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PECO
2301 Market Street
S15
Philadelphia, PA 19103

December 17, 2021

Via E-File Only

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

SUBJECT: PECO Energy Company (PECO) State Tax Adjustment Surcharge (STAS) –
Electric
Effective January 1, 2022, Docket No. R-2021-3024601
Informational Calculation Pages

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission the computation sheets showing the derivation of the new electric STAS value.

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

The new surcharge is a **credit** value of 0.01%, which will be effective January 1, 2022, and replaces the present **credit** value of 0.02%. A monthly bill for a residential customer using 700 kWh will increase by \$0.01, or 0.01% from \$111.39 to \$111.40.

Please note that the revised tariff page reflecting the new STAS rate has already been provided in the Compliance Filing for PECO's 2021 Electric Distribution Base Rate Case at Docket No. R-2021-3024601 concurrently filed on December 17, 2021.

Due to the ongoing COVID-19 pandemic, PECO's office personnel are working remotely. Accordingly, PECO will not have its usual access to photocopying and U.S. mail, among other services. PECO requests that all communications with PECO be transmitted by email.

Thank you for your assistance in this matter and please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates at (215) 841-5771 or email at rich.schlesinger@peco-energy.com.

Rosemary Chiavetta, Secretary
December 17, 2021
Page 2

Sincerely,

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

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

enclosure

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

PECO Energy-Electric Operations
State Tax Adjustment Surcharge
Effective January 1, 2022

| <u>Calculation of STAS Effective January 1, 2022</u> | | <u>Reference</u> |
|--|-------------------|--|
| 1 . Capital Stock Tax - 2022 | \$0 | Note (a) |
| 2 . PURTA Assessment - 8/1/21 | (\$117,007) | Att. A, Pg. 3, Ln. 5 |
| 3 . PURTA Supplemental Assessment - 8/1/21 | (\$1,763) | Att. A, Pg. 4, Ln. 23 |
| 4 . 1307 (g.1) Gross Receipts Tax | \$0 | Att. A, Pg. 2, Ln. 16 |
| 5 . Reconciliation of Prior STAS | <u>(\$80,272)</u> | Att. B, Pg. 1, Ln. 8 |
| 6 . Net Due from (to) Customers | (\$199,042) | Ln. 1+ Ln. 2 +Ln. 3 + Ln. 4 + Ln. 5 |
| 7 . Total Due from (to) Customers Including Gross Receipts Tax | (\$211,521) | Ln. 6 / (1-0.059) |
| 8 . Operating Revenues Subject to STAS from January 1, 2022 through December 31, 2022 | \$1,616,941,916 | Att. A, Pg. 2, Ln. 15 |
| 9 . State Tax Adjustment Surcharge | -0.01% | Ln. 7 / Ln. 8 |

(a) The 2022 capital stock tax rate is the same as was reflected at Docket No. R-2021-3024601, the Company's 2021 distribution base rate case, with a value of 0.00 mills.

PECO Energy-Electric Operations
Computation of Operating Revenues Subject to 2022 STAS

| | | <u>Reference</u> |
|--|------------------|--|
| 1 . <u>Booked Revenue from Sales</u> | \$2,298,451,898 | 2020 FERC Form 1, Pg. 300, Ln. 12 |
| 2 . Less : Non - jurisdictional revenue | | |
| Sales for Resale | \$95,787 | 2020 FERC Form 1, Pg. 300, Ln. 11 |
| 3 . Less: Unbilled Revenues | \$2,208,066 | 2020 FERC Form 1, Pg. 304, Ln. 42 |
| Surcharge Over/Under Collections Included in Revenue | (\$4,911,462) | Company Records |
| STAS Revenue Included in Line 1 | <u>(\$6,692)</u> | Company Records |
| 4 . <u>Operating Revenues Subject to STAS</u> <u>Before Adjustments</u> | \$2,301,066,199 | |
| 5 . Less: Transmission Charges Included in Lines 1 through 3 | \$69,006,735 | Company Records |
| 6 . Less: | | |
| Energy and Capacity Charges Included in Lines 1 through 3 | \$723,471,376 | Company Records |
| 7 . Plus: Full Year Effect of 2021 Distribution Base | | |
| Rate Case Revenue | \$131,506,383 | Company Compliance Filing on December 17, 2021 at Docket No. R- 2021-3024601 |
| 8 . Plus: Full Year Effect of Energy Efficiency and Conservation Program | (\$33,927,441) | Company Records |
| 9 . Plus: Proforma Distribution Adjustments from Change in USFC Rate | \$11,482,219 | Company filing on October 14, 2021 at Docket No. M-2021-3028205 |
| 10 . Plus: Full Year Effect of Non-Bypassable Transmission Charge in Distribution Rates | (\$261,539) | Company filing on November 12, 2021 at Docket No. P-2014-2409362 |
| 11 . Plus: Pro Forma Adjustment for Tax Cuts and Jobs Act | (\$1,079,918) | Company filing on December 7, 2021 at Docket No. P-2018-3000164 |
| 12 . Plus: Distribution System Improvement Charge | (\$985,773) | Company filing on December 7, 2021 at Docket No. M-2018-3000598 |
| 13 . Plus: Proforma Adjustment of Tax Accounting Repair Credit | \$809,703 | Company Records |
| 14 . Plus: Proforma Consumer Education Cost Recovery | <u>\$810,194</u> | Company filing on January 29, 2021 at Docket No. R-2009-2099208 |
| 15 . Adjusted Base Revenues for 2022 STAS | \$1,616,941,916 | |
| 16 . 0.0 Mill GRT PURTA Surcharge | \$0 | Ln. 15 * 0.0000 (a) |

(a) Refer to Attachment B, Pg. 3 for the Pennsylvania Bulletin announcing the Gross Receipts Tax PURTA Surcharge beginning January 1, 2022 due to the Public Utility Realty Tax Act Surcharge

PECO Energy
2020 PURTA Adjustment

| | <u>Distribution</u> | <u>Total</u> |
|--|---------------------|--------------------|
| Per August 1, 2021 Assessment (a) | | |
| 1 . Tax Base | \$191,313,863 | \$339,269,131 |
| 2 . Tax @ 27.9975 Mills | \$5,356,310 | \$9,498,687 |
| 2021 Rate Case PURTA | | |
| 3 . Tax Base | \$191,313,863 | \$339,269,131 |
| 4 . Tax @ 28.6091 Mills | <u>\$5,473,317</u> | <u>\$9,706,184</u> |
| 5 . Amount Due from / (to) Customers | (\$117,007) | (\$207,497) |

(a) See Attachment B, Pg. 4

PECO Energy
Supplemental PURTA Adjustments

| Per August 1, 2021 Assessment (a) | <u>Transmission & Distribution / Distribution (b)</u> | <u>Total</u> |
|--|--|---------------------|
| 1 . Adjustment for 1998 Tax Year | \$0 | \$0 |
| 2 . Adjustment for 1999 Tax Year | \$0 | \$0 |
| 3 . Adjustment for 2000 Tax Year | \$0 | \$0 |
| 4 . Adjustment for 2001 Tax Year | \$0 | \$0 |
| 5 . Adjustment for 2002 Tax Year | \$0 | \$0 |
| 6 . Adjustment for 2003 Tax Year | (\$94) | (\$110) |
| 7 . Adjustment for 2004 Tax Year | (\$102) | (\$120) |
| 8 . Adjustment for 2005 Tax Year | (\$106) | (\$126) |
| 9 . Adjustment for 2006 Tax Year | (\$93) | (\$111) |
| 10 . Adjustment for 2007 Tax Year | (\$102) | (\$118) |
| 11 . Adjustment for 2008 Tax Year | (\$129) | (\$149) |
| 12 . Adjustment for 2009 Tax Year | (\$85) | (\$166) |
| 13 . Adjustment for 2010 Tax Year | (\$68) | (\$132) |
| 14 . Adjustment for 2011 Tax Year | (\$85) | (\$163) |
| 15 . Adjustment for 2012 Tax Year | (\$88) | (\$171) |
| 16 . Adjustment for 2013 Tax Year | (\$91) | (\$165) |
| 17 . Adjustment for 2014 Tax Year | (\$106) | (\$186) |
| 18 . Adjustment for 2015 Tax Year | (\$114) | (\$214) |
| 19 . Adjustment for 2016 Tax Year | \$93 | \$190 |
| 20 . Adjustment for 2017 Tax Year | (\$41) | (\$82) |
| 21 . Adjustment for 2018 Tax Year | \$1,359 | \$2,577 |
| 22 . Adjustment for 2019 Tax Year | <u>(\$1,911)</u> | (\$3,489) |
| 23 . Amount Due from / (to) Customers | (\$1,763) | N.A. |

(a) See Attachment B, Pg. 4

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

PECO Energy-Electric Operations
State Tax Adjustment Surcharge Reconciliation
For the Year 2021

| <u>Reconciliation of Current STAS</u> | | <u>Reference</u> |
|--|--------------------|--|
| 1 . 1307 (g.1) Gross Receipts Tax | \$0 | 12/18/20 STAS Filing, Att. A, Pg. 1, Ln. 4 |
| 2 . Capital Stock Tax - 2021 | \$0 | 12/18/20 STAS Filing, Att. A, Pg. 1, Ln. 1 |
| 3 . PURTA Assessment - 8/19/20 | (\$335,887) | 12/18/20 STAS Filing, Att. A, Pg. 1, Ln. 2 |
| 4 . PURTA Supplemental Assessment - 8/19/20 | (\$3,923) | 12/18/20 STAS Filing, Att. A, Pg. 1, Ln. 3 |
| 5 . Reconciliation of Prior STAS | <u>(\$24,526)</u> | 12/18/20 STAS Filing, Att. A, Pg. 1, Ln. 5 |
| 6 . Subtotal | (\$364,336) | Ln. 1 + Ln. 2 + Ln. 3 + Ln. 4 + Ln. 5 |
| 7 . Less STAS Revenues Collected from Customers - 2021 | <u>(\$284,064)</u> | Att. B, Pg. 2 |
| 8 . Net Due from/(to) Customers | (\$80,272) | Ln. 6 - Ln. 7 |

PECO Energy-Electric Operations
STAS Collections-Company Records
12 Months Ended December 31, 2021

| | |
|---------------|--------------------|
| Jan | (\$14,680) |
| Feb | (\$27,256) |
| Mar | (\$25,477) |
| April | (\$21,883) |
| May | (\$20,847) |
| Jun | (\$26,208) |
| July | (\$30,734) |
| Aug | (\$31,118) |
| Sep | (\$30,272) |
| Oct | (\$23,801) |
| Nov (est) | (\$22,798) |
| Dec (est) | <u>(\$26,799)</u> |
| Total | (\$301,873) |
| Less: GRT | \$ <u>(17,809)</u> |
| Net After GRT | (\$284,064) |

NOTICES

DEPARTMENT OF REVENUE

Public Utility Realty Tax Act; Surcharge Rate Notice for the Tax Year Beginning January 1, 2022

[51 Pa.B. 5941]

[Saturday, September 11, 2021]

Section 1111-A(d) of the Tax Reform Code of 1971 (act) (72 P.S. § 8111-A(d)) requires the Secretary of Revenue to publish the rate of the Public Utility Realty Tax Act (PURTA) surcharge in the form of a notice in the *Pennsylvania Bulletin* by October 1, 2003, and by each October 1 thereafter. The tax rate established in section 1111-A(d) of the act shall be imposed upon gross receipts taxes as provided in section 1111-A(d) of the act for the period beginning the next January 1.

The result of the PURTA surcharge calculation provided in section 1111-A of the act for the tax year beginning January 1, 2022, is zero mills (0.0000). Therefore, no PURTA surcharge under section 1111-A(d) of the act will be imposed for the taxable period beginning January 1, 2022.

C. DANIEL HASSELL,
Secretary

[Pa.B. Doc. No. 21-1547. Filed for public inspection September 10, 2021, 9:00 a.m.]

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



August 1, 2021

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

Re: 2020 Pennsylvania Public Utility Realty Tax
Notice of Determination

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act (PURTA), the Department of Revenue (department) herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2020. This notice is based on information provided by County Tax Assessor offices. Any discrepancies must be resolved with that county's agency. The county must then provide the department with corrected information, when appropriate.

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. Please note, any net liabilities resulting from prior years' adjustments are due and payable along with the current year liability.

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. If you have questions or correspondence relevant to the PURTA tax on this notice, email the department at ra-purta@pa.gov.

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

| Tax Year | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1) Total Realty Tax Equivalent (RTE): | \$30,280,850 | \$29,191,963 | \$28,870,339 | \$28,068,122 | \$28,440,337 |
| 2) Total State Taxable Value (STV) for all utilities: | \$1,484,534,031 | \$1,388,979,929 | \$1,278,441,186 | \$1,234,804,585 | \$1,241,283,094 |
| 3) PURTA Millage Rate, including PTA (7.6 mills) | 27.9975 mills | 28.6168 mills | 30.1825 mills | 30.3308 mills | 30.5120 mills |
| 4) Utility STV: | \$339,269,131 | \$311,484,339 | \$292,894,798 | \$273,132,918 | \$272,097,374 |
| 5) Liability (Line 3 x Line 4): | \$9,498,687 | \$8,913,685 | \$8,840,297 | \$8,284,340 | \$8,302,235 |
| 6) Utility Transition Credit: | N/A | N/A | N/A | N/A | N/A |
| 7) Utility Liability Adjustment: | N/A | (\$3,489) | \$2,577 | (\$82) | \$190 |
| 8) Utility Transition Credit Adjustment: | N/A | N/A | N/A | N/A | N/A |

Account ID: 3500103

Name: PECO ENERGY CO

Account Id: 3500103

Details

| Tax Year | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------------|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1) Total RTE: | \$29,053,564 | \$28,895,767 | \$31,028,417 | \$30,789,140 | \$30,747,875 | \$30,135,893 | \$31,008,084 | \$30,366,870 | \$28,661,349 |
| 2) Total STV for all utilities | \$1,246,509,356 | \$1,236,835,062 | \$1,251,372,685 | \$1,263,839,764 | \$1,343,044,219 | \$1,405,138,405 | \$1,524,907,264 | \$1,612,587,899 | \$1,637,505,069 |
| 3) PURTA Millage Rate: | 30.9079 mills | 30.9627 mills | 32.3955 mills | 31.9616 mills | 30.4942 mills | 29.0469 mills | 27.9344 mills | 26.4311 mills | 25.1031 mills |
| | <u>Utility Adjustment</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) | \$8,268,779 | \$8,222,628 | \$7,625,371 | \$7,769,517 | \$8,284,835 | \$7,668,555 | \$7,706,946 | \$7,863,380 | \$7,404,497 |
| 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: | (\$214) | (\$186) | (\$165) | (\$171) | (\$163) | (\$132) | (\$166) | (\$149) | (\$118) |
| 8) Transition Credit Adjustment: | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| Tax Year | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|----------------------------------|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1) Total RTE: | \$30,278,830 | \$30,433,821 | \$29,116,731 | \$29,061,994 | \$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: | 26.4368 mills | 27.7350 mills | 28.2062 mills | 29.1624 mills | 29.0150 mills | 29.5180 mills | 28.3876 mills | 26.5221 mills | 72.2062 mills |
| | <u>Utility Adjustment</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): | \$7,375,934 | \$7,002,168 | \$6,765,419 | \$6,428,517 | \$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: | (\$111) | (\$126) | (\$120) | (\$110) | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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 2020 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 electronic Statement of Account, log onto www.ctides.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.