000-2,499 Btu/Hr	12	\$ 6.3638	\$ 76	\$ 10.2975	\$ 124
5	2,500-2,999 Btu/Hr	-	\$ 7.1434	\$ -	\$ 11.5590	\$ -
6	3,000-3,499 Btu/Hr	-	\$ 7.9749	\$ -	\$ 12.9045	\$ -
7				<u>\$ 208</u>		<u>\$ 336</u>
8	When in Conjunction With Service Under Other Gas Rates					
9	Up to 1,999 Btu/Hr	12	\$ 2.7224	\$ 33	\$ 4.4052	\$ 53
10	2,000-2,499 Btu/Hr	-	\$ 3.6365	\$ -	\$ 5.8844	\$ -
11	2,500-2,999 Btu/Hr	-	\$ 4.4058	\$ -	\$ 7.1292	\$ -
12	3,000-3,499 Btu/Hr	12	\$ 5.2473	\$ 63	\$ 8.4909	\$ 102
13				<u>\$ 96</u>		<u>\$ 155</u>
14						
15	Distribution System Improvement Charge (DSIC)			\$ 94		\$ -
16	Tax Reform (TCJA) - Base Rate Impact			\$ 22		\$ -
17						
18	Total Lamp-Based Distribution Revenue			<u>\$ 419</u>		<u>\$ 491</u>
19						
20	Annualization			\$ 4		\$ 5
21						
22	Adjusted Total Distribution Revenue			<u><u>\$ 423</u></u>		<u><u>\$ 495</u></u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Large Load Factor (L)

Line		PRESENT RATES		PROPOSED RATES		
		<u>Bills</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
1	Customer Charge					
2	Base Rate	48	\$ 260.00	\$ 12,480	\$ 260.00	\$ 12,480
3						
4	Total Customer Charge Revenue			<u>\$ 12,480</u>		<u>\$ 12,480</u>
5						
6	Variable Distribution Charges (mcf-based)	<u>mcf</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
7	Base Rate - First 50% of usage	8,279	\$ 5.3835	\$ 44,572	\$ 9.0400	\$ 74,846
8	Base Rate - Additional usage	8,279	\$ 1.6352	\$ 13,538	\$ 2.7458	\$ 22,734
9						
10	Distribution System Improvement Charge (DSIC)			\$ 3,889		\$ -
11	Tax Reform (TCJA) - Base Rate Impact			\$ 918		\$ -
12						
13	Total Variable Distribution Charge Revenue			<u>\$ 62,918</u>		<u>\$ 97,579</u>
14						
15	Annualization			\$ 77		\$ 112
16						
17	Adjusted Total Distribution Revenue			<u><u>\$ 75,475</u></u>		<u><u>\$ 110,172</u></u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Motor Vehicles - Firm (MV-F)

Line		PRESENT RATES		PROPOSED RATES		
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charge					
2	Base Rate	180	\$ 34.00	\$ 6,120	\$ 40.00	\$ 7,200
3						
4	Total Customer Charge Revenue			<u>\$ 6,120</u>		<u>\$ 7,200</u>
5						
6	Variable Distribution Charges					
7	Base Rate	442,071	\$ 0.9797	\$ 433,097	\$ 1.2764	\$ 564,277
8	Distribution System Improvement Charge (DSIC)			\$ 29,060		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 5,908		\$ -
10						
11	Total Variable Distribution Charge Revenue			<u>\$ 468,065</u>		<u>\$ 564,277</u>
12						
13	Annualization			\$ 321		\$ 387
14						
15	Adjusted Total Distribution Revenue			<u><u>\$ 474,506</u></u>		<u><u>\$ 571,865</u></u>

**PECO Energy Company (Gas)
Rate Year Ended June 30, 2022**

Proof of Revenue at Present and Proposed Rates - Motor Vehicles - Interruptible (MV-I)

Line		PRESENT RATES			PROPOSED RATES	
		<u>Bills</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
1	Customer Charge					
2	Base Rate	24	\$ 34.00	\$ 816	\$ 40.00	\$ 960
3						
4	Total Customer Charge Revenue			<u>\$ 816</u>		<u>\$ 960</u>
5						
6	Variable Distribution Charges	<u>mcf</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
7	Flex Rate	670	\$ 6.0484	\$ 4,054	\$ 6.8519	\$ 4,592
8	Distribution System Improvement Charge (DSIC)			\$ 125		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 25		\$ -
10						
11	Total Variable Distribution Charge Revenue			<u>\$ 4,204</u>		<u>\$ 4,592</u>
12						
13	Annualization			\$ 1.4		\$ 1.5
14						
15	Adjusted Total Distribution Revenue			<u><u>\$ 5,022</u></u>		<u><u>\$ 5,554</u></u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022
Proof of Revenue at Present and Proposed Rates - Interruptible Service (IS)

Line		PRESENT RATES			PROPOSED RATES	
		<u>Bills</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
1	Customer Charge					
2	Base Rate	24	\$ 217.89	\$ 5,229	\$ 217.89	\$ 5,229
3						
4	Total Customer Charge Revenue			<u>\$ 5,229</u>		<u>\$ 5,229</u>
5						
6	Variable Distribution Charges	<u>mcf</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
7	Flex Rate	40,050	\$ 0.6852	\$ 27,441	\$ 0.7425	\$ 29,735
8	Distribution System Improvement Charge (DSIC)			\$ 1,959		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 335		\$ -
10						
11	Total Variable Distribution Charge Revenue			<u>\$ 29,735</u>		<u>\$ 29,735</u>
12						
13	IS Revenue Adjustment			\$ (34,964)		\$ (34,964)
14						
15	Adjusted Total Distribution Revenue			<u>\$ -</u>		<u>\$ -</u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Temperature Controlled Service (TCS)

Line		PRESENT RATES		PROPOSED RATES		
		<u>Bills</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
1	Customer Charge					
2	Base Rate	372	\$ 125.00	\$ 46,500	\$ 175.00	\$ 65,100
3						
4	Total Customer Charge Revenue			<u>\$ 46,500</u>		<u>\$ 65,100</u>
5						
6	Variable Distribution Charges	<u>mcf</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
7	Flex Rate	178,588	\$ 3.3268	\$ 594,133	\$ 3.8038	\$ 679,306
8	Distribution System Improvement Charge (DSIC)			\$ 39,695		\$ -
9	Tax Reform (TCJA) - Base Rate Impact			\$ 8,512		\$ -
10						
11	Total Variable Distribution Charge Revenue			<u>\$ 642,340</u>		<u>\$ 679,306</u>
12						
13	Annualization			\$ 993		\$ 1,073
14						
15	Adjusted Total Distribution Revenue			<u><u>\$ 689,833</u></u>		<u><u>\$ 745,479</u></u>

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Interruptible (TS-I)

Line	Customer Charges	Bills	PRESENT RATES		PROPOSED RATES	
			Rate	Revenue	Rate	Revenue
1	Customer Charges					
2	No backup (TSI)					
3	>= 18,000 mcf annually	936	\$ 260.00	\$ 243,360	\$ 299.00	\$ 279,864
4	< 18,000 mcf annually	1,320	\$ 219.00	\$ 289,080	\$ 251.00	\$ 331,320
5						
6	Rate L backup (TSL)					
7	>= 18,000 mcf annually	324				
8	TS-I Base Rate		\$ 260.00	\$ 84,240	\$ 299.00	\$ 96,876
9	TS-F Duel Fuel		\$ 109.00	\$ 35,316	\$ 125.00	\$ 40,500
10	< 18,000 mcf annually	-				
11	TS-I Base Rate		\$ 219.00	\$ -	\$ 251.00	\$ -
12	TS-F Duel Fuel		\$ 109.00	\$ -	\$ 125.00	\$ -
13						
14	Rate GC backup (TSG)					
15	>= 18,000 mcf annually	84				
16	TS-I Base Rate		\$ 260.00	\$ 21,840	\$ 299.00	\$ 25,116
17	TS-F Duel Fuel		\$ 109.00	\$ 9,156	\$ 125.00	\$ 10,500
18	< 18,000 mcf annually	204				
19	TS-I Base Rate		\$ 219.00	\$ 44,676	\$ 251.00	\$ 51,204
20	TS-F Duel Fuel		\$ 109.00	\$ 22,236	\$ 125.00	\$ 25,500
21						
22	Total Customer Charge Revenue			<u>\$ 749,904</u>		<u>\$ 860,880</u>
23	<i>(TS-I continued on next page...)</i>					

**PECO Energy Company (Gas)
Rate Year Ended June 30, 2022**

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Interruptible (TS-I)

Line		PRESENT RATES		PROPOSED RATES	
		mcf	Rate	Revenue	Rate
24	Variable Distribution Charges				
25	No Backup (TSI)				
26	>= 18,000 mcf annually	4,662,048	\$ 0.6613	\$ 3,083,012	\$ 1.0647 \$ 4,963,843
27	< 18,000 mcf annually	719,057	\$ 1.2418	\$ 892,925	\$ 1.9994 \$ 1,437,666
28	Negotiated Gas Sales	5,215,735	Negotiated	\$ 503,921	Negotiated \$ 503,921
29					
30	Rate L Backup (TSL)				
31	>= 18,000 mcf annually				
32	Commodity TSI Mcf	1,085,202	\$ 0.6613	\$ 717,644	\$ 1.0647 \$ 1,155,451
33	Commodity TSF Mcf	368,810	\$ 0.8297	\$ 306,001	\$ 1.1859 \$ 437,365
34	Additional Commodity (15 days TCQ)	33,193	\$ 0.8297	\$ 27,540	\$ 1.1859 \$ 39,363
35	< 18,000 mcf annually				
36	Commodity TSI Mcf	-	\$ 1.2418	\$ -	\$ 1.9994 \$ -
37	Commodity TSF Mcf	-	\$ 1.7384	\$ -	\$ 2.4847 \$ -
38	Additional Commodity (15 days TCQ)	-	\$ 1.7384	\$ -	\$ 2.4847 \$ -
39	Negotiated Gas Sales				
40	Commodity TSI Mcf	1,305,695	Negotiated	\$ 716,560	Negotiated \$ 716,560
41	Commodity TSF Mcf	880,303	\$ 0.8297	\$ 730,387	\$ 1.1859 \$ 1,043,937
42					
43	Rate GC Backup (TSG)				
44	>= 18,000 mcf annually				
45	Commodity TSI Mcf	37,681	\$ 0.6613	\$ 24,918	\$ 1.0647 \$ 40,120
46	Commodity TSF Mcf	20,380	\$ 0.8297	\$ 16,909	\$ 1.1859 \$ 24,168
47	Additional Commodity (15 days TCQ)	5,706	\$ 0.8297	\$ 4,735	\$ 1.1859 \$ 6,767
48	< 18,000 mcf annually				
49	Commodity TSI Mcf	117,821	\$ 1.2418	\$ 146,310	\$ 1.9994 \$ 235,568
50	Commodity TSF Mcf	38,325	\$ 1.7384	\$ 66,625	\$ 2.4847 \$ 95,226
51	Additional Commodity (15 days TCQ)	3,449	\$ 1.7384	\$ 5,996	\$ 2.4847 \$ 8,570
52	<i>(TS-I continued on next page...)</i>				

PECO Energy Company (Gas)
Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Interruptible (TS-I)

Line		<u>PRESENT RATES</u>	<u>PROPOSED RATES</u>
		<u>Revenue</u>	<u>Revenue</u>
53			
54	Distribution System Improvement Charge (DSIC)	\$ 997,900	\$ -
55	Tax Reform (TCJA) - Base Rate Impact	\$ 200,330	\$ -
56			
57	Balancing Charge (credited to PGC)	\$ 119,122	\$ 119,122
58	Standby Sales Demand Charge (credited to PGC)	\$ 49,407	\$ 49,407
59	Standby Sales Commodity Charge (credited to PGC)	\$ 14,718	\$ 14,718
60	Distribution and Commodity Charge IS (credited to PGC)	\$ 131,259	\$ 131,259
61	Penalty Charges (Excess and Unauthorized Use) (credited to PGC)	\$ 2,660	\$ 2,660
62			
63	Total Variable Distribution Charge Revenue	<u>\$ 8,758,879</u>	<u>\$ 11,025,690</u>
64			
65	Adjusted Total Distribution Revenue	<u>\$ 9,508,783</u>	<u>\$ 11,886,570</u>

PECO Energy Company (Gas)

Rate Year Ended June 30, 2022

Proof of Revenue at Present and Proposed Rates - Gas Transportation Service - Firm (TS-F)

Line		PRESENT RATES			PROPOSED RATES	
		Bills	Rate	Revenue	Rate	Revenue
1	Customer Charges					
2	>= 18,000 mcf annually (TFL)	1,488	\$ 199.00	\$ 296,112	\$ 249.00	\$ 370,512
3	< 18,000 mcf annually (TFG)	4,008	\$ 166.00	\$ 665,328	\$ 208.00	\$ 833,664
4						
5	Total Customer Charge Revenue			\$ 961,440		\$ 1,204,176
6						
7	Variable Distribution Charges	mcf	Rate	Revenue	Rate	Revenue
8	>= 18,000 mcf annually (TFL)					
9	Negotiated Gas Sales	2,372,500	Negotiated	\$ 877,825	Negotiated	\$ 877,825
10	Commodity TSF Mcf	6,714,487	\$ 0.8297	\$ 5,571,009	\$ 1.1859	\$ 7,962,596
11	Additional Commodity (15 days TCQ)	1,859,565	\$ 0.8297	\$ 1,542,881	\$ 1.1859	\$ 2,205,226
12	< 18,000 mcf annually (TFG)					
13	Commodity TSF Mcf	2,307,094	\$ 1.7384	\$ 4,010,652	\$ 2.4847	\$ 5,732,391
14	Additional Commodity (15 days TCQ)	1,474,057	\$ 1.7384	\$ 2,562,501	\$ 2.4847	\$ 3,662,560
15						
16	Distribution System Improvement Charge (DSIC)			\$ 622,974		\$ -
17	Tax Reform (TCJA) - Base Rate Impact			\$ 125,063		\$ -
18						
19	Balancing Charge	(credited to PGC)		\$ 59,318		\$ 59,318
20	Standby Sales Demand Charge	(credited to PGC)		\$ 293,005		\$ 293,005
21	Standby Sales Commodity Charge	(credited to PGC)		\$ 14,006		\$ 14,006
22	Penalty Charges (Excess Delivery and Unauthorized Use)	(credited to PGC)		\$ 78,550		\$ 78,550
23						
24	Total Variable Distribution Charge Revenue			\$ 15,757,784		\$ 20,885,476
25						
26	Adjusted Total Distribution Revenue			\$ 16,719,224		\$ 22,089,652

**PECO ENERGY COMPANY
STATEMENT NO. 8**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: RICHARD A. SCHLESINGER

SUBJECT: PROPOSED CHANGES TO PECO'S
GAS SERVICE AND SUPPLIER
COORDINATION TARIFFS

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. RULES AND REGULATIONS	3
III. TARIFF RATES AND RIDERS	10
IV. SECTION 1307 SURCHARGES	14
V. MISCELLANEOUS REVISIONS	27
VI. CONCLUSION.....	28

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3

**DIRECT TESTIMONY
OF
RICHARD A. SCHLESINGER**

4

I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your name and business address.**

6 A. My name is Richard A. Schlesinger. My business address is PECO Energy
7 Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO as Manager, Retail Rates. In that capacity, I am
10 responsible for the management and oversight of PECO's gas and electric retail
11 and supplier service tariffs and oversee numerous filings with the Commission.

12 **3. Q. Please describe your educational background.**

13 A. I have a Bachelor of Science Degree in Engineering from Widener University and
14 an MBA from Saint Joseph's University.

15 **4. Q. Please describe your professional experience.**

16 A. I was hired in 1986 by PECO as a System Engineer in the Plant Operations group
17 supporting the Limerick Nuclear Generating Station. From 1988 to 1991, I held
18 several positions of increasing responsibility supporting plant operations,
19 management, and quality assurance. In 1992, I transferred into the position of
20 Rate Engineer in the Rates and Regulatory Affairs Group. In 1997, I was
21 appointed to the position of Project Manager, Customer Choice Implementation,

1 and was responsible for many regulatory activities related to the phase-in of gas
2 and electric retail choice for all of PECO's two million gas and electric
3 distribution customers. In 2000, I transferred to the Company's Customer and
4 Marketing Services Department and served as e-Commerce Manager and then as
5 Project Manager, overseeing various Business/Information Technology system
6 implementations. In 2004, I returned to the Regulatory and External Affairs
7 Department, where I served as Principal Rate Administrator. In 2009, I was
8 promoted to my current position of Manager of Retail Rates.

9 **5. Q. What is the purpose of your testimony?**

10 A. My testimony will explain proposed revisions to PECO's Tariff Gas – Pa. P.U.C.
11 No. 3 ("Tariff No. 3") that have been incorporated in the Company's proposed
12 Tariff Gas – Pa. P.U.C. No. 4 ("Tariff No. 4") filed in this case, as well as several
13 relevant changes to PECO's Gas Choice Supplier Coordination Tariff. My
14 testimony divides the proposed changes into the following categories: (1) rules
15 and regulations; (2) tariff rates and riders; (3) Section 1307 surcharges; and (4)
16 various miscellaneous provisions.

17 **6. Q. Mr. Schlesinger, have you submitted testimony previously before the**
18 **Commission?**

19 A. Yes. I submitted testimony in support of PECO's Phase I, Phase II and Phase III
20 Energy Efficiency and Conservation ("EE&C") Plans (P-2008-2062740, M-2009-
21 2093215, M-2015-2515691). In addition, I submitted testimony in support of the
22 Company's Market Rate Transition Energy Efficiency Package (P-2008-2062740)

1 and its Residential Real-Time Pricing Program (P-2008-2032333). Finally, I
2 submitted testimony in PECO's 2015 and 2018 electric base rate cases at Docket
3 Nos. R-2015-2468981 and R-2018-3000164, respectively.

4 **7. Q. Are you sponsoring any exhibits in this case?**

5 A. Yes. I am sponsoring the following PECO Exhibits:

6 PECO Exhibit RAS-1 Relevant Gas Supplier Coordination Tariff Pages
7 (Including a Blackline to Show Proposed Changes)

8 PECO Exhibit RAS-2 Calculation of the Gas Procurement Charge ("GPC")

9 PECO Exhibit RAS-3 Components and Calculation of the Merchant Function
10 Charge ("MFC")

11 In addition, as explained by Mr. Joseph A. Bisti in PECO Statement No. 7, the
12 various retail tariff changes that I am discussing are shown in PECO Exhibit JAB-
13 2, the Company's proposed Tariff No. 4 in blackline format. Accordingly, I will
14 refer to PECO Exhibit JAB-2 in certain points in my testimony.

15 **II. RULES AND REGULATIONS**

16 **8. Q. Please explain the proposed revision to Rule 10.2 – Customer's**
17 **Responsibility.**

18 A. Rule 10.2 specifies the customer's responsibility for safekeeping Company
19 property located on the customer's premises, including underground gas facilities.
20 PECO is proposing to expand the scope of the rule to address customers with
21 privately-owned or operated underground utility facilities on their premises, such
22 as water, sewer, and gas lines. These customers may have obligations as facility

1 owners under the Pennsylvania Underground Utility Line Protection Law (Act
2 287) to participate in Pennsylvania One Call and provide approximate locations of
3 such facilities with temporary markings in response to related One Call
4 notifications. During the Company's repair and replacement work on its own
5 underground facilities, PECO has discovered that some customers are either
6 unwilling or unable to comply with these obligations and, as a result, fail to locate
7 these privately-owned facilities in a manner that safeguards Company property.
8 As a result, PECO incurs additional expense to locate and mark the privately-
9 owned or operated facilities to ensure safe excavation and complete the required
10 underground work on the Company's facilities.

11 PECO is therefore proposing to add language to Rule 10.2 to identify Act 287
12 obligations that may apply to customers and to permit the Company to charge a
13 customer for any incremental costs incurred by the Company as a result of the
14 customer's failure to comply with Act 287 obligations. The proposed additions
15 also provide that the Company shall not be liable to customers or any other third
16 parties for any damages to private utility facilities if: (1) the facilities are
17 insufficiently marked prior to the lawful start date of any Company excavation or
18 construction work, or (2) the Company is unable to notify a facility owner of its
19 intent for excavation or similar work covered under Act 287 because the facility
20 owner is not a member of the Pennsylvania One Call system. These changes are
21 consistent with wording in the Company's Electric Service Tariff (Rule 10.2) that
22 was approved by the Commission in Docket No. R-2018-3000164, effective
23 January 1, 2019.

1 **9. Q. Please describe the revisions that PECO is proposing to Rule 10.7 –**
2 **Relocation of Company Facilities Requested by Non-Residential Property**
3 **Owners.**

4 A. Rule 10.7 specifies the terms under which a non-residential customer must
5 compensate PECO for the cost of relocating PECO’s facilities. When commercial
6 developers plan projects, they usually must go through local zoning and planning
7 approval. Often, municipalities will require the developer to make changes to
8 local roadways, such as road widening or installation of deceleration lanes, that
9 require PECO to move its facilities to a new location. PECO considers the cost of
10 that facility relocation to be a cost of the developer’s project that is properly
11 recovered from the developer. The alternative is to have the facility relocation
12 funded by PECO capital in the short run and then later have that capital
13 expenditure included in PECO’s base rates and paid for by its other customers.
14 PECO’s current tariff recognizes that such costs are properly treated as developer
15 project costs.

16 The existing tariff language, however, also allows for the possibility of a
17 developer avoiding cost responsibility by having a municipal entity make the
18 relocation request on the developer’s behalf. The proposed revision to Rule 10.7
19 makes it clear that these facility relocation costs remain the responsibility of the
20 developer regardless of what entity requests the relocation. The revision also
21 clarifies the meaning of relocation cost. The proposed language is consistent with
22 wording in the Company’s Electric Service Tariff (Rule 10.8) that was approved
23 by the Commission at Docket No. R-2018-3000164, effective January 1, 2019.

1 **10. Q. Please describe the revisions that PECO is proposing to Rule 12.3 of its Rules**
2 **and Regulations.**

3 A. Rule 12.3 sets forth limitations on PECO’s liability for utility service provided to
4 its natural gas utility customers. PECO is proposing three changes to this
5 language. First, Rule 12.3 currently contains a list of events outside of the
6 Company’s control -- typically known as “force majeure” events -- for which
7 PECO has very limited or no liability. PECO proposes to add “weather” to that
8 list of events. This change is consistent with the existing list of force majeure
9 events in PECO’s Electric Service Tariff.

10 Second, PECO proposes to add language limiting its liability to \$1,000 (or, if
11 greater, an amount equal to two times the charge to the customer for the service
12 affected by the interruption) for events that are not force majeure events -- that is,
13 for events that are within PECO’s control -- unless the damage is caused by
14 PECO’s willful and/or wanton misconduct, in which case the \$1,000 limit will not
15 apply. This provision is also consistent with language in the Company’s Electric
16 Service Tariff and similar to language in Peoples Natural Gas Company LLC’s
17 (“Peoples”) Natural Gas Tariff for its Peoples and Equitable Divisions.¹

18 Finally, PECO proposes to add language related to product liability. In 2012, the
19 Pennsylvania Superior Court held that, if certain specified language was included
20 in a utility tariff, the utility would not be exposed to product liability claims;

¹ See Peoples Natural Gas Company LLC Supplement No. 2 to Gas – PA PUC No. 47, First Revised Page No. 22; see also Docket No. R-2018-3006818 (Order entered October 3, 2019).

1 conversely, in the absence of such language the utility would be exposed to
2 certain product liability claims.² In 2013, in Docket No. R-2013-2361111, the
3 Commission approved inclusion of specific product liability limiting language in
4 PECO's Electric Service Tariff. PECO now proposes to include that same
5 language in its Natural Gas Service Tariff.³

6 **11. Q. Please explain the Company's proposal to add a Rule 14.6 to the**
7 **Measurement section of its Rules and Regulations.**

8 A. The Company is proposing to add a new provision to require Gas Transportation
9 Service customers under PECO's High Volume Transportation ("HVT") program
10 who are using PECO's telemetry equipment to remotely read PECO's meters (i.e.,
11 the Metrotek system) to maintain either a single dedicated non-digital phone line
12 or use a digital line in conjunction with telemetry equipment that converts the
13 signal to analog to ensure that PECO can receive daily usage data for proper gas
14 supplier balancing. The Metrotek system can only accept data via an analog
15 signal, therefore, a non-digital line or conversion equipment is needed.

16 PECO is also proposing that a customer who fails to maintain a working non-
17 digital phone line may be switched to the General Service Commercial and
18 Industrial rate ("GC"), or under certain circumstances, disconnected from service.
19 The proposed Rule 14.6 would clarify telemetry requirements and is consistent

² *State Farm v. PECO*, 54 A. 3d 921 (Pa. Super. 2012).

³ A similar provision is also found in the Peoples Natural Gas Tariff for its Peoples and Equitable Divisions. *See* Peoples Natural Gas Company LLC Supplement No. 2 to Gas – PA PUC No. 47, First Revised Page No. 22.

1 with the requirement contained in the Company’s gas transportation services
2 contract.

3 **12. Q. Please explain the proposed revision to Rule 15.6 – Testing Service.**

4 A. Rule 15.6 allows PECO to charge customers who request tests to provide special
5 information regarding their use of service. The current rule requires customers to
6 pay PECO in advance for such special tests. PECO is proposing to revise the rule
7 by deleting the term “in advance” and adding “at the Company’s discretion.” The
8 revision will provide PECO with greater flexibility when charging customers for
9 special testing based on specific customer circumstances.

10 **13. Q. Please describe the changes PECO is proposing with regard to reconnection
11 fees (Rule 17.6).**

12 A. Rule 17.6 establishes reconnection fees for terminations associated with non-
13 payment, as well as fees for investigation and remediation of theft or
14 fraud. PECO proposes to separate these two fees into distinct tariff rules. Rule
15 17.6 will continue to address reconnection fees for terminations associated with
16 non-payment at the same levels set forth in PECO’s existing Natural Gas Service
17 Tariff. A new Rule 17.7 will be created to separately address fees for
18 investigation and remediation of theft or fraud.

19 Under Rule 17.7, PECO is proposing a \$460 fee for reconnection, which is
20 consistent with the average cost that PECO incurs for field personnel to
21 investigate and remediate theft or fraud. In addition, PECO believes that a \$460

1 charge creates a proper balance between on the one hand, deterring theft and fraud
2 and, on the other hand, allowing customers a reasonable opportunity to
3 rehabilitate themselves through payment of the \$460 charge and, thus, obtain
4 legal, safe service going forward. Finally, PECO believes that it will achieve
5 savings in information technology (“IT”) costs if PECO is able to have charges of
6 the same amount for gas theft or fraud and for electric theft or fraud. To that end,
7 PECO currently expects that, in its next electric base rate case, it will propose
8 similar changes to its Electric Service Tariff, including the same fees.

9 **14. Q. Please describe the proposed change to Rule 18.3 - Temporary Suspension of**
10 **Service.**

11 A. Rule 18.3 establishes a \$30 reconnection charge following a temporary
12 suspension of service. The reconnection charge amount has not been updated
13 since 1991. PECO is proposing to increase this charge to \$115 to reflect an
14 updated analysis of the O&M costs associated with suspending a customer’s
15 service and the cost to reconnect the service. In addition, PECO is proposing to
16 expand this rule to commercial customers because the analysis has shown that
17 over 60% of the temporary suspension requests received are from commercial
18 customers.

1 **III. TARIFF RATES AND RIDERS**

2 **15. Q. Please explain the changes that PECO is proposing to Rate L - Large High**
3 **Load Factor Service.**

4 A. PECO is proposing two changes to Rate L. First, PECO proposes to change the
5 Variable Distribution Charge (“VDC”) structure for Rate L to align with current
6 business practice and ensure that Transportation Service customers who use Rate
7 L in accordance with PECO’s Standby Sales Service (“SSS”) continue to receive
8 favorable billing provisions. PECO’s current practice provides that usage under
9 Rate L is billed at 100% Load Factor (i.e., 50% of the customer’s usage is billed
10 in the 1st price block and the remaining 50% in the 2nd price block) and, for that
11 reason, customers see more usage billed at the lower 2nd block pricing. This
12 practice will be incorporated in the terms of the proposed Rate L. Second, the
13 section dealing with the determination of billing demand under Rate L will be
14 eliminated, and the minimum charge section will be revised to also align with
15 current business practice.

16 **16. Q. Please describe the change the Company is proposing to Rate CGS – City**
17 **Gate Sales Service.**

18 A. PECO is proposing to eliminate Rate CGS and all references to CGS stated in the
19 PECO Retail Gas Tariff (*see* PECO Exhibit JAB-2). The CGS rate was
20 established in May of 1992 to allow HVT service customers to buy gas from
21 PECO rather than from a competitive gas supplier. The Company believes the
22 rate is now obsolete because large and small customers may now directly access

1 the competitive gas supply market. The single customer that was on Rate CGS
2 agreed to switch to Rate TS-I (Gas Transportation Service – Interruptible)
3 effective November 2019. As a result of the switch, the customer is no longer
4 required to pay an additional CGS service charge, which has resulted in a monthly
5 bill savings for that customer.

6 **17. Q. Please describe any other tariff changes that are required as a result of**
7 **eliminating Rate CGS.**

8 A. PECO is also proposing to remove all references to Rate CGS that are contained
9 in the Company’s Gas Supplier Coordination Tariff, as shown in PECO Exhibit
10 RAS-1.

11 **18. Q. Please explain the Company’s proposal to align interruption starting and**
12 **ending times for Rate TCS – Temperature Controlled Service with Rate TS-I**
13 **– Gas Transportation Service – Interruptible, Rate IS -Interruptible Service,**
14 **and Rate MV-I – Motor Vehicle Service-Interruptible.**

15 A. Although Rates TCS, TS-I, IS and MV-I are all interruptible rates, under PECO’s
16 current operating practice, TCS has an interruption time period that differs from
17 the others. The 24-hour period for Rate TCS runs from 12 noon to 12 noon, while
18 the TS-I, IS and MV-I interruptible 24-hour periods run from 10:00 a.m. to 10:00
19 a.m. The different interruption start times can cause confusion and non-
20 compliance for customers with accounts under two or more of these rates. PECO
21 is proposing to change the Rate TCS interruptible period to 10:00 a.m. to 10:00

1 a.m. (the “gas day”) and to identify the interruption time period in the Quality of
2 Service section of each of the interruptible rates for clarity and consistency.

3 **19. Q. Please describe the proposed changes to Transportation Service Rule 2.7 –**
4 **Operational Pooling and Balancing Service.**

5 A. PECO is proposing to eliminate the Operational Pooling and Balancing Service in
6 order to align its Natural Gas Service Tariff with current business practices. Since
7 the Pooling Program was initiated in 1994 as part of the HVT program, no
8 supplier has ever requested operational pooling and balancing service. Therefore,
9 PECO has never implemented an Operational Pooling and Balancing Agreement
10 as provided for under Rule 2.7. PECO attributes the lack of supplier participation
11 to the greater amount of flexibility offered to the customers, and thus utilized by
12 their suppliers, under Section 1.5, Service Agreement, and Section 2.4, Allowable
13 Daily Variation, of the Gas Transportation General Terms and Conditions.
14 Considering the lack of supplier participation and the flexibility afforded
15 elsewhere in the tariff, PECO believes that eliminating the service will not
16 degrade functionality or result in a cost increase for suppliers or TS-I and TS-F
17 customers participating in the HVT program.

18 **20. Q. Please explain the change PECO is proposing for the Excess Off-Peak Use**
19 **Rider.**

20 A. PECO is proposing to eliminate the Rider, which is restricted to customers and
21 installations that were served under the Rider’s provisions as of June 2, 1975.
22 The Rider was first established in 1932 and provides a reduced VDC for usage in

1 off-peak months (defined as April 16 through November 15) that exceeds gas
2 used during any on-peak month (November 16 through April 15). A single
3 customer account takes service under the Rider, and that account is manually
4 billed. The same customer has a second gas account served under Rate GC that is
5 billed automatically by PECO's billing system. The Company is proposing to
6 move the account billed under the Rider to Rate GC so that both customer
7 accounts will be automatically billed.

8 **21. Q. Please describe any other tariff changes that are required as a result of**
9 **eliminating the Excess Off-Peak Use Rider.**

10 A. PECO is also proposing to remove all references to the Excess Off-Peak Use
11 Rider that are contained in the Company's Gas Supplier Coordination Tariff, as
12 shown in PECO Exhibit RAS-1.

13 **22. Q. Please describe the revisions that PECO is proposing to the Neighborhood**
14 **Gas Pilot Rider ("NGPR").**

15 A. As explained by Ms. Doreen L. Masalta in PECO Statement No. 9, the Company
16 is proposing to continue the gas main extension pilot program for an additional
17 five years as well as revise the calculation of the NGPR Charge to provide the
18 first 40 feet of main extension at no cost for each prospective customer in the pilot
19 project area. During the five-year pilot extension, the Company's total
20 investment would not exceed \$37.5 million.

1 **26. Q. Is the Company proposing to retain its Federal Tax Adjustment Credit**
2 **(“FTAC”) established under the TCJA Surcharge?**

3 A. Yes. The FTAC has been in place since July 1, 2018 and is designed to refund to
4 customers the amount of PECO's reduced tax expense resulting from the Tax Cuts
5 and Jobs Act of 2017 (the “TCJA”) that occurs from January 1, 2018 through
6 June 30, 2021. Pursuant to the terms of the TCJA Surcharge, the FTAC is
7 reconciled at the end of each calendar year period (January 1 through December
8 31) and will remain in place until new base rates are approved that reflect the
9 effect of the TCJA tax rate changes.

10 In this proceeding, PECO's fully projected future test year revenue requirement
11 reflects the effect of the TCJA tax rate changes and covers the non-calendar year
12 “stub” period from July 1, 2021 through June 30, 2022. However, the FTAC
13 mechanism, as described above, covers a calendar year period. In order to ensure
14 that the FTAC does not "double refund" benefits after the effects of the TCJA are
15 "rolled into” the new base rates starting on July 1, 2021, the FTAC will need to be
16 set to 0% at the same time. PECO is thus proposing to revise some of the FTAC
17 tariff language to reflect this change in timing. In addition, PECO is proposing to
18 remove some language which applied during the initial application of the FTAC
19 mechanism starting in 2018 but is now obsolete.

20 The FTAC mechanism will remain in place after July 1, 2021 to address the final
21 reconciliation and refund/recoupment associated with the TCJA tax rate change
22 from January 1, 2018 through June 30, 2021.

1 **27. Q. Please describe the change PECO is proposing to the USFC.**

2 A. The USFC, among other things, is a mechanism by which the Company returns to
3 customers funds collected in base rates for its energy efficiency programs that
4 were not expended. Pursuant to the Company’s 2010 gas base rate proceeding,
5 \$2,008,000 is collected in base rates each year for energy efficiency programs. If
6 the Company expends less than that amount annually, a credit is provided to
7 customers through the USFC.

8 In this proceeding, as explained by Ms. Masalta in PECO Statement No. 9, the
9 Company is proposing to expand its residential energy efficiency programs and
10 increase its annual expenditures to \$4.5 million. To implement this increase, the
11 gas USFC must be revised to reflect the new energy efficiency spending target.

12 **28. Q. Please describe the update PECO is proposing to the GPC.**

13 A. The GPC is comprised of non-fuel gas procurement costs incurred by the
14 Company on behalf of its Sales Service (default) customers for Rate Schedules
15 GR including CAP, GC, OL, L, and MV-F and the Excess Off-Peak Use Rider.⁴
16 In accordance with the Order entered and compliance filings made in Docket No.
17 P-2012-2328614, the current GPC (\$0.0401 per Mcf) has been effective since
18 June 1, 2013. PECO is proposing to update the GPC in this proceeding based on
19 projected costs.

⁴ As previously explained, PECO is proposing to eliminate the Excess Off-Peak Rider. Therefore, the Rider is not included in the updated calculation of the GPC.

1 **29. Q. What is the relationship between the costs included in the GPC and**
2 **distribution base rates?**

3 A. Consistent with current, Commission-approved practice, non-fuel gas
4 procurement costs will be included in the GPC and eliminated from distribution
5 base rates.

6 **30. Q. What procurement costs have been identified?**

7 A. PECO has identified and quantified the following non-fuel natural gas
8 procurement cost categories for inclusion in the GPC: Labor and Benefits,
9 Outside Legal Costs, IT-Related Gas Procurement Costs and Cash Working
10 Capital (“CWC”). In this case, PECO is proposing to continue to exclude these
11 costs from distribution base rates and to recover them through a separate GPC
12 charge, in the same manner approved by the Commission for PECO’s 2013 GPC
13 filing.

14 **31. Q. How did the Company calculate procurement-related labor and benefits**
15 **costs to be recovered in the GPC?**

16 A. The Company’s calculation of \$705,000 for procurement-related labor and
17 benefits costs is shown on PECO Exhibit RAS-2, pages 1, 2 and 3. The Company
18 determined the procurement-related work hours by Company group and then
19 calculated the associated hourly rate of \$97.00 (which includes salaries and
20 wages, other payroll, incentive compensation, pensions, benefits and payroll-
21 related taxes) to derive total procurement-related labor and benefit costs.

1 **32. Q. What Company groups were examined?**

2 A. Procurement-related work hours were determined for Gas Supply, Finance and
3 Accounting, Internal Legal, Regulatory, Risk Management and Management
4 Support. *See* PECO Exhibit RAS-2, page 2.

5 **33. Q. How was the hourly rate of \$97.00 per hour determined?**

6 A. This rate is developed in PECO Exhibit RAS-2 at page 3. Projected expenses for
7 salaries and wages, other payroll, incentive compensation, pensions, benefits and
8 payroll-related taxes were determined. These costs were divided by the number
9 of gas operations and maintenance full-time equivalent employees, and that figure
10 was divided by annual hours as adjusted for vacation, holidays and sick time.
11 This calculation produced the hourly rate of \$97.00.

12 **34. Q. Please describe how the Company determined the outside legal cost**
13 **component of the GPC.**

14 A. These costs represent external legal costs projected for the Company’s annual
15 Purchased Gas Cost (“PGC”) proceeding. PECO Exhibit RAS-2, pages 1 and 4,
16 show outside legal costs of \$60,000.

17 **35. Q. How did the Company determine the applicable GasStar information system**
18 **cost component of the GPC?**

19 A. PECO’s GasStar information system functions as the sub-ledger, transaction
20 manager, scheduler and report generator for all costs and quantities related to the

1 Company's commodity purchases, pipeline demand and storage costs. Therefore,
2 it has procurement and non-procurement-related functions. Total annual expenses
3 for the twelve months ended June 30, 2022 were \$54,000, for maintenance of the
4 GasStar system, as shown on PECO Exhibit RAS-2, page 5. This cost was
5 adjusted to include only the commodity cost-related portion of gas supply costs
6 based on an allocation factor of 66.35% taken from the Company's April 30, 2020
7 Section 1307(f) Filing for Purchased Gas Costs at Docket No. R-2020-3019661,
8 which was used for the PGC No. 37 rate filing to become effective on December
9 1, 2020. The resulting allocated cost of \$36,000 is reflected on PECO Exhibit
10 RAS-2, pages 1 and 5.

11 **36. Q. Please describe the CWC cost and resulting revenue requirement included in**
12 **the Company's proposed GPC.**

13 A. CWC costs are associated with the time lag between when the Company incurs its
14 default gas supply costs and when it receives revenue from customers for such
15 costs. That difference, or "net lag" is 6.66 days based on PECO's analysis of the
16 revenue and expense lags. The Company's CWC claim is shown on PECO
17 Exhibit RAS-2, pages 1 and 6, and is based on information from PECO Exhibit
18 MJT-1, Schedule C-4, page 23. Annual commodity and capacity fuel costs of
19 \$200,885,000 were split based on a 72.94% allocation to commodity fuel costs
20 obtained from the Company's April 30, 2020 Section 1307(f) Filing for Purchased
21 Gas Costs at Docket No. R-2020-3019661, which was used for the PGC No. 37
22 rate filing to become effective on December 1, 2020. This results in an annual
23 commodity cost of \$146,526,000. The annual commodity cost of \$146,526,000

1 was converted to a daily commodity cost of \$401,000. The net lag of 6.66 days
2 was applied to the daily commodity cost to derive an annual CWC cost of
3 \$2,671,000.

4 The associated annual revenue requirement was determined by multiplying the
5 annual CWC (\$2,671,000) by PECO's pre-tax overall cost of capital of 10.08%
6 (based on the Company's cost of capital from PECO Exhibit PRM-1, Schedule 1,
7 page 1, the composite federal and state income tax rate of 28.892%, and PECO's
8 gross revenue conversion factor of 1.40631 set forth in PECO Exhibit RAS-2,
9 page 6. The resulting annual revenue requirement of \$269,000 is reflected on
10 PECO Exhibit RAS-2, pages 1 and 6.

11 **37. Q. What are the total annual gas procurement costs PECO has included for**
12 **recovery in the Company's proposed GPC?**

13 A. As summarized on PECO Exhibit RAS-2, page 1, the total annual non-fuel
14 procurement costs included in the Company's GPC are \$1,070,000 for labor and
15 benefits, outside legal costs, GasStar costs and CWC costs. These annual non-
16 fuel procurement costs are also eliminated from distribution rates by an associated
17 distribution revenue requirement reduction.

18 **38. Q. How did you determine the GPC and the associated distribution base**
19 **revenue requirement reduction?**

20 A. The revised GPC was calculated by dividing the non-fuel procurement costs of
21 \$1,070,000 by the projected default service volumes of 46,181,931 Mcf for the

1 period July 1, 2021 through June 30, 2022 for Rate Schedules GR, CAP, GC, OL,
2 L and MV-F (see PECO Exhibit RAS-2, page 1). The resulting GPC rate is
3 \$0.0232 per Mcf. Consistent with the Commission regulation and current
4 practice, the GPC rate will be included in the Company's PGC rate (See PECO
5 Exhibit JAB-2) and will remain constant until PECO's next gas distribution base
6 rate proceeding.

7 The purpose of the distribution revenue requirement reduction is to eliminate
8 from distribution rates the procurement-related costs included in the GPC rate.
9 The associated distribution base rate reduction of \$0.0165 per Mcf for non-fuel
10 procurement costs was determined by dividing the annual gas procurement costs
11 of \$1,070,000 by the projected distribution sales volumes of 64,815,273 Mcf for
12 the period July 1, 2021 through June 30, 2022, as shown on PECO Exhibit RAS-
13 2, page 1. The resulting distribution rate reduction of \$0.0165 per Mcf is shown
14 on PECO Exhibit RAS-2, page 1.

15 The distribution revenue requirement reduction is determined by applying the
16 distribution base rate reduction of \$0.0165 per Mcf to the associated projected
17 distribution service volumes for the applicable classes of service. As noted above,
18 the overall reduction is \$1,070,000, as applied to the classes of service shown in
19 PECO Exhibit RAS-2, page 7. This distribution revenue requirement reduction is
20 factored into the Company's overall distribution revenue requirement claim in this
21 case, as discussed by Mr. Bisti in PECO Statement No. 7.

1 **39. Q. Please describe the update PECO is proposing to the MFC.**

2 A. The MFC recovers charge-offs of uncollectible PGC commodity charge revenues
3 billed to sales service (default) customers. The MFC is calculated separately for
4 three groups of customers consisting of: (1) Rate Schedules GR and CAP; (2)
5 Rate Schedule GC; and (3) Rate Schedules L, OL and MV-F. The current write-
6 off factors used to calculate the quarterly MFC rates were determined in PECO’s
7 last gas base rate case at Docket No. R-2010-2161592 (1.07% for Rate Schedules
8 GR and CAP and 0.30% for Rate Schedules GC and the Excess Off-Peak Use
9 Rider).⁵ PECO is proposing to update the write-off factors in this proceeding
10 based on current costs and use those factors to calculate the update to the MFC, as
11 it did in its previous MFC filing.

12 **40. Q. What are the updated write-off factors from this proceeding that are used to**
13 **calculate the proposed MFC and the natural gas suppliers’ Purchase of**
14 **Receivables (“POR”) discount rates?**

15 A. The updated write-off factors are 0.45% for Rate Schedule GR including CAP;
16 0.11% for Rate Schedule GC; and 0.06% for Rate Schedules L, OL and MV-F.
17 These factors are based on a three-year weighted average of charge-offs for the 12
18 months ended June 2018 through June 2020 expressed as a percentage of billed
19 revenues. Refer to PECO Exhibit RAS-3, page 1, for the determination of these

⁵ Because PECO is proposing to eliminate the Excess Off-Peak Rider, that Rider is not included in the updated calculation of the MFC.

1 factors. These factors will remain constant until the Company's next gas
2 distribution base rate proceeding.

3 **41. Q. How is the MFC determined?**

4 A. Write-off factors for each of the applicable groups of rate schedules are multiplied
5 by the Commodity Charge portion of the Company's projected PGC rate to
6 determine the MFC. Upon completion of this proceeding, the approved write-off
7 factors will be applied to the then-existing Commodity Charge portion of the PGC
8 rate to determine the MFC. Thereafter, the MFC will be updated quarterly as the
9 Commodity Charge rate portion of the PGC rate changes, while the approved
10 write-off factors will remain constant until the Company's next gas distribution
11 base rate proceeding.

12 **42. Q. What is the relationship between the costs for charge-offs of uncollectible**
13 **accounts included in the MFC and the POR discount rates and the expense**
14 **for uncollectible accounts included for recovery in PECO's gas distribution**
15 **base rates?**

16 A. In accordance with existing practices, the costs for uncollectible charge-offs for
17 sales service (default) customers reflected in the MFC will be included in the
18 PGC rate as part of the Commodity Charge portion of the PGC. In addition, the
19 costs for uncollectible charge-offs for natural gas suppliers are included as part of
20 the POR discount rates. Therefore, these costs will not be included in PECO's
21 gas distribution base rates.

1 **43. Q. What is the MFC PECO proposes in this proceeding?**

2 A. As shown in PECO Exhibit RAS-3, page 2, the proposed MFC for Rate Schedule
3 GR including CAP is \$0.0171 per Mcf; for Rate Schedule GC is \$0.0042 per Mcf;
4 and for Rate Schedules L, OL and MV-F is \$0.0022 per Mcf.

5 **44. Q. How is the Company’s distribution base rate revenue adjusted to account for**
6 **costs recovered in the MFC?**

7 A. PECO Exhibit RAS-3, page 3, shows the reduction to the overall distribution
8 revenue requirement to reflect costs recovered in the MFC for sales service
9 (default) customers. The applicable MFC revenues of \$640,000 will be deducted
10 from the overall distribution revenue requirement for each of Rate Schedule GR
11 including CAP; Rate Schedule GC; and Rate Schedules L, OL and MV-F, as
12 discussed by Mr. Bisti in PECO Statement No. 7.

13 **45. Q. What is the effect of the updated write-off factors on the POR discount rates**
14 **for natural gas suppliers?**

15 A. The current POR discount rates will be revised to reflect the updated write-off
16 factors. Specifically, the POR discount rates will be equal to the updated write-
17 off factors at this time. Refer to PECO Exhibit RAS-1, page 43 of PECO’s Gas
18 Choice Supplier Coordination Tariff, Section 11.11.2.2, Consolidated NGDC
19 Billing with Purchase of Receivables, item h, which shows the updated POR
20 discount rates.

1 **46. Q. How is the distribution base rate revenue adjusted to account for costs**
2 **associated with uncollectible charge-offs recovered through the POR**
3 **discount rates from natural gas suppliers for customers who shop for their**
4 **natural gas?**

5 A. PECO Exhibit RAS-3, page 3 shows the reduction to overall distribution revenue
6 requirements associated with the POR discount rates for shopping customers.
7 These rates, which are equal to the write-off factors at this time, are applied to
8 natural gas supplier revenues to determine the distribution revenue requirement
9 reduction as a result of costs recovered through the POR discount rate. The
10 associated revenue requirement that will be deducted from the overall distribution
11 revenue requirement is \$226,000, as shown in PECO Exhibit RAS-3, page 3, and
12 discussed by Mr. Bisti in PECO Statement No. 7.

13 **47. Q. Please describe the revision that PECO is proposing to its DSIC in**
14 **conjunction with this gas distribution rate case.**

15 A. In accordance with the “New Base Rate” section of PECO’s DSIC, which was
16 approved by the Commission’s Order at Docket No. P-2015-2471423 entered on
17 October 22, 2015, PECO is required to reset the DSIC to 0% upon the effective
18 date of Commission-approved base rates. Accordingly, the DSIC has will be set
19 to 0%, effective July 1, 2021 as shown in the proposed DSIC (see PECO Exhibit
20 JAB-2).

1 **48. Q. Are there any other matters relating to Section 1307 mechanisms in PECO's**
2 **Gas Service Tariff that you wish to address?**

3 A. Yes, I would like to address PECO's Tax Accounting Repair Credit ("TARC"),
4 which is a rate adjustment mechanism that became effective January 1, 2013
5 pursuant to the terms of the Joint Petition for Settlement of Rate Investigation in
6 the Company's 2010 gas rate case at Docket No. R-2010-2161592 ("Settlement").
7 As I will explain, PECO has fully complied with the terms of the Settlement
8 pertaining to the TARC. (Other PECO witnesses explain PECO's satisfaction of
9 additional commitments it made in the Settlement.) Under the terms of the
10 Settlement, PECO committed to do several things if it subsequently decided to
11 change its method of tax accounting so that property-related expenditures PECO
12 capitalizes per books may be treated for income tax purposes as repair expenses
13 that are deductible in the year incurred. In particular, PECO agreed to notify the
14 Commission if it elected to make such a change and to pass-through to customers,
15 by a seven-year amortization, the revenue requirement effect of a retrospective,
16 one-time "catch-up" deduction permitted under Section 481(a) of the Internal
17 Revenue Code when a tax accounting change like the "repairs" election is made.
18 Following the Settlement, PECO changed its method of tax accounting to expense
19 gas utility "repair" costs for income tax purposes. Therefore, consistent with the
20 terms of the Settlement, PECO notified the Commission of its decision and
21 established the TARC to provide bill credits designed to return \$53,828,557 of tax
22 benefits attributable to the "catch-up" repair deduction to customers over the
23 seven-year period from January 1, 2013 through December 31, 2019.

1 As events turned out, the total tax benefit of the “catch-up” deduction was
2 returned to customers a year earlier than anticipated, however this action resulted
3 in a small over-refund of approximately \$170,000. The Company recovered the
4 over-refund from customers via a TARC reconciliation, but this action resulted in
5 a small over-recovery balance of about \$60,000 as of June 30, 2020.

6 Approximately \$40,000 of the over-recovery is owed to the residential customer
7 class and will be returned through the USFC effective December 1, 2020. About
8 \$20,000 of the over-recovery is owed to the commercial customer class.

9 Accordingly, the Company has fully satisfied the requirement of the Settlement
10 regarding the TARC, subject to returning the small of the over-recovery balance
11 to commercial customers.

12 V. MISCELLANEOUS REVISIONS

13 **49. Q. What miscellaneous revisions are being proposed by PECO and reflected in**
14 **the proposed tariff?**

15 A. PECO is proposing three miscellaneous revisions. First, PECO has discovered
16 that the last sentence of Rule 17.6 was added due to an administrative error and
17 should be removed. The sentence states that PECO will not condition restoration
18 or reconnection of service on unpaid charges owed to a Natural Gas Supplier.
19 This sentence had been previously removed from Rule 17.6 as part of PECO’s
20 Gas POR Program filed at Docket No. P-2009-2143588, which became effective
21 on January 1, 2012. However, when PECO made a subsequent revision to Rule
22 17.6 in February 2012 at Docket No. L-00060182, the Company used an incorrect

1 version of the tariff that contained the above-described sentence. PECO,
2 therefore, is proposing to delete the sentence.

3 Second, PECO is proposing to add a definition of “master meter system” to the
4 Definitions of Terms and Explanation of Abbreviations section of the gas tariff.
5 Rule 13.1 – Resale of Service uses the term “master meter,” but it is currently not
6 defined. Therefore, PECO proposes adding a definition to ensure that there is a
7 common understanding of that term. PECO is proposing to adopt the definition of
8 “master meter system” set forth in the Code of Federal Regulations – Title 49 –
9 Transportation § 191.3.

10 Finally, PECO proposes to remove from the retail tariff the Gas Account Number
11 Lookup Charge (“GANLC”) and all references to the GANLC contained in the
12 Sales Service Costs mechanism and the MFC. The GANLC is no longer needed
13 as PECO has fully recovered the associated costs in accordance with the
14 Commission’s Final Order at Docket No. M-2015-2468991.

15 VI. CONCLUSION

16 **50. Q. Does this complete your direct testimony at this time?**

17 A. Yes, it does.

**Supplement No 4 to
Tariff Gas PaPUC No. 2S**

PECO Energy Company

GAS CHOICE SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19103

Issued: September 30, 2020

Effective: November 29, 2020

**ISSUED BY:
Michael A. Innocenzo, President & CEO
PECO Energy Distribution Company
2301 Market Street
Philadelphia, PA. 19103**

NOTICE.

**Supplement No. 4 To
Tariff Gas PaPUC No. 2S
x Revised Page No. 1
Supersedes x Revised Page No. 1**

PECO Energy Company

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Low Volume Transportation Customer (“LVT Customer”) – X Revised Page No. 6 – Removed the reference to CGS and the Excess Off Peak Rider.

3.0 AVAILABILITY – X Revised Page No. 10 – Removed the reference to CGS.

Billing Service Options / Purchase of Receivables Program – X Revised Page No. 43 – removed the reference to the Excess Off Peak Rider, removed obsolete language, and updated the POR percentages.

TABLE OF CONTENTS

	<u>Page</u>
How to Use Loose-Leaf Tariff	3
Definition of Terms and Explanation of Abbreviations	4, 5, 6 ^x , 7 ²
RULES AND REGULATIONS:	
1. Tariff	8
2. Scope and Purpose	9
3. Availability	10 ^x
4. Character of Service	11
5. Supplier Qualification Criteria and Commencement of Service.....	12
6. Customer Release of Customer Information and Switching	17
7. Coordination Obligations	22
8. Distribution System Operational Requirements	26
9. Supplier Coordination Services Fees	27
10. Special Provisions.....	28 ¹
11. Payment and Billing.....	37
12. Supplier Exit Procedures	47
13. Liability	50
14. Breach of Coordination Services Obligations.....	51
15. Supplier Coordination Services Agreement	53
16. Scheduling Coordinator Designation Form	57
17. Residential Strata And Pipeline FT Allocation Factors.....	61
18. Delivered Service Option	62
19. Affiliated Marketer Standards Of Conduct.....	64

**Supplement No. 4 to
Tariff Gas PaPUC No. 2S
X Revised Page No. 6
Supersedes x Page No. 6**

PECO Energy Company

Low Volume Transportation (“LVT”) - PECO Energy’s Gas Choice program as administered by this tariff for Suppliers providing Competitive Natural Gas Supply service to Low Volume Customers.

Low Volume Transportation Customer (“LVT Customer”) - any person, partnership, association or corporation receiving Competitive Natural Gas Supply from a Supplier under Rates Schedules GR (General Service-Residential), GC (General Service Commercial), OL (Outdoor Lighting Service), MV-F (Motor Vehicle-Firm), or the successors thereto, and not under Rate Schedules CAP, L (Large High Load Factor Services) (C)
TCS, IS, MV-I, TS-F, TS-I, and/or the successors thereto (C)

Mcf - thousand cubic feet which is equal to ccf*10.

Meter Read Date - the date on which the Company schedules a meter to be read for purposes of producing a LVT Customer bill in accordance with the regularly scheduled billing cycles of the Company.

Month - a month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular Meter Read Dates of the Company's meter or meters installed on the LVT Customer's premises, except for capacity release and delivery (forecasting and reconciliation) which is on a calendar month

Natural Gas Distribution Company (“NGDC”) - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

Natural Gas Supplier (“Supplier” or “NGS”) - A Natural Gas Supplier, as defined in 66 Pa. C. S § 2202, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply to Low Volume Transportation Customers on the Company’s system under the Company’s Gas Choice program or any other entity that takes title to gas as defined in 52 Pa. Code § 62.101.

NGDC Tariff - the Company's most recently approved Natural Gas Service Tariff.

NGS (Supplier) Representative - any officer, director, employee, consultant, contractor, or other agent or representative of an NGS acting in its role as a Supplier. To the extent an NGS is a division or group of a company, the term NGS Representative does not include any person in that company who is not part of the NGS division.

Operational Flow Order (OFO) - An order issued by an NGDC to protect the safe and reliable operation of its gas system, either by restricting service or requiring affirmative action by shippers.

PaPUC or Commission - the Pennsylvania Public Utility Commission

Scheduling Coordinator - an entity that performs one or more of a NGS's Coordination Obligations, including the submission of gas scheduling information to PECO Energy, and that is the agent, for scheduling purposes, of one or more Coordinated Suppliers.

(C) Denotes Change

PECO Energy Company

3.0 AVAILABILITY

Service hereunder is available throughout the Company's Service Territory to any NGS qualified pursuant to Rule 5 of the Tariff that obtains the consent and appointment of customers to participate in the LVT program.

Service hereunder does not apply to Customers served under Rate Schedules TCS, IS, and MVI nor to the High Volume Transportation Customers as defined in the Company's Natural Gas Tariff, meaning those Customers who purchase natural gas from alternative Suppliers under Rate Schedules TS-F, TS-I, and/or the **(C)** successors thereto.

(C) Denotes Change

**Supplement No. 4 to
Tariff Gas PaPUC No. 2S
X Revised Page NO. 43
Supersedes X Page No. 43**

PECO Energy Company

Billing Service Options / Purchase of Receivables Program (continued)

- f. Any transaction with Supplier Charges sent to the Company after the time period, in accordance with Attachment A - Data Transfer Schedule or not in the format, specified in Paragraph c. above, will be rejected and the LVT Customers' bill for the current billing period will state that the Supplier Charges for the current billing period are not available. The Supplier must resubmit the data the following month as required along with the then current month charges. Upon such resubmission, the Company will place the Supplier Charges into the that billing cycle and the delayed Supplier Charges will appear on the LVT Customer's bill for the then current month.
- g. The Company will collect and process LVT Customer's payments in accordance with Section 2205 (c)(5) of the Competition Act and the Commission's applicable payment priority requirements.
- h. The Company will purchase each LVT Customer's accounts receivable, without recourse and without discount, provided, however, that PECO shall discount the payment by 0.45% for Rates GR and CAP, 0.11% for (C) Rate GC and 0.06% for Rates OL, L and MV-F consistent with the methodology approved in the partial (C) settlement agreement and the Commission's final order in Docket No. P-2009-2143588 and the final order in Docket No. P-2012-2328614. PECO will pay the Supplier for amounts owed for all undisputed Supplier charges for basic gas supply services, regardless of whether the customer has paid the Company. Subject to the provisions of the partial settlement agreement and the Commission's final order in Docket No. P-2009-2143588, an amount is deemed disputed if the customer contacts the Company questioning the charges on the bill and he/she does not agree with the position of the Company or the Supplier regarding the amount due for Supplier charges. If the Supplier charges are not in dispute, the Company will remit all applicable monies due the Supplier, even if the Company's portion of the bill is disputed. A customer's claim of the inability to pay shall not constitute a dispute for purposes of the Company's obligation to pay the Supplier its undisputed charges. The ownership of each LVT Customer's accounts receivable will transfer from the Supplier to the Company upon payment to the Supplier for the receivable.
- i. The Company will pay the Supplier in accordance with the following schedule:
- The Company will send the Supplier the amount of its undisputed Supplier Charges within 40 calendar days from the date of the electronic transmission of the Supplier Charges. If the 40th day falls on a weekend, a PECO holiday, or a bank holiday, the Supplier payment will occur on the next business day.
 - Payment will not be made to the Supplier when Supplier Charges are not received by the Company within the specified time period, as explained in paragraph (d) above. Payment for these charges will be made according to the applicable schedule in the following month, if they are received within the appropriate time period along with the current month charges.

(C) Denotes Change

Issued September 30, 2020

Effective November 29, 2020

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Supplement No ~~4~~ to
Tariff Gas PaPUC No. ~~2S~~

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PECO Energy Company
GAS CHOICE SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 1910~~3~~

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Issued: ~~September 30, 2020~~

Effective: ~~November 29, 2020~~

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ISSUED BY:
Michael A. Innocenzo, President & CEO
PECO Energy Distribution Company
2301 Market Street
Philadelphia, PA. 19103

NOTICE.

PECO Energy Company

Supplement No. 4 To
Tariff Gas PaPUC No. 2S
X Revised Page No. 1

Supersedes X Revised Page No. 1

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Low Volume Transportation Customer ("LVT Customer") – X Revised Page No. 6 – Removed the reference to CGS and the Excess Off Peak Rider.

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Volume Adjustment - The adjustment for systems losses is decreased. ¶

¶
10.4.1 Assignment of Pipeline FT Capacity and Determination of Aggregate Daily Contract Quantity ("ADCQ") – 1st Revised Page No. 28
Change made to adjust the pricing of certain capacity releases to comply with the Settlement at Docket No. R-2019-3009624. ¶

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Supplement No. 4 To
Gas PaPUC No. 2S
x Revised Page No. 2
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TABLE OF CONTENTS

	<u>Page</u>
How to Use Loose-Leaf Tariff	3
Definition of Terms and Explanation of Abbreviations	4, 5, 6 ^x , 7 ²
RULES AND REGULATIONS:	
1. Tariff	8
2. Scope and Purpose	9
3. Availability	10 ^x
4. Character of Service	11
5. Supplier Qualification Criteria and Commencement of Service	12
6. Customer Release of Customer Information and Switching	17
7. Coordination Obligations	22
8. Distribution System Operational Requirements	26
9. Supplier Coordination Services Fees	27
10. Special Provisions	28 ¹
11. Payment and Billing	37
12. Supplier Exit Procedures	47
13. Liability	50
14. Breach of Coordination Services Obligations	51
15. Supplier Coordination Services Agreement	53
16. Scheduling Coordinator Designation Form	57
17. Residential Strata And Pipeline FT Allocation Factors	61
18. Delivered Service Option	62
19. Affiliated Marketer Standards Of Conduct	64

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X Revised Page No. 6
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Deleted: the Excess Off-Peak Use Rider, or

Deleted: CGS, or

Mcf - thousand cubic feet which is equal to ccf*10.

Meter Read Date - the date on which the Company schedules a meter to be read for purposes of producing a LVT Customer bill in accordance with the regularly scheduled billing cycles of the Company.

Month - a month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular Meter Read Dates of the Company's meter or meters installed on the LVT Customer's premises, except for capacity release and delivery (forecasting and reconciliation) which is on a calendar month

Natural Gas Distribution Company ("NGDC") - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

Natural Gas Supplier ("Supplier" or "NGS") - A Natural Gas Supplier, as defined in 66 Pa. C. S § 2202, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply to Low Volume Transportation Customers on the Company's system under the Company's Gas Choice program or any other entity that takes title to gas as defined in 52 Pa. Code § 62.101.

NGDC Tariff - the Company's most recently approved Natural Gas Service Tariff.

NGS (Supplier) Representative - any officer, director, employee, consultant, contractor, or other agent or representative of an NGS acting in its role as a Supplier. To the extent an NGS is a division or group of a company, the term NGS Representative does not include any person in that company who is not part of the NGS division.

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Operational Flow Order (OFO) - An order issued by an NGDC to protect the safe and reliable operation of its gas system, either by restricting service or requiring affirmative action by shippers.

PaPUC or Commission - the Pennsylvania Public Utility Commission

Scheduling Coordinator - an entity that performs one or more of a NGS's Coordination Obligations, including the submission of gas scheduling information to PECO Energy, and that is the agent, for scheduling purposes, of one or more Coordinated Suppliers.

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Issued ~~September 30, 2020~~

Effective ~~November 29, 2020~~

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**Supplement No. 4 to
Tariff Gas PaPUC No. 2S
X Revised Page No. 10
Supersedes x Page No. 10**

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3.0 AVAILABILITY

Service hereunder is available throughout the Company's Service Territory to any NGS qualified pursuant to Rule 5 of the Tariff that obtains the consent and appointment of customers to participate in the LVT program.

Service hereunder does not apply to Customers served under Rate Schedules TCS, IS, and MVI nor to the High Volume Transportation Customers as defined in the Company's Natural Gas Tariff, meaning those Customers who purchase natural gas from alternative Suppliers under Rate Schedules TS-F, TS-I, and/or the **(C)** successors thereto.

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Issued ~~September 30, 2020~~

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**Supplement No. 4 to
Tariff Gas PaPUC No. 2S
X Revised Page NO. 43
Supersedes X Page No. 43**

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Billing Service Options / Purchase of Receivables Program (continued)

- f. Any transaction with Supplier Charges sent to the Company after the time period, in accordance with Attachment A - Data Transfer Schedule or not in the format, specified in Paragraph c. above, will be rejected and the LVT Customers' bill for the current billing period will state that the Supplier Charges for the current billing period are not available. The Supplier must resubmit the data the following month as required along with the then current month charges. Upon such resubmission, the Company will place the Supplier Charges into the that billing cycle and the delayed Supplier Charges will appear on the LVT Customer's bill for the then current month.
- g. The Company will collect and process LVT Customer's payments in accordance with Section 2205 (c)(5) of the Competition Act and the Commission's applicable payment priority requirements.
- h. The Company will purchase each LVT Customer's accounts receivable, without recourse and without discount, provided, however, that PECO shall discount the payment by ~~0.45%~~ for Rates GR and CAP, ~~0.11%~~ for Rates GC and ~~0.06%~~ for Rates OL, L and MV-F consistent with the methodology approved in the partial settlement agreement and the Commission's final order in Docket No. P-2009-2143588 and the final order in Docket No. P-2012-2328614. PECO will pay the Supplier for amounts owed for all undisputed Supplier charges for basic gas supply services, regardless of whether the customer has paid the Company. Subject to the provisions of the partial settlement agreement and the Commission's final order in Docket No. P-2009-2143588, an amount is deemed disputed if the customer contacts the Company questioning the charges on the bill and he/she does not agree with the position of the Company or the Supplier regarding the amount due for Supplier charges. If the Supplier charges are not in dispute, the Company will remit all applicable monies due the Supplier, even if the Company's portion of the bill is disputed. A customer's claim of the inability to pay shall not constitute a dispute for purposes of the Company's obligation to pay the Supplier its undisputed charges. The ownership of each LVT Customer's accounts receivable will transfer from the Supplier to the Company upon payment to the Supplier for the receivable.
- i. The Company will pay the Supplier in accordance with the following schedule:
- The Company will send the Supplier the amount of its undisputed Supplier Charges within 40 calendar days from the date of the electronic transmission of the Supplier Charges. If the 40th day falls on a weekend, a PECO holiday, or a bank holiday, the Supplier payment will occur on the next business day.
 - Payment will not be made to the Supplier when Supplier Charges are not received by the Company within the specified time period, as explained in paragraph (d) above. Payment for these charges will be made according to the applicable schedule in the following month, if they are received within the appropriate time period along with the current month charges.

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Effective July 27, 2015 the discount was set at 1.07% for Rates GR and CAP, 0.30% for Rates GC and the ¶ Excess Off-Peak Use Rider and 0.00% for Rates OL, L, and MV-F as a result of the completion of recovery of ¶ implementation costs for the Purchase of Receivables Program allowed at Docket No. P-2009-2143588. Effective December 1, 2016 the discount is set at 1.59% for Rates GR and CAP, 0.82% for Rates GC and the Excess Off-Peak Use Rider and 0.52% for Rates OL, L and MV-F as a result of the Commission's final order in Docket No. M-2015-2468991 and the final order in Docket No. P-2012-2328614. Effective October 13, 2017 the discount is set at 1.07% for Rates GR and CAP, 0.30% for Rates GC and the Excess Off-Peak Use Rider and 0.00% for Rates OL, L, and MV-F as a result of the completion of cost recovery for the Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers as a result of the Commission's Final Order in Docket No. ¶ M-2015-2468991.

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Issued September 30, 2020

Effective November 29, 2020

PECO-Gas Operations
Annual Gas Procurement Charge (GPC) Calculation
 Effective July 1, 2021
 (Thousand\$)

<u>LABOR AND BENEFITS</u>	<u>Costs</u>	<u>Source</u>
Gas Supply	\$508	PECO Exhibit RAS-2, Page 2
Financial and Accounting Support	\$21	PECO Exhibit RAS-2, Page 2
Internal Legal Support	\$23	PECO Exhibit RAS-2, Page 2
Regulatory Support	\$50	PECO Exhibit RAS-2, Page 2
Risk Management	\$18	PECO Exhibit RAS-2, Page 2
Management Support	<u>\$85</u>	PECO Exhibit RAS-2, Page 2
Total Labor and Benefits	\$705	PECO Exhibit RAS-2, Page 2
Outside Legal Costs	\$60	PECO Exhibit RAS-2, Page 4
GasStar Related Costs	\$36	PECO Exhibit RAS-2, Page 5
Working Capital	<u>\$269</u>	PECO Exhibit RAS-2, Page 6
TOTAL COSTS	\$1,070	
Distribution Base Rate Case Mcf Sales Volumes	64,815,273 Mcf	Projected Distribution Sales Volume
Distribution Charge Rate Reduction	\$0.0165 \$ per Mcf	
Default Customers' Mcf Supply Sales Service Volumes	46,181,931 Mcf	Projected Sales Service (Default) Volumes
GPC Rate	\$0.0232 \$ per Mcf	

PECO-Gas Operations
Annual Procurement Labor and Benefits Costs
July 1, 2021 through June 30, 2022
(Thousand\$)

	Procurement Hours	Rate \$/Hour (a)	Cost
Gas Supply	5,241.6	\$97.00	\$508
Financial and Accounting Support	214.0	\$97.00	\$21
Internal Legal Support	225.0	\$97.00	\$23
Regulatory Support	513.0	\$97.00	\$50
Risk Management	182.0	\$97.00	\$18
Management Support	<u>880.4</u>	\$97.00	<u>\$85</u>
Total Labor and Benefits Costs	7,256.0		\$705

Note (a) Per Exhibit RAS-2, Page 3

PECO-Gas Operations
Annual Procurement Labor and Benefit Costs
July 1, 2021 through June 30, 2022

	Costs	
	<u>(Thousand\$)</u>	<u>\$/Hour (a)</u>
Total Base Salaries & Wages	\$35,941	\$56.89
Total Other Payroll	<u>\$5,548</u>	<u>\$8.78</u>
Total Base and Other Payroll	\$41,490	\$65.67
Stock/Incentive Compensation	<u>\$5,052</u>	<u>\$8.00</u>
Total Base/Other Payroll Incl. Stock/Incentive Comp	\$46,542	\$73.67
Taxes Other Than Income, Employment Taxes (FICA, FUTA and SUTA)	\$3,711	\$5.87
Proforma Salaries and Wage Adjustment	\$720	\$1.14
Employment Taxes Adjustment	<u>\$64</u>	<u>\$0.10</u>
Total Wages and Employment Taxes	\$51,037	\$80.78
Employee Pensions and Benefits	\$7,826	\$12.39
Pension and Benefits Adjustment	<u>\$2,421</u>	<u>\$3.83</u>
Total Employee Pensions and Benefits	\$10,247	\$16.22
Total Wages, Employment Taxes and Pensions and Benefits	\$61,285	\$97.00
Hours in a Year	2,088	
Total O&M Full Time Equivalent (FTE)	370.79	Company Records
Paid Time-Off Factor (b)	1.2250	
Adjusted Hours in a Year	1,704	equals 2,088 hours divided by 1.2250

Note (a) Total dollars divided by FTE divided by adjusted hours in a year

Note (b) Reflects adjustment to hours based on factors including vacation, holidays and sick time.

PECO-Gas Operations
Annual Outside Legal Expenses
July 1, 2021 through June 30, 2022
(Thousand\$)

	<u>Costs</u>	<u>Source</u>
Outside Legal Expenses	\$60	Company Records

PECO-Gas Operations
Annual Expenses for GasStar
July 1, 2021 through June 30, 2022
(Thousand\$)

	<u>Costs</u>	<u>Source</u>
Annual Expenses	\$54	Company Records
Allocated Commodity Portion	66.35%	April 30, 2020 Section 1307(f) Filing Purchased Gas Costs Docket No. R-2020-3019661, Section 7, Page 1, December 2020 through November 2021
Allocated to GPC	\$36	

PECO-Gas Operations
Annual Cash Working Capital
July 1, 2021 through June 30, 2022
(Thousand\$)

PECO Exhibit RAS-2
Page 6 of 7

		<u>Source</u>
Revenue Lag	43.17 days	PECO Exhibit MJT-1, Schedule C-4, Page 23
Purchased Gas Costs Lag	<u>36.51</u> days	PECO Exhibit MJT-1, Schedule C-4, Page 23
Net Lag Days	6.66 days	
Commodity and Capacity Fuel Costs	\$200,885	Based on PECO Exhibit MJT-1, Schedule C-4, Page 23
Commodity Portion	72.94%	April 30, 2020 Section 1307(f) Filing Purchased Gas Costs Docket No. R-2020-3019661, Section 7, Page 1, December 2020 through November 2021
Applicable Fuel Costs	\$146,526	
Average Cost per Day	\$401	
Net Lag Days	6.66 days	
Commodity and GCA Related Cash Working Capital Requirement	\$2,671	
Cash Working Capital Requirement	\$2,671	
Pre-Tax Weighted Overall Rate of Return	10.08% (a)	PECO Exhibit MJT-1, Schedule B-7, Page 13 and PECO Exhibit PRM-1, Schedule 1, Page 1
Cash Working Capital Revenue Requirement	\$269	

Note (a)

	<u>Capital Structure</u>	<u>Return</u>	<u>Weighted Return</u>	<u>After-Tax Return</u>
Debt	46.62%	3.97%	1.85%	1.32%
Common	<u>53.38%</u>	10.95%	<u>5.85%</u>	<u>5.85%</u>
	100.00%		7.70%	7.17%
Composite Federal and State Income Tax Rate	28.892%			
Gross Revenue Conversion Factor	1.40631			
Pre-Tax Weighted Overall Rate of Return				10.08%

PECO-Gas Operations
Annual Distribution Revenue Reduction from the GPC
July 1, 2021 through June 30, 2022
(Thousand\$)

Rate Schedule	Distribution Mcf Sales	Distribution Charge Rate Reduction \$ per Mcf (a)	Distribution Revenue Reduction
GR Incl CAP	41,968,538	0.0165	\$693
GC	22,401,370	0.0165	\$370
L	16,559	0.0165	\$0
OL	-	0.0165	\$0
MVF	<u>428,806</u>	0.0165	<u>\$7</u>
 Total	 64,815,273		 \$1,070 (b)

Note (a) From PECO Exhibit RAS-2, Page 1

Note (b) From PECO Exhibit RAS-2, Page 1, Revenue Reduction Associated with the GPC

Gas Charge-Off Factors
Three-Year Weighted Average
Years June 2018 through June 2020 (a)
Percentages

	12 months ended June 30, 2018 Charge-Off Analysis	12 months ended June 30, 2019 Charge-Off Analysis	12 months ended June 30, 2020 Charge-Off Analysis	Total
Residential				
Charge offs	1,702,368	1,973,417	2,178,472	5,854,258
Billed Revenue	401,235,385	462,751,390	428,586,603	1,292,573,379
Charge offs %	0.42%	0.43%	0.51%	0.45%
GC				
Charge offs	196,665	163,146	201,959	561,770
Billed Revenue	158,737,103	181,591,116	154,937,307	495,265,526
Charge offs %	0.12%	0.09%	0.13%	0.11%
L, OL and MVF				
Charge offs	24,529	4,567	16,540	45,635
Billed Revenue	22,764,276	26,279,932	23,996,258	73,040,465
Charge offs %	0.11%	0.02%	0.07%	0.06%
Total				
Charge offs	1,923,561	2,141,130	2,396,971	6,461,662
Billed Revenue	582,736,764	670,622,438	607,520,168	1,860,879,370
Charge offs %	0.33%	0.32%	0.39%	0.35%

Note (a) Per PECO Exhibit MJT-1, Schedule D-10

PECO-Gas Operations
Determination of the Merchant Function Charge (MFC)
Effective July 1, 2021
Dollars per Mcf

Rate Schedules	Updated Write-Off Factor (a)	Commodity Charge Portion of PGC Rate \$ per Mcf	Updated MFC \$ per Mcf
Rates GR and CAP	0.45%	\$3.7994	\$0.0171
Rate GC	0.11%	\$3.7918	\$0.0042
Rate L	0.06%	\$3.7224	\$0.0022
Rate OL	0.06%	\$3.6644	\$0.0022
Rate MVF	0.06%	\$3.6644	\$0.0022

Note (a) From PECO Exhibit RAS-3, Page 1

PECO-Gas Operations
Annual Distribution Revenue Reduction from the MFC
Effective July 1, 2021
(Thousand\$)

Rate Schedules	<u>Default Customers</u>				Distribution Revenue Reduction	<u>Shopping Customers</u>			<u>Total</u>
	Updated Write-Off Factor (a)	Commodity Charge Portion of PGC Rate \$ per Mcf	Updated MFC \$ per Mcf	Default Mcf Sales		Updated Write-Off Factor (a)	Shoppers Supply Revenues (b)	Distribution Revenue Reduction	Distribution Revenue Reduction
Rates GR and CAP	0.45%	\$3.7994	\$0.0171	34,651,072	\$593	0.45%	\$45,995	\$207	\$800
Rate GC	0.11%	\$3.7918	\$0.0042	11,298,354	\$47	0.11%	\$17,131	\$19	\$66
Rate L	0.06%	\$3.7224	\$0.0022	16,559	\$0	0.06%	\$0	\$0	\$0
Rate OL	0.06%	\$3.6644	\$0.0022	-	\$0	0.06%	\$0	\$0	\$0
Rate MVF	0.06%	\$3.6644	\$0.0022	<u>215,946</u>	<u>\$0</u>	0.06%	<u>\$328</u>	<u>\$0</u>	<u>\$0</u>
Total				46,181,931	\$640		\$63,454	\$226	\$866

Note (a) From PECO Exhibit RAS-3, Page 1

Note (b) From PECO Exhibit MJT-1, Schedule D-10, Page 71

**PECO ENERGY COMPANY
STATEMENT NO. 9**

R-2020-3018929
2/17/21 JK

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY – GAS DIVISION

DOCKET NO. R-2020-3018929

DIRECT TESTIMONY

WITNESS: DOREEN L. MASALTA

SUBJECT: PROPOSED CHANGES TO PECO'S
RESIDENTIAL NATURAL GAS ENERGY
EFFICIENCY AND CONSERVATION
PROGRAMS AND NEIGHBORHOOD GAS
PILOT; SMALL BUSINESS GRANT
PROGRAM

DATED: SEPTEMBER 30, 2020

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. PECO’S NATURAL GAS EE&C PROGRAMS	3
III. PECO’S NEIGHBORHOOD GAS PILOT	10
IV. SMALL BUSINESS GRANT PROGRAM.....	15
V. CONCLUSION.....	16

1 line clearance industry in 1994 with Asplundh Tree Expert Company where I held
2 various positions including climber, foreperson, estimator and emergent work
3 coordinator. I joined PECO in 1998 as a project lead in the Vegetation Management
4 Department and transitioned to program manager in 2000. Beginning in 2002, I had
5 responsibility for the Vegetation Management Programs at both PECO and one of the
6 Company's utility affiliates, Commonwealth Edison Company. In 2007, I was named
7 Director of PECO's Project, Contract & Vegetation Management Department. In late
8 2009, I became the Director of Operations in the Bucks & Montgomery County
9 Regions and then transitioned in 2013 to the City of Philadelphia and PECO
10 Underground. Finally, in 2019, I was promoted to my current position of Director of
11 Energy and Marketing Services.

12 **5. Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to: (1) describe PECO's current natural gas energy
14 efficiency and conservation ("EE&C") programs and the Company's proposals to
15 expand the residential programs; (2) describe PECO's neighborhood gas pilot and the
16 Company's proposal to extend and enhance the pilot; and (3) describe the Company's
17 proposed Small Business Grant Program.

18 **6. Q. Please identify the exhibits you are sponsoring.**

19 A. I am sponsoring PECO Exhibits DLM-1 and DLM-2, both of which relate to the
20 proposed residential EE&C programs. In addition, I will refer to certain tariff
21 changes that are contained in PECO Exhibit JAB-2 (sponsored by Mr. Joseph A.
22 Bisti, PECO Statement No. 7).

1 **II. PECO’S NATURAL GAS EE&C PROGRAMS**

2 **A. Current Programs**

3 **7. Q. Please describe PECO’s current natural gas EE&C programs.**

4 A. PECO currently offers its residential and commercial customers a mix of rebate
5 programs to encourage them to upgrade to high-efficiency furnaces, boilers and water
6 heaters. The programs are implemented pursuant to the settlement approved by the
7 Pennsylvania Public Utility Commission (the “Commission”) in PECO’s last gas base
8 rate case at Docket No. R-2010-2161592 (the “2010 Gas Settlement”). PECO has
9 updated the rebate requirements from time to time to track the increased efficiency
10 standards associated with the ENERGY STAR® energy certification program
11 managed by the United States Department of Energy and the United States
12 Environmental Protection Agency.

13 **8. Q. What programs are currently offered to PECO’s residential customers?**

14 A. PECO has three residential programs targeting furnaces, boilers and water heaters:

15 **The Residential Gas High-Efficiency Furnace Program** offers rebates of \$300 per
16 unit to encourage residential customers to upgrade to furnaces that meet current
17 ENERGY STAR® requirements (95% or higher Annual Fuel Utilization Efficiency
18 (“AFUE”), 2% air leakage or less and an electronically commutated fan motor).

19 **The Residential Gas High-Efficiency Boiler Program** offers rebates of \$300 per
20 unit to encourage residential customers to upgrade to boilers that meet current
21 ENERGY STAR® requirements (90% or higher AFUE).

1 **The Residential Gas High-Efficiency Water Heater Program** offers rebates of \$50
2 per unit to encourage residential customers to upgrade to storage-tank water heaters
3 that meet current ENERGY STAR® requirements. Compliance with ENERGY
4 STAR® requirements can be achieved by meeting Energy Factor (“EF”), Standby
5 Loss, and/or Thermal Efficiency criteria or by meeting Uniform Energy Factor
6 (“UEF”) criteria.

7 **9. Q. What programs are currently offered to PECO’s commercial customers?**

8 A. PECO’s Commercial Gas High-Efficiency Furnace Program offers rebates of \$300
9 per unit to support upgrades by commercial customers to furnaces that meet current
10 ENERGY STAR® requirements. PECO also offers rebates of \$300 per unit to
11 upgrade to boilers that meet current ENERGY STAR® requirements.

12 **10. Q. How has PECO informed its customers about these programs?**

13 A. PECO has built and continues to build customer awareness through a variety of
14 channels. For residential consumers, PECO initially implemented customer outreach
15 through heating, ventilation, and air conditioning (“HVAC”) contractors, media
16 advertisements, bill inserts, and the PECO website. To inform commercial
17 customers, PECO has utilized HVAC contractors, bill inserts, the PECO website and
18 PECO account representatives. More recently, PECO has relied primarily upon the
19 Company’s website and word-of-mouth outreach.

20 **11. Q. Have the residential and commercial programs been successful?**

21 A. Yes, the programs have been successful both in terms of participation and energy

1 savings. Each year since 2009, PECO has issued, on average, 4,300 customer rebates
2 resulting in savings of approximately 45,000 MCF of natural gas. Customer
3 participation levels have declined in recent years relative to the first several years of
4 the residential and commercial programs. PECO attributes the decline to: (1)
5 escalating rebate efficiency requirements under ENERGY STAR® requirements; and
6 (2) a decrease in natural gas supply costs, which could affect the value proposition for
7 customer investment in energy efficient equipment.

8 **12. Q. What costs has the Company incurred to implement the programs?**

9 A. PECO's average annual cost to implement the programs has been approximately \$1.3
10 million since the programs' inception and approximately \$1.1 million over the past
11 three program years. These costs are separate and distinct from those incurred to
12 implement the Company's electric EE&C plan.

13 **13. Q. How are those costs currently recovered?**

14 Pursuant to the 2010 Gas Settlement, PECO recovers, on an ongoing annual basis,
15 \$2.008 million for residential EE&C program costs through gas distribution base
16 rates. If less than \$2.008 million is spent, the difference is credited to the following
17 year's Universal Service Fund Charge ("USFC"). Commercial EE&C program costs
18 are recovered through gas distribution base rates.

1 **B. Proposed Expansion of Residential Programs**

2 **14. Q. Is the Company proposing any changes to its existing natural gas EE&C**
3 **programs?**

4 A. Yes. The Company is proposing to expand program offerings for residential and low-
5 income customers to provide additional opportunities for bill savings. PECO is also
6 seeking funding for a pilot program to support the growth of emerging energy
7 efficient technologies. The Company is not proposing any changes to its commercial
8 programs.

9 **15. Q. What changes is the Company proposing to the residential programs?**

10 A. PECO is proposing to add several new rebate offerings to promote customer
11 installation of energy efficient equipment and smart thermostats as well as to increase
12 the existing rebate level for storage tank water heaters.

13 ***New \$500 ENERGY STAR®+ furnace rebate.*** Customers that install natural gas
14 furnaces that meet current ENERGY STAR® requirements with an AFUE rating of
15 97% or higher would be eligible for a \$500 rebate. This rebate could not be
16 combined with the existing \$300 ENERGY STAR® rebate.

17 ***New rebates for faucet aerators and showerheads.*** Customers that install energy
18 efficient measures for gas water heating, such as faucet aerators and showerheads,
19 would be eligible for discounted pricing.

1 *New \$50 smart thermostat rebate.* Customers that purchase an ENERGY STAR®
2 smart thermostat for a natural gas heated home would be eligible for up to a \$50
3 rebate.

4 *Increased storage tank water heater rebate.* Customers that install ENERGY
5 STAR® natural gas storage tank water heaters would be eligible for a \$100 rebate
6 instead of the current \$50 rebate. The increase is intended to drive higher levels of
7 customer adoption of these high-efficiency water heaters.

8 **16. Q. What EE&C offerings is the Company proposing for low-income customers?**

9 A. PECO is proposing to implement a Safe and Efficient Heating Program to improve
10 the efficiency and safety of natural gas heating in customer homes through inspection,
11 education, maintenance and installation activities. The Program is designed to serve
12 PECO natural gas heating customers who are not currently eligible for a Low Income
13 Usage Reduction Program (“LIURP”) heating audit and meet the following criteria:
14 (1) Customer has household income that is 0-100% of the Federal Poverty Level
15 (“FPL”); (2) Customer has average monthly wintertime usage of less than or equal to
16 149 CCF of natural gas; (3) Customer has not received a LIURP heating audit in the
17 past two years; and (4) Customer owns the premise, unless the customer is 0-50% of
18 FPL, in which case ownership is not required.

19 The Program would include a site visit with an inspection, combustion test,
20 maintenance education, installation of a 10-year carbon monoxide detector, and
21 heating system service with extra filters. System replacement would be available for
22 a limited number of furnaces over 25 years old and boilers over 30 years old.

1 Participation in the Safe and Efficient Heating Program would be limited such that no
2 more than \$1 million is expended annually.

3 **17. Q. Please describe the Company's proposed pilot program.**

4 A. The Company is proposing a pilot program to support demonstration projects and/or
5 provide customer incentives to pursue emerging technologies. Pilot projects would
6 be focused on technologies that provide natural gas savings or improved safety (e.g.,
7 smart carbon monoxide detectors) to residential natural gas customers. The Company
8 would assess customer interest, potential energy savings and potential cost savings to
9 determine pilot projects, which could include, but are not limited to, the deployment
10 of technologies such as gas heat pumps, ozone laundry system, micro-combined heat
11 and power, demand side management, and smart carbon monoxide detectors. PECO
12 is proposing to limit spending to approximately \$125,000 annually to support pilot
13 projects.

14 **18. Q. How will PECO inform customers about the expanded EE&C programs?**

15 A. PECO would implement new education campaigns to raise awareness of the
16 expanded offerings among customers and contractors. The Company may, for
17 example, utilize bill inserts, emails, social media, events, informational sheets, and
18 website updates. PECO may also implement other proactive outreach strategies for
19 targeted customers.

1 19. Q. Does the Company expect that the level of residential customer participation will
 2 increase under the expanded EE&C offerings?

3 A. Yes. PECO estimates that the expanded programs would provide rebates and
 4 appliance upgrade opportunities for up to three times more residential customers than
 5 the existing programs and provide up to ten times the existing level of natural gas
 6 savings. The greater level of participation will be driven by increased customer
 7 awareness of all rebate opportunities due to enhanced marketing, the significant
 8 number of new rebate opportunities, and the implementation of the Safe and Efficient
 9 Heating Program. PECO Exhibit DLM-1 provides a breakdown of the forecasted
 10 participation levels and natural gas savings.

11 20. Q. What is the projected annual cost of the expanded residential EE&C programs?

12 A. The expanded offerings would increase the annual spend to up to \$4.5 million. The
 13 projected annual breakdown of costs by program is provided below :

Expanded Residential Programs	Estimated Funding (Dollars)
Residential Gas High-Efficiency Furnace Rebate	1,507,500
Residential ENERGY STAR®+ Furnace Rebate*	250,000
Residential Gas High-Efficiency Boiler Rebate	150,000
Residential Gas High-Efficiency Water Heater Rebate**	25,000
Residential Gas Heating Smart Thermostat Rebate*	332,500
Residential Gas Water Heating Rebates (aerators and showerheads)*	65,000
Low-Income Safe and Efficient Heating Program (including CSP Admin)*	1,000,000
Residential Emerging Technologies Pilot*	125,000
Education, PECO Admin, CSP Admin	1,045,000
Total	4,500,000

14 * New program

15 ** Increased rebate for existing program

1 PECO Exhibit DLM-2 provides additional information about cost categories for the
2 residential EE&C programs (e.g., incentives, direct installation, and administration).
3 The actual cost of each program will depend upon the level of customer participation.

4 **21. Q. Is the expanded suite of residential EE&C programs cost effective?**

5 A. Yes. Guidehouse (formerly Navigant Consulting, Inc.) performed a total resource
6 cost (“TRC”) analysis of the expanded residential programs and found that program
7 benefits exceed costs with a TRC value of 2.9.

8 **22. Q. How is PECO proposing to recover the costs of the expanded residential EE&C**
9 **programs?**

10 A. PECO is proposing to recover \$4.5 million through residential gas distribution base
11 rates. If less than \$4.5 million is spent, the difference would be credited to the
12 following year’s USFC, as is currently PECO’s practice. PECO Exhibit JAB-2 shows
13 the proposed changes to the USFC to incorporate the \$4.5 million annual spending
14 amount.

15 III. PECO’S NEIGHBORHOOD GAS PILOT

16 **23. Q. Please describe PECO’s Neighborhood Gas Pilot Rider.**

17 A. The Commission approved PECO’s Neighborhood Gas Pilot Rider (“NGPR”) on
18 October 1, 2015 at Docket No. P-2014-2451772. The NGPR was designed to study
19 two coordinated strategies to increase access to natural gas service by: (1) allowing a
20 customer to pay a contribution in aid of construction (“CIAC”) for a main extension
21 through a fixed monthly surcharge, instead of requiring an upfront, lump-sum

1 payment; and (2) calculating the required CIAC by taking into account the revenue
2 (including the fixed monthly CIAC payment) expected from the applicant or
3 applicants requesting service and from prospective customers located along the
4 proposed main extension who are expected to connect to the main in the future. The
5 Company's CIAC calculations assume that, over a 20-year period, 66% of customers
6 along the pilot main extension would take natural gas service. If greater than 66% of
7 prospective customers along a pilot main extension apply for service before the gas
8 service contracts are finalized, PECO's CIAC calculations will include the actual
9 number of customer applicants starting the first year of the project.

10 The NGPR is available to residential customers who will receive natural gas service
11 under Rate GR, including the CAP Rider. Certain cost and customer interest
12 thresholds must be met to qualify for the pilot (e.g., the proposed extension must be
13 greater than \$15,000 and at least 20% of eligible customers must execute contracts for
14 gas service). Customers may pay for the main extension in either one upfront
15 payment or a fixed monthly fee with interest on their PECO bill.

16 The NGPR originally had a three-year term and the Company's investment was
17 limited to no more than: (1) \$10 million over three years; and (2) \$4 million for any
18 particular year. On January 17, 2019, the pilot was extended from three to five years
19 (now ending March 31, 2021) and the overall pilot investment limit was increased
20 from \$10 million to \$25 million. After the pilot has been in place for five years, the
21 Company will determine the actual percentage of potential customers along pilot
22 main extensions that took natural gas service (the "penetration rate"). Future
23 customer payments would be subject to downward adjustment if the actual

1 penetration rate exceeds the initial forecast. There would be no upward adjustment if
2 the actual penetration rate is less than the forecast.

3 **24. Q. How many main extension projects have been funded under the NGPR?**

4 A. Since inception through July 1, 2020, 129 projects encompassing over 1,600 homes
5 have been funded through the NGPR with a total design estimate cost of \$15.5
6 million. Many more potential gas main extension projects were analyzed by the
7 Company, but the project-specific cost for participating customers was often too high
8 to garner sufficient neighborhood interest. The monthly payment option did not ease
9 the cost burden for many customers because the interest component almost doubles
10 the customer's overall cost (relative to a lump sum payment).

11 **25. Q. Please describe the Company's proposal to change the NGPR.**

12 A. The Company is proposing to extend and enhance the NGPR to facilitate access to
13 natural gas service in more communities. The revised NGPR would be implemented
14 for a five-year term beginning July 1, 2021, and would utilize modified CIAC
15 calculations. Under the revised NGPR, the first 40 feet of main extension would be
16 provided at no cost to each prospective residential natural gas service customer within
17 the project, absent any abnormal underground conditions or unusual permitting
18 requirements. For example, a project area with 10 prospective customers would
19 receive 400 feet of main extension at no cost. For any remaining main or service line
20 costs (including incremental costs associated with abnormal conditions or unusual
21 permitting), the Company would determine whether a CIAC is required by assuming
22 that 66% of prospective customers will take service during the first year of the main

1 extension. This differs from the current NGPR assumption that 66% of prospective
2 customers will join over the course of 20 years. Finally, and consistent with the
3 current NGPR, if greater than 66% of prospective customers along a pilot main
4 extension apply for service before the gas service contracts are finalized, PECO's
5 CIAC calculations will include revenues from the actual number of customer
6 applications starting the first year of the project. Customers would continue to have
7 the option to make any required CIAC payment upfront as a lump sum or as a fixed
8 monthly charge on the customer's PECO bill with interest over a 20-year term.

9 The revised NGPR would be applicable to any existing premise that is not located
10 along an existing PECO gas main and where there is an application for natural gas
11 service within the Company's natural gas service territory under Rate Schedule GR,
12 including the CAP Rider. Consistent with the existing pilot, a main extension project
13 must meet the following criteria to qualify for the revised NGPR:

- 14 (1) The project area must contain at least two prospective premises;
- 15 (2) The cost of the project must equal or exceed \$15,000;
- 16 (3) A minimum of twenty percent (20%) of the existing residences located along
17 the proposed main extension must commit to receive natural gas service by
18 signing an agreement prior to the start of construction;
- 19 (4) The Company must have adequate system capacity to serve the customers that
20 are eligible to receive natural gas service from the proposed main extension; and
- 21 (5) The project must be consistent with the overall spending cap for the revised
22 pilot.

23 The limited tariff changes required to implement the revised NGPR are discussed by
24 Mr. Schlesinger (PECO Statement No. 8) and shown in PECO Exhibit JAB-2.

1 **26. Q. What is the projected cost of the five-year revised NGPR?**

2 A. The Company is proposing to invest a maximum of \$37.5 million in capital over the
3 five-year term of the revised NGPR. The projected annual breakdown of costs is
4 detailed below (with half-year amounts for 2021 and 2026):

	2021	2022	2023	2024	2025	2026
Projected Cost of the Revised NGPR	\$3.75M	\$7.5M	\$7.5M	\$7.5M	\$7.5M	\$3.75M

5
6

7 **27. Q. How would the Company transition from the current NGPR to the revised**
8 **NGPR?**

9 A. PECO intends to file for an extension of the current pilot from March 31, 2021 to
10 June 30, 2021 no later than January 31, 2021. Under this extension, for residential
11 neighborhoods participating in the currently-effective NGPR through June 30, 2021,
12 there would be no change to any customer payment requirements (subject to any
13 downward adjustment made after the Company's five-year penetration rate analysis).
14 For potential main extension projects where at least 20% of potential customers have
15 submitted an application for natural gas service, but contracts for the project have not
16 yet been issued, PECO will mail a notification to all potential customers. The
17 notification will explain that the Company has proposed changes to the NGPR that
18 could affect what a prospective customer will pay for a pilot main extension.
19 Prospective customers would be given the option to proceed under the current NGPR
20 terms or to wait and see what, if any, NGPR revisions are approved by the
21 Commission. The Company would provide similar information in response to future

1 customer inquiries about the NGPR while its proposal is pending before the
2 Commission.

3 **IV. SMALL BUSINESS GRANT PROGRAM**

4 **28. Q. Please describe the Company’s proposed Small Business Grant Program.**

5 A. PECO understands that small businesses in the Philadelphia area have been
6 particularly hard hit economically as the result of the COVID-19 pandemic.¹ In order
7 to provide temporary relief, PECO is proposing to implement a Small Business Grant
8 Program. Under the Program, small business customers that have been impacted by
9 the pandemic can receive a one-time grant of \$500 to be applied as a credit on the
10 customer’s existing gas account. The grant could be used to pay off current
11 arrearages that may have accumulated over the past few months or offset future gas
12 bills.

13 **29. Q. What are the eligibility requirements for the Program?**

14 A. To be eligible for a grant, the small business must be an existing PECO gas customer
15 (i.e. have a PECO account in the name of the business), take service under Rate GC,
16 have less than 25 employees, and demonstrate financial hardship due to the COVID-
17 19 pandemic.

¹ For example, according to results of a weekly U.S. Census Bureau Small Business Pulse Survey (8/23-8/29) for the Philadelphia Metropolitan Statistical Area, 49.1% of small businesses believe it will be more than 6 months before their business returns to a normal level of operation compared to a year ago, and 11.5% believe their business will never return to normal.

1 **30. Q. How will the Company educate customers about the Program?**

2 A. PECO will issue a proactive communication to small commercial & industrial
3 customers on Rate GC once the Program is approved and ready to be launched.
4 Program information will also be published on the Company's website. PECO
5 expects to have a 30-day window for accepting grant applications.

6 **31. Q. What is the Program budget?**

7 A. The total budget for the Program is \$500,000, which includes both grants and
8 administrative costs. Approximately 90% of the budget (\$450,000) is expected to be
9 used for grants and the remaining 10% (\$50,000) for administrative costs. The total
10 cost of the Program will be allocated to small commercial & industrial customers on
11 Rate GC.

12 **32. Q. How many small business customers would receive grants under the Program?**

13 A. With an approximate grant budget of \$450,000, PECO could provide \$500 grants to
14 up to 900 qualifying small business customers.

15 **V. CONCLUSION**

16 **33. Q. Does this complete your direct testimony at this time?**

17 A. Yes, it does.

Forecasted Participation Levels and Natural Gas Savings

July 1, 2021 to June 30, 2022 Forecast		
Program	Forecasted Participation (number of rebates)	Forecasted Gross MCF Savings
Residential Gas High-Efficiency Furnace Rebate	5,025	56,838
Residential ENERGY STAR®+ Furnace Rebate*	500	6,410
Residential Gas High-Efficiency Boiler Rebate	500	2,919
Residential Gas High-Efficiency Water Heater Rebate**	250	282
Residential Gas Heating Smart Thermostat Rebate*	6,650	412,300
Residential Gas Water Heating Rebate (aerators)*	7,250	2,088
Residential Gas Water Heating Rebate (showerheads)*	7,200	8,617
Residential Total	27,375	489,454
Low-Income Safe and Efficient Heating Program*	289	3,529
Low-Income Total	289	3,529
Portfolio Total	27,664	492,983

* New program

** Increased rebate for existing program

Forecasted Breakdown of Program Costs

July 1, 2021 to June 30, 2022 Forecast				Breakdown of Program Costs			
	Forecasted Participation (number of rebates)	Forecasted Gross MCF Savings	Forecasted TOTAL Program Costs	Incentives	Direct Install Measure Costs	CSP Administration	PECO Administration
Residential Programs	27,375	489,454	\$2,875,000	\$2,330,000	\$0	\$545,000	\$0
Low-Income Program	289	3,529	\$1,000,000	\$0	\$883,866	\$116,134	\$0
PECO Admin and Education	N/A	N/A	\$500,000	\$0	\$0	\$0	\$500,000
Emerging Technologies Pilot	N/A	N/A	\$125,000	\$0	\$0	\$0	\$125,000
Portfolio Total	27,664	492,983	\$4,500,000	\$2,330,000	\$883,866	\$661,134	\$625,000