



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

VIA E-FILE ONLY

March 25, 2025

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
Harrisburg, PA 17120

SUBJECT: PECO Energy Company ("PECO") Financial Report for the twelve months ended December 31, 2024 for Gas Operations, Docket No. M-2025-3052807

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission PECO's Financial Report for the twelve months ended December 31, 2024, for Gas Operations (Utility Code – 122300). This report includes the annualization, normalization and other ratemaking adjustments typically permitted by the Commission. Please note that this report includes a tax repair benefit of \$40.9M in adjusted income for common equity or 2.04% in adjusted return on common equity. Copies have been provided to the Office of Special Assistants, Bureau of Investigation and Enforcement, Office of Consumer Advocate, Office of Small Business Advocate and Bureau of Technical Utility Services.

Sincerely,

cc: P. Diskin, Director, Bureau of Technical Utility Services (email only)
K. Hafner, Director, Office of Special Assistants (email only)
A. Kaster, Director, Bureau of Investigation & Enforcement (email only)
R. Layton, Bureau of Technical Utility Services (email only)
E. Laudenslager, Bureau of Technical Utility Services (email only)
Office of Consumer Advocate (email service only)
Office of Small Business Advocate (email service only)

PECO-GAS OPERATIONS

Financial Report

Twelve Months Ended December 31, 2024

Company Name: 122300-PECO-Gas Operations
 Financial Report for Twelve Months Ended: 12/31/2024

SCHEDULE A1
 (in thousands)

	Actual per Books	Intrastate %	Intrastate Per Books	Adjustments (a)	Adjusted Results
Original Cost					
Plant in Service	4,497,870	1.0000	4,497,870	835,889	5,333,759
Depreciation Reserve	1,066,410	1.0000	1,066,410	229,076	1,295,486
Net Plant	3,431,460	1.0000	3,431,460	606,812	4,038,272
ADDITIONS:					
Ld./Plt. Future Use	-	1.0000	-	0	-
Materials & Suppl.	34,294	1.0000	34,294	0	34,294
CWC (b)	10,386	1.0000	10,386	0	10,386
Other	-	1.0000	-	0	-
DEDUCTIONS:					
Acc. Def. Income Taxes	-	0.0000	-	0	-
Liberalized Depr.	216,896	1.0000	216,896	-6,625	210,271
I. T. C.	-	1.0000	-	0	-
Other	-	1.0000	-	0	-
Customer Deposits	16,468	1.0000	16,468	0	16,468
Customer Advances	1,267	1.0000	1,267	0	1,267
Cont. Aid of Constr.	(6,013)	1.0000	(6,013)	-11,387	(17,400)
Other	113,218	1.0000	113,218	-6,919	106,299
 RATE BASE	 3,134,304		 3,134,304	 631,743	 3,766,047
 Operating Revenues	 647,425	 1.0000	 647,425	 3,463	 650,888
Operating Revenue Deductions:					
O & M Expense	366,393	1.0000	366,393	(20,415)	345,978
Annual Depreciation	97,877	1.0000	97,877	29,573	127,450
Taxes-					
-Other Than Income	8,368	1.0000	8,368	-	8,368
-State Income-Curr.	-	1.0000	-	(483)	(483)
-Fed. Income-Curr.	3,449	1.0000	3,449	(1,097)	2,352
-Deferred Inc. Txes.	(18,430)	1.0000	(18,430)	-	(18,430)
-I.T.C. (net)	(5)	1.0000	(5)	-	(5)
Total Oper. Rev. Ded.	457,651		457,651	7,579	465,230
Inc. Avail. For Ret.	189,774		189,774	(4,116)	185,659
 RATE OF RETURN - Overall	 6.06%		 6.06%		 4.93%

COMPANY NAME:

PECO-Gas Operations
SUMMARY OF ADJUSTMENTS
(in Thousands\$)

SCHEDULE B

Rate Base Adjustments	Rate Base	Revenues	Expenses	Taxes Other Than Income	State Income Taxes	Federal Income Taxes
(1) Adjustment for Additional Plant in Service	\$835,889					
(2) Adjustment for Additional Accumulated Reserve	\$229,076					
(3) Adjustment for Additional Accumulated Deferred Income Taxes	\$ (24,931)					

Total \$631,743

Income Statement Adjustments	Rate Base	Revenues	Expenses	Taxes Other Than Income	State Income Taxes	Federal Income Taxes
(1) Interest on Customer Deposits*			\$ 973		\$ (83)	\$ (187)
(2) Revenue Annualization*	\$ 242				\$ 21	\$ 46
(3) Wage Change, Pension and FAS 106 Adjustment*			\$ 2,461		\$ (209)	\$ (473)
(4) Adjust for Additional Book Depreciation Expense*			\$ 29,573		\$ (2,511)	\$ (5,683)
(5) Elimination of Profit from IS Sales*	\$ -		\$ -		\$ -	\$ -
(6) Elimination of Off-System Related Revenues and Costs*	\$ (27,568)		\$ (20,676)		\$ (585)	\$ (1,325)
(7) Weather Normalization of Distribution Revenues*	\$ 33,437				\$ 2,839	\$ 6,425
(8) Leap Year Revenue Normalization	\$ (1,265)				\$ (107)	\$ (244)
(9) CAP Revenue Credit Annualization	\$ (37)				\$ (3)	\$ (7)
(10) Normalization of Uncollectible Accounts Expense*			\$ (3,172)		\$ 269	\$ 610
(11) Eliminate DSIC Revenue*	\$ (1,346)				\$ (114)	\$ (259)

Total \$ 3,463 \$ 9,159 \$ (483) \$ (1,097)

COMPANY NAME:

PECO
Gas Operations
Explanation of Adjustments

SCHEDULE C

Rate Base Adjustments

- (1) Adjustment for Additional Plant in Service
- (2) Adjustment for Additional Accumulated Reserve
- (3) Adjustment for Additional Accumulated Deferred Income Taxes

Income Statement Adj.

- (1) Adjustment to Include Interest on Customer Deposits-The purpose of this adjustment is to include interest expense of the Company due to customer deposits. This adjustment was included at R-2020-3018929, the most recently concluded gas base rate case.
- (2) Revenue Annualization-The purpose of this adjustment is to annualize revenues to reflect period end level of customers. This adjustment was included at R-2020-3018929, the most recently concluded gas base rate case.
- (3) Wage Change, Pension and FAS 106 Adjustment-The purpose of this adjustment is to develop the changes in wages, pensions and FAS 106 benefits not yet fully reflected in the twelve month period. This adjustment was included at R-2020-3018929, the most recently concluded gas base rate case.
- (4) Adjustment for Additional Book Depreciation Expense - This adjustment is necessary to reflect a additional depreciation expense for additional plant in service.
- (5)
- (6) Elimination of Off-System Related Revenues and Costs-The purpose of this adjustment is to remove all revenues and gas costs related to off-system sales including sales for resale and the Company share for capacity release credits. Customers receive 75% of the margin through the Purchased Gas Cost rate while the Company retains 25% of the margin. This adjustment was included at R-2020-3018929, the most recently concluded gas base rate case.
- (7) Weather Normalization of Distribution Revenues-The purpose of this adjustment is to reflect the effect of weather normalization on distribution revenues. This adjustment was included at R-2020-3018929, the most recently concluded gas base rate case.
- (8) Leap Year Revenue Normalization - The purpose of this adjustment is to add one quarter of one-day non-customer and non-reconcilable surcharge distribution revenue to normalize the revenue impact from leap year.
- (9) CAP Revenue Credit Annualization - The purpose of this adjustment is to annualize the cost of the discounts provided to customers enrolled in Company's Customer Assistance Program ("CAP") in the form of a bill credit, reflecting the number of CAP at the end of reporting period.
- (10) Adjustment to Normalize Uncollectible Accounts Expense-The purpose of this adjustment is to normalize uncollectible accounts expense. This adjustment was included at R-2020-3018929, the most recently concluded gas base rate case.

Company Name: 122300-PECO-Gas Operations
 INTRASTATE per BOOKS

SCHEDULE D-1

Calc. Of Return on Common Equity for the period: 12/31/2024
 (In Thousands)

	Capital Ratios	Rate Base	Totals	Weighted Cst. Rates	Total Rate Base Cst./Debt/Pref.
	-----	-----	-----	-----	-----
1. Debt	0.4664	3,134,304	1,461,839	0.0435	63,590
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5336		1,672,465		
4. TOTAL	1.0000		3,134,304		63,590
=====					
					Intrastate per Books

5. Income Available for Return					189,774
6. Less: Total Rate Base Related Cost of Debt & Preferred					63,590
7. Income Available for Common Equity (Line 5 - Line 6)					126,184
8. Debt Cost					63,590
9. Less: Interest Expense used to compute State & Fed. Income Tax					67,152
10. Difference (Line 8 less Line 9)					-3,562
11. Times: Effective State and Federal Income Tax Rate					0.277071
12. Net Addition of (Deduction) (Line 10 x Line 11)					-987
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)					125,197
14. Return on Common Equity (Line 7/ Line 3, Col. 3)					0.07545
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)					0.07486

Company Name: 122300-PECO-Gas Operations
 INTRASTATE ADJUSTED
 Calc. Of Return on Common Equity for the period: 12/31/2024
 (In Thousands)

SCHEDULE D-2

	Capital Ratios	Rate Base	Totals	Weighted Cst. Rates	Total Rate Base Cst./Debt/Pref.
	-----	-----	-----	-----	-----
1. Debt	0.4664	3,766,047	1,756,484	0.0435	76,407
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5336		2,009,563		
4. TOTAL	1.0000		3,766,047		76,407
=====					
					Intrastate Adjusted

5. Income Available for Return					185,659
6. Less: Total Rate Base Related Cost of Debt & Preferred					76,407

7. Income Available for Common Equity (Line 5 - Line 6)					109,252
8. Debt Cost					76,407
9. Less: Interest Expense used to compute State & Fed. Income Tax					67,152

10. Difference (Line 8 less Line 9)					9,255
11. Times: Effective State and Federal Income Tax Rate					0.277071

12. Net Addition of (Deduction) (Line 10 x Line 11)					2,564
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)					111,816
14. Return on Common Equity (Line 7/ Line 3, Col. 3)					0.05437
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)					0.05564

SCHEDULE E

Company: 122300-PECO-Gas Operations
 Calculation of Capital Structure and Related Ratios
 for the period: 12/31/2024
 (in thousands)

	Total Company Actual Amount Outstanding	Ratios
Total Debt	5,958,830	0.4664
Total Preferred	0	0.0000
Common Equity:		
Common Stock	1,423,004	
Premium on Common Stock	3,222,240	
Capital Surplus	0	
Capital Stock Expense	0	
Retained Earnings	2,172,314	
Other	0	
Total Common Equity	6,817,558	0.5336
Total Capital	12,776,388	1.0000

PECO - Gas Operation
Cost of Debt as Ratemaking Adjusted
for the Twelve Months Ended December 31, 2024
(\$ in Thousands)

SCHEDULE F

Line No	Description	[1] Amount Outstanding	[3] Effective Interest Rate	[2] Percent to Total	[4] Average Weighted Cost Rate [2] * [3]	[5] Annualized Cost
<u>First & Refunding Mortgage Bonds - Fixed Rate</u>						
1	3.15% due 2025	350,000	3.29%	5.87%	0.19%	
2	5.90% due 2034	75,000	6.00%	1.26%	0.08%	
3	5.95% due 2036	300,000	6.04%	5.03%	0.30%	
4	5.70% due 2037	175,000	5.81%	2.94%	0.17%	
5	4.80% due 2043	250,000	4.89%	4.20%	0.21%	
6	4.15% due 2044	300,000	4.23%	5.03%	0.21%	
7	3.70% due 2047	325,000	3.77%	5.45%	0.21%	
8	3.90% due 2048	650,000	4.08%	10.91%	0.45%	
9	3.00% due 2049	325,000	3.10%	5.45%	0.17%	
10	2.80% due 2050	350,000	2.86%	5.87%	0.17%	
11	3.05% due 2051	375,000	3.11%	6.29%	0.20%	
12	2.85% due 2051	375,000	2.91%	6.29%	0.18%	
13	4.6% due 2052	350,000	4.71%	5.87%	0.28%	
14	4.375% due 2052	425,000	4.46%	7.13%	0.32%	
15	4.90% due 2033	575,000	5.03%	9.65%	0.49%	
16	5.25% due 2054	575,000	5.34%	9.65%	0.52%	
17	Sub-Total Fixed Rate	<u>5,775,000</u>		<u>96.91%</u>		
<u>Trust Preferred Capital Securities</u>						
18	7.38% Rate Due 4/6/28	80,521	7.46%	1.35%	0.10%	
19	Variable Rates Due 4/6/28	805	6.75%	0.01%	0.00%	
20	5.75% Rate Due 6/15/33	103,093	5.88%	1.73%	0.10%	
21	Sub-Total Capital Securities	<u>184,419</u>		<u>3.09%</u>		
22	Total Long-Term Debt	5,959,419		<u>100.00%</u>	<u>4.35%</u>	
23	Adjustment for Tenders & Calls	(589)				
24	Net Long-Term Debt	<u>\$ 5,958,830</u>				
25	Annualized Cost	\$ 259,235				
26	Adjustment for Tenders & Calls Reacquired	68				
27	Total	<u>\$ 259,303</u>				<u>4.35%</u>

**SCHEDULE A
SUPPORTING DATA**

PECO-GAS OPERATIONS
Plant in Service at December 31, 2024
Gas Plant
(in Thousands\$)

A-1

	<u>Plant</u>	Depreciation <u>Reserve</u>	<u>Net</u>
Total Depreciable Gas Plant	\$ 4,243,314	\$ 975,259	\$ 3,268,055
 <u>Add: Other Accounts</u>			
302, 360 Franchise, Land and Land Rights	\$ 66		\$ 66
374 Land and Land Rights	<u>\$ 4,001</u>		<u>\$ 4,001</u>
Total Gas Plant	\$ 4,247,380	\$ 975,259	\$ 3,272,121
Allocated Common Plant	<u>\$ 250,490</u>	<u>\$ 91,151</u>	<u>\$ 159,339</u>
Total Gas and Allocated Common	\$ 4,497,870	\$ 1,066,410	\$ 3,431,460

PECO-GAS OPERATIONS
Plant in Service at December 31, 2024
Common Plant
(in Thousands\$)

A-2

	<u>Plant</u>	<u>Depreciation Reserve</u>	<u>Net</u>
Depreciable Common Plant	\$ 1,090,236	\$ 399,436	\$ 690,800
 <u>Other Common Plant</u>			
301, 389 Organization, Land and Land Rights	<u>\$ 7,442</u>		<u>\$ 7,442</u>
 Total Common Plant in Service	 \$ 1,097,678	 \$ 399,436	 \$ 698,242
 <u>Total Common Plant Allocated</u>			
PECO Electric	\$ 847,188	\$ 308,285	\$ 538,903
Electric Distribution	\$ 742,522	\$ 270,198	\$ 472,324
Gas	\$ 250,490	\$ 91,151	\$ 159,339

PECO-GAS OPERATIONS
AVERAGE GAS INVENTORY AND MATERIALS AND SUPPLIES
Thirteen Months Ended December 31, 2024
(in Thousands\$)

A-3

	<u>Propane/Other</u>	<u>Gas Stored Underground</u>	<u>Liquefied Natural Gas Stored</u>	<u>Gas Materials and Supplies</u>	<u>Stores Undist.</u>
Feb-24	\$1,527	\$24,784	\$4,102	\$542	(\$730)
Mar-24	\$1,527	\$16,788	\$3,675	\$486	(\$241)
Apr-24	\$1,527	\$14,978	\$3,628	\$542	(\$1,725)
May-24	\$1,527	\$17,448	\$3,571	\$561	(\$780)
Jun-24	\$1,527	\$21,456	\$3,738	\$558	(\$871)
Jul-24	\$1,527	\$26,746	\$4,219	\$543	(\$1,179)
Aug-24	\$1,527	\$30,166	\$4,227	\$664	(\$1,410)
Sep-24	\$1,527	\$33,711	\$4,177	\$699	(\$1,476)
Oct-24	\$1,527	\$37,467	\$4,131	\$560	(\$1,723)
Nov-24	\$1,527	\$36,576	\$4,065	\$557	(\$1,377)
Dec-24	\$1,527	\$31,540	\$3,928	\$517	\$0
Dec-23	\$1,527	\$44,844	\$4,217	\$577	\$0
Jan-24	\$1,527	\$33,086	\$4,155	\$540	(\$788)
13 Month Total	\$19,857	\$369,592	\$51,832	\$7,347	(\$12,300)
13 Month Avg	\$1,527	\$28,430	\$3,987	\$565	(\$946)
Applicable to Gas					(\$216)
<u>Total</u>	<u>\$34,294</u>				

PECO-GAS OPERATIONS
CUSTOMER DEPOSITS AND ADVANCES
Thirteen Months Ended December 31, 2024
(in Thousands\$)

A-4

	<u>Customer Deposits</u>	<u>Customer Advances</u>
Feb-24	\$ 16,822	\$ 1,499
Mar-24	\$ 16,703	\$ 1,100
Apr-24	\$ 16,758	\$ 1,106
May-24	\$ 16,677	\$ 1,576
Jun-24	\$ 16,632	\$ 1,466
Jul-24	\$ 16,543	\$ 1,612
Aug-24	\$ 16,281	\$ 1,453
Sep-24	\$ 16,033	\$ 1,434
Oct-24	\$ 15,812	\$ 1,110
Nov-24	\$ 15,592	\$ 1,066
Dec-24	\$ 15,404	\$ 964
Dec-23	\$ 17,910	\$ 1,318
Jan-24	<u>\$ 16,918</u>	<u>\$ 761</u>
Total	\$ 214,084	\$ 16,466
13 month Avg	\$ 16,468	\$ 1,267

**SCHEDULE B
SUPPORTING DATA**

PECO-GAS OPERATIONS
INTEREST ON CUSTOMER DEPOSITS
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-1

The purpose of this adjustment is to include the cost of interest accrued to the Company on its customer deposits.

Interest on Customer Deposits	\$ 973
Decrease in Income Taxes @ 27.71%	\$ (270)
Decrease in Income for Return	\$ (703)

PECO-GAS OPERATIONS
REVENUE ANNUALIZATION
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-2

The purpose of this adjustment is to annualize revenues for the number of custor at the end of the twelve month period.

Change in Revenues (B-2a)	\$	242
Decrease in Income Taxes @ 27.71%	\$	67
Decrease in Income for Return	\$	175

PECO-GAS OPERATIONS
REVENUE ANNUALIZATION
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-2a

	<u>Residential (a)</u>	<u>SCI</u>	<u>LCI</u>	<u>Other</u>	<u>Total</u>
Revenues	\$ 291,665	\$ 103,536	\$ 96	\$ 513	\$ 395,810
Distribution Weather Adjustment	<u>\$ 24,908</u>	<u>\$ 8,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,965</u>
Margin-Revenue Net of Commodity	\$ 316,573	\$ 111,592	\$ 96	\$ 513	\$ 428,775
Avg Monthly Customers	507,735	44,877	7	16	552,634
Avg Margin Per Customer	Thousand\$ \$ 0.624	\$ 2.075	\$ 14	\$ 32.093	
Number of Customers End December 2024	508,224	44,846	7	16	553,093
Increase in Number of Customers During the Year	489	(31)	-	-	459
Annualization of Revenue	\$ 305	\$ (63)	\$ -	\$ -	\$ 242

(a) Represents Rates GR and CAP

(b) Represents Rates GC, OL, MVF and L

Revenue figures reflect billed revenues

PECO-GAS OPERATIONS
 ANNUALIZATION OF WAGES, PENSIONS AND FAS 106 ADJUSTMENT
 Twelve Months Ended December 31, 2024
 (in Thousands\$)

B-3

This adjustment develops the increases in wages associated with the annual wage increase. Also included in this adjustment are Pension and Post Retirement Benefit Costs/FAS 106 Costs.

Estimated Wages, Pensions and FAS 106 Benefits-Company

Adjustment to Gas Base Wage	\$	1,041
Plus: Overtime @ 23.18%		<u>\$241</u>
Change in Applicable Payroll Expense		\$1,282
Adjustment to Pension and Net FAS 106 Costs (a)		\$1,179
Net Expense Change		\$2,461
Decrease in Income Tax at 27.71%		(\$682)
Decrease in Income for Return		(\$1,779)
<hr/>		
(a) Proforma		\$1,052
Actual		<u>(\$127)</u>
Increase		\$1,179

PECO-GAS OPERATIONS
ADJUST BOOK DEPRECIATION ACCRUAL TO
CALCULATED ACCRUAL RATE FOR YEAR END PLANT
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-4

This adjustment is necessary to present the book depreciation claim on a period end basis.

Annualized Depreciation	\$127,450
Book Depreciation	<u>\$97,877</u>
Change in Depreciation	\$29,573
Decrease in Income Tax at 27.71%	(8,194)
Decrease in Income for Return	(21,379)

PECO-GAS OPERATIONS
ADJUSTMENT TO ELIMINATE OFF SYSTEM RELATED REVENUES AND COSTS
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-6

This adjustment removes the revenues and gas costs related to off-system sales including sales for resale and the Company share for capacity release credits. Customers receive 75% of the net margin through the Purchased Gas Cost rate while the Company retains 25% of the margin.

Revenue to be Removed	\$ 27,568
Expense to be Removed	\$ 20,676
Taxable Income to be Removed	\$ 6,892
Decrease in Income Taxes at 27.71%	\$ (1,910)
Decrease in Income for Return	\$ (4,982)

PECO-GAS OPERATIONS
ADJUSTMENT TO DISTRIBUTION REVENUES
TO REFLECT WEATHER NORMALIZED SALES
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-7

The purpose of this adjustment is to reflect the effect of weather normalization on distribution revenues during the twelve month period.

Decrease in Revenues	\$ 33,437
Decrease in Income Taxes at 27.71%	\$ 9,264
Decrease in Income for Return	\$ 24,173

PECO-GAS OPERATIONS
Leap Year Revenue Normalization
Twelve Months Ended December 31, 2024
(in Thousands)

B-8

The purpose of this adjustment is to deduct three quarters of one-day non-customer and non-reconc surcharge distribution revenue from 2024 February to normalize the revenue impact from leap year

Total Revenue Increase	(\$1,265)
Increase in Income Taxes @ 27.71%	(\$351)
Increase in Income for Return	(\$914)

PECO-GAS OPERATIONS
CAP Revenue Credits and Adjustments
Twelve Months Ended December 31, 2024
(in Thousands)

B-9

The purpose of this adjustment is to annualize the cost of the discounts provided to customers enrolled in PECO's Customer Assistance Program ("CAP") in the form of a bill credit, reflecting the number of CAP customers at the end of December 2024

CAP Discount Annualization	\$	50
Net of Impact of Write Off and Working Capital	\$	37
Increase in Income Taxes @ 27.71%	\$	10
Increase in Income for Return	\$	27

PECO-GAS OPERATIONS
NORMALIZATION OF UNCOLLECTIBLE ACCOUNTS EXPENSE
Twelve Months Ended December 31, 2024
(in Thousands\$)

B-10

The purpose of this adjustment is to normalize uncollectible accounts expense based on a three year average rate for charge-offs and prior period arrearages.

Adjusted Uncollectibles Amount	\$ 3,144
Amount in Actual Expense	<u>\$ 6,316</u>
Increase in Cost	\$ (3,172)
Decrease in Income Taxes at 27.71%	\$ 879
Decrease in Income for Return	\$ 2,293