



pecoSM

AN EXELON COMPANY

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

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

PECO
2301 Market Street
S15
Philadelphia, PA 19103

March 20, 2025

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. 8, Supplement No. 3
Effective April 1, 2025 Docket No. M-2018-3000598

Dear Secretary Chiavetta:

Enclosed is PECO's Electric Distribution System Improvement Charge ("DSIC") filing for the period April 1, 2025 through June 30, 2025. PECO has included the remaining e-factor amount to be recovered from customers over the next three months in accordance with the Commission's Supplement Order at docket M-2012-229361 dated September 21, 2016. The under-recovery amount was provided in the January 17, 2025 Annual Reconciliation Statement at Docket No. M-2025-3052989. The Company's DSIC rate will change from 0% to a charge value of 0.27% effective with bills rendered on or after April 1, 2025.

Also, in compliance with the Supplemental Order entered September 21, 2016 at Docket No. M-2012-2293611, PECO includes Attachment 3 which shows a comparison of actual plant additions vs. FPFTY.

The following attachments are included in support of the filing:

Attachment 1 – Supplement No. 3 to Electric Tariff No. 8
Attachment 2 – Calculation of the DSIC for the period April 1, 2025 to June 30, 2025
Attachment 3 – Actual Plant Additions vs FPFTY

Thank you for your assistance in this matter and if you have any questions please contact Megan McDevitt, Senior Manager, Retail Rates at 267-533-1942 or via email at megan.mcdevitt@exeloncorp.com.

Sincerely,

cc: P. T. Diskin, Director, Bureau of Technical Utility Services (email only)
K. A. Hafner, Director, Office of Special Assistants (email only)
A. C. Kaster, Director, Bureau of Investigation & Enforcement (email only)
K. A. Monaghan, Director, Bureau of Audits (email only)
A. Bakare, McNees, Wallace and Nurick (email only)
C. Mincavage, McNees, Wallace and Nurick (email only)
Office of Consumer Advocate (email only)
Office of Small Business Advocate (email 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 20, 2025

Effective April 1, 2025

**ISSUED BY: David M. Velazquez – 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. 49
Revised DSIC rate from 0% to 0.27%.

TABLE OF CONTENTS

List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6,7,8,9
RULES AND REGULATIONS:	
1. The Tariff.....	10
2. Service Limitations.....	10
3. Customer's Installation.....	11
4. Application for Service.....	12
5. Credit.....	13
6. Private-Property Construction.....	14, 15
7. Extensions.....	16,17
8. Rights-of-Way.....	18
9. Introduction of Service.....	19
10. Company Equipment.....	19
11. Tariff and Contract Options.....	21
12. Service Continuity.....	22
13. Customer's Use of Service.....	24
14. Metering.....	24
15. Demand Determination.....	25
16. Meter Tests.....	26
17. Billing and Standard Payment Options.....	27
18. Payment Terms & Termination of Service.....	28
19. Unfulfilled Contracts.....	31
20. Cancellation by Customer.....	31
21. General.....	32
22. Rules For Designation of Procurement Class.....	32
23. EGS Switching.....	33
24. Load Data Exchange.....	33
STATE TAX ADJUSTMENT CLAUSE.....	34
INCREMENTAL COVID-19-RELATED UNCOLLECTIBLE EXPENSE (ICUS).....	35
FIBER AFFILIATE REVENUE SURCHARGE (FARS).....	36
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 1 AND 2.....	37 ¹ , 38 ¹ , 39 ¹
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 3/4.....	40 ¹
RECONCILIATION.....	41, 42
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA).....	43
PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC).....	44
PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS.....	45 ¹
TRANSMISSION SERVICE CHARGE.....	46
NON-BYPASSABLE TRANSMISSION CHARGE (NBT).....	47
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS PHASE IV.....	48
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC).....	49 ¹ , 50, 51
RATES:	
Rate R Residence Service.....	52 ¹
Rate R-H Residential Heating Service.....	53 ¹
Rate RS-2 Net Metering.....	54, 55, 56
Rate GS General Service.....	57, 58
Rate PD Primary-Distribution Power.....	59 ¹
Rate HT High-Tension Power.....	60 ¹
Rate EP Electric Propulsion.....	61
Rate POL Private Outdoor Lighting.....	62, 63
Rate SL-S Street Lighting-Suburban Counties.....	64, 65
Rate SL-E Street Lighting Customer-Owned Facilities.....	66, 67
Rate SL-C Smart Lighting Control Customer Owned Facilities.....	68, 69, 70
Rate TLCL Traffic Lighting Constant Load Service.....	71
Rate BLI Borderline Interchange Service.....	72
Rate AL Alley Lighting in City of Philadelphia.....	73
RIDERS:	
Applicability Index of Riders.....	74
Capacity Reservation Rider.....	75, 76, 77, 78, 79
CAP Rider - Customer Assistance Program.....	80
Casualty Rider.....	81
Construction Rider.....	82

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC)

In addition to the net charges provided for in this Tariff, a value of 0.27 % 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 an electric distribution company must relocate its facilities; and
Other related capitalized costs.

C. Effective Date: The DSIC will become effective January 1, 2016.

(C) Indicates Change

ATTACHMENT 2

PECO
ATTACHMENT 2 - COMPUTATION OF CUMULATIVE PROPOSED ELECTRIC DSIC
APPLICATION PERIOD: APRIL 1, 2025 THROUGH JUNE 30, 2025

$$DSIC = (DSI * PTRR) + STFT + Dep + e * 1 / (1 - T) / PQR$$

Line No.			Amount
1	DSI	= Eligible Distribution System Improvement Costs (Attachment 2, Page 2, Column 7)	N/A
2	PTRR	= Pre-tax Return Rate applicable to DSIC eligible property (Attachment 2, Page 3, Line 4)	2.32%
3	DSI PTR	= Pre-tax Return on DSIC eligible property (Line 1 * Line 2)	N/A
4 (a)	STFT	= State Tax (After Tax) Flow Through (Attachment 2, Page 2, Column 9, Dec-24 + Jan-25 + Feb-25)	N/A
4 (b)	STFT	= State Tax (Pre-Tax) Flow Through (4A * Attachment 2, Page 3, Column 4)	N/A
5	Dep	= Depreciation expense applicable to DSIC eligible property (Attachment 2, Page 2, Column 8, Dec-24 + Jan-25 + Feb-25)	N/A
6	e	= Amount calculated (over)/under the annual reconciliation feature or Commission audit	\$ 1,371,082
7	Net Amt. Recoverable (w/o GRT)	= Net Amount to be Recovered/(Refunded) ((includes Over/Under) Collection) (w/o GRT) (Line 3 + Line 4(b) + Line 5 + Line 6)	\$ 1,371,082
8	Net Amt. Recoverable (w/ GRT)	= Net Amount to be Recovered/(Refunded) (includes Over/Under) Collection (w/ GRT) (Line 7 * Note 1)	\$ 1,457,048
9	PQR	= Projected quarterly revenues (Attachment 2, Page 2, Column 10, Apr-25 + May-25 + Jun-25 - Note 2)	<u>\$ 537,574,804</u>
10	DSIC	= Distribution System Improvement Rider (Line 8 / Line 9)	0.27%

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. Revenues reflected exclude the forementioned revenues.

PECO
ATTACHMENT 2 - COMPUTATION OF CUMULATIVE PROPOSED ELECTRIC DSIC PRE-TAX RATE OF RETURN
APPLICATION PERIOD: APRIL 1, 2025 THROUGH JUNE 30, 2025

Line No.		Capitalization Ratio (1)	Embedded Cost Note 1 (2)	Rate of Return (3) = (1) * (2)	Tax Multiplier Note 2 (4)	Pre-Tax Rate of Return (5) = (3) * (4)
1	Long-Term Debt	47.01%	4.23%	1.99%	-	1.99%
2	Common Equity	52.99%	10.00%	5.30%	1.375744794	7.29%
3	Total	<u>100.00%</u>		<u>7.29%</u>		<u>9.28%</u>
4	9.28% Annual PTRR / 4 quarters = 2.32% Quarterly PTRR					

Note 1:

Line 2, Column (2), from the PUC's Quarterly Earnings Report page 18, line 7, dated September 30, 2024 at Docket No. M-2025-3053025 (issued February 6, 2025).

Note 2:

The tax multiplier is calculated as follows: $1/[1-(\text{Fed Rate}+(\text{Pa. Tax Rate} \times (1 - \text{Fed Rate})))]$ where the Pa. tax rate is 7.99% and Fed. Tax rate is 21%.

$$1/[1-(21\%+(7.99\%*(1-21\%)))] = 1.375744794$$

ATTACHMENT 3

Attachment 3

PECO Energy Company - Electric

Actual Plant Additions vs FPFTY (\$ in Thousands)

Account	Description	Actual Plant in Service 2/28/2025	FPFTY Plant in Service 12/31/2025	Over (Under)
E302	Franchise & Consent	143	143	0
E303	Misc Intangible Plant	187,442	145,196	42,246
E360	Land and Land Rights	55,041	54,159	882
E361	Structures and Improvements	233,714	255,582	(21,868)
E362	Station Equipment	1,257,984	1,404,950	(146,966)
E364	Poles, Towers and Fixtures	1,335,336	1,492,502	(157,166)
E365	Overhead Conductors, Devices	2,109,176	2,382,803	(273,627)
E366	Underground Conduit	913,929	1,045,522	(131,593)
E367	Undergrnd Conductors, Devices	2,020,636	2,284,412	(263,777)
E368	Line Transformers	857,126	930,272	(73,146)
E369	Services	480,228	503,567	(23,339)
E370	Meters	358,795	369,190	(10,395)
E371	Installs on Customer Premiss	13,772	13,772	0
E373	Street Lighting, Signal Systems	68,218	76,447	(8,229)
E374	ARO Costs Distribution Plant	3,151	2,353	798
E389	Land and Land Rights	932	932	0
E390	Structures and Improvements	44,666	44,670	(4)
E391	Office Furniture, Equipment	36,865	18,937	17,928
E393	Stores Equipment	39	38	1
E394	Tools, Shop, Garage Equipment	54,055	49,583	4,472
E395	Laboratory Equipment	224	132	92
E397	Communication Equipment	162,239	165,437	(3,198)
E398	Miscellaneous Equipment	1,319	627	691
E399.1	ARO Costs General Plant	2,012	1,679	332
		10,197,042	11,242,906	(1,045,864)