



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

AN EXELON COMPANY

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**VIA E-FILE ONLY**

March 31, 2026

Matthew Homsher, 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 Electric Operations, Docket No. M-2026-3059582

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission PECO's Financial Report for the twelve months ended December 31, 2025, for Electric Regulated Operations (Utility Code -110550). 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 \$97.8M in adjusted income for common equity or 1.68% 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-ELECTRIC REGULATED OPERATIONS**

**Financial Report**

**Twelve Months Ending December 31, 2025**

Company Name: 110550-PECO-Electric Regulated Operations  
 Financial Report for Twelve Months Ending: 12/31/2025

SCHEDULE A1  
 (in thousands)

	Actual per Books	Intrastate %	Intrastate Per Books	Adjustments (a)	Adjusted Results
Original Cost					
Plant in Service	11,870,982	1.00000	11,870,982	2,283,830	14,154,812
Depreciation Reserve	2,367,875	1.00000	2,367,875	235,690	2,603,565
Net Plant	9,503,107	1.00000	9,503,107	2,048,140	11,551,247
ADDITIONS:					
Ld./Plt. Future Use	-	1.00000	-	-	-
Materials & Suppl.	53,088	1.00000	53,088	-	53,088
CWC (b)	290,371	1.00000	290,371	-	290,371
Unamortized AMR Recovery	0	1.00000	-	-	-
Pension Assets/(Liabilities)	163,722	1.00000	163,722	-	163,722
DEDUCTIONS:					
Acc. Def. Income Taxes	-	1.00000	-	-	-
Liberalized Depr.	849,454	1.00000	849,454	235,938	1,085,392
I. T. C.	-	1.00000	-	-	-
Other	-	1.00000	-	-	-
Customer Deposits	66,853	1.00000	66,853	-	66,853
Customer Advances	10,468	1.00000	10,468	-	10,468
Cont. Aid of Constr.	(12,383)	1.00000	(12,383)	3,444	(8,939)
Other	-	1.00000	-	-	-
 RATE BASE	 9,095,896		 10,904,655	 1,808,758	 10,904,655
Operating Revenues	3,556,015	1.00000	3,556,015	(21,966)	3,534,049
Operating Revenue Deductions:					
O & M Expense	2,256,709	1.00000	2,256,709	(726)	2,255,983
Annual Depreciation	307,157	1.00000	307,157	102,323	409,480
Taxes-					
-Other Than Income	227,045	1.00000	227,045	1,068	228,113
-State Income-Curr.	-	1.00000	-	(9,959)	(9,959)
-Fed. Income-Curr.	46,584 *	1.00000	46,584	(24,080)	22,504
-Deferred Inc. Txs.	-	1.00000	-	-	-
-I.T.C. (net)	-	1.00000	-	-	-
Total Oper. Rev. Ded.	2,837,495		2,837,495	68,626	2,906,121
Inc. Avail. For Ret.	718,520		718,520	(90,592)	627,928
RATE OF RETURN - Overall	7.90%		7.90%		5.76%

\*includes state, federal and deferred income taxes and ITC

COMPANY NAME:

PECO  
**SUMMARY OF ADJUSTMENTS**  
*Electric Regulated Operations*

SCHEDULE B

<b>Rate Base Adjustments</b>	<b>Rate Base</b>	<b>Revenues</b>	<b>Taxes Other Expenses</b>	<b>Other Income</b>	<b>State Income Taxes</b>	<b>Federal Income Taxes</b>
(1) Adjustment for Additional Plant in Service	\$2,283,830					
(2) Adjustment for Additional Accumulated Reserve	\$235,690					
(3) Adjustment for Additional Accumulated Deferred Income Taxes	\$ 239,381					
<b>Total</b>	<b>\$1,808,759</b>					

<b>Income Statement Adjustments</b>	<b>Rate Base</b>	<b>Revenues</b>	<b>Taxes Other Expenses</b>	<b>Other Income</b>	<b>State Income Taxes</b>	<b>Federal Income Taxes</b>
(1) Revenue Annualization*		\$ 2,712		\$ 160	\$ 204	\$ 493
(2) Wage Change, Pension and FAS 106 Adjustment*			\$ 12,226		\$ (977)	\$ (2,362)
(3) Book Depreciation on Year End Asset Basis*			\$ 102,323		\$ (8,176)	\$ (19,770)
(4) Interest on Customer Deposits*			\$ 3,315		\$ (265)	\$ (640)
(5) CAP Revenue Credit Annualization*		\$ (3,827)		\$ (226)	\$ (288)	\$ (696)
(6) Weather Normalization of Distribution Revenues*		\$ (20,642)		\$ (1,218)	\$ (1,552)	\$ (3,753)
(7) Adjustment to Normalize Storm Expenses*			\$ 23,794		\$ (1,901)	\$ (4,598)
(8) Normalization of Uncollectible Accounts Expense*			\$ (40,061)	\$ 2,364	\$ 3,012	\$ 7,284
(9) Leap Year Revenue Normalization		\$ 1,148		\$ 68	\$ 86	\$ 209
(10) Regulatory Initiative Recovery						
(11) Eliminate DSIC Revenue		\$ (1,357)		\$ (80)	\$ (102)	\$ (247)
<b>Total</b>		<b>\$ (21,966)</b>	<b>\$ 101,597</b>	<b>\$ 1,068</b>	<b>\$ (9,959)</b>	<b>\$ (24,080)</b>

COMPANY NAME:

**PECO**  
**Electric Regulated 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 Adjustments**

- (1) Revenue Annualization-The purpose of this adjustment is to annualize revenues to reflect period end level of customers. This adjustment was included at R-2015-2468981.
- (2) Wage Change, Pension and FAS 106 Adjustment-The purpose of this adjustment is to develop the changes in wages, pensions and employee benefits not yet fully reflected in the twelve month periods. These adjustments were included at R-2015-2468981.
- (3) Book Depreciation on Year End Asset Basis - This adjustment is necessary to reflect a full year's depreciation for plant added during the reporting period. This adjustment was included at R-2015-2468981.
- (4) Adjustment to Include Interest on Customer Deposits-The purpose of this adjustment is to include the cost of interest accrued to the Company due to customer deposits. This adjustment was included at R-2015-2468981.
- (5) 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. This adjustment was included at R-2015-2468981.
- (6) Weather Normalization of Distribution Revenues-The purpose of this adjustment is to reflect the effect of weather normalization on distribution revenues and expenses. This adjustment was included at R-2015-2468981.
- (7) Adjustment for Normalization of Storm Expenses-The purpose of this adjustment is to normalize storm expenses for the year. This adjustment was included at R-2015-2468981.
- (8) Adjustment to Normalize Uncollectible Accounts Expense-The purpose of this adjustment is to normalize uncollectible accounts expense. This adjustment was included at R-2015-2468981.
- (9) 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. This adjustment was included at R-2015-2468981.
- (10) Regulatory Initiative Recovery - The purpose of this adjustment is to amortize the deferred costs from 2014 and 2015 for the CAP Redesign and Off-Cycle Switching programs. This adjustment was included at R-2015-2468981.
- (11) Adjustment to eliminate actual DSIC revenue for the 12-month period.

Company Name: 110550-PECO-Electric Regulated 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	9,095,896	4,229,592	0.0451	190,755
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5350		4,866,305		
4. TOTAL	1.0000		9,095,897		190,755

	Intrastate per Book
	-----
5. Income Available for Return	718,520
6. Less: Total Rate Base Related Cost of Debt & Preferred	190,755
7. Income Available for Common Equity (Line 5 - Line 6)	527,765
8. Debt Cost	190,755
9. Less: Interest Expense used to compute State & Fed. Income Tax	166,658
10. Difference (Line 8 less Line 9)	24,097
11. Times: Effective State and Federal Income Tax Rate	0.273121
12. Net Addition of (Deduction) (Line 10 x Line 11)	6,581
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)	534,346
14. Return on Common Equity (Line 7/ Line 3, Col. 3)	0.10845
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)	0.10981

Company Name: 110550-PECO-Electric Regulated Operations

INTRASTATE ADJUSTED

SCHEDULE D-2

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	10,904,655	5,070,665	0.0451	228,687
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5350		5,833,991		
4. TOTAL	1.0000		10,904,656		228,687
=====					Intrastate Adjusted
5. Income Available for Return					627,928
6. Less: Total Rate Base Related Cost of Debt & Preferred					228,687
7. Income Available for Common Equity (Line 5 - Line 6)					399,241
8. Debt Cost					228,687
9. Less: Interest Expense used to compute State & Fed. Income Tax					166,658
10. Difference (Line 8 less Line 9)					62,029
11. Times: Effective State and Federal Income Tax Rate					0.273121
12. Net Addition of (Deduction) (Line 10 x Line 11)					16,941
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)					416,182
14. Return on Common Equity (Line 7/ Line 3, Col. 3)					0.06843
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)					0.07134

Company: 110550-PECO-Electric Regulated Operations  
 Calculation of Capital Structure and Related Ratios  
 for the period: 12/31/2025  
 (in thousands)

SCHEDULE E

	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	0	
Capital Surplus	3,799,259	
Capital Stock Expense	0	
Retained Earnings	0	
Other	2,437,648	
Total Common Equity	7,659,911	0.5350
Total Capital	14,318,809	1.0000

**PECO - Electric Regulated 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	[ 2 ] Effective Interest Rate	[ 3 ] Percent to Total	[ 4 ] Average Weighted Cost Rate [ 2 ] * [ 3 ]	[ 5 ] Annualized Cost
<b><u>First &amp; Refunding Mortgage Bonds - Fixed Rate</u></b>						
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%	
8	3.90% due 2049	325,000	4.17%	4.88%	0.20%	
9	3.00% due 2049	325,000	3.10%	4.88%	0.15%	
10	2.80% due 2050	350,000	2.86%	5.26%	0.15%	
11	3.05% due 2051	375,000	3.11%	5.63%	0.18%	
12	2.85% due 2051	375,000	2.91%	5.63%	0.16%	
13	4.60% due 2052	350,000	4.71%	5.26%	0.25%	
14	4.375% due 2052	425,000	4.46%	6.38%	0.28%	
15	4.90% due 2033	575,000	5.03%	8.63%	0.43%	
16	5.25% due 2054	575,000	5.34%	8.63%	0.46%	
17	4.875% due 2035	525,000	4.96%	7.88%	0.39%	
18	5.65% due 2055	525,000	5.72%	7.88%	0.45%	
19	Sub-Total Fixed Rate	<u>6,475,000</u>		<u>97.23%</u>		
<b><u>Trust Preferred Capital Securities</u></b>						
20	7.38% Rate Due 4/6/28	80,521	7.50%	1.21%	0.09%	
21	Variable Rates Due 4/6/28	805	8.75%	0.01%	0.00%	
22	5.75% Rate Due 6/15/33	103,093	5.88%	1.55%	0.09%	
23	Sub-Total Capital Securities	<u>184,419</u>		<u>2.77%</u>		
24	Total Long-Term Debt	6,659,419		<u>100.00%</u>	<u>4.51%</u>	
25	Adjustment for Tenders & Calls	<u>(521)</u>				
26	Net Long-Term Debt	<u>\$ 6,658,898</u>				
27	Annualized Cost	\$ 300,340				
28	Adjustment for Tenders & Calls Reacquired	<u>68</u>				
29	Total	<u>\$ 300,408</u>				<u>4.51%</u>

**SCHEDULE A  
SUPPORTING DATA**

PECO-Electric Regulated Operations  
 Plant in Service at December 31, 2025  
 (in Thousands)

	<u>Plant</u>	<u>Depreciation Reserve</u>	<u>Net</u>
Electric Regulated Plant in Service incl. Applic. Reg. Asset	\$ 11,083,080	\$ 2,072,414	\$ 9,010,666
Stranded Cost	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjusted Plant and Stranded Cost Asset and Reserve	\$ 11,083,080	\$ 2,072,414	\$ 9,010,666
Allocated Common	<u>\$ 787,902</u>	<u>\$ 295,461</u>	<u>\$ 335,397</u>
<b>Total Electric Regulated Plant and Allocated Common</b>	<b>\$ 11,870,982</b>	<b>\$ 2,367,875</b>	<b>\$ 9,346,063</b>

PECO-Electric Regulated Operations  
 Plant in Service at December 31, 2025  
 (in Thousands)

**Common Plant**

		<u>Plant</u>	Depreciation <u>Reserve</u>		<u>Net</u>
Depreciable Common Plant	\$	780,455	\$ 295,461	\$	484,994
 <u>Other Common Plant</u>					
301, 389 Organization, Land and Land Rights	\$	<u>7,447</u>		\$	<u>7,447</u>
 <b>Total Common Plant in Service</b>	 \$	 787,902	 \$ 295,461	 \$	 492,441
 <u>Total Common Plant Allocated</u>					
PECO Electric	\$	612,278	\$ 229,603	\$	382,675
Electric Distribution	\$	536,634	\$ 201,237	\$	335,397
Gas	\$	175,623	\$ 65,858	\$	109,765

PECO-Electric Regulated Operations  
AVERAGE ELECTRIC MATERIALS AND SUPPLIES  
Thirteen Months Ended December 31, 2025  
(in Thousands)

A-3

	<u>Materials and Supplies</u>	<u>Stores Undistributed</u>
Apr-25	\$53,221	(\$2,433)
May-25	\$52,254	(\$911)
Jun-25	\$51,439	(\$1,049)
Jul-25	\$54,686	(\$1,747)
Aug-25	\$51,078	(\$2,066)
Sep-25	\$50,618	(\$2,581)
Oct-25	\$50,397	(\$2,857)
Nov-25	\$49,462	(\$2,421)
Dec-25	\$50,082	\$0
Dec-24	\$46,895	\$0
Jan-25	\$48,223	(\$535)
Feb-25	\$50,976	(\$319)
Mar-25	\$51,040	(\$560)
13 month Total	\$660,371	(\$17,478)
13 month Average	\$50,798	(\$1,344)
Allocated to Electric Regulated		(\$915)
<b>Total</b>	<b><u>\$49,883</u></b>	

PECO-Electric Regulated Operations  
 CUSTOMER DEPOSITS AND ADVANCES  
 Thirteen Months Ended December 31, 2025  
 (in Thousands)

A-4

	<u>Customer Deposits</u>	<u>Customer Advances</u>
Apr-25	\$ 63,450	\$ 7,944
May-25	\$ 65,193	\$ 7,480
Jun-25	\$ 65,547	\$ 8,730
Jul-25	\$ 66,891	\$ 13,442
Aug-25	\$ 67,763	\$ 12,482
Sep-25	\$ 69,057	\$ 11,891
Oct-25	\$ 69,784	\$ 12,405
Nov-25	\$ 71,048	\$ 12,916
Dec-25	\$ 72,793	\$ 13,718
Dec-24	\$ 56,141	\$ 8,256
Jan-25	\$ 57,166	\$ 10,444
Feb-25	\$ 58,297	\$ 8,761
Mar-25	\$ 60,652	\$ 7,609
	<hr/>	<hr/>
Total	\$ 843,781	\$ 136,078
13 month Avg	\$ 64,906	\$ 10,468

**SCHEDULE B  
SUPPORTING DATA**

PECO-ELECTRIC REGULATED OPERATIONS  
REVENUE ANNUALIZATION  
Twelve Months Ending December 31, 2025  
(in Thousands\$)

B-1

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-1a)	\$ 2,712
Less: Gross Receipts Tax	<u>\$ 160</u>
Net of Gross Receipts Tax	\$ 2,552
Increase in Income Taxes @ 27.31%	\$ 697
Increase in Income for Return	\$ 1,855

PECO-ELECTRIC REGULATED OPERATIONS  
REVENUE ANNUALIZATION  
Twelve Months Ending December 31, 2025  
(in Thousands\$)

B-1a

	<u>Residential</u>	<u>Residential Heating</u>	<u>Small C&amp;I</u>	<u>Large C&amp;I</u>	<u>Railroads and Railways</u>	<u>Street Lighting</u>	<u>Total</u>
Distribution Revenues	\$ 1,078,317	\$ 211,403	\$ 342,233	\$ 233,068	\$ 9,426	\$ 23,231	\$ 1,897,677
Distribution Weather Adjustment	\$ (14,313)	\$ (2,074)	\$ (2,775)	\$ (1,480)	\$ -	\$ -	\$ (20,642)
Margin-Revenue	\$ 1,064,004	\$ 209,329	\$ 339,457	\$ 231,588	\$ 9,426	\$ 23,231	\$ 1,877,035
Avg Monthly Customers	\$ 1,335,280	\$ 203,713	\$ 158,636	\$ 3,154	\$ 5	\$ 10,447	1,711,235
Avg Margin Per Customer	Thousand\$ 0.797	\$ 1.028	\$ 2.140	\$ 73.431	\$ 1,885.125	\$ 2.224	
Number of Customers End of December 2025	1,337,201	204,769	158,641	3,155	5	10,447	1,714,218
Increase in Number of Customers During the Year	1,921	1,056	5	1	-	-	2,983
Annualization of Revenue	\$ 1,531	\$ 1,085	\$ 11	\$ 86	\$ -	\$ -	\$ 2,712

Revenue figures reflect billed revenues

PECO-Electric Regulated Operations  
 ANNUALIZATION OF WAGES, PENSIONS AND FAS 106 ADJUSTMENT  
 Twelve Months Ending December 31, 2025  
 (in Thousands)

B-2

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 Electric Base Wage	\$	7,210
Plus: Overtime @ 33.44%	\$	2,411
Change in Applicable Payroll Expense	\$	9,621
Adjustment to Pension and Net FAS 106 Costs (a)	\$	2,606
Net Expense Change	\$	12,226
Increase in Income Tax at 27.31%	\$	(3,339)
Increase in Income for Return	\$	(8,887)
<hr/>		
(a) Proforma		\$3,991
Actual		<u>\$2,569</u>
Decrease		\$1,422

PECO-Electric Regulated Operations  
ADJUST BOOK DEPRECIATION TO REFLECT YEAR END ASSET  
BASIS AS OF December 31, 2025  
(in Thousands)

This adjustment is necessary to adjust book depreciation on a period end basis.

Annualized Depreciation	408,021
Book Depreciation	<u>305,698</u>
Increase in Depreciation	102,323
Decrease in Income Taxes at 27.31%	(\$27,946)
Decrease in Income for Return	(\$74,377)

PECO-Electric Regulated Operations  
INTEREST ON COMPANY DEPOSITS  
Twelve Months Ending December 31, 2025  
(in Thousands)

B-4

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

Interest on Customer Deposits	\$3,315
Decrease in Income Taxes @ 27.31%	(\$905)
Decrease in Income for Return	(\$2,410)

PECO-Electric Regulated Operations  
CAP Revenue Credits and Adjustments  
Twelve Months Ending December 31, 2025  
(in Thousands)

B-5

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	\$	4,344
Net of Impact of Write Off and Working Capital	\$	3,827
Gross Receipts Tax	\$	<u>226</u>
Revenue Net of Gross Receipts Tax	\$	3,601
Increase in Income Taxes @ 27.31%	\$	984
Increase in Income for Return	\$	2,618

PECO-Electric Regulated Operations  
ADJUSTMENT TO DISTRIBUTION REVENUES AND EXPENSES  
TO REFLECT WEATHER NORMALIZED SALES  
Twelve Months Ending December 31, 2025  
(in Thousands)

B-6

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

Decrease in Revenues	\$ (20,642)
Decrease in Gross Receipts Tax	<u>\$ (1,218)</u>
Decrease in Revenue Net of Gross Receipts Tax	\$ (19,424)
Decrease in Income Taxes at 27.31%	\$ (5,305)
Decrease in Income for Return	\$ (14,119)

PECO-Electric Regulated Operations  
NORMALIZATION OF STORM EXPENSES  
Twelve Months Ending December 31, 2025  
(in Thousands)

B-7

The purpose of this adjustment is to normalize storm expenses for the twelve month period.

Normalized Incremental Storm Expenses	\$49,376
Actual Incremental Storm Expenses in the Twelve Month Period	<u>\$25,582</u>
Increase in Storm Expenses	\$23,794
Decrease in Income Taxes @ 27.31%	(\$6,499)
Decrease in Income for Return	(\$17,295)

PECO-Electric Regulated Operations  
NORMALIZATION OF UNCOLLECTIBLE ACCOUNTS EXPENSE  
Twelve Months Ending December 31, 2025  
(in Thousands)

B-8

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	\$50,716
Amount in Actual Expense	<u>\$90,777</u>
Increase in Cost	(\$40,061)
Decrease in GRT	\$2,364
Decrease in Income Taxes @ 27.31%	\$10,296
Decrease in Income for Return	\$27,402

PECO-Electric Regulated Operations  
Leap Year Revenue Normalization  
Twelve Months Ending December 31, 2025  
(in Thousands)

B-9

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

Total Revenue Increase	\$1,148
Less: Gross Receipt Tax	<u>\$68</u>
Net of Gross Receipt Tax	\$1,080
Increase in Income Taxes @ 27.31%	\$295
Increase in Income for Return	\$785