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AN EXELON COMPANY

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PECO
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Philadelphia, PA 19103

March 16, 2022

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

Subject: PECO Distribution System Improvement Charge Electric Operations
Electric Tariff No. 7, Supplement No. 4
Effective April 1, 2022 Docket No. M-2018-3000598

Dear Secretary Chiavetta:

Enclosed is PECO's Electric Distribution System Improvement Charge ("DSIC") filing for the period April 1, 2022 through June 30, 2022. PECO has included the remaining e-factor amount to be returned to customers over the next three months in accordance with the Commission's Supplement Order at docket M-2012-229361 dated September 21, 2016.

The Company's DSIC rate will therefore change from 0% to a credit of 0.16% effective with bills rendered on or after April 1, 2022.

The following attachments are included in support of the filing:

Attachment 1 – Supplement No. 4 to Electric Tariff No. 7

Attachment 2 – Calculation of the DSIC for the period April 1, 2022 to June 30, 2022

Attachment 3 – Actual DSIC Eligible Plant Investment vs. FPFTY

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.

Rosemary Chiavetta, Secretary
March 16, 2022
Page 2

If you have any questions regarding this matter, please call Rich Schlesinger at 215-841-5771 or at email rich.schlesinger@peco-energy.com

Sincerely,

A handwritten signature in black ink, appearing to read 'RCH', followed by a long horizontal flourish.

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

ATTACHMENT 1

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 4.

Issued March 16, 2022

Effective April 1, 2022

**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

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) – 1st revised Page No. 48

Revised DSIC rate from 0% to -0.16%.

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC)

In addition to the net charges provided for in this Tariff, a value of -0.16% % will apply consistent with the Commission Order dated October 22, 2015 at Docket No. P-2015-2471423, approving the DSIC. (C)

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 recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Poles and Tower (Account 364);
- Overhead conductor (Account 365) and underground conduit and conductors (Accounts 366 and 367);
- Line transformers (Account 368) and substation equipment (Account 362);
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, converters and condensers;
- 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 January 1, 2016.

(C) Denotes Change

ATTACHMENT 2

PECO
ATTACHMENT 2 - COMPUTATION OF CUMULATIVE PROPOSED ELECTRIC DSIC
APPLICATION PERIOD: APRIL 1, 2022 THROUGH JUNE 30, 2022

DSIC = (DSI * PTRR) + Dep + e / PQR

Line No.			<u>Amount</u>
1	DSI	= Eligible Distribution System Improvement Costs	N/A
2	PTRR	= Pre-tax Return Rate applicable to DSIC eligible prope	N/A
3	DSI PTR	= Pre-tax Return on DSIC eligible property (Line 1 * Line 2)	N/A
4	Dep	= Depreciation expense applicable to DSIC eligible property	N/A
5	e	= Amount calculated (over)/under the annual reconciliation feature or Commission audit (Attachment 2, Page 3)	\$ (559,209)
6	Net Amt. Recoverable (w/o GRT)	= Net Amount to be Recovered/(Refunded) ((includes Over/Under) Collection) (w/o GRT) (Line 3 + Line 4 + Line 5)	\$ (559,209)
7	Net Amt. Recoverable (w/ GRT)	= Net Amount to be Recovered/(Refunded) (includes Over/Under) Collection (w/ GRT) (Line 6 * Note 1)	\$ (594,271)
8	PQR	= Projected quarterly revenues (Attachment 2, Page 2, Column 8, Apr-22 + May-22 + June-22 - Note 2)	<u>\$ 371,093,586</u>
9	DSIC	= Distribution System Improvement Rider (Line 7 / Line 8)	-0.16%

Note 1:

1 / (1 - T) = (T = 5.9% Gross Receipts Tax)

1.062699256

Note 2:

Per Settlement at Docket No. P-2015-2471423, nuclear decommissioning costs and non-bypassable transmission costs are ineligible for use in projected revenues for DSIC purposes. Decommissioning = \$3,860,000 annual / 4 quarters = \$965,000; projected non-bypassable costs for the quarter = \$21,013,611.

\$ 21,978,611

PECO - Electric
Reconciliation Statement
E1307 (e)
For the Period January 1, 2021 through December 31, 2021

Month	Current Cost Rate (1)	Fixed Costs of Eligible Plant Additions (2)	DSIC Revenue Collected (3)	Over/(Under) Collections (4) = (3) - (2)	Interest Rate (5)	Number of Months (6)	Interest Amount (7)
Jan-21	0.35%	\$ 421,984	\$ 480,100	\$ 58,116	3.75%	21	\$ 3,814
Feb-21	0.35%	\$ 421,984	\$ 461,973	\$ 39,989	3.75%	20	\$ 2,499
Mar-21	0.35%	\$ 421,984	\$ 461,110	\$ 39,126	4.00%	19	\$ 2,478
Apr-21	0.73%	\$ 801,443	\$ 770,505	\$ (30,938)	4.25%	18	\$ -
May-21	0.73%	\$ 801,443	\$ 753,876	\$ (47,567)	4.50%	17	\$ -
Jun-21	0.73%	\$ 801,443	\$ 899,781	\$ 98,338	4.50%	16	\$ 5,900
Jul-21	0.76%	\$ 990,145	\$ 1,135,718	\$ 145,573	4.50%	15	\$ 8,188
Aug-21	0.76%	\$ 990,145	\$ 1,137,992	\$ 147,847	4.50%	14	\$ 7,762
Sep-21	0.76%	\$ 990,145	\$ 1,152,941	\$ 162,796	4.25%	13	\$ 7,495
Oct-21	1.20%	\$ 1,348,211	\$ 1,351,586	\$ 3,375	4.25%	12	\$ 143
Nov-21	1.20%	\$ 1,348,211	\$ 1,242,740	\$ (105,471)	4.25%	11	\$ -
Dec-21	1.20%	\$ 1,348,211	\$ 1,357,603	\$ 9,392	4.50%	10	\$ 352
Totals		\$ 10,685,349	\$ 11,205,925	\$ 520,576			\$ 38,633

ATTACHMENT 3

Attachment 3

PECO Energy Company - Electric

Actual DSIC Eligible Plant Investment vs FPFTY (\$ in Thousands)

Account	Description	Actual Plant in Service 02/28/2022	FPFTY Plant in Service 12/31/2022	Over (Under)
E302	Franchise & Consent	148	148	(0)
E303	Misc Intangible Plant	197,800	232,605	(34,805)
E360	Land and Land Rights	53,133	45,126	8,007
E361	Structures and Improvements	175,147	220,410	(45,263)
E362	Station Equipment	1,169,314	1,179,459	(10,145)
E364	Poles, Towers and Fixtures	996,199	1,080,008	(83,809)
E365	Overhead Conductors, Devices	1,724,755	1,975,971	(251,216)
E366	Underground Conduit	600,422	643,607	(43,185)
E367	Undergrnd Conductors, Devices	1,546,213	1,594,275	(48,062)
E368	Line Transformers	680,256	770,400	(90,144)
E369	Services	449,669	462,459	(12,790)
E370	Meters	333,382	352,706	(19,324)
E371	Installs on Customer Premiss	13,772	13,772	0
E373	Street Lighting, Signal Systems	64,708	63,728	980
E374	ARO Costs Distribution Plant	3,234	3,296	(62)
E389	Land and Land Rights	965	963	2
E390	Structures and Improvements	45,539	44,908	631
E391	Office Furniture, Equipment	36,807	37,177	(370)
E393	Stores Equipment	42	42	0
E394	Tools, Shop, Garage Equipment	42,347	39,401	2,946
E395	Laboratory Equipment	374	369	5
E397	Communication Equipment	160,788	152,645	8,143
E398	Miscellaneous Equipment	543	163	380
E399.1	ARO Costs General Plant	1,543	1,543	(0)
		<u>8,297,099</u>	<u>8,915,181</u>	<u>(618,082)</u>