



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

December 30, 2022

Docket No. M-2022-3037158

Utility Code: 122300

Richard G. Webster, Jr
PECO Energy Company
2301 Market Street S15
Philadelphia, PA 19103

Re: PECO Energy Company – Gas Division State Tax Adjustment Surcharge Filing

Dear Mr. Webster:

On November 9, 2022, the Pennsylvania Public Utility Commission (Commission) issued a Secretarial Letter to all jurisdictional fixed utilities containing information on the reduction to the Pennsylvania Corporate Net Income Tax (CNIT) and the Commission’s State Tax Adjustment Surcharge (STAS) procedures. Additional guidance, information, and clarification on the Commission’s STAS procedures and the reduction in CNIT was subsequently provided by Secretarial Letter issued December 15, 2022

On December 20, 2022, PECO Energy Company – Gas Division (“PECO – Gas” or the “Company”) filed a letter indicating that it will not presently be submitting a STAS revision to account for the reduction in its CNIT. PECO – Gas states that the PA state income tax rate reduction for year 2023 is reflected in gas distribution base rates as discussed in the Joint Petition for Settlement of Rate Investigation at Docket No. R-2022-3031113, the Company’s 2022 gas distribution base rate case, and to refer to Section II, TERMS AND CONDITIONS OF SETTLEMENT, Item 15 of the Joint Petition. The Company also noted that the revised tariff page reflecting the new STAS rate has already been provided in the Compliance Filing Replacement Pages for PECO’s 2022 Gas Distribution Base Rate Case at Docket No. R-2022-3031113 concurrently filed on December 20, 2022.

Commission Staff has reviewed the Company’s letter and further investigation does not appear warranted at this time. However, this does not preclude this Commission from investigating the financial affairs of the Company and, in appropriate cases, ordering refunds or other remedies, which it deems proper.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code § 5.44, file a petition with the Commission within 20 days of the date of this letter. If you have any questions in this matter, please contact Joel Greene, Finance Section, Bureau of Technical Utility Services at (717) 783-4454 or joelgreene@pa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta
Secretary