



**peco**<sup>SM</sup>

AN EXELON COMPANY

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March 20, 2026

Matthew Homsher, 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. 24  
Effective April 1, 2026 Docket No. M-2018-3000598

Dear Secretary Homsher:

In accordance with PECO's Joint Petition for Settlement to its 2024 Electric Distribution Rate Case Docket No. R-2024-3046931. PECO agreed not to implement a DSIC during the calendar year ending December 31, 2025 (except to implement any reconciliation of DSIC amounts in accordance with the Supplemental Implementation Order). The first DSIC in 2026 will be effective no earlier than March 31, 2026 based on DSIC-eligible expenditures during January and February 2026.

PECO met the 2024 Electric Distribution Rate Case settlement plant addition threshold by the end of January 2026 and therefore, PECO will resume the DSIC collection effective April 1st, 2026. The DSIC collection at this time will be calculated based on the LTIIP plant additions in February 2026.

In addition, in compliance with the Supplemental Implementation Order entered on September 21, 2016 at Docket No. M-2012-2293611, PECO includes Attachment 3 which shows a comparison of actual DSIC-eligible plant as of January 31, 2026 vs. projected plant investment placed in service for the fully projected test year claimed in PECO's 2024 Electric Distribution Rate Case. This comparison shows that actual plant additions have exceeded the projected plant investment in PECO's 2024 Electric Distribution Rate Case.

This filing also includes an under-collection balance of \$13,973. This was filed on January 9, 2026 as part of PECO's Annual Electric DSIC reconciliation at Docket No. M-2026-3059687.

The Company's DSIC rate will therefore change from 0% to a charge value of 0.11% effective with bills rendered on or after April 1, 2026.

The following attachments are included in support of the filing:

Attachment 1 – Electric Tariff No. 8, Supplement No. 24

Attachment 2 – Calculation of the DSIC for the period April 1, 2026 to June 30, 2026

Attachment 3 – Actual Plant Additions vs. FPFTY

Matthew Homsher, Secretary  
March 20, 2026  
Page 2

Thank you for your assistance in this matter and if you have any questions please contact Ben Yin, Director, Regulatory Strategy and Revenue Policy at 215-841-5463 or via email at the following: [ben.yin@exeloncorp.com](mailto:ben.yin@exeloncorp.com).

Sincerely,

A handwritten signature in black ink, appearing to be 'BYIN', written in a cursive style.

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)  
C. Yother, 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**

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**For List of Communities Served, See Page 4.**

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**Issued March 20, 2026**

**Effective April 1, 2026**

**ISSUED BY: David M. Vahos – President & CEO  
PECO Energy Distribution Company  
2301 MARKET STREET  
PHILADELPHIA, PA. 19103**

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**NOTICE**

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) – 3rd Revised Page No. 49**

Revised DSIC rate from 0.00% to 0.11%.

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**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**  
**(DSIC)**

In addition to the net charges provided for in this Tariff, a value of 0.11 % 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, 2026 THROUGH JUNE 30, 2026**

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

Line No.			Amount
1	DSI	= Eligible Distribution System Improvement Costs (Attachment 2, Page 2, Column 7)	\$ 24,997,879
2	PTRR	= Pre-tax Return Rate applicable to DSIC eligible property (Attachment 2, Page 3, Line 4)	2.36%
3	DSI PTR	= Pre-tax Return on DSIC eligible property (Line 1 * Line 2)	\$ 590,609
4 (a)	STFT	= State Tax (After Tax) Flow Through (Attachment 2, Page 2, Column 9, Dec-25 + Jan-26 + Feb-26)	\$ (31,403)
4 (b)	STFT	= State Tax (Pre-Tax) Flow Through (4A * Attachment 2, Page 3, Column 4)	\$ (42,969)
5	Dep	= Depreciation expense applicable to DSIC eligible property (Attachment 2, Page 2, Column 8, Dec-25 + Jan-26 + Feb-26)	\$ 24,793
6	e	= Amount calculated (over)/under the annual reconciliation feature or Commission audit	\$ 13,973
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)	\$ 586,406
8	Net Amt. Recoverable (w/ GRT)	= Net Amount to be Recovered/(Refunded) (includes Over/Under) Collection (w/ GRT) (Line 7 * <b>Note 1</b> )	\$ 623,173
9	PQR	= Projected quarterly revenues (Attachment 2, Page 2, Column 10, Apr-26 + May-26 + Jun-26 - <b>Note 2</b> )	<u>\$ 544,085,566</u>
10	DSIC	= Distribution System Improvement Rider (Line 8 / Line 9)	0.11%

**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, 2026 THROUGH JUNE 30, 2026**

Line No.		Capitalization Ratio  (1)	Embedded Cost <b>Note 1</b> (2)	Rate of Return  (3) = (1) * (2)	Tax Multiplier <b>Note 2</b> (4)	Pre-Tax Rate of Return  (5) = (3) * (4)
1	Long-Term Debt	46.59%	4.52%	2.11%	-	2.11%
2	Common Equity	53.41%	10.05%	5.37%	1.368309139	7.34%
3	Total	<u>100.00%</u>		<u>7.47%</u>		<u>9.45%</u>
4	9.45% Annual PTRR / 4 quarters = 2.36% Quarterly PTRR					

**Note 1:**

Line 2, Column (2), from the PUC's Quarterly Earnings Report page 18, line 7, dated June 30, 2025 at Docket No. M-2025-3057215 (issued October 23, 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 7.49% and Fed. Tax rate is 21%.

$$1/[1-(21\%+(7.49\%*(1-21\%)))] = 1.368309139$$

# ATTACHMENT 3

Attachment 3  
PECO Energy Company - Electric

	Electric Balance @12/31/2023 A	Electric Additions in 2024 B	Electric Additions in 2025 C	Electric Additions in Jan 2026 D	Electric Balance @ 1/31/2026 E=A+B+C+D	Allocation % To Electric Distribution F	Electric Distribution Balance @ 1/31/2026 G=E*F
<i>(in \$1,000)</i>							
<b>Intangible Plant</b>							
E302 - Franchises and Consents	\$ 163			\$ -	\$ 163	87.63%	\$ 143
E303 - Misc Intangible Plant	163,322	79,962	32,420	1,761	277,465	90.98%	252,449
Sub-total Intangible Plant	\$ 163,485	\$ 79,962	\$ 32,420	\$ 1,761	\$ 277,628		\$ 252,592
<b>Transmission Plant</b>	1,957,570	-	105,318	1,008	2,063,896	0.00%	-
<b>Distribution Plant</b>	8,859,034	868,050	1,101,443	79,450	10,907,977	100.00%	10,907,977
<b>General Plant</b>	321,685	31,337	37,136	762	390,920	87.63%	342,551
<b>Total</b>	\$ 11,301,773	\$ 979,349	\$ 1,276,317	\$ 82,981	\$ 13,640,420		\$ 11,503,119

2024 Electric Rate Case

	Electric Balance @12/31/2023 A	Electric Additions in 2024 B	Electric Additions in 2025 C	Electric Balance @ 12/31/2025 D=A+B+C	Allocation % To Electric Distribution E	Electric Distribution Balance @ 12/31/2025 F=D*E
<i>(in \$1,000)</i>						
<b>Intangible Plant</b>						
E302 - Franchises and Consents	\$ 163			\$ 163	87.63%	\$ 143
E303 - Misc Intangible Plant	163,322	51,220	39,375	253,917	90.98%	231,024
Sub-total Intangible Plant	\$ 163,485	\$ 51,220	\$ 39,375	\$ 254,080		\$ 231,167
<b>Transmission Plant</b>	1,957,570	158,162	85,954	2,201,686	0.00%	-
<b>Distribution Plant</b>	8,859,034	1,051,237	1,061,088	10,971,358	100.00%	10,971,358
<b>General Plant</b>	321,685	9,729	11,495	342,908	87.63%	300,480
<b>Total</b>	\$ 11,301,773	\$ 1,270,347	\$ 1,197,911	\$ 13,770,032		\$ 11,503,005