



pecoSM

AN EXELON COMPANY

Brendan J. Taylor
Vice President
Regulatory Policy & Strategy

Telephone 215.841.5777
Fax 215.841.6208
www.peco.com
brendan.taylor@exeloncorp.com

PECO
2301 Market Street
S18
Philadelphia, PA 19103

VIA E-FILE ONLY

March 31, 2026

Matthew Hoshmer, 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, 2025 for Gas Operations, Docket No. M-2026-3059582

Dear Secretary Hoshmer:

This letter transmits for filing with the Commission PECO's Financial Report for the twelve months ended December 31, 2025, 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 \$49.5M in adjusted income for common equity or 2.31% 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)
V. Johns, 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, 2025

Company Name: 122300-PECO-Gas Operations
 Financial Report for Twelve Months Ended: 12/31/2025

SCHEDULE A1
 (in thousands)

	Actual per Books	Intrastate %	Intrastate Per Books	Adjustments (a)	Adjusted Results
Original Cost					
Plant in Service	4,919,099	1.0000	4,919,099	683,961	5,603,060
Depreciation Reserve	1,132,057	1.0000	1,132,057	155,659	1,287,716
Net Plant	3,787,042	1.0000	3,787,042	528,302	4,315,344
ADDITIONS:					
Ld./Pit. Future Use	-	1.0000	-	0	-
Materials & Suppl.	33,371	1.0000	33,371	0	33,371
CWC (b)	21,042	1.0000	21,042	0	21,042
Other	34,423	1.0000	34,423	0	34,423
DEDUCTIONS:					
Acc. Def. Income Taxes	-	0.0000	-	0	-
Liberalized Depr.	209,761	1.0000	209,761	76,541	286,302
I. T. C.	-	1.0000	-	0	-
Other	-	1.0000	-	0	-
Customer Deposits	14,323	1.0000	14,323	0	14,323
Customer Advances	1,400	1.0000	1,400	0	1,400
Cont. Aid of Constr.	(4,716)	1.0000	(4,716)	1,145	(3,571)
Other	109,004	1.0000	109,004	-5,351	103,653
 RATE BASE	 3,546,104		 3,546,106	 455,968	 4,002,074
 Operating Revenues	 856,732	 1.0000	 856,732	 (12,943)	 843,789
Operating Revenue Deductions:					
O & M Expense	469,013	1.0000	469,013	(8,066)	460,948
Annual Depreciation	105,958	1.0000	105,958	27,216	133,174
Taxes-					
-Other Than Income	8,120	1.0000	8,120	-	8,120
-State Income-Curr.	-	1.0000	-	(2,565)	(2,565)
-Fed. Income-Curr.	(7,786)	1.0000	(7,786)	(6,200)	(13,986)
-Deferred Inc. Txes.	-	1.0000	-	-	-
-I.T.C. (net)	-	1.0000	-	-	-
Total Oper. Rev. Ded.	575,306		575,306	10,385	585,691
Inc. Avail. For Ret.	281,427		281,427	(23,328)	258,099
 RATE OF RETURN - Overall	 7.94%		 7.94%		 6.45%

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	\$683,961					
(2) Adjustment for Additional Accumulated Reserve	\$155,659					
(3) Adjustment for Additional Accumulated Deferred Income Taxes	\$ 72,334					

Total \$455,968

Income Statement Adjustments	Rate Base	Revenues	Expenses	Taxes Other Than Income	State Income Taxes	Federal Income Taxes
(1) Interest on Customer Deposits*			\$ 684		\$ (55)	\$ (132)
(2) Revenue Annualization*	\$ 854				\$ 68	\$ 165
(3) Wage Change, Pension and FAS 106 Adjustment*			\$ 2,732		\$ (218)	\$ (528)
(4) Adjust for Additional Book Depreciation Expense*			\$ 27,216		\$ (2,175)	\$ (5,258)
(5) Elimination of Profit from IS Sales*	\$ -		\$ -		\$ -	\$ -
(6) Elimination of Off-System Related Revenues and Costs*	\$ (14,675)		\$ (10,388)		\$ (342)	\$ (829)
(7) Weather Normalization of Distribution Revenues*	\$ 776				\$ 62	\$ 150
(8) Leap Year Revenue Normalization	\$ 572				\$ 46	\$ 110
(9) CAP Revenue Credit Annualization	\$ (261)				\$ (21)	\$ (50)
(10) Normalization of Uncollectible Accounts Expense*			\$ (1,093)		\$ 87	\$ 212
(11) Eliminate DSIC Revenue*	\$ (209)				\$ (17)	\$ (40)

Total \$ (12,943) \$ 19,150 \$ (2,565) \$ (6,200)

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: 12/31/2025
 (In Thousands)

	Capital Ratios	Rate Base	Totals	Weighted Cst. Rates	Total Rate Base Cst./Debt/Pref.
1. Debt	0.4650	3,546,106	1,648,939	0.0451	74,367
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5350		1,897,167		
4. TOTAL	1.0000		3,546,106		74,367

Intrastate per Books

5. Income Available for Return	281,427
6. Less: Total Rate Base Related Cost of Debt & Preferred	74,367
7. Income Available for Common Equity (Line 5 - Line 6)	207,060
8. Debt Cost	74,367
9. Less: Interest Expense used to compute State & Fed. Income Tax	59,821
10. Difference (Line 8 less Line 9)	14,546
11. Times: Effective State and Federal Income Tax Rate	0.273121
12. Net Addition of (Deduction) (Line 10 x Line 11)	3,973
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)	211,033
14. Return on Common Equity (Line 7/ Line 3, Col. 3)	0.10914
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)	0.11124

Company Name: 122300-PECO-Gas Operations
 INTRASTATE ADJUSTED
 Calc. Of Return on Common Equity for the period: 12/31/2025
 (In Thousands)

SCHEDULE D-2

	Capital Ratios	Rate Base	Totals	Weighted Cst. Rates	Total Rate Base Cst./Debt/Pref.
	-----	-----	-----	-----	-----
1. Debt	0.4650	4,002,074	1,860,965	0.0451	83,930
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5350		2,141,110		
4. TOTAL	1.0000		4,002,074		83,930

	Intrastate Adjusted

5. Income Available for Return	258,099
6. Less: Total Rate Base Related Cost of Debt & Preferred	83,930
7. Income Available for Common Equity (Line 5 - Line 6)	174,169
8. Debt Cost	83,930
9. Less: Interest Expense used to compute State & Fed. Income Tax	59,821
10. Difference (Line 8 less Line 9)	24,109
11. Times: Effective State and Federal Income Tax Rate	0.273121
12. Net Addition of (Deduction) (Line 10 x Line 11)	6,585
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)	180,753
14. Return on Common Equity (Line 7/ Line 3, Col. 3)	0.08134
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)	0.08442

SCHEDULE E

Company: 122300-PECO-Gas Operations
 Calculation of Capital Structure and Related Ratios
 for the period: 12/31/2025
 (in thousands)

	Total Company Actual Amount Outstanding	Ratios
Total Debt	6,658,898	0.4650
Total Preferred	0	0.0000
Common Equity:		
Common Stock	1,423,004	
Premium on Common Stock	3,799,259	
Capital Surplus	0	
Capital Stock Expense	0	
Retained Earnings	2,437,648	
Other	0	
Total Common Equity	7,659,911	0.5350
Total Capital	14,318,809	1.0000

PECO - Gas Operation
Cost of Debt as Ratemaking Adjusted
for the Twelve Months Ended December 31, 2025
(\$ 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	5.90% due 2034	75,000	6.00%	1.13%	0.07%	
2	5.95% due 2036	300,000	6.04%	4.51%	0.27%	
3	5.70% due 2037	175,000	5.81%	2.63%	0.15%	
4	4.80% due 2043	250,000	4.89%	3.75%	0.18%	
5	4.15% due 2044	300,000	4.23%	4.51%	0.19%	
6	3.70% due 2047	325,000	3.77%	4.88%	0.18%	
7	3.90% due 2048	325,000	3.99%	4.88%	0.19%	
	3.90% due 2049	325,000	4.17%	4.88%	0.20%	
8	3.00% due 2049	325,000	3.10%	4.88%	0.15%	
9	2.80% due 2050	350,000	2.86%	5.26%	0.15%	
10	3.05% due 2051	375,000	3.11%	5.63%	0.18%	
11	2.85% due 2051	375,000	2.91%	5.63%	0.16%	
12	4.60% due 2052	350,000	4.71%	5.26%	0.25%	
13	4.375% due 2052	425,000	4.46%	6.38%	0.28%	
14	4.90% due 2033	575,000	5.03%	8.63%	0.43%	
15	5.25% due 2054	575,000	5.34%	8.63%	0.46%	
16	4.875% due 2035	525,000	4.96%	7.88%	0.39%	
17	5.65% due 2055	525,000	5.72%	7.88%	0.45%	
18	Sub-Total Fixed Rate	<u>6,475,000</u>		<u>97.23%</u>		
<u>Trust Preferred Capital Securities</u>						
19	7.38% Rate Due 4/6/28	80,521	7.50%	1.21%	0.09%	
20	Variable Rates Due 4/6/28	805	8.75%	0.01%	0.00%	
21	5.75% Rate Due 6/15/33	103,093	5.88%	1.55%	0.09%	
22	Sub-Total Capital Securities	<u>184,419</u>		<u>2.77%</u>		
23	Total Long-Term Debt	6,659,419		<u>100.00%</u>	<u>4.51%</u>	
24	Adjustment for Tenders & Calls	<u>(521)</u>				
25	Net Long-Term Debt	<u>\$ 6,658,898</u>				
26	Annualized Cost	\$ 300,340				
27	Adjustment for Tenders & Calls Reacquired	<u>68</u>				
28	Total	<u>\$ 300,408</u>				<u>4.51%</u>

**SCHEDULE A
SUPPORTING DATA**

PECO-GAS OPERATIONS
Plant in Service at December 31, 2025
Gas Plant
(in Thousands\$)

A-1

	<u>Plant</u>	Depreciation <u>Reserve</u>	<u>Net</u>
Total Depreciable Gas Plant	\$ 4,643,812	\$ 1,028,485	\$ 3,615,328
 <u>Add: Other Accounts</u>			
302, 360 Franchise, Land and Land Rights	\$ 66		\$ 66
374 Land and Land Rights	<u>\$ 5,645</u>		<u>\$ 5,645</u>
Total Gas Plant	\$ 4,649,523	\$ 1,028,485	\$ 3,621,039
Allocated Common Plant	<u>\$ 247,657</u>	<u>\$ 93,415</u>	<u>\$ 154,242</u>
Total Gas and Allocated Common	\$ 4,919,099	\$ 1,132,057	\$ 3,775,281

PECO-GAS OPERATIONS
 Plant in Service at December 31, 2025
 Common Plant
 (in Thousands\$)

A-2

	<u>Plant</u>	<u>Depreciation Reserve</u>	<u>Net</u>
Depreciable Common Plant	\$ 4,643,812	\$ 1,028,485	\$ 3,615,328
 <u>Other Common Plant</u>			
301, 389 Organization, Land and Land Rights	\$ <u>66</u>		\$ <u>66</u>
 Total Common Plant in Service	 \$ 4,643,878	 \$ 1,028,485	 \$ 3,615,393
 <u>Total Common Plant Allocated</u>			
PECO Electric	\$ 863,412	\$ 325,673	\$ 537,739
Electric Distribution	\$ 756,741	\$ 285,438	\$ 471,303
Gas	\$ 247,657	\$ 93,415	\$ 154,242

PECO-GAS OPERATIONS
AVERAGE GAS INVENTORY AND MATERIALS AND SUPPLIES
Thirteen Months Ended December 31, 2025
(in Thousands\$)

A-3

	Propane / Other	Gas Stored Underground	Liquefied Natural Gas Stored	Gas Materials & Supplies	Stores Undist.
Mar-25	\$1,481	\$10,871	\$2,907	\$556	(\$560)
Apr-25	\$1,481	\$11,311	\$2,857	\$569	(\$2,433)
May-25	\$1,481	\$16,991	\$2,804	\$563	(\$911)
Jun-25	\$1,481	\$22,340	\$3,219	\$912	(\$1,049)
Jul-25	\$1,570	\$28,648	\$3,738	\$969	(\$1,747)
Aug-25	\$1,710	\$35,448	\$4,008	\$858	(\$2,066)
Sep-25	\$1,710	\$40,349	\$3,962	\$1,429	(\$2,581)
Oct-25	\$1,710	\$44,863	\$3,912	\$1,380	(\$2,857)
Nov-25	\$1,710	\$44,665	\$3,873	\$1,403	(\$2,421)
Dec-25	\$1,693	\$37,749	\$3,774	\$1,413	\$0
Dec-24	\$1,527	\$31,540	\$3,928	\$517	\$0
Jan-25	\$1,527	\$21,596	\$3,071	\$541	(\$535)
Feb-25	\$1,481	\$13,954	\$2,966	\$528	(\$319)
13 Month Total	\$20,564	\$360,324	\$45,018	\$11,638	(\$17,478)
13 Month Avg	\$1,582	\$27,717	\$3,463	\$895	(\$1,344)
Applicable to Gas					(\$300)
<u>Total</u>	<u>\$33,358</u>				

PECO-GAS OPERATIONS
CUSTOMER DEPOSITS AND ADVANCES
Thirteen Months Ended December 31, 2025
(in Thousands\$)

A-4

	<u>Customer Deposits</u>	<u>Customer Advances</u>
Mar-25	\$ 14,774	\$ 1,033
Apr-25	\$ 15,409	\$ 1,043
May-25	\$ 15,856	\$ 1,198
Jun-25	\$ 15,962	\$ 1,270
Jul-25	\$ 16,172	\$ 1,295
Aug-25	\$ 16,365	\$ 1,436
Sep-25	\$ 16,683	\$ 1,480
Oct-25	\$ 18,643	\$ 1,981
Nov-25	\$ 18,801	\$ 1,974
Dec-25	\$ 19,104	\$ 2,014
Dec-24	\$ 15,404	\$ 964
Jan-25	\$ 13,972	\$ 971
Feb-25	<u>\$ 14,236</u>	<u>\$ 1,037</u>
Total	\$ 211,381	\$ 17,695
13 month Avg	\$ 16,260	\$ 1,361

**SCHEDULE B
SUPPORTING DATA**

PECO-GAS OPERATIONS
INTEREST ON CUSTOMER DEPOSITS
Twelve Months Ended December 31, 2025
(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	\$ 684
Decrease in Income Taxes @ 27.31%	\$ (187)
Decrease in Income for Return	\$ (497)

PECO-GAS OPERATIONS
REVENUE ANNUALIZATION
Twelve Months Ended December 31, 2025
(in Thousands\$)

B-2

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

Change in Revenues (B-2a)	\$	854
Decrease in Income Taxes @ 27.31%	\$	233
Decrease in Income for Return	\$	621

PECO-GAS OPERATIONS
REVENUE ANNUALIZATION
Twelve Months Ended December 31, 2025
(in Thousands\$)

B-2a

	<u>Residential (a)</u>	<u>SCI</u>	<u>LCI</u>	<u>Other</u>	<u>Total</u>
Revenues	\$ 387,606	\$ 137,419	\$ 119	\$ 681	\$ 525,826
Distribution Weather Adjustment	<u>\$ 1,027</u>	<u>\$ 682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,709</u>
Margin-Revenue Net of Commodity	\$ 388,633	\$ 138,101	\$ 119	\$ 681	\$ 527,534
Avg Monthly Customers	509,749	44,699	6	16	554,470
Avg Margin Per Customer	Thousand\$ \$ 0.762	\$ 2.075	\$ 20	\$ 42.576	
Number of Customers End of December 2025	510,959	44,682	6	16	555,663
Increase in Number of Customers During the Year	1,210	(17)	-	-	1,193
Annualization of Revenue	\$ 923	\$ (68)	\$ -	\$ -	\$ 854

(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, 2025
 (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	\$	1,628
Plus: Overtime @ 31.10%		<u>\$506</u>
Change in Applicable Payroll Expense		\$2,134
Adjustment to Pension and Net FAS 106 Costs (a)		\$598
Net Expense Change		\$2,732
Decrease in Income Tax at 27.31%		(\$746)
Decrease in Income for Return		(\$1,986)
<hr/>		
(a) Proforma		\$1,154
Actual		<u>\$788</u>
Increase		\$366

PECO-GAS OPERATIONS
ADJUST BOOK DEPRECIATION ACCRUAL TO
CALCULATED ACCRUAL RATE FOR YEAR END PLANT
Twelve Months Ended December 31, 2025
(in Thousands\$)

B-4

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

Annualized Depreciation	\$131,715
Book Depreciation	<u>\$104,499</u>
Change in Depreciation	\$27,216
Decrease in Income Tax at 27.31%	(7,433)
Decrease in Income for Return	(19,783)

PECO-GAS OPERATIONS
ADJUSTMENT TO ELIMINATE OFF SYSTEM RELATED REVENUES AND COSTS
Twelve Months Ended December 31, 2025
(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	\$ 14,675
Expense to be Removed	\$ 10,388
Taxable Income to be Removed	\$ 4,286
Decrease in Income Taxes at 27.31%	\$ (1,171)
Decrease in Income for Return	\$ (3,115)

PECO-GAS OPERATIONS
ADJUSTMENT TO DISTRIBUTION REVENUES
TO REFLECT WEATHER NORMALIZED SALES
Twelve Months Ended December 31, 2025
(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.

Increase in Revenues	\$	776
Increase in Income Taxes at 27.31%	\$	212
Increase in Income for Return	\$	564

PECO-GAS OPERATIONS
Leap Year Revenue Normalization
Twelve Months Ended December 31, 2025
(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 2025 February to normalize the revenue impact from leap year

Total Revenue Increase	\$572
Increase in Income Taxes @ 27.31%	\$156
Increase in Income for Return	\$416

PECO-GAS OPERATIONS
CAP Revenue Credits and Adjustments
Twelve Months Ended December 31, 2025
(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 2025

CAP Discount Annualization	\$	296
Net of Impact of Write Off and Working Capital	\$	261
Increase in Income Taxes @ 27.31%	\$	71
Increase in Income for Return	\$	190

PECO-GAS OPERATIONS
NORMALIZATION OF UNCOLLECTIBLE ACCOUNTS EXPENSE
Twelve Months Ended December 31, 2025
(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	\$	4,957
Amount in Actual Expense	\$	<u>6,051</u>
Increase in Cost	\$	(1,093)
Decrease in Income Taxes at 27.31%	\$	299
Decrease in Income for Return	\$	794