



pecoSM

AN EXELON COMPANY

Brendan J. Taylor
Vice President
Regulatory Policy & Strategy

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PECO
2301 Market Street
S18
Philadelphia, PA 19103

December 19, 2025

Via E-Filing

Matthew Homsher, 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) –
Gas
SUPPLEMENT NO. 12 TO TARIFF GAS – PaPUC No. 6
Issued December 19, 2025 - to become effective on January 1, 2026

Dear Secretary Homsher:

This letter transmits for filing with the Commission the tariff pages and computation sheets for the derivation of the new gas STAS value.

PECO has recalculated the gas State Tax Adjustment Surcharge (STAS) value to reflect current PURTA assessments resulting from tax rate changes and the reconciliation of prior STAS collections. **In addition, the impact of the state income tax rate reduction for year 2026 is reflected in Attachment A, pages 1 and 5 of the computation sheets and the reconciliation of the year 2024 state income tax rate change is reflected in Attachment A, pages 1, 6 and 7.**

The new gas STAS surcharge is a value of 0.03%, which will be effective January 1, 2026, and replaces the present **credit value** of 0.01%. A monthly bill for a residential customer using 160 Ccf will increase by \$0.08, or 0.04% from \$215.57 to \$215.65.

Thank you for your assistance in this matter and please direct any questions regarding the above to Ben Yin, Director, Regulatory Strategy and Revenue Policy at 215-841-5463 or via email at the following: ben.yin@exeloncorp.com.

Matthew Homsher, Secretary

December 19, 2025

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Sincerely,

A handwritten signature in black ink, appearing to read "B. Taylor", with a long horizontal line extending to the right.

Brendan J. Taylor
Vice President
Regulatory Policy & Strategy

Enclosure

Copies to: K. Hafner, Director, Office of Special Assistants (e-mail only)
P. T. Diskin, Director, Bureau of Technical Utility Services (e-mail only)
C. Yother, Director, Bureau of Audits (e-mail only)
A. Kaster, 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 COMPANY

GAS SERVICE TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 3.

Issued December 19, 2025

Effective January 1, 2026

ISSUED BY: DAVID M. VAHOS - President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

STATE TAX ADJUSTMENT CLAUSE – 1st Revised Page No. 40

Effective January 1, 2026, the State Tax Adjustment Clause will reflect a value of 0.03%.

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STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a value of 0.03% will apply to all service on and after January 1, 2026. (C)

Whenever any of the tax rates used in the calculation of the surcharge are changed, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the tax rates change occurs and the effective date shall be ten days after filing.

In addition, if a recalculation is submitted as a result of a tax rate change, the Company will thereafter file each year on December 21 annual updates with the Commission which will reflect only this tax change. These annual updates will be effective ten days after filing and will continue until such as the effect of the change in tax rates has been included in base rate.

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PECO ENERGY COMPANY

GAS SERVICE TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 3.

Issued December 19, 2025

Effective January 1, 2026

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ISSUED BY: DAVID M. VAHOS - President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103

NOTICE.

PECO Energy Company

Supplement No. 12 to
Gas-Pa. P.U.C. No. 6

~~Twelfth~~ Revised Page No. 1

Supersedes ~~Eleventh~~ Revised Page No. 1

LIST OF CHANGES MADE BY THIS SUPPLEMENT

STATE TAX ADJUSTMENT CLAUSE – 1st Revised Page No. 40

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Issued December 19, 2025

Effective January 1, 2026

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PECO Energy Company

Supplement No. 12 to
Gas-Pa. P.U.C. No. 6

Twelfth Revised Page No. 2

Supersedes Eleventh Revised Page No. 2

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PECO Energy-Gas Operations
State Tax Adjustment Surcharge and Reconciliation
Effective January 1, 2026

Calculation of STAS Effective January 1, 2026

		<u>Reference</u>
1 . Capital Stock Tax - 2026	\$0	Note (a)
2 . PURTA Assessment - 7/30/25	(\$41,421)	Att. A, Pg. 3, Ln. 5
3 . PURTA Supplemental Assessment - 7/30/25	\$3,921	Att. A, Pg. 4, Ln. 5
4 . PA CNIT Rate Reduction for Year 2026	(\$14,574)	Att. A, Pg. 5, Ln. 17
5 . PA CNIT Rate Reduction Over / (Under) Return for Actual 2024	\$210,390	Att. A, Pg. 6, Column 6
6 . Reconciliation of Prior STAS	<u>\$35,949</u>	Att. B, Pg. 1, Ln. 8
7 . Net Due from Customers	\$194,265	Lns. 1 + 2 + 3 + 4 + 5 + 6
8 . Operating Revenues Subject to STAS from January 1, 2026 thru December 31, 2026	\$710,983,877	Att. A, Pg. 2, Ln. 9
9 . State Tax Adjustment Surcharge	0.03%	Ln. 7 / Ln. 8

(a) The 2026 capital stock tax rate is the same as was reflected at Docket No. R-2024-3046932 the Company's 2024 distribution base rate case, with a value of 0.00 mills.

(b) The PA state income tax rate reduction for year 2025 is reflected in gas distribution base rates at Docket No. R-2024-3046932, the Company's 2024 gas distribution base rate case. In addition, the Pennsylvania state income tax rate reduction for year 2026 is reflected in Attachment A, pages 1 and 5 of the computation sheets. Also, the reconciliation of the Pennsylvania state income tax rate reduction for year 2024 is reflected in Attachment A, pages 1, 6 and 7 of the computation sheets.

PECO Energy-Gas Operations
Operating Revenues Subject to 2026 STAS

		<u>Reference</u>
1 . Booked Revenue from Sales	\$602,027,778	2024 Gas Annual Report to the Commission, Pg. 38, Ln. 5
2 . Less :		
Unbilled Revenues	\$10,508,807	Company Records
Surcharge Over/Under Collections Included in Revenue	(\$8,312,166)	Company Records
STAS Revenue	<u>(\$5,310)</u>	Company Records
3 . Billed Revenue Excluding STAS	\$599,836,448	
4 . Plus: Full year effect of 12/1/24 PGC No. 41	\$45,650,531	Company Records
5 . Plus: Proforma Adjustments for Gas Universal Service Fund Charge	(\$7,509,579)	Company filing on September 15, 2025 at Docket No. M-2025-3056592
6 . Plus: Proforma Adjustment of Gas Consumer Education	(\$4,871)	Company filing on December 12, 2025 at Docket No. R- 2022-3031113
7 . Plus: Per 2024 Distribution Base Rate Increase	\$74,357,531	Joint Petition for Non Unanimous Partial Settlement at Docket No. R- 2024-3046932
8 . Plus: Distribution System Improvement Charge	<u>(\$1,346,183)</u>	Company filing on December 15, 2025 at Docket No. M- 2018-3000598
9 . Gross Intrastate Operating Revenues Subject to STAS Estimated for 2026	\$710,983,877	

PECO Energy
2024 PURTA Adjustment

	<u>Transmission</u>	<u>Distribution</u>	<u>Gas</u>	<u>Total</u>
Per July 30, 2025 Assessment (a)				
1 . Tax Base	\$199,163,405	\$232,212,154	\$26,998,215	\$458,373,774
2 . Tax @ 23.3189 Mills	\$4,644,265	\$5,414,925	\$629,568	\$10,688,758
2024 Rate Case PURTA				
3 . Tax Base	\$199,163,405	\$232,212,154	\$26,998,215	\$458,373,774
4 . Tax @ 24.8531	<u>\$4,949,828</u>	<u>\$5,771,192</u>	<u>\$670,989</u>	<u>\$11,392,009</u>
5 . Amount Due from / (to) Customers	(\$305,563)	(\$356,267)	(\$41,421)	(\$703,251)

(a) See Attachment B, Pg. 3

Supplemental PURTA Adjustments

Per July 30, 2025 Assessment (a)	<u>Transmission</u>	<u>Distribution</u>	<u>Gas</u>	<u>Total</u>
1 . Adjustment for 2020 Tax Year	(\$4,783)	(\$7,593)	(\$1,089)	(\$13,466)
2 . Adjustment for 2021 Tax Year	(\$4,208)	(\$6,889)	(\$947)	(\$12,043)
3 . Adjustment for 2022 Tax Year	\$1,772	\$2,779	\$362	\$4,912
4 . Adjustment for 2023 Tax Year	\$28,550	<u>\$47,777</u>	<u>\$5,595</u>	\$81,922
5 . Amount Due from / (to) Customers	N.A.	\$36,074	\$3,921	N.A.

(a) See Attachment B, Pg. 3

PECO Energy-Gas Operations
Revenue Increase/(Reduction) Associated with PA State Income Tax Rate Changes
12 Months Ended December 31, 2026

Gas Related

1	Deferred Taxes Balance Annual Amortization due to PA Corporate Net Income Tax (CNIT) Rate Reduction	\$	(2,440,290) Company Records
2	9 Year Annual Amortization of State Deferred Tax Balance	\$	(271,143) Ln. 1/9
3	Amortization Included in Rates From Year 2024 Base Rate Case	\$	(271,143) Company Records
4	Amount in Excess of Year 2024 Base Rate Case	\$	- Ln. 2 - Ln. 3
5	Year 2026 Revenue Requirement Factor for Income Taxes		1.368309 See Note (a) below
6	Annual Revenue Requirement Increase/(Reduction) State Deferred Tax Amortization	\$	- Ln. 4 x Ln. 5
7	<u>Rate Base Impact From Deferred Taxes Amortization Due to PA CNIT Rate Reduction</u>		
8	Change in Year 2026 Rate Base for Deferred Taxes Amortization	\$	271,143 -Ln. 2
9	2026 Annual Average Factor for Change in Rate Base for Deferred Taxes Amortization		0.5 Average Yearly Factor
10	Average Deferred Taxes Rate Base Balance Associated with State Income Tax Amortization (year 2024 base rate case includes year 2025 rates)	\$	135,572 Ln. 8 x Ln. 9
11	Year 2026 Revenue Requirement Factor for Rate Base		9.44% See Note (b) below
12	Revenue Req Increase/(Reduction) From Change in 2026 Rate Base Due to Deferred Taxes Amortization	\$	12,799 Ln. 10 x Ln. 11
13	<u>Change in Revenue Requirement Due to Changes in PA CNIT Rate in 2026 on 2026 Taxes</u>		
14	Forecast 2026 Tax Increase/(Reduction), Due to 2026 PA CNIT Rate Reduction	\$	(20,005) See Note (c) below
15	Year 2026 Revenue Requirement Factor For Income Tax		1.368309 See Note (a) below
16	Revenue Requirement Increase/(Reduction) Due to Change in Effective Income Tax Rate in 2026 on Tax Expense in 2026	\$	(27,373) Ln. 14 x Ln. 15
17	Total Revenue Requirement Increase/(Reduction) in 2026 Associated With PA State Income Tax Rate Change	\$	(14,574) Ln. 6 + Ln. 12 + Ln. 16

Note (a)

-Federal Income Tax Rate	21.00%
-2026 State Income Tax Rate	7.49%
-T = Combined Effective Federal/State Income Tax Rate	26.9171%
Revenue Requirement Factor = (1 / (1 - T))	1.368309

Note (b)

For Capitalization Ratios and Debt Return Rate, from Docket No. R-2024-3046932, Peco Exhibit MJT-1Revised, Schedule B-7

<u>Rate of Return</u>	Cap Ratio	Cost	Weighted Return	After Tax Return
Debt	46.60%	4.58%	2.13%	1.56%
Common Equity	<u>53.40%</u>	<u>10.00%</u>	<u>5.34%</u>	<u>5.34%</u>
	100.00%		7.47%	6.90% =r' after tax cost of money
				1.368309 Note (a) Revenue Reqmt Factor for Income Tax
				9.44% Revenue Reqmt Factor For Rate Base =r' x Revenue Reqmt Factor for Income Tax

Note (c)

Tax Expense for 2026 with PA Tax Law Change (7.99%)	\$2,852,498	Company Records
Tax Expense for 2026 with PA Tax Law Change (7.49%)	<u>\$2,832,493</u>	Company Records
Tax Increase/(Reduction)	(\$20,005)	

PECO Energy-Gas Operations

Actual Over/(Under) Return Reconciliation Associated with PA State Income Tax Rate Changes

For Actual Year 2024

Exclude Gross Receipts Tax

12 Months Ended December 31, 2024

	Actual 2024 PA State Income Tax Rate Revenue Reduction Excludes Gross Receipts Tax (1) (a)	Portion of Actual 2024 STAS Revenue PA State Tax Rate Reduction Excludes Gross Receipts Tax (2) = Company Records	Original 2024 PA State Income Tax Rate Revenue Reduction Excludes Gross Receipts Tax (3) (b)	Portion of Original 2024 STAS Revenue PA State Tax Rate Reduction Excludes Gross Receipts Tax (4) = Company Records	Amount Over/(Under) Return (5) = (1) - (2) - ((3) - (4))	Cumulative Over/(Under) Return (6) = From (5)
Jan'24	\$27,671	\$9,503	\$10,024	\$9,503	\$17,647	\$17,647
Feb	\$27,671	\$17,905	\$10,024	\$17,905	\$17,647	\$35,294
Mar	\$27,671	\$17,426	\$10,024	\$17,426	\$17,647	\$52,940
Apr	\$27,671	\$11,800	\$10,024	\$11,800	\$17,647	\$70,587
May	\$27,671	\$7,275	\$10,024	\$7,275	\$17,647	\$88,234
Jun	\$27,671	\$4,141	\$10,024	\$4,141	\$17,647	\$105,881
Jul	\$27,671	\$4,171	\$10,024	\$4,171	\$17,647	\$123,528
Aug	\$27,671	\$3,958	\$10,024	\$3,958	\$17,647	\$141,175
Sep	\$27,671	\$3,807	\$10,024	\$3,807	\$17,647	\$158,821
Oct	\$27,671	\$5,191	\$10,024	\$5,191	\$17,647	\$176,468
Nov	\$27,671	\$7,589	\$10,024	\$13,592	\$23,650	\$200,118
Dec	\$27,671	\$16,586	\$10,024	\$20,677	\$21,738	\$221,856
Jan'25		\$11,466	\$0		(\$11,466)	\$210,390
	\$332,047	\$120,818	\$120,285	\$119,446	\$210,390	\$210,390

(a) Refer to Attachment A, Pg. 7, Ln. 17

(b) STAS filing of December 21, 2023. Attachment A, Pg. 1, Ln. 5

PECO Energy-Gas Operations
Revenue Increase/(Reduction) Associated with PA State Income Tax Rate Changes
ACTUAL for 2024
12 Months Ended December 31, 2024

Gas Related

1	Deferred Taxes Balance Annual Amortization due to PA Corporate Net Income Tax (CNIT) Rate Reduction	\$	(2,440,290)	Company Records
2	9 Year Annual Amortization of State Deferred Tax Balance	\$	(271,143)	Ln. 1/9
3	Amortization Included in Rates From Base Rate Case	\$	(271,143)	Company Records
4	Amount in Excess of Year 2022 Base Rate Case (includes year 2023 rates)	\$	-	Ln. 2 - Ln. 3
5	Year 2024 Revenue Requirement Factor for Income Taxes		1.383262	See Note (a) below
6	Annual Revenue Requirement Increase/(Reduction) State Deferred Tax Amortization	\$	-	Ln. 4 x Ln. 5
7	<u>Rate Base Impact From Deferred Taxes Amortization Due to PA CNIT Rate Reduction</u>			
8	Change in Year 2024 Rate Base for Deferred Taxes Amortization	\$	271,143	-Ln. 2
9	2024 Annual Average Factor for Change in Rate Base for Deferred Taxes Amortization		0.5	Average Yearly Factor
10	Average Deferred Taxes Rate Base Balance Associated with State Income Tax Amortization (year 2022 base rate case includes year 2023 rates)	\$	135,572	Ln. 8 x Ln. 9
11	Year 2024 Revenue Requirement Factor for Rate Base		9.35%	See Note (b) below
12	Revenue Req Increase/(Reduction) From Change in 2024 Rate Base Due to Deferred Taxes Amortization	\$	12,675	Ln. 10 x Ln. 11
13	<u>Change in Revenue Requirement Due to Changes in PA CNIT Rate in 2024 on 2024 Taxes</u>			
14	Actual 2024 Tax Increase/(Reduction), Due to 2023 and 2024 PA CNIT Rate Reduction	\$	230,883	See Note (c) below
15	Year 2024 Revenue Requirement Factor For Income Tax		1.383262	See Note (a) below
16	Revenue Requirement Increase/(Reduction) Due to Change in Effective Income Tax Rate in 2024 on Tax Expense in 2024	\$	319,372	Ln. 14 x Ln. 15
17	Total Revenue Requirement Increase/(Reduction) in 2024 Associated With PA State Income Tax Rate Change	\$	332,047	Ln. 6 + Ln. 12 + Ln. 16

Note (a)

-Federal Income Tax Rate	21.00%
-2024 State Income Tax Rate	8.49%
-T = Combined Effective Federal/State Income Tax Rate	27.7071%
Revenue Requirement Factor =(1/ (1 - T))	1.383262

Note (b)

For Capitalization Ratios and Debt Return Rate, from Docket No. R-2022-3031113, Peco Exhibit MJT-1Revised, Schedule B-7

<u>Rate of Return</u>	Cap Ratio	Cost	Weighted Return	After Tax Return
Debt	46.59%	4.21%	1.96%	1.42%
Common Equity	<u>53.41%</u>	<u>10.00%</u>	<u>5.34%</u>	<u>5.34%</u>
	100.00%		7.30%	6.76% =r' after tax cost of money
				1.383262 Note (a) Revenue Reqmt Factor for Income Tax
				9.35% Revenue Reqmt Factor For Rate Base =r' x Revenue Reqmt Factor for Income Tax

Note (c)

Tax Expense for 2024 with PA Tax Law Change (8.99%)	(\$14,308,738)	Company Records
Tax Expense for 2024 with PA Tax Law Change (8.49%)	<u>(\$14,077,855)</u>	Company Records
Tax Increase/(Reduction)	\$230,883	

PECO Energy-Gas Operations
State Tax Adjustment Surcharge Reconciliation
For the Year 2024

<u>Reconciliation of Current STAS</u>		<u>Reference</u>
1 . Capital Stock Tax Change - Year 2024	\$0	12/18/24 STAS Filing, Att. A, Pg. 1, Ln. 1
2 . PURTA Assessment - 8/1/23	(\$30,895)	12/18/24 STAS Filing, Att. A, Pg. 1, Ln. 2
3 . PURTA Supplemental Assessment- 8/1/23	\$348	12/18/24 STAS Filing, Att. A, Pg. 1, Ln. 3
4 . Reconciliation of Prior STAS	(\$11,204)	12/18/24 STAS Filing, Att. A, Pg. 1, Ln. 4
5 . PA CNI Rate Reduction for Year 2024	<u>\$0</u>	12/18/24 STAS Filing, Att. A, Pg. 1, Ln. 5
6 . Total	(\$41,751)	Ln. 1 + Ln. 2 + Ln. 3 + Ln. 4 + Ln. 5
Less:		
7 . STAS Revenues Collected from Customers - 2025	<u>(\$77,700)</u>	Att. B, Pg. 2
8 . Net Due from / (to) Customers	\$35,949	Ln. 6 - Ln. 7

PECO Energy-Gas Operations
STAS Collections-Company Records
12 Months Ended December 31, 2025

January	(\$7,295)
February	(\$12,519)
March	(\$11,343)
April	(\$7,116)
May	(\$4,105)
June	(\$3,219)
July	(\$2,454)
August	(\$2,418)
September	(\$2,711)
October	(\$3,175)
November (est)	(\$8,411)
December (est)	<u>(\$12,934)</u>
Total	(\$77,700)



PECO ENERGY COMPANY
10 S DEARBORN ST FL 53
CHICAGO IL 60603-2398

Date Issued 07/30/2025
Letter ID L0035799671
FEIN **-***0240
Account ID 20016009198
Period Ending 12/31/2024

Public Utility Realty Tax Notice of Determination

This is a notice of the state taxable values of Public Utility Realty and the millage rate for tax year 2024.

Why you are receiving this notice

If you have any questions regarding this notice, please contact the department using the information provided.

This notice is based on information provided by County Tax Assessor offices and any discrepancies must be addressed with that office. Any net liabilities resulting from prior years' adjustments are due and payable with the current year liability.

ra-purta@pa.gov

Tax Year	Total Realty Tax Equivalent	Total State Taxable Value (STV) for all utilities	PURTA millage rate, including PTA	Utility STV	Utility Liability Adjustment
2020	\$29,731,547.00	\$1,465,683,373.00	0.0278851	\$338,486,223.96	-\$13,466.00
2021	\$29,360,384.00	\$1,526,018,803.00	0.0268399	\$328,210,057.33	-\$12,043.00
2022	\$29,630,957.00	\$1,715,237,831.00	0.0248751	\$365,592,126.92	\$4,912.00
2023	\$31,243,925.00	\$1,924,891,465.00	0.0238315	\$431,127,041.80	\$81,922.00
2024	\$32,071,557.00	\$2,040,316,463.00	0.0233189	\$458,373,773.50	\$10,688,758.00
				Total Liability:	10,750,083.00

General Information

Payment of tax is required within 45 days of the date issued of this notice. Previous payments, adjustments and credits should be taken into consideration when remitting payment.

How to pay

Payments may be submitted online via *my.path.pa.gov*.

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Payments of \$1,000.00 or greater that are not submitted electronically are subject to a penalty of 3 percent of the face value of the check up to a maximum penalty of \$500.00.

How to file an appeal

If you disagree with this determination, you may file a petition with the Board of Finance and Revenue. 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 issue date of this notice.